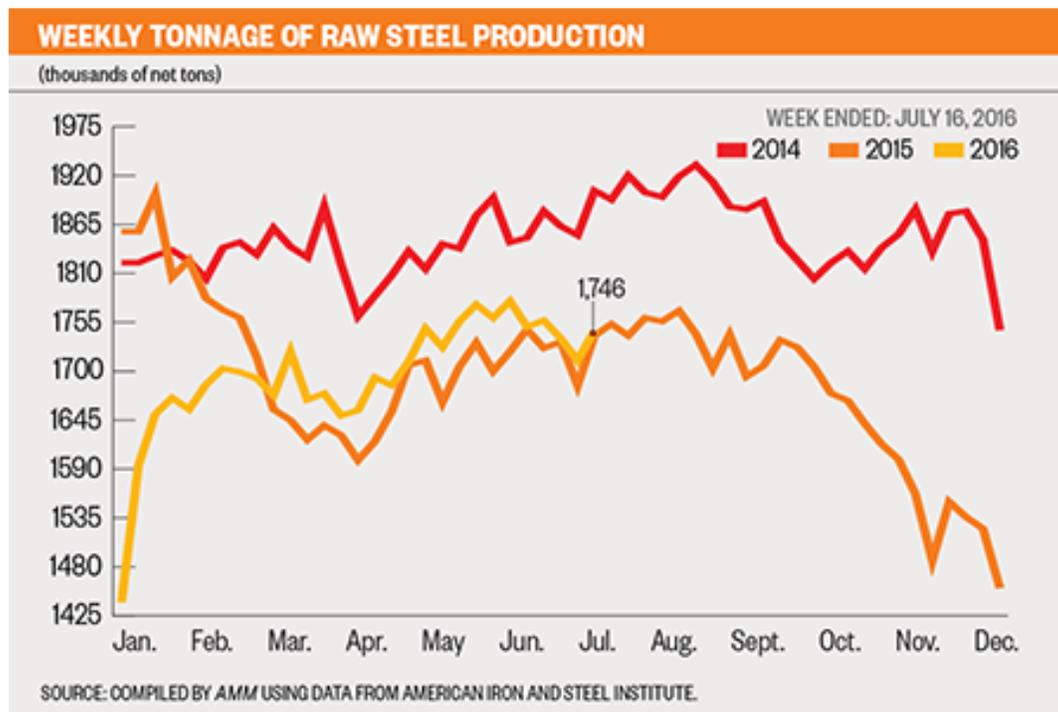


This is the Scrap Metal & Commodities Recycling report, by BENLEE Roll off, Lugger and Open Top Trailers and Raleigh and Goldsboro Metal Recycling Monday July 25th, 2016.

In this report, many commodity prices came down a bit while the U.S, stock market hit new all-time highs for the second week in a row.



U.S. Steel production came up a bit last week and while still off its recent highs, production is about 22% higher than it was in January.

CRUDE OIL



SOURCE: WWW.TRADINGECONOMICS.COM | NYMEX

Oil prices came down to about \$44/barrel, yet still remains 68% higher than it was in February.

US OIL RIG COUNT



SOURCE: Baker Hughes

BUSINESS INSIDER

Oil rigs, major steel consumers rose last week for the 7th time in the last 8 weeks. While not a huge increase, this is clearly

positive news for companies that make steel for these rigs and for the companies that supply scrap metal and iron ore for those mills.



Iron ore finished up Thursday, but was down for the week. Like other commodities, while iron ore is a relatively low \$56/MT it is about 50 percent higher than it was about 7 months ago

which is major recovery. We remain hearing about large amounts of HBI, the scrap steel substitute coming in from Russia and other imported scrap metal coming in from Europe. These imports help depress U.S. scrap prices.

