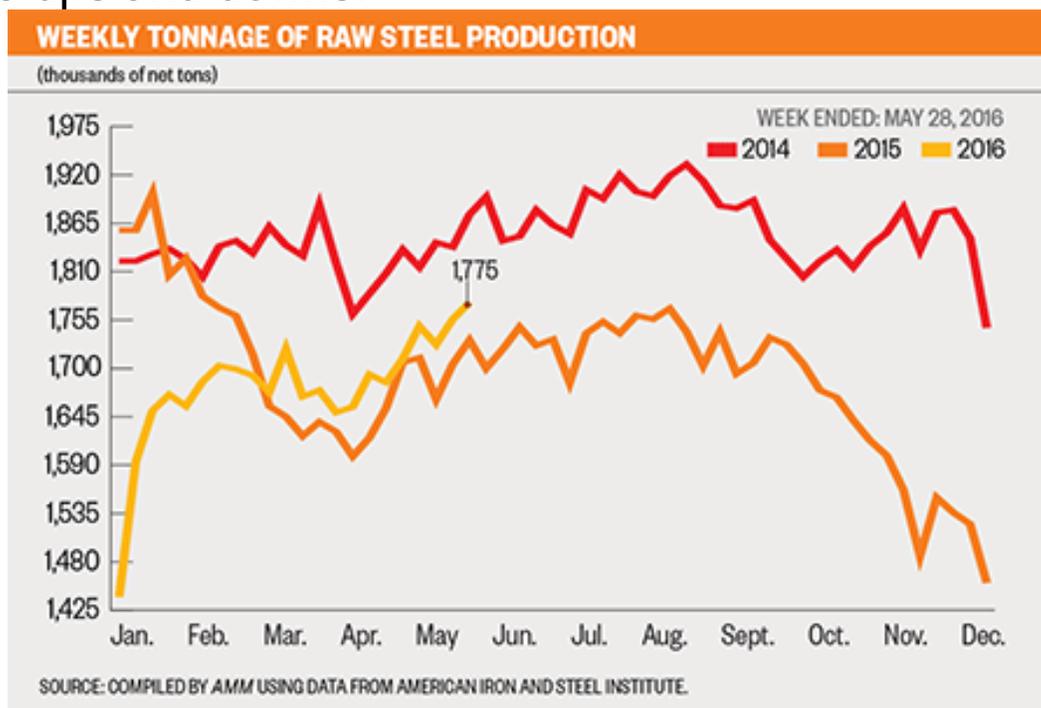


This is the Scrap Metal & Commodities Recycling report, by BENLEE Roll off, Lugger and Open Top Trailers and Raleigh and Goldsboro Metal Recycling June 6, 2016.

In this report, last week scrap steel prices declined after a glut of material hit the market in the past about 6 weeks and other material saw some ups and downs.



U.S. Steel production rose to the highest level in almost 18 months. Tariffs hurting imports and small growth in the U.S. have been great for U.S. steel mills.

