July 2017
General Hardwood Market Conditions

General Outlook

Demand remains strong in the major hardwood markets across the world. The Chinese consumption of North American hardwoods continues to increase.

Figures show imports of African hardwoods into Europe have decreased since 2016, this is probably the result of a lack of a suitable EUTR supply coupled with an increased aptitude for using modified timbers instead of tropical hardwoods.

In the UK, the Brexit negotiations will impact on the market, whether this will be on demand or prices, or both, only time will tell.

North America

Overall the prices for White Oak continue to be firm, but they have weakened lately for 4/4 (25.4mm). The competition from the Oak stave business to buy good quality logs remains intense.

Prices for Poplar and Cherry remain stable. Ash prices have weakened because of good availability at the moment. This will be comparatively short term however, as land owners are trying to maximise their standing Ash stocks before the Emerald Ash Borer (EAB) depletes them.

Demand for both Maple and Black Walnut remain steady but are showing no real signs of increasing for the near future.

Note: the FSC price premium is on the increase due to reducing supply options!

West Africa

BBUKs sales have remained strong for 2017 following on from a very good 2016.

From a supply prospective, the impact of the EUTR continues to change trade practices with a limited number of suppliers shipping into the UK.

Due to a prolonged rainy season, there are currently delays in shipments from the port of Douala (Cameroon). This will have a short term effect on supply, but should not prove overly significant.

Sapele prices remain stable at the moment, but some shippers are taking prices up for Q4 2017/Q1 2018.

The supply of Iroko is easier compared to the predictions being made in 2016, but it is very tight, as current demand outstrips supply - FSC, especially, is difficult to source – and prices are very firm.

At the moment both the Idigbo and Utile prices are stable, with a good availability.

Europe

European Oak demand is very strong and there is still intense competition for log supply for the majority of sawmills. The recent ban on log exports from Croatia means the supply situation is even more unpredictable and this could have a serious impact on availabilities for 2018 onwards. Most importers will look to order well in advance to try and ensure supply and the majority of exporters are insisting that their customers purchase lesser grades to secure the prime.
The demand for CND Steamed Beech has weakened in 2017 but is still stronger than the current supply for certain key sizes and lengths and still needs to be ordered well in advance.

Far East

The availability of Meranti is under pressure due to the 2016 changes in Malaysian regulations for the supply of logs and a prolonged, and heavy, rainy season, in the spring of 2017. Prices are firm and the availability has lengthened with these supply pressures, coupled with strong demand from Europe.

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