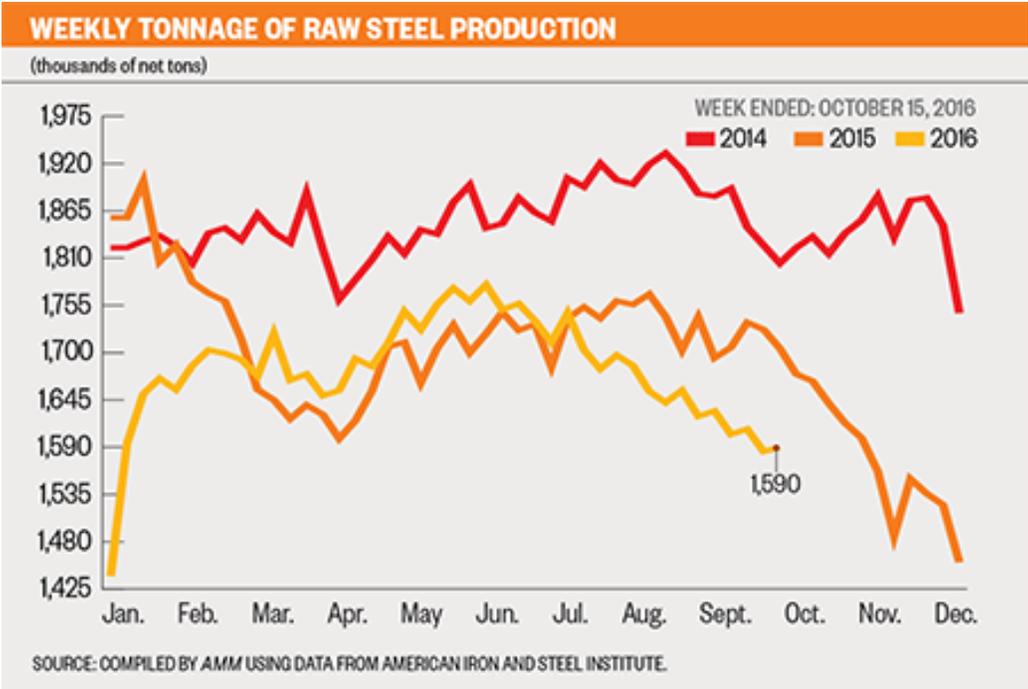


This is the Scrap Metal & Commodities Recycling Report, by BENLEE and Raleigh and Goldsboro Recycling, October 24th, 2016.

Last week commodity prices were mixed and the U.S. dollar rose to a new 8 month high.



U.S. steel production rose a bit, but remains well off the highs for the year, which is causing pressure on steel mills profitability that has been good in recent months due to higher prices allowed by tariffs and lower scrap prices.

## CRUDE OIL



SOURCE: WWW.TRADINGECONOMICS.COM | OTC

Oil prices were flat, ending at \$50/barrel, but up a big 9% in the past month and has been above \$45/barrel for a number of months which is a major positive for U.S. jobs.

