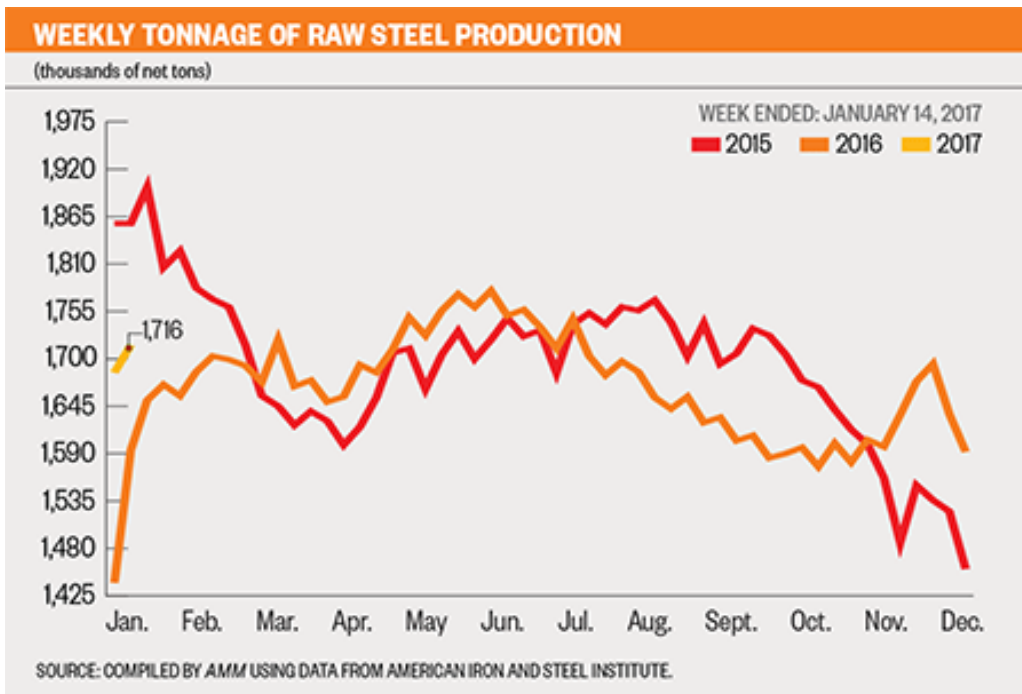
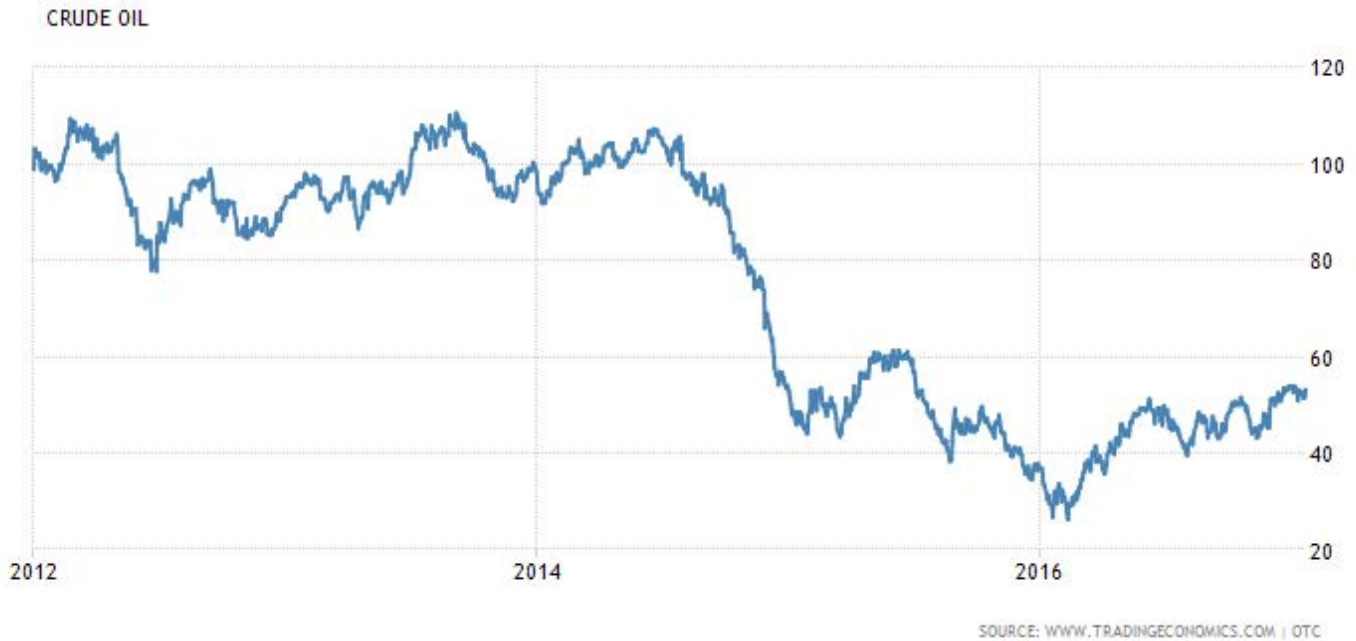


This is the Scrap Metal & Commodities Recycling Report, by BENLEE and Raleigh and Goldsboro Recycling, January 23rd, 2017.

