

THE STAR MARKET REPORT

JUNE 2021 BUILDING MATERIAL MARKET REFLECTION

June brought the price correction in lumber that everyone was waiting for, and it was in record-breaking fashion. Buyers have put the PO books away, trying to ride this downturn to the bottom before buying back in. It looks like a combination of exaggerated order files, increased production, and slow box store sales contribute to this dramatic price correction. While OSB and Plywood remained relatively flat, all eyes were waiting to see if the other shoe would drop on panel pricing.

Despite a lack of product offered at the mill level, we have witnessed secondaries uneasy about the market offering out contracts to keep their inventories in line. The bottleneck on most building projects continues to be the lack of availability on EWP, plates, and hangers - as all these items are still under strict allocations. Extended lead times in truss production are something to keep an eye on. Drywall joins the list of products now on allocations causing availability issues with exterior drywall, which many builders have switched to as an alternative product to panels.

FRAMING LUMBER

Record price decreases were seen in June as lumber went into a free fall. As order files dwindled, mills began searching for a level to entice new business, but it was to no avail as prices continued to drop in record-breaking fashion. Although demand remains strong, it looks like buyers can wait for the mills out, only buying for their immediate needs.

R/L	JUNE 25, 2021	MAY 28, 2021	+/-
2X4	\$1,077	\$1,935	-\$858
2X6	\$1,077	\$1,947	-\$870
2X8	\$1,108	\$1,857	-\$749
2X10	\$1,293	\$1,941	-\$648
2X12	\$1,736	\$1,960	-\$224

STUDS	JUNE 25, 2021	MAY 28, 2021	+/-
2X4 - 92 5/8"	\$1,083	\$1,851	-\$768
2X4 - 104 5/8"	\$1,139	\$2,117	-\$978
2X6 - 92 5/8"	\$1,077	\$1,778	-\$701
2X6 - 104 4/8"	\$1,354	\$2,195	-\$841

OSB

June was a relatively flat month in OSB. Prices continue to hold, and mills talked of not having cash wood to offer until the end of the summer. That being said, the lumber free fall has made everyone uneasy and caused some secondaries to liquidate some contracts to keep their inventories in line.

OSB	JUNE 25, 2021	MAY 28, 2021	+/-
3/8"	\$1,915	\$1,900	\$15
7/16"	\$1,915	\$1,900	\$15
15/32"	\$1,935	\$1,920	\$15
19/32"	\$2,280	\$2,265	\$15
23/32"	\$2,434	\$2,410	\$25

All Pricing: CAD



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PLYWOOD

Plywood pricing reported no changes in June; mill order files are still reporting into September. With the Eastern Canadian market looking to be in a good inventory position, we see contract wood being routed To Western Canada, where the takeaway has been more substantial. With prompt plywood showing up, it leaves many to wonder if a pricing correction coming soon?

PLYWOOD (STD)	JUNE 25, 2021	MAY 28, 2021	+/-
9.5 (3/8)	\$1,660	\$1,660	\$270
12.5 (1/2)	\$2,213	\$2,213	\$360
15.5 (5/8)	\$2,767	\$2,767	\$450
18.5 (3/4)	\$3,320	\$3,320	\$540
25.5 (1)	\$4,986	\$4,986	\$810

Pricing: CAD

FINISHING PRODUCTS

Drywall has become the latest product line to fall victim to allocations. We should expect to see these allocations hit the marketplace as early as mid-July. Many builders who switched to exterior drywall as an alternative to OSB or Plywood might now see some supply issues moving forward.

We have yet to see any relief on MDF availability. Allocations are still in effect on all moulding products, and we expect that to continue for the short to mid-term until the supply chain works itself out.

ENGINEERED WOOD PRODUCTS

The drop in lumber brings needed relief to truss manufacturers. This is drop overshadowed by production schedules stretching to 8-12 week lead times and lack of supply availability on EWP, truss plates, and hangers. A combination of all the above issues is causing projects to be delayed due to supply issues.



