UTAH LUMBER
Sawdust Signals

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

CLEAR INFORMATION. STRONG RELATIONSHIPS. TRUSTED INSIGHT.

Volume 1 | Issue 6 **September 1, 2026**

Document: ULI-SS-2026-006

THE CLEARANCE AISLE EDITION

THE BOTTOM LINE

After several weeks of broad markdowns, the lumber market has become the least organized clearance sale in recent memory. Plenty of signs say SALE; the exact tally you need may still be full price.

All eight Utah Lumber averages moved lower again. The eight-category average is now about $484/m, down $15/m in one week and $69/m over four weeks. Low Grade is wearing the brightest red sticker - down another $30/m this week and $95/m in four weeks. Other industry pricing publications reported little to no change in economy, leaving many traders scratching their heads in disbelief.

Selected items found better liquidity, discounts narrowed, wider sizes and structural products held better, and panel order files stretched.

This is not an all-clear. It is the market reminding everyone that lumber is not one SKU, no matter how badly a spreadsheet wants it to be. There continues to be widespread price discovery based on the details of the inquiry.

MARKET DIRECTION	Lower overall, but no longer moving in formation and more stability.
MAIN DRIVER	Need-based buying, inventory cleanup and sellers discovering which counters are real.
DEMAND QUALITY	Cautious replenishment. Buyers are patching holes, not building monuments to inventory.
BEST BUY OPPORTUNITY	Low Grade / Economy, prompt HF/DF narrows, Green DF 2-inch, selected stud trims and soft SYP wides.
MARKET CAUTION (TIGHT SUPPLY)	MSR & SS, fingerjoint studs, WSPF/ESPF wides, 4-inch Green DF and selected panel needs.

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	610	570	540	**525**	**-85**	**-15**
KD Studs	575	540	510	**490**	**-85**	**-20**
Low Grade	395	345	330	**300**	**-95**	**-30**
Green Doug Fir Studs & Dimension	600	560	540	**525**	**-75**	**-15**
WSPF	525	495	480	**465**	**-60**	**-15**
ESPF	605	580	565	**555**	**-50**	**-10**
Euro	645	620	610	**600**	**-45**	**-10**
SYP	470	435	420	**415**	**-55**	**-5**

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 still no ambiguity in the headline: **all eight Utah Lumber categories moved lower again.** The useful part is how differently they did it. Low Grade fell $30/m and remains the category most likely to make an inventory manager stare silently at the ceiling. SYP slipped only $5/m; ESPF and Euro lost $10/m.

That is the first useful change from the last several weeks. Common wood is still being repriced, but the market is no longer marching downhill in formation. Weekly market checks showed selected 2x4 levels attracting better inquiry, bargain offers becoming harder to repeat late, and wider lengths, MSR, fingerjoint stock and 4-inch Green DF remaining much harder to replace.

The broad markdown is breaking into separate negotiations. The headline just lost its authority.

Market factor	What it means now	Buyer response
Overall tone	Cash is lower again, but the rate of decline is less uniform.	Reset common-item bids, but separate every protected tally.
Demand	Need-based replenishment; few buyers are extending inventory.	Buy orders and holes, not a broad direction.
Seller posture	Big counters still surface on prompt wood, but late-week resistance improved in selected items.	Put volume behind bids; yesterday's counter has a short shelf life.
Species split	Selected SYP narrows improved while HF/DF, Low Grade and many studs stayed soft.	Do not flatten the market into one species headline.
Panels	Plywood order files lengthened and selected OSB availability tightened ahead of September maintenance.	Cover real panel needs before availability becomes the problem.
Logistics	Truck availability remains tight; I-5 van rates are rising, and rail timing remains unpredictable.	Confirm delivered replacement before the FOB MILL victory lap.
Futures	The September contract trying to find a floor but remains well below late-July levels and continues to press the lows. November trading at $555, the middle ground between Sept and Jan contracts.	Use the board to test psychology; do not let the screen buy lumber for you.
Futures Positioning	Funds remained deeply net short while producers stayed heavily net long.	Respect momentum and the reversal risk created by a crowded trade.

From the Trading Desk

THE MARKET IS SPLITTING INTO SMALLER ARGUMENTS

Less widespread panic - each inquiry now gets its own argument.