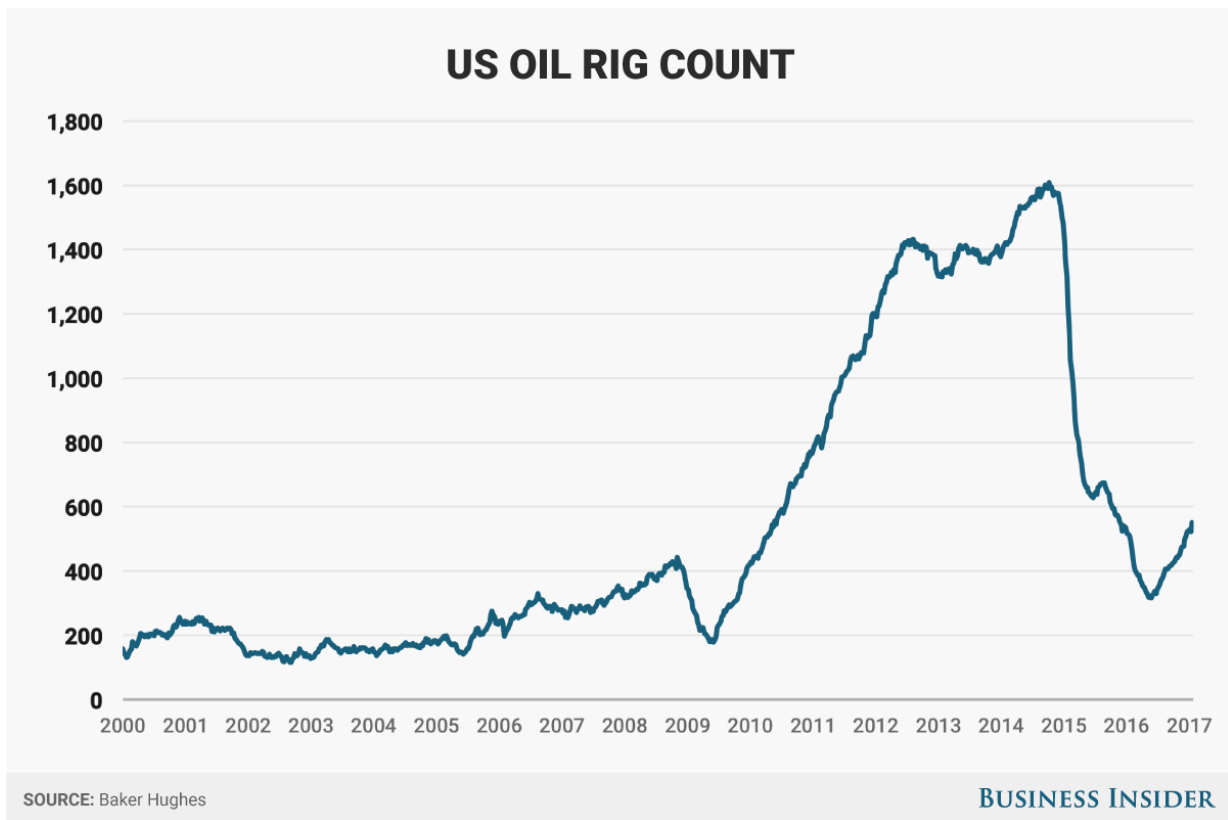
Last week commodity were up slightly, while economic reports remained mostly positive.



