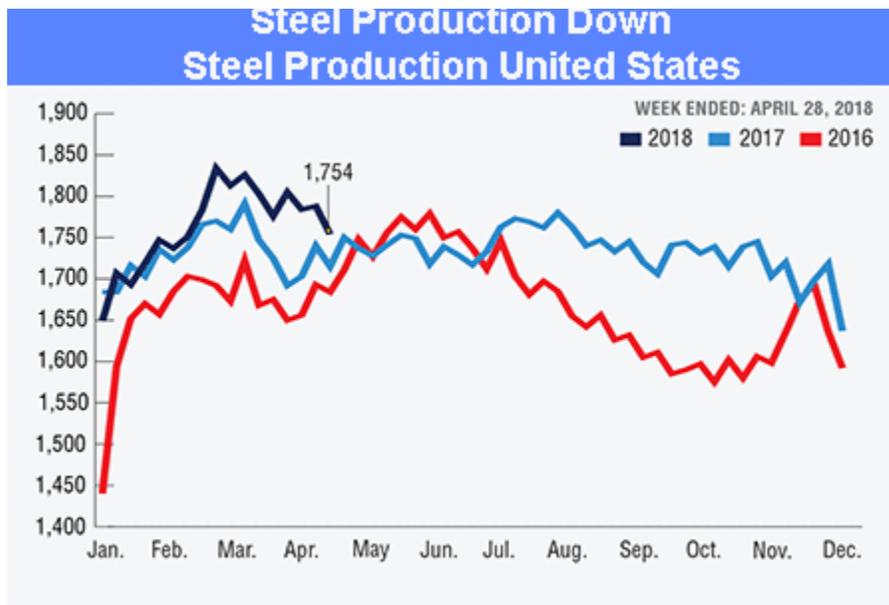


This is the Scrap Metal Commodities Recycling and Economic Report, by BENLEE and Raleigh and Goldsboro Recycling, May 7th, 2018.

Last week, commodity prices and economic reports were mixed.



U.S steel production fell to a multi-month low, but remains ahead of the last two years, as low priced imports remain a major factor in the U.S. economy.

### High Oil Prices Bringing High Fuel Prices

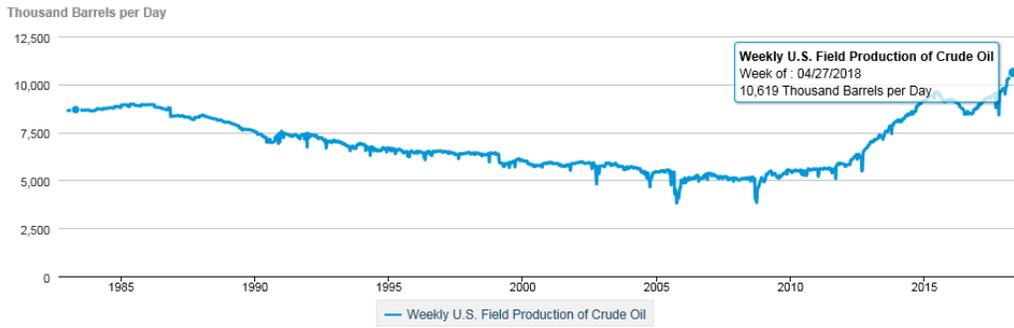


Oil rose about \$1.50/barrel to a new multiyear high on continued concerns about the U.S. confronting Iran on the nuclear deal, which could take Iranian oil out of the market. U.S. gasoline prices are hitting new recent highs on the news.

