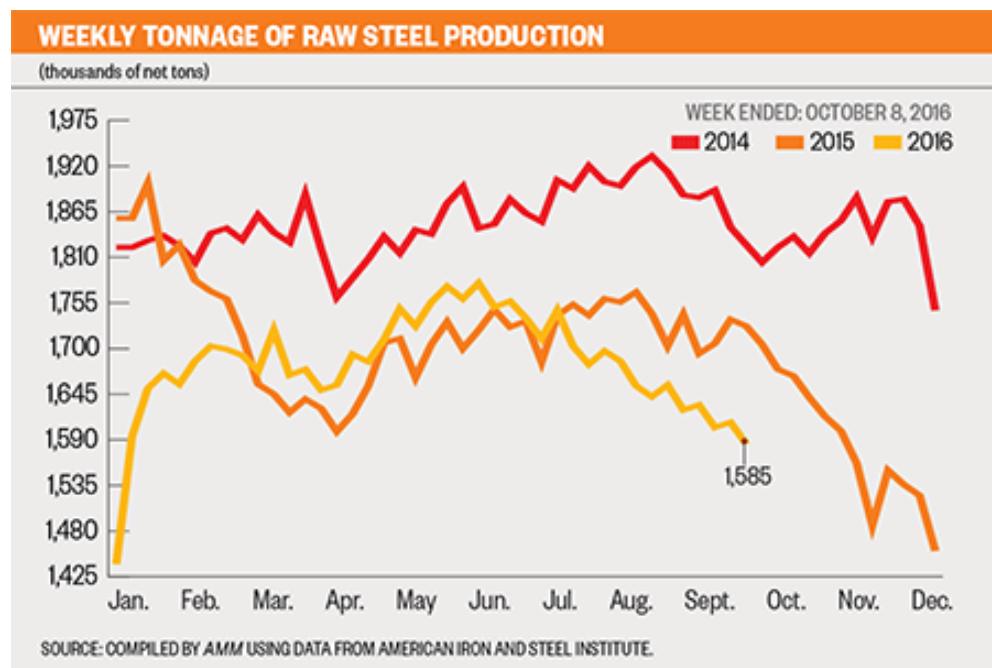
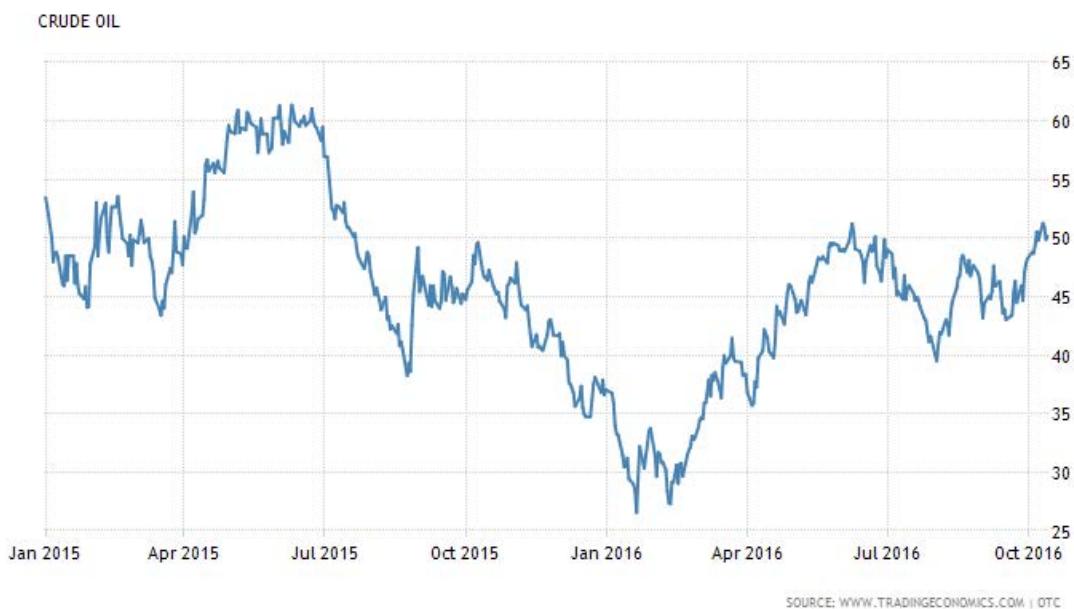


This is the Scrap Metal & Commodities Recycling Report, by BENLEE and Raleigh and Goldsboro Recycling, October 17th, 2016.

