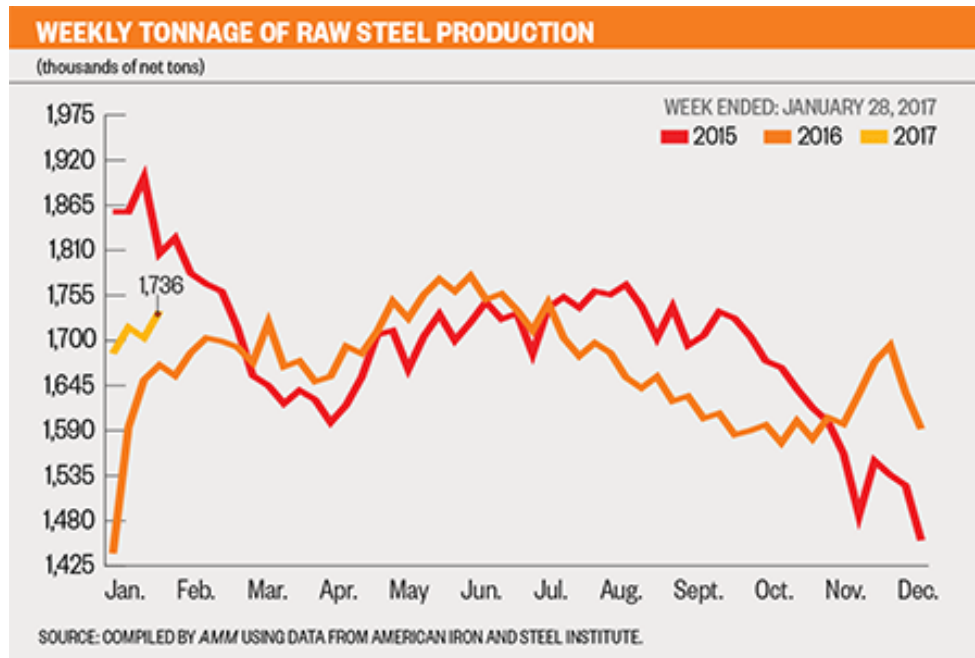


This is the Scrap Metal & Commodities Recycling Report, by BENLEE and Raleigh and Goldsboro Recycling, February 6, 2017.

Due to scheduling issues, this is a special remote report.

