



# Lumber Numbers

Week # 16, 2010  
Friday  
April 23, 2010

## Southern Pine

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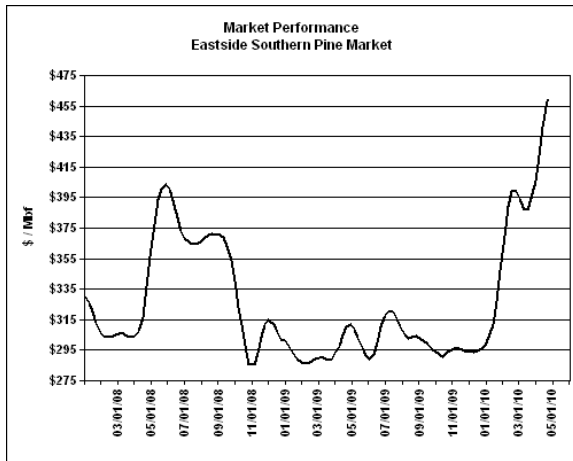
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### Market Performance—Week 16

Week 16 saw all the Southern Yellow Pine markets move up for the fifth week in a row. The Eastside market lead the way, up \$17 (3.8%). The Central market was up \$15 (3.6%) and Westside market was up \$10 (2.4%).

This time last year in week 16 the Eastside average stood at **\$310** (**\$149** below this week). The Eastside market's current level of **\$459** is **\$32** (7.5%) above its 10-year average for Week 16. With the Eastern SYP market breaking through the 75% quartile of **\$450**, the next resistance is **\$472**, which is previous high in early 2006.

Undervalued items include 2x10 #1 and 5/4x6-16' Std RED. Some of the most overvalued items are 2x4 #2, 2x6 #2 in 8' to 14', 4x4 and 4x6 #2, 2x6 through 2x12 #3 & all widths in 2" #4.



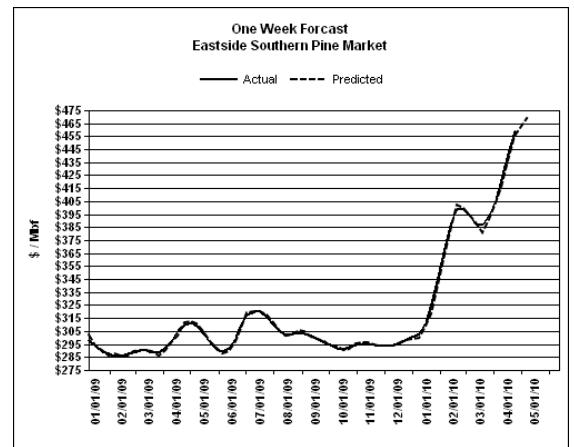
### Forecast—Week 17

The model calls for the Eastside market to gain \$11 (2.4%) in price next week. This prediction would put the Eastside market composite **\$18** (4.0%) above its 15 year average for Week 17.

### Eastside Southern Pine Market Performance\*

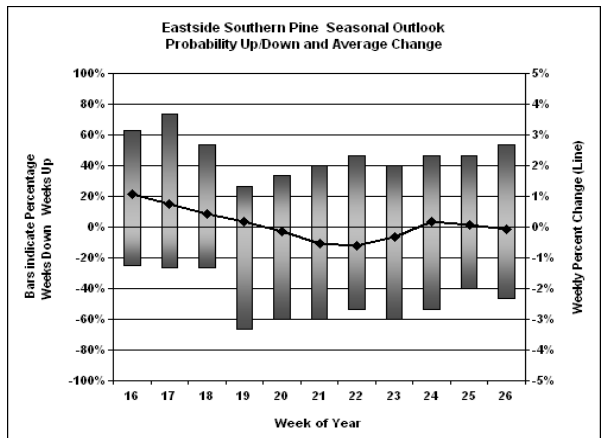
	9-Apr	16-Apr	23-Apr	30-Apr
Market Price	422	441	459	
Actual Change	16	19	17	
Predicted Change	11	15	14	11

\* Figures may not add due to rounding



### Seasonal Outlook—Week 17

Over the past 17 years, the Eastside goes up 73% of the time in Week 17. On average, this composite's price goes up \$3 during the week.



### Market Breadth

This week, the Eastside market breadth analysis had **100%** of the items increasing for the fourth week in a row, while **0%** of the items decreased and **0%** of the items stayed the same in price from Week 15.