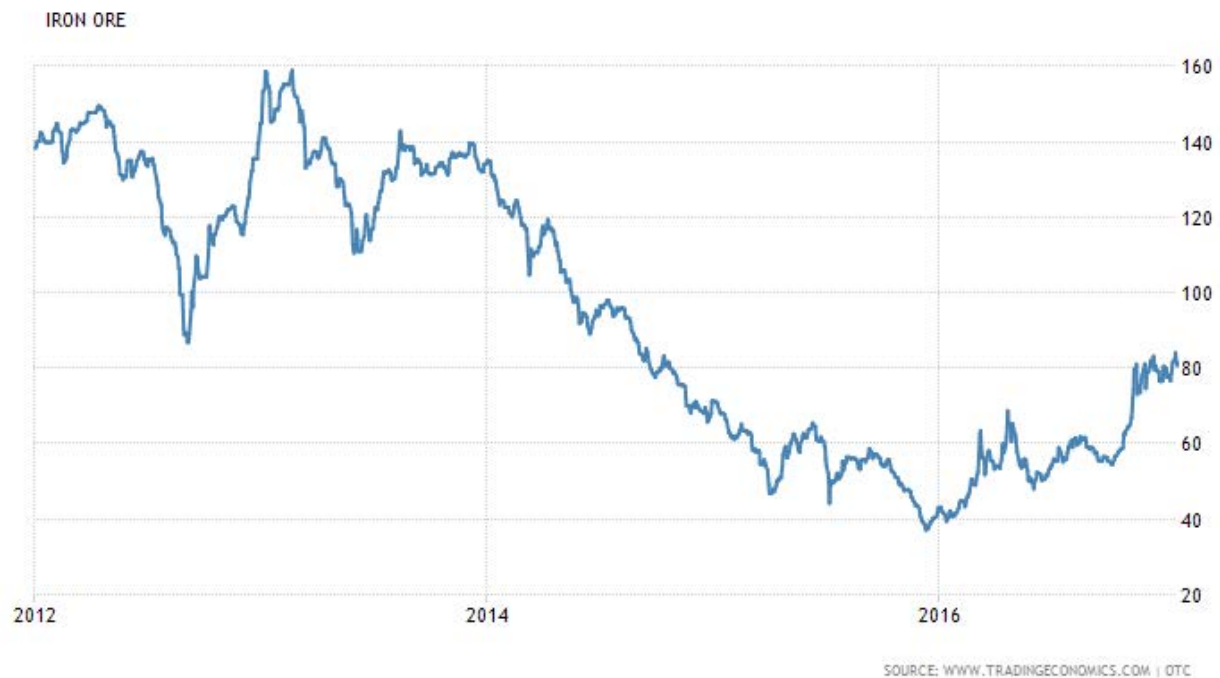
Looking at the left of this chart, steel production rose to the highest level in about 6 months, which was nicely higher than last year.



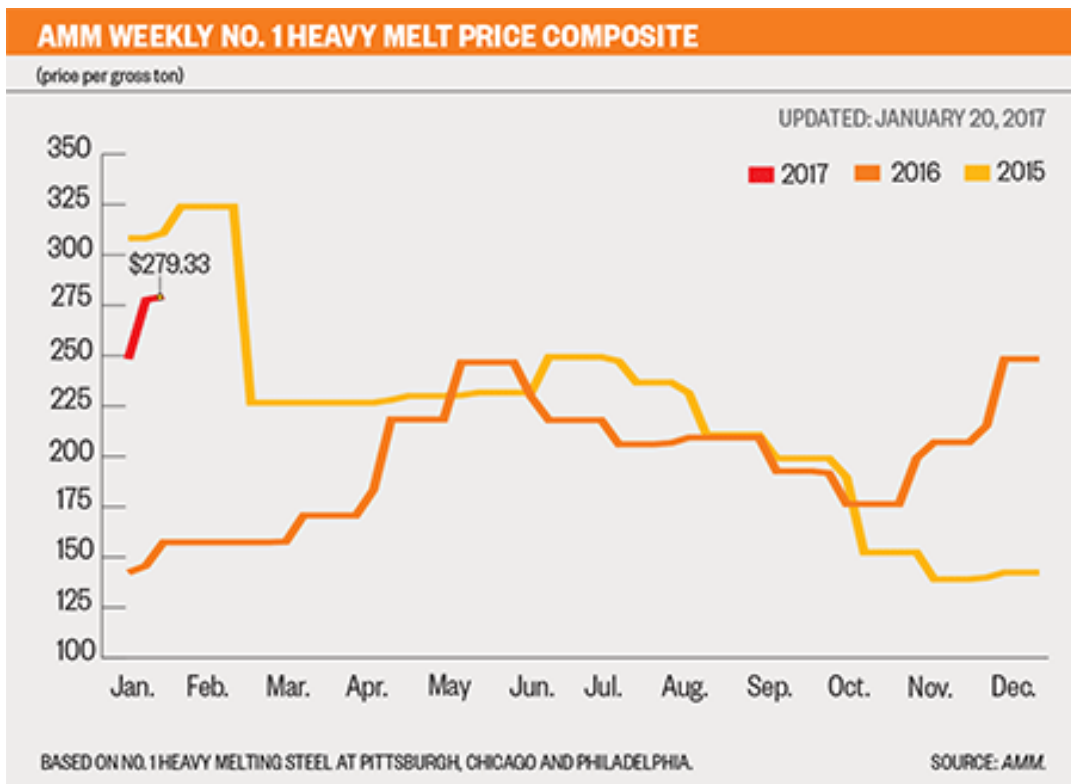
Oil rose \$1 to \$53/barrel, which remains almost double what it was a year ago and only a third of the \$145/barrel of 9 years ago. With oil staying over \$45/Barrel we see U.S. oil patch jobs and steel use for rigs coming back.



The oil rig count rose 29, the highest weekly rise in 3 years to 551. They were 74% above last year's 316 low, supporting higher steel prices.