June 28, 2021

Written by: Jason Poloway, Purchasing Manager

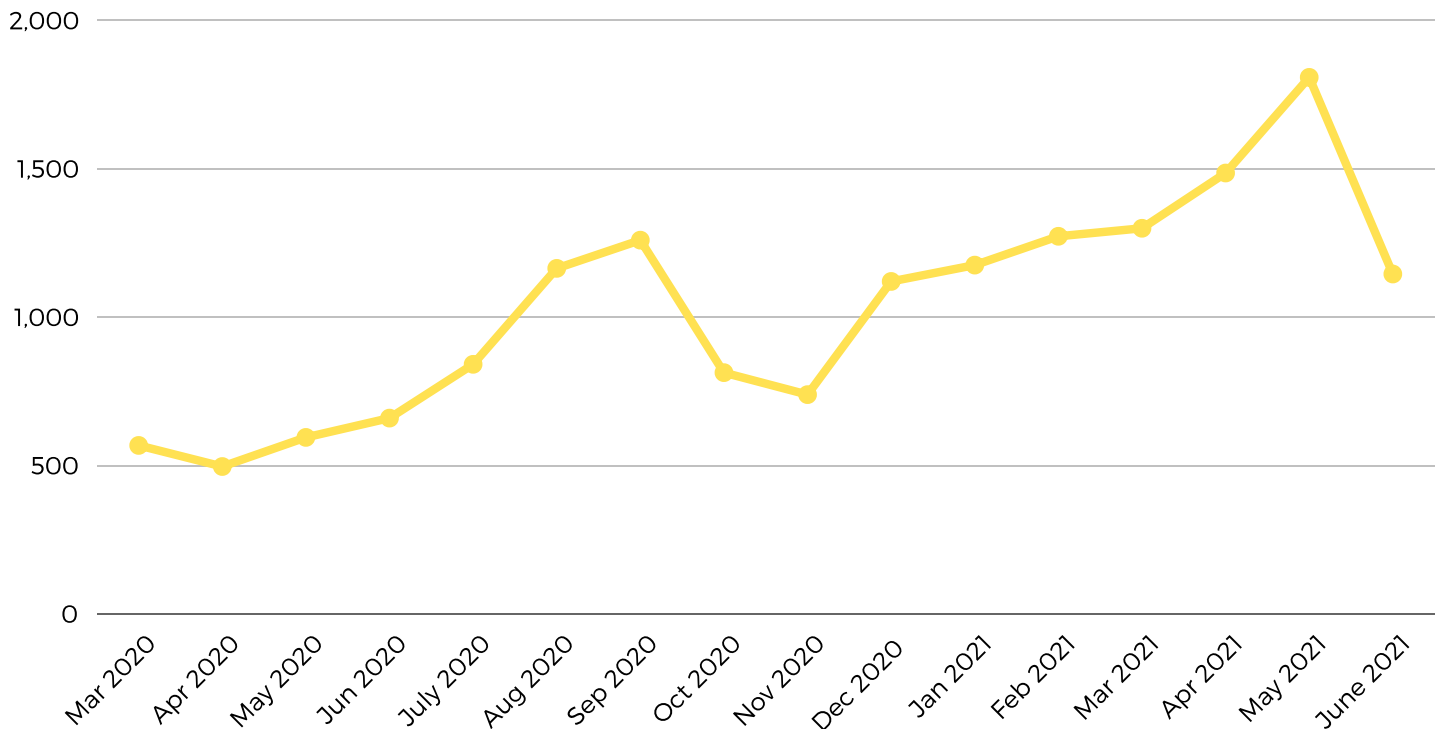
FRAMING LUMBER COMPOSITE PRICE

MAY 25, 2021 LUMBER MARKET REPORT HIGHLIGHTS:

- The unraveling of the historic price run in framing lumber remained in full force, as deep triple-digit price cuts seen in recent weeks prevailed.
- Rapidly falling prices — many dropping back into three digits — generated modestly increased liquidity in some cases, but many buyers limited purchases to essential needs.
- Mills sliced prices across all species, and were wide open to counteroffers on the items they most needed to move.
- Studs continued to post the sharpest decreases overall.

	THIS WEEK	LAST WEEK	YEAR AGO
FRAMING LUMBER COMPOSITE PRICE	\$1,145	\$1,371	\$634
2X4 #2&BTR KD WESTERN S-P-F	\$1,077	\$1,238	\$534
2X6 #2&BTR KD WESTERN S-P-F	\$1,077	\$1,263	\$494
2X4X9' STUDS	\$1,200	\$1,509	\$577
2X6X9' STUDS	\$1,385	\$1,694	\$570
2X10 #2&BTR KD WESTERN S-P-F	\$1,416	\$1,608	\$675

