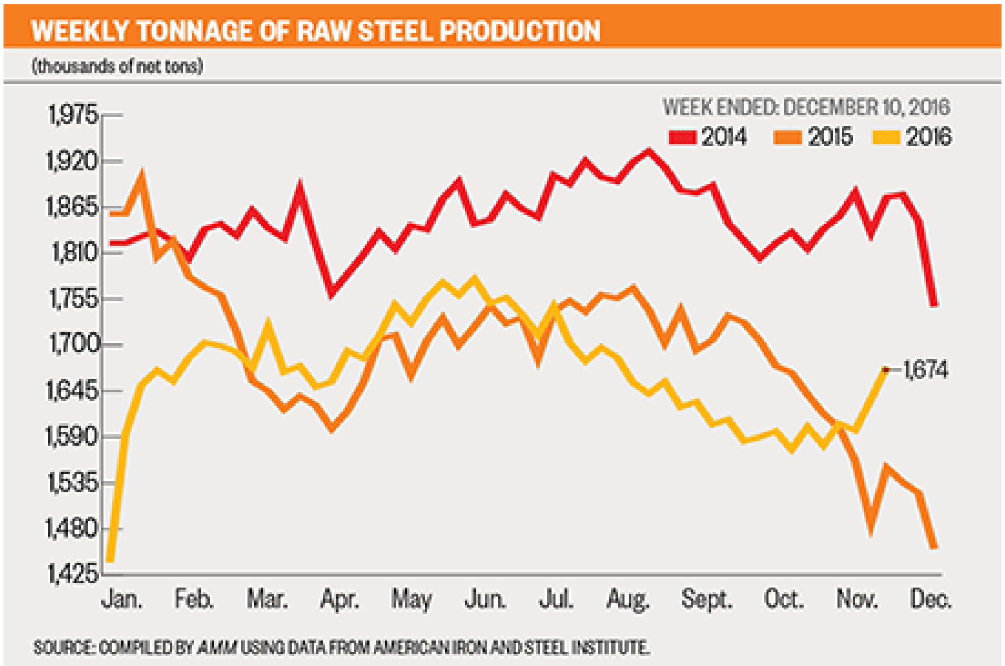
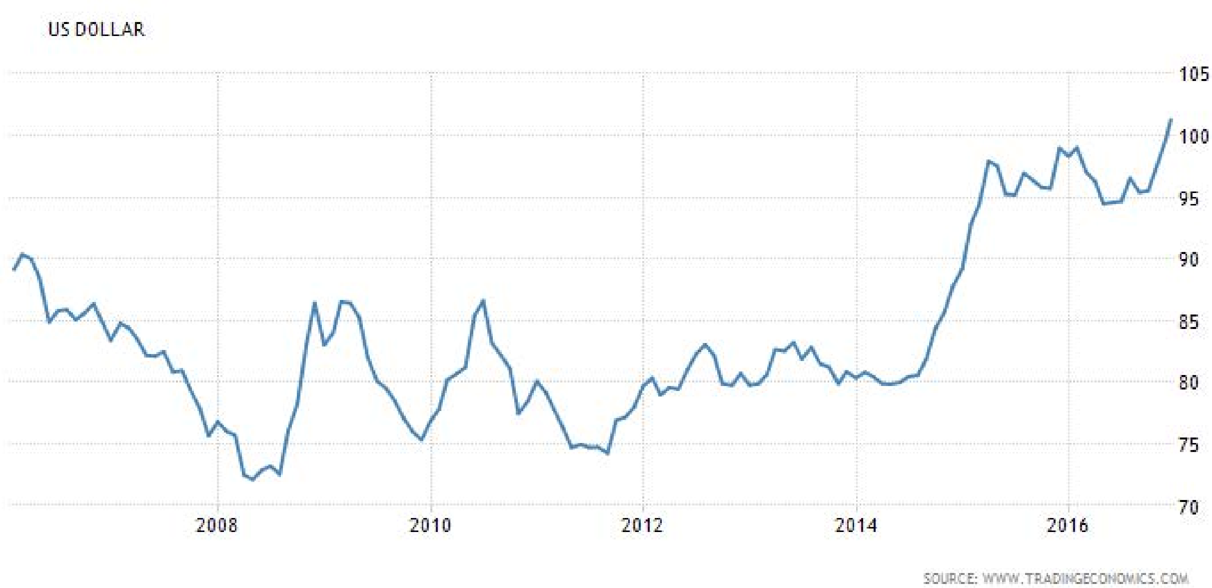
This is the Scrap Metal & Commodities Recycling Report, by BENLEE and Raleigh and Goldsboro Recycling, December 19th. 2016.

