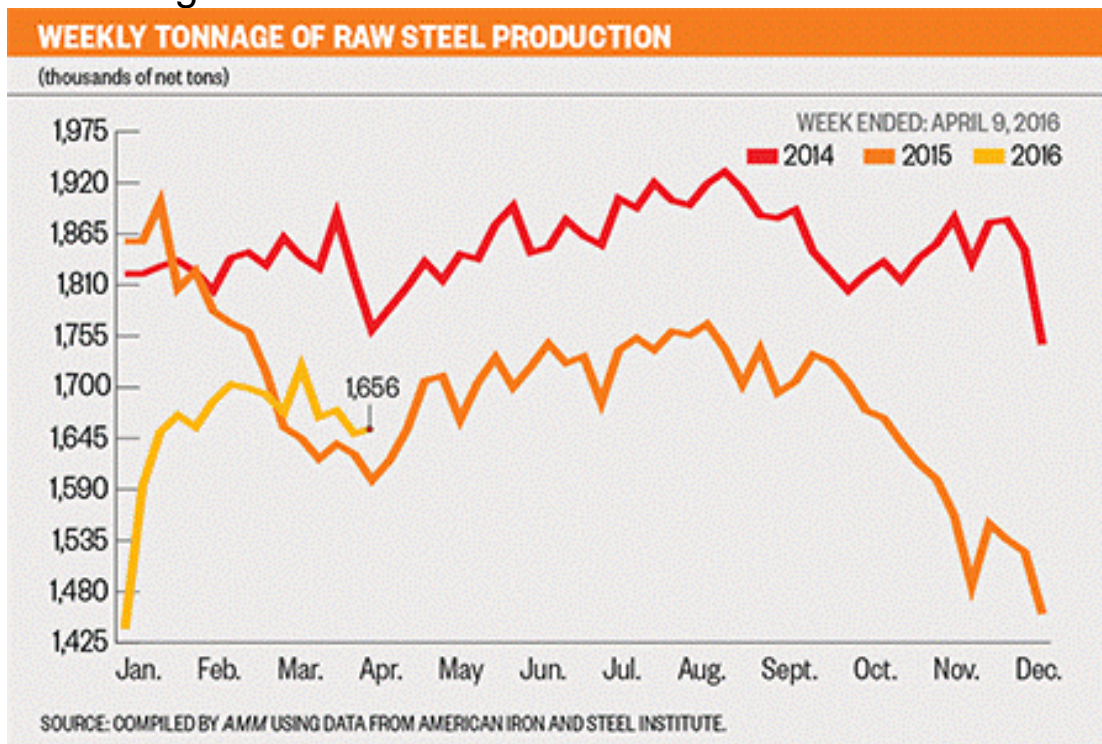


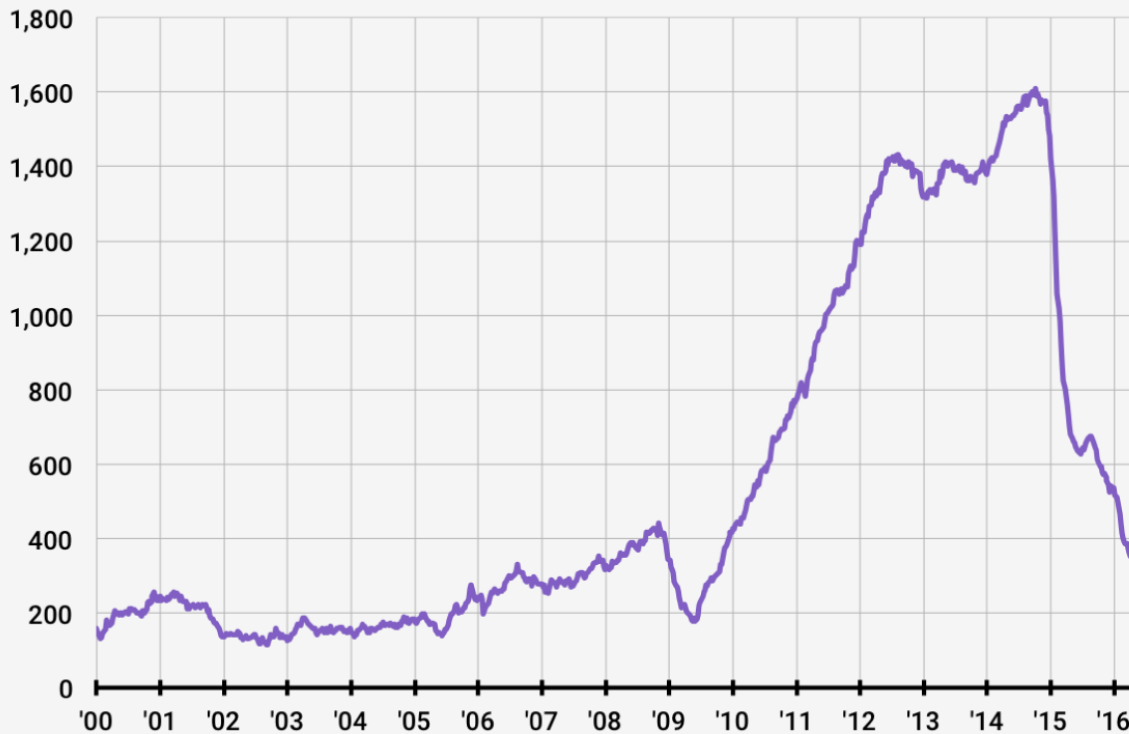
This is the Scrap Metal & Commodities Recycling report, by BENLEE Roll off, Luggier and Open Top Trailers and Raleigh and Goldsboro Metal Recycling April 18th, 2016.