## A New Historic High

### Weekly U.S. Field Production of Crude Oil

DOWNLOAD



Source: U.S. Energy Information Administration

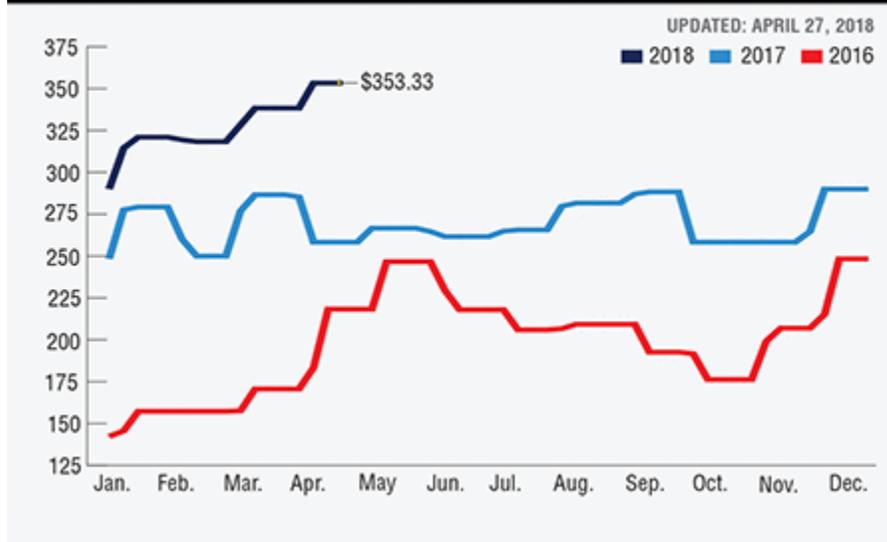
U.S. oil production hit a new high of 10.61 million barrels per day. Great news for U.S. jobs and oil company profits, but bad news for consumers, due to rising gasoline prices.

## No Change, But Trending Up



Iron ore remained at \$67/ton, near a multi month low, yet well ahead of two years ago on good global demand and supply.

## Scrap Metal Down in May #1 Ferrous Steel



Scrap steel Heavy Melt #1 prices show here at \$353/GT more than double about two years ago, but prices fell \$15-\$20 in most markets for obsoletes, with bushing mostly flat. There is a good balance of supply and demand in the market.



Hot dipped galvanized steel rose to \$1,200/ton a new multi-year high, as steel mills expand margins in a good economy and as scrap prices are falling for many grades. Some mills are trading higher prices for less volume.



Copper rose a penny to \$3.08 on no major events in the markets, other than slow steady growth. We are up 2 cents this morning to about \$3.10.

Price Off December High  
5 Year Copper Spot



Copper remains off the multiyear high of a few months ago on this 5 year chart.

Inventories Down a Bit  
5 Year LME Copper Warehouse Stocks Level



Copper inventories fell slightly remaining somewhat high for the past 18 months on good, not great global demand.

**Prices Up on Good Demand and Tarriffs**  
**5 Year Aluminium Spot**



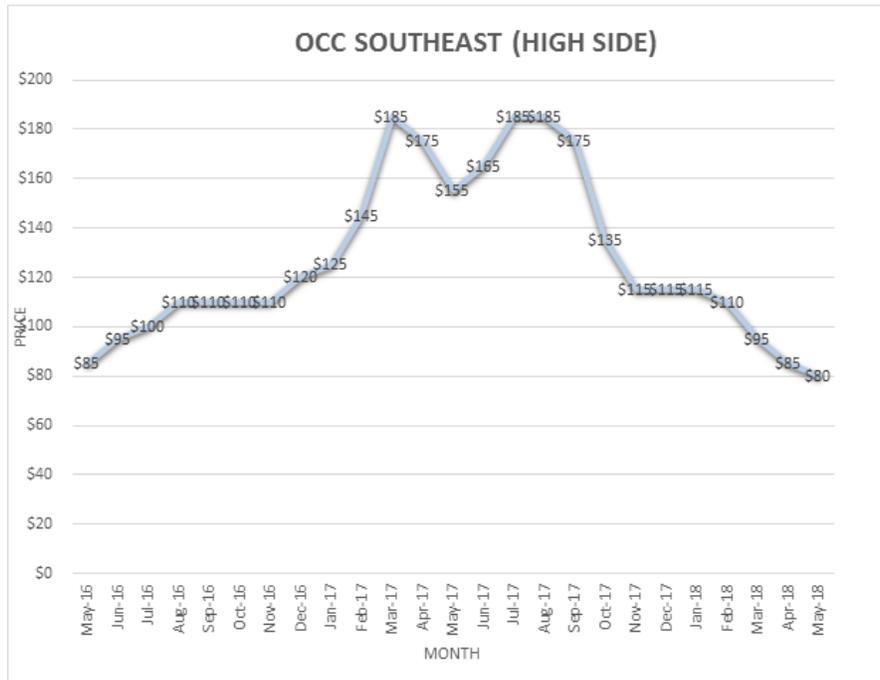
Aluminum prices rose 6 cents to \$1.057 on continued good demand, combined with tariffs and U.S. sanctions on Russian aluminum producers.

**Inventories Near 8 Year Low**  
**5 Year LME Aluminium Warehouse Stocks Level**



Aluminum LME inventories fell, remaining near 8 year lows as prices remain very high.

