

Lumber Numbers

Week # **38**
Ending
September 21, 2012

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For a description of the Relative Value Tables, see the **Quick Start Guide for Tables**.

For an explanation of Relative Value Rankings, click on **FAQ**. See the question: **What is a Relative Value Ranking?**

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MARKET PERFORMANCE - Week 38

In this week, of the 8 markets tracked, **0** moved up, **8** went down and **0** remain unchanged.

The Hedge Group Market Breadth showed **3%** of items increasing, **76%** decreasing, and **21%** staying the same in price.

Hedge Group Breadth

	Number of Items with Price:		
	Increase	Decrease	Same
This Report	4 (3%)	122 (76%)	34 (21%)
Last Report	5 (3%)	99 (62%)	56 (35%)

LUMBER FUTURES

Friday, the **NOV-12** contract settled at **\$278.00**, **up \$0.70** from last week's closing price and is a **\$16 discount** to the cash market price. The **JAN-13** contract settled at **\$292.30**, **up \$1.30** and it is a **\$2 discount** to the cash market price.

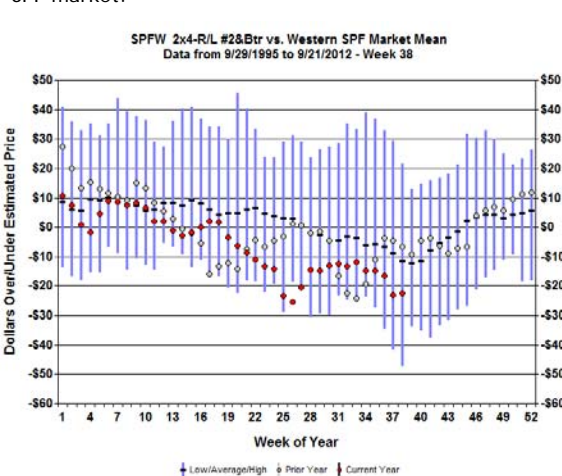
SEASONAL OUTLOOK

On average in week **39**, the lumber futures market falls **82%**, stays the same **0%** and gains **18%** of the time on average over the last 17 years. Based on the same time period, this market goes **down \$11.10** in price from the previous week.

CME Lumber	Last	5-DAY M Avg	5-DAY Low	5-DAY High	5-DAY Change	Support	Resist	9-DAY Raw Stoc	9-DAY Rel Str	5-DAY Avg Vol	Open Interest
NOV-12	278.00	275.68	272.50	281.80	0.70	276.27	280.77	63.46%	48.37%	426	5,787
JAN-13	292.30	289.34	285.60	293.10	1.30	290.10	293.80	90.12%	50.22%	105	1,778
MAR-13	299.60	298.90	296.50	303.00	-1.40	298.07	302.07	56.96%	44.28%	25	510
C.O.T. Report	Merchant		Swap	Managed Money		Other Reportables			Non Reportables		Open Interest
	Long	Short	Long	Long	Short	Long	Short	Spreads	Long	Short	
09/18/12	1,210	3,637	1,690	2,945	820	301	1,717	548	1,473	1,357	8,182
1 wk chg	159	-325	-5	84	122	-2	-34	354	-48	-71	-7

WESTERN SPF 2x4-R/L #2&Btr

Western SPF 2x4-R/L #2&Btr is **down \$4** in price from the previous week. The relative value of Western SPF 2x4 #2&Btr is at **6%** of its 15 year mean. Currently, this item is **\$22 undervalued** to the Western SPF market. If this item returns to its normal relationship to this market over the next twelve weeks, it will **rise \$26** relative to the price change of the Western SPF market.



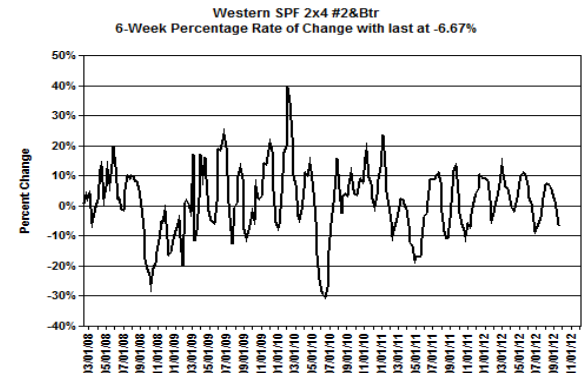
ITEMS OF THE WEEK

Of the 159 items tracked in Hedge Group one most **undervalued** is currently **SYP (Central) 2x10-RL No.2** at **\$86** below its historical relationship to the **WSPF 2x4-RL 2&Btr** market, if this item returned to normal relationship it would rise **\$100** over the next 8 weeks. An item most **overvalued** is currently **SPF (Bost) 2x10-RL 2&Btr** at **\$61** above its historical relationship, if this item returns to normal relationship it would fall **\$62** in 8 weeks.

FORECAST - Week 39

The model predicts that of the 8 markets reported **0** will rise, **8** will fall and **0** will remain unchanged.