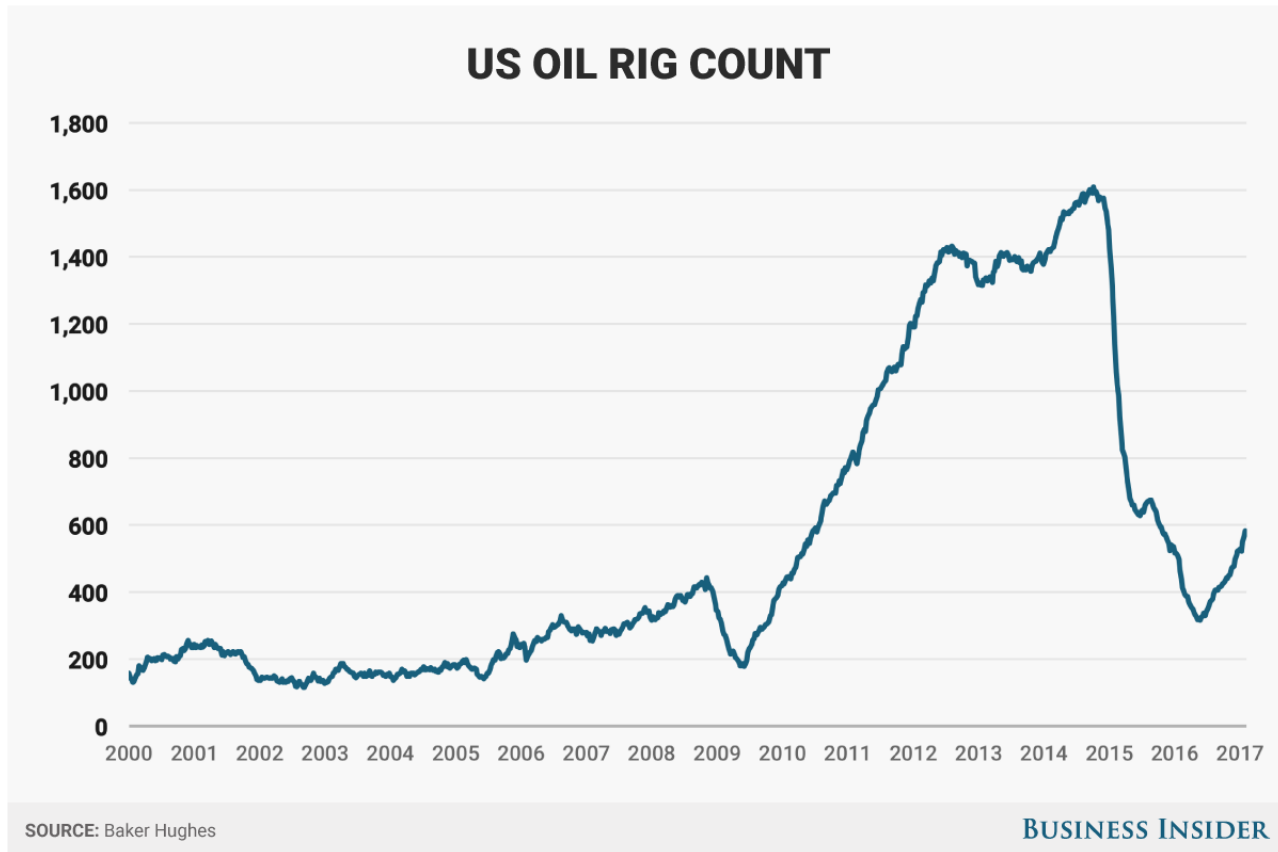
Last week commodity prices were steady to down, while there were a number of positive economic reports.



Looking at the left of this chart, U.S. steel production hit new 7 month highs, driven by good automotive production and strong construction.



Oil rose a dollar to \$54/barrel, remaining at double the price of a year ago. This continues to have a positive effect on oil related jobs and is helping stabilize commodity prices.



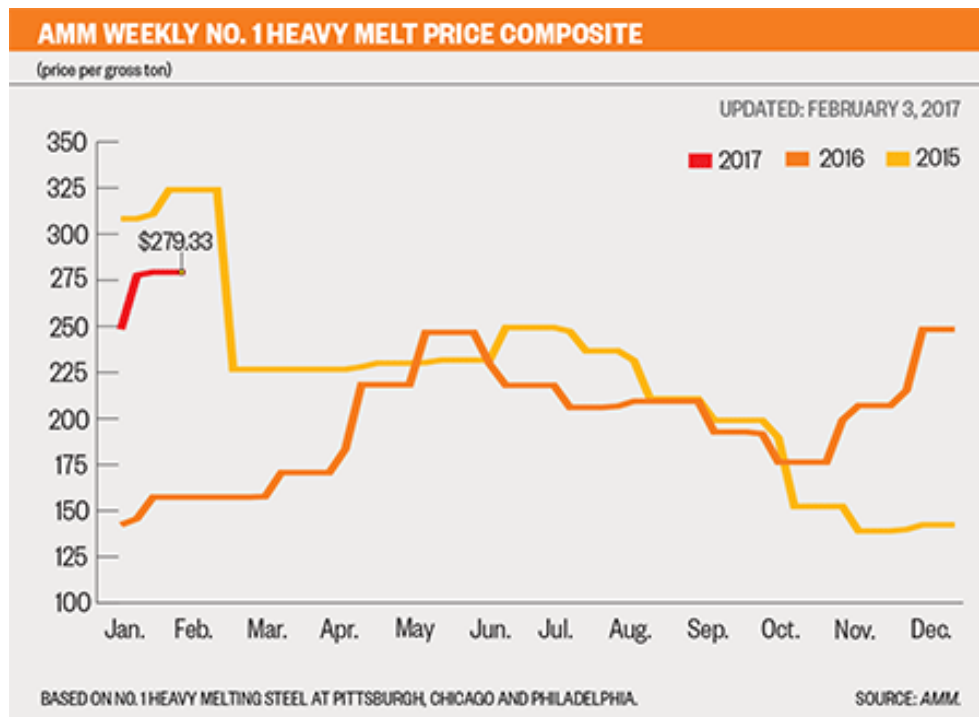
Higher prices are bring more rigs on line. The current 583 rigs is now a huge 84% over the 316 low of about a year ago. Importantly though the rig count is still only about 1/3, yes 1/3 third of what it was about two years ago.

