THE LUMBER DAILY

Friday, May 1, 2026
2026 Predictions Edition
Est. 2026 | Vol. 1, No. 29

MARKET PULSE | Lumber $572.53 (+0.27%) | Madison's $524 | WTI $105 | S&P 7,209 (+1.0%) | 10yr 4.40%

TOP STORIES

Weyerhaeuser Q1 2026: $156M Net Earnings on $1.7B Sales; Virginia Timberland Sale Drives Special Items

Weyerhaeuser (NYSE: WY) reported first-quarter 2026 net earnings of $156 million, or $0.22 per diluted share, on net sales of $1.7 billion, against $83 million and $0.11 per diluted share on sales of $1.8 billion in the prior-year quarter. Excluding an after-tax benefit of $79 million from special items, first-quarter net earnings were $77 million, or $0.11 per diluted share. Adjusted earnings before interest, taxes, depreciation, and amortization (EBITDA) for the quarter was $308 million. Special items included a $192 million pre-tax gain on the divestiture of approximately 108,000 acres of non-core Virginia timberlands, a $94 million pre-tax gain on a conservation-easement transaction, and a $21 million product-remediation insurance recovery. Adjusted earnings per share of $0.11 beat sell-side consensus of $0.05 by approximately 120%, and revenue of $1.73 billion edged consensus by roughly $10 million. For the second quarter, management guided to earnings before special items and Adjusted EBITDA approximately comparable to the first quarter, with the caveat that Strategic Land Solutions Adjusted EBITDA will be approximately $70 million below the first-quarter level due to the absence of a comparable conservation-easement transaction. The conference call is scheduled for 7:00 a.m. Pacific today.

April Equity Indexes Cap Best Month Since 2020; Crude Holds Near $105 on Hormuz Risk

The S&P 500 rose 73.06 points, or 1.0%, to a record close of 7,209.01 on April 30, 2026, the Nasdaq Composite added 219.07 points, or 0.9%, to 24,892.31, and the Dow Jones Industrial Average gained 790.33 points, or 1.6%, to 49,652.14. For the month, the S&P 500 advanced 10.4% — its best monthly gain since November 2020 — the Nasdaq Composite rose 15.3% for its best month since April 2020, and the Dow Jones Industrial Average added 7.1%, the strongest monthly performance since November 2024. Apple beat consensus and Alphabet rallied on the Thursday tape. The 10-year United States Treasury yield closed at 4.40% on April 30, two basis points below the post-Federal Open Market Committee (FOMC) print of 4.42%. West Texas Intermediate (WTI) crude held above $105 per barrel into Friday morning trading on dimming prospects for a United States–Iran peace deal and ongoing Strait of Hormuz disruption, with the contract on track for a second consecutive weekly gain. The 30-year fixed-rate mortgage averaged 6.30% in the Freddie Mac Primary Mortgage Market Survey (PMMS) released April 30, up seven basis points from 6.23% one week earlier and 46 basis points below the 6.76% print one year ago.

British Columbia Tells Ottawa to Double or Triple Forestry Aid if United States Trade Talks Stall

British Columbia (BC) Forests Minister Ravi Parmar said on April 30 that the province expects federal supports for the timber sector to double or triple beyond the more than $2 billion Ottawa has provided nationwide since August 2025 if the upcoming Canada-United States-Mexico Agreement (CUSMA) renegotiation does not address softwood lumber. Parmar said the province will use every opportunity to remind Ottawa that the renegotiation must include forestry, and that combined United States duties and tariffs on Canadian softwood now total approximately 45%. The United States Department of Commerce preliminary determination released earlier this month set a combined antidumping (AD) and countervailing duty (CVD) rate of 24.83% (down from 35.16%) effective once final results land in late August 2026, with a separate 10% Section 232 tariff sitting on top. The framing dovetails with Prime Minister Mark Carney's April position that lifting the Canadian liquor import ban hinges on the United States ending tariffs on steel, autos, and lumber.

DEEP DIVE: 2026 PREDICTIONS VS. ACTUALS — AND THE MAY SETUP

Lumber Prices: Forecast Held, Q1 Tracked Tight

Coming into 2026, the consensus call across major North American forecasters was for sideways-to-mildly-higher prices: low-single-digit appreciation in dimensional softwood, with the first half looking a lot like 2025. The Q1 print delivered. The Madison's Lumber Reporter Index ran $522 the week ending April 3, $523 the week ending April 10, and $524 the week ending April 24, a $6 month-over-month gain. Chicago Mercantile Exchange (CME) lumber futures briefly touched $618.50 in late January, pulled back to a seven-week low of $564 on April 28, and settled $571 on April 29 and $572.53 on May 1. The supply-side leg of the call — that net North American capacity would contract through 2026 as British Columbia (BC) closures outpaced Southern Yellow Pine additions — has tracked. Interfor's Nairn Centre and Gogama indefinite curtailments announced April 23, West Fraser's High Level, Alberta oriented strand board (OSB) wind-down completion, and Conifex's late-2025 Mackenzie curtailment together pulled meaningful Canadian volume off-line; Henderson, Texas commenced production on the offsetting side. The forecast going in had projected over 1.3 billion board feet (BBF) of softwood lumber capacity decline in 2026; the running tally of confirmed Canadian-side reductions is on pace.