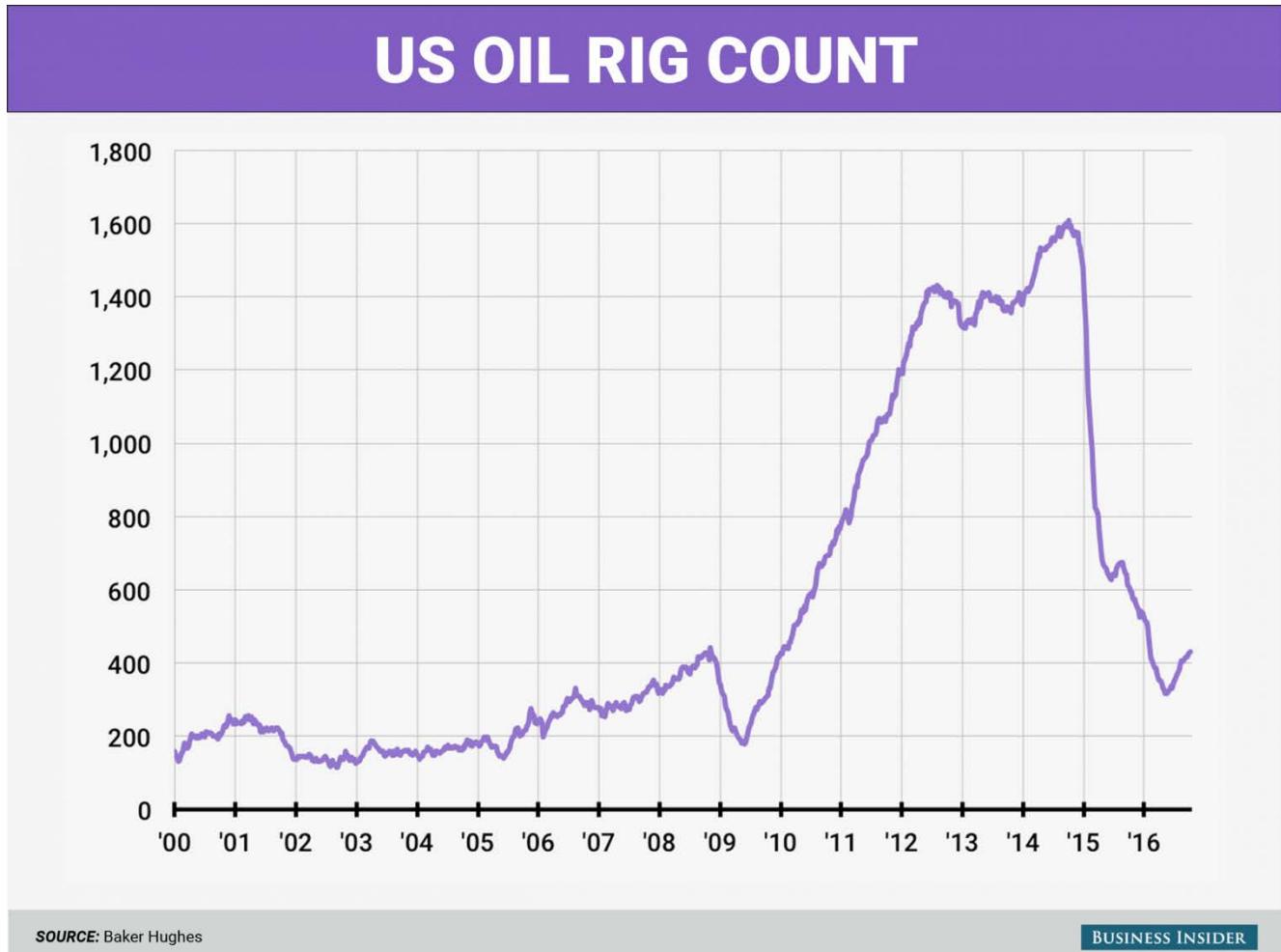
Last week commodity prices were mixed and the U.S. dollar rose.