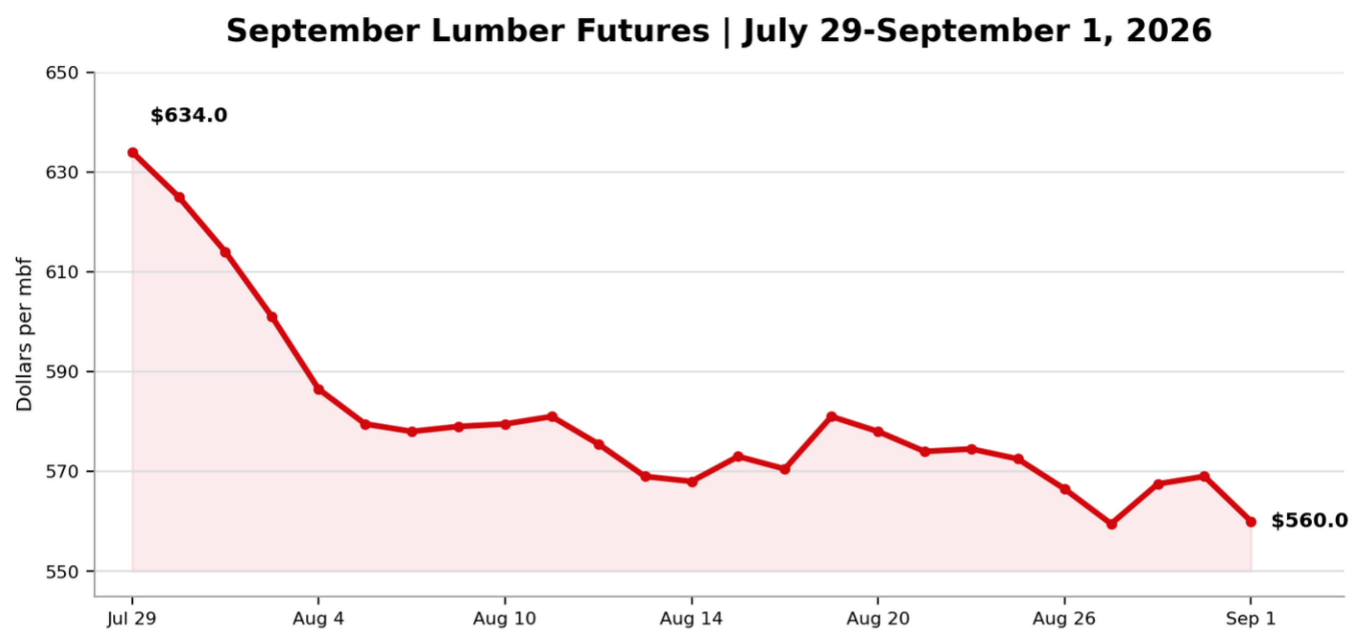
Category	Current field read	Buyer move
WSPF	2x4 still needs discipline, but bargain-table offers became harder to repeat. Wides and 2x6 MSR remain separate replacement markets.	Bid common 2x4; cover difficult wides and MSR.
Euro	Mixed truckload demand is cautious. Incoming Euro keeps common spruce honest; selected wides remain stubbornly lean.	Press common 2x4; protect difficult lengths.
HF/DF Coast / Inland	Hem-Fir remains soft, but discounts narrowed late. F&L and selected KDDF wides refused to join the group discount.	Press narrows; check replacement on DF wides and structural.
Green DF	2-inch narrows remain the weak link, especially 2x6. Wider 2x10/2x12 and 4-inch are trading in a different zip code.	Bid 2x4/2x6; keep 4-inch in a different bucket.
SYP	Narrow #2 sizes found buyers. Wides are lonely on the dance floor, waiting for someone to make eye contact.	SYP is play it item by item
Studs	Many trims remain under pressure, especially 2x4 8-9' stud grade. Fingerjoint stock apparently deleted the bearish memo.	Push prompt commodity trims; cover fingerjoint needs near-term, be cautious further out.
Low Grade / Economy	Still the market's favorite laboratory for testing aggressive counters. Utah Lumber's average fell another $30/m. Some mills have had to drop triple digits to find homes for blocks of prompt wood.	Be aggressive where it fits, order file is king
Panels / Structured	Panels did not receive the lumber memo: southern plywood is steady, western plywood is firmer and selected OSB lead times are tightening ahead of maintenance.	Cover September needs; avoid speculative overbuying.

LOGISTICS STILL DECIDES THE DELIVERED BUY

Truck availability remains tight, I-5 van rates are rising and rail timing is still unpredictable.
A cheap FOB without a truck is just a screenshot with good intentions.

Futures: The Trapdoor Is Still Open

But the crowd keeps standing on it. The board spent August erasing July's squeeze, then found a late-week bounce.



