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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LOWER PRICES. FEWER EXCUSES

THE BOTTOM LINE

The lumber market found rock bottom, rejected the quote, and asked what was underneath it. Prices that once prompted “Is that a typo?” now get “Thanks. Keep me posted.” **Shock and awe has become shrug and delete.** Buyers and sellers are getting numb, price ranges keep widening, and increasingly generous counters still aren’t producing much beyond immediate-needs buying.

Meanwhile, “just in time” has been rebranded as “just explain it to the customer.” Buyers keep trimming inventories, but trucking makes lean look a lot like empty. **The lumber is ready and the customer needs it now, but the truck is apparently swiping left.**

“It can’t go down forever.” Fair enough—but “we’re all sick of this” has never been a market fundamental. ***Prices need a reason to stop falling, and in an overproduced market, that usually means significant sawmill curtailments***. Not curtailment rumors. Not a strongly worded group text. Actual production coming off the market.

Just don’t mistake today’s misery for tomorrow’s guarantee. Picking the exact bottom is like choosing the next number on the roulette wheel. **Lumber can turn without notice, permission, or any consideration for the guy who decided to wait one more day**. When it does, the mill that’s been calling you six times a day may suddenly remember how voicemail works.

MARKET READ	THIS WEEK
DIRECTION	Cash signals all pointing lower; November futures testing new contract lows.
MAIN DRIVER	Need-based orders, inventory-dollar pressure and a soft single-family permit pipeline.
BEST OPPORTUNITY	Firm prompt bids on commodity narrows/studs that actually have a home within the next 60 days.
MAIN CAUTION	Some wide lengths, MSR/structural specs and sharply higher delivered costs and waiting too long.

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

Utah Lumber Pricing Update

PRICE TABLE UNDER CONSTRUCTION

We're rebuilding the table. Not calling a bottom.

Even the price table is getting a remodel. For once, the change order is ours.

We're taking a short break from broad product-group averages while we evaluate a more focused lineup of 8-10 key indicator items. The aim is to track clearly defined products on a consistent basis, so week-to-week comparisons are more useful.

The item list and methodology are still under review. No Utah Lumber group averages or weekly changes are published in this issue.

Same sawdust. A sharper measuring stick.

Pricing-format notice: item selection and methodology remain under review. No new indicator series is launched in this issue.

Market Overview

Cash pricing remains under pressure in common narrows, studs and low grade, while selected wides still require a separate replacement check. Producers with prompt inventory are negotiating for orders, but buyers remain reluctant to carry extra wood heading into a slower consumption season.

The main market reports disagree on some individual items, particularly Green DF. Even within one species, width and grade matter. Broad weakness gives buyers an opening; the executable tally, shipment timing and delivered replacement determine whether the deal works.

CASH SIGNAL: WEAK, BUT NOT ONE PRICE.

Common narrows and studs are still searching for workable orders every day. Some mills need the sale; others have enough orders or thin enough supply to hold on select items. Both Green and KD DF wides along with most MSR items deserve their own replacement check. A softer market does not turn every tally into a clearance item.

An indicator can track a comparable item. It still cannot quote the exact truckload. Confirm grade, tally, origin, shipment timing and delivered cost before making the trade.

Field synthesis: supplied October 22-23 lumber/panel reports. Market commentary is not a firm offer or transaction-weighted price index.

From the Trading Desk

COUNTER THE COMMODITY. PROTECT THE HARD REPLACEMENT.

Mills with prompt accumulations are testing lower prices, while buyers resist carrying wood into winter. Announced intentions to curtail are not confirmed production cuts. Ask what is available, when it will load and what repeat business is actually clearing the order file.

