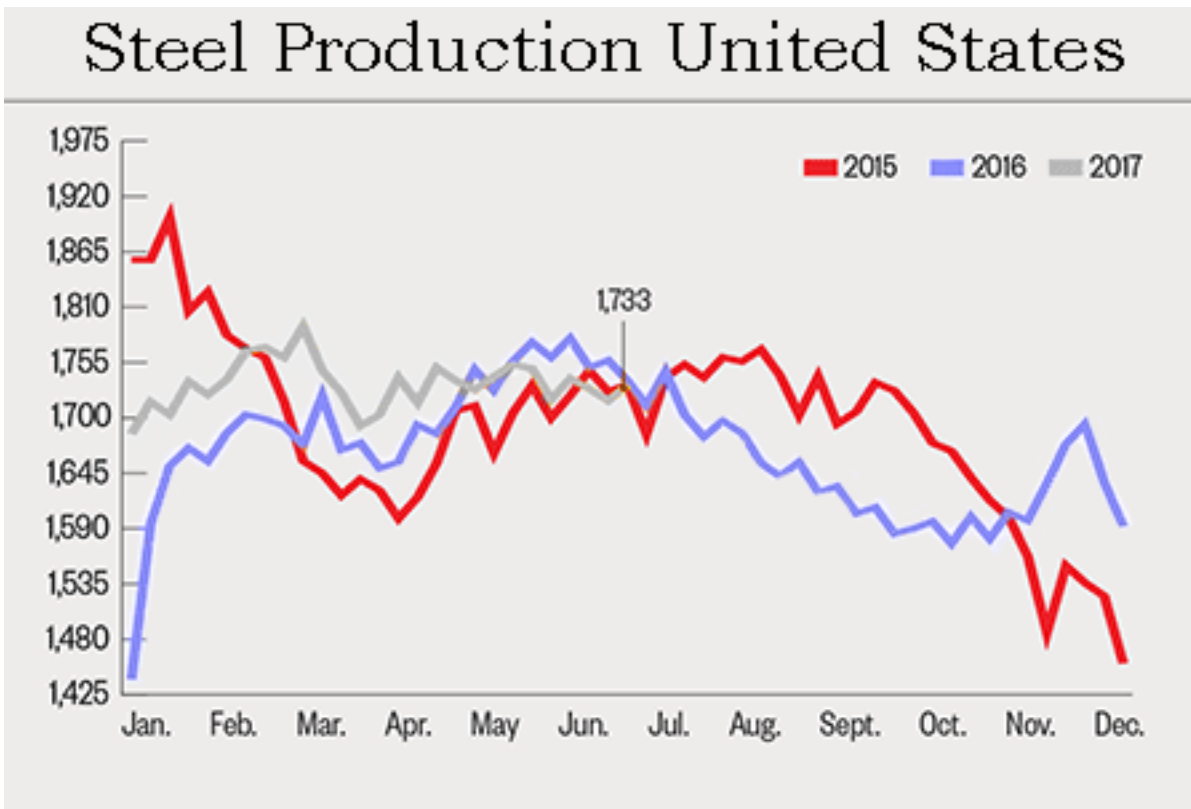
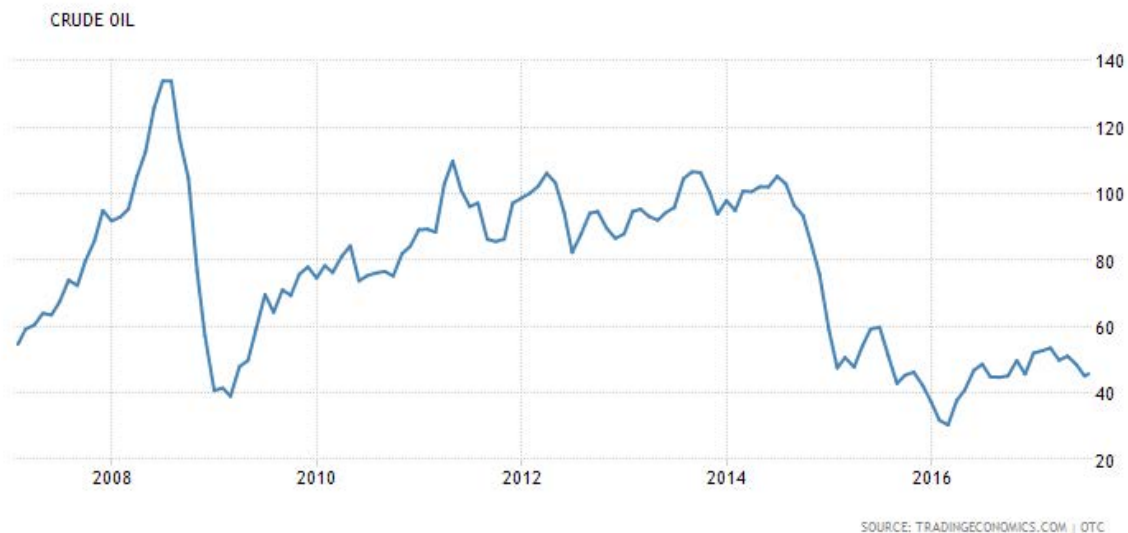