## Cardboard: New Multi-year Low



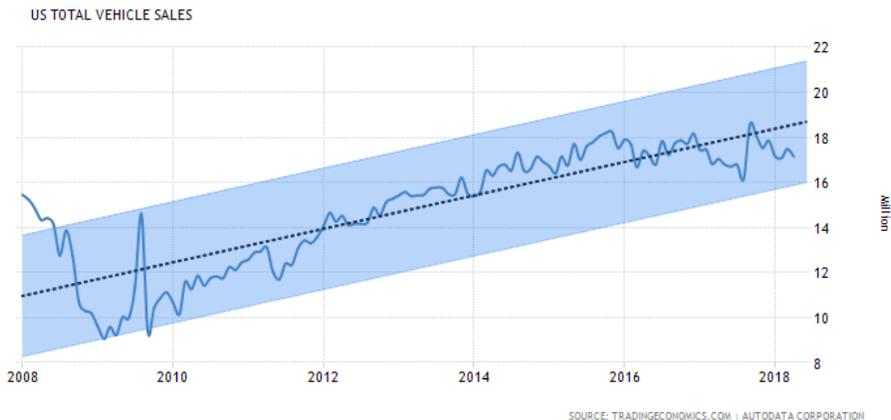
Cardboard fell \$5/Ton to a new multi-year low, with China shipments down and despite a good global economy.

## China-30 Day Halt On Most Scrap Imports



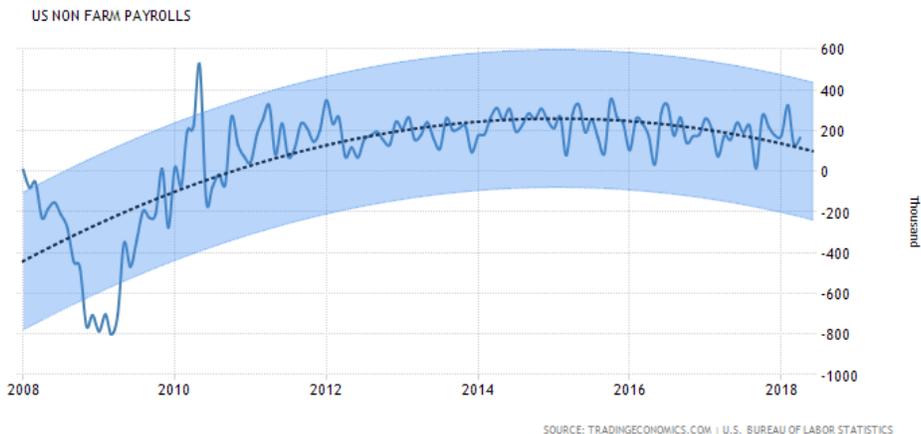
China announced a stunning and sudden 30 day halt to almost all U.S. imports of scrap metal, which will have a major impact on many industries. A reality is China is starting to generate significant scrap within China.

## Sales Strong, but Slowing



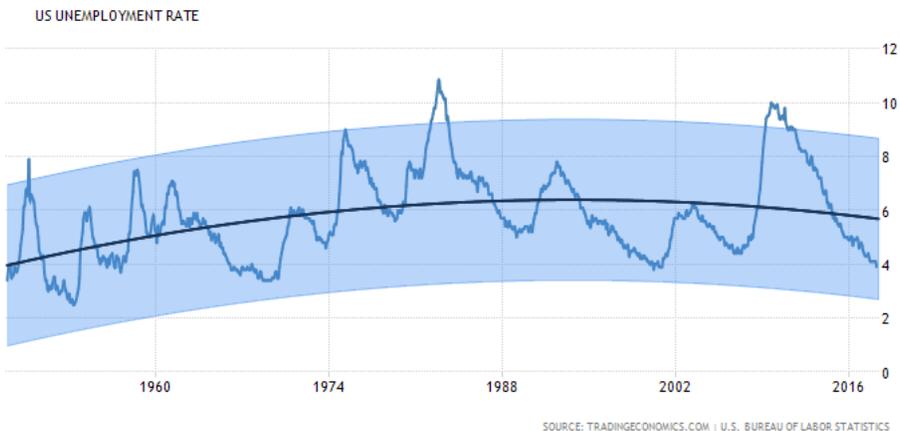
April U.S. Vehicles sales fell to an annualized rate of 17.15, from 17.48, which remains a huge number by historic standards, but down in recent months.

