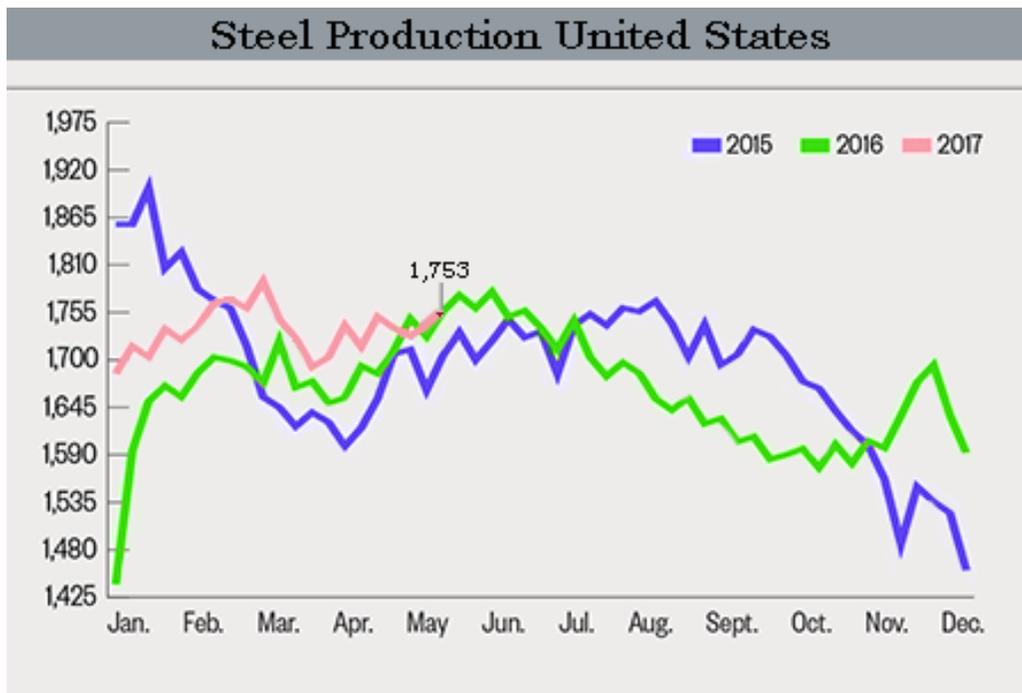
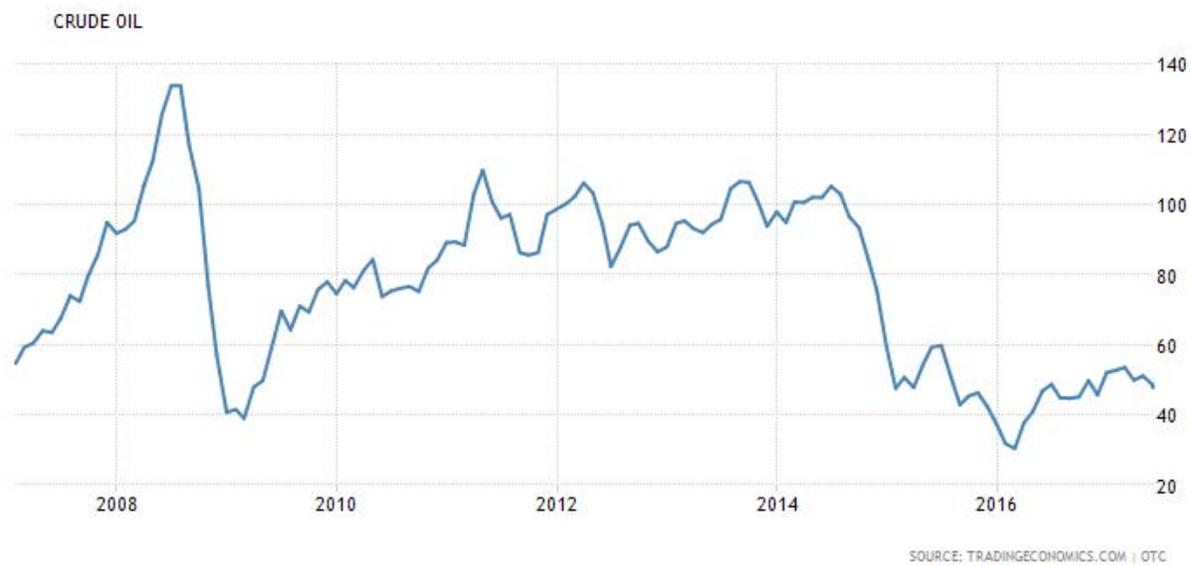


