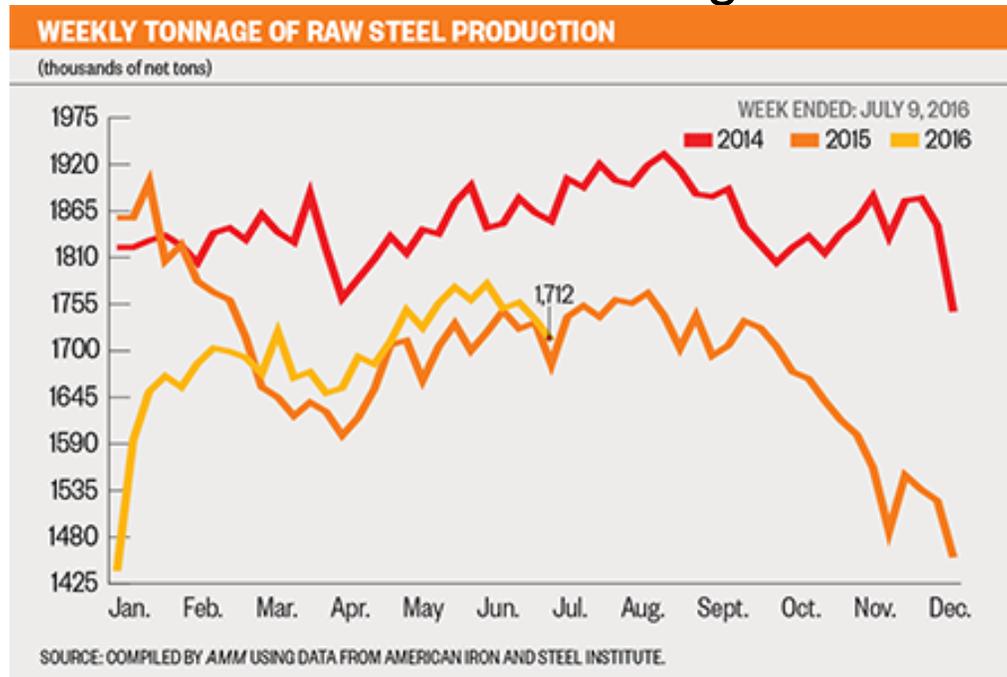


This is the Scrap Metal & Commodities Recycling report, by BENLEE Roll off, Lugger and Open Top Trailers and Raleigh and Goldsboro Metal Recycling Monday July 18th, 2016.

In this report, commodity prices were mixed while the U.S, stock market hit new all-time highs.



U.S. Steel production declined again last week and has been trending down for a few weeks.

CRUDE OIL



SOURCE: WWW.TRADINGECONOMICS.COM | NYMEX

Oil prices finished up at about \$46/barrel and remains close to double the \$26/barrel of 6 months ago.

US OIL RIG COUNT



SOURCE: Baker Hughes

BUSINESS INSIDER

Oil rigs that use enormous amounts of steel had their count rise for the 6th time in the last 7 weeks.

so we have seen the worst of this drop.

