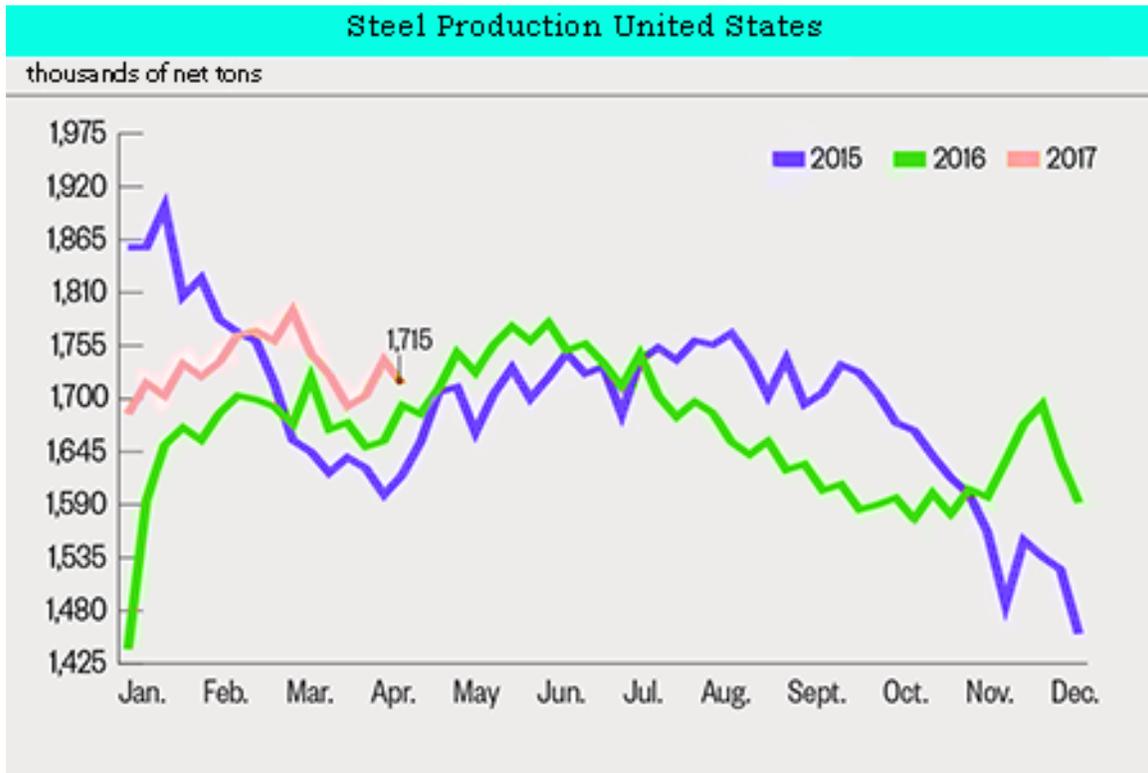
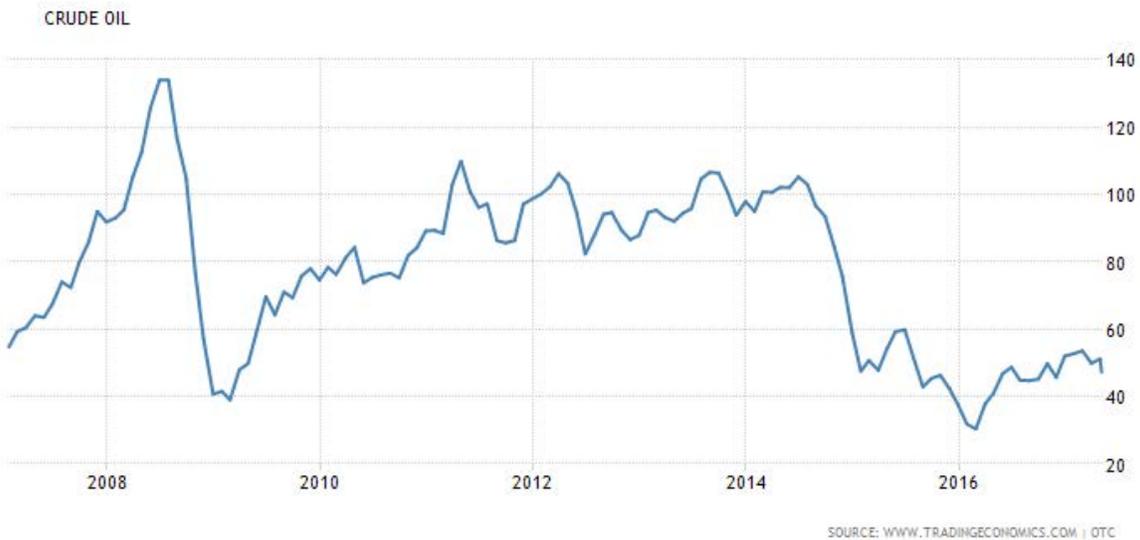


This is the Scrap Metal & Commodities Recycling Report, by BENLEE and Raleigh and Goldsboro Recycling, May 8th, 2017.

