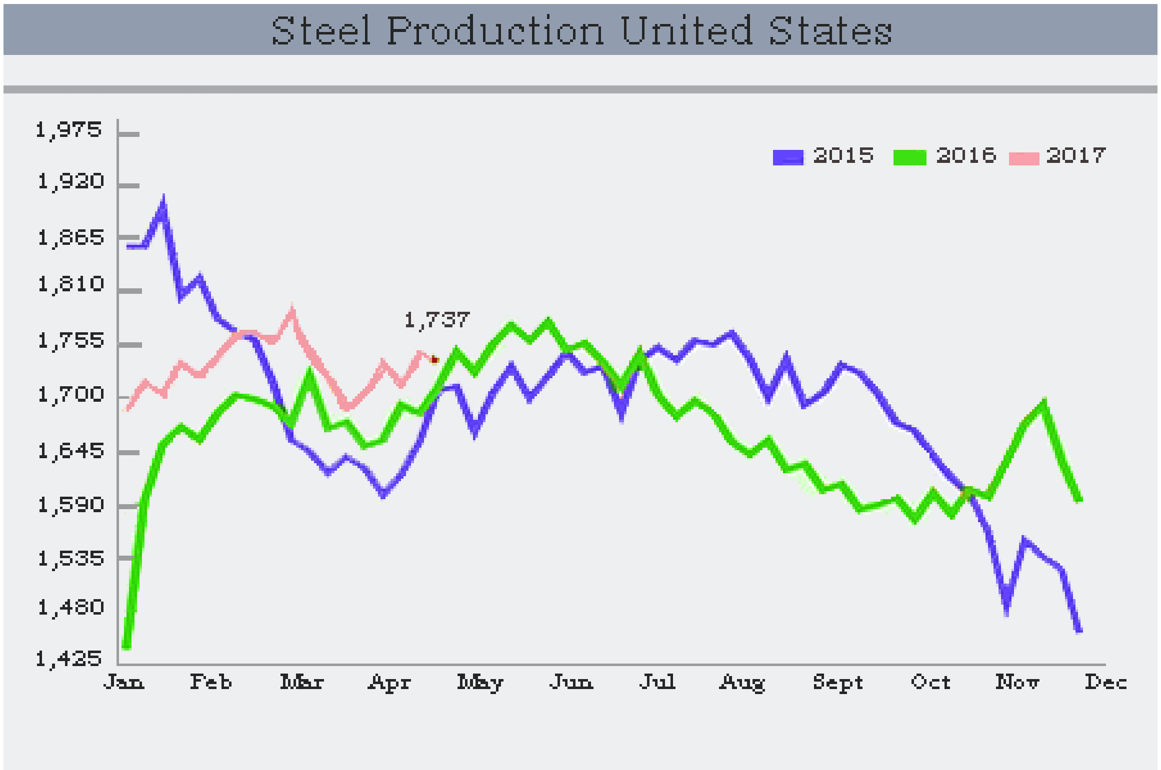
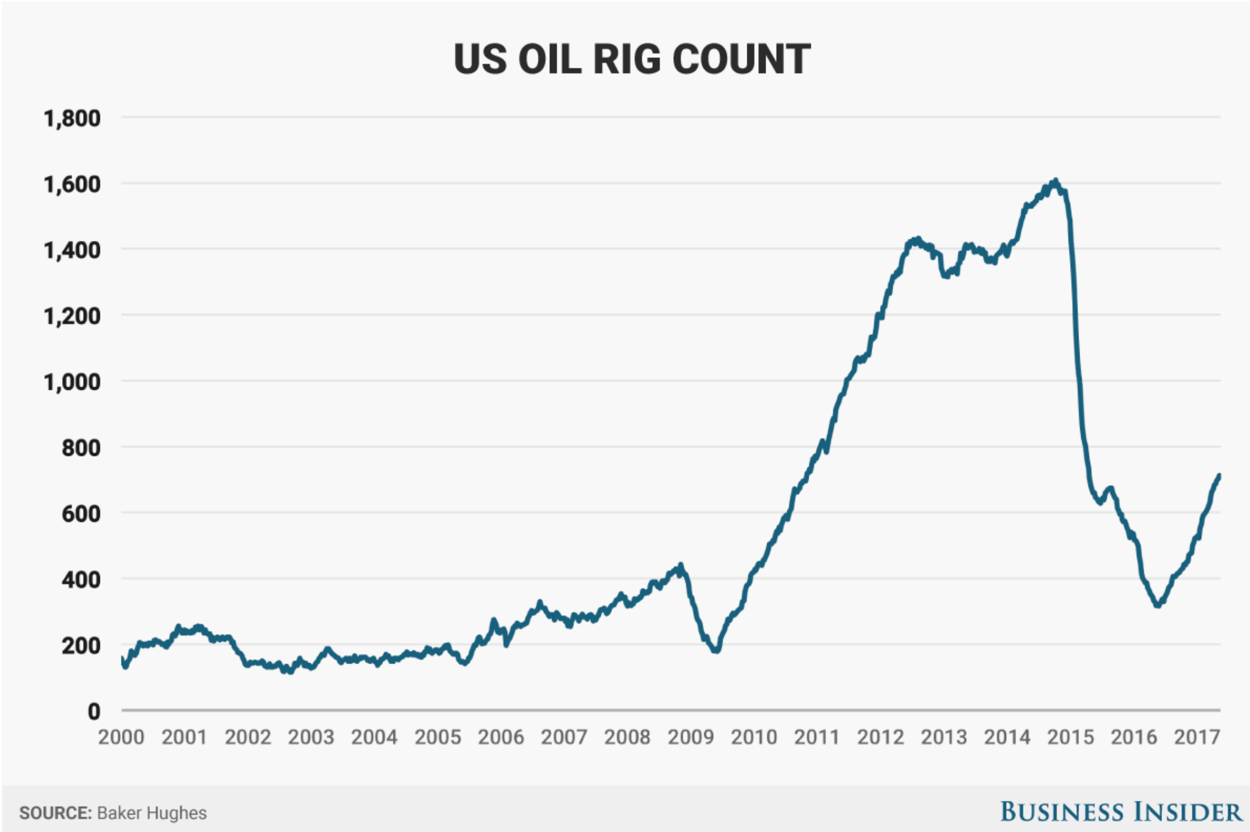
This is the Scrap Metal, Commodities Recycling and Economic Report, by BENLEE and Raleigh and Goldsboro Recycling, May 15th, 2017.

