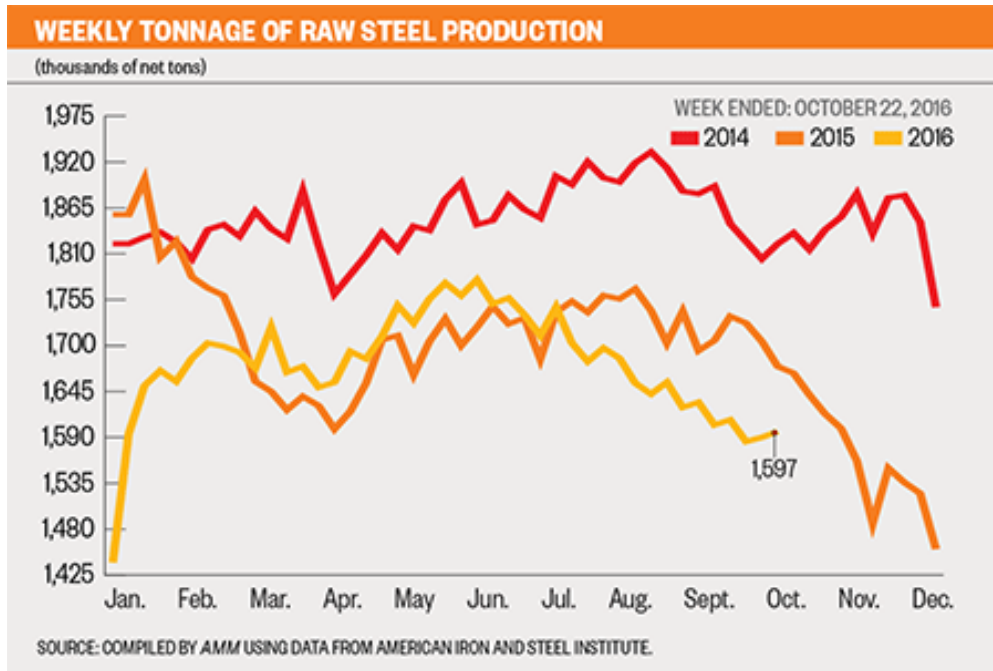


This is the Scrap Metal & Commodities Recycling Report, by BENLEE and Raleigh and Goldsboro Recycling, October 31st, 2016.

Last week many commodity prices rose and scrap steel is set to rise this week.



