
Chilean Peso climbs to 16 month high as copper prices rally

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Bloomberg reported that Chile's peso rose to its strongest level against the US dollar in 16 months after copper prices and global stocks rallied.

The peso climbed 1.4% to 495.12 per dollar at 10:36 AM New York time from 502 on November 13th 2009. The currency touched 494.15, its strongest since July 2008. It has gained all but 2 days during November and during the past month has jumped 10.6% the best performance among all currencies tracked by Bloomberg.

Copper, of which Chile is the world's top producer, climbed to a 13 month high as the dollar slid and Japan's economy expanded more than forecast. Chile's revenue from copper exports rose 24% to USD 2.48 billion in October from USD 2 billion per year earlier. Copper made up 53% of the total value of Chile's exports last month compared to 42% per year ago.

Mr Win Thin a senior currency strategist at Brown Brothers Harriman & Company said that "Chile and Peru are doing well as these countries do a fair amount of trade with China in commodities, mostly metals. Besides copper, the peso is also benefiting from increased investor appetite for emerging-market assets."

Emerging market stocks headed for their highest close in 15 months as better than expected earnings boosted shares and analysts raised Brazil's economic growth estimate. In the US, the Standard & Poor's 500 Index gained 1.5%.

(Sourced from Bloomberg)

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