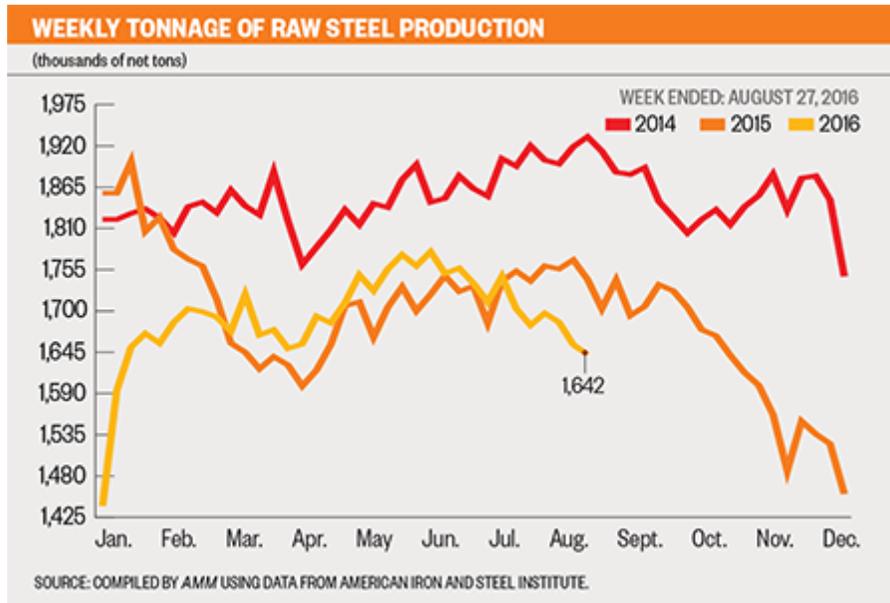


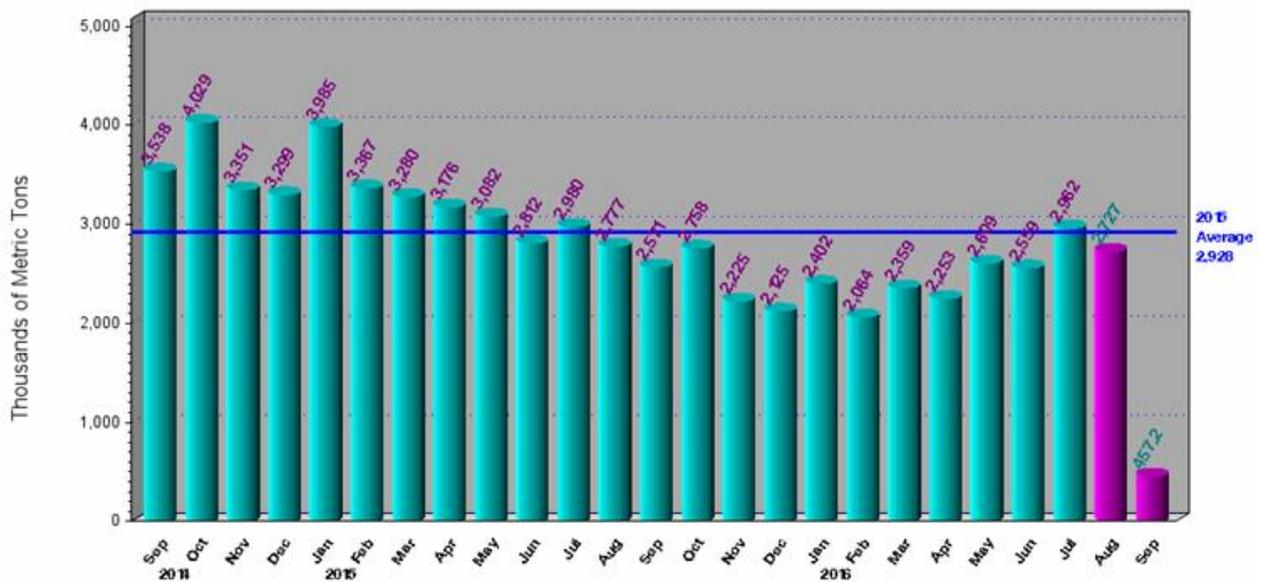
This is the Scrap Metal & Commodities Recycling Report, by BENLEE Roll off, Lugger and Open Top Trailers and Raleigh and Goldsboro Metal Recycling, Tuesday September 6<sup>th</sup>, 2016.

