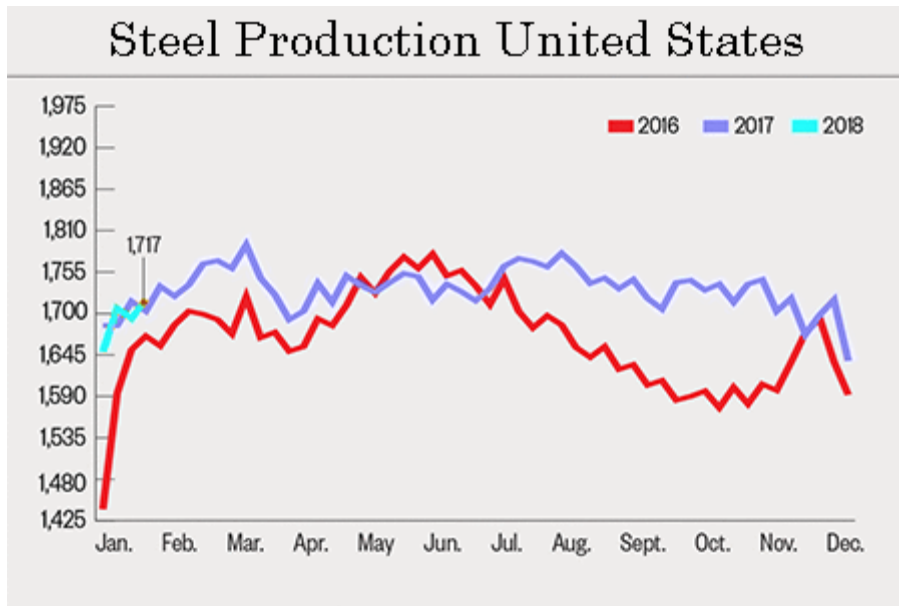


This is the Scrap Metal, Commodities, Recycling and Economic Report, by BENLEE and Raleigh and Goldsboro Recycling, February 5th, 2018. Last week, commodity prices and economic reports were mixed.



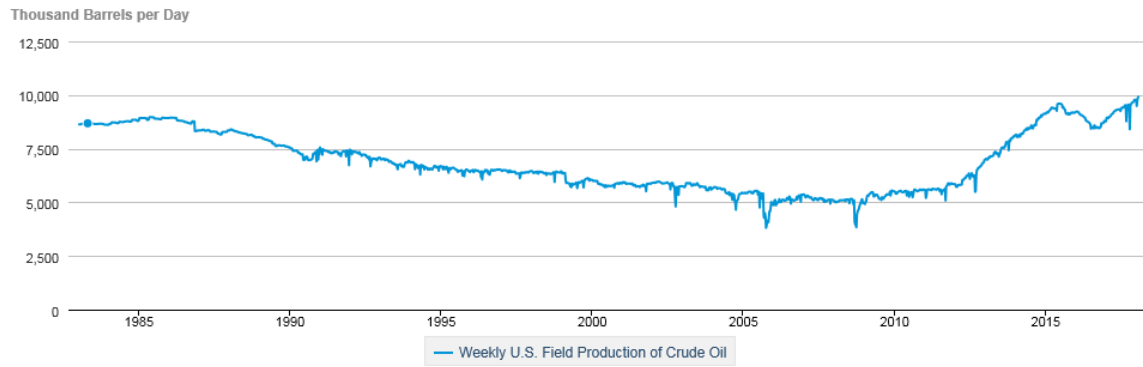
U.S steel production rose slightly remaining on track with last year's production, but ahead of two years ago. Imports of finished steel were 27% of the market last year, hurting domestic producers.



Oil fell \$2/barrel to \$68.26 near the multi-year high of last month. High U.S. production is helping offset OPEC's cut backs, which are trying to keep prices up.

