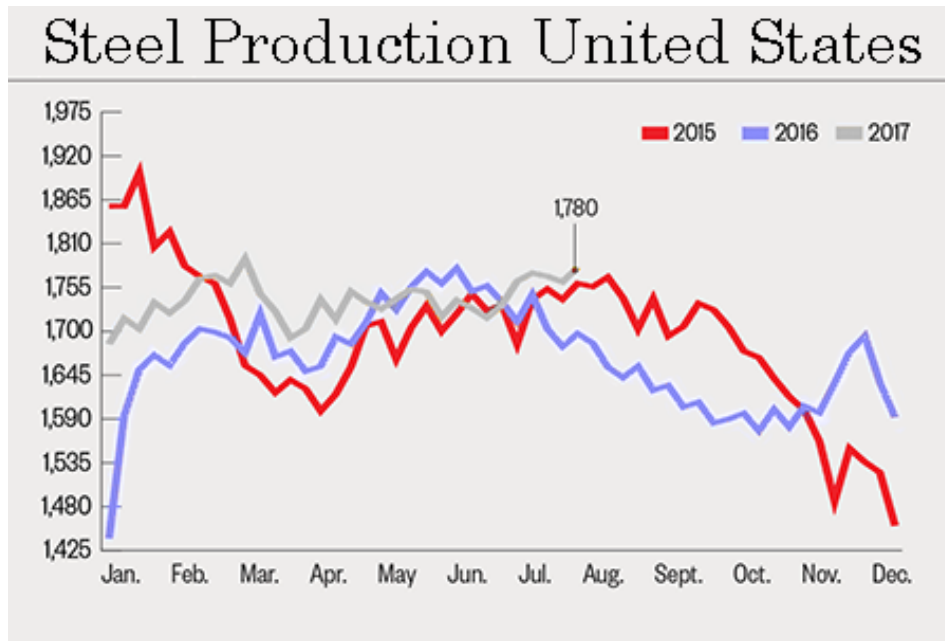
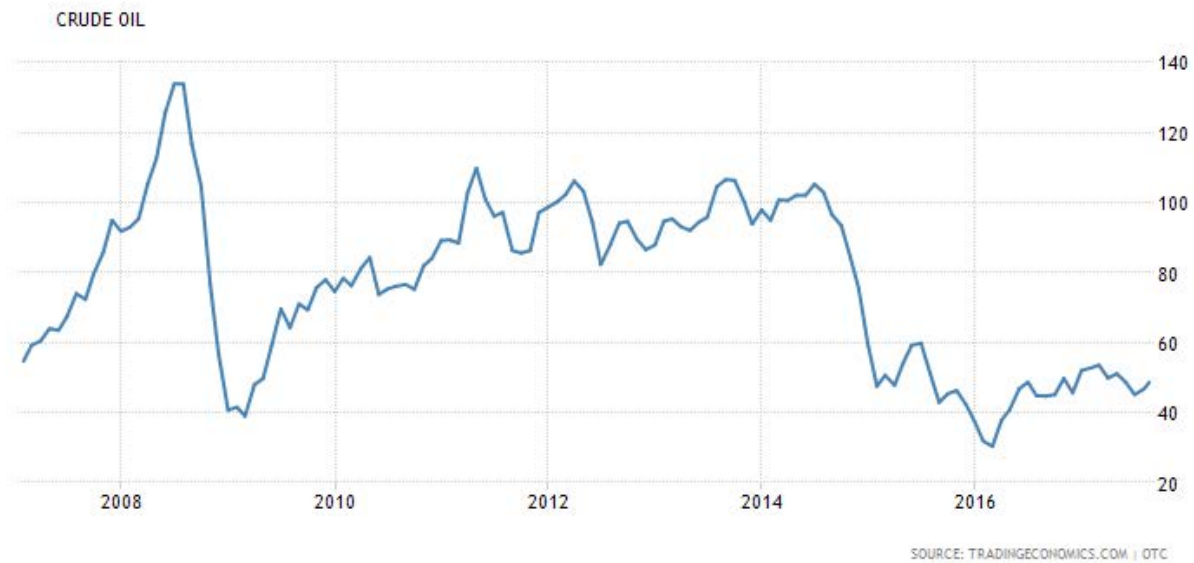


