
Copper falls for third day in LME as slowdown curbs demand

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Bloomberg reported that copper fell for a third straight day, leading declines in all industrial metals on the London Metal Exchange, as a slowdown in world economic growth reduces demand from industry and increases stockpiles.

Mr Andrew Keen analyst at Sanford C Bernstein Limited said that rising inventories may push copper down 58% from this year's average to USD 3,250 a tonne. Copper in warehouses monitored by the exchange jumped 62 percent in the third quarter.

He added that "If you're genuinely that bearish on the outlook for the global economy, then the copper market looks like a great short or bet on lower prices. The key thing we're saying is we see support at USD 3,250, which is about 30% under where the market is."

Copper for delivery in three months declined USD 168 or 3.7% to USD 4,330 a tonne on the LME and earlier fell to USD 4,270, the lowest since December 15th 2005. Prices have declined 35% this year.

Bernstein Limited forecasts copper will trade at about USD 4,200 a tonne in 2009, with a supply surplus of 500,000 tonnes.

Meanwhile, BHP Billiton Limited said that production from Escondida slumped 32% in the three months ended September 30th 2008 from a year earlier because of declining ore grades and electrical failures.

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