In this report, last week commodity prices were mostly steady and economic reports showed continued slow economic growth.



U.S. steel production fell again, bringing U.S. steel production to the lowest level in months and the reason for this is pretty clear.

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

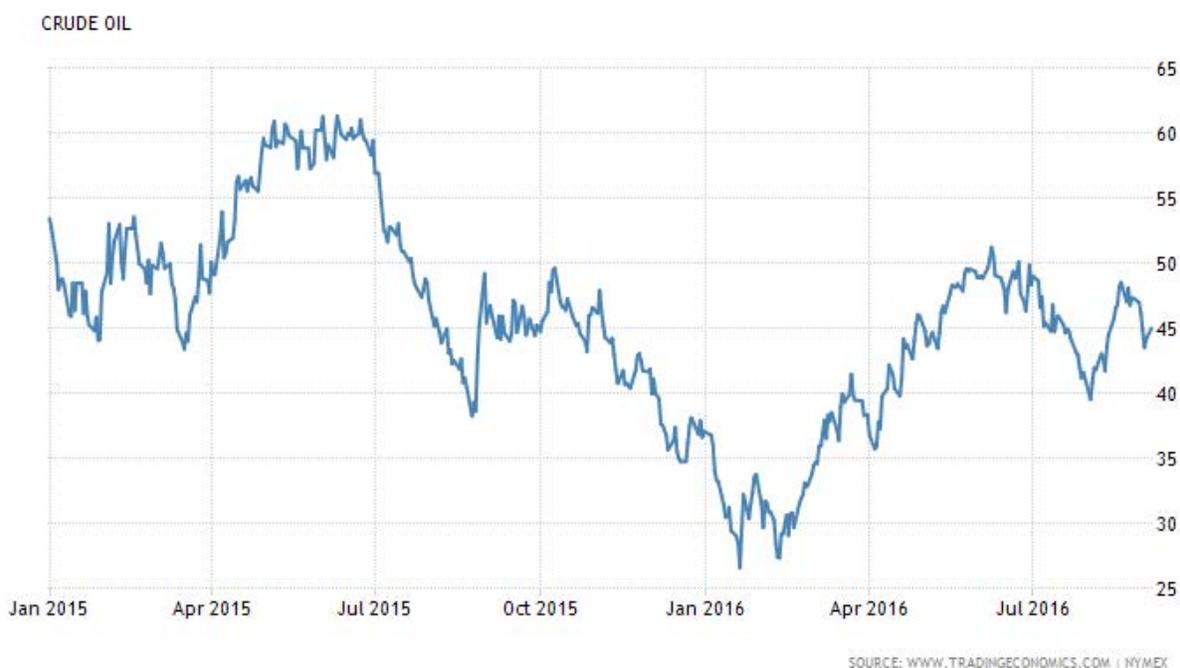


SOURCE: U.S. Department of Commerce, Enforcement and Compliance  
Graph last modified on : September 2, 2016 with  
Licensing Data collected through September 2, 2016  
Commerce license data used for the last months appear in a different color  
Data extracted from the import licenses are not official Census data

Imports of steel into the U.S. have been rising for months and in fact July imports were a shocking 43% higher than then they were in February, just 5 months earlier. Related July rebar imports into the U.S. were the highest in many years.



