

THE STAR MARKET REPORT

JANUARY 2021 BUILDING MATERIAL MARKET REFLECTION

January started with a softer tone that saw prices adjust downward during the first two weeks of the month. This decline gave everyone a bit of a reprieve from the high costs of December. That all changed on January 21st when U.S. housing starts came out with seasonally adjusted annual rates on building permits at \$1,709,000 and housing starts at \$1,669,000 for December. This news propelled buyers into the market in full force, quickly erasing any price concessions seen in the first half of the month.

We are reaching price levels where we have seen strong push back from buyers over the past year, and vital takeaways from Eastern Canada and the United States might push these levels to new record highs. Regardless, the downside risk is greater than the upside risk at these levels, which should cause buyers to proceed cautiously, putting the strain on distribution to carry them through.

FRAMING LUMBER

Buyers saw the price concessions they were hoping for, but it was short lived as the second half of the month saw another strong upward run in the market place. We are now again approaching record high prices. Mills have order files into late February/early March, and supply remains tight on many items.

R/L	DEC 29, 2020	JAN 28, 2021	+/-
2x4	\$1,177	\$1,187	\$10
2x6	\$1,155	\$1,167	\$12
2x8	\$1,130	\$1,129	\$-1
2x10	\$1,066	\$1,084	\$18
2x12	\$1,130	\$1,174	\$44

STUDS	DEC 29, 2020	JAN 28, 2021	+/-
2x4-92 5/8"	\$961	\$994	\$33
2x4-104 5/8"	\$1314	\$1334	\$20
2x6-92 5/8"	\$897	\$930	\$33
2x6-104 5/8"	\$1295	\$1334	\$39

Pricing: CAD

PLYWOOD

Plywood held flat through most of January and was undervalued in the market compared to OSB before finding its legs the second half of the month. In the last couple of weeks of January, sawmills push pricing upwards of 6% - 8% closing the price gap between plywood and OSB, stretching order files into late March.

PLYWOOD	DEC 29, 2020	JAN 29, 2021	+/-
9.5 (3/8)	\$832	\$866	\$34
12.5 (1/2)	\$1,109	\$1,155	\$46
15.5 (5/8)	\$1,387	\$1,443	\$56
18.5 (3/4)	\$1,664	\$1,732	\$68
25.5 (1)	\$2,502	\$2,604	\$102

Pricing: CAD



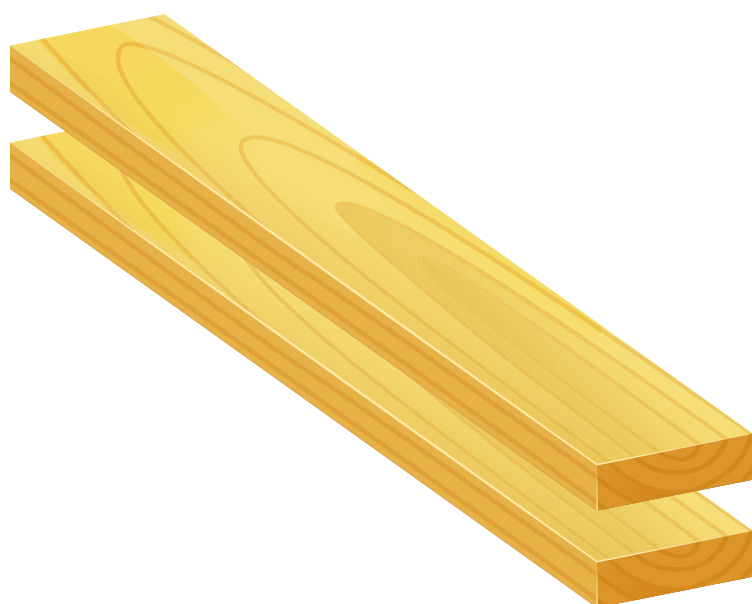
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OSB

The mills hold all of the cards as OSB continues its steady upward pace. Pricing continues to push higher, and order files are reaching into late March and early April. Both major OSB mills in the west remained off the market for parts of January. As this trend continues, there is no sense that pricing and availability will change for the better anytime soon.

OSB	DEC 30, 2020	JAN 29, 2021	+/-
3/8"	\$985	\$1,035	\$50
7/16"	\$985	\$1,035	\$50
15/32"	\$1,005	\$1,055	\$50
19/32"	\$1,230	\$1,290	\$60
23/32"	\$1,375	\$1,435	\$60

Pricing: CAD



ENGINEERED WOOD PRODUCTS

The issues that plagued EWP in 2020 continue into 2021. There is considerable pressure as demand continues to outpace supply. Price increases are being seen in the 15% - 30% range as dealers try to keep up with rising costs from suppliers. There is no end in sight for the current issues facing EWP. Strong demand and glitches in supply mostly due to production time and personnel lost due to COVID look to continue to impact EWP supply through 2021.