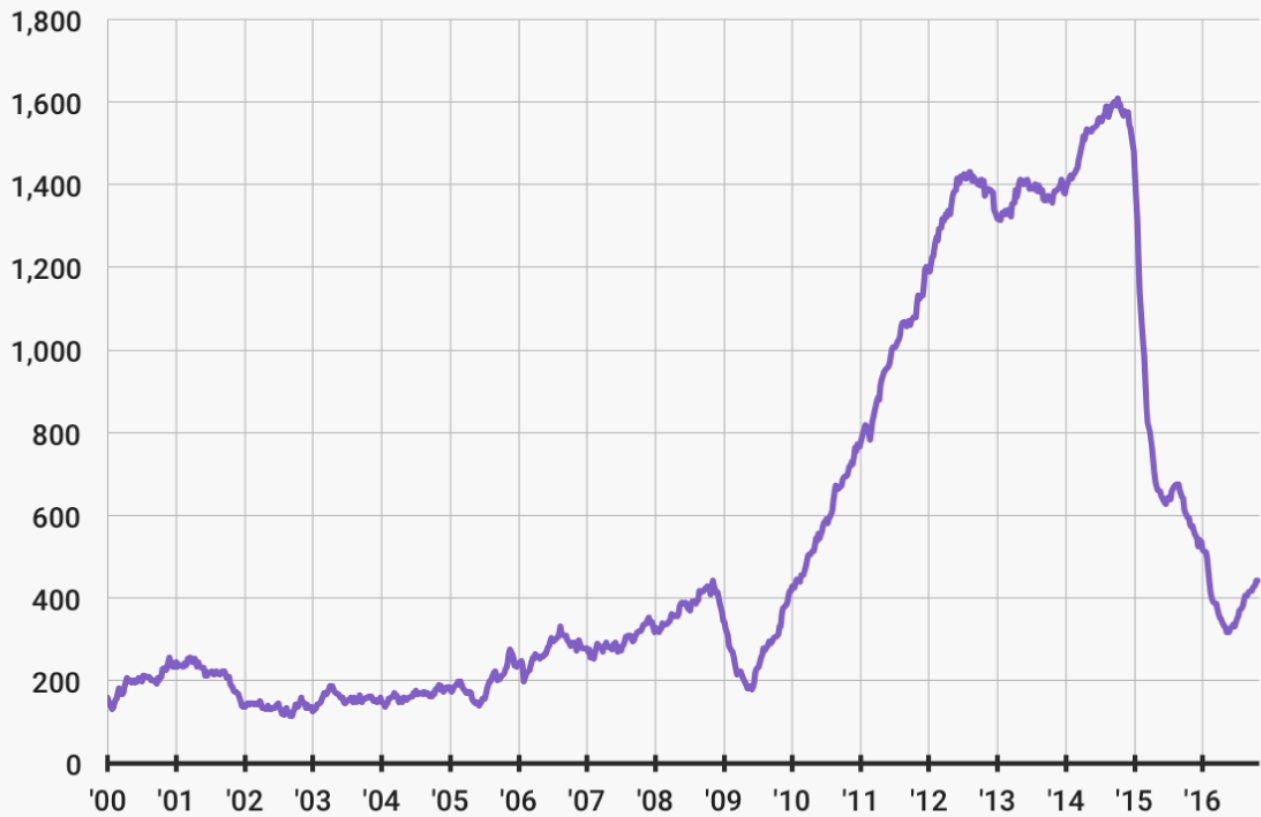
U.S. steel production rose for a second week in a row, but still remains well off its high of a few months ago.



Oil fell 3% for the week ending at \$49/barrel. OPEC remains trying to agree on production cuts, to get prices up, but there has been no action nor any

agreement. If OPEC reduces pumping and prices rise, U.S. production will increase further, which will help keep prices down for years.

## US OIL RIG COUNT



SOURCE: Baker Hughes

BUSINESS INSIDER

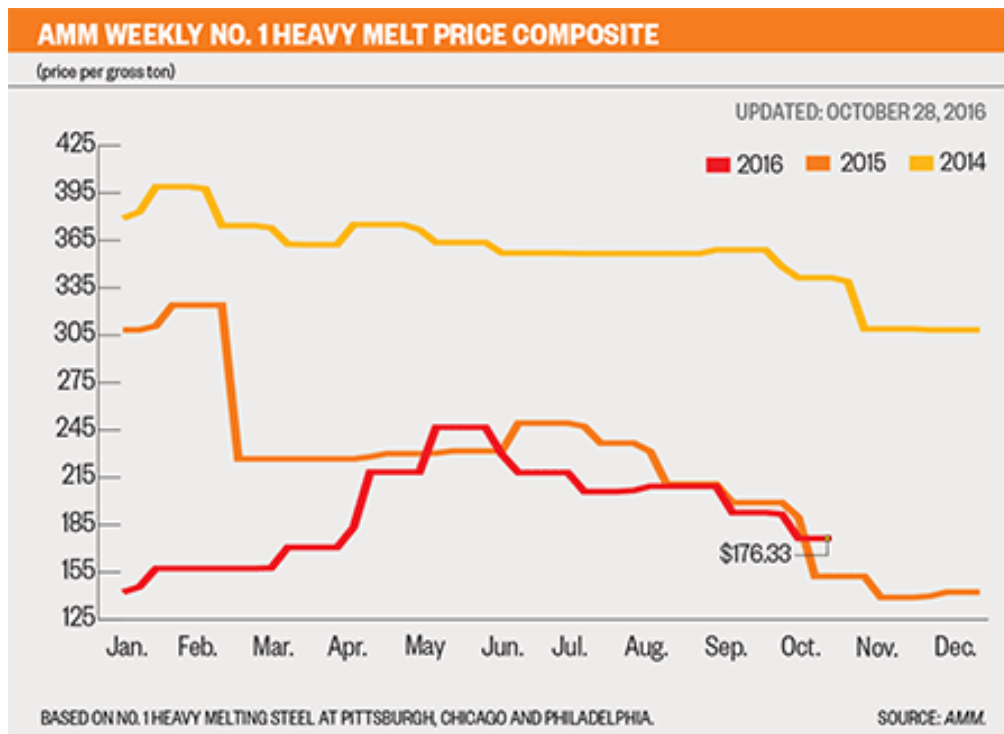
Oil rigs, major steel users, fell by two this week to 441, the first drop in 4 months. Rigs are still up a huge 40% from the recent low of 316, but still down a staggering 73% from two years ago. The increase in recent months remains good news for many, as drillers go back to work and more steel is used in these rigs.