U.S. steel production fell to a 9 month low, despite various positive economic reports. The trend down is worse than last year.



Oil prices rose 1 percent for the week ending at \$50/barrel, which makes it up a huge 15% for the past month and up 8 percent in the past year, which will support increased drilling in the U.S.



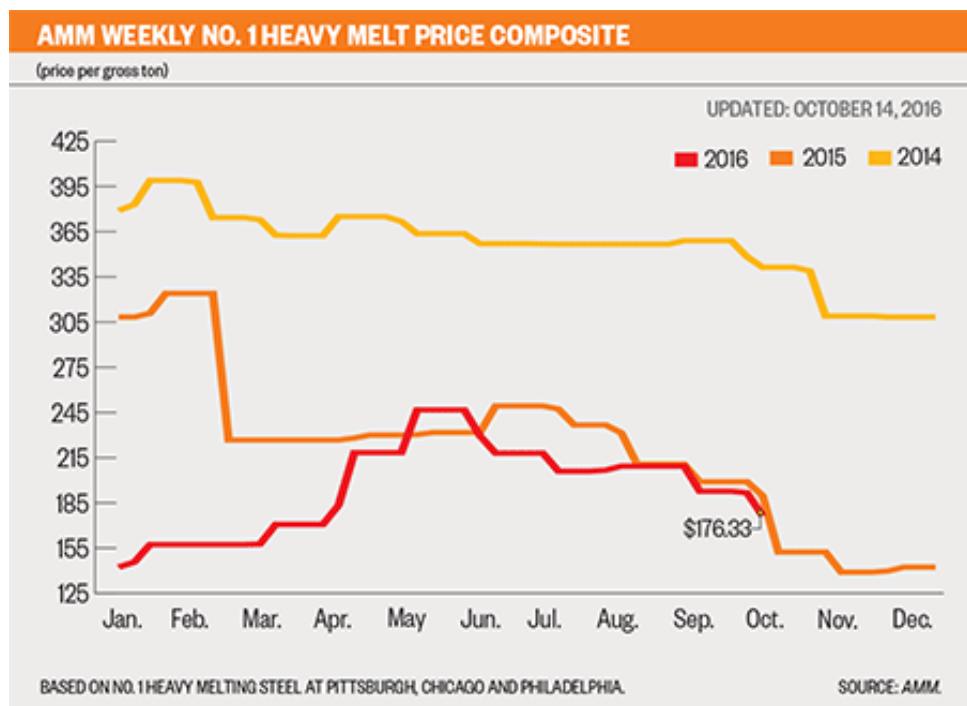
Oil rigs which use major amount of steel and capital equipment, continued their slow rise to end at 432, up 36% from the recent low of 316, but it is still a staggering 73% lower than they were two years ago, therefore many steel mill workers are still laid off that were making steel for these rigs and the low count is helping keep steel prices depressed.

