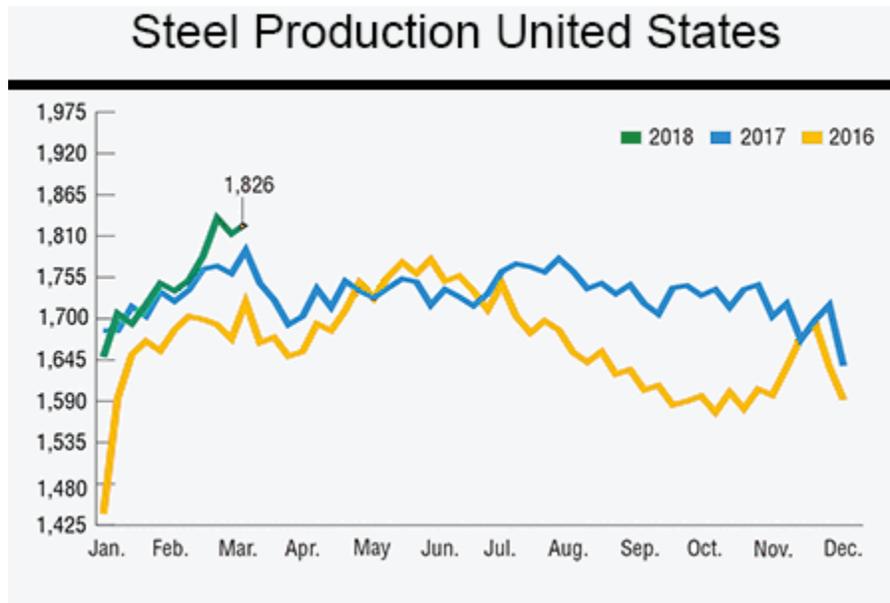


This is the Scrap Metal Commodities Recycling and Economic Report, by BENLEE and Raleigh and Goldsboro Recycling, March 26th, 2018. Last week, commodity and economic reports were mixed.



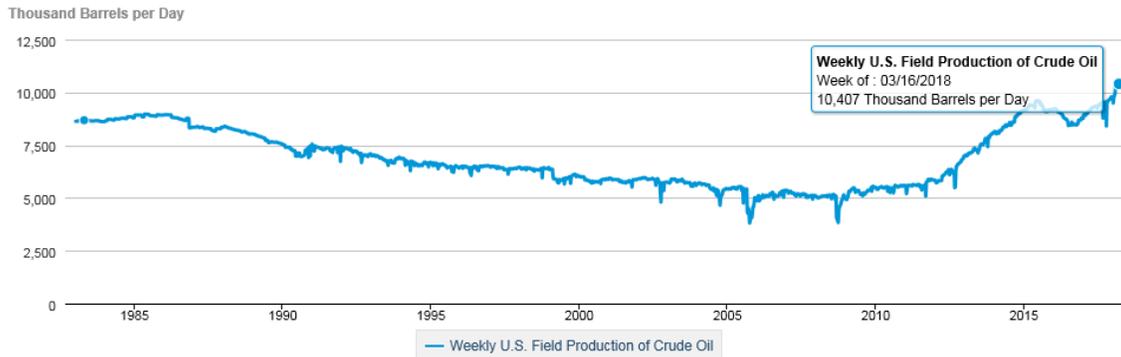
U.S steel production rose to a near multiyear high on good demand, partly due to new steel tariffs are already having an effect on reducing imports.



Oil fell 33 cents to \$65.88, remaining near the multiyear high of a couple of months ago on good global demand and supply.

