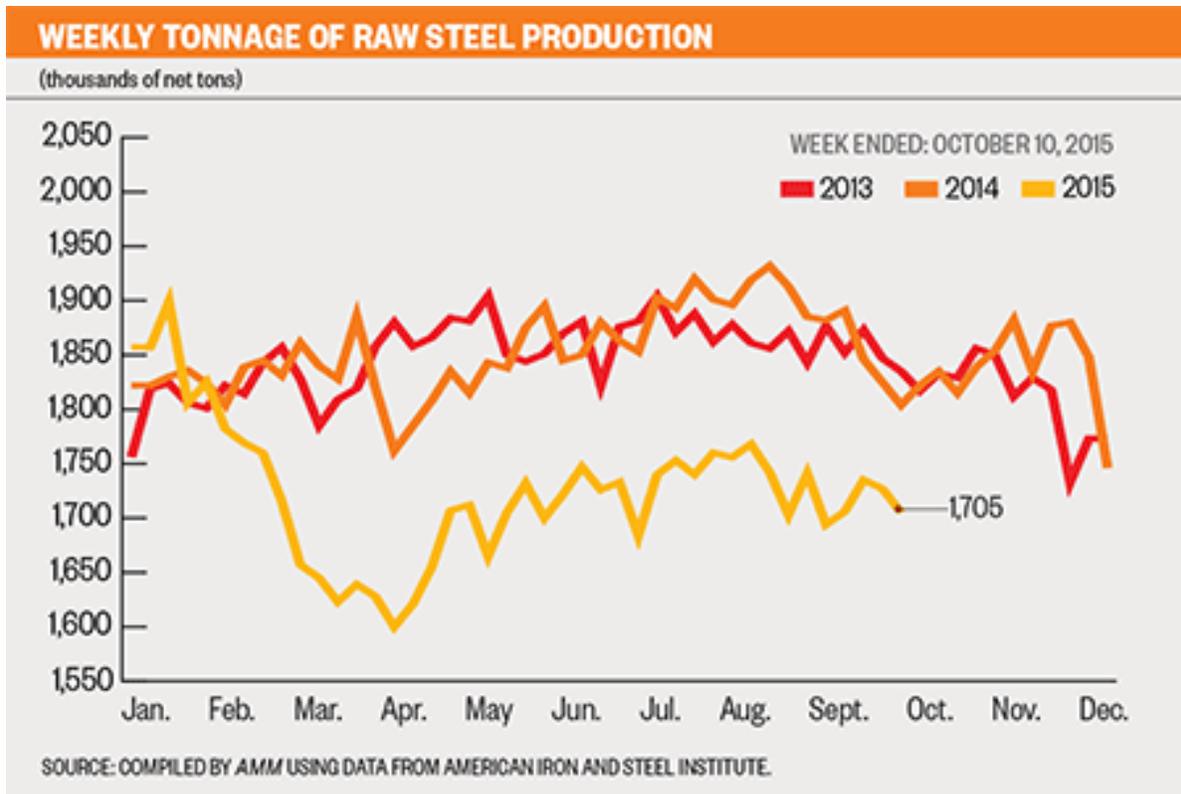


This is the Scrap Metal & Commodities Recycling report, brought to you by BENLEE the leader in Roll off Trailers and Open Top Scrap Gondola Trailers and Raleigh and Goldsboro Metal Recycling, the leaders in North Carolina for Scrap Metal, Cardboard, Computers, Batteries and Junk Cars.

Today is Monday October 19th, 2015.

Last week continued the recent trend of falling finished steel and scrap steel prices which continues to increase profits in many industries while being a major negative to scrap yards.



U.S. steel production was slightly down again in the last reporting week and has been trending down for the past two months. Overall manufacturing data in the U.S. has been weak in recent months which is one of the reasons for this, as well China continuing to export steel to the U.S.

