

# WOOD MARKETS MONTHLY

**July 26, 2013**

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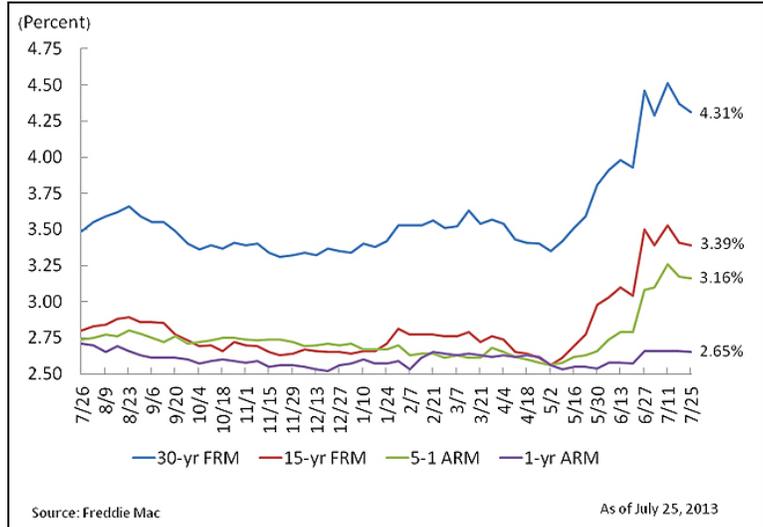
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Primary Mortgage Market Survey (US weekly averages)

## Mortgage rate run-up takes a break

MCLEAN, VA, July 25, 2013 (Marketwired.com)—Freddie Mac (OTCQB: FMCC) today released the results of its Primary Mortgage Market Survey® (PMMS), showing average fixed mortgage rates (FRM) easing for the second consecutive week helping to alleviate concerns over a slowdown in the housing market and amid recent strong homes sales data for June.

- 30-year fixed-rate mortgage (FRM) averaged 4.31 percent with an average 0.8 point for the week ending July 25, 2013, down from last week when it averaged 4.37 percent. Last year at this time, the 30-year FRM averaged 3.49 percent.
- 15-year FRM this week averaged 3.39 percent with an average 0.8 point, down from last week when it averaged 3.41 percent. A year ago at this time, the 15-year FRM averaged 2.80 percent.
- 5-year Treasury-indexed hybrid adjustable-rate mortgage (ARM) averaged 3.16 percent this week with an average 0.7 point, down from last week when it averaged 3.17 percent. A year ago, the 5-year ARM averaged 2.74 percent.
- 1-year Treasury-indexed ARM averaged 2.65 percent this week with an average 0.4 point, down from last week when it averaged 2.66 percent. At this time last year, the 1-year ARM averaged 2.71 percent.

## GENERAL INTEREST

### **50,000 year old cypress forest uncovered off the coast of Alabama**

July 8, 2013 (livescience.com)—Scuba divers in the Gulf of Mexico off the coast of Alabama have uncovered a primeval underwater forest, partially buried under ocean sediments. The Bald Cypress forest, protected in an oxygen-free environment for more than 50,000 years, was likely uncovered by Hurricane Katrina in 2005, said Ben Raines, executive director of the nonprofit Weeks Bay Foundation and one of the first divers to explore the site. The forest contains trees so well-preserved that when they are cut, they still smell like fresh Cypress sap, Raines said. The site spans a roughly two-mile area about 60 feet below the surface, and is located 12 miles off the coast of Alabama near Gulf Shores. "A fisherman stumbled across something on his depth finder - a strange ledge - so he started fishing it and caught a lot of fish there," Raines said. "He asked a friend who is a diver if he would go to the location and see what was down there."

