THE LUMBER DAILY

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Weekend Edition
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MARKET PULSE | Lumber $618 | WTI $69 | S&P 7,354 | 10yr 4.38%

■ DEEP DIVE: THE HALF-YEAR MARK IN WOOD

A Rally Demand Did Not Build

Softwood lumber closed the first half firm. Front-month futures touched roughly $630 per MBF on June 22, an eight-month high, and settled near $618 on June 26. The move ran ahead of end demand, which stayed soft through spring. The drivers were trade policy and supply. A 10% Section 232 levy has sat on imported softwood since October, and buyers have been pulling orders forward against the next round of duty decisions. Tight domestic output did the rest. Prices that rise on scarcity and tariff timing behave differently from prices that rise on building activity, and they can give back ground quickly once the front-running fades.

A Soft Housing Floor

The demand side spent the half looking for a floor. May housing starts ran at a seasonally adjusted annual rate of 1.177 million, down 15.4% from April, with most of the drop in multifamily. Single-family starts held better at 882,000, off 1.9% on the month. Permits were steadier at 1.413 million, and single-family permits actually rose 0.6%. New-home sales fell 7.3% in May, with the West the weakest region as affordability bit. The read for wood products: the headline volatility is a multifamily story, while the single-family and repair-and-remodel channels that buy the most appearance-grade and millwork stock have held closer to flat.

Discipline on the Supply Side

Firm prices into soft demand point back to supply restraint. British Columbia producers spent the half managing output against a heavy duty load, with rolling curtailments and a steady drip of permanent capacity coming offline across the interior and coast. United States mills have leaned on capital projects and automation rather than added shifts. The result is an industry that has kept inventories lean enough that even tepid order files clear at higher numbers. That discipline is the reason a demand-light spring still produced an eight-month price high.

The Second-Half Setup

Two trade dates anchor the back half. Antidumping and countervailing duties on Canadian softwood reach their seventh administrative-review final determination, expected in late August. Separately, the Commerce Department owes a Section 232 assessment by October 1 on whether to extend tariffs to additional hardwoods and their derivatives, a decision the hardwood trade is watching closely. The macro backdrop turned friendlier into the half-year mark: WTI crude fell to about $69, its lowest since February, and the 10-year Treasury yield eased to 4.38%. Cheaper diesel and lower long rates lighten both the freight bill and the mortgage math heading into the fall building window.

■ THE WEEK AHEAD

- **The first half closes Tuesday.** The second quarter and the first half of 2026 end June 30, squaring books into a holiday-shortened week.
- **Canada Day pauses the north.** Canadian markets and many British Columbia and Ontario wood operations are closed Wednesday, July 1, thinning cross-border order flow midweek.
- **A compressed data slate.** With Friday dark, the usual start-of-month readings on manufacturing activity and construction spending land early in the week rather than spread across it.
- **Jobs report moves up to Thursday.** The June employment report publishes July 2, a day early, with consensus near 172,000 new jobs; it is the week's main macro print.
- **Markets closed Friday.** United States stock and bond markets are shut July 3 for the Independence Day holiday, and volumes thin into the long weekend.

■ KNOW YOUR WOOD: BIGLEAF MAPLE

The Tree and Its Range

Bigleaf maple (*Acer macrophyllum*) is the Pacific Coast's largest native maple and, alongside red alder, one of the few western hardwoods that reaches commercial size. Its range runs from British Columbia south to southern California, concentrated in moist lowland woods and along streams in the coastal ranges and the northern Sierra Nevada. The name comes from its leaf, the largest of any maple. Almost all of the commercial resource comes from natural stands rather than plantations, which shapes both supply and the hunt for figure.

Working Properties

The wood is fine-grained and of moderate weight and hardness, running about 34 pounds per cubic foot at 12% moisture content (MC). Its strength is good for its density: stronger than the soft maples in most tests, though it falls short of the eastern hard maples. Sapwood is reddish-white, sometimes with a grayish cast, over a light pinkish-brown heartwood. It machines and finishes cleanly, which is why it shows up in furniture, veneer, paneling, moulding, and turnery.

Why It Is Prized

Most bigleaf is straight-grained, but a fraction carries dramatic figure: quilted, fiddleback, curly, and birdseye patterns. The highest grades of quilted figure occur primarily in this species, and that scarcity drives a premium market. Luthiers and high-end furniture makers buy figured bigleaf by the board foot for guitar backs, drop tops, and accent panels, paying multiples of what plain stock fetches.

In the Market

Plain bigleaf typically moves within the soft-maple group, where it competes on price as a paint-grade and utility hardwood. The figured material lives in a different economy entirely, graded by the eye and sold to a specialty buyer base. Because the resource is wild rather than managed for timber, high-figure logs are found, not farmed, and a single exceptional log can be worth more than a truckload of clear straight-grained lumber.

■ HALF-YEAR SNAPSHOT

INDICATOR	LEVEL	TREND
Lumber futures (front month)	**$618/MBF**	Near an 8-month high on duty front-running
WTI crude	**$68.86/bbl**	Lowest since February; back to pre-war levels
10-year Treasury yield	**4.38%**	Eased below 4.5% as oil fell
S&P 500	**7,354**	Off about 2% on the week; tech rotation
Housing starts (May, annual rate)	**1.177M**	Down 15.4% on the month, multifamily-led
Building permits (May, annual rate)	**1.413M**	Down 0.7%; single-family permits +0.6%

■ THE BOTTOM LINE

Three things for your Sunday. First, the half closed with softwood at an eight-month high, but the strength came from the 10% Section 232 levy, duty front-running, and lean supply rather than from building activity, so the gains lean on trade timing more than on order files. Second, housing's softness in May was largely a multifamily drop; single-family starts and permits and the repair-and-remodel channel that buys the most appearance-grade and millwork stock held closer to flat. Third, the back half turns on two trade dates, a late-August softwood duty determination and an October 1 Section 232 hardwood assessment, set against a friendlier backdrop of $69 crude and a 4.38% 10-year as the fall building window approaches.

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