

Copper hits 2-week low as market awaits clarity on smelter cuts

Reuters

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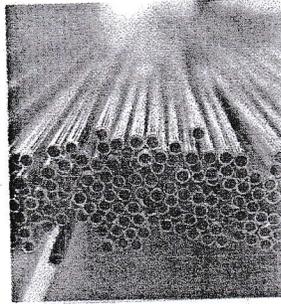
Copper prices retreated to a two-week low on Wednesday as investors awaited further detail on plans by Chinese smelters to cut production.

Three-month copper on the LME was down 0.7 per cent at \$8,804 a tonne in official rings.

LME copper soared to an 11-month high of \$9,164.50 on March 18 after top Chinese smelters announced plans for joint production cuts but did not provide detail on the extent or timing of any suspensions.

The smelters will have another meeting on Thursday March 28 on plans to bring forward maintenances and reduce loss-making capacity in the face of a shortage of copper concentrates, industry sources said.

Adding to the uncertainty



about smelter cuts, a state-backed research house said copper output from China was expected to grow by 3 per cent this year. Also dampening enthusiasm among speculators was a strong seasonal build-up of copper inventory in China.

Among other metals, zinc was down 1.1 per cent at \$2,415.5; aluminium declined 0.8 per cent to \$2,286 a tonne. Nickel edged down 0.6 per cent to \$16,540; lead lost 0.8 per cent to \$2,004 and tin was down 0.4 per cent at \$27,350.

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