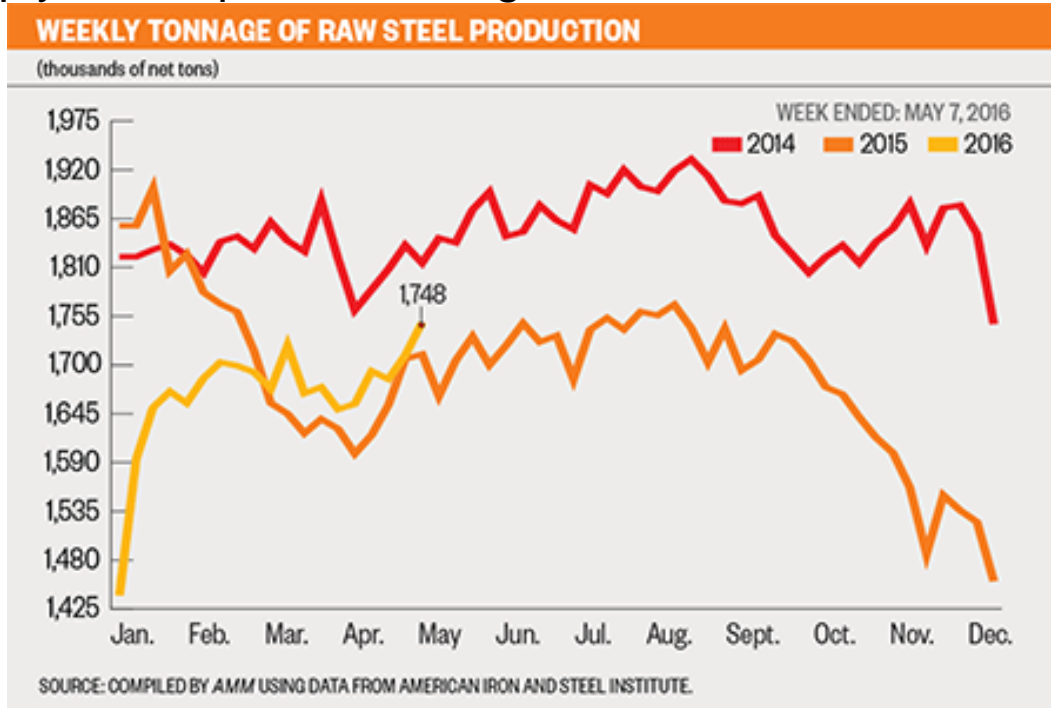


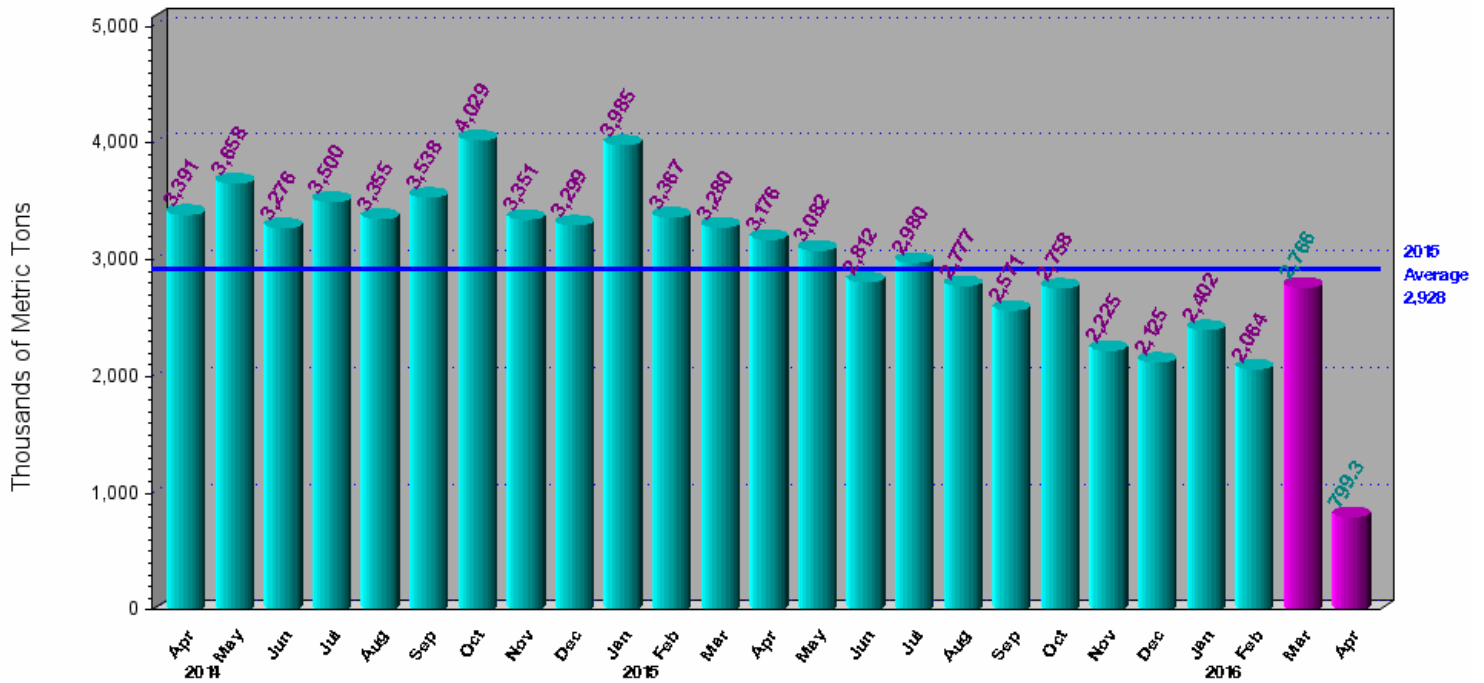
This is the Scrap Metal & Commodities Recycling report, by BENLEE Roll off, Lugger and Open Top Trailers and Raleigh and Goldsboro Metal Recycling May 16th, 2016.

In this report, last week commodity prices had many ups and down, while supply of scrap remained tight in some cases.



U.S. Steel production rose to a high for the year and is at an approximately 9 month high. A nice performance for U.S. steel mills.

U.S. Imports of All Steel Mill Products From World



SOURCE: U.S. Department of Commerce, Enforcement and Compliance
 Graph last modified on : April 13, 2016 with
 Licensing Data collected through April 13, 2016
 Commerce license data used for the last months appear in a different color
 Data extracted from the import licenses are not official Census data

Steel imports to the U.S. have been trending down since last year, which is a key reason for the U.S. steel production increase.