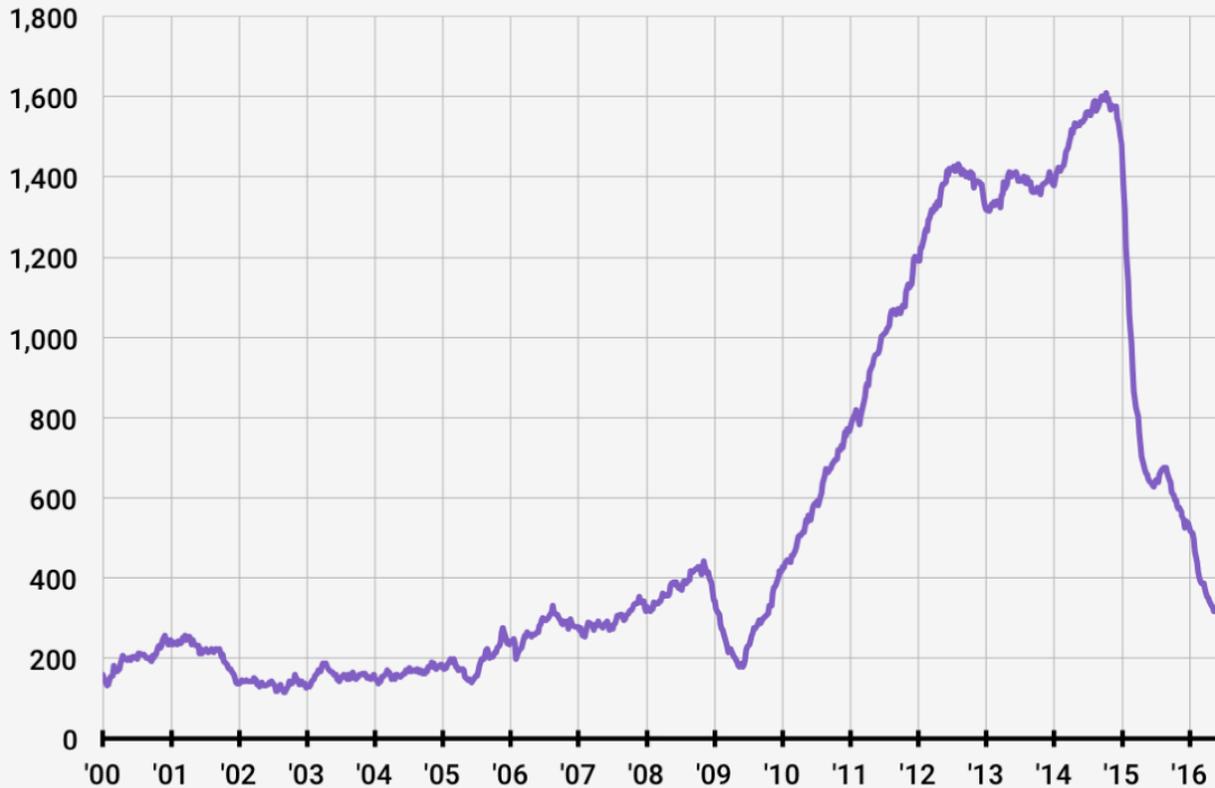
CRUDE OIL



SOURCE: WWW.TRADINGECONOMICS.COM | NYMEX

Oil prices came down a bit, but remain near almost \$50/barrel, with OPEC saying last week, oil should be \$60/barrel by the end of the year.

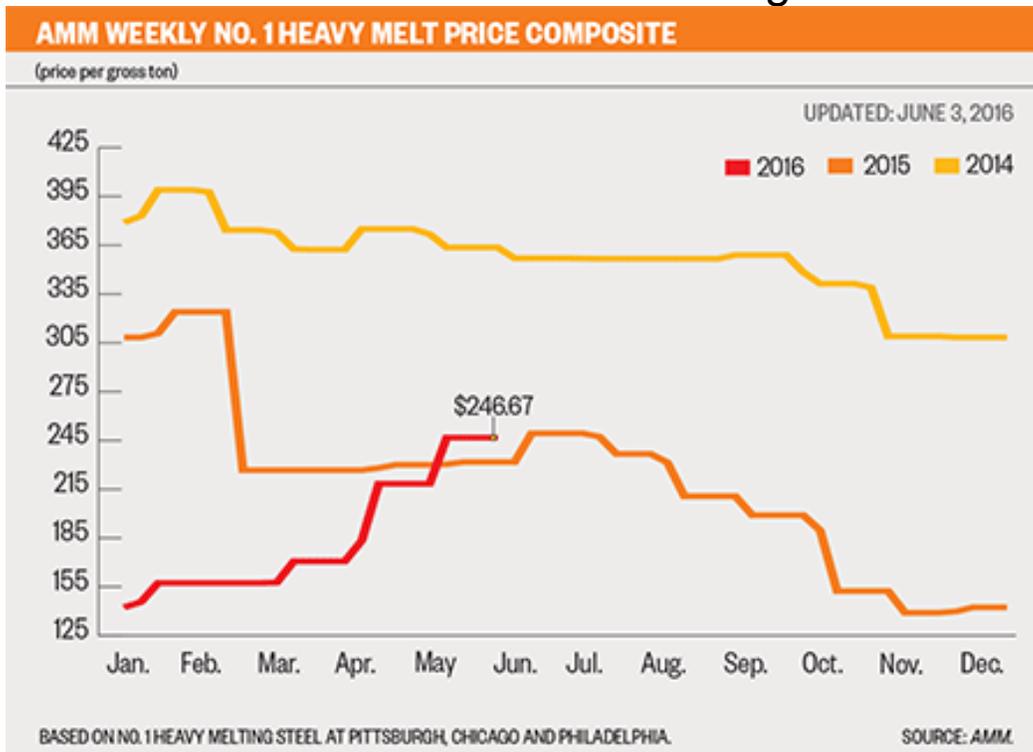
US OIL RIG COUNT



SOURCE: Baker Hughes

BUSINESS INSIDER

While tough to see on this chart, the oil rig count was up 9 last week, which was the largest weekly increase since last December. More rigs, means more steel will be used in those rigs.