The G20 meeting in China ended over the weekend which was a meeting of the 20 largest economies in the world. In a press conference yesterday, President Obama was asked if there progress on the problem major steel over capacity in China which is flooding the global markets at low prices. The president said it was discussed and there was agreement that it was an issue. He said a working group was set up to review the situation and they would report back next year.

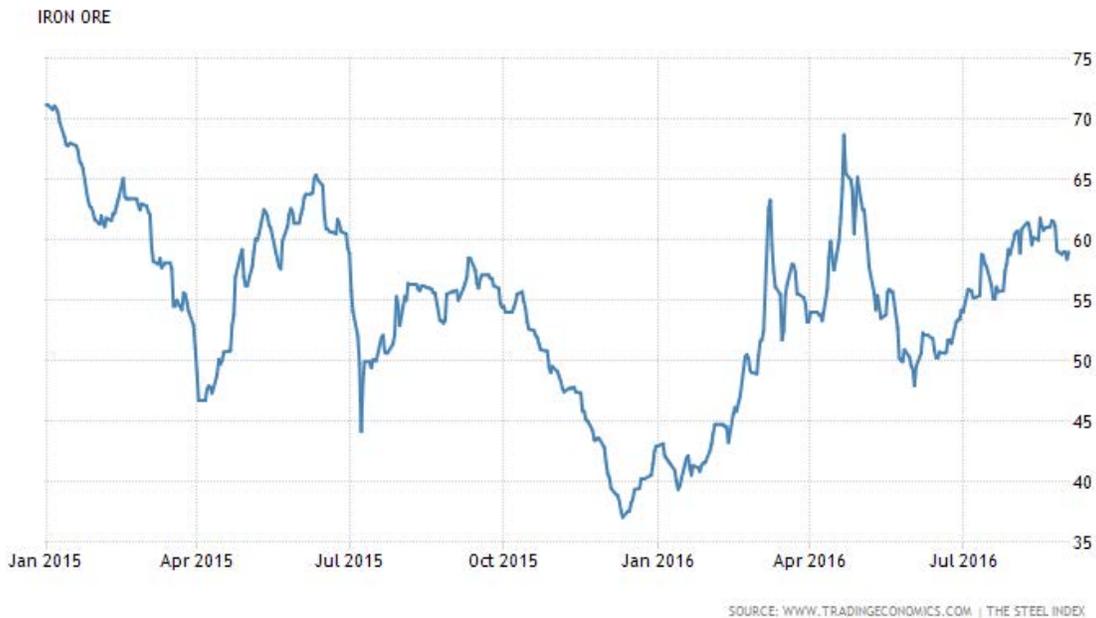


Oil prices rose 2% yesterday to \$45/barrel after falling about 4 percent last week, yet are up about 8% in the past month. Related, yesterday, Russia and Saudi Arabia, the two largest oil producers in the world, with the U.S. third, signed an agreement to review oil markets which caused the upward pressure on prices.