This is the Scrap Metal, Commodities, Recycling and Economic Report, by BENLEE and Raleigh and Goldsboro Recycling, June 5th, 2017.

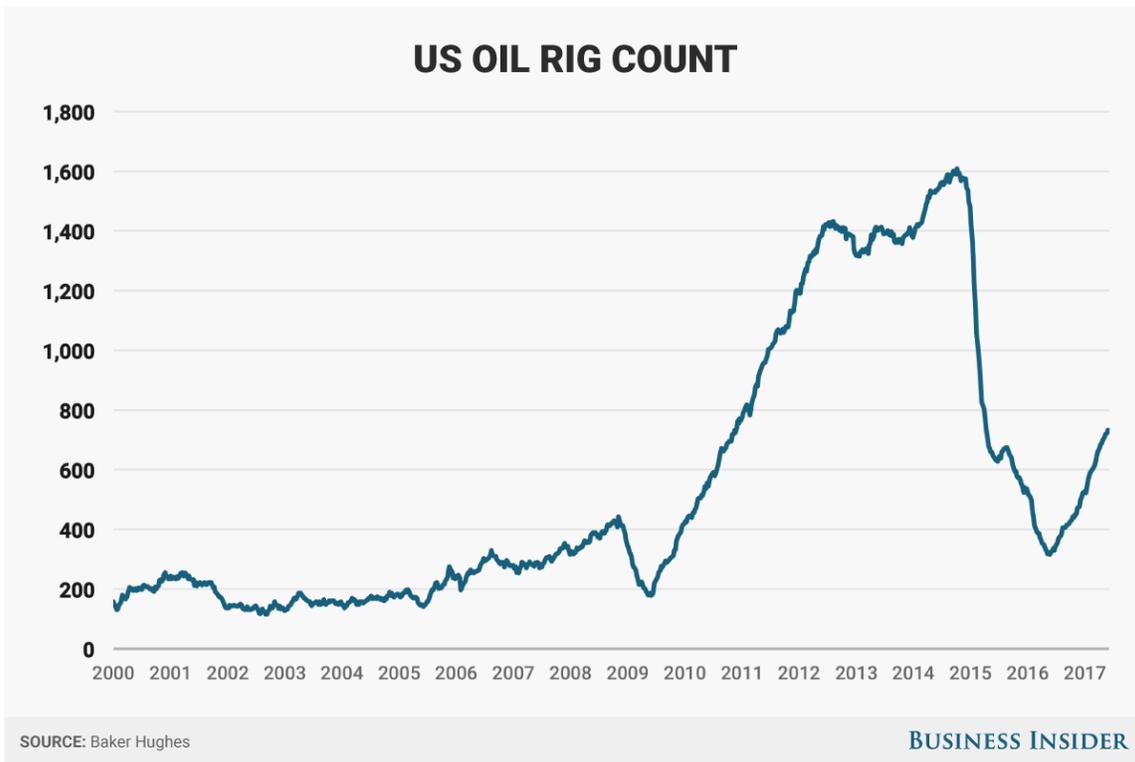
Last week commodity prices were mixed and most economic reports were positive.