CRUDE OIL

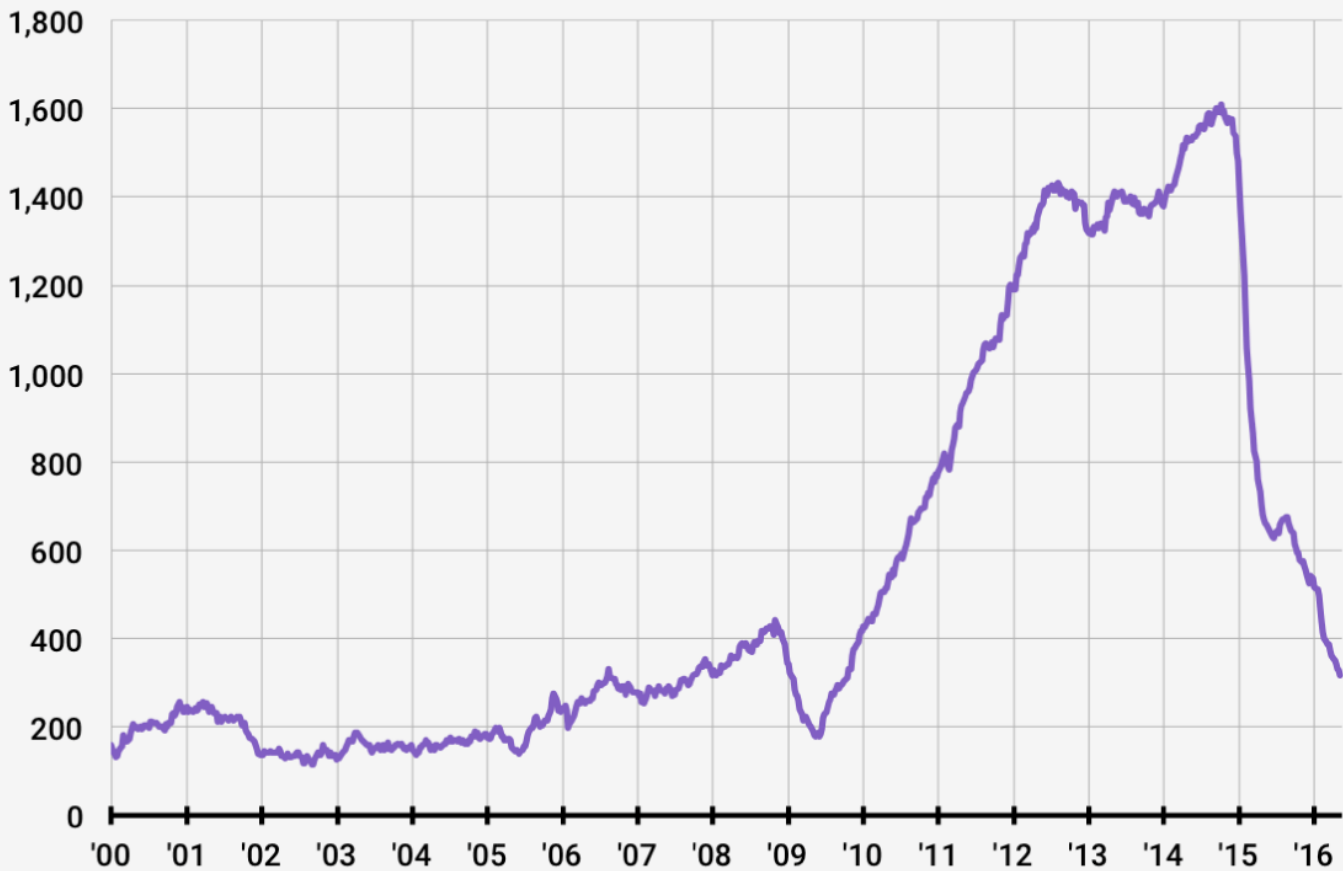


SOURCE: WWW.TRADINGECONOMICS.COM | NYMEX

Oil prices are now up an incredible 78 percent from their February low, which is raising the cost of doing business across many industries. Goldman Sachs reported this morning that with oil

production down and demand up there is now a global deficit, so prices could continue to rise.