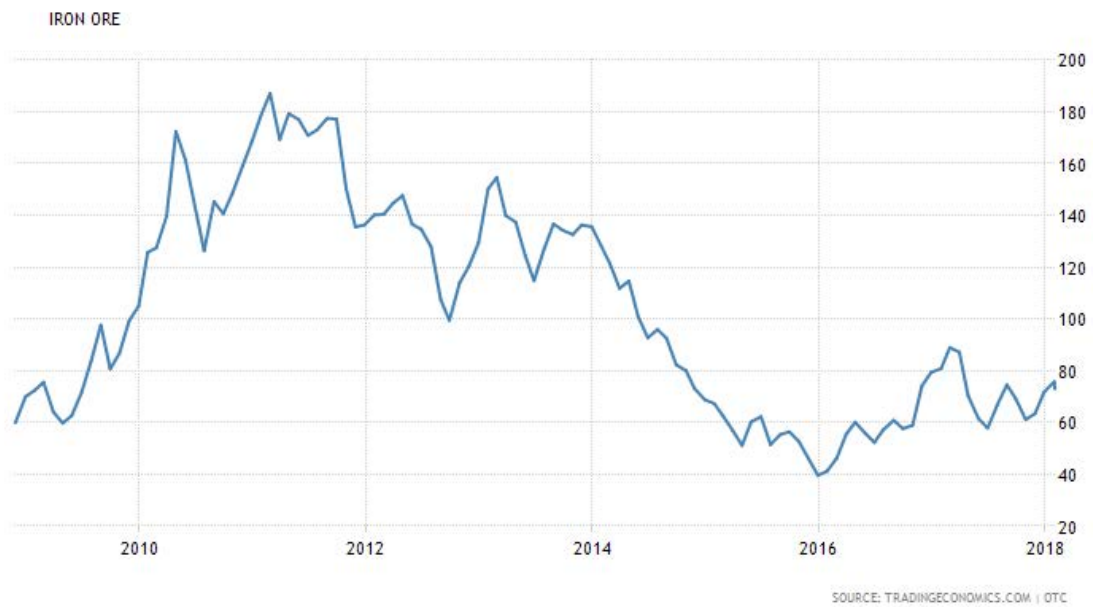
### Weekly U.S. Field Production of Crude Oil

DOWNLOAD

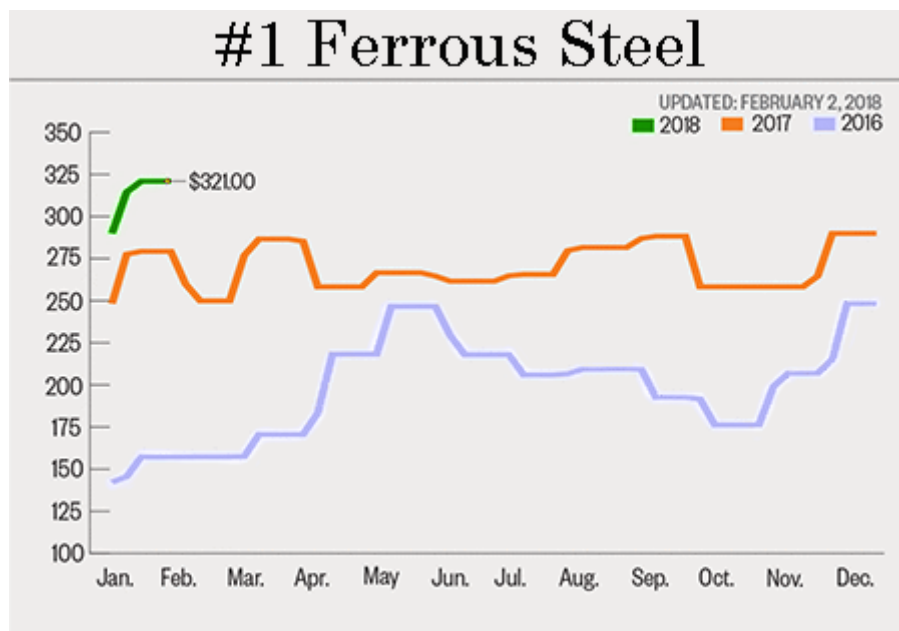


Source: U.S. Energy Information Administration

U.S. oil production rose to near the all-time records of the 1970s, which is great for U.S. jobs.

