Copper Scrap Market Perspectives

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Manitoba History

- Celebrating 100 years in recycling industry - the last 45 with a primary emphasis on copper.
- Established in Buffalo, NY in 1916. We are currently being operated by the third and fourth generation of the founder, as well as others who have joined the firm over the past 100 years.
- A European immigrant who was unable to find work in the local factories founded the company.
- In due time, he purchased a small shop and became a wholesaler who handled the merchandise of other peddlers.
After World War Two and the development of synthetic fabrics such as nylon, dacron, and rayon, the recycling of rags went into a serious decline. At that time, Manitoba Corporation gradually began to increase the recycling of metals and slowly got out of recycling of rags and waste paper.

Today, Manitoba Corporation operates a very modern recycling plant at its headquarters in Lancaster, NY which is just east of Buffalo. In addition, we have a facility in St. Louis, MO.
New Copper Scrap Purchased Annually in the U.S. Since 1916

Purchased New Copper Scrap in the U.S., 1916-2014
(metric tons)

Source: U.S. Geological Survey
Copper Prices Since 1916

Avg. Annual Copper Prices, 1916-2014 ($/ton)

Source: U.S. Geological Survey
Published Copper Scrap Prices in Buffalo, NY (cent/lb.)
Source: American Metal Market
Manitoba Hedging History

- 40 years ago our single largest copper customer taught us a valuable lesson: “You will or you won’t”

- Our level of hedging sophistication has grown thanks to that customer who remains a customer today
The Value Of Hedging

- For our company hedging is a differentiator over many competitors.
- We believe that in order for our company to enjoy the next 100 years in business, a necessary component is the use of futures hedging.
- In our business most times we are opposite the old axiom of “buy low & sell high”
Strategy Required

- What month to be hedging in
- When to start transitioning/rolling to later months
- Learning all of the various methods and customer/supplier requirements to execute the hedge
- Offering hedging advice to customers/suppliers
- Developed custom access based software program in order to fully track our position. Our own "Copper Book"
Summary of Benefits

- Allows us to buy and sell in all market conditions.
- Differentiates Manitoba from some of our competitors.
- A cornerstone of our strategic plan to grow the business.
- Inexpensive insurance to protect against market movement.