Last week commodity prices and economic reports were mixed.



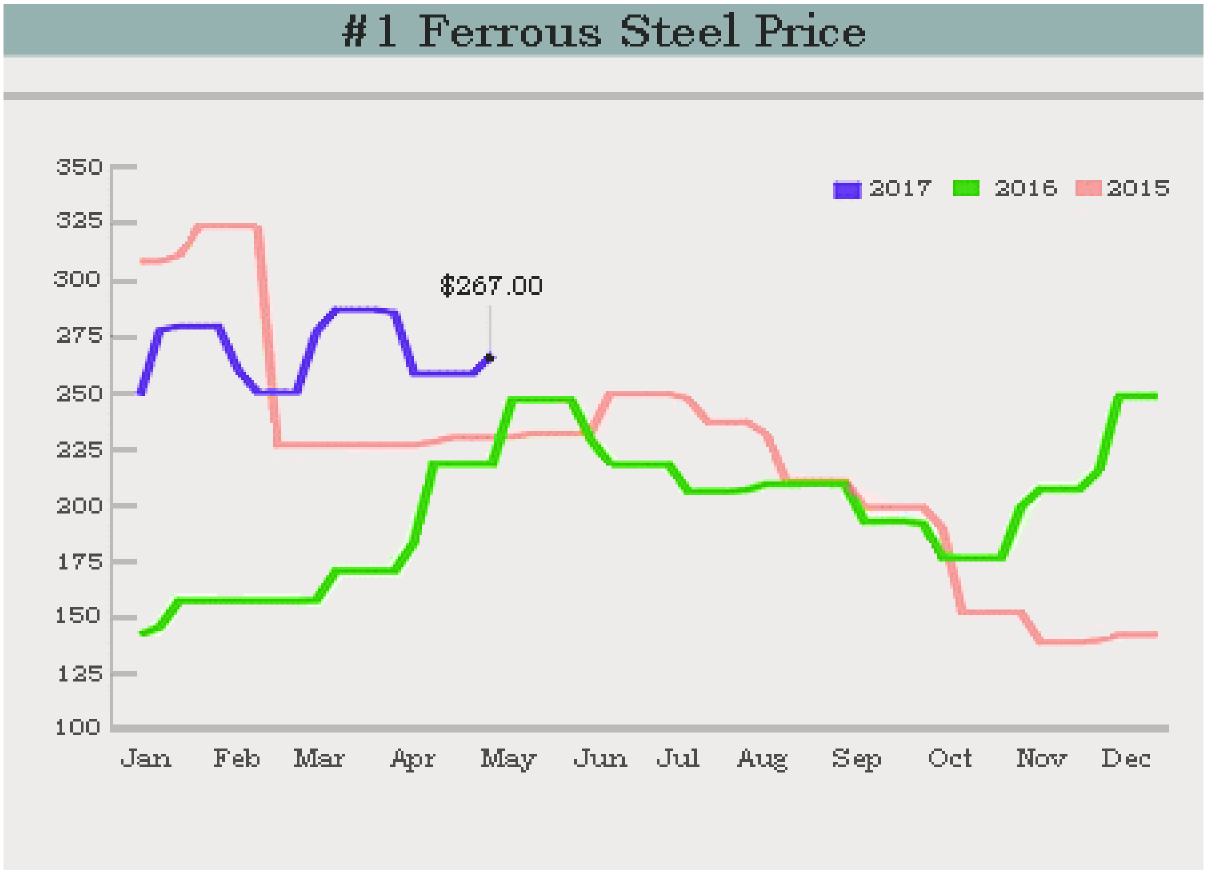

U.S steel production dipped slightly, but is trending up and remains ahead of where it was for the past two years.


Oil rose $1/barrel, to $48, showing signs of stabilization at a level above the key $40, which is good news for U.S. energy job growth.

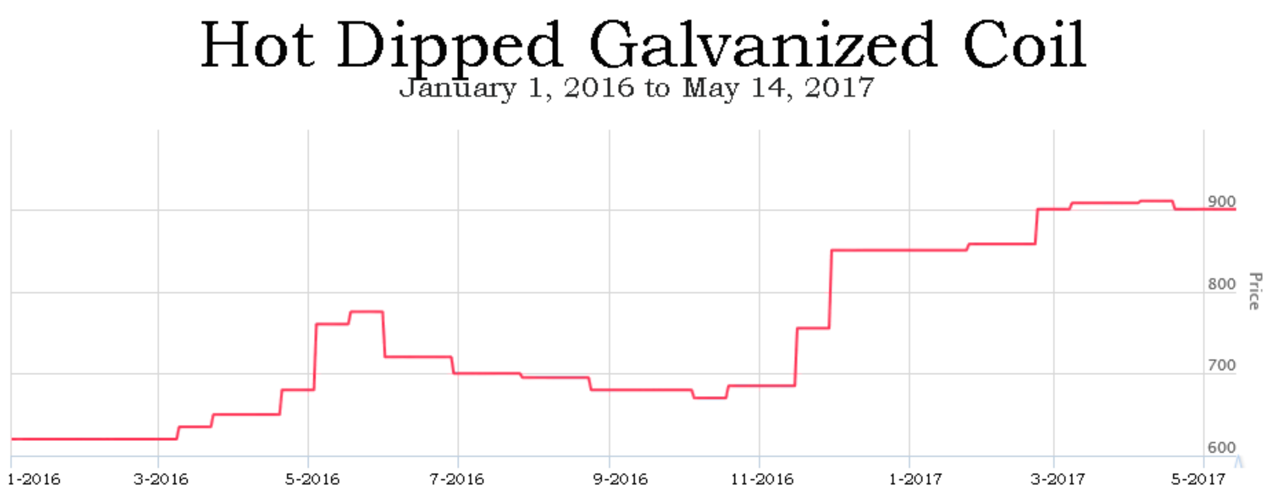



The oil rig count continued to rise to now 712, the highest level in over two years and more than double the 316 low of last year. It is still down a big 56% from three years ago, which is great upside news.