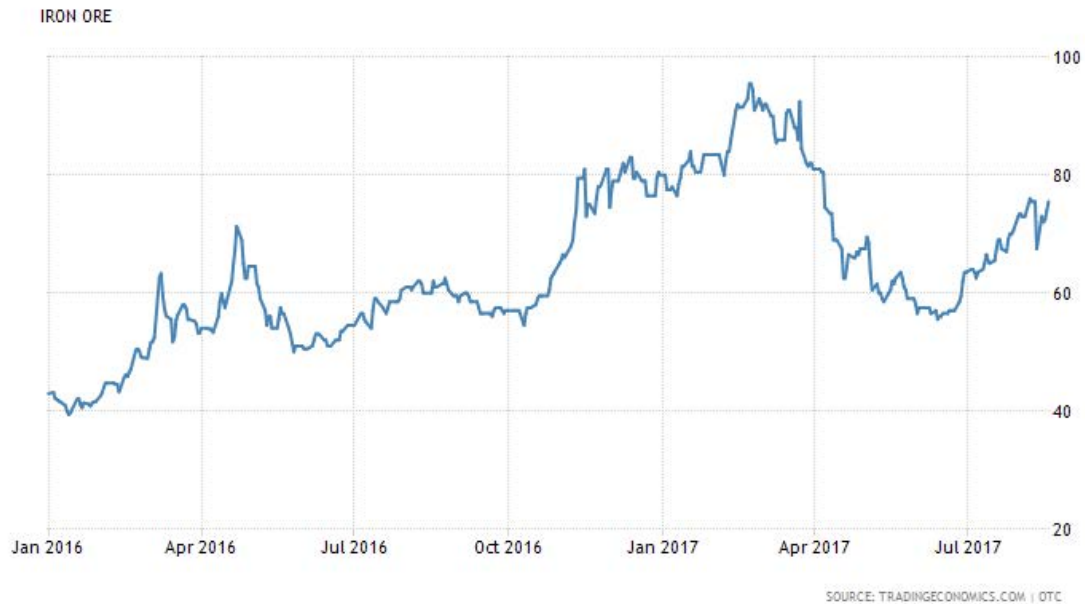
Last week many commodity prices rose and economic reports were mixed.



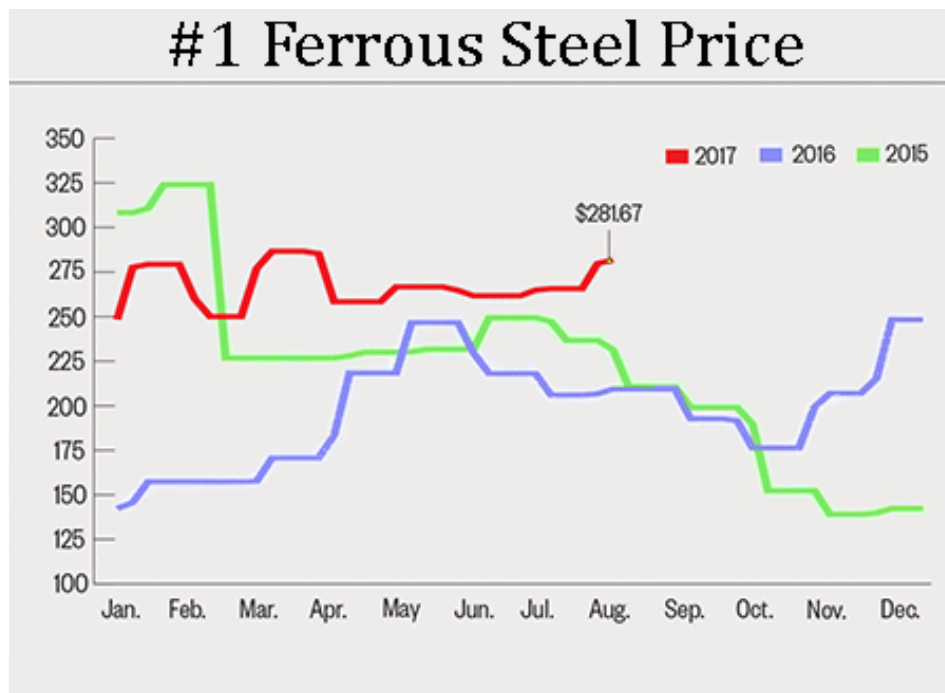
U.S steel production rose slightly, to close near a 2.5 year high, despite strong steel imports, hurting U.S. steel producers.