### **MnDNR protects rare Anoka county wetland**

July 11, 2013 (DNR News Release)—A rare piece of Anoka County's natural history, which includes nearly a dozen threatened and endangered plants, will be dedicated as a Minnesota Department of Natural Resources (MnDNR) nature preserve July 25. The public is invited to tour the site and learn about its features. The dedication of the Blaine Preserve Scientific and Natural Area (SNA) will start at 6:30 p.m. with remarks by state and local officials. Located a few hundred yards east of Interstate 35W, just off 95th Avenue, the Blaine Preserve SNA offers a snapshot of what parts of the north metro area may have looked like 100 years ago. The 63-acre site represents one of the state's rarest types of wetlands, a rich fen, where layers of peat and slightly acidic groundwater create the conditions needed by unusual plants such as cross-leaved milkwort, twisted yellow-eyed grass and the tubercled rein-orchid. The fen is within what biologists refer to as the Anoka Sand Plain – likely an ancient glacial lake bed that includes most of Anoka, Sherburne and Isanti counties – and much of the area has been severely modified by drainage, agriculture and development.

### **Log truck driver training coming to Alberta**

July 24, 2013 (dailyheraldtribune.com)—In partnership with Alberta Human Services, Woodland Operations Learning Foundation (WOLF), Ainsworth Engineered Canada LP, Grande Prairie Log Haul Trucking Driver Alliance and Weyerhaeuser Canada, the college will be hosting free courses to help unemployed or underemployed residents get into the truck driving field for the forest industry and will be providing training and scheduling in order to complete the required material. "The truck driving companies and the forestry companies have a shortage of Class 1 truck drivers," explained Karen Scribner, learning coordinator with WOLF. "So it's essential to have sufficient truck drivers to get the log products to the mill." The course will have two components, a classroom portion and a hands-on training portion. Each student will be taught the various skills pertinent to the job and safety while on the job. The hands on portion will require students to complete some hours of driving the log truck. The driving portion will be completed in designated areas, off highway.

## ECONOMY & HOUSING

### 195,000 jobs added in June but no economic boom

July 5, 2013 (NY Times and BLS News Release remix)—Total nonfarm payroll employment increased by 195,000 in June, and the unemployment rate was unchanged at 7.6 percent, the U.S. Bureau of Labor Statistics reported today. Employment rose in leisure and hospitality, professional and business services, retail trade, health care, and financial activities. Federal government employment continued to trend down in June (-5,000) and has declined by 65,000 over the past 12 months. Employment in most other major industries, including mining and logging, construction, manufacturing, and transportation and warehousing, showed little change in June. The average workweek for all employees on private nonfarm payrolls was unchanged in June at 34.5 hours. In manufacturing, the workweek increased by 0.1 hour to 40.9 hours, and overtime was unchanged at 3.3 hours. The average workweek for production and nonsupervisory employees on private nonfarm payrolls was unchanged at 33.7 hours.

The 195,000 jobs added in June was significantly above the 165,000 monthly pace analysts had been expecting. And the government sharply revised upward figures for job gains in April and May, increasing the average monthly gain in the first half of 2013 to 202,000 jobs. But the picture painted by the data hardly reflected a booming economy. The unemployment rate, which is based on a different survey from the one that tracks job creation, remained stuck at 7.6 percent, far higher than the historical pattern for this stage of a recovery. Other measures of joblessness actually rose, with the broadest one that includes workers forced to accept part-time positions jumping to 14.3 percent, from 13.8 percent.

### Jobs reports shows surge in part-time workers

July 5, 2013 (NY Times economix blog)—The June jobs report saw a surge in part-time workers, and the health care law that starts coming into full effect next year might be in part responsible. The number of part-time workers for economic reasons climbed to 8.2 million in June from 7.6 million in March. The Affordable Care Act gives employers an incentive to hire part-time workers rather than full-time workers, as they might be compelled to offer health coverage to the latter, but not the former. That's why a number of big employers have started offering more temporary or part-time positions. It also makes part-time jobs more attractive for workers. Say you currently have a 20-hour-a-week job with no health coverage, and that you cannot afford to buy insurance on the private market. Soon, the government will start offering you generous subsidies to buy a plan on the new health care "exchanges" – meaning, provided your income is low enough, you get an expensive benefit with taxpayers picking up most of the tab.

