THE LUMBER DAILY

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MARKET PULSE | Lumber $617 | WTI $70 | S&P 7,358 | 10yr 4.45%

TOP STORIES

Australian Manager Buys Its First Washington Forest as Carbon Money Crowds In

New Forests, a Sydney-based timberland manager, has acquired its first forest in Washington State, a 44,200-acre Douglas-fir and western hemlock plantation, from Campbell Global, the timberland arm of JPMorgan. Neither side disclosed a price. The deal landed days after New Forests opened a $1 billion fundraising round for its first global fund, and it extends a United States holding that already runs from Northern California through Southwestern Oregon to the South. New Forests manages about $7.19 billion across more than 11.4 million acres worldwide and ranks the Pacific Northwest second only to the US South among its target markets. The estate sits near domestic mills and log-export terminals, and the buyer plans an active harvest program alongside new carbon projects, conservation easements and renewable energy. The purchase is the latest in a two-year run of global capital moving into Northwest timber, where carbon revenue and export access to Japan, China and South Korea now compete directly with the sawlog bid.

Forest Service Invokes Emergency Powers to Salvage Storm Timber Across Six Northern Forests

The US Forest Service will fast-track salvage of wind-toppled timber across six national forests in northern Idaho and western Montana under emergency authorities, compressing a review the agency says normally takes years. The 2026 Emergency Blowdown project covers pockets of downed trees within the Nez Perce-Clearwater, Idaho Panhandle, Lolo, Flathead, Bitterroot and Kootenai national forests, after back-to-back windstorms in December 2025 and March flattened stands and buried roads. President Trump approved a major disaster declaration for both states in April, which the agency cites as the basis for the emergency footing. Emergency rules let crews begin work before the environmental analysis and endangered-species consultation are finished, and the public comment window closes Monday. The agency has not named specific harvest sites, noting only that downed timber loses commercial value within months as bark beetles move in; white fir and ponderosa pine fade within a year, while Douglas-fir and larch hold for about two. A final decision is expected in 2027, with harvesting slated to run three to five years.

First-Quarter Growth Revised Up to 2.1% as Durable-Goods Orders Slide

The Bureau of Economic Analysis on June 25 raised its estimate of first-quarter gross domestic product (GDP) growth to a 2.1% annual rate, up half a point from the prior 1.6% reading, mainly because imports, which subtract from the total, were revised lower. The same morning brought a softer read on May: orders for durable goods fell 4.5%, matching forecasts but marking a steep monthly decline. The Bureau's May income report showed personal income and spending each up 0.7%, while the personal consumption expenditures (PCE) price index, the Federal Reserve's preferred inflation gauge, rose 4.1% from a year earlier and 3.4% excluding food and energy. Initial jobless claims came in at 215,000, below expectations and consistent with a labor market that is still firm. The mix points to an economy growing through the spring with inflation stuck above the central bank's 2% target.

■ DEEP DIVE: WHO'S BUYING THE NORTHWEST WOODS

The Bid Has Changed

For decades the value of a Northwest timberland sat mostly in its sawlogs. That calculation now includes carbon. New Forests said it will run an active harvest on its new Washington ground while developing carbon projects, and it is weighing conservation easements and renewable energy as added revenue. Western Douglas-fir and hemlock also carry an export option to Japan, China and South Korea that Southern pine largely lacks, giving Northwest owners a second outlet when domestic demand softens. A buyer underwriting a property on carbon storage and Asian export access can outbid a purchaser counting only on lumber margins.

A Two-Year Wave of Capital

The Washington deal is not isolated. Campbell Global, the seller and the timberland arm of JPMorgan, holds roughly $10 billion across 1.4 million acres and last year closed a $1.5 billion forest-and-climate fund, the largest timberland raise on record. An HSBC-backed manager bought a 68,000-acre Washington rainforest estate in early 2025 in its first US forestry deal. Insurance-linked managers have assembled impact-first timberland elsewhere in the country expressly to bank carbon. New Forests itself just opened a $1 billion global fund. The common thread is patient institutional money that values standing trees for more than the cut.

Why the Northwest

The pull toward Oregon and Washington is specific. The forests grow high-value Douglas-fir and hemlock, sit close to both domestic mills and deep-water export terminals, and qualify for carbon programs that price the region's dense, long-lived stands. Land that can sell logs at home, ship them to Asia, or hold them as carbon is worth more than land that can do only one of the three. That flexibility is what recent buyers are paying for, even with housing demand soft and lumber prices rangebound.

What It Means for the Log Deck

Ownership turnover changes who controls the regional log supply and on what terms. An owner monetizing carbon may harvest more slowly than a traditional timber company, tightening the flow of sawlogs to independent mills already short on fiber. The same owner may favor export buyers when overseas prices beat the domestic bid. As global funds add Northwest acreage, mills that buy on the open market will increasingly negotiate with managers whose returns do not depend on keeping a sawmill fed.

WHAT YOU MISSED YESTERDAY

Wednesday, June 24 - business, markets, and the broader economy.

- US stocks were mixed. The Dow Jones Industrial Average rose 0.35% to 51,848.90, while the S&P 500 slipped 0.10% to 7,358.22 and the Nasdaq Composite fell 0.43% to 25,476.64. The small-cap Russell 2000 closed at a record.
- The 10-year Treasury yield fell to about 4.45%, a second straight decline, as easing Middle East tensions pulled oil lower and cooled inflation worries.
- WTI crude dropped about 4.6% to roughly $69.87 a barrel, its first close below $70 in months.
- Large-cap technology shares weighed on the broad market, with losses in names such as Microsoft offsetting the Dow's advance.
- Micron Technology reported quarterly results after the closing bell.

INDUSTRY & COMPANY NEWS

- **European flooring producers** posted their first output gain since 2022, with parquet production across European Parquet Federation members up 5.87% in 2025 to nearly 59 million square meters. The federation credited definitive European Union anti-dumping duties of 21.3% to 36.1% on Chinese multilayer wood flooring, now set for at least five years, along with a modest pickup in renovation. Brussels has opened an anti-absorption inquiry to test whether Chinese exporters are absorbing the duties rather than passing them through.
- **US sawmill capacity** fell about 6% in the year through the first quarter of 2026, and output slipped for a second straight quarter, with more North American mills closing than opening over the stretch. The contraction has continued even as federal policy presses for higher domestic harvest, leaving independent mills competing harder for logs.

■ MARKETS & MACRO

INDICATOR	LEVEL	TREND
CME lumber futures	**$617/MBF**	Off the June high near $636
Q1 GDP (third estimate)	**2.1%**	Revised up from 1.6% on lower imports
May durable-goods orders	**-4.5%**	Steep monthly decline, met forecasts
Initial jobless claims	**215K**	Below consensus; labor market firm
WTI crude	**$70/bbl**	Multi-month low as Mideast risk fades
10-yr Treasury yield	**4.45%**	Down a second straight session

■ THE BOTTOM LINE

Three things for your Thursday. The ownership of Northwest timber is shifting toward managers who value carbon storage and Asian export access alongside sawlogs, and the New Forests purchase in Washington is the newest example of capital that can outbid a buyer counting only on lumber. Federal policy is pulling two ways at once, as emergency powers speed storm-felled Idaho and Montana logs to market while overall US sawmill capacity keeps shrinking. And the macro picture firmed for the first quarter, with growth revised up to 2.1%, even as May's drop in durable-goods orders and a 3.4% core inflation reading show an economy carrying its weight unevenly. The Northwest forest base is becoming more valuable to own and harder to buy from.
