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Cabinetry Edition
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THE LUMBER DAILY

MARKET PULSE | Lumber $588 | WTI $87 | Diesel $5.59 | S&P 7,580 | 10yr 4.46%

TOP STORIES

MasterBrand Closes All-Stock Merger With American Woodmark; Combined Company Is North America's Largest Public-Company Cabinet Manufacturer

MasterBrand, Inc. (NYSE: MBC) and American Woodmark Corporation (NASDAQ: AMWD) closed their previously announced all-stock merger on Thursday, May 28. Each American Woodmark share was converted into 5.150 shares of MasterBrand common stock plus cash for fractional shares, and American Woodmark shares were delisted from Nasdaq. MasterBrand drew the full $375 million available under its Term Loan A on the closing date and used the proceeds to repay and terminate American Woodmark's existing indebtedness of approximately $367.5 million. The combined company keeps the MasterBrand name and expects approximately $90 million in annual run-rate cost synergies by the end of year three and earnings-per-share accretion in year two. MasterBrand's stable of brands -- Aristokraft, Diamond, Kemper, Mantra, Echelon, Omega -- now sits alongside American Woodmark's Timberlake, Shenandoah, Waypoint Living Spaces, and 1951 Cabinetry. The new company is the largest publicly traded residential cabinet manufacturer in North America, with combined fiscal-2025 revenue in the $4 billion range and exposure across dealer, builder, and home-center channels.

April New Single-Family Home Sales Fall 6.2% to 622,000 SAAR; Months' Supply Climbs to 9.4

Sales of newly built single-family homes ran at a seasonally adjusted annual rate (SAAR) of 622,000 units in April, the U.S. Census Bureau and the U.S. Department of Housing and Urban Development (HUD) reported Thursday. That is 6.2% below the revised March pace of 663,000 and 11.3% below the April 2025 rate of 701,000. The median sales price of new homes sold in April was $422,500, up 8.0% from March and 2.2% from a year ago, as the mix shifted toward larger and more expensive homes. The seasonally adjusted estimate of new homes for sale at the end of April rose to 489,000, representing a 9.4-month supply at the current sales rate; that is well above the 6-month level historically associated with a balanced market and matches the highest supply readings of the cycle. The print follows April single-family housing starts at 930,000 -- down 9% from March -- released May 21, and reinforces a demand-side slowdown in the new-construction channel even as the average 30-year fixed-rate mortgage in the Freddie Mac Primary Mortgage Market Survey (PMMS) sits at 6.53%.

Pacific Forestry Centre Study: Only 17% of British Columbia Secondary Wood Manufacturers Are Fully Efficient

Natural Resources Canada's Pacific Forestry Centre published a study on Saturday, May 30, finding that British Columbia's secondary wood manufacturing sector trails the province's sawmill and panel sectors on long-run productivity measures. The study, authored by Lili Sun, Rico Chan, and Bryan Bogdanski, defines secondary wood manufacturing as further processing of lumber into intermediate and finished products and breaks the sector into cabinets, engineered wood products (EWP), furniture, millwork, other wood products, pallets and containers, remanufactured products, and shakes and shingles. Of 143 BC firms in the sample, only 17% are fully efficient on the study's aggregate measure, and technical-efficiency scores indicate most could cut wood and labor use by between 14% and 49% without producing less. The BC survey base shows 680 firms employing approximately 16,888 full-time equivalent workers and generating C$4.46 billion in 2016 sales. The finding lands as Ottawa's Canadian Forest Sector Transformation Task Force roadmap, delivered April 16, prioritized diversification and reskilling in value-added wood as a counterweight to the BC primary-sector contraction.