### New home sales hit five-year high

July 24, 2013 (Census/HUD News Release)—Sales of new single-family houses in June 2013 were at a seasonally adjusted annual rate of 497,000, according to estimates released jointly today by the U.S. Census Bureau and the Department of Housing and Urban Development. This is 8.3 percent above the revised May rate of 459,000 and is 38.1 percent above the June 2012 estimate of 360,000. The June figure was the highest since May 2008. The median sales price of new houses sold in June 2013 was \$249,700; the average sales price was \$295,000. The seasonally adjusted estimate of new houses for sale at the end of June was 161,000. This represents a supply of 3.9 months at the current sales rate.

## FINANCE & MANAGEMENT

### **USFS aims to improve timber program efficiency**

June 26, 2013 (fiercegovernment.com)—The Forest Service has found efficiencies to reduce the burden of environmental reviews that slow timber sales in national forests, Tom Tidwell, the agency's chief, told a Senate committee June 25. Lumping together small-scale projects into large-scale projects will reduce overall environmental analysis costs, he said. "We have to do the same level of analysis, the same level of documentation if we're looking at 5,000 acres or a quarter of a million acres," he said during a hearing of the Senate Energy and Natural Resources Committee. Even though a single document requires more work if it concerns a large amount of land, it's still more efficient to do that than to work on hundreds of documents for small pieces of land, he said.

Witnesses and senators who spoke at the hearing broadly agreed that the environmental reviews which the Forest Service conducts to comply with the National Environmental Policy Act, needed to be streamlined. Tidwell, the Forest Service chief, noted that the majority of his agency's spending has shifted to fire suppression and preparedness as wildfires have become more common, to the detriment of administering timber sales and other forest management activities.

### **NAFO report shows US private forest owners support 2.4 million jobs with \$87 billion payroll**

July 2013 (nafoalliance.org)—The National Alliance of Forest Owners [NAFO] has released a report outlining the economic contributions that private forest owners are making to the US economy. The study, completed by Forest2Market, reveals that US private forest owners support 2.4 million jobs, \$87 billion in payroll, \$223 billion in sales and 5.7% of all US manufacturing from a land base of 338 million acres, 73 percent of all US timberland. "Private forest owners are a driver of the U.S. economy by providing millions of jobs while producing a broad range of goods and services that improve quality of life in every home and community," said Dave Tenny, NAFO President and CEO. "Private forest owners are able to provide these substantial benefits because they recognize that responsible management today yields sustainable economic and environmental benefits over the long term." View and download the full report: <http://nafoalliance.org/wp-content/uploads/NAFO-Economic-Impact-of-Privately-Owned-Forests-FINAL-2013.pdf>

### **Ainsworth Barwick and union reach labor agreement**

July 12, 2013 (ForestTalk.com)—CEP Local 324-99 and Ainsworth (Barwick, Ontario) reached a tentative deal late Thursday in Fort Frances, Ontario. CEP National Representative, Stephen Boon, said "we will not be releasing any details of the new deal until we have a chance to meet with our Membership early next week. The current Ainsworth contract was set to expire July 31st and what I can say is this set of negotiations represented an almost 180 degree shift from three years ago where we had a 97% strike vote, a 97% final offer rejection and were barely able to reach a last minute deal to avert a strike."

### **GP completes acquisition Temple-Inland building products**

July 18, 2013 (GP News Release)—Georgia-Pacific has completed its acquisition of the Temple-Inland (TIN) Building Products assets from International Paper, after receiving clearance from the U.S. Department of Justice. The purchase price was \$710 million. The acquisition includes 15 U.S. facilities with more than 1,800 employees across eight states. Those plants produce fiberboard, gypsum, lumber, MDF, and particleboard.

