

WOOD MARKETS MONTHLY

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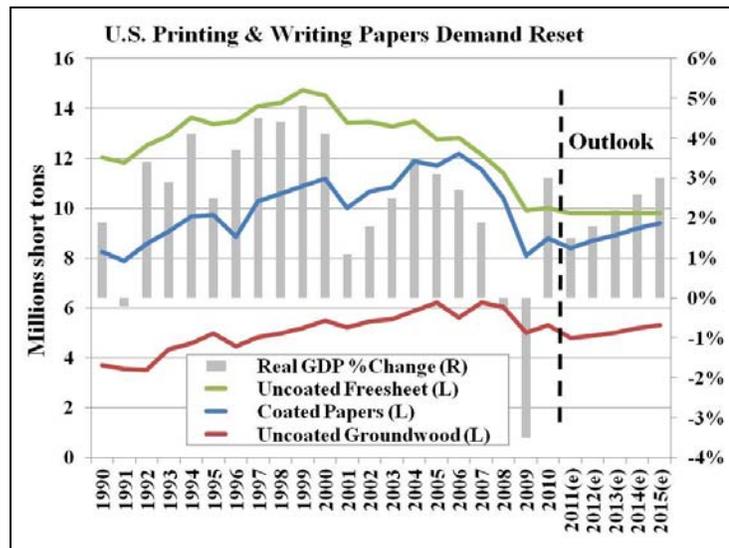
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Compiled by the editor from multiple sources.

Verso to shut three paper machines, cut 300 jobs

MEMPHIS, October 11, 2011 (News Release and Local News Remix) - Verso Paper Corp. (NYSE: VRS) today announced that it will permanently reduce its total annual production capacity by 193,000 tons. This will be accomplished by the permanent shutdown of the No. 2 coated groundwood paper machine at its mill in Bucksport, Maine, effective October 23 and two supercalendered (SC) paper machines at its mill in Sartell, Minnesota, effective December 14. The shutdown of the Bucksport No. 2 paper machine will reduce Verso's annual coated groundwood capacity by 90,000 tons and eliminate 125 jobs. The Sartell shutdown of the No. 1 and No. 2 paper machines at will eliminate approximately 103,000 tons annual SC paper capacity and approximately 175 jobs. The remaining No. 3 paper machine has an annual capacity of 215,000 tons coated groundwood (CGW) with about 300 jobs.

September P&W paper shipments down 8% y/y

October 20, 2011 (AFandPA News Release) - According to the American Forest & Paper Association's September 2011 Printing-Writing Paper Report, total printing-writing paper shipments decreased 8% in September compared to September 2010. All four major printing-writing grades posted decreases compared to last September. U.S. purchases (shipments + imports - exports) of printing-writing papers decreased 7% in September. Total printing-writing paper inventory levels decreased 2% compared to August 2011.

GENERAL INTEREST

September housing starts up 10.2% y/y, permits up 5.7% y/y

October 19, 2011 (News Release) – The U.S. Census Bureau and the Department of Housing and Urban Development jointly announced the following new residential construction statistics for September 2011: **HOUSING STARTS** - Privately-owned housing starts in September were at a seasonally adjusted annual rate of 658,000. This is 15.0 percent above the revised August estimate of 572,000 and is 10.2 percent above the September 2010 rate of 597,000. Single-family housing starts in September were at a rate of 425,000; this is 1.7 percent above the revised August figure of 418,000. The September rate for units in buildings with five units or more was 227,000.

BUILDING PERMITS - Privately-owned housing units authorized by building permits in September were at a seasonally adjusted annual rate of 594,000. This is 5.0 percent below the revised August rate of 625,000, but is 5.7 percent above the September 2010 estimate of 562,000. Single-family authorizations in September were at a rate of 417,000; this is 0.2 percent below the revised August figure of 418,000. Authorizations of units in buildings with five units or more were at a rate of 158,000 in Sept.

Cost of BWCA forest fire tops \$21 million

ELY, Minn., October 17, 2011 (Star Tribune) - Officials say the costs of fighting a huge forest fire in and near the Boundary Waters Canoe Area have reached \$21 million. Firefighting officials said in an update Monday that the Pagami Creek fire is now 91 percent contained, but strong winds in recent days have made it hard to pull crews and equipment back from the fire lines. Managers continue to release crews and equipment as containment increases. As of Monday there were 291 people assigned to the firefighting effort. The fire was detected Aug. 18 and was caused by lightning. It has burned nearly 145 square miles but hasn't grown much in the past month.

