

...Western U.S. Lumber

KD Hem Fir Coast/Doug Fir; Green Doug Fir

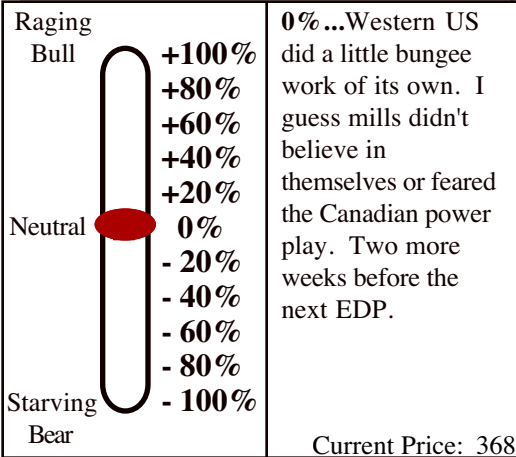
It's the same drum beat. As goes Canadian SPF, so goes Western Dry Fir. Even though mills were in good shape for order files, they fell prey to the Canadian adjustments, putting the spread between the two more in line but still very wide.

Green mills have a nice order file but have noted a slower pace this week. Now this game moves to the poker table. Who can hold out the longest...

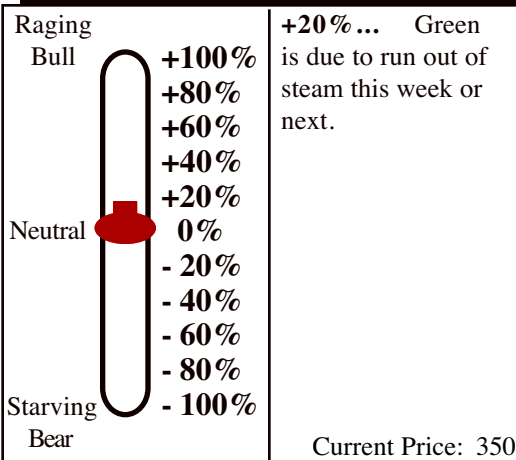
producers or consumers? Recently, consumers have been the winners with mills content to take every two week flurry as a fly swatting opportunity.

Projection: Next week and the following are significant EDP's. Are they quitting early or is there more powder in the keg. I think there are another couple of shots to be fired by the dealers after this dust settles.

Dry Fir Bull-o-meter 4-week Outlook



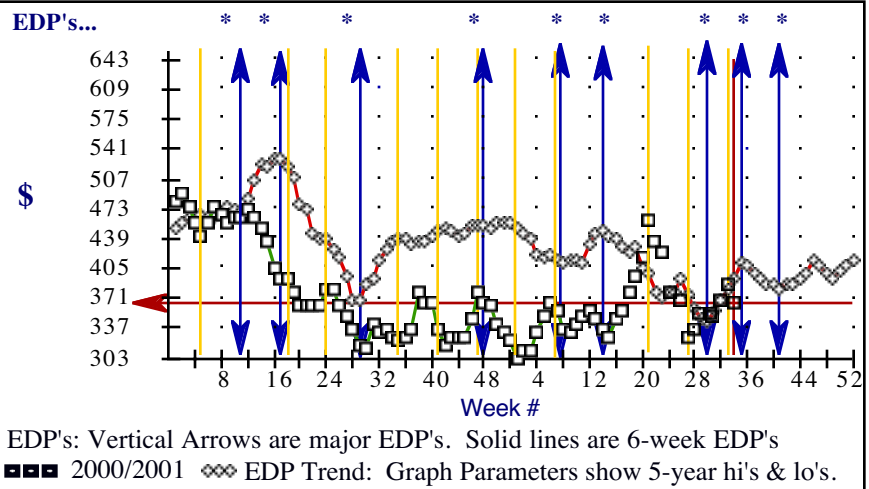
Green Doug Fir Bull-o-meter 4-week Outlook



2x10 KD Hem Fir (HF-Chicago)

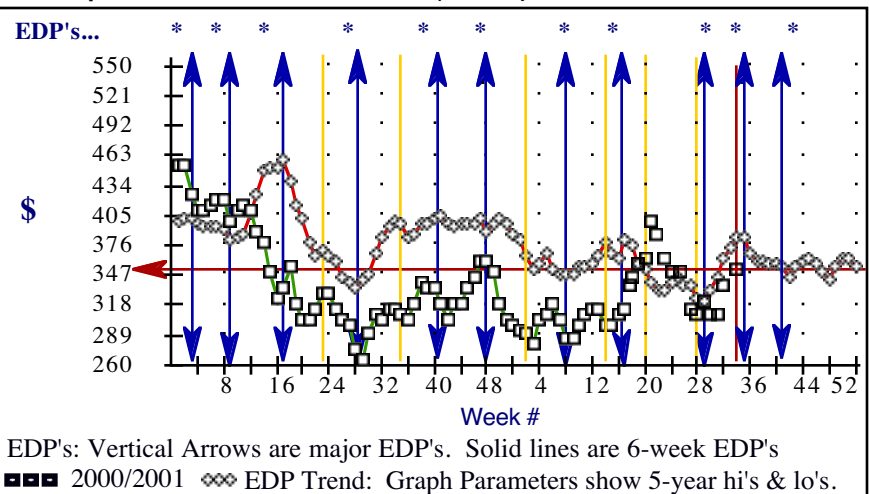
Expected Decision Points (EDP's) vs Current Year

EDP's occur at Arrows and/or 6-wk intervals within a move.



2x10 Green Doug Fir (GDF-Portland)

Expected Decision Points (EDP's) vs Current Year



KD Hem Fir	This	Last	Year	Green Doug Fir	This	Last	Year
FOB Chicago	week	week	ago	FOB Portland	week	week	ago
2x4xR/L	373	383	288 5-	2x4xR/L	325	320	285 15+
2x10xR/L	368	383	338 5+	2x10xR/L	350	345	315 10+

% Mill Sales vs Production Ratio			
3-wk	wk	wk	wk
Ave	33	32	31
%	120	110	130 120

Dry=FOB Chicago
Gm=FOB Portland

100% means sales and production are equal