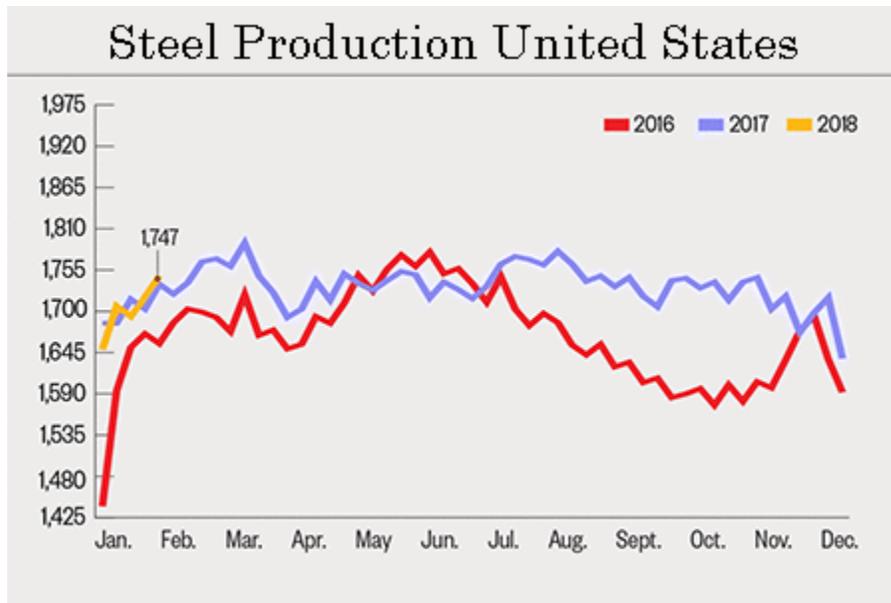


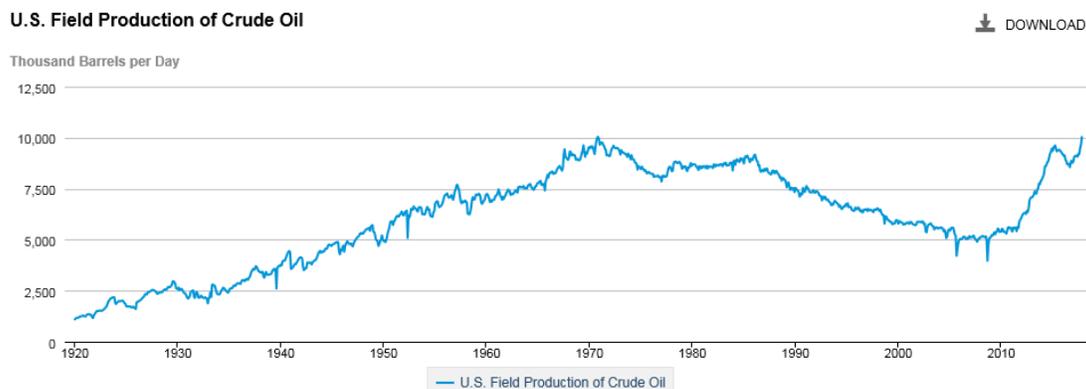
This is the Scrap Metal, Commodities, Recycling and Economic Report, by BENLEE and Raleigh and Goldsboro Recycling, February 12th, 2018. Last week, commodity prices and economic reports were mixed.