## Markets Chart of the Day

### US OIL RIG COUNT

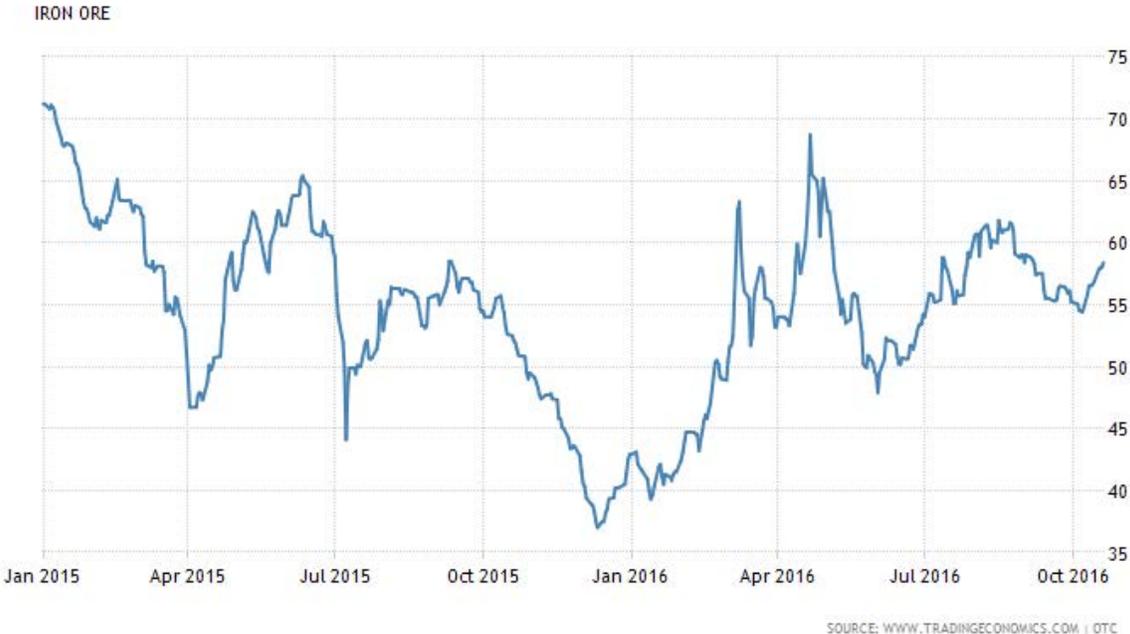


SOURCE: Baker Hughes

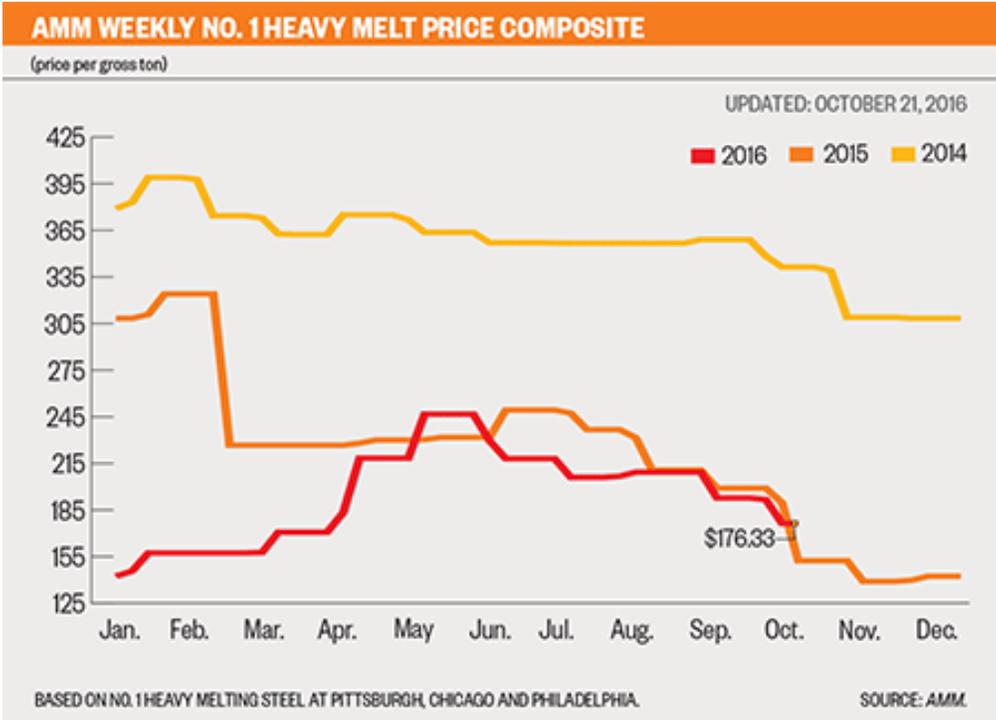
BUSINESS INSIDER

BUSINESS INSIDER

Oil rigs which use major amount of steel, rose to 443, up a huge 40% from the recent low of 316, but it is down a staggering 72% from two years ago drillers are going back to work and more steel is being used, helping steel mill utilization and will help stabilize scrap steel prices.



Iron ore rose 3 percent for the week ending Thursday at \$58/MT, and is now up 5% for the month and 14% for the year. This is putting pressure on steel mill profits and will sport higher scrap metal prices.



