UTAH LUMBER

Sawdust Signals

A practical field read for lumber buyers, sellers, manufacturers and distributors

CLEAR INFORMATION. STRONG RELATIONSHIPS. TRUSTED INSIGHT.

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THE SPLIT JURY EDITION

FUTURES MADE THE ROUND TRIP. CASH GOT THE MEMO.

THE BOTTOM LINE

The correction futures signaled is now firmly in cash. Every category in the Utah Lumber Market Averages moved lower again this week, while broad framing benchmarks in all species continued to retreat.

September 2026 lumber futures completed a remarkable round trip - from $583.50/m on April 29, to $664/m on July 23, then down to a new contract-lifetime low of $560/m on August 13 and again August 14.

That $104/m reversal changed negotiating psychology well before cash fully responded. Buyers now have materially more leverage on common 2x4, studs, Low Grade, Southern Pine and prompt Green DF 2-inch.

But this is still not a universal liquidation: selected wides, MSR, fingerjoint studs and constrained 4-inch Green Douglas Fir continue to carry legitimate replacement risk and strength in price. Try finding prompt 4x4 or 4x6 low-grade Green DF right now. If you can't, don't forget to call us - we saw this one coming. :)

MARKET DIRECTION	Broadly lower. Futures led the correction; cash is now confirming it.
MAIN DRIVER	Seasonal demand fade, conservative inventory posture, futures repricing and mills clearing prompt inventory they are willing to show and play ball to move with significant counters on volume.
DEMAND QUALITY	Need-based and conservative. Buyers remain focused on replacing sales and filling inventory gaps rather than broadly extending positions.
BEST BUY OPPORTUNITY	2x4 RL all species, 2x4-9 studs all species, Low Grade/Economy, SYP #2 and prompt Green DF 2-inch.
MARKET CAUTION (TIGHT SUPPLY)	Selected wides primarily in KDDF, all MSR & SS, fingerjoint studs and scarce 4-inch Green DF still require replacement discipline.

Prepared by Utah Lumber Co. | Lead Market Commentary: Tyrone Konecny, President

Utah Lumber Market Averages

Indicator	4 Weeks Ago	2 Weeks Ago	1 Week Ago	Current	4 Week	1 Week
2x4 & 2x6 HF/DF Dimension	605	610	595	**570**	**-35**	**-25**
KD Studs	565	575	565	**540**	**-25**	**-25**
Low Grade	400	395	375	**345**	**-55**	**-30**
Green Doug Fir Studs & Dimension	600	600	580	**560**	**-40**	**-20**
WSPF	530	525	510	**495**	**-35**	**-15**
ESPF	600	605	595	**580**	**-20**	**-15**
Euro	645	645	635	**620**	**-25**	**-15**
SYP	480	470	455	**435**	**-45**	**-20**

Price averages are Utah Lumber market inputs for directional context. Actual pricing varies by size, grade, tally, shipment timing, freight and availability.

Market Overview

There is very little ambiguity in this week's Utah Lumber averages: **all eight tracked categories moved lower again.** Low Grade continues to reset the fastest, **heavily weighted by Economy in both KD & Green**, while dimension, studs, Green Douglas Fir, SPF, Euro and Southern Pine all posted additional declines.

The broader framing market tells a similar story. Weakness has expanded across species, particularly in common 2x4, studs, lower grades and prompt commodity items. Buyers are increasingly finding sellers willing to discuss meaningful counters when volume, tally and destination line up.

That does not mean every item is being liquidated. Selected wides - particularly KDDF - all MSR & SS, fingerjoint studs and scarce 4-inch Green Douglas Fir remain much more difficult to replace. The important distinction is between **wood that has to move** and **wood that remains genuinely difficult to source.**

