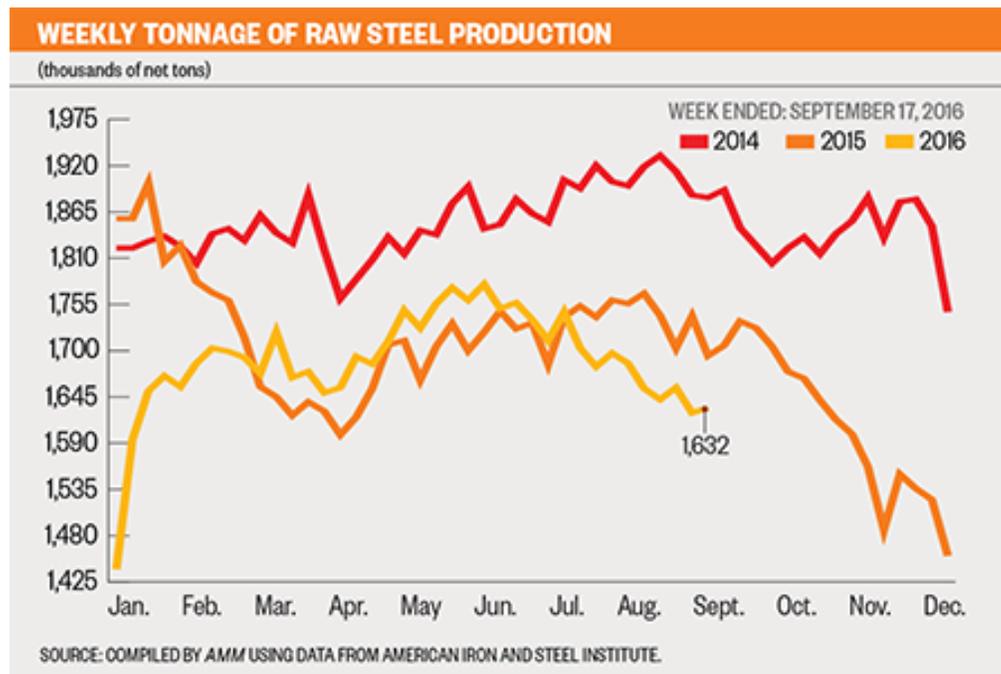


This is the Scrap Metal & Commodities Recycling Report, by BENLEE and Raleigh and Goldsboro Recycling, September 26<sup>th</sup>, 2016.

Last week some commodity prices rose a bit mainly due to weakness of the U.S. dollar.



U.S. steel production rose last week, which is defiantly good news after weeks of falling, as the U.S. economy continues to grow at a slow rate and steel tariffs look to expand.