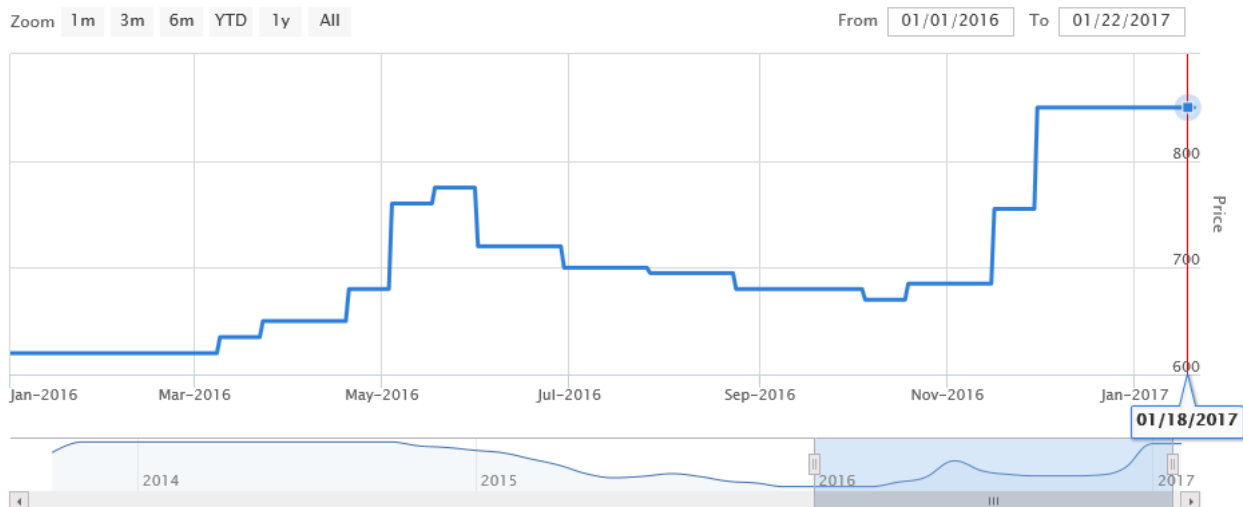


Iron ore ended down \$1 to \$80/MT, less than half the February 2011 high of \$192 but more than double the \$37/MT of 13 months ago.



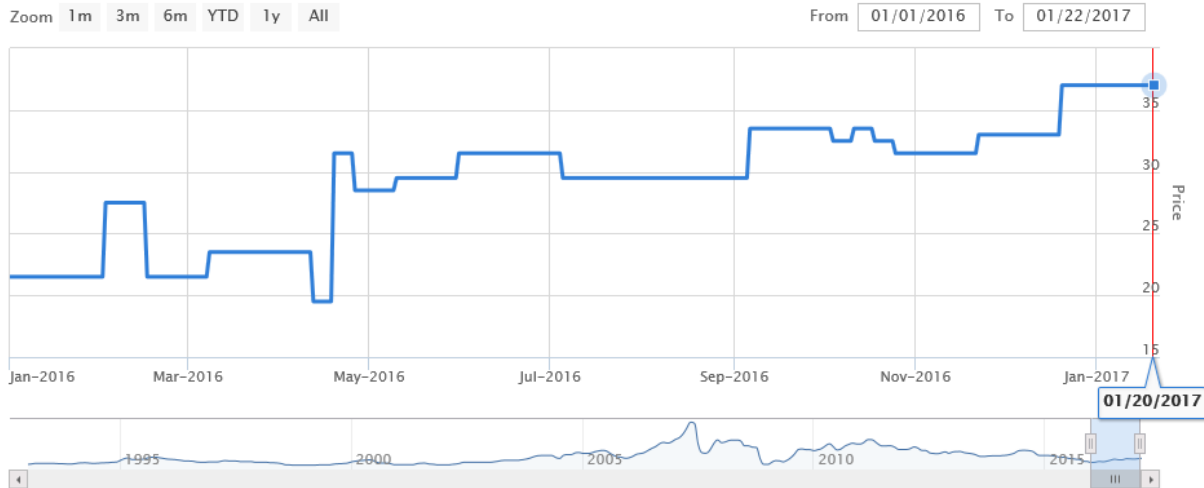
On the left we see scrap ferrous prices rose a bit and remain double of a year ago. Importantly, higher prices are bringing more scrap into scrap yards, which could mean stable to lower prices in the weeks to come, unless there is a major increase in exports or domestic use.

Hot Dipped Galvanized Coil



Hot dipped galvanized steel remained at \$850/Ton, which is showing stability after months of increases.