Firewood use grows 34% in US households 2000-2010

October 10, 2011 (Press Release) - Recently released US Census figures show the number of households heating with wood grew 34% between 2000 and 2010, faster than any other heating fuel. Electricity showed the second fastest growth, with a 24% increase over the last decade. In two states, households using wood as a primary heat source more than doubled - Michigan (135%) and Connecticut (122%). In six other states, wood heating grew by more than 90% - New Hampshire (99%), Massachusetts (99%), Maine (96%), Rhode Island (96%), Ohio (95%) and Nevada (91%).

Wood now ranks third in the most common heating fuels after gas and electricity for both primary and secondary heating fuel use, but ranks fifth, after oil and propane as well, when only primary heat fuel is considered. As of 2010, 2.1% of American homes, or 2,382,737 households, use wood as a primary heat source, up from 1.6% in 2000. Some 10-12% of American households use wood when secondary heating is counted, according to the US Census Bureau and the Energy Information Agency (EIA). The rapid rise in wood heat as a primary heating fuel is mainly a rural phenomenon and, to a lesser extent, a suburban trend. According to the US census, 57% of households who primarily heat with wood live in rural areas, 40% in suburban areas and only 3% in urban areas.

USFS study confirms wood is the greenest building material

WASHINGTON, Sept. 29, 2011 – The findings of a new U.S. Forest Service study confirm that wood should factor as a primary construction material in green building, Agriculture Secretary Tom Vilsack announced today. "This study confirms what many environmental scientists have been saying for years," said Vilsack. "Wood should be a major component of American building and energy design in residential, commercial, and public buildings. The use of wood provides substantial environmental benefits, provides incentives for private landowners to maintain forest land, and provides critical jobs in rural America."

The use of forest products in the United States currently supports more than one million direct jobs and contributes more than \$100 billion to the country's gross domestic product.

"The argument that somehow non-wood construction materials are ultimately better for carbon emissions than wood products is not supported by our research," said David Cleaves, the U.S. Forest Service Climate Change Advisor. "Trees removed in an environmentally responsible way allow forests to continue to sequester carbon through new forest growth. Wood products continue to benefit the environment by storing carbon long after the building has been constructed."

The report is available at URL: <http://www.fs.fed.us/news/2011/releases/09/green-building-report.pdf>

Minnesota joins Dept. of Labor and IRS in probe of home builder wage violations

September 19, 2011 (WSJ and New York Times Remix) - The U.S. Labor Department is signing agreements to share information with nearly a dozen states and the Internal Revenue Service as it gets more aggressive in its program to crack down on businesses that cheat workers out of their wages. Labor officials are targeting businesses that improperly label workers as independent contractors or as non-employees to deprive workers of minimum wage and overtime pay. Misclassifying workers also lets companies avoid paying workers compensation, unemployment insurance and federal taxes. Patricia Smith, the Labor Department's top lawyer, said sharing information between state and federal agencies could subject businesses to multiple fines. "There's more of an incentive to be in compliance because the cost of what we consider to be illegal activity has increased," Smith said in an interview.

Labor Secretary Hilda Solis, IRS Commissioner Douglas Shulman, and top labor officials from almost a dozen states have agreed to share information and work together on enforcement efforts. Businesses can then be subject to multiple fines because they can be charged with state and federal violations. States that have agreed to work with the Labor Department so far include: Connecticut, Hawaii, Maryland, Massachusetts, Minnesota, Missouri, Montana, Utah and Washington. Labor officials from New York and Illinois plan to sign up in the near future.

Executives in the residential construction industry criticized the investigation, saying it was an example of overaggressive regulation just when the Obama administration has signaled it would scale back some regulation in response to business complaints that it was undermining job creation. Thus far, the government has sent out broad demands for records on wages and hours on the home builders' direct employees and those working for their contractors. The Leading Builders of America, an association of 19 major home builders, called the document demands overly broad and said the inquiry was "especially troubling given that no issues have been identified to warrant an investigation." "These demands could require significant resources and thousands of hours of work," the association said in a statement.