Last week commodity prices were mostly lower and economic reports were mixed.

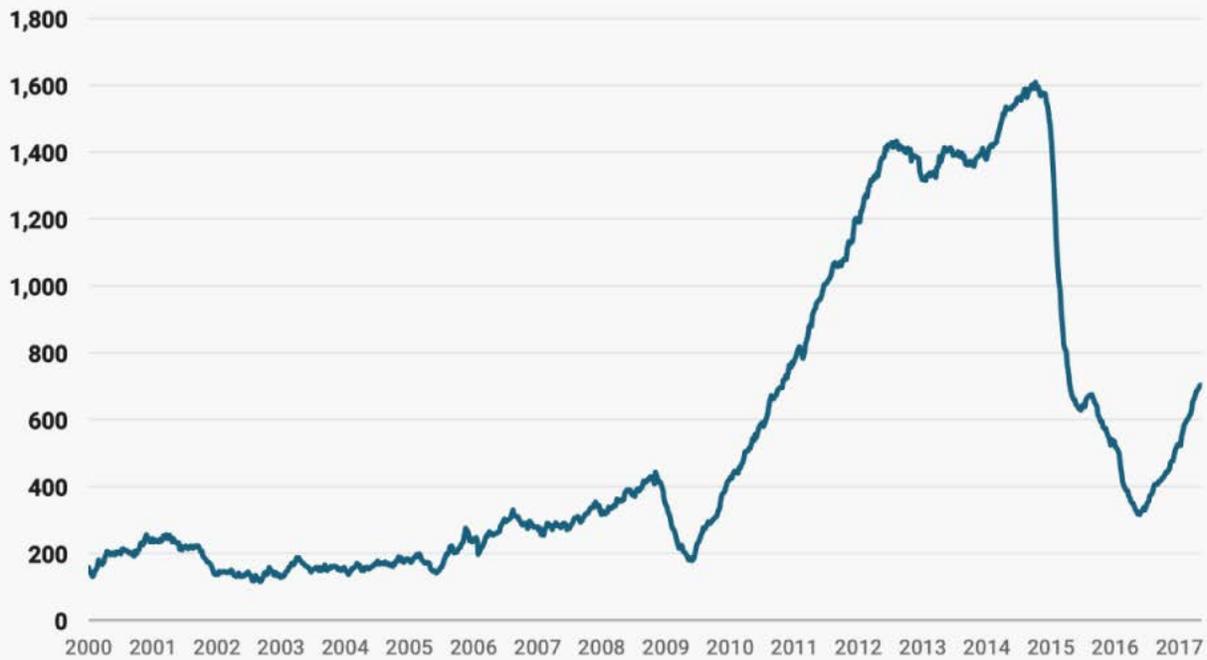


U.S steel production rose to a two month high and remains ahead of the previous two years. Many expect volumes should rise slowly through the year.



Oil fell \$5/barrel, to \$47, which is good news and bad news. Lower fuel prices are a positive for consumers and businesses, but low prices, reduce U.S. driller profitability, hurting U.S. energy jobs.

