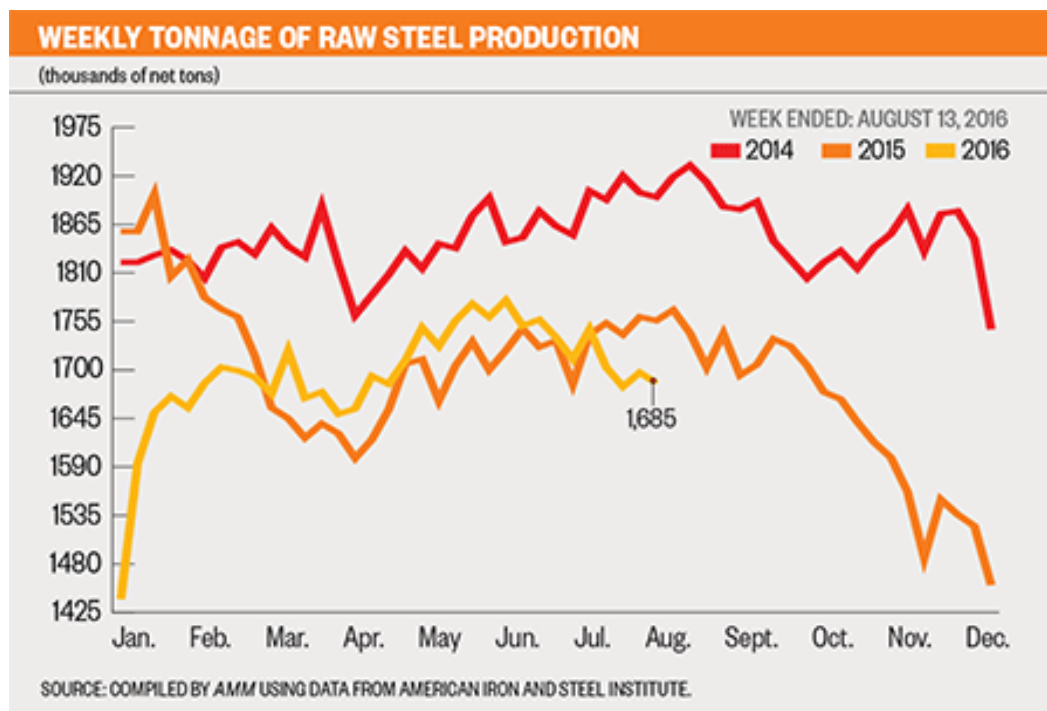


This is the Scrap Metal & Commodities Recycling Report, by BENLEE Roll off, Lugger and Open Top Trailers and Raleigh and Goldsboro Metal Recycling, Monday August 22<sup>nd</sup>, 2016.

In this report, last week many commodity prices rose, Wall Street hit new highs and there were multiple positive economic reports.



U.S. steel production came down a bit last week keeping it in a tight range for the past few weeks as the U.S. economy continues its slow growth.