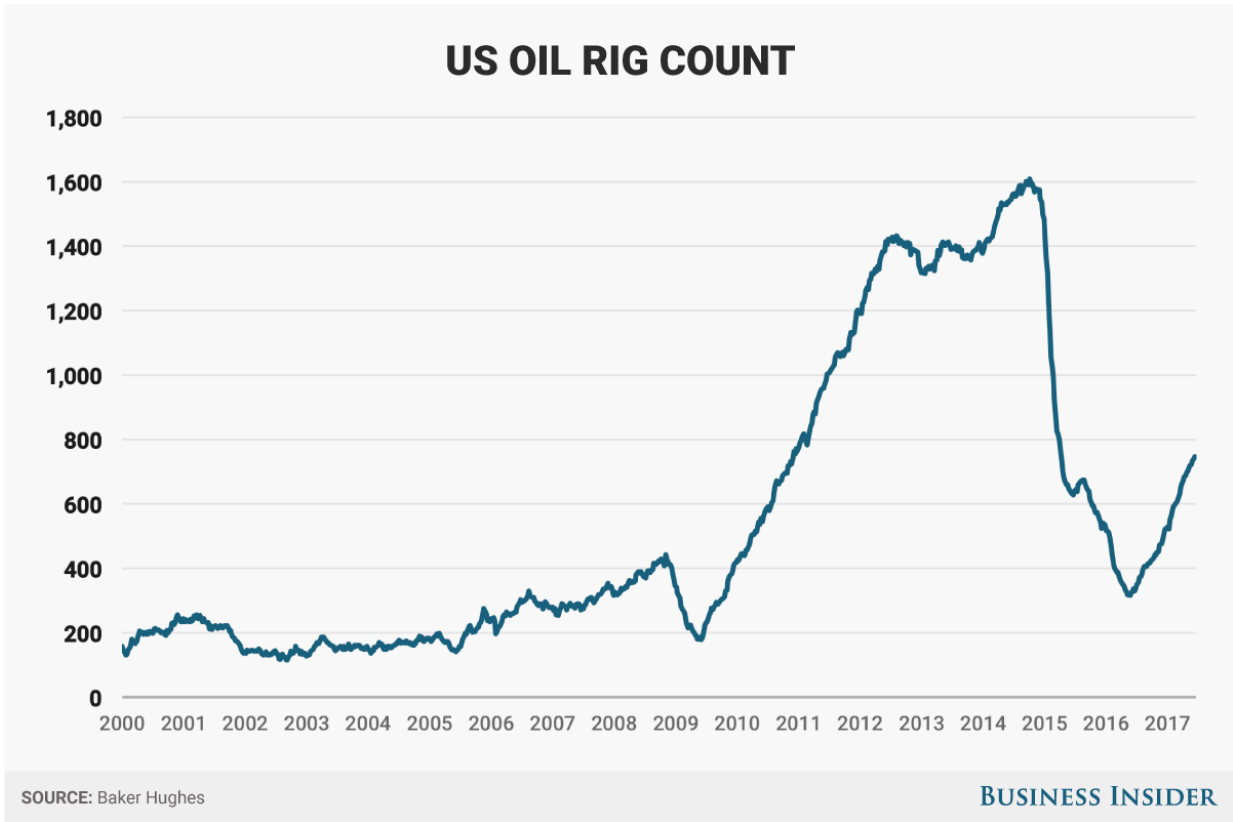
Last week many commodity prices rose and economic reports were positive.