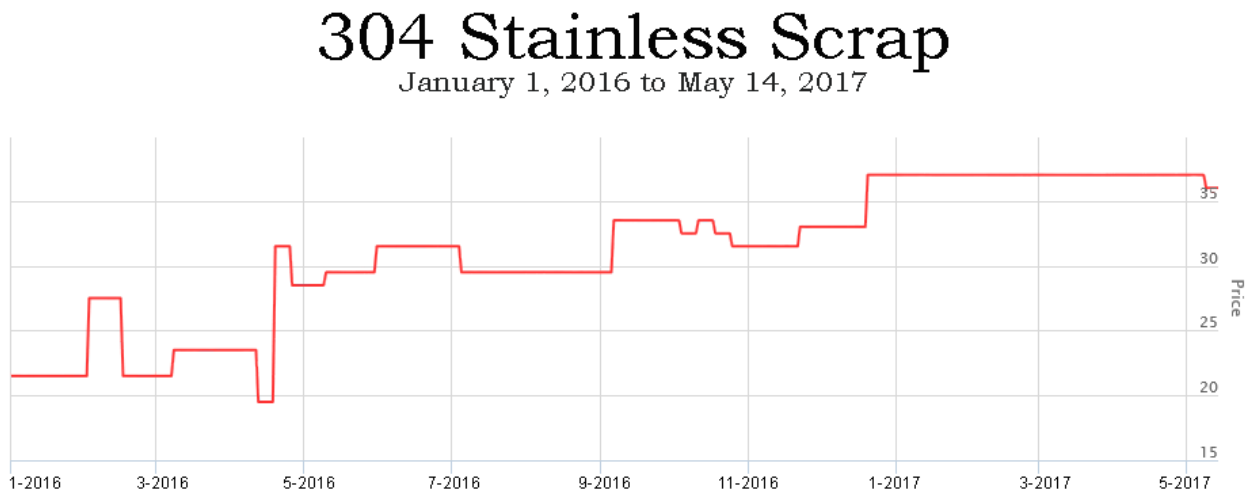

Iron ore is stabilizing having only fallen to $1 to $59/MT.  It is still about double of about a year ago, but off its recent highs.




Scrap Ferrous prices came up a bit and news in the SE is that a major mill needed material and opened this past Saturday to accept scrap. Related, another mill that is down for two weeks this month, is planning on full production next month. Both could support stable June prices.

