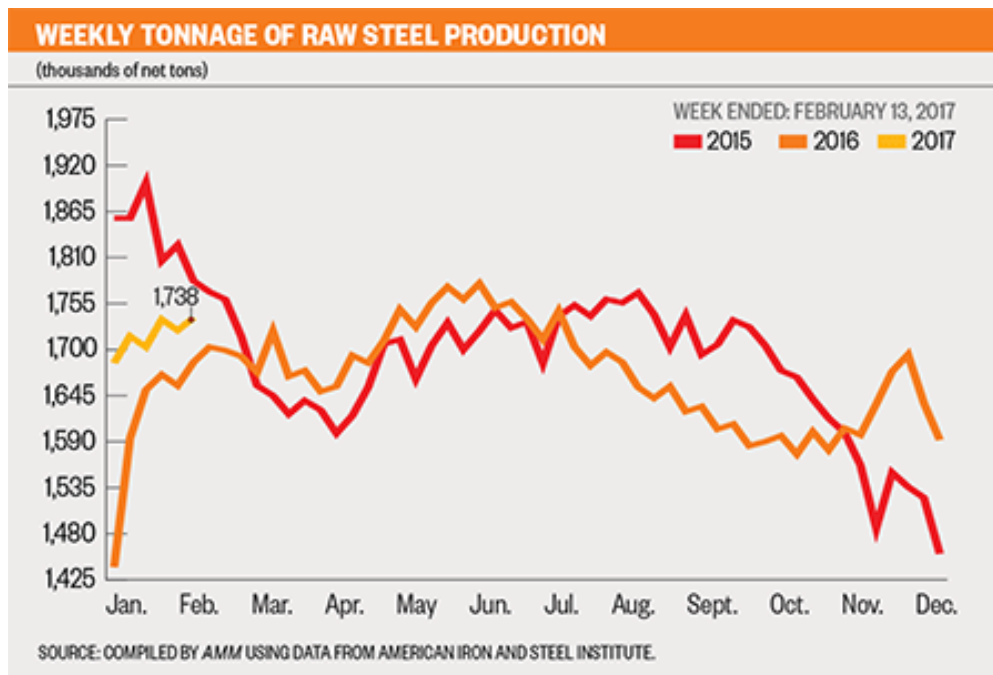


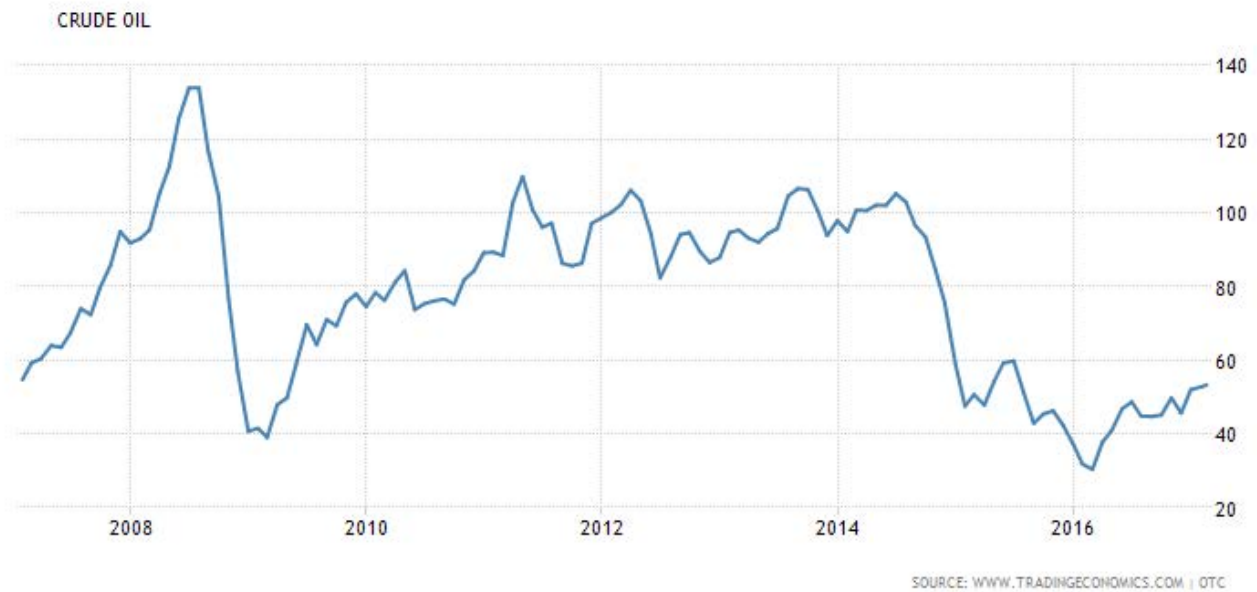
This is the Scrap Metal & Commodities Recycling Report, by BENLEE and Raleigh and Goldsboro Recycling, February 20th, 2017.