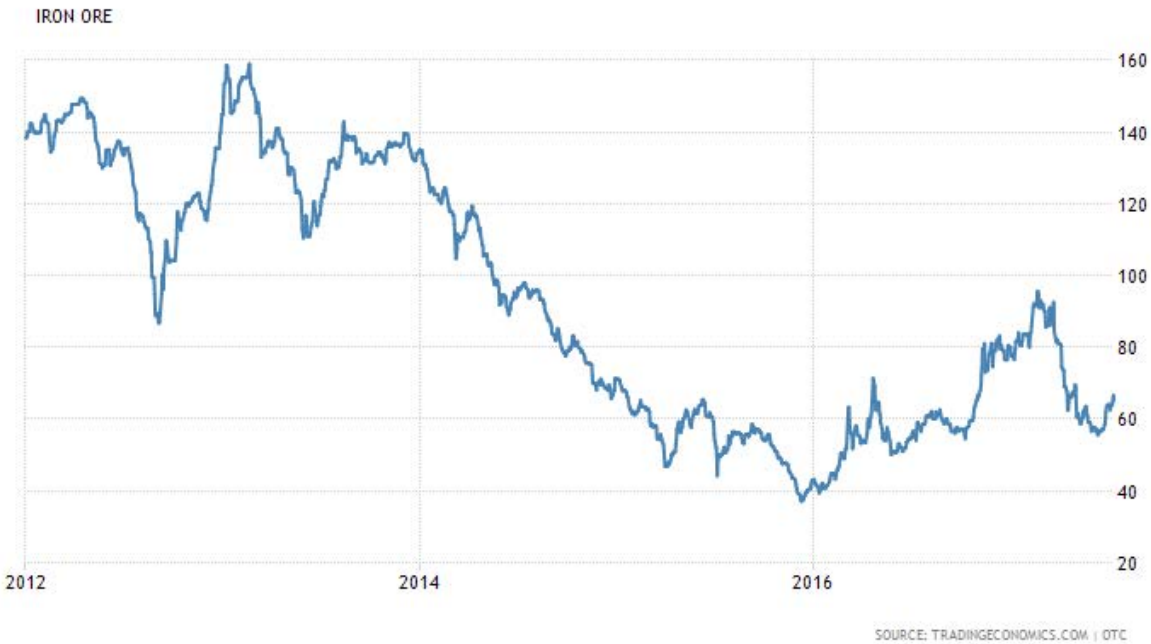
U.S steel production rose slightly to the same level we have seen for the past two years at this point in the year.



Oil rose almost \$2.00 a barrel to \$46.54 on good demand. The IEA, the International Energy Agency raised their global oil consumption forecast saying that global demand is stronger than forecast in India, the U.S. and Germany.

