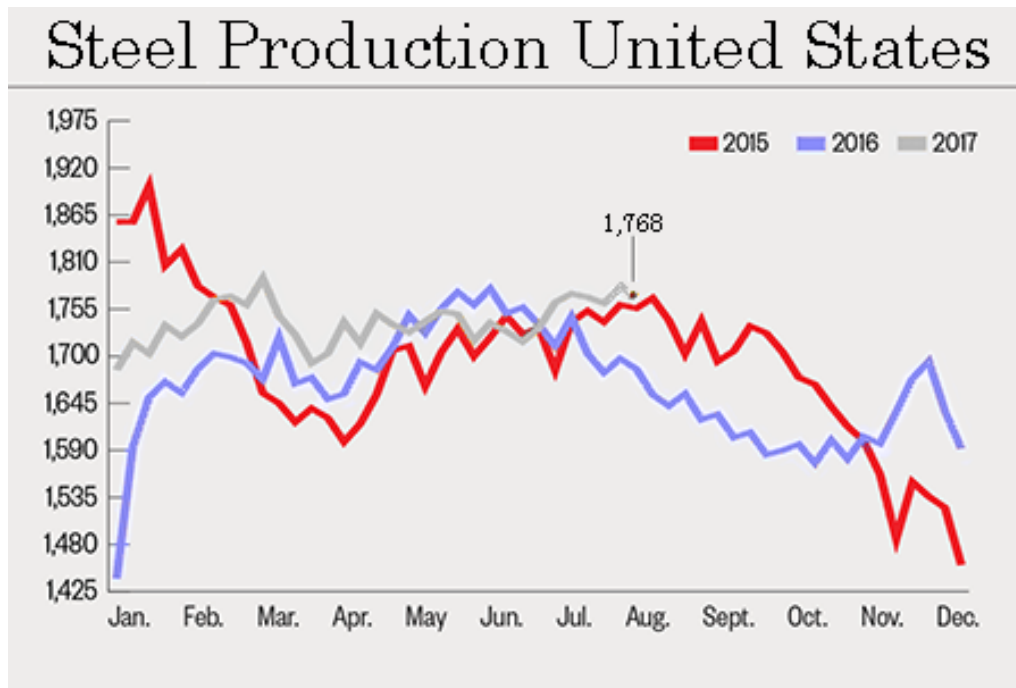
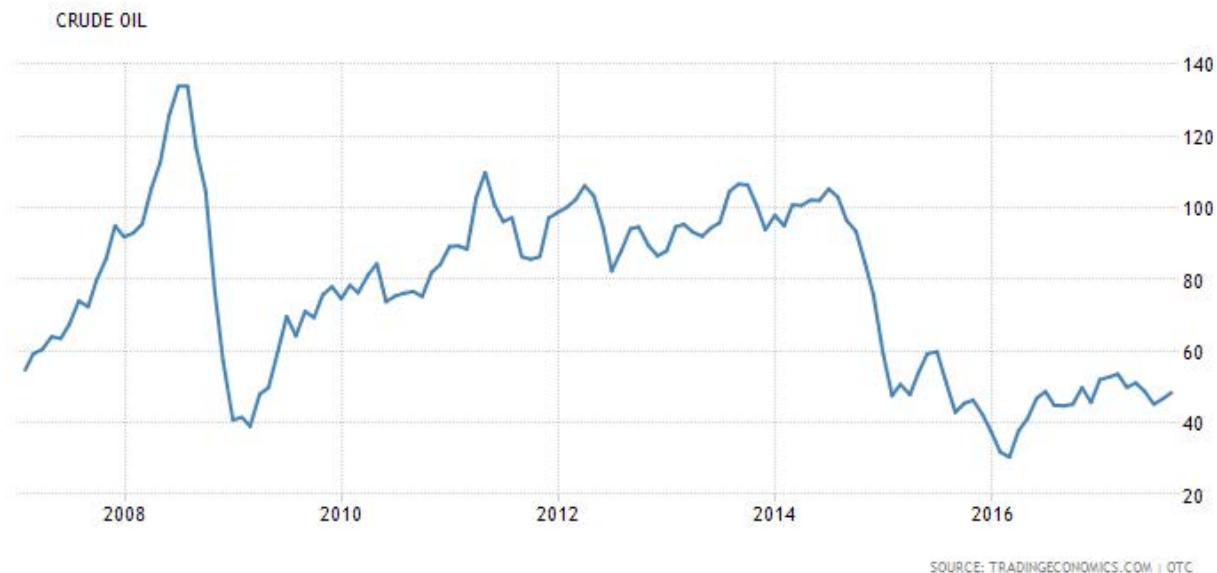


This is the Scrap Metal, Commodities, Recycling and Economic Report, by BENLEE and Raleigh and Goldsboro Recycling, August 28th, 2017.

