

MARKET PULSE | Lumber \$571 (+0.9%) | Madison's \$524 | WTI \$99 | S&P 7,136 (-0.04%) | 10yr 4.42% (+7bp)

■ TOP STORIES

West Fraser Posts \$188M Q1 Loss; Lumber Segment Carries \$114M Duty Adjustment

West Fraser Timber (NYSE: WFG) reported first-quarter 2026 sales of \$1.334 billion and a net loss of \$188 million, or \$(2.40) per diluted share, against fourth-quarter 2025 sales of \$1.165 billion and a net loss of \$751 million. Adjusted earnings before interest, taxes, depreciation, and amortization (EBITDA) was negative \$66 million, including a \$114 million charge for duty adjustments related to prior periods that ran through the Lumber segment, which posted Adjusted EBITDA of negative \$84 million. The North America Engineered Wood Products segment delivered \$11 million of Adjusted EBITDA and the Europe Engineered Wood Products segment delivered \$10 million. Cash and short-term investments stood at \$81 million as of April 3, 2026, capital expenditures were \$94 million, and management reiterated 2026 capital-expenditure guidance of \$300 to \$350 million along with spruce-pine-fir and southern yellow pine shipment targets of 2.4 to 2.7 billion board feet. The Blue Ridge, Alberta lumber mill is back to normal operating rates after the January 10, 2026 fire, with no recordable injuries during restoration; the High Level, Alberta oriented strand board (OSB) wind-down is now complete; and the Henderson, Texas lumber facility has commenced production. The reported \$(2.40) per diluted share missed consensus of \$(1.42) by \$(0.98).

U.S. Q1 GDP Prints 2.0%; March Core PCE Reaccelerates to 3.2%

The Bureau of Economic Analysis (BEA) advance estimate released this morning showed real United States gross domestic product (GDP) increased at a 2.0% annual rate in the first quarter of 2026, below consensus of 2.3% but a sharp acceleration from 0.5% in the fourth quarter of 2025. Increases in business investment, exports, consumer spending, and government outlays drove the print; final sales to private domestic purchasers ran 2.5% against 1.8% the prior quarter. The BEA's Personal Income and Outlays release at 8:30 a.m. Eastern showed the headline personal consumption expenditures (PCE) price index up 3.5% year-on-year in March, up from 2.8% in February. Core PCE rose 3.2% year-on-year and 0.3% on the month, both in line with consensus. The release lands less than 24 hours after the Federal Open Market Committee (FOMC) held the federal funds target at 3.50% to 3.75% on an 8-4 vote, the largest dissent count since October 1992.

Builders FirstSource Pulls 2026 Sales Guidance to \$14.6-\$15.6B, Queues \$100M Cost Actions

Builders FirstSource (NYSE: BLDR) reported first-quarter 2026 net sales of \$3.29 billion, down 10.1% year-on-year but 3.6% above Wall Street consensus. Adjusted earnings per share of \$0.27 missed consensus of \$0.39 by 31%, and Adjusted EBITDA was \$213.8 million. Management took 2026 net sales guidance to \$14.6 to \$15.6 billion and gross margin to 27.5% to 29.0%, citing a challenging housing market and reduced operating leverage, and outlined approximately \$100 million of 2026 cost actions including network right-sizing, tighter spending controls, headcount management, and reduced capital expenditures. With more than 580 locations across 43 states, the print is the cleanest single read on professional-builder demand for the quarter.

■ DEEP DIVE: Q1 EARNINGS — UFP, WEYERHAEUSER, AND THE DEMAND BACKDROP

UFP Industries: Sales -8%, Margin to 7.6%, Dividend Up 3%

UFP Industries (Nasdaq: UFPI) reported first-quarter 2026 net sales of \$1.46 billion, down 8% from \$1.6 billion a year earlier on a 1% price decline and a 7% organic-unit decline. Diluted earnings per share of \$0.89 compared to \$1.30 a year earlier and missed the \$1.10 consensus by 16.8%. Net earnings attributable to controlling interests were \$51 million versus \$79 million a year ago. Adjusted earnings before interest, taxes, depreciation, and amortization (EBITDA) was \$111.4 million, or 7.6% of net sales, down from 8.9% a year earlier. Management cited a weaker residential-construction market, adverse weather, and higher healthcare and fuel costs, and now expects 2026 demand at the lower end of prior guidance, which had called for flat to slightly down unit volumes across each segment. The board declared a quarterly cash dividend of \$0.36 per share, a 3% increase from the prior quarterly rate.

Weyerhaeuser On Deck After the Close, May 1 Conference Call

Weyerhaeuser (NYSE: WY) releases first-quarter 2026 results after the close today, with a conference call scheduled for Friday, May 1 at 7:00 a.m. Pacific. Sell-side consensus reads funds from operations down roughly 73% year-on-year to \$0.03 per diluted share, with mixed wood-products pricing and still-soft residential-construction demand the dominant first-quarter themes. The print provides a second supply-side reference point alongside West Fraser, with Builders FirstSource and UFP Industries carrying yesterday's distribution-side reads. Mercer International (Nasdaq: MERC), originally on the same evening's release docket, announced on April 29 that it has rescheduled its first-quarter results to May 7 after the close, with a May 8 conference call.