IRON ORE



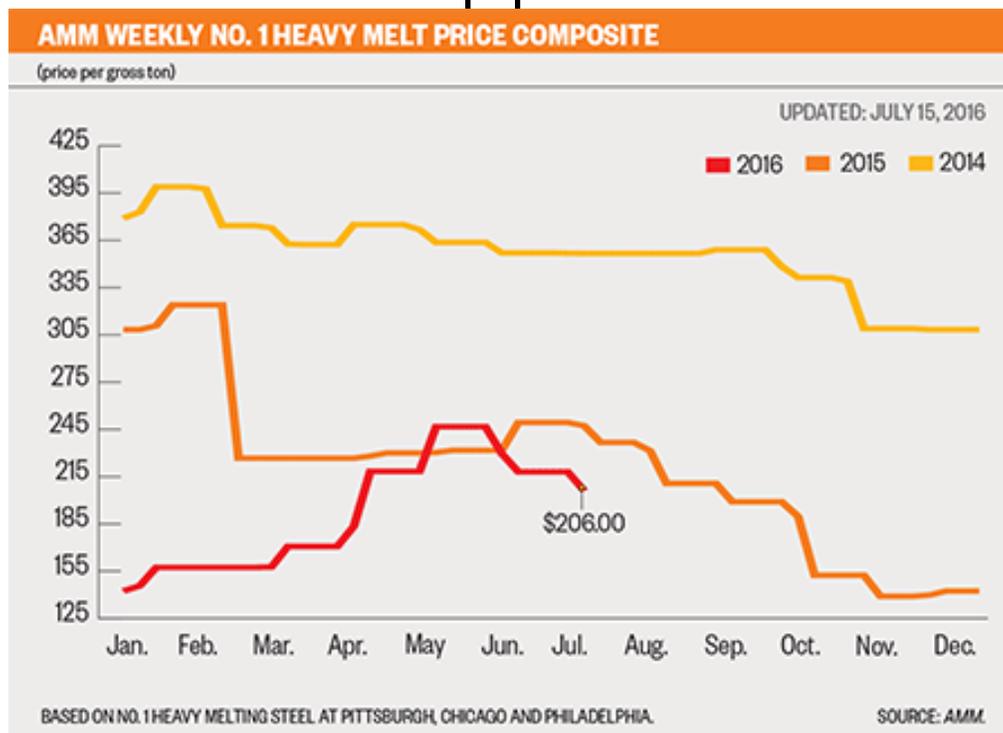
SOURCE: WWW.TRADINGECONOMICS.COM | CME

Iron ore prices rose about 5 percent for the week and are up 16% in the last month. At about \$58/MT prices remain about 57% above where they were 7 months ago. Recent increases could help stabilize ferrous scrap prices that have been falling, but

large amounts of imported scrap and HBI, a scrap metal substitute, will continue to put downward pressure on scrap ferrous prices.



Turkey is a major buyer of U.S. scrap metal. The attempted takeover by the military days ago could mean at least some delays in exports, which could hurt U.S. scrap sales and lower scrap prices.



Scrap ferrous prices have declined, but there is now a better balance of U.S. ferrous scrap. The huge flow of

cars and demolition scrap that flooded scrap yards in the past 90 days has ended

This was caused by low prices had material sitting for over 9 months.