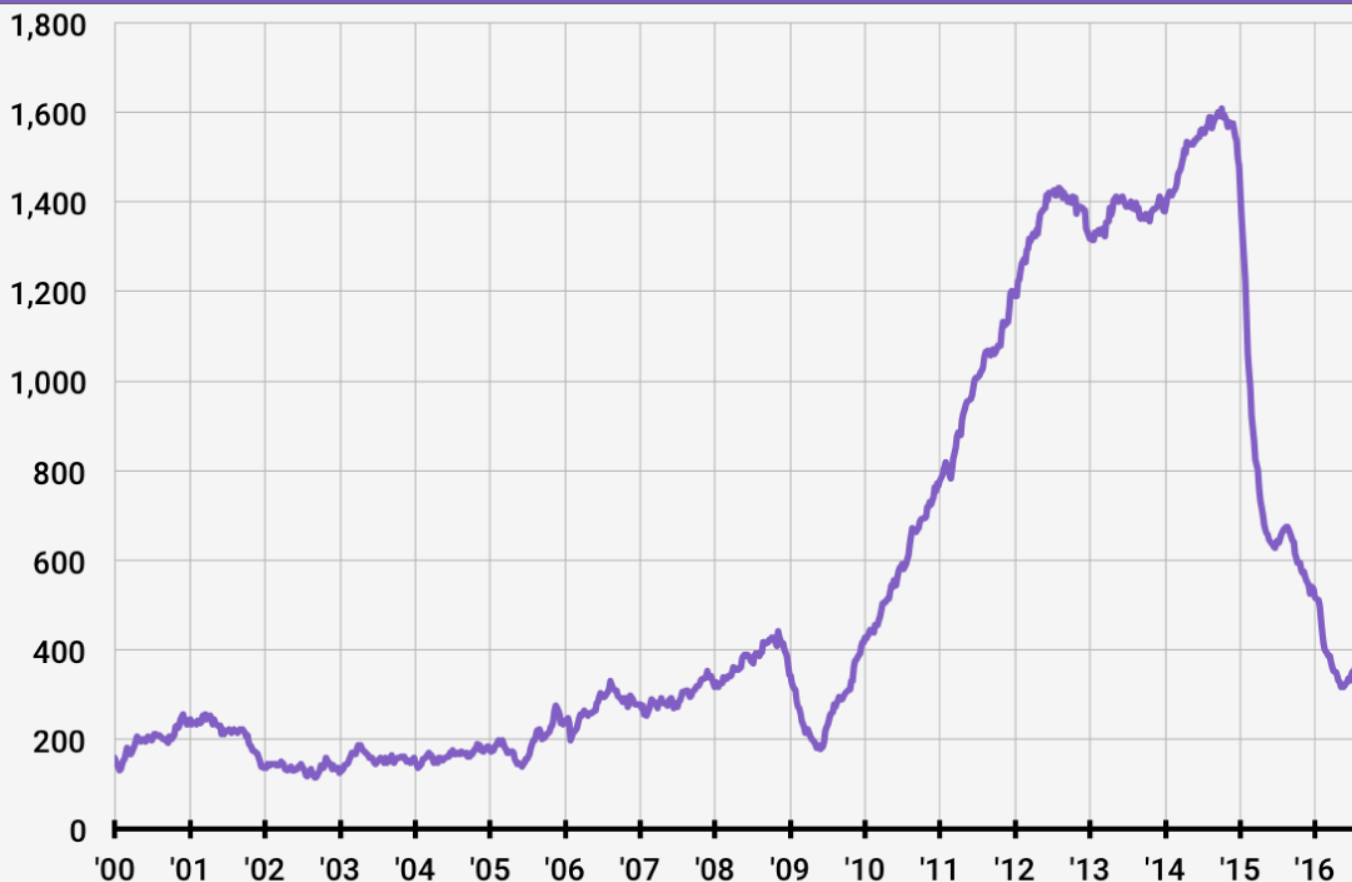
## CRUDE OIL



SOURCE: WWW.TRADINGECONOMICS.COM | NYMEX

Oil closed up a huge 9% for the week and is now up about 18% for the year. Very interesting data considering Saudi Arabia is pumping at record levels and Iranian production is the highest in years. Higher prices indicate the global economy is OK, not terrible.

# US OIL RIG COUNT



SOURCE: Baker Hughes

BUSINESS INSIDER

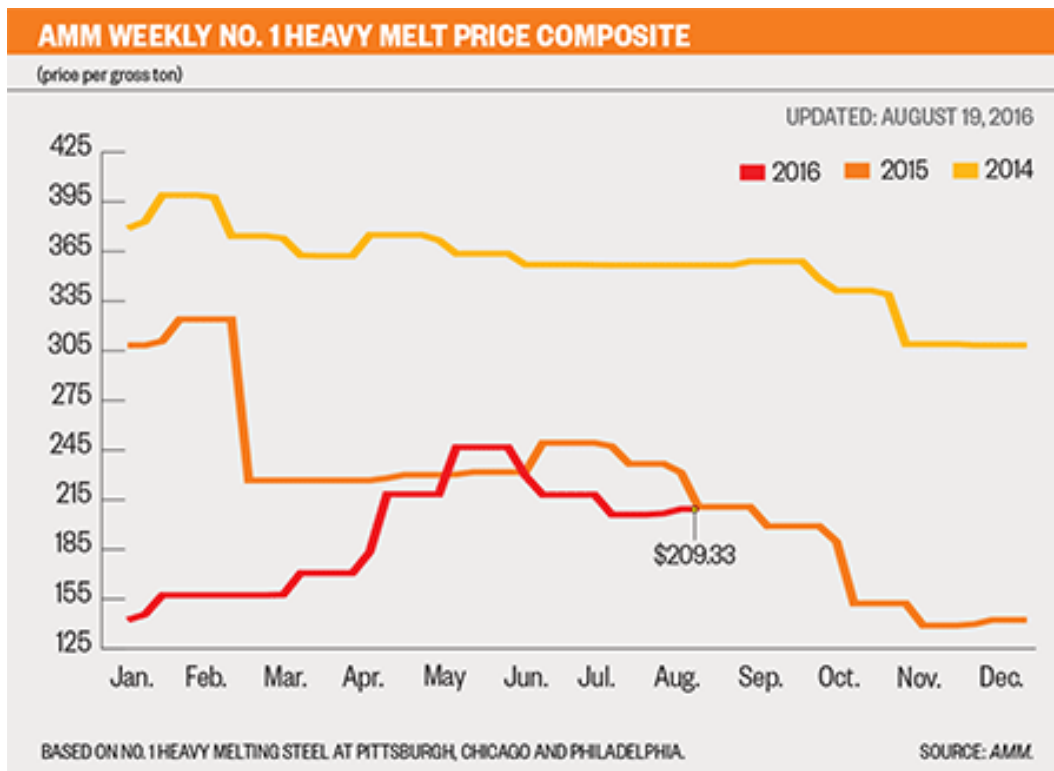
The oil rig count continues its slow creep back up. While not up a lot, it is at the highest level in 6 months, yet still down a huge amount from, two years ago, but with that said, it is good news for U.S. jobs and steel production.