FINISHING PRODUCTS

The concerns we had on supply with finishing products came to fruition much earlier than expected in 2021. With manufacturers having trouble sourcing raw materials and demand on the rise, we already see supply issues with doors, mouldings, and MDF. We expect these issues to get worse before they get better.

January 29, 2021

Written by: Jason Poloway, Purchasing Manager



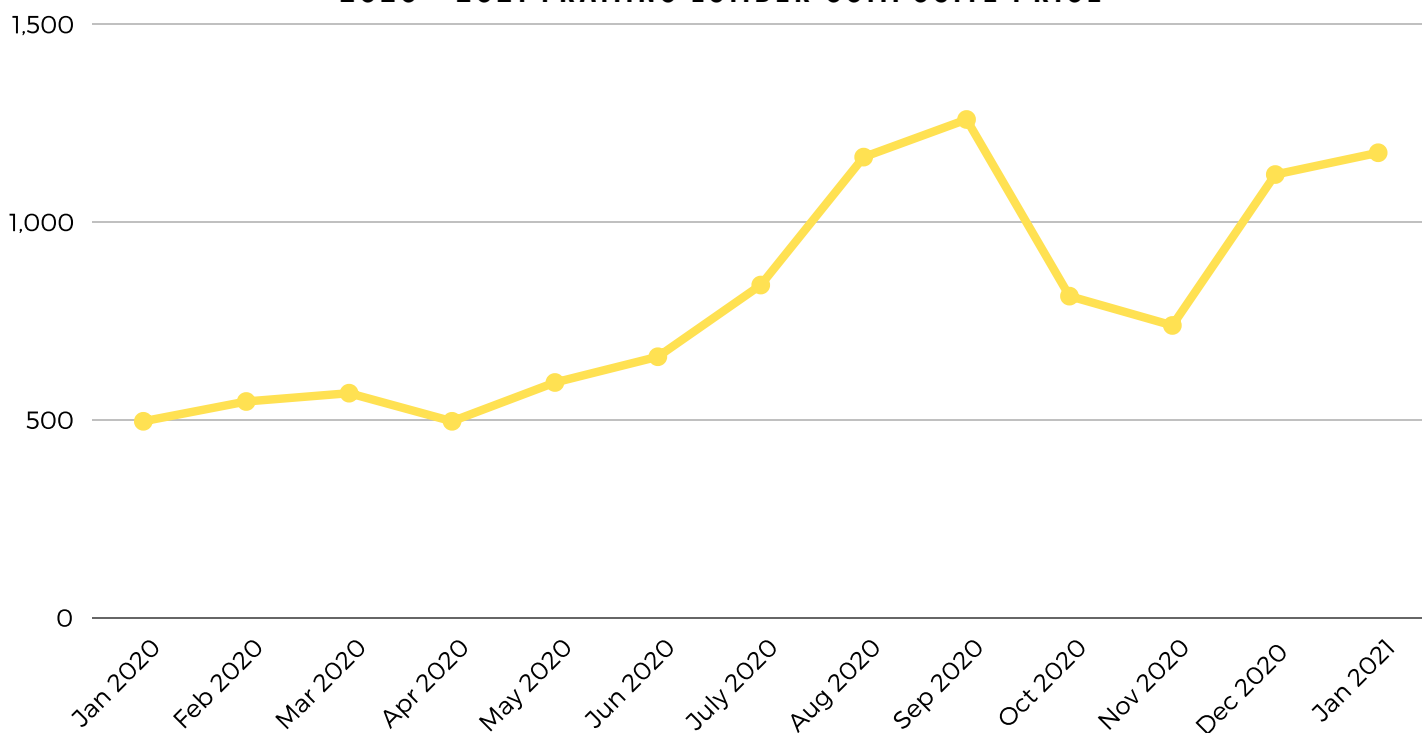
FRAMING LUMBER COMPOSITE PRICE

JANUARY 29, 2021 LUMBER MARKET REPORT HIGHLIGHTS:

- Carryover from the previous week's strengthened activity was stable in most framing lumber species, and many prices posted large double and even triple-digit increases.
- Gains were led by Western and Eastern S-P-F, following by Coast dry and green Douglas Fir.
- With S-P-F setting the pace, the Random Lengths Framing Lumber Composite Price rose drastically this week. Traders are approaching the week more cautiously regardless of the sharp increases.
- Traders also watched the Southern Pine market, which missed last week's trend reversal and was still in the throes of a steep price correction early this week.