Category	Current field read	Buyer move
HF / DF	2x4 and 2x6 weakened across the Coast and Inland. Selected KDDF 2x10s still gained.	Counter narrows; price each wide separately. Not every 2x10 is equally tight.
WSPF	Narrows and studs remain weak. Wides are more resilient, but late-week 2x10 gains softened.	Bid exact tallies. Recheck 2x6 2100f availability rather than assume scarcity.
ESPF / Euro	U.S. Eastern SPF narrows and studs fell. Comparable Euro premium dimension also eased.	Separate U.S./Canadian currency and destination. Neither category merits an automatic hold.
Green DF	Reports differ on 2x4 direction; narrow-width liquidity remains poor. Selected wides are firmer but new production can change that quickly.	Compare mill, grade and tally. Check timbers independently of commodity 2-inch. Big counters are being taken on 4x and 6x timbers.
Southern Pine	Accumulations persist. Steeper cuts in some 2x6 lengths still met limited buying interest.	Test volume counters by region and width. A deep discount still needs a customer.
Studs	Pressure extends beyond 8-foot trims; some 9-foot items also declined sharply and are quickly approaching undervalued territory.	Specify species, grade, brand and trim. Do not apply the cheapest print to true premium.
Low Grade	Soft construction grades are competing for industrial outlets as grade spreads narrow.	Compare usable yield and delivered cost; a #2 substitution may beat a #3 quote.
Panels	Regional OSB declines coexist with gains elsewhere. Some contract wood is available below mill replacement.	Check the region and seller obligation. An aggregate gain is not every lane.

Field synthesis: supplied October 22-23 lumber/panel reports. Prices vary by specification, region, reporting method and delivery terms. No third-party proprietary tables or charts reproduced.

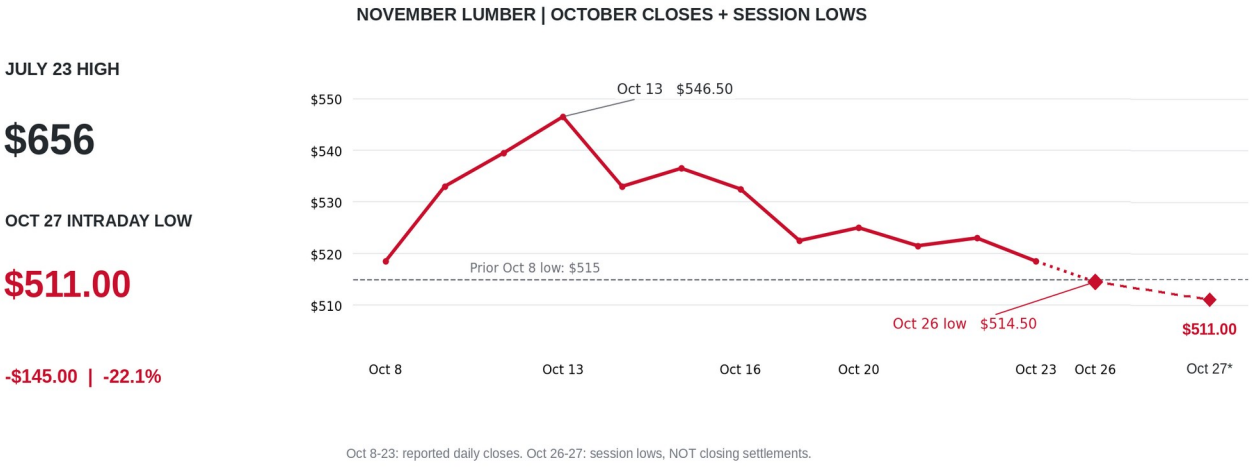
Futures: The Old Low Did Not Hold

THE MARKET FOUND THE $515 FLOOR. THEN STEPPED THROUGH IT.

The November contract reached $511.00 this morning, marking a new contract low and getting within striking distance of a 4-handle price.

Against November's July 23 high of $656, Tuesday's $511 intraday low marks a $145/MBF drop (-22.1%). That reprices buying psychology but does not automatically reduce the executable cash price of every grade, width or destination.