# IRON ORE



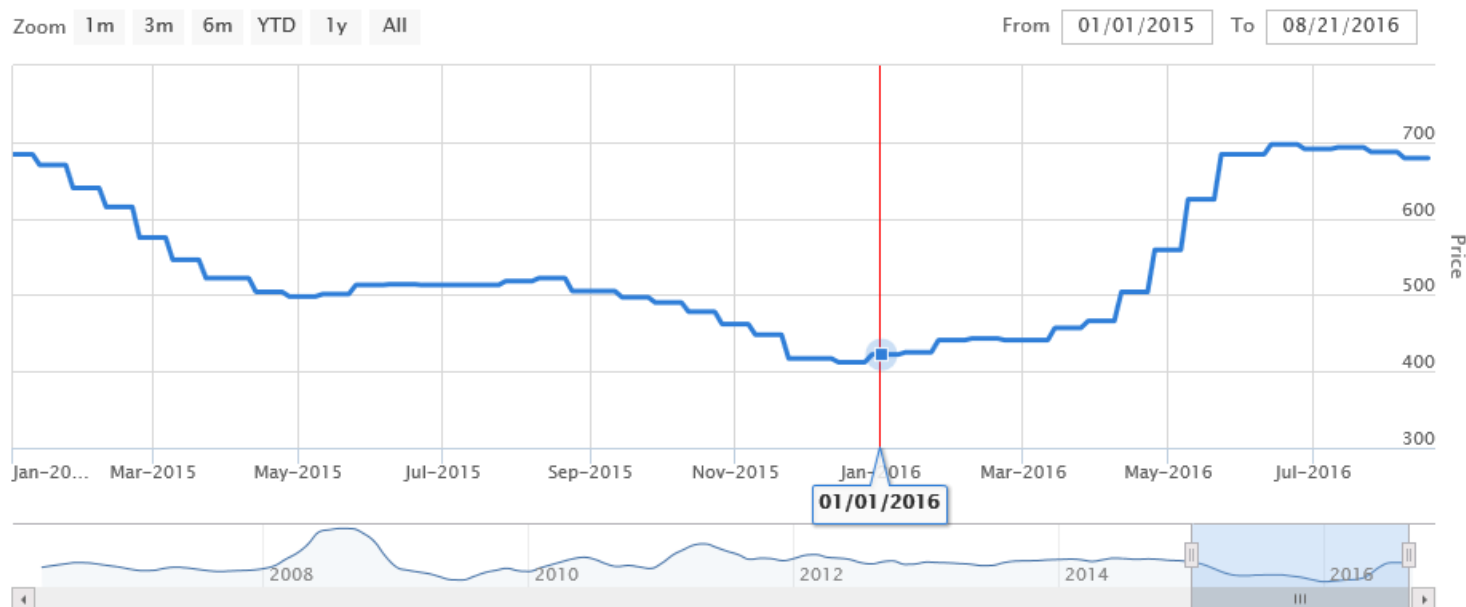
SOURCE: WWW.TRADINGECONOMICS.COM | THE STEEL INDEX

Iron ore closed at \$61/MT, up 1% for the week and a big 10% for the month. \$61/MT is a huge number considering it was \$37/MT, just 9 months ago, meaning it is up about 65% from that low.