	THIS WEEK	LAST WEEK	YEAR AGO
FRAMING LUMBER COMPOSITE	\$1,175	\$1,126	\$503
2X4 #2&BTR KD WESTERN S-P-F	\$1,187	\$1,080	\$524
2X6 #2&BTR KD WESTERN S-P-F	\$1,167	\$1,048	\$506
2X4X9' STUDS	\$1,398	\$1,231	\$503
2X6X9' STUDS	\$1,411	\$1,326	\$480
2X10 #2&BTR KD WESTERN S-P-F	\$1,208	\$1,107	\$615

2020 - 2021 FRAMING LUMBER COMPOSITE PRICE



Pricing: CAD/MBF

January 29, 2021
Source: Random Lengths Market Report



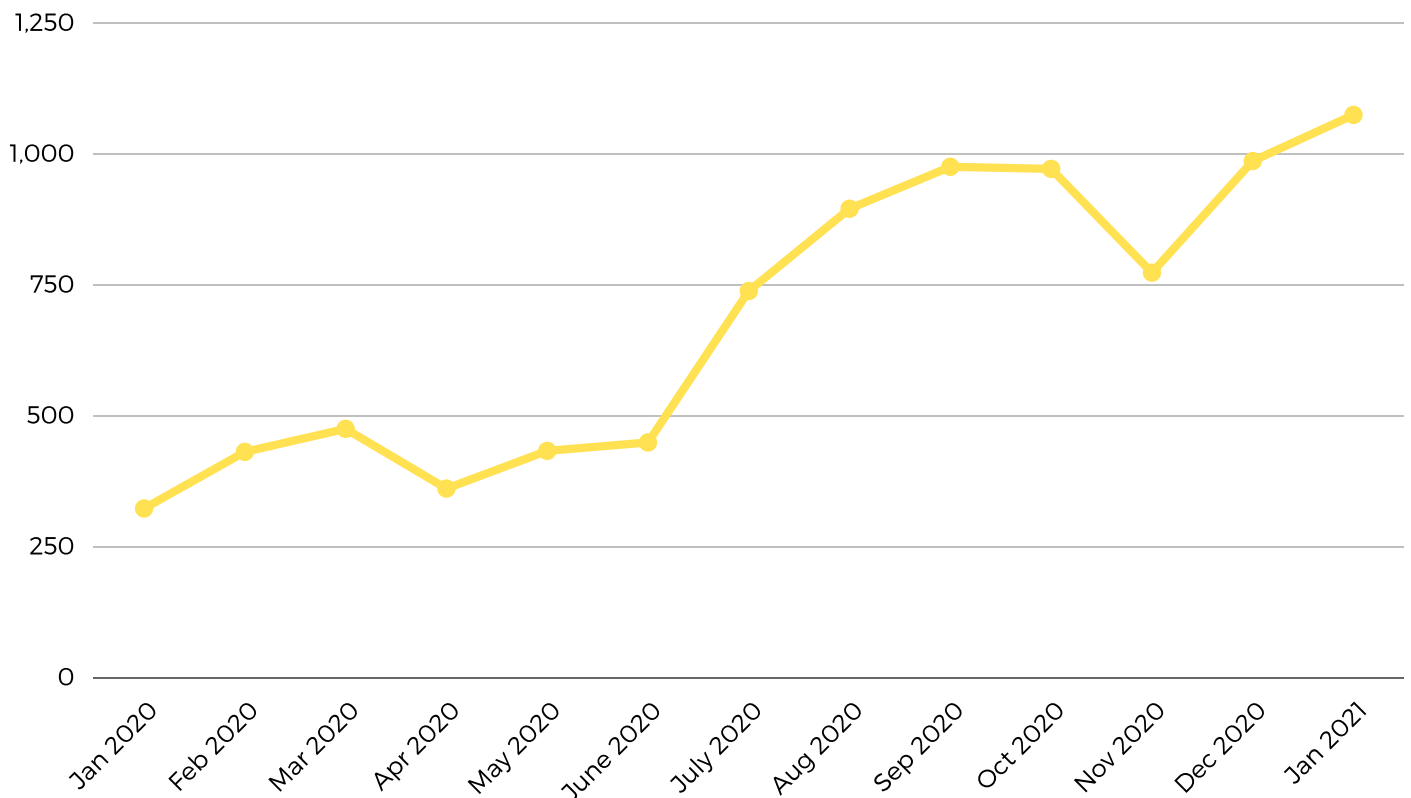
STRUCTURAL PANEL COMPOSITE PRICE

JANUARY 29, 2021 PANEL MARKET REPORT HIGHLIGHTS:

- The need for structural panels outpaced supplies and continued to drive prices higher.
- Tight supplies and constant demand kept upward pressure on prices of OSB.
- Several mills spent much of the week off the market.
- An added level of necessity crept into the Southern Pine plywood market as buyers were more frantic about addressing remaining inventory shortages.
- Buying activity in western Fir plywood ranged from mill to mill. After six weeks of constant prices, Canadian sheathing moved 4 points higher.

	THIS WEEK	LAST WEEK	YEAR AGO
ORIENTED STRAND BOARD COMPOSITE	\$1,074	\$1,034	\$327
3/8" 4X8 OSB	\$1,035	\$1,020	\$275
23/32" 4X8 OSB T&G	\$1,435	\$1,420	\$505
3/8" 4X8 SPRUCE PLYWOOD	\$866	\$832	\$389

2020-2021 ORIENTED STRAND BOARD COMPOSITE PRICE



Pricing: CAD/MSF

January 29, 2021

Source: Random Lengths Market Report

