

# MADISON'S LUMBER REPORTER



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## News & Updates

### Madison's Call-Out for Feedback...

As we continue embracing the digital age, *Madison's* will — over the next few weeks — be adjusting the presentation of content in your weekly *Madison's Lumber Reporter*.

All the great data and timely information you are accustomed to will remain, there will just be some changes to the layout. We are actively soliciting input and suggestions from our readers . . . **if there is anything you would like to see or would like to see presented differently, please let us know!**

[Contact our office](#) any time with your ideas.

### Wildfires, Western North America

Wildfires raging in four West Coast states have forced more than 1,000 people to be evacuated from their homes this week in rapidly growing blazes. The fires, spread by wind and exacerbated by very dry conditions, have already consumed more than 100 structures in Alaska, and were threatening others in drought-hit California and Arizona.

In a national forest outside Los Angeles, some 500 firefighters backed by air tankers and bulldozers were battling the Lake Fire, which was raging across some 7,500 acres (3,000 hectares) and was just 5 per cent contained, the San Bernardino County Fire Department said.

In Alaska, crews of up to nearly 500 firefighters have been battling two massive fires all week that have destroyed more than 100 structures, forced nearly 1,000 people from their homes and restricted traffic on a major highway.

### US Housing Starts: May 2015

Groundbreakings of new homes in the US surged to a seven-year high in April before falling 11 per cent last month, the Commerce Department said Tuesday. The level of activity remained stable in May at an annual rate of 1.04 million units, and signs pointed to further gains in coming months.

CONT'D PAGE 7

### US New and Existing Home Sales: April 2015

Following the pullback seen in the previous month, the Commerce Department released a report on Tuesday showing that US new home sales climbed 6.8 per cent to an annual rate of 517,000 in April from the revised March rate of 484,000.

Meanwhile, the National Association of Realtors reported Thursday that the median price of an existing home rose to US\$219,400 in April, up 8.9 per cent from the prior year. The supply of homes is "lagging" demand, said Lawrence Yun, NAR's chief economist.

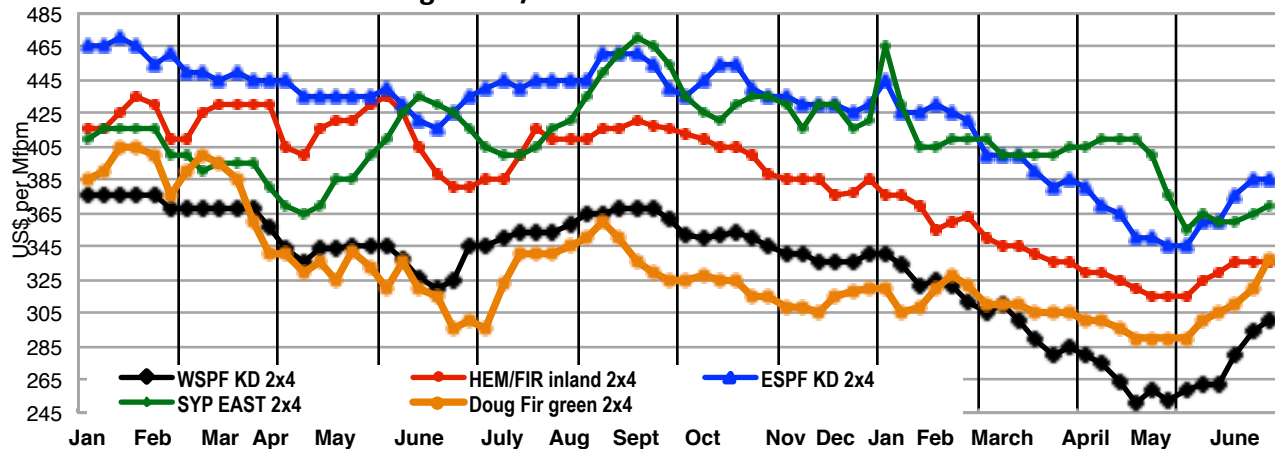
CONT'D PAGE 7

### North American Wood Products: 2015 and Beyond

Analysts at Forest Economic Advisors gave a conference call last week with Mark Wilde of BMO Capital Markets. New US house construction and home inventory were examined.