FOMC Apr 29: 8-4 Hold, Powell to Stay on the Board, 10-Year +7bp

The Federal Open Market Committee (FOMC) held the federal funds target range at 3.50% to 3.75% on an 8-4 vote — the largest dissent count since October 1992. Governor Stephen Miran wanted a cut; Cleveland Fed President Beth Hammack, Minneapolis Fed President Neel Kashkari, and Dallas Fed President Lorie Logan dissented over statement language hinting at eventual rate cuts. The 10-year Treasury yield rose roughly 7 basis points to 4.42% on the more-hawkish-than-expected statement, and futures now price about a one-in-three chance of a hike by April 2027. In what was anticipated to be his last meeting as Chair, Jerome Powell said he will remain on the Board of Governors after his term ends, citing a Department of Justice investigation into Federal Reserve building renovations. Kevin Warsh has been nominated to succeed Powell as Chair on May 15. Read against today's 2.0% first-quarter gross domestic product (GDP) advance and 3.2% March core personal consumption expenditures (PCE) print, futures pricing has moved toward a longer hold rather than near-term cuts running into the second quarter.

■ WHAT YOU MISSED YESTERDAY

Wednesday, April 29 — business, markets, and the broader economy.

- **Indices.** S&P 500 7,135.95 (-0.04%) and Nasdaq lagged on a chip selloff while the Dow surged on industrials; small-caps mixed.
- **Federal Open Market Committee (FOMC).** Held the federal funds target range at 3.50%-3.75% on an 8-4 vote — the largest dissent count since October 1992. Governor Stephen Miran wanted a cut; Cleveland's Beth Hammack, Minneapolis's Neel Kashkari, and Dallas's Lorie Logan objected to statement language hinting at eventual cuts.
- **Rates.** United States 10-year Treasury yield rose roughly 7 basis points to 4.42% post-decision; futures now price about a one-in-three chance of a hike by April 2027.
- **Energy.** West Texas Intermediate (WTI) crude held near \$99 per barrel on continued United States–Iran tensions and supply-route risk.
- **Lumber.** Chicago Mercantile Exchange (CME) lumber futures settled at \$571 per thousand board feet (MBF), up 0.88% from Tuesday's seven-week low of \$564.
- **Earnings tape.** West Fraser, Builders FirstSource, and UFP Industries reported after the close (covered above).

■ INDUSTRY & COMPANY NEWS

- **Initial jobless claims.** Week ending April 18, 2026 advance figure 214,000, up 6,000 from the prior week's revised level. Four-week moving average 210,750 (+750). The latest weekly print lands this morning.
- **U.S. International Trade Commission (ITC) schedules expedited five-year sunset reviews** on the antidumping and countervailing duty orders covering wood mouldings and millwork products from China. The Federal Register notice was published April 21, 2026, following the February 2026 final results of the 2023-2024 administrative reviews. Revocation would require an affirmative ITC injury determination.
- **U.S. Lumber Coalition** issued an April 29 statement calling on Canada to address what it characterized as 27 billion board feet of annual softwood production capacity against roughly 7.5 billion board feet of domestic Canadian consumption. The Coalition framed Canadian softwood market share in the United States as having fallen from 32% to roughly 19% under the current duty and Section 232 tariff stack.
- **West Fraser segment color.** Lumber segment Adjusted EBITDA negative \$84 million on the \$114 million duty adjustment, North America Engineered Wood Products \$11 million, Europe Engineered Wood Products \$10 million; 2026 spruce-pine-fir and southern yellow pine shipment guide reiterated at 2.4 to 2.7 billion board feet.
- **Mercer International (Nasdaq: MERC)** rescheduled its first-quarter 2026 results release from April 30 after the close to May 7 after the close, with a May 8, 10:00 a.m. Eastern conference call.

■ MARKET & SUPPLY SNAPSHOT

INDICATOR	VALUE	TREND
Chicago Mercantile Exchange (CME) lumber futures (Apr 29 close)	\$571 / MBF	+0.88% DoD
Madison's Lumber Reporter Index (week ending Apr 24)	\$524 / mfbm	+\$1 WoW, +1% MoM
10-year U.S. Treasury yield (Apr 29 close)	4.42%	+~7 bp post-FOMC
Federal funds target range (Apr 29 decision)	3.50%-3.75%	Held; 8-4 vote
West Texas Intermediate (WTI) crude (Apr 29)	~\$99 / bbl	+3% on Iran risk
U.S. retail diesel (week ending Apr 27, EIA)	\$5.351 / gal	Weekly EIA print
USD / CAD (Apr 29)	1.368	CAD ~0.731 USD

■ THE BOTTOM LINE

Three things for your Thursday: the Q1 wood-products earnings tape now reads as a coherent set, with West Fraser absorbing a \$114 million duty adjustment to print a \$188 million net loss and a Lumber-segment Adjusted earnings before interest, taxes, depreciation, and amortization (EBITDA) of negative \$84 million, Builders FirstSource pulling 2026 sales guidance to \$14.6-\$15.6 billion and queueing \$100 million of cost actions on a 10.1% year-on-year sales decline, and UFP Industries posting an 8% top-line drop with EBITDA margin compressing to 7.6% from 8.9% a year earlier. Weyerhaeuser prints after the close tonight and Mercer International has slipped its release into next week. The macro side stopped being friendly: Q1 gross domestic product (GDP) at 2.0%, March core personal consumption expenditures (PCE) at 3.2%, an 8-4 Federal Open Market Committee (FOMC) hold, and a 10-year Treasury yield at 4.42% are the kind of stack that leaves housing demand soft for the second quarter even as Canadian capacity continues to come out of the system. The United States Lumber Coalition's April 29 framing — 27 billion board feet of Canadian softwood capacity against 7.5 billion board feet of domestic Canadian consumption, and Canadian share of the United States softwood market down from 32% to roughly 19% under the current duty stack — is the read on why duty drag keeps showing up at the segment level for every Canadian-headquartered producer reporting this week.

THE LUMBER DAILY

Not financial advice. For informational & entertainment purposes only.

© 2026 The Lumber Daily. All rights reserved.