While this chart shows scrap ferrous prices as flat, about 72 hours ago, prices fell between \$10 and \$50/GT depending on the grade. This is the largest drop in almost half a year. At the retail level prices are down about \$1.25/hundred pounds in many cases. Importantly, scrap prices were up more than 80% this year.

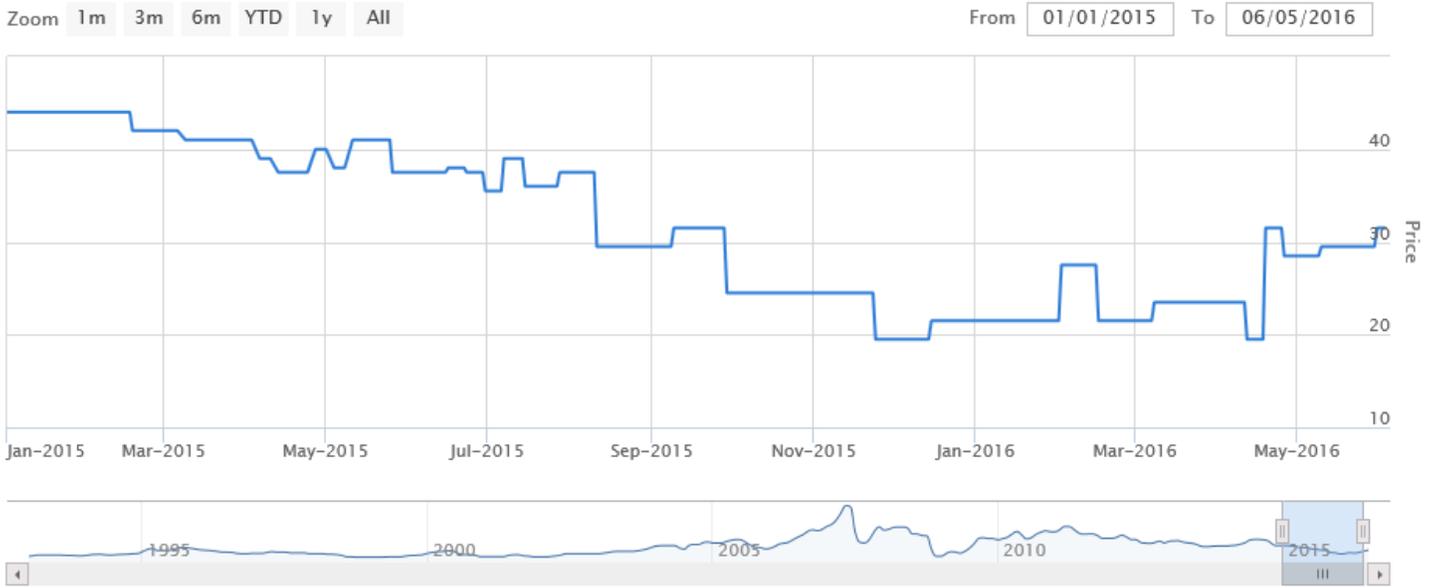
This huge increase of last December through May, drew out major amounts of scrap inventory that was sitting at sites and yards, so mills have been able to lower prices. With steel production at 18 month highs and input prices lower, Q2 should be great for steel mill profits. Recyclers had two good months, but June will be tough.