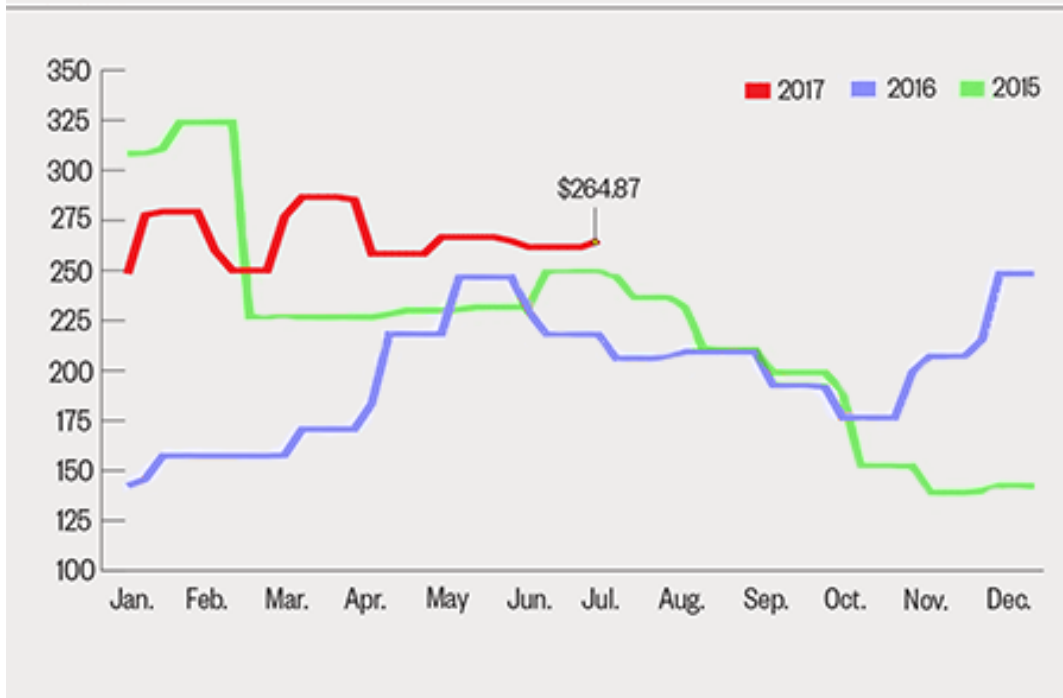


The oil rig count rose by just 2, to 765. The rate of increase has dropped, but the rig count continues to rise slowly. We continue to see upside to the rig count which is still down 52% from three years ago.



Iron ore continues its recent rise, up \$2.00/MT to close at \$65.50. This continues to put upward pressure on finished steel prices.

# #1 Ferrous Steel Price



Scrap ferrous prices rose slightly. There remains positive trends in the economy and steel use. This could bring steady to slightly higher prices in the months to come.

## Hot Dipped Galvanized Coil January 1, 2016 to July 16, 2017

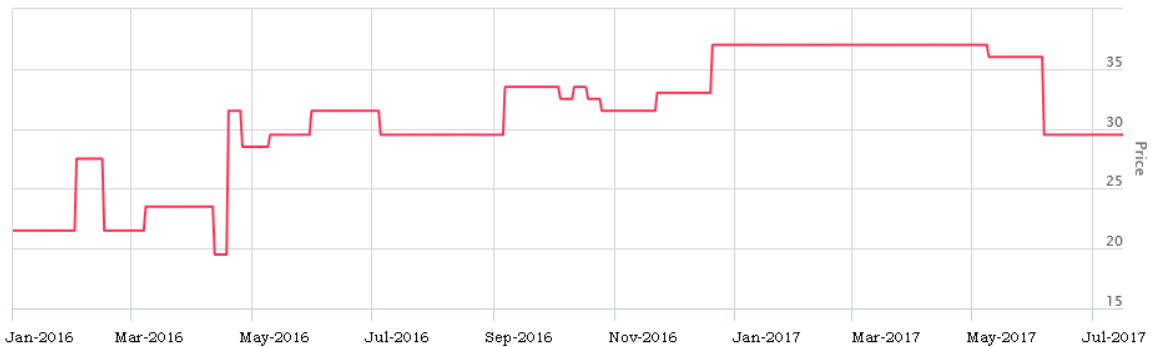


Hot dipped galvanized steel rose more than \$30/Ton to \$897.50/Ton as we continue to see slightly higher raw material and energy prices, while seeing good demand.



The previous chart shows that in March 2016, the Obama administration slapped major tariffs on steel, leading to major steel price increases in the U.S. which helped the Steel industry and hurt sectors like Automotive. The Trump administration is signaling that they may add to those tariffs and replace some of them with others, under what is called Section 232. There are mixed opinions as to if this is a net positive for the U.S. economy.

### 304 Stainless Scrap January 1, 2017 to July 16, 2017



Stainless 304 scrap held steady at the lower level of 29.5 cents. There remains little news to move the Stainless markets.



