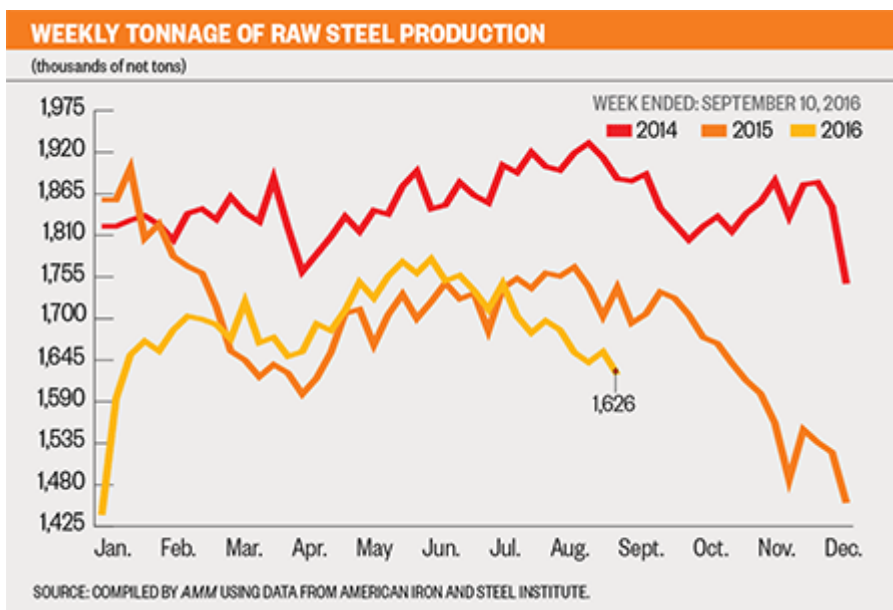


This is the Scrap Metal & Commodities Recycling Report, by BENLEE Roll off, Luger, Open Top Trailers and Raleigh and Goldsboro Recycling, September 19<sup>th</sup>, 2016.

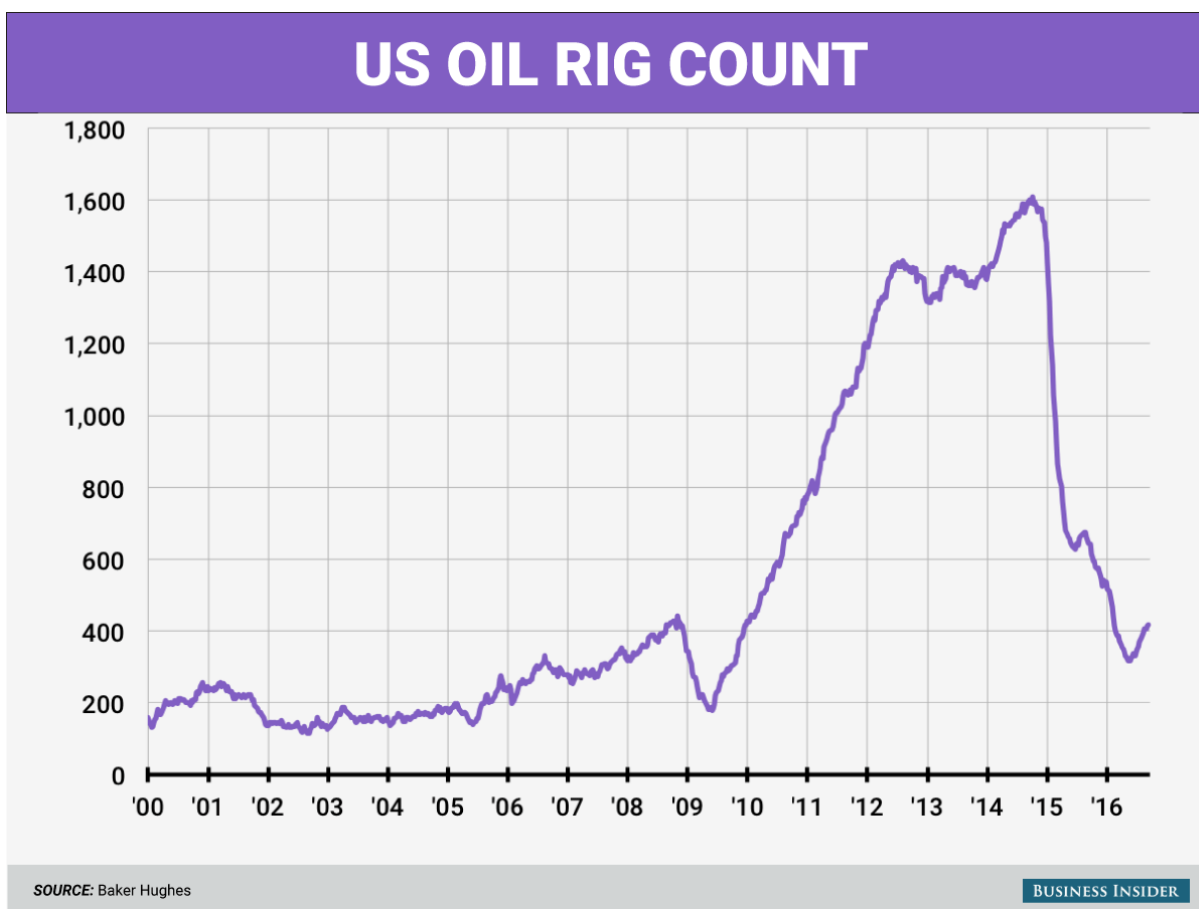
Last week commodity prices and economic reports were mixed.