Hot Rolled Coil Steel



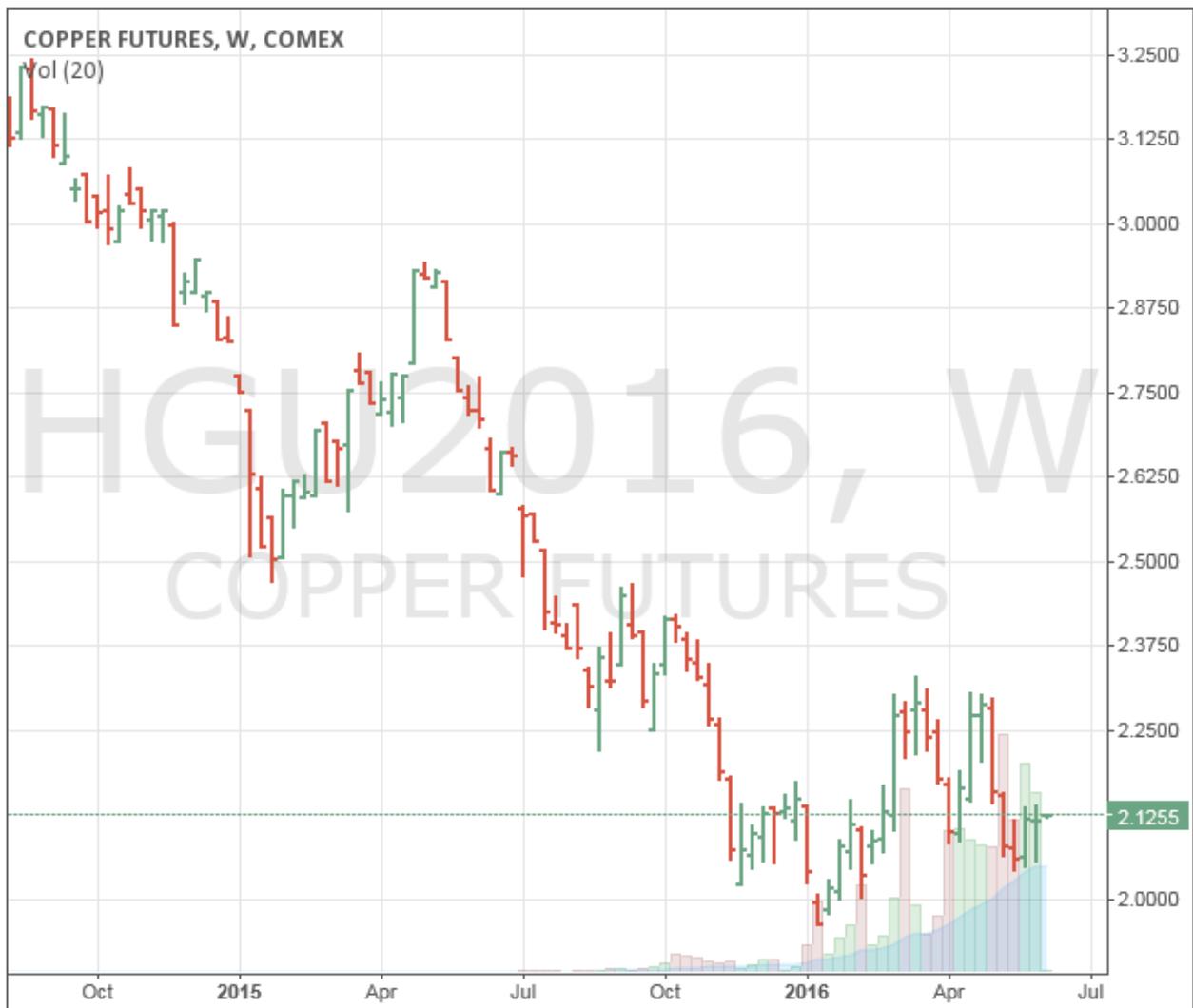
Hot roll coil steel was up yet again which means it is up about \$260/metric ton and scrap metal is up only about \$116/GT, which again is great news for steel mills.

304 Stainless Scrap



304 stainless scrap prices came up a bit and are now at the highest level in about 8 months.

