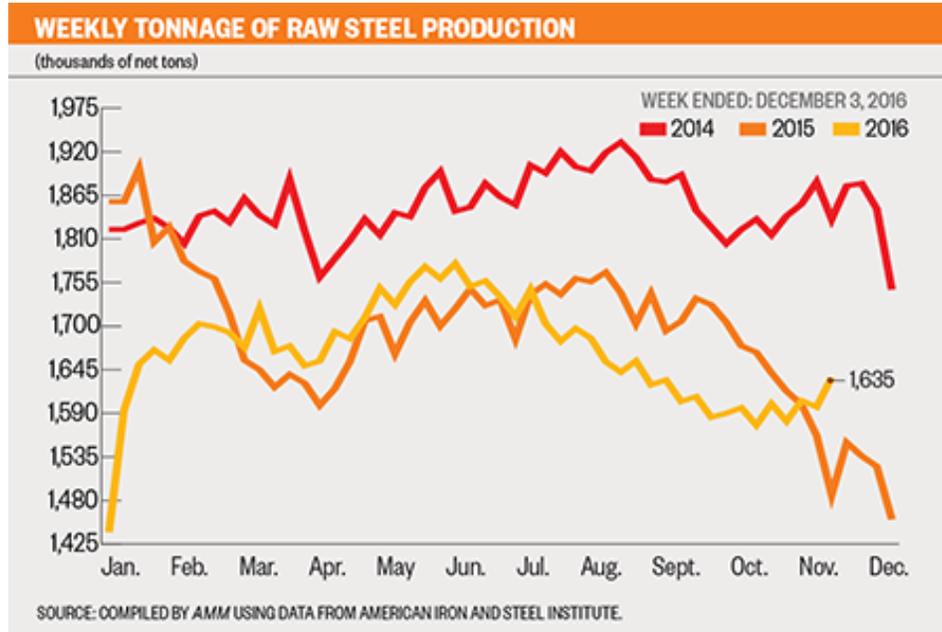


This is the Scrap Metal & Commodities Recycling Report, by BENLEE and Raleigh and Goldsboro Recycling, December 12th. 2016. Due to weather problems in the Midwest, we could not get to the studio to shoot this morning, so this is a special remote report.

Last week most commodity prices rose while and Wall Street hit new record highs for yet another week.



## Hot Dipped Galvanized Coil



U.S. steel production rose the most in any one month in about 6 months and is at a three month high as we continue to hear mill order books continue to increase.

## CRUDE OIL



SOURCE: WWW.TRADINGECONOMICS.COM | OTC

Oil prices rose about 5% in recent days to about \$54 a barrel, the highest level in about 18 months as OPEC and non OPEC countries such as Russia and even Mexico have agreed to cut production to increase prices. This will clearly help U.S. oil drilling related jobs, but of course will raise fuel and oil related prices. Importantly while economic conditions are good, these higher oil prices are based on production cut backs, NOT increased demand.