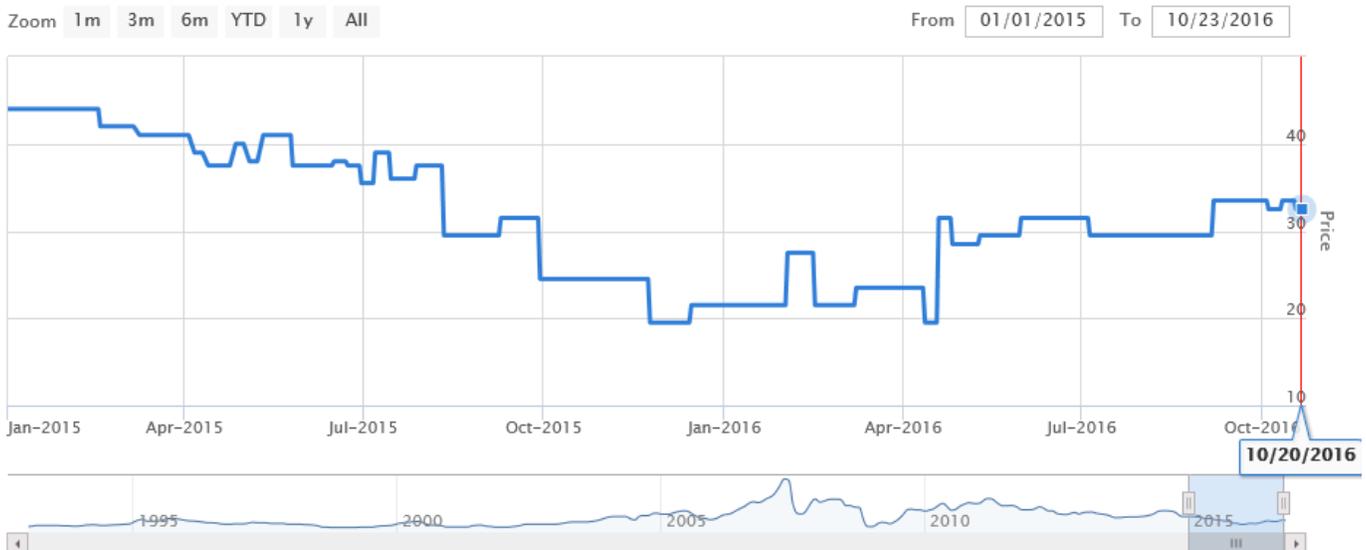
U.S. scrap steel prices held steady, but export prices are up over \$10/GT, therefore U.S. scrap ferrous prices should be up next month, due to export demand.