### Eastside Southern Pine Market Breadth

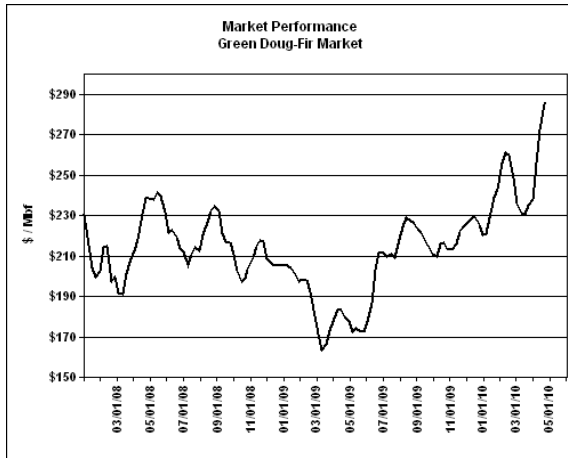
	Number of Items with Price:		
	Increase	Decrease	Same
<b>This Report</b>	95 (100%)	0 (0%)	0 (0%)
<b>Last Report</b>	95 (100%)	0 (0%)	0 (0%)

### Green Douglas Fir Market

#### Market Performance—Week 16

The Green Doug Fir market continued the up move with an increase of **\$13** (4.8%).

This time last year in Week 16, the Green Doug Fir market average stood at **\$183** (**\$106** below this week). The Green Doug Fir market's current level of **\$286** is **\$20** (-6.5%) below its 10-year average for Week 16.



#### Market Breadth

In Week 16, the Green Doug Fir market breadth showed **100%** of the items rising, **0%** of the items falling, and **0%** were unchanged.

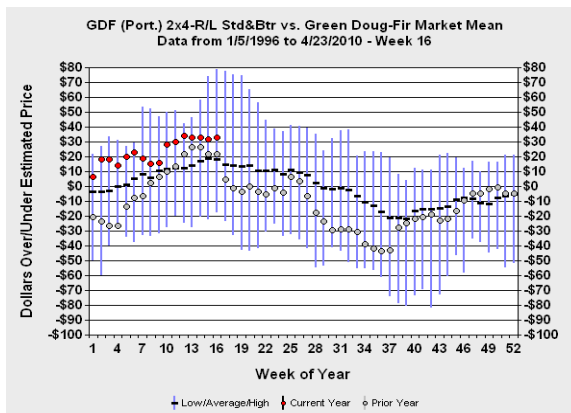
#### Green Doug-Fir Market Breadth

Number of Items with Price:

	Increase	Decrease	Same
<b>This Report</b>	56 (100%)	0 (0%)	0 (0%)
<b>Last Report</b>	56 (100%)	0 (0%)	0 (0%)

#### Item of Interest—2x4-R/L' Std&Btr GDF

This item is **\$32** overvalued relative to the Green Doug Fir market. If it returns to its normal relationship in the next 12 weeks would drop **\$31**.



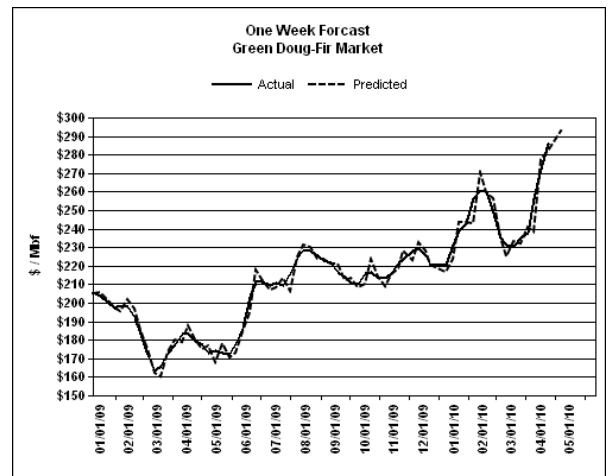
#### Forecast—Week 17

The model predicts that the Green Doug Fir market will rise **\$7** (2.4%). This prediction would put the Green Doug Fir market composite **\$35** (-11%) below its 15 year average for Week 17.

