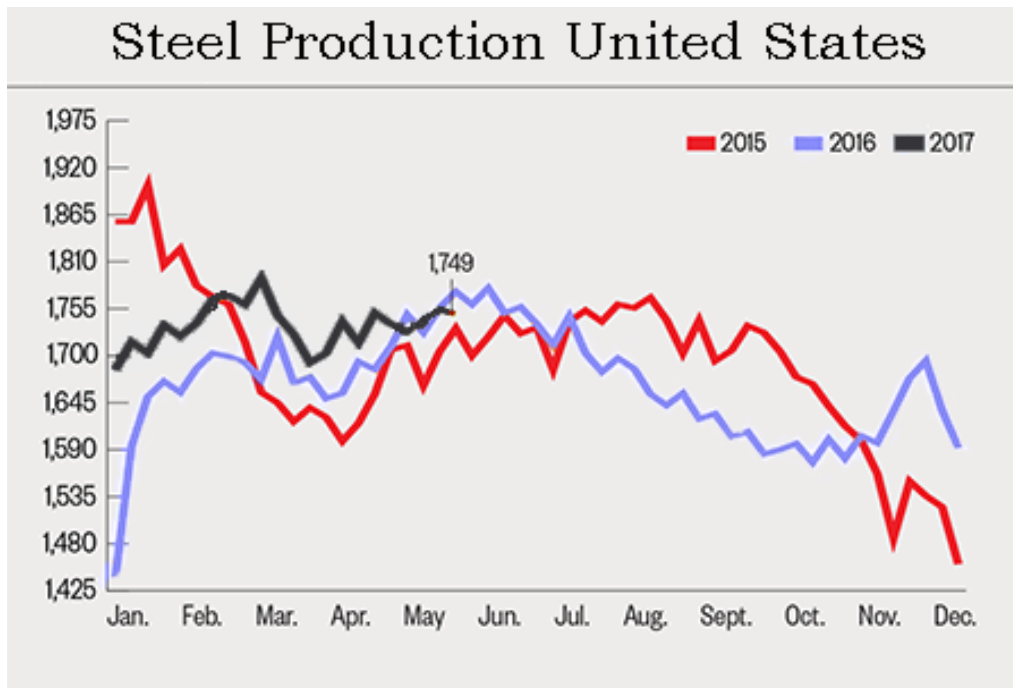


This is the Scrap Metal, Commodities, Recycling and Economic Report, by BENLEE and Raleigh and Goldsboro Recycling, June 12th, 2017.