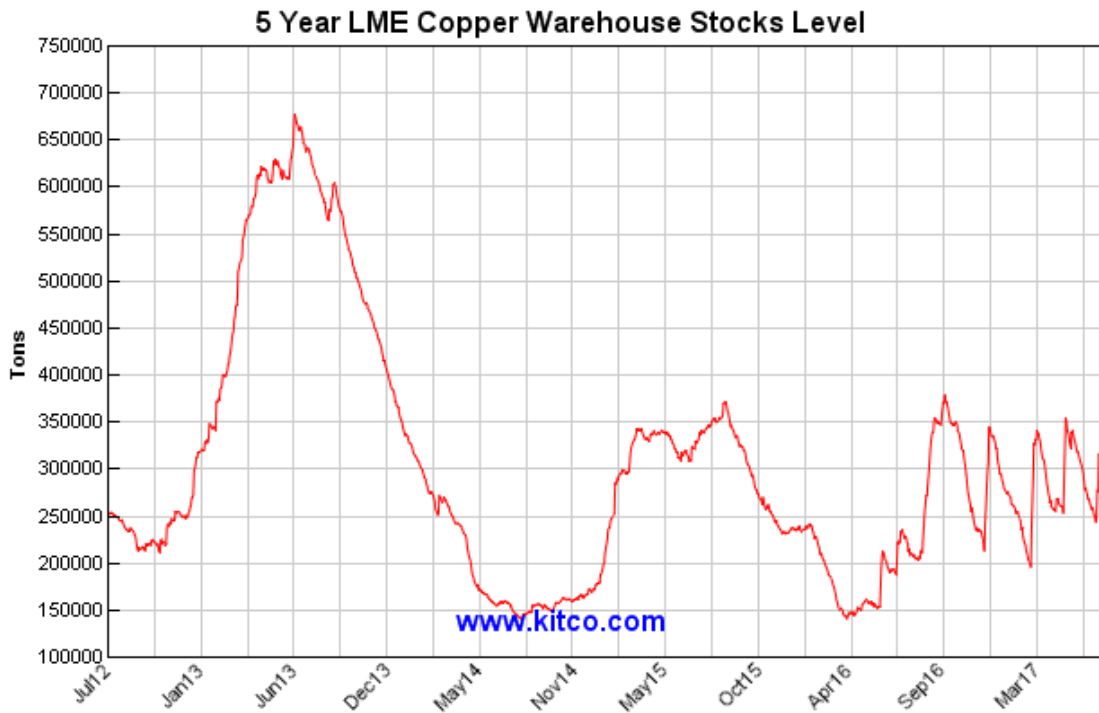
Created with TradingView

Copper rose 4 cents to \$2.69 on little news. Copper continues to trade in a tight range for months, after the major rise, late last year. Prices are up this morning to \$2.74, because of solid economic data coming out of China last night.