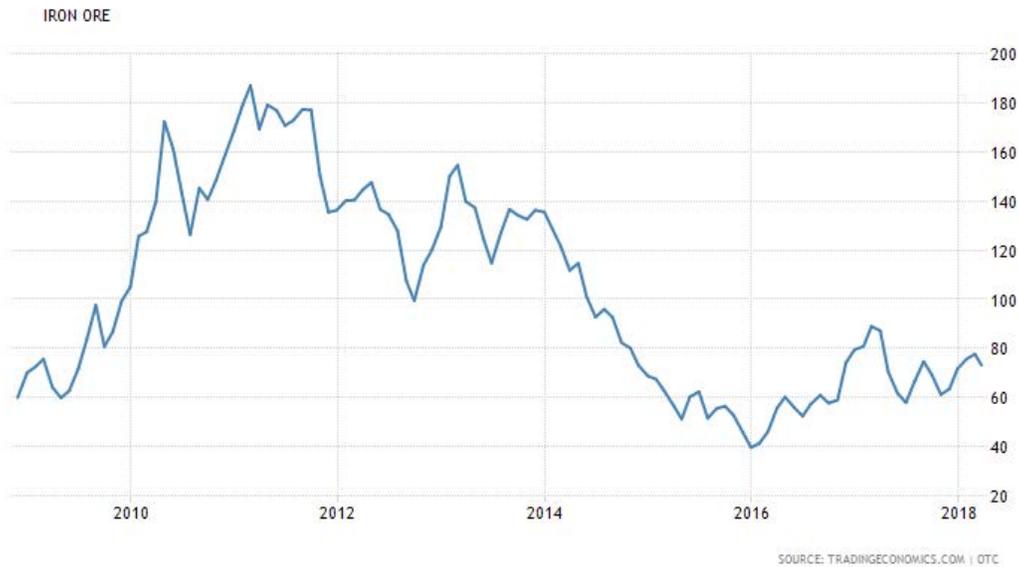
Weekly U.S. Field Production of Crude Oil

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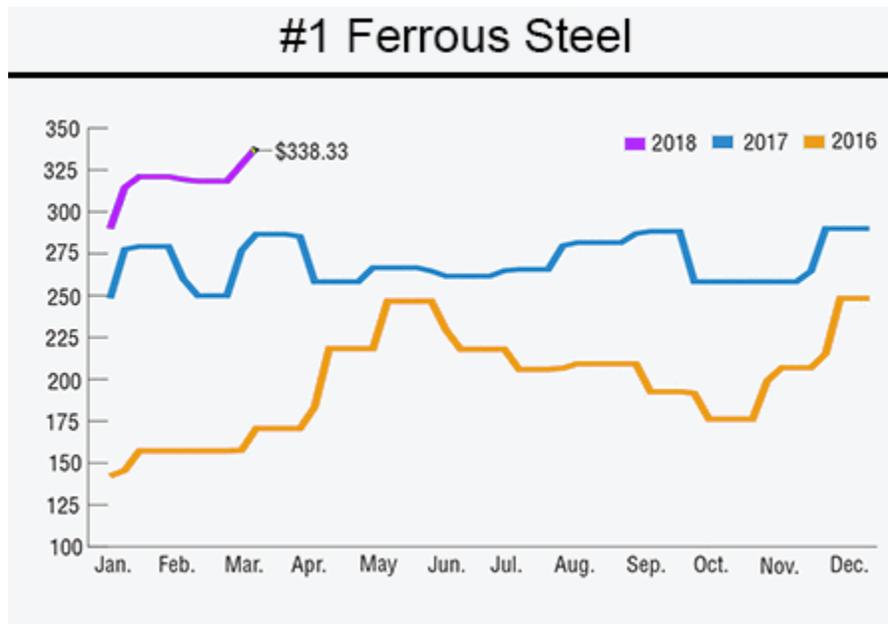


eia Source: U.S. Energy Information Administration

U.S. oil production hit a new high of 10.41 million barrels per day. Great U.S. economic news.



Iron ore fell \$5.50 to \$67.50, a new multi month low, with tariffs having the world nervous.



Scrap steel Heavy Melt prices show the recent increase on this chart to \$338/GT on good demand and just OK supply. Upward price pressure remains, but it is not clear if it will have an effect next month.