#### Green Doug-Fir Market Performance\*

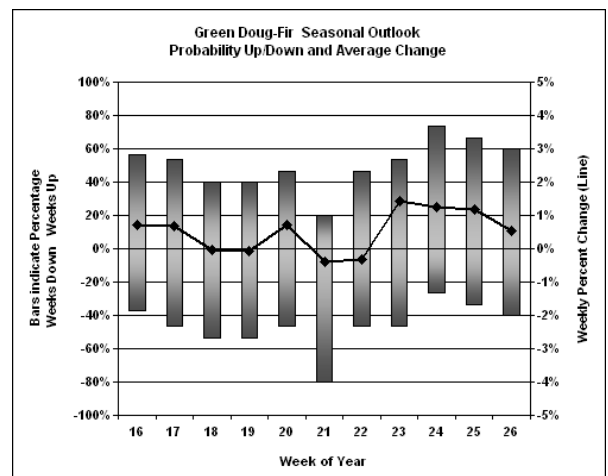
	9-Apr	16-Apr	23-Apr	30-Apr
<b>Market Price</b>	256	272	286	
<b>Actual Change</b>	19	16	13	
<b>Predicted Change</b>	1	22	8	7

\* Figures may not add due to rounding



#### Seasonal Outlook—Week 17

In Week 17, Green Doug Fir gains **53%** and falls **47%** of the time in the last 15 years. The average change for Week 17 is up **\$3**.

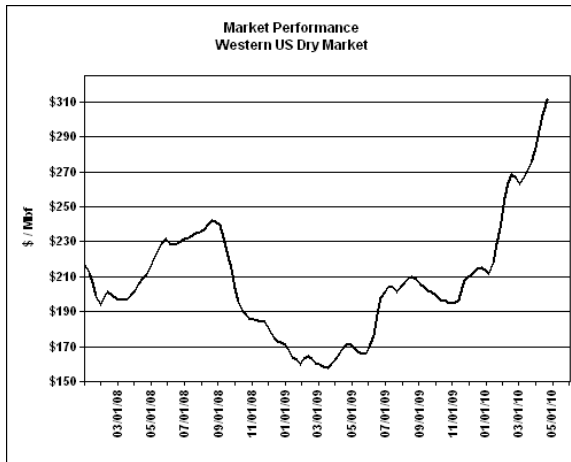


### Western US Dry Market

#### Market Performance—Week 16

The Western US Dry market continued the up move by **\$9** ( 3.4%) from last week.

This time last year in Week 16 the Western US Dry market average stood at **\$180** (**\$131** below this week). The Western US Dry market's current level of **\$311** is **\$5** (1.6%) above its 10-year average for Week 16



#### Market Breadth

In Week 16, the Western US Dry market breadth showed **96%** of the items rising, **0%** of the items falling, and **4%** were unchanged.

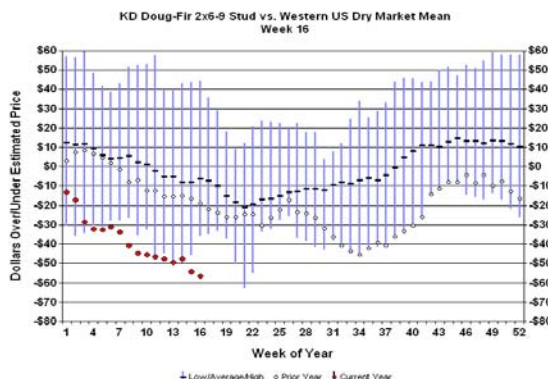
#### Western US Dry Market Breadth

Number of Items with Price:

	Increase	Decrease	Same
<b>This Report</b>	67 (96%)	0 (0%)	3 (4%)
<b>Last Report</b>	64 (91%)	0 (0%)	6 (9%)

#### Item of Interest—2x6-9' Stud KD DF

This item is at historic lows, relative to the Western US Dry market. It is currently undervalued by **\$56** and if it returns to it's normal relationship in the next 12 weeks would rise **\$46**.



