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 BOTTOM LINE

The long weekend is over. **Football is back**, coffee is working overtime, and last week's low number may have blocked your calls to mills this week.

Seven Utah Lumber averages moved lower; SYP rose $10/m to $425/m. The eight-category simple average is about $477/m, down $8/m this week. SYP 2x4 deserves a closer look: heavy mill sales lifted current #2 offers roughly $50/m from recent lows over the past couple of weeks.

SYP's move has volume behind it, with many mills selling heavily and raising prices considerably. We knew things had to stop falling eventually and the pine market often plays to the tune of a different fiddle. This can be a broader market indicator but don’t take it to the bank. **Trading surrounding a holiday can be misleading**. KD stud items in 2x4 8-9-10’ trims and most Green DF products still lost ground; structural items and 4-inch Green DF continue to need separate replacement checks.

MARKET DIRECTION	Still lower overall but the downward velocity has slowed with some product groups fighting to rebound.
DEMAND QUALITY	Need-based replenishment; a broad restock remains unproven.
BEST OPPORTUNITY	Visible prompt commodity wood with a workable delivered cost.
MARKET CAUTION	Do not mistake a rejected counter for a market-wide recovery, but rather situationally based postering

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	595	540	525	**515**	**-80**	**-10**
KD Studs	565	510	490	**475**	**-90**	**-15**
Low Grade	375	330	300	**290**	**-85**	**-10**
Green Doug Fir Studs & Dimension	580	540	525	**510**	**-70**	**-15**
WSPF	510	480	465	**460**	**-50**	**-5**
ESPF	595	565	555	**550**	**-45**	**-5**
Euro	635	610	600	**590**	**-45**	**-10**
SYP	455	420	415	**425**	**-30**	**+10**

All values $/MBF. Source: Utah Lumber Sawdust Signals Price Table 9-8-26. Averages provide directional context; actual prices vary by size, grade, tally, shipment timing, freight and availability.

Market Overview

Last week's eight-for-eight decline became seven down and one up. The SYP average rose $10/m to $425/m. Low Grade's loss narrowed from $30/m to $10/m; KD Studs and Green DF each slipped $15/m, while WSPF and ESPF lost $5/m.

The simple average fell $7.50/m versus $15/m in Issue #6. That measures a slower decline across the same eight categories; it is not a volume-weighted market index. All eight remain below their four-week reference levels.

SYP 2x4: VOLUME FIRST, HIGHER OFFERS NEXT

Many SYP mills sold heavy volume on narrows and raised prices considerably. Current 2x4 #2 offers are roughly $50/m above the lows of the past couple of weeks. That low-to-current-offer move is distinct from our broader SYP average's $10/m weekly gain.

The cheap tally may already have a truck under it. Offering last week's low today could get you directions to the nearest time machine. Refresh availability, shipment and replacement cost.

From the Trading Desk

THE COUNTEROFFER HANGOVER

Buyers spent August asking, 'What would you take?' Some SYP mills now have a follow-up: 'For the wood we already sold?' Nothing ruins a beautifully rehearsed lowball offer like a resurging order file. Mill managers continue to try and find the balance of accepting offers to keep the OTG pile smaller and deciding when to dig the heels in firmly.

Category	Current Field Read	Buyer Move
WSPF	Narrows finished softer, but some mills firmed after selling prompt loads. Selected 2x6 MSR remained difficult.	Bid common stock; check structural replacement early.
ESPF / Euro	Eastern mills showed more resistance to deep counters. Treat Euro by exact arrival, tally and destination.	Separate prompt needs from flexible forward coverage.
HF/DF Coast / Inland	Late-week ranges narrowed in selected items. Inland HF/WF still carried losses; fir and larch showed better resilience gaining back a little ground.	Ask what remains on the ground and how far the file extends.
Green DF	2x4/2x6 stayed soft; while 2x10 was the one bright spot. 4x4/4x6 continued their strength in all grades top to bottom.	Press counters on narrows; be proactive on items in tight supply.
SYP	Average up $10/m to $425/m. Heavy mill sales lifted 2x4 #2 offers roughly $50/m from recent lows in the past couple of weeks.	Refresh 2x4 coverage and offers; check wides and decking separately.
Studs	Our average fell $15/m. Some late quoting firmed, but trim and species differences remain material.	Keep commodity trims and fingerjoint in separate conversations.
Low Grade / Economy	Our average fell $10/m to $290/m. A smaller drop is not proof that prompt accumulations are gone.	Find the on the ground inventory that has the target for a block buy.