# US OIL RIG COUNT

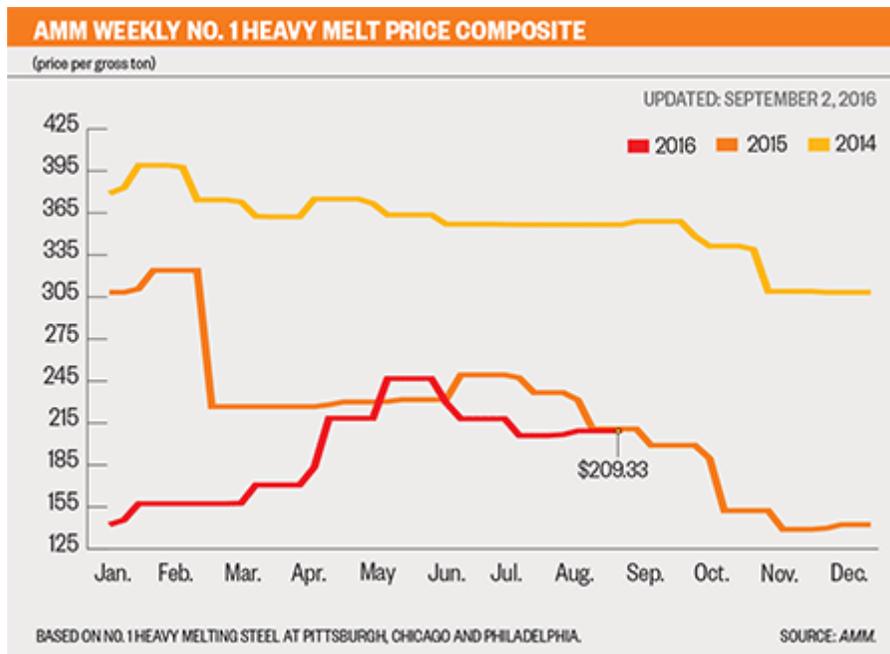


The oil rig count rose just one last week. In the past couple of months we continue to see small increases which again while small they continue to be welcome news for steel mills and drilling jobs after almost 18 months of crashing.



Iron ore ended the week flat at \$59/MT and down about 3 percent for the month. Note, very low iron ore prices bring lower scrap prices due to at very

low prices, major amounts of iron ore gets converted to scrap metal substitutes. Iron ore prices are up about 65% from a number of months ago, so the rush to make scrap metal substitutes is less than it was months ago. This brings firmer scrap and finished steel prices if overall demand remains steady.

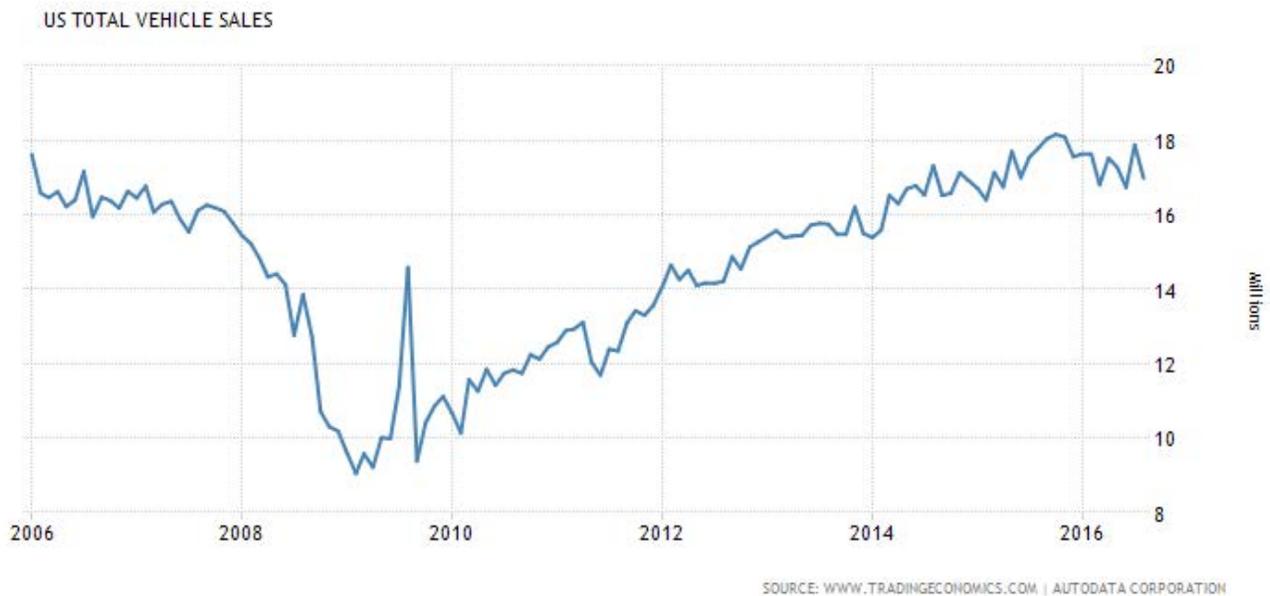


Scrap steel prices remained steady at a fairly low level levels. There is little major positive or negative news, so with slow continued U.S. and global growth, slow flow into scrap yards and some softening of demand, it is not clear what will happen to scrap prices this week.

