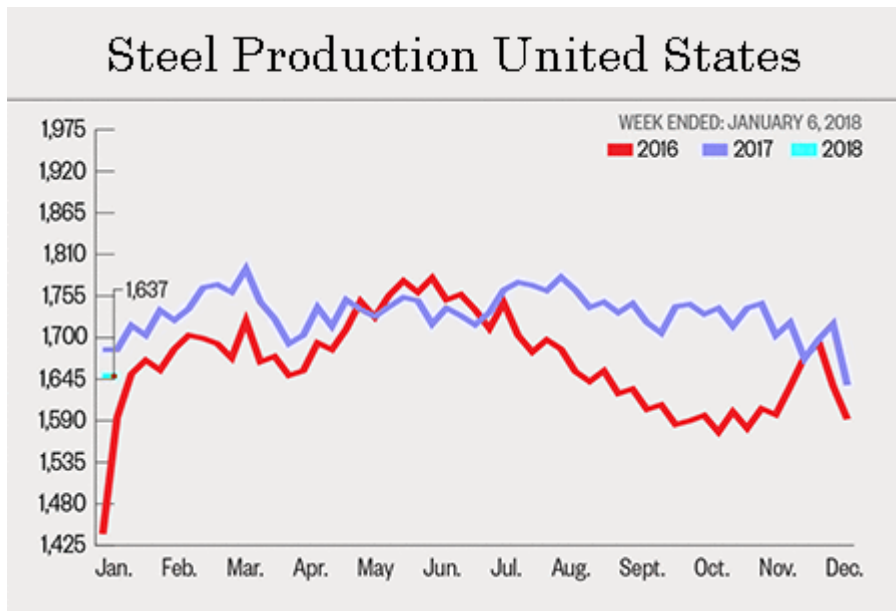


This is the Scrap Metal, Commodities, Recycling and Economic Report, by BENLEE and Raleigh and Goldsboro Recycling, January 15th, 2018. This is Ron Ostrowski reporting.

Last week, commodity prices and economic reports were mixed.



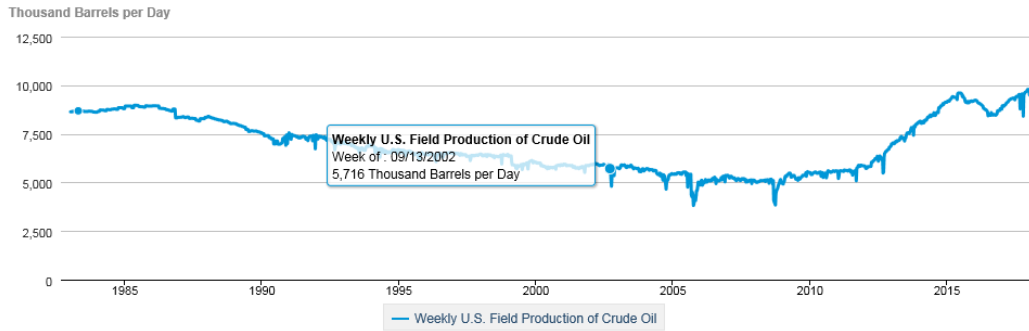
Looking at the left of this chart, U.S steel production rose starting the year. The U.S. and global economy remains solid, so increases should continue.



Oil rose about \$3/barrel to a multiyear high of \$64.30, on good global demand and continued cuts by OPEC countries to drive higher prices.