## IRON ORE



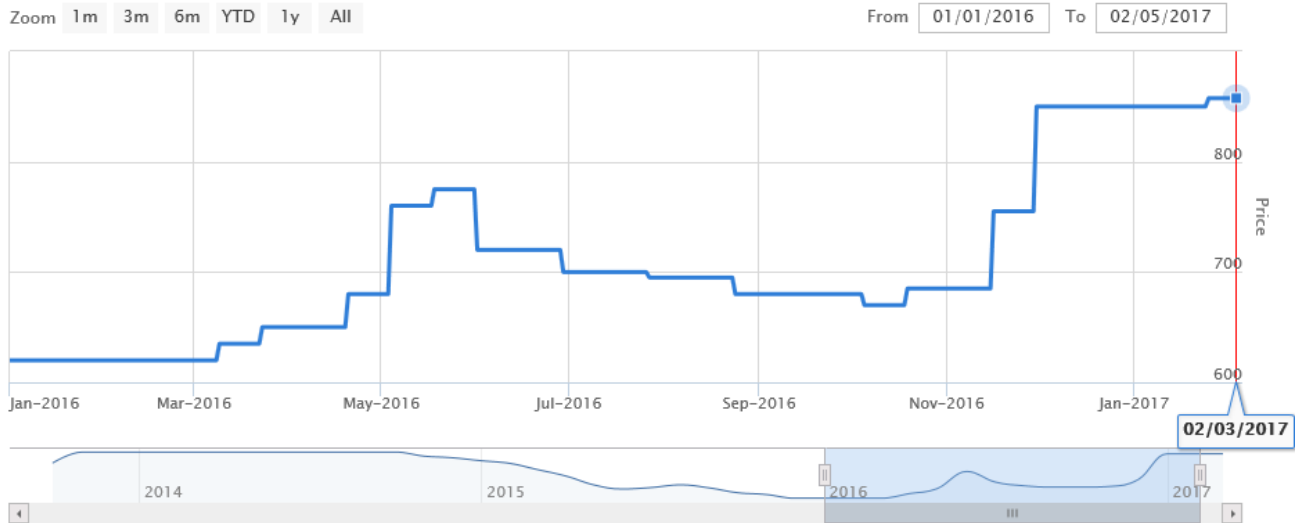
SOURCE: WWW.TRADINGECONOMICS.COM | OTC

Iron ore ended flat at \$83.50 MT. Like oil it is more than double the \$37 that it fell to about 14 months ago.