FINANCE & MANAGEMENT

Temple-Inland reports Q3 net income of \$6 million compared to Q2 net \$19 million

Oct. 19, 2011 - Temple-Inland Inc. today reported third quarter 2011 net income of \$6 million, or \$0.05 per diluted share, compared with second quarter 2011 net income of \$19 million, or \$0.17 per diluted share, and third quarter 2010 net income of \$125 million, or \$1.13 per diluted share. Third quarter 2011 net income excluding special items was \$21 million, or \$0.18 per diluted share. Net debt at third quarter-end 2011 was \$610 million, down \$80 million compared with second quarter-end 2011 net debt of \$690 million.

Wausau Paper CEO Howatt to retire at end of 2011

MOSINEE, WI, Oct. 19, 2011 (Business Wire) - Wausau Paper today announced that Thomas J. Howatt, president and CEO of the company, will retire at the end of 2011 and that Henry C. Newell, currently executive vice president and chief operating officer of the company will succeed Mr. Howatt as president and CEO effective January 1, 2012. Additionally, Mr. Howatt will succeed San W. Orr, Jr. as non-executive chairman of the board of the company effective February 15, 2012. Mr. Orr will retire from the company's board of directors as of the company's annual meeting in April 2012 upon the conclusion of his present term on the board, having reached mandatory retirement age.

Five paper & packaging companies with the lowest EV to forward EBITDA ratios

Oct 11, 2011 (ZACKS.com) - Below are the five companies in the Paper & Packaging industry with the lowest Enterprise Value (EV) to Forward EBITDA ratios. EV/Forward EBITDA is an important metric used in valuing comparable companies and is based on estimated cash flow. It is capital structure neutral and generally the lower the ratio, the more undervalued the company is believed to be. **Boise (NYSE:BZ) has the lowest with EV/Forward EBITDA of 3.3x**; Sealed Air (NYSE:SEE) is next with EV/Forward EBITDA of 4.4x; and **Rock-Tenn (NYSE:RKT) the next lowest with EV/Forward EBITDA of 4.9x**. Packaging Corporation of America (NYSE:PKG) follows with EV/Forward EBITDA of 5.6x and Graphic Packaging Holding (NYSE:GPK) rounds out the group with EV/Forward EBITDA of 5.8x.

Stella-Jones to acquire Thompson Industries

Montréal, Québec – October 11, 2011 – Stella-Jones Inc. (TSX: SJ) today announced that it has signed a non-binding letter of intent to acquire Thompson Industries, Inc. (“Thompson”), a provider of treated wood products to the railroad industry. The letter of intent contemplates a total purchase price of approximately US\$41.0 million. The transaction, if finalized, is expected to close in December 2011 and is subject to customary closing conditions, including entry into a definitive purchase agreement and satisfactory due diligence. Stella-Jones plans to finance the acquisition through existing credit facilities. Founded in 1981, **Thompson produces treated wood products, mainly railway ties and timbers, at a facility located in Russellville, Arkansas.** Thompson’s sales for its fiscal year ended September 30, 2011 are expected to reach approximately US\$49.0 million.

AbiBow changing name to Resolute Forest Products

MONTREAL, Oct. 11, 2011 (CNW Telbec) - AbitibiBowater (NYSE: ABH) (TSX: ABH) announced today that it will change the Company name to Resolute Forest Products as of November 7, 2011. While the Company will be doing business as Resolute Forest Products as of November 7, AbitibiBowater Inc. and its subsidiaries will not change their legal entity names until the Company obtains shareholder approval as required by law. The Company will seek formal shareholder approval at its 2012 Annual General Meeting.

Weyerhaeuser sells hardwood business unit

October 1, 2011 (Pallet Enterprise) - Weyerhaeuser Company [NYSE: WY] has completed the sale of its hardwoods business to American Industrial Partners. Total proceeds from the sale will be approximately \$108 million. The business manufactures and distributes appearance lumber and plywood for use in cabinets, moulding, architectural millwork, furniture, and retail boards. It also makes material for use in pallet cants and railroad ties. Assets included in the transaction are located in Tuscumbia, Ala.; Elkhart, Ind.; Grand Rapids and Lewiston, Mich.; Brainerd, Minn.; Coos Bay, Eugene and Garibaldi, Ore.; Titusville, Pa.; Arlington, Centralia and Longview, Wash.; and Dorchester and Onalaska, Wis.