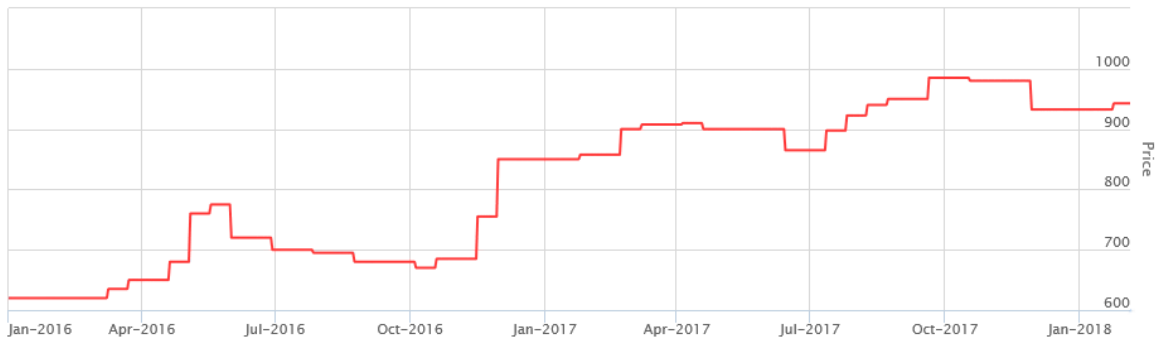


Iron ore fell about \$1.50/MT to \$73.00, near multi-month highs on slight growth of supply and demand.



Scrap ferrous prices were steady with indications prices will remain steady for the month as increasing demand is being met with increasing supply.