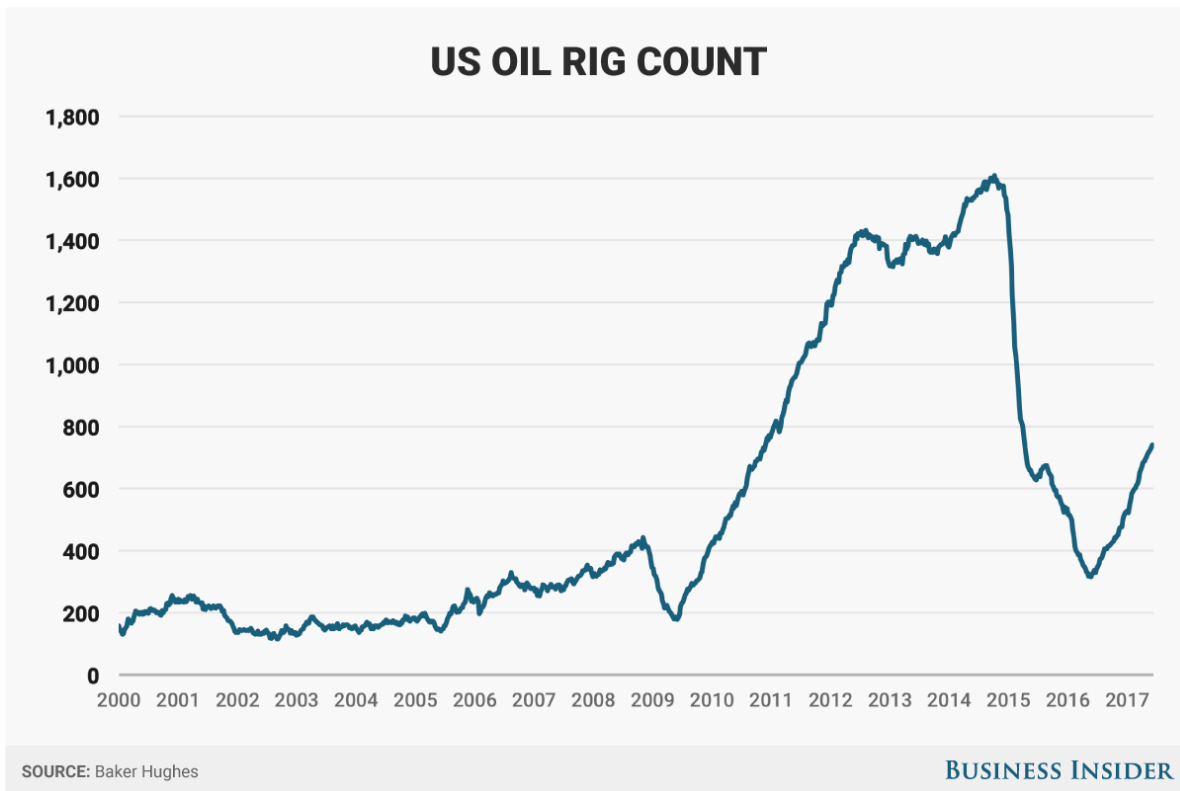
Last week commodity and economic reports were mixed.



U.S steel production was about flat, meaning production remains trending up slightly for the past two months.



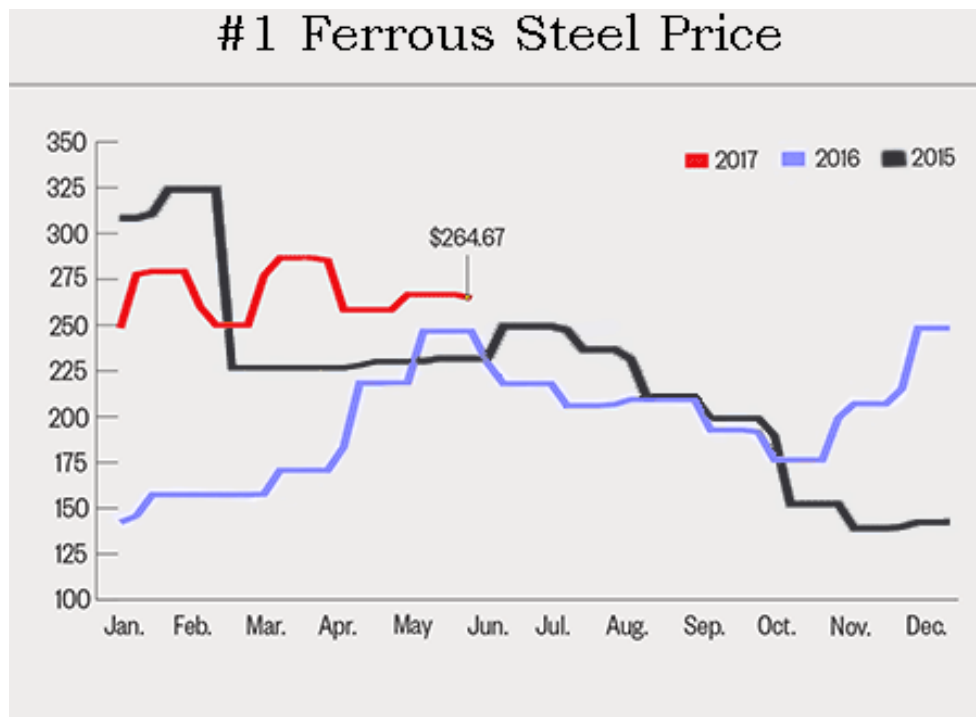
Oil fell \$1.50 a barrel to \$46.00 on news of higher than expected U.S. inventories. Importantly though, oil remains above the key \$40/barrel, which is positive for U.S. energy related job growth.