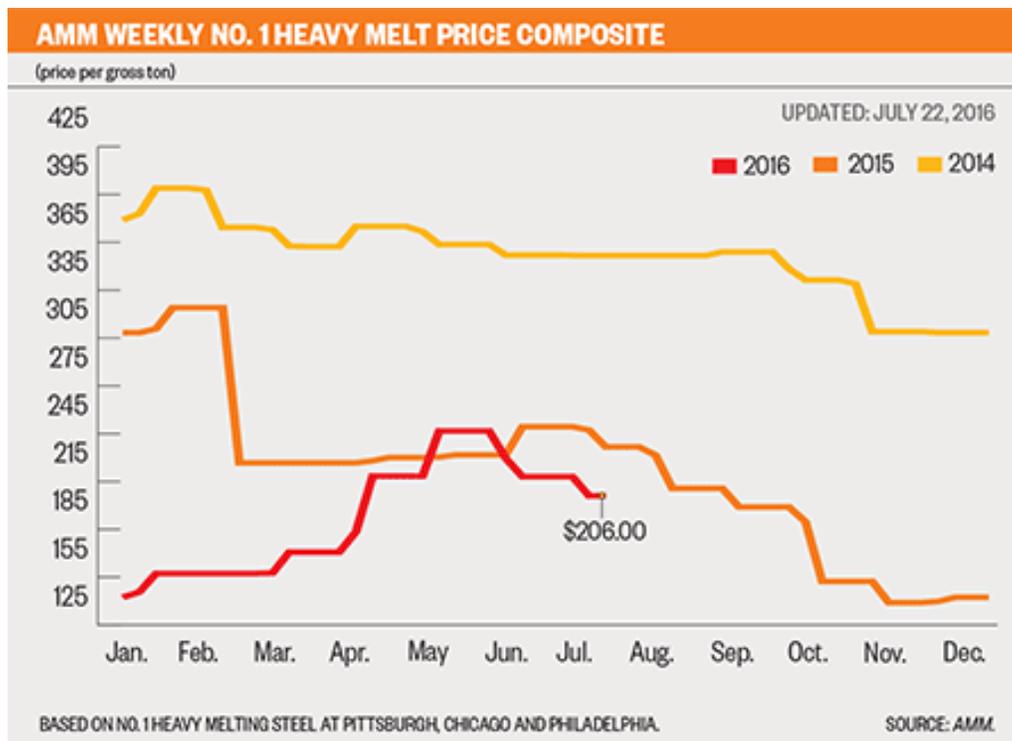
US DOLLAR



SOURCE: WWW.TRADINGECONOMICS.COM | OTC INTERBANK

This chart shows the strength of the U.S. dollar, our currency vs. other global currencies. The U.S. economy is not great, but it is better than many other global economies, so our currency is stronger.

When that happens, it makes imports cheaper to buy. So pretty simple. U.S. dollar better, U.S. scrap prices worse due to U.S. scrap yards compete with imports.



Scrap steel prices have remained steady. There is word that next week, higher end products like bushing could decline.

The question is with high imports of ferrous scrap and HBI, combined with lower flows coming into scrap yards, what will happen to obsolete scrap prices?