Weekly U.S. Field Production of Crude Oil

DOWNLOAD

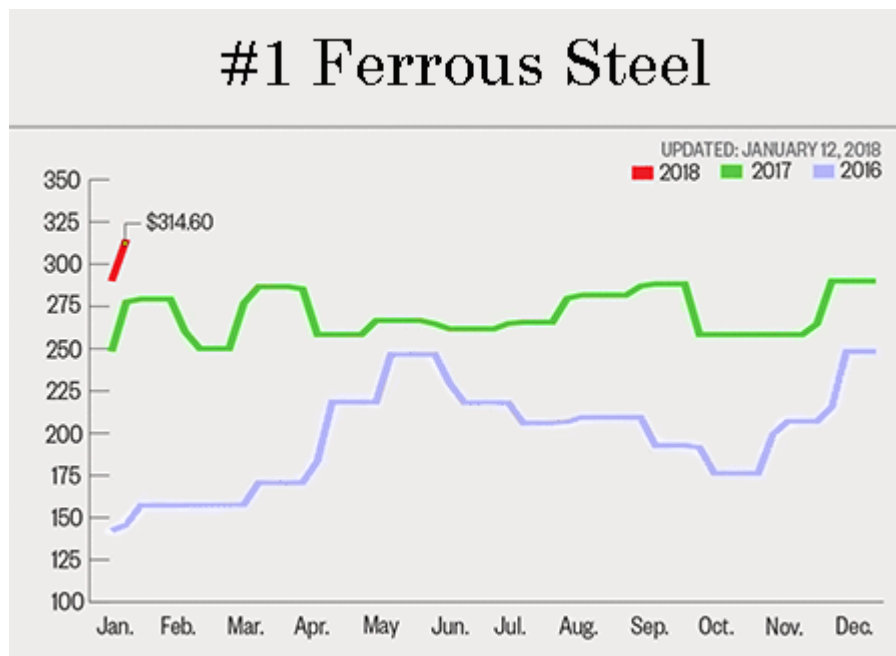


Source: U.S. Energy Information Administration

U.S. oil production fell slightly, but remains near all-time highs, and should increase with the higher oil prices.



Iron ore rose \$2.50MT to a multi month high of \$78.50, on solid global demand and as supply slowly ramps up.



On the left of this chart, we see that Scrap ferrous prices rose. Export prices remain strong and flows are picking up in scrap yards with higher prices. Despite prices more than double two years ago, many believe we will stay at these levels and the weaker dollar could put upward pressure on prices.

Stainless 304 Scrap



Stainless 304 scrap remain near multi year highs at 35.5 cents on a balance of supply and demand and little news.



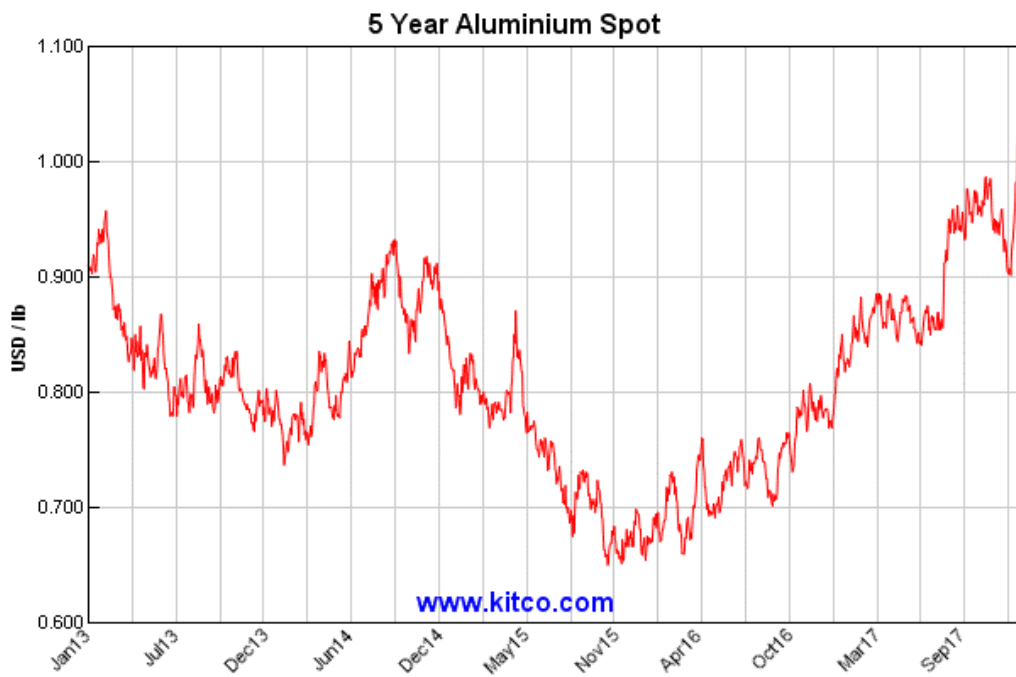
Copper fell a penny to \$3.22 as supply and demand is balancing and on good global demand along with a weaker dollar. Copper is up about 5.5 cents this morning to \$2.27.



