



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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October 20, 2026

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THE NO-HEAVY-LIFTING EDITION

THE BOTTOM LINE

I'm putting this issue together with one good arm. Lumber buyers seem equally determined not to carry anything heavy - especially inventory. Last week's Limbo Edition has not turned into a recovery party. Buyers still have leverage where prompt inventory needs a home.

Six Utah Lumber averages moved lower, led by KD Studs and Southern Pine. ESPF held on mixed evidence; Euro is a provisional hold. Common narrows still invite counters, but selected wides have their own replacement story. Tuesday morning November futures fell to \$520, just \$5 above the October 8 contract low; the session low was even closer, at \$517.50. September total housing starts fell 7.4% annually, even while single-family starts edged up 2.6%.

Buy the requirement, not the recovery story. Single-family permits slipped 4.8% from last September, hardly the start of a buying stampede. Tie the tally to a customer, protect difficult replacement and secure freight before celebrating the mill buy. Cheap inventory is still inventory - and somebody has to carry it.

MARKET READ	THIS WEEK
DIRECTION	Cash: six averages lower; Nov futures \$520 Tuesday morning, within \$5 of the Oct 8 low.
MAIN DRIVER	Need-based buying, seller inventory pressure and a softer single-family permit pipeline.
BEST OPPORTUNITY	Workable prompt narrows, weak stud trims and usable low grade.
MAIN CAUTION	Selected 2x10s, specified structural needs and unreliable delivered economics.

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

Information cutoff: October 20, 2026, 8:47 a.m. MT futures snapshot; September housing: Census/HUD Oct. 20 release.

Utah Lumber Market Averages

Indicator	4 Weeks Ago	2 Weeks Ago	1 Week Ago	Current	4 Week Change	1 Week Change
2x4 & 2x6 HF/DF Dimension	510	495	495	485	-25	-10
Western US KD Studs - 2x4/2x6 8-9-10' PET	470	445	445	425	-45	-20
Low Grade - KD/GR - Econ/Utility/#3	285	255	255	250	-35	-5
Green Doug Fir Studs & Dimension	495	450	450	440	-55	-10
WSPF 2x4/2x6 Studs & Dimension	455	440	440	430	-25	-10
ESPF 2x4/2x6 Studs & Dimension	545	530	530	530	-15	0
Euro	590	575	575	575	-15	0
SYP 2x4-2x12 Dimension	430	405	405	390	-40	-15

All values \$/MBF. Source: Utah Lumber price table dated October 20, updated October 19 with approved directional assessments. Historical columns unchanged. Weekly changes compare published assessments; underlying trades may span more than five sessions. These are not firm offers or transaction-weighted averages.

Market Overview

Issue #12 held all eight averages. This week, six moved lower, led by Western US KD Studs (-\$20/MBF) and Southern Pine (-\$15). HF/DF Dimension, Green Doug Fir and WSPF each declined \$10; Low Grade eased \$5. Eastern SPF held at \$530 amid conflicting price signals; Euro remains a provisional hold at \$575 pending clearer comparable weekly evidence.

The simple eight-category average fell \$8.75 to \$440.63/MBF, about 1.9% below the last issue. All eight remain below their supplied four-week reference: Green Doug Fir is down \$55/MBF, KD Studs \$45, SYP \$40 and Low Grade \$35. This is an equal-weight directional summary, not a volume-weighted market index.

SIX LOWER. TWO HOLDS. NO ALL-CLEAR.

Selected wides still deserve their own replacement check, but they do not erase weakness in common narrows and studs. The market may be finding a few handrails. That does not mean it has stopped taking the stairs down.

Use the average to follow direction. Use the exact species, grade, length mix, loading date and delivered cost to make the purchase. A lower assessment is leverage, not a guarantee of an executable price.

Field synthesis: supplied October 15-16 market reports and Utah Lumber price inputs. No third-party proprietary benchmark prices are reproduced.

From the Trading Desk

ASK WHAT WILL MOVE - AND WHAT WILL ACTUALLY LOAD.

The seller with a growing pile and the seller with a protected order file are not having the same week. Ask what is ready, what can actually load and what quantity changes the conversation. A firm opening quote is not the same thing as a firm transaction.