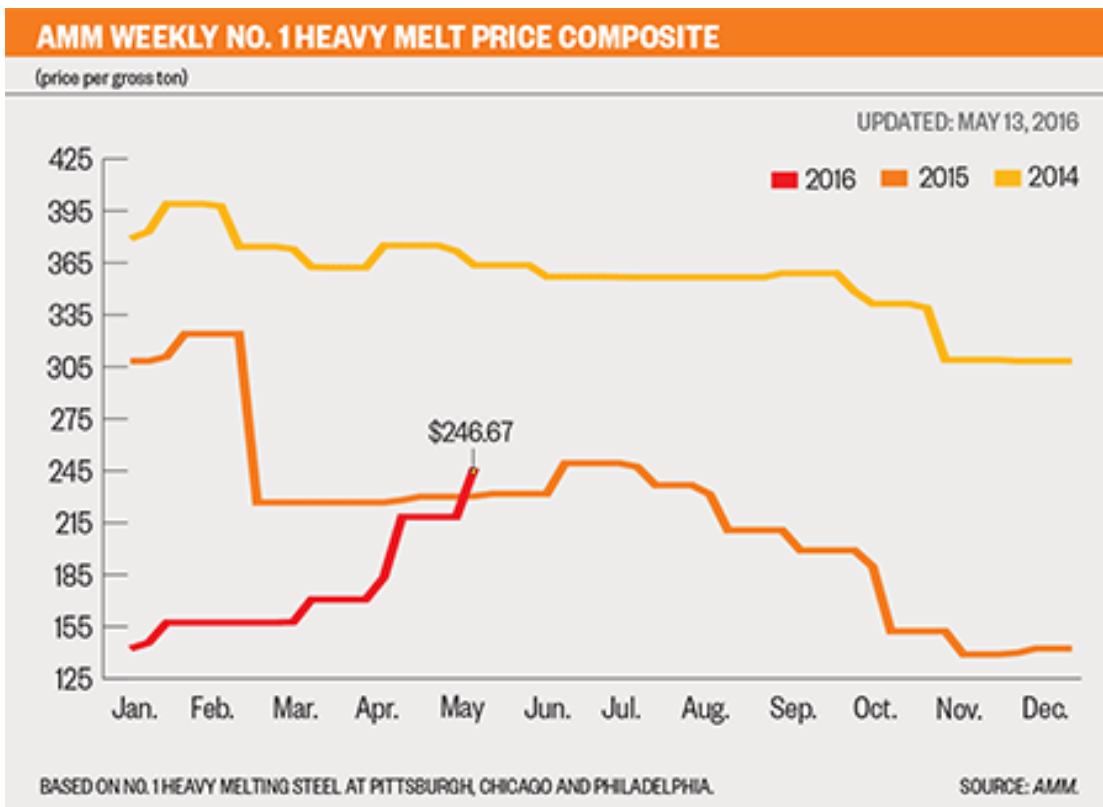
US OIL RIG COUNT



SOURCE: Baker Hughes

BUSINESS INSIDER

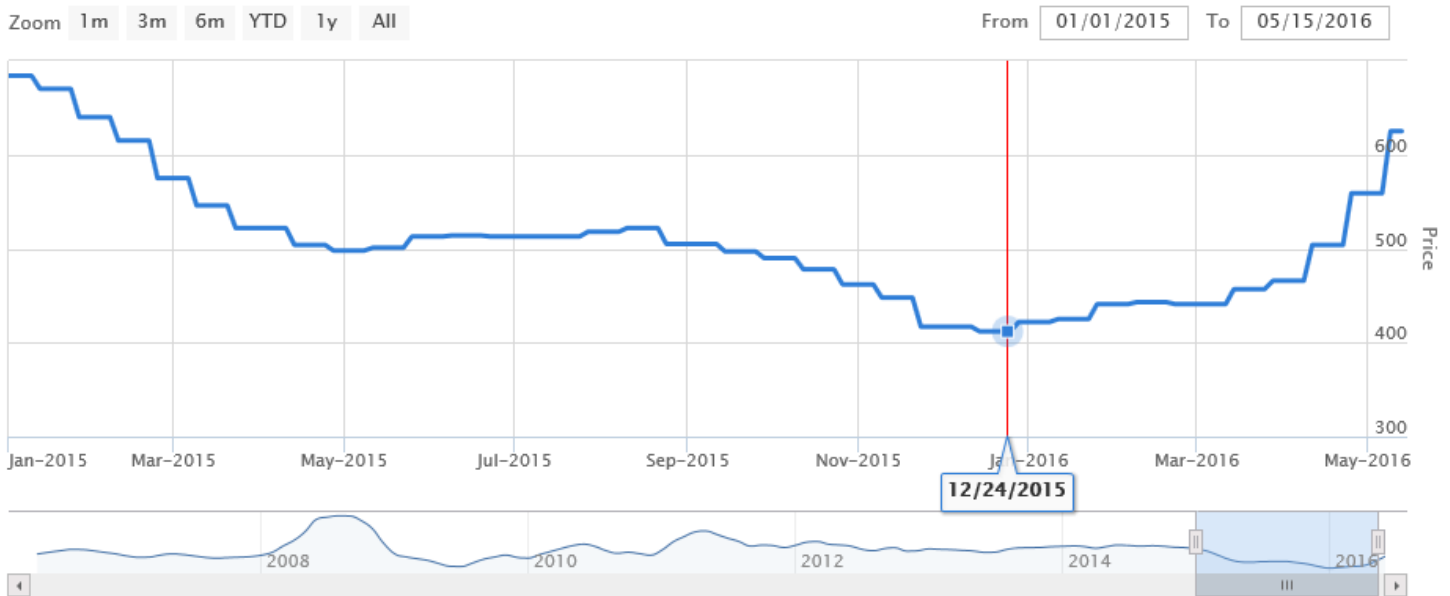
But despite this increase, oil rigs that use huge amount of steel continue their fall and are now down more than 80 percent from their high of 19 months ago. With oil prices on the rise, this could change soon.



