

THE STAR MARKET REPORT

DECEMBER 2020 BUILDING MATERIAL MARKET REFLECTION

Historically the lumber market in December tends to show some softness due to a few factors, the holidays, weather, and the fiscal year-end for many companies. December 2020 was anything but historical as the market had an upward run reminiscent of earlier in the year. We are again approaching all-time highs on prices in lumber, OSB, and Plywood.

In EWP supply is king as mills are still sorting out production issues that have plagued them in the last six months. Compounding things further, dealers are still under volume allocations and will be for the foreseeable future. Looking ahead, demand in the U.S. remains strong. Market demand combined with COVID related disruptions continues to impact the manufacturing sector, 2021 looks to be starting where 2020 left off. High prices and tight supply will present significant challenges across almost all product lines to start the year.

FRAMING LUMBER

If you had to choose a word to describe the lumber market in December, "INSANE" would come to mind. Prices again approached an all-time high in all products, with lumber mills pushing order files into late January. Product availability in December was more limited than earlier this year.

R/L	NOV 24, 2020	DEC 29, 2020	+/-
2X4	\$803	\$1,177	\$374
2X6	\$711	\$1,155	\$444
2X8	\$769	\$1,130	\$361
2X10	\$619	\$1,066	\$447
2X12	\$851	\$1,130	\$279

STUDS	NOV 24, 2020	DEC 29, 2020	+/-
2X4-92 5/8"	\$681	\$961	\$280
2X4-104 5/8"	\$726	\$1,314	\$588
2X6-92 5/8"	\$654	\$897	\$243
2X6-104 5/8"	\$785	\$1,295	\$510

Pricing: CAD

PLYWOOD

Although the rise in Plywood prices did not look as sharp on paper as lumber and OSB, looks can be deceiving, as it never gave back as much on the downturn. Plywood rebounded from any softness in pricing it showed in November and ran back up to near all-time highs with order files pushing late February / March shipments.

PLYWOOD	NOV 25, 2020	DEC 30, 2020	+/-
9.5 (3/8)	\$723	\$832	\$109
12.5 (1/2)	\$964	\$1,109	\$145
15/5 (5/8)	\$1,205	\$1,387	\$182
18.5 (3/4)	\$1,446	\$1,664	\$218
25.5 (1)	\$2,157	\$2,502	\$327

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OSB

As quickly as OSB corrected down in November, it made a complete 180-degree turn in December, running hard and back to its previous highs. Supply is exceptionally tight, with mill order files pushing through February to early March.

OSB	NOV 25, 2020	DEC 30, 2020	+/-
3/8"	\$680	\$985	\$305
7/16"	\$680	\$985	\$305
15/32"	\$700	\$1,005	\$305
19/32"	\$870	\$1,230	\$360
23/32"	\$1,015	\$1,375	\$360

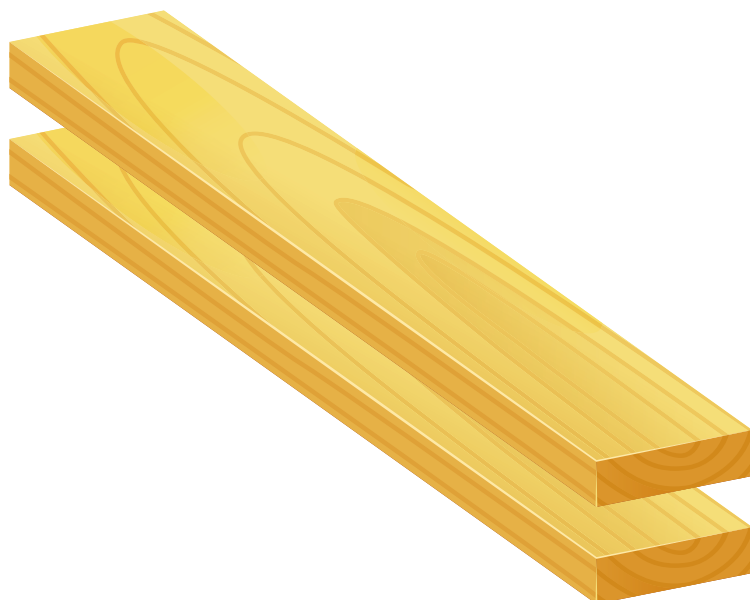
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ENGINEERED WOOD PRODUCTS

EWP (Engineered Wood Products) Supply continues to be a problem across North America as mills try desperately to catch up with their production issues. Allocations will continue for the foreseeable future, further handcuffing dealers trying to supply builders who saw healthy market conditions to finish off 2020 and begin 2021.

FINISHING PRODUCTS

We saw December finish strong with finishing products. As we enter 2021, price increases due to rising raw material, freight, and manufacturing costs are present on almost all product lines. Combined with volume allocations, it looks like supply could be an issue as we start 2021.