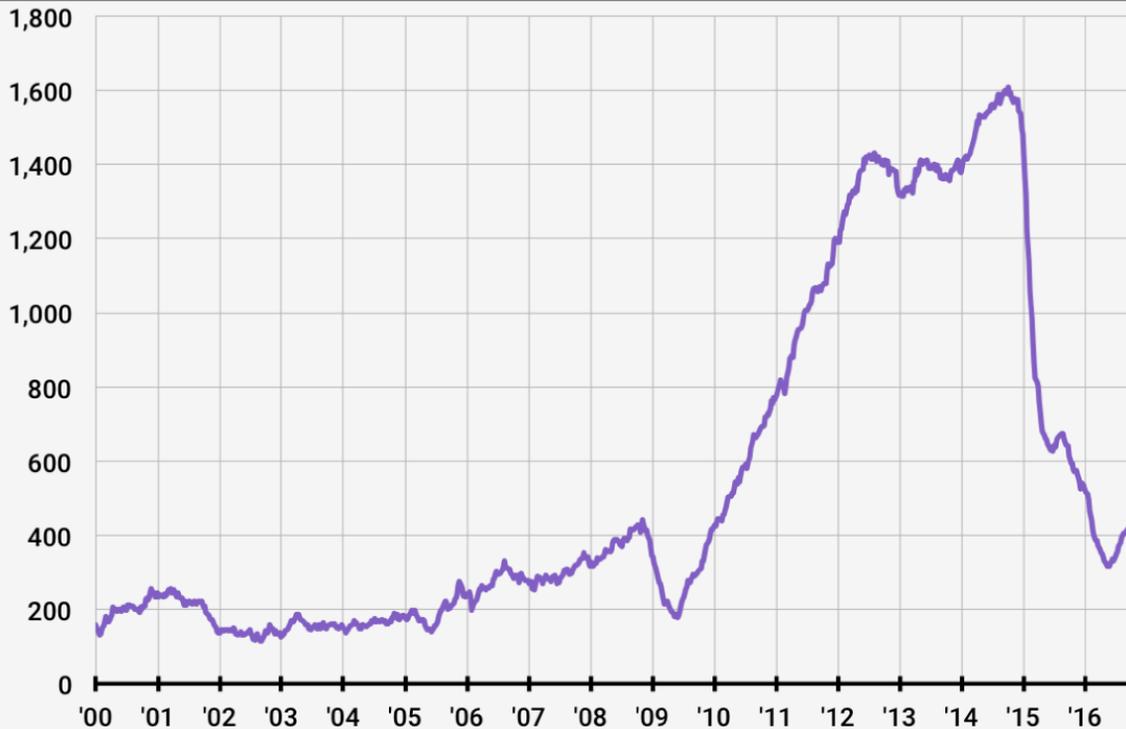
CRUDE OIL



SOURCE: WWW.TRADINGECONOMICS.COM | OTC

Oil ended up 3 percent for the week at \$45/barrel and is now flat for the past year, at a low level considering in 2008, oil was three times the price at about \$145/barrel.