Market factor	What it means now	Buyer response
Overall tone	Cash is correcting broadly across species.	Reset common-item bids without treating every tally equally.
Demand	Replenishment remains conservative and need-based.	Buy orders and inventory gaps rather than making a broad market bet.
Producer posture	Mills are showing more prompt inventory and significant counters can surface when buyers put volume behind the bid.	Ask what is actually available, then make the offer meaningful enough to get a response.
Inventory visibility	The more prompt volume a seller is willing to show, the less protection the previous asking price carries.	Tie aggressive bids to exact tallies and short expiration.
Order files	Protected mills and constrained items still have less reason to chase every bid.	Do not interpret one rejected offer as broad market strength.
Replacement	Wides, structural grades, fingerjoint studs and scarce 4-inch can trade independently of the commodity reset.	Price actual replacement risk rather than the species headline.
Logistics	Some lane rates have eased enough to create a little buyer comfort, but trucking remains a major pain point across the market. Availability, timing and freight cost can still materially change the economics of an attractive mill number.	Judge the **delivered replacement**, not just the mill price. Confirm truck availability and actual freight before declaring a bargain.
Futures	The board made the major move first; cash is now following.	Use futures to understand negotiating psychology - not as a cash quote.
Positioning	Managed Money has moved rapidly from long to heavily short.	Respect bearish momentum without assuming the board can only move one direction.

From the Field: UVLA

HARD WOOD, COLD BEER... AND SOME VERY DIFFERENT MARKET OPINIONS SOUTHERN OREGON

Last week a good portion of the Western lumber trade left the desk and headed to southern Oregon for the **Umpqua Valley Lumber Association Customer Appreciation Event**. Utah Lumber was there in numbers, spending time with UVLA host mills along with wholesalers, distributors and other industry participants.

And when you get that many lumber people together in one place, eventually somebody quits talking about golf and starts telling you what they **really** think about the market.

THE READ FROM THE ROOM

There was **no shortage of opinions - or positions.** Mills were viewing the market through the lens of their **order files**, while buyers and wholesalers were viewing it through the lens of their **inventory**. Somewhere in between was a healthy tug-of-war over where the next real trading level belongs.

Producers with readily available stock were generally willing - and in some cases eager - to find a number that would move volume.

Show us a serious order, put some footage behind it, and let's see if we can play ball.

THE NERVOUS POSITION

Some wholesalers carrying sizable positions looked like they were **quietly checking for the nearest emergency exit.** Falling replacement and a softer board can make even a good-looking inventory position feel heavier by the hour.

THE 2 A.M. WHISKEY CARD

Others were reaching for the **2 a.m. whiskey-confidence card** - betting that lean field inventories eventually force replenishment and reward anyone willing to sit on wood through the current correction.

Both camps have an argument. Field inventories appear lean in many channels, and replenishment eventually has to happen. But prompt mill availability is real, futures have materially changed buyer psychology, and producers that need to move wood are increasingly willing to discover where the bid actually lives.

THE UTAH LUMBER TAKEAWAY: not one bullish or bearish opinion, but rather a dug-in SPLIT JURY!

The useful confirmation was that **this market is being driven by position.**

A mill with an order file sees one market.
A mill with prompt stock sees another.

A wholesaler carrying length sees one market.
A buyer sitting light with cash and patience sees another.

That is why the current market can feel **weak and tight at the same time**, depending on the item - and why knowing **who needs to do what with the wood** can matter just as much as knowing yesterday's number.

Find out who is uncomfortable before you decide who has the leverage.

Fast Field Read

- **2x4 RL across species** is where some of the cleanest buying leverage now exists.
- **2x4-9 studs across species** remain a major pressure point.
- **Low Grade/Economy** continues to search for clearing levels, with Economy doing much of the heavy lifting.
- **SYP #2 and prompt Green DF 2-inch** remain highly negotiable where volume is visible.
- **Selected KDDF wides, all MSR & SS, fingerjoint studs and scarce Green DF 4-inch** remain separate markets.
- Freight has loosened in some lanes, but **do not mistake a few easier trucks for a solved logistics market.**

Futures: What the Board Is Telling the Cash Market

FUTURES ARE NOT A RED LIGHT / GREEN LIGHT

It is easy to look at lumber futures as a simple **red light / green light** indicator - futures up means buy, futures down means wait. In practice, the relationship is much more nuanced.