November 2026 | July high, October closes and October 27 intraday low



Sources: November-contract reported closes Oct 8-23; Oct 26 session low $514.50; July 23 high $656; Utah Lumber QST StoneX Oct 27 morning intraday low $511. Session lows are not closing settlements. Approximate cash basis: Utah Lumber trading-desk indication.

Basis Opportunities? Maybe

November's Tuesday-morning intraday low was $511, marking a new contract low. January traded below November, with a session low of $508.50. Comparable cash 2x4 is still carrying a sizeable premium of around $40/m as we head into the spot month next week. Select items are entering into “maybe” territory when it comes to relative value for hedging. If the heavily short-positioned directional funds have to start covering en masse, look for a quick bounce. This can be a knee-jerk reaction to curtailment announcements.

LOWER LOW. NO AUTOMATIC BOTTOM.

Attractive seasonal value is a watchlist, not a turning point. Lower cash, a firmer board or both can narrow the gap into delivery. Require repeat physical orders before calling a recovery. The board does not load the truck, finance the inventory or collect from the customer.

COT: Shorts Cover, Prices Still Slip

MANAGED MONEY

Professional funds and trading advisers. These are financial positions, not necessarily physical lumber demand.

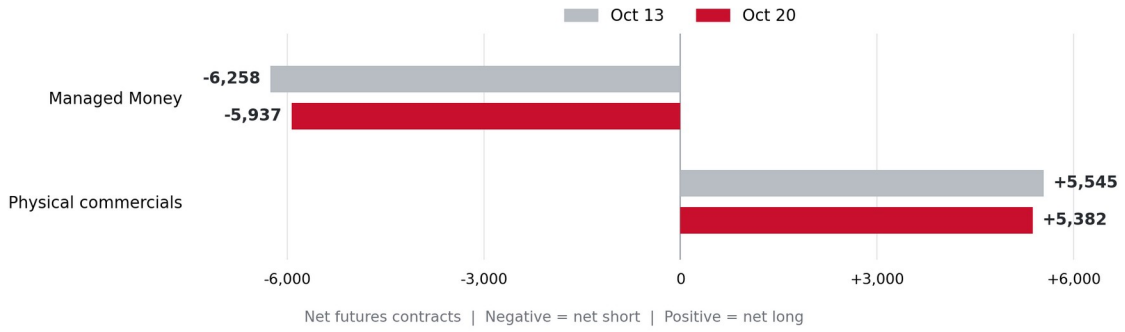
PHYSICAL COMMERCIALS

Mills, merchants and physical users hedge production and inventories; net-long is not automatically a bullish forecast.

Net positions | October 20 versus October 13

Participant	Oct 13 net	Oct 20 net	Weekly change
Managed Money	-6,258	-5,937	+321
Producer / Merchant / Processor / User	+5,545	+5,382	-163
Swap Dealers	-223	-204	+19
Other Reportables	+497	+427	-70
Nonreportable	+439	+332	-107

CFTC disaggregated futures-only report | Lumber code 058644 | Snapshot of Oct 20, released Oct 23. Negative net = short; all group nets sum to zero. Spreading positions carry zero net.



Managed Money held 326 longs and 6,263 shorts on October 20. Net shorts narrowed by 321 to 5,937, mainly through 283 contracts of short covering. Open interest declined 429 to 10,226.

The snapshot predates October 26 trading. A crowded short can fuel a rebound, but the board still needs cash buyers. Commercial net long eased to 5,382.

THE CASH BUYER'S TAKE

A heavily short fund position can accelerate an upside reversal if buyers finally show up. But a shrinking short against weak cash business is no reason to warehouse another truck. Treat positioning as a risk gauge, not a buy order.

Source: CFTC Disaggregated Futures Only, Oct 20 (released Oct 23), Lumber 058644; positions across all contract months, not only November. cftc.gov/dea/futures/other_lf.htm

Housing & Logistics

Housing: A Softer Pipeline, A Slight Mortgage Rate Dip, and Still Gloomy

The September construction report remains the latest confirmed starts data: total starts fell 5.2% month over month and 7.4% from a year earlier. Single-family starts were 859,000 SAAR (+2.6% year over year), but single-family permits fell 4.8% annually. Buyers have not received a broad new-housing demand signal.

