

TOP STORIES

Ottawa and Washington Meet Again With the 50 Percent Tariffs Two Days Out

Canada's trade minister Dominic LeBlanc spoke with US Trade Representative Jamieson Greer on Sunday afternoon, a roughly hour-long virtual session his office described as taking stock of the negotiating teams' work with the Wednesday deadline approaching. Absent a deal, 50 percent tariffs under Section 338 of the Tariff Act of 1930 take effect August 19 on a basket of Canadian goods that includes plywood, veneer, wooden furniture and select paper lines. Softwood lumber itself is not on the Section 338 list. Reporting based on officials briefed on the talks says the two sides remained far apart as of Friday. Any agreement Washington will sign is said to keep some tariff on steel, aluminum, autos and lumber, and US negotiators have shown no interest in reducing the softwood stack, which sits at about 45 percent combined: a 10 percent Section 232 tariff plus 35.16 percent in antidumping and countervailing duties (AD/CVD). Canada reportedly had to fight to get softwood onto the negotiating table at all. A tariff of 10 to 15 percent on USMCA-compliant autos and parts, down from the current 25 percent, has been discussed, and Washington is pressing for American alcohol to return to provincial liquor shelves. Conservative leader Pierre Poilievre said Sunday that any deal must remove US tariffs on Canadian lumber.

Army Infantry and Overseas Crews Join the Fire Lines at Preparedness Level 5

About 240 soldiers from the 1st Battalion, 23rd Infantry Regiment at Joint Base Lewis-McChord are cutting and patrolling fire line on the Modrite fire near Inchelium, Washington, on the Colville Reservation. The battalion arrived at a forward operating base August 9 after completing Forest Service wildland training in July and is working under the civilian incident command structure. Three 15-member incident management teams and 196 fireline personnel from Australia and New Zealand are assigned to the Northwest and Great Basin, and four Modular Airborne Fire Fighting System (MAFFS) C-130 airtankers are staged at Klamath Falls, Oregon and Redding, California. Sunday's national situation report held the country at preparedness level 5 with 87 uncontained large fires and 29,548 personnel committed; 48,848 fires year to date is 129 percent of the 10-year average, and the Northwest alone carries 41 uncontained large fires and 16,630 personnel. Little Giant, northwest of Leavenworth, Washington, has reached 132,351 acres at 10 percent containment with 26 structures lost, \$55.5 million spent, and full containment not projected before October 1. Grasshopper on Mt. Hood National Forest stands at 87,820 acres and 37 percent containment at \$58.6 million, with a new 2,016-acre fire, Austin, burning uncontained southeast of Estacada under the same command team. Near Spokane, the Old Trails fire reached 97 percent containment and command transferred back to the local unit Sunday.

A Three-Year-Old Startup Opens a \$15 Million Mississippi Sawmill, Calling It the First of 30

The Lumber Manufactory has opened a sawmill at the Glenfield Industrial Park in New Albany, Mississippi, a corporate investment the state puts above \$15 million with more than 50 jobs. The facility is operational and will cut dimensional lumber for residential and commercial construction from Mississippi pine sawtimber, which the state notes gives private landowners another outlet for their timber. The company was founded in 2023 by a team of executives who helped build Anduril, Blue Origin and Nvidia, and it describes the New Albany operation as the first of 30 planned sawmills. The Mississippi Development Authority is assisting through the Mississippi Flexible Tax Incentive (MFLEX) program.

■ DEEP DIVE: THE DEMAND CHECK

Builder confidence ticks up to 35

The National Association of Home Builders (NAHB)/Wells Fargo Housing Market Index rose one point to 35 in August, released Monday morning, against economist expectations of a third straight decline to 33. The subindex for current single-family sales rose to 39, its highest since May, from 37 in July, while the gauges of future sales and prospective-buyer traffic were unchanged. Sentiment edged up in the Northeast, South and West and was flat in the Midwest. August is the 16th consecutive month the headline index has sat below 40, the longest such stretch since 2012, and it has not crossed the 50 line that marks positive conditions in more than two years. NAHB chairman Bill Owens said builders continue to contend with high construction costs, weak spec building and buyers staying on the sidelines, with gasoline above \$4 a gallon and diesel averaging \$5.45, roughly 50 percent above last August.

The consumer pulled back in July

US retail and food-service sales fell 0.6 percent in July to \$763.6 billion, the steepest monthly drop in more than a year, where forecasters had expected a small gain. Spending weakened across motor vehicles, online retail and gasoline stations. The Federal Reserve's consumer-credit report showed total outstanding credit at \$5.17 trillion in the second quarter, growing at a 2.6 percent seasonally adjusted annual rate, slower than the first quarter and below the year-ago pace. The Mortgage Bankers Association's application volume fell 6.6 percent in July from June, and the 30-year contract rate stood at 6.77 percent in the week ended August 7, near its highest in more than a year even after its first weekly decline since mid-June.