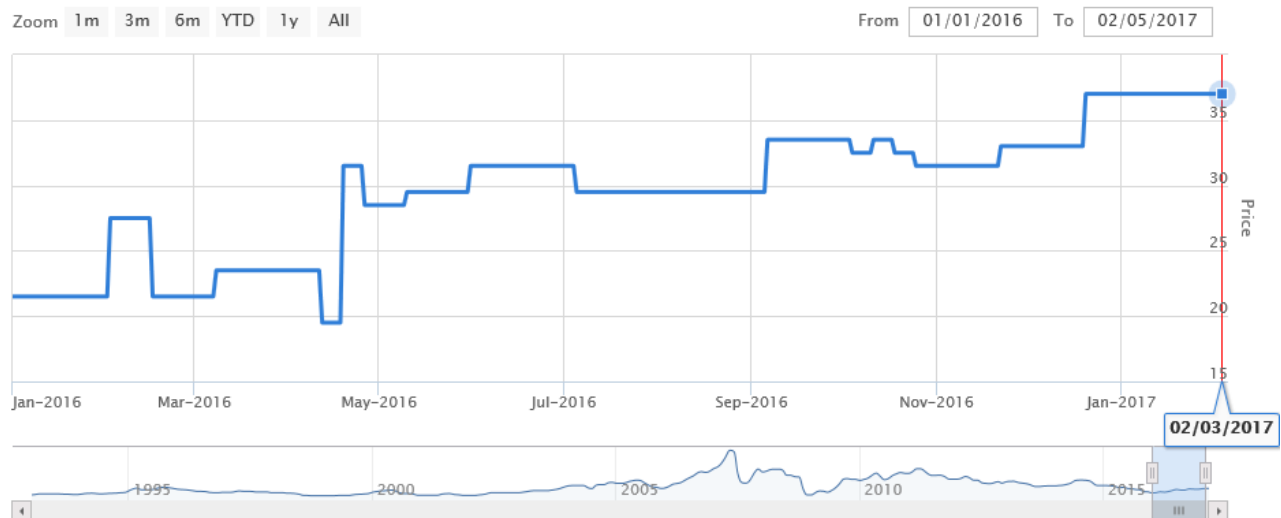
On the left we see scrap ferrous prices remained steady, but part of the U.S. started selling material down \$10-\$25/GT last week. Good demand seems to be offsetting the strong push down that some predicted. Dropping more than \$25/GT could still be possible in some areas.

# Hot Dipped Galvanized Coil



Hot dipped galvanized steel held at \$858/MT based on good demand, continued higher scrap and iron ore prices. This month's lower scrap prices, should support price stabilization.

