

Metals Advance on Stimulus Outlook as Mine Halt Boosts Copper

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Copper climbed the most in a week as industrial metals advanced amid speculation global stimulus measures will bolster economic growth and spur more demand.

Central banks have been stepping up stimulus this year, with decisions in Switzerland and Norway due today after Sweden cut rates. Chinese equities rose a seventh day as investors bet monetary stimulus will revive growth in the largest metals user, while the Federal Reserve on Wednesday lowered projections for interest-rate increases.

A “pro-stimulus stance from most of the major central banks and countries seems to be the trend now,” Richard Fu, director for Asian commodity trading at Societe Generale Newedge U.K. Ltd. in London, said by e-mail. That should feed through to more demand for industrial commodities, he said.

Copper also gained as Freeport-McMoRan Inc. said Thursday a roadblock by workers at the Grasberg mine in Indonesia over the past four days has halted production. Shipments are still normal, it said. Grasberg was the world’s second-largest copper mine by capacity last year, according to the International Copper Study Group.

Copper for delivery in three months climbed 2.2 percent to \$5,797 a metric ton by 10:11 a.m. on the London Metal Exchange. It rose as much as 2.3 percent. On the Comex in New York, futures for May delivery gained 2.5 percent to \$2.6335 a pound. Aluminum, nickel and zinc rose at least 1 percent on the LME.

The Fed said a rate increase in April is unlikely, easing concern that tighter monetary policy would curb demand for riskier assets. The federal funds rate will be 0.625 percent by the end of 2015, according to Fed members’ estimates, versus a December forecast of 1.125 percent. The nation is the second-biggest copper consumer, after China.

“Pretty much as expected, the FOMC did not raise rates,” Malcolm Freeman, director of West Malling, England-based Kingdom Futures Ltd., said in an e-mail. “That along with continued disruption at Freeport’s Grasberg mine has halted the slide on copper for the time being.”

Copper stockpiles monitored by the LME rose 0.6 percent to 342,600 tons, the highest since January 2014. Canceled warrants fell 2.3 percent to 96,625 tons, after almost doubling on Wednesday.

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