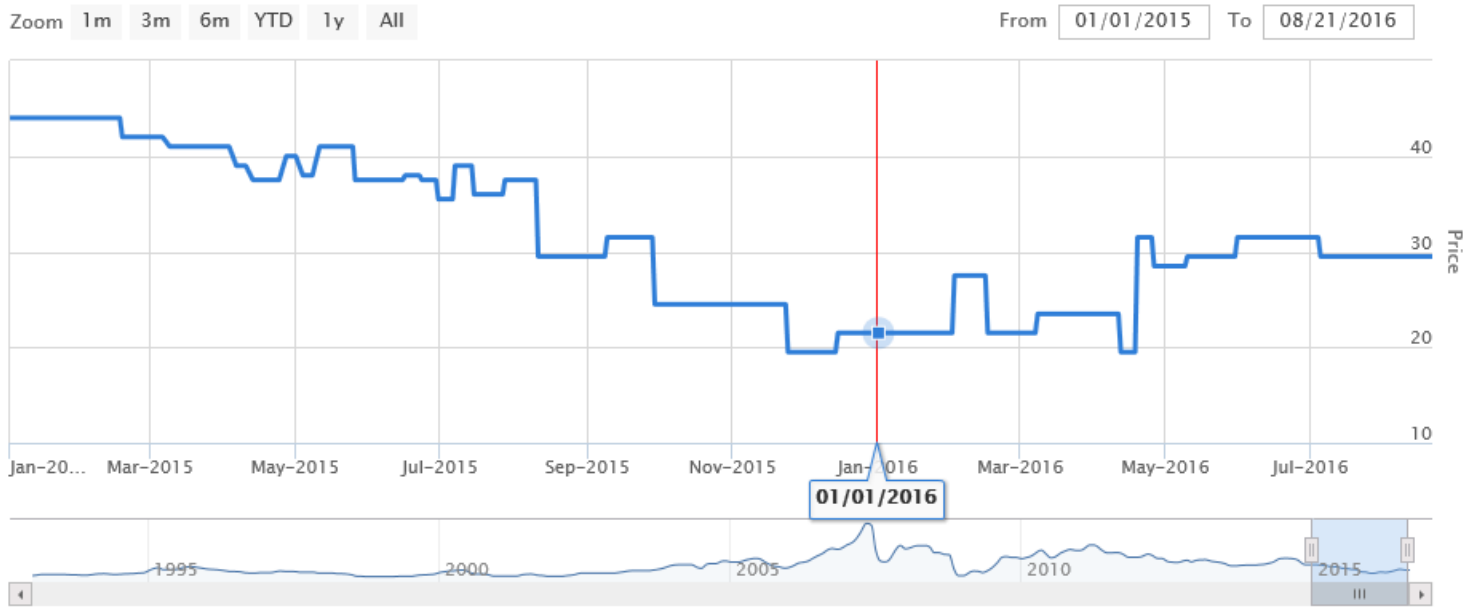
Scrap steel prices remained steady at a fairly low level. With continued slow economic growth and a moderate amount of imports, we could see small changes if any in next month's ferrous scrap prices.

## Hot Rolled Coil Steel



Hot roll coil prices declined a bit again, yet remain fairly high as U.S. steel mills remain protected from imports by tariffs that were imposed by the U.S. government. Related good news for steel mills is that scrap prices remain fairly low, which supports solid profits.

# 304 Stainless Scrap



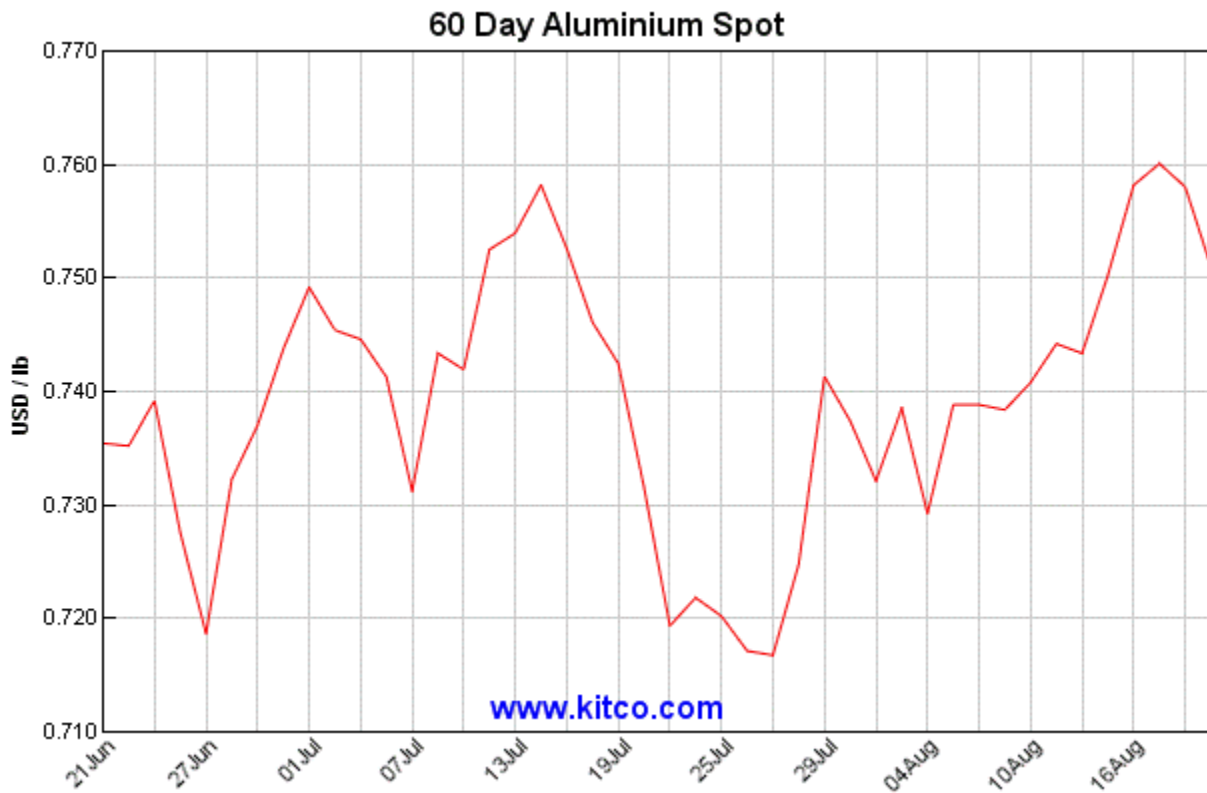
Stainless 304 scrap prices remain steady with no sign of any movement.