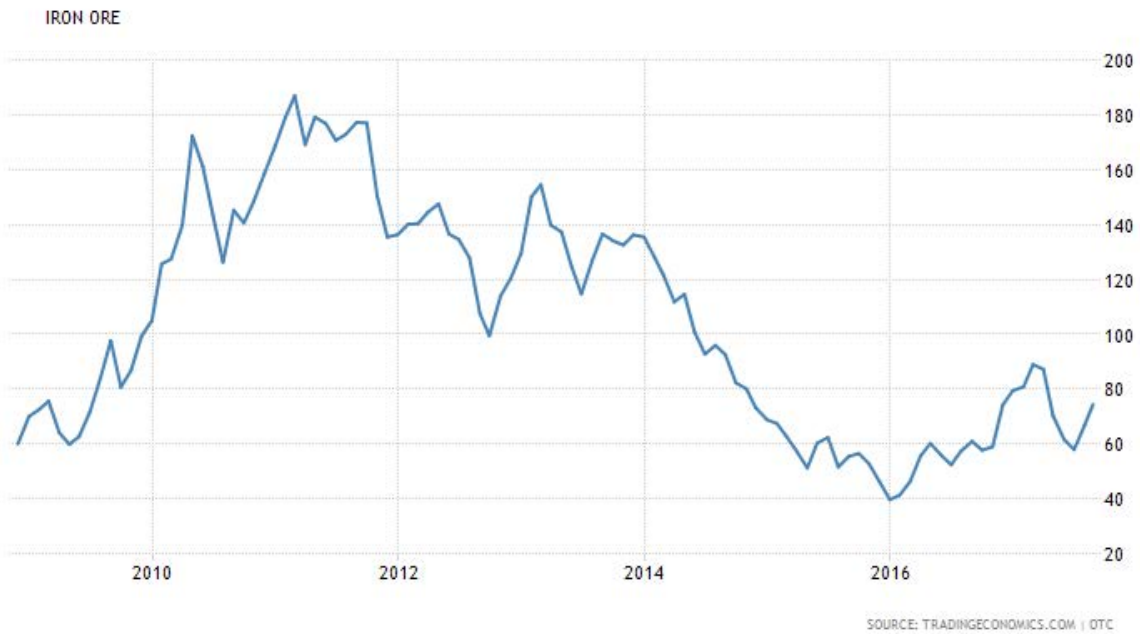
Last week commodity prices rose and there were many positive economic reports, mixed with some economic red flags.



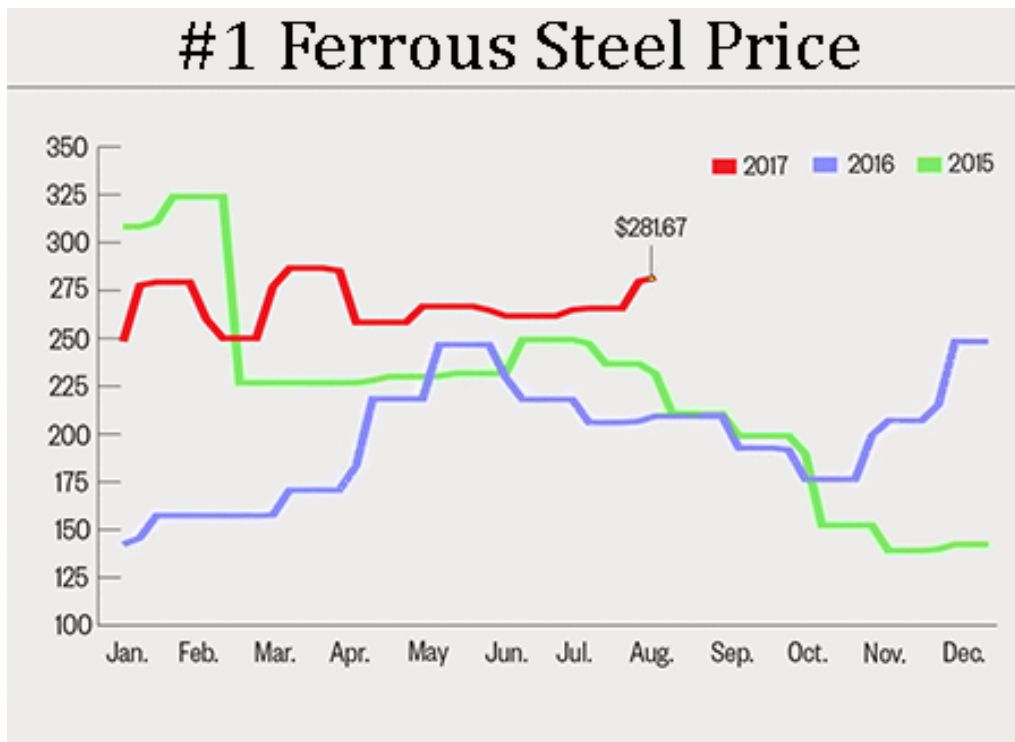
U.S steel production fell slightly, remaining near a 2.5 year high. Imports are up 22.1 percent this year with an estimated 28% market share, as US steel producers continue to request increased tariffs.