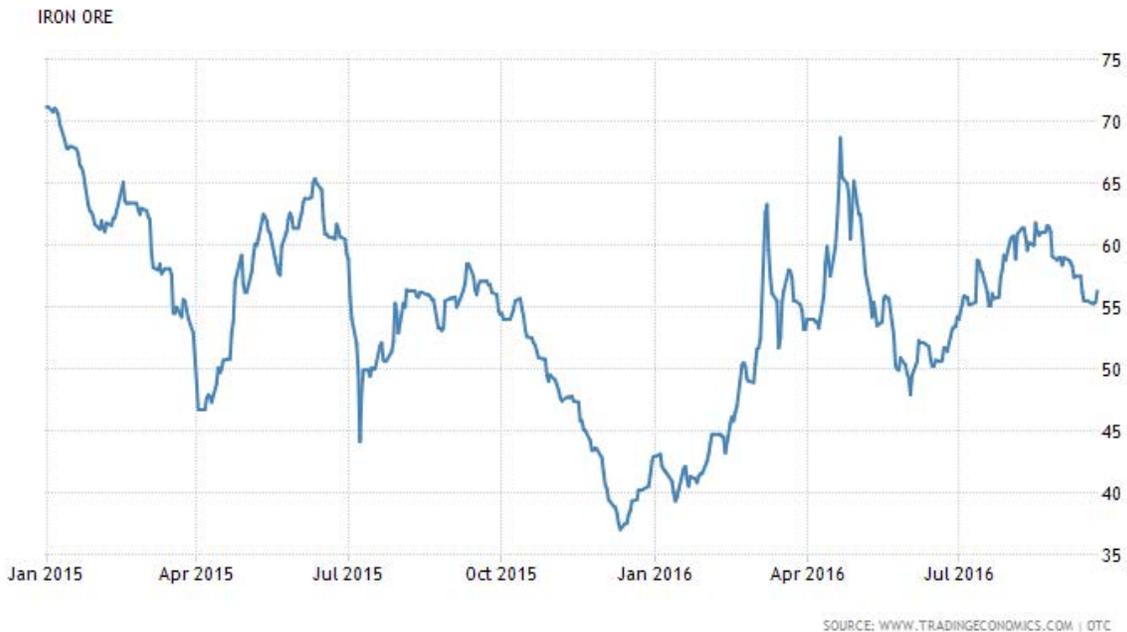
## US OIL RIG COUNT



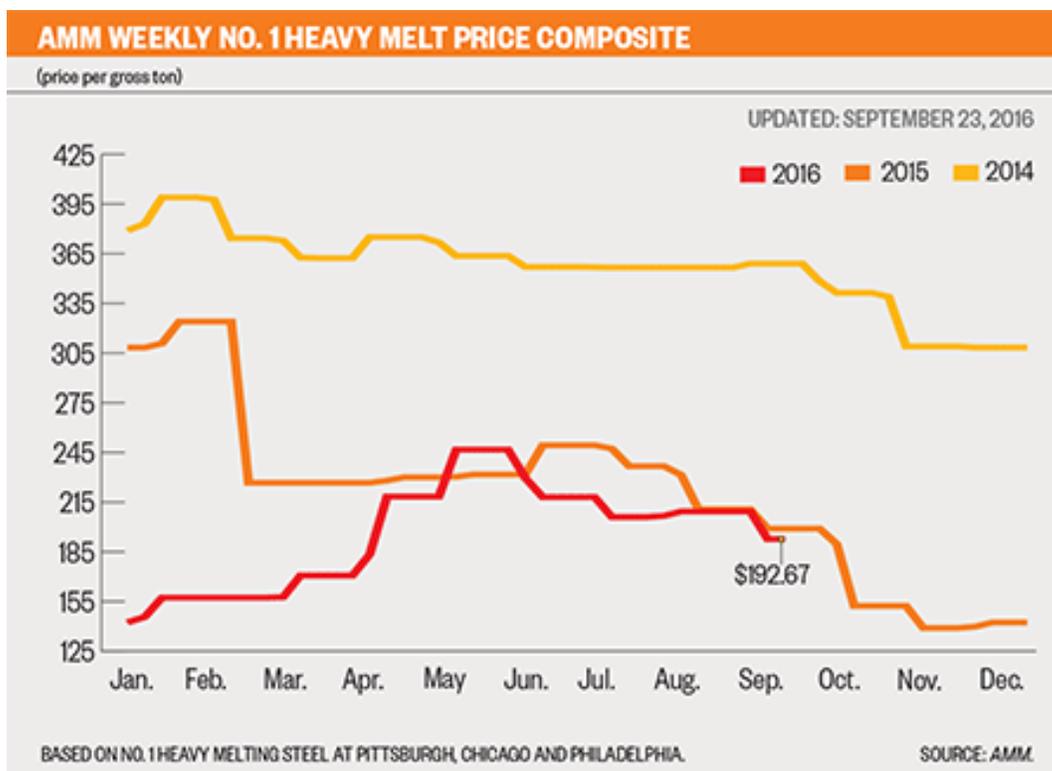
SOURCE: Baker Hughes

BUSINESS INSIDER

The oil rig count rose and has been up for 12 of the last 13 weeks, yet still down an enormous 74% in the past two years, but at least it has been slowly trending up, which is positive for jobs and helps bring commodity price stabilization.