U.S. Ferrous scrap prices rose and are now at highs not seen for almost a year. Importantly some are saying that despite record high U.S. steel production for the year and imports on the decline, ferrous scrap prices could go down in June.

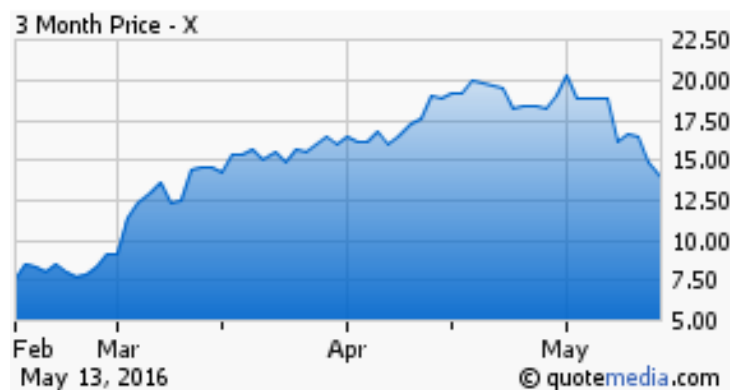
As for scrap metal volumes coming into yards, a trader at one of the largest nonferrous brokers in the U.S. said about 72 hours ago, flows are “horrible and anemic”. Note that nonferrous and ferrous tends to track each other, but it is true that large amounts of junk cars have been finding their way to market, which keep in mind is a one time event.

Hot Rolled Coil Steel



Related, multiple steel mills announced price increases this week of up to \$100 a ton and as we see hot roll coil continues to rise in price.

US Steel Stock Price



U.S. Steel, one the largest steel mills in the U.S. has had their stock price tumble last week. It is believed that despite major tariffs, the run up in global steel prices had the Chinese run their steel mills hard in the past couple of months and they plan major exports to the U.S. in the coming weeks. This could be a reason for lower ferrous scrap prices to come.