#### IRON ORE



SOURCE: WWW.TRADINGECONOMICS.COM | OTC

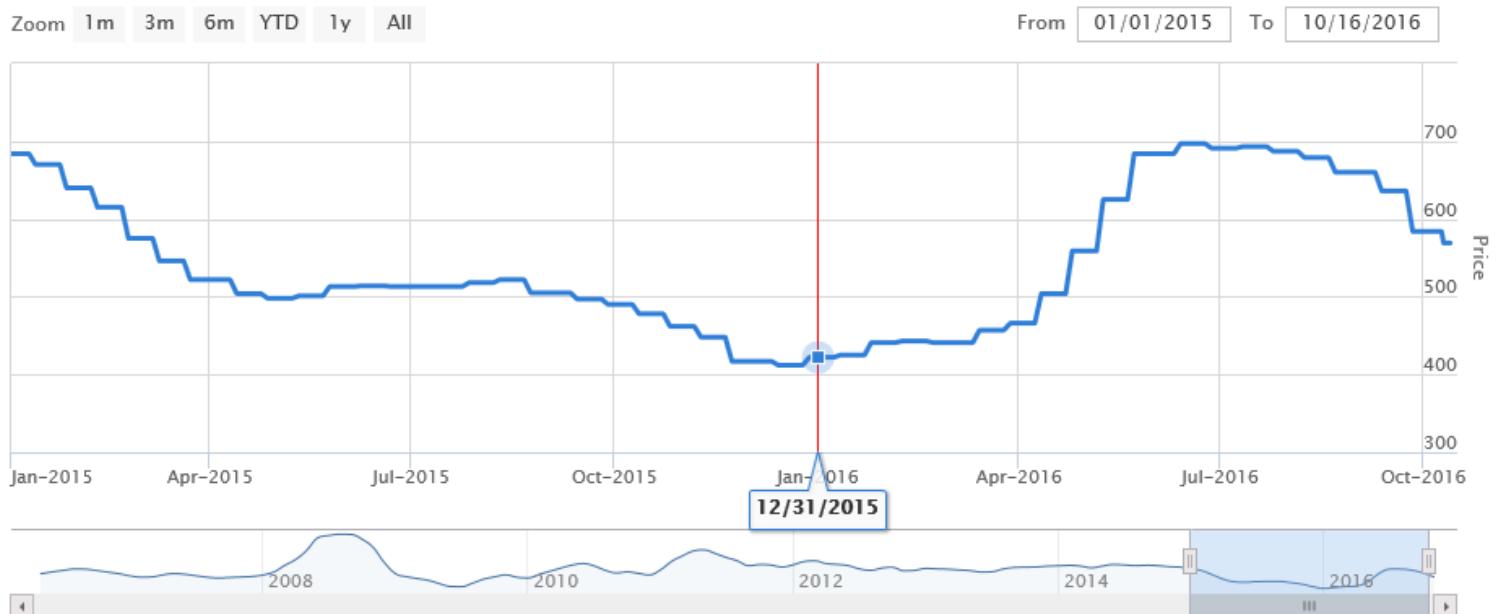
Iron ore rose about 4 percent for the week ending Thursday at \$56/MT, but only up about 2 percent for the month. Importantly low iron ore prices continue to bring low scrap metal prices as iron ore is used to make scrap metal substitutes.



Scrap steel held steady after falling about \$20/GT in most regions, early in the month. The trend down is following last year, but very importantly last week, Nucor announced a \$30/Ton price increase

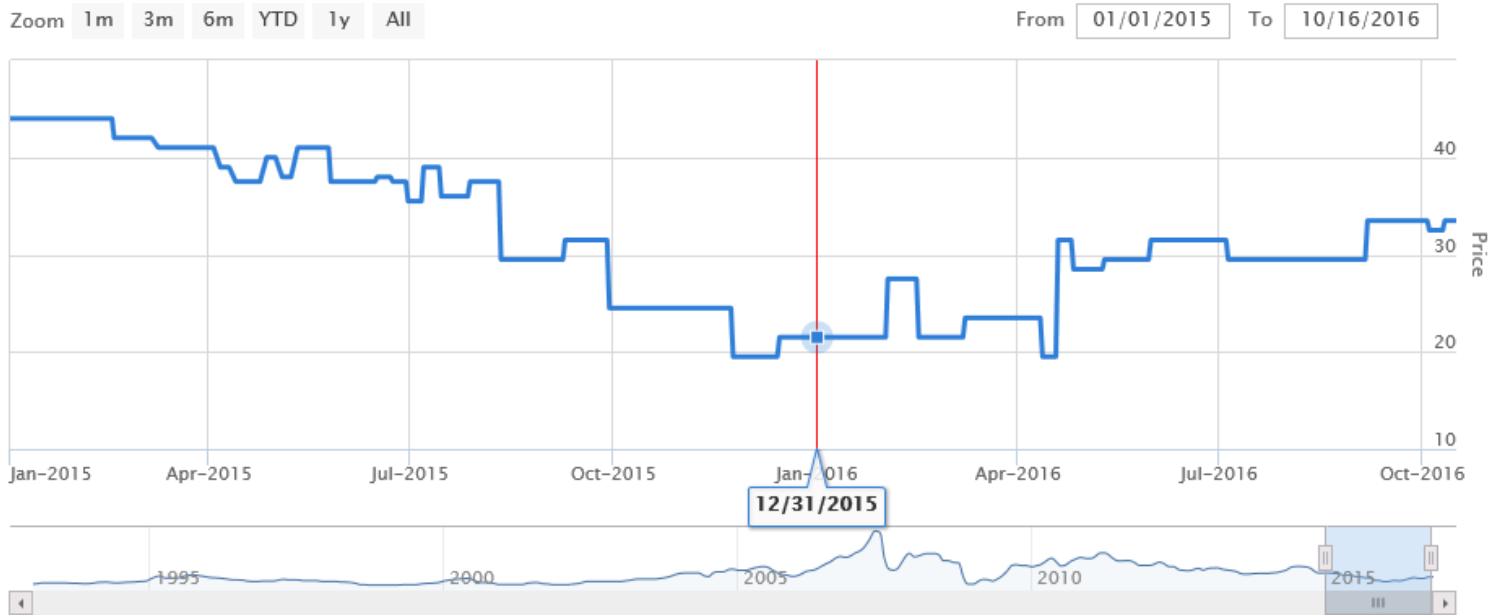
effective immediately on plate steel and at least one major steel mill has said we could be near the low of scrap prices. Related we have talked to one independent scrap yard that is about to be holding 20,000 GT in expectations we are at the low.