Due to our travel schedule, this is a special remote edition.

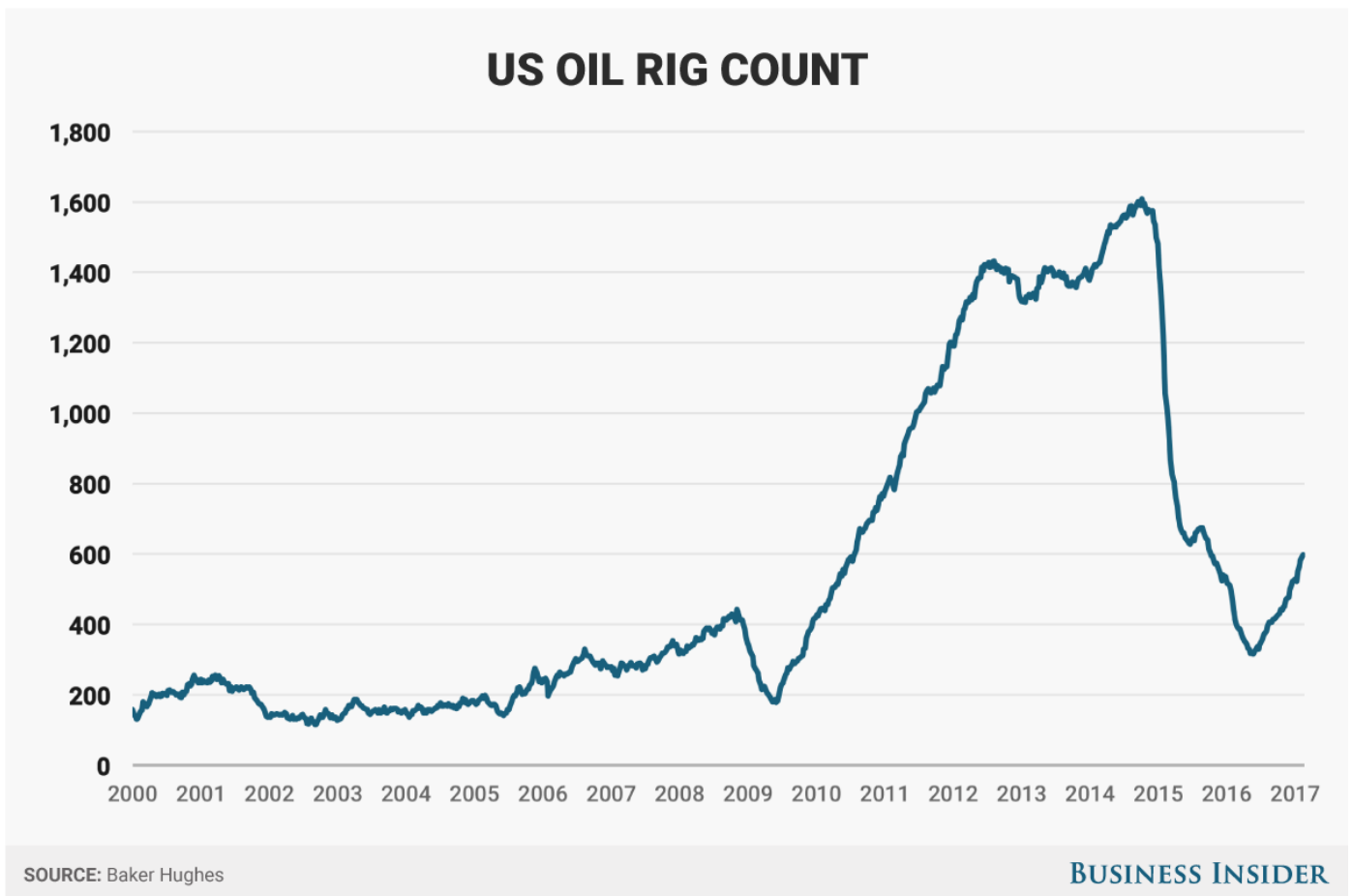
Last week commodity prices were somewhat stable, while economic reports continue to be mostly positive. Many charts this week show a very positive trend all starting about 8 years ago and show many commodity prices have doubled in the past about 14 months.



