

... Panels: OSB & Plywood

PLYWOOD & OSB Producers are still recovering from too much too fast. The last round of price increases was apparently too much to allow believers in the market a chance to get back in. Before the willing buyers had a chance to make their move, mills had begun to show their weakness.

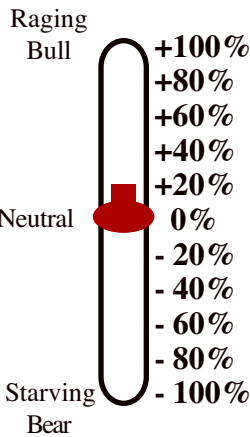
Regardless, those who were prepared to buy a follow up round were impressed by the volume they sold and the ease with which it went away. Late

comers screwed the market up by paying the higher numbers without getting enough shipment time to allow the next round of need to develop.

Projection: Buyers are getting an opportunity to cover their September needs, which are still unmet, lower than anticipated two weeks ago. Now we will see if they were blowing smoke or serious players.

I believe a set-back in price now is a gift to those who take advantage of it.

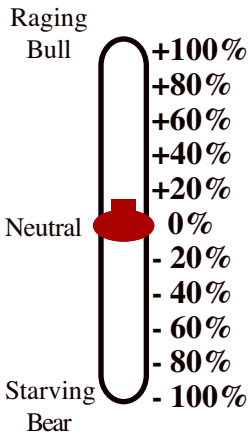
Plywood Bull-o-meter 4-week Outlook



+20%... The EDP graph strongly favors an up move in plywood from here until the end of October.

Current price: 295

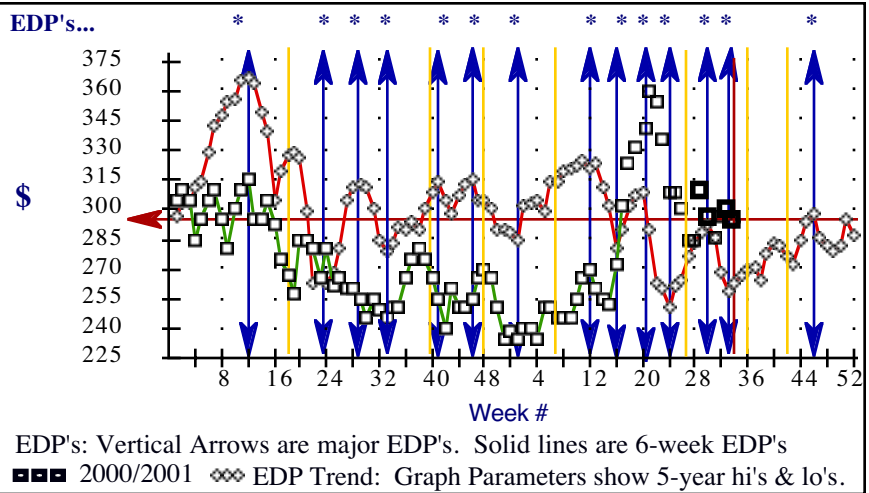
OSB Bull-o-meter 4-week Outlook



+10%... In keeping with the EDP, OSB is still putting in its bottom. The more defined up move begins at the six-week interval at week #37.

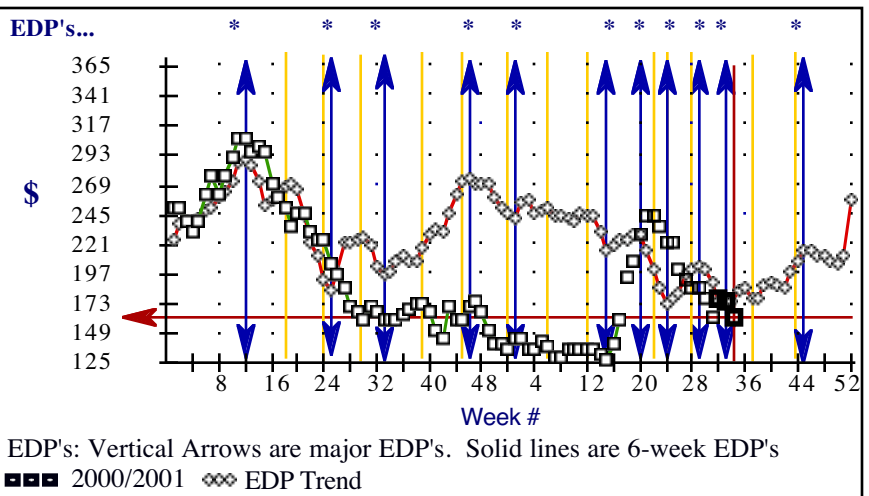
Current price: 165

15/32" 4-ply SYP-West
Expected Decision Points (EDP's) vs Current Year
EDP's occur at Arrows and/or 6-wk intervals within a move.



EDP's: Vertical Arrows are major EDP's. Solid lines are 6-week EDP's
■ 2000/2001 ♦ EDP Trend: Graph Parameters show 5-year hi's & lo's.

7/16" OSB Southwest



EDP's: Vertical Arrows are major EDP's. Solid lines are 6-week EDP's
■ 2000/2001 ♦ EDP Trend

SYP Sheathing Westside	This week	Last week	Year ago	Fir Sheathing Western U.S.	This week	Last week	Year ago	OSB NoCent	This week	Last week	Year ago
15/32" 4-PLY	295	295	245 4-	1/2" 4 ply	340	330	285 10+	SoWest	165	177	160 5-
23/32" UL T&G	460	450	380 5-					NoCent	190	185	160 5

PLYWOOD: Mill Sales/Prod. Ratio			
3-wk Ave	3-wk	3-wk	3-wk
113	90	115	135

OSB: % Mill Sales/Prod. Ratio			
3-wk Ave	3-wk	3-wk	3-wk
103	90	110	110

(Ratio Stats Source APA)
Prices are FOB Mi

100% means sales and production are equal

100% means sales and production are equal