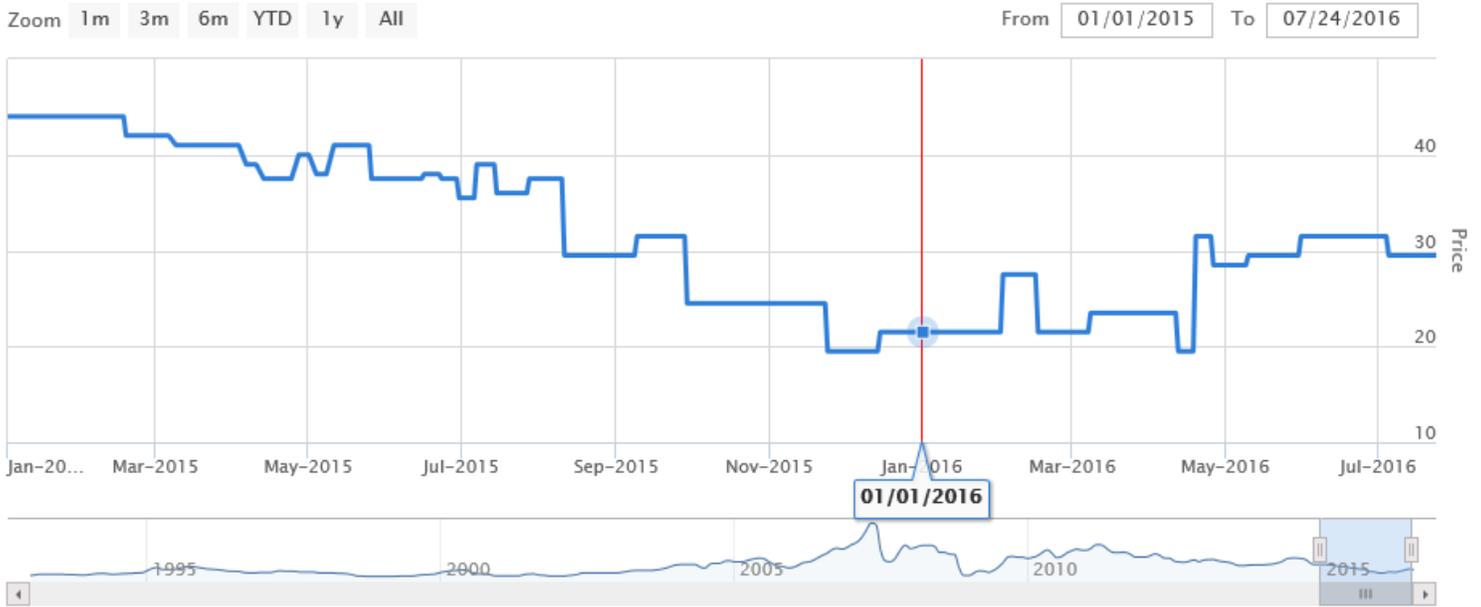
Hot Rolled Coil Steel



Hot roll coil prices remain stable with the U.S. economy remaining pretty good.

With scrap prices weak and demand good, not great, prices could remain stable.

304 Stainless Scrap



304 stainless scrap prices held higher than they were and remain well off their lows of earlier in the year.

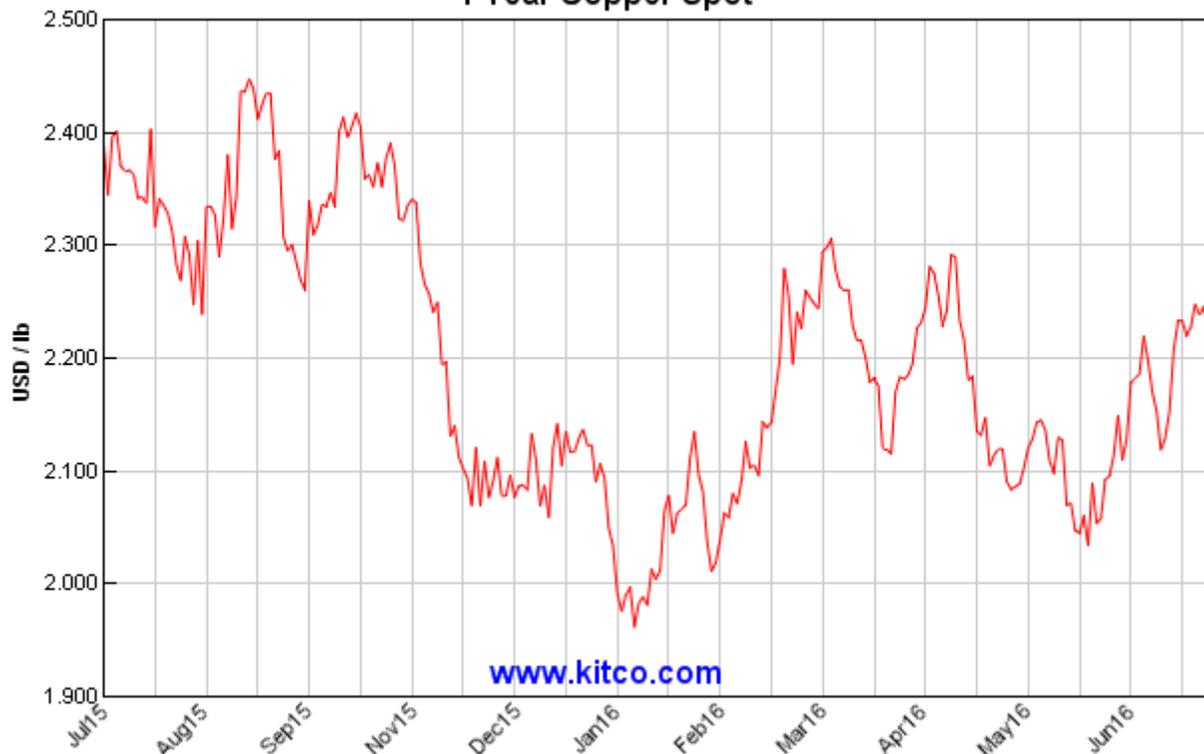
COMEX:HGU2016, D 2.2355 ▼ -0.0230 (-1.02%) O:2.2685 H:2.2705 L:2.2255 C:2.2355