Oil fell about a dollar to \$47.87, with low prices hurting U.S. drilling. It is not clear yet what effect hurricane Harvey will have on the overall oil industry. The oil rig count fell 9 to 759, so there is stabilization and some contraction after years of growth.

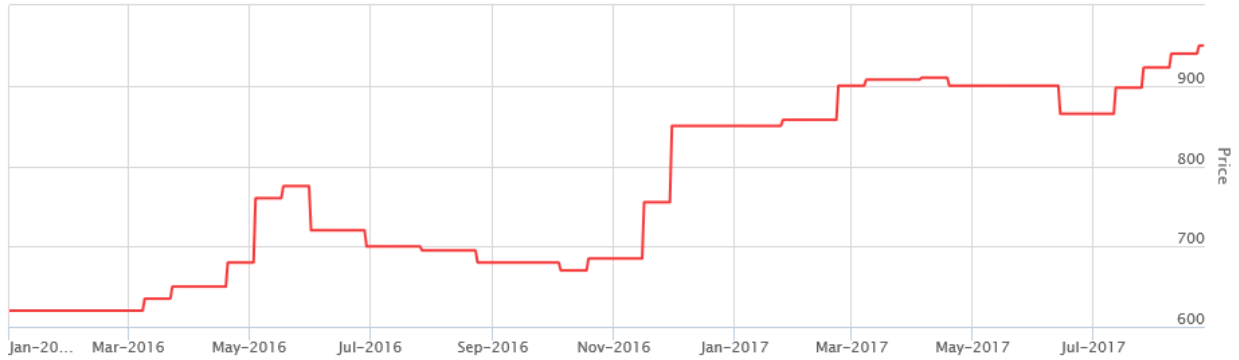


Iron ore rose \$1MT to \$76.50, another multi month high putting upward pressure on finished steel and scrap prices.



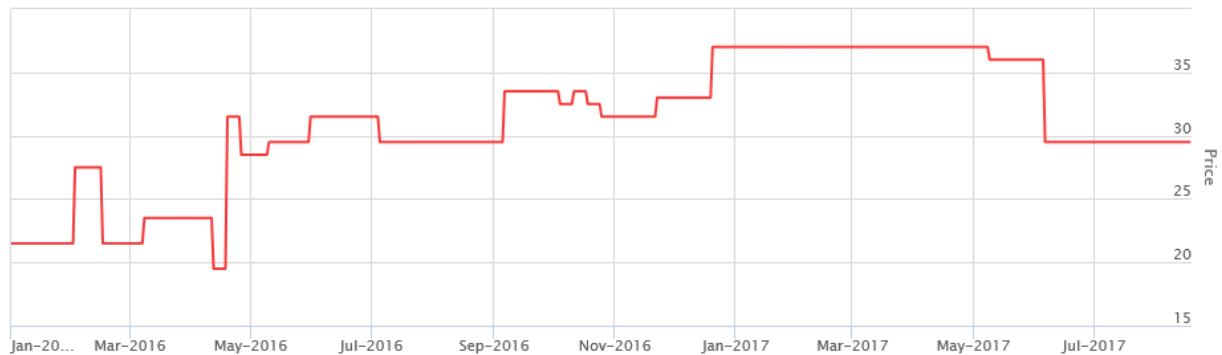
Scrap ferrous prices stayed higher with upward pressure for September evidenced by some SE steel mills are unusually open Saturdays, to secure added deliveries. Higher, prices have yet to bring huge increases in scrap flows.