CONT'D PAGE 9

FIVE KEY 2x4 KD and green R/L DIMENSION LUMBER PRICES 2014 - June 2015



## Madison's *\*new\** Interactive Web Price Graphing Tool

Madison's web-based interactive lumber price graphing tool is beta testing!  
 This extremely useful tool is driven by the historical dimension lumber and panel prices listed in your weekly *Madison's Lumber Reporter*. To access simply visit: <http://mlrdemo.gobi.ca>

Username: **portland**  
 Password: **Pine2014**

### Instructions:

All commodities listed in your weekly *Madison's Lumber Reporter* (except Cedar for the time being) are available from the pull-down menu.

Simply start typing the species name of the desired item then select grade and size.

Click "update".

Select "view" for yearly, quarterly, monthly, or weekly.

Click "Graph Tools" at the top left to return to the previous screen and enter a different selection of commodities.

[For more information please contact our office.](#)

Enter Lumber Commodity

1: WSPF KD Econ 2x8	Average ▾	#e0642e
2: Hem/Fir KD Coast Utility 2x4	Average ▾	#e0d62e
3: Douglas Fir Green #2&Btr 2x6	Average ▾	#2e97e0
4: SYP (East) KD S4S #2&Btr 8ft 2x4	Average ▾	#b02ee0
5: SYP (West) KD S4S #2&Btr 8ft 2x8	Average ▾	#e02e75

Enter Graph Options

Show by: Year ▾

To: 2010-12-31

UPDATE CLOSE

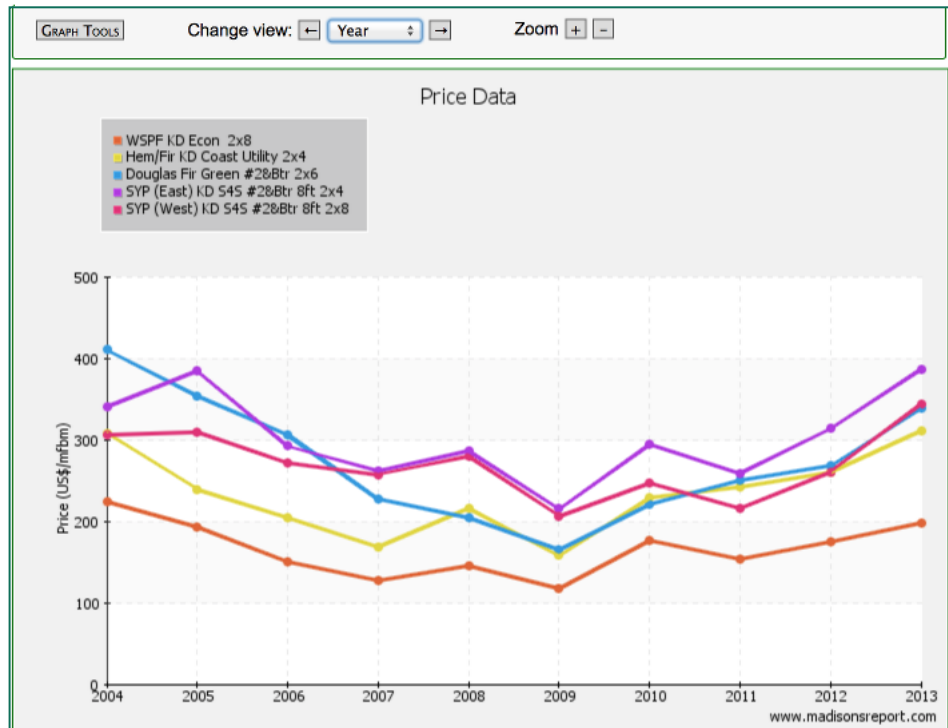
Search Tips Hide

Tips

**Use the starting letters of the lumber commodity you are looking for in the search.**

For example - Species:

- WRC: Western Red Cedar
- WSPF: Western Spruce-Pine-Fir
- ESPF: Eastern Spruce-Pine-Fir
- DF: Douglas Fir
- LARCH: Fir/Larch
- HEM: Hem/Fir
- SYP: Southern Yellow Pine
- ENG: Englemann Spruce
- PON: Ponderosa Pine
- EAS: Eastern White Pine
- FIR: Fir
- HEML: Hemlock



\*This is a demo version of the interactive graph.  
 \*\*It is stable in the current versions of Firefox and Chrome web browsers

## Madison's Weekly Lumber Key Prices Table

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



	This Week	Last Week	Change	Month Ago	Change	Year Ago	Change
<small>Prices are in U.S. dollars per 1,000 fbm (net FOB mill)</small>							
WSPF KD R/L 2x4	300	294	+6	262	+38	324	-24
WSPF KD R/L 2x6	300	290	+10	260	+40	324	-24
WSPF KD R/L 2x8	304	300	+4	272	+32	336	-32
WSPF KD R/L 2x10	368	356	+12	326	+42	374	-6
WSPF KD PET 2x4 Stud	305	295	+10	255	+50	330	-25
WSPF KD PET 2x6 Stud	290	280	+10	255	+35	300	-10
Douglas Fir Green R/L 2x4	337	320	+17	300	+37	295	+42
Douglas Fir Green R/L 2x10	370	360	+10	350	+20	330	+40
ESPF KD 2x4 8ft Stud	365	365	0	340	+25	410	-40
OSB Ontario 7/16" (CDN\$)	237	235	+2	230	+7	220	+17
CSplywood Toronto 3/8" (CDN\$)	440	448	-8	415	+25	394	+46

## Madison's Weekly Lumber News

### Housing Starts, US

CONT'D FROM PAGE 2 US housing starts have increased 6 per cent year-to-date.

Permits to build new homes surged 12 per cent last month to an annual rate of 1.275 million, the highest since August 2007. Permits for apartment construction surged, while permits for single-family homes, a much broader segment, rose modestly.

As of April, the market for new homes had 4.8 months of supply, compared with 5.6 months a year ago.

### US Home Sales

CONT'D FROM PAGE 2 With the monthly increase in new home sales, the Commerce Department said the annual rate is up by 26.1 per cent compared to 410,000 in April of 2014.

The rebound in new home sales in April was partly due to notable growth in the Midwest, where new home sales

jumped 36.8 per cent to a rate of 78,000.

The Commerce Department also said the median sales price of new houses sold in April was US\$297,300, up 4.1 per cent from US\$285,500 in March and up 8.3 per cent from US\$274,500 a year ago.

The number of new homes for sale represents 4.8 months of supply at the current sales rate, down from 5.1 months of supply in the previous month.

For existing homes, "Housing inventory declined from last year and supply in many markets is very tight, which in turn is leading to bidding wars," Yun said.

The number of existing homes available for sale dropped almost 1 per cent over the past year, according to NAR.

The sales pace for used homes, meanwhile, fell 3.3 per cent in April

to a seasonally adjusted annual rate of 5.04 million, pulling back from a jump higher in March. On Thursday NAR revised March's rate to 5.21 million. Existing single-family homes priced between US\$100,000 and US\$250,000 were the largest share of sales, making up 45 per cent of deals.

### COFI Announces...

BC Hydro executive vice-president Susan Yurkovich will become the new president and chief executive officer of the Council of Forest Industries on September 14, the agency announced Tuesday.

Yurkovich, who leaves Hydro at the end of this week, will replace James Gorman, who is taking a new position as vice-president of Vancouver-based wood products company West Fraser.