## IRON ORE



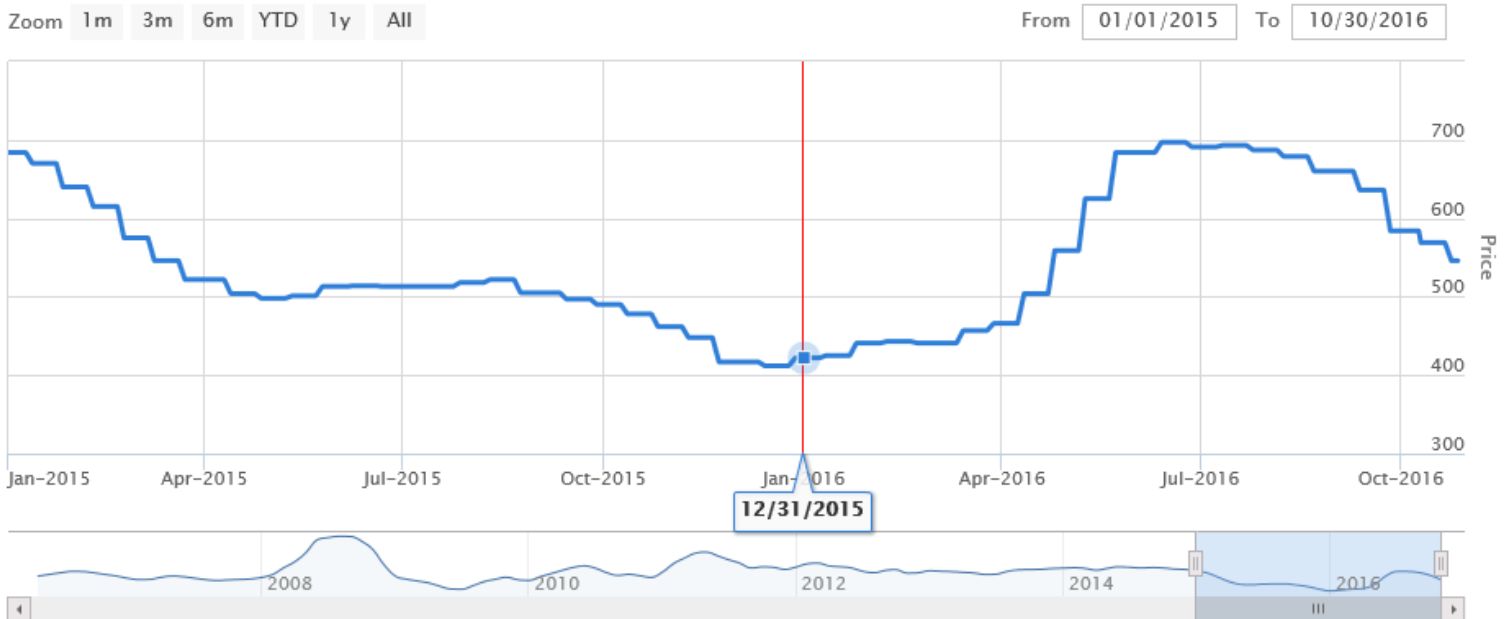
SOURCE: WWW.TRADINGECONOMICS.COM | OTC

Iron ore rose a big 7 percent for the week ending Thursday at \$62/MT and up a major 11% for the month which supports higher scrap and higher finished steel prices.