# Hot Rolled Coil Steel

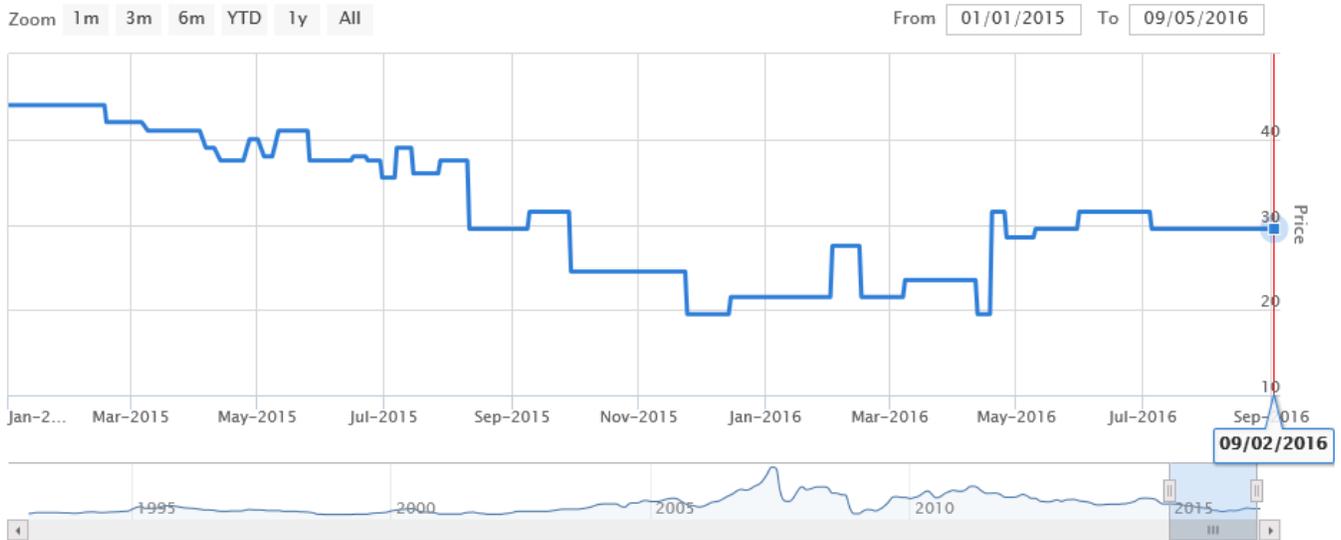


Hot roll coil prices had a slight decline for the week. One of the major markets, Automotive remains slightly depressed due to slightly less automotive production and the #1 vehicle sold in the U.S., the Ford F 150 is now made with an aluminum exterior.



Related, automotive sales for August were down a bit, to a 16.98 Million annual rate, which remains very high, yet it is less than July's 17.88 rate.