## US OIL RIG COUNT



SOURCE: Baker Hughes

BUSINESS INSIDER

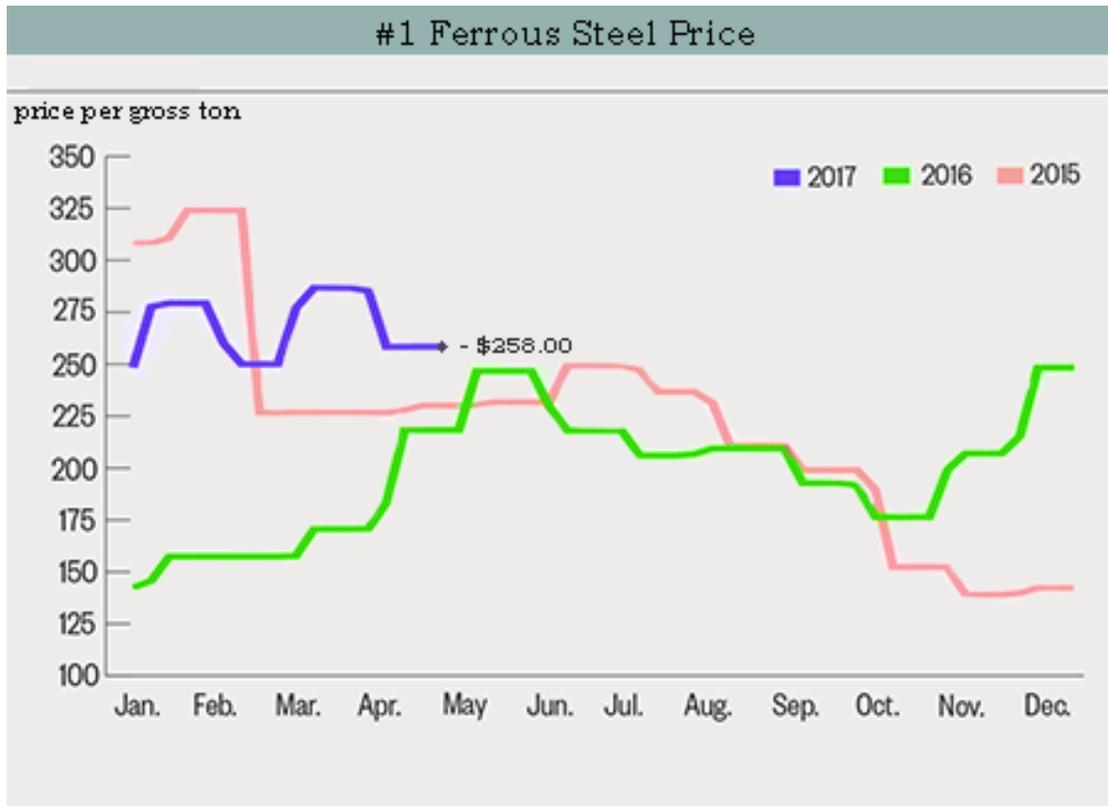
The oil rig count rose to 703, more than double the 316 low of last year. As OPEC and their aligned countries like Russia reduce production, U.S. production continues to increase. The rig count is still down a huge 56% from a couple of years ago, meaning great upside.

## IRON ORE



SOURCE: WWW.TRADINGECONOMICS.COM | OTC

Iron ore fell a hard \$6/MT to \$60.50. High levels of production are driving down prices. Related, lower iron ore prices lowers scrap substitute prices, which puts downward pressure on scrap ferrous prices.



Scrap ferrous prices held steady for May. Many thought prices would be down. Obsolete scrap flows into scrap yards has been just fair. Also, with manufacturing slowing a bit, new production scrap flows are down as well, so prices held steady.

## Hot Dipped Galvanized Coil

January 1, 2016 to May 6, 2017



Hot dipped galvanized steel remained steady at \$900/MT. Lower iron ore prices can increase steel mill margins and also allow for lower finished steel prices.

# 304 Stainless Scrap

January 1, 2016 to May 6, 2017



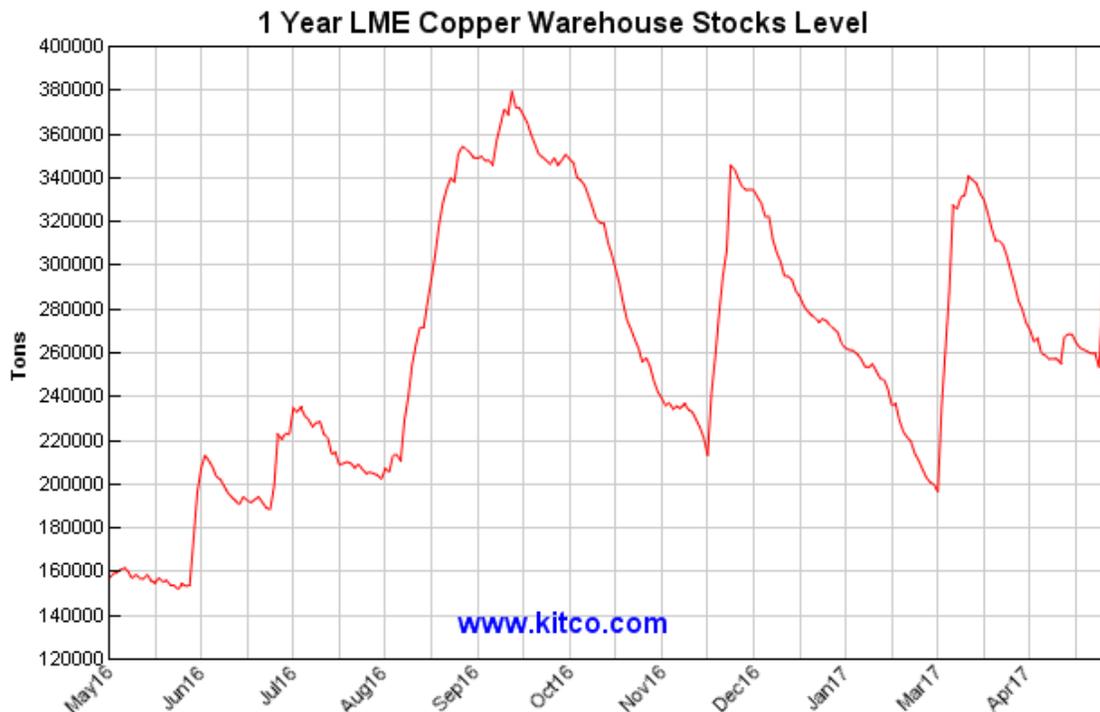
Stainless 304 scrap remained steady at 37 cents/lb. on no news and a balance in scrap supply and use of scrap.