That led to the oil rig count being up for a solid 21st week in a row, the longest stretch in 30 years. The rig count now at 741 is at the highest level since April 2015, but it is still down a big 54% from three years ago.



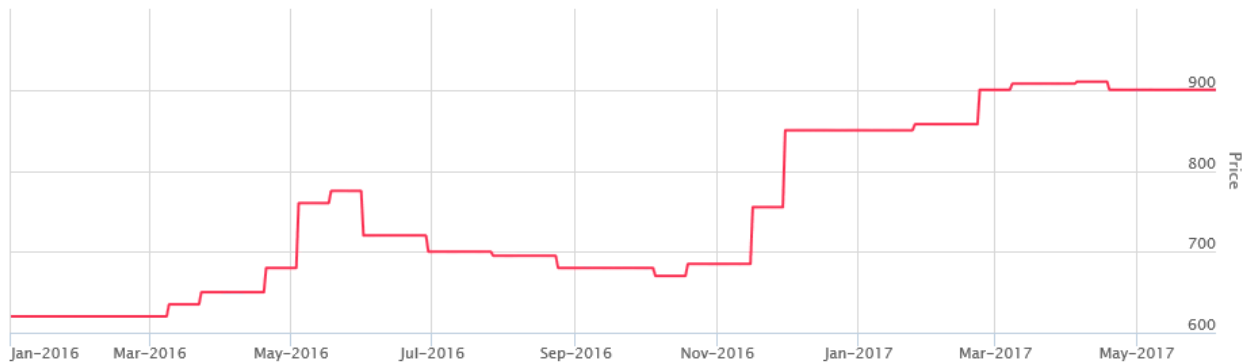
Iron ore rose \$1/MT to \$57.50/MT on solid import demand data from China, but it is still down significantly in recent months.



Scrap Ferrous dropped about \$10/GT, \$.44 per hundred pounds on what has become somewhat of a balance in supply and demand. We could see steady to higher prices in the months to come.

Hot Dipped Galvanized Coil

January 1, 2016 to June 10, 2017



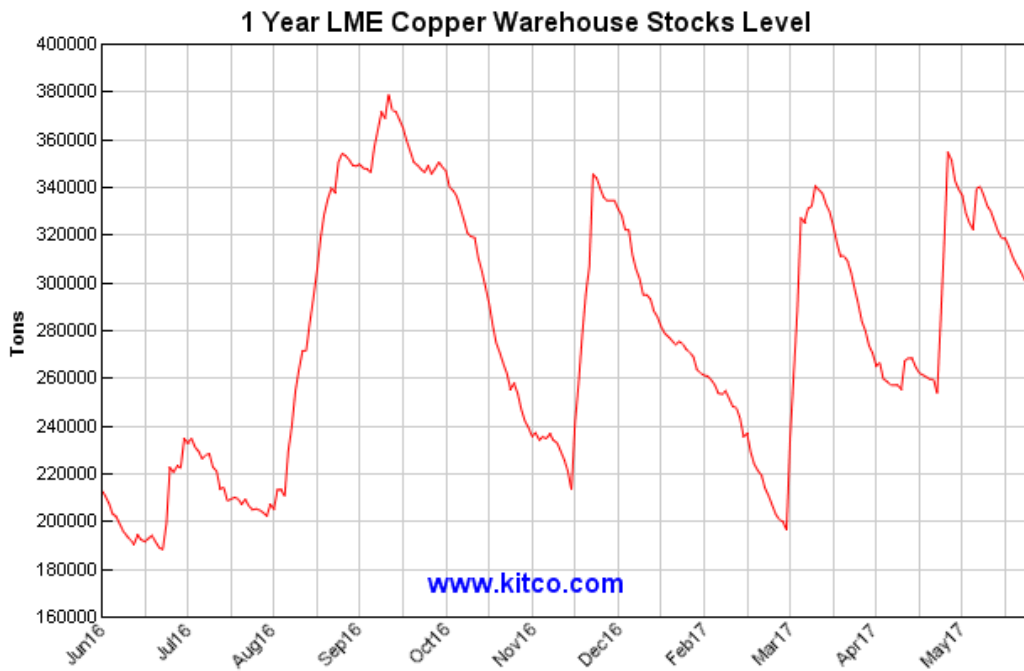
Hot dipped galvanized steel remained steady yet again at \$900/MT, but last week, Nucor announced a \$30 ton increase. Coil remains somewhat of a balance in supply and demand. A WSJ editorial this morning said that U.S. cold rolled steel is prices are currently 34% higher than in China and 27% higher than in Europe.