Single-family down, multifamily up

Nationwide single-family permits reached 465,301 over the first six months of 2026, down 4.2 percent from 485,935 in the same period last year. Multifamily permitting reached 255,751 permits, up 4.5 percent. Year-to-date single-family permitting declined in all four regions: the Northeast fell 10.2 percent, the West 6.8 percent, the South 3.6 percent, and the Midwest was essentially flat. The homeownership rate held at 65 percent in the second quarter, unchanged from a year ago. Credit for the supply side is still tightening, with NAHB's net easing index for residential acquisition, development and construction (AD&C) loans at minus 12.0 in the second quarter. The July starts and permits report from the Census Bureau lands Tuesday morning.

The cost side of the ledger

Softwood lumber producer prices are up 15 percent from a year ago on the July data, and residential building materials excluding energy rose 0.4 percent in July and 5.0 percent year over year. August marked the 16th straight month in which at least 30 percent of builders reported cutting prices to support demand, and the average reduction held at 6 percent, unchanged from July. Nearly two-thirds of builders offered some form of sales incentive.

WHAT YOU MISSED YESTERDAY

Friday, August 14 — business, markets, and the broader economy.

- **Stocks:** The S&P 500 slipped 0.2 percent Friday to 7,785.76 from Thursday's record close, still finishing a third straight weekly gain at +0.4 percent. The Dow closed at 53,732.41, down 0.2 percent Friday and 0.6 percent for the week; the Nasdaq closed at 26,729.16, down 0.3 percent Friday but up 0.1 percent for the week. Stocks slipped after July retail sales came in weaker than expected.
- **Rates:** The 10-year Treasury yield ended the week just below 4.7 percent, with the 30-year near 5.27 percent. Traders pared September rate-hike bets after the retail print; minutes of the July Federal Reserve meeting are due Wednesday.
- **Oil:** WTI settled at \$82.40 Friday, up 1.4 percent, and Brent at \$88.52 after two tankers were reported attacked in the Strait of Hormuz Thursday night. WTI gained 5.4 percent on the week and Brent 6 percent.
- **Weekend:** Trump was reported to have suggested declaring the Strait of Hormuz a US territory, an idea Iran rejected.
- **Autos:** Stellantis is seriously considering closing its Brampton, Ontario assembly plant, according to Unifor, as auto tariffs remain a sticking point in the Canada-US talks.

INDUSTRY & COMPANY NEWS

- **Dorel Industries** sold its Tiffin, Ohio home-furnishings facility for net proceeds of approximately US\$12.5 million, the Montreal-based company said Thursday, continuing the wind-down of owned plant capacity in its Dorel Home segment.
- **Remmert & Company** announced a new division focused on large-scale cabinetry, millwork and interior packages for multifamily construction across the Southeast, moving the architectural woodwork firm beyond its custom commercial base.
- **BC's Ministry of Forests** is proceeding with permanent deactivation of the Incomappleux forest service road near Trout Lake, closed since 2005, gated since 2017 and slated for deactivation since 2021 after a rockfall compromised a bridge. Property owners, backcountry users, industry and environmental groups oppose the move, which would leave about 140 parcels held by 28 landowners along an eight-mile stretch without road access.
- **Old-growth protest on Vancouver Island:** demonstrators, including a Pacheedaht elder, blocked a logging road near Port Renfrew where old-growth cutting was expected to begin. The province says more than 27 million acres of old growth remain in BC; scientists cited in the reporting put the remaining productive old growth capable of growing the largest trees at roughly one million acres.

■ MARKETS, SENTIMENT & FIRE SNAPSHOT

INDICATOR	VALUE	TREND
S&P 500 (Fri close)	7,785.76	Down 0.2% Friday; third straight weekly gain
WTI crude (Fri settle)	\$82.40	Up 1.4% Friday; +5.4% on the week
Brent crude (Fri settle)	\$88.52	Up 6% on the week after reported Hormuz tanker attacks
Consumer sentiment (Aug prelim)	51.0	Down from 55.2 in July; well short of forecasts
US wildfire acres YTD	7.2M	169% of the 10-year pace; preparedness level 5

■ THE BOTTOM LINE

Negotiators met again Sunday with the 50 percent tariffs two days out and softwood relief reportedly not on the table. Army infantry, Australian and New Zealand crews, and military airtankers are now working US fire lines in a season running 169 percent of the 10-year acreage pace. A three-year-old startup opened a \$15 million pine sawmill in Mississippi and says 29 more are planned. Builder confidence edged up to 35, July retail sales fell 0.6 percent, and single-family permits are down 4.2 percent for the half. The July housing starts report lands Tuesday morning, one day before the tariff deadline.