#### Forecast—Week 17

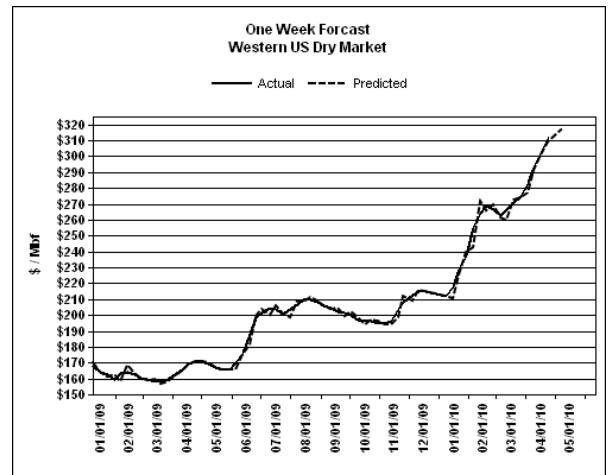
The model predicts that the Western US Dry market will rise **\$6** (1.6%). This prediction would put the Western US Dry market composite **\$9** (3.0%) above its 15 year average for Week 17.

#### Western US Dry Market Performance\*

9-Apr 16-Apr 23-Apr 30-Apr

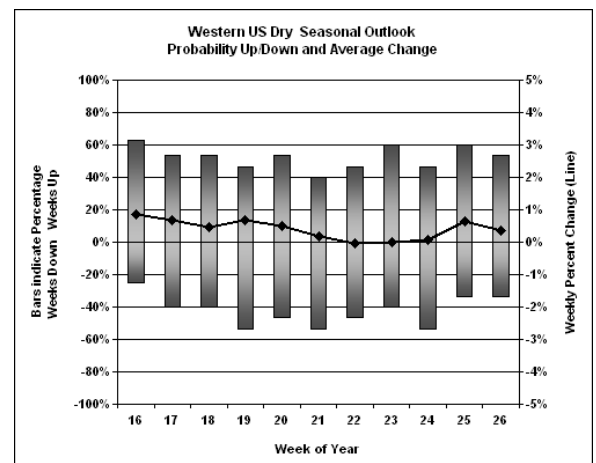
<b>Market Price</b>	293	303	311	
<b>Actual Change</b>	10	10	9	
<b>Predicted Change</b>	9	8	6	6

\* Figures may not add due to rounding



#### Seasonal Outlook—Week 17

In Week 17, Western US Dry gains **53%** and falls **40%** of the time in the last 15 years. The average change for this market in Week 17 is up **\$2**.

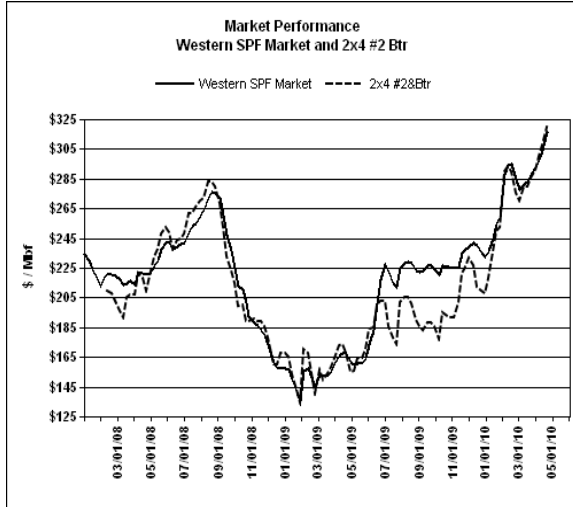


### Western Canadian SPF Market

#### Market Performance—Week 16

In Week 16, the Western Canadian SPF market increased \$6 (1.9%). It is at **62%** of its 15 year price range.

This time last year in Week 16 the Western SPF market average stood at **\$167** (**\$149** below this week). The Western SPF market's current level of **\$316** is **\$41** (13.7%) below its 10-year average for Week 16



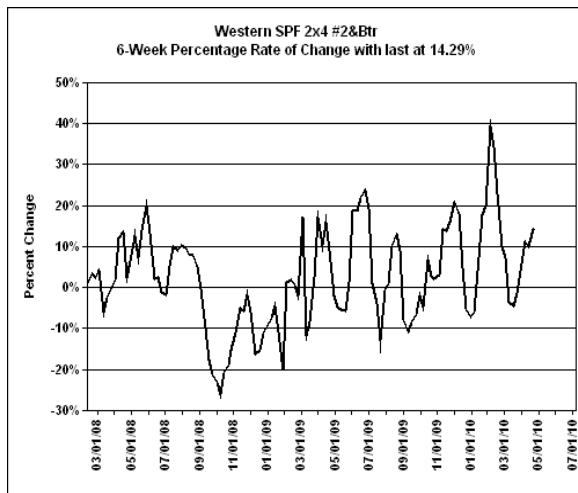
#### Market Breadth—Western Canadian SPF

In Week 16, **98%** of items in the Western SPF market increased, **3%** decreased, and **0%** of the items stayed the same. The 6-week rate-of-change for WSPF 2x4 #2&btr dipped to **14.29%**.

