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Spring Review Edition
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THE LUMBER DAILY

MARKET PULSE | Lumber $585 | WTI $99.50 | Diesel $5.60 | S&P 7,446 | 10yr 4.57%

TOP STORIES

Housing Starts Ease in April While Permits Jump 5.8%

The Census Bureau reported on May 21 that privately owned housing starts ran at a seasonally adjusted annual rate (SAAR) of 1.465 million in April, down 2.8% from a revised March pace of 1.507 million but 4.6% above the April 2025 level. Single-family starts came in at 930,000, and units in buildings with five or more at 529,000. The forward indicator was firmer: building permits rose 5.8% on the month to 1.442 million, with single-family permits at 872,000 and multifamily permits at 514,000, and completions advanced 4.8% to 1.449 million. The report shows a housing market running above year-ago activity through the spring without breaking decisively higher.

Oregon Appeals Court Revives Jewell School District's Timber-Revenue Suit

An Oregon Court of Appeals panel on May 20 reversed the dismissal of a lawsuit brought by the Jewell School District against the Oregon Department of Forestry (ODF) and returned the case to circuit court for oral arguments and trial. The district, a single school serving about 115 students in Clatsop County, sued more than two years ago over the Western Oregon State Forest Habitat Conservation Plan (HCP), approved by the Board of Forestry, which reduces logging by an average of 20% across western Oregon state forests over 70 years, and by roughly 35% in the Clatsop State Forest, to protect watersheds and 17 threatened or endangered species. Jewell currently draws enough revenue from Clatsop State Forest timber sales that it does not qualify for the state school fund. The case turns on a 2010 administrative rule directing ODF to manage state-forest harvest levels so the agency can fund itself; timber revenue covers roughly 98% of the department's operating and administrative costs.

30-Year Mortgage Rate Climbs to 6.51%

Freddie Mac's Primary Mortgage Market Survey (PMMS) put the average 30-year fixed-rate mortgage at 6.51% for the week ended May 21, up 15 basis points from 6.36% a week earlier and the highest reading of the spring; a year earlier the 30-year stood at 6.86%. The increase tracked a mid-week climb in the 10-year Treasury yield, which reached a 16-month high near 4.67% before easing to about 4.57% on Thursday. Rising financing costs have been the steady counterweight to an otherwise stable spring demand picture, even as builders continued to lean on incentives and price cuts to move inventory.

■ DEEP DIVE: SPRING 2026 IN REVIEW

Prices Held a Narrow Range While Mills Carried the Weight

The spring price story was a flat line held up from underneath. Madison's cash benchmark stayed in a $522–$524 band for most of the season, and CME futures held below $600 from early April onward; the May contract settled at $631 before the July contract took the front month near $585. The framing-lumber composite closed the first quarter at $468.50 per thousand board feet (MBF), up 16.4% year-over-year. Interfor idled its Ear Falls, Ontario sawmill in the first quarter and curtailed Nairn Centre and Gogama in April; West Fraser wound down its High Level, Alberta oriented strand board (OSB) mill; Conifex began a seven-week curtailment at Mackenzie, British Columbia (BC) on May 19; Western Forest Products' Chemainus mill stayed idle; and Canfor said its Swedish subsidiary would permanently close two sawmills. Prices ended the spring stable because capacity kept leaving, even as demand stayed soft.

Demand Was Soft but Stubborn, and Rates Worked Against It

Builder sentiment found a floor and came off it. The National Association of Home Builders (NAHB)/Wells Fargo Housing Market Index (HMI) fell to 34 in April, its lowest reading since September 2025, then recovered to 37 in May, a 25th consecutive month below the break-even level of 50. Housing starts ran 1.507 million in March and 1.465 million in April, holding above year-ago activity without accelerating. What weighed on the season was the cost of money. The 30-year mortgage touched 6.23% in April, its low across the last three spring seasons, and has since climbed to 6.51%; the 10-year Treasury yield rose from roughly 4.30% in mid-April to a 16-month high near 4.67%. April consumer inflation came in at 3.8%, the hottest reading since May 2023. Demand held through the spring; financing it never got cheaper.