Oil fell slightly to about \$49 a barrel, near breakeven for many U.S. drillers and below the about \$60/barrel that OPEC would like. The oil rig count fell 5 to 768, as oil prices remain well off their highs off a few years ago.

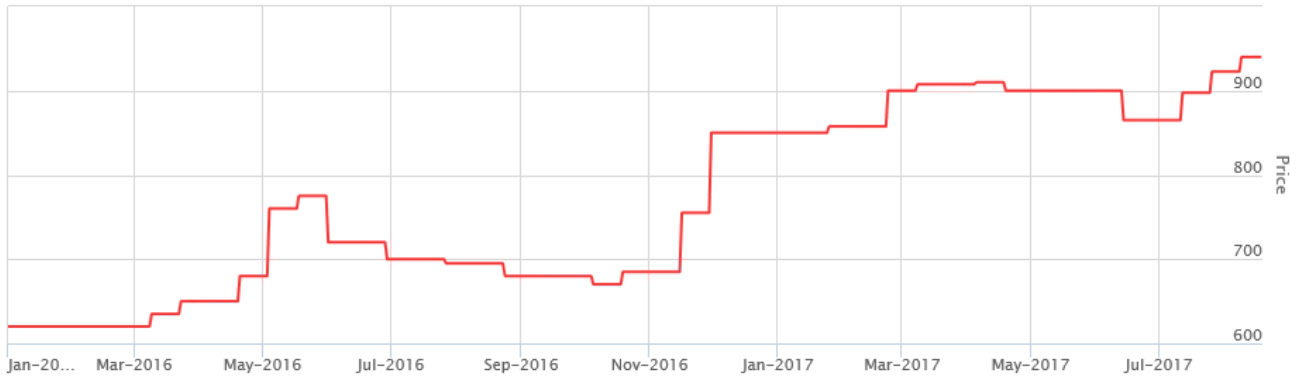


Iron ore jumped \$8.00/MT, closing at \$75.50, about a 4 month high, on solid global demand, putting upward pressure on steel prices.



Scrap ferrous prices continued up. With September approaching we are hearing there could be more upward pressure. Nucor's DRI, scrap metal substitute plant, remains off line adding to the upward pressure.

## Hot Dipped Galvanized Coil January 1, 2016 to August 19, 2017



Hot dipped galvanized steel was unchanged at \$940/ton on continued good demand. There were numerous announcements of rebar and sheet up \$30/Ton last week.