#### Western SPF Market Breadth

Number of Items with Price:

	Increase	Decrease	Same
<b>This Report</b>	39 (98%)	1 (3%)	0 (0%)
<b>Last Report</b>	37 (93%)	0 (0%)	3 (8%)



The 6-Week Percentage Rate of Change measures the percentage change between this week and 6 weeks ago.

It illustrates current market momentum

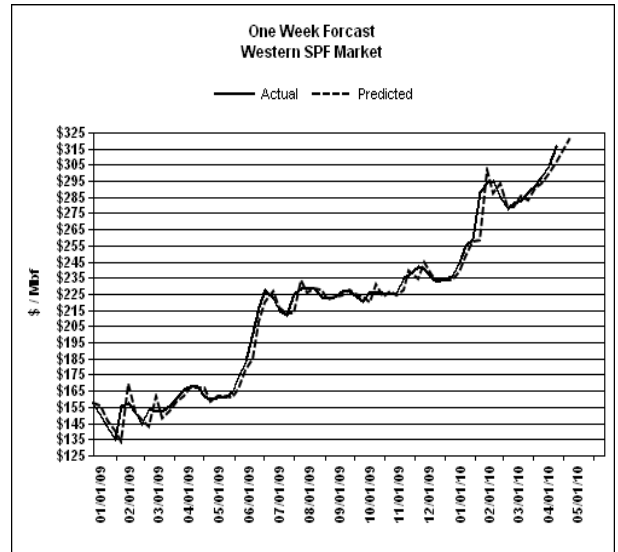
#### Forecast—Week 17

The model predicts that the Western SPF market will rise \$6 (1.9%). This prediction would put the Western SPF market composite **\$11** (3.5%) above its 15 year average for Week 17.

#### Western SPF Market Performance\*

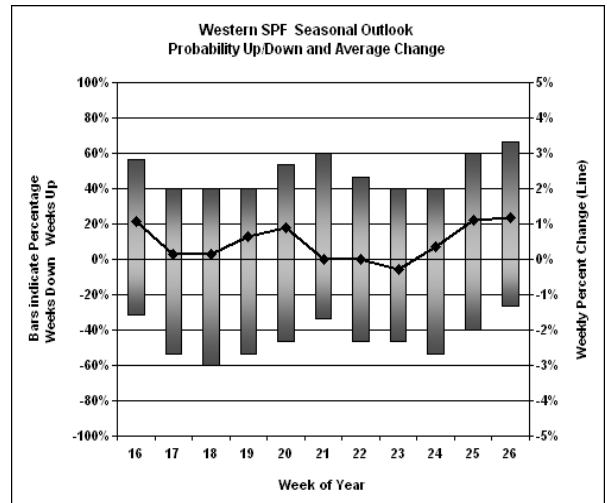
	9-Apr	16-Apr	23-Apr	30-Apr
Market Price	298	304	316	
Actual Change	5	6	12	
Predicted Change	2	3	3	6

\* Figures may not add due to rounding



#### Seasonal Outlook—Week 17

In Week 17 Western SPF goes up **40%** of the time and falls **53%** of the time. The average move for WSPF is up less than **\$1**.

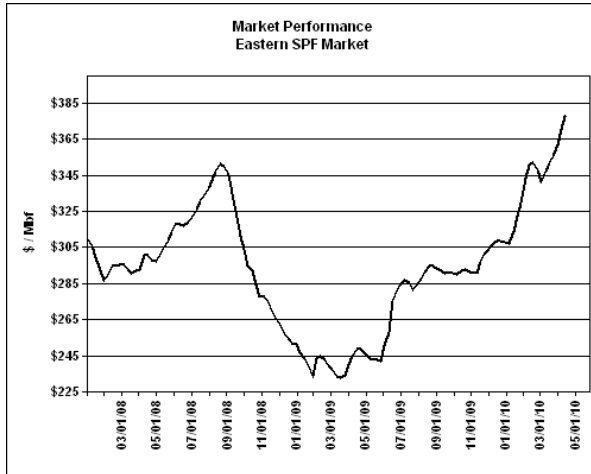


### Eastern Canadian SPF Market

#### Market Performance—Week 16

In Week 16, the Eastern Canadian SPF market increased \$11 (2.8%). In its 15-year price range, Eastern SPF market's absolute values rose to 72%.