**Potlatch Q2 net income \$19.2 million, Minnesota real estate sales up y/y**

SPOKANE, July 24, 2013 (GLOBE NEWSWIRE)—Potlatch Corporation (Nasdaq:PCH) today reported financial results for the second quarter ended June 30, 2013. Total consolidated revenues for Q2 2013 were \$133.2 million, compared to \$139.3 million in Q1 2013 and \$117.5 million in Q2 2012. Net income for Q2 2013 was \$19.2 million, or \$0.47 per diluted share, compared to \$15.5 million, or \$0.38 per diluted share, in Q1 2013 and \$5.1 million, or \$0.13 per diluted share, in Q2 2012.

*Resource Segment*—Revenues were \$45.3 million in Q2 2013 compared to \$55.0 million in Q1 2013 and \$33.9 million in Q2 2012. Operating income for the Resource segment in Q2 2013 was \$14.5 million, compared to \$15.5 million in Q1 2013 and \$6.7 million in Q2 2012. The second quarter is typically the seasonally weakest production quarter, particularly in Idaho, which accounted for the majority of the sequential variances. Slightly increased harvest volumes in both the Northern and Southern regions, combined with higher prices in Idaho, accounted for the majority of the year-over-year variances.

*Wood Products Segment*—Revenues were \$95.0 million in Q2 2013 compared to \$91.5 million in Q1 2013 and \$83.6 million in Q2 2012. Operating income for the segment totaled \$19.7 million in Q2 2013 compared to \$18.9 million in Q1 2013 and \$11.7 million in Q2 2012.

*Real Estate Segment*—Revenues totaled \$5.8 million in Q2 2013 compared to \$4.6 million in Q1 2013 and \$8.7 million in Q2 2012. Operating income for the segment was \$4.1 million in Q2 2013 compared to \$3.1 million in Q1 2013 and \$6.7 million in Q2 2012. A total of 65 real estate transactions closed in Q2 2013, up significantly over prior quarters. The majority of these transactions were rural real estate sales in Minnesota.

**Norbord posts Q2 net \$53 million compared to \$6 million year-ago**

July 25, 2013 (News Release)—Norbord (TSX:NBD) reported Q2/2013 net earnings of \$53 million or \$0.99 per share compared to Q1/2013 net earnings of \$67 million or \$1.26 per share and Q2/2012 net earnings of \$6 million or \$0.14 per share. On a divisional basis NBD had North American EBITDA of \$92.0 million in Q2/2013, down from \$106.0 million in Q1/2013. European EBITDA was \$12.0 million in Q2/2013 compared to \$10 million in Q1/2013. OSB reference pricing in Q2/2013 of \$347 per Msf (7/16" North Central) was 17% below Q1/2013 pricing of \$418 per msf and still above the long term average price of US\$275 per msf. OSB prices bottomed in early July around US\$240 per Msf and have been gradually strengthening in the last three weeks with pricing now at US\$270 per Msf.

**K-Cs consumer tissue segment reports Q2 sales of \$1.6 billion, up 2% y/y**

DALLAS, July 22, 2013 (PRNewswire)—Kimberly-Clark Corporation (NYSE: KMB) today reported second quarter 2013 results. For the three months ended 30 June 2013, its consumer tissue segment reported sales of \$1.6 billion, an increase of 2% compared to a year ago. Organic sales volumes improved 3% and net selling prices were up 1%. Sales in the company's North America consumer tissue division increased 3% while sales volumes were up 2% driven by growth on Cottonelle bathroom tissue. Operating profit was \$796 million in the second quarter of 2013, up 6% from \$754 million in 2012.