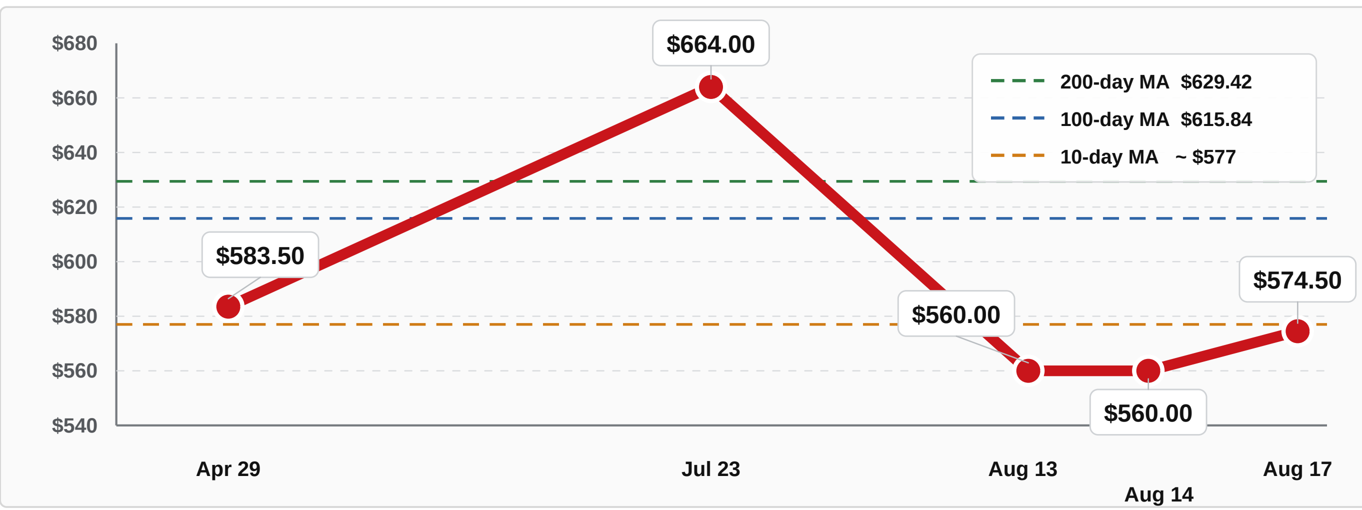
Futures reflect expectations, positioning, risk management, liquidity and sentiment across a market that includes professional funds, producers, merchants and other commercial participants. The board can move well ahead of physical cash, and the gap between futures and actual replacement value can become substantial.

The board has a vote, not a veto.

Use the board as information, not an instruction.

THE SEPTEMBER '26 ROUND TRIP

$583.50 APR 29 - spring bull run starts	**$664.00** JUL 23 - top of spring/summer run	**$560.00** AUG 13 & 14 - lifetime low	**$574.50** AUG 17 - respectable rebound



THE ROUND TRIP

September gained **$80.50/m (+13.8%)** from April 29 to July 23, then collapsed **$104/m (-15.7%)** to $560 in barely three weeks. The entire spring rally disappeared, and the contract traded $23.50/m below where the run began.

SIGNS OF SUPPORT?

After twice printing $560, September tested $562 Monday, rallied to $576 and closed at **$574.50**, up $6.50 and near the session high. That does not confirm a bottom, but repeated rejection of $560 makes the **$560-$575 area** worth watching.

The technical damage remains substantial. The **10-day moving average is roughly $577** - almost on top of Monday's $574.50 settlement. The **100-day sits near $615.84** and the **200-day near $629.42**, leaving meaningful overhead resistance above any near-term stabilization.

The takeaway: futures may finally be testing for a floor while cash is still catching down. That does not end the correction, but it is another reason buyers should use today's leverage without assuming the board is guaranteed to keep making new lows.

Futures don't set the cash price. They influence the people who do.

Public futures references: CME lumber contract market data and public technical analytics. Latest settled session shown is August 17, 2026. Moving-average levels are approximate reference zones and are not cash-price signals.

COT: Who Is Actually Trading Lumber Futures?

MANAGED MONEY / "THE FUNDS"

Professional investment managers whose primary business is **managing investment capital**, not producing or consuming physical lumber.

This can include hedge funds, Commodity Trading Advisors, Commodity Pool Operators, systematic/trend-following programs and other professional managers.

PRODUCER / MERCHANT / PROCESSOR / USER

Commercial participants whose primary business is tied to the **physical commodity**.

In lumber that can include sawmills and producers, integrated forest-product companies, physical merchants/wholesalers, remanufacturers, manufacturers and large commercial users managing price risk.

