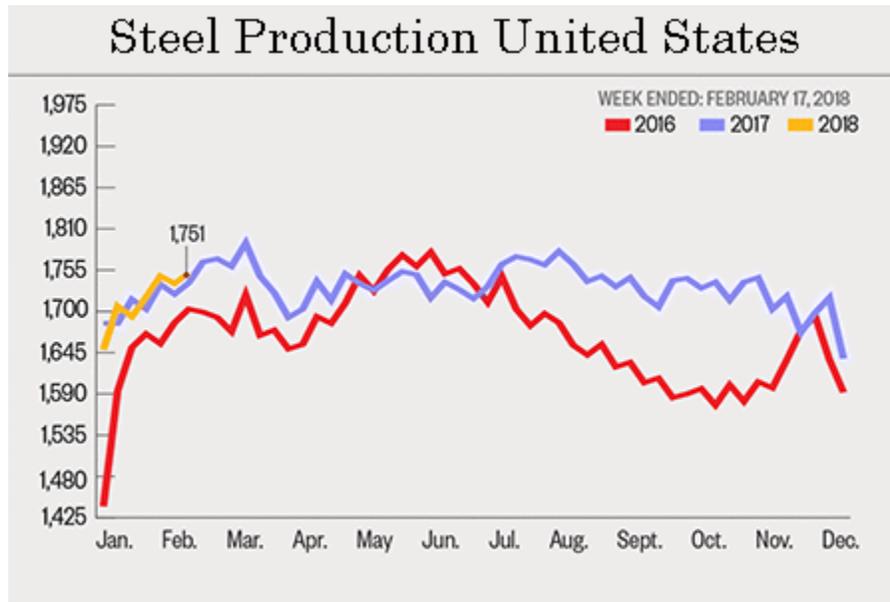
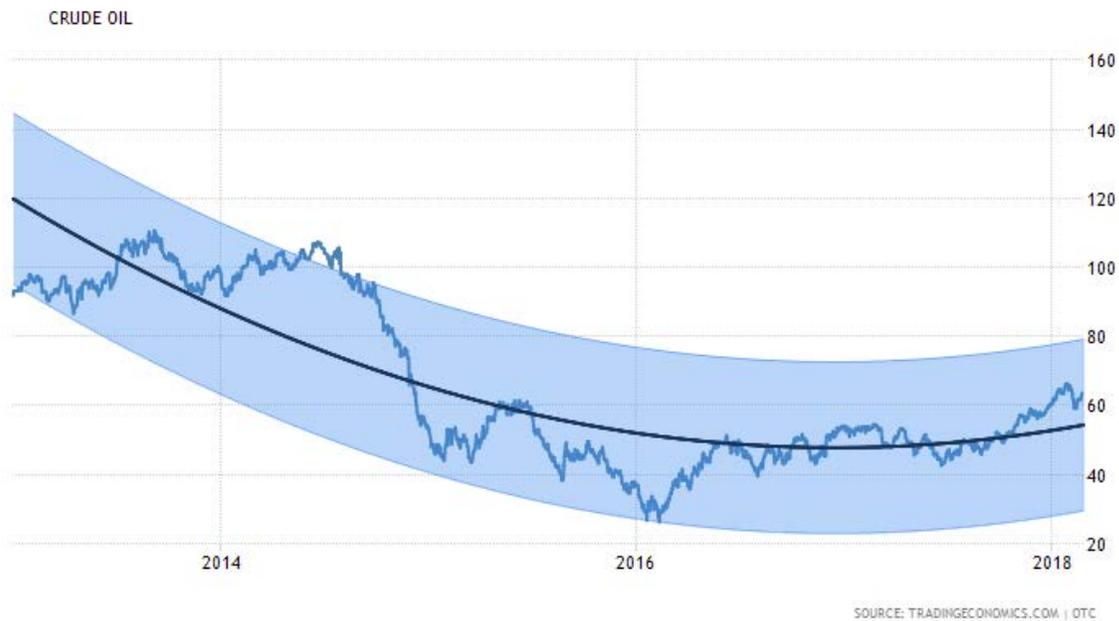


This is the Scrap Metal Commodities Recycling and Economic Report, by BENLEE and Raleigh and Goldsboro Recycling, February 26th, 2018. Last week, commodity prices and economic reports were mixed.