Sino-Forest faces new \$5.8-billion lawsuit

September 28, 2011 (Globe and Mail) - Sino-Forest Corp. [TSX:TRE.TO] under siege after fraud allegations caused its share price to collapse, now faces another potential class action filed on behalf of angry shareholders, this one from two fund management companies. Lawyers for Northwest and Ethical Investments LP (NEI), which manages Ethical Funds, and Comité syndical national de retraite Bâtirente inc., a Quebec labour-sponsored pension fund, filed their lawsuit on Monday in Ontario Superior Court, seeking \$5.8-billion in damages for investors who lost money on Sino-Forest. The lawsuit filed on Monday alleges Sino-Forest made "material misrepresentations" about its integrity, its financial results. It also names the company's auditors, 15 financial firms that allegedly brought Sino-Forest share and note offerings to market, forestry consulting firms, and 20 directors and senior executives.

Hedge fund sues Morgan Stanley for \$C9.5 million over Sino-Forest options deal

Hedge fund Oasis Management LLC sued Morgan Stanley for C\$9.5 million (US\$9.3 million) over options in Sino-Forest Corp. (TSX: TRE.TO) bought before the Toronto-listed timber company's stock plunged 71 percent in two days in June. Morgan Stanley failed to settle the options contracts in an effort to "limit its liability," Oasis said in a lawsuit filed in London in July. Hong Kong-based Oasis bought options to sell Sino-Forest at C\$19 on May 12, three weeks before shares fell to C\$5.22 on allegations it had overstated forestry holdings. The Oasis deal will cost Morgan Stanley (NYSE: MS) C\$7.5 million to settle, the hedge fund said in its court filing. The put options are valued at C\$9.5 million, compared with C\$2 million for the equivalent shares, it said in the lawsuit.

KB Home loss widens to \$9.6 million while orders increase 40% y/y

LOS ANGELES, Sept. 25, 2011 (BUSINESS WIRE) - KB Home (NYSE:KBH), one of the nation's premier homebuilders, today reported results for its third quarter ended August 31, 2011. Revenues in the third quarter of 2011 totaled \$367.3 million, down 27% from \$501.0 million in the third quarter of 2010. The decrease was mainly due to a decline in housing revenues, reflecting a 31% year-over-year decrease in the number of homes delivered to 1,603, which was partly offset by a 6% year-over-year increase in the average selling price to \$227,400.

The Company reported a net loss of \$9.6 million, or \$.13 per diluted share, for the quarter ended August 31, 2011, compared to a net loss of \$1.4 million, or \$.02 per diluted share, for the corresponding period of 2010. The 2011 third quarter net loss included \$1.2 million of noncash charges for inventory impairments and land option contract abandonments, compared to \$3.4 million of similar charges in the year-earlier quarter. Company-wide net orders increased 40% to 1,838 in the third quarter of 2011 from 1,314 in the corresponding period of 2010. At August 31, 2011, the Company had 2,657 homes in backlog, representing projected future housing revenues of approximately \$559.3 million, compared to a backlog of 2,169 homes at August 31, 2010, representing projected future housing revenues of approximately \$455.3 million.

PRODUCTION & PRICES

Newly-formed Great Northern Paper starting up in East Millinocket, Maine

October 17, 2011 (Bangor Daily News) - With 215 papermakers on its payroll, the new Great Northern Paper began producing virgin newsprint to fill its first order at 6 a.m. Monday, a company spokesman said. While smoke began to pour from the paper mill's stack on Friday as company workers tested the mill's boiler system, Monday was the revitalized mill's first real day of full operations, spokesman Scott Tranchemontagne said.

Weak demand forces US pulp prices down \$20-\$30 per tonne m/m

October 14, 2011 (PPI Pulp & Paper Week) - The North American pulp market continues to erode amid the highest inventories in two years and signs that prices could fall faster as the industry hobbles through the fourth quarter. Producers, realizing the U.S. could represent the last decent pricing environment for pulp, have so far avoided a sequential collapse during the downturn and managed to limit the pricing drops to \$20-30/tonne this month.

Softwood down \$20/tonne - Benchmark northern bleached softwood kraft (NBSK) pulp's effective list price fell \$20 to \$950/tonne, according to *PPI Pulp & Paper Week*. October marks the fourth straight month in which US NBSK effective list prices dropped with a combined decrease of \$85/tonne, a mild pace of erosion compared to export markets, which are in disarray on aggressive competition for business and ever-cheaper spot deals.

Hardwood down \$20-30/tonne - With no sign that BHK oversupply will end soon, effective list prices dropped \$20-30/tonne for key BHK grades. Bleached eucalyptus kraft (BEK) declined \$25/tonne to \$820-\$830/tonne, northern bleached hardwood kraft (NBHK) dropped to \$770-780/tonne, and southern bleached hardwood kraft (SBHK) to \$770-780/tonne.