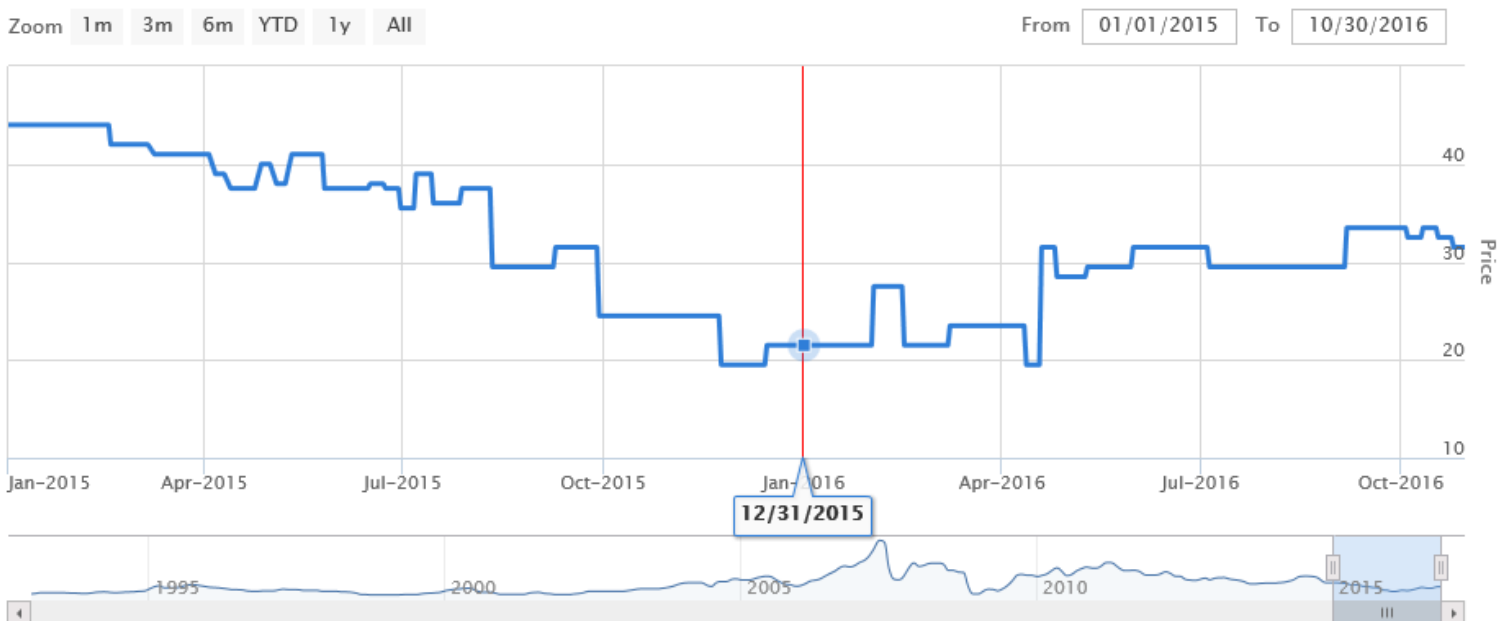
While U.S. scrap steel prices held steady, export prices are up about \$15/GT and importantly at least in the S.E. there are now shortages of obsolete scrap steel in some areas. Shortages will help bring higher scrap prices this week as recyclers sell their October material.