Last week commodity prices and economic reports were mixed.

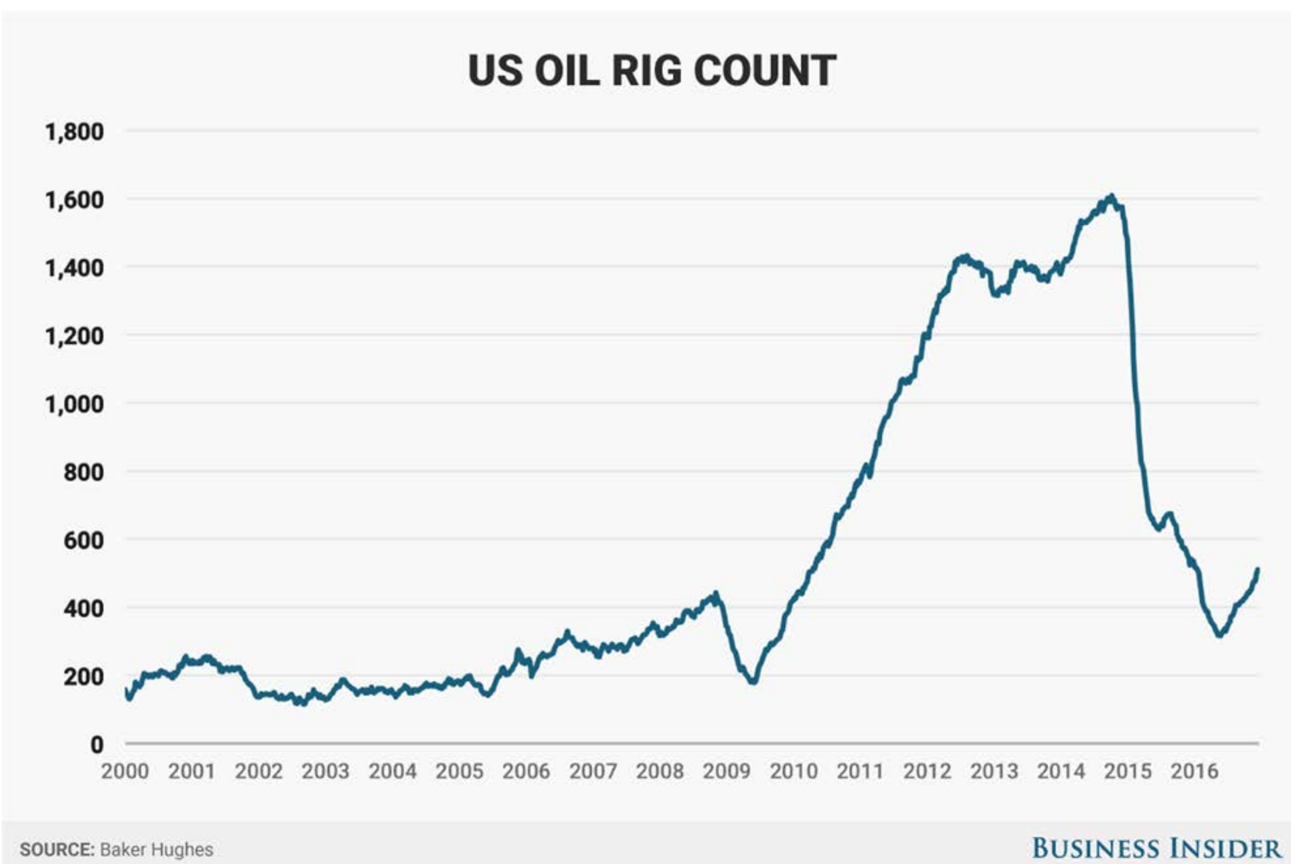


U.S. Steel production rose the most in 11 months and is at its highest level in 5 months. Related, capacity utilization is 71%; the highest in about 14 weeks, a major reversal vs last year, when steel production was in a major decline.