Category	Current field read	Buyer move
HF/DF - Coast/Inland	Narrows remain negotiable. Some Coast sales improved, but selected DF and fir & larch 2x10s still have tighter supply.	Counter common tallies. Do not treat every wide or every western species alike.
WSPF	2x4 and 2x6 remain under pressure. Selected wides and 2x6 2100f MSR are better protected.	Separate commodity narrows from exact structural requirements.
ESPF / Euro	ESPF held at \$530 amid conflicting signals. Euro held provisionally at \$575; comparable weekly evidence remains limited.	Confirm like-for-like offers. Neither hold is proof of broad market firmness.
Green DF	Narrow-width interest improved in spots, with counters still needed. 2x10 remains tight; 4-inch is not uniformly firm.	Work prompt 2-inch. Check 4x4 separately from scarce 4x12.
Southern Pine	Accumulations keep much of dimension under pressure. 2x6 is plentiful; 6x6 remains better supported than 4x4/4x6.	Bid by zone, width and shipment. A 6x6 shortage does not strengthen every pine item.
Studs	Many commodity trims remain soft, especially weak 8-foot offerings. Species and grade spreads remain uneven.	Bid exact trims and usable tallies. Do not turn a seasonal hope into a truckload.
Low Grade	Industrial buying is restrained. Competition from other species and higher grades limits pricing power.	Buy recovery and yield, not just low purchase cost. Waste also rides on the truck.
Panels	Supply control and plywood order files provide more support than in lumber, but buying enthusiasm is fading.	Verify regional availability and delivery. Do not read firm panels as a framing rally.

Utah Lumber traders are also seeing a sloppy pocket in 2x4 92-5/8" studs: HF, DF, SPF and WW are heavily saturated, with some trades in the low \$300s/MBF on a mill-equivalent basis. True premium 92-5/8" can carry a \$200+/MBF spread over distressed offers. Liquidity pressure is even pushing some 2x4 #2 lengths into #3 applications. Same nominal size does not mean a comparable trade.

Field synthesis: supplied October 15-16 market reports and comparison workbook. Observations differ by item, region, grade, reporting method and time. Buyer moves are Utah Lumber interpretation, not firm offers.

Futures: The \$515 Test Is Back

NOVEMBER IS KNOCKING ON THE CONTRACT LOW.

At 8:47 a.m. MT on October 20, November stood at \$520/MBF, down \$2.50 intraday after Monday's \$10 slide. Tuesday's low of \$517.50 came within \$2.50 of the October 8 contract low of \$515. The last quote was only \$5 above that low.

The July 23 contract high was \$656: a \$136/MBF collapse, or 20.7%, to Tuesday's quote. The October 13 bounce to \$546.50 has failed. The board finished physical therapy and promptly fell off the treadmill. A screen decline is not a direct cash-price instruction.

November 2026 | July high, October low and Tuesday intraday activity

FROM THE JULY HIGH

\$656

JUL 23 / CONTRACT HIGH

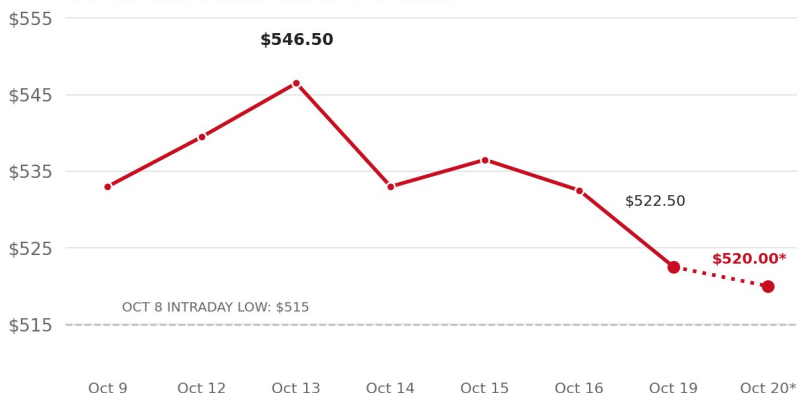
\$520

OCT 20 / 8:47 AM MT

-\$136 / -20.7%

Change from contract high to live quote

RECENT NOVEMBER FUTURES ACTIVITY



Daily closes through Oct 19. *Oct 20 is an 8:47 AM MT intraday quote.

Sources: Barchart/CME LBX26 July 23 high (\$656) and Oct. 8 low (\$515); Investing.com Nov daily closes Oct. 9-16; Utah Lumber QST StoneX Oct. 19 session-end and Oct. 20, 8:47 a.m. MT intraday quotes. Historical highs/lows are not closing settlements. All values \$/MBF.

Basis Before Bravado

At 8:47 a.m. MT Tuesday, November traded at \$520 and January at \$525, a \$5 futures calendar discount. Monday's comparable spread was \$7.50. Neither number is a cash-versus-futures basis quote. Match actual lumber, location, delivery period and freight before calling a truckload cheap; our eight-category average is not a Chicago-delivered 2x4 price.

January was down \$5 to \$525 on 250 contracts; March was down \$3 to \$542.50 on five. November showed 255 contracts and 7,460 open interest at the snapshot. SYP November showed \$443.50 with zero displayed volume, so that mark does not establish an active rally. These are intraday figures, not final settlements or physical cash transactions.