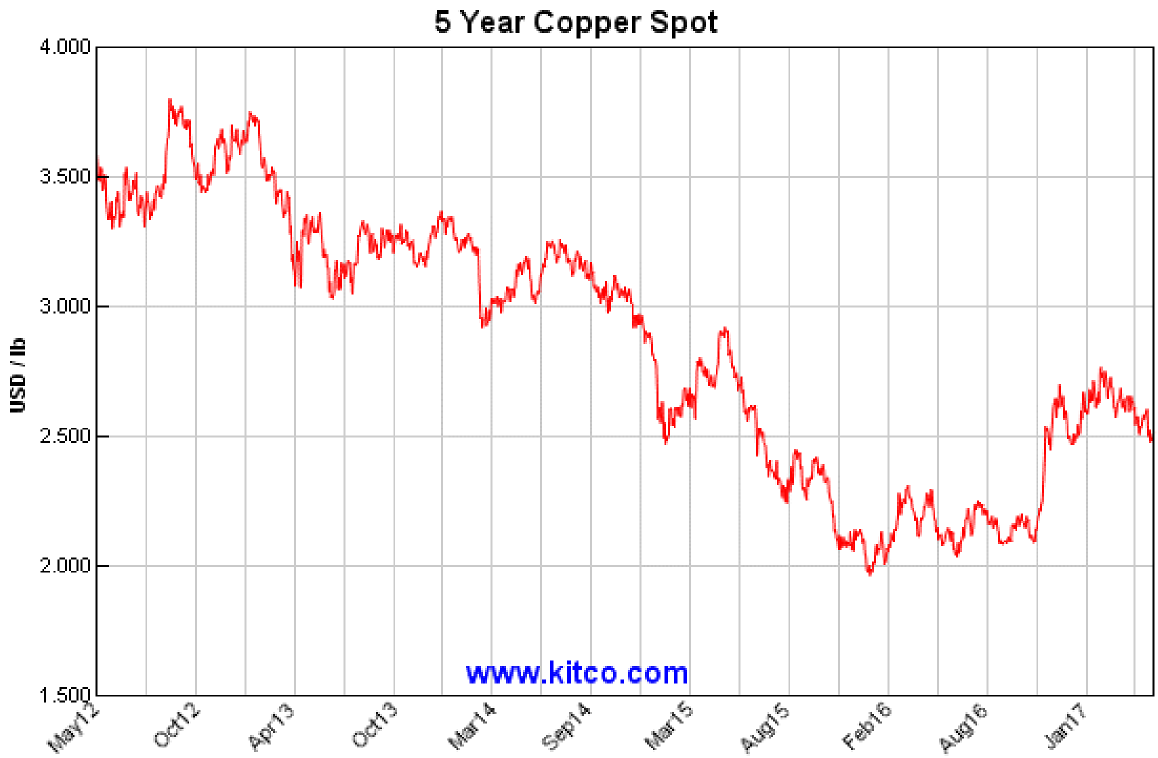



Hot dipped galvanized steel remained steady again at $900/MT. With just OK demand and stable material prices, finished steel prices could remain steady as well in the coming months.

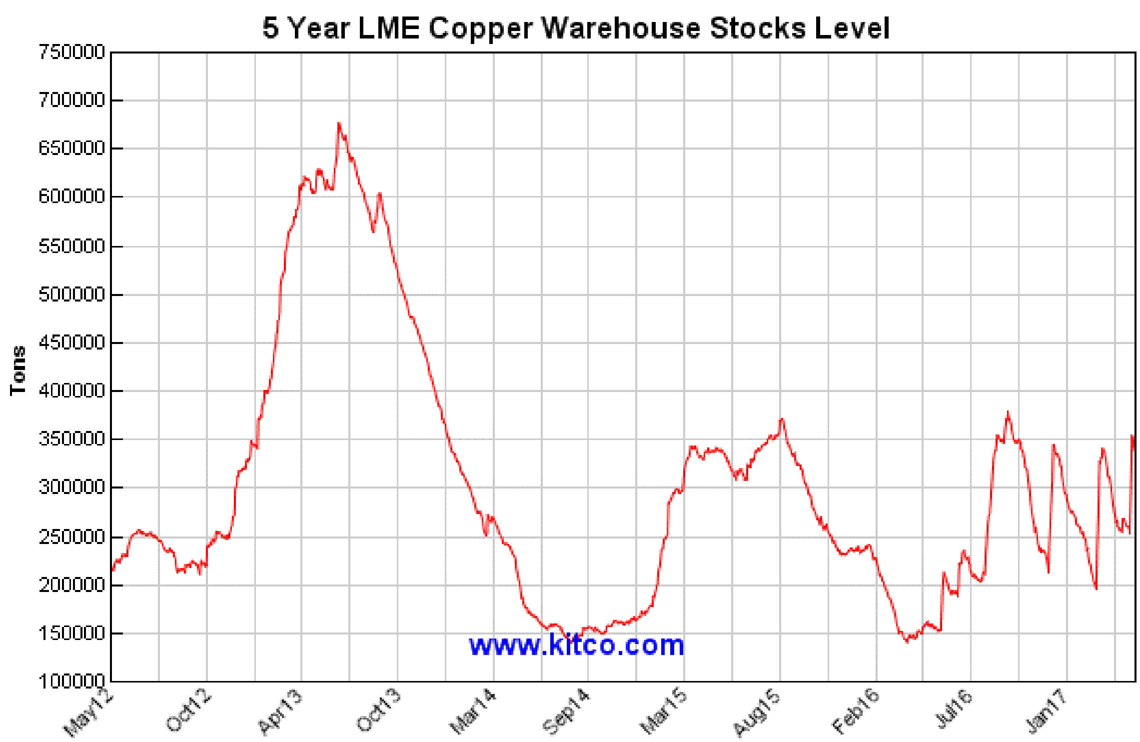



Stainless 304 scrap fell a penny as we had been expecting to 36 cents/lb. on lower nickel prices in the past few months.

