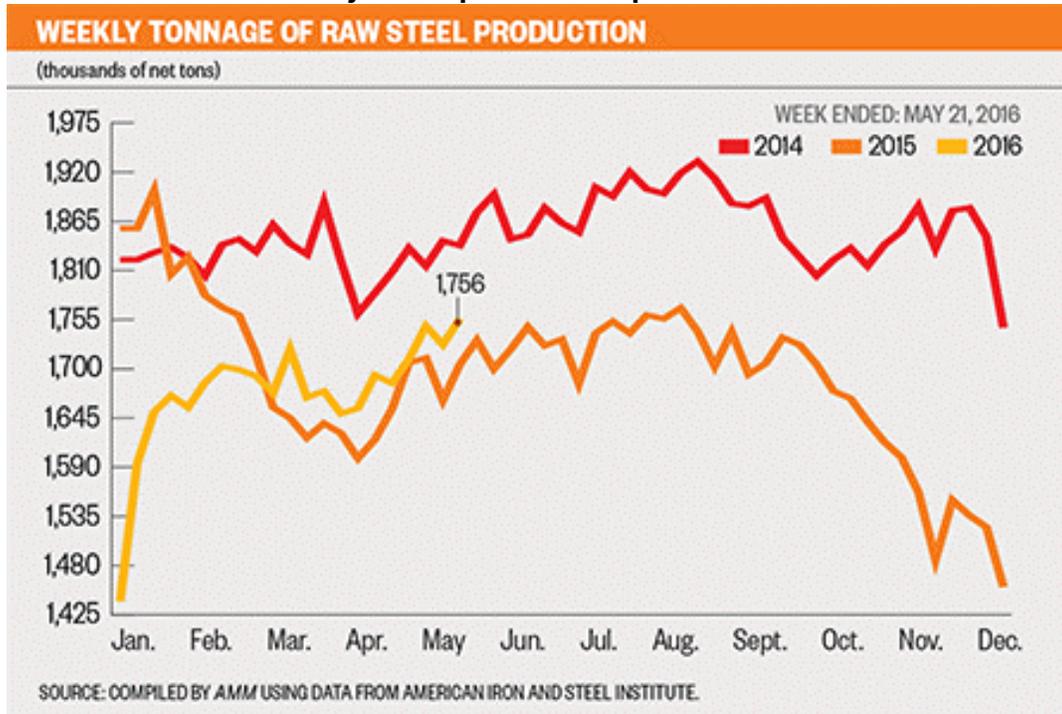


This is the Scrap Metal & Commodities Recycling report, by BENLEE Roll off, Lugger and Open Top Trailers and Raleigh and Goldsboro Metal Recycling May 31st, 2016.

In this report, last week commodity prices saw declines in multiple areas, but there were major reports of positive economic news.