Copper fell a big 10 cents to \$2.51/lb., on high levels of production and increased inventories. Demand remains good, but with high levels of supply, prices have fallen. Prices are down another 3 cents this morning to \$2.48.



The 5 year chart shows we are near a multi month low, but still ahead of where it was about 14 months ago.



The copper inventory chart shows the spike in inventories, which was part of this decrease.



Aluminum held steady to 86 cents with the five year chart showing prices remain near 2.5 year highs.



Aluminum inventories hit new about 9 year lows. Inventories are now down an enormous 71 percent from their highs of a few years ago. Low inventories are keeping upward pressure on prices.

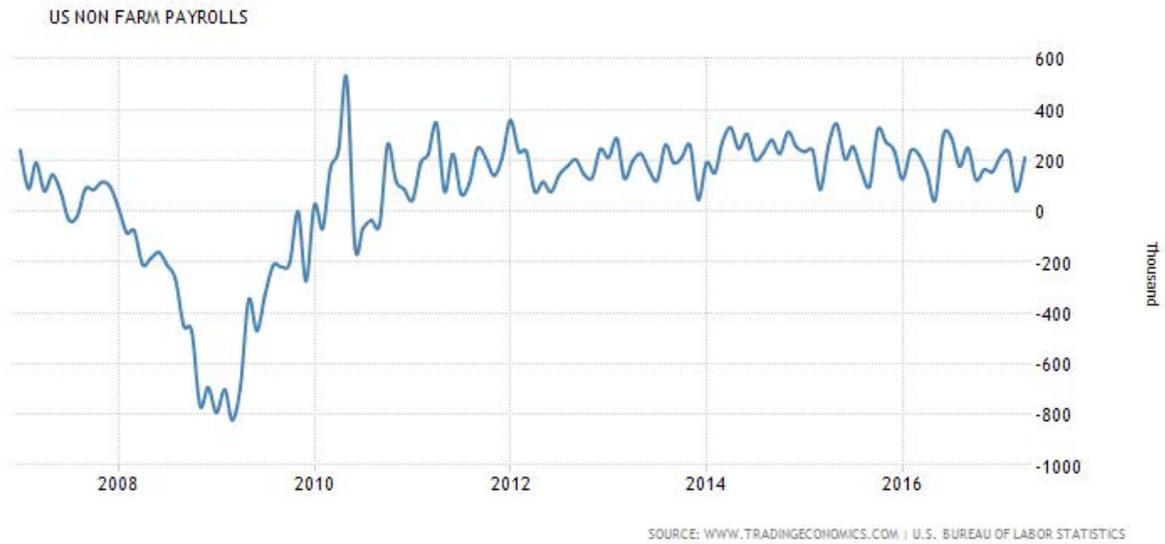


Caterpillar released earnings that shattered expectations on sales higher than expected and major cost reductions. A positive trend in sales for the Energy and Transportation division is a welcome sign for the economy. This increase documents increases in commodity production which will help stabilize commodity prices.

## ISM Non Manufacturing



The Institute of Supplier Management for U.S. non-manufacturing rose to 57.5. Non-manufacturing includes retail sales, mining, construction, healthcare and more. Overall business activity and new orders for this group hit their highest level since August of 2005, 12 years ago. A very positive sign for the economy.



Non-farm payrolls increased by 211,000 in April. A very strong number and well ahead of expectations.



The unemployment rate hit a ten year low of 4.4 percent. Some are concerned that this low number means we are close to full employment, bringing wage inflation in the coming months.



U.S. vehicle sales after two record years in a row in 2015 and 2016 are down this year, but the annual rate rose to 16.88M in April, up from 16.62M. The #1 selling vehicle in the U.S., the Ford F150 with a complete aluminum exterior, had flat over sales vs last year in a down market, but its main steel competitor, the GM Silverado was down about 12%.



The Dow Jones average ended near a record high as the other major indexes actually hit new highs during the week.

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