**Domtar posts Q2 loss of \$46 million on special items**

MONTREAL, July 25, 2013 (PRNewswire)—Domtar Corporation today reported a net loss of \$46 million (\$1.38 per share) for the second quarter of 2013 compared to net earnings of \$45 million (\$1.29 per share) for the first quarter of 2013 and net earnings of \$59 million (\$1.61 per share) for the second quarter of 2012. Sales for the second quarter of 2013 amounted to \$1,312 million. Earnings were negatively impacted by the following items: litigation settlement of \$49 million (\$46 million after tax); closure and restructuring charges of \$18 million (\$13 million after tax); and \$5 million charge (\$3 million after tax) related to the impairment and write-down of property, plant and equipment.

## PRODUCTION & PRICES

### **Court orders BLM to offer more O&C timber for sale**

July 22, 2013 (AFRC News)—In an important ruling on June 26, District of Columbia federal district court Judge Richard Leon ordered the BLM to sell more timber and stop using a flawed computer model to predict owl use on the forests. The Judge ruled that the BLM violated the O&C Act by failing to sell timber on its Medford and Roseburg Districts at the level specified in its existing resource management plans (RMPs). For the Medford District, the declared annual sustained yield is 57 million board feet (mmbf), rather than the FY13 target level of 19 mmbf. For Roseburg, the level is 45 mmbf, not the FY13 target of 29 mmbf. The sustained yield numbers come from BLM's 1995 RMPs. The increase of 54 mmbf annually would create or retain nearly 500 forest sector jobs and an approximately equal number of indirect jobs, such as teachers, grocers and car dealers. The O&C lands have an inventory of 75 billion board feet of standing timber. Their annual sustained yield is 1.2 billion board feet. The agency's failure to balance growth and removals is not only a violation of law, but contributes to unhealthy forest conditions that will carry forward for many decades.

### **More capacity shuts needed in NA uncoated freesheet**

July 24, 2013 (RISI Viewpoint excerpt)—NA P&W shipments in June were down by 4.7% on a y/y basis (-3.4% m/m). Coated groundwood (CGW) shipments fell 14.6% y/y while uncoated groundwood (UGW) were down 0.4%. Coated freesheet (CFS) shipments declined 2.5% y/y while uncoated freesheet (UFS) shipments were down 3.2%.

**Further Capacity Closures Needed in Uncoated Freesheet**—In 2012, the NA UFS operating rate was 89%, unchanged from 2011 despite a 5% decline in industry capacity. Reductions in 2013 include Harbor Papers (150K tpy shut in February), Domtar's Marlboro mill transition to specialty grades (270K tpy reduction over H1), and upcoming closures at Boise International Falls (115K tpy in Q4). However, UFS producers likely need to shut even more capacity to support prices given demand trends and additional headwinds looming with the loss of business from the OfficeMax-Office Depot merger (expected completion year-end 2013) and the alarming trend of CFS producers using ~5% of their capacity to produce UFS by shutting off their coaters (Reel Time estimates that 200K+ tpy of UFS is being produced on CFS machines).

### **Pulp prices spiraling down in China**

SINGAPORE, July 19, 2013 (PPI Asia) - Continued poor market conditions and a supply glut have driven down prices for most bleached kraft pulp grades in China. "We are seeing inventories of finished products piling up at our warehouses, while prices are spiraling down [in the domestic market]," said a major Chinese paper and board (P&B) maker. Although suppliers have kept list prices (or contract prices as they are called in China) for northern bleached softwood kraft unchanged at \$690-700/tonne, its net levels have dropped \$10-20/tonne to \$650-670/tonne over the past two weeks. Radiata pine is going for \$650-660/tonne, down \$10/tonne. Russian bleached softwood kraft (BSK) pulp has stayed at \$630-650/tonne, DAF (\$660-680/tonne, CIF).