## Hot Rolled Coil Steel

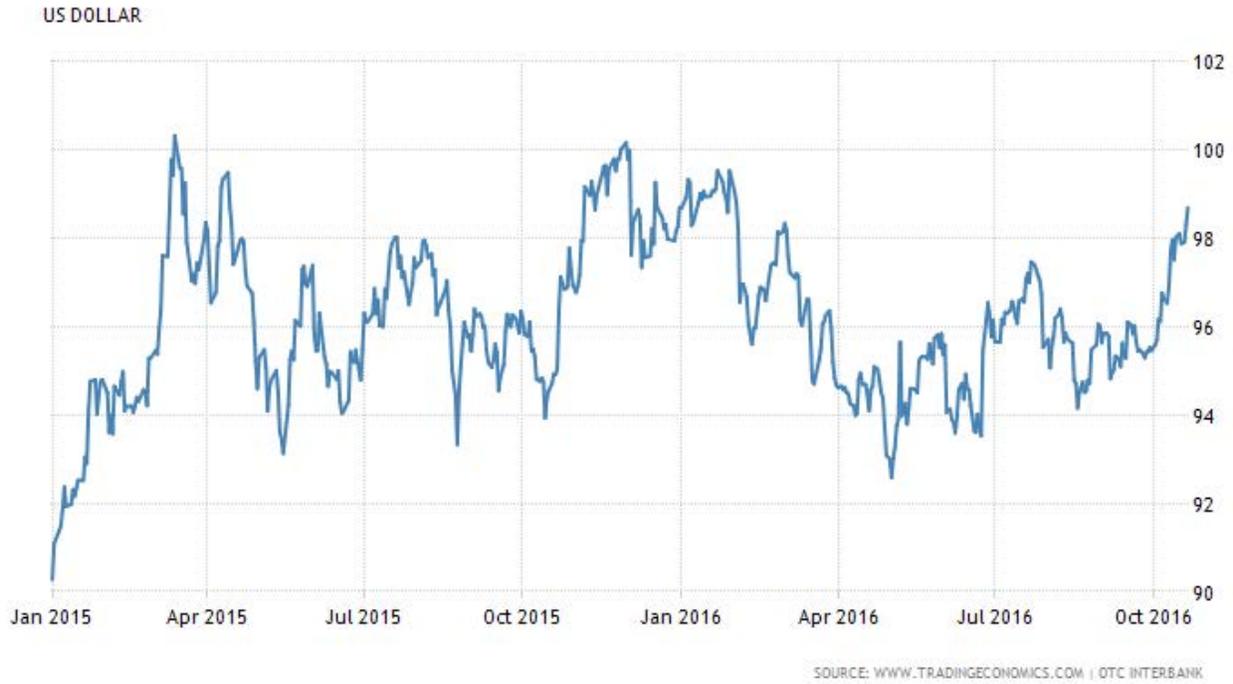


Hot roll coil steel shows steady here at \$569/MT, but multiple steel mills have announced \$30/T increases in recent days which follows the \$30/T increase on plate steel two weeks ago.