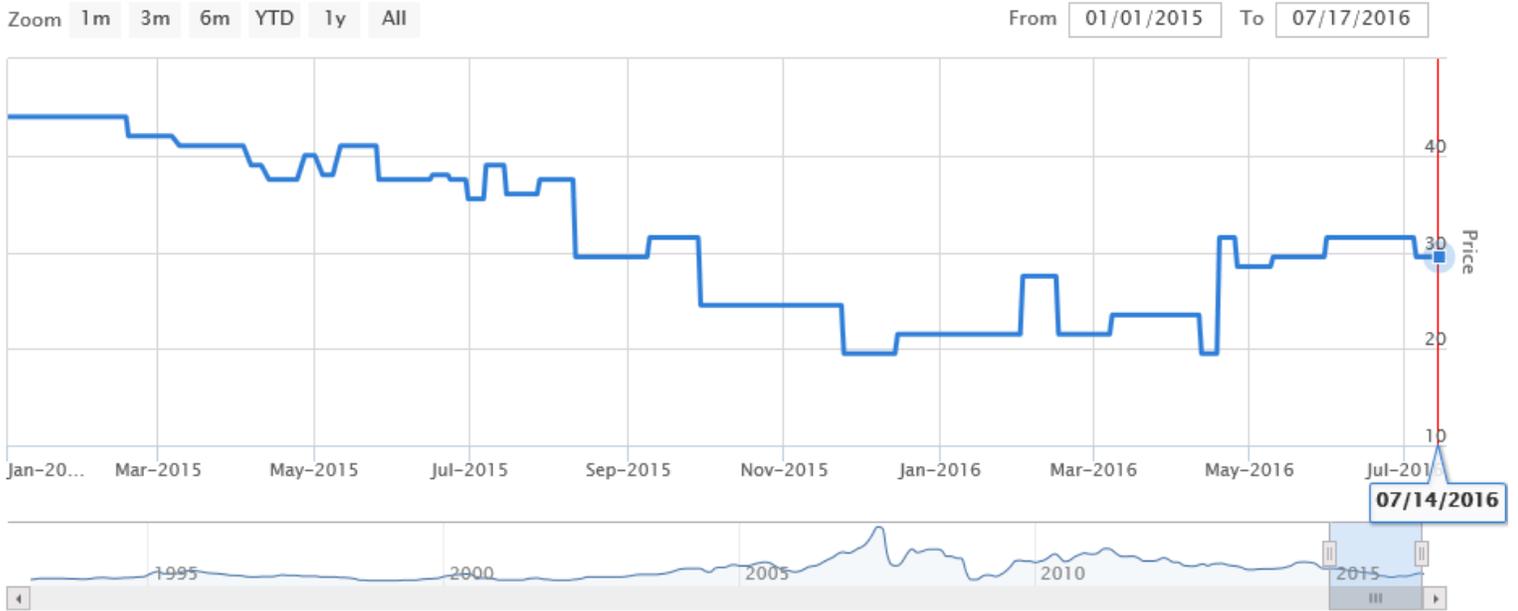
Hot Rolled Coil Steel



Hot roll coil prices remain near their recent high, but are down a bit.

With scrap prices falling and demand just good, not great, prices could remain stable.

304 Stainless Scrap



304 stainless scrap prices remain near their recent highs, but we are hearing in some markets there is upward pressure which could show increases next week.