### **"Endless Stair" project to use US hardwood CLT**

July 10, 2013 (hardwoodfloorsmag.com)—In June the American Hardwood Export Council met with the architects and engineers working on the "Endless Stair," a public installation being made from cross-laminated American tulip poplar for the London Design Festival. The project is the first structure being built from hardwood cross-laminated timber (CLT). The panels are being built and tested in Italy to confirm that the structure can support more than 100 people at any one time, allowing unlimited public access. The project was designed by dRMM and Arup, two London-based teams, and the stairs will be fabricated in Switzerland

## BIO-MARKETS

### **Community-driven biomass energy opportunities in Minnesota, a case study**

The modern era of using biomass to generate energy was launched by Middle Eastern oil embargos in the 1970s. In the United States, many schools and other large institutions adapted their boiler systems to burn wood, but the greatest advances were in the forest industry, where waste streams could easily and profitably be burned for energy. Over the decades, advances in technology have markedly improved the practicality, energy efficiency, and emissions control of burning biomass at all scales, from small wood- and pellet-burning stoves to biomass-fueled community district energy (DE) systems.

Many rural communities are now interested in using locally-produced renewable energy sources to increase energy independence, lower costs, and reduce greenhouse gas emissions. This paper describes case studies of two communities in Minnesota's Arrowhead region interested in using timber harvest residues, sub-merchantable timber, and waste wood to heat homes, businesses, and government buildings, in either stand-alone or district energy systems. Unlike imported energy, locally-sourced energy results in a significant proportion of the positive and negative impacts of energy consumption occurring locally. This collaborative study between two Minnesota communities – Ely and Grand Marais – and a team of experts investigates the options, tradeoffs, and social support for such a strategy. Download the full report at URL: <http://www.dovetailinc.org/files/DovetailCommunityBioEnergy0613.pdf>

### **Chip Energy breaks ground on prototype Illinois pellet plant**

July 19, 2013 (Biomassmagazine.com)—Goodfield, Ill.-based Chip Energy recently broke ground on a biomass recycling and pelletizing plant. Once complete, the prototype plant will be capable of producing 100 tons per day of condensed biomass from a variety of feedstock sources, including wood waste, purpose-grown energy crops, and agricultural residues. According to Paul Wever, president of Chip Energy, the facility will be capable of making up to five kinds of condensed biomass products, including pellets, briquettes and logs. The facility is scheduled to be complete during the third quarter of this year.

### **GAIN report highlights Canadian pellet industry**

July 19, 2013 (biomassmagazine.com)—An annual biofuels report recently filed with the USDA Foreign Agriculture Service Global Agricultural Information Network provides an overview of the rapidly expanding Canadian pellet industry. Citing data provided by the Canadian wood Pellet Association, the GAIN report notes that Canada was home to 42 pellet plants in 2012, representing a combined capacity of 3 million metric tons. In 2010, the nation had 33 plants with a combined production capacity of 2 million tons. The report cites CWPA Executive Director of estimating that 90 percent of the country's pellets were exported to Europe in 2010.

### **Biomass Thermal Energy Council releases new tools for engineers, developers**

Washington, DC - July 9, 2013 (News Release)—The Biomass Thermal Energy Council (BTEC) today announced the official release of two new tools to help manufacturers, project developers, engineers, and architects better understand biomass heating and cooling systems for the commercial building sector. The work to create a resource library and stakeholder document is supported by a grant from the Wood Education and Resource Center of the U.S. Forest Service. The resource library hosts more than 100 documents on a variety of subjects, from technical and financial topics to information on policy, case studies, and health and environment. The second tool is a stakeholder document that outlines the individuals and groups in a community that project developers should consider when deliberating the development of new projects. These two documents are a part of a larger effort by BTEC to develop biomass opportunities in the commercial building sector. Click [\[here\]](#) for the resource library and [\[here\]](#) for the stakeholders document.