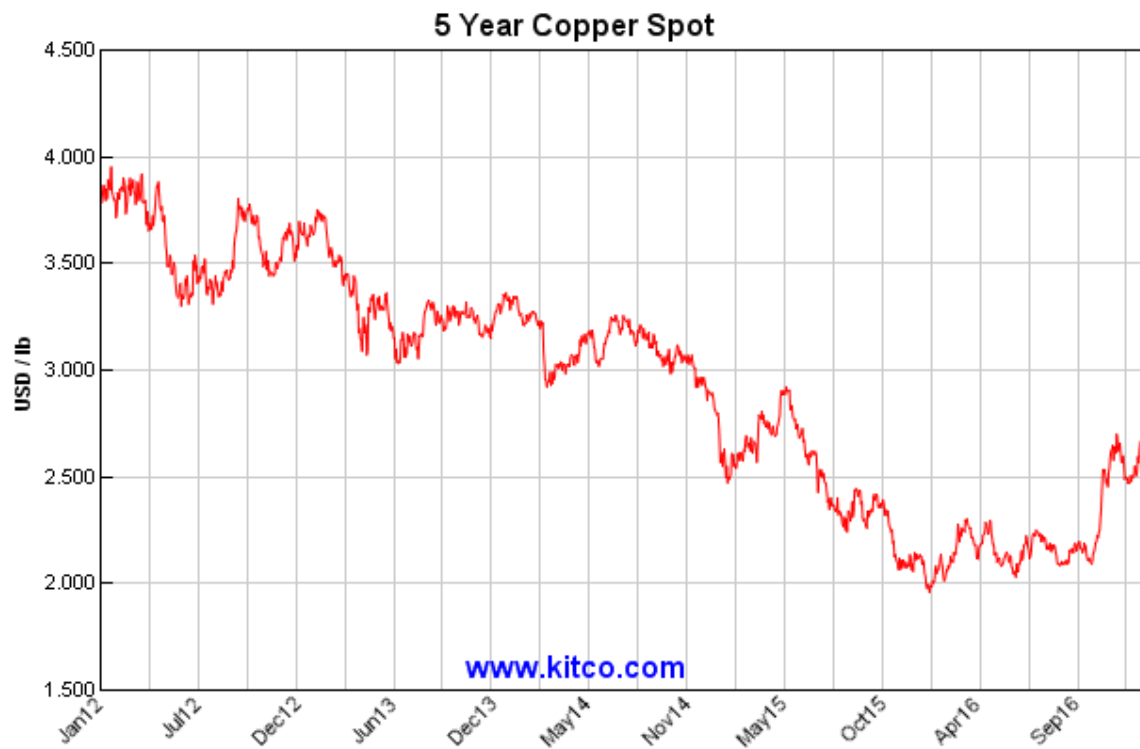
304 Stainless Scrap



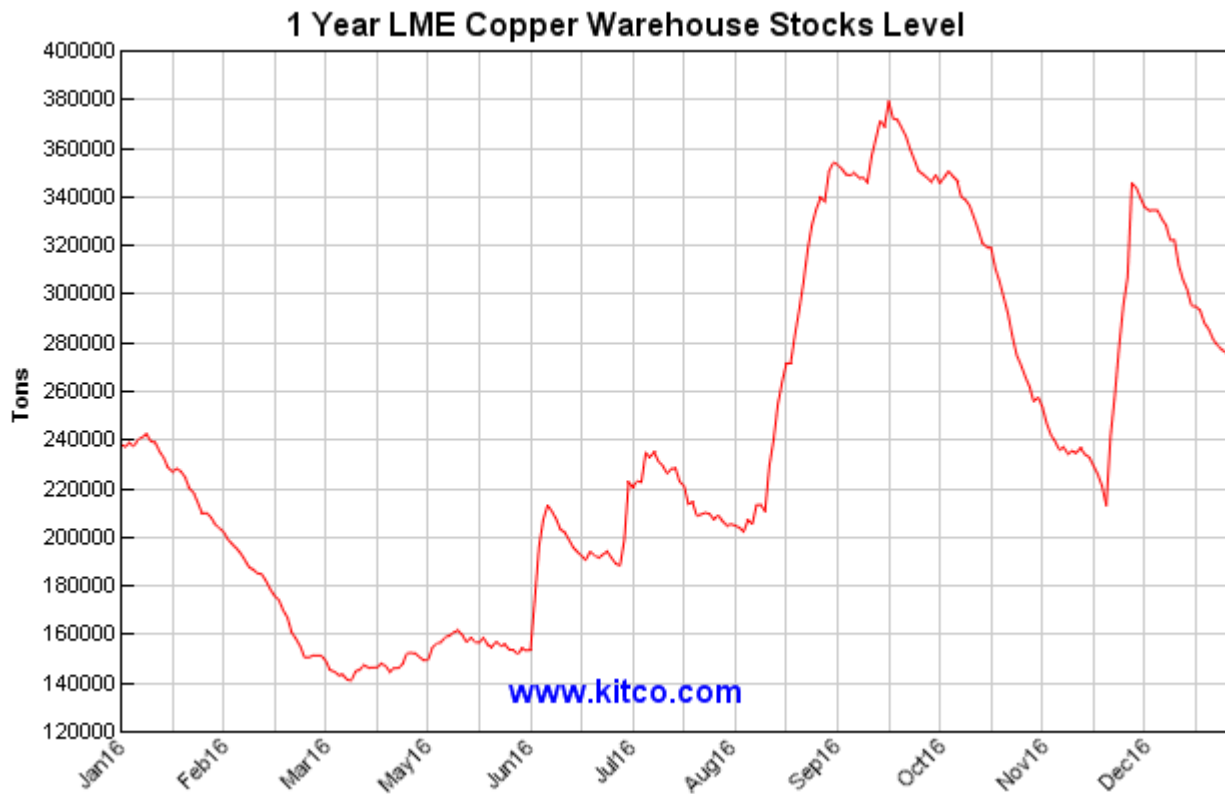
Stainless 304 scrap held at \$.36 showing many weeks of stability as well.