THE NEXT \$2.50 MATTERS.

Tuesday's session low of \$517.50 is just \$2.50 above the October 8 November-contract low of \$515. A break below that mark could sharpen defensive bids, but a durable recovery requires repeat physical orders. Check the official settlement before declaring either a new low or a turnaround. A cheap FOB without a truck is still just a pretty number.

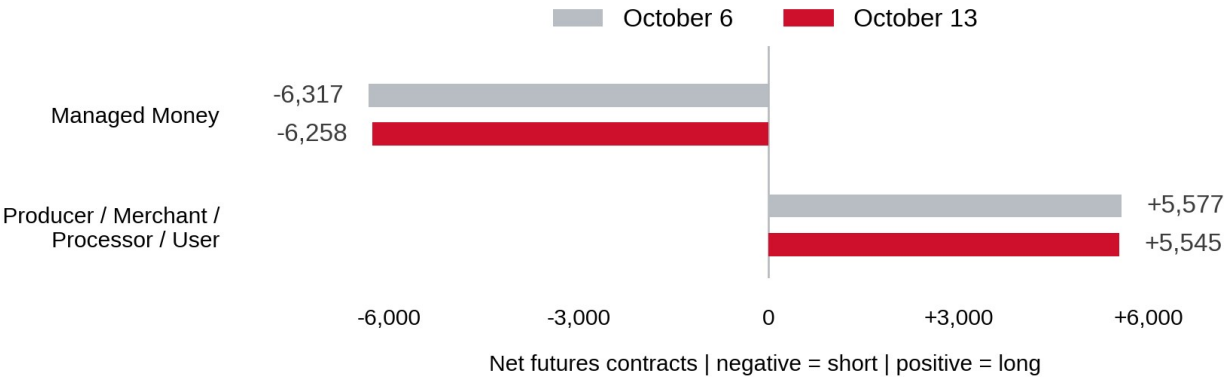
COT: The Shorts Barely Budgeted

MANAGED MONEY	PHYSICAL COMMERCIALS
Professional investment managers, including funds and trading advisers. Their positions reflect financial exposure, not necessarily physical lumber requirements.	The Producer / Merchant / Processor / User group covers businesses tied to the commodity. Positions may hedge production, inventory or purchase commitments; net long does not automatically mean bullish.

Net positions | October 13 snapshot versus October 6

Participant	Oct 6 net	Oct 13 net	Weekly change
Managed Money	-6,317	-6,258	+59
Producer / Merchant / Processor / User	+5,577	+5,545	-32
Swap Dealers	+4	-223	-227
Other Reportables	+452	+497	+45
Nonreportable	+284	+439	+155

CFTC disaggregated futures only | Lumber code 058644. Net = long minus short. Positive is net long; negative is net short. All five category nets sum to zero; spreading positions have zero net.



Managed Money held 288 longs and 6,546 shorts. Shorts fell by just 59 contracts; this was a small reduction, not a wholesale exit. Total open interest declined 116 to 10,655. The fund position remained heavily short in this snapshot.

The October 13 CFTC snapshot predates both Monday’s selloff and Tuesday’s early trade. It cannot show whether funds added shorts in either session. A crowded short can amplify a bounce, but it does not guarantee one. COT is context, not same-day trading data.

THE CASH BUYER'S TAKE

Last issue's expanding short position became a modest trim. The practical message has not reversed: respect downside pressure without assuming lower prices are guaranteed. **Positioning is context, not a buy signal.**

Sources: CFTC October 13 snapshot and weekly changes; category definitions. Covers all lumber futures months, not November alone. Position report | Category definitions

Housing & Logistics

September Housing: The Annual Headline Has a Catch

September starts slipped 5.2% to 1.221 million SAAR. Year over year, the total is down 7.4%, but single-family starts are up 2.6%; the sharper pullback is in multifamily. For framing lumber, the more troubling sign is the shrinking single-family permit pipeline.

Measure	Sep '25	Aug '26 (r)	Sep '26 (p)	M/M	Y/Y
Total housing starts	1.319M	1.288M	1.221M	-5.2%	-7.4%
Single-family starts	837K	900K	859K	-4.6%	+2.6%
5+ unit starts	471K	376K	349K	-7.2%	-25.9%
Total building permits	1.444M	1.403M	1.400M	-0.2%	-3.0%
Single-family permits	888K	880K	845K	-4.0%	-4.8%
5+ unit permits	498K	475K	503K	+5.9%	+1.0%
Total completions	1.386M	1.166M	1.192M	+2.2%	-14.0%
Single-family completions	944K	861K	840K	-2.4%	-11.0%

SAAR = seasonally adjusted annual rate. (r) August revised; (p) September preliminary. The previous issue's August estimates were 1.275M total starts and 918K single-family starts; Census now reports 1.288M and 900K. National total- and single-family-start changes in this table are not statistically conclusive at the 90% level.