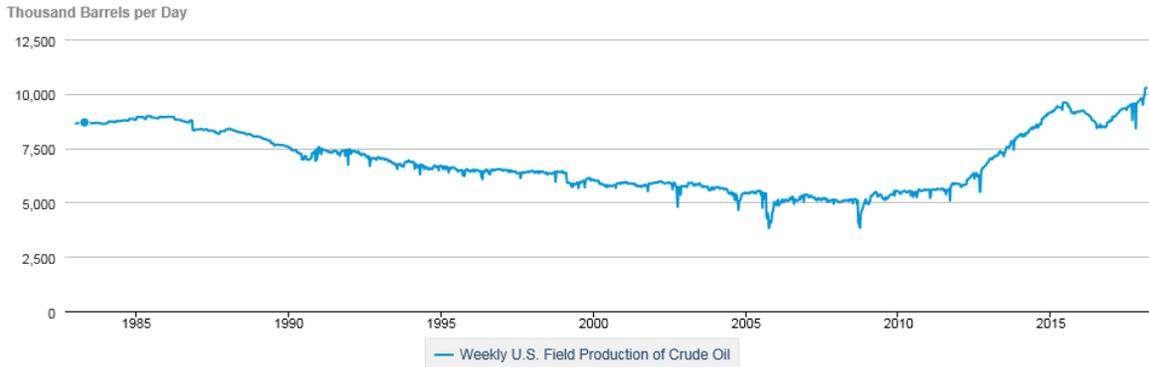
U.S steel production rose slightly, remaining slightly ahead of last year and well ahead of two years ago.



Oil rose about \$2.00/barrel to \$63.55, remaining near a multiyear high on good U.S. and global demand and a weak dollar.

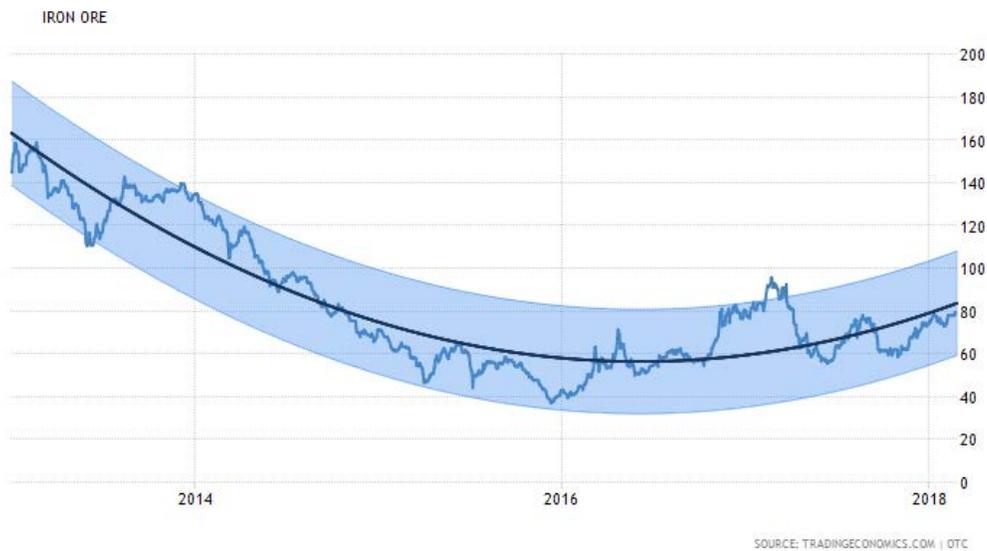
Weekly U.S. Field Production of Crude Oil

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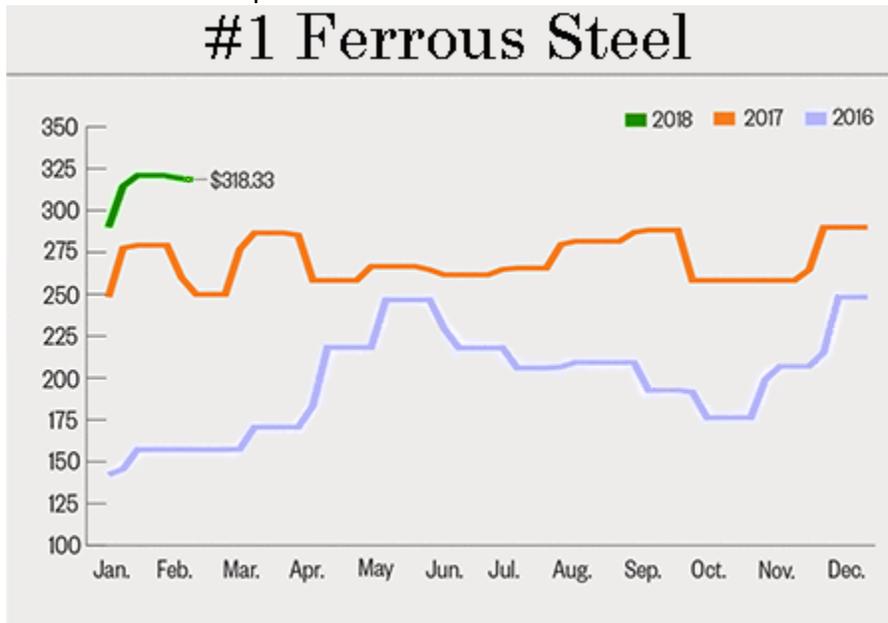


