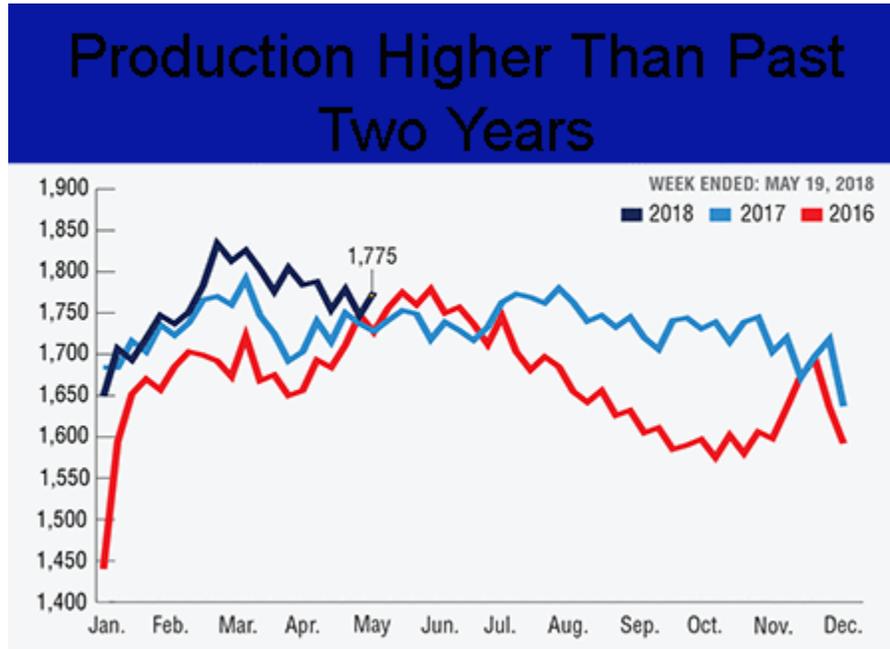
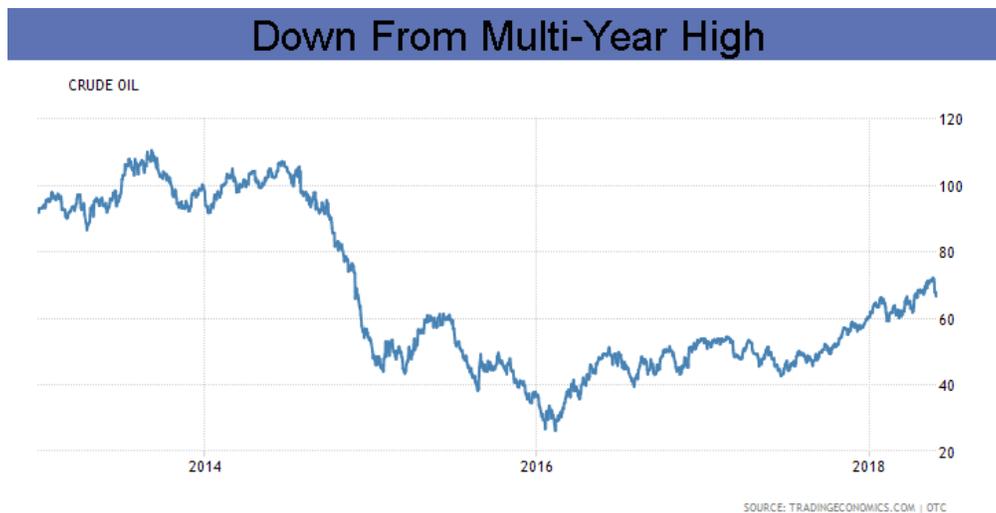


This is the Scrap Metal Commodities Recycling and Economic Report, by BENLEE and Raleigh and Goldsboro Recycling, May 29th, 2018. This is a special remote edition.

Last week, commodity prices and economic reports were mixed.



U.S steel production rose to a level above last year and the year before as economic conditions remain solid.

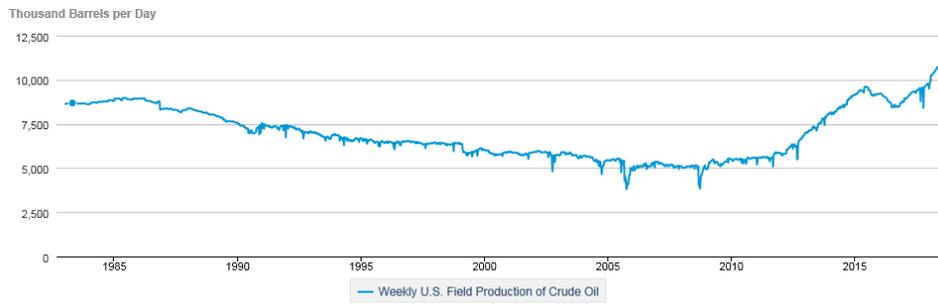


Oil fell a big \$6/barrel to \$65.54, after hitting new multi-year highs. There is word that OPEC and Russia may increase output due to pressure from the U.S. to keep prices down. More oil, lower prices. Related, U.S. gasoline prices are up big about 60 cents from a year ago.