IRON ORE



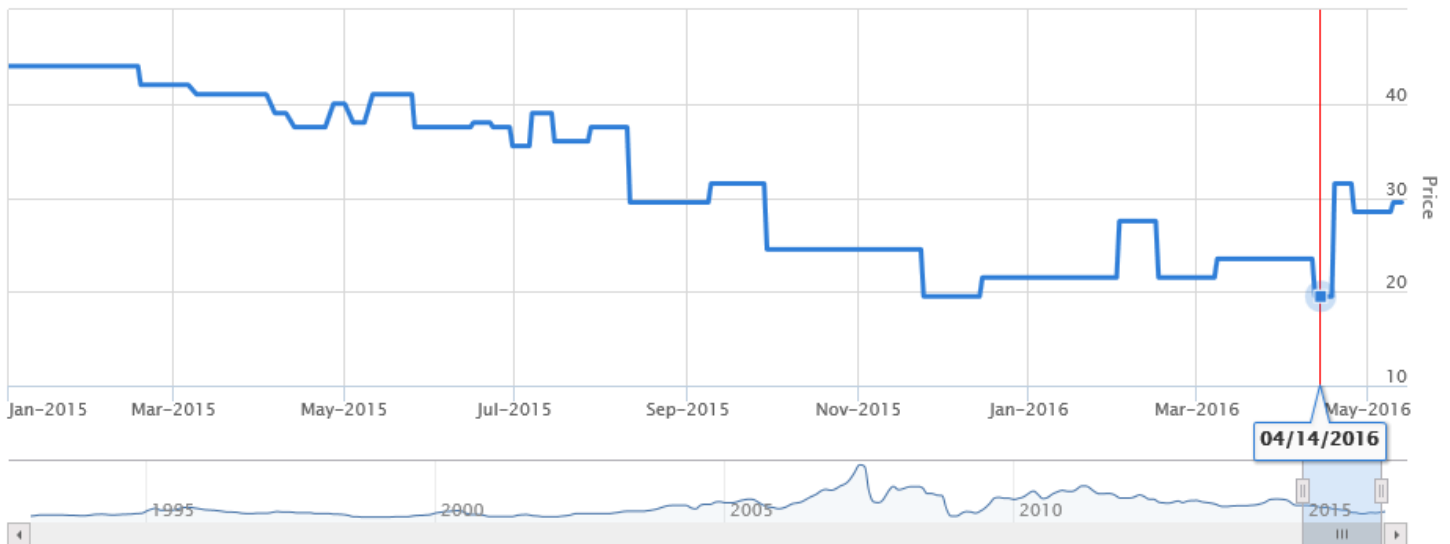
SOURCE: WWW.TRADINGECONOMICS.COM | CME

Another reason for lower prices is that iron ore prices have come down about 20% in recent weeks from an approximately one year high in early April.

304 Stainless Scrap Prices

Zoom 1m 3m 6m YTD 1y All

From 01/01/2015 To 05/15/2016



304 stainless scrap prices rose for the week and remain close to their multi month high.

COMEX:HGN2016, W 2.0740 ▼ -0.0005 (-0.02%) O:2.1500 H:2.1555 L:2.0590 C:2.0740

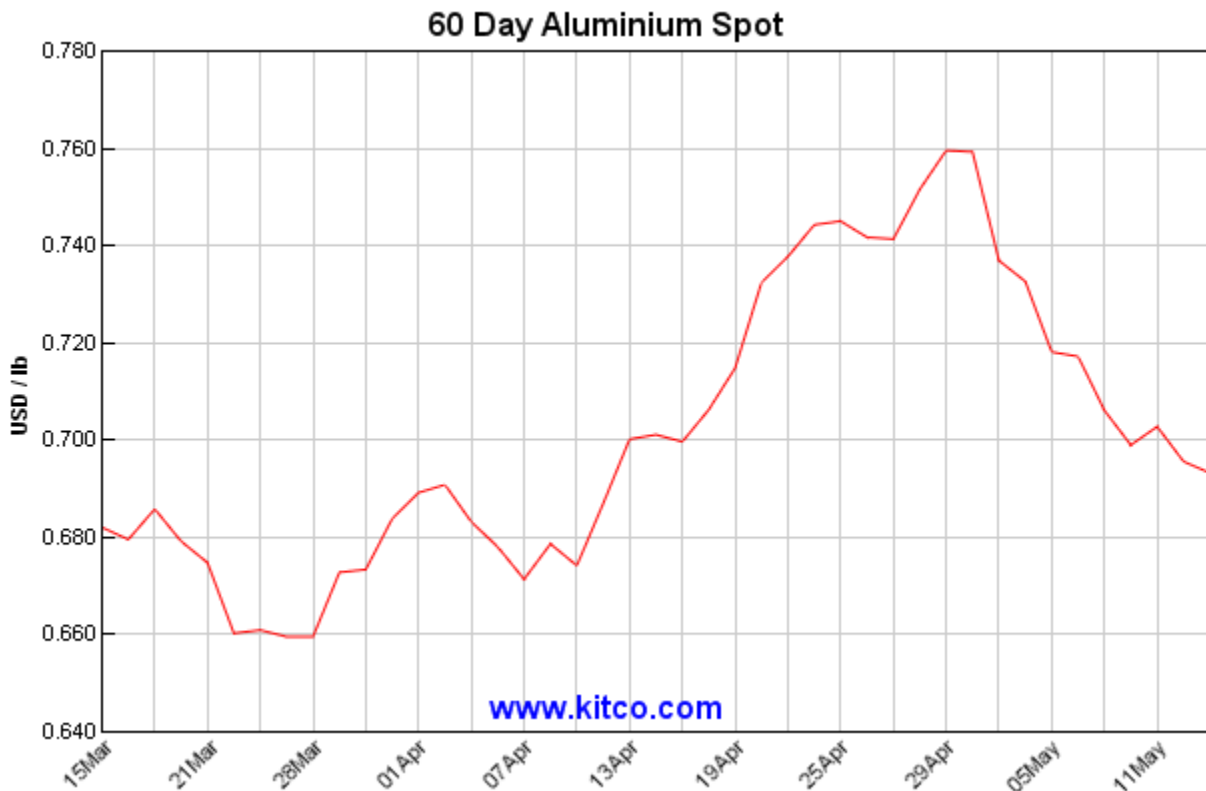


 **CME Group**
Powered by TradingView.com

Copper fell about another 8 cents for the week and is now down 23 cents in less than two weeks.