U.S. steel production fell to the lowest level in about 8 months, which is clearly bad news for jobs, but due to tariffs, steel coil prices remain fairly high, so steel mill profits remain strong.



Oil prices fell, closing at \$43/barrel. Overall oil is down 8% for the month and down about 8 percent for the year, but it is more than 50% higher than earlier in the year.



The oil rig count rose again and has been up for 11 of the last 12 weeks, a good sign for jobs and could support steel prices, but in reality, the rig count is still down an incredible 74% from the highs of about two years ago.

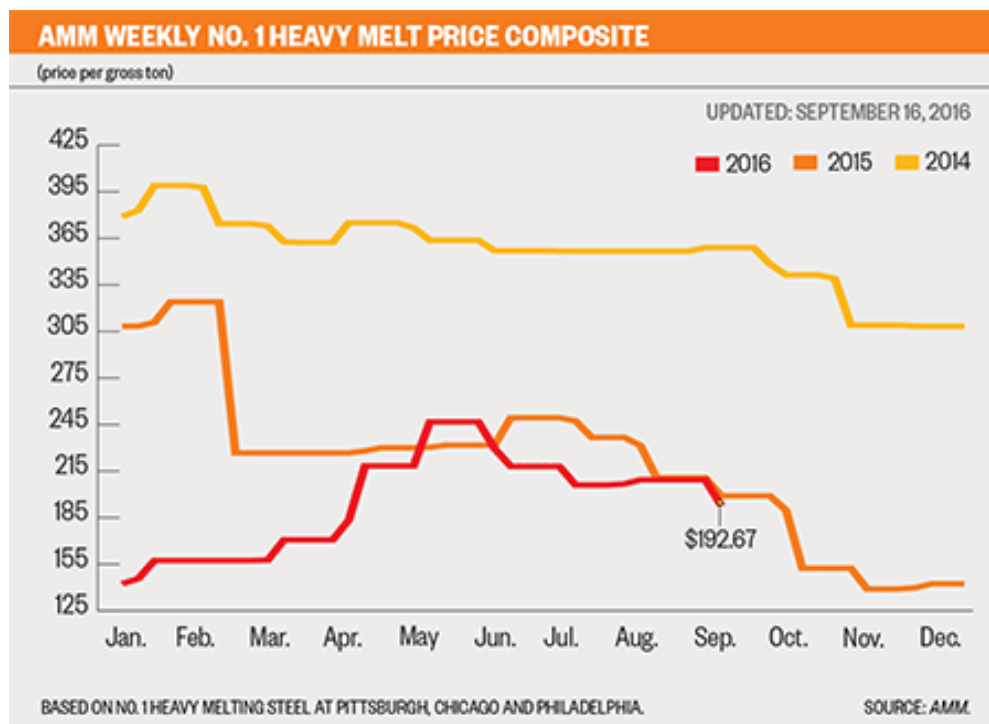


The IEA, issued a report stating that there has been a more pronounced slowdown in the growth of oil, in China and India, so unless OPEC acts to lower output, oil prices should remain low. This news could bring lower prices for many commodities as well. Currently Kuwait and the United Arab Emirates, are pumping at record levels while Saudi Arabia remains pumping near record levels and Iran's pumping reached a post sanctions high.