This time last year in Week 16 the Eastern SPF market average stood at **\$248** (**\$140** below this week). The Eastern SPF market's current level of **\$388** is **\$56** (16.7%) above its 10-year average for Week 16



#### Market Breadth—Eastern SPF

In Week 16, **100%** of items in the Eastern SPF market increased, **0%** decreased, and **0%** of the items stayed the same from week 15.

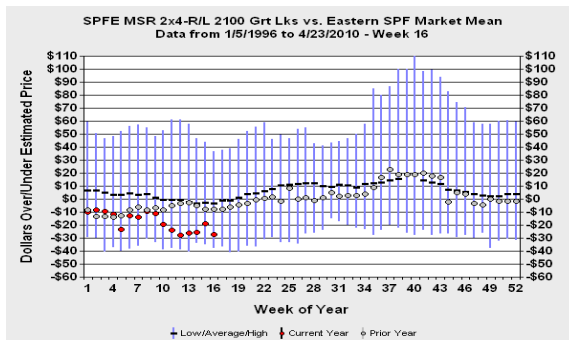
#### Eastern SPF Market Breadth

Number of Items with Price:

	Increase	Decrease	Same
<b>This Report</b>	46 (100%)	0 (0%)	0 (0%)
<b>Last Report</b>	46 (100%)	0 (0%)	0 (0%)

#### Item of Interest—2x4-RL 2100f ESPF-GL

This item is near historic lows, relative to the Eastern SPF market. It is currently undervalued by **\$27** and if it returns to its normal relationship in the next 12 weeks would rise \$40.



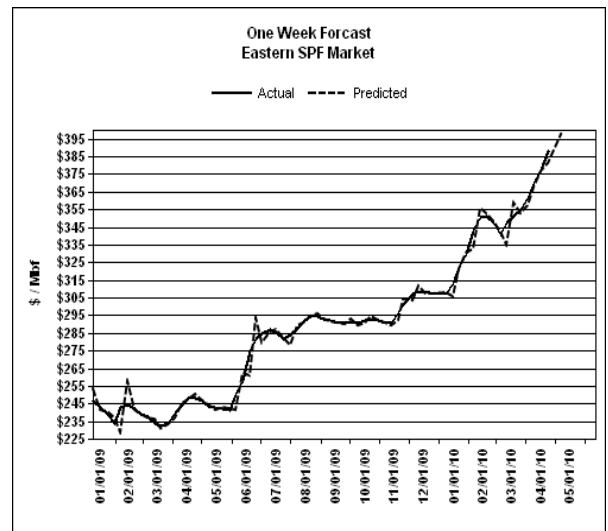
#### Forecast—Week 17

The model predicts that the Eastern SPF market will rise \$10 (2.6%). This prediction would put the Eastern SPF market composite **\$46** (13.1%) above its 15 year average for Week 17.

#### Eastern SPF Market Performance\*

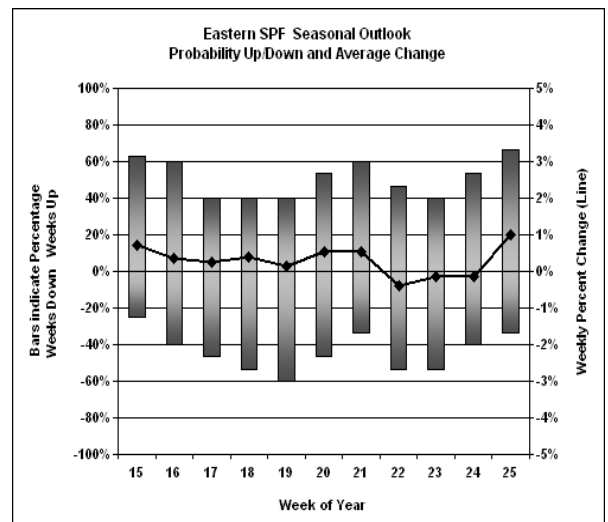
	9-Apr	16-Apr	23-Apr	30-Apr
Market Price	370	377	388	
Actual Change	8	7	11	
Predicted Change	7	7	4	10

\* Figures may not add due to rounding



#### Seasonal Outlook—Week 17

In Week 17 Eastern SPF goes up 47% of the time and falls 40% of the time. The average move for ESPF is up \$5.