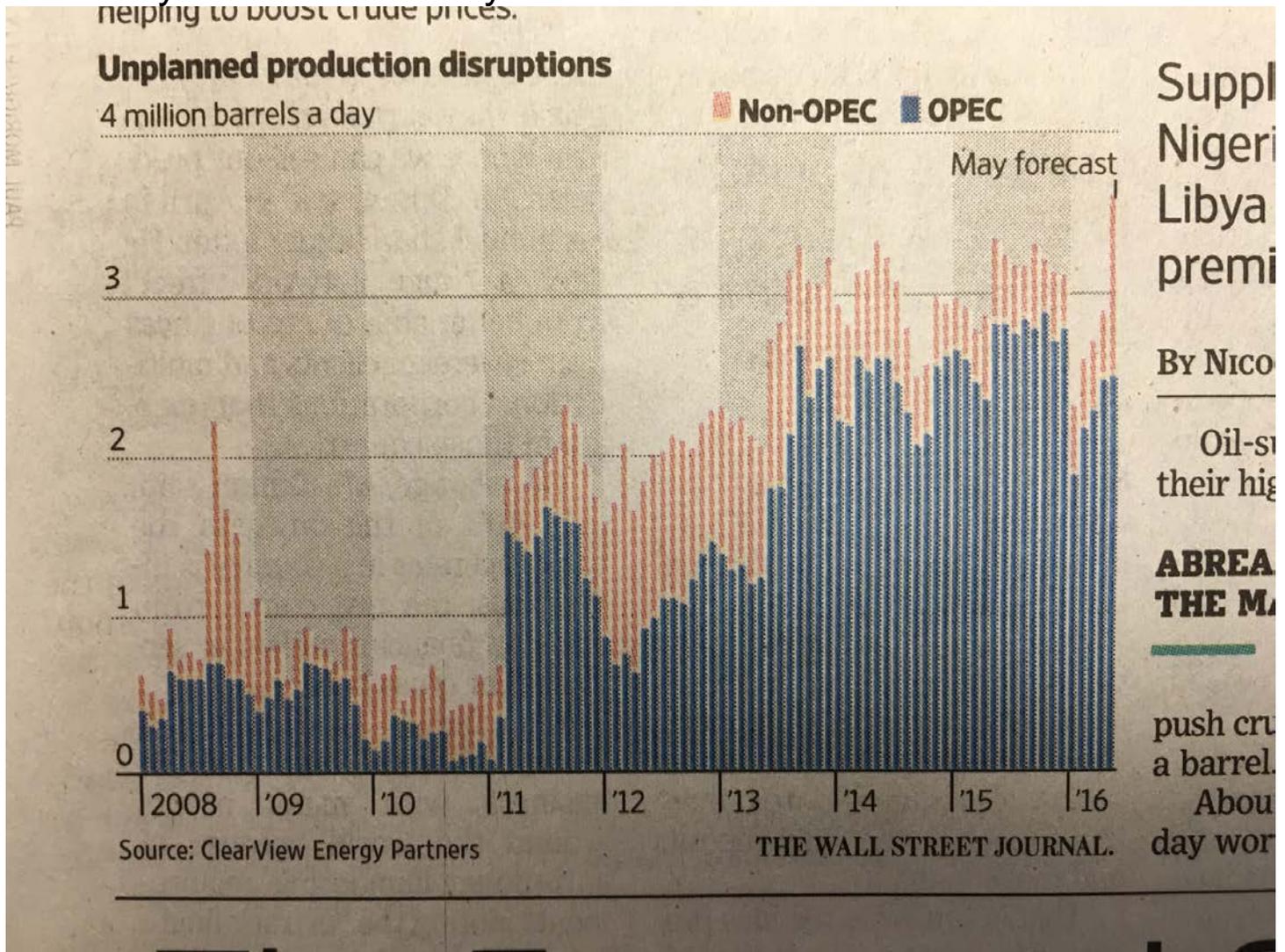
U.S. Steel production rose a bit, and is near 9 month highs, which is a strong performance by any measure.

CRUDE OIL



SOURCE: WWW.TRADINGECONOMICS.COM | NYMEX

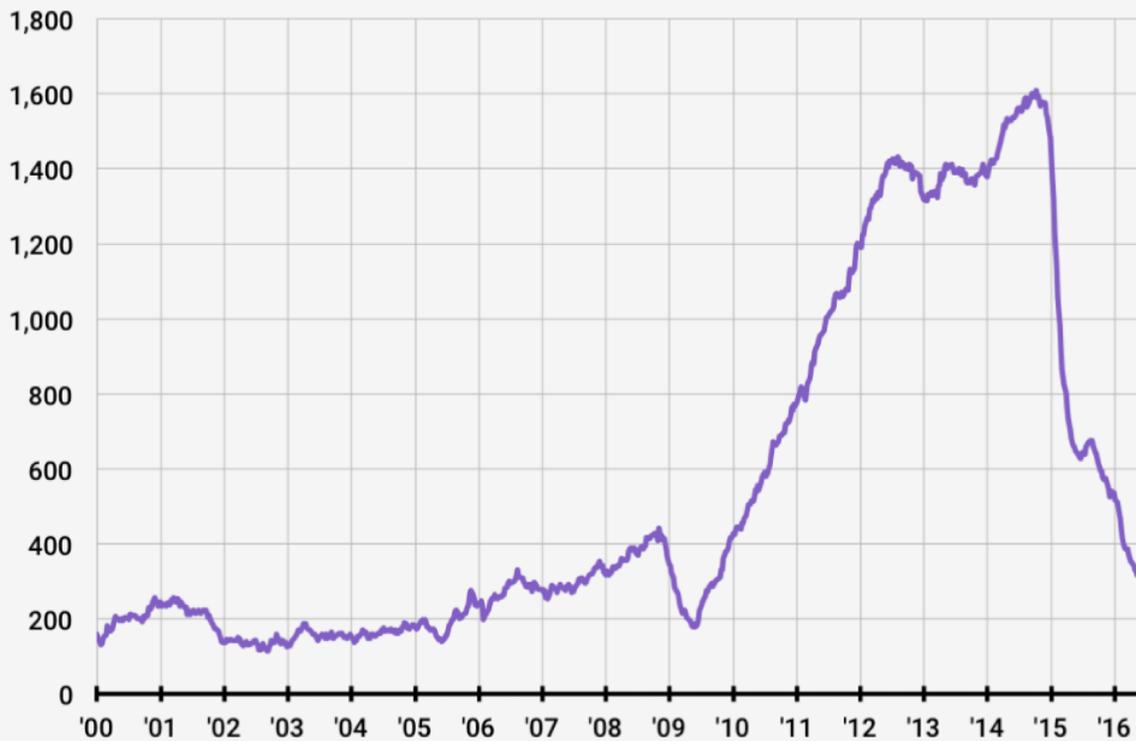
Oil prices rose for the week and remain near more than 80% higher than they were in February.