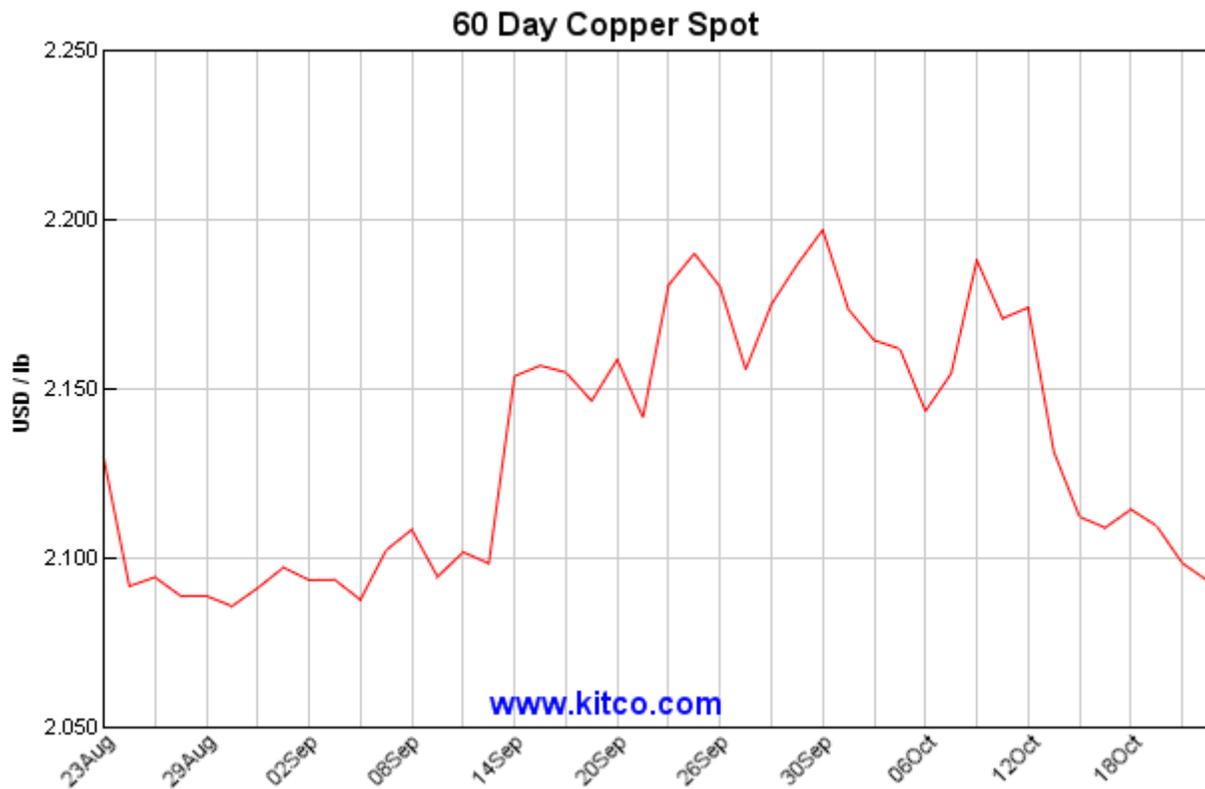
## 304 Stainless Scrap



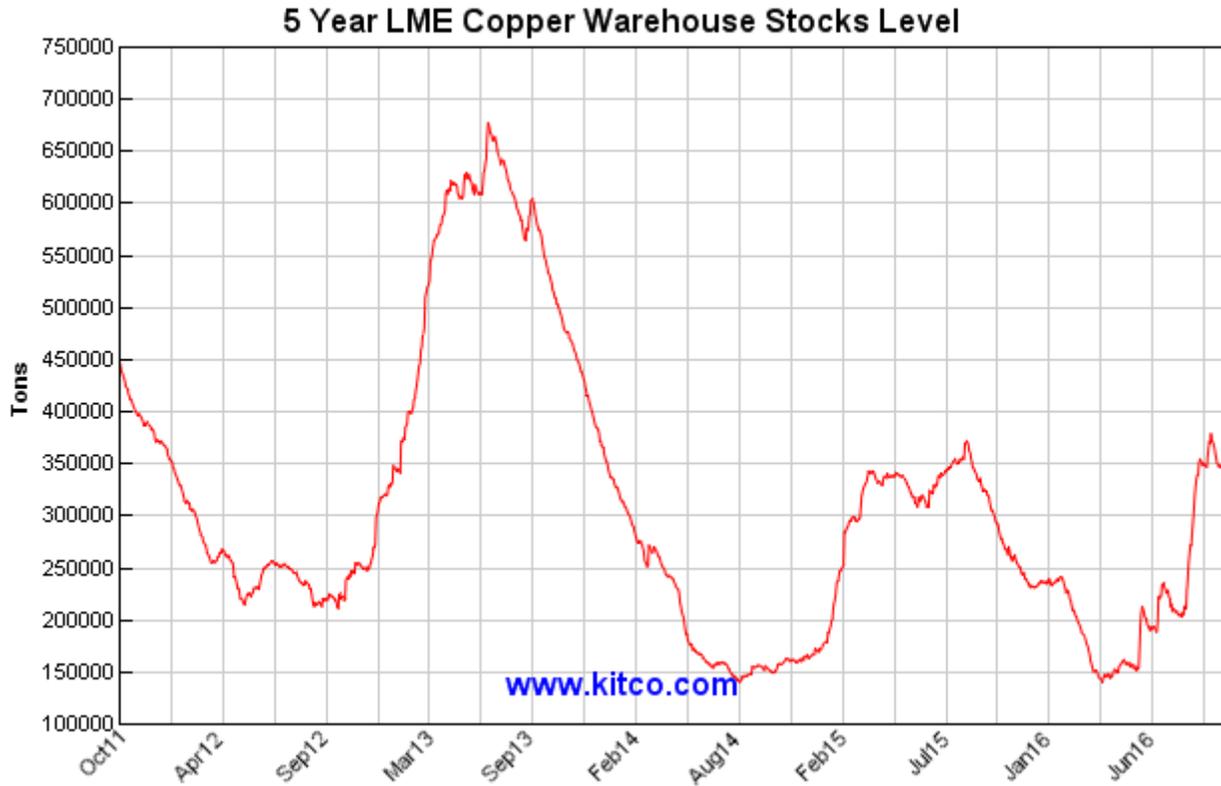
Stainless scrap 304 dropped a penny to \$.325/lb. as demand remains fair in a slow grow market.