## Wood Statistics Monthly

Category & Sub-Category	Latest Month	Month Ago	M/M Change	Year Ago	Y/Y Change
<b>Value of Shipments (US\$ Millions NSA)</b>					
Mfg - Lumber & Wood Products	May(p) \$7,962	\$7,702	3.4%	\$6,902	15.4%
Mfg - Pulp, Paper, & Paperboard Mills	May(p) \$6,632	\$6,542	1.4%	\$6,789	-2.3%
Mfg - All NAICS	May(p) \$501,494	\$483,124	3.8%	\$494,942	1.3%
<b>Exports F.A.S. Basis (US\$ Millions NSA)</b>					
Logs, Chips, & Misc	May \$261.4	\$251.4	4.0%	\$203.3	28.6%
Lumber & Wood Products	May \$578.1	\$564.5	2.4%	\$543.0	6.5%
Paper Products	May \$2,243.2	\$2,155.3	4.1%	\$2,204.6	1.8%
<b>Capacity Utilization (% SA)</b>					
Mfg - Wood Products	Jun(p) 69.0%	69.5%	-0.7%	66.1%	4.4%
Mfg - Paper Products	Jun(p) 82.1%	82.8%	-0.8%	79.8%	2.9%
Mfg - All NAICS	Jun(p) 76.8%	76.8%	0.0%	78.0%	-1.5%
<b>Housing Market (000s Units NSA)</b>					
Private Housing Starts	Jun(p) 80.4	88.1	-8.7%	74.7	7.6%
Private Building Permits	Jun(p) 83.3	94.9	-12.2%	75.9	9.7%
New Residential Sales	Jun(p) 48.0	43.0	11.6%	34.0	41.2%
New Home Inventory for Sale	Jun(p) 160.0	159.0	0.6%	145.0	10.3%
<b>Payroll Employment (000s NSA)</b>					
Total Nonfarm Payroll	Jun(p) 136,805	136,383	0.3%	134,556	1.7%
Manufacturing	Jun(p) 12,049	11,960	0.7%	12,016	0.3%
State & Local Govt.	Jun(p) 19,041	19,484	-2.3%	19,014	0.1%
<b>Forest Industry Jobs (000s NSA)</b>					
Logging	Jun(p) 51.7	49.6	4.2%	51.1	1.2%
Lumber & Wood Products	Jun(p) 349.5	346.4	0.9%	342.2	2.1%
Pulp, Paper, & Paperboard Mills	May(p) 107.3	107.5	-0.2%	107.9	-0.6%
Converted Paper Products	May(p) 268.5	267.4	0.4%	271.3	-1.0%
<b>Market Pulp SPOT Prices (US\$/ton)</b>					
Eucalyptus (delivered US East)	Jul(p) \$609	\$609	0.0%	\$578	5.4%
NBHK (delivered US East)	Jul(p) \$608	\$599	1.5%	\$523	16.3%
NBSK (delivered US East)	Jul(p) \$612	\$612	0.0%	\$590	3.7%
Recycled Deinked Pulp (US East)	Jul(p) \$685	\$685	0.0%	\$635	7.9%
<b>Lumber Prices (US\$/Mbf)</b>					
RL Eastern SPF Composite	Jul-3 \$354	\$387	-8.5%	\$367	-3.5%
KD West-SPF 2x4, #2&Btr. del Chicago	Jul-3 \$372	\$384	-3.1%	\$361	3.0%
Northern Red Oak Grn 4/4 #1C (fob)	Jul-5 \$735	\$735	0.0%	\$585	25.6%
Pallet Lbr Mixed Grn 4/4 RW (fob)	Jul-5 \$245	\$245	0.0%	\$225	8.9%
<b>Structural Panel Prices (US\$/Msf)</b>					
RL Structural Panel Composite	Jul-3 \$367	\$414	-11.4%	\$373	-1.6%
OSB NC 7/16 Sheathing (fob)	Jul-3 \$240	\$312	-23.1%	\$255	-5.9%
OSB SE 7/16 Sheathing (fob)	Jul-3 \$220	\$275	-20.0%	\$208	5.8%

(p) = preliminary