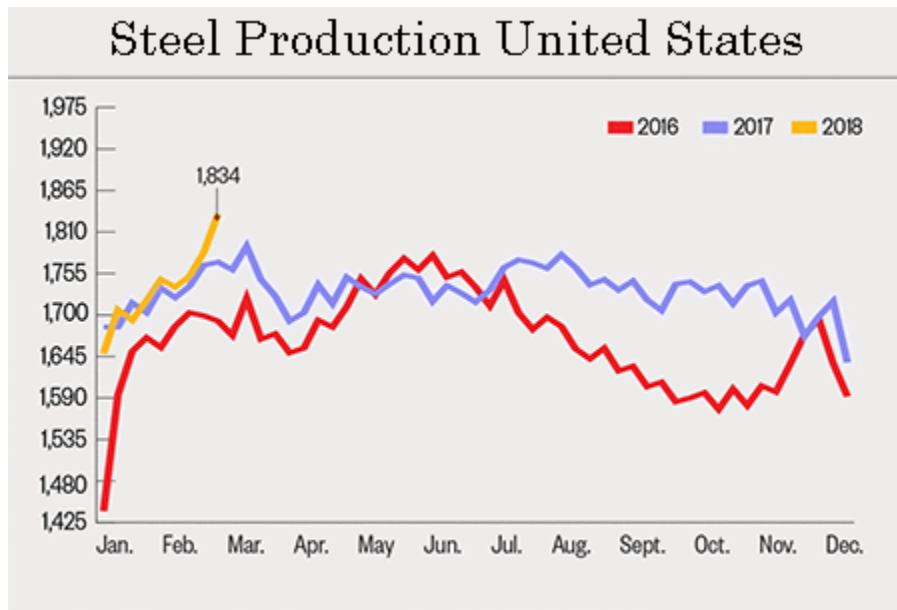


This is the Scrap Metal Commodities Recycling and Economic Report, by BENLEE and Raleigh and Goldsboro Recycling, March 5th, 2018. Last week, commodity prices were mixed and many economic reports were positive.



U.S steel production rose to a new multi year high as most markets remained solid. New tariffs have not kicked in yet, so it is not clear what may happen in the weeks to come.

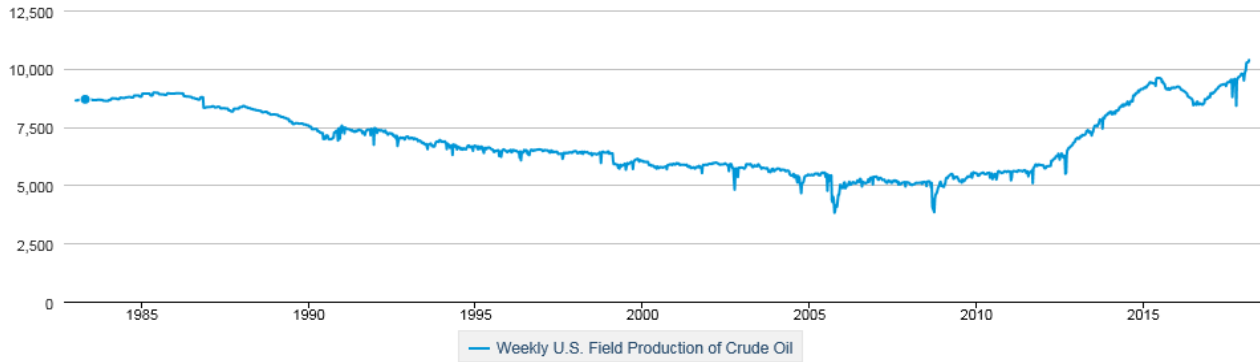


Oil rose about \$1.00/barrel to \$65.68, remaining near the multiyear high of a couple of months ago on good global demand and supply.