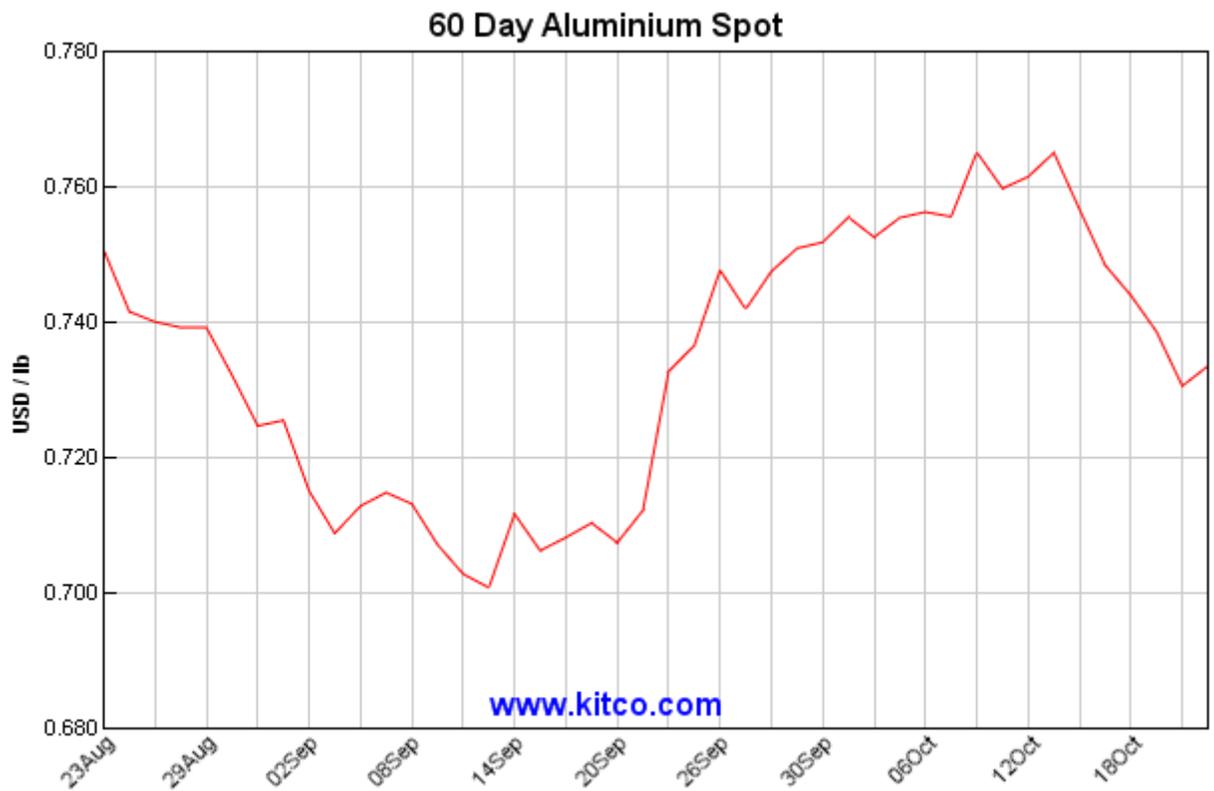
The U.S. Dollar, continued its rise and hit a new 8 month high, rising 3 percent for the week. This keeps downward pressure on commodity prices. It also hurts U.S. companies that export, due to prices go up for their foreign customers and it makes imports to the U.S. cheaper from other countries.