COMEX:HGU2016, W 2.1255 ▲ +0.0075 (+0.35%) O:2.1255 H:2.1260 L:2.1230 C:2.1255

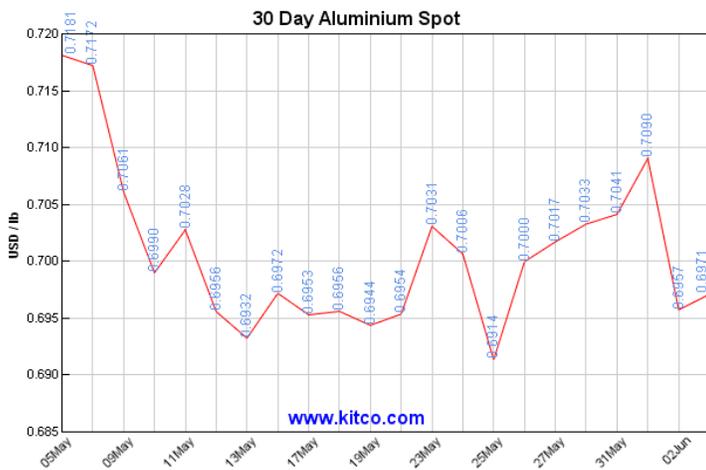


 **CME Group**
Powered by TradingView.com

Copper had a mixed week, but by Friday, it pretty much closed up to where it started the week, so little change in recent weeks.



and when looking at this 5 year chart, we see copper has been in a range in price for over 6 months, after years of falling.



Aluminum ended the week a bit lower, but when looking at the 5 year chart we see it is a bit like copper and has moved only slightly since late last year.

5 Year LME Aluminium Warehouse Stocks Level



Importantly, Aluminum inventories have hit yet new about 7 year lows, which should help stabilize prices going forward.

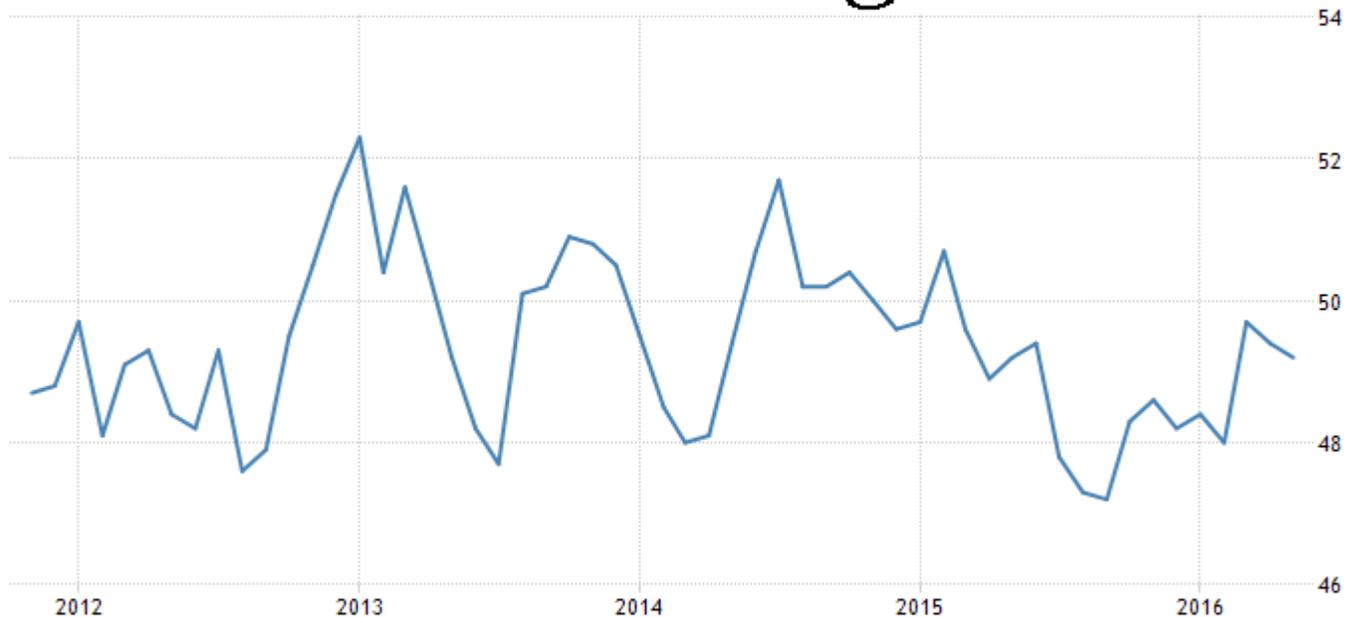
US NON FARM PAYROLLS



SOURCE: WWW.TRADINGECONOMICS.COM | U.S. BUREAU OF LABOR STATISTICS

Only 38,000 U.S. jobs were created in May which was the lowest weekly number in about 5 years. The Verizon strike that is now over, accounts for about 35,000 of loses, but 38,000 is still a low level.