2020 - 2021 FRAMING LUMBER COMPOSITE PRICE



Pricing: CAD/MBF

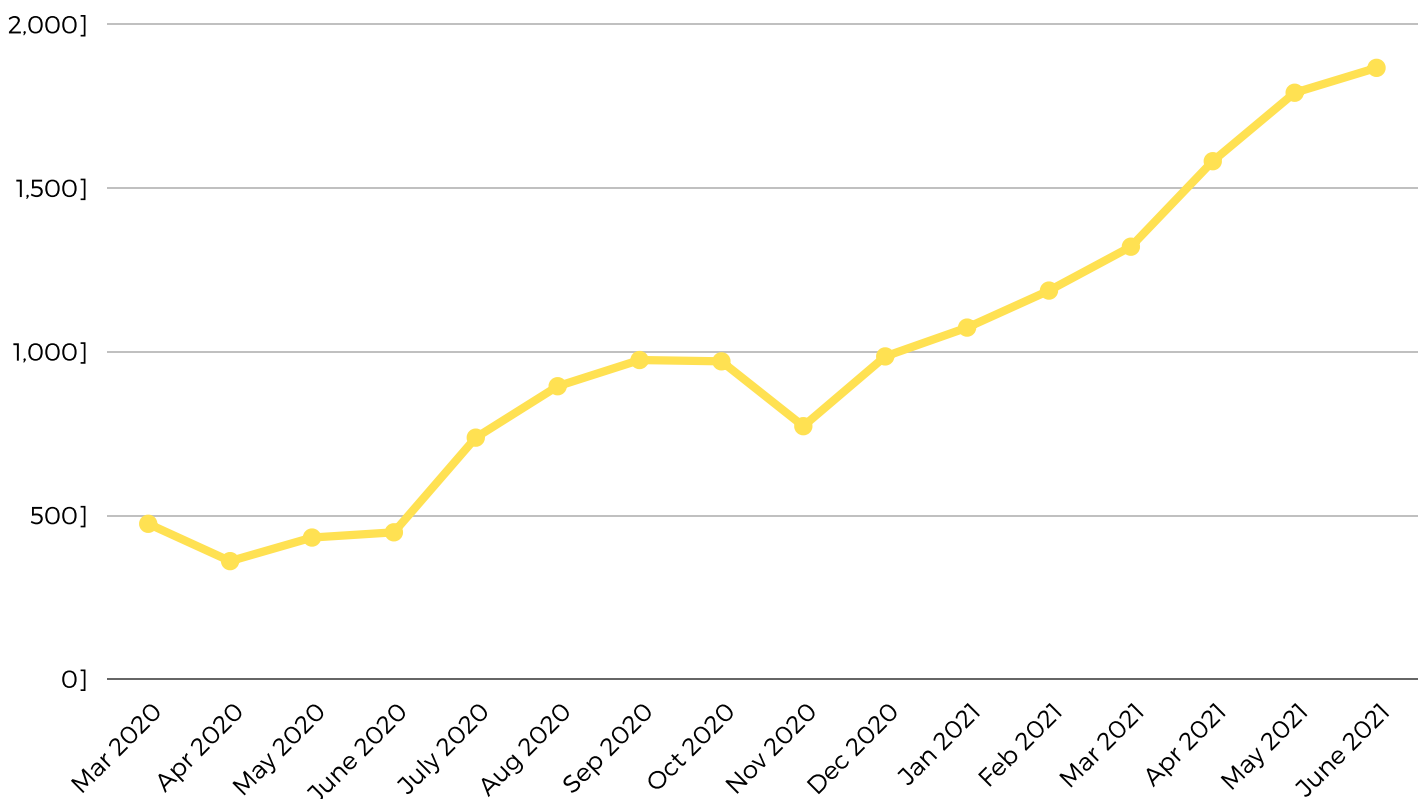
STRUCTURAL PANEL COMPOSITE PRICE

JUNE 25, 2021 PANEL MARKET REPORT HIGHLIGHTS:

- Structural panel sales slowed, especially in plywood.
- A growing number of OSB producers offered loads for the open market, but most offerings were sold on a PTS basis and prices in all regions flattened.
- Unease and hesitation brought Southern Pine plywood trading to a near standstill.
- Stagnant sales were met with mixed approaches from the mills.
- Continuing to see weakness in lumber markets, western Fir plywood buyers anticipating the same fate for plywood kept purchases to a minimum.
- Canadian plywood producers clung to order files in quiet trading; prices were unchanged.

	THIS WEEK	LAST WEEK	YEAR AGO
ORIENTED STRAND BOARD COMPOSITE	\$1,867	\$1,881	\$429
3/8" 4X8 OSB	\$1,915	\$1,915	\$350
23/32" 4X8 OSB T&G	\$2,435	\$2,435	\$570
3/8" 4X8 SPRUCE PLYWOOD	\$1,519	\$1,519	\$545

2020-2021 ORIENTED STRAND BOARD COMPOSITE PRICE



Pricing: CAD/MSF

June 28, 2021

Source: Random Lengths Market Report