■ DEEP DIVE: U.S. CABINETRY POST-MERGER: TARIFF STACK, TRADE ACTIONS, AND THE CONSOLID

What the Combined Company Looks Like

The MasterBrand-American Woodmark combination unifies two of the three largest U.S. residential cabinet manufacturers under one public-company roof. MasterBrand entered the deal as the leader in stock and semi-custom kitchen and bath cabinets sold primarily through dealers and builders; American Woodmark's strength was in builder direct and home-center channels (notably The Home Depot under the Timberlake and Waypoint brands). Combined revenue runs in the $4 billion range based on the most recent fiscal-year disclosures from each company, with operating margins under pressure since 2023 from input cost inflation, soft new-construction volume, and the 2025 Section 232 tariff layer on imported derivative products. The $90 million run-rate synergy target -- to be achieved by the end of year three -- centers on procurement consolidation, manufacturing-network optimization across more than 30 facilities, and overlap in selling, general, and administrative expense. The combined footprint covers stock framed and frameless lines, semi-custom, and made-to-order, with manufacturing concentrated in the U.S. Midwest, Southeast, and Mexico. The largest remaining cabinet peer at scale, Cabinetworks Group, is privately held; the nearest public-company competition sits in adjacent categories (Builders FirstSource, Inc. (BLDR) in distribution; Fortune Brands Innovations in builder-product categories).

The Section 232 Tariff Stack on Cabinets and Vanities

The combined company operates under the U.S. Section 232 derivative-wood-products tariff stack put in place by Presidential Proclamation in September 2025 and amended in December 2025. As of today, imports of upholstered wooden furniture and of kitchen cabinets and vanities face a 25% tariff. The original proclamation had set a scheduled escalation effective January 1, 2026; the December 2025 amendment deferred that escalation until at least January 1, 2027, leaving the 25% rate in force for the balance of 2026. Section 232 sits on top of any country-specific antidumping and countervailing duties, including the existing orders on wood mouldings and millwork from China (recently the subject of an expedited first sunset review at the U.S. Department of Commerce). The cabinet-tariff stack reduces the competitive position of import-heavy regional distributors and concentrates volume in domestic manufacturing -- precisely the footprint MasterBrand and American Woodmark just combined. The U.S. Department of Commerce was directed under the same proclamation to deliver to the President by October 1, 2026, an update on imports of hardwood timber and lumber to determine whether additional duties on those categories are warranted.

The Canadian Safeguard Inquiry Layer

Canada is opening its own trade-action layer on the same product categories at the same moment. The Canadian International Trade Tribunal (CITT) initiated a global safeguard investigation on April 21 covering three product groups: wooden kitchen cabinets and bathroom vanities made from solid wood and engineered wood; solid wood and engineered wood flooring; and storage units. CITT posted questionnaires to domestic producers, importers, and foreign producers on May 15 and is requiring responses by June 5 -- this Friday. Hearings begin October 1. The Canadian inquiry parallels the U.S. Section 232 derivative-products action in structure: a domestic-industry petition asking for relief from import surges, with the result either tariff-rate quotas, surcharges, or safeguard duties. For U.S. manufacturers, the Canadian action does two things at once. It potentially restricts U.S.-origin cabinet, vanity, flooring, and storage exports into Canada; and it pressures imports into Canada from third countries (China, Vietnam, Mexico) toward redirection into the U.S. market, where they would land into the 25% Section 232 rate. Combined with the MasterBrand-Woodmark consolidation, the net effect is a North American cabinetry market in 2026 with fewer public-company manufacturers, two parallel tariff walls, and a structurally lower volume of imports.

WHAT YOU MISSED YESTERDAY

Friday, May 29 - month-end equity records, WTI's worst month in over a year, S&P notches a ninth straight weekly gain.