Looking at the left of this chart, U.S. steel production rose to a 7 month high, which is very positive for the economy and supports higher prices.



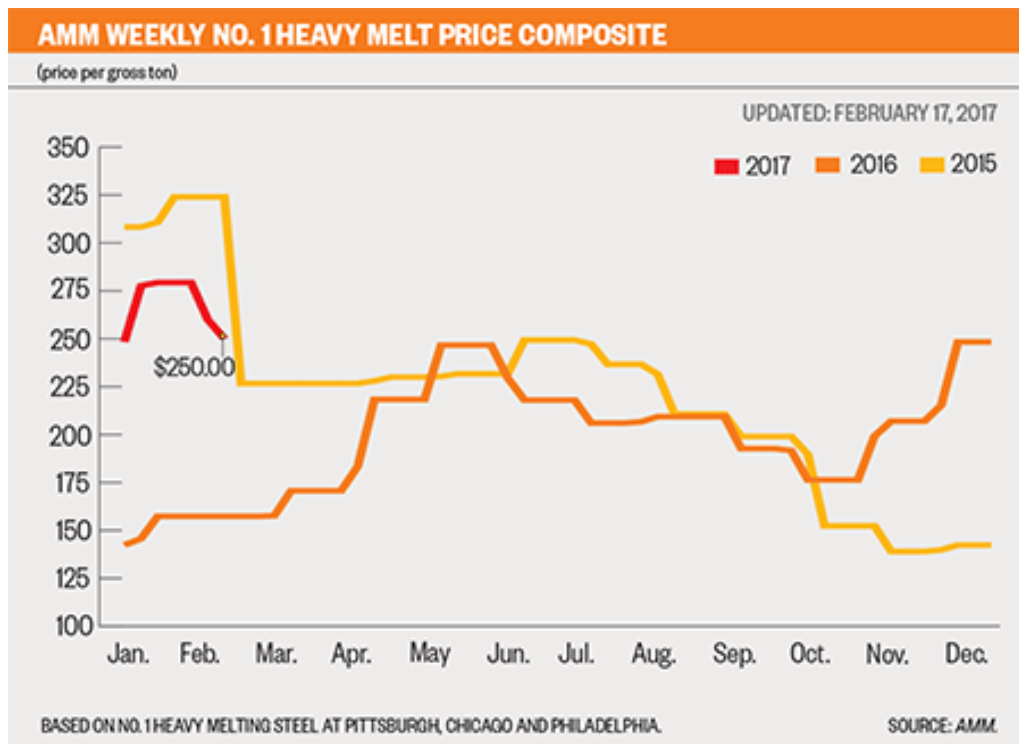
Oil at \$53/barrel was steady but remains double the price of a year ago as OPEC holds down production and the U.S. increases production, thanks to higher prices.



The oil rig count rose yet again to 597 a huge 89% higher than a year ago, which is great for jobs and supports steady to higher prices. But the rig count is still down an enormous 63% from the 1,609 high of about two years ago.



