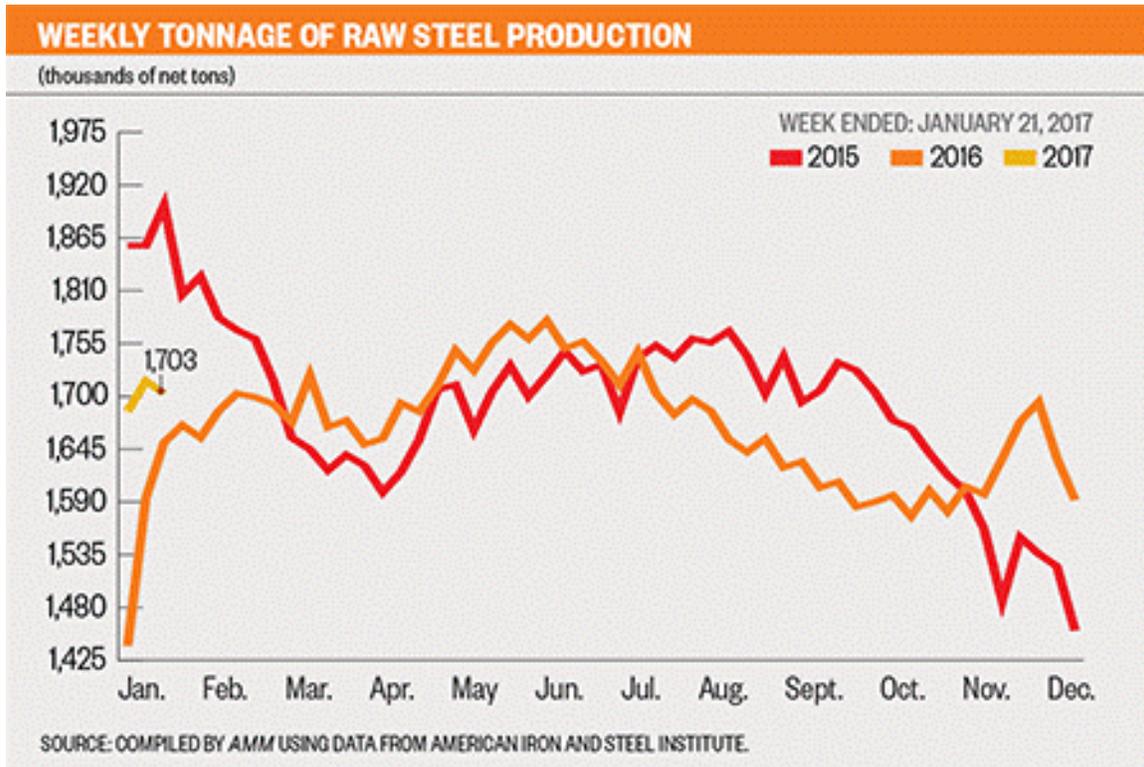


This is the Scrap Metal & Commodities Recycling Report, by BENLEE and Raleigh and Goldsboro Recycling, January 30th, 2017.

This is a special remote report, because we are attending the National Demolition show in Las Vegas.