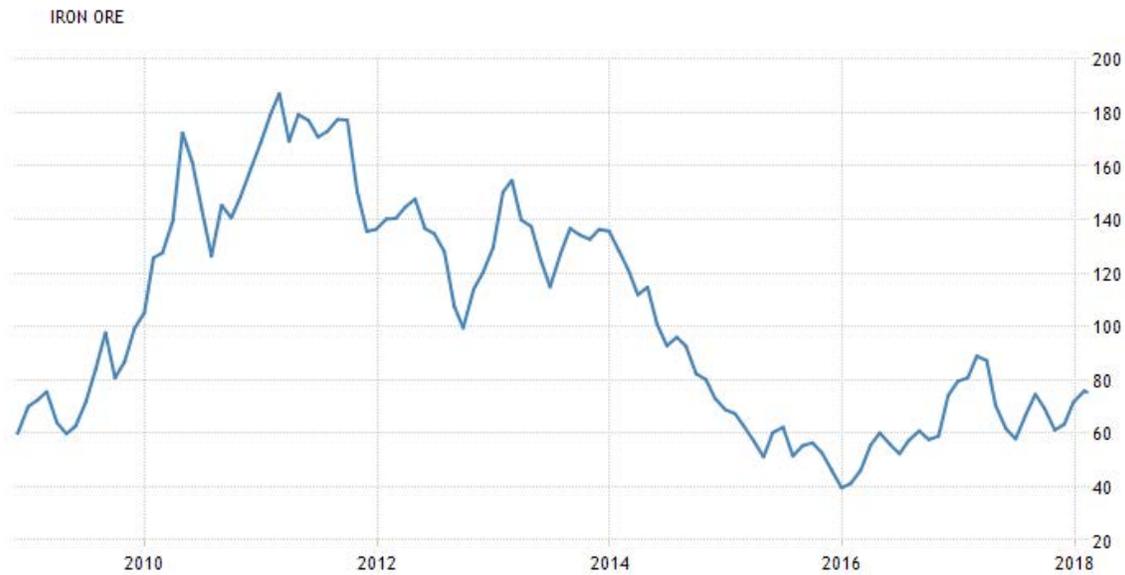
U.S steel production rose slightly, now slightly ahead of last year and well ahead of two years ago.



Oil fell a big \$9/barrel to \$59.20, on global uneasiness, but also on a new multi-year high of U.S. oil production.

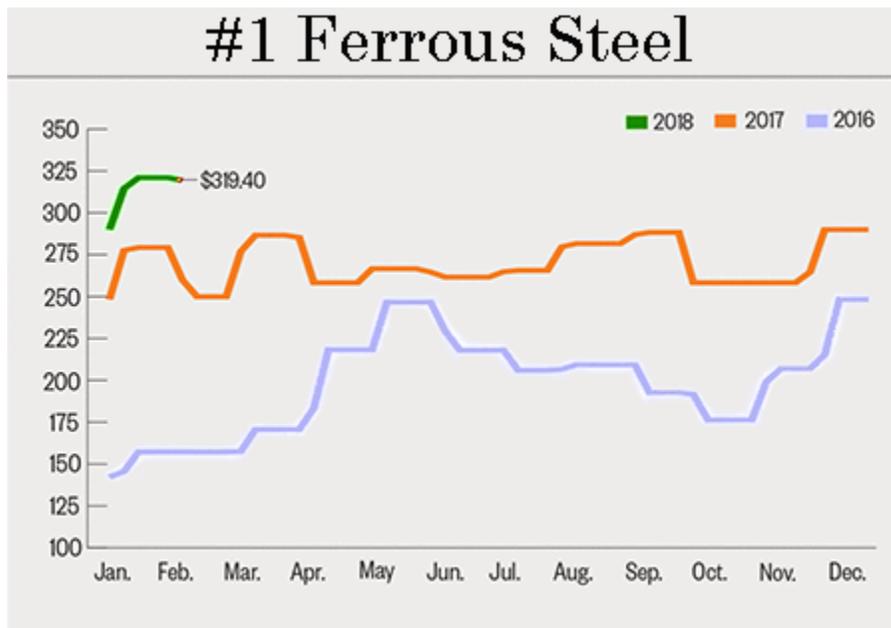


U.S. oil production rose to an almost historic high in the history of the U.S.; a great thing for jobs and helps reduce our huge trade deficit.



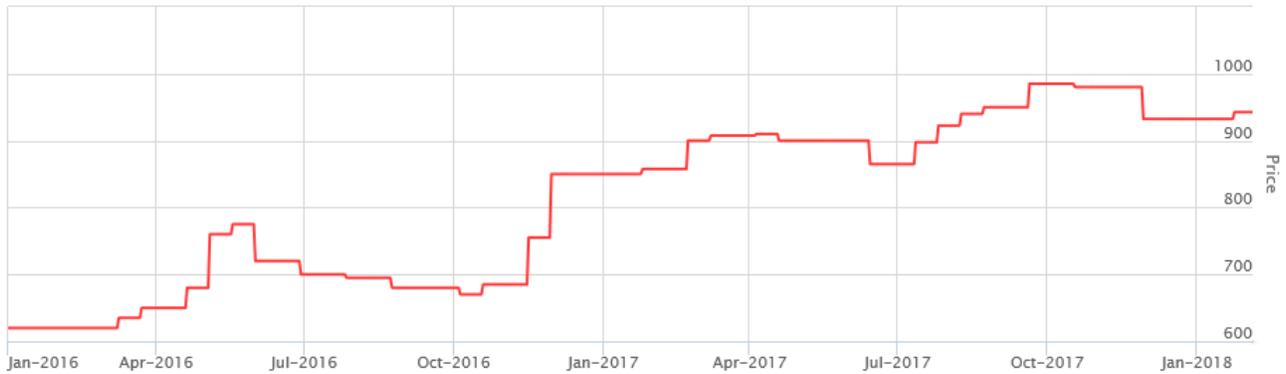
SOURCE: TRADINGECONOMICS.COM | OTC

Iron ore rose \$5/MT to \$78.00, near multi-month highs on growth of demand and good supply.