Hot Dipped Galvanized Coil January 1, 2016 to August 26, 2017



Hot dipped galvanized steel rose \$10 to at \$950/ton up more than 50% in the past 18 months on continued good demand.

304 Stainless Scrap January 1, 2016 to August 26, 2017



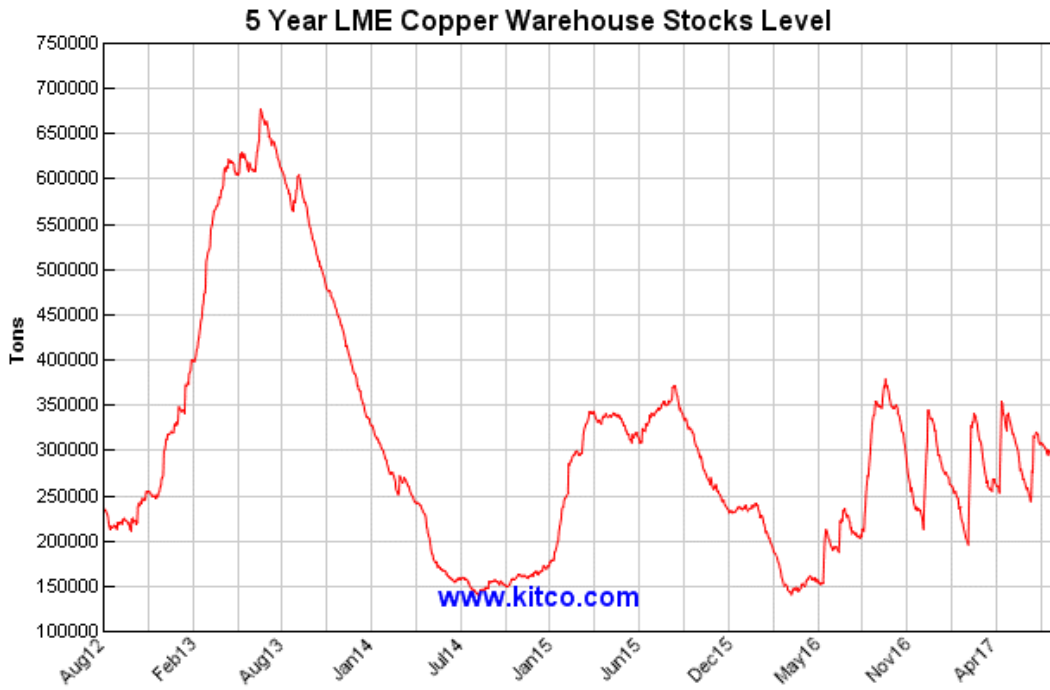
Stainless 304 scrap prices remained steady at \$.295/lb. on this graph, but prices were up about 3 cents which should show next week.



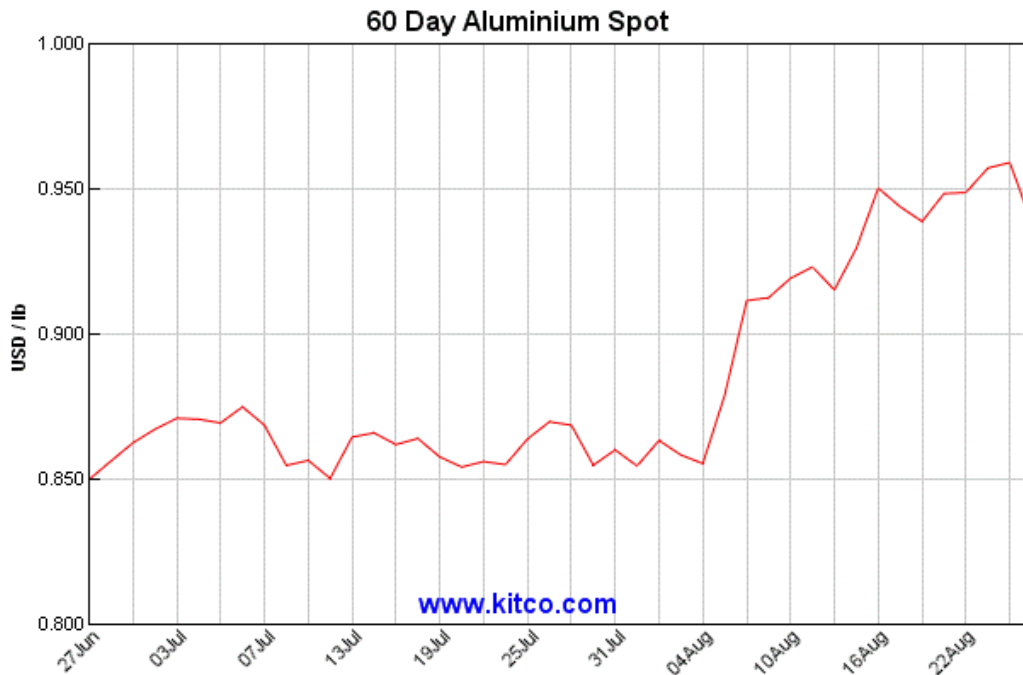
Copper rose a big 10 cents to \$3.04 on Sept COMEX. Note we are now moving to Dec COMEX which closed at \$3.06, but with the highest spreads in many years. Copper is 3 this morning to \$3.09.



