



# Commodities Distribution

## October 14, 2020

### Lumber

Lumber market prices are slipping, and it's hard to guess the bottom as sales continue to remain strong. Most buyers are holding pattern right now due to the lead times in the falling market. At the same time, distribution and wholesale inventories are still very thin. SPF markets have mixed messages with some mills have prompt wood receptive to counters, and other producers still have shortages and shipping issues. Inland producers had more offerings this week, and mills were looking for orders on certain items such as narrows. Stud prices crumbled late last week as a few mills searched for levels to move some volume. ***Expect order files to catch up to prompt ship over the next couple of weeks and for prices to continue falling.*** Mills have nothing to offer in FJ long lengths, and local inventories are non-existent. SYP lumber prices have led other species on the way down, with most items being several hundred dollars cheaper than SPF or Fir. SYP 2x4 is the exception on light inventories trading at a premium.

### Panels

OSB sales remained strong this week, and discounts were nonexistent. Order files pushing into November on steady demand and all regions held firm. Plywood mills saw order files erase and demand taper off. They struggled to find trading levels on new orders, and inventories began to pile up.

### Roofing

Availability has become tight, resulting in most plants having a 5+ week lead time. Tamko announced a pricing increase of 6-9 % on shingles effective 9/18.

### Steel

Steel prices remain unchanged from last week.

### Misc.

Insulation manufacturers have extended their shipping lead times. LP rail cars are now taking 8-10 weeks to ship and another 2-3 weeks to spot. Be aware of the upcoming increases on James Hardie of around 4-6% with lead times at 3 weeks.

### Cement Products

No increases to report at this time.

### Gypsum

American Gypsum announced a price increase of \$10 MSF beginning on 11/7. Georgia Pacific has announced a price increase coming on October 26th.