In this report, last week we saw increases in multiple commodities, negative cash flow is affecting multiple parts of the commodities industry and oil prices are on the decline again.



U.S. Steel production rose a bit and remains near almost six month highs as tariffs continue to protect U.S steel mills.

# US OIL RIG COUNT



SOURCE: Baker Hughes

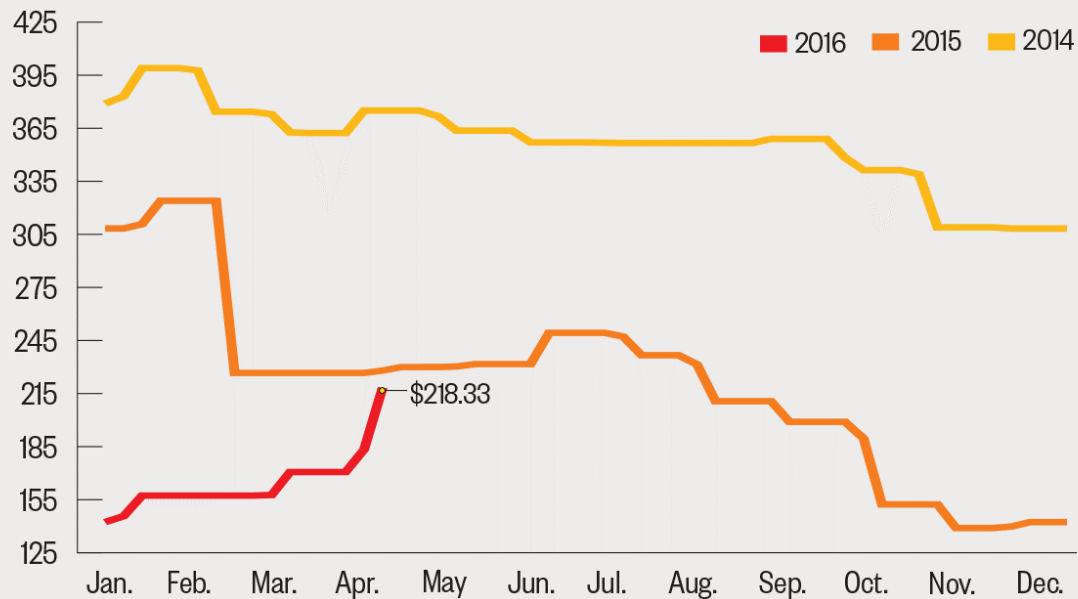
BUSINESS INSIDER

The Oil rig count remains in a downward slope after falling again and is nearly 80 percent below where it was 18 months ago. This is huge drag on parts of the steel industry. Yesterday there was an unusual meeting of OPEC and non OPEC countries including Mexico. They were trying to agree on oil production limits to get prices up further. Iran a major producer did not attend and is refusing any limits, so Saudi Arabia refused to sign the tentative agreement and the meeting ended with no agreement. With that Oil prices are on the decline, so oil rigs and the steel they use will not see any major increase in the near future.

## AMM WEEKLY NO. 1 HEAVY MELT PRICE COMPOSITE

(price per gross ton)

UPDATED: APRIL 15, 2016



BASED ON NO. 1 HEAVY MELTING STEEL AT PITTSBURGH, CHICAGO AND PHILADELPHIA.

SOURCE: AMM.

