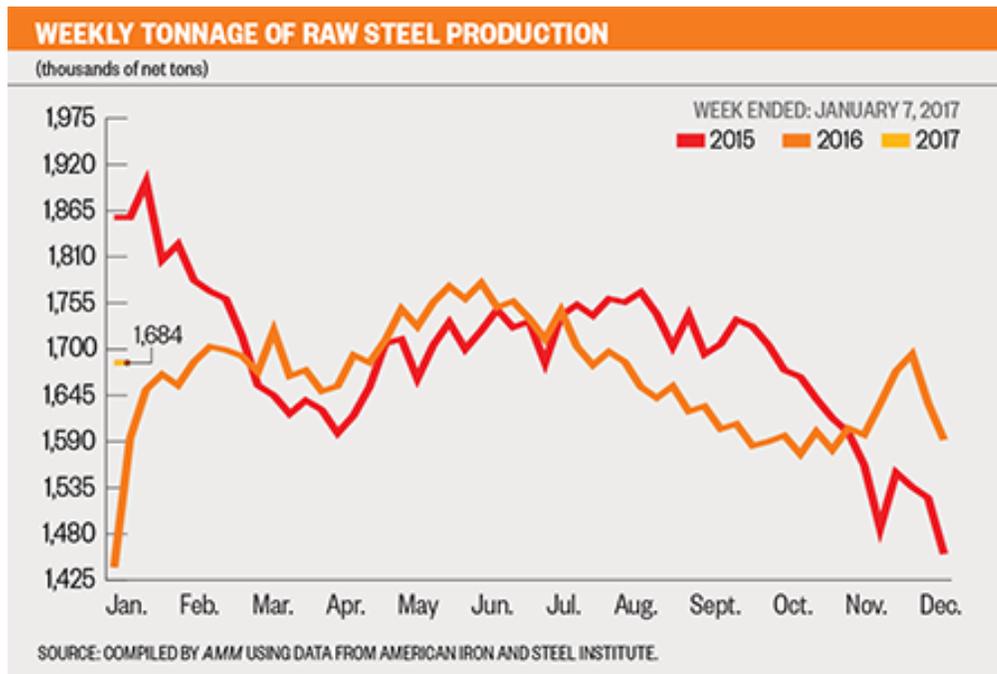


This is the Scrap Metal & Commodities Recycling Report, by BENLEE and Raleigh and Goldsboro Recycling, January 16th 2017.

Last week many commodity prices rose, while economic reports were mostly positive.



Looking at the left of this chart, steel production started well ahead of where it started last year. A nice start to the year.



Oil fell \$2/Barrel to \$52. Oil hit an all-time high of \$145/barrel in 2008, just before the crash and it was a mere \$1.17 in February 1946. Importantly oil is double what it was a year ago.

