



Monday Market Report: 5/3/2021

Good morning all and Happy Monday! For the Led Zeppelin fans out there, the song remains the same. Another week of substantial gains across all dimensions and grades of lumber and plywood this week. Along with the same story of too much demand, not enough supply, non-traditional SYP buyers coming into this market increased competition to cover inventory needs for regional buyers. While there is widespread concern for the downside of these price gains, the need to fulfill customer orders outweighs any buyer trepidation. Order files remain several weeks out at most mills, and several lumber and plywood mills have not been able to quote on the open market consistently. A story that has gotten a lot of traction over the last week is lumber flowing back up the supply chain. What that means is that material sold recently to buyers in markets with less activity is being repurchased by the seller at a markup to sell in another market. This does happen from time to time, but it seems to be more prevalent as was mentioned in the Bloomberg article last week (linked here: <https://www.bloomberg.com/news/articles/2021-04-22/u-s-lumber-supply-chain-rattled-with-rare-upstream-deal>) . I know that everyone is a bit fatigued by this market, so we have decided to provide some comic relief. Here you are, one of my recent favorites seen on LinkedIn:



Please feel free to reach out to me with any specific questions or feedback on the Report or anything else in the wild world of lumber. The entire Lodge Lumber team is dedicated to being a valued partner to our customers, vendors, and to our community. We look forward to talking with you all soon!

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