### Weekly U.S. Field Production of Crude Oil

DOWNLOAD

Thousand Barrels per Day



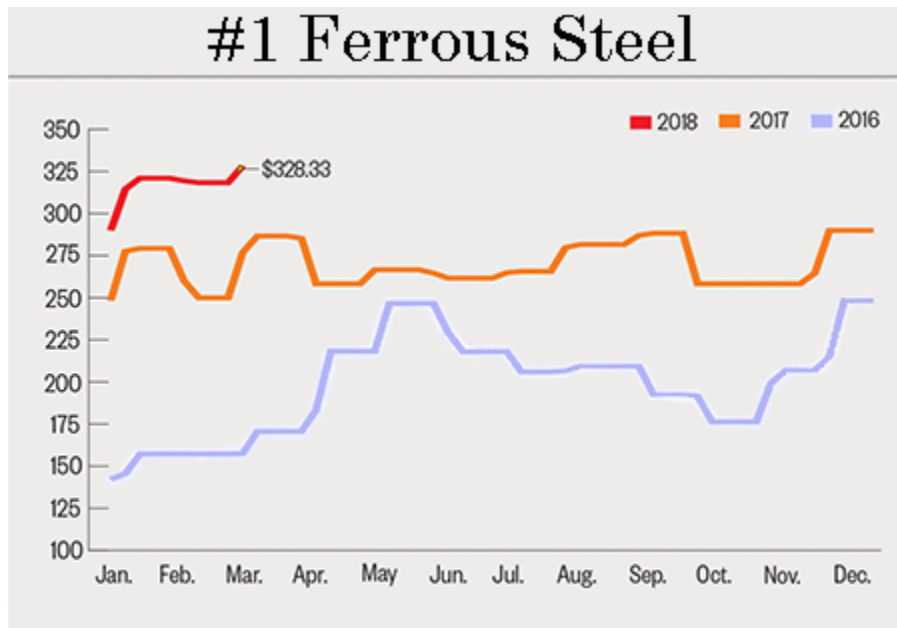
Source: U.S. Energy Information Administration

U.S. oil production hit a new high as there is word that OPEC may boost production to drop prices to get the U.S to stop these record numbers driven by low cost U.S. shale production.



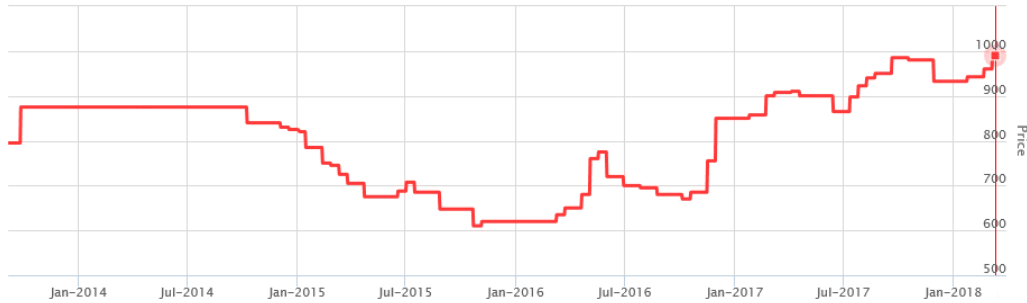
SOURCE: TRADINGECONOMICS.COM | OTC

Iron ore fell \$4 to \$76.00, down but still pretty high on good global demand, balanced with good global supply.



Scrap ferrous prices rose about \$10-20/GT on good demand, but with supply lagging a bit, prices are up, to spur demand.