COMEX:HGU2016, D 2.1670 ▼-0.0005 (-0.02%) O:2.1650 H:2.1745 L:2.1580 C:2.1670

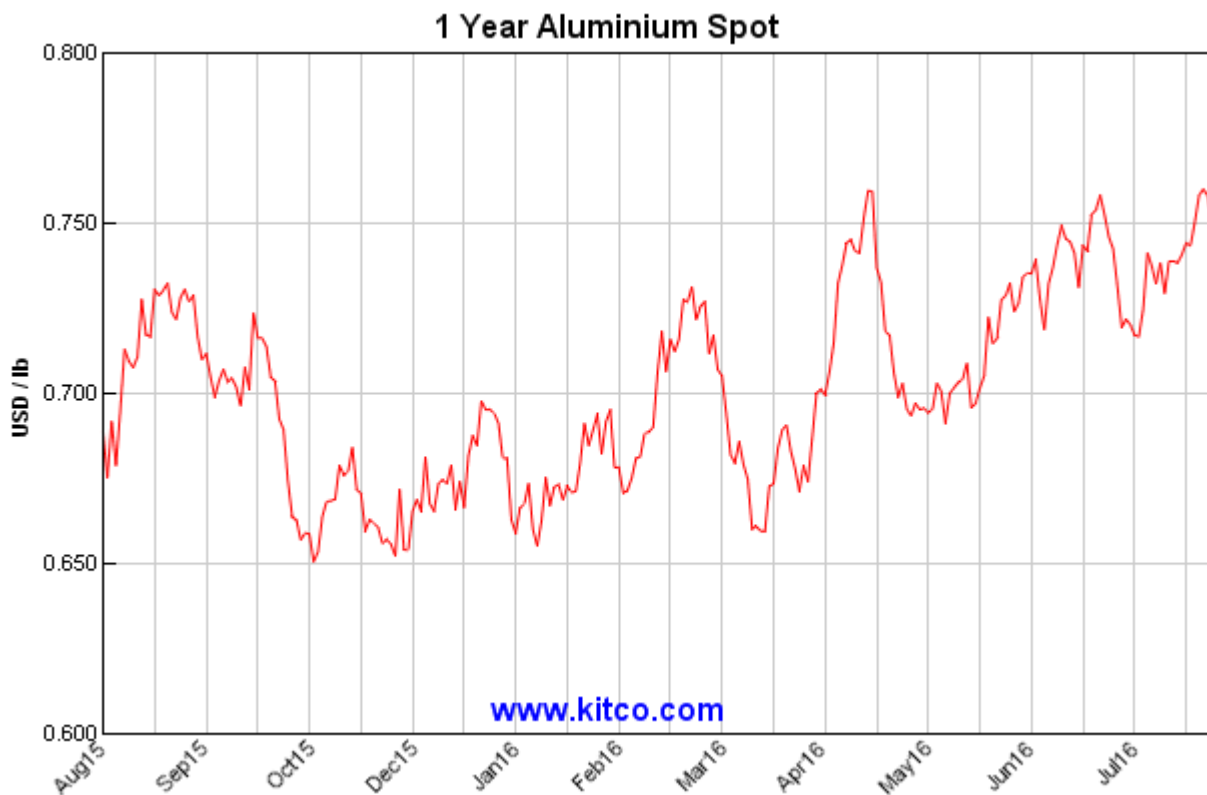


 **CME Group**  
Powered by TradingView.com

Copper rose most of the week and closed at about \$2.17, so there was again, little change for the week.