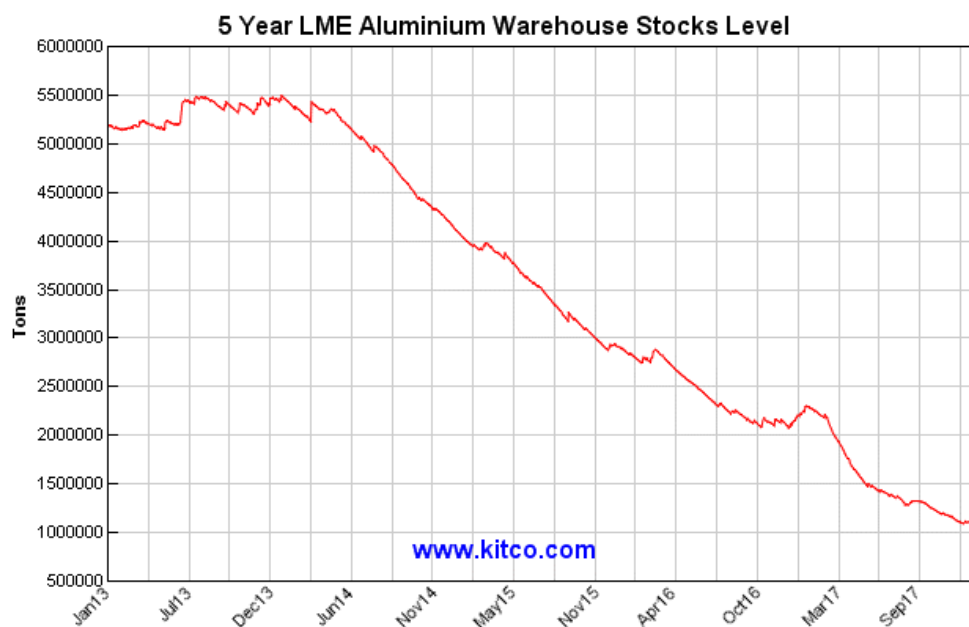
The 5 year chart shows copper remains a bit off the recent 4 year high, on good global demand and a weak dollar.



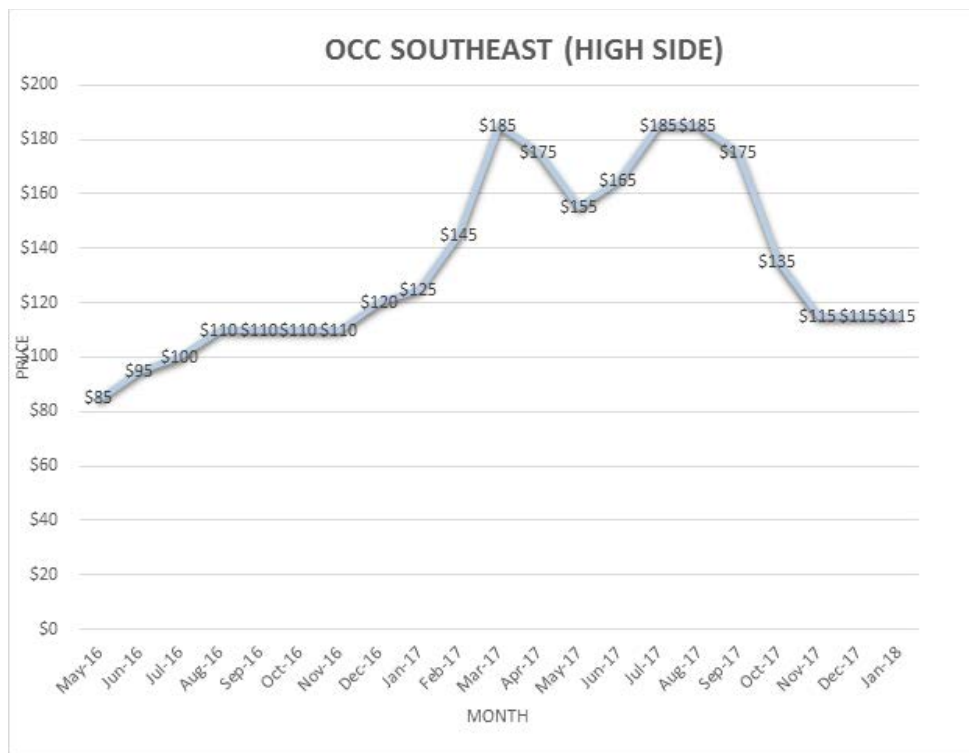
Copper inventories were down slightly remaining near multiyear lows, putting upward pressure on prices.