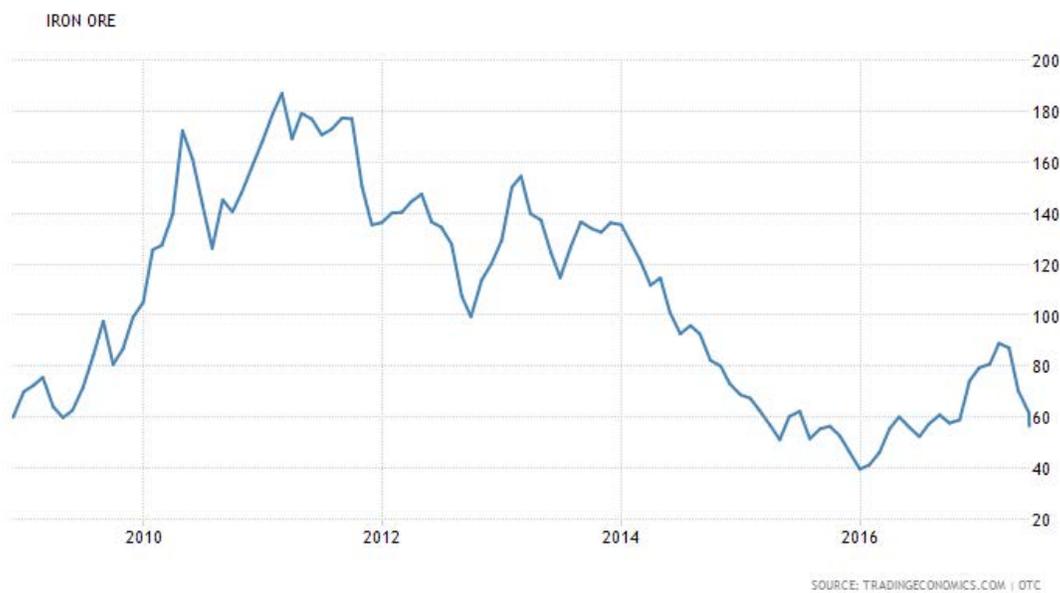
U.S steel production rose slightly continuing the upward trend for the past 10 weeks. Production is just about where it was a year ago.



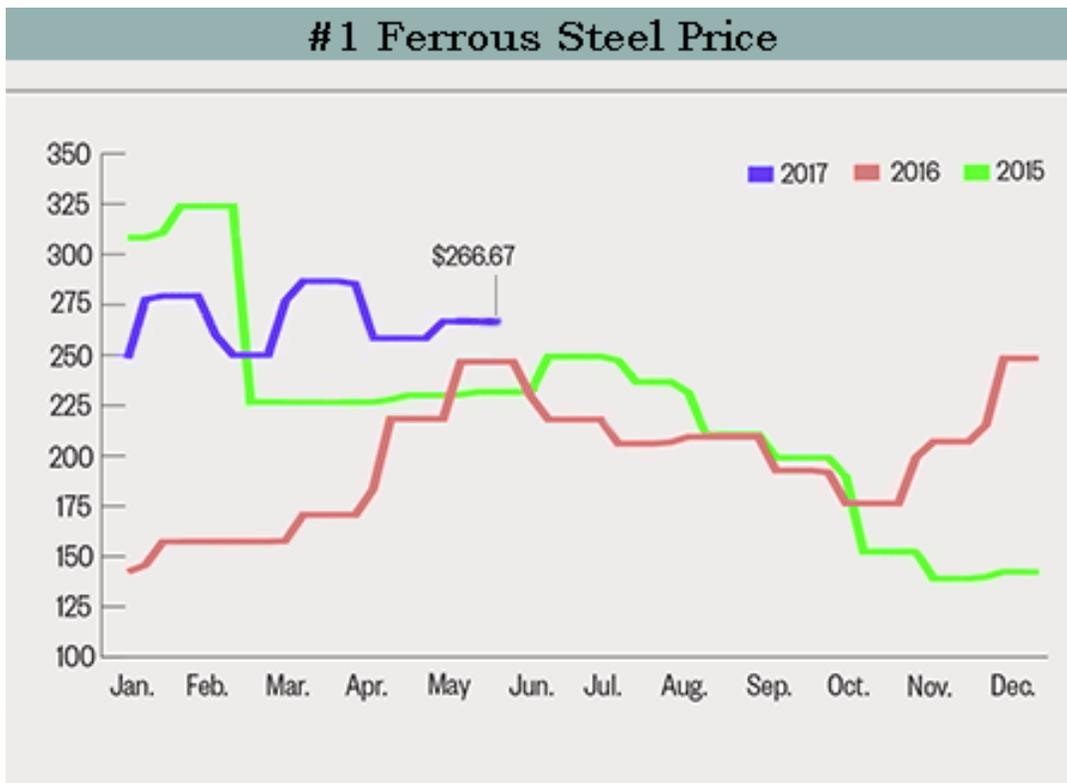
Oil fell a big \$4.50/barrel ending at \$47.50 on news of the U.S. pulling out of the Paris Clean air accords and the expectation that the U.S. will continue to increase energy production.