Note the far left of this graph, which is at a record level since about 2003. This is unplanned oil pumping outages by OPEC and Non OPEC countries. Fires in Canada, political unrest in Libya and militant attacks in Nigeria are causing disruption.

Many people say metal prices rise when oil rises. Oil prices are up due to major disruptions, not, I repeat not, due to heavy demand. Metals are in full supply with very limited shut downs that were done on purpose to get prices up. In fact iron ore continues to flow, which could take steel prices down globally in the months to come.

US OIL RIG COUNT

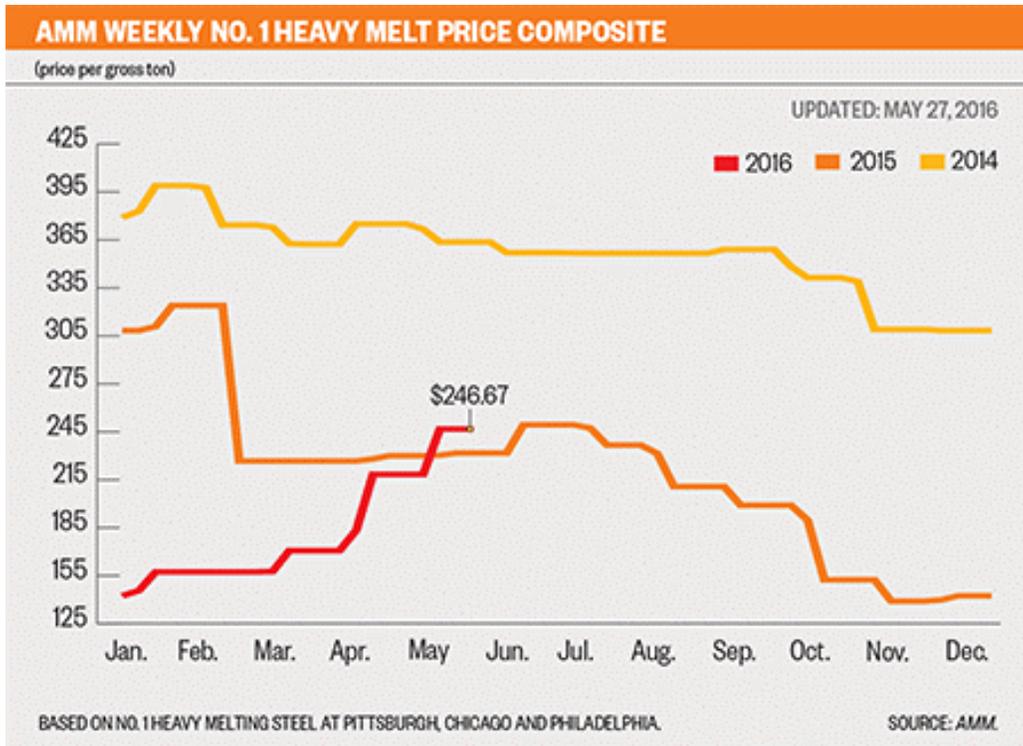


SOURCE: Baker Hughes

BUSINESS INSIDER

BUSINESS INSIDER

Despite higher oil prices, oil rigs which use enormous amount of steel continued their relentless fall, having dropped more than 80 percent in 19 months. It remains unclear when drilling may increase in the U.S.