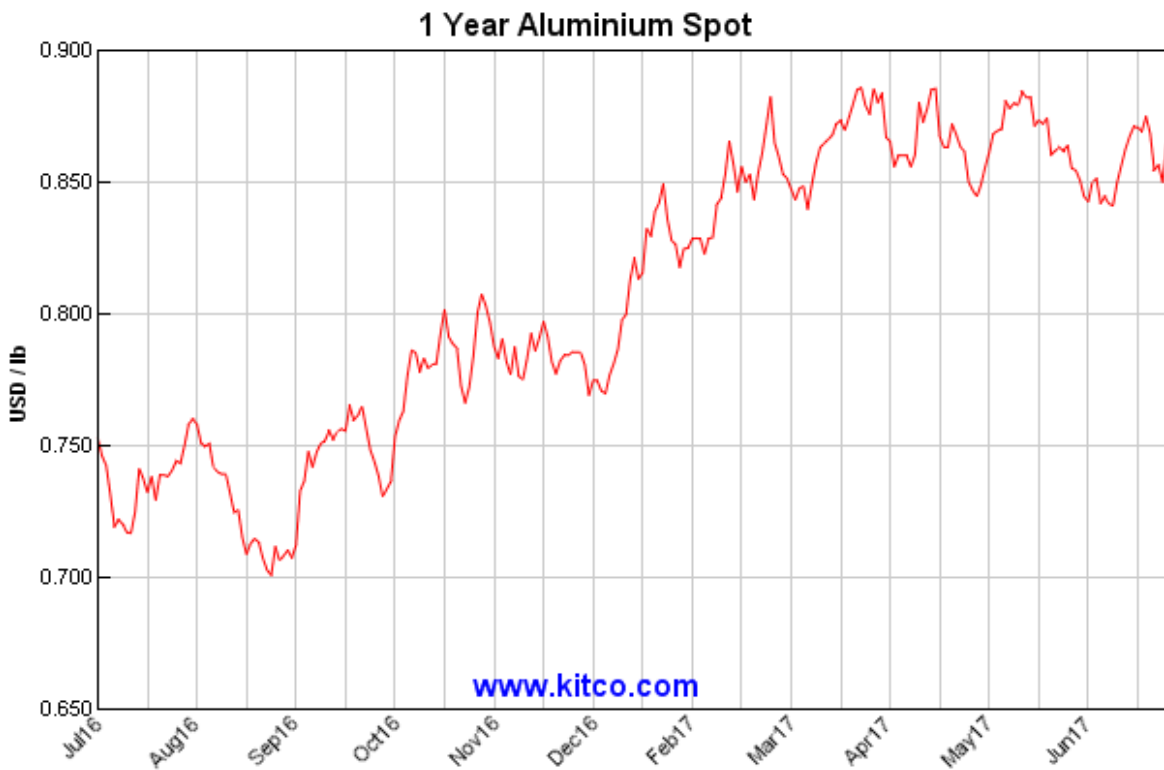
### 5 Year Copper Spot



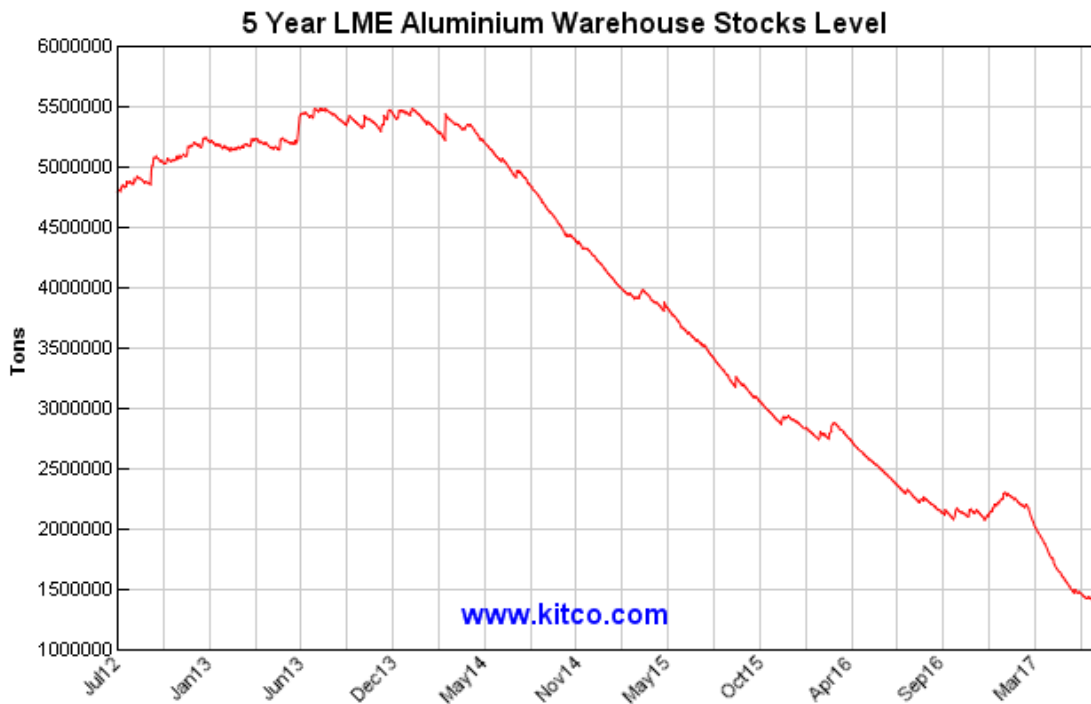
The 5 year chart shows copper prices remain in the tight band we just discussed, after the run up, after last year's the election.