# Hot Rolled Coil Steel



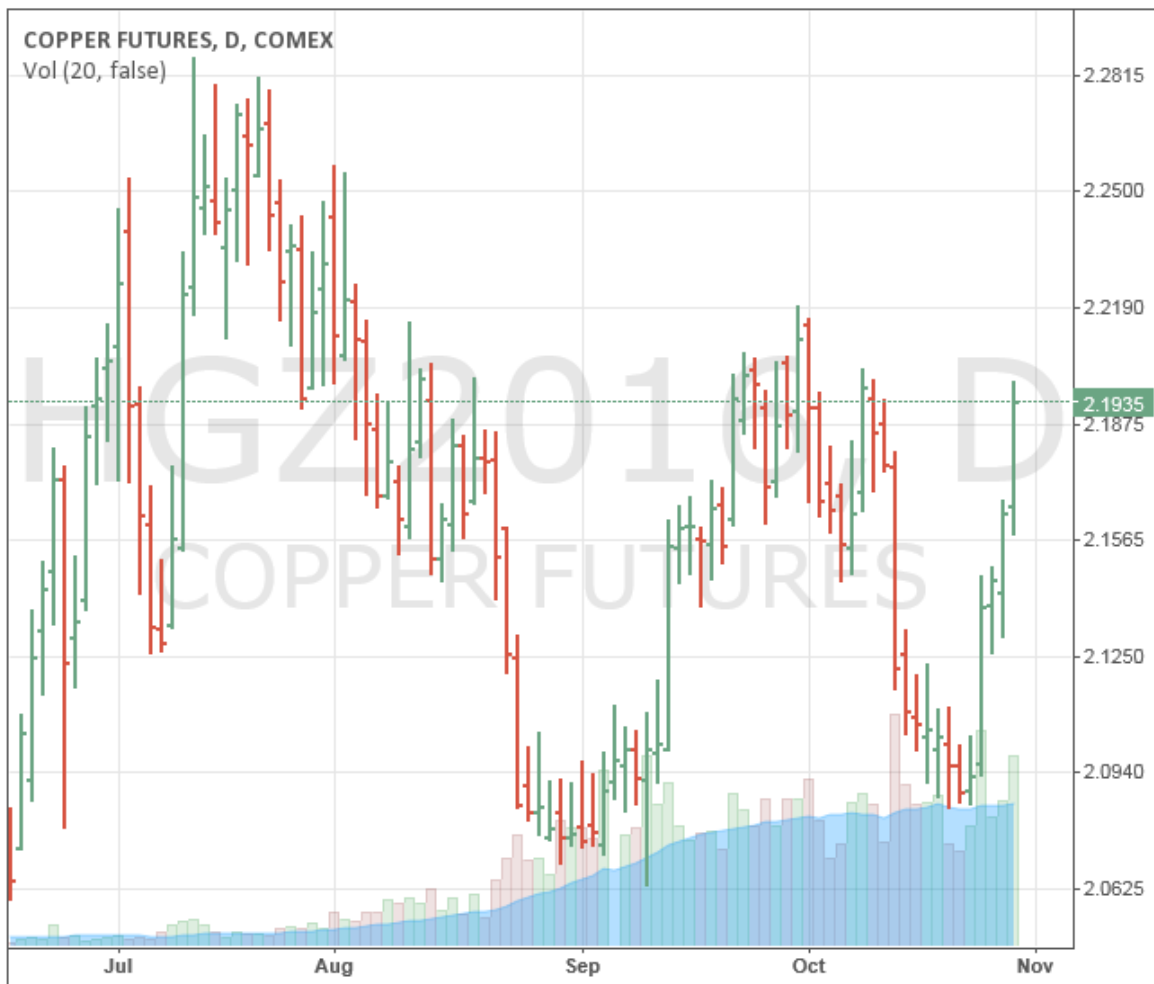
Hot roll coil steel dropped to \$546/MT in this data, but Nucor announced a \$30/T increase in rebar prices. In the past three weeks, we have seen increases in plate, coil and rebar, all about \$30/Ton.

# 304 Stainless Scrap



Stainless scrap 304 dropped a penny to \$.315/lb. as demand remains steady and the U.S. dollar remains strong.