## Another Record High

Weekly U.S. Field Production of Crude Oil

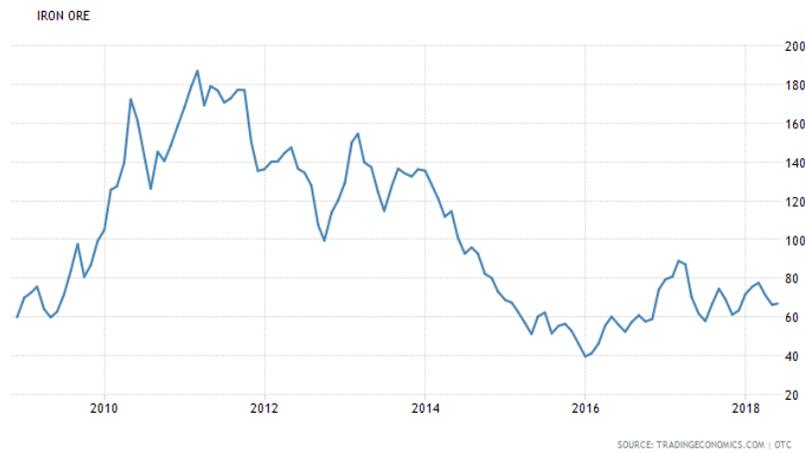
DOWNLOAD



Source: U.S. Energy Information Administration

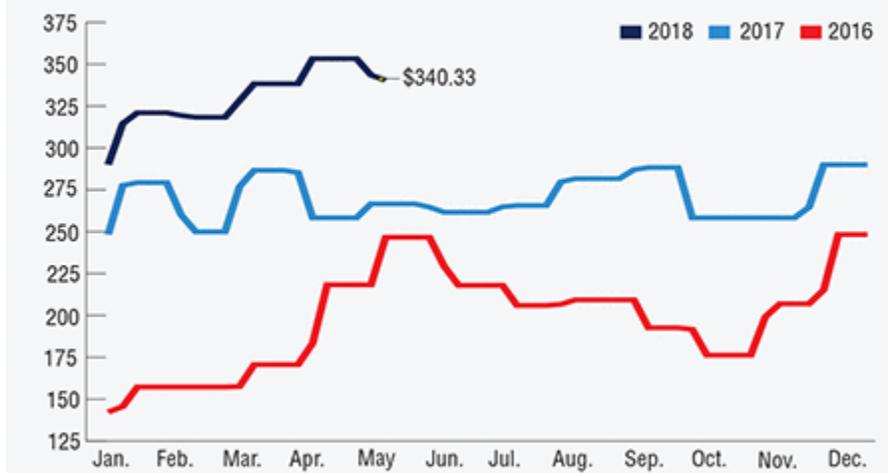
U.S. oil production hit a new high of 10.725 million barrels per day as higher prices bring higher production.

## Slightly Down, But Trending Up



Iron ore fell slightly to \$65/ton, on a good balance of supply and demand and on a good global economy.

## Prices Stable



Scrap steel #1 Heavy Melt remained at \$340/GT, as we hear prices could be fairly stable in June, as scrap flows and demand remain balanced. Nucor's reported DRI outage in June could put upward pressure on Bushling scrap.

## Prices Remain High Hot Dipped Galvanized Steel Coil



Hot dipped galvanized steel remained at \$1,200/ton, a multi-year high, as demand remains solid and raw material prices remain high.



Copper rose two cents to \$3.08 on mixed economic and political news and a good balance of supply and demand.

## Near December High



Copper prices remain off the multiyear high of December, but like steel, it is well above last year and the year before.

## Little Changed



Copper inventories were little change on no demand and supply changes.

## Prices Remain High



Aluminum was little change ending at \$1.018 on continued good demand, remaining near it's almost 6 year high and is more than 50% higher than a few years ago.