Ferrous scrap prices continued their rise as export prices remain on the increase. With scrap yards and steel mills having to pay about 20% more for scrap steel; it has put financial pressure on some operations.



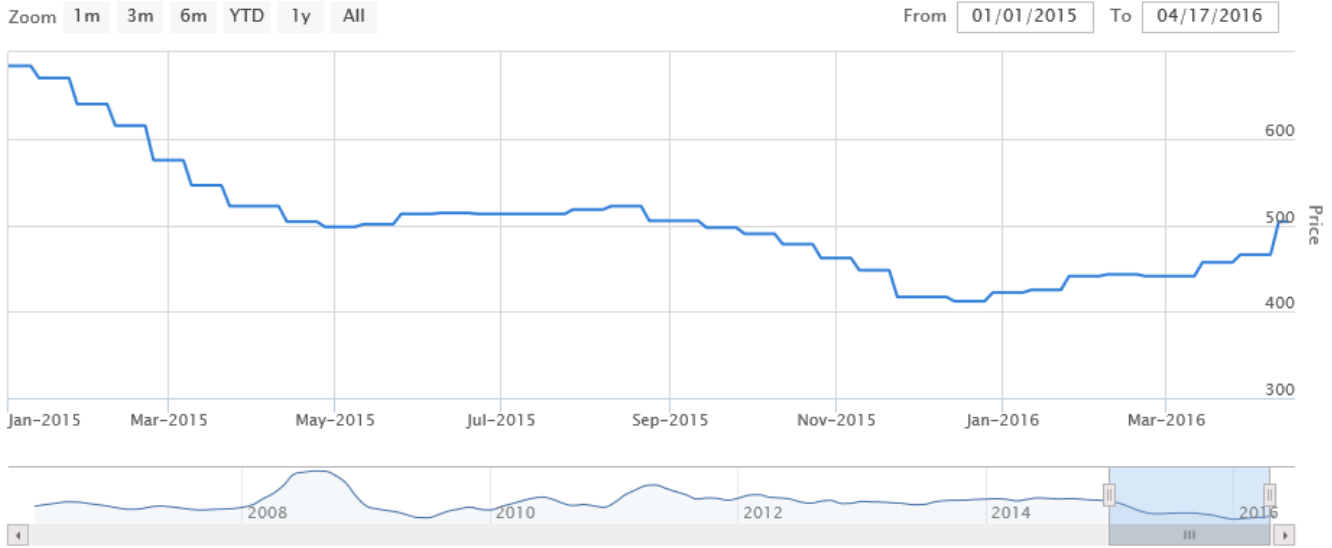
Based on that Schnitzer Steel announced that they will move to 45 day payment terms, which is following Nucor's move of a number of months ago.



Soon after Schnitzer's announcement, Protrade followed. This will clearly help large brokers and steel mills and hurt many medium size and large scrap

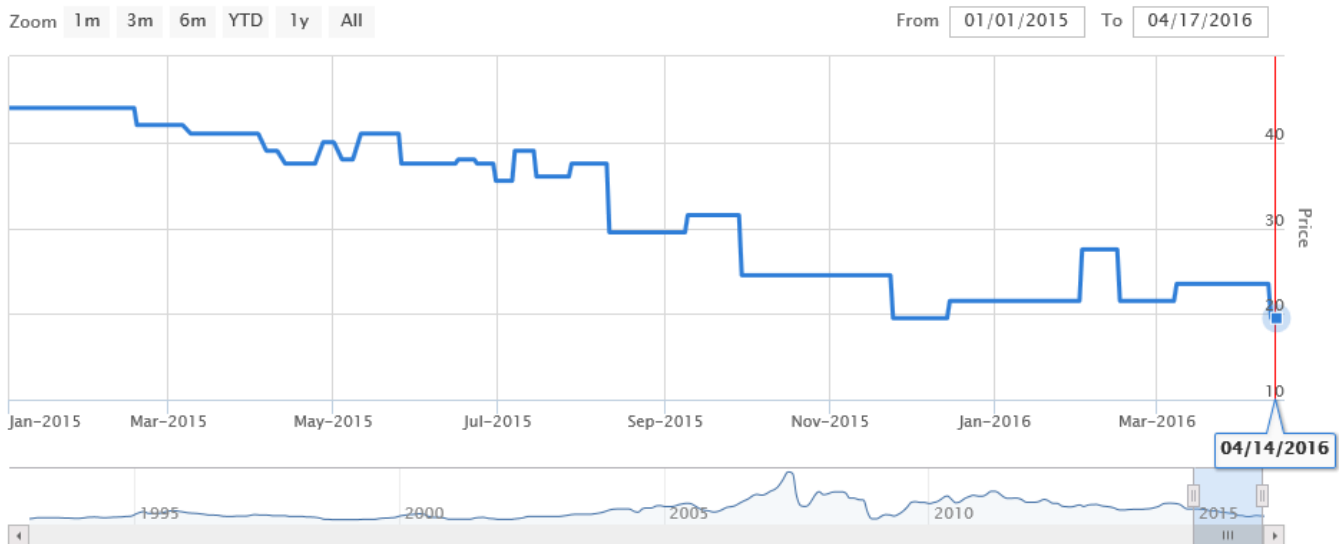
operations that will now lose two weeks of revenue at a time that they are investing more money to buy scrap steel.