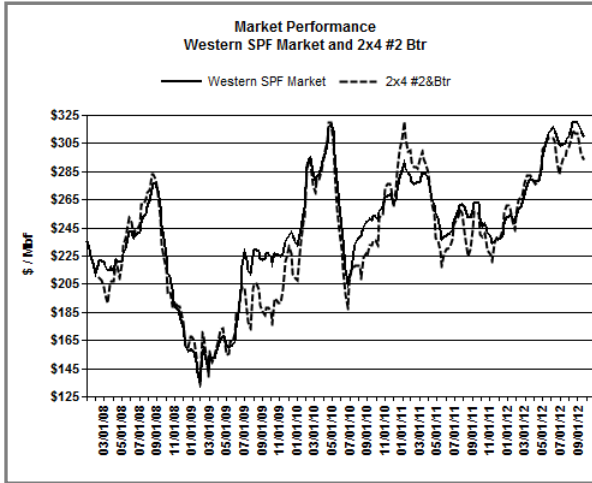
The Hedge Group is predicted to **decrease** by **\$3**.



The 6-Week Percentage Rate of Change measures the percentage change between this week and 6 weeks ago. This chart illustrates current market momentum compared to past market momentum.

MARKET PERFORMANCE - Week 38

This market is **down \$4 (1.3%)** from the previous week. It is at **68%** of its 15 year price range. The current level of **\$311** is **\$53 (20.5%) above** its 10-year median for this week. It remains **below** its **8 week moving average of \$316** and fell **below** its **13 week moving average of \$312**.



MARKET BREADTH - Week 38

The price of **0%** of items in the Western SPF market increased, **73%** decreased, and **28%** of the items stayed the same in price from the previous week.

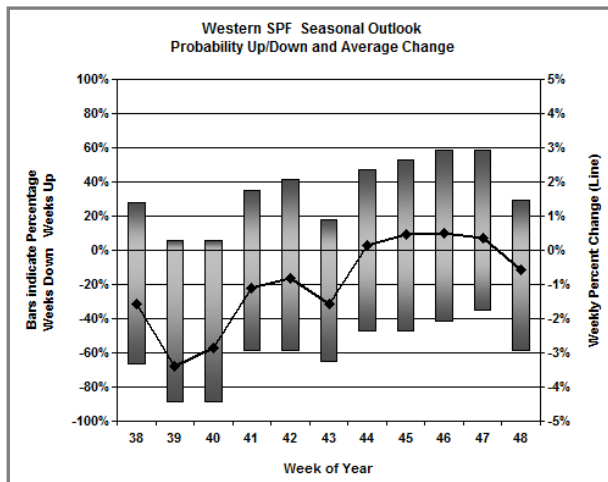
Western SPF Market Breadth

Number of Items with Price:

	Increase	Decrease	Same
This Report	0 (0%)	29 (73%)	11 (28%)
Last Report	0 (0%)	22 (55%)	18 (45%)

SEASONAL OUTLOOK - Week 39

On average the WSPF market has fallen **82%**, remained the same **18%** and gained **0%** of the time over the last **17 years**. On average, based on the same time period this market goes **down \$11.40** in price from the previous week.

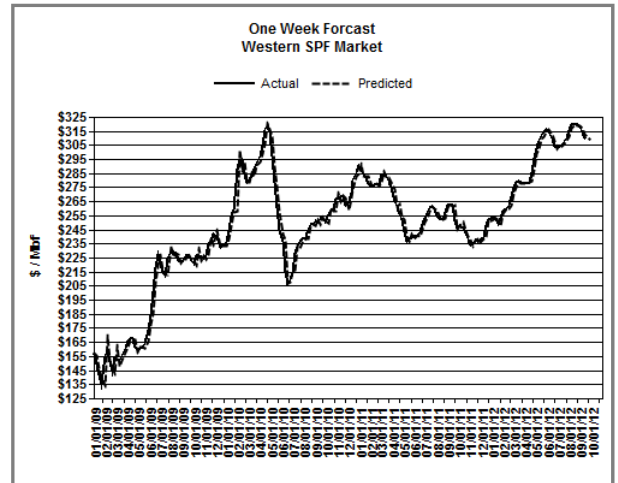


FORECAST - Week 39

The model predicts that the Western SPF market will move **down \$2 (0.6%)** in price during the week. This prediction would put the Western SPF market composite **\$39 (14.4%) above** its 15 year median for this week.

Western SPF Market Performance*

	7-Sep	14-Sep	21-Sep	28-Sep
Market Price	318	315	311	
Actual Change	-2	-4	-4	
Predicted Change	0	-1	-2	-2



WESTERN SPF ITEMS OF INTEREST

Relative to the WSPF market the model predicts that the following have the highest probability of price change over the next **8 week** period.

Top 5 Under Valued Items	Under Valued	8 wks
SPFW 2x12-16 #2&Btr	-73	80
SPFW 2x10-14 #2&Btr	-34	46
SPFW 2x12-R/L #2&Btr	-34	46
SPFW 2x4-18 #2&Btr	-27	34
SPFW 2x4-14 #2&Btr	-31	27

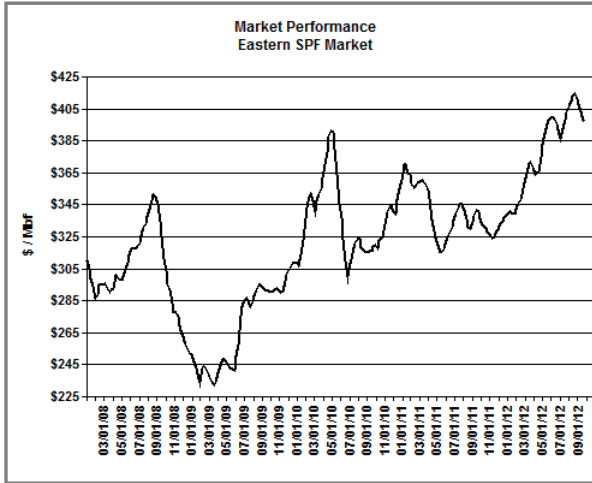
Top 5 Over Valued Items	Over Valued	8 wks
SPFW 2x10-10 #2&Btr	62	-80
SPFW 2x10-12 #2&Btr	41	-56
SPFW 2x6-12 #2&Btr	28	-21
SPFW 2x8-12 #2&Btr	22	-23
SPFW 2x6-14 #2&Btr	13	-8