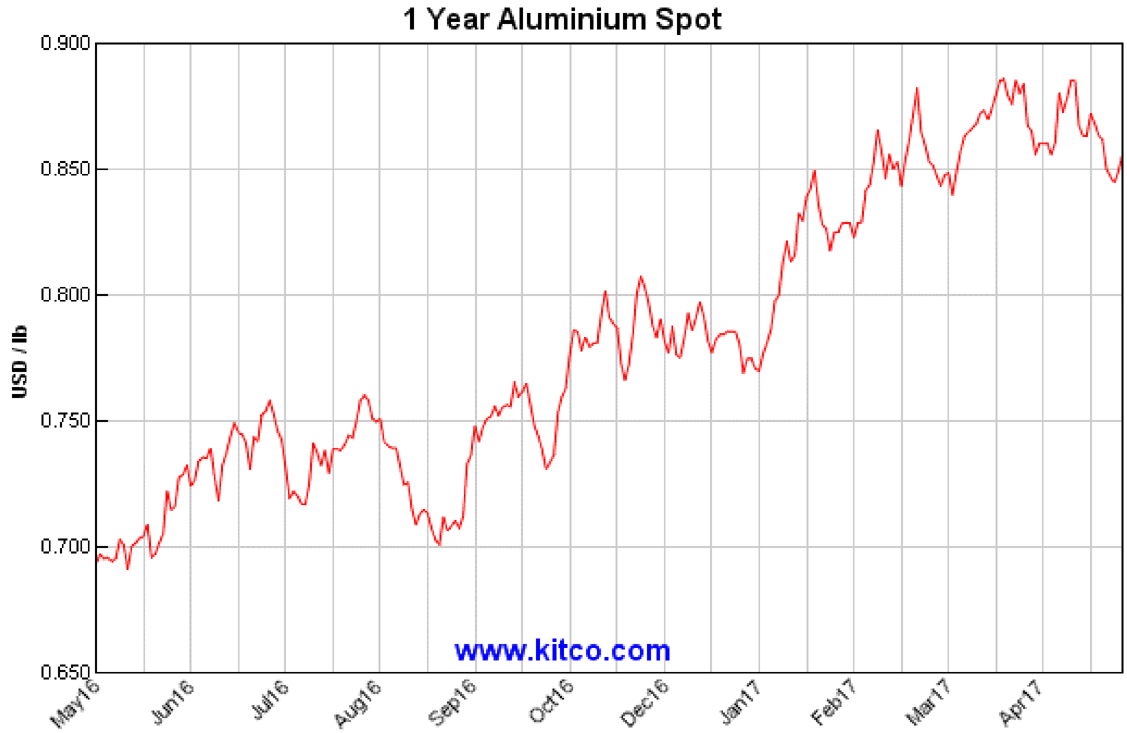

Copper was steady ending at $2.51 a pound on mixed global economic news and prices are 2.55 this morning.