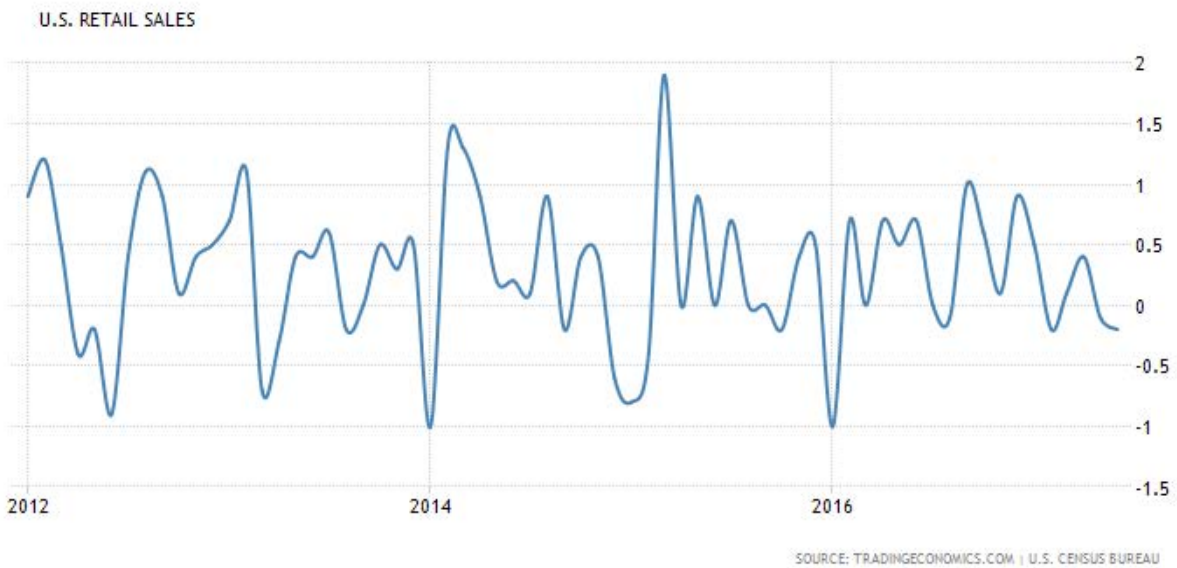
Copper inventories increased slightly, but remain on the high side. As inventories rise, this puts downward pressure on prices.



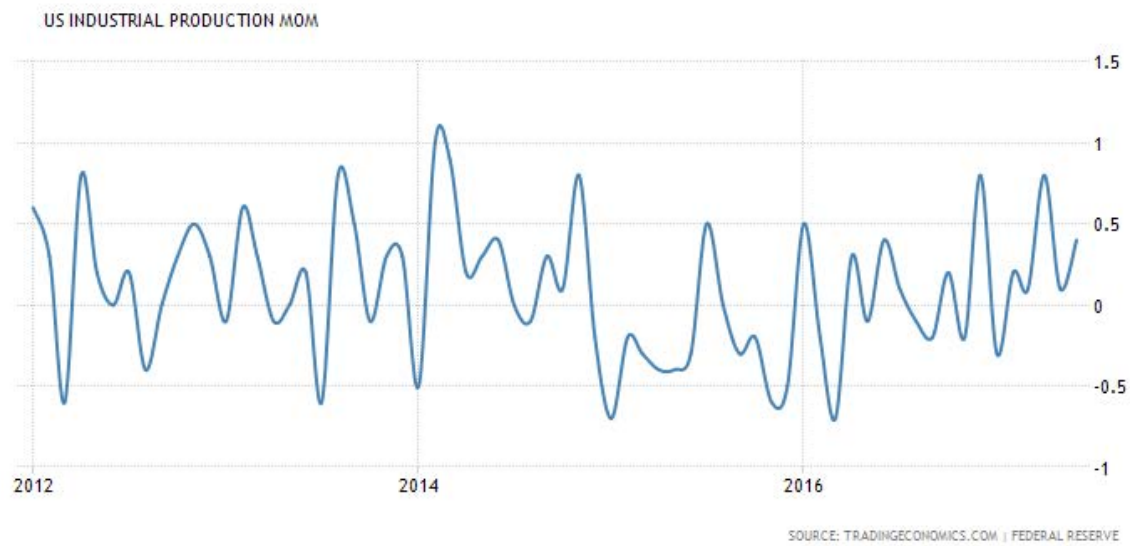
Aluminum held about steady ending at 86.6 cents/lbs., near its multiyear high on continued solid worldwide demand from Automotive and construction markets.