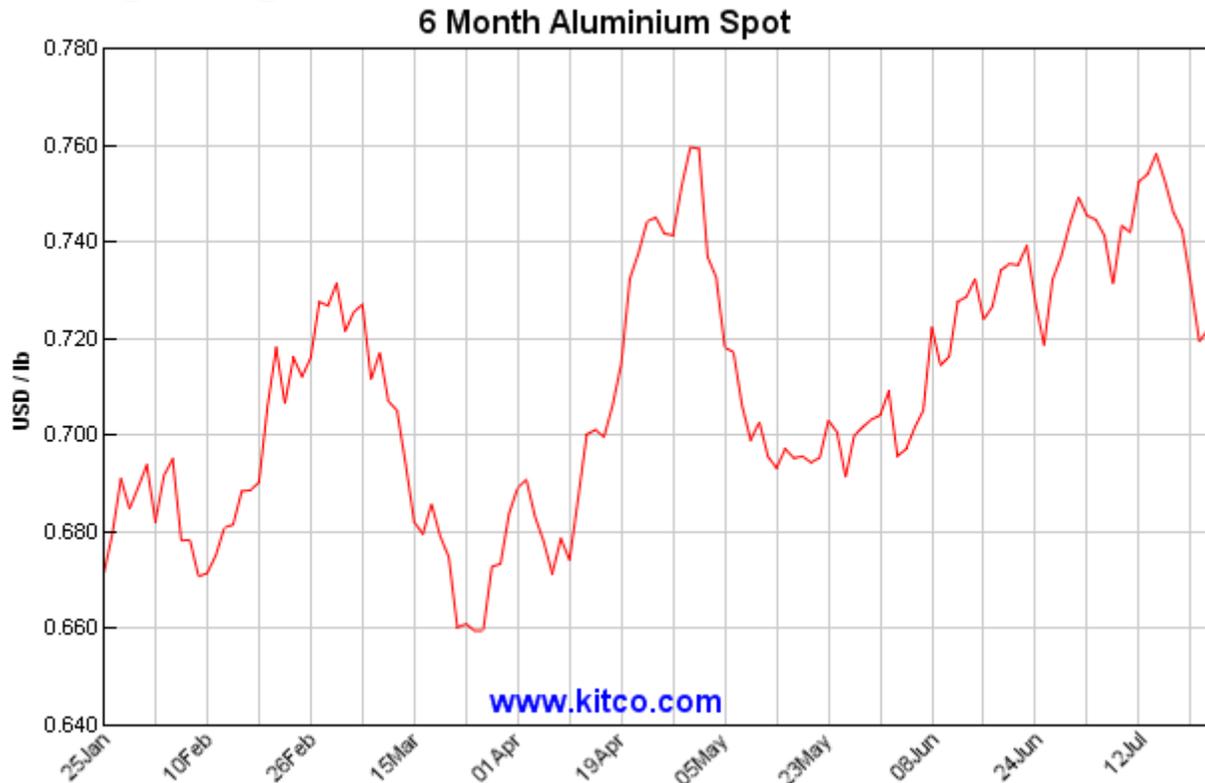
 **CME Group**
Powered by TradingView.com

Copper held steady for much of the week, but declined a couple of cents on Friday.