Scrap ferrous prices were steady. They remain ahead of last year and about double that of two years ago on good global demand and steady supply.

Hot Dipped Galvanized Coil



Hot dipped Galvanized steel remains at \$942/T on good demand. We are hearing word of increases coming in many steel products.



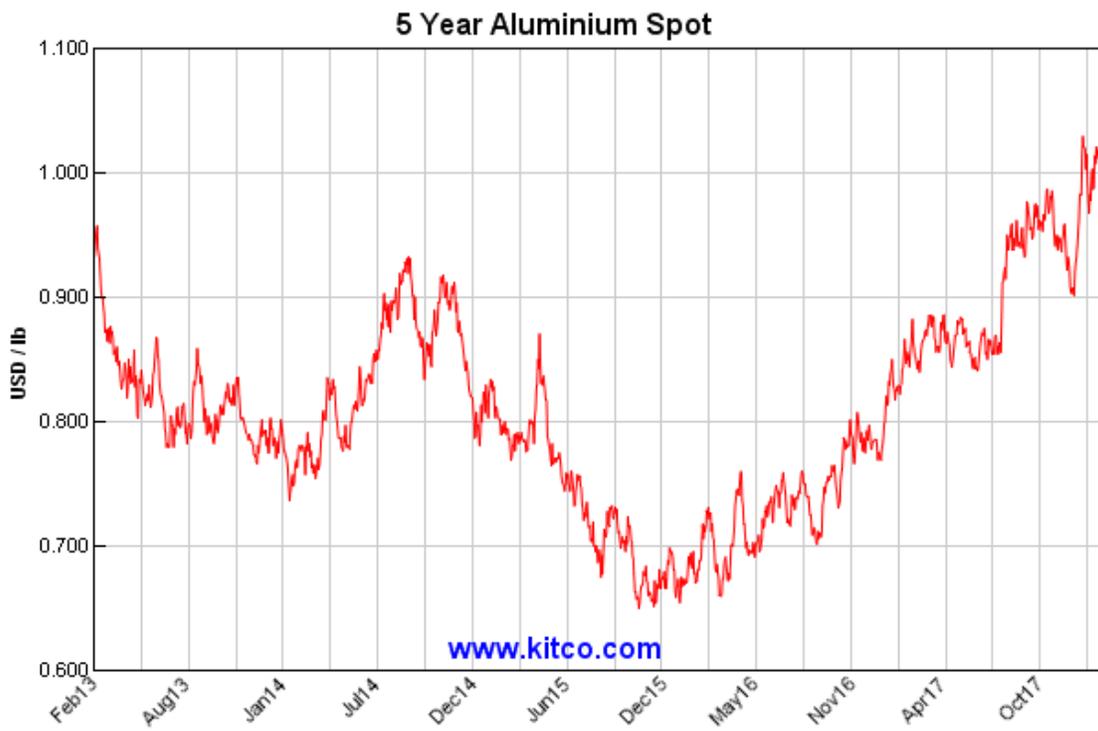
Copper fell a big 13 cents to \$3.05 on good supply and major nervousness in world financial markets. Copper is up 3 cents this morning to \$3.08.



The 5 year chart shows copper is about 20 cents off the multiyear high of last December, so overall it remains fairly high on good demand.