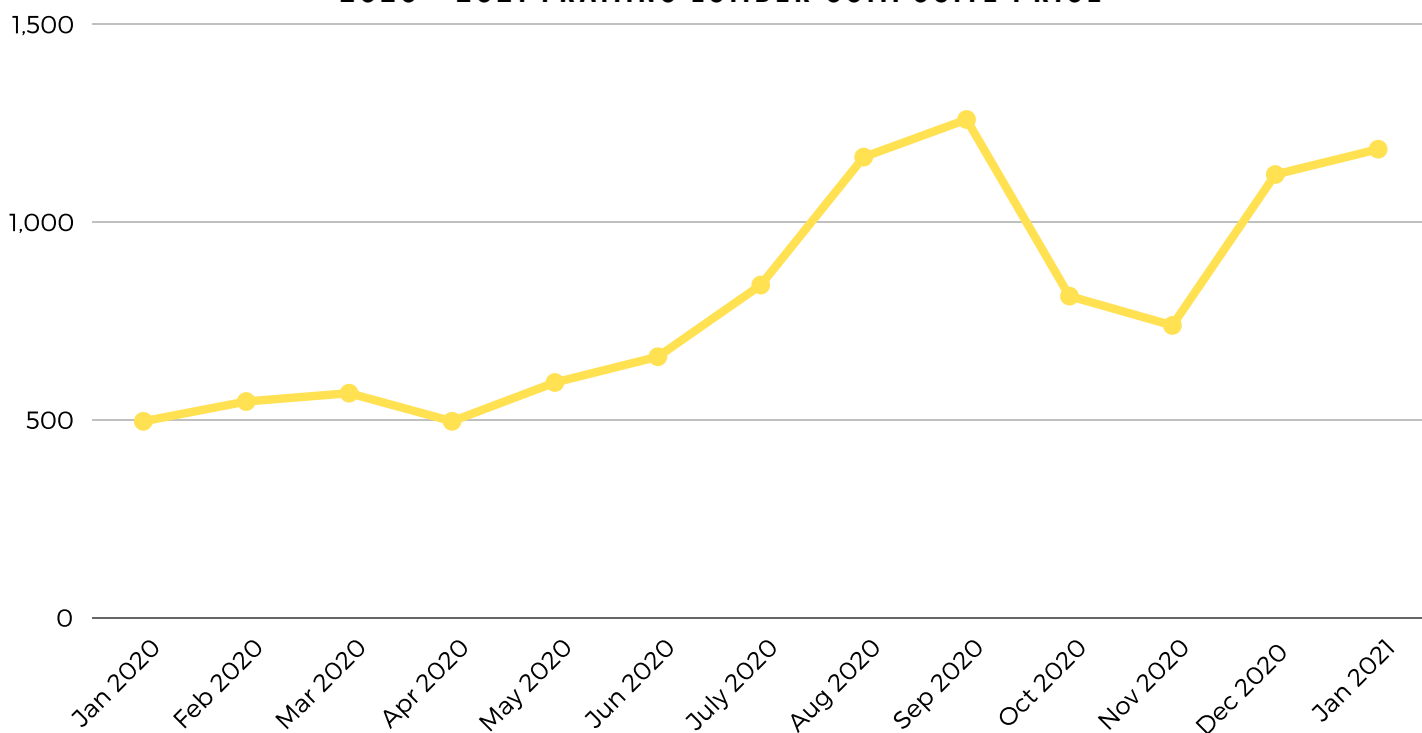
FRAMING LUMBER COMPOSITE PRICE

JANUARY 8, 2021 LUMBER MARKET REPORT HIGHLIGHTS:

- Softwood lumber trading was uneven in the first week of the new year, but buyers and sellers generally perceived a more measured pace.
- That was the case even among Southern Pine traders, despite the SYP market opening the week with historic triple-digit hikes in prices.
- In the broader market, seasonal factors, price levels, and long shipment times all factored into a more cautious stance.
- Credit issues were another concern for many buyers, while some traders noted that the midweek chaos in Washington D.C. was a distraction.

	THIS WEEK	LAST WEEK	YEAR AGO
FRAMING LUMBER COMPOSITE	\$1,184	\$1,120	\$487
2X4 #2&BTR KD WESTERN S-P-F	\$1,177	\$1,179	\$513
2X6 #2&BTR KD WESTERN S-P-F	\$1,155	\$1,160	\$500
2X4X9' STUDS	\$1,415	\$1,397	\$450
2X6X9' STUDS	\$1,409	\$1,384	\$443
2X10 #2&BTR KD WESTERN S-P-F	\$1,190	\$1,188	\$573

