

## **Copper Price Hits Three-Month Intraday High**

Copper for May delivery on Monday rises as high as \$2.9145, up 5.6% from Friday's close

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The benchmark U.S. copper price jumped to its highest intraday level in three months after the close of the regular trading session on Monday, extending a surprising rebound in the battered commodity.

Copper for May delivery, the most actively traded futures contract, rose as high as \$2.9145 a pound, up 5.6% from Friday's close.

Prices started to rally around 3 p.m. EDT amid unusually heavy volumes for that time of day. The cause of the move was unclear to traders. Trading on the floor of the New York Mercantile Exchange's Comex division closes at 1 p.m. EDT, while electronic trading continues until 5:15 p.m.

"We had our heads down doing paperwork, and we looked up and...it was remarkable," said one trader.

Monday's swing is the latest illustration of volatility in the copper market, which has been in a slump for the past three years amid slowing growth in China, the world's biggest consumer of the industrial metal, and rising global supplies. In January, copper posted its biggest one-day decline since October 2011 in a move attributed to trading by hedge funds in China. More recently, copper has been pummeled by the strength of the dollar, which can weigh on demand by making the metal relatively more expensive for buyers outside the U.S.

Possible explanations for Monday's move ranged from an earthquake in Chile, the world's No. 1 copper producer, to hurried trading ahead of a contract expiration to anticipation of Chinese manufacturing data that was due later Monday. Copper is used extensively in manufacturing and construction, making it sensitive to economic data. February's reading represented the strongest showing for this indicator in seven months. Other data, however, have suggested continued softness in China's economy.

Investors also are on the lookout for more stimulus measures from China, as officials in the world's second-largest economy take steps to shore up growth. Previous stimulus efforts have involved funding infrastructure projects and easing monetary policy to spur consumer spending. China accounts for about 40% of global copper consumption.

Optimism about China helped the May copper contract close 1% higher Monday at \$2.7895 a pound on Comex. That is the highest close since Jan. 2. After the close, prices rose to their highest level since Dec. 15, 2014.

"We may have seen a bottom in copper," said James Cordier, president of OptionSellers.com. "Most investors are looking several months out and expect China to be doing much better than it is today."

Some traders attributed the late-day price jump to investors rolling over bets into the May copper contract from the March contract, which expires Friday.

Others said one potential reason behind the sudden updraft in copper prices was an earthquake in Chile. While the temblor occurred overnight, some news reports republished the story around 3 p.m. New York time, leading some traders to link the price move to the news.

Through late Monday, prices have bounced 20% since hitting a 5½-year low in intraday trading on Jan. 26.

Gains have accelerated since Wednesday, when the Federal Reserve gave a more dovish-than-expected assessment of the U.S. economy and indicated it was in no hurry to raise interest rates, sending the dollar lower.

A falling dollar is good news for copper, which is priced in the U.S. currency and becomes less expensive to foreign investors when the currency declines.

—Tatyana Shumsky contributed to this article.

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