Iron ore rose to \$91/MT, near a 2.5 year high and is 2.5 times the \$37/MT of a year ago, which is putting upward pressure on finished steel and scrap ferrous prices.



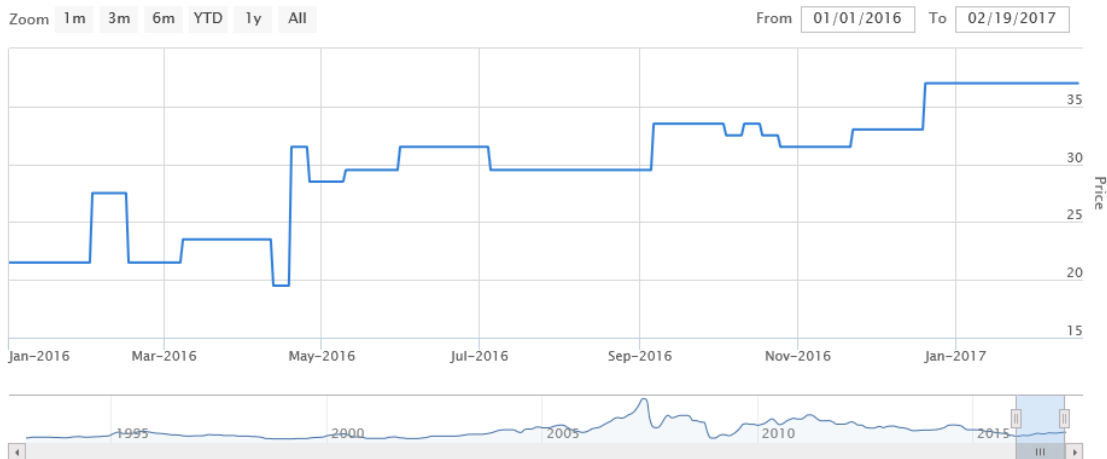
Lower scrap ferrous prices this month have had a very negative effect on the amount of scrap coming into scrap yards. With Asia, Europe and the U.S. all now in a growth mode, scrap ferrous prices should continue their upward trend.

Hot Dipped Galvanized Coil



Hot dipped galvanized steel held at \$858/MT. With demand ok, iron ore higher and scrap ferrous prices due to go up, this could increase.

304 Stainless Scrap



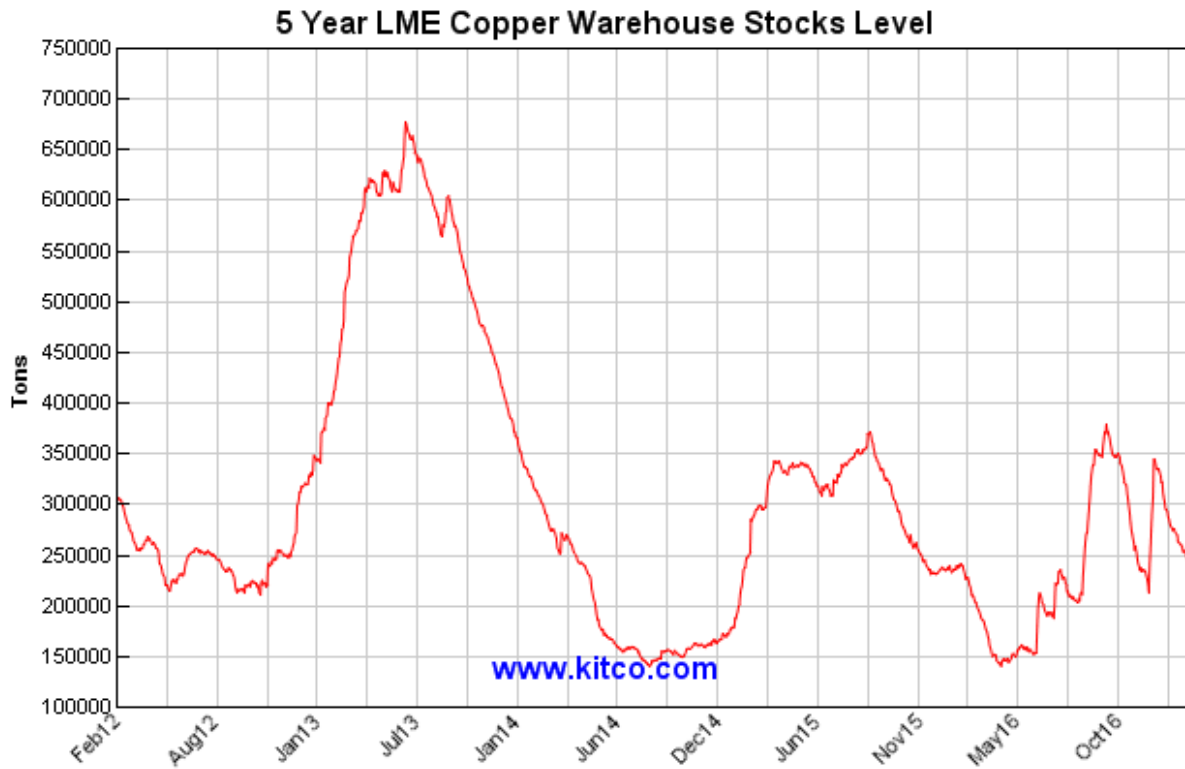
Stainless 304 scrap remains steady for yet another week at 37, with a clear balance in supply and demand.