WHAT IT SAYS

Bearish momentum continues

WHAT IT DOES NOT SAY

It will continue to test new lows

BUYER USE

Use forward discount to your advantage

The September contract fell from the mid-$630s at the end of July to the high-$550s late Thursday, then recovered Friday and now today at the time of publishing, the inter-day low is off $9.00 to $560. The yo-yo play continues.

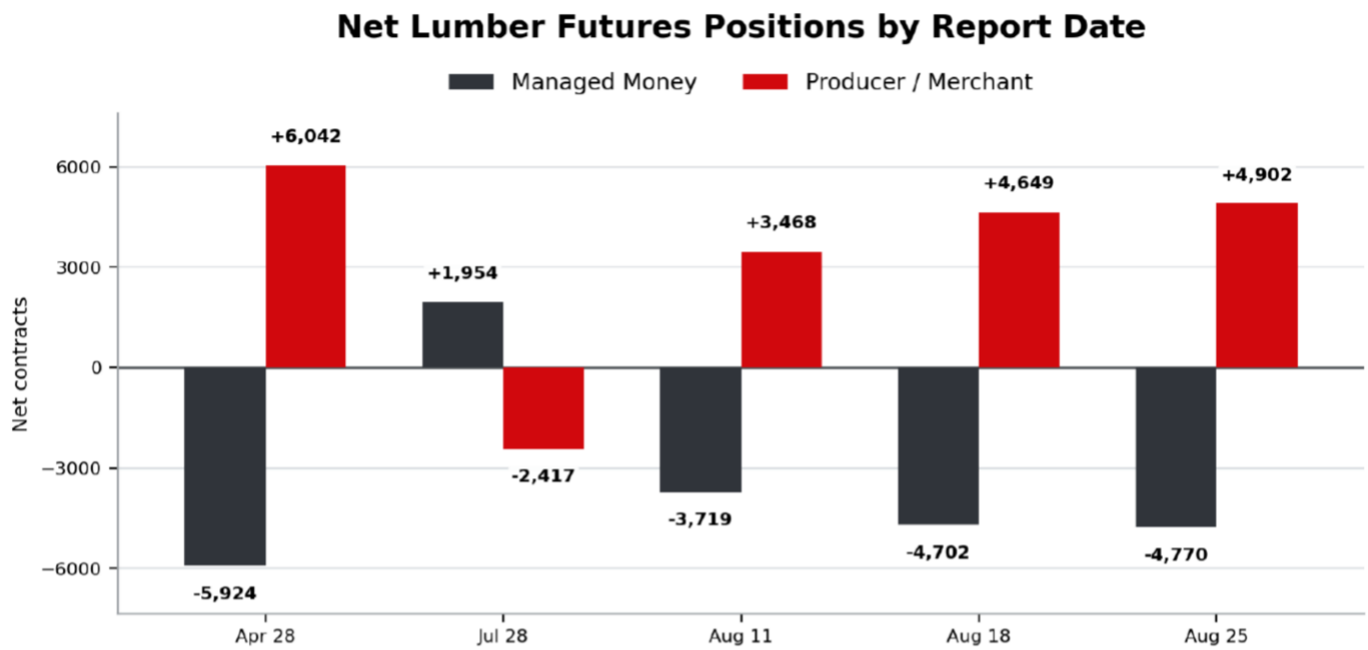
A board that stops making new lows while cash keeps falling gives sellers a reason to resist and buyers a reason to shorten the expiration on aggressive bids. The screen can change the negotiation; it still cannot load a railcar or manufacture the odd tally you need.

That is not bullish proof. It is a warning against assuming every extra week of waiting comes with an automatic markdown.

Source: CME Group lumber futures market data through August 28, 2026. Futures are included for market context, not as cash-price instructions.

COT: The Bear Trade Is Standing Room Only

The scoreboard barely changed. The crowd got a little tighter.



Report date	Managed Money net	Producer / Merchant net
Apr. 28	-5,924	+6,042
Jul. 28	+1,954	-2,417
Aug. 11	-3,719	+3,468
Aug. 18	-4,702	+4,649
Aug. 25	-4,770	+4,902

Managed Money ended August 25 at **-4,770 contracts.** Producers and merchants were **+4,902 net long.** Open interest held near 9,300 contracts.

The fund short grew only slightly while the commercial long grew further. This is no longer a fresh bearish discovery; it is an established trade with too many people wearing the same jersey.

Crowded shorts do not schedule the reversal. They do make the exit door narrower.
Positioning is a risk signal - not a guaranteed reversal signal.

Source: U.S. Commodity Futures Trading Commission, disaggregated futures-only positions through August 25, 2026.