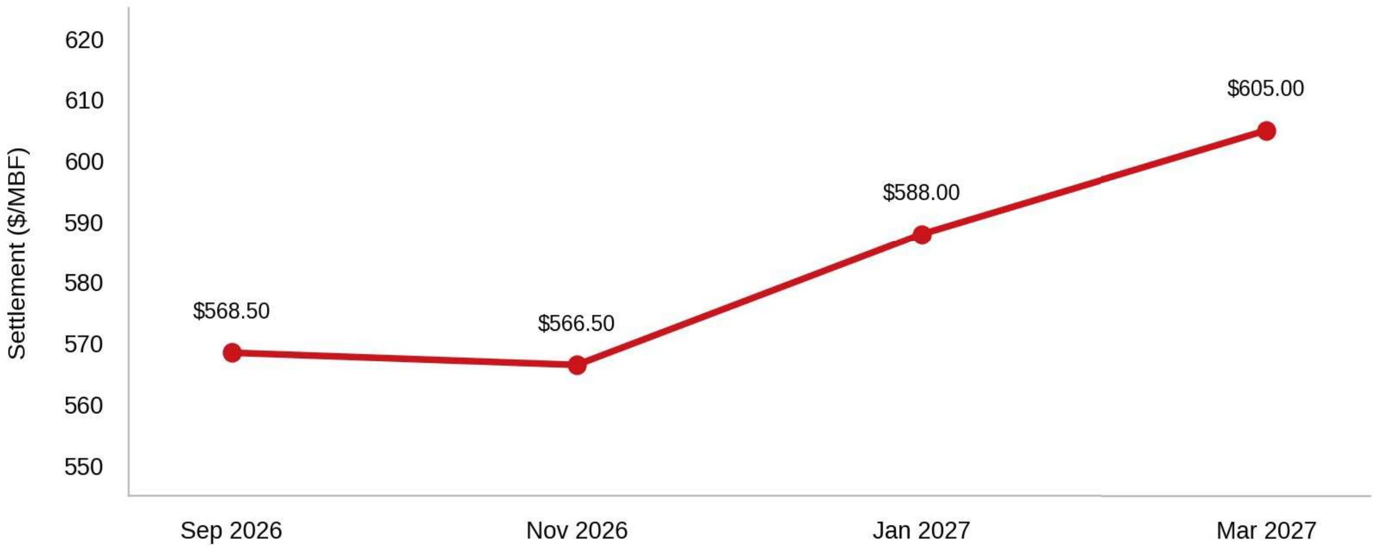
Field synthesis includes September 3-4 reports and updated Utah Lumber SYP trading commentary. Utah Lumber averages are dated September 8. Postholiday order flow will test the late-week firming.

Futures: A Better Tone, Still a Test

TUESDAY UPDATE: THE COFFEE IS WEARING OFF

September's latest last trade was $572.50, up $4/m from Friday's settlement but $5/m off its morning high. November was $564.50, down $2/m. September is in the spot month with no daily limits. The front month still has some caffeine in it; November has apparently switched to decaf.

Settlement Curve | September 4



September $568.50 | November $566.50 | January $588.00 | March $605.00

Snapshot of different delivery months, not a historical price trend. Values are settlements, not last trades.

On Friday 9/4, September settled $2/m above November. January and March carried premiums to the nearby months. With September trading in the spot (no limit) – Keep your eyes wide open for potential values in offered EFP (Exchange of Futures for Physical).

CHECK THE MATH BEFORE THE VICTORY LAP

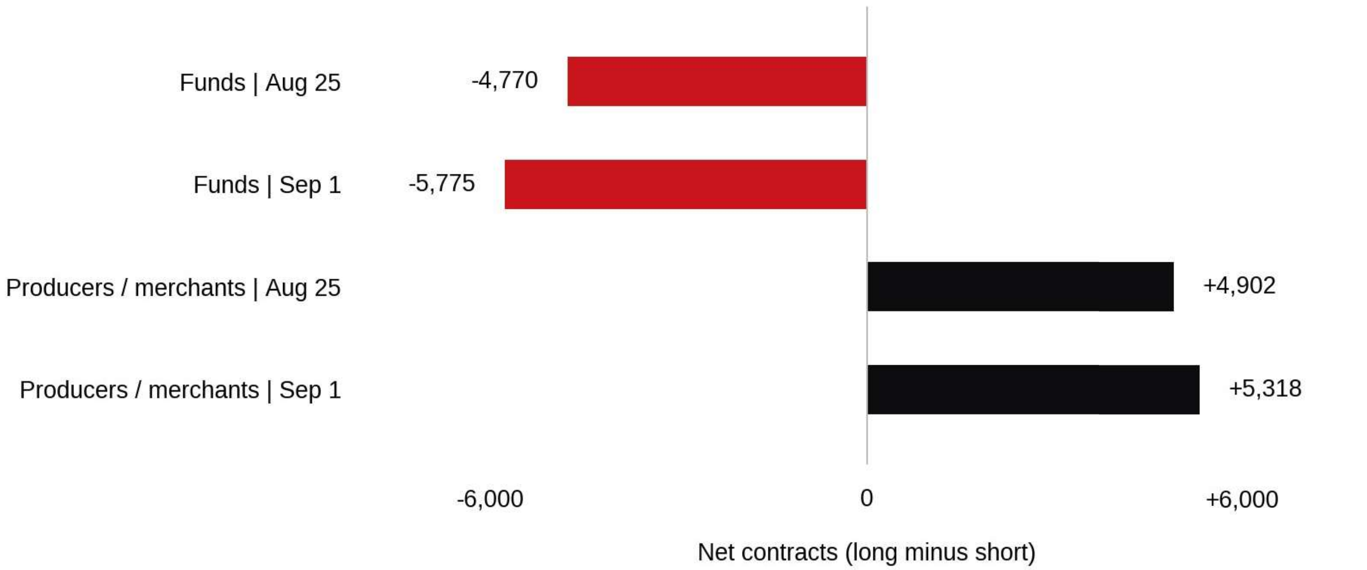
A green futures screen can change the conversation, alter perception, or even make a guy jump to the other side of the fence, but your delivered cost vs sales still pay the bills. Buy what makes sense: 'strategic inventory' is sometimes just buyer's remorse with a forklift.