## US OIL RIG COUNT

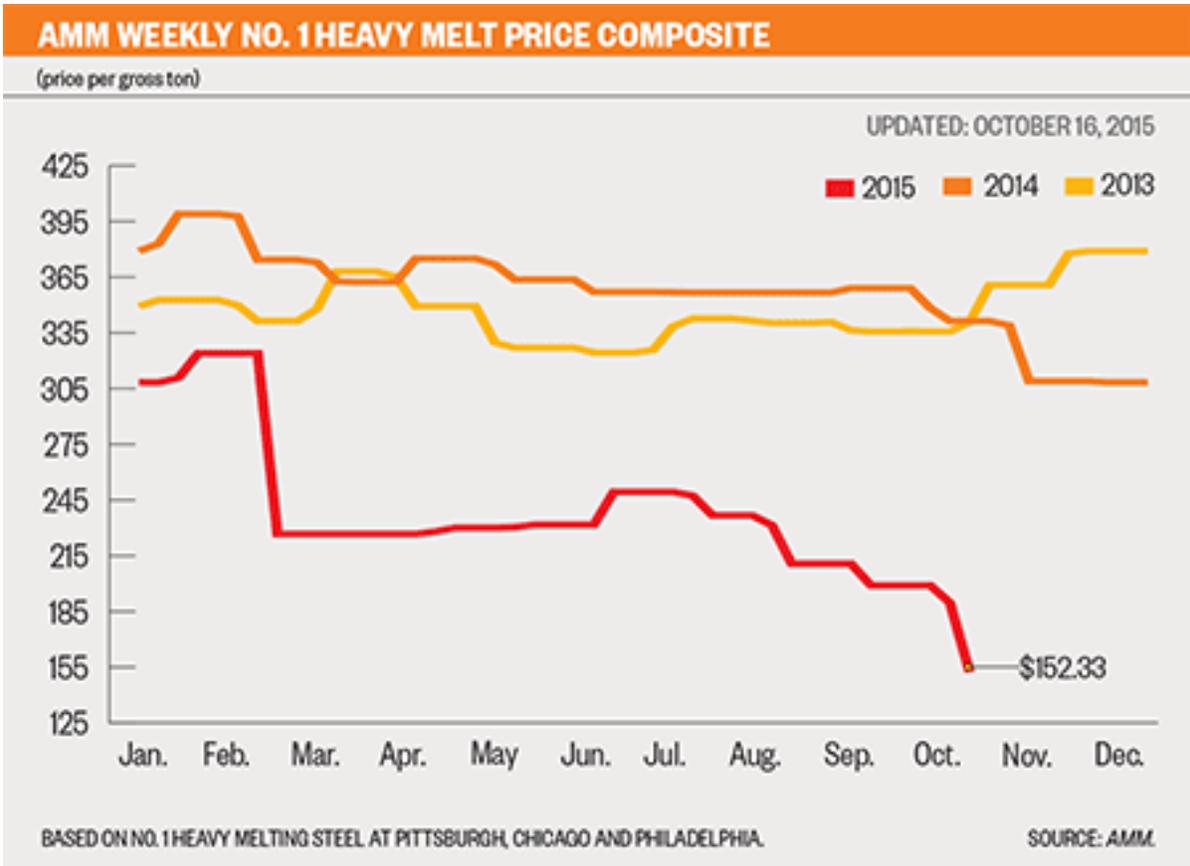


SOURCE: Baker Hughes

BUSINESS INSIDER

The U.S. oil drilling rig count fell yet again last week and is at a new 5.5 year low. The oil rig count, combined with the gas rig count has the number of rigs at the 13.5 year low that we reported last week.