The oil rig count rose for the 20th straight week to 733, well more than double last year's 316 low. There remains great upside, since we are still down a big 54% from the 1609 high of three years ago.



Iron ore fell \$4/MT to \$56.50/MT; quite a fall in the past two months. A very important report in Barron's documented that scrap metal as a percent of China's feed stock in steel furnaces has gone from 10-11% in the past two years, to 17% today. This could keep upward pressure on scrap prices.



Scrap Ferrous prices remained steady. Many believe that prices for June will be mostly sideways, with possibly some downward pressure on premium material. Automotive production slowing, means less premium scrap created, but the trend is not clear.

Hot Dipped Galvanized Coil

January 1, 2016 to June 4, 2017



Hot dipped galvanized steel remained steady yet again at \$900/MT. Slowing automotive is being offset by higher demand in other markets.

304 Stainless Scrap

January 1, 2016 to June 4, 2017



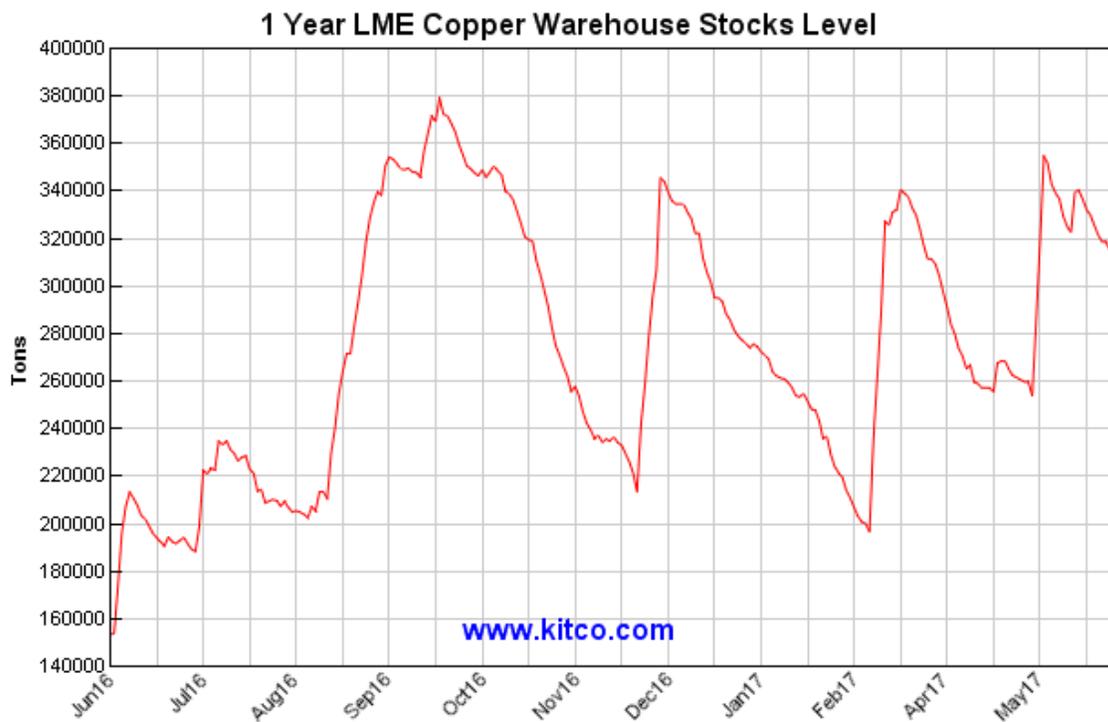
Stainless 304 scrap stayed yet again at 36 cents showing significant equilibrium.