With that, U.S. Ferrous scrap prices remained stable last week. Large amounts of junk cars and other scrap that was sitting for months hit the market in May. A question is, did that material fill the pipelines and cause prices to come down in June.

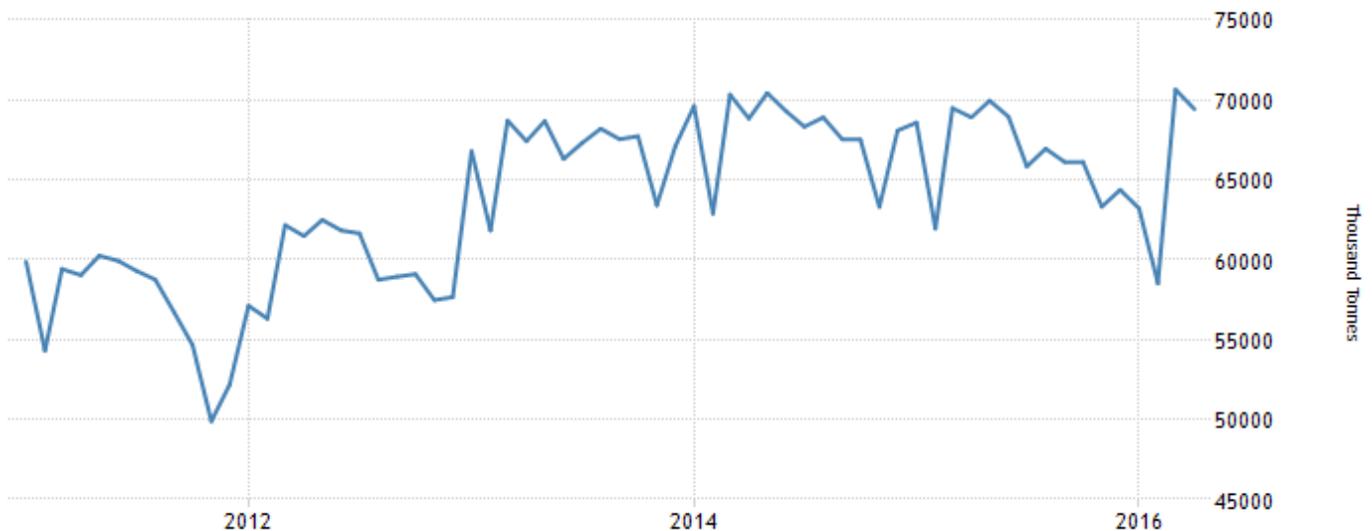
Many believe prices will fall and in fact many scrap yards have already lowered prices. Note that general flows into scrap yards other than the junk cars and demo scrap remains better than 5 months ago, but not good.

Hot Rolled Coil Steel



Hot roll coil steel was up again and is now at a level not seen in about a year and a half. Tariffs are really helping steel mills.