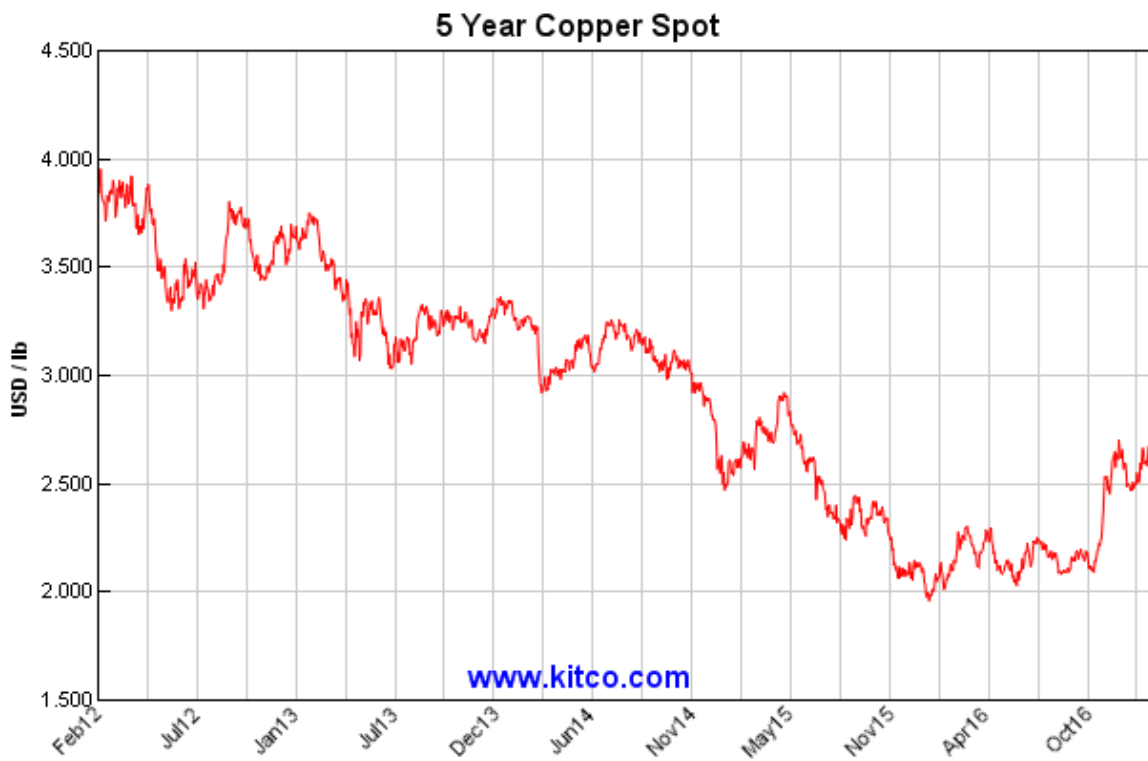
# 304 Stainless Scrap



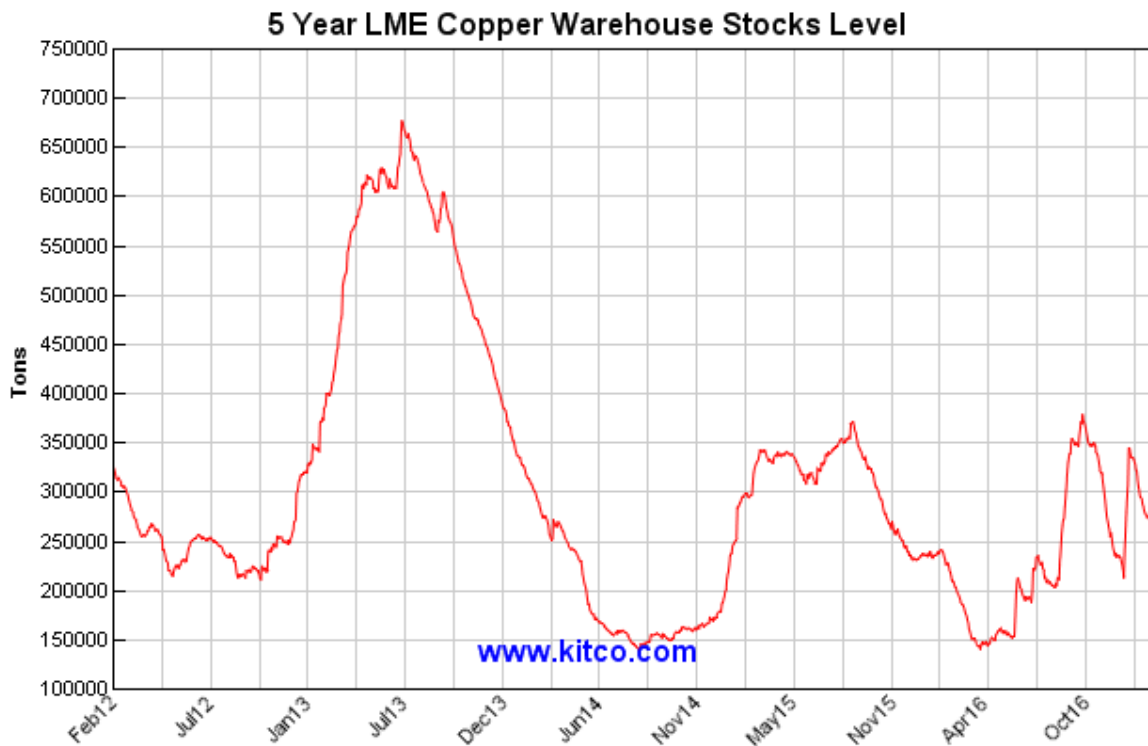
Stainless 304 scrap yet again held at 36 cents showing many weeks of stability.