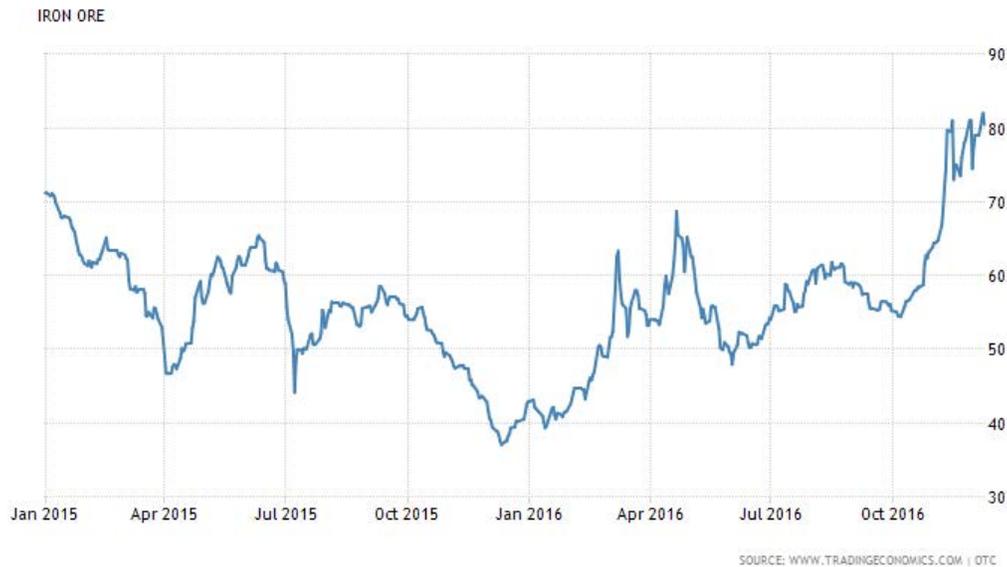
## US OIL RIG COUNT



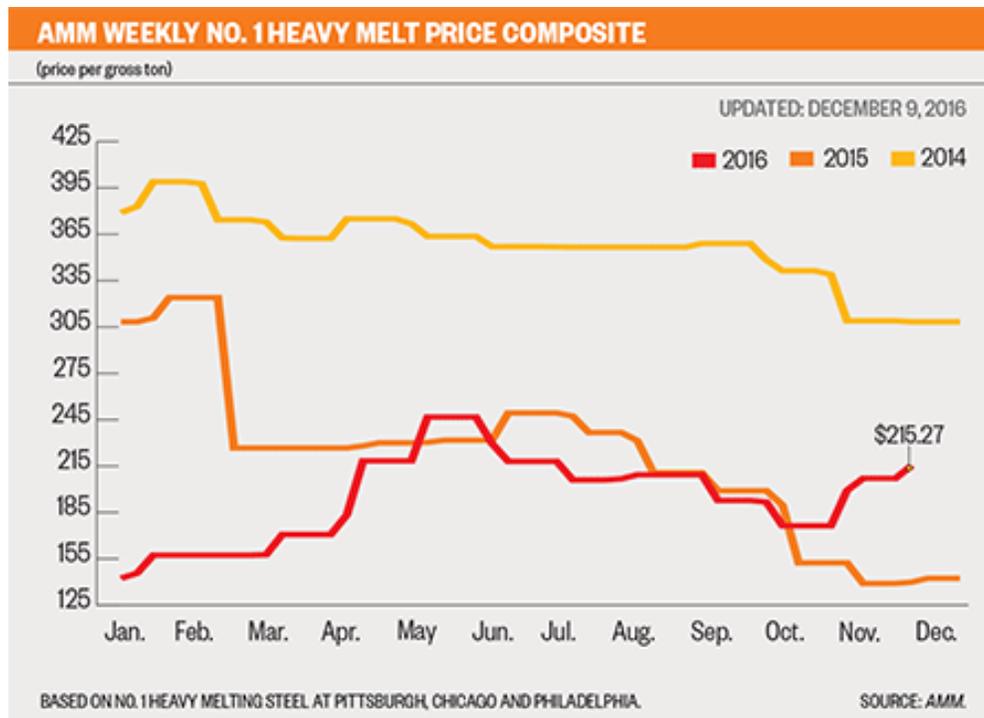
SOURCE: Baker Hughes

BUSINESS INSIDER

The oil rig count rose yet again last week. The increases are helping jobs and are supporting higher steel prices. Steel used in these rigs is increasing, but the rig count remains down about 70% from two years ago.



Iron ore ended up at \$80/MT, more than double the price of a year ago, which is a reason we are seeing higher scrap prices.