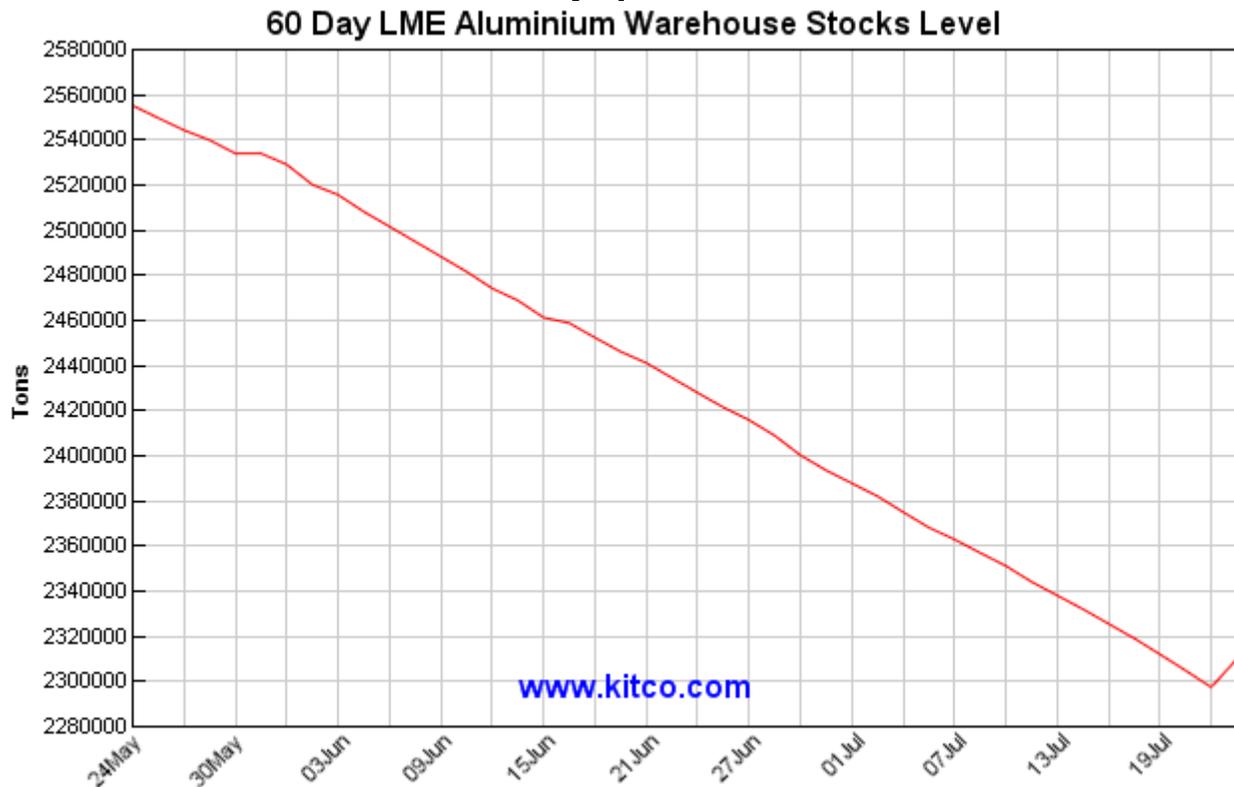
1 Year Copper Spot



and when looking at the one year copper chart, like other products we are off the January low and copper remains in a trading range.



Aluminum after trending up for about 4 months declined last week on no real news, but as said earlier the strong U.S dollar hurts commodity prices.