Copper rose a penny to \$2.58/lb. with there being a balance as in other commodities. Prices are down 3 cents this morning to 2.55/lb.

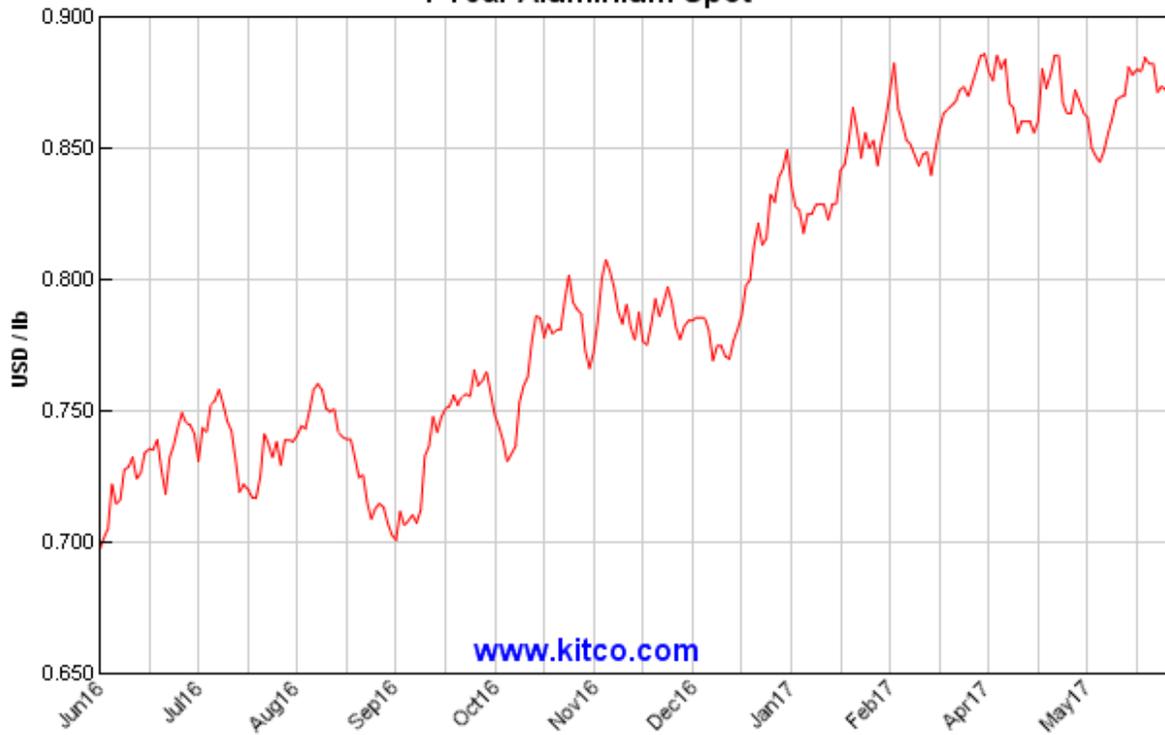


The 5 year chart shows stabilization after trending down for a few months, which is good for businesses planning.



and copper inventories fell, but remain about double of 12 months ago, keeping downward pressure on prices.