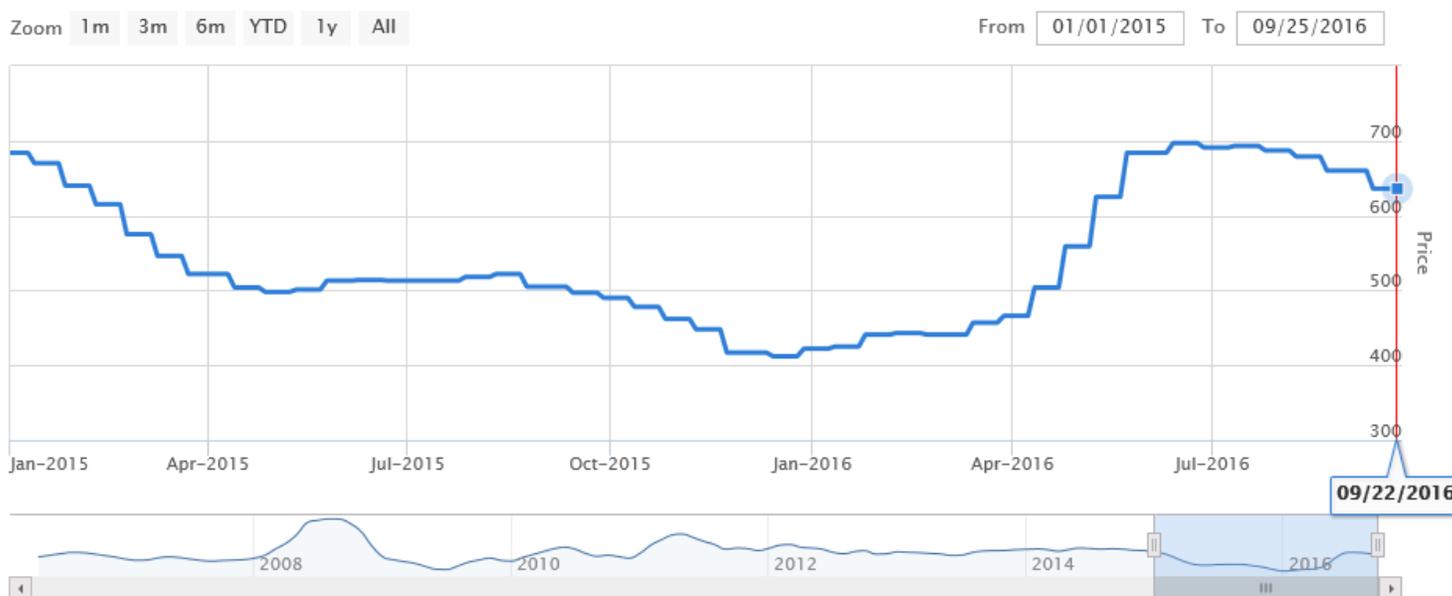


Iron ore ended Thursday up about 1 percent for the week at \$56/MT. Iron ore is like steel in that it is down less than 1% in the past year.



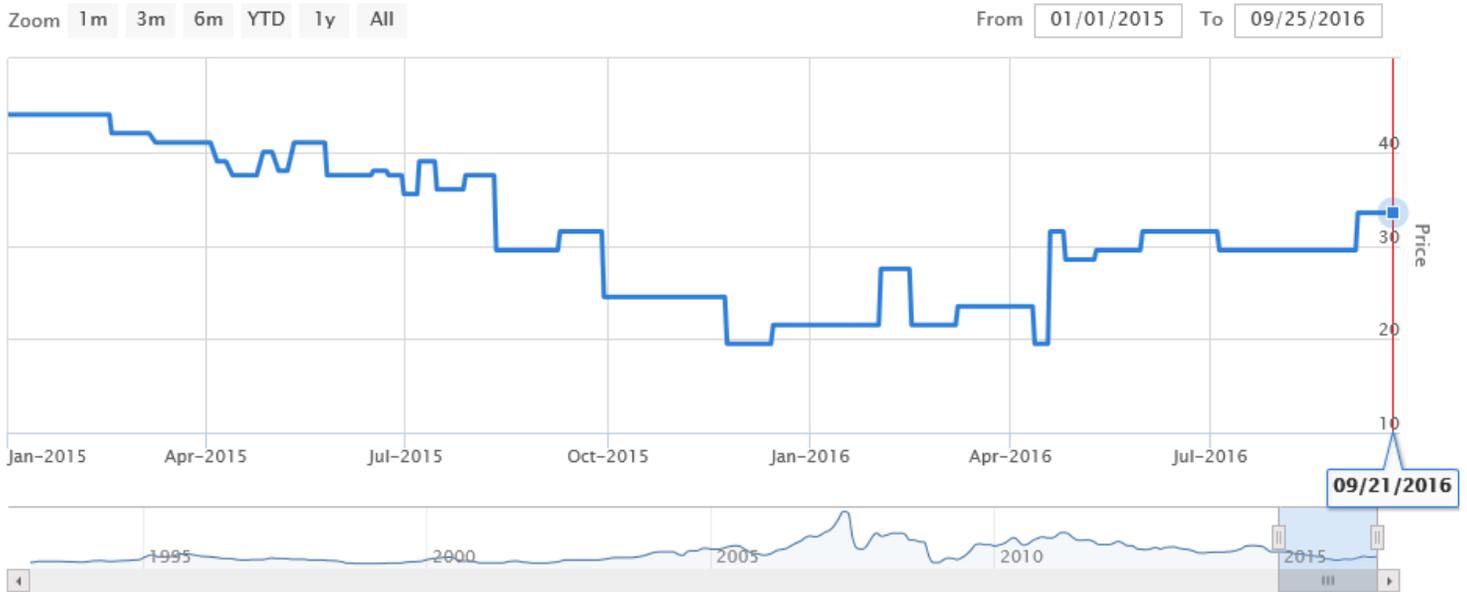
Scrap steel prices saw no change last week. There is discussion that scrap ferrous prices could decline next month due to, minimal scrap exports from the U.S., iron ore being low, making scrap metal substitutes plentiful and scrap flows into scrap yards are low, but not terrible. Importantly though, low scrap flows remain an industry issue.