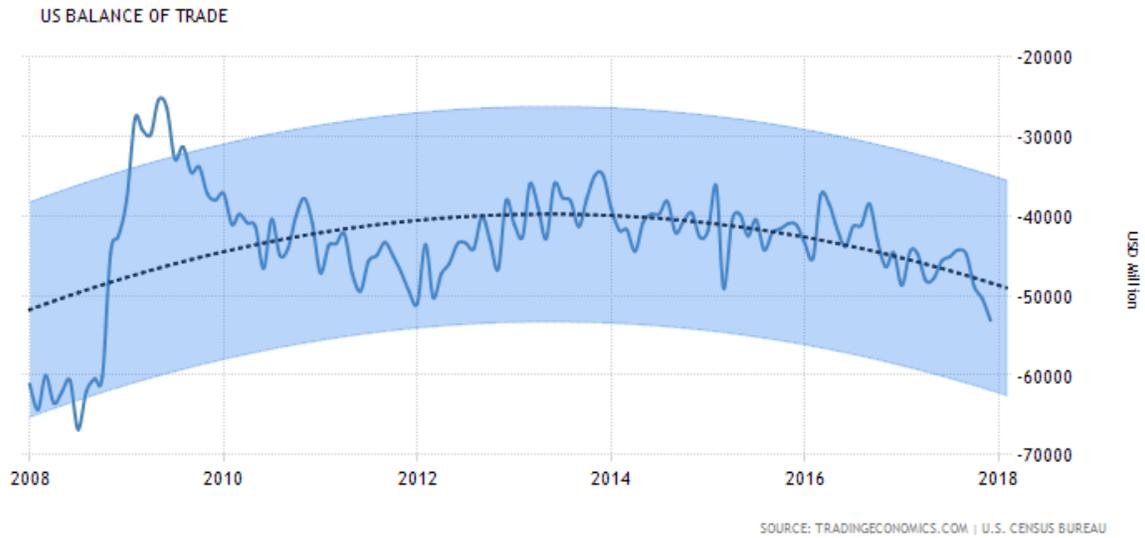
Copper inventories rose slightly to about a high for the year as high prices have brought more production on line and brought more scrap to the market.



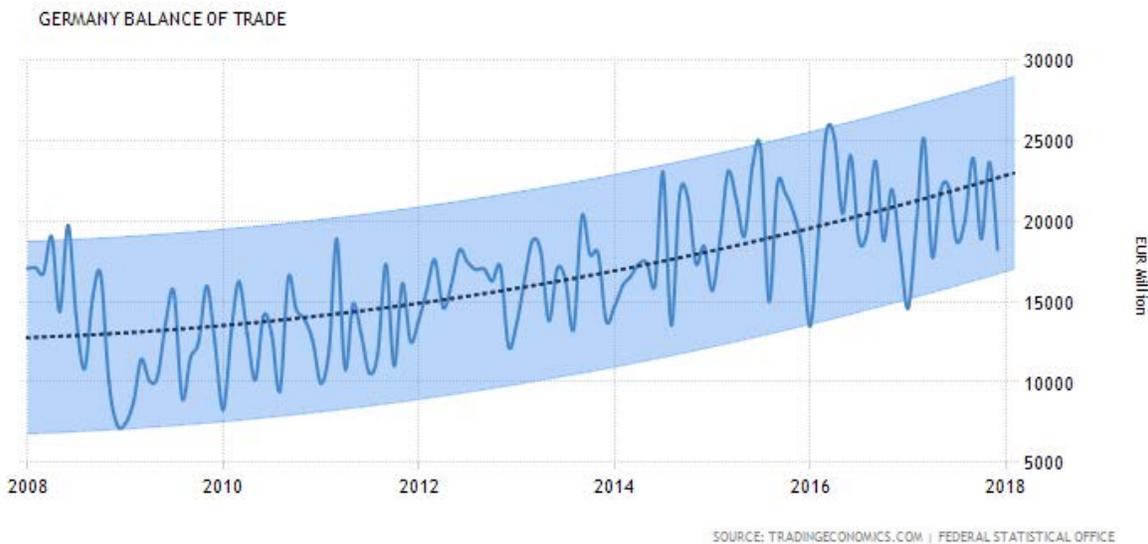
Aluminum fell 3.5 cents to 96.5 cents, now 7 cents under the about 6 year high of last December.



Aluminum LME inventories fell to another about 8 year low as production has not been able to keep up with demand. Importantly U.S. companies that melt scrap aluminum are totally full of inventory and are pushing off deliveries of some materials for two months, which is pushing down prices.



While total exports out of the U.S. are at record levels, so are imports of everything from cell phones, to consumer goods and cars. December's trade deficit was the worst since 2008. We continue to import much more than we export. A clearly bad thing.



