

## **Copper Advances After China Economic Data Beats Forecasts**

*Morgane Lapeyre and Debarati Roy, Bloomberg, Jan 21, 2015*

Copper rose for the third time in four sessions in London after economic growth beat analyst estimates in China, the world's largest user of industrial metals.

Gross domestic product in the Asian nation rose 7.4 percent in 2014 from a year earlier, the statistics bureau said. That topped the 7.3 percent median estimate in a Bloomberg survey, while still the slowest pace since 1990. Copper prices have dropped 9.7 percent this year amid concern that a cooling Chinese economy will spur a glut.

"There is cautious optimism across the metals market after the Chinese data," Jeffrey Friedman, a senior commodity broker at RJO Futures in Chicago, said in a telephone interview. "Some investors are betting that we could see an improvement in demand."

On the London Metal Exchange, copper for delivery in three months rose 0.3 percent to settle at \$5,690 a metric ton (\$2.58 a pound) at 5:56 p.m. Aluminum, nickel, lead, tin and zinc climbed.

The gains for China's economic growth show that the government's stimulus efforts are starting to kick in, and industrial output and retail sales for December also were better than economists forecast. The International Monetary Fund on Monday increased its outlook for expansion in the U.S., the second-largest metal consumer.

The Chinese GDP data represented "upbeat news for copper, especially if you look at the industrial production number," Naeem Aslam, the chief market analyst at Dublin-based Avatrade Ltd., said in an e-mail. The IMF's upgrade for the U.S. "is again good news for copper demand," he said.

On the Comex in New York, copper futures for March delivery fell 0.9 percent to \$2.594 a pound.

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