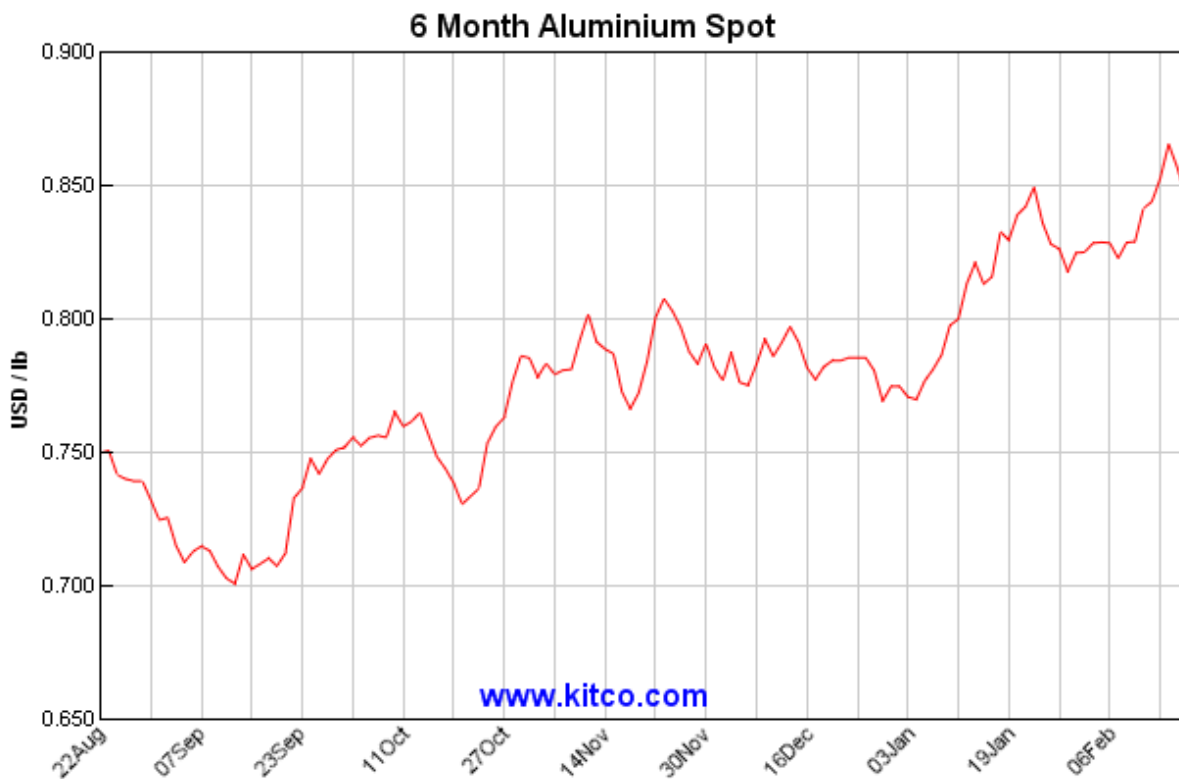
Copper fell to \$2.71 after hitting an almost two year high. Spreads continue to stay high as demand has not kept up with prices, yet we are up to \$2.73 this morning.