Galvanized Steel Coil



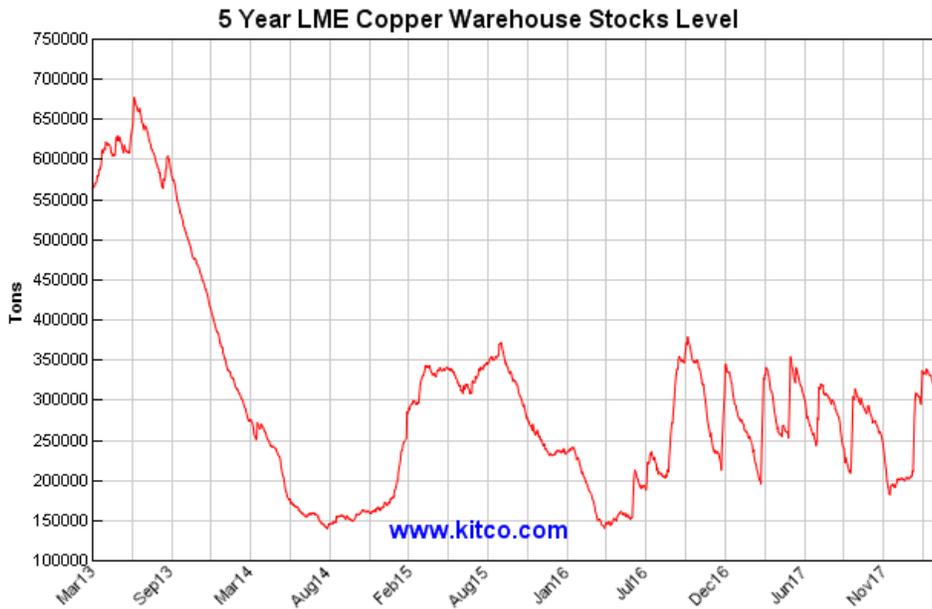
Hot dipped galvanized steel rose to a new multiyear high of \$1,120/Ton on the coming tariffs and as production picks up in N.A.



Copper fell a big 14 cents to \$2.99 as the world is becoming nervous about a damaging trade war. Copper is down 2 cents this morning to \$2.97.



The 5 year chart shows copper is about 28 cents off the multi year high of late last year as markets remain nervous.



Copper inventories were stable remaining near multiyear highs.



Aluminum was down 1.5 cents to 92.1 cents, now down about 12 cents from the multi year high of a few months ago.



Aluminum LME inventories fell, remaining at very low levels on a good balance of supply and demand.

Steel Imports into the U.S. Percent of Total Top 10

Tariffs Now Exempt

Country	% of Imports
Canada	16%
Brazil	13%
S. Korea	10%
Mexico	9%
German	3%
Total	51%

Tariffs in effect

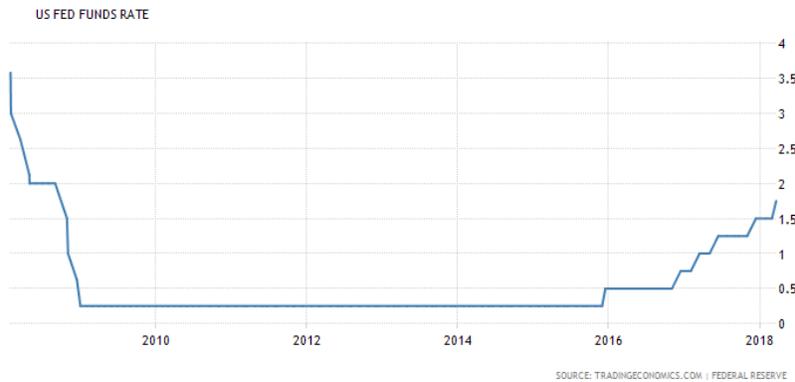
Country	% of Imports
Russia	9%
Turkey	7%
Japan	5%
Taiwan	4%
India	2%
China	1.5%
Other	22.5%
Total	49%

U.S. Steel stocks on Wall Street such as Nucor and U.S. Steel have lost all the increases they had after the U.S. announced the 25% tariffs on steel, due to last week it was announced that countries representing 51% of the imports are now exempt. Note that China which represents a mere about 1.5% of imported steel into the U.S. still has the 25% tariffs.