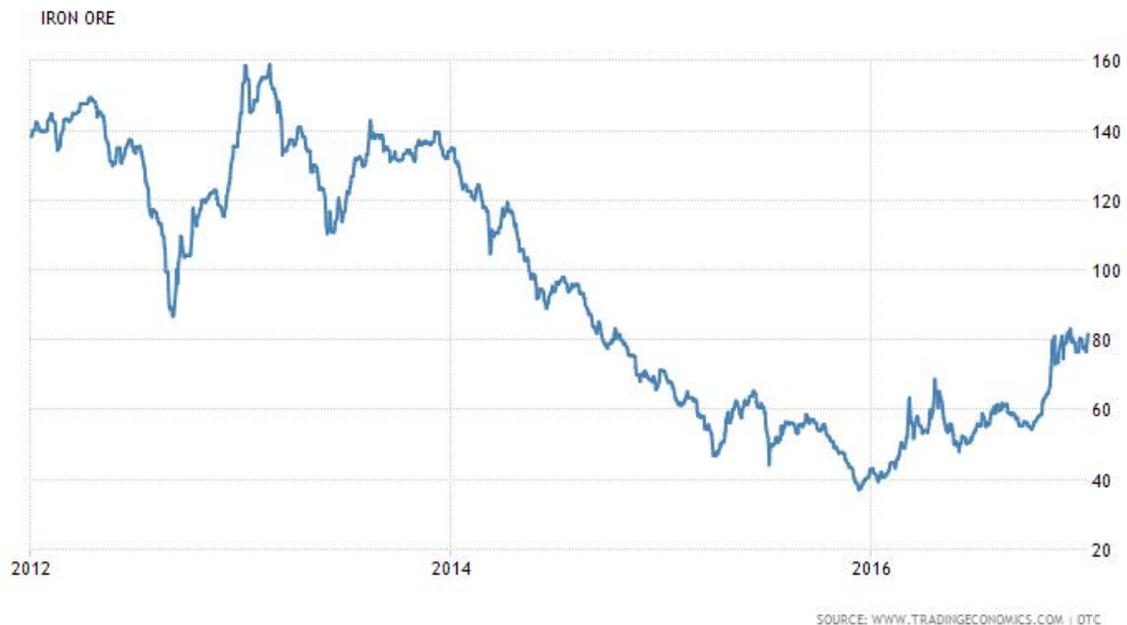
US OIL RIG COUNT



SOURCE: Baker Hughes

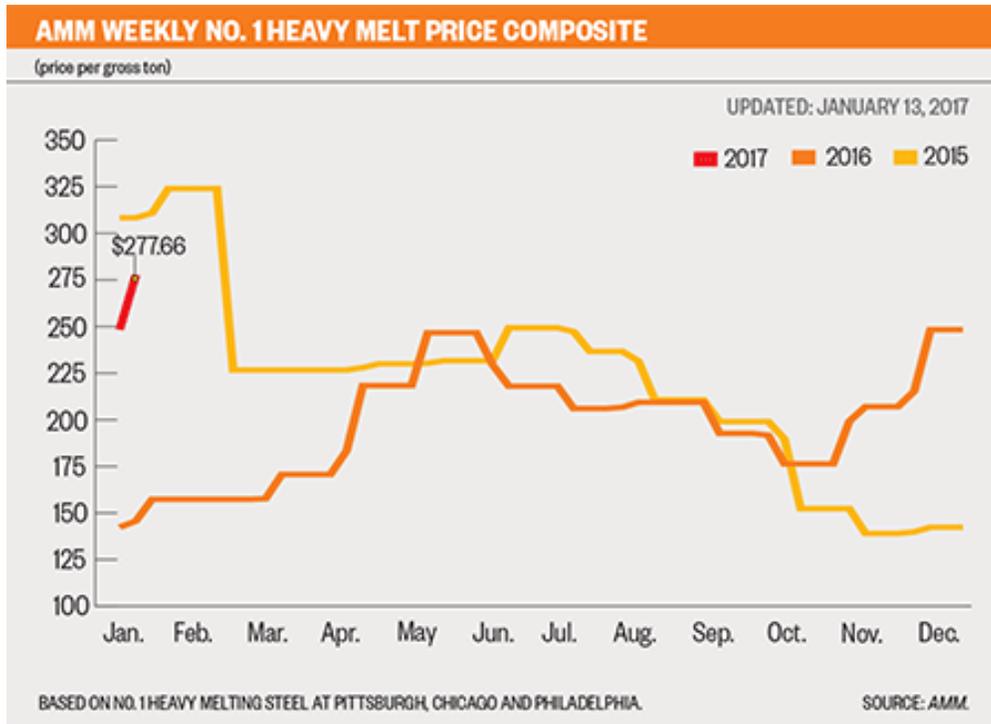
BUSINESS INSIDER

Oil rigs which consume major amounts of steel, fell for the first time in months to 522, but remain near a high for the year. Great for jobs and supporting stable steel prices.



SOURCE: WWW.TRADINGECONOMICS.COM | OTC

Iron ore fell \$1/MT to \$82, so while recently stable, it is also more than double the \$37/MT of a year ago.