1 Year Aluminium Spot

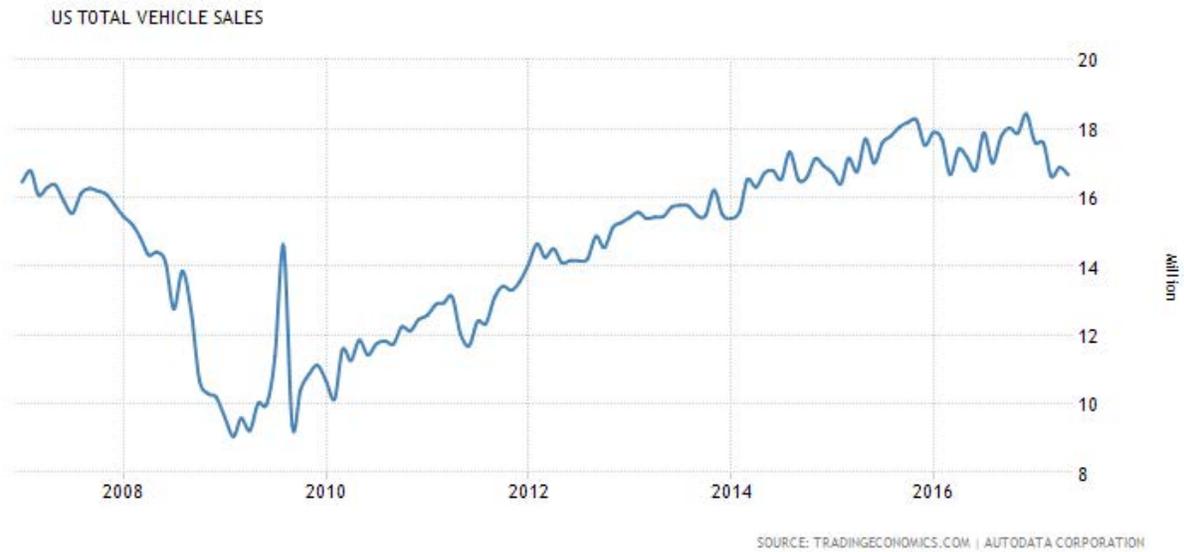


Aluminum prices fell a half penny to 87.5 cents; staying near almost 2.5 year highs, based on solid demand and steady production.

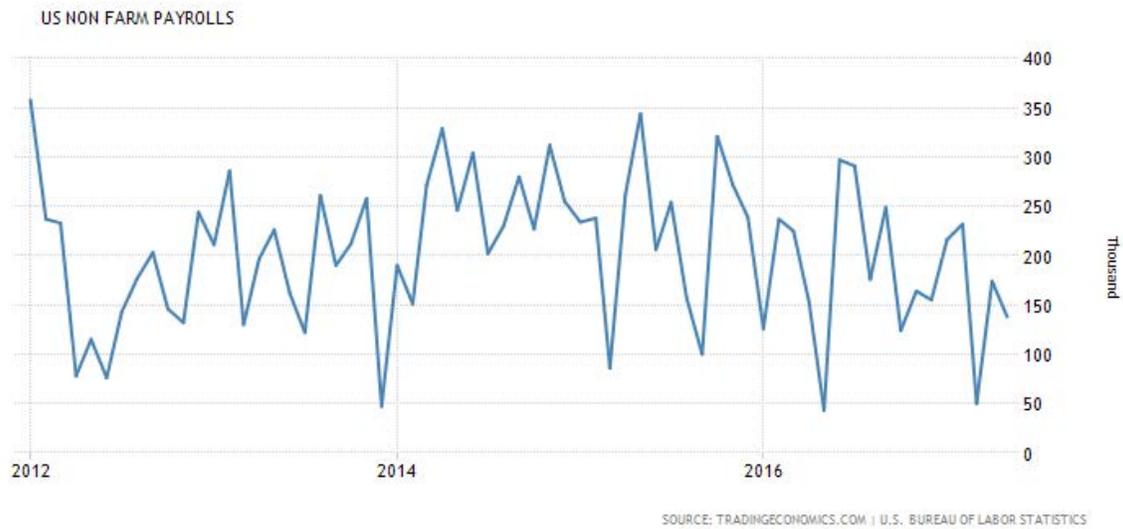
5 Year LME Aluminium Warehouse Stocks Level