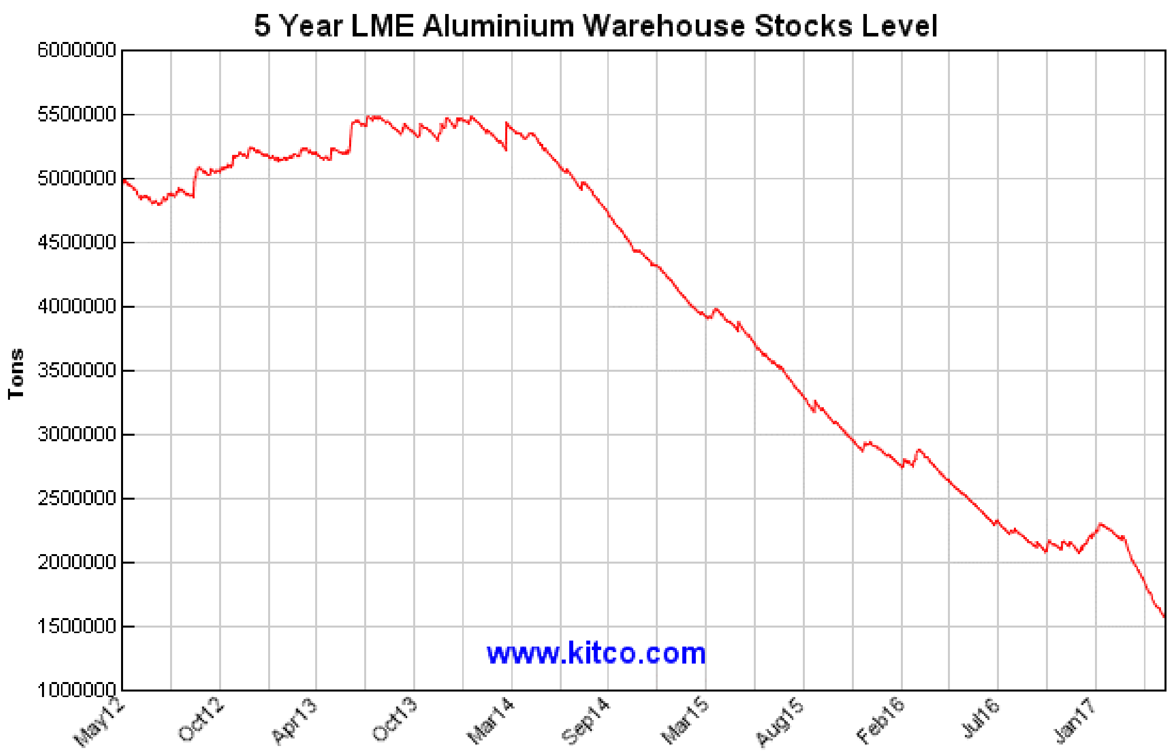

The 5 year chart shows we are near a multi month low, which is still up from the major multi year low of last year.




and copper inventories show some stabilization at a multi month highs, putting downward pressure on prices.




Aluminum fell a half penny to 85.5 cents per pound, remaining just a few cents short of its annual high.

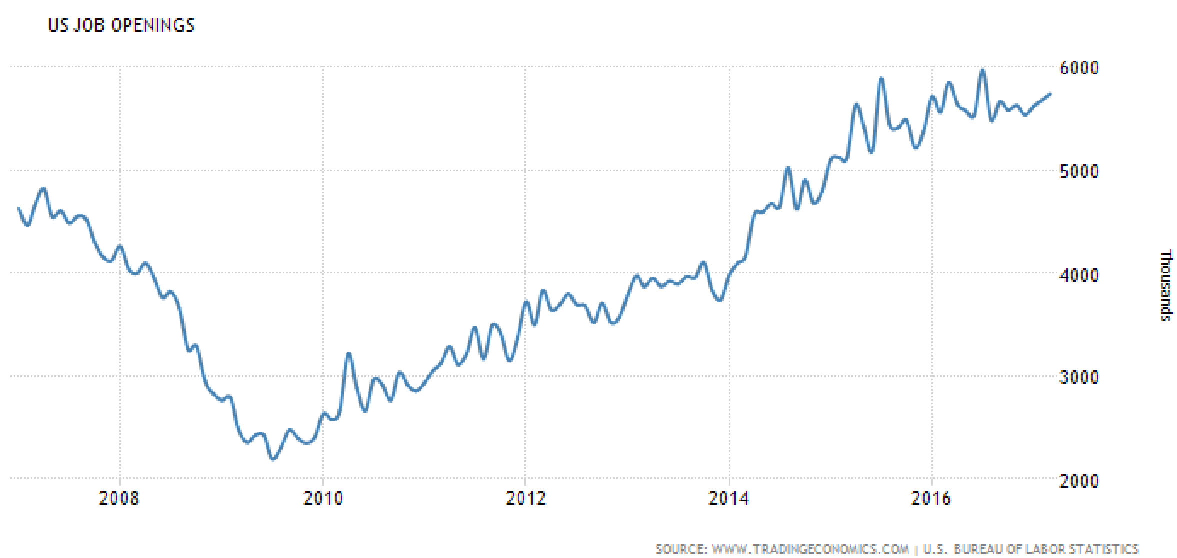



Aluminum inventories continue fall and hit a new about 9 year low which is keeping upward pressure on prices.  Based on input from many, next week we hope to start adding a paper commodity chart to this report.