China's Caixin Manufacturing Index



China's Caixin Manufacturing PMI stood at 49.2 in May of 2016, down from 49.4 in April and slightly below market consensus. Note anything under 50 is contraction. It is clear China has been slowing for about a year. It was the weakest reading in three months.

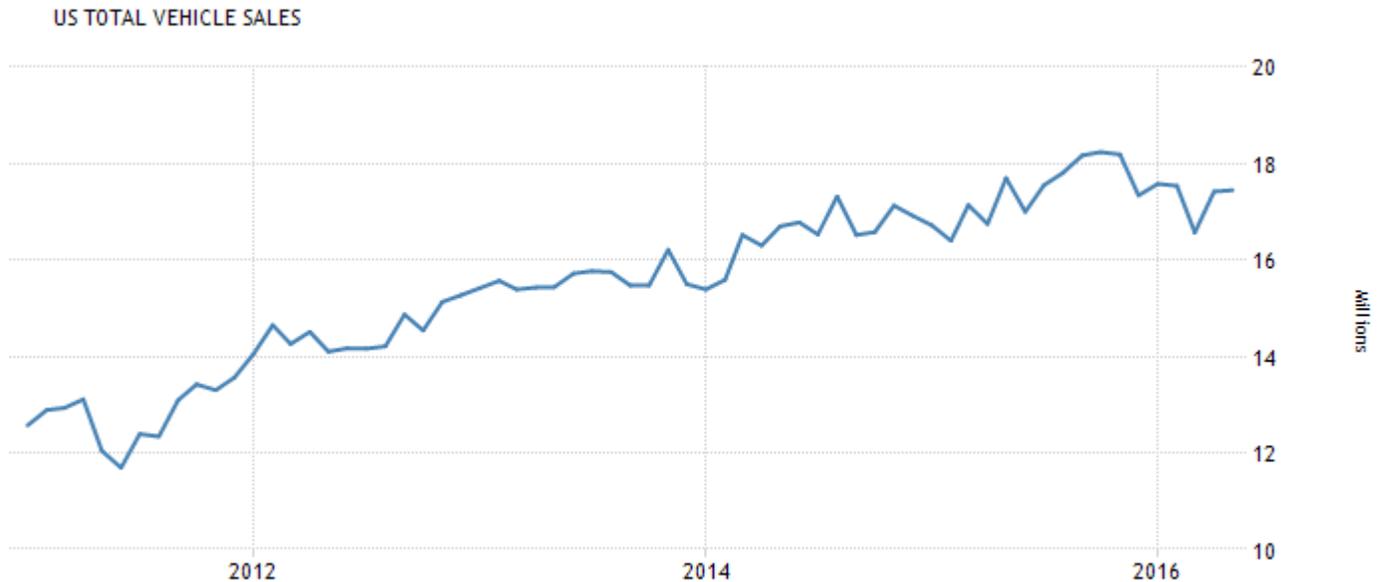
China slowing is a key a reason for downward pressure in commodity prices.



While slow U.S. growth continues, very slow Global growth is a concern. Global policymakers have been warned by the Organization for Economic Co-operation and Development (OECD) to "act now" to prevent "persistent and sluggish growth" and another economic downturn as it downgraded its global growth forecasts.



Japan, the world's third largest economy, had its Prime minister announce last week that this Fall he will be announcing a major stimulus program.



SOURCE: WWW.TRADINGECONOMICS.COM | AUTODATA CORPORATION

U.S. auto sales in May were slightly off record levels, but at a rate of 17.45M, it is still a very solid performance and is one of the drivers for steel demand.

US ISM PURCHASING MANAGERS INDEX (PMI)



SOURCE: WWW.TRADINGECONOMICS.COM | INSTITUTE FOR SUPPLY MANAGEMENT

On another positive, the U.S. Purchasing Management's Manufacturing Index, PMI came in at 51.3. Over 50 is expansion. Since late 2015 this has almost steady been trending up, which is a positive for U.S. manufacturing.



Product of the week is the BridgeMaster. At a full 80,000 GVW with only two axles it carries 20-80 yard roll off boxes. Importantly it can carry almost 6,000 more pounds in a roll off box, due to the light tare weight of the trailer vs. a three axle conventional.

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