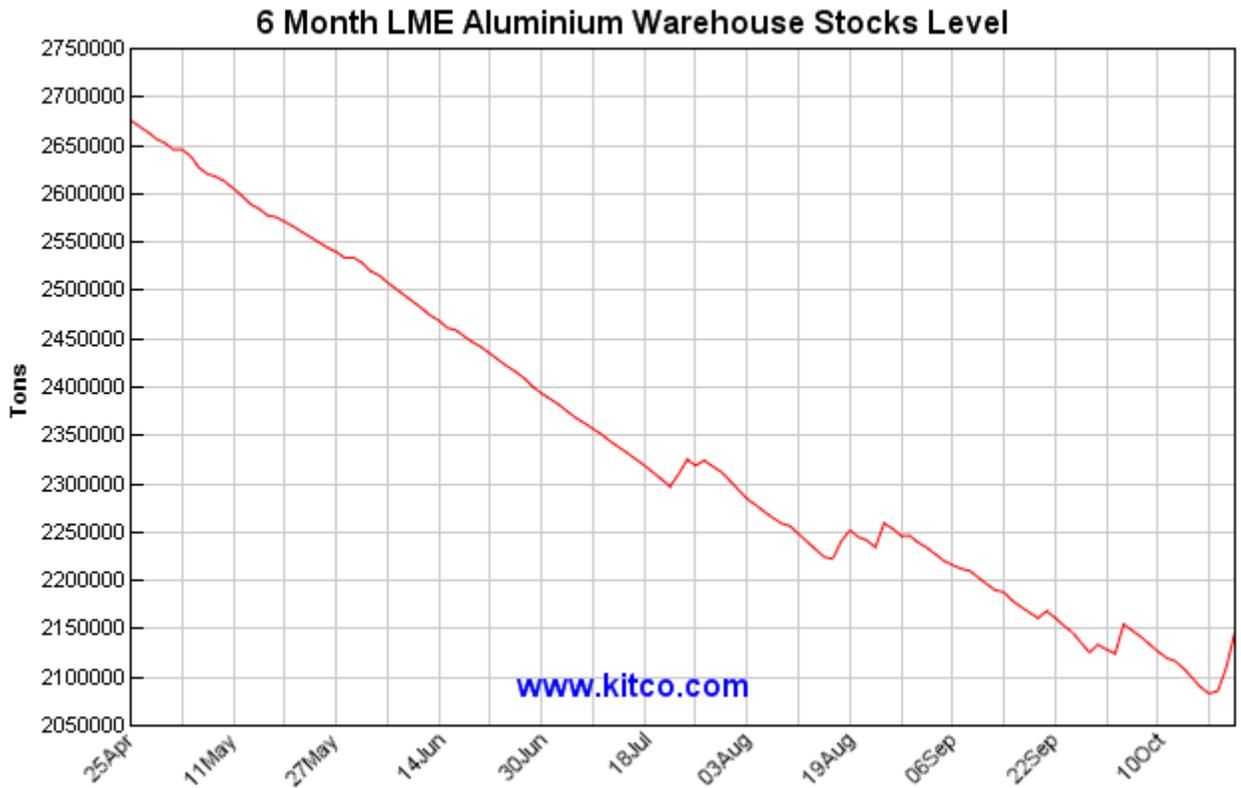
Copper fell 2 cents, now falling three weeks in a row with the U.S. dollar a key reason for the decline,



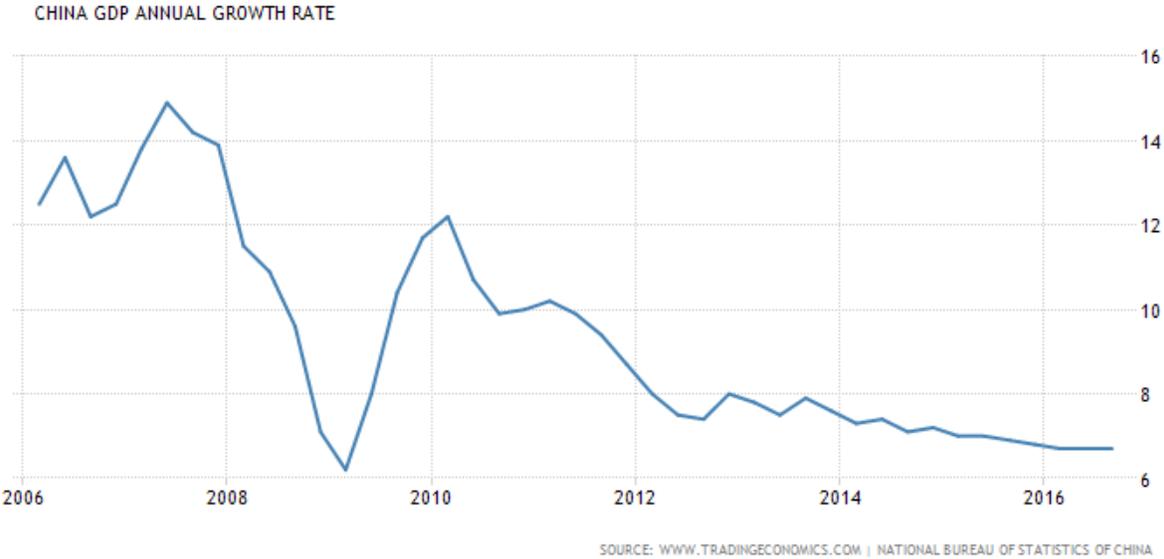
The 5 year copper inventory chart shows inventories are near almost 4 year highs. High inventories will keep pressure on prices, so copper should remain low for a while, unless there are major events.