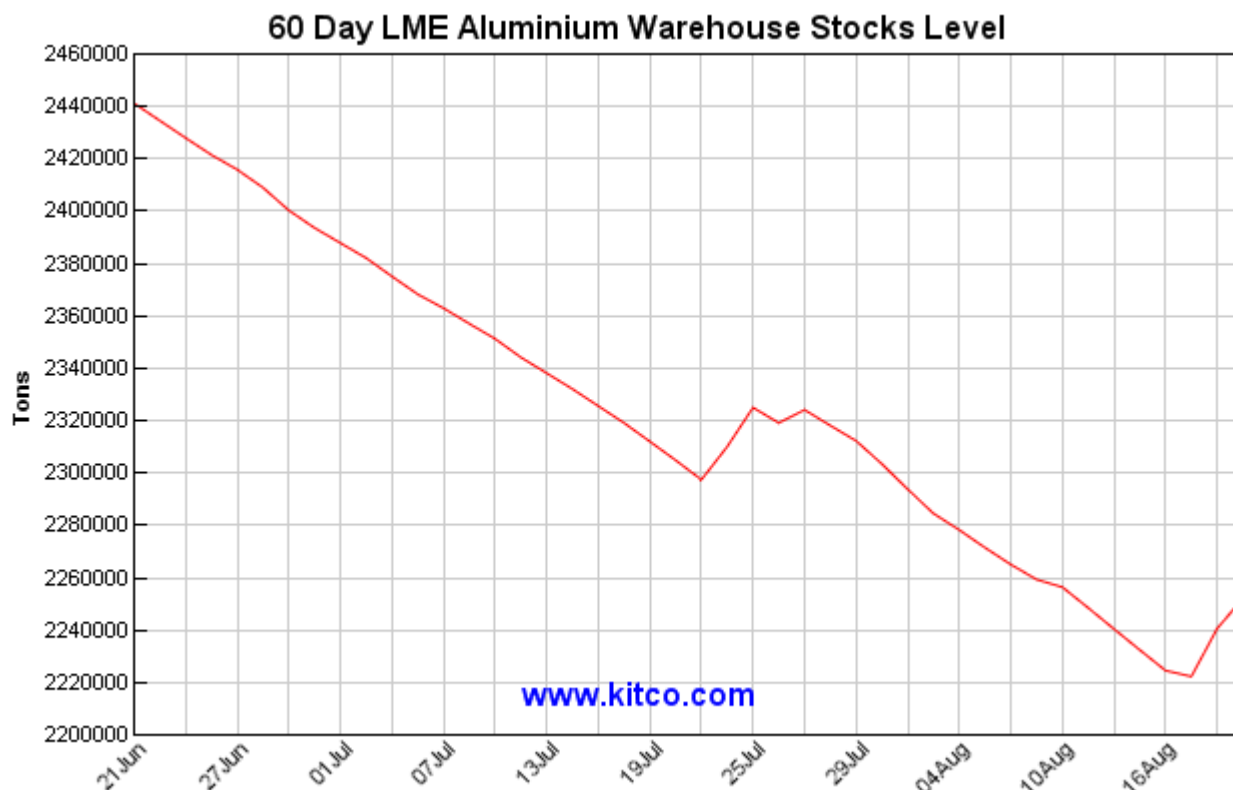


Aluminum finished the week in a down position, but closed up for the week at about 75.1 cents





and prices are close to a high not seen for over a year so with prices rising we see



Aluminum inventories finished up for the week, which is the second time in about a month we have seen this. This could be the beginning of stability of aluminum prices that have been rising.

