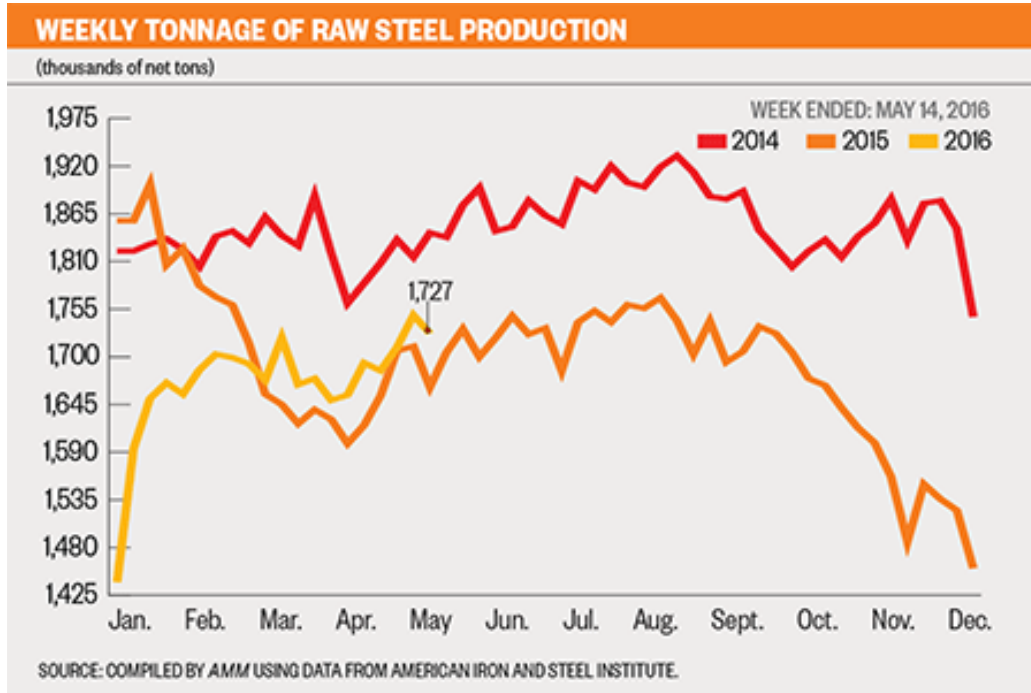


This is the Scrap Metal & Commodities Recycling report, by BENLEE Roll off, Lugger and Open Top Trailers and Raleigh and Goldsboro Metal Recycling May 23rd, 2016.

In this report, last week commodity prices saw declines in multiple areas.