- The S&P 500 added 0.22% to close at 7,580.06, the Nasdaq Composite added 0.20% to 26,972.62, and the Dow Jones Industrial Average added 0.72% to 51,032.46. Friday closed the month with the Nasdaq up roughly 8% in May, the S&P 500 up roughly 5%, and the Dow up roughly 3%; the S&P 500 logged its ninth consecutive weekly gain.
- WTI crude settled at $87.36 per barrel, down 1.73% on the day. The May contract loss of approximately 17% was WTI's worst monthly performance since April 2025, driven by progress toward a U.S.-Iran agreement that, if confirmed, would relieve Hormuz disruption risk.
- Lumber futures (CME LBR June) settled at $587.50 per thousand board feet, off 0.09% on the day and broadly unchanged on the week, holding the narrow corridor that has framed prices since mid-May.
- The 10-year U.S. Treasury yield ended the week near 4.46%, off the 16-month high of 4.70% touched May 20; the 30-year fixed-rate mortgage in the Freddie Mac PMMS held at 6.53%.
- U.S. Bureau of Economic Analysis (BEA) Q1 corporate profits from current production fell, consistent with the May 29 second-estimate downward revision to first-quarter U.S. gross domestic product (GDP); U.S. Department of Labor initial jobless claims for the week ending May 23 totaled 215,000 (four-week moving average 209,000).

INDUSTRY & COMPANY NEWS

- **Robbins Lumber, Inc.** resumed full mill operations on Tuesday, May 26 at its Searsmont, Maine sawmill following the April 30 silo dust ignition that killed a responding firefighter and injured 12 mill workers and emergency responders. The Maine State Fire Marshal and the ATF classified the on-scene cause investigation phase as complete on May 16; mill processing recommenced May 26 with the damaged silo previously removed.
- **U.S. Forest Service** is investing more than $80 million from the Land and Water Conservation Fund (LWCF) to support 15 congressionally approved Forest Legacy projects in 2026, permanently conserving over 34,000 acres of privately owned working forest across 11 states. Notable Oregon awards include the Lostine Legacy Forest ($3.75 million) and Madrone Ridge Forest ($5.56 million). Three projects -- Curley Creek Woodland and McNall Family Forest in Idaho, and Madrone Ridge in Oregon -- sit within 10 miles of landscapes identified as high wildfire risk.
- **Public Safety Canada and Natural Resources Canada** launched the country's first national reserve of firefighting aircraft on Tuesday, May 26, to backstop provincial wildfire response capacity ahead of a 2026 season Natural Resources Canada modelling shows builds through July with British Columbia at the highest sustained risk. Alberta's Whitecourt Forest Area has logged 19 wildfires year-to-date covering approximately 132 hectares; province-wide hiring brought on more than 550 wildland firefighters this season.

■ DEMAND READS & WEEK-CLOSE BENCHMARKS

INDICATOR	LEVEL	NOTE
April new single-family home sales (SAAR)	**622,000**	-6.2% M/M; -11.3% Y/Y
April new-home median price	**$422,500**	+8.0% M/M; +2.2% Y/Y (mix shift)
April new-home months' supply	**9.4**	Highest of cycle; 6.0 historically balanced
April single-family housing starts (SAAR)	**930,000**	-9.0% M/M (released May 21)
CME lumber futures (May 29 settle)	**US$587.50/mbf**	-0.09% D/D; held mid-May corridor
WTI crude (May 29 settle)	**$87.36/bbl**	-1.73% D/D; May -17% (worst since Apr 2025)
S&P 500 (May total return)	**+5.0%**	9th straight weekly gain; record close 7,580.06

■ THE BOTTOM LINE

Three things for Monday. The MasterBrand-American Woodmark close puts the U.S. residential cabinet category under a single public-company roof at the same moment Canada's safeguard questionnaire window is open on cabinets, vanities, flooring, and storage and the U.S. Section 232 stack holds 25% on imported derivative wood furniture and cabinetry through at least January 1, 2027; that is a structurally fewer-supplier, higher-tariff market for the back half of 2026 and the volume the combined entity captures runs against weaker demand reads -- 622,000 new-home sales, 9.4 months' supply, single-family starts at 930,000 -- not stronger ones. The Pacific Forestry Centre finding that only 17% of BC's secondary wood manufacturers are fully efficient lands inside that same demand environment, and the productivity gap it documents is the lever the Carney government's transformation roadmap is asking the value-added sector to close. Friday's record S&P 500, WTI's worst month in over a year, and the 10-year easing off the 4.70% high give a benign rates-and-energy backdrop for the moment, but the new-home channel is doing the work of pricing in a higher mortgage rate that has not eased.