Scrap ferrous prices rose between \$40 to \$50 a gross ton last week depending the region and the deal cut with the mills. It is one of the largest one month increases in over a year. Incoming scrap flows to scrap yards are up a bit, but not alot, so if exports

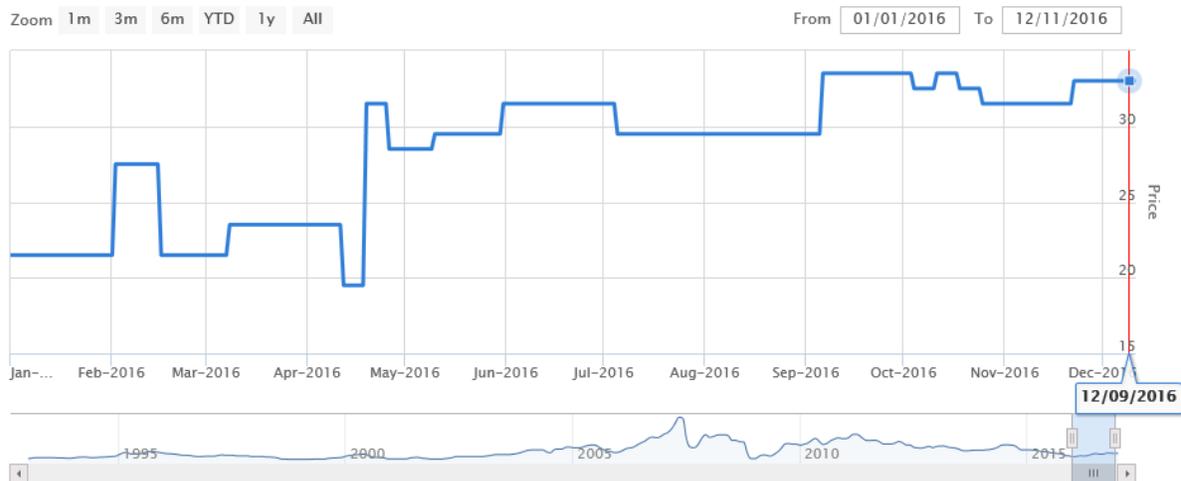
remain good, and domestic demand continues to increase, prices could rise again in January.

## Hot Dipped Galvanized Coil



Hot dipped galvanized steel remains about \$850/Ton, up over \$150MT from just a few months ago. An incredible move in such a short period.