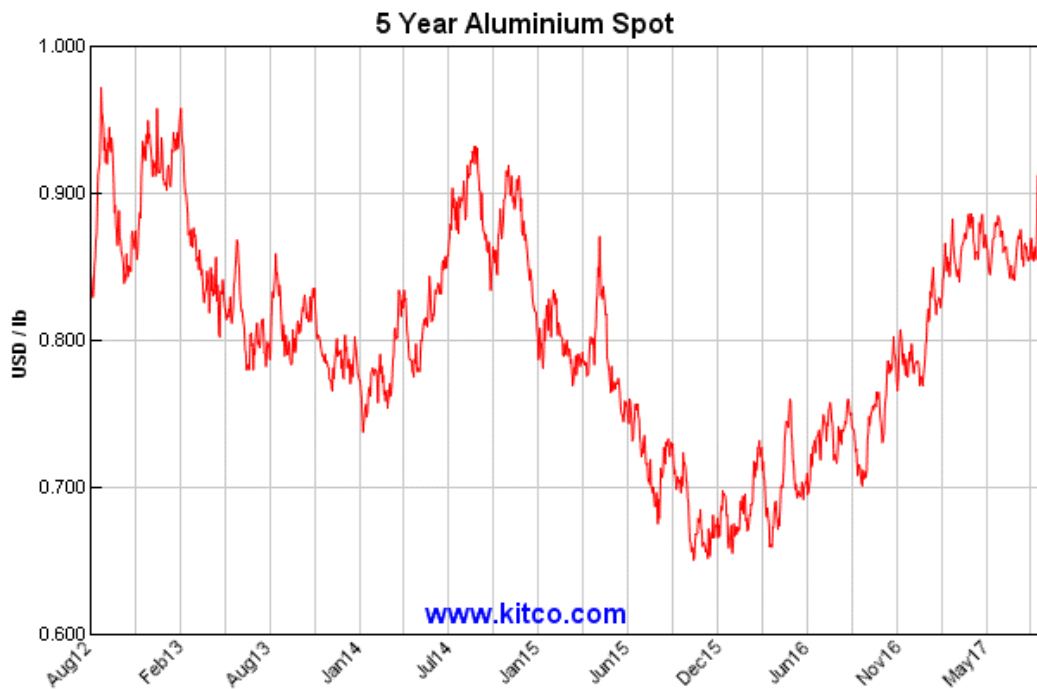
The 5 year chart shows copper was last over \$3.00 in 2014, three years ago.



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



Aluminum ended about flat at 93.8 cents on solid demand, but was \$.96 mid-week.



The 5 year chart shows prices were last at \$.96 in early 2013, 4.5 years ago.



Aluminum inventories rose a bit to about 10 year lows on solid demand. Increased pricing has brought on new production, which should start tempering prices.

US EXISTING HOME SALES



SOURCE: TRADINGECONOMICS.COM | NATIONAL ASSOCIATION OF REALTORS

There are a few negative signs in the economy. Sales of previously owned homes fell 1.3 percent in July to 5.44 million units annualized. This is the lowest reading in 11 months, but is still a good number.