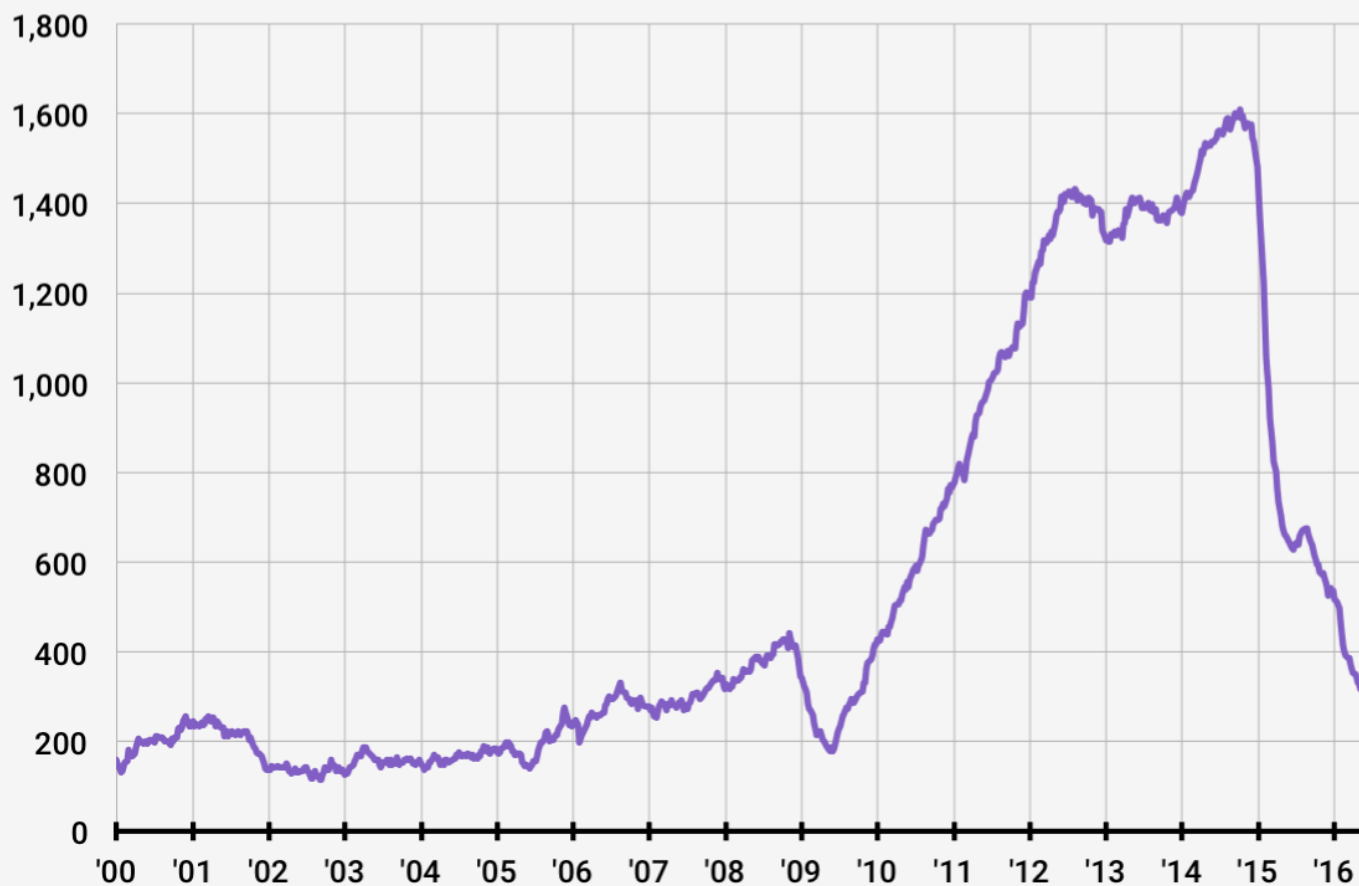
U.S. Steel production came down a bit, but remains near 9 month highs, which is a relatively strong performance.

CRUDE OIL



Oil prices touched new multi-month highs last week and remain about a striking 80 percent above where they were just a few months ago.

US OIL RIG COUNT



SOURCE: Baker Hughes

BUSINESS INSIDER

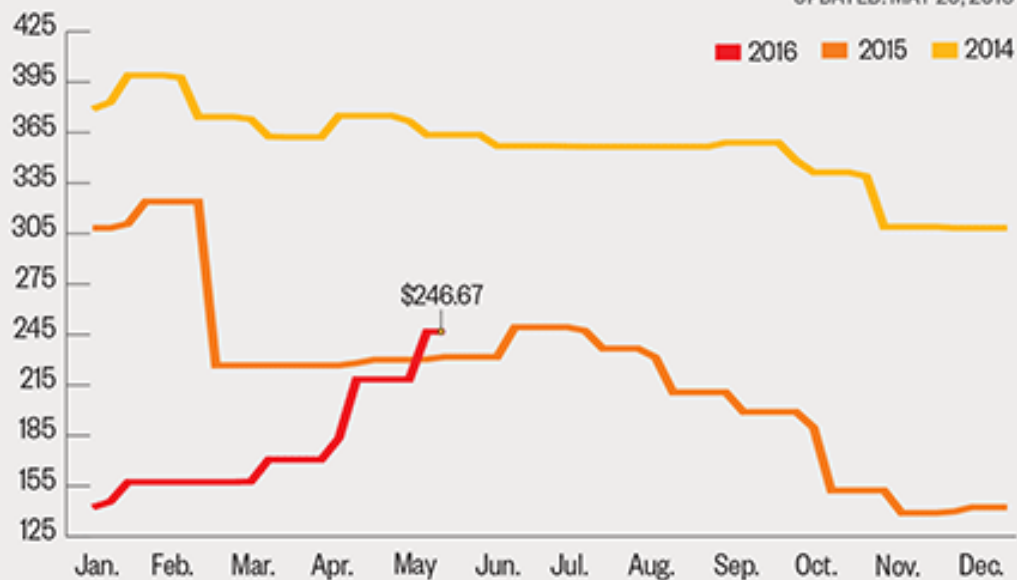
While tough to see on this chart, the oil rig count did not drop last week for the first time in 9 weeks, but the rig count remains down about 80 percent from just 19 months ago.