Sources: WSJ / FactSet contract table, September 4, 2026 settlements (chart); QST / StoneX screen supplied by Utah Lumber, September 8 (commentary). Intraday last trades are not settlements. September last-trade time 10:12:21; November 10:38:46; timezone not shown.

COT: The Short Side Grew

CFTC disaggregated futures-only snapshot | September 1, 2026

Participant	Long	Short	Net
Managed Money	524	6,299	-5,775
Producer / Merchant / Processor / User	6,098	780	+5,318



Managed Money added 1,005 shorts with longs unchanged from August 25. Its net short grew from 4,770 to 5,775 contracts. Producer/merchant net longs rose from 4,902 to 5,318. Total open interest increased by 876 to 10,162 contracts.

POSITIONING IS CONTEXT

Managed Money represents professional investment managers. Producer/merchant participants have physical commodity exposure; their futures positions may hedge purchases, sales or inventory.

The short build leaves more exposure to a reversal, but it does not guarantee short covering or a cash bottom. **A crowded short trade is potential fuel; somebody still has to find the matches.** This Tuesday snapshot predates the late-week price action.

Source: CFTC Disaggregated Commitments of Traders, futures only, September 1, 2026, lumber code 058644. Net equals long minus short; prior positions derived from reported weekly changes.

Housing & Delivered Replacement

Housing: The Pipeline Is Mixed

July housing measure	SAAR	Monthly change
Total starts	1.239 million	-12.4%
Single-family starts	808,000	-9.9%*
Total permits	1.443 million	+5.0%
Single-family permits	894,000	+2.5%

July starts weakened while permits improved. For framing demand, the single-family split matters: less construction started, but the permit pipeline improved. **Permits are not lumber orders**. Nobody has called dispatch to schedule a truckload of optimism. Conversion into actual projects remains the test.

Source: U.S. Census Bureau / HUD, July 2026 New Residential Construction, released August 18. SAAR = seasonally adjusted annual rate. *The single-family starts monthly change is not statistically significant. August release scheduled September 17.

Logistics Still Decides the Buy

Issue #6 flagged tight truck availability, rising I-5 van rates and unpredictable rail timing. Tough lanes take much longer to cover and likely a considerably higher rate to secure a reliable truck (try moving a coastal Oregon origin to a tough desto state like Colorado). A great deal mill price can quickly disappear between loading and unloading.

Check	Why it matters
Truck and load date	Confirm an actual carrier option and a workable loading window. Allow for more time than typical.
Delivered replacement	Include freight, fuel surcharge, reloading and handling before comparing offers. Be conservative in every aspect as logistics look to be an ongoing concern in trading with no relief in sight.
Rail and arrival	Match the expected arrival to the customer need, not just the mill release. Transit times are stretched.

What This Means for Buyers

COVER

Refresh SYP 2x4 coverage for real orders after heavy mill sales. Check selected 2x6 MSR and other structural items. 4-inch Green DF and fingerjoint should be handled with caution.

BID

Visible prompt commodity dimension, weak stud trims and Low Grade especially Economy 2x4/2x6. Make the offer specific to tally, quality, and shipment.

WAIT

Speculative volume without a customer or a convincing delivered advantage. Watch whether late-week firmness survives repeat inquiries.

This Week's Short List

Refresh the counter. Last week's accepted price is evidence, not a family heirloom. You do not get to pass it down forever.

Separate the categories. SYP 2x4 has volume behind its rebound. Price wides and individual stud trims separately.

Ask what sold. A firm quote matters more when prompt units disappeared and replacement dates moved out.

Confirm the delivered number. Freight and shipment can outweigh another small FOB concession.

Watch the follow-through. Repeat orders and sustained quote resistance would support a stronger read than one preholiday bounce.

FINAL TAKE

SYP 2x4 has earned attention: heavy sales and higher offers are more than a rejected counter. Seven declining averages still argue for an item-by-item approach.

Press where the wood is visible. Cover what is genuinely difficult to replace but be mindful of those items correcting sooner rather than later. And before taking a victory lap over that accepted counter, check the freight. The truck may be the only one in that deal smiling.