Copper Rises On Manufacturing Gains In U.S., China

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The price of copper is higher after manufacturing expanded in the world's two largest economies and Americans spent more money on big-ticket items like automobiles.

Copper increased 3.45 cents Thursday to finish at $3.552 per pound.

Manufacturing improved in October in the U.S., the world's largest economy, according to the Institute of Supply Management, a private trade group of purchasing managers. It was the second consecutive month of growth, suggesting the sector should continue to expand based on increased consumer spending.

In addition, consumer confidence jumped in October to its highest level in nearly five years, the Conference Board reported. That prompted Americans to spend more on vehicles, other factory produced goods and retail stores.

Separately, China said its manufacturing sector expanded last month, which also pushed copper prices higher. China, the world's second-largest economy, is a huge importer of commodities like copper, soybeans and oil.

Copper often is considered a barometer of economic growth because it's used in a wide array of products from construction materials to electronics.

Phillip Streible, a senior commodities broker at RJ O'Brien, said he expects copper prices to continue to rise over the next couple of months, predicting that demand would improve as the Northeast rebuilds after the massive storm that hit this week.

Other commodity prices were mixed on the positive economic news.

Investors sold from gold and silver, which are considered safe-haven assets, to shift money into stocks. In December contracts, gold fell $3.60 to finish at $1,715.50 per ounce and silver dropped 6.8 cents to $32.248 per ounce.

January platinum decreased $3.80 to finish at $1,573.20 per ounce and December palladium rose $2.65 to $612.45 per ounce.

Oil and wholesale gasoline prices increased as power outages stemming from the storm hampered operations at refineries and supply terminals in the Northeast.

Benchmark oil rose 85 cents to finish at $87.09 per barrel, heating oil fell 2.91 cents to $3.0332 per gallon, wholesale gasoline rose 0.33 cent to $2.6336 per gallon and natural gas gained 0.7 cent to $3.699 per 1,000 cubic feet.

In agricultural contracts, December wheat rose 4 cents to finish at $8.685 per bushel, December corn fell 4.75 cents to $7.51 per bushel and January soybeans ended up 11.25 cents at $15.60 per bushel.

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