



## COMPANY NEWS

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## METALS-Copper edges lower on China demand concerns

By Eric Onstad



(Adds analyst comment, update prices, changes dateline from HANOI)

LONDON, May 28 (Reuters) - Copper prices dipped on Friday as investors worried about demand from China and its authorities' action to curb commodity prices, but losses were capped by the prospect of U.S. spending.

Three-month copper on the London Metal Exchange was down 0.3% at \$10,193 a tonne by 1030 GMT, having surged by 31% so far this year and touched a record peak of \$10,747.50 on May 10.

"It's very confusing for the market because we have mixed messages. Investors are not chasing prices higher at current levels," Gianclaudio Torlizzi, partner at consultancy T-Commodity in Milan, said.

"On one hand, we have downside pressure on the market from China, but on the other hand, there's a fixation by the market that the new Biden spending plan will be very big."

Torlizzi expected copper prices to correct lower during the summer, when bullish investors would start buying again. He targeted \$8,000 as an attractive level to re-enter the market.

Stock markets gunned for record highs on Friday ahead of the White House laying out President Joe Biden's budget for trillions of dollars in spending on infrastructure, education

and other initiatives.

Copper is often considered a bellwether of the global economy due to its wide industrial uses, including in infrastructure projects.

The most-traded July copper contract on the Shanghai Futures Exchange closed up 2.2% to 73,350 yuan (\$11,509.31) a tonne.

\* The Yangshan copper premium SMM-CUYP-CN dropped to \$35.50 a tonne, its lowest since Feb. 2016, indicating weakening demand for imported metal into China.

\* Strikes at BHP's Escondida and Spence mines in top producer Chile continue to threaten global supply.

\* LME tin hit its highest since May 2011, climbing 3.3% to \$30,885 a tonne, after earthquakes following a volcanic eruption in Congo disrupted exports of tin concentrate.

\* LME aluminium fell 0.7% to \$2,64.50 a tonne, zinc shed 0.6% to \$3,043.50, lead dipped 0.1% to \$2,199.50 and nickel was barely changed at \$17,895. (\$1 = 6.3731 yuan) (Additional reporting by Mai Nguyen in Hanoi; editing by Barbara Lewis)

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