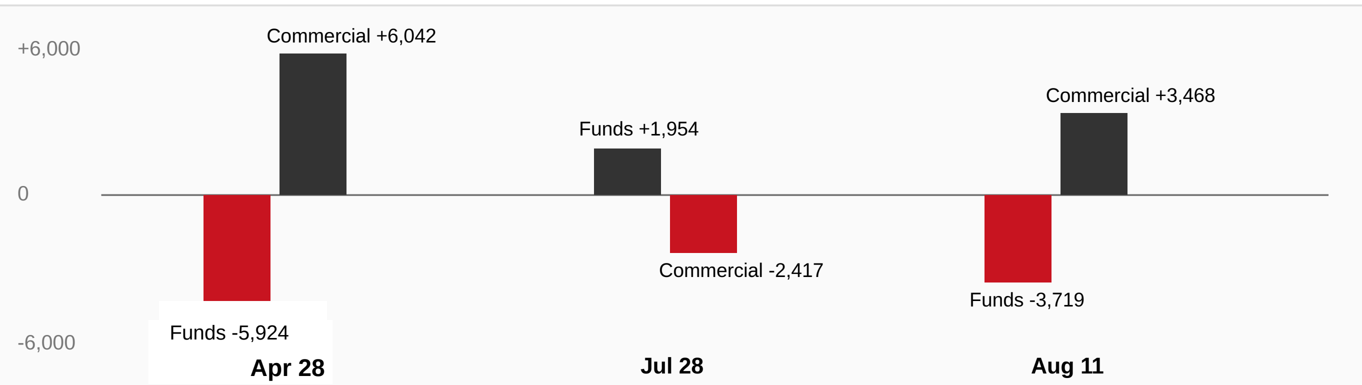
> **Important:** A Producer/Merchant group being net short does **not** automatically mean producers think lumber is going down, and being net long does not automatically mean they expect prices to rise. Commercial futures positions may be protecting inventory, future production, forward sales, purchase commitments or other physical exposure.

WHAT IS THE COT REPORT? LATEST AVAILABLE SNAPSHOT: AUG 11

Every week, the Commodity Futures Trading Commission publishes the **Commitments of Traders Report (COT)**, a Tuesday snapshot of how major trader categories are positioned. It does not tell us where lumber *must* go next. It tells us **who is carrying the risk, how quickly positioning is changing, and whether one side of the market may be getting crowded.**

THE POSITIONING ROUND TRIP

COT snapshot	Managed Money net	Producer / Merchant net	What was happening
Apr 28	**-5,924**	**+6,042**	Funds heavily short as the spring rally was beginning.
Jul 28	**+1,954**	**-2,417**	Funds reached their most bullish position in this sequence just after futures had peaked.
Aug 11	**-3,719**	**+3,468**	Both groups had reversed dramatically as futures collapsed.



What changed in two weeks?

From July 28 to August 11, Managed Money swung **5,673 contracts toward the short side**.

Managed longs: **2,879 -> 273**
Managed shorts: **925 -> 3,992**
Futures-market OI: **8,203 -> 8,239**

Why should a cash buyer care?

Because the board changed expectations first: buyers became less willing to extend inventory, wholesalers became more defensive about replacement, and mills met stronger resistance to prior cash levels. Now all eight Utah Lumber averages are moving lower.

Use the leverage the correction is providing - but do not become convinced that cheaper lumber is guaranteed indefinitely.

LUMBER NERD NOTES: COT positioning represents the broader lumber futures/options complex, not September 2026 alone. COT reports are Tuesday snapshots, so the August 11 report does not capture positioning from the August 13-14 contract-low trades. CFTC categories classify the participant by predominant business activity and should not be interpreted as a directional forecast.

Housing Market Context

STARTS FALL. PERMITS RISE. HOUSING JOINS THE SPLIT JURY.

July delivered the same split personality showing up across the lumber market. **Total housing starts fell 12.4% to 1.239M SAAR**, while **single-family starts fell to 808K**. At the same time, **building permits rose 5.0% to 1.443M**, with **single-family permits up 2.5% to 894K**.

For lumber, the distinction matters: **projects actually starting now gave us the softer signal**, while the **forward paper pipeline improved**. Permits are authorization, not sticks on a slab, so they do not erase the near-term demand pressure from weaker starts - but they also argue against reading July as a straight-line housing collapse.