2011 NA wood exports to China on pace to double from 2010

October 6, 2011 (Wood Resource Quarterly) - Shipments of softwood lumber and logs from the US and Canada to China are poised to double y/y. In 2010, the two countries exported \$1.3 billion US worth of softwood products; if the pace seen in the first seven months of 2011 continues, the two countries' exports will more than double from last year, reaching a record \$2.6 billion US. Despite the disappointing developments in the US housing sector the past year, lumber production in both the US and Canada has been higher in 2011 than in 2010. Many sawmills in the Western US and Canada have benefitted from the dramatic increase in demand from Chinese lumber consumers and some sawmills are exporting up to 30-40% of their production to the fast developing market in Asia.

Sappi initiates dissolving pulp project in South Africa

October 20, 2011 (PPI Europe) - Sappi has contracted the international firm AMEC to handle engineering, procurement, and construction for its dissolving pulp (DP) project at its Ngodwana mill in South Africa. The project involves the revamp of the mill's bleached softwood kraft pulp line to DP production. Scheduled for completion in early 2013, the new line will have a DP capacity of 210,000 tonnes/year and will bring Sappi's total annual production of DP to more than 1 million tonnes/year.

Tembec looking to add 30,000 tonnes dissolving pulp capacity in Quebec

October 7, 2011 (Winnipeg Free Press) - Forest products producer Tembec Inc. (TSX: TMB) has announced plans that could lead to a further \$100-million investment to expand its pulp facility in Temiscaming, Quebec by 2015. Chief executive James Lopez told a New York investor conference that the second phase of changes at its key facility would add 30,000 tonnes of annual capacity of specialty dissolving pulp. "It's under study and not yet approved, however all the signs are looking very positive for that project," he said.

Graphic Packaging to close Indiana carton plant, cutting 220 jobs

October 12, 2011 (News Release) - Graphic Packaging International, Inc. (GPI), a subsidiary of Graphic Packaging Holding Company (NYSE: GPK), today announced plans to close its La Porte, Ind. carton facility resulting in a layoff of 220 employees. "We continue to experience soft demand in some core end-markets like beer, soft drink and cereal. Persistent high unemployment and higher fuel prices are forcing end consumers to continue to tightly manage discretionary spending," Chief Executive David Scheible said. GPI, whose customers include ConAgra Foods, Pepsi and Kraft, said it will move business from the La Porte plant to other facilities in the United States. "These very difficult decisions were studied significantly, but ultimately are necessary in light of the ongoing economic impacts being felt by our customers and consumers. These changes will help to ensure our continued success in the paperboard packaging space," said David Scheible, president and chief executive officer.

Georgia-Pacific delays 800 MMsf OSB plant startup due to dismal housing market

September 22, 2011 (Local News) - The continuing bad news of housing starts across the nation has taken its toll. On Wednesday, a spokesperson for Georgia-Pacific said that the company has elected to delay the startup of OSB [oriented strand board] production at its 800MMsf plant in Clarendon County, South Carolina. "We [G-P] had expected to start up the Clarendon OSB (oriented strand board) facility we purchased in May 2010 [from bankrupt Grant Forest Products] sometime in December of this year," said Melodie Ruse, a media representative for the company headquartered in Atlanta. "Since that announcement, we have spent about \$30 million continuing the construction and commissioning of the plant as planned in December. However, we will not be able to begin operation at the plant as we had hoped," she continued. Ruse said that this summer's numbers for housing start predictions had not seen even a modest increase, and in fact, have actually declined from last year.

RENEWABLE ENERGY

EPA clarification indicates wood biomass will not be regulated as hazardous waste

Maine lawmakers are applauding a decision by the Environmental Protection Agency to make it clear under federal rules that biomass and other alternative energy sources used for fuel should not be regulated as hazardous waste. The EPA today responded to a letter sent by 11 senators, including Sen. Olympia Snowe, R-Maine, and to similar concerns raised by Rep. Mike Michaud, D-2nd, about whether biomass fuel facilities would be treated like waste-burning facilities under its rules. In a letter to Snowe and the other senators, EPA Administrator Lisa Jackson said the agency expects to produce a final rule that “would provide certainty to industry by codifying provisions to avoid creating disincentives for burning clean materials, such as biomass, for fuel, while preserving the public-health protections required by the Clean Air Act.”