WESTERN SPF BASIS ANALYSIS

Relative to the **NOV-12 CME Lumber Contract** the WSPF market is collectively **overvalued** by **\$28 (9.0%)**.

MARKET PERFORMANCE - Week 38

This market is **down \$5 (1.2%)** from the previous week. It is at **80%** of its 15 year price range. The current level of **\$398** is **\$64 (19.2%) above** its 10-year median for this week. It remains **below** its **8 week moving average of \$408** and fell **below** its **13 week moving average of \$402**.



MARKET BREADTH - Week 38

The price of **0%** of items in the Eastern SPF market increased, **98%** decreased, and **2%** of the items stayed the same in price from the previous week.

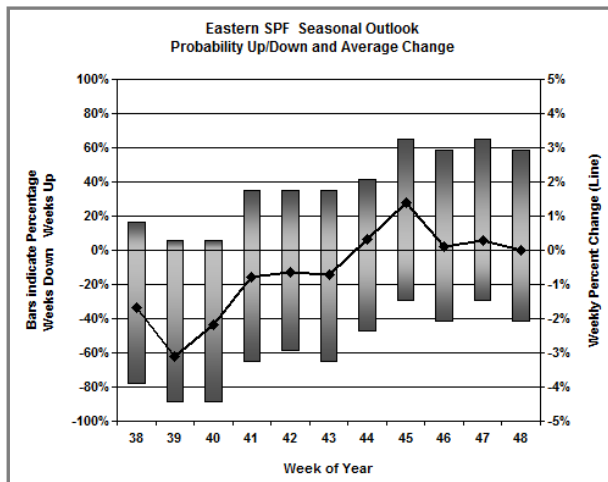
Eastern SPF Market Breadth

Number of Items with Price:

	Increase	Decrease	Same
This Report	0 (0%)	45 (98%)	1 (2%)
Last Report	0 (0%)	41 (89%)	5 (11%)

SEASONAL OUTLOOK - Week 39

On average the ESPF market has fallen **88%**, remained the same **6%** and gained **6%** of the time over the last **17 years**. On average, based on the same time period this market goes **down \$13.10** in price from the previous week.

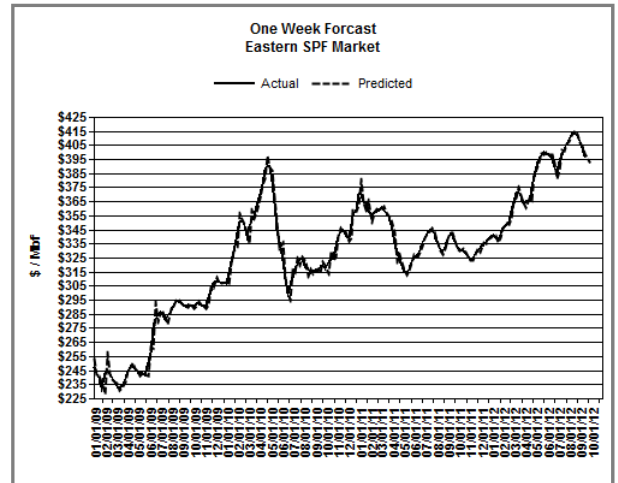


FORECAST - Week 39

The model predicts that the Eastern SPF market will move **down \$5 (1.3%)** in price during the week. This prediction would put the ESPF market composite **\$63 (19.1%) above** its 15 year median for this week.

Eastern SPF Market Performance*

	7-Sep	14-Sep	21-Sep	28-Sep
Market Price	408	403	398	
Actual Change	-4	-4	-6	
Predicted Change	-5	-4	-4	-5



EASTERN SPF ITEMS OF INTEREST

Relative to the ESPF market the model predicts that the following have the highest probability of price change over the next **8 week** period.

Top 5 Under Valued Items	Under Valued	8 wks
SPFE 2x4-14 #2&Btr Bstn	-28	30
SPFE 2x4-16 #2&Btr Bstn	-18	28
SPFE 2x4-R/L #2&Btr Bstn	-20	24
SPFE 2x6-10 #2&Btr Bstn	-8	17
SPFE 2x4-10 #2&Btr Bstn	-12	4