With copper inventories actually going up in recent weeks, this could limit price increases.



Aluminum prices also fell last week, so while there are horrible flows of scrap into scrap yards, primary aluminum is clearly in full supply, keeping prices down



FREEPORT- McMoRAN

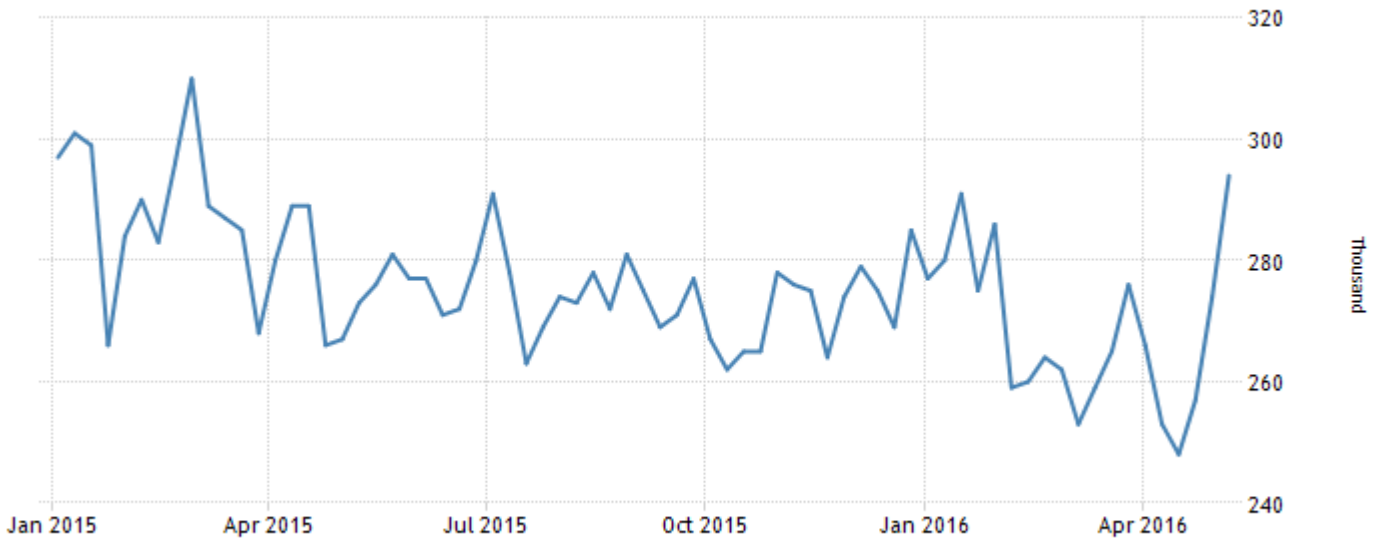
Freeport McMoRan, the second largest copper miner in the world has made major moves in recent weeks to pay off debt due to the collapse of copper prices that they do not see rising anytime soon.

Freeport McMoRan Stock



Their stock price has come down in recent weeks, but it is still more than double that of a few months ago, despite last week having sold their largest South African copper mine for \$2.65 B to the Chinese and they sold a 13% interest in the second largest copper mine in the world to the Japanese for \$1 Billion earlier in the year.

US INITIAL JOBLESS CLAIMS



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

The U.S. weekly jobless claims rose for a third week in a row and was 294,000; much worse than estimated and importantly this is not a good trend.



Novelis, one of the largest aluminum producers in the world announced that their automotive sheet shipments have been up an average 31% a year from 2012 to 2016. A great performance for the metal.

Lastly, a new part of this report for customers of BENLEE is the Product of the week.

Roll Off Truck Replacement



This week it is our bestselling roll off truck replacement trailer, the Super Mini. At only 25' 11" long, it does everything a roll off truck does but better, including in most states carrying about 50% more weight legally than a roll off truck but costs about one quarter of the price or a roll off truck.

With that we hope all have a Safe and Profitable week. My name is Greg Brown