No BCAP CHST matching payments for FY2012

Since the 2008 Farm Bill was being debated in Washington, I’ve probably written a dozen stories about the Biomass Crop Assistance Program (BCAP). This one may just be my last. Why? In September, the Farm Service Agency released a notice outlining how the agency will allocate the limited funds available for the implementation of BCAP in 2011. This re-allocation was necessary, as the Appropriations Act of 2011 cut BCAP funding.

For those who need a refresher, the BCAP program has two parts—one is for “project areas” to support the establishment of new sources of bioenergy by providing establishment and annual payments to agricultural and forest land owners for the production of new crops. The other part of BCAP provides matching payments for the collection, harvest, storage and transportation (CHST) of existing sources of biomass. In a new interim rule, the FSA has determined that the limited funds available for BCAP should be used for the establishment and annual payments (EAP) portion of the program. This means that funds will not be available for matching payments in fiscal year 2012. The FSA has announced it will not be qualifying any additional biomass conversion facilities until further notice (i.e., until more funding is approved), including those whose applications are pending. More funding is not likely to be forthcoming.

Eastern Illinois University commissions wood biomass CHP plant

CHARLESTON, IL, Oct. 7, 2011 (PRNewswire) - Eastern Illinois University (EIU) and Honeywell today unveiled the school's Renewable Energy Center (REC), one of the largest university biomass installations in the country, as part of a grand opening ceremony held on campus for students, faculty and the broader Charleston community. The REC is a 19,000-square-foot steam plant that will provide heat for buildings and classrooms across the university grounds. It is driven by two large biomass gasifiers -- the first application of this technology in Illinois and the surrounding region -- that use wood chips from forest residue for fuel. By switching to a renewable energy source, EIU will reduce annual carbon dioxide emissions by an estimated 20,000 metric tons, which is equivalent to removing more than 3,600 cars from the road, according to figures from the US Environmental Protection Agency.

To heat the campus, a material-handling system at the plant delivers wood chips to the biomass gasifiers where they are broken down in a heated, oxygen-deprived chamber, creating a synthetic gas that burns similar to natural gas. The gas is then used to fire high-efficiency boilers, which results in more complete combustion and lower emissions, and gives EIU a carbon-neutral solution for heating its facilities. The gasifiers will consume an estimated 27,000 tons of wood per year, replacing the more than 10,000 tons of coal burned annually by EIU's existing plant, which will be decommissioned and repurposed for other university needs.

RenewaFUEL briquette plant in Michigan to shut after just two months in operation

CLEVELAND, OH, Sept. 27, 2011 (PRNewswire) - Cliffs Natural Resources Inc. announced today that the Company's Board of Directors has approved a plan to idle operations at its renewaFUEL biomass production facility in Marquette, Michigan. Cliffs indicated that the financial impact of the decision is estimated to be an approximately \$30 million primarily non-cash, pretax charge in the third quarter of 2011. Cliffs intends to put the plant up for sale.

Construction was completed on the facility in early 2011 and the plant went through its commissioning phase during the first half of 2011. The plant delivered its first commercial supply of biofuel cubes to the Marquette Board of Light and Power in mid-July. Since initial startup, the plant has not performed to design capacity, production level, or profitability to justify continued operation. Cliffs acquired renewaFUEL in 2007 and previously operated a pilot plant in Battle Creek, MI.

U.S. DOE finalizes \$105 million loan guarantee for Iowa crop residue ethanol plant

WASHINGTON, September 24, 2011 (News Release) - U.S. Energy Secretary Steven Chu announced that the Department of Energy (DOE) finalized a \$105 million loan guarantee to support the development of one of the nation's first commercial-scale cellulosic ethanol plants. Project LIBERTY, sponsored by POET, will be built in Emmetsburg, Iowa and is expected to produce up to 25 million gallons of ethanol per year. POET estimates the project will fund approximately 200 construction jobs and 40 permanent jobs. It is expected to generate around \$14 million in new revenue to area farmers who will provide the corn crop residue.

First US export pellet testing lab to open for business Nov. 1

September 13, 2011 (Biomass Magazine) - Biomass Energy Laboratory in Conyers, Ga., is expected to begin operation by Nov. 1, making it the first U.S.-based pellet testing facility that will be fully compliant and accredited under Europe's fuel quality specifications. Up until now, pellet manufacturers exporting their products to Europe have sent their samples to a lab in Holland for analysis and verification of compliance with their end users' specifications under ISO 17025, the accreditation process for conducting European testing on biomass.