## Hot Rolled Coil Steel



Hot rolled coil steel prices are moving up as well and are at 7 month highs which is a major positive for steel mill profitability, while hurting many of our customers that buy steel.

## Stainless 304 Scrap



304 stainless scrap prices actually fell a bit, yet while not pictured here, low end stainless 400 actually increased quite a bit, which has been part of ferrous price increases.

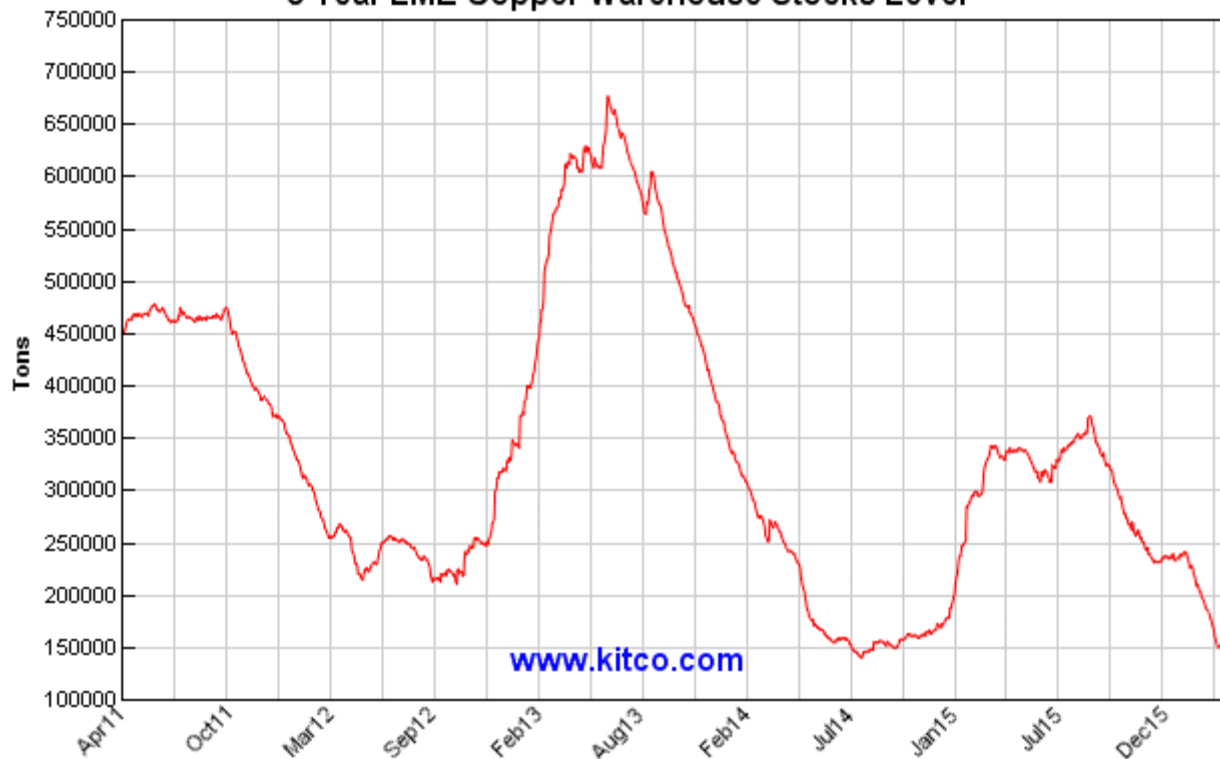
COMEX:HKG2016, D 2.1355 ▼ -0.0175 (-0.81%) O:2.1435 H:2.1530 L:2.1355 C:2.1355