Source: U.S. Energy Information Administration

U.S. oil production remained almost exactly at last week's historically record rate. Great news for the U.S. economy.

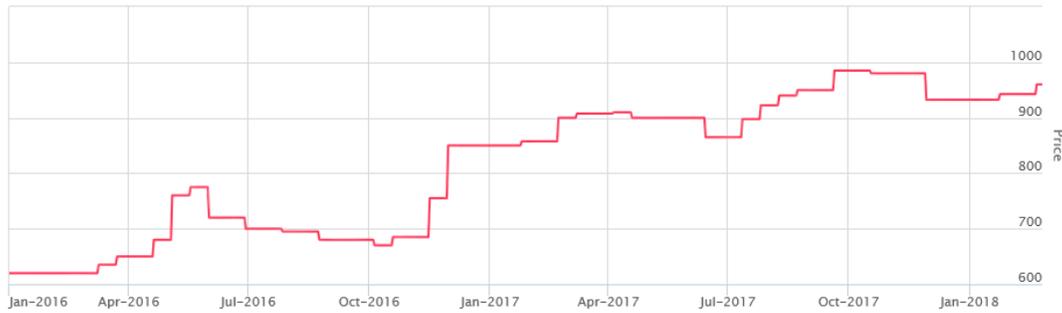


Iron ore was up \$1.00 to \$79.00, near a high for the year on good demand at steel mills and DRI, which is the product made from iron ore that is a scrap metal substitute.



Scrap ferrous prices were steady, but with export prices up and global demand good, many are saying domestic prices will be higher in March.

Hot Dipped Galvanized Coil



Hot dipped galvanized coil steel rose to \$960/Ton, near its multiyear high on good demand and a weak dollar.



Copper fell 3 cents to \$3.21 on steady demand and a weak Dollar keeping it fairly high. Copper is no change this morning at \$3.21.



The 5 year chart has copper slightly off last December's multi-year high.

5 Year LME Copper Stock



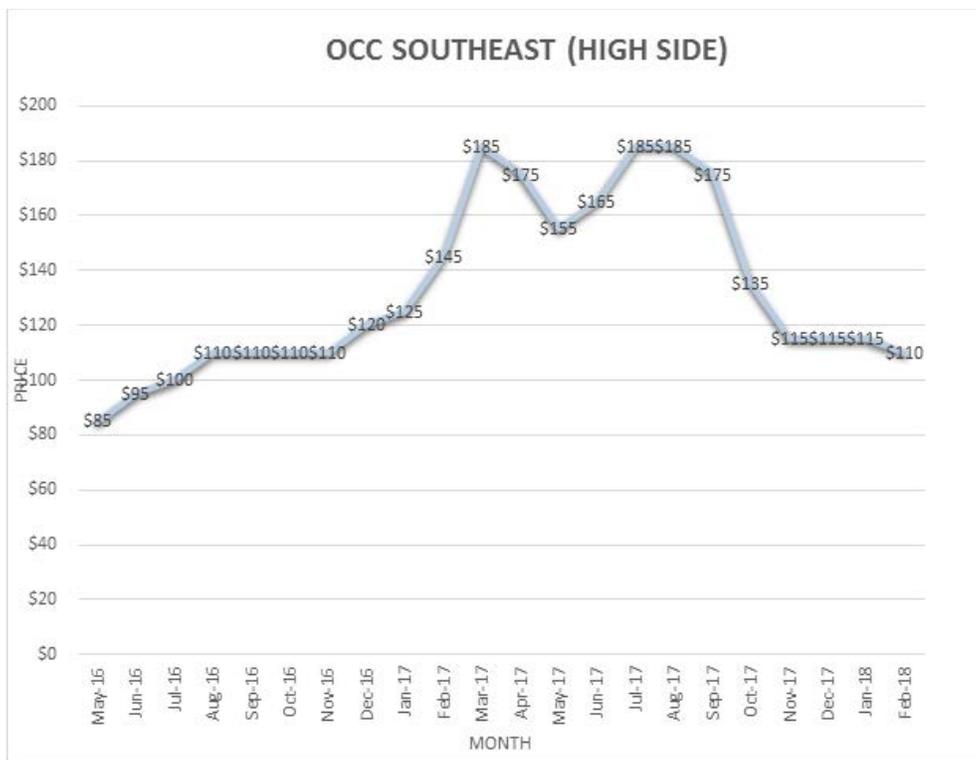
Copper inventories were little changed remaining near an annual high on good demand and supply.