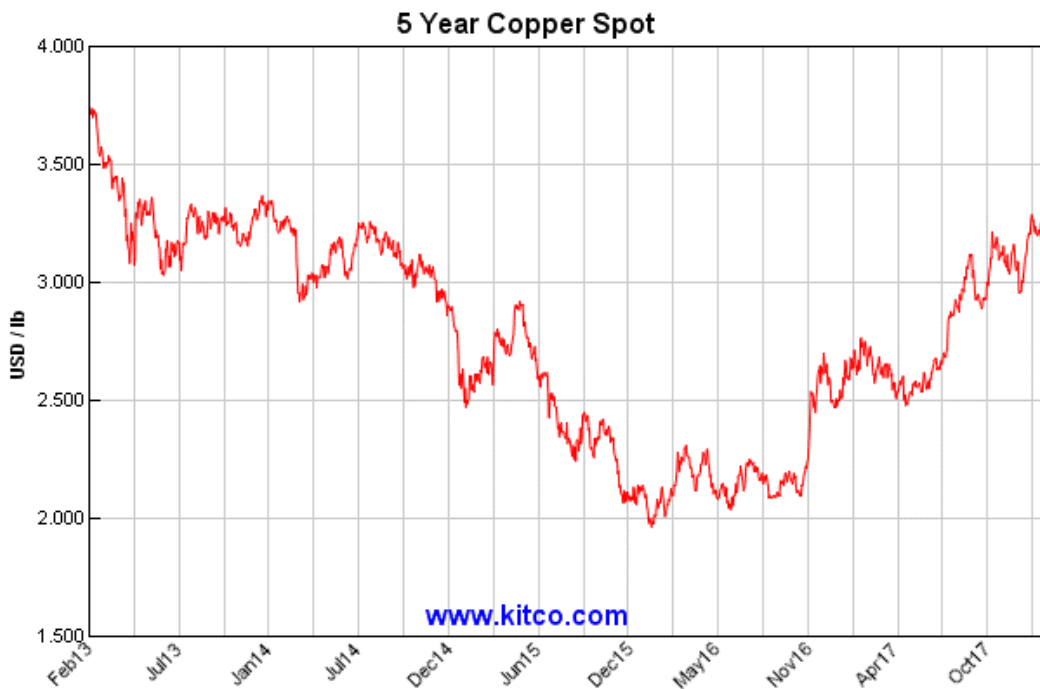
## Hot Dipped Galvanized Coil



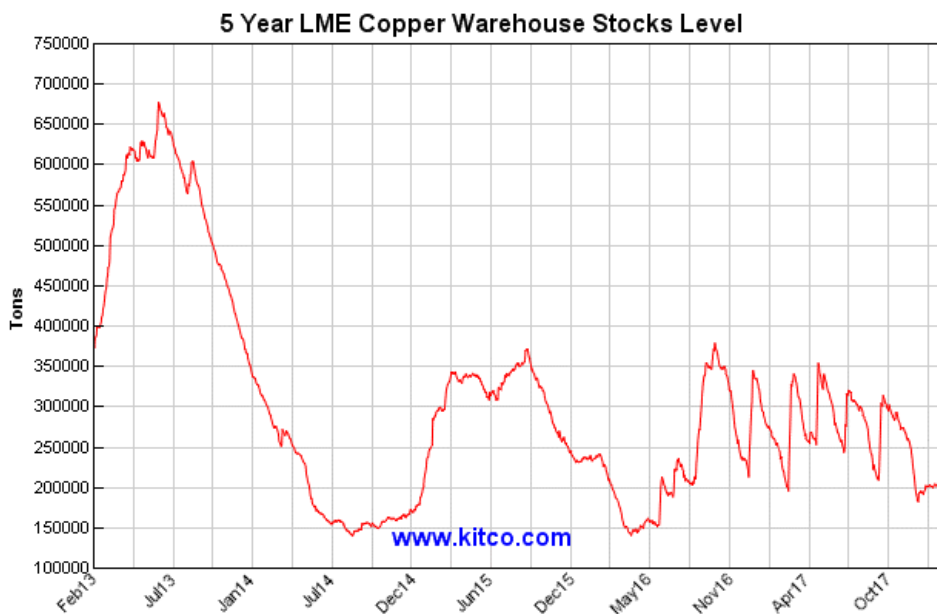
Hot dipped Galvanized steel remains at \$942/T on good demand and higher raw material prices, with word of more increases coming.



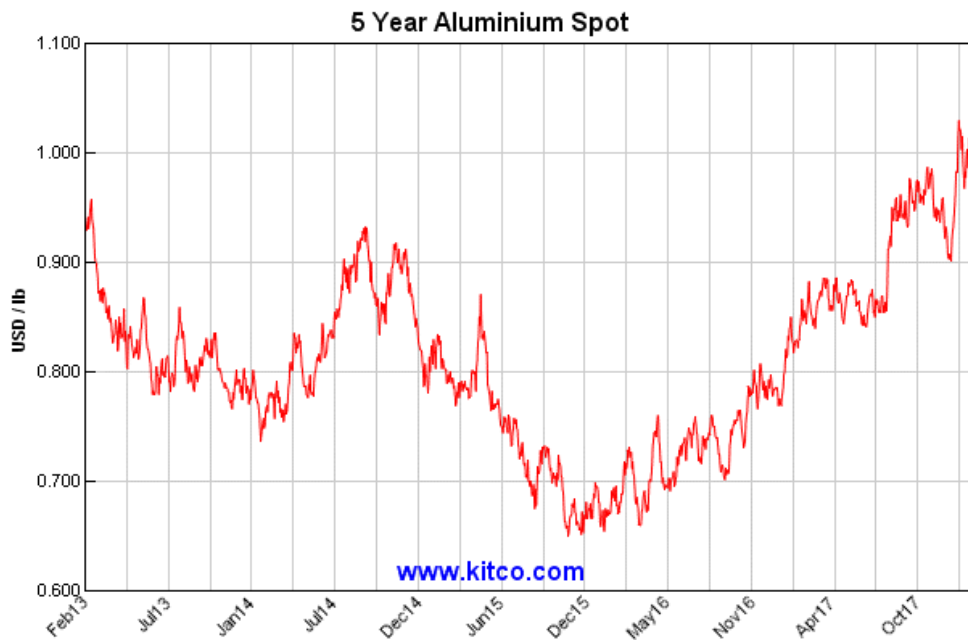
Copper fell 2 cents to \$3.18 on good supply and demand, along with the dollar taking a big leap up on Friday. Copper is up 4 cents this morning to \$3.22.



The 5 year chart shows copper remains slightly off the recent 4 year high, on good demand and supply.



Copper inventories rose as supply continues strong remaining near multi year highs, putting downward pressure on prices.



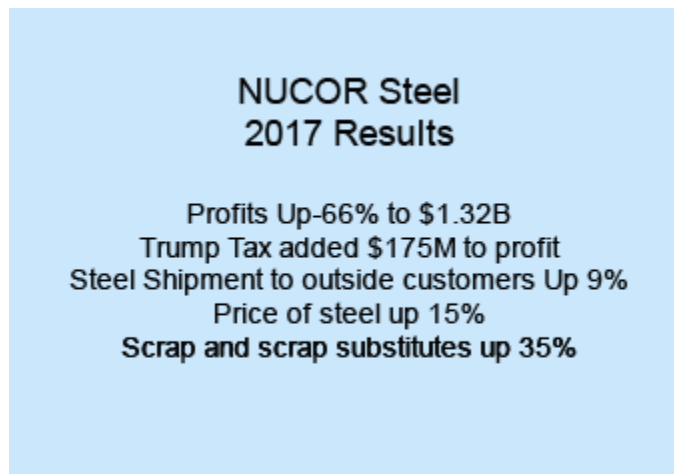
Aluminum fell two cents to \$1.00 near the 5 year high, as global manufacturing and construction remains strong.