Aluminum inventories rose a bit but remain near about 9 year lows on this good demand, which is keeping upward pressure on prices.



U.S. retail sales, which are a key part of the economy, fell slightly, mainly due to lower gasoline prices and lower sales in traditional Retail stores, BUT, sales at building material stores and the internet rose nicely.



U.S. Manufacturing continues its trend up in June, after hitting a multiyear low about a year ago. Motor vehicles actually saw an increase as did mining, chemicals and machinery production. For the second quarter of 2017, U.S. industrial production was up a strong 4.7 percent over last year with mining, drilling and Utilities leading the way.

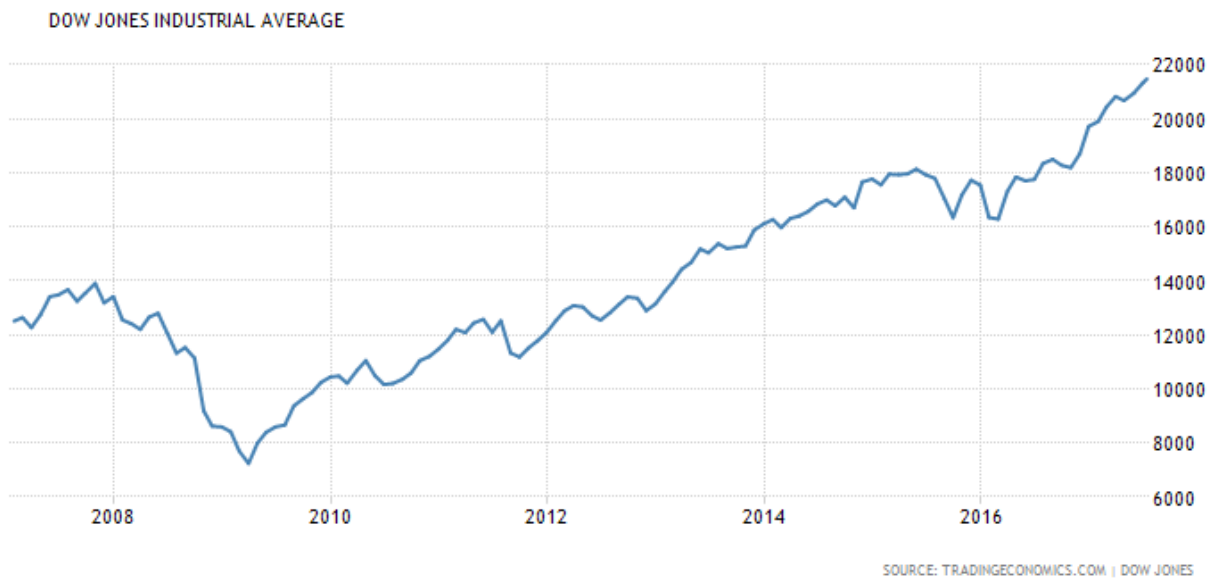


U.S. inflation remains subdued, having increased only 1.6 percent year over year in June. This is below the U.S. Federal Reserve target of 2%. The low number was heavily driven by the reduction in price of gasoline. Low inflation will add pressure on the U.S. Fed to keep interest rates low, with the goal of working to increase the rate of economic growth, which would cause slightly higher inflation.





China's economy, as measured by GDP grew 6.9% in the second quarter, which was higher than forecast. It was also the largest expansion rate since the third quarter of 2015 as industrial output and retail sales picked up. For all of 2017, the forecast remains at a 26 year low of 6.5%.



Wall Street continues its 8 plus year rise and hit new highs again last week with the Dow Jones average closing at another new high of 21,638. We have talked about the wealth effect in the past. If Wall Street holds these gains, or increases a bit more, this will help the economy as people feel wealthy and spend some of these increases.

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