## Hot Roll Coil Steel



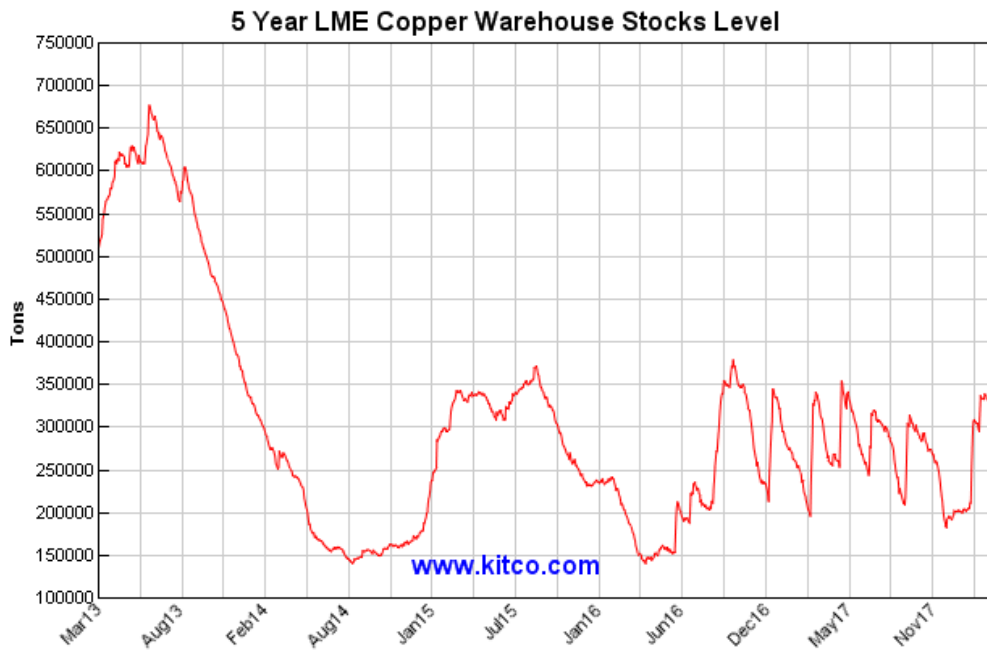
Hot dipped galvanized steel rose \$30 to a new multi-year high of \$990/Ton, on news of the tariffs and good demand in many markets.



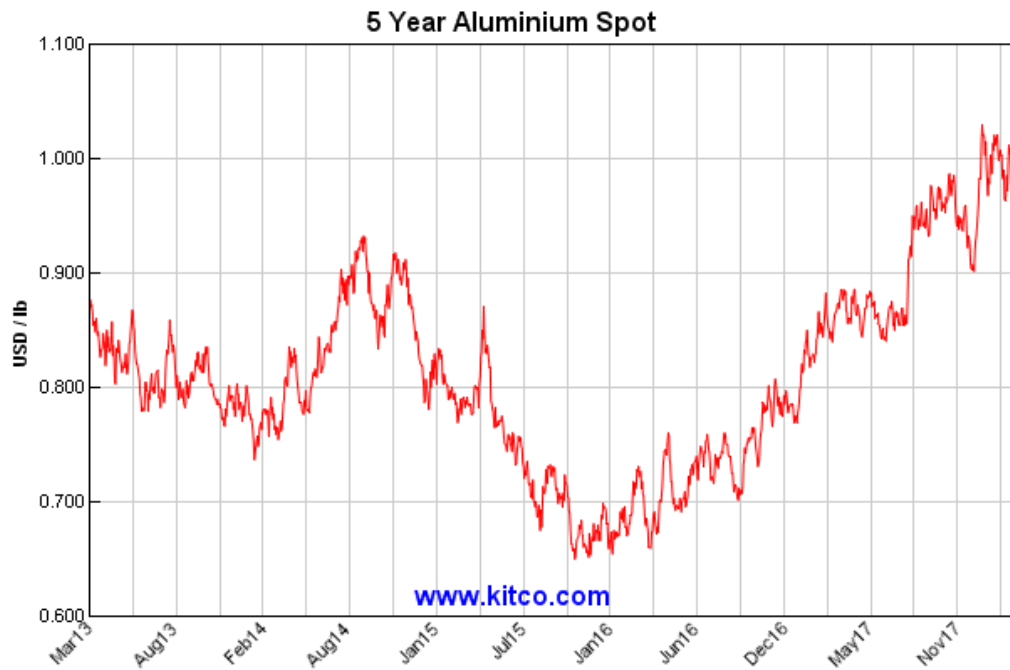
Copper rose a penny to \$3.14 as demand from China remains weak, but prices remain near December's multiyear high. Copper is down 2 cents this morning to \$3.11.