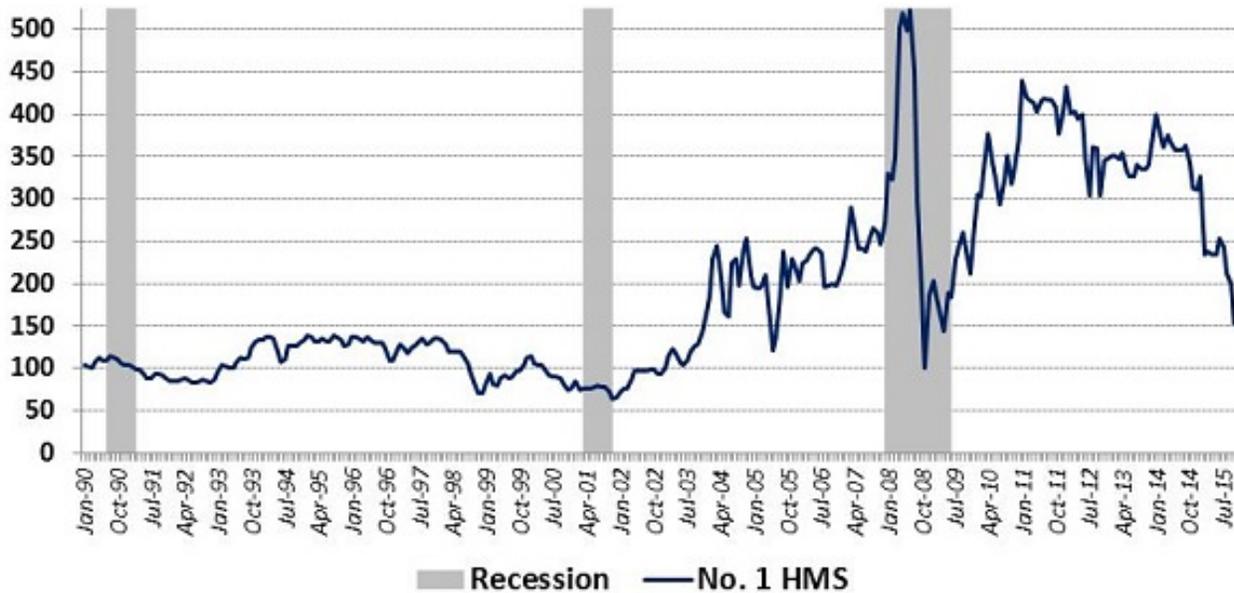
It will be a long time before workers that were laid off to make steel for these rigs, will be called back to work.



This chart of scrap steel prices of about the last three years shows prices are down over 60% from a few years ago which is very bad news for the scrap industry.

## Composite Monthly No. 1 HMS (\$/gt) and U.S. Recessions, Jan 1990 - Oct 2015 (p)

Sources: Scrap Price Bulletin/Iron Age and St. Louis Fed



This chart of the last 25 years shows that other than one month spike downs in 2008 and 2009, scrap steel prices are the lowest since 2003, 12 years ago.

Even more staggering is that scrap steel prices are within about \$10/GT, which is about \$.50/hundred pounds, of what they were in 2003, a full 22 years ago.

While there were various reasons why three scrap metal yards that we know of closed last