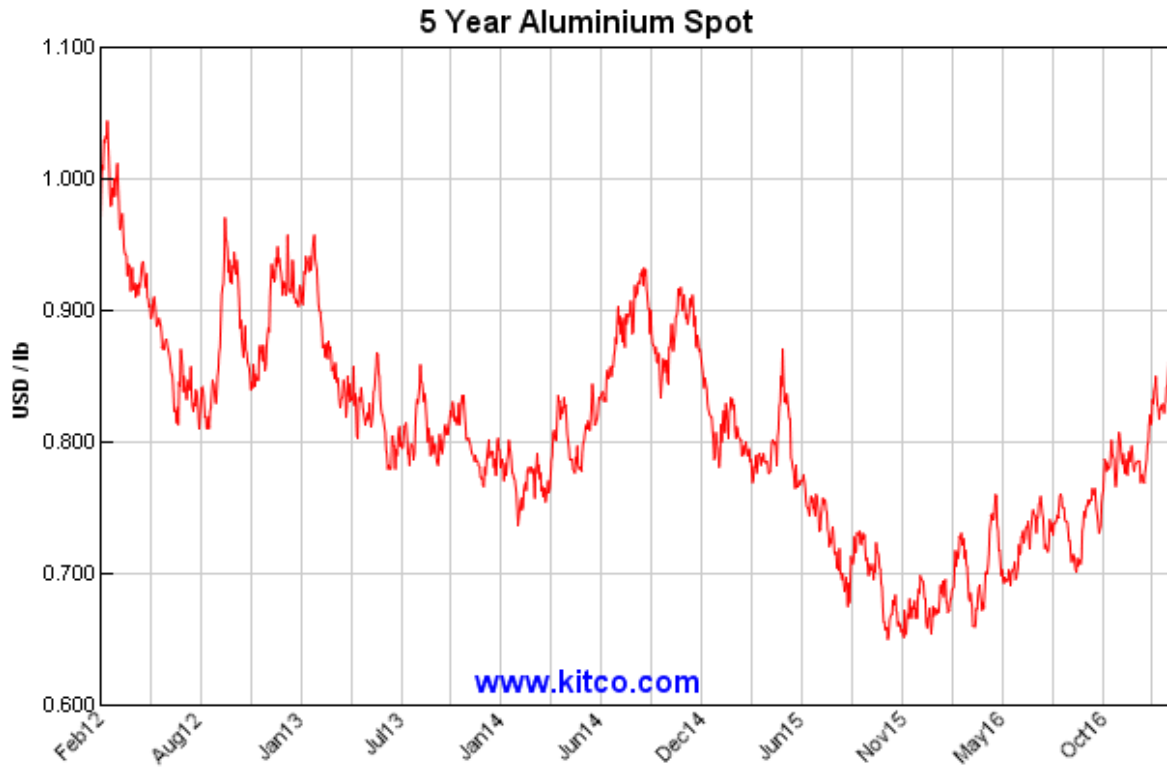
The 5 year copper chart, shows copper remains significantly higher than 18 months ago, but still well off its high of about \$4.60 in 2011.