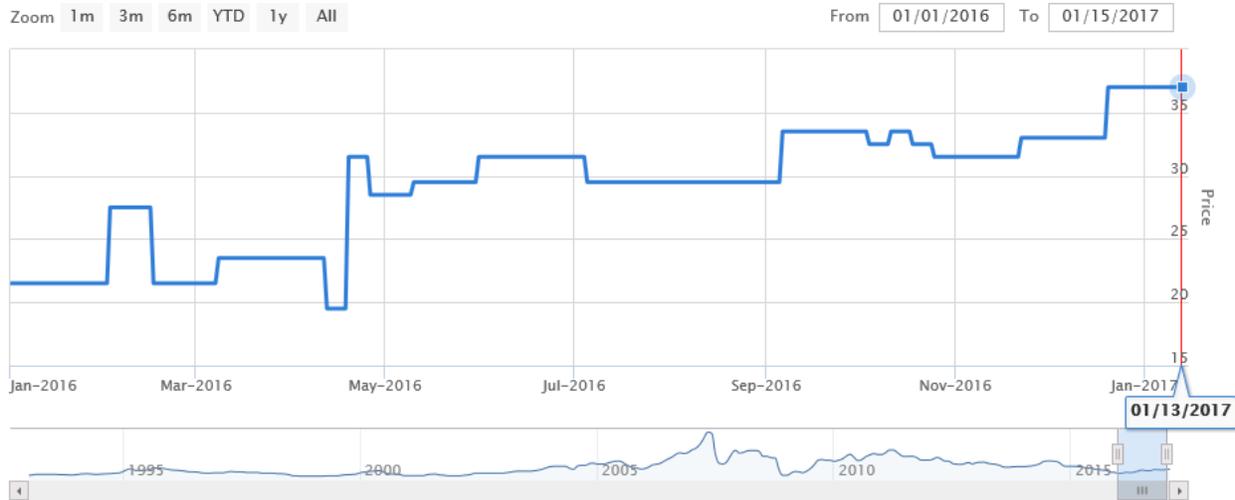
Looking at the left of this chart, scrap ferrous prices are now double last year's price. Scrap flows into scrap yards are increasing, which will help stabilize prices in the weeks to come.

Hot Dipped Galvanized Coil



Hot dipped galvanized steel remains steady at \$850/Ton. Commercial Metal Corporation raised rebar prices, \$40/ton effective immediately, so there remains upward price pressure on steel.