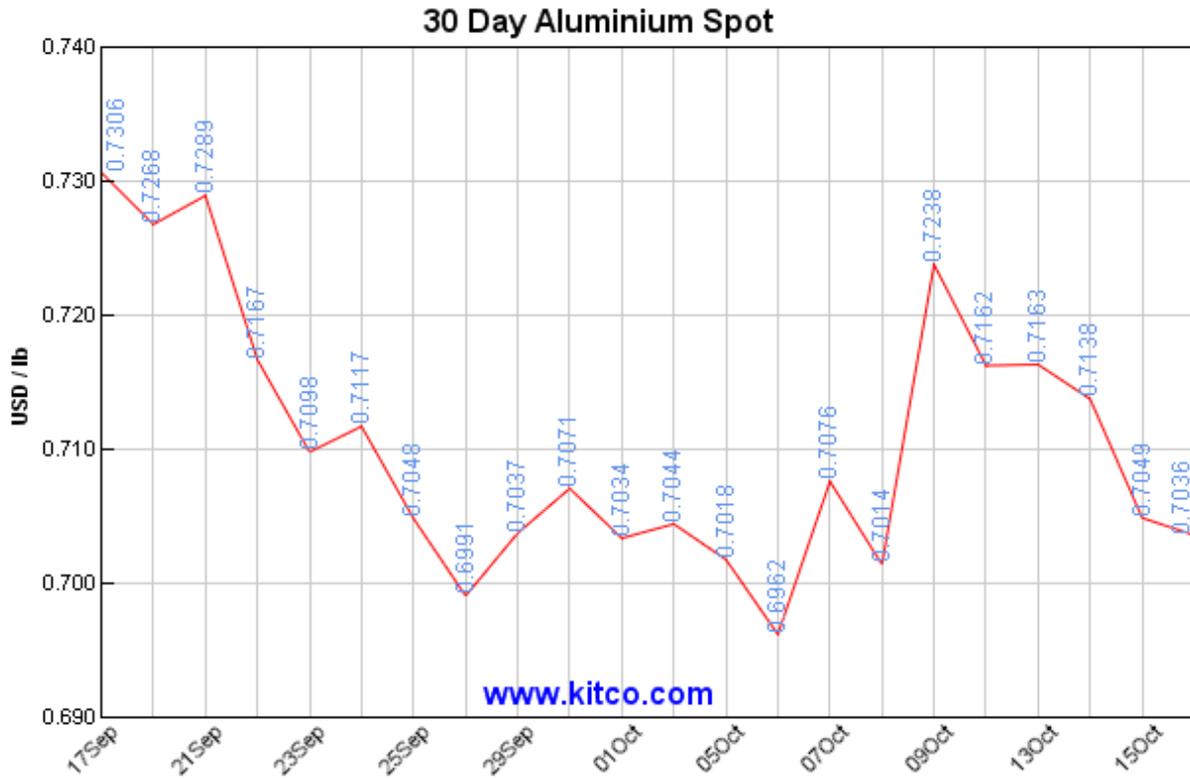
week, low prices clearly contributed to their closings. It is hard to believe, so I will repeat it. Scrap steel prices are near the price that they were in 2003, 22 years ago.



Copper prices fluctuated a bit last week staying within a tight range, yet declined about 4 cents in the past few hours. Prices remain about 16 cents higher than they were a couple of months ago when they hit 6 year lows.



This 5 year copper chart shows they have been in a tight range for the past 90 days, which is surely better than the 5 years of falling prices.

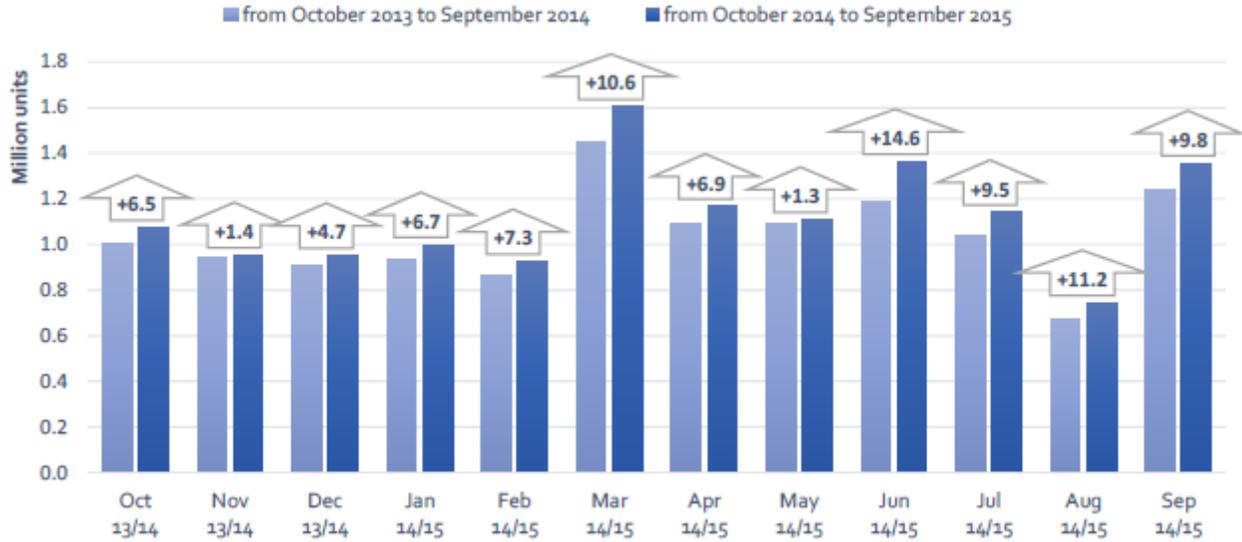


Aluminum prices had a tough week, probably on continued bad reports about manufacturing in the U.S. and China.