## Hot Rolled Coil Steel



Hot roll coil steel prices remained steady at a fairly high level. Tariffs remain in place which is keeping prices fairly high, and with scrap prices down, this is a major positive for steel mill profitability.

# 304 Stainless Scrap



Stainless 304 scrap prices remained steady at their recent increase of about 33.5 cents. With the economy growing very slowly this is another sign that there are few changes in many commodity prices.



Steel Dynamics one of the largest steel mills in the U.S. announced that earnings for the quarter ending September will be a terrific more than double last year mainly due to increased profit margins, which were due to higher selling prices and lower incoming material costs.



This led to them saying what the entire metals recycling is dealing with, that OmniSource their recycling division will have lower profits in the third quarter vs. the second quarter, as price and volumes are down. These are tough times across the recycling industry.

**CATERPILLAR®**

---

**CAT**

Related we learned that CAT has ended its material handling agreement with Exodus and two other major equipment suppliers to the recycling industry have suspended production.

COMEX:HGZ2016, D 2.2010 ▲ +0.0065 (+0.3%) O: 2.1885 H: 2.2065 L: 2.1855 C: 2.2010

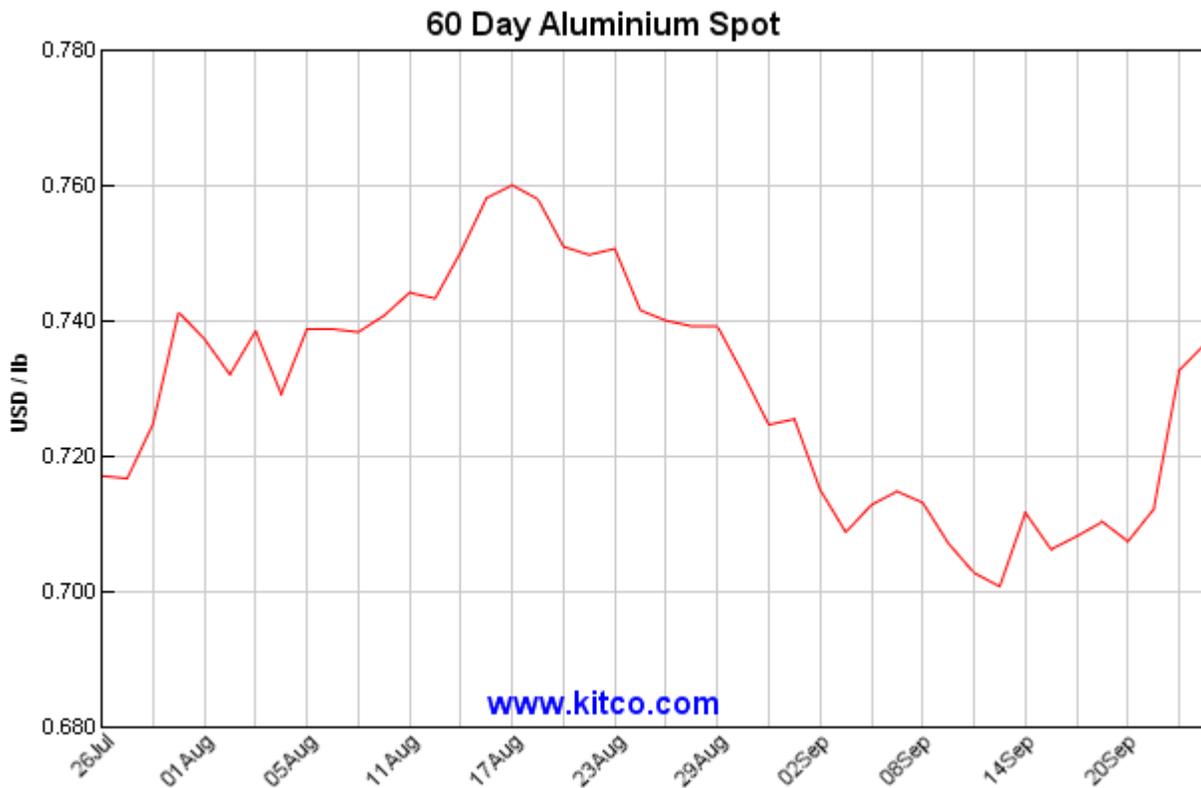


 **CME Group**  
Powered by TradingView.com

Copper rose 4 cents to \$2.20/lb., mainly due to the U.S. Federal Reserve released they would not raise interest rates. This weakened the U.S. dollar, making commodities like copper trade higher.



