

Copper rises to 1-week high on hopes for Chinese supply cuts

Investing.com, December 21, 2015

Copper prices rose to a more than one-week high on Monday, amid speculation that Chinese metal producers will scale back production to combat falling prices.

Copper for March delivery on the Comex division of the New York Mercantile Exchange inched up 0.3 cents, or 0.16%, to trade at \$2.116 a pound during morning hours in London. It earlier rose to \$2.121, the highest since December 11.

On Friday, copper surged 6.9 cents, or 3.38%, as a weaker dollar and hopes for global production cuts boosted prices.

Meanwhile, three-month copper on the London Metal Exchange tacked on 0.4% to \$4693.50 a metric ton.

Copper is on track to post an annual decline of 27% in 2015 as fears of a China-led global economic slowdown spooked traders and rattled sentiment.

The Asian nation is the world's largest copper consumer, accounting for nearly 45% of world consumption.

Elsewhere in metals trading, gold rose on Monday, adding to Friday's gains amid skepticism over the Federal Reserve's ability to raise interest rates as much as it would like next year.

The yellow metal is on track to post an annual decline of 11% in 2015, the third yearly loss in a row, as speculation over the timing of a Fed rate hike dominated market sentiment for most of the year.

The dollar index, which measures the greenback's strength against a trade-weighted basket of six major currencies, was at 98.80 during European hours, off last week's two-week peak of 99.33.

In the week ahead, trading volumes are expected to remain light due to the Christmas holiday and as many traders already closed books before the end of the year, reducing liquidity in the market and increasing volatility.

The U.S. is to release key reports on gross domestic product, durable goods orders, home sales and jobless claims later this week, as traders look for further indications on the strength of the economy.

Read more: <http://www.nasdaq.com/article/copper-rises-to-1-week-high-on-hopes-for-chinese-supply-cuts-cm557104#ixzz3v2aPjImF>