## 304 Stainless Scrap January 1, 2016 to August 19, 2017



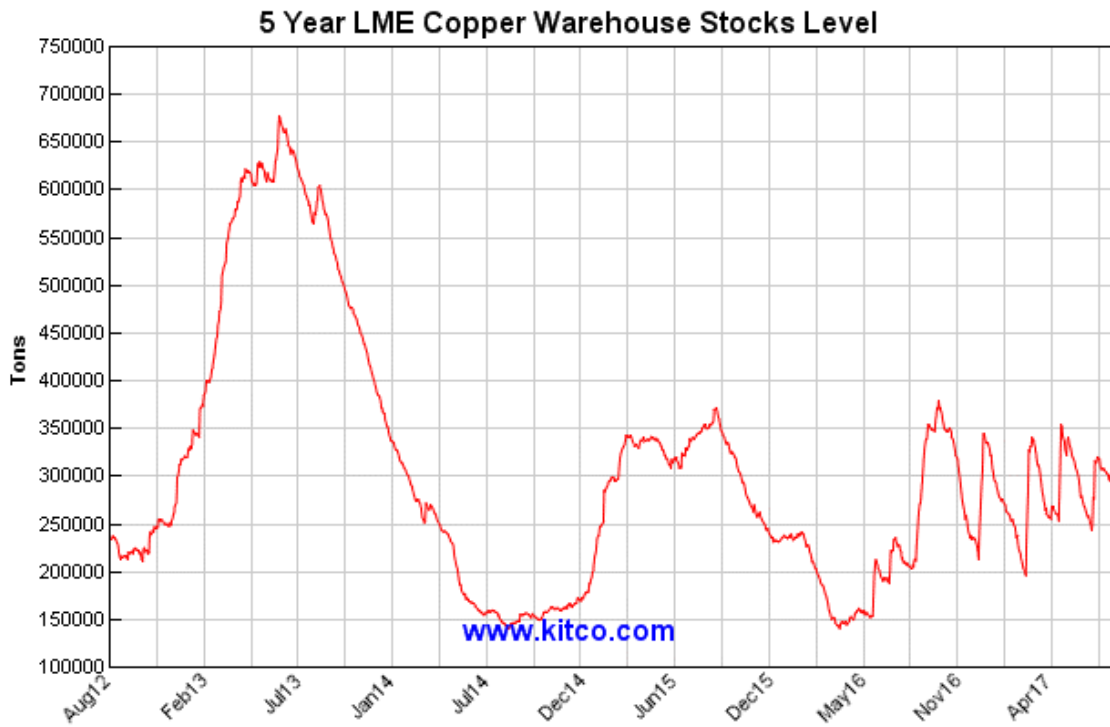
Stainless 304 scrap prices remained steady at 29.5 cents per pound. With ferrous prices on the rise, stainless is seeing upward price pressure.



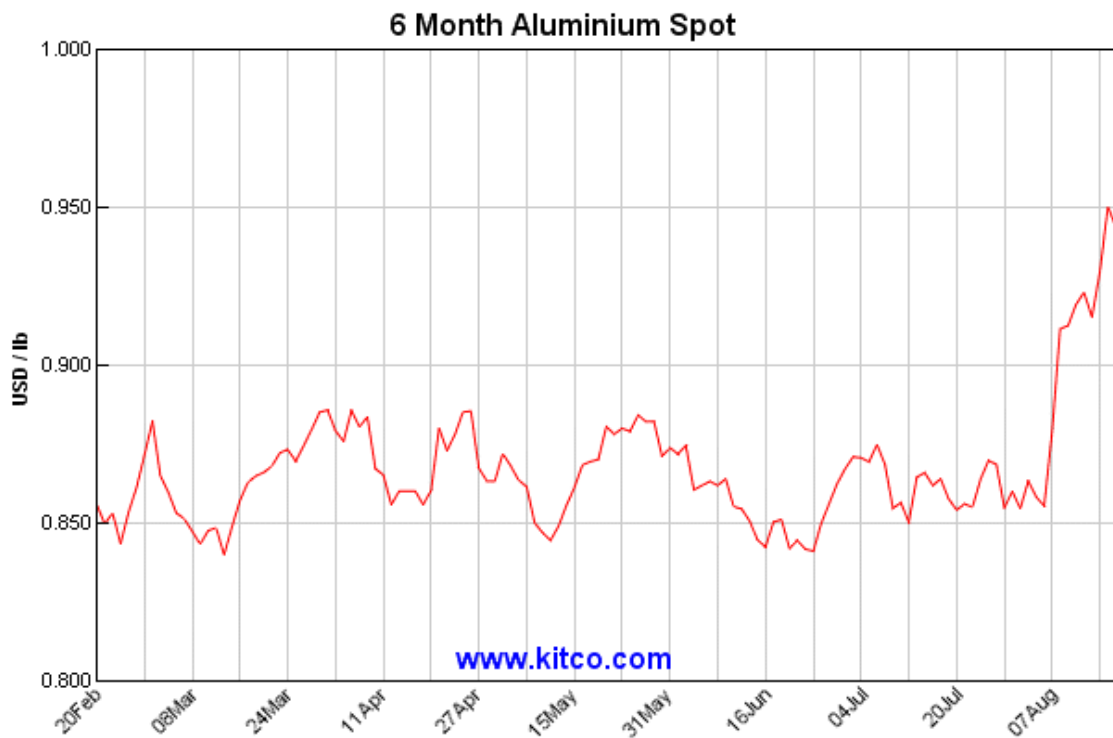
Copper rose to a new multiyear high ending at \$2.94 for the week on solid global demand. Copper is at about 4 cents this morning to \$2.98.