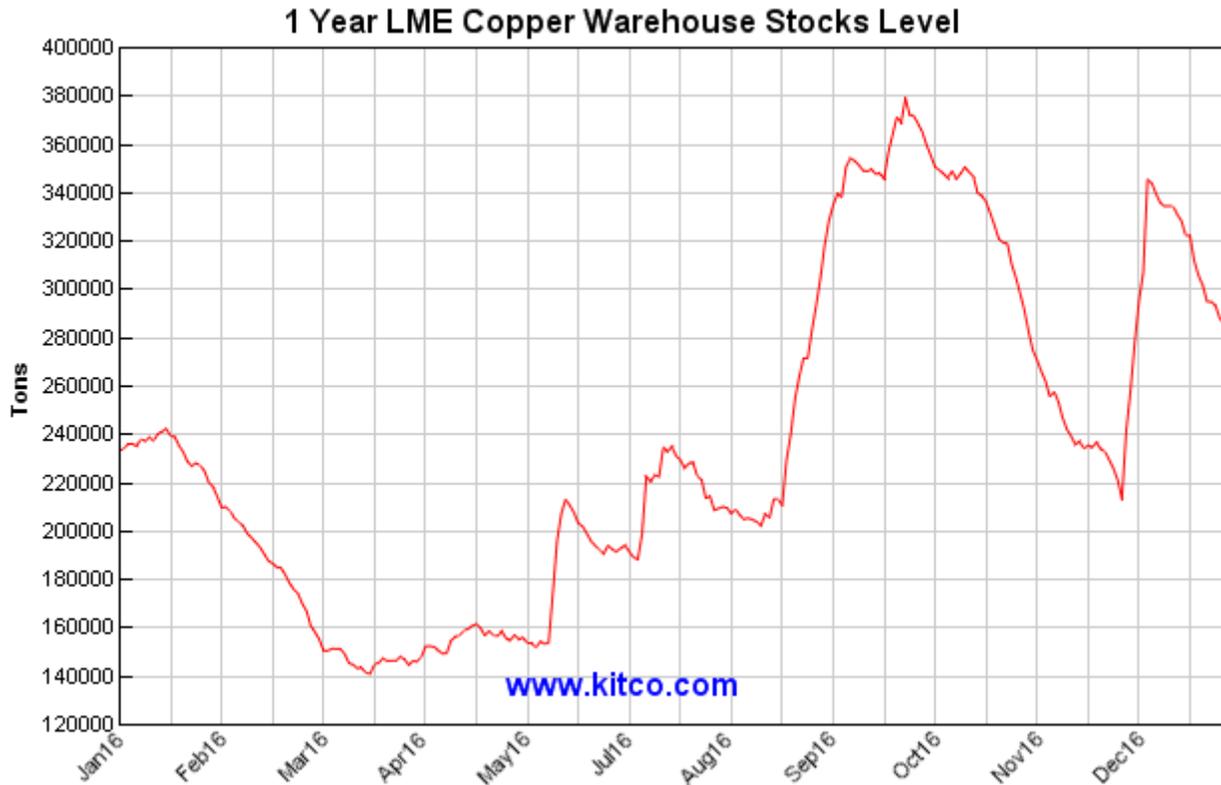
304 Stainless Scrap



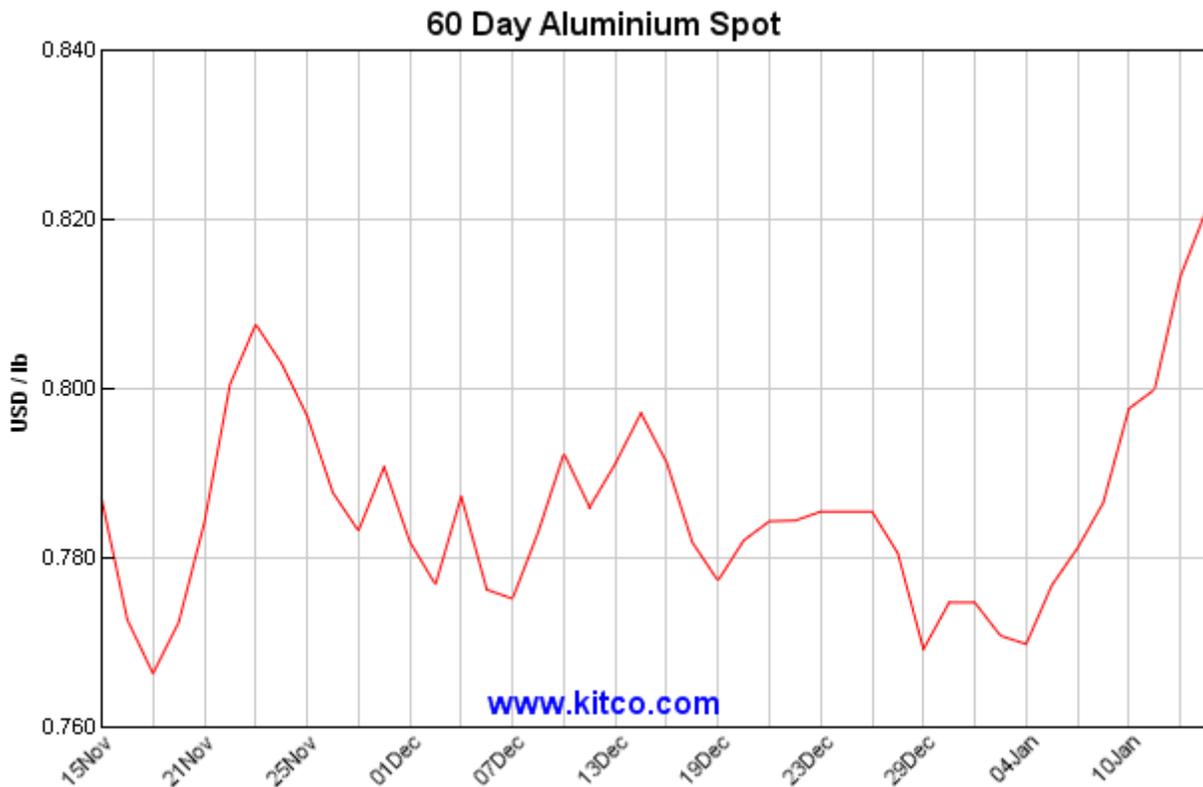
Stainless scrap 304 held at \$.36 staying at the high for the last year on slow increases in demand.



Copper jumped 20 cents to \$2.70/lb. an almost 18 month high. The increase after the election is showing signs of stabilization. A question remains, can this hold?



Copper inventories have dropped in recent weeks, which could help stabilize prices at these high levels.



Aluminum rose 4 cents to \$.82/lb., up about 22 percent in the past 12 months. A major gain.



Note that aluminum inventories have been rising in recent weeks, which helps put downward pressure on prices in the months to come.



The preliminary University of Michigan's U.S. consumer sentiment index edged down to 98.1 in January from December's 13-year high. A very positive indicator for the economy.