Aluminum fell 2 cents to 97.8 cents, remaining near the multiyear high of two months ago on good global demand.



Aluminum LME inventories rose to multi month highs, but remain near about 8 year lows. As said it remains tough to get fast orders at smelters, therefore keeping downward pressure on prices.



Repeating last week's chart, scrap cardboard prices fell again in January on weak demand from China and is near almost two year lows. At the current \$110/ton, prices were 68 percent higher last year.

Defence Secretary James Mattis



The U.S. Secretary of Defense released a statement that supported the Commerce Secretary's report two weeks ago saying that unfair steel and aluminum imports are a threat to U.S. National security as part of the Section 232 Review. Tariffs could be coming which will clearly help U.S. Steel mills, but will hurt U.S. companies that buy steel for production, such as vehicle and appliance manufacturers.



**SIMS
METAL
MANAGEMENT**

Congratulations to the SIMS Metal Management team. First half year ending December earnings before interest and taxes were 60% from the previous 6 months, and up 35% from the same period last year. The strongest part of the business was SIMS North America and the NA JV operations with total NA earnings up an outstanding 112%.



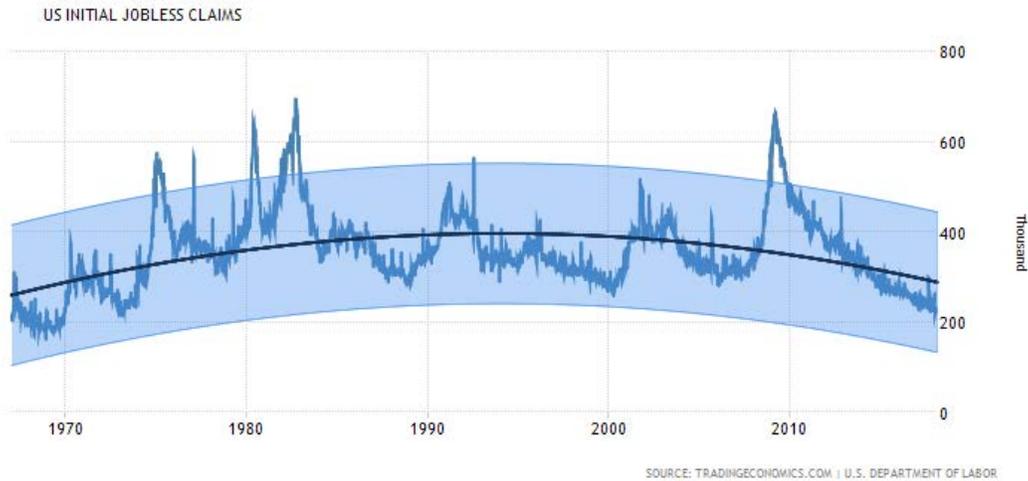
The U.S. Dollar rose vs other currencies, but remains near multi year lows, which translates into higher commodity prices.

US Manufacturing Purchasing Manager's Index



The U.S. Manufacturing PMI, purchasing Managers' index, a key economic gauge rose to 55.9 in February, the strongest expansion in manufacturing since October of 2014, mainly boosted by new business and employment.

A sharp and accelerated rise in incoming new business helped boost the index, while manufacturing production growth was little-changed since January. New order volumes had the steepest increase in about three-and-a-half years, which was attributed to greater sales to domestic clients alongside further export gains. Great news.



Initial U.S. unemployment claims fell slightly to 222,000, which is near levels last seen in 1973. All continue to talk about the problems in hiring new people, which is bringing wage inflation, offsetting the stagnate wages which were a key problem in much of the U.S.



Wall Street had another turbulent week and ended up strong on Friday with the Dow Jones average being up 91 points for the week ending at 25,310.



Welcome to the over 4,200 people that saw us on LINKEDIN last week as we are entering our 4th year of these weekly reports with our continuing goal to add value to the markets.

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