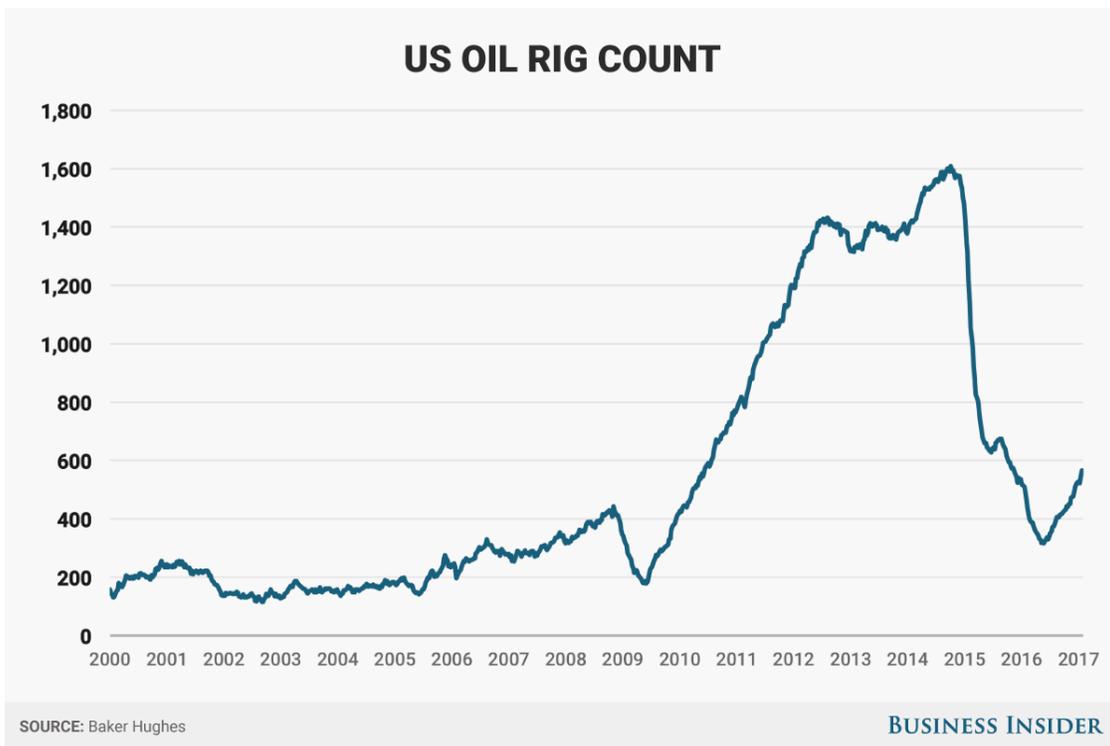
Last week commodity and economic reports were up mixed.



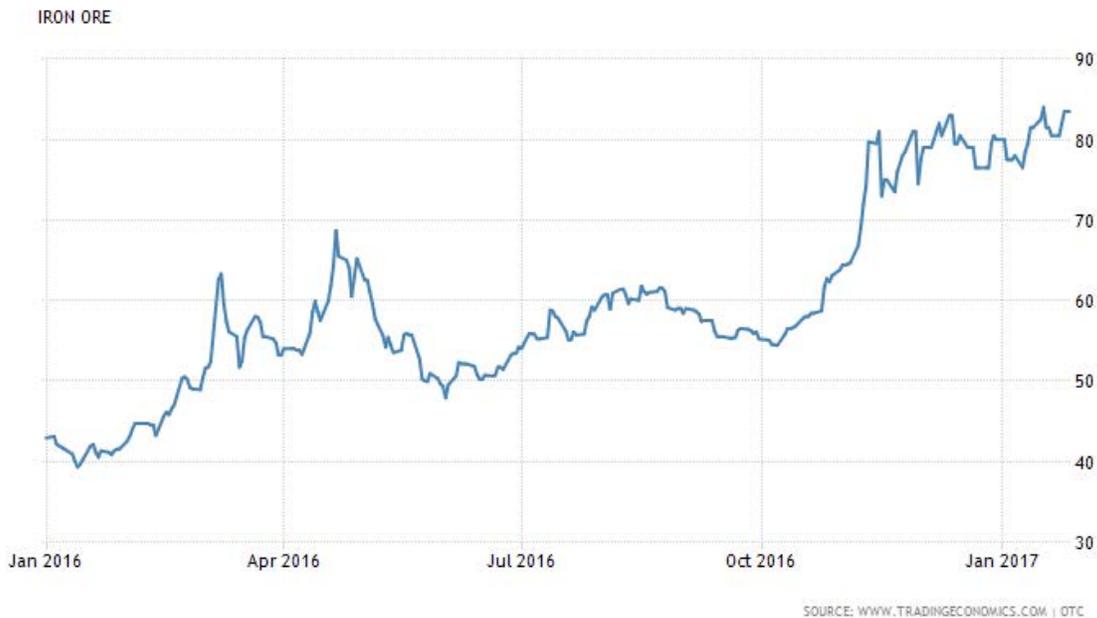
Looking at the left of this chart, steel production fell a bit, but still remains well above last year as reports continue, of slow global and U.S. growth.