## IRON ORE



Iron ore fell 3 percent for the week and closed at \$55/MT on Thursday. While up significantly from earlier in the year it is down about 2 percent in the past 12 months.



Scrap steel prices fell about \$20/GT, which is about \$.89/hundred pounds, and is as \$180/Net ton. Prices remain low due limited demand for our scrap exports and reduced demand from U.S. steel mills.

# Hot Rolled Coil Steel

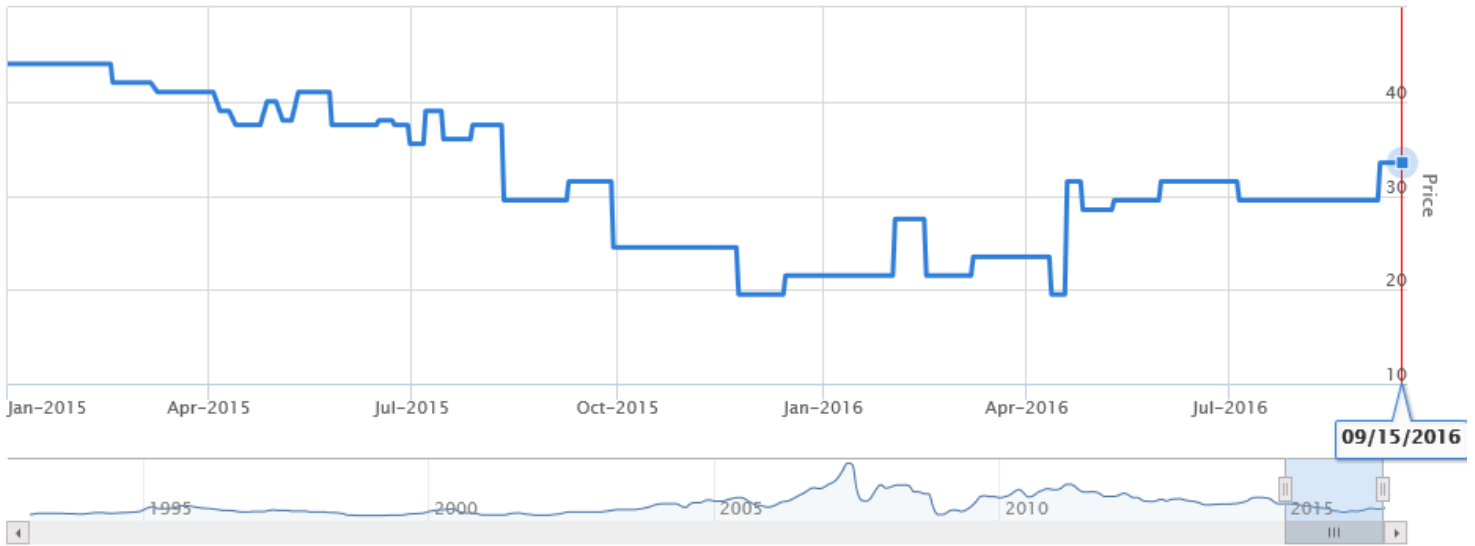


Hot roll coil steel fell a bit as one of their main consumers, automotive production has remained high, but has dipped a bit in recent months. Prices could stabilize or drop a bit more, but one would not expect a major drop due to tariffs remain in place. Importantly, the week ended with a report that there may soon be tariffs on steel plate, which would raise prices of plate and could increase scrap prices.