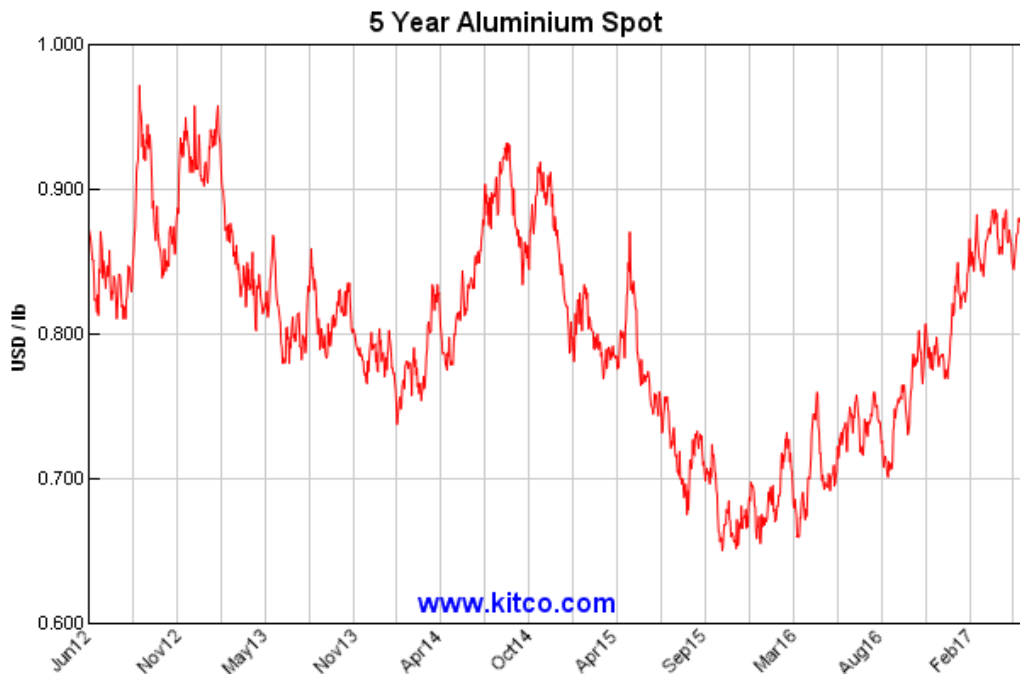
Copper rose 6 cents to \$2.64/lb. with a key reasons being bad weather in Chile where there are large copper mines and good import demand from China. Prices are down one cent this morning to 2.63/lb.