This 5 year aluminum inventory chart continues telling the same story. Aluminum inventories have been falling for about 18 months, which could bring higher prices in the months to come.

## New passenger car registrations in the EU - 12 month trend

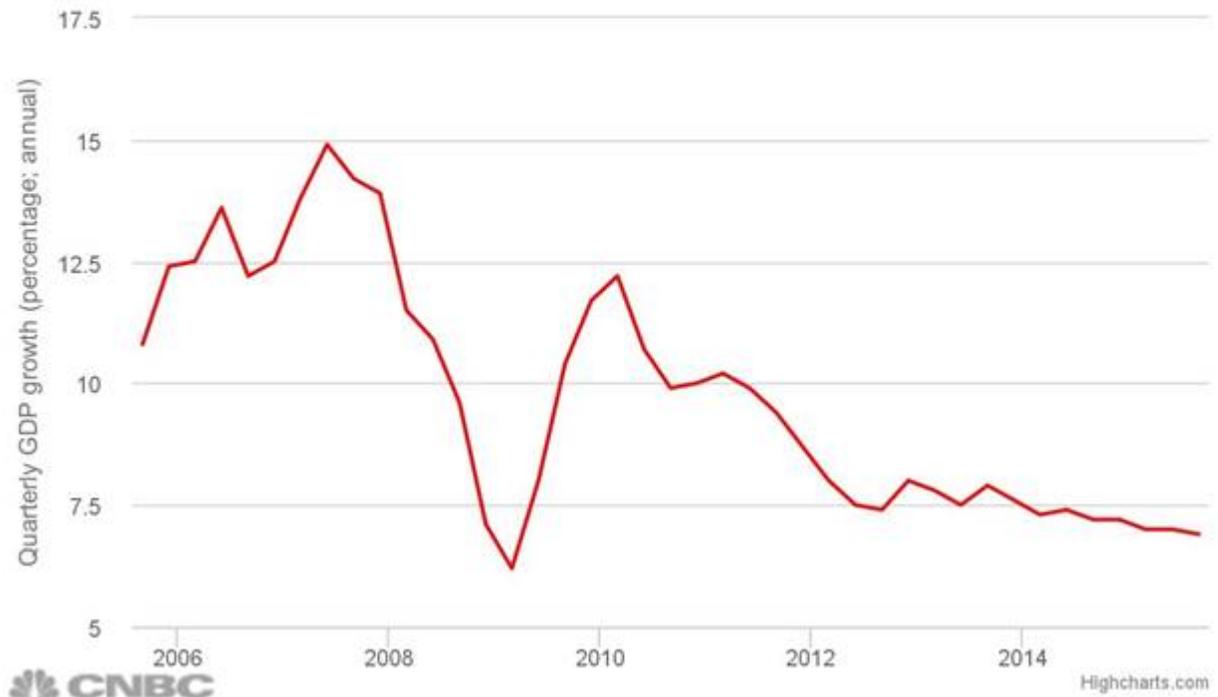


Not adjusted for working days

As for positive news on the global economy, European car sales were up almost 10% last month, over September 2014, which was the 25<sup>th</sup> month in a row of increased car sales in Europe.

## The Big Slowdown?

China's economy is growing at slowest pace in six years



China released new GDP data last night. Their economy continues to slow. The chart looks incredibly like the last part of the chart we showed a couple of minutes ago of scrap steel prices, meaning as the Chinese economy goes, as goes the price of scrap steel.

On a positive, Walmart announced that last April they gave major raises so are paying a minimum of \$9.00/hr. and in February they will raise that to \$10/hour.

This will cost the company an extra \$2.7 B this year and next, but will give many of the 1.4 M people Walmart employs in the U.S., more money to spend, which will help the economy.

With that we hope all have a Safe and Profitable week. Tune in next week for the Scrap Metal & Commodity Recycling report. This is Greg Brown