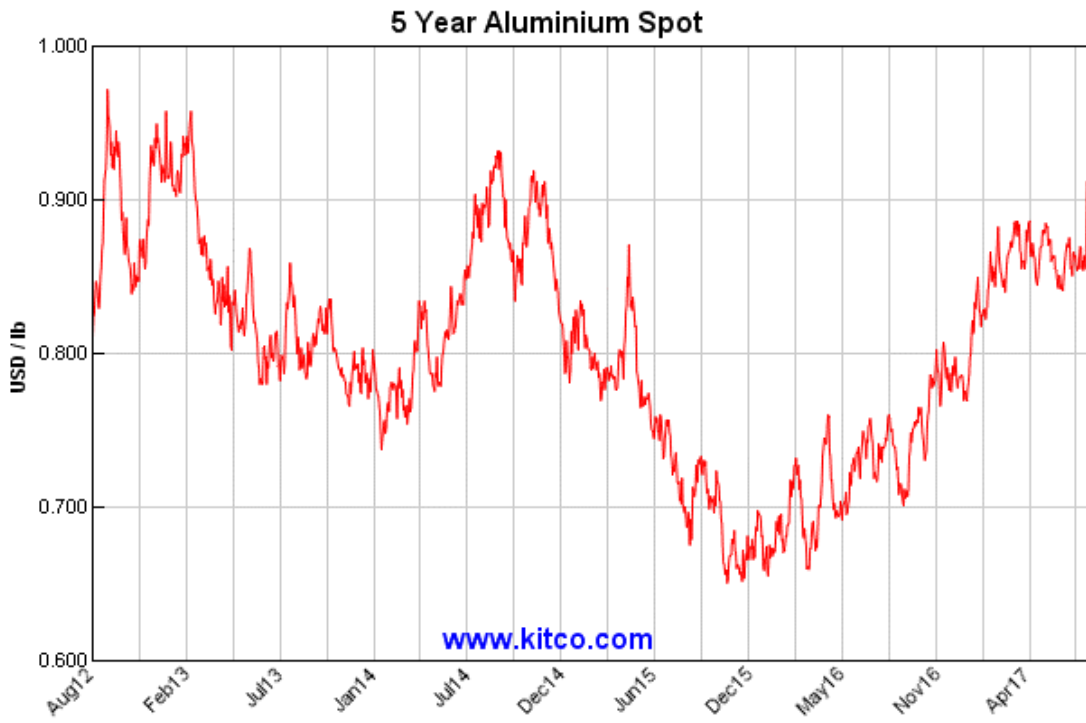
The 5 year chart shows copper at the about three year high as scrap spreads increase due to large amounts of scrap that is coming to market.