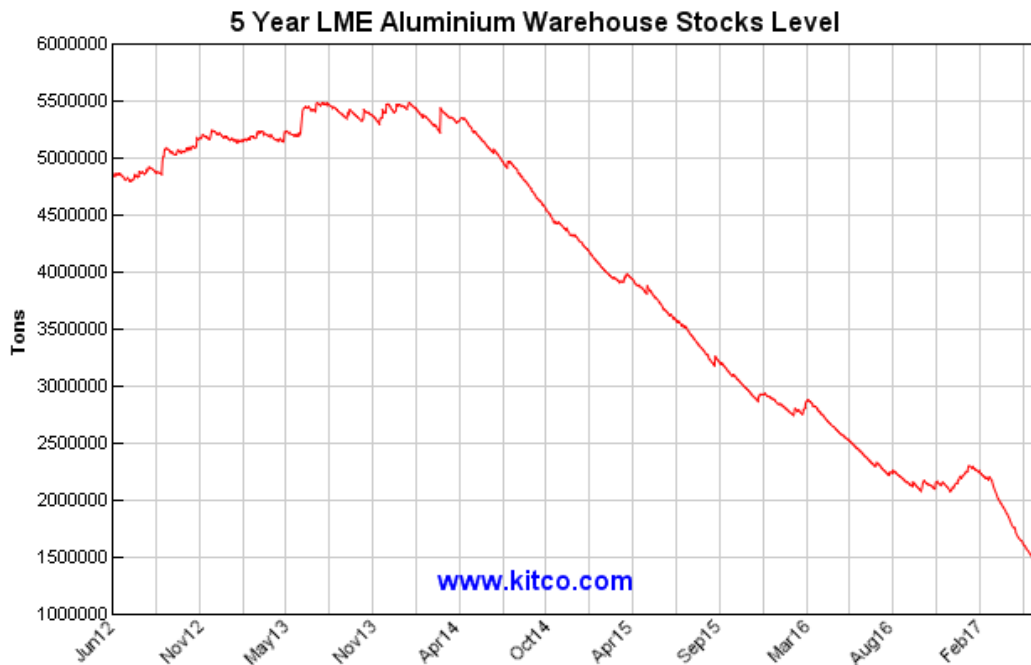
The one year chart shows copper remains somewhat stable, while trading in a tight band.



and copper inventories fell a bit, but are higher than a year ago, yet falling inventories helps put upward pressure on prices.



Aluminum prices fell about a penny to 86.4 cents; but remain near almost 2.5 year highs, with demand staying strong.



Aluminum inventories hit yet a new about 9 year low and are now down 73% in recent years, which is keeping upward pressure on prices. While overall U.S. vehicle sales were somewhat weak in May, the aluminum intensive Ford F150 Pickup truck sales were up 12.8 and which was the best May sales in 13 years.



President Trump began rolling out his \$1 Trillion 10 year plan for U.S. infrastructure. A key part might be about \$200 Billion that could be government spending or tax incentives and \$800 billion of private spending in local government and private partnerships.