We do not show the natural gas rig count here, but their count fell by two last week. When adding the natural gas and oil rig count together, they are down to the lowest point since 1947, almost 70 years ago. This is a staggering piece of data which is hurting drilling jobs and steel mill jobs, making steel for these rigs.

AMM WEEKLY NO. 1 HEAVY MELT PRICE COMPOSITE

(price per gross ton)

UPDATED: MAY 20, 2016



BASED ON NO. 1 HEAVY MELTING STEEL AT PITTSBURGH, CHICAGO AND PHILADELPHIA.

SOURCE: AMM.

U.S. Ferrous scrap prices have stabilized at the highest level we have seen in about a year. Importantly, these higher prices have drawn out material that has been kept off the markets for months due to low prices, especially shredder material such as cars and demolition scrap.

Related in recent months we have personally seen two individual scrap yards that were sitting on massive amount of material due to low prices. One had 25,000 GT and the other over 50,000 GT. This month's stronger incoming ferrous scrap flow, while not broadly based, is part of a supply balance that might bring ferrous prices down. Note we say not broadly based due to overall volumes of obsolete scrap, excluding cars, remain better than 6 months ago, but remain well below normal levels, combined with U.S. industrial production is not growing.

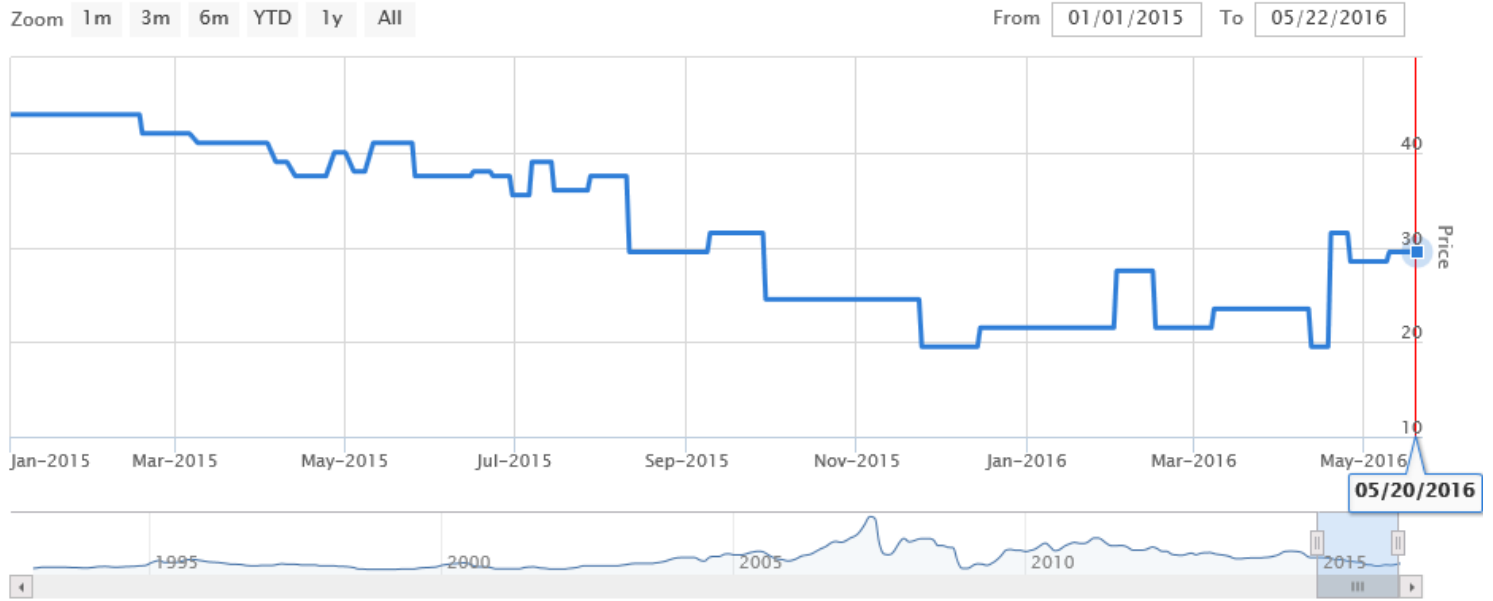
Hot Rolled Coil Steel



Interestingly despite hearing of scrap price declines, multiple steel mills continued announcing price increases last week and hot roll coil remained at a high not seen in over a year.