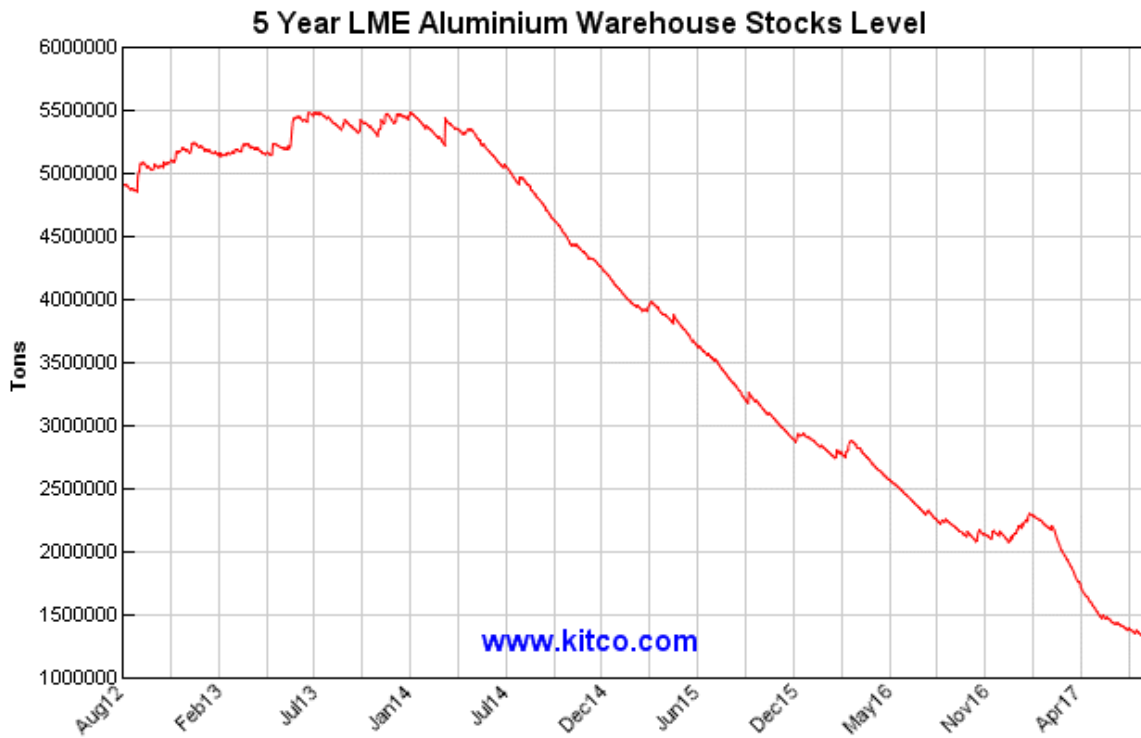
Copper inventories fell slightly, but remain at a much higher levels than 12 months ago, which is tempering the price increases.



Aluminum hit a new multi-year high ending at 93.9 cents, on continued good global demand.



The 5 year chart shows prices are near a 4 year high as the global economy continues to improve. These increases are causing manufactures to relook at higher strength steel and composites.



Aluminum inventories fell yet again to a new about 10 year low, on good global demand, which continues to put upward pressure on prices.



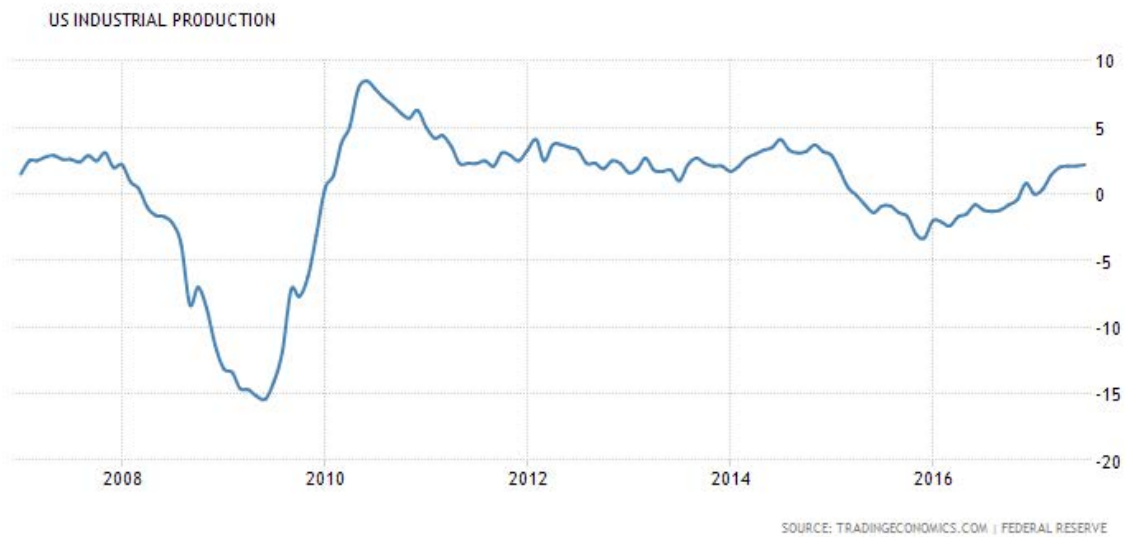
U.S. Housing starts, a key economic indicator fell 4.8% to a seasonally adjusted 1.155 million. On the positive side, this is more than double the low of 478,000 in 2009, but the average over the past 57 years has been about 1.44 million. Frankly, this slowing could indicate a problem in the economy.