Housing: March Starts Beat the Forecast, April Sentiment Broke

The early-2026 forecast track entering the year had total housing starts down approximately 1% to 1.34 million units, with the National Association of Home Builders (NAHB) outlook calling for single-family starts at 940,000 (+1%). March came in well above either trajectory: total starts at a 1.502 million seasonally adjusted annual rate, the highest level since December 2024 and 10.8% above both February and March 2025; single-family starts at 1.032 million, up 9.7% month-over-month and 8.9% year-over-year; multifamily starts at 470,000, up 13.3% month-over-month. The demand-side forecast track was less kind. The March 2026 Fannie Mae forecast had the 30-year fixed-rate mortgage falling to 5.9% in the second quarter and 5.7% by the fourth — the geopolitical shock that followed the late-February United States–Israel action on Iran forced an upward revision to 6.3% for the second quarter of 2026 and 6.1% through the back half of the year. April's actual Freddie Mac Primary Mortgage Market Survey (PMMS) print landed at 6.30% on April 30. Builder sentiment confirmed the strain: the NAHB / Wells Fargo Housing Market Index (HMI) fell four points to 34 in April, the lowest reading since September 2025; over a third of builders cut prices and 60% used a sales incentive.

Trade Stack: AD+CVD Came Down, Section 232 Held the Floor

Many market analysts entering 2026 had penciled Canadian softwood duties falling toward 15–20% by mid-year, on the assumption that the seventh administrative review would print materially lower rates and that no offsetting tariff would replace them. The seventh review preliminary did print lower. Combined antidumping (AD) plus countervailing duty (CVD) now stands at approximately 24.83%, down from 35.16%, with the AD rate cut from 20.6% to 10.7% and the CVD rate trimmed from 14.6% to 14.2%. The offset arrived in the form of the 10% Section 232 tariff on softwood lumber that took effect in October 2025 and remains in place, leaving the all-in burden at approximately 35% pending the August 2026 final determination. The forecast was correct in direction and miscalibrated on the floor. Hardwood plywood is moving on its own track: the United States Department of Commerce in late February published preliminary affirmative AD findings on hardwood and decorative plywood from the People's Republic of China at a 187.27% rate, with critical-circumstances retroactive collection on entries 90 days before publication; final determination is due no later than July 15, 2026, and the United States International Trade Commission (ITC) hearing for the final phase is set for July 16.

What May Sets Up For

Federal Reserve policy stays the central macro variable. The Federal Open Market Committee (FOMC) held the federal funds target at 3.50–3.75% on April 29 with four dissents, the largest dissent count since October 1992; futures now price approximately a one-in-three chance of a hike by April 2027 — well off the consensus call entering 2026 for measured rate cuts through the year. Jerome Powell will step down as Chair in mid-May; Kevin Warsh's confirmation vote is on the May calendar. Earnings traffic stays heavy: Trex (NYSE: TREX) reports May 4, Boise Cascade (NYSE: BCC) and PotlatchDeltic-successor Rayonier (NYSE: RYN) report May 5, Louisiana-Pacific (NYSE: LPX) reports May 6 — Louisiana-Pacific has pre-flagged Siding net sales down 11–13% year-over-year and OSB segment EBITDA loss of $25–30 million if current panel pricing holds — and Mercer International (Nasdaq: MERC) reports May 7. The April employment report lands May 2; April Consumer Price Index (CPI) lands May 13; the May FOMC decision is May 28. The seventh administrative review final determination on Canadian softwood is expected in late August, the United States–Mexico–Canada Agreement (USMCA) joint review is on the 2026 calendar, and the Federal Register sunset reviews on wood mouldings and millwork from China published April 21 set up an injury determination at the ITC. The lumber tape in May should reward the supply-tight, demand-soft thesis if the PMMS rate stays north of 6.20%, the Section 232 floor holds, and the BC capacity attrition continues.

■ WHAT YOU MISSED YESTERDAY

Thursday, April 30 — business, markets, and the broader economy.