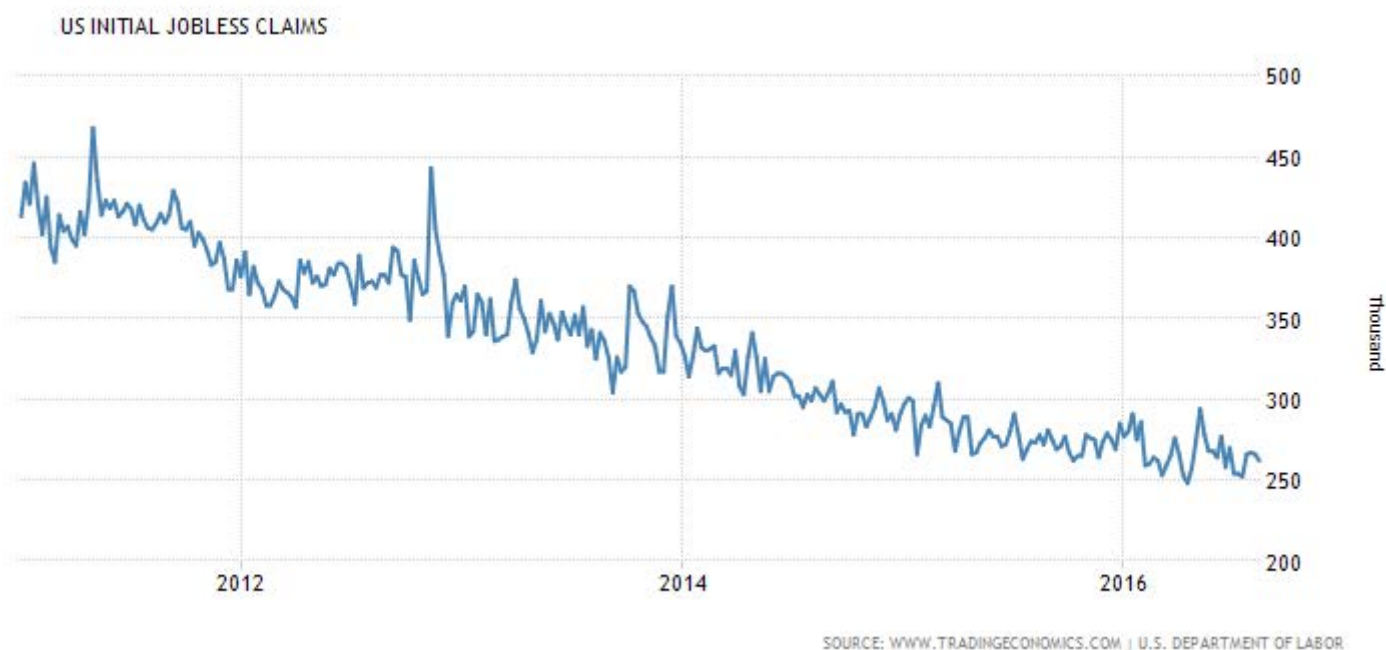


Inflation in the U.S. was up .8 percent, year over year and was the lowest since last December. The Federal Reserve's inflation target is about 2%, so the economy remains growing too slow to hit that goal.



Here is a chart we hear about but rarely see. The Federal funds rate interest. Remember the days of 20% interest in the late 1970s? On the right hand side of the

chart we see the Fed funds interest rates are up a bit, but remain close to zero, meaning many of us are borrowing at 4, 5, and 6 percent, or lower.