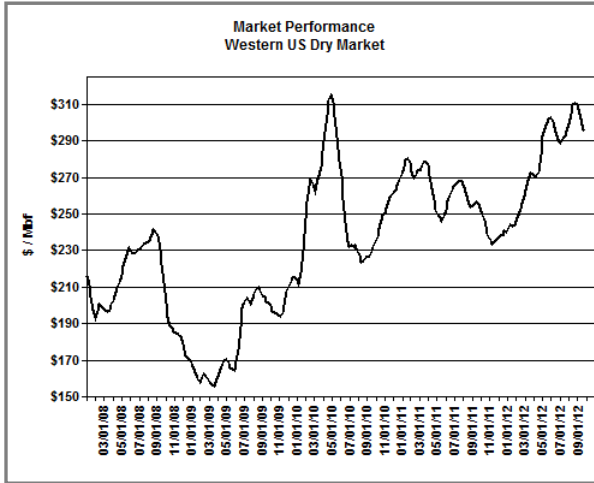
Top 5 Over Valued Items	Over Valued	8 wks
SPFE 2x10-R/L #2&Btr Bstn	25	-17
SPFE 2x6-12 #2&Btr Bstn	20	-15
SPFE 2x4-9' Stud Bstn	7	-25
SPFE 2x6-8' Stud Bstn	9	-15
SPFE 2x8-R/L #2&Btr Bstn	13	-10

EASTERN SPF BASIS ANALYSIS

Relative to the **NOV-12** CME Lumber Contract the ESPF market is collectively **overvalued** by **\$56 (14.1%)**.

MARKET PERFORMANCE - Week 38

This market is **down \$6 (2.0%)** from the previous week. It is at **61%** of its 15 year price range. The current level of **\$296** is **\$42 (16.5%) above** its 10-year median for this week. It remains **below** its **8 week moving average of \$305** and fell **below** its **13 week moving average of \$300**.



MARKET BREADTH - Week 38

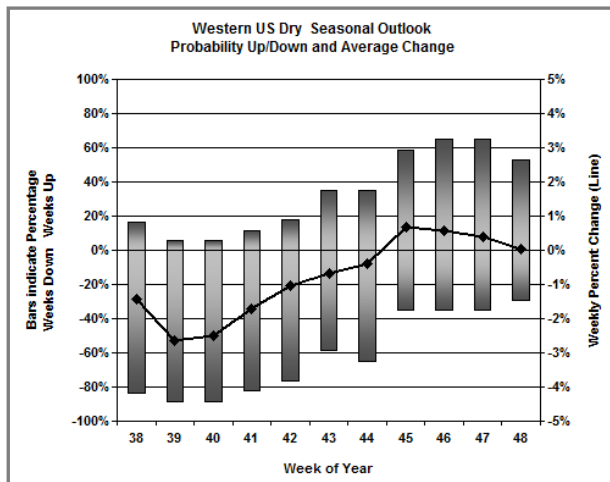
The price of **0%** of items in the Western US Dry market increased, **69%** decreased, and **31%** of the items stayed the same in price from the previous week.

Western US Dry Market Breadth

	Increase	Decrease	Same
This Report	0 (0%)	47 (69%)	21 (31%)
Last Report	0 (0%)	42 (62%)	26 (38%)

SEASONAL OUTLOOK - Week 39

On average the WUSD market has fallen **82%**, remained the same **6%** and gained **12%** of the time over the last **17 years**. On average, based on the same time period this market goes **down \$7.60** in price from the previous week.

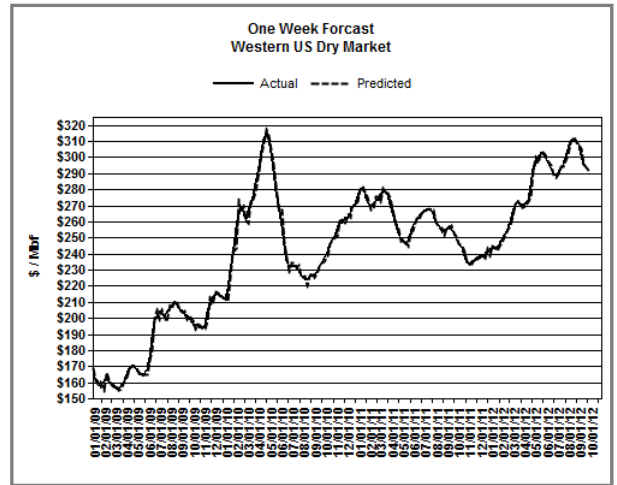


FORECAST - Week 39

The model predicts that the Western US Dry market will move **down \$4 (1.4%)** in price during the week. This prediction would put the WUSD market composite **\$36 (14.1%) above** its 15 year median for this week.

Western US Dry Market Performance*

	7-Sep	14-Sep	21-Sep	28-Sep
Market Price	308	302	296	
Actual Change	-2	-6	-6	
Predicted Change	-2	-3	-7	-4



WESTERN US DRY ITEMS OF INTEREST

Relative to the WUSD market the model predicts that the following have the highest probability of price change over the next **8 week** period.

Top 5 Under Valued Items	Under Valued	8 wks
KD Doug-Fir 2x12-R/L #2&Btr	-50	71
KD Doug-Fir 2x6-8' Stud	-42	68
KD Doug-Fir 2x8-R/L #2&Btr	-49	61
KD Doug-Fir 2x4-8' Stud	-51	52
KD Doug-Fir 2x10-R/L #2&Btr	-43	59