COMEX:HGU2016, D 2.2335 ▼-0.0095 (-0.42%) O:2.2380 H:2.2715 L:2.2305 C:2.2335

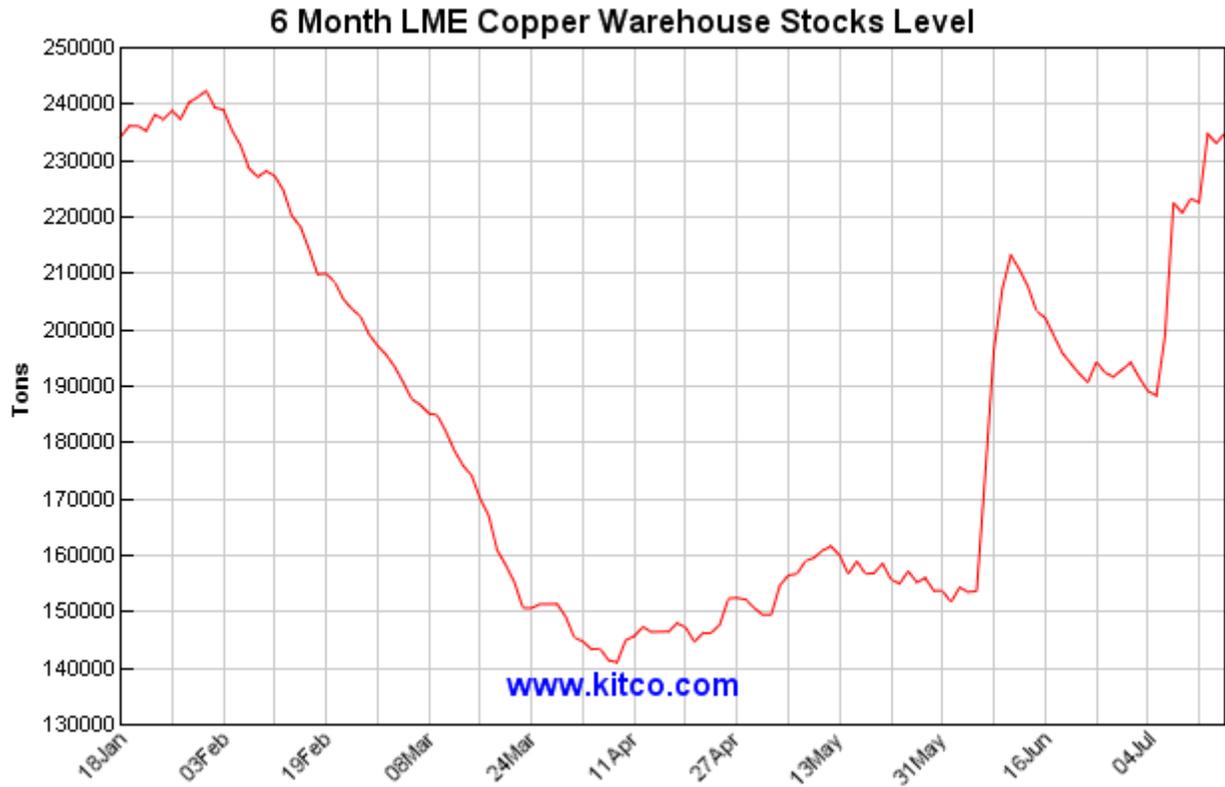


 **CME Group**
Powered by TradingView.com

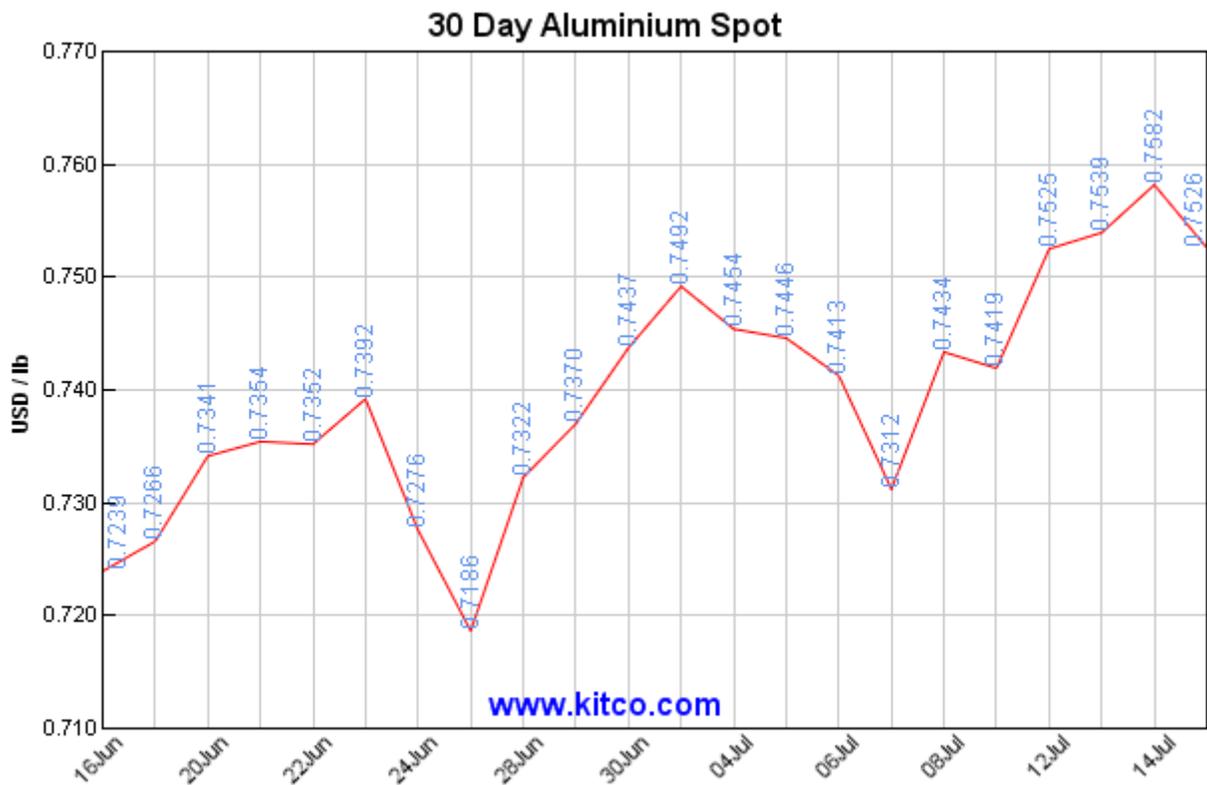
Copper rose for the week and is near a two month high, but the increases have opened spreads a bit.