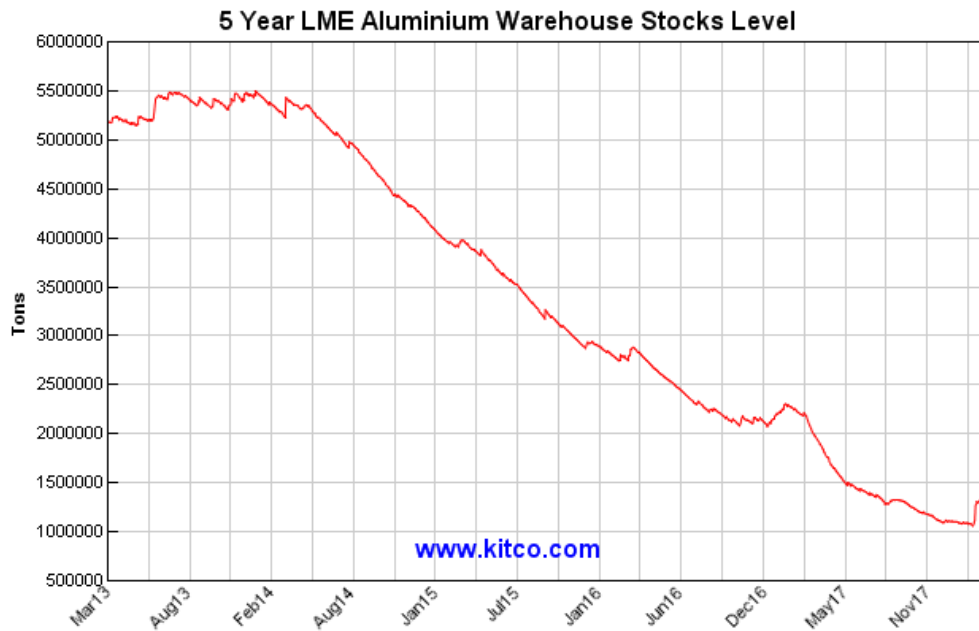
The 5 year chart shows copper slightly off last December's multi-year high.



Copper inventories fell slightly on a good balance of supply and demand.

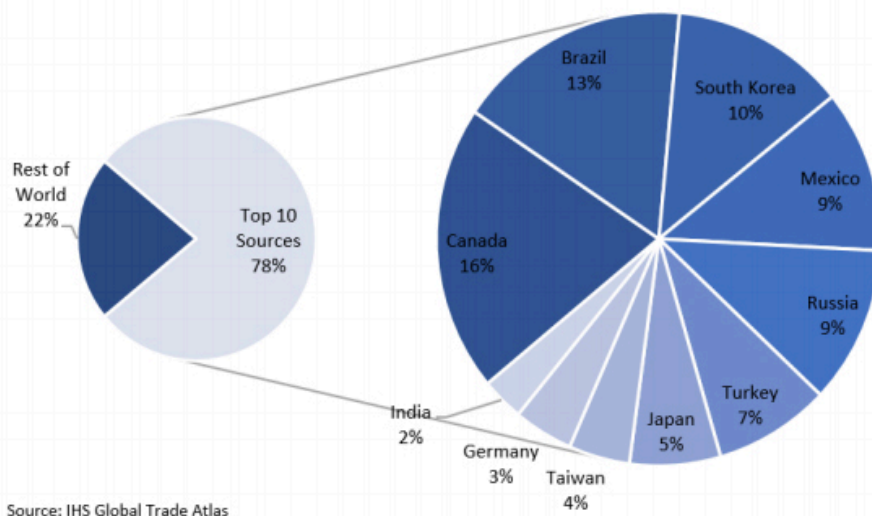


Aluminum was down 2 cents to 95.1 cents, slightly down from the multiyear high of two months ago on good global demand and supply. Tariffs should increase this soon.