# 304 Stainless Scrap



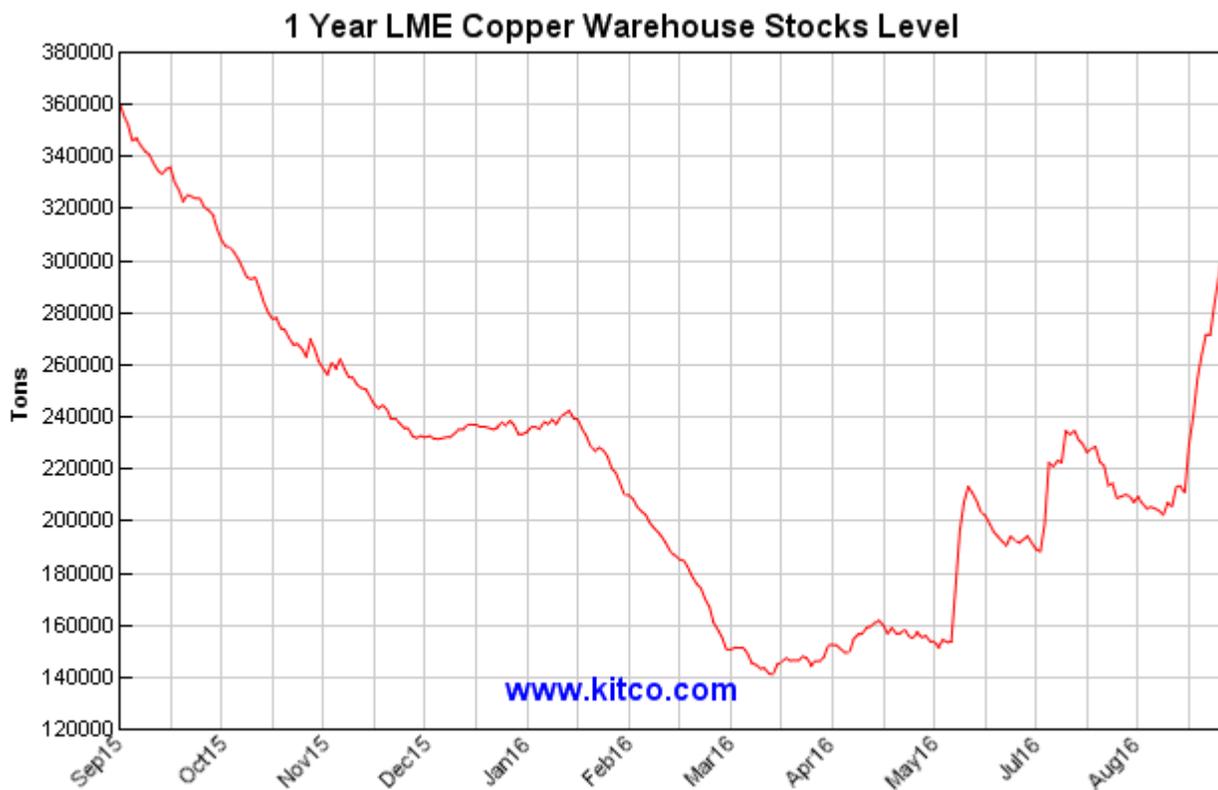
Stainless 304 scrap prices remained steady with no major news that would affect markets.