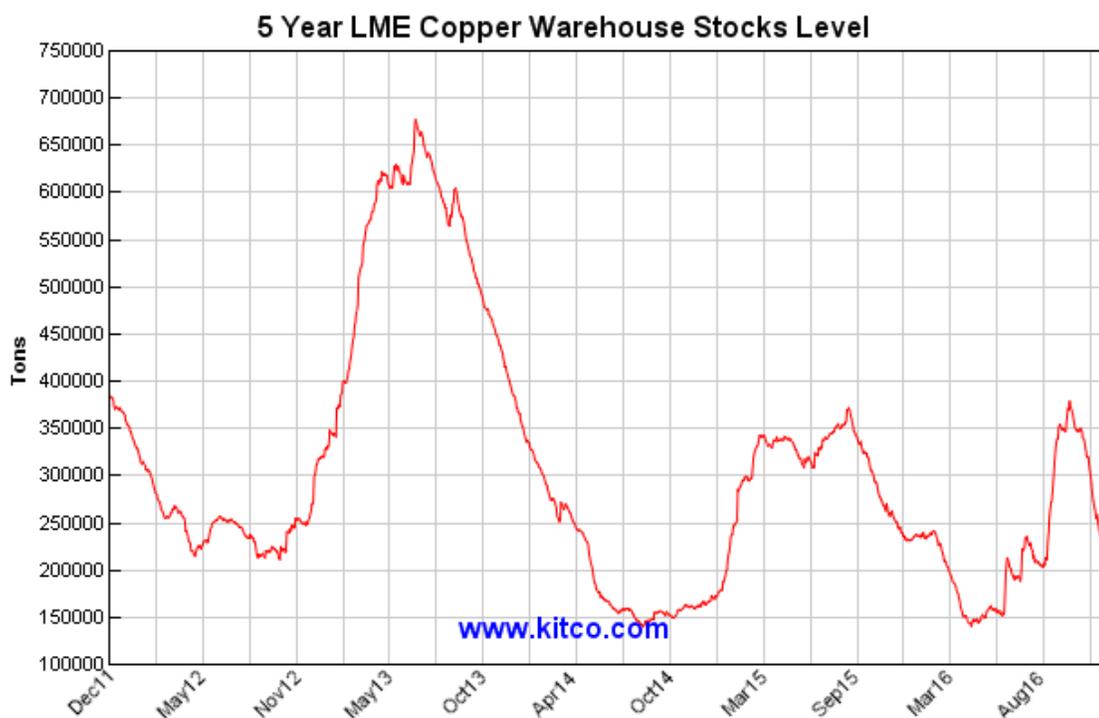
## 304 Stainless Scrap



Stainless scrap 304 held steady at 33 cents, but we are hearing of more increases this week on slightly higher demand.



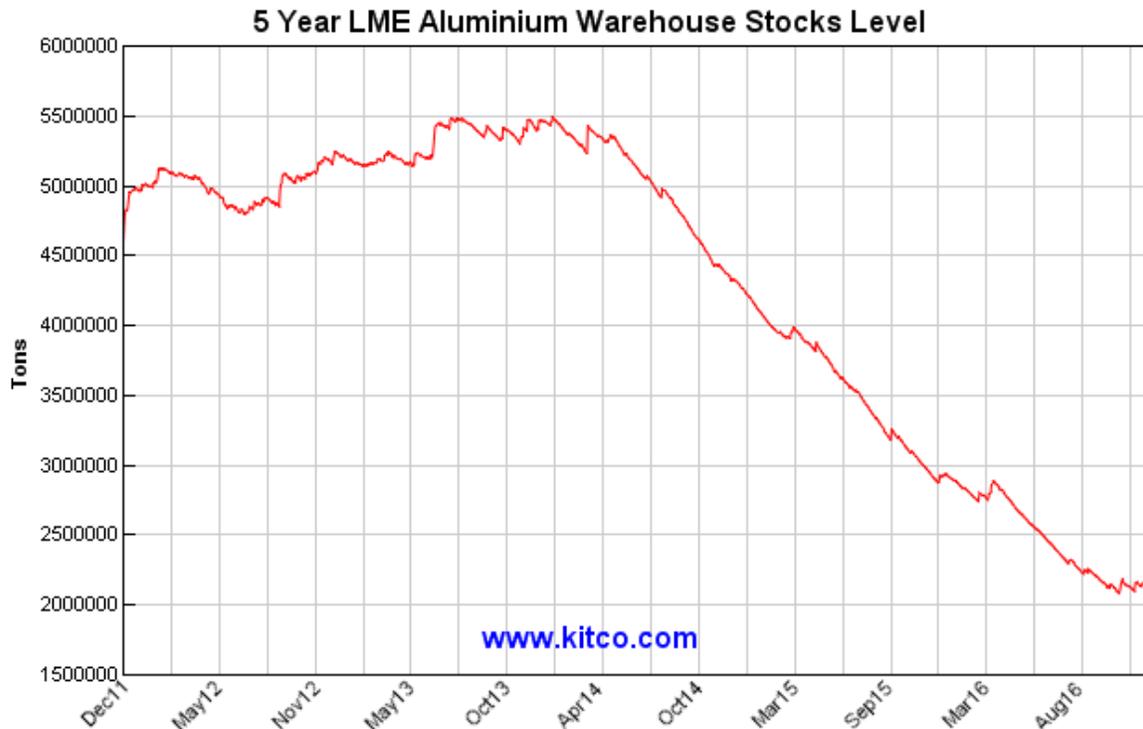
Copper rose 2 cents to \$2.63, meaning copper is staying near their multi month highs. Higher prices could bring some inflation which has some positives and negatives for the economy.