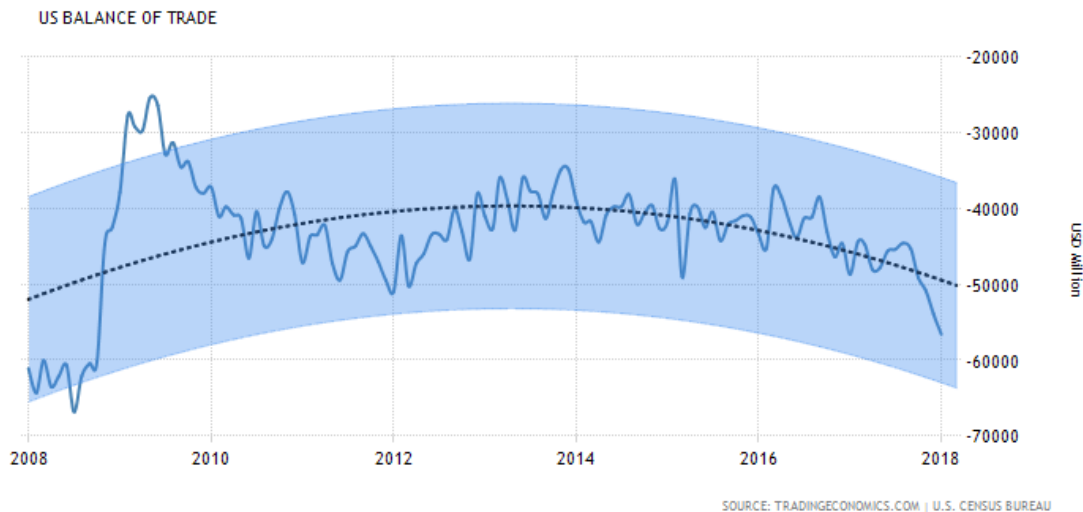
Aluminum LME inventories while up bit, remain near about 8 year lows on a good balance of supply and demand.

## U.S. Steel Imports - Top 10 Sources Percent of Volume



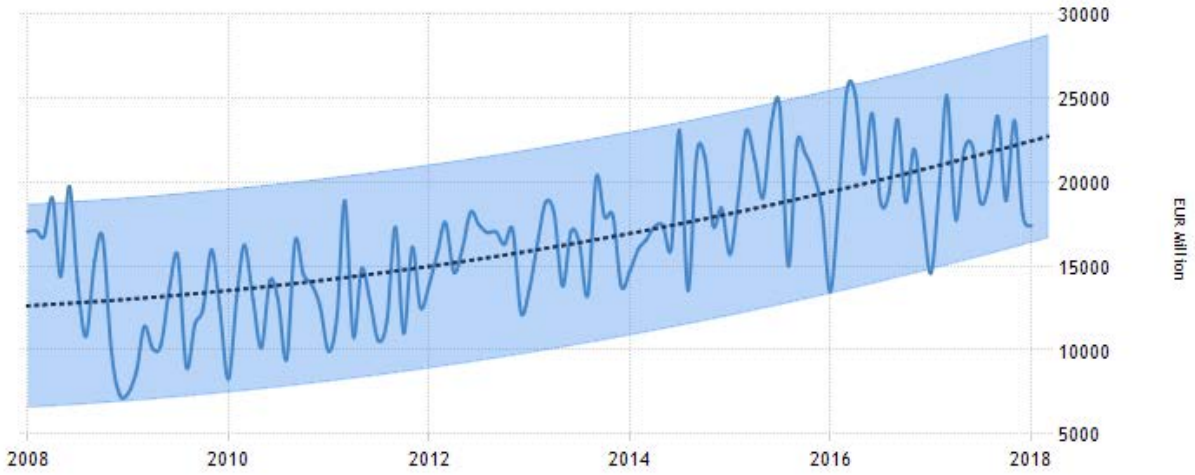
Source: IHS Global Trade Atlas

President Trump announced he will exclude Canada and Mexico from the recent tariffs. China remains a huge trade issue, but China is not a direct U.S. steel trade issue. China is not in the top 10 of countries that ship steel to the U.S.