Purchasing Managers Index Non-Manufacturing

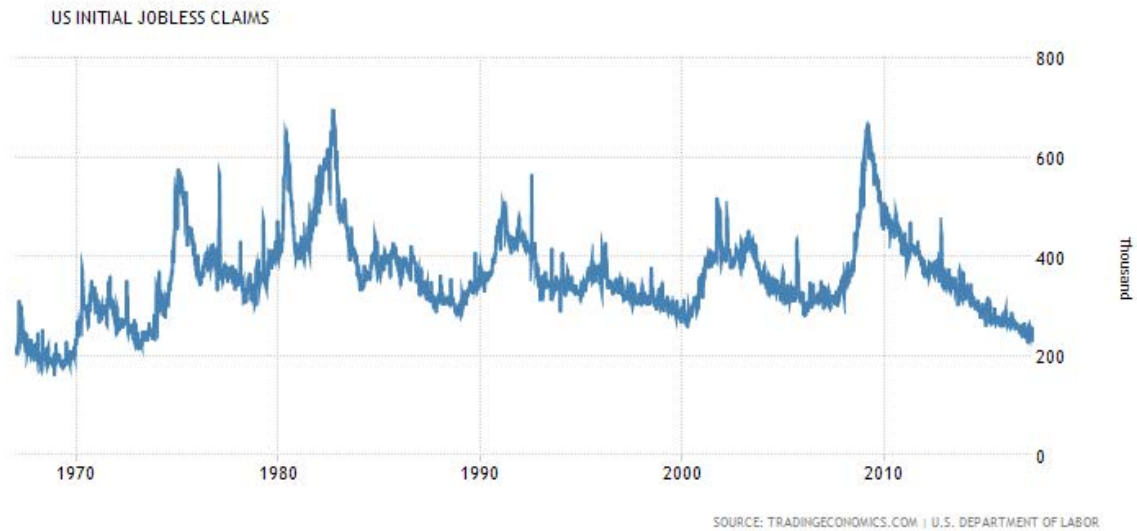


The Institute of Supplier Management, Non-Manufacturing Purchasing Manager's index fell slightly to 56.9. With over 50 being growth, it remains very strong. Construction, Utilities, Mining and Transportation all remain growing.

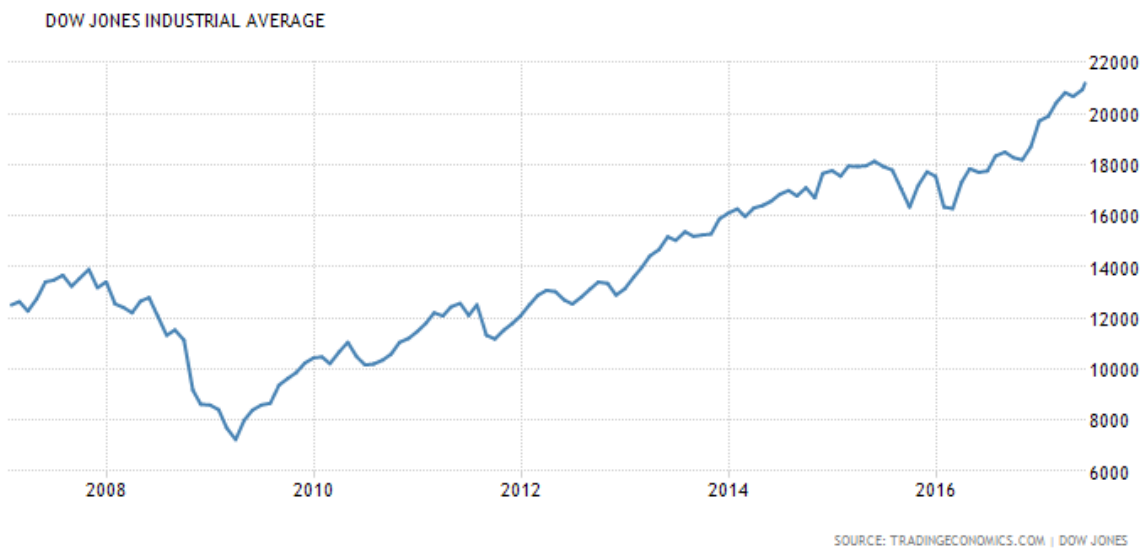


SOURCE: TRADINGECONOMICS.COM | GENERAL ADMINISTRATION OF CUSTOMS

Imports to China rose a strong 14.8 percent year over year in May after an 11.9 percent growth in April. YTD imports are up 19.5 percent, with iron up 67.7 percent, copper ore up 19.1 percent and crude oil up 64.9 percent. Big numbers, helping keep commodity prices stable.



Initial unemployment claims fell to 245,000 for the week. The 4 week average of insured workers fell to 1.915 million, the lowest since January 12, 1974, more than 43 years ago. Great for the U.S. economy.



The Dow Jones industrial average continues to climb and hit yet a new all-time high of 21,272, due to solid profits by U.S. companies, which is heavy driven by their solid international profits.



We had a great breakfast with one of the Metal Recycling industry veterans last week, Tom Hickson. Congrats on his new role with Linder Equipment as they take on the scrap industry with Atlas Material Handlers.

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