A positive for steel mills is that scrap prices are now up about \$110/GT in 2016, which is about \$98/net ton, yet some finished steel prices are up more than double that at about \$205/net ton. This is a major win for steel mills, but a negative for steel buyers and recyclers.

304 Stainless Scrap



As for Stainless steel, 304 stainless scrap prices held last week near 7 month highs.

COMEX:HGN2016, W 2.0555 ▼ -0.0055 (-0.27%) O: 2.0740 H: 2.1115 L: 2.0380 C: 2.0555

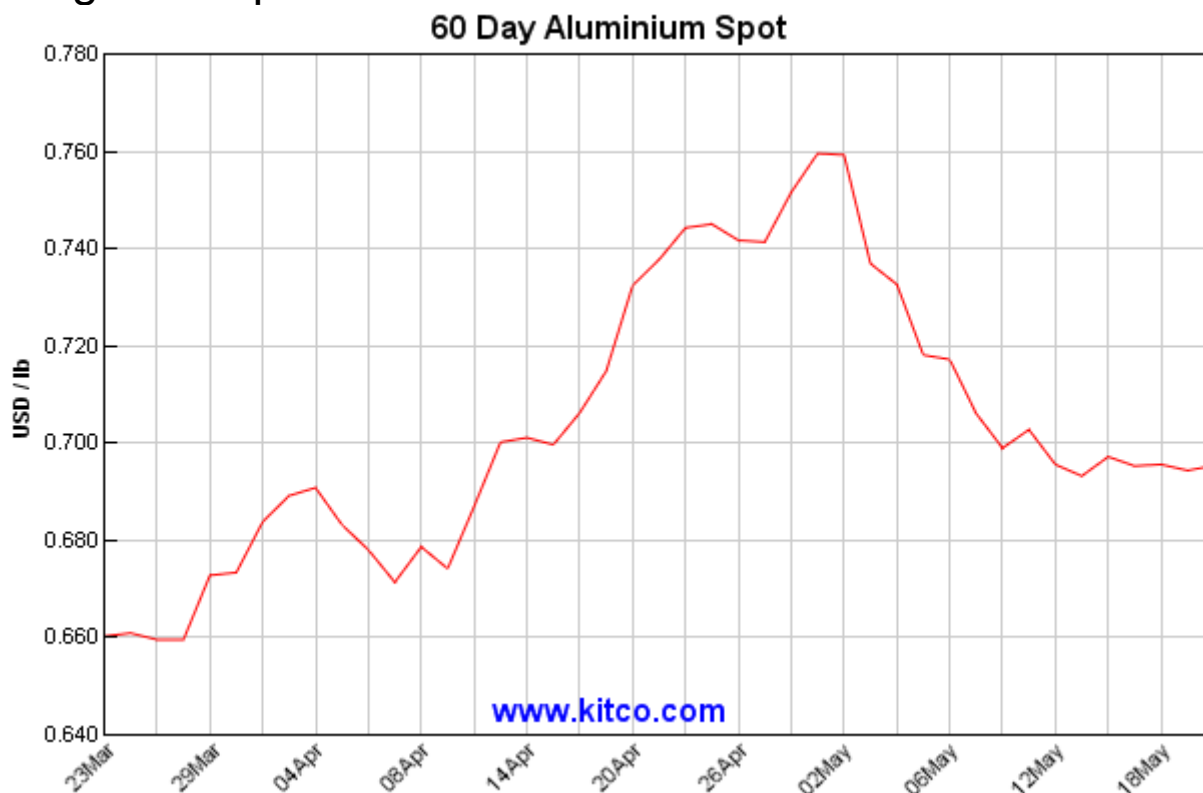


 **CME Group**
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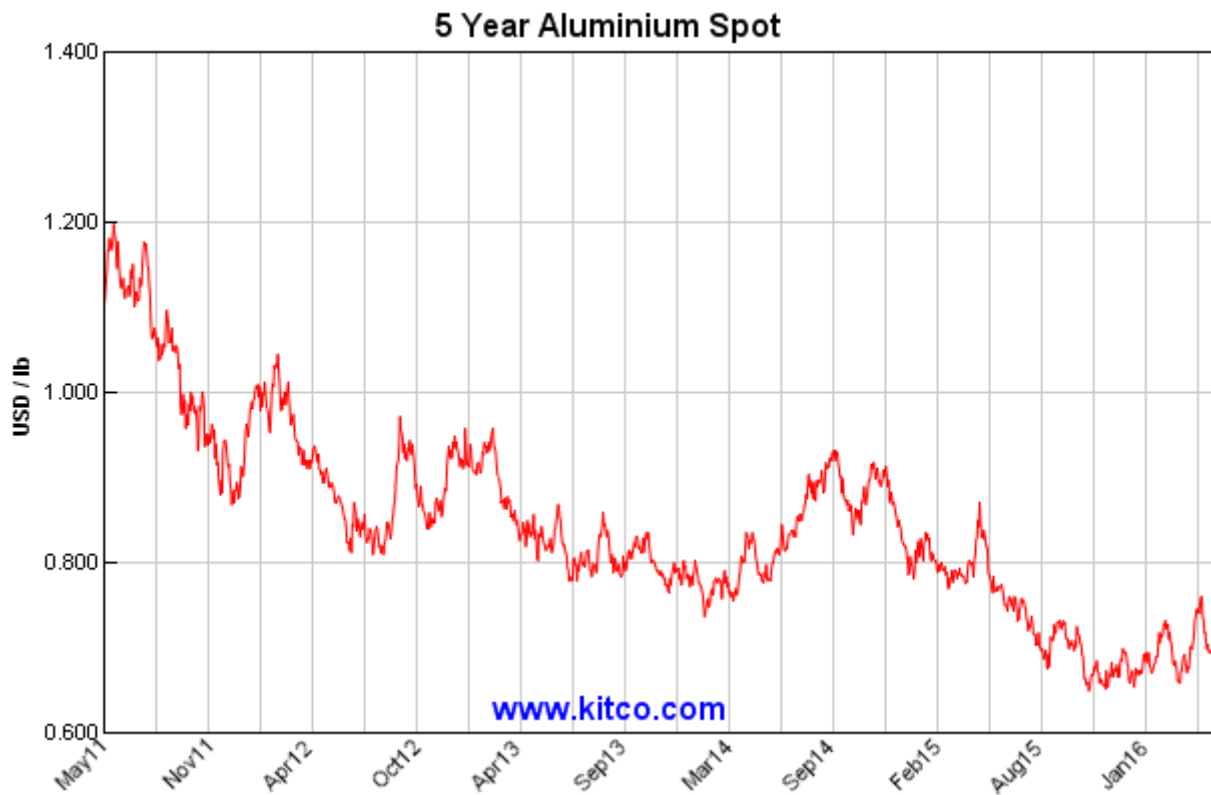
Copper fell a bit for the week and is now near multi month lows.