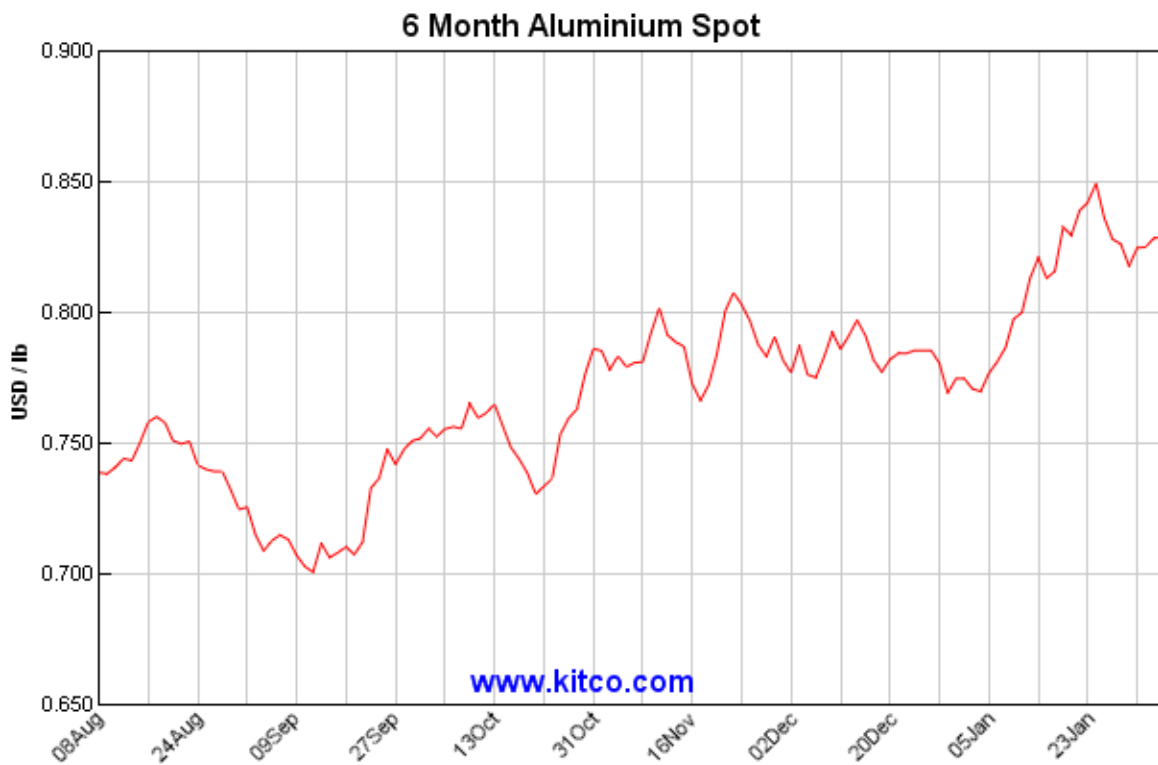
Copper fell 8 cents to a bit over \$2.61/lb., but is up to \$2.63 this morning. Spreads are higher as transaction prices remain good, but not as strong as the index.