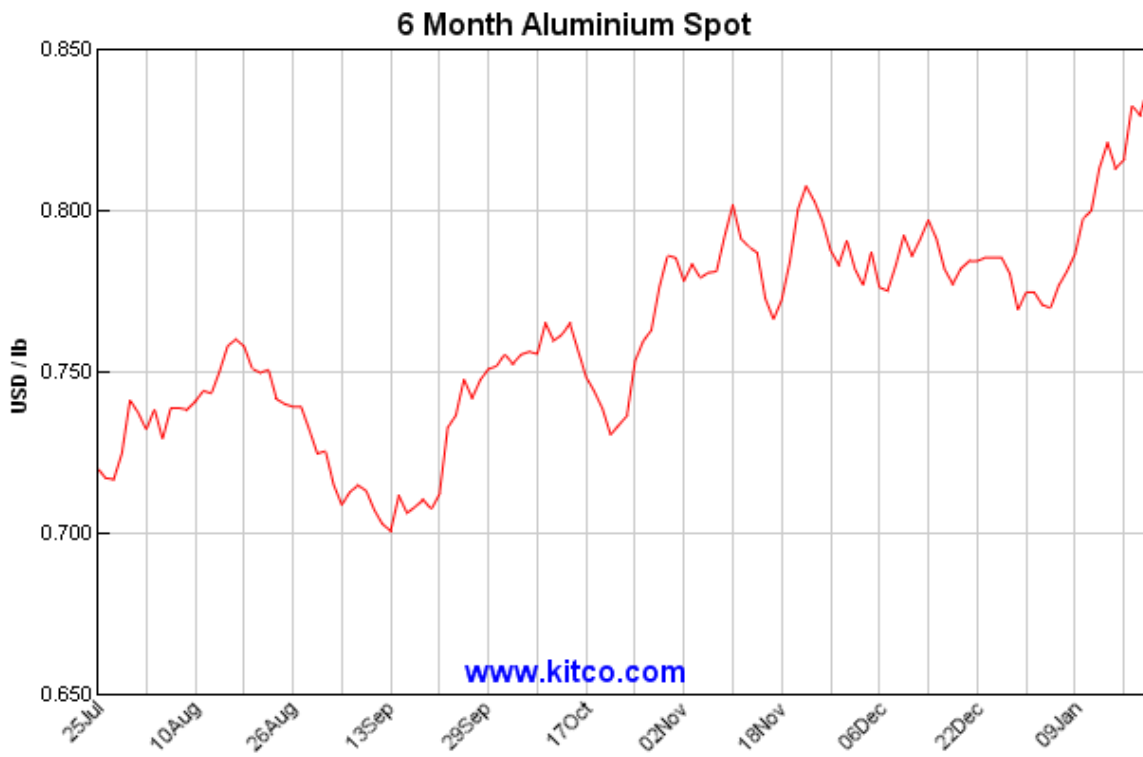
Copper fell 8 cents to \$2.62/lb. remaining close to 18 month highs.



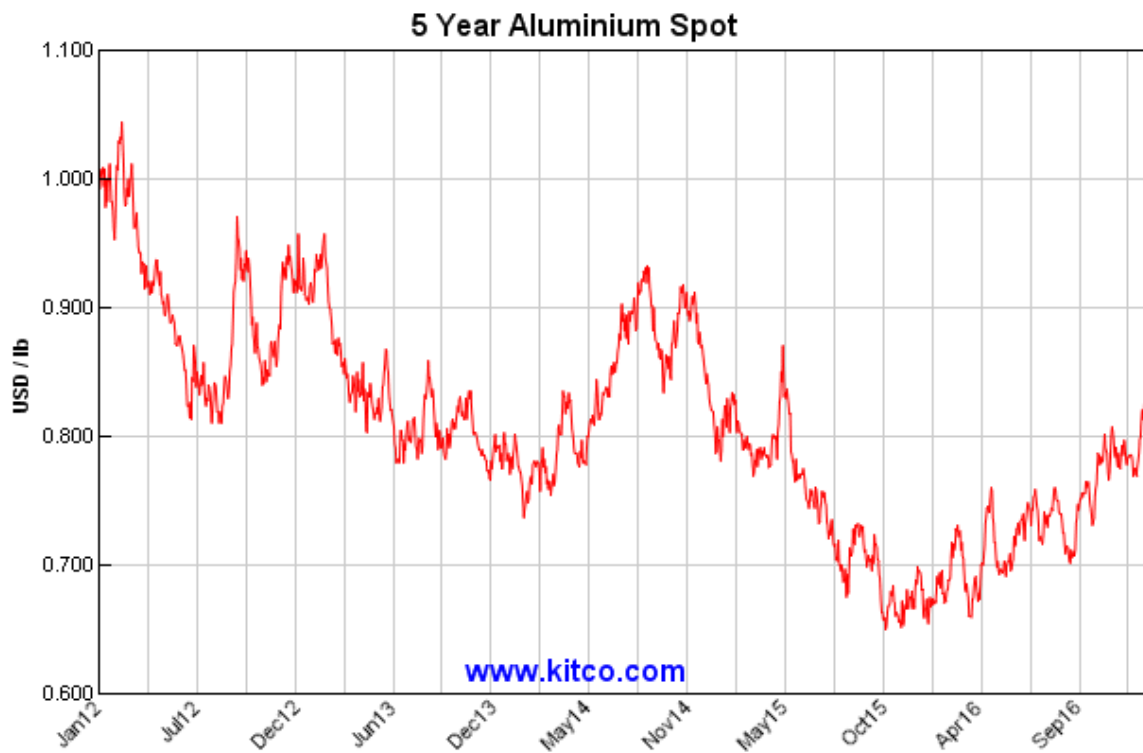
The 5 year chart shows prices over 30% higher than the multiyear low of a year ago, driven by speculation after the U.S. election, not demand.