THE LUMBER READ: September single-family starts edged above last year's level, but single-family permits are down 4.8% year over year and 4.0% from August. Through September, year-to-date single-family starts are down 4.0% from 2025. Regional total starts also diverged: West -25.4% and South +11.0% year over year. Actual framing demand remains local and need-driven.

Sources: U.S. Census Bureau/HUD, September 2026 New Residential Construction, Oct. 20, Tables 1a, 3a/3b and 5a: census.gov/construction/nrc/pdf/newresconst.pdf. Context: Oct. 15 mortgage 7.40% (Freddie Mac); Sept. existing-home sales 3.99M SAAR (NAR).

The Truck Still Gets the Last Word

National diesel eased, but the western lane story did not. EIA's October 12 reading was **\$6.179/gallon nationally**, down 2.0 cents for the week; the Rocky Mountain average rose 3.5 cents to **\$6.302**. Neither number guarantees an available truck or your next freight quote.

Reports still describe uneven truck, driver and rail availability. Compare actual loading dates, transit time, fuel adjustment, equipment and accessorials. A cheaper mill number with uncertain shipment can lose to a nearby reload that can deliver.

WINNING THE FOB DOES NOT GUARANTEE WINNING THE LOAD.

Illustration, not a freight quote: a \$15/MBF concession on 25 MBF saves \$375. A \$400 freight increase adds \$16/MBF. The delivered purchase ends up **\$1/MBF more expensive**. You won the lumber negotiation and lost the receipt.

Diesel: EIA prices including taxes, October 12 observations, released October 14. Logistics: supplied October 15-16 field reports. Freight illustration assumes 25,000 BF, not a standard load guarantee. EIA fuel data

What This Means for Buyers

COVER

Confirmed jobs and thin inventory holes in selected 2x10s, WSPF 2x6 2100f MSR and other difficult specifications. Verify replacement and shipment first. Protect the item that can stop the job, not a blanket market position.

BID

Prompt narrows, weak commodity stud trims, usable low grade and negotiable SYP tallies. Put a destination, volume, loading window and expiration on the offer. Give the seller an order to consider, not another request for their best number.

WAIT

Extra volume without a customer, mismatched tallies, and common items priced above workable replacement. A historical discount is not proof of a bottom. Patience is useful; leaving a confirmed job uncovered is a different bet.

This Week's Short List

Reprice the exact item. Ask what changed in inventory, orders and loading availability since the last quote. A change in tone is not necessarily a change in replacement.

Compare like with like. Match species, grade, lengths, currency and delivery basis. A big gap between two market references can reflect different transactions or specifications, not an executable bargain.

Book the delivered result. Confirm equipment, freight, accessorials and timing before committing the margin. The lowest FOB is only one line on the calculation.

Let fresh evidence earn more length. September single-family starts slipped from revised August, and permits remain below a year ago despite a small annual gain in single-family starts. November futures tested \$517.50 Tuesday, close to the Oct. 8 contract low. Wait for repeat cash orders and a lasting futures improvement; neither a good-looking discount nor a one-day rebound is a purchase order.

FINAL TAKE

Six Utah Lumber averages moved lower; ESPF held on mixed signals and Euro provisionally. November futures are now down \$136 from their July contract high and testing the October 8 low. September starts fell in total, and the softer single-family permit pipeline argues for discipline. Press negotiable commodity wood, but protect the hard-to-replace items.

One good arm is enough to point at a bargain. It is not a reason to carry the whole pile. September's housing report offers a little annual single-family resilience but no broad demand recovery. Buy against a customer, a usable tally, and a delivered margin - and let actual orders make the next case for optimism.

WANT THE SIGNALS BEFORE THE SAWDUST SETTLES?

Ask your Utah Lumber trader to add you to Sawdust Signals every Tuesday. For quotes and availability: sales@utahlumber.com | 801-893-9900.

Market commentary, not firm offers, price guarantees or investment advice. Utah Lumber averages are proprietary directional inputs, not volume-weighted indexes. Futures: QST StoneX Oct. 19 session-end and Oct. 20, 8:47 a.m. MT intraday; July/October contract extremes: Barchart LBX26; preceding daily closes: Investing.com. CFTC: Oct. 13 snapshot. Housing: Census/HUD September release Oct. 20 (September preliminary; August revised). No third-party proprietary price tables or charts reproduced.