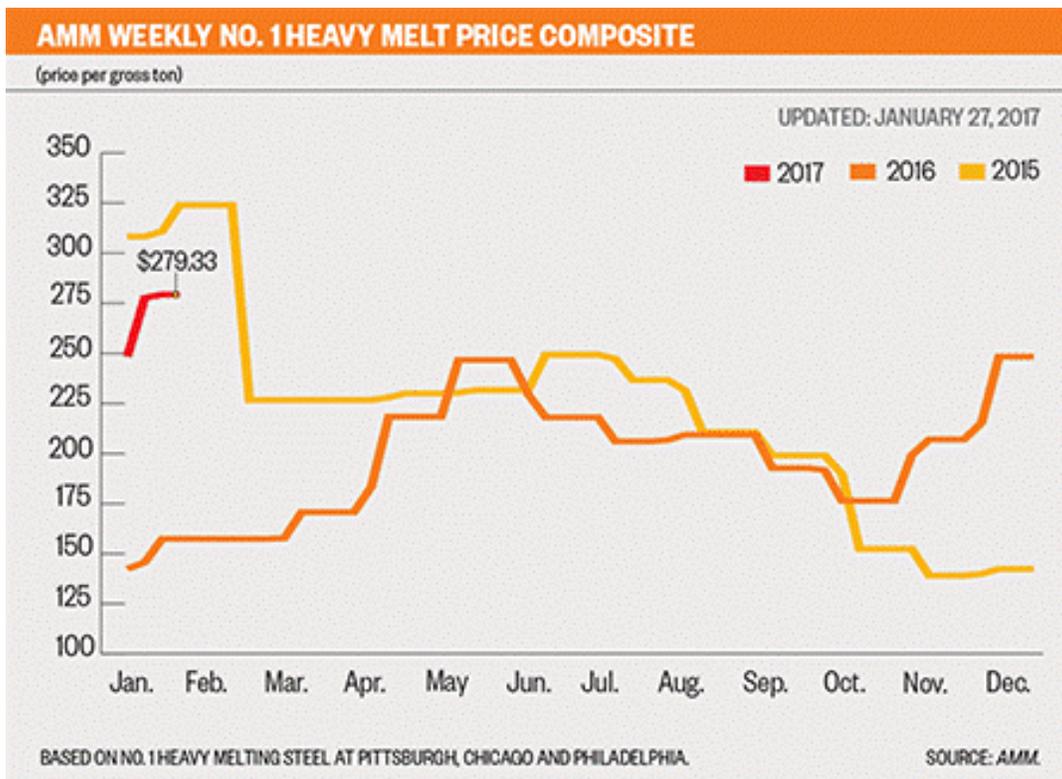
Oil was flat at \$53/barrel, but double the about \$27/barrel, of last year.



Oil rigs which use major amounts of steel, had their count rise to 566 rigs, a great 79 percent higher than a year ago which is supporting higher steel prices and jobs. Note 566 is still 65 percent lower than the 1609 high of about two years ago.



Iron ore rose \$3 to \$83 a ton, which like oil and scrap metal, is about double a year ago. Of course higher prices are inflationary, which can be both positive and negative.



On the left we see scrap ferrous prices remained steady, but remain almost double what they were last year. All indications are prices will be down \$20/GT or more this week. Higher prices brought more material to the market, and exports remain ok, not good, so together that brings lower prices.

Hot Dipped Galvanized Coil



Hot dipped galvanized steel rose to \$858/MT based on continued higher scrap and iron ore prices, as well as Ok demand.