Housing Market Context

HOUSING IS STILL THE WET BLANKET, NOT THE MATCH

July new-home sales fell **10.5%** from June to a **607,000-unit annual pace.** Unsold inventory rose to **488,000 homes**, equal to **9.6 months of supply.**

Housing starts fell **12.4%** to **1.239 million**, with single-family starts down **9.9%** to **808,000.** Permits moved the other way, offering a little encouragement without volunteering to help today.

Housing indicator	June prior	July 2026	Lumber market read
New-home sales	678K SAAR	**607K (-10.5%)**	Immediate demand softened.
New homes for sale	479K	**488K (+1.9%)**	Inventory remains elevated.
Months of supply	8.5	**9.6**	Buyer urgency remains limited.
Housing starts	1.415M SAAR	**1.239M (-12.4%)**	Clear near-term demand negative.
Single-family starts	897K SAAR	**808K (-9.9%)**	Core framing signal softened.
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.

Source: U.S. Census Bureau and U.S. Department of Housing and Urban Development, July 2026 releases. One-month estimates can be volatile and carry sampling error.

Utah Lumber Takes

Category	Utah Lumber take
WSPF	Bid common 2x4 where inventory is visible. Wides and 2x6 MSR do not care about the commodity headline.
Euro	Press common spruce and incoming Euro that needs to find a home.
HF/DF Coast / Inland	Hem Fir & white woods in narrows remain negotiable. F&L, structural items and selected KDDF wides showed more backbone.
Green DF	Keep pressing 2x4 and 2x6. Wider 2-inch and 4-inch are separate conversations - and they know it.
SYP	Narrows improved, while wides and decking still need discovery. Same species, entirely different sales meeting.
Studs	Mills with OTG trims are fighting to find trading levels. Wholesalers with inventory of over-saturated items are weak in the knees but not all items are promptly prevalent. Fingerjoint continues to behave like it has its own attorney.
Low Grade / Economy	Most OTG items are heavily negotiable but some suppliers are using the head the sand technique. Bargain-bin signs do not guarantee the tally but flexibility warrants a better price.
Panels / Logistics	Panel order files are stretching while freight remains lane-specific. Cover real needs before freight ruins the victory lap.

Buyer Playbook: Bid. Cover. Wait.

THE RULE FOR THIS WEEK

Keep pressing what has to move. Cover what is hard to replace unless it's too far off the horizon. A species headline is not a tally, and a mill list cannot drive a truck.

BID

- Low Grade / Especially 2x4/2x6 KD econ and 2x6 KDDF #3
- KD HF/DF dimension and Green DF 2x4/2x6
- SYP wides
- Commodity stud trims with visible inventory.

COVER

- MSR & SS against actual demand.
- Fingerjoint studs within the next 30 days
- Selected WSPF/ESPF wides and difficult lengths.
- 4-inch Green DF and specific September panel needs.

WAIT

- Broad speculative positions.
- Common Euro/spruce that does not solve a real gap.
- Seller lists unsupported by prompt availability.
- Any FOB buy without confirmed freight.

This Week's Short List

- Target OTG Low Grade items
- Separate Green DF 2-inch from 4-inch.
- Do not flatten SYP; narrows and wides are behaving differently.
- Check panel order files now, before maintenance and holiday freight change availability.
- Confirm truck or rail before calling the buy cheap; freight enjoys ruining victory laps.

FINAL TAKE

This is no longer one market falling together. It is a row of individual negotiations. Common wood still deserves aggressive bids. Low Grade still needs clearing levels. Housing is not coming through the door wearing a cape. But discounted offers are becoming harder to repeat in selected items, panel supply is tightening around the edges, futures stopped confirming new cash lows on Friday and the short side remains crowded.

Translation: lean on what has to move, cover what takes a scavenger hunt to replace and make every great buy survive the delivered-cost test.

NEED A DELIVERED REPLACEMENT CHECK OR AN ITEM-BY-ITEM BID STRATEGY?

Call your Utah Lumber trader before the next load becomes somebody else's 'great buy.'

This report is market commentary prepared by Utah Lumber Co. Utah Lumber Market Averages are proprietary Utah Lumber market inputs for directional context and are not firm offers. Actual pricing varies by size, grade, tally, shipment timing, freight and availability. Public futures, CFTC positioning and U.S. Census/HUD housing information are included for context only. Market analysis also incorporates Utah Lumber internal research, direct industry conversations and anonymous third-party industry reporting. No proprietary third-party price, index or composite is reproduced. This is not a price guarantee or trading recommendation.