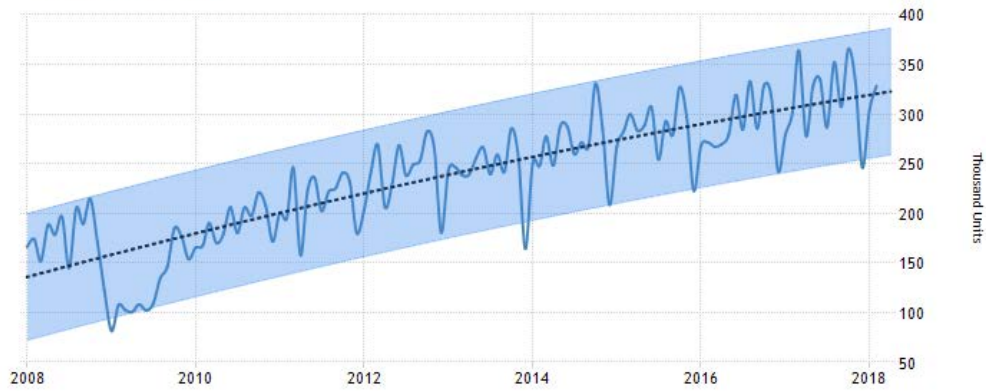
January's U.S. Balance of trade was the worst in about 9 years as we imported \$56.6 billion more than we exported. Overall imports were actually down, but exports were down even further. China alone represented \$36 Billion dollars of this problem.

GERMANY BALANCE OF TRADE



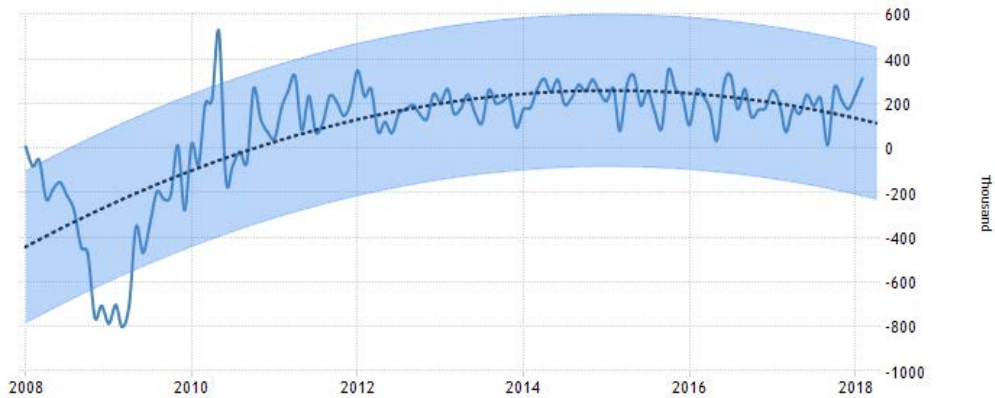
Many think that China's low cost labor is the key reason we have a major trade deficit with them. Germany is one of the highest labor rate countries in the world. They have a major trade surplus, compared to our deficit. They export much more than they import.