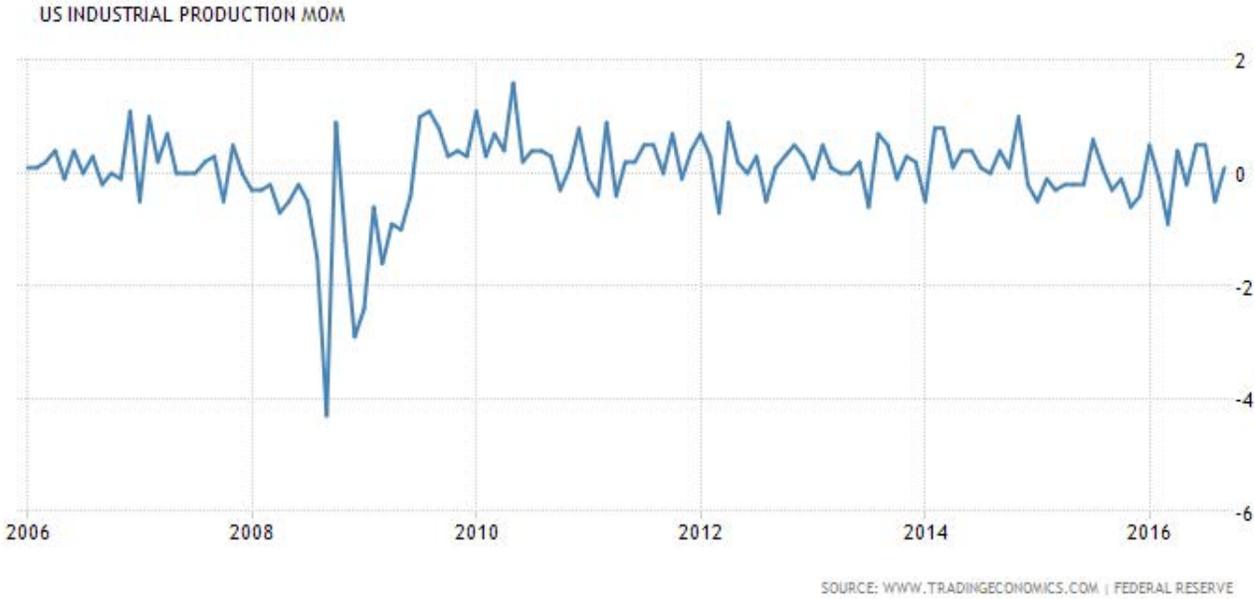
Aluminum fell ending at \$.732/lb., and again, the dollar strength being a key reason.



Aluminum inventory levels while not up a lot, they had their biggest rise in years last week. If that continues it will keep downward pressure on prices.



China’s GDP grew at 6.7% for the quarter, the same as the previous 6 months. By historic levels this is low, but it is among the highest growth rates in the world.



U.S. Industrial production increased .1 percent in September vs. August. A bad performance, but if you look carefully at the chart, in the third quarter, July, August, September, manufacturing was up 1.8

percent for the quarter, which is the first quarterly increase in a year. So not a great set of numbers, but the best in a year.



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

Jobless claims rose for the week, hitting a 5 week high at 260,000, but remain under the key growth mark of 300,000, for 85 weeks in a row the longest streak since 1970, 46 years ago.

Here is a new index to give all an idea of the status of the economy. I call it the



Delta index. Delta Airlines that is. The Raleigh airline club that I have been a member for about 8 years, had a 26% rise in attendance in September, over last September. A clear indicator of business growth, and also a great job by the manager Dave and his team. Well done!

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