304 Stainless Scrap



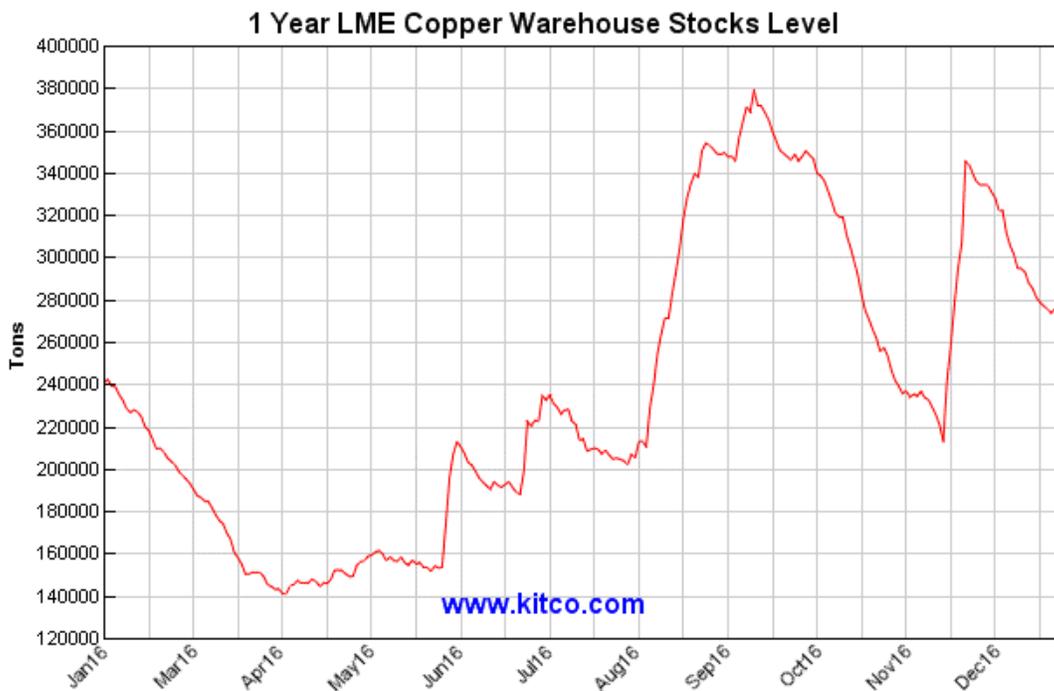
Stainless 304 scrap continues to hold at \$.36 showing many weeks of stability.



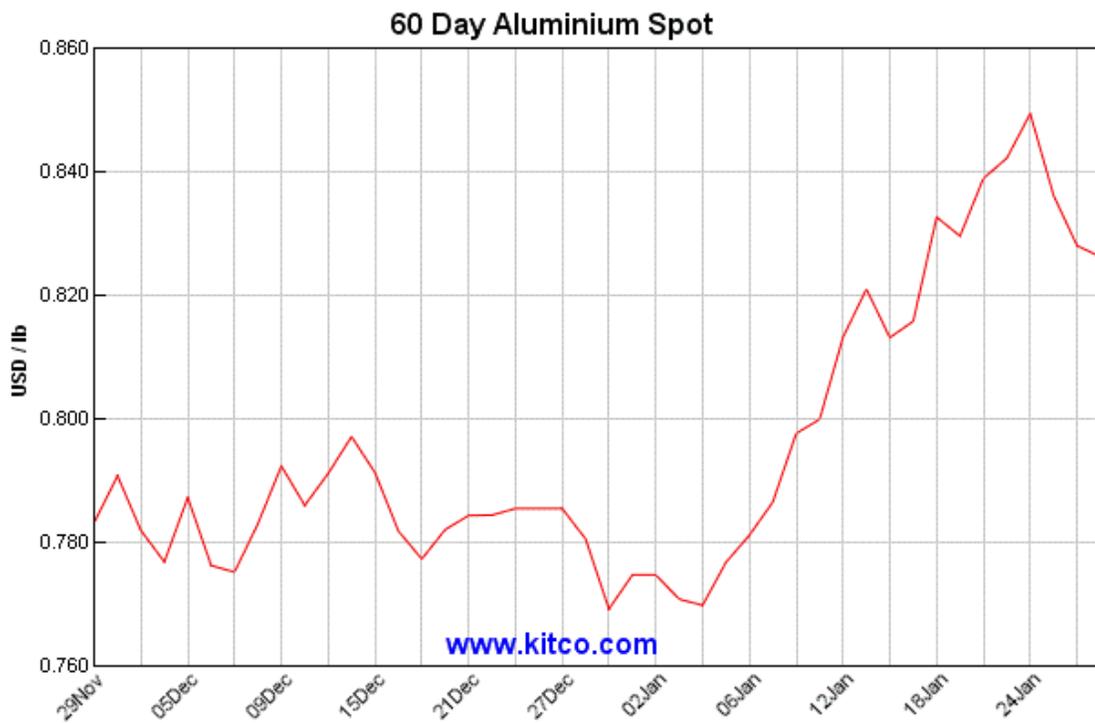
Copper rose 8 cents to \$2.70/lb. Copper is holding much of the recent price increase that was speculation driven.