COMEX:HGZ2016, D 2.0835 ▲ +0.0055 (+0.26%) O:2.0745 H:2.0885 L:2.0720 C:2.0835

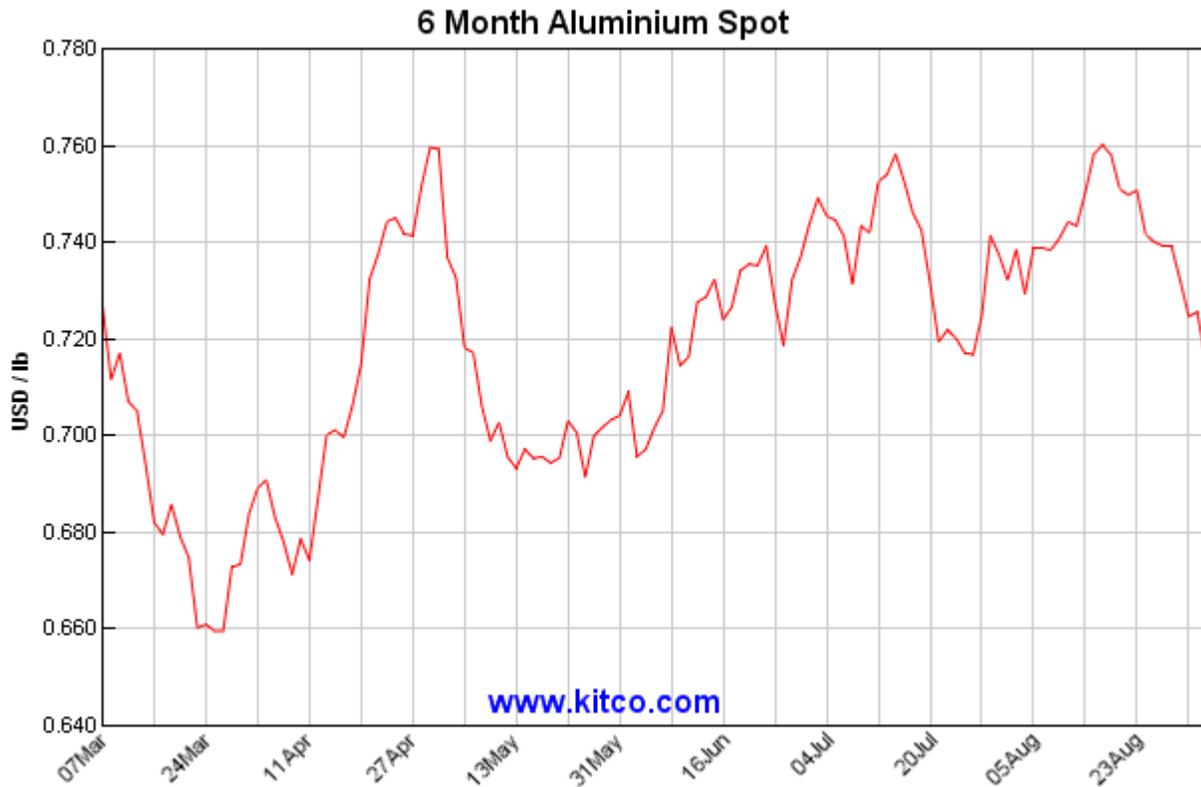


 **CME Group**  
Powered by TradingView.com

Copper which fell for almost two months, remained steady last week and closed at about \$2.08, meaning it continues to trade in a range for almost 10 months



and when looking at copper inventory data we see inventories are approaching one year highs which could bring prices stable.



Aluminum finished down again at 71.5 cents and is at about a three month low, after trending up for almost a year.

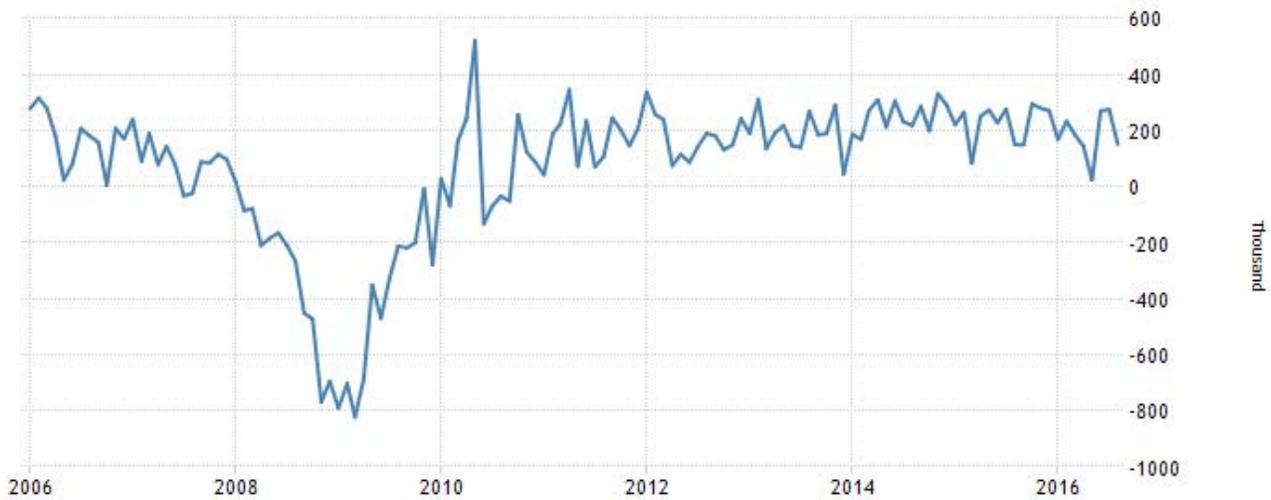
60 Day LME Aluminium Warehouse Stocks Level