## Inventories Remain Low



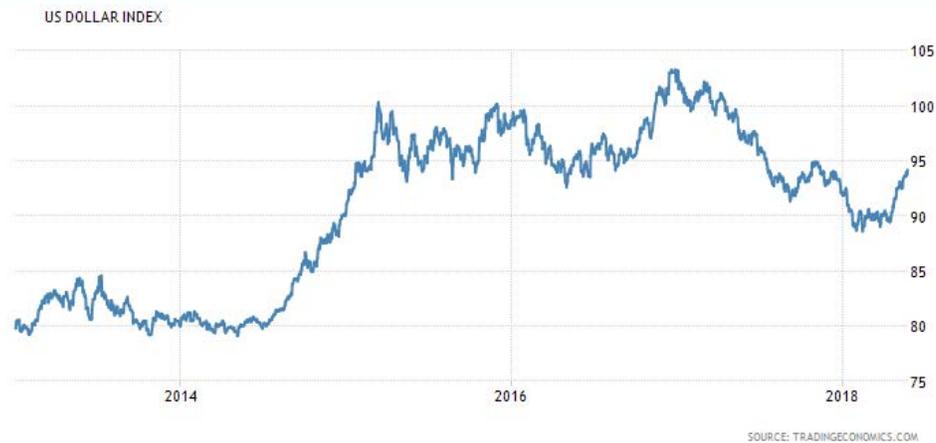
Aluminum LME inventories fell slightly, remaining near 8 year lows on solid demand and good supply.

## More Tax Cuts to be Proposed



The President announced he will be submitting additional tax cuts sometime prior to November. More tax cuts would bring more spending and higher growth.

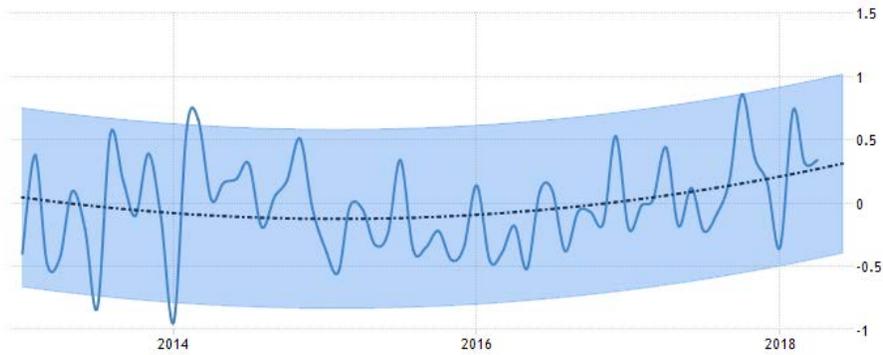
## Dollar Near 7 Month High



The U.S. Dollar rose to near a 7 month high due to higher interest rates in the U.S. and problems with the Italian economy. Related, when the dollar is higher; it puts downward pressure on commodity prices, including oil, copper and more.

## Trending Up

US CHICAGO FED NATIONAL ACTIVITY INDEX



SOURCE: TRADINGECONOMICS.COM | FEDERAL RESERVE BANK OF CHICAGO

The Chicago Area Federal Reserve Index, a key measure including heavy manufacturing continues trending up, with April's rise to .34. Manufacturing and industrial production increased by .5% after being unchanged in March. Employment related indicators, as well as sales, orders and inventories were all positive.

## Highest Growth Since 2014 U.S. Manufacturing Managers Index

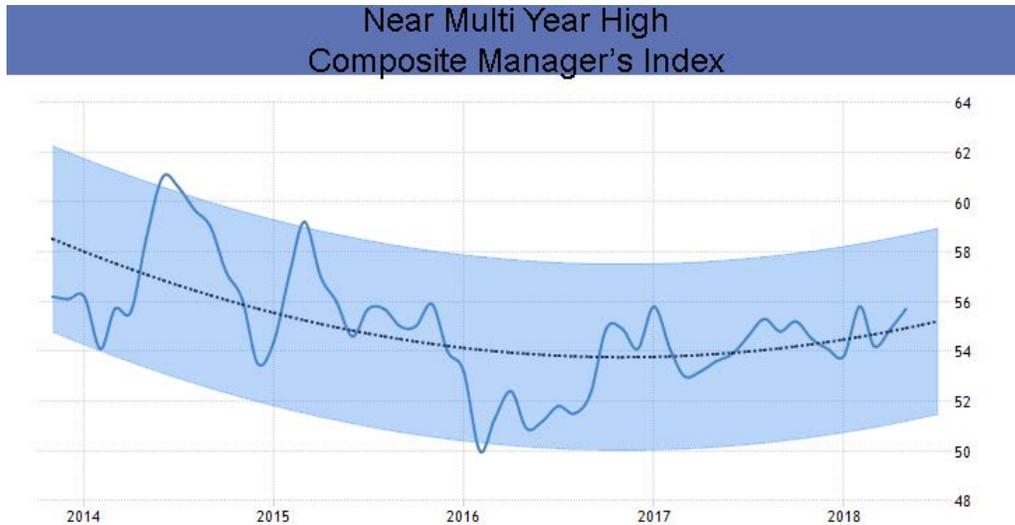


May's U.S. Manufacturing Purchasing Manager's Index rose to 56.6 which was the highest since September of 2014, amid faster rises in production and incoming new business due to improving economic conditions and a continued recovery in domestic sales.