Note that the 5 year chart shows copper prices are about 40% higher than the low touched early last year.



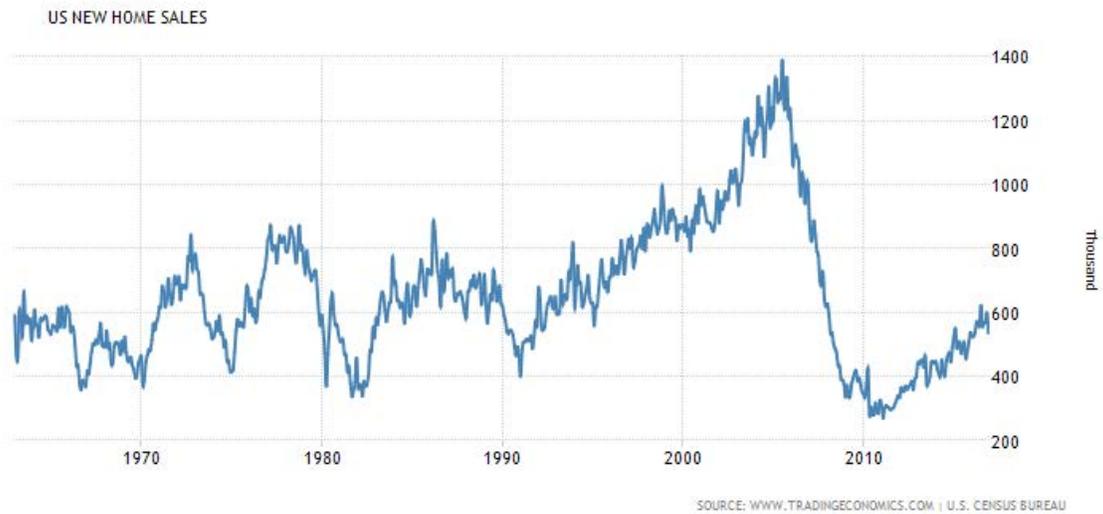
Copper inventories have been falling for two months, which will help support these higher prices.



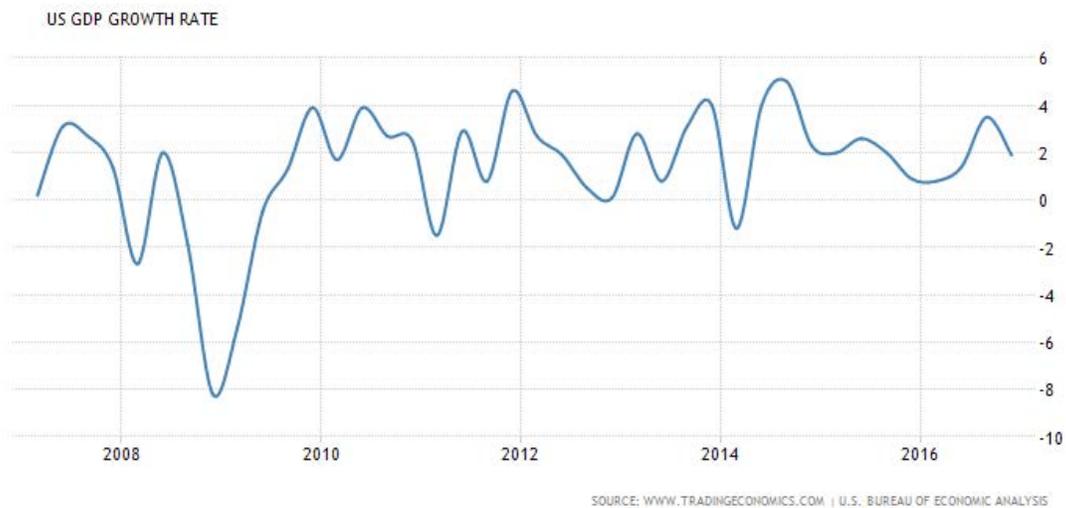
Aluminum fell a penny to \$.83/lb., on little news and it remains up in recent months.