# 304 Stainless Scrap

Zoom 1m 3m 6m YTD 1y All

From 01/01/2015 To 09/18/2016



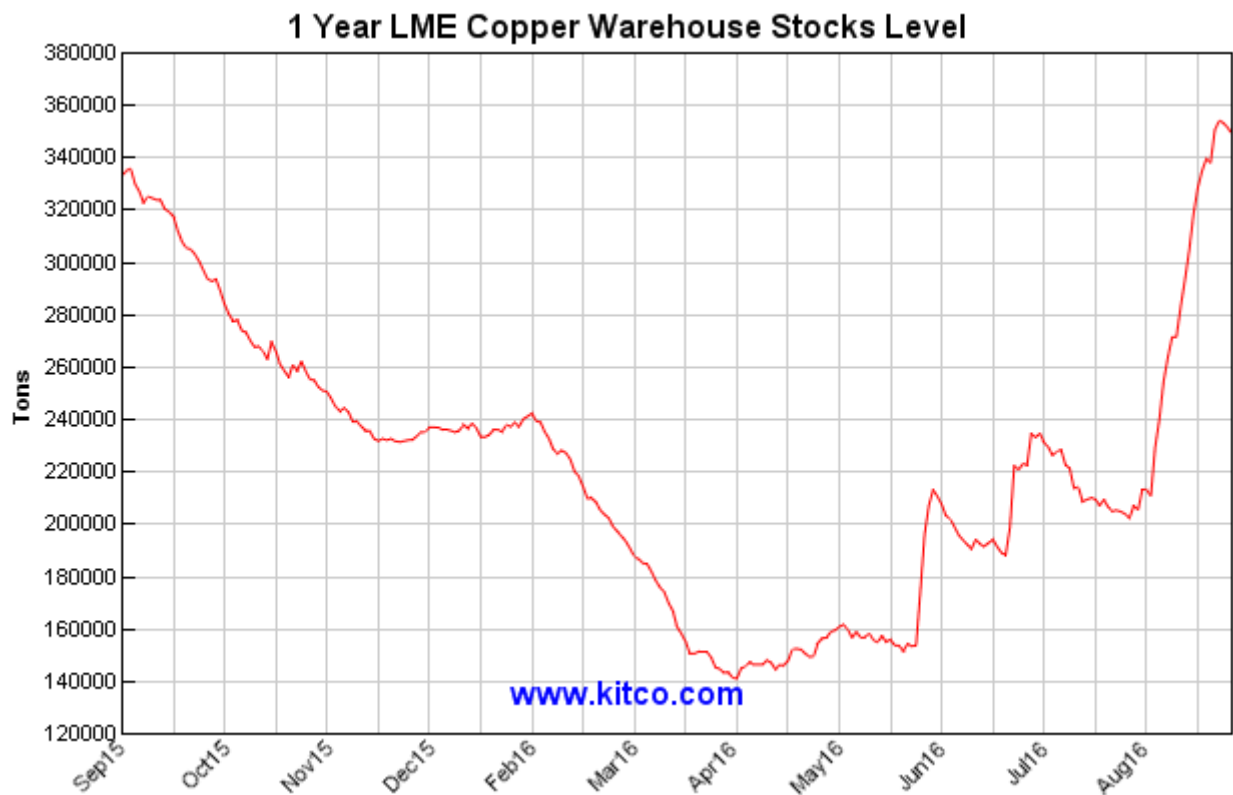
Stainless 304 scrap prices stayed at their recent increase of about 33.5 cents. Nickel prices are near a two month low so prices could come down in the coming weeks.