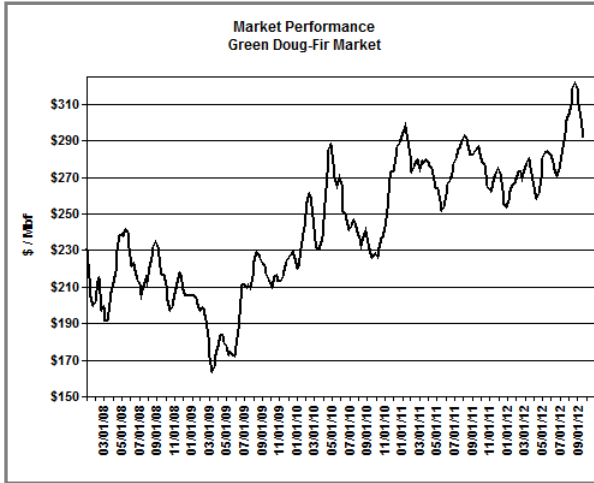
Top 5 Over Valued Items	Over Valued	8 wks
HemFir (Cst) 2x10-R/L #3	47	-49
HemFir (Cst) 2x10-12' #2&Btr	46	-36
HemFir (Cst) 2x4-R/L Util	31	-48
HemFir (Cst) 2x10-14' #2&Btr	31	-18
HemFir (Spok) 2x4-9' Stud	17	-25

WESTERN US DRY BASIS ANALYSIS

Relative to the **NOV-12 CME Lumber Contract** the WUSD market is collectively **overvalued** by **\$31 (11.1%)**.

MARKET PERFORMANCE - Week 38

This market is **down \$11 (3.6%)** from the previous week. It is at **48%** of its 15 year price range. The current level of **\$292** is **\$5 (1.7%) below** its 10-year median for this week. It remains **below** its **8 week moving average of \$310** and fell **below** its **13 week moving average of \$301**.



MARKET BREADTH - Week 38

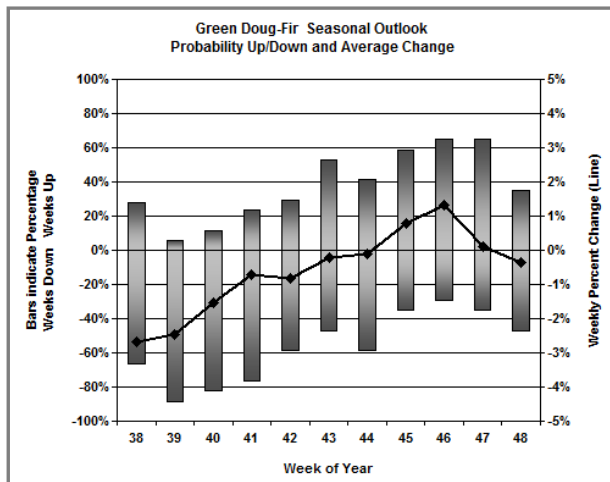
The price of **0%** of items in the Green Doug Fir market increased, **91%** decreased, and **9%** of the items stayed the same in price from the previous week.

Green Doug-Fir Market Breadth

	Number of Items with Price:		
	Increase	Decrease	Same
This Report	0 (0%)	51 (91%)	5 (9%)
Last Report	0 (0%)	48 (86%)	8 (14%)

SEASONAL OUTLOOK - Week 39

On average the GDF market has fallen **88%**, remained the same **6%** and gained **6%** of the time over the last **17 years**. On average, based on the same time period this market goes **down \$9.00** in price from the previous week.

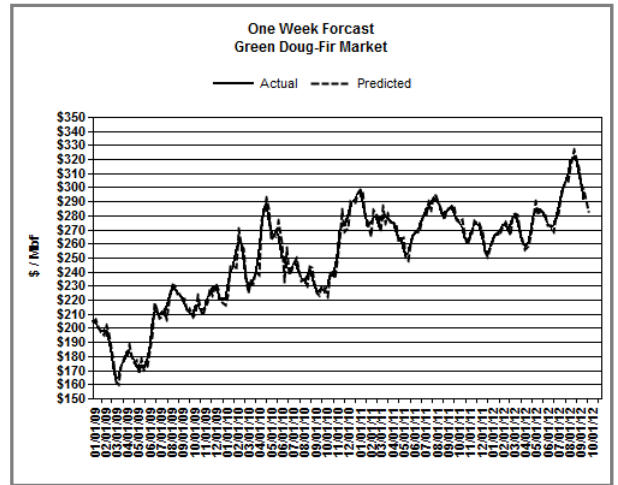


FORECAST - Week 39

The model predicts that the Green Doug Fir market will move **down \$9 (3.1%)** in price during the week. This prediction would put the GDF market composite **\$20 (6.6%) below** its 15 year median for this week.

Green Doug-Fir Market Performance*

	7-Sep	14-Sep	21-Sep	28-Sep
Market Price	311	303	292	
Actual Change	-9	-8	-11	
Predicted Change	-6	-10	-5	-9



GREEN DOUG FIR ITEMS OF INTEREST

Relative to the GDF market the model predicts that the following have the highest probability of price change over the next 8 week period.

Top 5 Under Valued Items	Under Valued	8 wks
GDF (Port.) 2x12-20 #2&Btr	-44	49
GDF (Port.) 2x10-14 #2&Btr	-30	35
GDF (Port.) 2x10-12 #2&Btr	-29	34
GDF (Port.) 2x10-16 #2&Btr	-28	34
GDF (Port.) 2x12-16 #2&Btr	-21	30

Top 5 Over Valued Items	Over Valued	8 wks
GDF (Port.) 2x4-9' #2&Btr PET	66	-87
GDF (Port.) 2x4-10' #2&Btr PET	61	-71
GDF (Port.) 2x6-9' #2&Btr PET	59	-69
GDF (Port.) 2x4-8' #2&Btr PET	44	-58
GDF (Port.) 2x6-10' #2&Btr PET	40	-49

GREEN DOUG FIR BASIS ANALYSIS

Relative to the **NOV-12 CME Lumber Contract** the GDF market is collectively **undervalued** by **\$10 (3.4%)**.