Goldman Sachs, one of the world's largest investment banks, issued a report that the recent run-up in commodities will not go too much further. They based this on, in 1990 China consumed 660,000 tons of copper and last year 10.2 Million, which is now growing slowly. Also that very efficient U.S. shale drilling will keep oil prices down. Lastly, increases in U.S. interest rates will slow demand, and therefore slow commodity price increases.

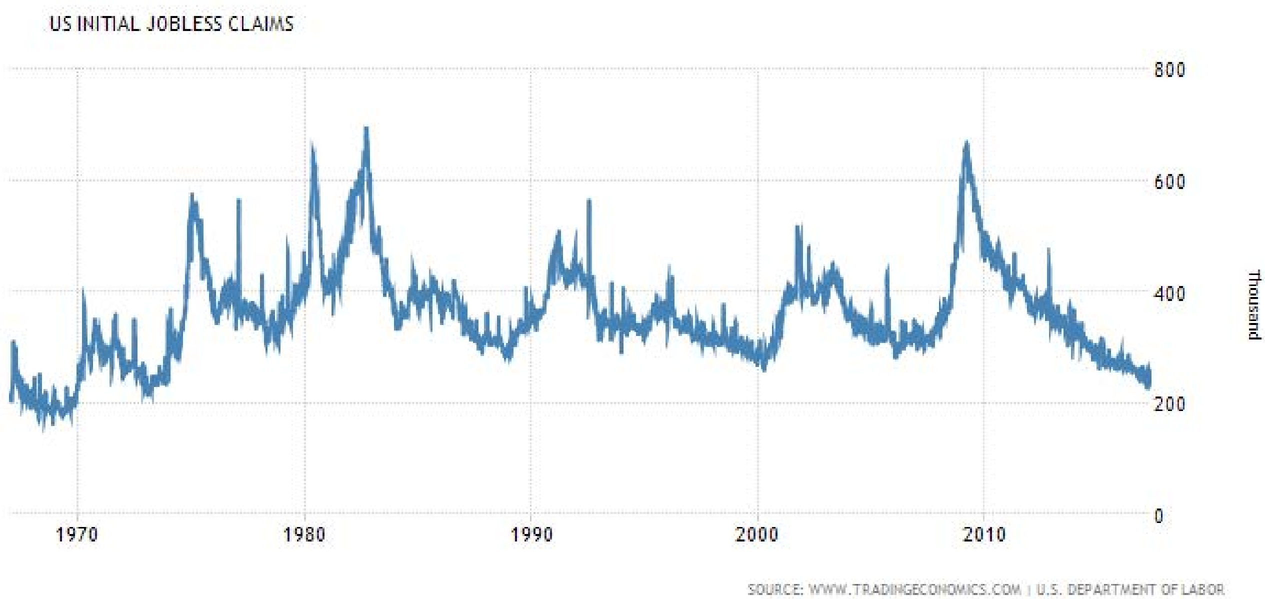
Days later, China announced more details of its "One Road, One Belt" program, their 1 Trillion dollar initiative to building roads, rail, airports and shipping ports linking Asia, India and Europe. This could create upward pressure on commodities if it becomes a reality.


U.S. consumer inflation fell to 2.2 percent year over year, the lowest inflation in 2017. Commodity prices, especially oil have been key to this, as well as reductions in healthcare cost inflation.




Job openings in the U.S. rose to 5.7 Million, the highest since last July, with high wage professional and business service openings leading the path.  Great news for the economy.


Consumer sentiment rose to 97.7 which remains a very solid number and is great economic news as it is a key measure on how people feel about the next 6 months of activity.




Unemployment claims remain at levels not seen since the 1970s at 236,000. Under 300,000 means the job market is expanding, which is great economic news.

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