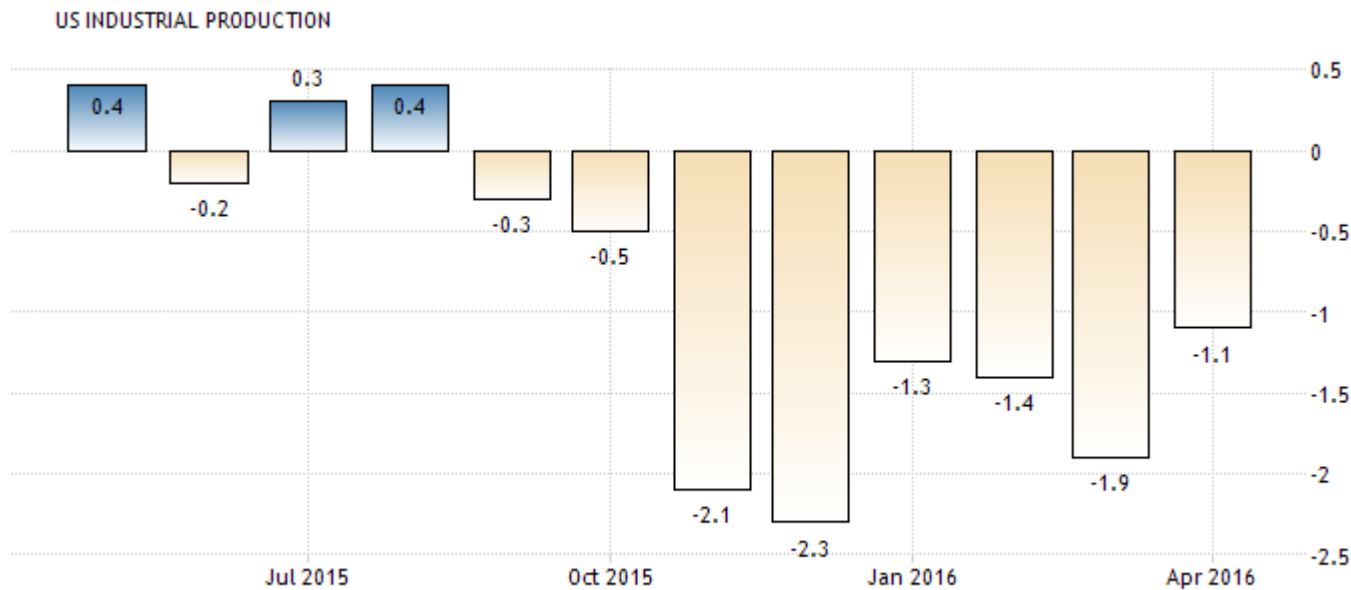
And when looking at this 5 year chart, copper in fact has somewhat stabilized near 7 year lows and there are no U.S. or global events that may change this up or down in the months to come.



Aluminum was somewhat stable for the week after coming down in recent weeks.



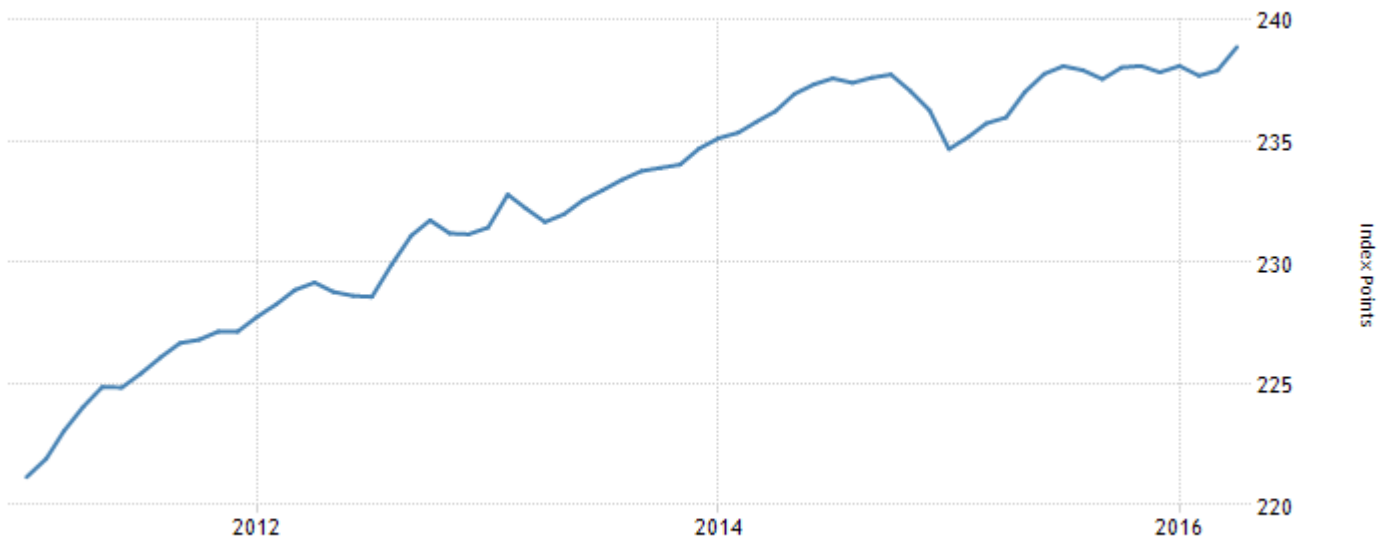
When looking at this 5 year chart, we see Aluminum is like copper in that it has stabilized near almost 7 year lows and despite consumption being up significantly in automotive, there is no upward price pressure showing in the data.