[www.kitco.com](http://www.kitco.com)

Related, aluminum inventories have declined a bit which should be a stabilizing force for prices.

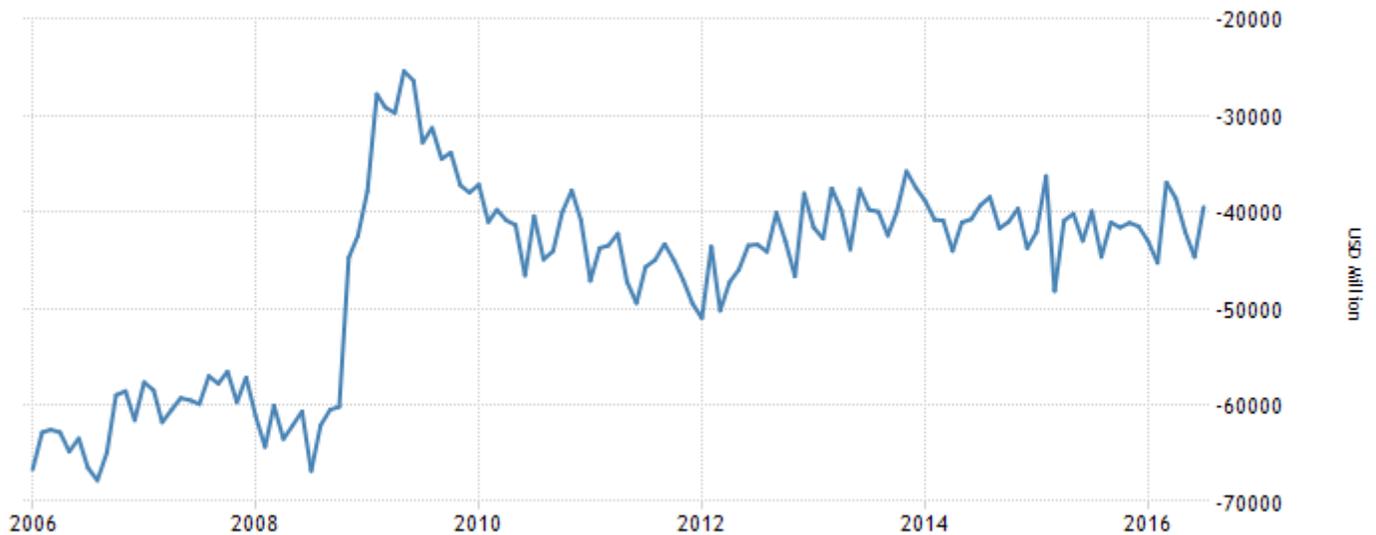
US NON FARM PAYROLLS



SOURCE: [WWW.TRADINGECONOMICS.COM](http://WWW.TRADINGECONOMICS.COM) | U.S. BUREAU OF LABOR STATISTICS

On a positive, 151,000 jobs were created in the U.S. last month as service oriented jobs increased, but manufacturing, mining and construction jobs decreased, which puts downward pressure on commodity prices.

## US BALANCE OF TRADE



SOURCE: [WWW.TRADINGECONOMICS.COM](http://WWW.TRADINGECONOMICS.COM) | U.S. CENSUS BUREAU

Lastly for another positive, the U.S. balance of trade improved to the best level since September 2015, as exports rose a solid 1.9% and imports declined .8 percent.

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