Aluminum LME inventories fell to another about 8 year low as production has not been able to keep up with demand. LME inventories are 80% below where they were 4 years ago, but over production in China is still viewed as an issue.



Nucor steel released terrific profit data for 2017.



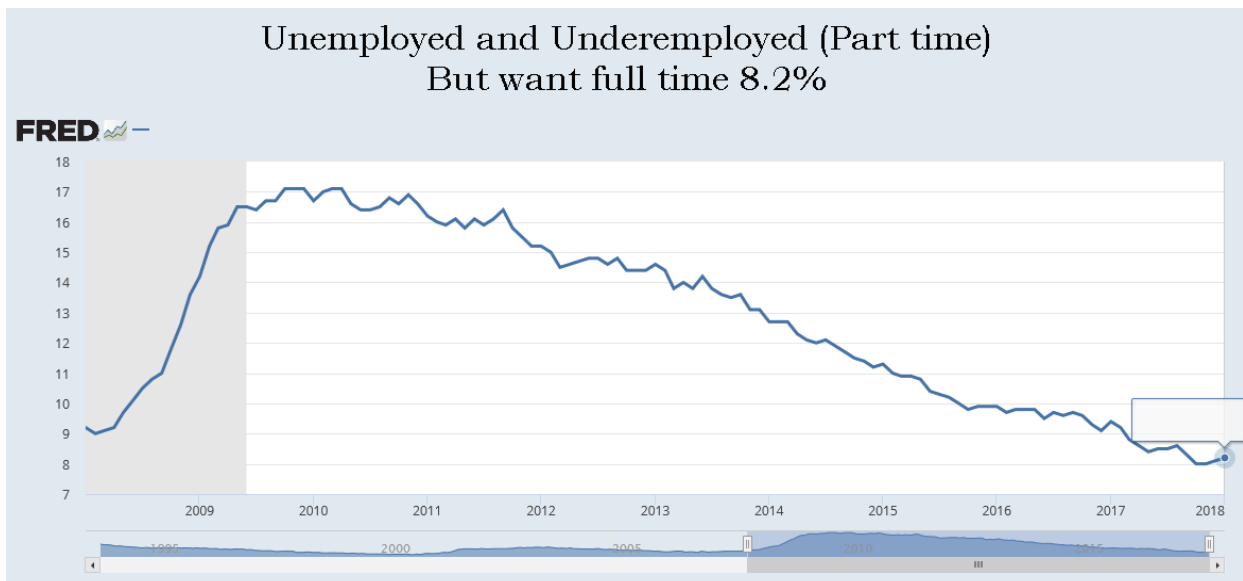
Profits were up 66%, which was aided by a \$175M boost due to the Trump Tax cut. Their shipments to outside customers were up 9% and they were able to get a 15% price increase, which was needed due to a 35% price increase in scrap metal and scrap substitutes. Well done Nucor!



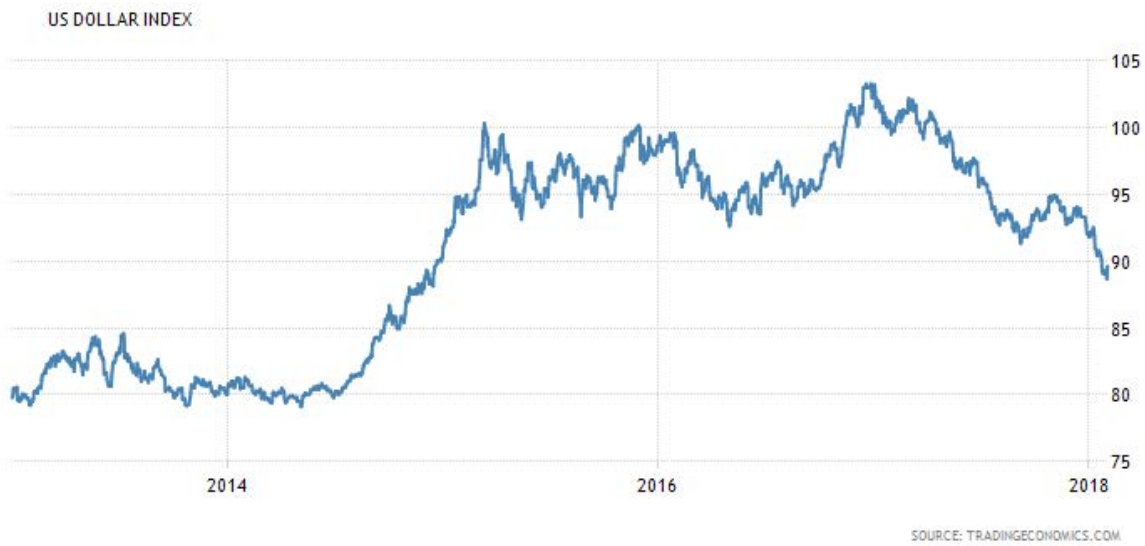
China's purchasing managers' index while trending up, fell in January to the lowest level since May 2017, as new orders rose at a slower pace and confidence fell. New export orders and employment fell. Importantly, raw materials in stock fell as well.