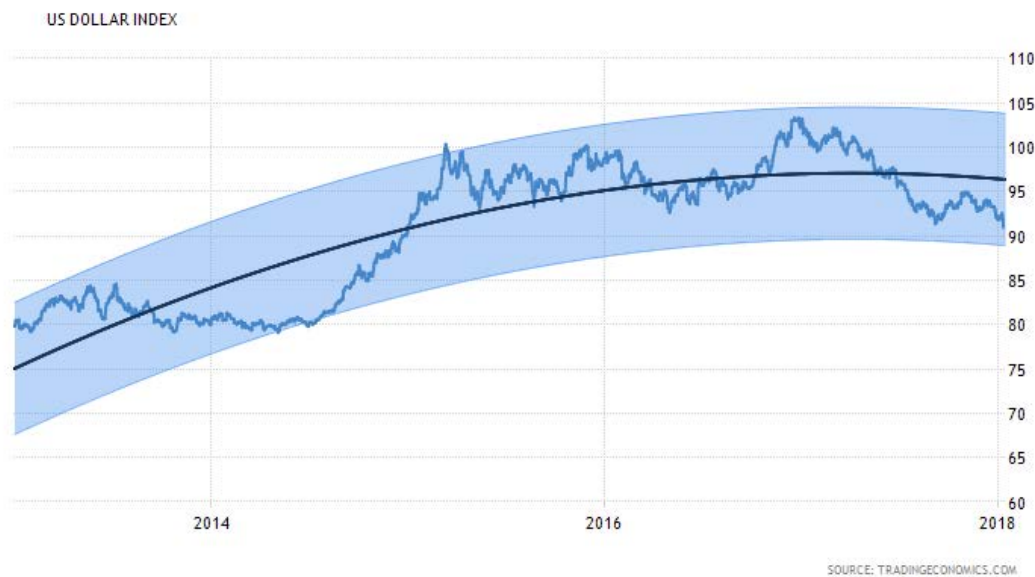
Aluminum rose a penny to \$1.00 remaining near a more than 5 year high, as global manufacturing remains strong in many industries.



Aluminum inventories continue falling hitting new about 8 year lows despite the increases in global production.

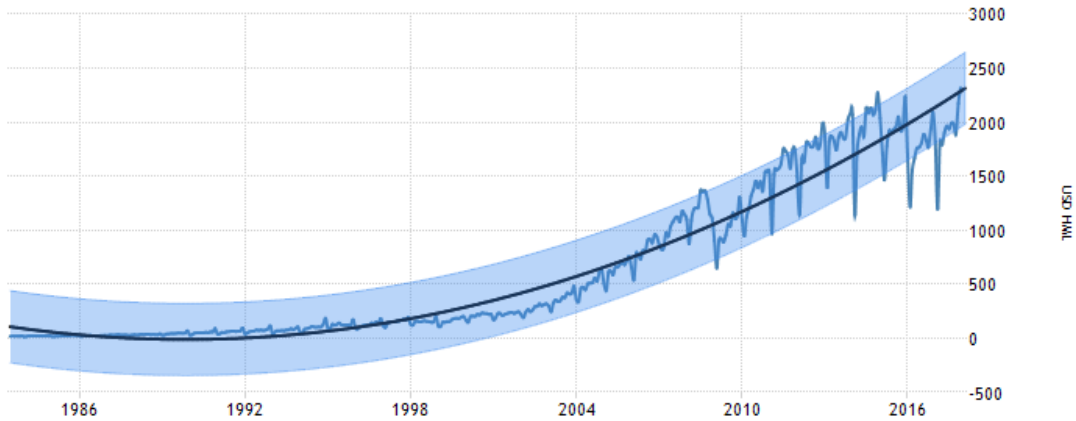


Cardboard remained at \$115 which is near the low hit in 2016. China import restrictions remain a major issue. The enormous rise in e-commerce is fueling cardboard demand, which could put upward pressure on prices.



The U.S. Dollar hit a new multi-year low, which increases the price of dollar based commodities, lowers prices of U.S. products to export, but increases the prices of products we import. A lower U.S. dollar clearly helps and hurts different parts of the economy.

CHINA EXPORTS



SOURCE: TRADINGECONOMICS.COM | GENERAL ADMINISTRATION OF CUSTOMS

China's exports slowed a bit in recent months, but hit an all-time high in December and in 2017. Exports grew 7.9 percent in 2017 which was the largest growth since 2013. Sadly, China's trade deficit with the U.S. hit a record high in 2017 to \$276 Billion.