SOURCE: WWW.TRADINGECONOMICS.COM | FEDERAL RESERVE

While there was a report this week about positive U.S. Factory production, overall U.S. Industrial production has been in decline for 8 months. A negative for commodity prices.

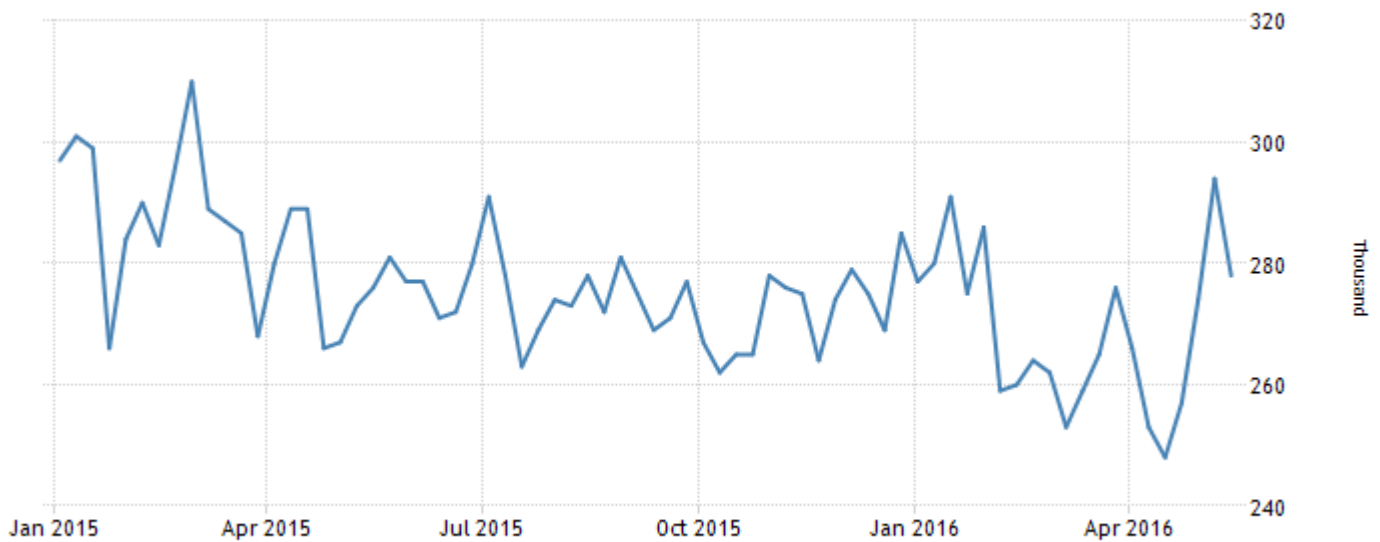
US CONSUMER PRICE INDEX (CPI)



SOURCE: WWW.TRADINGECONOMICS.COM | U.S. BUREAU OF LABOR STATISTICS

Commodity prices have been somewhat stable in recent months, with some increases, vs, the previous 18 months of declines. This stability has been part of an inflation pick up, due to the stable commodities are combined with labor increases. Higher inflation could support higher interest rates, which is both a positive and a negative for parts of the economy.

US INITIAL JOBLESS CLAIMS



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

On a positive, the U.S. Weekly jobless claims fell for the first time in four weeks, slightly higher than market expectations of 275,000. There have been 63 consecutive weeks of claims under 300,000, which is a key measure of a positive economy.



Lastly, congratulations to both Steel Dynamics, owner of OmniSource Recycling and to Upstate Shredding for winning awards last week as part of Platt's annual event.

For our product of the week, Safety remains key to all we do at BENLEE. Sadly there have been Injuries and deaths due hitting power lines while operating roll offs.



BENLEE developed a warning plaque to mount at truck and trailer controls. Call us to buy them at our cost.

With that we hope all have a Safe and Profitable week. My name is Greg Brown.