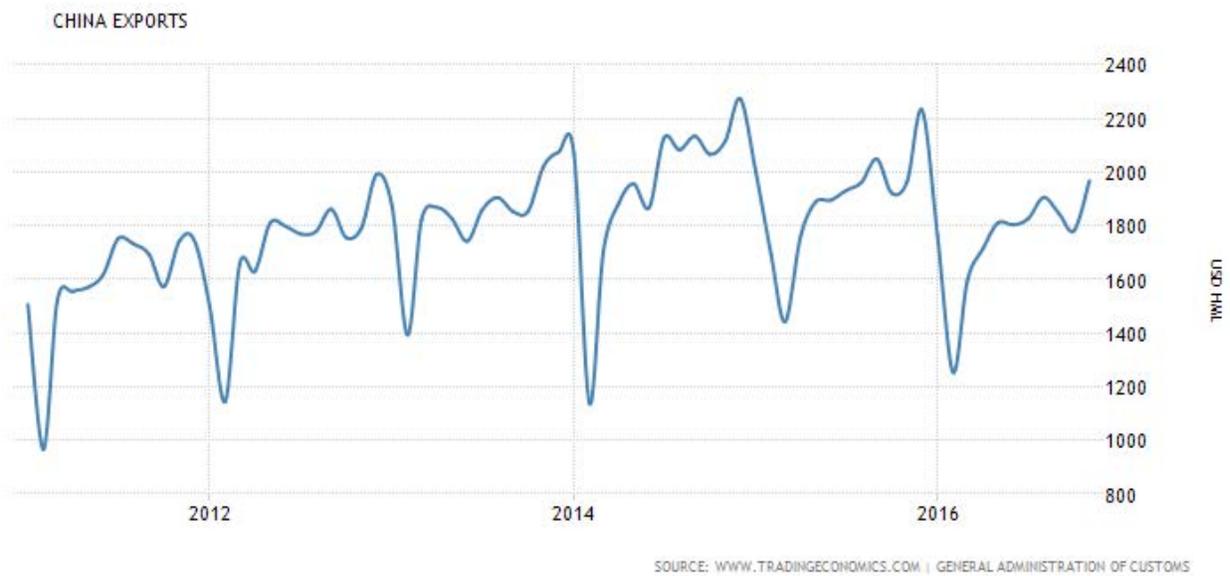
Related copper inventories continue their fall, which helps support higher prices.



Aluminum rose to 79 cents, up about 18% for the year on increases in volume, production restraints and production cost increases.



Aluminum inventories are staying near 9 year lows which should mean prices will remain somewhat stable for months to come.



Chinese exports rose to almost 200 Billion U.S. dollars last month, the first increase in 8 months. China consumes about 50% of the world's copper and manufacturers about 60% of the world's steel, so this increase will help support higher commodity prices.



Wall Street's DOW index rose 3.1% last week to fresh all-time highs. People feel wealthier when stocks are higher, which can help spending which will support stable, to higher commodity prices.

# ISM Non-Manufacturing Index



ISM's non-manufacturing index, which measures mostly U.S. services, rose to 57.2 in November, the highest level in over a year. Increased business activity and employment were the drivers, which is bringing higher commodity prices.



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

Initial jobless claims fell to 258,000 after being up a bit last week. Under 300,000 a week is a very positive measure and we have now been below 300,000 for an incredible 92 weeks in a row, which is the longest streak since 1970, 46 years ago. A great economic performance.

## US CONSUMER SENTIMENT



SOURCE: WWW.TRADINGECONOMICS.COM | UNIVERSITY OF MICHIGAN

The U.S. Consumer sentiment index hit 98 in December, the highest in almost two years. This is a great sign which will bring great holiday spending and will support stable to higher commodity prices in the months to come.

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