When looking at the 5 year copper chart, the story remains that copper prices have gone nowhere for about 9 months.



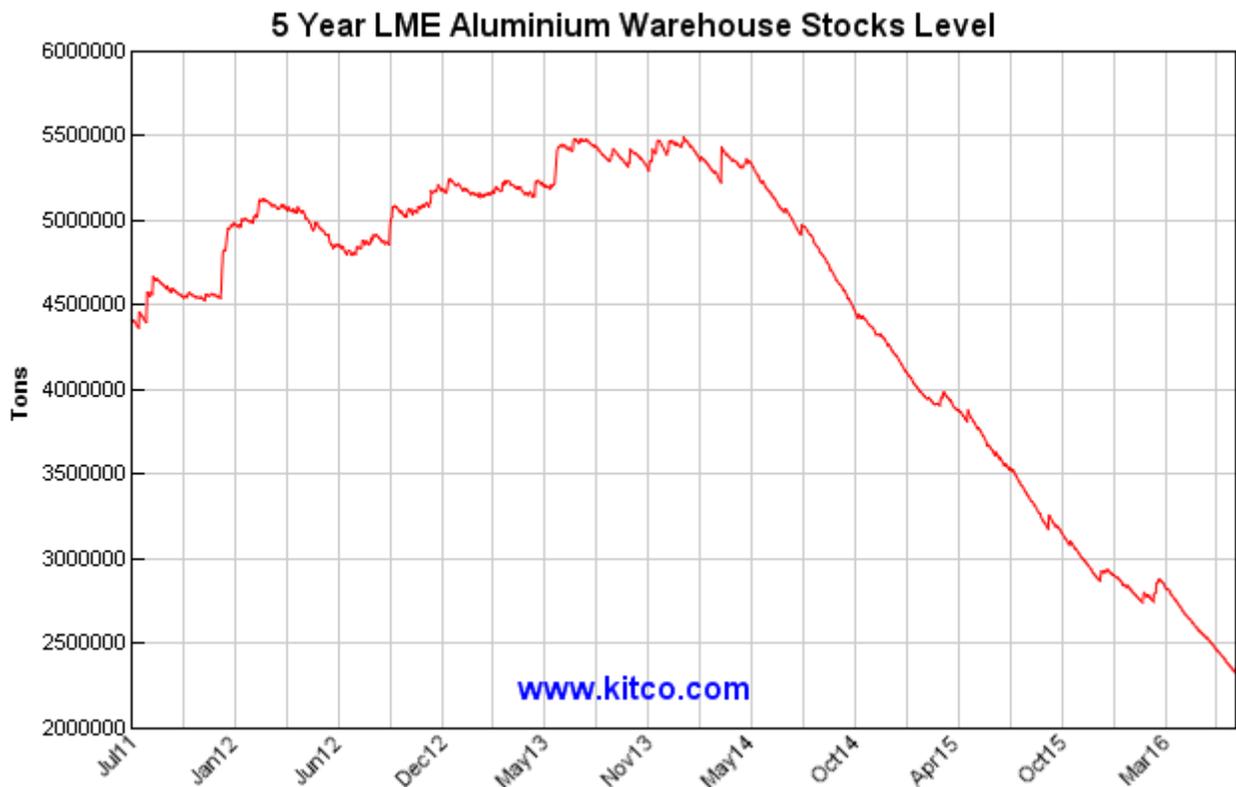
Importantly though we see copper inventories have been rising, so there is no reason to think that copper prices will continue to rise.