Aluminum inventory levels have leveled off, at somewhat low levels which could support higher prices.



New home construction remains a major driver of supporting higher commodity prices, due to major amounts of material use and high wage jobs. December showed a major drop off in sales at 10.4 percent to 563,000 annualized, but overall 2016 was the highest total year since 2007. Importantly the U.S. average from 1963 to 2016 was 651,000, so there is a major growth opportunity.



The U.S. economy slowed significantly in the 4th quarter after a solid third quarter and was 1.9% for the year. While this is almost a record breaking 7th year in a row of growth, at 1.9% growth is slow. Note there was an average growth of 3.2 percent over the past 69 years, so there is room to grow faster.

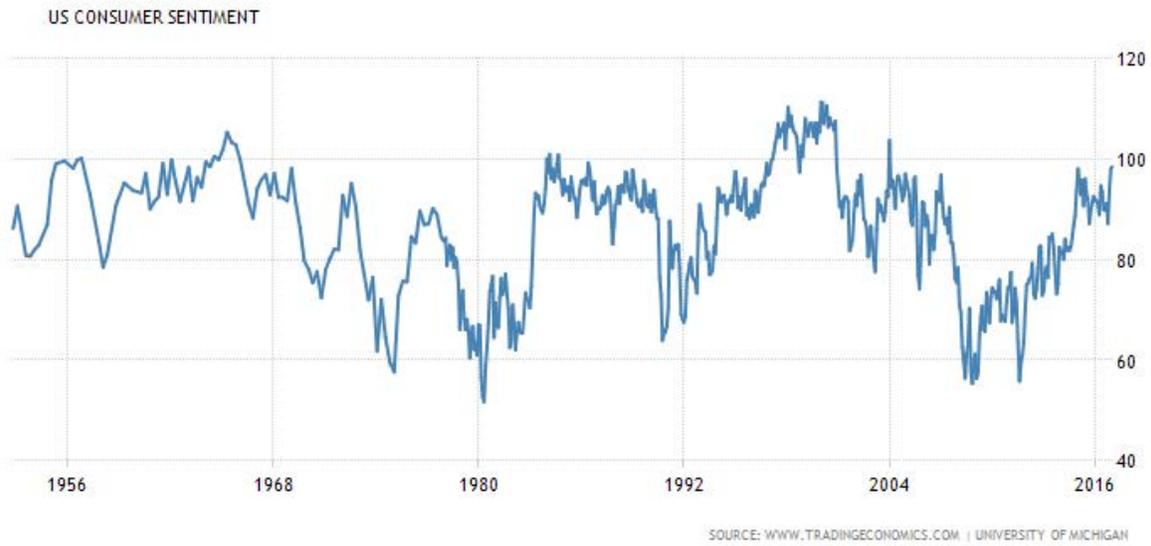
US Flash Markit Manufacturing PMI



The U.S. Flash Markit Manufacturing PMI, which is a rating on how purchasing managers feel about the economy, rose to 55.1 and is the highest reading in almost two years, which was driven by domestic demand, while exports remained weak, due the strong dollar.



Wall Street's Dow Jones Industrial Average hit a new all-time high this week. The major wealth that has been created in recent years and months should have people spending more, which will support stable to higher commodity prices.



Consumer sentiment, which is how we feel about the outlook of the economy over the next 5 years, hit its highest reading in December since December 2004. This is a great reading that could bring great things to the economy.

With that we hope all have a Safe and Profitable week.