Yet copper inventories have been falling for the past month, which could help support these higher prices.



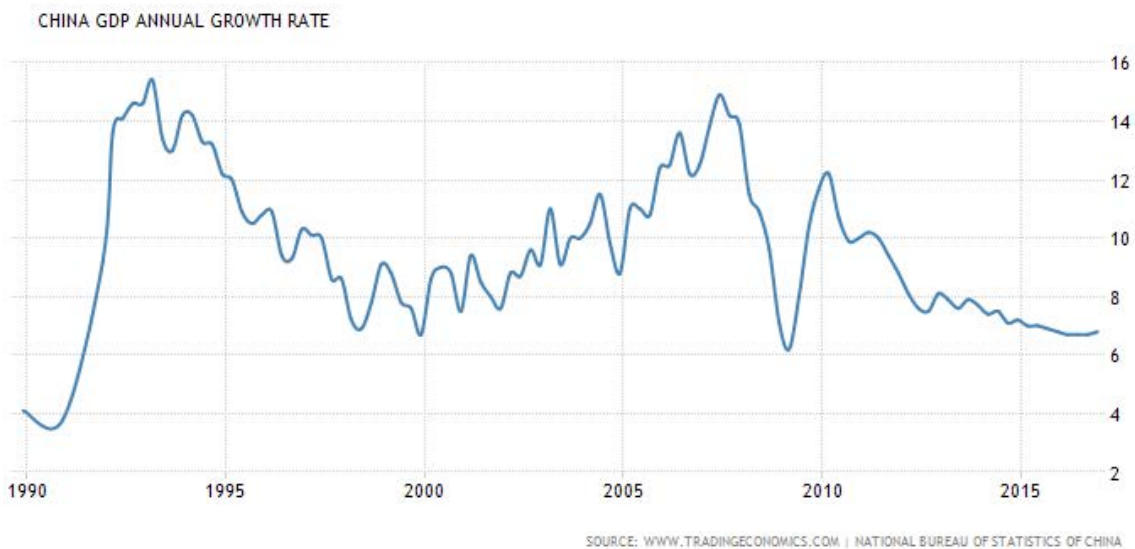
Aluminum rose 2 cents to \$.84/lb., after rising for many months.



The 5 year aluminum charts shows prices hitting a new about 18 month high.



Aluminum inventories while low, continue to rise in recent weeks, which should support stable prices.



China's 4th Q GDP at 6.8% was the highest quarterly growth in a year. Importantly though the total 2016 growth was 6.7% which while strong, was the lowest annual growth since 1990.