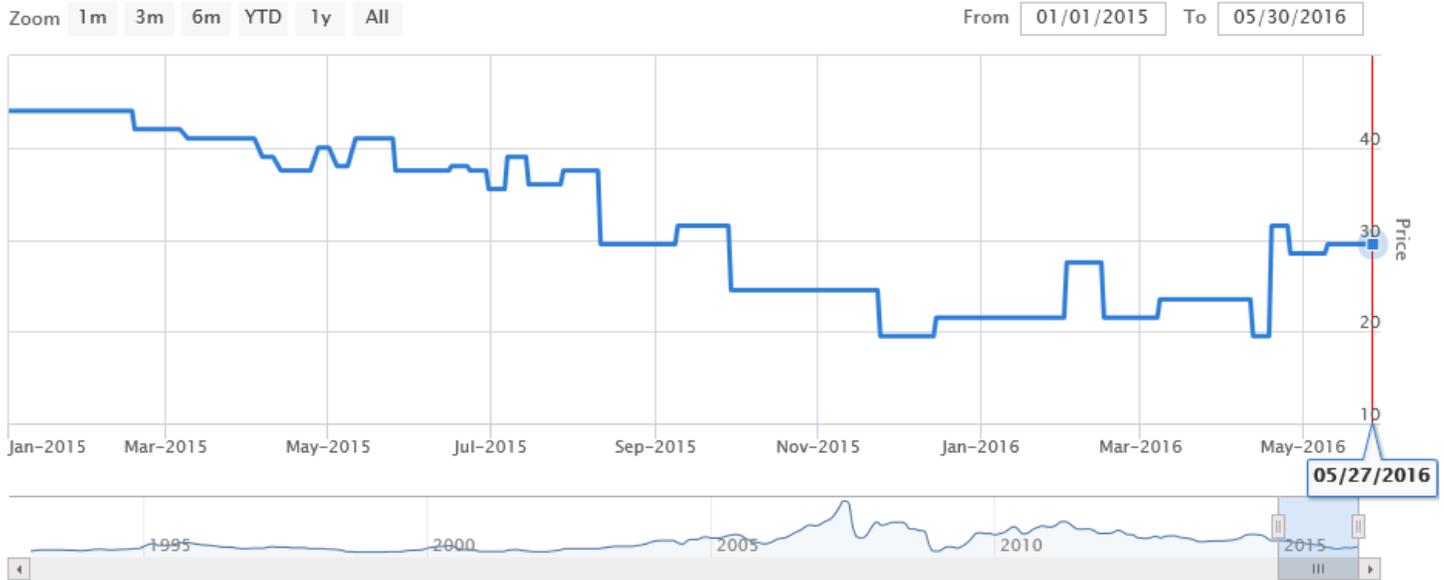
CHINA STEEL PRODUCTION



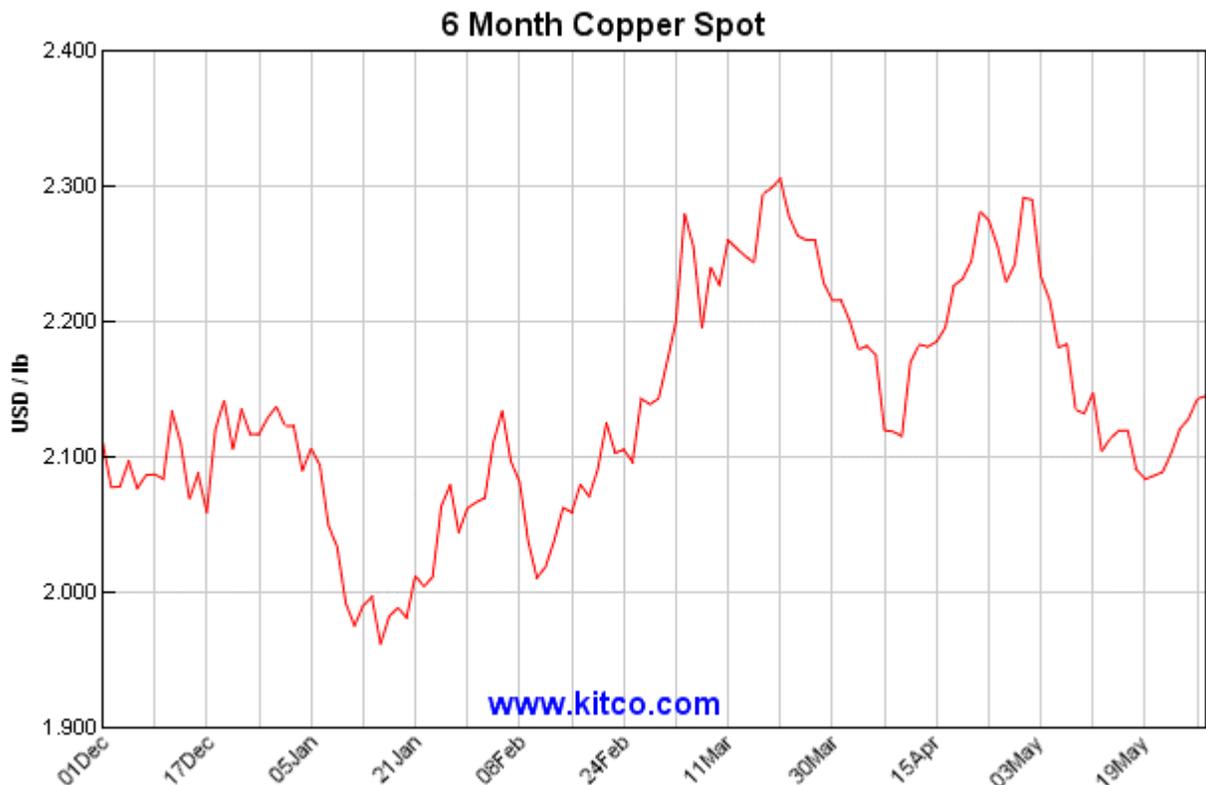
SOURCE: WWW.TRADINGECONOMICS.COM | WORLD STEEL ASSOCIATION

Chinese steel production remains near all-time highs. Chinese use mostly iron ore and not scrap metal to make steel, so as Chinese excess steel floods global markets, that steel