



WHAT IS "LUMBER MARKET BLUEPRINT"?

30-60-90 Day Softwood Framing Lumber Forecast With Buying & Bidding Strategies

Mastering the lumber market requires a plan...and ACTION!

"CADDA"

- Collect information,
- Analyze the data,
- Determine a likely impact,
- Decide on a course of action,
- Act

Lumber Market BLUEPRINT is the monthly publication of Layman's Lumber Guide Forecasting Suite that provides a 30-60-& 90 day forecast with buying and bidding strategies to...

... best Manage Inventory Turns...having more or less lumber at the appropriate time.
...correctly Bid Future Jobs...protecting profits in rising lumber markets and securing jobs in falling markets.

LUMBER MARKET BLUEPRINT combines statistical analyses and fundamental influences including...

- weather disruptions,
- seasonal housing demand,
- lumber dealer inventory accumulation and liquidation cycles,
- lumber mill production interruptions and accelerations,
- historical price relationships,
- jobsite productivity,
- lumber buyer intentions,
- and the ever-changing inventory shifts between lumber producers and lumber buyers.

All these components work together to create the unique **FTP's Forecasted Time & Price...**the same analytics used by Layman's Lumber Guide, LUMBER MARKET INTELLIGENCE for over 30 years. FTP's project "WHEN" lumber and OSB prices will most likely rise and fall...with 86% accuracy as well as how much price could change.

LUMBER MARKET BLUEPRINT illustrates this graphic forecast, along with specific 30-60-90 day buying and bidding strategies, that reduce and eliminate costly buying and bidding mistakes, create more profitable inventory turns to benefit from lumber price volatility when planning for the future.

LUMBER MARKET BLUEPRINT identifies what strategies are best executed...and when.

Looking Forward,
Matt Layman
Publisher



NOVEMBER 2017 LUMBER MARKET BLUEPRINT

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November 01, 2017

Evaluation

We began this year expecting increased volatility due to the strain of housing demand against tapped out production capacity and the uncertain outcome of the Softwood Lumber Agreement. Complicate the formula with the U.S. threatening to withdraw from NAFTA and lumber prices flirting with all time highs and this is what we get.

November lumber futures traded up \$31 over the past week. Today, on confirmation of the Canadian countervailing duties, the contract traded in a \$33 range; opening up \$5 then crashing \$28, then recovering \$10...\$43 of volatility in a single day.

30-Day Strategy-November

This could have been the peak of the 2017 lumber market's volatility. That does not mean it was the peak of the market. Building is still going strong and field inventories are turning quickly. Futures are simply retreating to its desired discount to cash.

30-Day Buys: This market is not through with its upside. Cover needs through year end.

30-Day Bids: Quote 30-day deliveries with a 5% adder to current prices. One day of futures irrationality does not signal the end of this bull market.

60-Day Strategy-December

December should begin with weakness as buyers position for lean year-end inventories. This will slow mill orders and result in excesses to sell at lower prices.

60-Day Buys: The masses will be looking for after-the-first deliveries. A 2-3% inventory tax is much less than the savings realized by relieving mills of year-end troubles. Mill truckload sales will pick up the last week of the year. Carload sales will increase at mid month.

60-Day Bids: Late December or two-month shipments can be quoted at the November 5% adder prices.

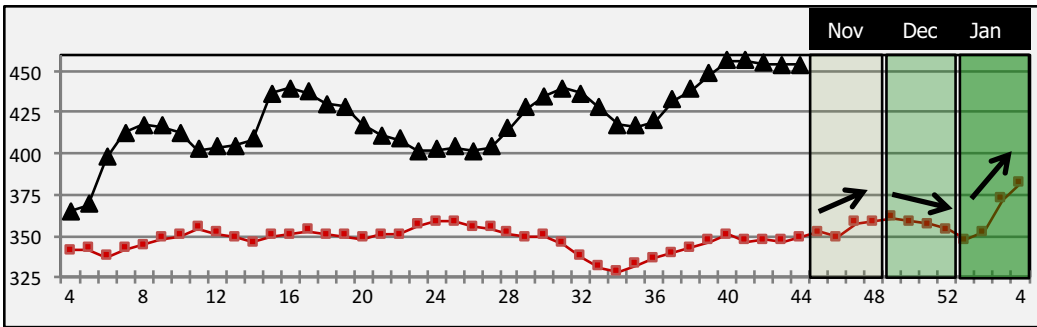
90-Day Strategy-January

January should begin with increasing buying momentum carrying over from year-end buying acceleration. Weather will be a factor. If the north is freezing and wet, the January rally will be brief. If warm and dry up north, the rally will continue.

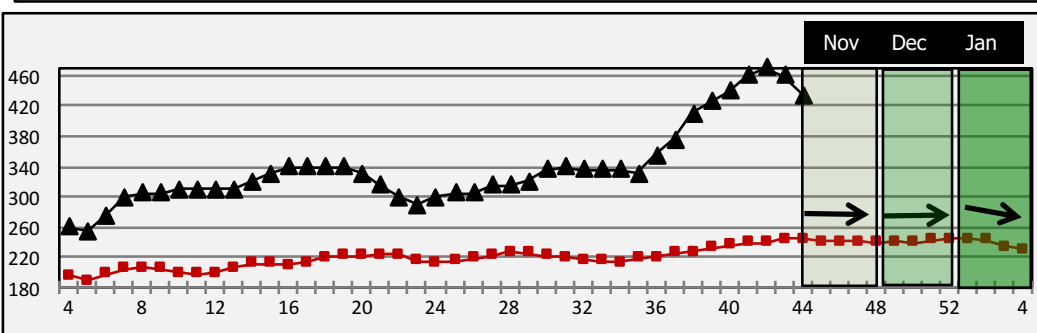
90-Day Buys: Look for a December pullback to cover needs through January and mid February.

90-Day Bids: January deliveries can be quoted the same as December. January inventory costs should remain stable with lower priced December buys already on hand.

Lumber Forecasted Time & Price - FTP's - (Red) [Forecasted Turning Date and Price Targets]
2x4 #2 Lumber Composite Price: SYP-E, SPF-W, Dry Hem Fir, Green Doug Fir SPOT PRICE .

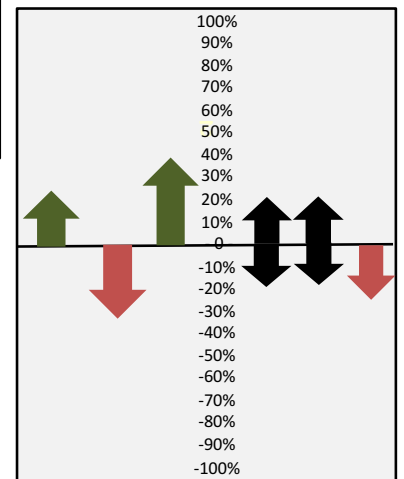


OSB FTP's Forecasted Turning Date and Price Targets
7/16 Oriented Strand Board (OSB) SPOT PRICE.



Blueprint Expectations

Lumber Nov Dec Jan
OSB Nov Dec Jan



FTP Bullish Sentiment