Aluminum declined late in the week, but was up from last week.



and aluminum's 5 year chart continues to show an upward trend



Yet aluminum inventories continue to decline, and prices are increasing so we should see more production coming online

in the coming months. Higher production should limit major price increases going forward and could bring declines.



Last week Alcoa, the world's leader in Aluminum, beat earnings and forecast that full-year 2016 deliveries will be, flat to up 3 percent, followed by strong double-digit growth in 2017.

US LABOR FORCE PARTICIPATION RATE



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

A new chart this week is the U.S. labor force participation. Due to a lack of good middle class jobs, we see that since just before the crash of 2008, many people had started leaving the workforce.



But in reality, we see in the 65 year chart why we have a major jobs problem in the U.S. and why in many cases commodity prices could be higher and the economy could be better.

For about the last 18 years, people have been leaving the workforce, which reduces consumption and keeps prices down, as well as contributes to social problems in our country.

US INITIAL JOBLESS CLAIMS

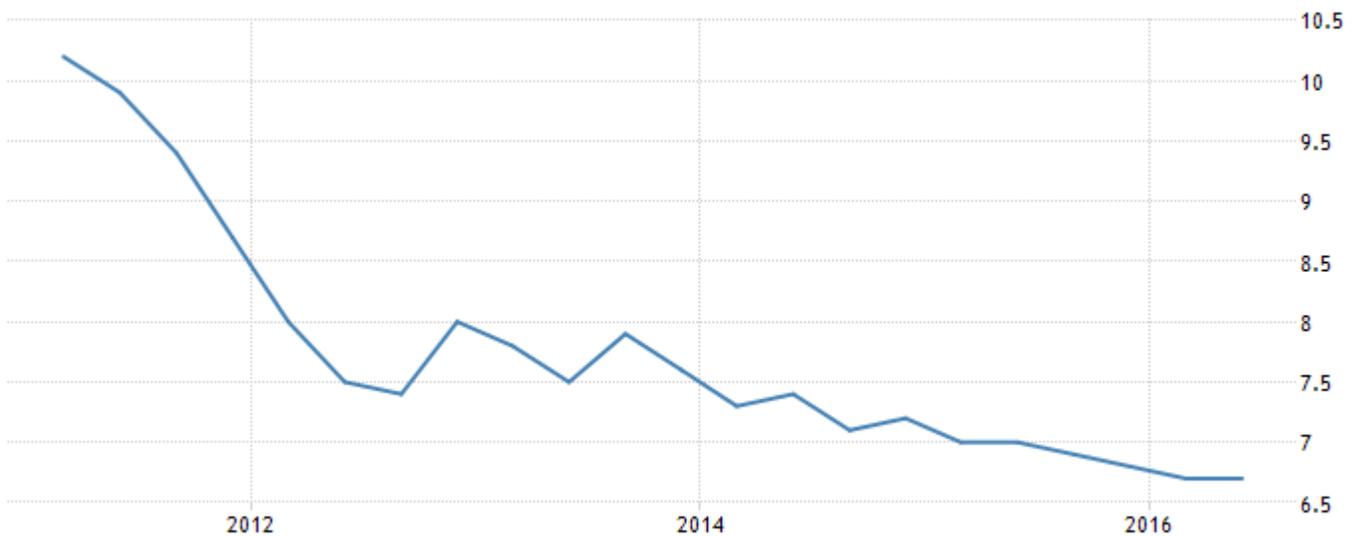


SOURCE: WWW.TRADINGECONOMICS.COM | U.S. DEPARTMENT OF LABOR

Initial jobless claims remained steady at 254,000, which is the lowest level since April and since it remains under 300,000

it continues to lead to a very slowly improving job market.

CHINA GDP ANNUAL GROWTH RATE



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

China, the world's second largest economy, but the world's largest manufacturing economy, just reported a 6.7% growth in the second quarter.

which is stabilization, after years of declines. Related, June Chinese steel production hit record levels.



A big welcome to the Automotive Recycler's Association membership to getting this report. We have made this weekly news video available at no cost to ARA to help support the overall recycling industry, which helps reduce energy use and creates good jobs.

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