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 Oct 20 release revised August total/single-family starts from 1.275M/918K to 1.288M/900K. National total- and single-family-start changes shown are not statistically conclusive at the 90% level.

THE LUMBER READ: These are the same September construction estimates used in Issue #13. The October 22 market report adds an October builder-sentiment index of 29 and September pending-home-sales declines of 7.3% monthly and 11.3% annually. The 30-year mortgage average eased to 7.32%, but that is not yet a framing-order recovery. New-home sales are scheduled for October 27.

Sources: Census/HUD September construction release, Oct 20; Freddie Mac PMMS, Oct 22. Builder sentiment and pending sales: supplied Oct 22 market report, citing NAHB/Wells Fargo and NAR. The October 27 new-home sales release is not incorporated in this issue.

Freight: Diesel Takes Back the Concession

The EIA October 19 diesel survey showed $6.276/gallon nationally, up 9.7 cents in one week. Rocky Mountain diesel reached $6.422, up 12.0 cents; West Coast prices rose to $7.394. Those are retail indices, not actual truck quotes, but rising fuel makes every FOB concession work harder.

The October 22 reports describe costly, inconsistent truck and rail service, with buyers leaning on local reloads to avoid delays. Some carriers were rejecting even higher offers on distant lanes. Confirm equipment, loading date, accessorials and the delivered number before selling the discount.

A PRETTY FOB NUMBER IS NOT A DELIVERED MARGIN.

Illustration only: a $20/MBF mill concession on 25 MBF saves $500. A $600 freight increase adds $24/MBF. Delivered replacement still rises $4/MBF. Congratulations on winning the negotiation; the truck won the arithmetic.

Sources: EIA retail on-highway diesel, Oct 19; supplied Oct 22 logistics commentary. Fuel indices are not lane quotes. Freight illustration assumes 25 MBF, not a standard load guarantee.

What This Means for Buyers

COVER

Cover signed jobs and thin inventory holes in select 2x10s, MSR, high-grade and specified trims. Check lead time and freight before taking an uncovered position.

BID

Bid common PET, widely offered 2x4 and negotiated SYP/low-grade loads with an exact destination and loading date. Make a real executable counter.

WAIT

Wait on speculative inventory with no customer or on offers that do not specify grade and delivery. Even a pretty discount can be a costly carry. **Do not wait where profit can be secured on needs within 60 days.**

This Week's Short List

Reprice the item, not the headline. With Friday composites falling and November futures testing fresh lows, demand a current executable quote in the exact species, grade, length and loading window.

Watch relative value without declaring a bottom. Some common 2x4 and 9-foot stud items deserve attention after large declines; seasonality alone is not a reason to add uncommitted stock.

Book the delivered result. Diesel and equipment availability can erase FOB savings. One rejected load is not a trading strategy.

Separate plans from actual changes. Curtailment talk, a shrinking calendar spread and fund short covering are not the same as improved cash orders. The October 27 new-home sales release is not incorporated in this issue.

FINAL TAKE

The broader cash evidence weakened again while selected wides resisted. Funds trimmed shorts, but the market did not suddenly discover more customers. Buy known demand, work the counter, protect genuinely difficult replacement and own the freight. Lower prices help only when the load, customer and margin line up.

A lower price is not a reason to buy the whole pile. Even with one good arm, there is no need to volunteer for inventory that has nowhere to go.

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.

Cash: supplied Oct 22-23 reports and Utah Lumber commentary. Futures: Oct 27 morning QST intraday snapshot; session lows are not closing settlements. CFTC Oct 20; Census September; mortgage Oct 22; diesel Oct 19. Market commentary is not a firm offer, price guarantee or investment advice.