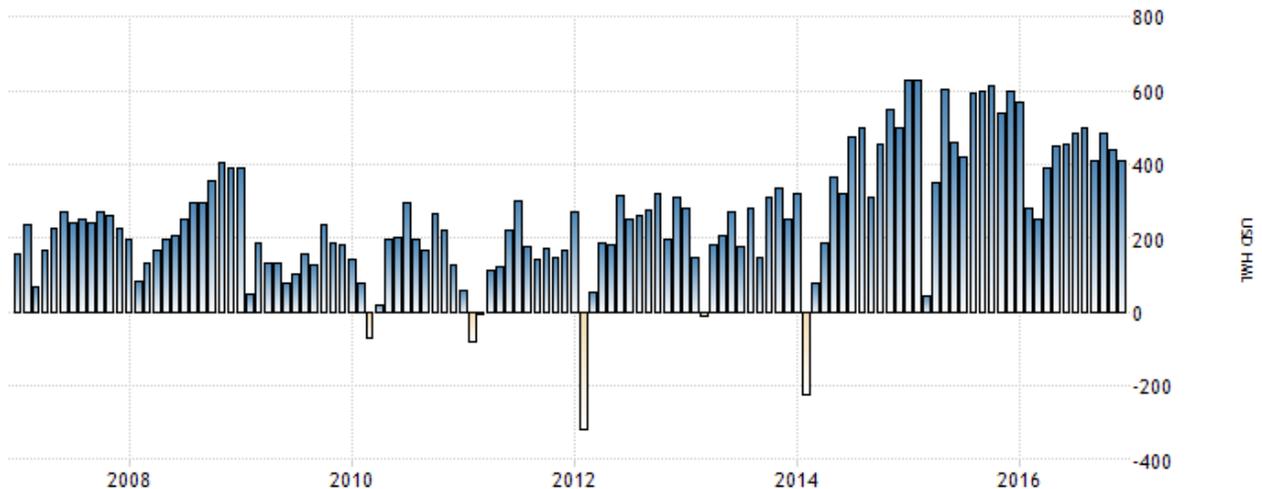
US INITIAL JOBLESS CLAIMS



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

U.S. Initial jobless claims remained well under 300,000 for the week, a key measure of a positive economy and now below 300,000 for 97 weeks. This 50 year chart shows that the last time this happen was 1970, 47 years ago. A major opportunity for U.S. growth are more exports and less imports. We have enormous parts of our population that are not working and could take jobs to create exports.

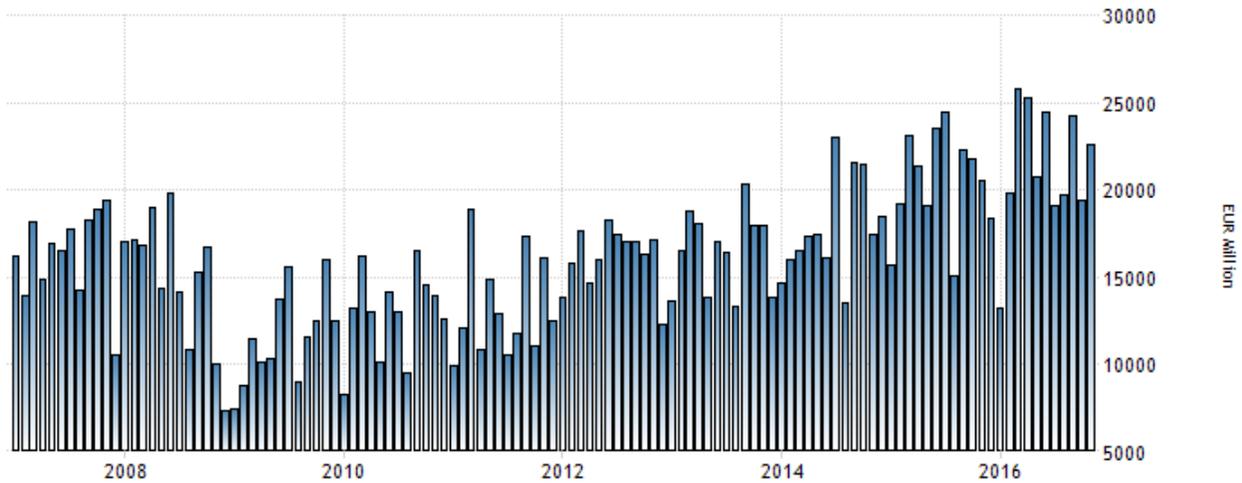
CHINA BALANCE OF TRADE



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

Looking at this 10 year chart, China's trade balance is running at \$20-\$50 Billion positive dollars a month. That means \$20-\$50 Billion a month of money coming into the country. Many say that their low cost of labor makes this easy.