displaces steel that could have been made with scrap steel, therefore hurting scrap steel demand and prices.

304 Stainless Scrap



304 stainless scrap prices held again last week near 7 month highs, so no new news there.



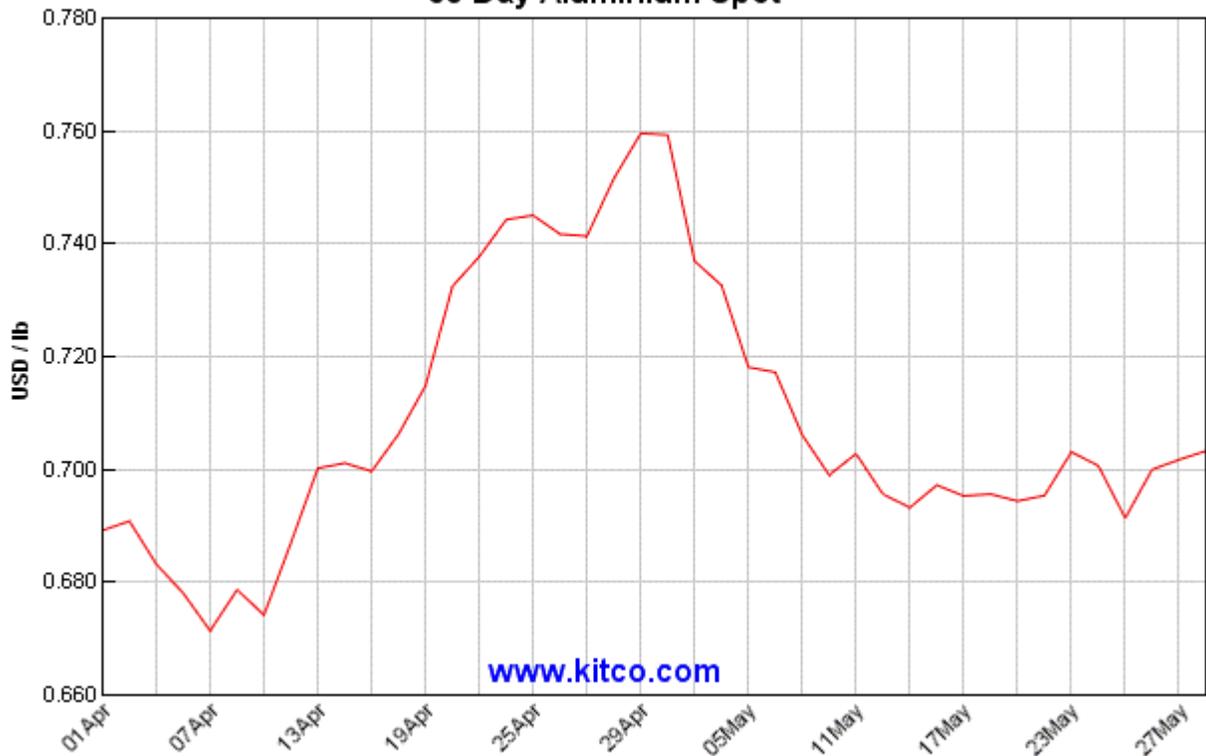
After weeks of falling, Copper rose a bit for the week but frankly not all that much.