Every Fiber Source Got Harder to Count On

Trade and federal policy spent the spring narrowing the supply map. The Commerce Department's preliminary seventh administrative review set a country-wide antidumping and countervailing duty (AD/CVD) rate near 24.83%, down from 35.16%. The 10% Section 232 tariff in effect since October 2025 sits on top of it, leaving all-in exposure on Canadian softwood near 35% ahead of an August final determination. Commerce also reaffirmed its orders on Chinese wood mouldings and millwork; preliminary results in early May kept rates high enough that roughly two dozen Chinese exporters recorded no US entries. Federal timber stayed tied up in court: a judge vacated the Bureau of Land Management's (BLM) Blue and Gold Harvest Plan in Douglas County, Oregon, even as BLM advanced a Western Oregon plan that would lift the harvest on the Oregon and California Railroad grant lands (O&C) toward a billion board feet a year. Canadian imports, Chinese millwork and federal logs all became less dependable over the same ten weeks.

The Summer Setup: Rates, Fire, and an August Deadline

Summer opens with the calendar loaded. New Federal Reserve Chair Kevin Warsh chairs his first Federal Open Market Committee (FOMC) meeting on June 16–17, the session that sets the rate path for the second half of the building year. BLM is expected to publish the draft environmental review of its Western Oregon harvest plan around June 12, and the seventh administrative review duty rate finalizes in August. The West is also set up to burn: Oregon recorded its warmest winter on record and a snowpack near one-third of normal, 82% of the state sat in drought by mid-May, and the National Interagency Fire Center (NIFC) projects above-normal wildfire potential across the Northwest from June into August. The conditions that defined the spring carry into the summer: capacity discipline, a higher rate structure, steady demand, and now a fire season layered on top.

WHAT YOU MISSED YESTERDAY

Thursday, May 21 — business, markets, and the broader economy.

- US stocks closed higher, with the Dow Jones Industrial Average finishing at a record. The S&P 500 added 0.2% to 7,445.72 and the Nasdaq Composite rose 0.1% to 26,293.10, after Secretary of State Marco Rubio cited “good signs” of a deal to end the Middle East conflict.
- The 10-year Treasury yield eased to about 4.57%, backing off the 16-month high near 4.67% reached earlier in the week.
- WTI crude fell to roughly $99.50 a barrel, down nearly 6% over two sessions, as US–Iran talks pointed toward reopening the Strait of Hormuz; Brent settled below $103.
- Dell rose about 16% after a round of analyst price-target increases, and Qualcomm gained about 12% after Stellantis expanded a multi-year technology collaboration.

INDUSTRY & COMPANY NEWS

- **Bingaman & Son**, a hardwood producer in Kreamer, Pennsylvania, promoted Tyler Shields to chief operating officer and said it will install two new dry kilns this summer, adding hardwood drying capacity at the family- and employee-owned mill.
- **Ganahl Lumber Company**, a Southern California building-materials retailer, agreed to acquire the assets and real estate of Nichols Lumber, with the transaction expected to close within about 30 days. The deal extends a run of dealer consolidation on the West Coast.
- **Robbins Lumber** — Federal and state investigators continued the origin-and-cause examination at the Searsmont, Maine sawmill, where a May 15 silo dust explosion killed a volunteer firefighter and injured twelve. The ATF, with about 30 personnel on scene, and the Maine State Fire Marshal's Office expect to conclude the on-site phase within days; a cause has not been determined.

■ SPRING SCORECARD

INDICATOR	LEVEL	SPRING TREND
CME lumber futures (Jul)	**$585/MBF**	Rangebound below $600 since early April
Madison's cash benchmark	**$522/MBF**	Flat in a $522–$524 band through May
30-yr fixed mortgage	**6.51%**	Up ~28 bp from the April low near 6.23%
10-yr Treasury yield	**4.57%**	Up from ~4.30% in mid-April
NAHB/Wells Fargo HMI	**37**	Off the April low of 34; 25th month below 50
WTI crude	**$99.50/bbl**	Down ~6% over two sessions on Iran talks

■ THE BOTTOM LINE

Three things for the long weekend. The spring's price floor was a supply story: Interfor, Conifex, Western Forest Products, West Fraser and now Canfor kept pulling capacity, and a $522 benchmark held because of it. April's data shows demand that is durable but capped, with starts above year-ago levels and permits up 5.8%, none of it accelerating against a 30-year mortgage at 6.51%. And the summer is front-loaded with decisions — Warsh's first FOMC, the June 12 draft Western Oregon plan, the August duty finalization, and a fire season the West is primed for. The balance that defined the spring carries straight into it.