Retail sales, a major economic driver were up a strong .6 percent in July, the sharpest increase since December, driven by purchases in retail stores and vehicles sales.

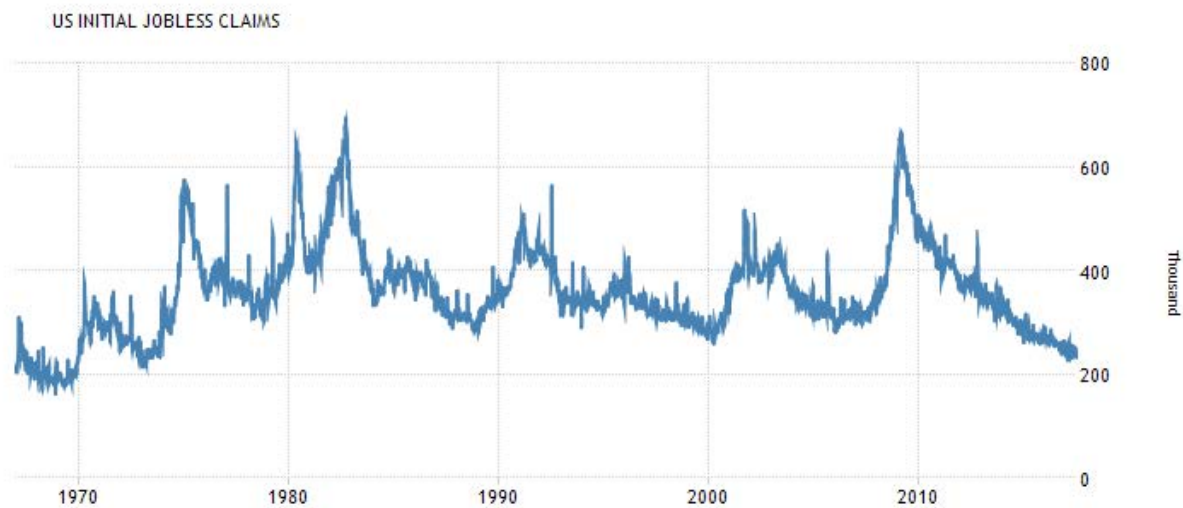


August's consumer sentiment rose to 97.6%, the strongest reading since January as people felt better about their personal financial prospects, helped by the 8 year run up of job creation and stock market increases.



U.S. industrial production rose a strong 2.2 percent vs last year, the highest annual gain since January 2015, with manufacturing rising 1.2 percent and a strong 10.2 percent rise in mining, putting upward pressure on commodity prices.





SOURCE: TRADINGECONOMICS.COM | U.S. DEPARTMENT OF LABOR

Initial unemployment claims fell to 232,000, the lowest since February's 227,000, which was the best reading since March 1973, 44 years ago. Claims have also been below the key 300,000 level for 128 weeks, about 2.5 Years, making this the longest stretch since 1970, 47 years ago.



SOURCE: TRADINGECONOMICS.COM | DOW JONES

Wall street ended down at 21,675 as many are nervous about the U.S. economy. The expected tax cuts, which were to boost the economy, have been delayed, but the global economy is doing better than expected. Many are unhappy with 2% growth, but most U.S. companies continue to have record profits keeping upward pressure on commodity prices.

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