The 5 year chart shows copper is like many other commodities, which have gone up and down in the past year, but are near the same price they were a year ago.



Aluminum followed copper and rose 3 cents to finish at 73.7 cents per pound.



Aluminum inventories declined, due to some production cuts and very slow demand increases. With inventories dropping, we would to expect prices to remain somewhat steady.

# U.S. PMI Manufacturing Index



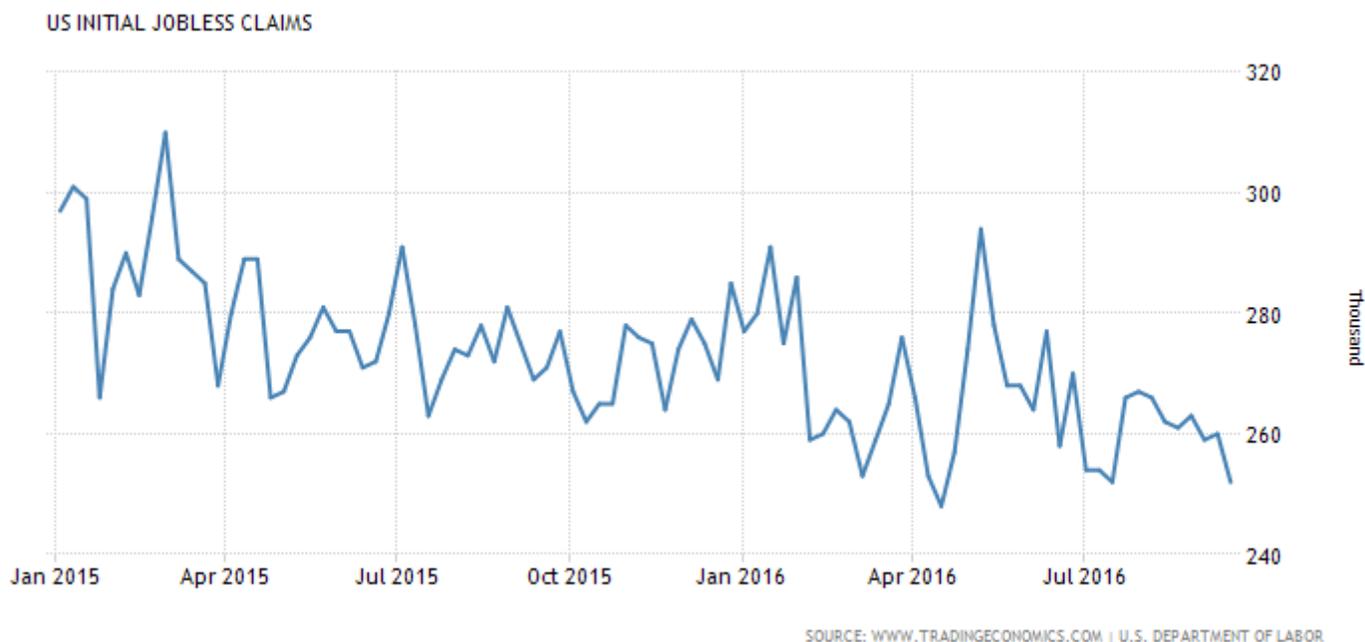
The U.S. Purchasing Managers Index for manufacturing had its growth rate, decline to 51.4. Over 50 means growth, so manufacturing is still growing, but at a slower rate. A key reason for slowing were fewer orders for exports.



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

Housing starts ending August, dropped to 1.14 million, worse than expectations. There remains major upside in that in 1972 when the

U.S. was much smaller, housing starts were 2.5M, much lower than today's 1.1M



Initial jobless claims hit a two month low at 252,000, and have been below the key 300,000 level for 81 weeks, the longest stretch since 1970. This is great news for the economy which will help stabilize commodity prices.

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