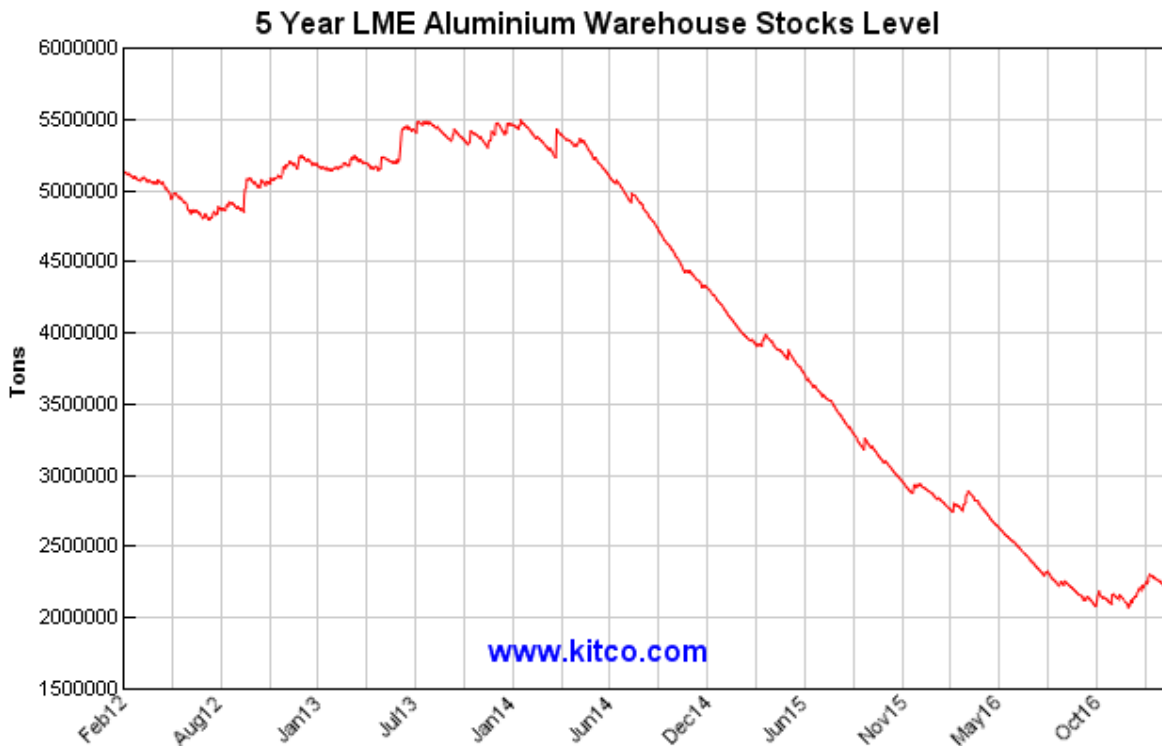
Copper inventories continue to fall, so lower inventories, support higher prices.



Aluminum was up mid-week, but then fell, ending up a penny for the week at 85 cents and remains near 18 month highs.