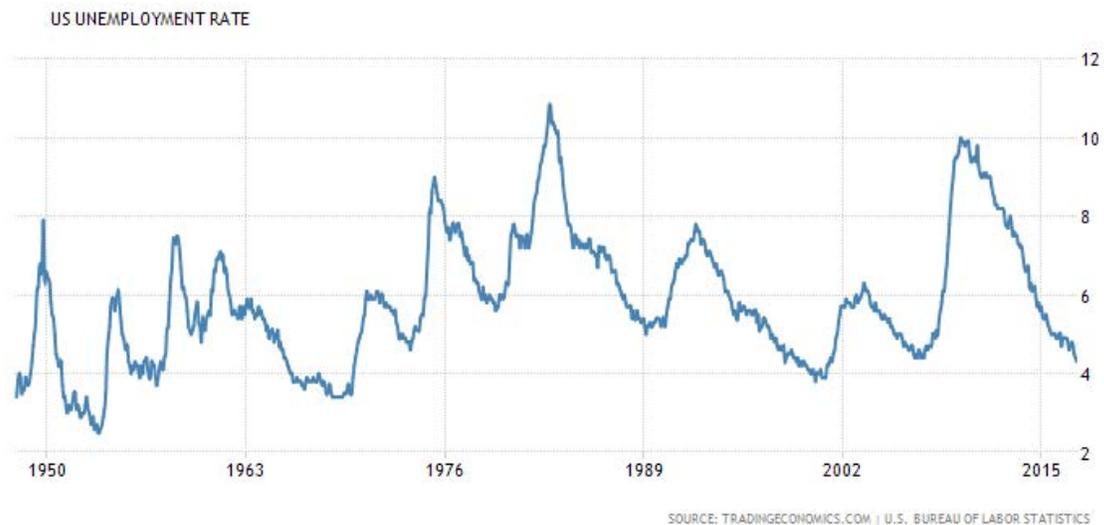
Aluminum inventories hit new about 9 year lows, keeping upward pressure on prices.



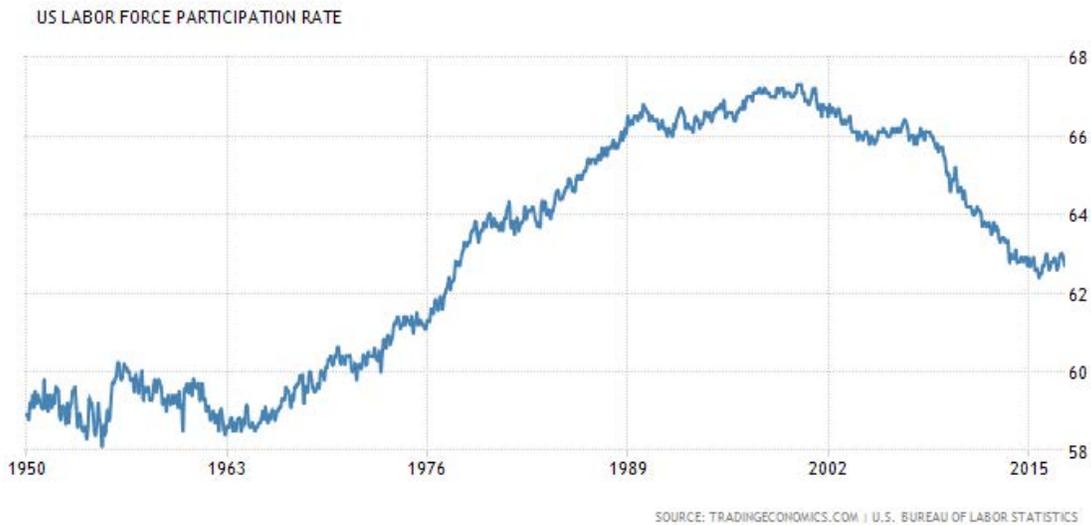
U.S. vehicle sales continued to decline in May to an annual rate of 16.66 Million, from 16.88 in April. While down, this is still a very big number, but the downward trend is somewhat troubling.