Gorman joined COFI in September 2013 after previously serving as the BC's deputy minister of advanced education.



# LOG TRADE TRENDS

## A Global Perspective

2-3 December 2015 | Portland, Oregon, USA | At the World Forestry Center

Join us for a Region-by-Region Analysis of International Log Suppliers, Market Trends and Forecasts. Optional Port Tour to Longview, WA



WORLD FORESTRY CENTER

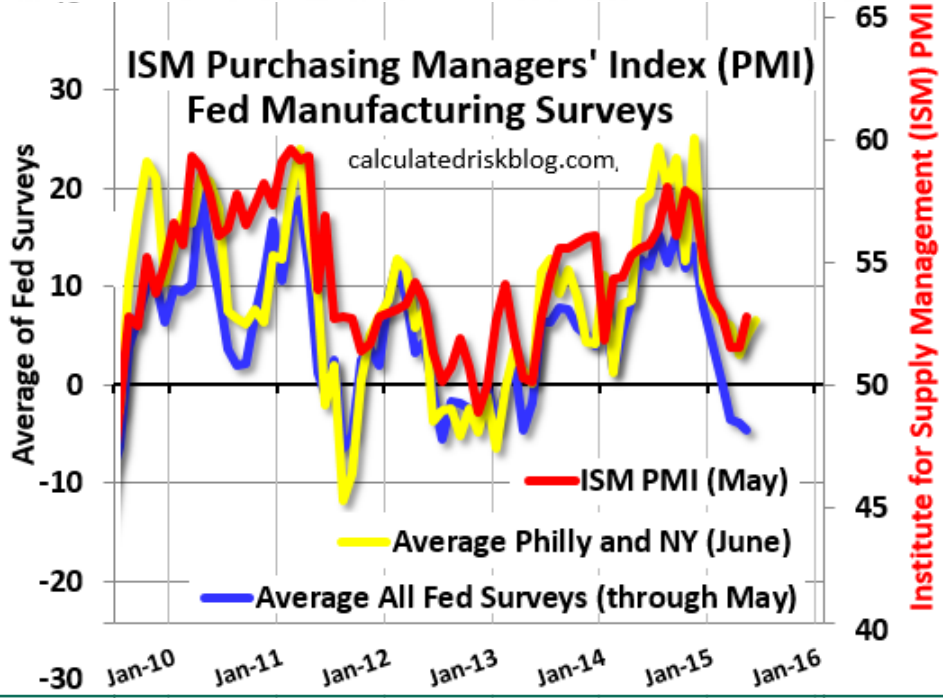
World Forest Institute



INTERNATIONAL FOREST INDUSTRY ADVISORS

International Forest Industry Advisors

<http://logtradetrends.worldforestry.org/>



# North American Wood Products Industry in 2015 and Beyond

## Forest Economic Advisors — Conference Call with BMO Capital Markets

Last week was held a regular conference call about the North American wood products industry by Mark Wilde at BMO Capital Markets. Analysts at [Forest Economic Advisors](#) provided the update.

### US Housing

- FEA pessimistic on US housing starts relative to consensus:

- 1.1 million starts estimated for 2015;
- Between 1.25 and 1.3 for 2016;
- Closer to 1.5 million in 2017-18.

There is underlying demand for 1.5 million starts annualized, but as a longer term optimism

- Housing starts are at a very low level relative to population, there are 2.5 to 3 million more Americans every year

- House prices vs. rents are moderating to historical average, and mortgage rules are loosening

- Pent-up demand represents more than 3 million units, to recover from steep drop after the spike in new home building

### Lumber Markets

- US home builders are increasing their inventory, there is a surprise on the upside as housing starts will come in higher than expected

- Canada and US lumber exports to China are way off, mainly due to exchange rate (strong Canadian and US dollars, weak Renminbi)

- Russian wood is available at a discount in China, but as the Ruble strengthens customers will turn back to North American suppliers.