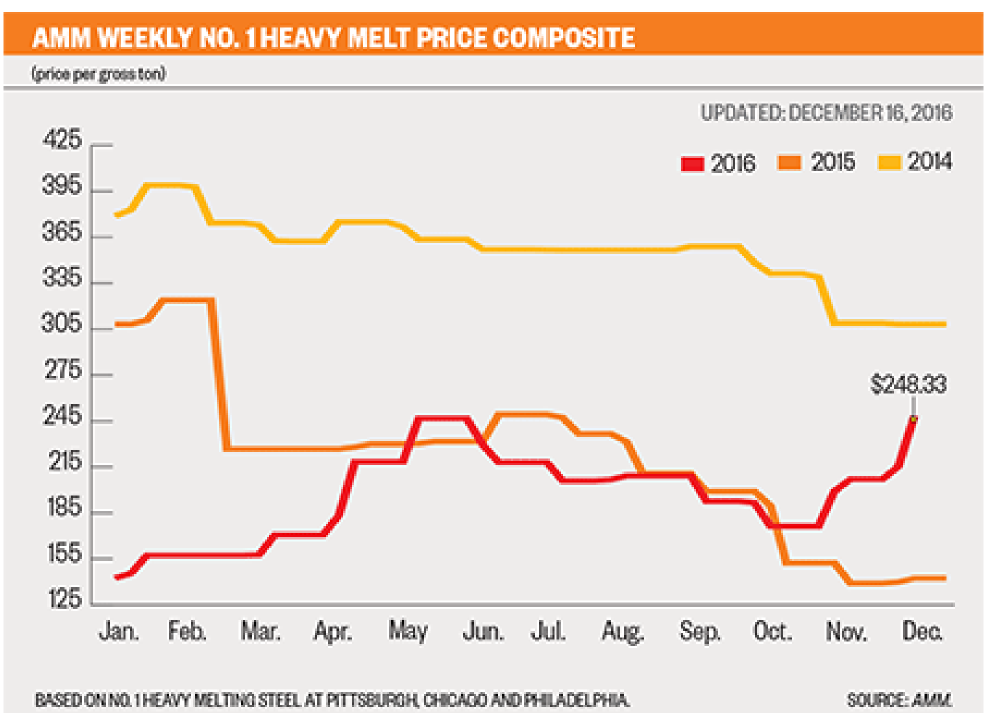
Due to the continued improving U.S. economy the U.S. dollar hit a nearly 14 year high. A strong U.S. dollar causes commodities sold in dollars to go down in price, which we saw in some cases this week.

Oil prices held at $51/barrel, as OPEC and non OPEC countries claim they will cut production. Also, the International Energy Agency released a report that with global growth continuing, they are increasing their oil consumption growth forecast, by 110,000 barrels a day.



The oil rig count rose to 510, up a huge 61 percent from the 316 low of a year ago, but still down an even bigger 68 percent from the 1609 of two years ago. Oil over $50 it is helping bring increased U.S. production and related steel and equipment jobs.

Iron ore closed flat at $80/MT. Iron ore is more than double the $37/MT of earlier in the year, bringing upward pressure on related commodity prices.



The scrap ferrous price run up in recent weeks, is being driven by higher U.S. demand, tight supply and good exports. Despite higher scrap prices, reports remain of only small increases of incoming scrap material to scrap yards so, if scrap demand continues, prices could rise further, but the strong U.S. Dollar, makes U.S. exported scrap expensive and makes imported scrap from Europe to the U.S. cheap. This means we would expect barges of scrap to be coming to the U.S. from Europe which will help keep scrap prices somewhat stable.