2020 - 2021 FRAMING LUMBER COMPOSITE PRICE



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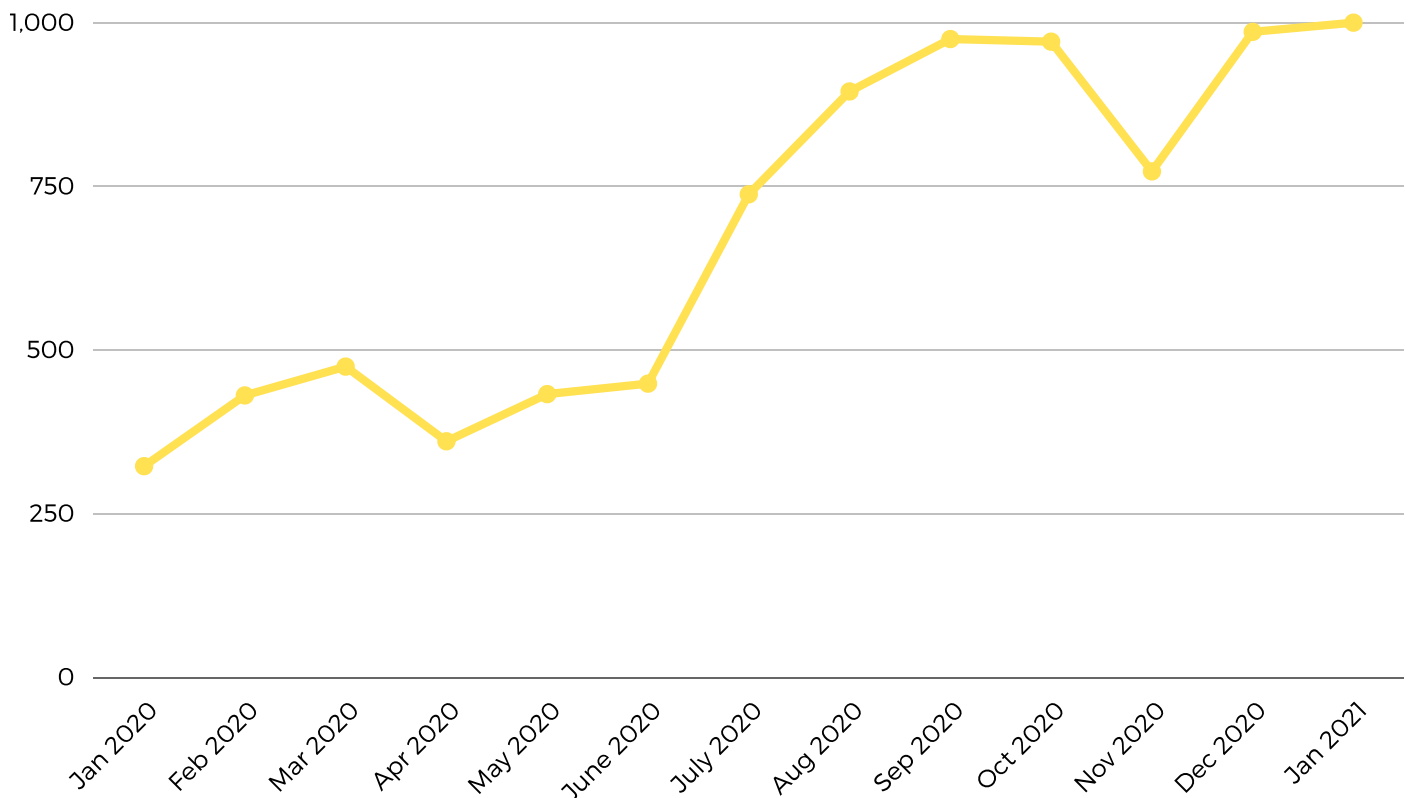
STRUCTURAL PANEL COMPOSITE PRICE

JANUARY 8, 2021 PANEL MARKET REPORT HIGHLIGHTS:

- Limited supplies limited structural panel trading and drove prices higher.
- A continued absence of open-market offerings from OSB mills stifled trading throughout North America.
- The vast majority of mills took a break from the market all week.
- An inability to cover needs persisted among Southern Pine plywood buyers amid acute shortages of rated sheathing.
- Despite a lackluster post-holiday pace early, western Fir sheathing prices rose to new record-breaking highs.
- Canadian sheathing sales remained steady, with mills adding to order files stretching into March.

	THIS WEEK	LAST WEEK	YEAR AGO
ORIENTED STRAND BOARD COMPOSITE	\$1,000	\$986	\$312
3/8" 4X8 OSB	\$995	\$985	\$265
23/32" 4X8 OSB T&G	\$1,395	\$1,375	\$500
3/8" 4X8 SPRUCE PLYWOOD	\$832	\$832	\$397

2020-2021 ORIENTED STRAND BOARD COMPOSITE PRICE



Pricing: CAD/MSF

January 11, 2021

Source: Random Lengths Market Report