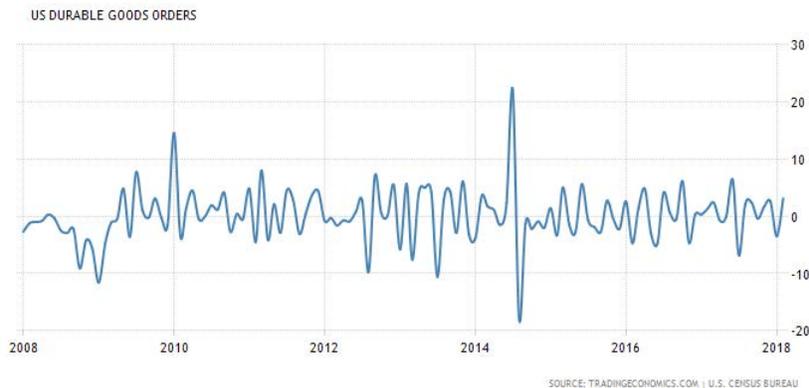
U.S. China Trade Tariffs



The U.S. announced additional tariffs on about \$60 Billion dollars of Chinese items and the Chinese announced counter tariffs on the U.S. goods including scrap Aluminum, BUT, the Chinese tariffs may be in response to the U.S. 25% steel and aluminum 10% tariffs of a number of weeks ago and NOT on last week's new Tariffs. This means more Chinese counter tariffs could be on their way. Importantly, both sides have agreed to talk.

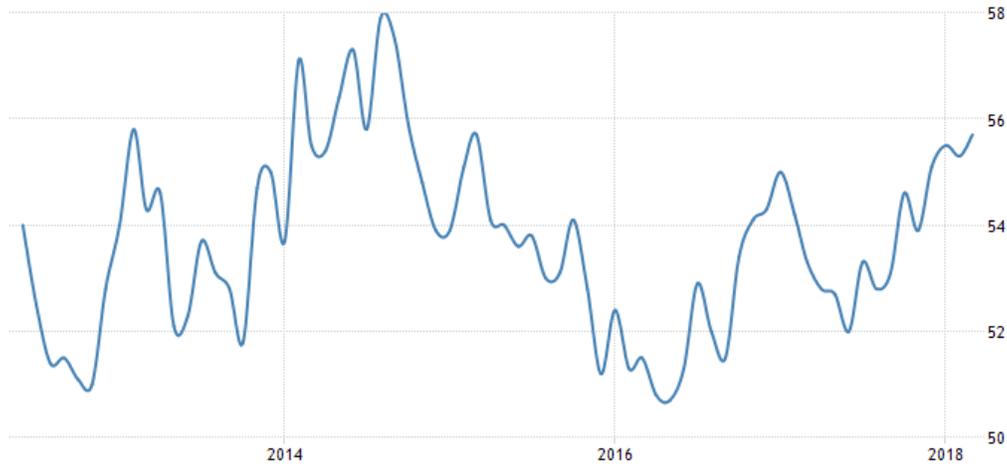


The Federal Reserve raised the target range for the federal funds rate by a quarter point to 1.5-1.75 percent, in line with market expectations and said the economic outlook has strengthened in recent months. They raised the growth forecast for 2018 from 2.5 percent in December to 2.7 percent, and increased the 2019 expectation from 2.1 percent to 2.4 percent. Note this is well below the 4% to 6% growth that the Administration has said could happen with tax cuts.



New orders for US manufactured durable goods rose 3.1 percent month-over-month in February, rebounding from a downwardly revised 3.5 percent drop in January and beating market expectations of a 1.5 percent gain. It was the steepest increase in new orders since last June, as demand for transportation equipment soared 7.1 percent. Great news.

U.S. Manufacturing Purchasing Manager's Index



U.S. Manufacturing PMI edged up to 55.7 in March from 55.3 in February, beating market expectations of 55.5, the fastest expansion in the manufacturing sector in 3 years, preliminary estimates showed. Stronger contributions came from employment, inventories and suppliers' delivery times while showing the strongest upturn in manufacturing operating conditions in three years.



The stock market had its worst week since January 2016 dropping a huge 1,414 points to 23,533, wiping out trillions of dollars of value as many remain nervous about a trade war.

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