Housing indicator	June revised	July 2026	Lumber market read
Housing starts	1.415M SAAR	**1.239M (-12.4%)**	Clear near-term demand negative
Single-family starts	897K SAAR	**808K (-9.9%)**	Core framing-demand signal softened
5+ unit starts	499K SAAR	**421K (-15.6%)**	Multifamily also gave back ground
Building permits	1.374M SAAR	**1.443M (+5.0%)**	Forward pipeline improved
Single-family permits	872K SAAR	**894K (+2.5%)**	Single-family pipeline held up
Housing completions	1.333M SAAR	**1.212M (-9.1%)**	Less completed supply moving through

> **UTAH LUMBER READ:** Near-term housing demand is a headwind, not a catalyst. The permit rebound keeps the forward pipeline from looking as ugly as the starts headline. **Translation: don't get long because permits bounced - but don't price the future like the pipeline disappeared either.**

LUMBER NERD NOTE: Census says one-month starts data can be noisy. The July total-starts decline was statistically significant; the reported monthly change in single-fami starts was not conclusive at the 90% confidence level. Source: U.S. Census Bureau/HUD New Residential Construction, August 18, 2026.

Utah Lumber Takes

Category	Utah Lumber Take
WSPF	Press 2x4 RL. Selected wides and difficult tallies require a separate replacement check rather than assuming all SPF should follow 2x4 lower.
ESPF	2x4 remains vulnerable. Keep selected wider material and difficult tallies in their own market.
HF/DF - Coast/Inland	Common dimension continues to reset, but selected KDDF wides and structural items remain better protected.
Green DF	Press prompt 2-inch, particularly 2x4 and 2x6. Keep scarce 4-inch in a completely different bucket.
Southern Pine	#2 remains one of the better places to make an aggressive volume bid when prompt inventory is visible.
Studs	2x4-9 across species remains a major buy opportunity. Fingerjoint studs remain distinctly better supported.
Low Grade / Economy	Still searching aggressively for clearing levels. Keep bids tied to actual prompt loads.
MSR & SS	Treat as tight-supply items. Do not use commodity 2x4 weakness as the replacement guide.
Logistics	A little relief in selected lanes is welcome, but the trucking headache is far from gone. Availability and freight can still turn a great FOB buy into a mediocre delivered replacement in a hurry. **A cheap FOB without a truck is just a pretty number.**
Futures / COT	The board created the negotiating pressure and cash is now following. Managed Money confirms how aggressively sentiment changed; Monday's recovery off the lows gives us an early support zone to watch.

What This Means for Buyers

COVER

- Selected KDDF wides
- All MSR & SS
- Fingerjoint studs
- Scarce Green DF 4-inch
- Other protected tallies with real replacement risk

BID

- 2x4 RL all species
- 2x4-9 studs all species
- Low Grade / Economy
- Southern Pine #2
- Prompt Green DF 2-inch

WAIT

Wait where a seller is still protecting a common commodity item with a price that reflects the previous market rather than current prompt availability. But patience and complacency are two different things.

This Week's Short List

- Refresh aggressive bids on **2x4 RL across species** and keep pressing **2x4-9 studs** where prompt volume is visible.
- Stay active on **Low Grade / Economy, SYP #2 and prompt Green DF 2-inch**.
- Protect **selected KDDF wides, all MSR & SS, fingerjoint studs and scarce Green DF 4-inch**.
- **Get the freight nailed down before celebrating the mill buy.** A cheap FOB number can disappear fast on the delivered replacement.
- Watch the **$560-$575 September futures area** for support or another breakdown, and keep COT positioning in context rather than treating it as a trading signal.

FINAL TAKE

The futures market completed a full round trip - and then broke below where the spring bull run began. Now the correction has moved off the screen and into the lumber pile.

Broad weakness does not mean uniform weakness. UVLA's dug-in split jury made that clear: **there is no single lumber market right now - there is the market you see based on the position you are carrying.**

Press the commodity wood that has to move. Protect the material that is genuinely difficult to replace. **Find out who is uncomfortable.** Then decide who actually has the leverage.

Futures don't dictate tomorrow's cash price. They change the expectations of everyone negotiating it.

WANT THE SIGNALS BEFORE THE SAWDUST SETTLES?

Ask your Utah Lumber trader to add you to Sawdust Signals every Tuesday. And if you know somebody still using futures like a traffic light, forward this issue to them.