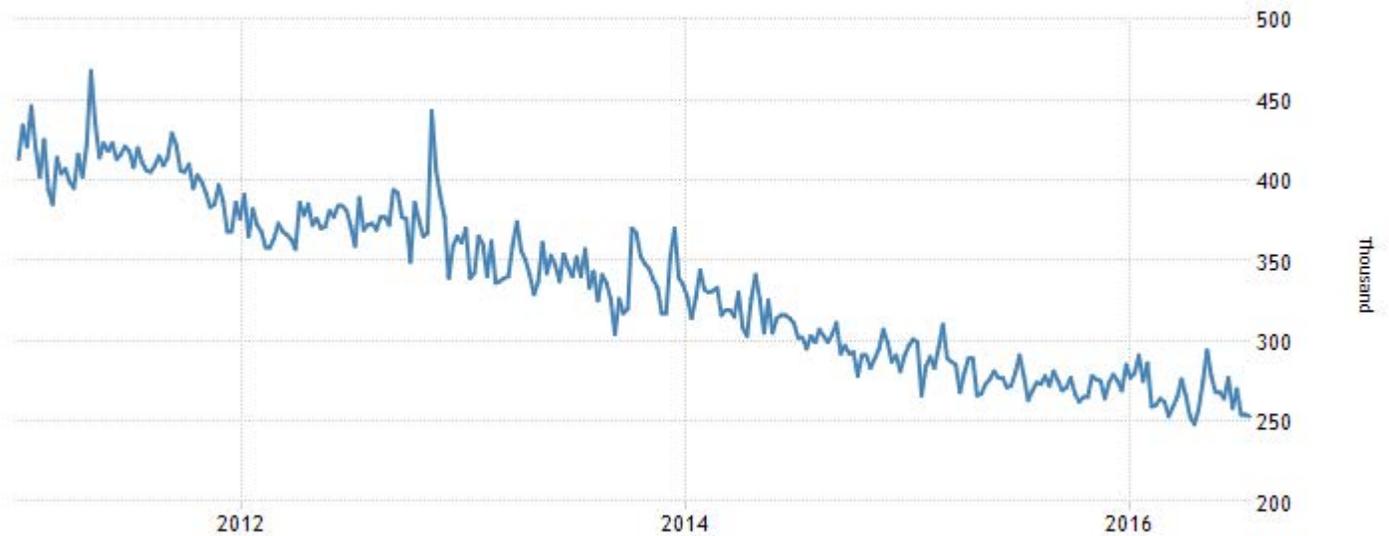
and for the first time in months we see a small uptick in aluminum inventories. As has been said, lower inventories could bring higher prices, followed by higher production, which brings lower prices.



Congratulations to Nucor Steel. They announced their profits almost doubled from the same period last year, driven by selling prices being 9 percent lower, but scrap and scrap metal substitutes being down a big 14%.

Operating rates were also nicely higher at 83 percent, vs 73 percent a year ago. Nucor also said their scrap business improved due to higher prices, more teaming with their mills and cost improvements. DRI operations (their scrap metal substitute operations) also improved profits due to higher prices and lower iron ore prices.

US INITIAL JOBLESS CLAIMS



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

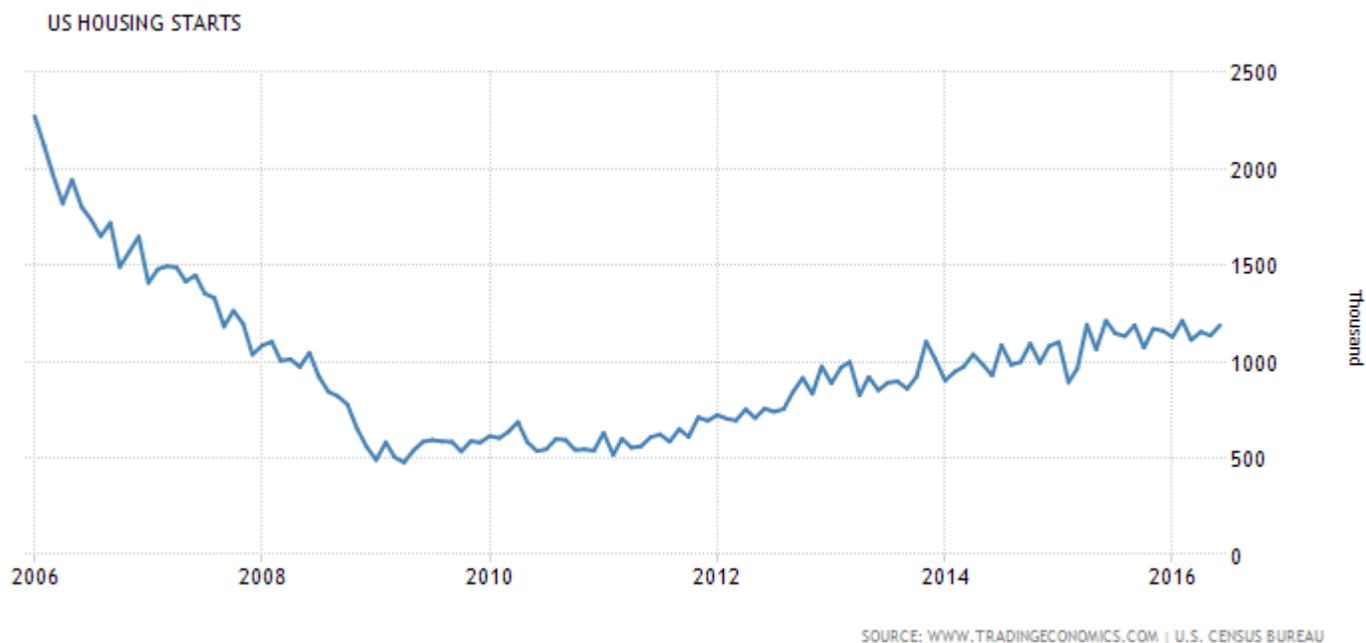
U.S. initial jobless claims fell yet again and are near multi decade lows. While we are not creating enough high wage jobs in the U.S., more people are working.