MEXICO CAR PRODUCTION

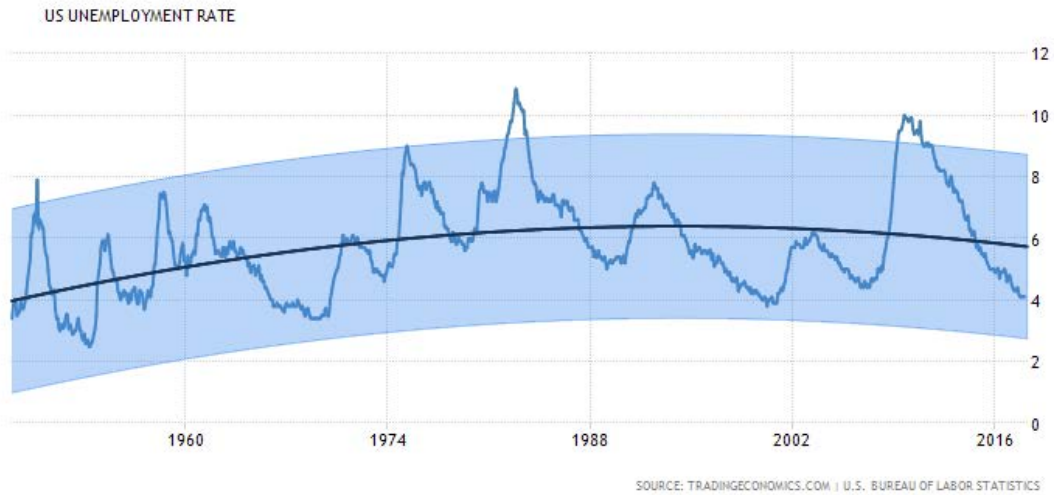


One of the U.S. trade issues is auto production. There continue to be stories about Mexican Auto production moving back to the U.S., Mexican Auto production just hit a new historic high for any February and exports of those vehicles hit an all-time high as well, with 71% of them going to the U.S.

US NON FARM PAYROLLS



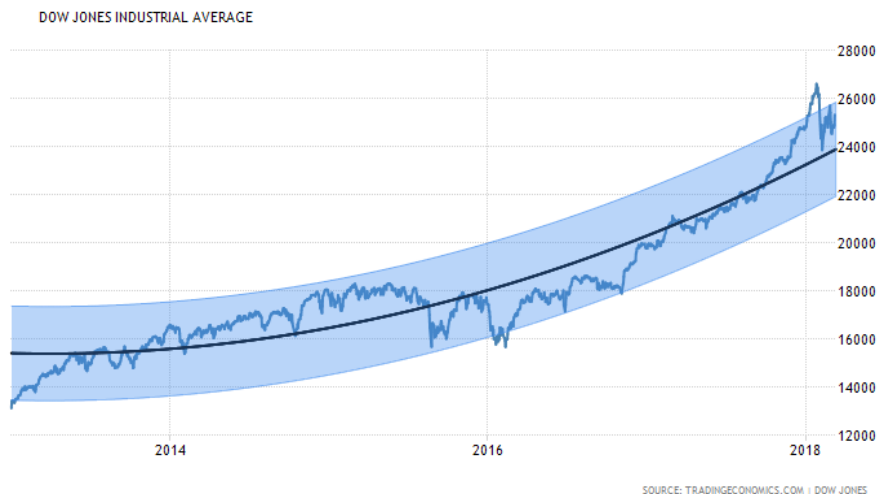
U.S. non-farm payrolls had a great month and grew by 313,000, the highest growth since July 2016, with construction and retail trade growing the most.



With large numbers of people joining the workforce, the unemployment rate stayed steady at a 17 year low of 4.1%.



A key issue is that in the U.S only 63% of people over 16 years old or older that could work, are working. 37% of the population is not working. The good news is that this rose a bit last month. We need to get these people back into the workforce to fill the open jobs many of us have.



Wall Street had yet another turbulent week with the DOW ending up 787 erasing last week's losses and ending at 25,325 with continued optimism on the economy.



As always, feel free to call or email me with any questions and we hope all have a Safe and Profitable week.