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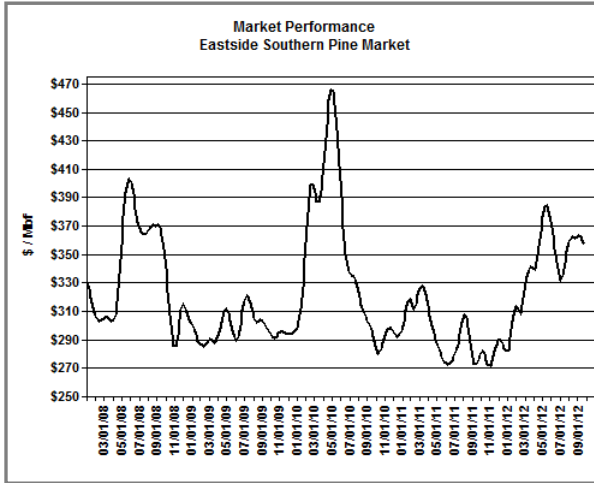
Week # **38**

Ending

September 21, 2012

MARKET PERFORMANCE - Week 38

This market is **down \$3 (0.8%)** from the previous week. It is at **22%** of its 15 year price range. The current level of **\$359** is **\$1 (0.3%) below** its 10-year median for this week. It fell **below** its 8 week moving average of **\$362** and remains **above** its 13 week moving average of **\$353**.



MARKET BREADTH - Week 38

The price of **14%** of items in the Eastside Southern Pine market increased, **58%** decreased, and **28%** of the items stayed the same in price from the previous week.

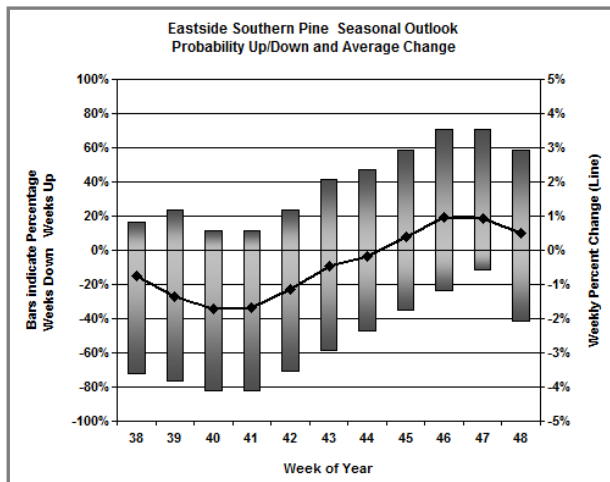
Eastside Southern Pine Market Breadth

Number of Items with Price:

	Increase	Decrease	Same
This Report	13 (14%)	55 (58%)	27 (28%)
Last Report	27 (28%)	34 (36%)	34 (36%)

SEASONAL OUTLOOK - Week 39

On average the SYP-E market has fallen **76%**, remained the same **0%** and gained **24%** of the time over the last **17 years**. On average, based on the same time period this market moves **down \$5.50** in price from the previous week.

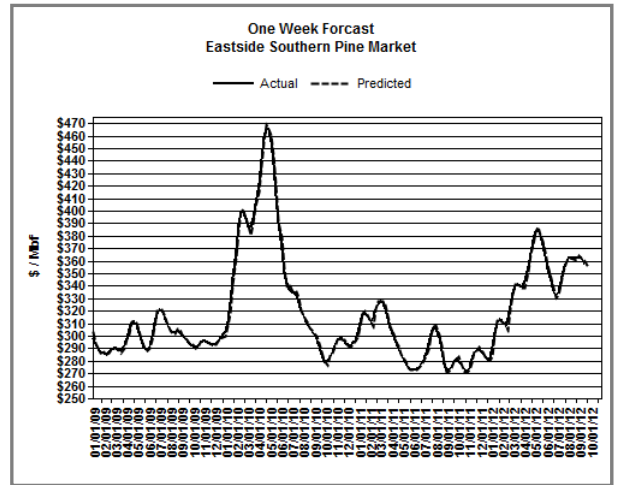


FORECAST - Week 39

The model predicts that the Eastside Southern Pine market will move **down \$5 (1.4%)** in price during the week. This prediction would put the SYP-E market composite **\$29 (7.6%) below** its 15 year median for this week.

Eastside Southern Pine Market Performance*

	7-Sep	14-Sep	21-Sep	28-Sep
Market Price	363	362	359	
Actual Change	0	-1	-4	
Predicted Change	1	0	-1	-5



SOUTHERN PINE (East) ITEMS OF INTEREST

Relative to the SYP-E market the model predicts that the following have the highest probability of price change over the next 8 week period.

Top 5 Under Valued Items	Under Valued	8 wks
SYPE 5/4X6-16' RED Std	-163	125
SYPE 2x10-12 #2	-72	85
SYPE 2x10-16 #2	-67	72
SYPE 2x10-14 #2	-60	75
SYPE 2x10-R/L #2	-57	68

Top 5 Over Valued Items	Over Valued	8 wks
SYPE 5/4X6-16' RED Pfm	259	-321
SYPE 2x4-R/L #4	49	-64
SYPE 2x12-18&20' #2 (ave)	36	-29
SYPE 2x4-14 #2	41	-23
SYPE 2x6-10 #2	30	-28

SOUTHERN PINE (East) BASIS ANALYSIS

Relative to the **NOV-12 CME Lumber Contract** the E-SYP market is collectively **undervalued** by **\$37 (10.3%)**.