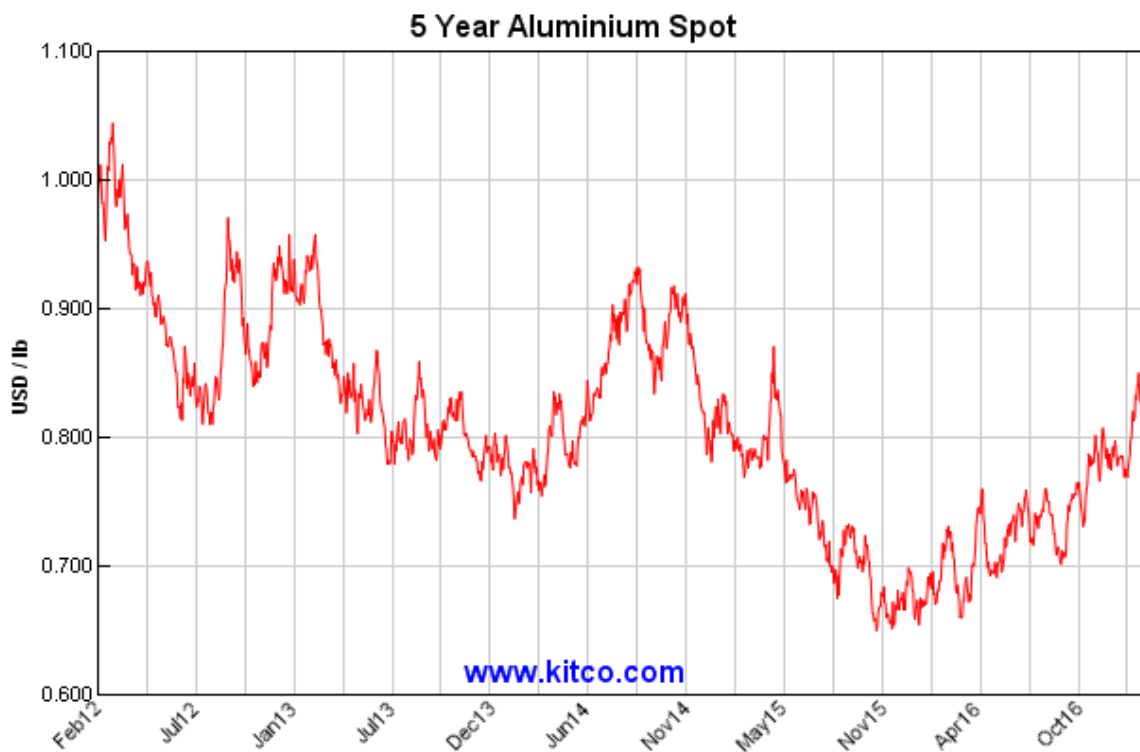
Note that copper prices remain near 18 month highs, looking at the 5 year chart.



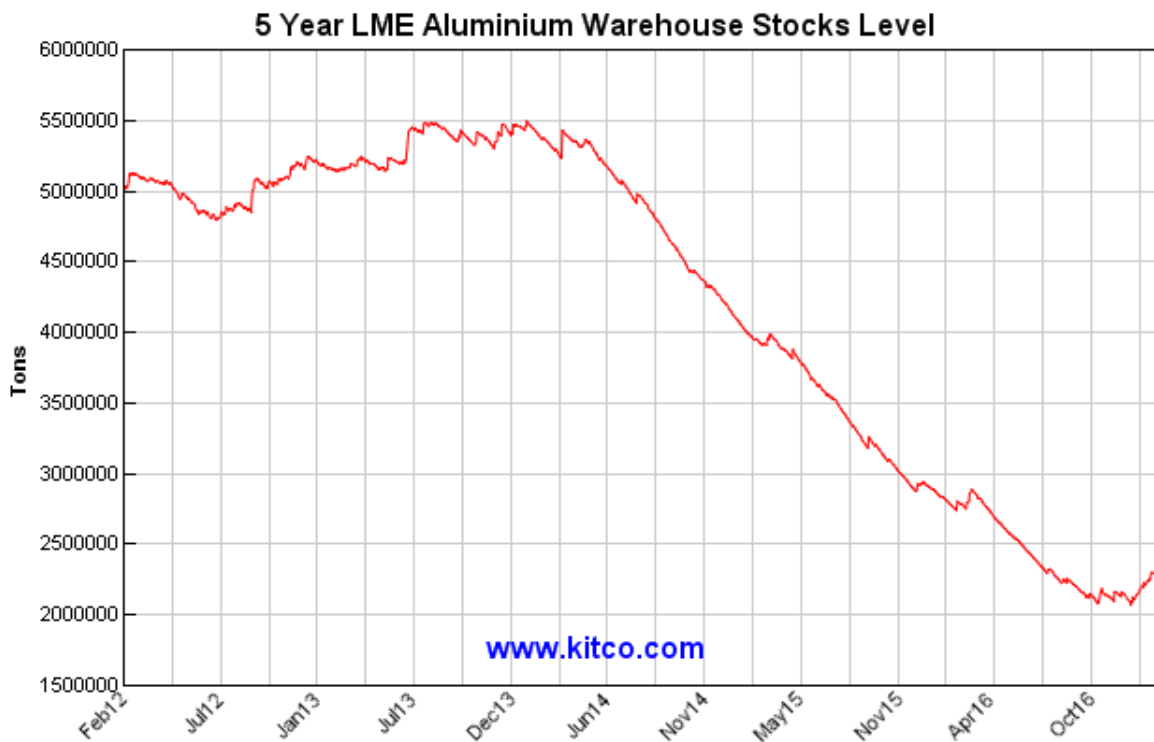
Copper inventories have been falling in recent weeks, which should help stabilize prices, despite the major run up.