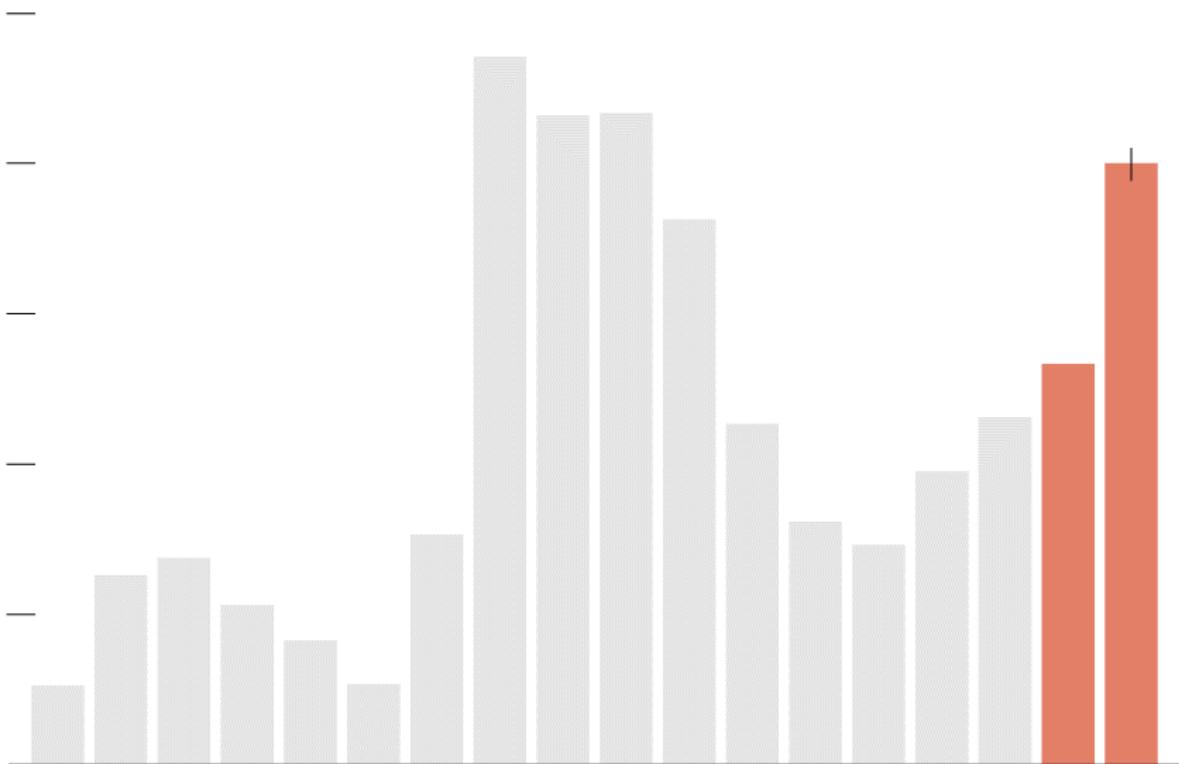
Germany is known as one of the highest labor countries in the world, especially with its high costs of benefits like government paid healthcare. Note, Germany has a huge and trending up trade Surplus, not deficit like the U.S. Cheap foreign labor is not the only reason the U.S. has a huge trade deficit.

Non-Manufacturing Purchasing Manager's Index



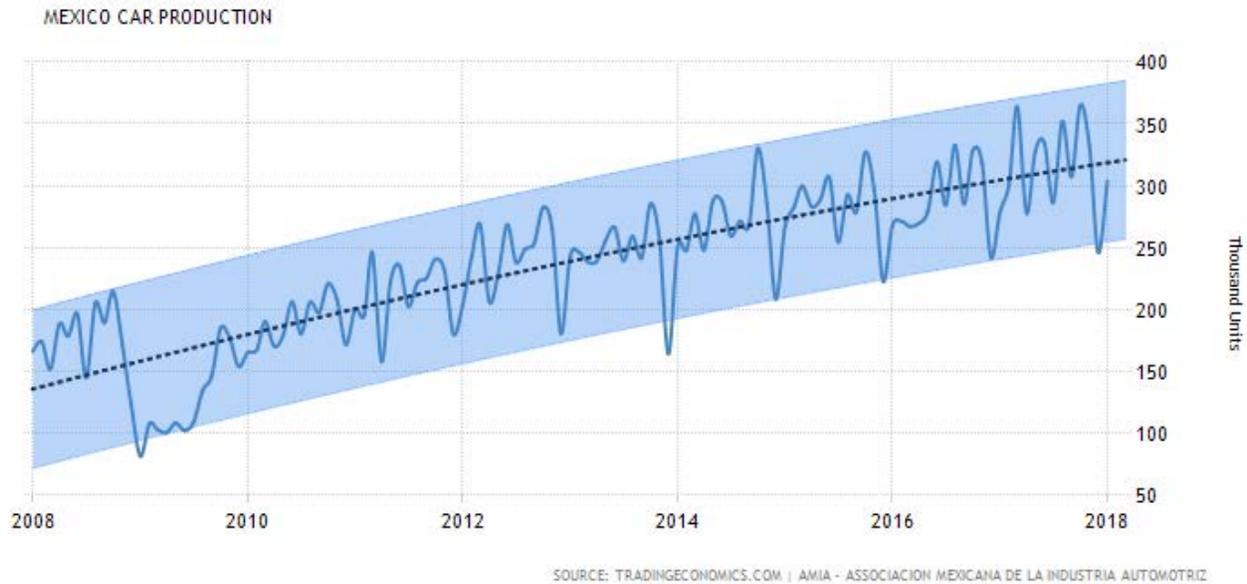
The U.S. non-manufacturing purchasing manager's index for services that indicates growth or slowing, jumped to 59.8 in January; the strongest expansion in the services sector since August 2005, 13 years ago, amid rising production, new orders and employment which was the strongest on record. High growth keeps upward pressure on prices and interest rates.