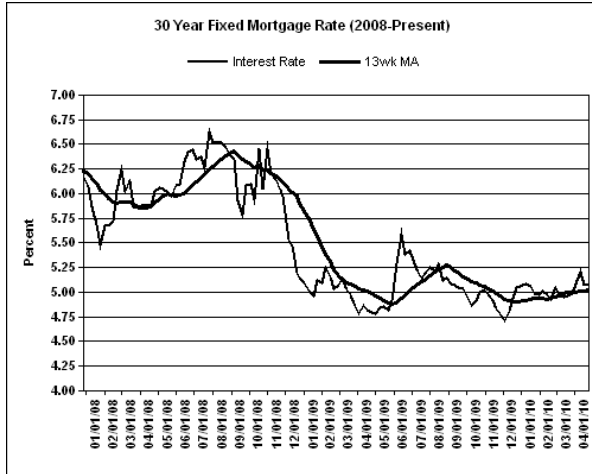


The 6-Week Percentage Rate of Change measures the percentage change between this week and 6 weeks ago.

It illustrates current market momentum

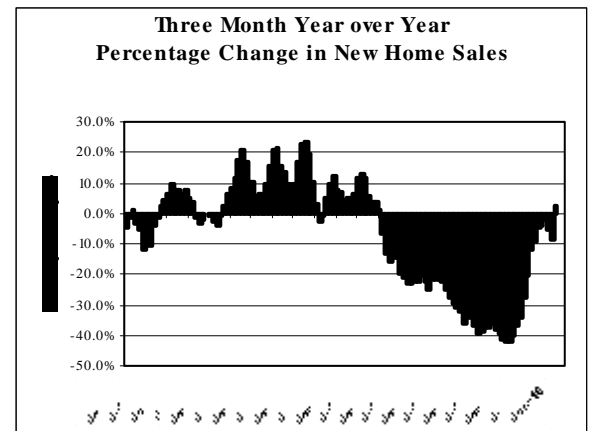
#### Mortgage Rates

The average 30-year fixed mortgage rate steadied at **5.07%**. The 10-year bond rate stayed at **3.78%**. This week's 30-year rate was **4 bps above** its 12-month average; it was **25 bps above** its level of **4.82%** twelve months ago.



#### U.S. New Home Sales—March

The March New Home Sales were reported at **411,000** units on a seasonally-adjusted basis. The trailing 3-month average for the actual New Home Sales year-over-year increased **2.4%**. The months of supply of homes decreased from 8.6 last month to 6.7 this month.



For a description of the Relative Value Tables, see the **Quick Start Guide for Tables** on the Web site.

#### WSPF 2x4 #2&Btr and Lumber Futures

Western SPF 2x4 #2&Btr rose **\$12** (3.9%) in Week 16. The relative value of Western SPF 2x4 #2&Btr is at **38%**. Currently, this item is **\$7 undervalued** to the Western SPF market. If this item returns to its normal relationship to the market in the next **twelve** weeks, it will increase **\$1** relative to the price change of the Western SPF market during that time period.

On Friday's close, **May** futures contract settled at **\$315.50**, up **\$0.50** from last Friday. The price of May futures was a **\$5 discount** to cash. The **July** contract, which stayed the same from last Friday at **\$325.60**, was a **\$6 premium** to cash.

For an explanation of Relative Value Rankings, go to the Web site and click on **FAQ**. See the question: **What is a Relative Value Ranking?**

#### Canadian Dollar

The Canadian Dollar ended the week below parity at **0.999** vs the US Dollar. The last time we saw the Canadian Dollar at or below parity with the US dollar was from March of 2007 through September of 2008.

#### Item of the Week—2x6-8' Stud WSPF

In Week 16, this item is in historic overvalued territory and it is entering a lengthy period where it is either steady or looses to the Western SPF market. It is overvalued by **\$34** and if it returns to its normal relationship to its market in 12 weeks it will lose **\$49**.

Discussions of hedges or combinations of futures, cash, and options are only to illustrate the possible use of relative price data and are not intended as recommendations nor as trading advice.

Contact Lumber Numbers for specific risk management strategies for your company.