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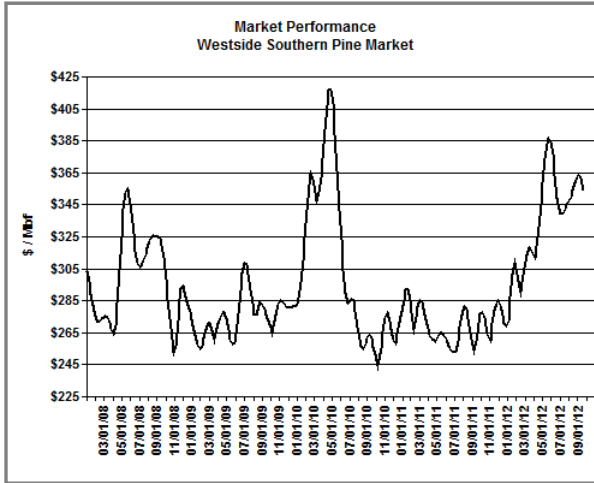
Week # **38**

Ending

September 21, 2012

MARKET PERFORMANCE - Week 38

This market is **down \$8 (2.2%)** from the previous week. It is at **41%** of its 15 year price range. The current level of **\$354** is **\$28 (8.6%) above** its 10-year median for this week. It fell **below** its **8 week moving average of \$357** and remains **above** its **13 week moving average of \$351**.



MARKET BREADTH - Week 38

The price of **17%** of items in the Westside Southern Pine market increased, **72%** decreased, and **12%** of the items stayed the same in price from the previous week.

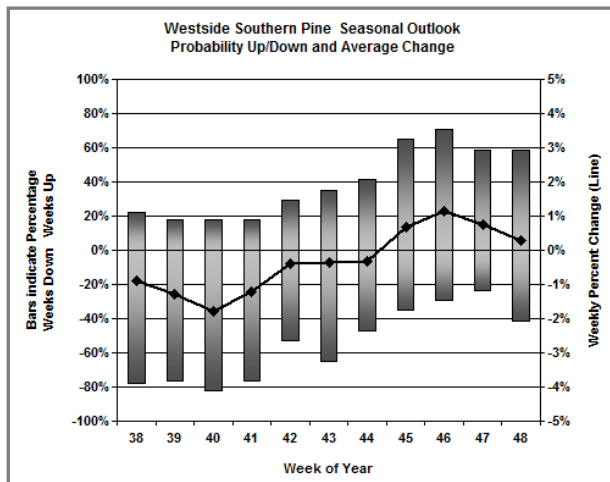
Westside Southern Pine Market Breadth

Number of Items with Price:

	Increase	Decrease	Same
This Report	13 (17%)	56 (72%)	9 (12%)
Last Report	22 (28%)	37 (47%)	19 (24%)

SEASONAL OUTLOOK - Week 39

On average the SYP-W market has fallen **76%**, remained the same **6%** and gained **18%** of the time over the last **17 years**. On average, based on the same time period this market moves **down \$5.00** in price from the previous week.

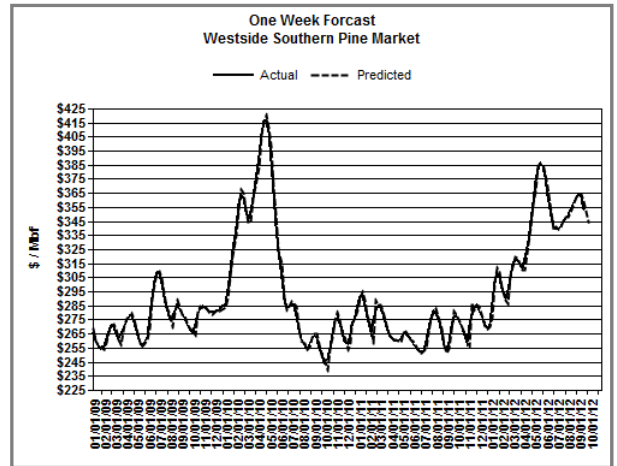


FORECAST - Week 39

The model predicts that the Westside Southern Pine market will move **down \$10 (2.8%)** in price during the week. This prediction would put the SYP-W market composite **\$23 (6.3%) below** its 15 year median for this week.

Westside Southern Pine Market Performance*

	7-Sep	14-Sep	21-Sep	28-Sep
Market Price	364	362	354	
Actual Change	2	-2	-8	
Predicted Change	2	0	-4	-10



SOUTHERN PINE (West) ITEMS OF INTEREST

Relative to the SYP-W market the model predicts that the following have the highest probability of price change over the next **8 week** period.

