
Copper seen retreating on weak data after surge

Sunday, 22 Nov, 2009

Reuters reported that copper is seen lower as investors pause after prices hit 14 month highs in the previous session with weak US housing data hindering market attempts to push London prices past USD 7,000 per tonne.

1. 3 month copper on the London Metal Exchange MCU3 closed up USD 25 at USD 6,880 per tonne after hitting a session high of USD 6,992, its best level since late September 2008. It drifted lower to USD 6,857.50 in after hours trading.
2. LME copper stood at USD 6,910 per tonne when the Shanghai market closed.
3. Shanghai's benchmark third month copper SCFc3 rallied CNY 740 per tonne to close at CNY 53,940 per tonne, just off the session peak of CNY 53,950 it's highest since September 23rd 2008.
4. Construction of new homes in the United States hit a 6 month low in October, providing more evidence of the economy's sluggish recovery while a surge in the cost of new and used vehicles lifted consumer prices.
5. BHP Billiton halted all operations at its Spence copper mine in Chile after striking workers invaded the installations on the 37th day of the strike.
6. Copper stocks at LME warehouses rose another 4,100 tonnes to 414,100 tonnes, the highest since late April. In Shanghai copper inventories stand at 104,939 tonnes, the biggest in 5 and half years.
7. Copper prices have risen more than 120% this year riding on the strength in global equities, the dollar's weakness and on growing expectations demand will pick up strongly in 2010.

(Sourced from Reuters)

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