Non-farm payrolls increased by a good 138,000 in May vs. expectations of 185,000, with healthcare and mining leading the way. While a good number it is the lowest three month increase since 2012, meaning new job creation has slowed.



The key unemployment rate fell to 4.3 percent, the lowest rate since May 2001, a big 16 years ago. Low unemployment rates get people nervous about wage inflation, due to it is tough to find workers with such low unemployment.

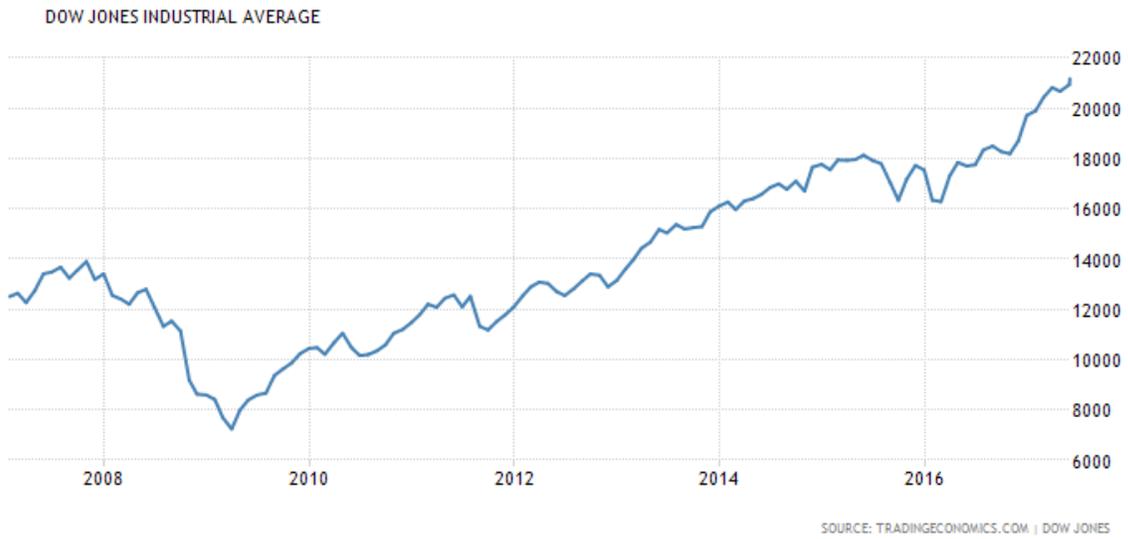


That is why we like this chart, the labor force participation rate. This reflects all people that are 16 years old and older that could have a job and are working. That actually dropped last month to 62.7 percent. Less than 63 percent of the U.S. population that could be working, is working. Great room to increase the labor force with minimal inflation. It has been as high as 67.3 in the year 2000.

US Manufacturing Purchasing Managers Index



The Institute of Supplier Management for Manufacturing, Purchasing Manager's Index, edged up a bit to 54.9, with over 50 being expansion. New orders, employment and inventories went up as production slowed a bit.



Wall Street's Dow Jones industrial average hit a new all time high, which is being driven by terrific profits, the good news on jobs and the low unemployment rate.

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