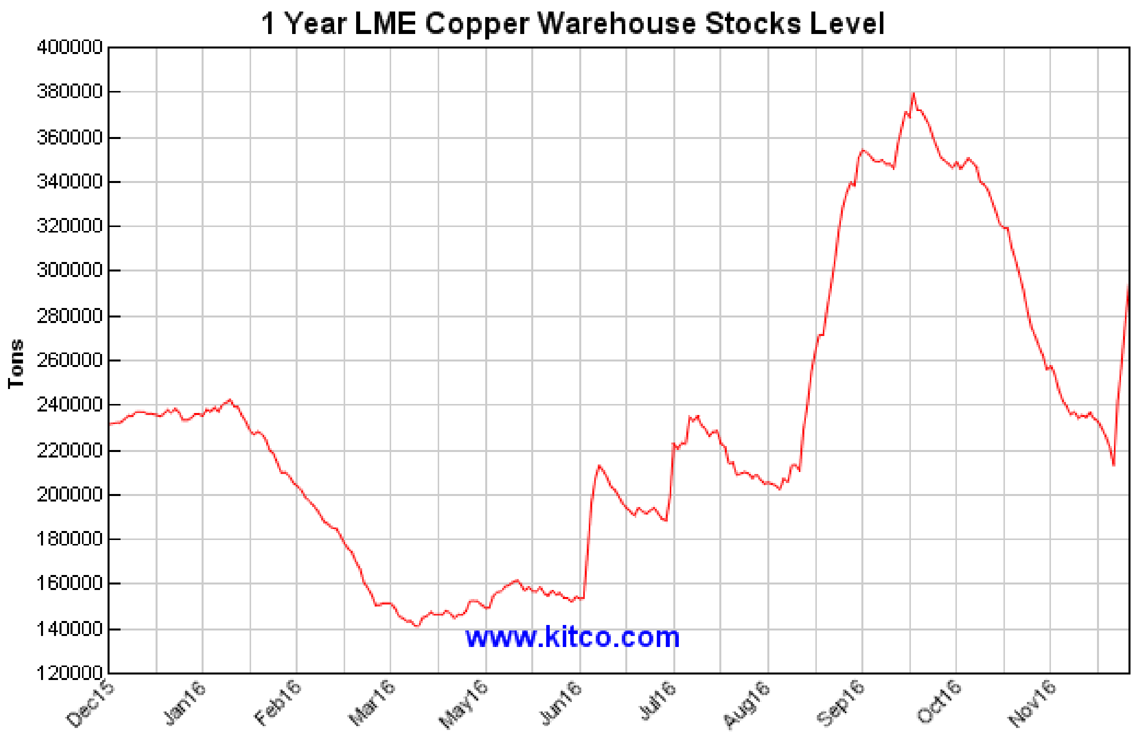
Hot Dipped Galvanized Coil

Hot dipped galvanized steel at $850/Ton, is up over $150MT from just 10 weeks ago. An incredible move in such a short period.