Aluminum was flat for the week at \$.83/lb., on no major news, other than good overall economics.



Aluminum like copper remains close to 18 months highs, when looking at its 5 year chart.



Aluminum inventory levels have stayed in a small band for a couple of months, which are near 9 year lows, supporting stable to higher prices.



China which produces more the half the world's steel and consumes half the world's copper, continues its slow manufacturing growth for the past 6 months with their PMI, Purchasing managers index, at 51.3 in January. Over 50 is expansion, so this is the 6<sup>th</sup> straight month over 50, driven by higher exports and business expectations.



# US Manufacturing PMI

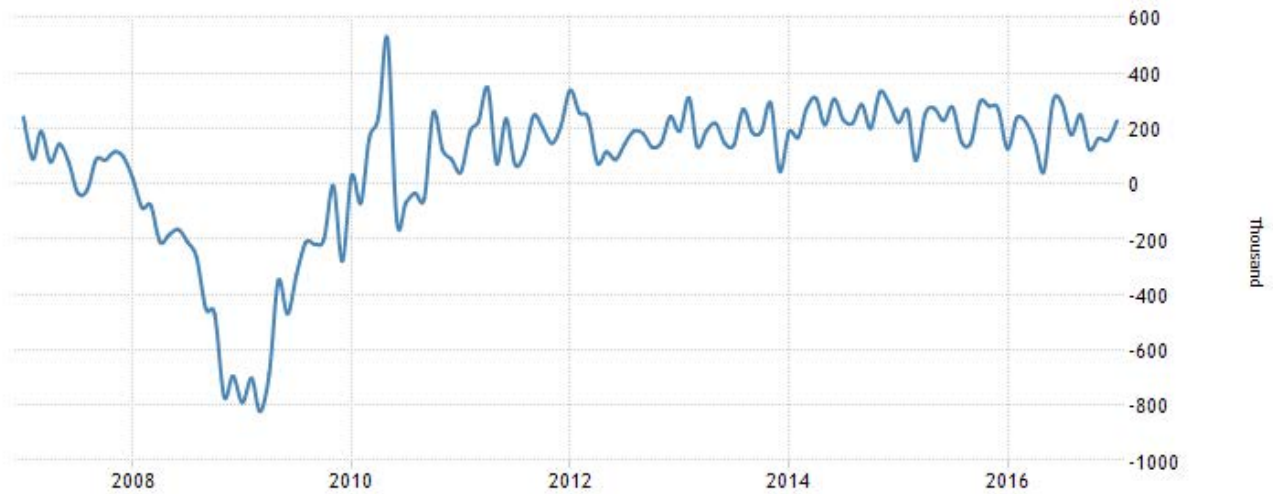


The U.S. manufacturing PMI was 55 in January, the highest reading in about a year, which is great economic news, driven by robust output and new order growth.



The U.S. unemployed rate rose a bit last month to 4.8%, but as we have seen that is far from the full story.

US NON FARM PAYROLLS



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

Total U.S. employment, hit a new all-time as 227,000 jobs were created in January. Ever since stimulus programs were put in place in 2009, there has been steady U.S. job creation.



9.4 percent unemployment might be a better number to use. This includes part time workers that want full time jobs and discouraged workers. This was over 17% in 2009, so it is much better today.

US TOTAL VEHICLE SALES



U.S. Vehicle sales which hit another all-time record in 2016, after a record 2015, fell a bit to an annualized rate of 17.6 million in January. On the positive side, a higher percentage of vehicles are larger more profitable crossovers and trucks, vs. less profitable cars. Ford's F150, all aluminum truck body remains the #1 selling car or truck in America.

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