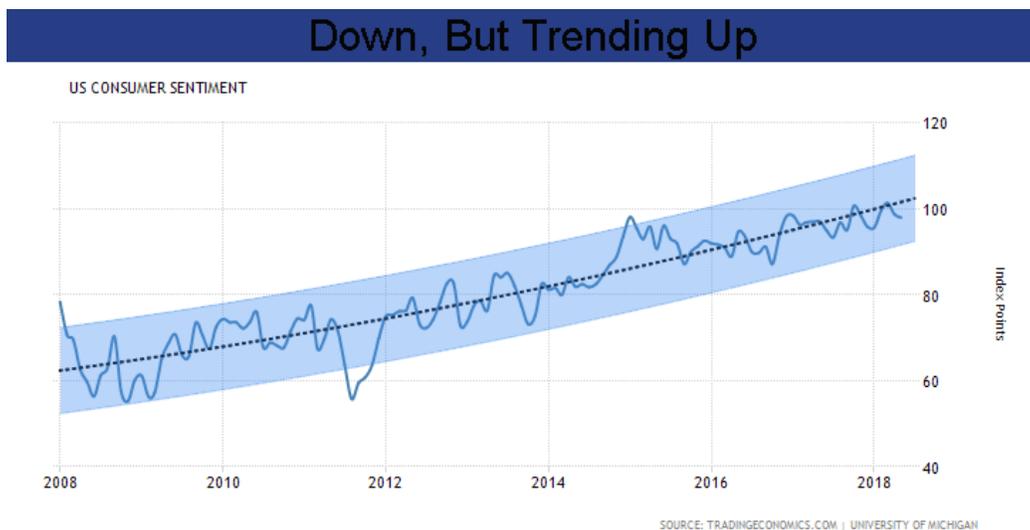
## Near Highest Since 2015 U.S. Services Manager's Index



May's U.S. Services Purchasing Manager's Index rose to 57.7 which was the fastest expansion since February and near the highest since 2015 mainly due to higher output while new orders eased slightly from the three-year peak seen in April. Backlogs continued to accumulate for the thirteenth straight month and the most since March 2015. On the price front, input inflation was the steepest in three months, amid higher oil-related costs and rising commodity prices.

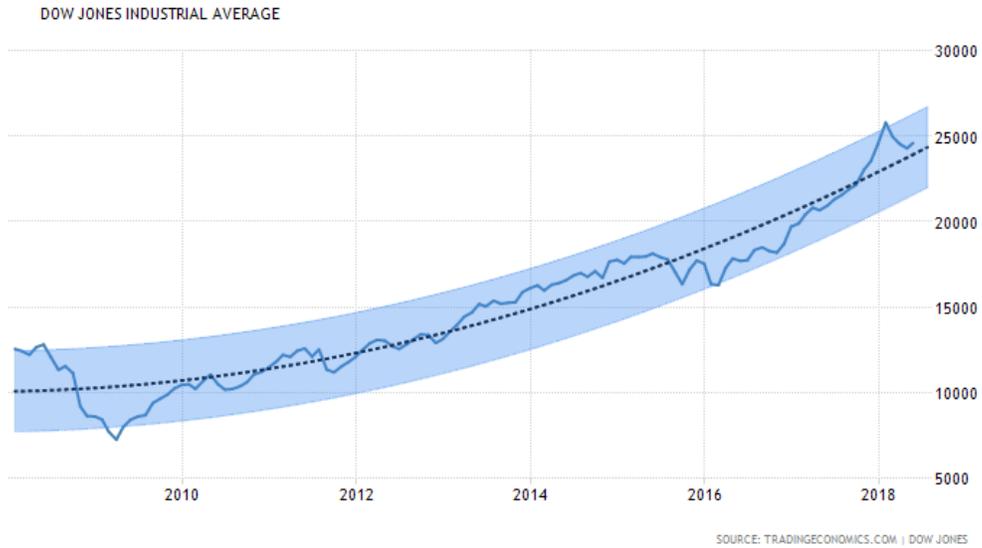


Together the U.S. Composite Purchasing Manager's index continues its trend up, bringing the strongest expansion in private sector activity in three months. Manufacturing drove the increase with a 44 month high.



May's U.S. consumer sentiment was revised down to 98, the lowest reading in four months as consumers anticipated smaller income gains and references to discounted prices for durables, vehicles, and homes fell to decade lows.

## Stocks Rose, Remain High



Wall Street's Dow Jones Average rose a small 91 points to 24,812 on a turbulent week of news on China trade, N. Korea and the Mueller investigation.

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