 **CME Group**  
Powered by TradingView.com

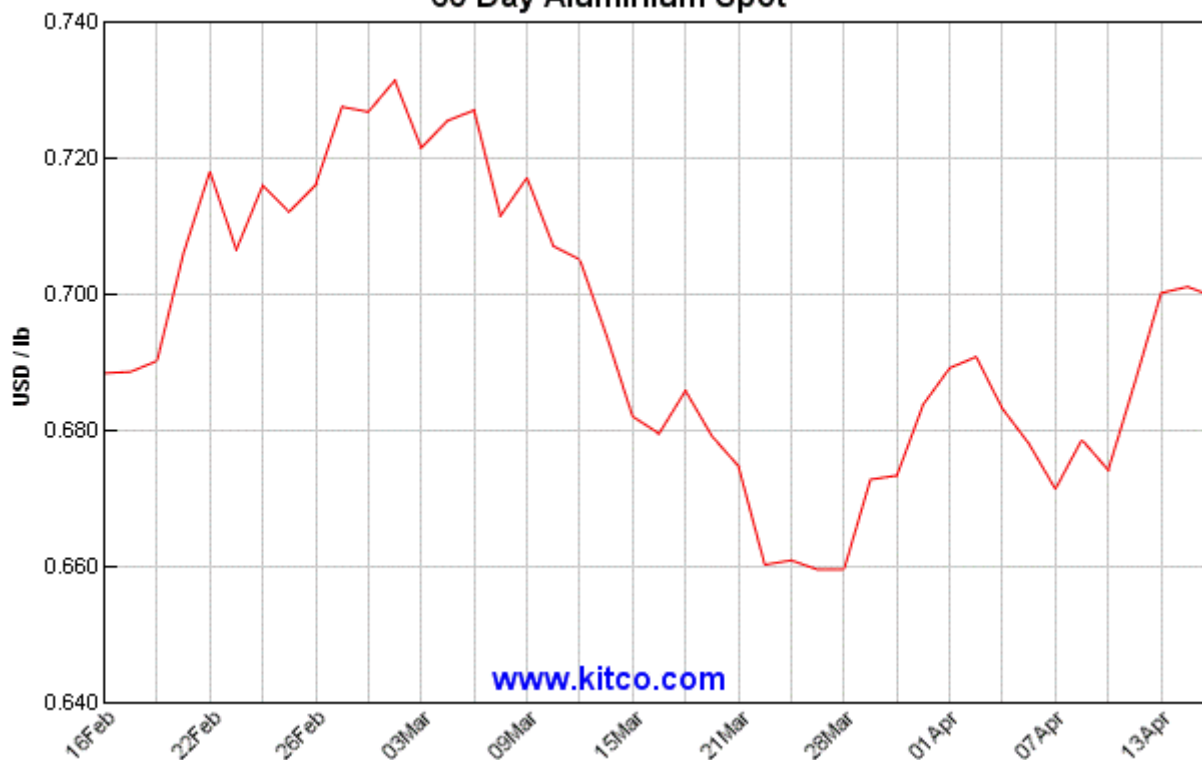
As for copper, prices increased early in the week and then stabilized at the slightly higher level.

### 5 Year LME Copper Warehouse Stocks Level



Importantly, we see copper inventories are near 7 year lows, which is helping stabilize prices. Inventories are down an enormous 75% from where they were three years ago. A truly major drop.

### 60 Day Aluminium Spot



Aluminum had another week of small increases and is at a 5 week high.



But when looking at the 5 year chart we see aluminum remaining near 7 year lows.



About 48 hours ago, The International Monetary Fund that looks at global economics, said the downside risks to the global economic outlook have increased since October, raising the possibility of a more generalized slowdown and a sudden pull-back of capital flows. They said that a forceful and balanced policy mix was needed to stimulate growth and avoid deflation.



CHINA GDP ANNUAL GROWTH RATE



SOURCE: WWW.TRADINGECONOMICS.COM | NATIONAL BUREAU OF STATISTICS OF CHINA

China's growth rate as defined by GDP was the lowest in the first quarter of the year at 6.7%, than at any time since the crash of 2009. The good news is that this was not a surprise. Many believe the Chinese economy is stabilizing at this lower level, which some say is really at about a 4% growth rate.

CHINA EXPORTS



SOURCE: WWW.TRADINGECONOMICS.COM | GENERAL ADMINISTRATION OF CUSTOMS

As a nice positive, China's exports jumped 11.5% from the previous year.



# Alcoa Stock



And lastly Alcoa, the 5<sup>th</sup> largest Aluminum producer in the world released earnings last week that were ahead of expectations and their stock is now up a very impressive almost 50% from late January.

With that we hope all have a Safe and Profitable week. My name is Greg Brown