COMEX:HGZ2016, D 2.1600 ▲ +0.0005 (+0.02%) O:2.1600 H:2.1680 L:2.1475 C:2.1600

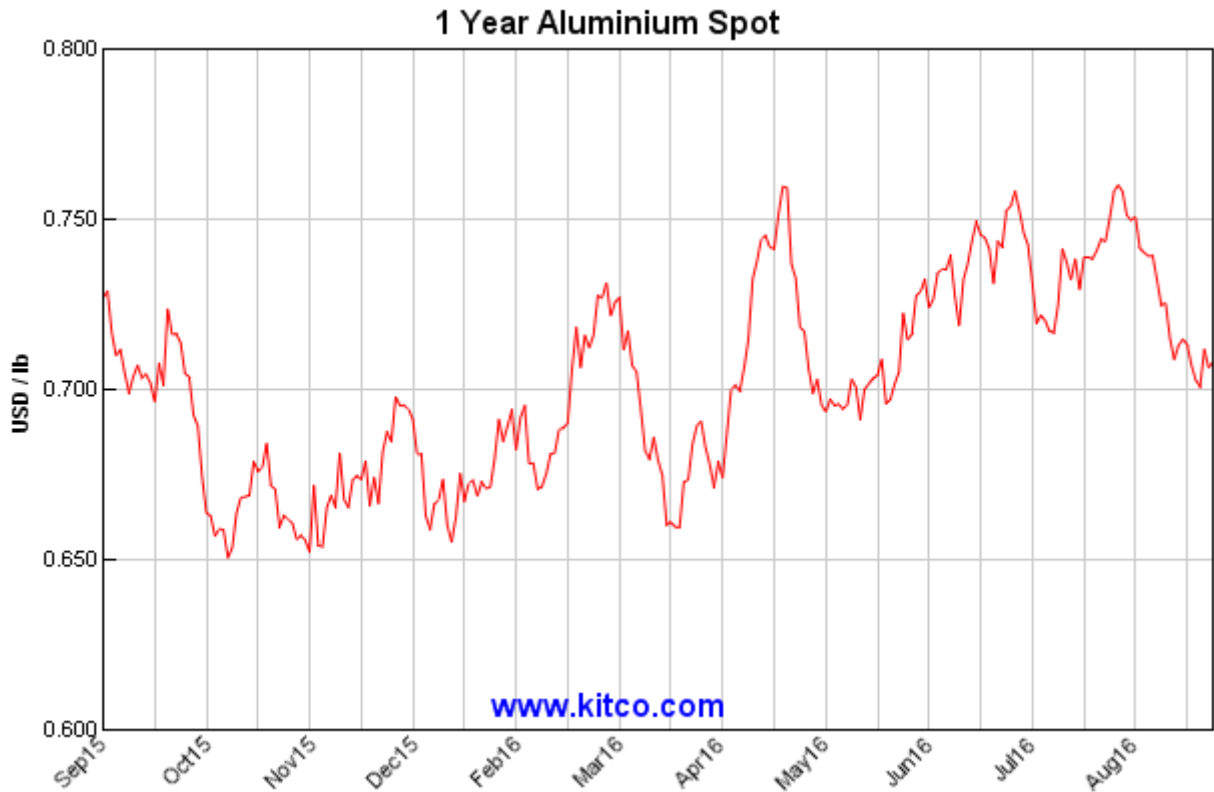


 **CME Group**  
Powered by TradingView.com

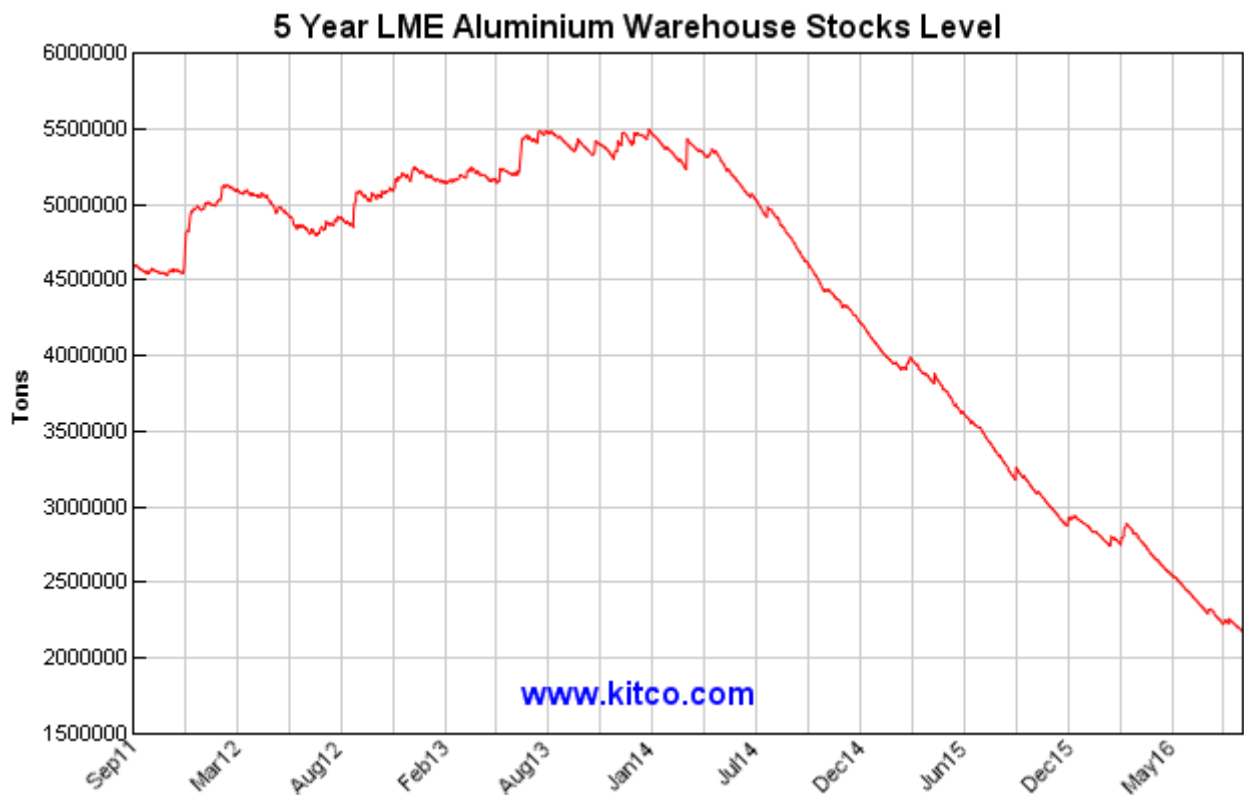
Copper rose 7 cents to \$2.16/lb., a one month high, but it remains at a very low level, near 7 year lows.



With copper inventories close to one year highs, one would not expect any major copper price increases in the months to come.



Aluminum finished about flat at 70.8 cents per pound which is near a multi month low on little positive or negative news



Aluminum inventories continue to decline and are at new about 7 year lows which could continue to mean stable prices in the months to come.



Nucor steel released earnings guidance for the quarter. Key comments were, profit remains ahead of last year, helped by higher prices due to tariffs, service centers having to order more material, markets like automotive, while down, remain strong and Nucor expects lower scrap ferrous costs over the remainder of the year.





Ford announced another detail in their long term stated plan of mostly ending car manufacturing in the U.S., with the announcement that they are moving production of the Ford Focus to Mexico in the next two to three years. Cross overs and pickups will continue to be built in the U.S. This of course is not good news for the growth of U.S. jobs.



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

Initial unemployment claims in the U.S. continue to be very low, at 260,000. The 4 week average is 265,000 which is the lowest 4 week average since December 15, 1973. A truly great report.

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