

Global Timber and Wood Products Market Update

- a news brief from Wood Resources International LLC

Global sawlog prices were higher throughout the world in the 3Q/17 and are likely to continue upward into 2018 because of strong demand for lumber in key markets, reports the Wood Resource Quarterly

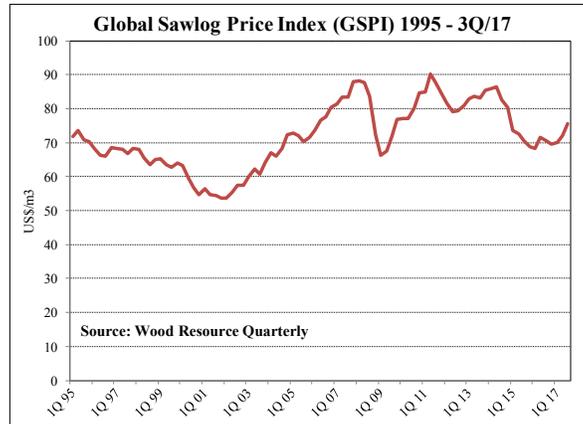
The Global Sawlog Price Index (GSPI) was up 5.1% from the 2Q/17 to the 3Q/17, with the biggest price increases occurring in Europe and Oceania, according to the latest issue of the Wood Resource Quarterly. The Euro-based ESPI sawlog price index has gone up at a slower rate than the GSPI the past year.

Seattle, USA. Sawlog prices were up in most regions of the world in the 3Q/17. The price increases from the 2Q/17 were generally smaller in local currencies than in US dollar terms because of the weakening US dollar. In US dollar terms, quarter-to-quarter prices were up the most in Europe (+7.9%) and Oceania (+6.1%), while the upward price adjustments were more modest in North America (+2.8%) and Latin America (+2.2%).

The Global Sawlog Price Index (GSPI) has gone up for three consecutive quarters to reach \$75.69/m³ in the 3Q/17. The increase of 5.1% from the 2Q/17 was the biggest quarter-to-quarter jump since 2010. In addition, the GSPI is at a three-year high because of the recent strengthening of sawlog prices throughout the world. With the outlook for continued strong demand for lumber in key markets and higher consumption of sawlogs, it is likely that the price index will continue upward in the coming quarters.

The Euro-based European Sawlog Price Index (ESPI-€) also trended upward the past year, but at a slower pace than the GSPI. The biggest price increases in Euro terms over the past year have occurred in Eastern and Central Europe, particularly in Poland, Austria and Germany, while prices only saw modest rises in the Nordic countries.

Note: The GSPI and ESPI price indices are volume-weighted indices comprised of sawlog prices for log grades commonly used for manufacturing lumber into construction and better grade lumber in the largest log-consuming countries in the world and Europe, respectively. The indices tracks prices from the 1Q/95 to the current quarter and are published each quarter in the WRQ.



*Global lumber, sawlog and pulpwood market reporting is included in the 52-page quarterly publication Wood Resource Quarterly (WRQ). The report, which was established in 1988 and has subscribers in over 30 countries, tracks sawlog, pulpwood, lumber and pellet prices, trade and market developments in most key regions around the world. **To subscribe to the WRQ, please go to www.woodprices.com***

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