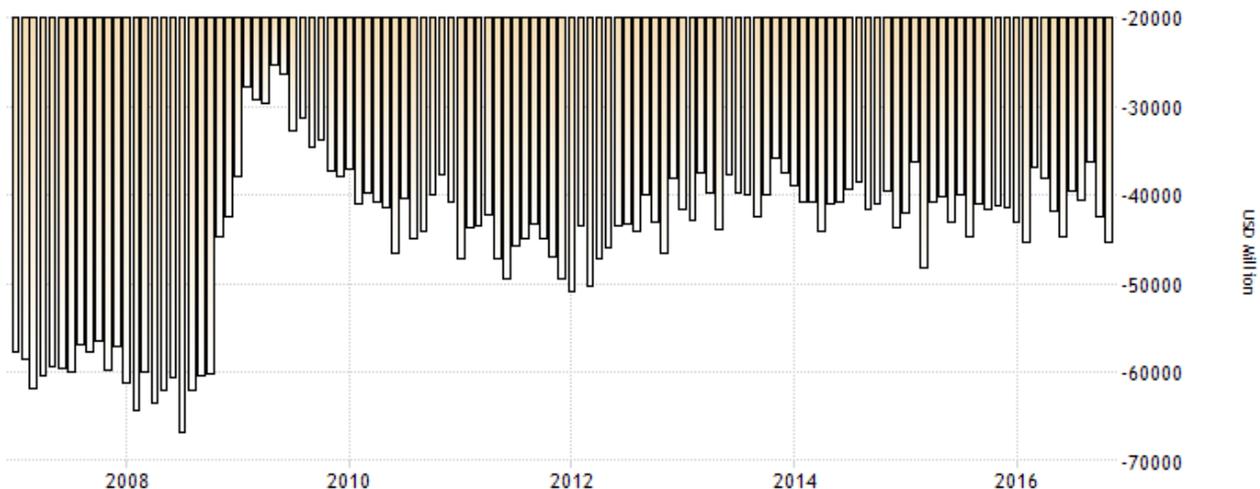
GERMANY BALANCE OF TRADE



SOURCE: WWW.TRADINGECONOMICS.COM | FEDERAL STATISTICAL OFFICE

Germany has very high union labor costs and high universal medical costs—the government pays for everyone’s medical costs through high taxes. Their positive trade surplus is about 15-20 Billion Euros, which is about \$14-\$19 Billion positive each month of money coming in.

US BALANCE OF TRADE

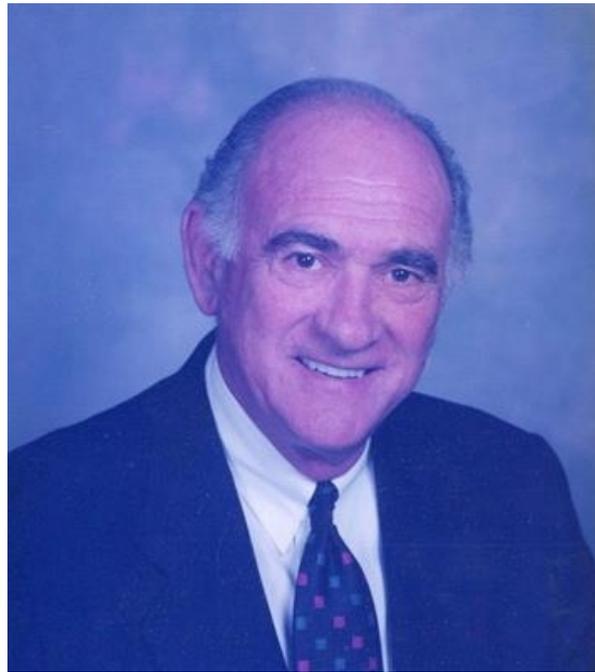


SOURCE: WWW.TRADINGECONOMICS.COM | U.S. CENSUS BUREAU

Now look at the U.S. In recent years we have net outflows of \$30-\$50 Billion a month. A massive outflow of money to the rest of the world as we now borrow now about \$20 Trillion, yes Trillion, to run the economy. Note when Oil was \$145/barrel in 2008, our trade balance was running over \$60 billion a month. We need to export more, to build more wealth in the U.S.



Congratulations to CMC on purchasing 7 of OmniSource's Southeast facilities.



Lastly, we were sad to learn that our very our North Carolinian, Saul Gordon of L. Gordon Iron & Metal passed away this week. A major loss for the industry. He will be missed by many.

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