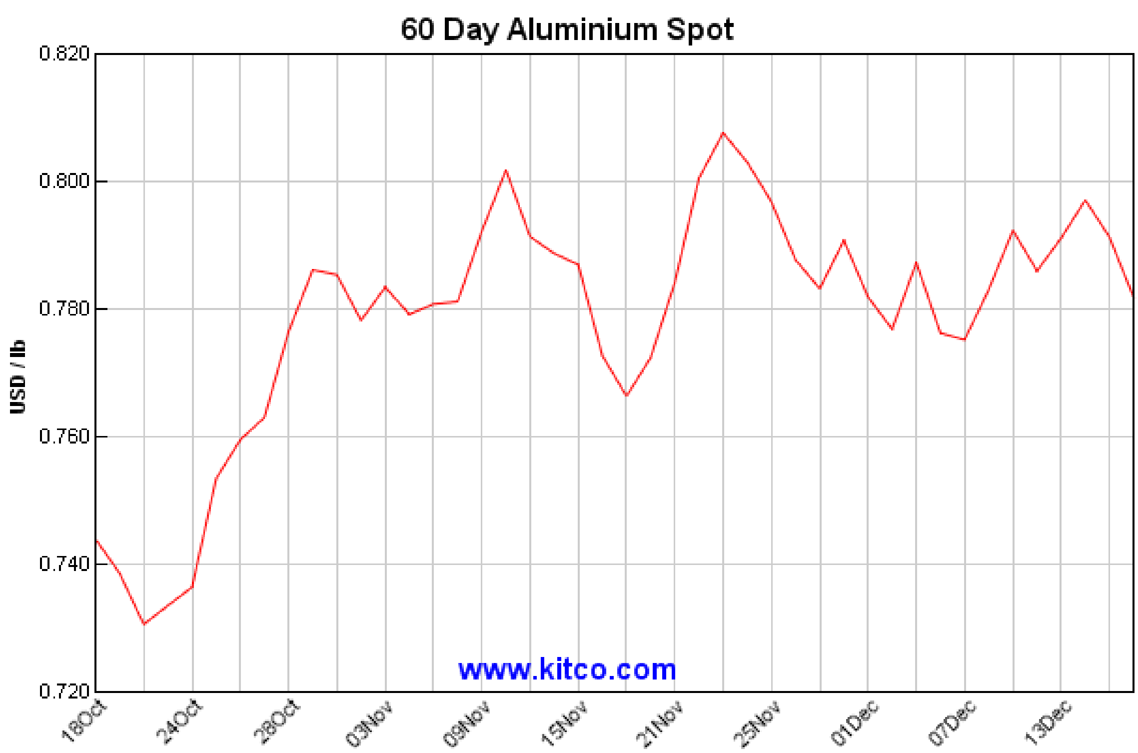
304 Stainless Scrap

Stainless scrap 304 held steady at 33 cents, with little new news.

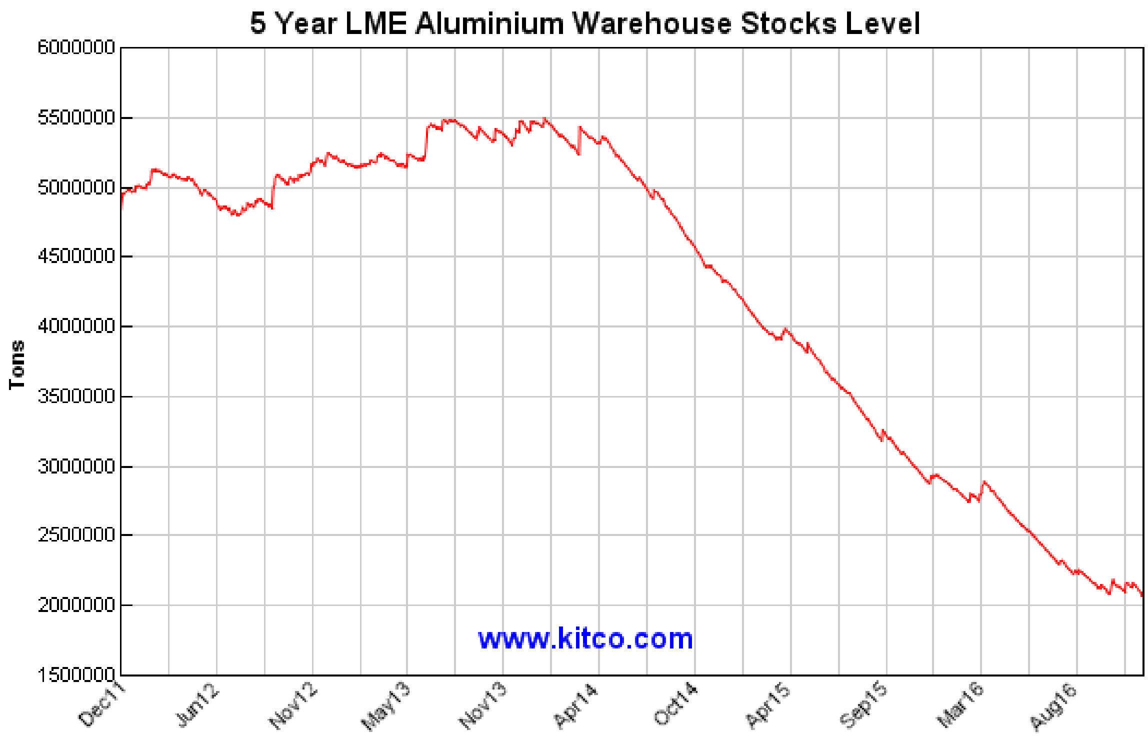
Copper fell 6 cents to $2.56, on limited demand increases and the strong dollar, and it is down another 5 cents this morning to $2.51. Spreads from COMEX continue to open as demand remains good, but not great.