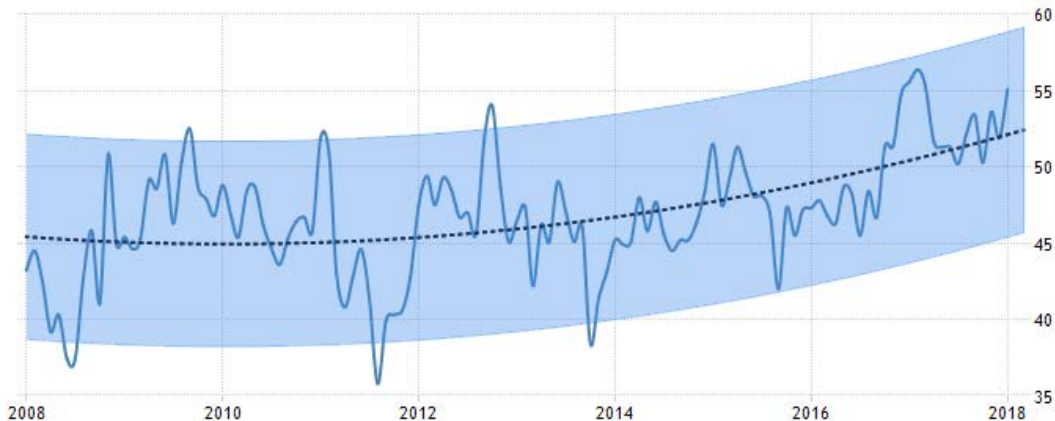
US INFLATION RATE



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

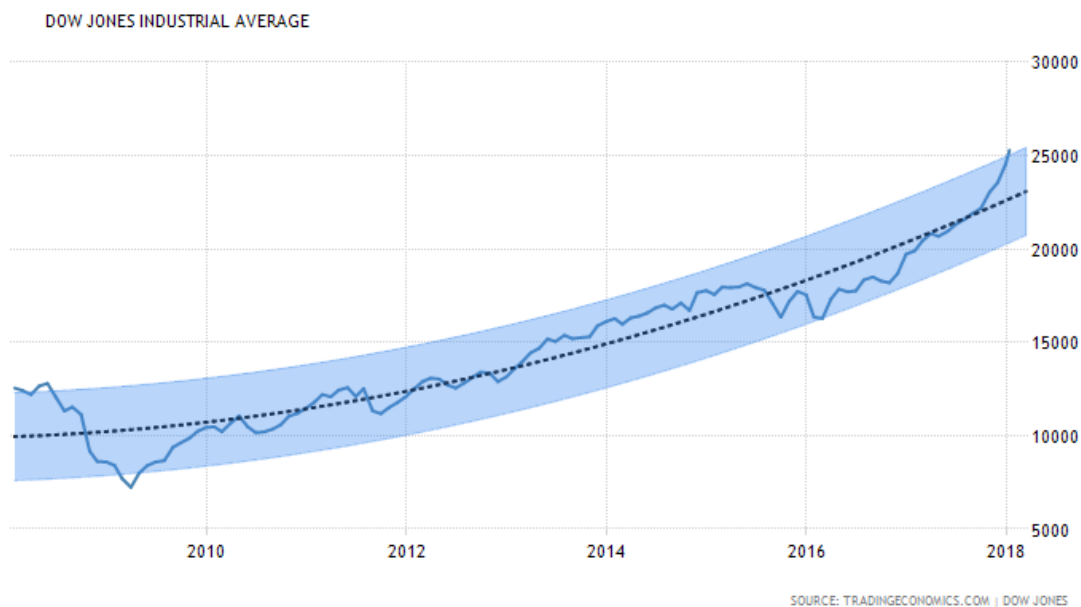
Inflation fell to 2.1 Percent in December amid a slowdown in fuel price increases, but core inflation, which takes out fuel and food, rose .3 percent to 1.8, the highest in 11 months with the prices of rent, healthcare and autos all increasing.

US IBD/TIPP ECONOMIC OPTIMISM INDEX



SOURCE: TRADINGECONOMICS.COM | TECHNOMETRICA MARKET INTELLIGENCE/THE INVESTOR'S BUSINESS DAILY

The key IBD/TIPP Economic index rose to the highest level since March 2017, driven by believed economic improvement over the next six months, combined with a very positive personal financial outlook, but the index was dragged down by a negative feeling about federal economic policies.



Wall Street's Dow Jones jumped 507 points to a record 25,803. The recent tax cut is having corporations increase their profit forecasts, which is driving the increases. Also while late in the cycle investors are flooding in to the market, which is also driving increases.

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