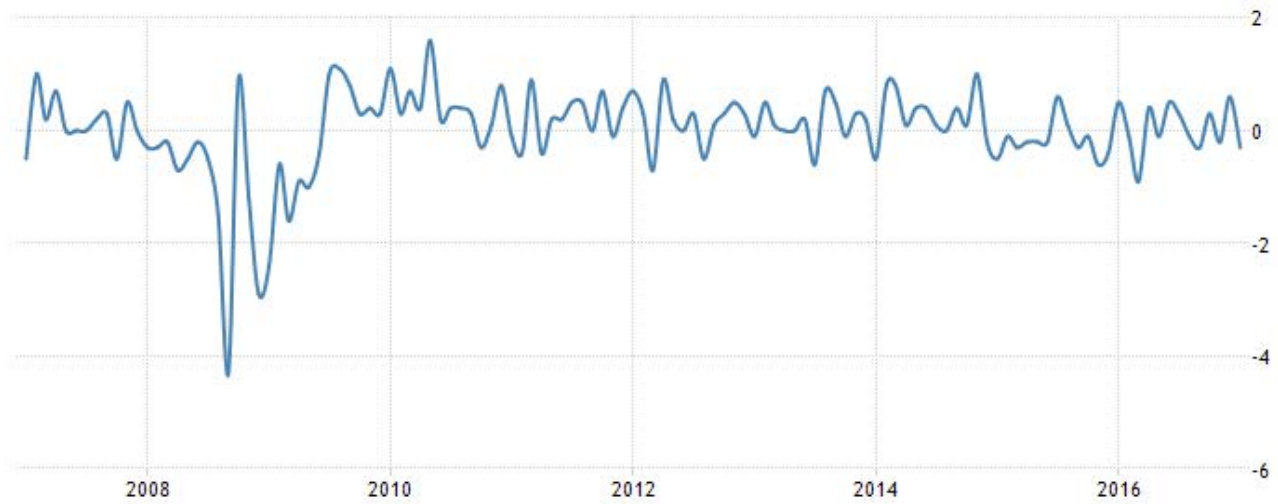


The 5 year aluminum price chart shows this trend.



Importantly, aluminum inventories remain near almost 9 year lows.

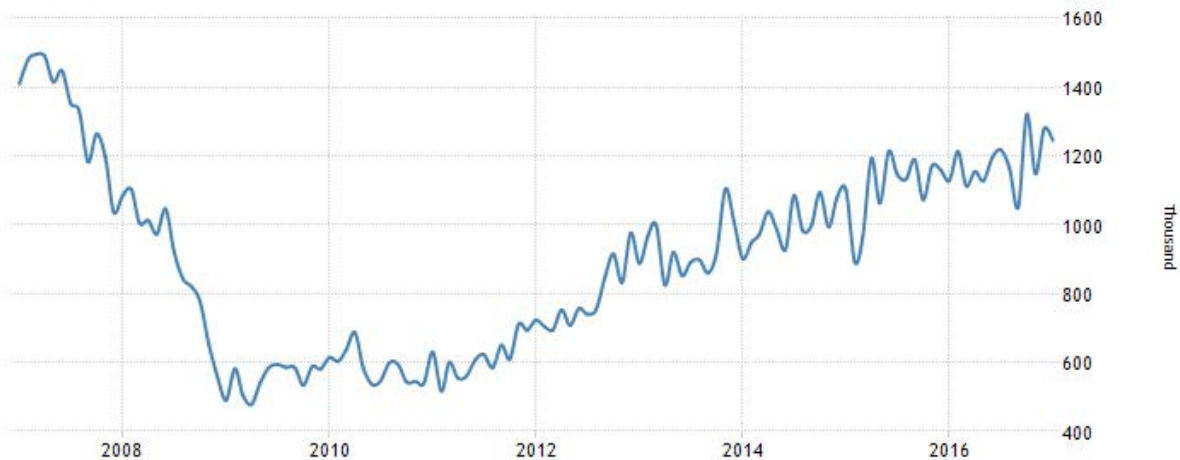
US INDUSTRIAL PRODUCTION MOM



SOURCE: WWW.TRADINGECONOMICS.COM | FEDERAL RESERVE

U.S. Industrial production fell in January. It was dragged down by lower utility output due to unseasonably warm weather, BUT, mining activity rose, 2.8% and manufacturing rose .2%, so both positive for the economy.

US HOUSING STARTS



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

U.S. Housing starts, declined to an annualized rate of 1.2M, but it is about 2.5 times the low of April 2009. This rate is still half the high of 2.5M that was hit in 1972, when there were a lot less people living in the U.S.



SOURCE: WWW.TRADINGECONOMICS.COM | U.S. BUREAU OF LABOR STATISTICS

Inflation has hit 2.5%, a 5 year high. We just reviewed that iron ore, steel scrap, and oil have all about doubled in price from 14 months ago when inflation was almost zero, so 2.5% is very understandable. The U.S. Federal Reserve has a target of 2% inflation, so at 2.5% this is part of why higher interest rates are on their way.



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

U.S. initial unemployment claims rose to 239,000, remaining near 43 year lows. Claims have been below 300,000 for an incredible 102 weeks, which is the longest stretch since 1970, 46 years ago.

DOW JONES INDUSTRIAL AVERAGE



SOURCE: WWW.TRADINGECONOMICS.COM | DOW JONES

Wall Street hit new highs yet again last week. While there have been some small corrections, the Dow Jones average is now about three times its 2009 level.

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