COMEX:HGZ2016, D 2.1935 ▲ +0.0300 (+1.39%) O:2.1655 H:2.1990 L:2.1580 C:2.1935

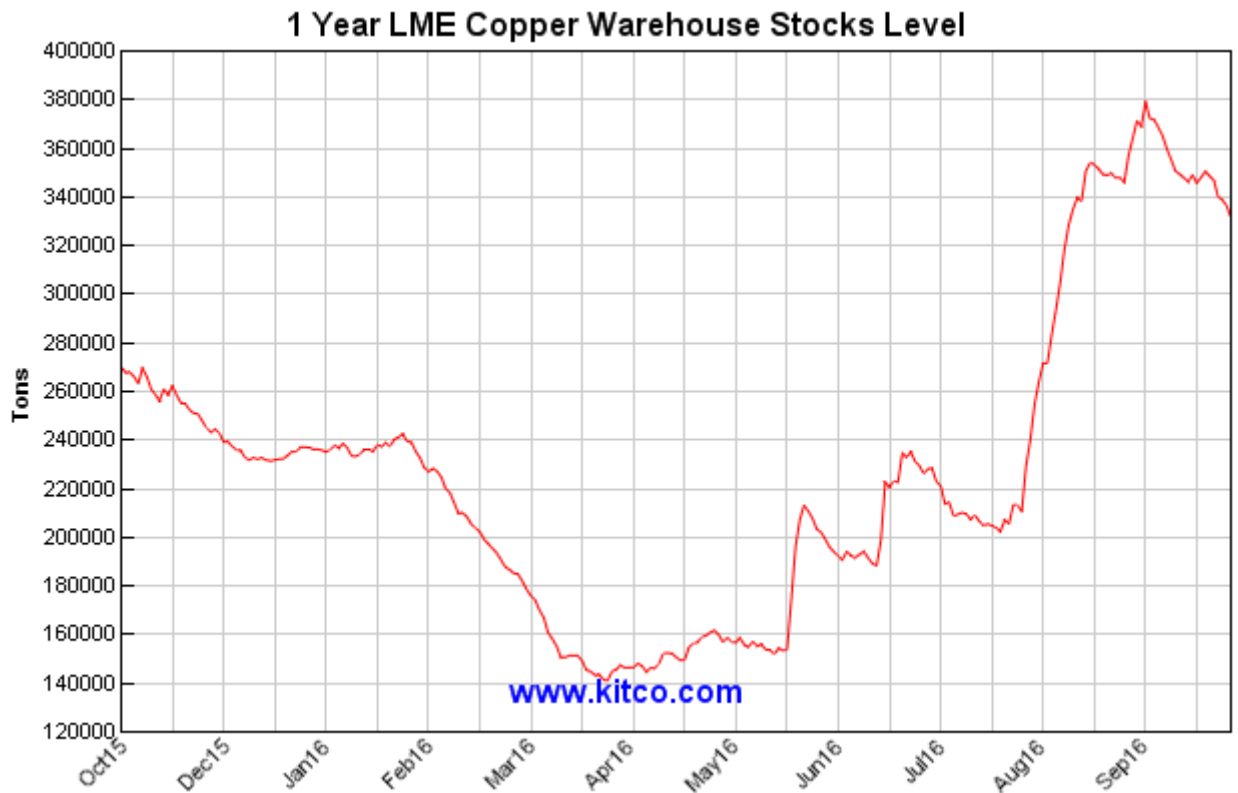


 **CME Group**  
Powered by TradingView.com

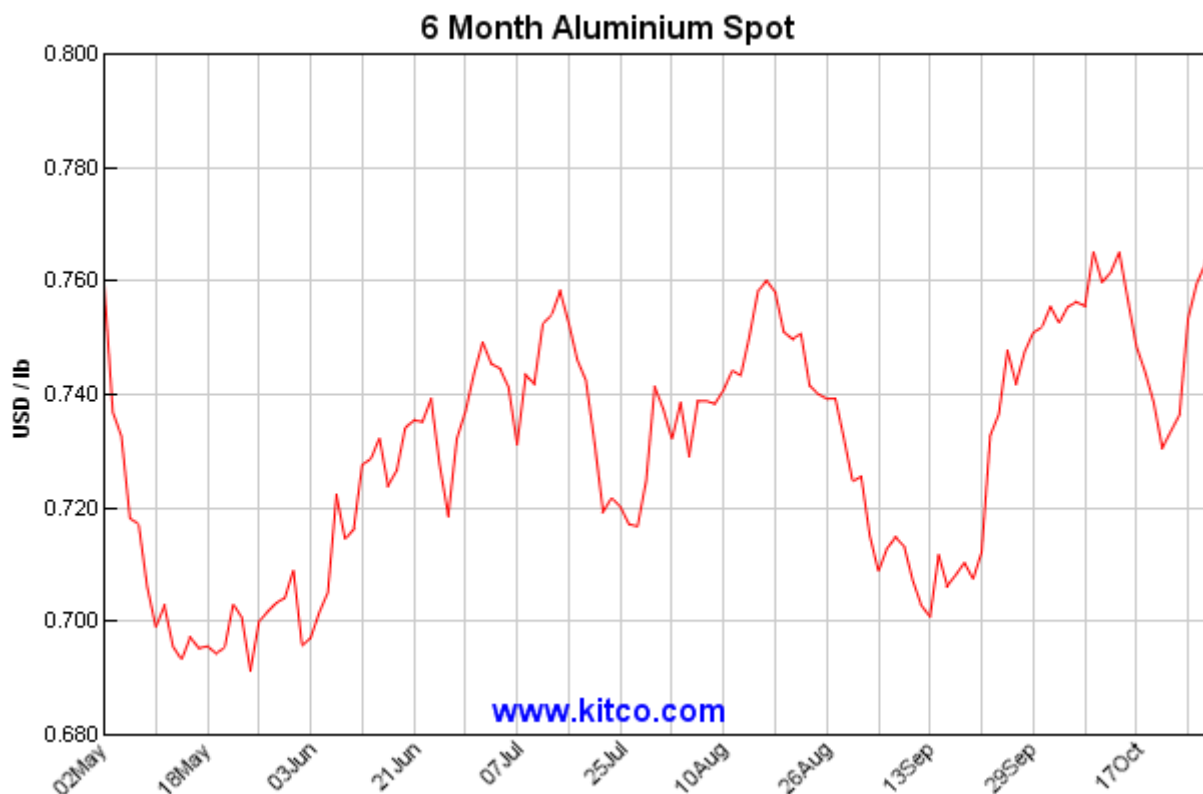
Copper rose a big 10 cents ending at \$2.19, partly on news that the U.S. economy grew the most last quarter, than in the past two years.



The 5 year copper chart shows prices are where they were about a year ago, so prices have remained in a range for most of 2016.



Importantly, copper inventories have more than doubled in the past 6 months. Double is a very big number, which will keep downward pressure on prices.



Aluminum rose 4 cents to 77.7 cents, and is up about 20% for the year.



But, Aluminum inventories remain near 5 year lows. With higher prices and less inventory, aluminum production will be increasing, which will increase supply and keep prices from rising much further.

US NEW HOME SALES



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

Sales of new single family homes in the U.S. rose 3.1 percent to a seasonally adjusted annual rate of 593,000 in September, which is the second highest number in about 9 years. Building new homes is a great job creator and helps support higher commodity prices, due to the material needed to build the home and the products that people buy to furnish it.

US NEW HOME SALES



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

Home building remains an enormous part of the economy, so we like to look at the history that shows new home sales are currently less than half of what they were in 2007 and looking to the left of the chart, sales today are the same as they were in the 1960's. The shocking data is that today there are 50% more



people living in the U.S. then there were in the 1960s, yet we are still building the same number of homes. There is a big upside here.

## Purchasing Managers Index



The Purchasing manager index for manufacturing increased to 53.2 percent in October. Over 50% is growth and 53.2 percent is the highest number in a year. New business growth was a key driver last month for this high number.

US GDP GROWTH RATE



# Purchasing Managers Index



U.S. GDP, Gross domestic product, grew at an annualized rate of 2.9% in the third quarter, which is the best growth in two years. With personal consumption and exports being key drivers for this growth. This very positive news for all.

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