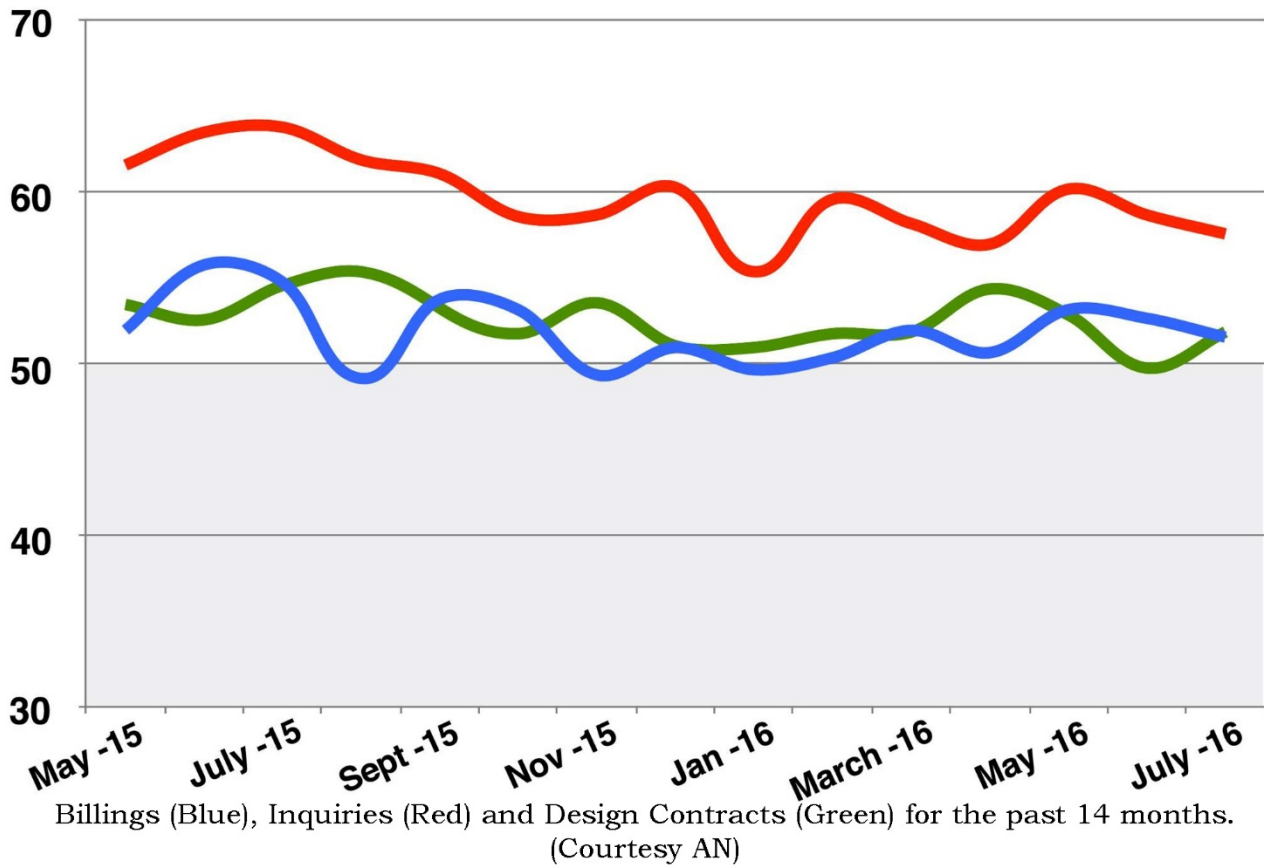


Americans filing for unemployment benefits decreased by 4,000 to 262,000, the lowest in four weeks. A solid jobs performance by the U.S. economy.



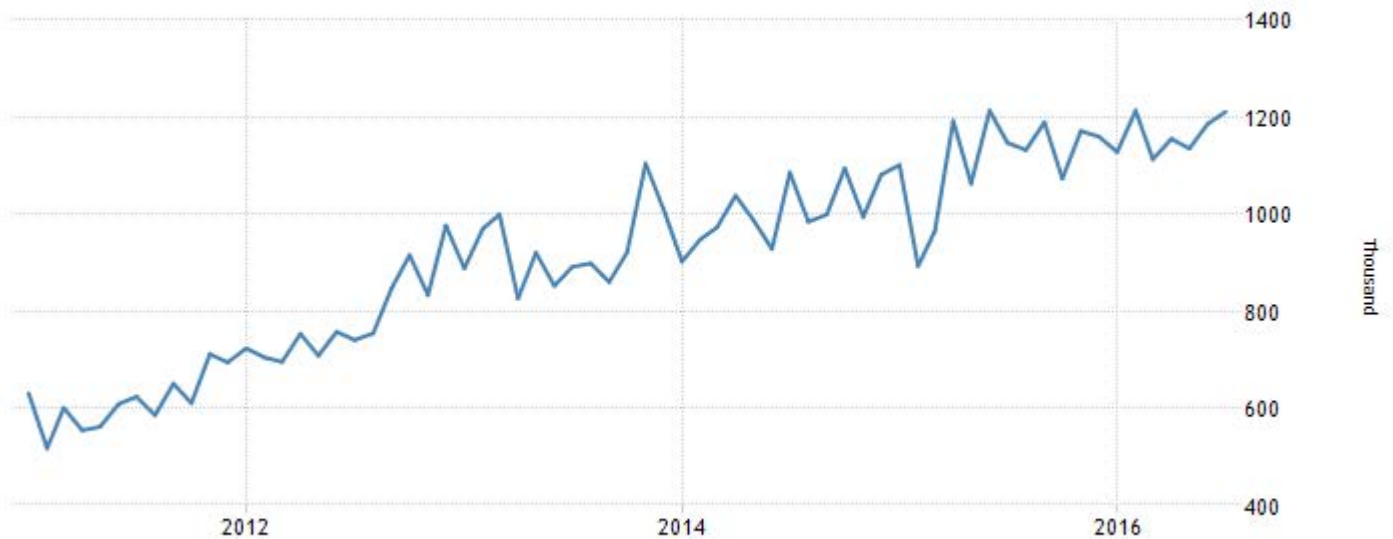
Industrial output in the United States rose 0.7 percent in July. It is the biggest rise since November of 2014 boosted by a 0.5 percent growth in manufacturing. Great news for the economy, which supports stable commodity prices.

### Architectural Billing Index



The Architectural Billing Index (the blue line), while down, is still over 50, meaning work for architects is growing, which is good news for construction.

## US HOUSING STARTS



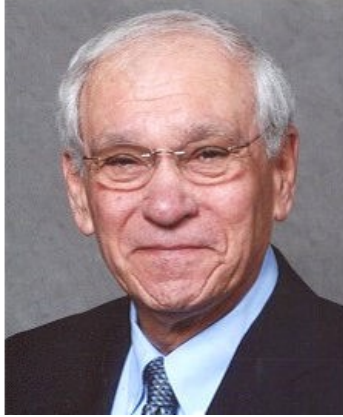
SOURCE: WWW.TRADINGECONOMICS.COM | U.S. CENSUS BUREAU

Housing starts last month at 1.2M annualized is close to the high last seen about 9 years ago. More good jobs news.

Now a warning. Recently 10 manufacturers recalled 500,000 hover boards.



Why? The lithium-ion batteries overheat and catch fire. For those of you in the scrap business we suggest you be careful about accepting these. We have banned them from our property.



Lastly, we were very saddened to hear of the passing of Kalman Gordon. A great person, a great family guy, a great scrap guy. We had a couple of fun dinners together over the years.

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