U.S. Dow Jones Stock Market

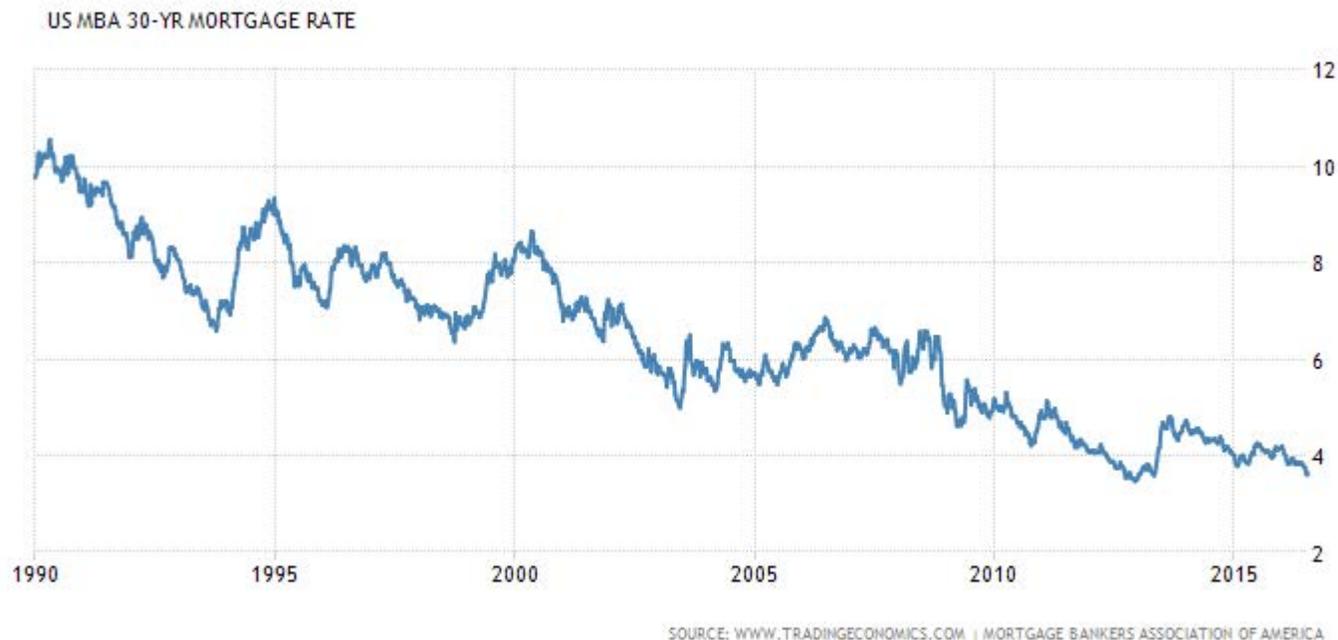


With problems in China and Europe, as well as Europe now having negative interest rates, the U.S. stock market continues to hit new highs and has been up for 4 weeks in a row.

There is a term called the Wealth effect. When people feel wealthy they spend more. With the stock market at new highs and 401Ks doing well, the U.S. economy could benefit, which could help stabilize, to increase commodity prices



Housing starts came up to just under 1.2 million units annualized. When we talk about good middle class jobs still being a problem, look to the left of this chart. Home construction was almost double in 2006.



30 year home mortgage rates rose a bit, but remain near historic lows. Refinancing homes at lower rates puts money in people's pockets and helps the economy, so for all those watching, consider refinancing, if you have a mortgage over about 4.00 percent.

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