## Hot Rolled Coil Steel



Hot roll coil steel prices fell a bit to \$569/MT, as we see softness in production, but as said above, the \$30/Ton increase in plate steel from Nucor is real.

# 304 Stainless Scrap



Stainless 304 rose a penny to 33.5 cents per pound as demand remains somewhat stable in a slow grow market.

COMEX:HGX2016, D 2.1105 ▼ -0.0115 (-0.54%) O:2.1260 H:2.1320 L:2.1045 C:2.1105



 **CME Group**  
Powered by [TradingView.com](https://www.TradingView.com)

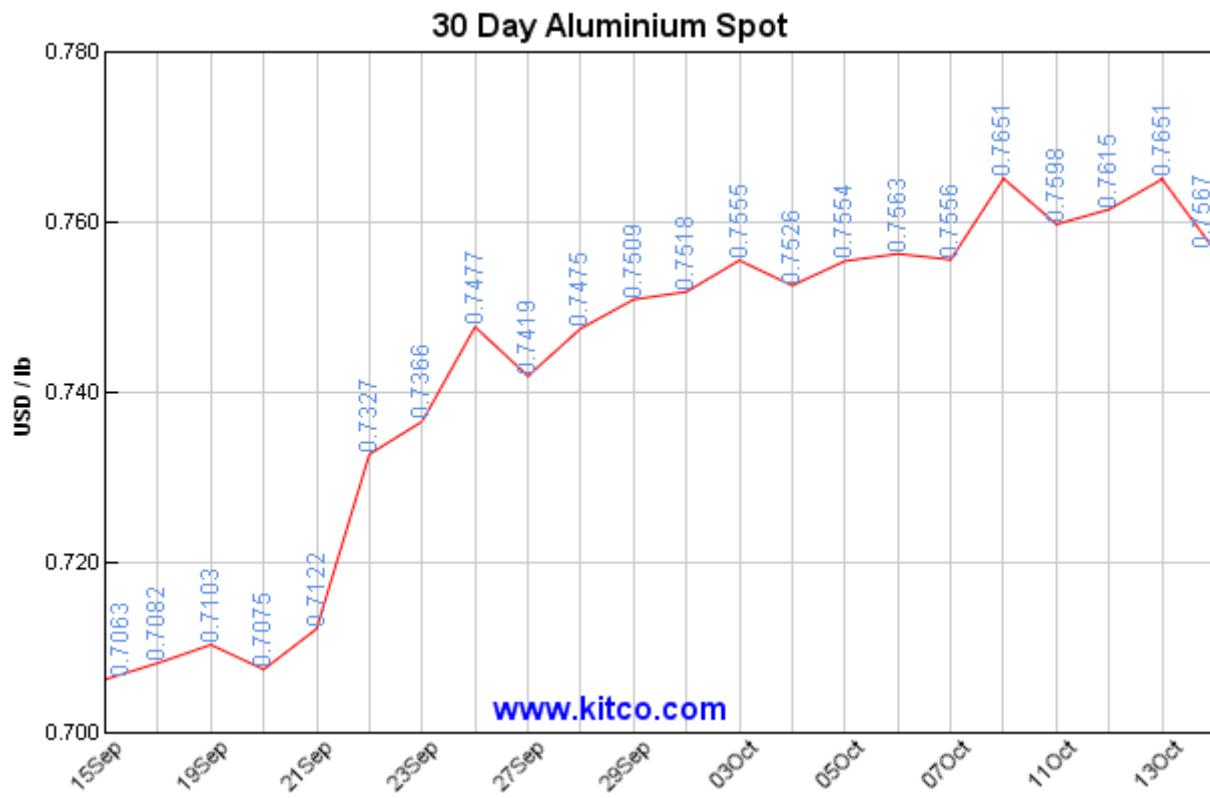
Copper fell 5 cents, a second week in a row, ending at \$2.11/lb. with continued dollar strengthening being a key reason, and no major increase in demand. Prices have remained in a band for over a year.