5 Year LME Copper Warehouse Stocks Level



It is interesting to note that copper inventories in LME warehouses remained near 7 year lows, which could reduce downward pressure on prices.

60 Day Aluminium Spot

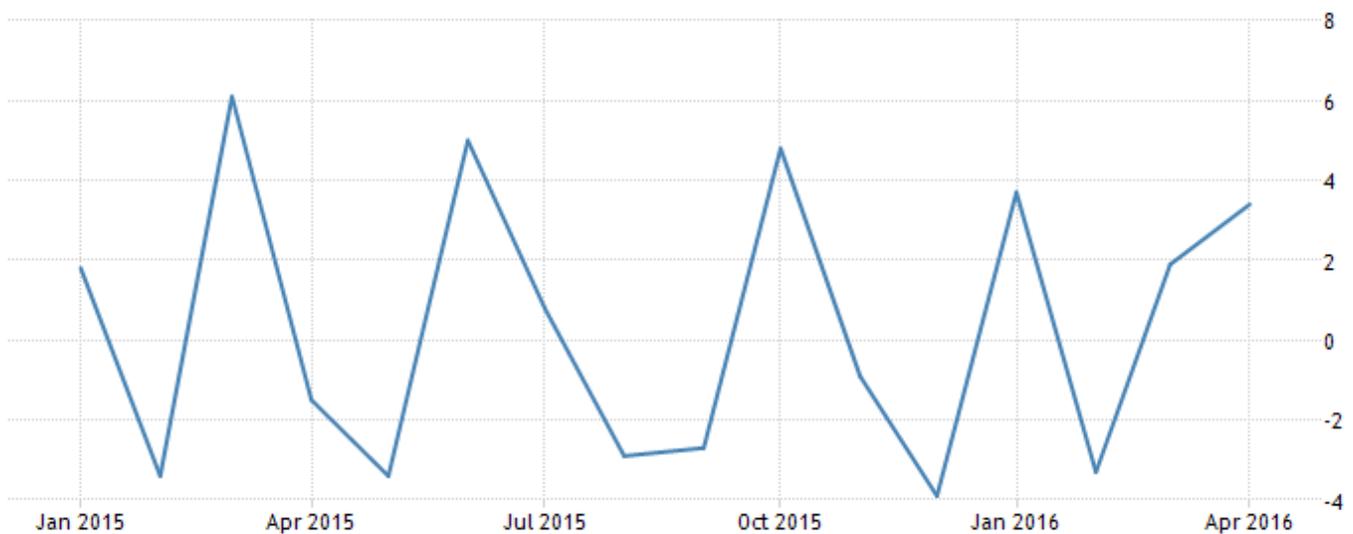


Aluminum also rose a bit last week, but remains lower than a month ago



Yet as the chart shows, inventories hit new about seven year lows, which like copper, could also mean reduced downward pressure.

US DURABLE GOODS ORDERS



SOURCE: WWW.TRADINGECONOMICS.COM | U.S. CENSUS BUREAU

Durable goods orders, which include things like transportation equipment and machinery, rose to the highest level in April since January, which is great news for jobs.

US CONSUMER SENTIMENT



SOURCE: WWW.TRADINGECONOMICS.COM | UNIVERSITY OF MICHIGAN

U.S. Consumer sentiment in May rose to the highest level since January as well, which is a major positive economic indicator.

US INITIAL JOBLESS CLAIMS



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

Initial jobless claims fell again and have now been below 300,000 for 64 weeks in a row. A major positive.



With many positive indicators being reported, Janet Yellen, head of the U.S. Federal Reserve said last week, “It’s appropriate for the Fed to gradually and cautiously increase our overnight interest rate over time, and probably in the coming months such a move would be appropriate.”

The product of the week involves another safety device. Tires coming off trucks while driving remains a real issue that kills, due to loose lug nuts and drivers not checking lug nuts for being tight.



BENLEE installs Wheel checks as standard on all units. When all lug nuts are tight, wheel checks all point to each other.



and now when one wheel check is pointing in a different direction it means the nut came loose. A great visual indicator. Wheel checks can be purchased for only \$.58/unit in quality from BENLEE.

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