US NEW HOME SALES

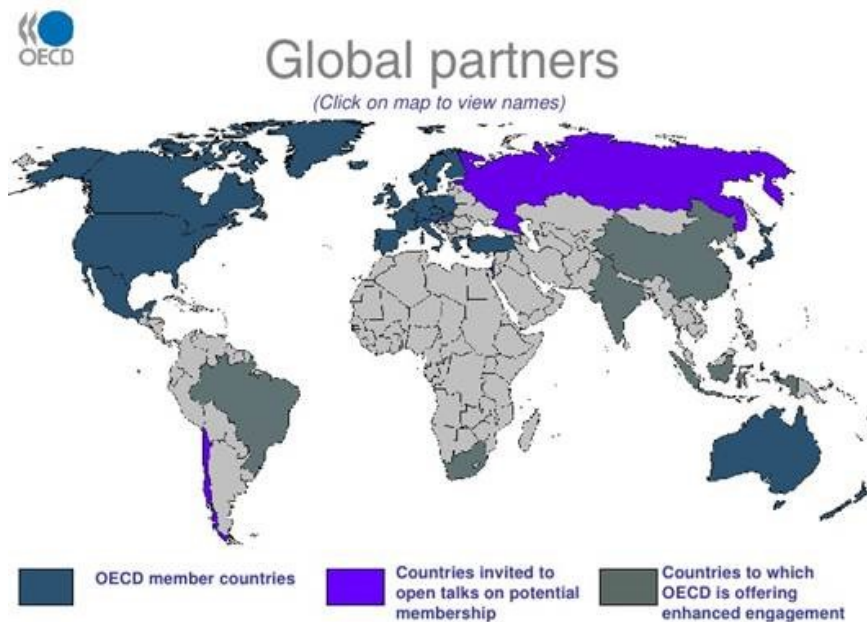


SOURCE: TRADINGECONOMICS.COM | U.S. CENSUS BUREAU

Sale of new single family homes also fell to an annual rate of 571,000, the lowest rate of the year. As a positive this is more than double the 2011 low, but this is the level from the 1960s. There are 67% more people in the U.S. today, than in 1965, but we are building the same number of houses.

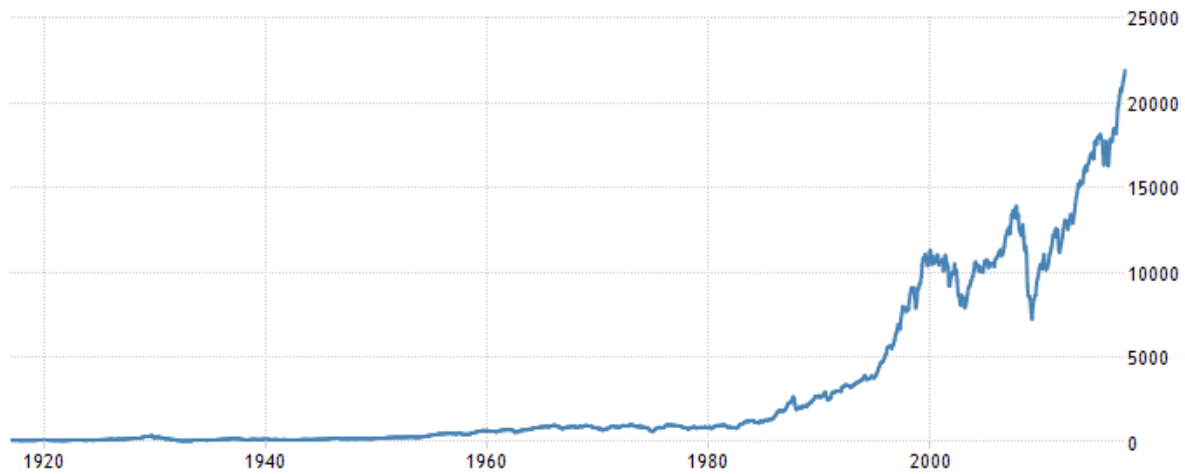


A major positive for the economy is manufacturing capacity utilization is near a 12 month high at 76.7 percent. We are still off the average 40 year high of about 80% which will help keep inflation in check.



On a positive note, for the first time in a decade the world's major economies are growing in sync, due to low interest rates and stimulus from central banks. Of 45 countries tracked by the Organization of Economic Cooperation and Development, 33 are accelerating and all are growing. 33 is the most countries in acceleration since 2010. This will keep upward pressure on commodity prices.

DOW JONES INDUSTRIAL AVERAGE



SOURCE: TRADINGECONOMICS.COM | DOW JONES

The Dow rose to 21,814, near the all-time high, but as a negative, \$30 billion dollars has been pulled from stocks in the past 10 weeks, the longest stretch of negative flows since 2004. A sign that the 8 year run is hitting a high.



Lastly, our thoughts and prayers go out to the people of Texas. May all be as safe as possible.

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