US INDUSTRIAL PRODUCTION MOM



SOURCE: WWW.TRADINGECONOMICS.COM | FEDERAL RESERVE

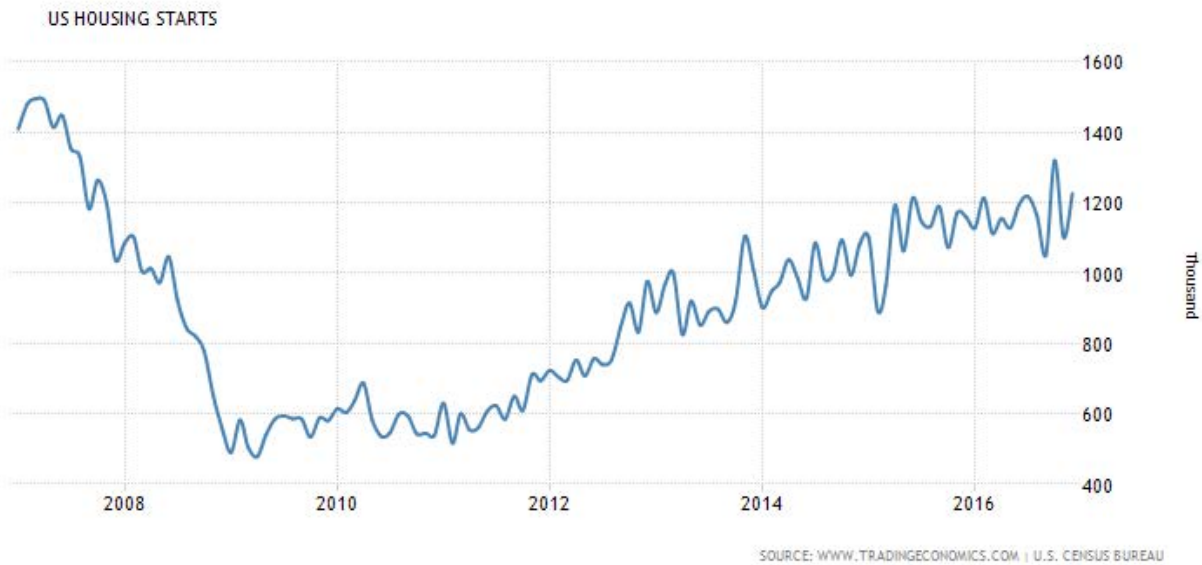
December U.S. industrial production rose .8% vs. November, the largest gain in 13 months. While great news, Q4, 2016 in total was actually .6% lower than 2015.

US INFLATION RATE



SOURCE: WWW.TRADINGECONOMICS.COM | U.S. BUREAU OF LABOR STATISTICS

Inflation in December was 2.1% vs. last December, the highest inflation in 2.5 years. Higher gasoline and housing costs were key to this, which is expected, with the doubling of many commodity prices in the past year.

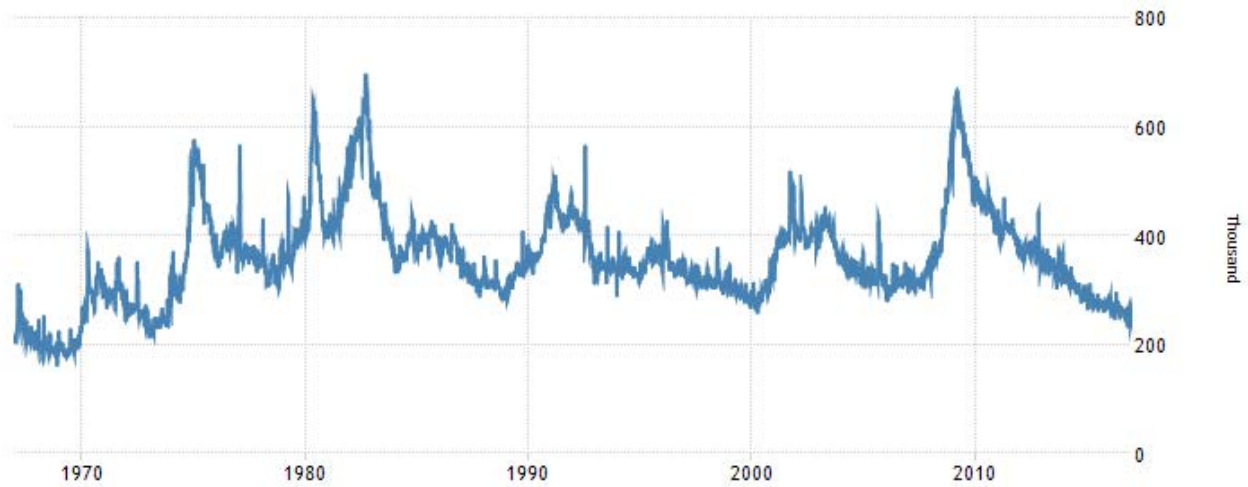


December housing starts jumped 11.3 percent to 1.2 Million units. For the last 66 years starts averaged 1.4 M and in 1972 they were 2.5M. There are 54% more people living in the U.S. now vs. 1972, so there is major upside to the 1.4M, which is great news for jobs and would support stable to higher commodity prices. By definition, people aged 16 years and over, that are working and looking for work make up the labor force. The current 4.7% unemployment does not tell the full story of U.S. Employment.



In December the U.S. Labor Force Participation Rate increased to just 62.70% from November's 62.60%. **37.3% of people that could work are not working.** The average for the last 46 years has been at 63% with an all-time high of 67.3% in 2000 and low of 58 percent in 1954. This is a major upside to the economy when we get more people working.

US INITIAL JOBLESS CLAIMS



SOURCE: WWW.TRADINGECONOMICS.COM | U.S. DEPARTMENT OF LABOR

Initial jobless claims were 254,000 last week. This makes the 4 week average 247,000, which is the lowest level since November 1973, 43 years ago. Terrific numbers.

With that we hope all have a Safe and Profitable week.