Top 5 Under Valued Items	Under Valued	8 wks
SYPW 2x10-12 #2	-90	95
SYPW 2x10-16 #2	-85	88
SYPW 2x10-14 #2	-79	91
SYPW 2x10-R/L #2	-75	80
SYPW 2x10-20 #2	-67	80

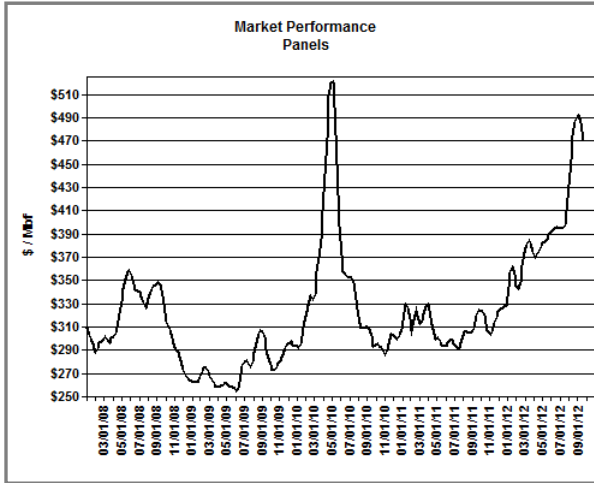
Top 5 Over Valued Items	Over Valued	8 wks
SYPW 2x4-R/L #4	77	-101
SYPW 2x6-R/L #4	64	-88
SYPW 2x4-12 #2	73	-68
SYPW 2x6-10 #2	63	-72
SYPW 2x4-10 #2	59	-54

SOUTHERN PINE (West) BASIS ANALYSIS

Relative to the **NOV-12** CME Lumber Contract the W-SYP market is collectively **undervalued** by **\$21 (5.9%)**.

MARKET PERFORMANCE - Week 38

This market is **down \$15 (3.1%)** from the previous week. It is at **81%** of its 15 year price range. The current level of **\$471** is **\$147 (45.4%) above** its 10-year median for this week. It fell **below** its **8 week moving average of \$473** and remains **above** its **13 week moving average of \$445**.



MARKET BREADTH - Week 38

The price of **0%** of items in the Panel market increased, **89%** decreased, and **11%** of the items stayed the same in price from the previous week.

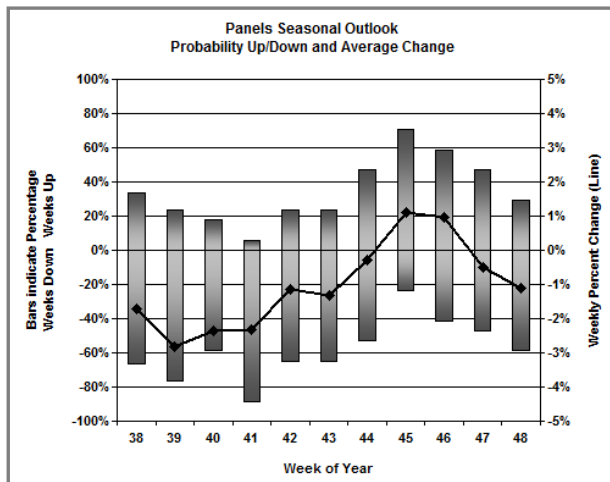
PANEL Market Breadth

Number of Items with Price:

	Increase	Decrease	Same
This Report	0 (0%)	34 (89%)	4 (11%)
Last Report	2 (5%)	27 (71%)	9 (24%)

SEASONAL OUTLOOK - Week 39

On average the Panel market has fallen **76%**, remained the same **0%** and gained **24%** of the time over the last **17 years**. On average, based on the same time period this market moves **down \$15.40** in price from the previous week.

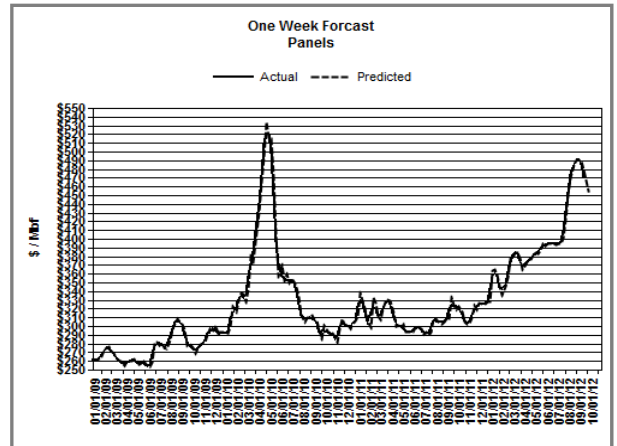


FORECAST - Week 39

Data structure is currently being reorganized in order to produce a reliable forecasting model. Refer to Chart below until raw numbers are available.

PANEL Market Performance*

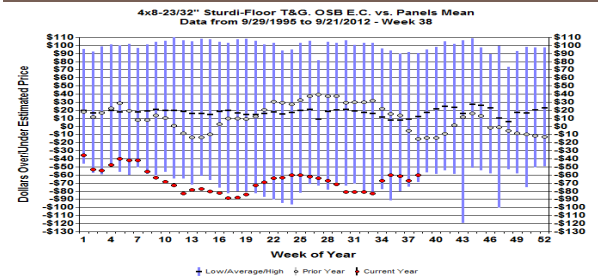
	7-Sep	14-Sep	21-Sep	28-Sep
Market Price	492	486	471	
Actual Change	1	-6	-15	
Predicted Change				



PANEL ITEMS OF INTEREST

Relative to the Panel market the model predicts that the following have the highest probability of price change over the next **8 weeks**.

Item	Under Valued	8 wks
4x8-23/32" Sturdi-Floor T&G. OSB E.C.	-60	81



Item	Over Valued	8 wks
4x8-23/32" UL T&G Plywood SYP-E	36	-51

