Metals, Stock Market Plunge on Debt Worries

NEW YORK (AP) — Metals prices plunged Monday on fears that debt problems in the United States and Europe could slow economic growth.

Metals futures fell along with the stock market. The Dow Jones industrial average was down 2 percent when commodities trading ended.

Markets plunged on the first day of trading after a 12-member congressional committee indicated that it would likely fail in its attempt to cut the federal budget deficit by $1.2 trillion over 10 years.

The committee had been formed this summer after Congress and President Obama reached an impasse for cutting the budget deficit. Traders worry that if the budget problems are not addressed, it could have a broader effect on economic growth.

At the same time, markets were also focused on the continuing debt problems in Europe. Ratings agency Moody's said Monday it might downgrade France's debt rating. France has an AAA rating, the highest Moody's offers. But the agency said debt problems throughout Europe are pushing France's borrowing costs dangerously high.

If U.S. and European debt problems slow economic growth, it would likely cut demand for metals like copper and palladium. The metals are used as raw materials in the housing, manufacturing and technology industries.

December palladium fell $19.35, or 3 percent, Monday to close at $585.80 an ounce. January platinum lost $44.90, or nearly 3 percent, to settle at $1,543.80 an ounce. Copper for December delivery dropped 9.9 cents, or nearly 3 percent, to $3.3030 per pound.

Precious metals were also lower. Gold for December delivery dropped $46.50, or 2.7 percent, to settle at $1,678.60 per ounce. December silver dropped $1.301, or 4 percent, to close at $31.116 an ounce.

Crop prices also fell. Corn, wheat and soybean prices tend to decline along with the stock market because traders think slower growth will cut demand for food and crop-based fuel.

Corn for December delivery fell 12.5 cents, or nearly 2 percent, to settle at $5.9775 per bushel. December soybeans dropped 20.25 cents, or nearly 2 percent, to close at $11.48 a bushel. December wheat lost 6.75 cents, or 1 percent, to finish at $5.915 per bushel.

In energy trading, benchmark crude oil lost 75 cents to end at $96.92 per barrel on

the New York Mercantile Exchange.

Heating oil lost 3.82 cents to finish at $2.9943 per gallon. Gasoline futures rose 1.06 cents to close at $2.489 per gallon and natural gas gained 6.2 cents to close at $3.558 per 1,000 cubic feet.

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