Copper inventories jumped, also putting downward pressure on prices.



Aluminum fell a penny to $.78, yet are up nicely for the year on higher demand and the need to push through higher raw material and production costs.

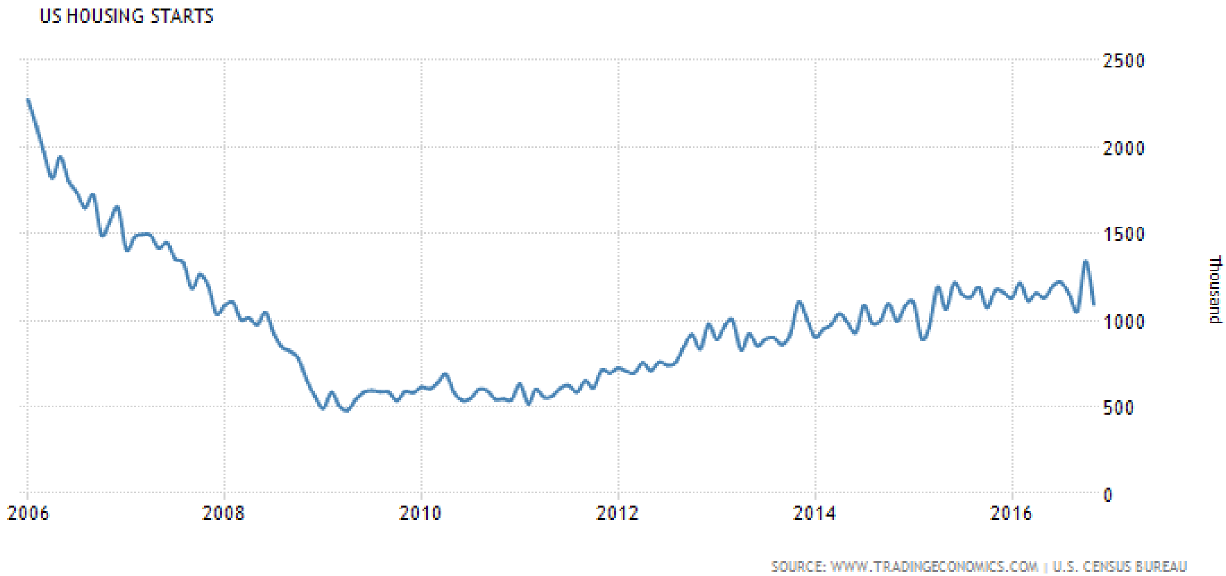


Aluminum inventories continue near 9 year lows which could help stabilize prices.

Look carefully at the bottom right of this graph. The U.S. Federal Reserve raised interest rates for the second time in 10 years. This quarter point increase means rates are shocking low, compare to where they were 10, 20 and 30 years ago.

Consumer prices in November rose year over year to 1.7%, the highest inflation in over two years. Energy and commodity price increases in recent months are key drivers which is a reason for the higher interest rates.

In a twist, despite higher U.S. growth, U.S. capacity utilization remains declining, falling to 75% in November, the lowest since March, which will help keep inflation low. Low utilization means that there can be major production increases, with minimal spending on new equipment. This will continue to bring a slow growth economy and keep prices somewhat stable.



Housing starts fell a large 19% from their 9 year high. Higher interest rates are partly a reason for this.

Markit Manufacturing PMI Index

The Markit Flash U.S. Manufacturing PMI rose to 54.2, the fastest in almost two years, based on strong employment while output and new orders expanded at a lower rate.

With that we hope all have a Safe and Profitable week and lastly Happy Holiday's to all!