- **Indices.** S&P 500 closed at a record 7,209.01 (+1.0%); Nasdaq Composite 24,892.31 (+0.9%); Dow Jones Industrial Average 49,652.14 (+1.6%). The S&P 500 finished April +10.4% — its best month since November 2020.
- **Energy.** West Texas Intermediate (WTI) crude held above $105 per barrel; Brent had earlier touched $126 on Strait of Hormuz disruption fears and pulled back into the close.
- **Rates.** United States 10-year Treasury yield closed at 4.40%, two basis points below the April 29 post-Federal Open Market Committee (FOMC) print of 4.42%. The 30-year fixed-rate mortgage Freddie Mac Primary Mortgage Market Survey (PMMS) print landed at 6.30%, up seven basis points week-over-week.
- **Lumber.** Chicago Mercantile Exchange (CME) lumber futures opened May 1 trading near $572.53 per thousand board feet (MBF), up 0.27% from the prior session.
- **Earnings tape.** Weyerhaeuser printed after the close at $156 million net earnings, $0.22 per diluted share, $308 million Adjusted earnings before interest, taxes, depreciation, and amortization (EBITDA); $192 million Virginia timberland gain and $94 million conservation-easement gain in special items.

■ INDUSTRY & COMPANY NEWS

- **Suzano (NYSE: SUZ) reports record pulp sales.** The Brazil-based producer announced first-quarter 2026 results showing 12.7 million tonnes of pulp sold over the rolling 12-month period through March 2026, the highest in the company's history; first-quarter sales totaled 3.2 million tonnes (2.8 million tonnes pulp and 378,000 tonnes paper). Net revenue was Brazilian real (BRL) 11.0 billion and Adjusted earnings before interest, taxes, depreciation, and amortization (EBITDA) was BRL 4.6 billion, down 18% from the fourth quarter and 6% year-over-year, with the 10% real appreciation against the United States dollar a material headwind. The Ribas do Rio Pardo pulp mill ramp drove the volume record.

• **Ontario unveils 10-year forestry roadmap.** The province released the Roadmap to Protecting Ontario's Forest Sector on April 24, structured around defending workers and businesses from United States duties, adapting the sector to remain competitive, and growing demand through innovation. Ontario forest products generated approximately C$21 billion in revenue and supported over 154,000 jobs, with C$8.3 billion in 2025 forest-product exports. The release coincided with Interfor's April 23 indefinite curtailment of the Nairn Centre and Gogama sawmills.

• **Freddie Mac PMMS prints 6.30%.** The 30-year fixed-rate mortgage averaged 6.30% in the Primary Mortgage Market Survey (PMMS) released April 30, 2026, up from 6.23% the prior week and 46 basis points below the 6.76% print one year ago. The April Fannie Mae forecast had revised the second-quarter call to 6.3% (from 5.9% in March) following the geopolitical shock that lifted Treasury yields in late February.

• **Bureau of Land Management (BLM) Q1 timber sales total $25 million.** The Bureau of Land Management sold 56.8 million board feet of timber in Oregon in March 2026 for revenue of approximately $14.9 million; first-quarter 2026 totals across January, February, and March came to 94.4 million board feet for $25.0 million in receipts, both above 2025 quarterly comparisons.

• **Environmental Protection Agency (EPA) settles with Woodgrain Millwork.** The agency posted a proposed administrative penalty settlement of $125,000 with Woodgrain Millwork Inc. for alleged violations of Industrial Stormwater General Permit requirements at the company's Nampa, Idaho facility under the Clean Water Act.

■ MARKET & SUPPLY SNAPSHOT

INDICATOR	VALUE	TREND
Chicago Mercantile Exchange (CME) lumber futures (May 1 AM)	$572.53 / MBF	+0.27% DoD
Madison's Lumber Reporter Index (week ending Apr 24)	$524 / mfbm	+$1 WoW, +1% MoM
NAHB / Wells Fargo Housing Market Index (April)	34	-4 from March
U.S. housing starts (March 2026, annualized)	1.502 million	+10.8% YoY
30-year fixed-rate mortgage (Apr 30 PMMS)	6.30%	+7 bp WoW
West Texas Intermediate (WTI) crude (May 1 AM)	~$105 / bbl	Hormuz risk premium
U.S. retail diesel (week ending Apr 27, EIA)	$5.351 / gal	Weekly EIA print

■ THE BOTTOM LINE

Three things for your Friday: the 2026 forecasts entering the year were directionally right where it mattered most and miscalibrated where the policy stack absorbed the relief — sideways lumber, Canadian capacity attrition, and mass-timber growth all tracked, while the cut to combined antidumping plus countervailing duties was offset by the Section 232 lid that nobody penciled in. The supply-tight, demand-soft thesis got an unfamiliar twist in March: housing starts blew through the forecast by a wide margin while builder sentiment dropped to a seven-month low and the 30-year mortgage rate climbed back near 6.30%. May does not resolve the contradiction. Federal Reserve futures have shifted toward a hike-not-cut bias, Powell exits the chair mid-month with Warsh's confirmation pending, and the earnings tape (Trex May 4, Boise Cascade and Rayonier May 5, Louisiana-Pacific May 6, Mercer International May 7) sits between an April Consumer Price Index print on May 13 and a May 28 Federal Open Market Committee decision.