U.S. Federal Government Deficit \$1.2 Trillion in 2019

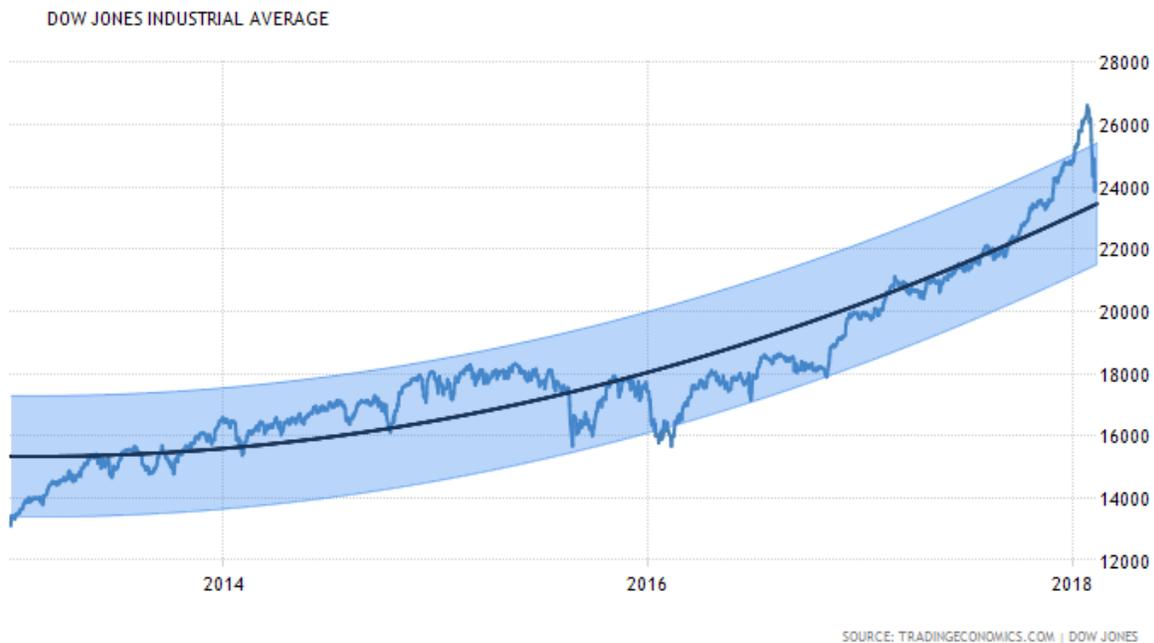


A huge U.S. Federal spending bill was signed this week by the President with major investments in military and social programs. Importantly, the economy is doing the best it has done in years and tax receipts into the government are at

record levels, yet spending is growing faster, so deficits are approaching the highest levels reached during the depths of the recession in 2009. This means government borrowing will increase, which will raise interest rates and hurt businesses.



Mexican Vehicle production remains on a major upward trend, meaning U.S. parts manufacturers should be targeting this market for exports and looking to set up operations in Mexico. Much of these vehicles are sold in the U.S. by GM., Ford and Fiat Chrysler.



Wall Street had its worst one day point drop in history as concerns that economic growth will bring rising interest rates and on the enormity of the government deficits. The Dow fell 1,330 points ending at 24,191, with a positive day on Friday and today will start off positive.

As always, feel free to call or email me with any questions and we hope all have a Safe and Profitable week.