## Good April Job Growth 164,000

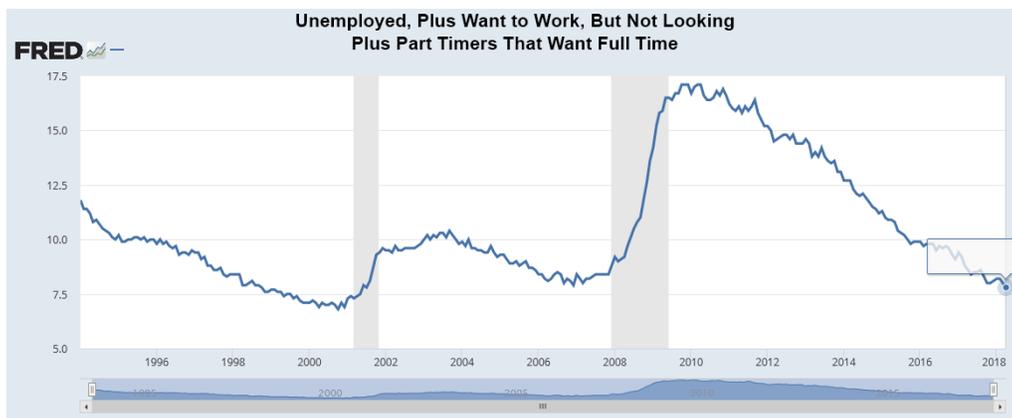


The U.S. created a solid 164,000 jobs last month, up from March's 135,000. While not shown here, a stunning 410,000 people dropped out of the workforce.

## Hit 18 Year Low 3.9%, Great, BUT Helped by 410,000 Dropping Out



Most headlines missed that with 164,000 jobs created and 410,000 dropping out that drove the percent of Unemployment to a new 18 year low of 3.9 percent. Yes, overall great news and it continues to mean it is tough to hire workers.



Related, 3.9 percent goes to 7.8 percent when adding the unemployed that stopped looking for work, but want a job, plus part time workers that want a full time job.

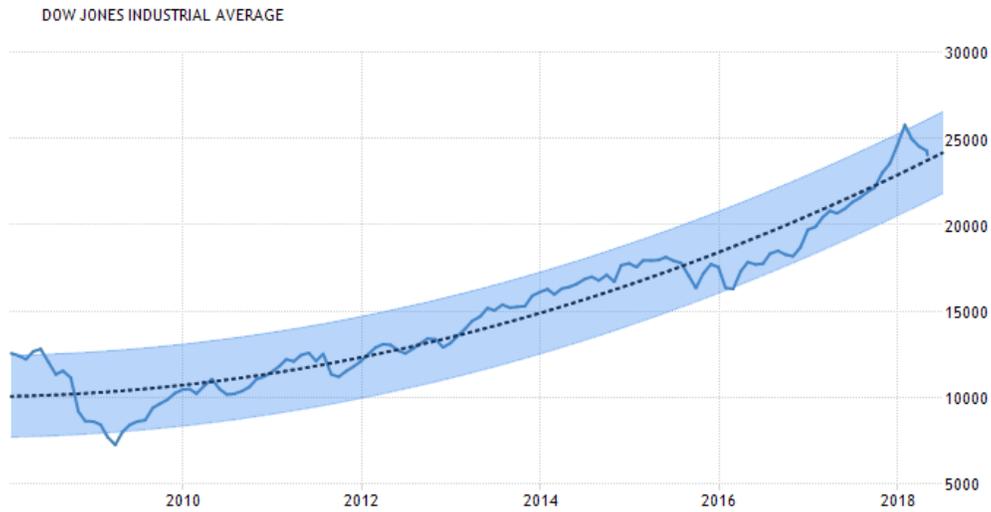


The good news, bad news is that only 62.8 percent of people over 16 years of age are working. We would be a better country, if we could get some of these 37.2 % non-workers, into the workforce.



April's U.S. Manufacturing Market index stood at 56.5, pointing to the strongest pace of manufacturing expansion since September 2014, more than 3 years ago, with quicker rates of output and new order growth.

## Down Slightly, But Remains Very High



SOURCE: TRADINGECONOMICS.COM | DOW JONES

Wall Street's Dow Jones finished the week strong, at 24,263, down a small 47 points for the week on very strong corporate earnings. Tax cuts are helping earnings, stock buy backs and dividends increases, which is terrific for 401Ks. Wall Street continues make many wealthy on paper.

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