When looking at a 5 year price chart we see copper really remains near about a 7 year low.



The 5 year copper inventory chart shows inventories are near three year highs, so copper prices should see little change in the months to come.



Aluminum was about flat for the week ending at 75.7 cents pound



but unlike copper, which is down for the year, aluminum prices are actually up about 16% for the year on demand increases and just minimal global production increases.



The 5 year aluminum inventory chart shows inventories are at new about 8 year lows and down about 62% from their high of about three years ago. Aluminum prices should remain steady with some upward pressure in the coming months.

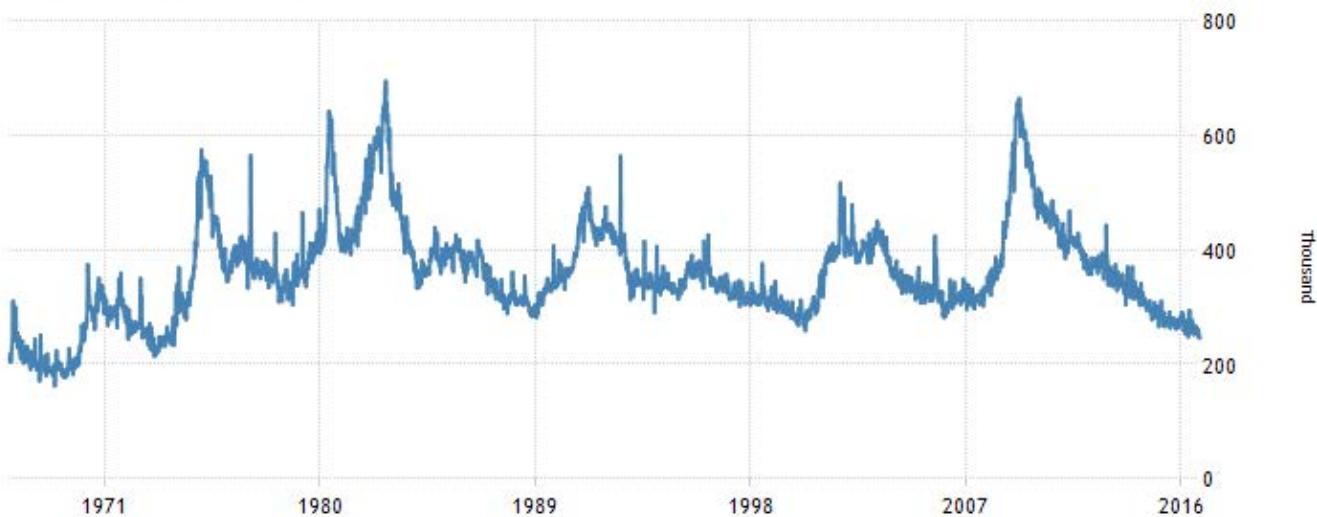
#### US DOLLAR



SOURCE: WWW.TRADINGECONOMICS.COM | OTC INTERBANK

The U.S. Dollar, our currency, hit a 7 month high last week against a basket of foreign currencies. We operate in a global economy. When our currency is strong, it translates to prices go down in commodities priced in dollars, which helps explain low copper, iron ore and scrap prices.

#### US INITIAL JOBLESS CLAIMS



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

U.S. initial jobless claims, people filing for unemployment held steady at 246,000. When you look carefully at the right and left side of this 50 year chart you see an amazing thing. Unemployment claims are the lowest in 43 years. A truly great thing as more people remain in the workforce, which is helping stabilize some commodity prices in a slow growth economy.

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