The U.S. created 200,000 jobs in January, so unemployment stayed at a great 17 year low of 4.1 percent, but the low number makes it tougher to find skilled labor.



The good news is that the unemployed and the underemployed which are those that are working part time, but want a full time job is actually 8.2%, so there is room to get these people into the workforce, without major inflation.



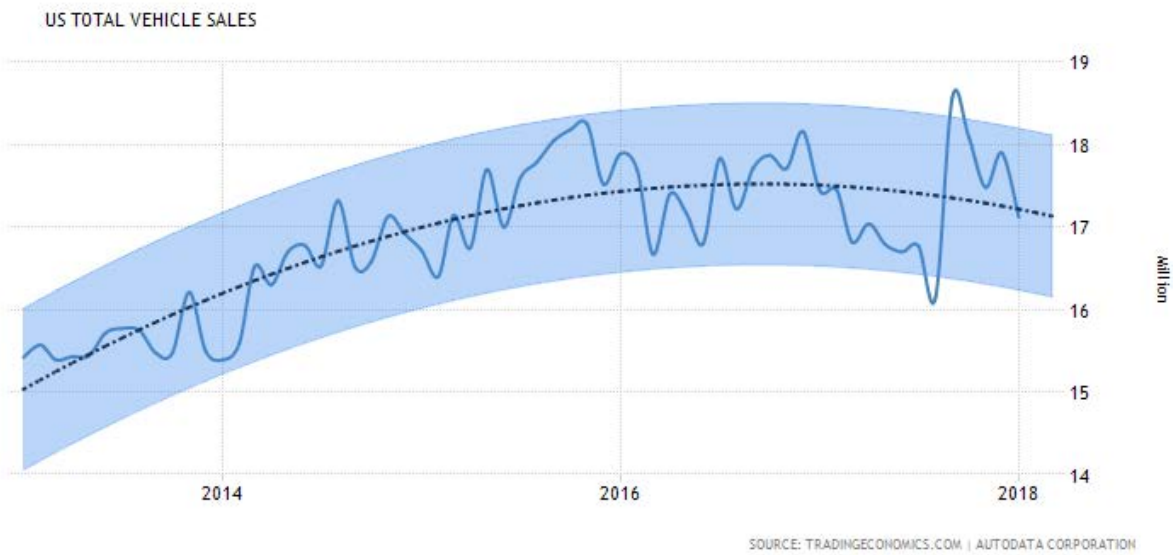
The U.S. dollar was near a three year low early in the week, but jumped Friday on the solid jobs report, which had interest rates rise.

### Manufacturing Purchasing Manager's Index



U.S. Factory growth based on the PMI showed the strongest expansion in January since March 2015 as new orders rose the most in a year. The rate of growth was the highest in a year lead by the best demand in new orders in a year creating inflationary issues in material and transportation costs, while backlogs increased.





January's U.S vehicle sales decreased to an annual rate of 17.12 million from 17.9 in December. Sales remain robust, but have been declining, and U.S. manufacturing of vehicles remains trending down, as Mexican exports to the U.S. continue to set records.



Wall Street's Dow Jones fell a hard 1,096 points including a 666 point 2.5% drop on Friday. The good job creation has interest rates on the rise, which takes down Wall Street's stock prices.

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