Wood Statistics

	Latest Month		Month Ago	M/M Change	Year Ago	Y/Y Change
Conference Board Indices (2004=100)						
LEI (Leading Economic Index) ®	Sept(p)	116.4	116.2	0.2%	110.8	5.1%
CEI (Coincident Economic Index) ®	Sept(p)	103.3	103.2	0.1%	101.4	1.9%
LAG (Lagging Economic Index) ®	Sept(p)	110.4	110.2	0.2%	108.7	1.6%
Industrial Production (2007=100 SA)						
Mfg - Pulp, Paper, & Paperboard	Sept(p)	86.9	87.1	-0.2%	88.8	-2.1%
Mfg - Wood Products	Sept(p)	70.8	69.7	1.6%	68.4	3.5%
Mfg - Furniture & Related	Sept(p)	68.7	69.7	-1.4%	66.3	3.6%
Total Industrial Production	Sept(p)	94.2	94.0	0.2%	91.2	3.3%
Stock Market Indices						
Dow Jones US Forest Products & Paper	Oct-3	101.8	118.8	-14.3%	105.5	-3.6%
iShares S&P Global Timber & Forestry	Oct-3	36.1	34.3	5.3%	43.1	-16.2%
Wilshire US REIT	Oct-3	172.9	165.7	4.3%	175.9	-1.7%
Employment (000s Jobs SA)						
Total Nonfarm	Sept(p)	131,334	131,231	0.1%	129,844	1.1%
Manufacturing	Sept(p)	11,741	11,754	-0.1%	11,545	1.7%
State & Local Govt	Sept(p)	19,165	19,198	-0.2%	19,424	-1.3%
Forest Industry (000s Jobs)						
Logging	Aug(p)	49.4	49.3	0.2%	52.8	-6.4%
Sawmills	Aug(p)	82.2	80.4	2.2%	82.2	0.0%
Engineered Wood Products	Aug(p)	64.5	63.9	0.9%	67.3	-4.2%
Pulp & Paper Mfg	Aug(p)	81.7	82.3	-0.7%	83.8	-2.5%
Paperboard Mfg	Aug(p)	29.4	29.5	-0.3%	29.6	-0.7%
Housing Market (000s units SAAR)						
Private Starts	Sept(p)	658	572	15.0%	597	10.2%
Private Permits	Sept(p)	594	625	-5.0%	562	5.7%
Manufactured Home Shipments	Aug(p)	49.0	47.0	4.3%	50.0	-2.0%
Market Pulp Prices (US\$/short ton)						
Eucalyptus (delivered US East)	Oct(p)	\$725	\$725	0.0%	\$816	-11.2%
NBHK (delivered US East)	Oct(p)	\$705	\$730	-3.4%	\$770	-8.4%
NBSK (delivered US East)	Oct(p)	\$862	\$880	-2.0%	\$880	-2.0%
Structural Panel Prices (US\$/Msf)						
OSB Composite	Sept	\$205	\$212	-3.3%	\$198	3.5%
OSB NC 7/16 Sheathing (fob)	Sept	\$189	\$192	-1.6%	\$167	13.2%
OSB SE 7/16 Sheathing (fob)	Sept	\$173	\$173	0.0%	\$147	17.7%
Lumber Prices (US\$/Mbf)						
RL Eastern SPF Composite	Sept	\$310	\$306	1.3%	\$295	5.1%
KD SPF 2x4 Std.&Btr. del Chicago	Sept	\$320	\$300	6.7%	\$297	7.7%
Red Oak Grn 4/4 #2A& (fob)	Oct-1	\$500	\$525	-4.8%	\$575	-13.0%
Pallet Lbr Grn 4/4 RW (fob)	Oct-1	\$225	\$225	0.0%	\$230	-2.2%
Crossties Grn 7"x9"x8.5ft per piece	Oct-1	\$23	\$23	0.0%	\$22	4.5%
US Rail Shipments (carloads)						
Roundwood & Chips	Sept	4 weeks 6,063	5 weeks 7,868	n/a	4 weeks 6,353	-4.6%
Lumber & Wood Products	Sept	11,175	13,487	n/a	9,808	13.9%
Pulp & Paper Products	Sept	24,598	30,791	n/a	24,477	0.5%