

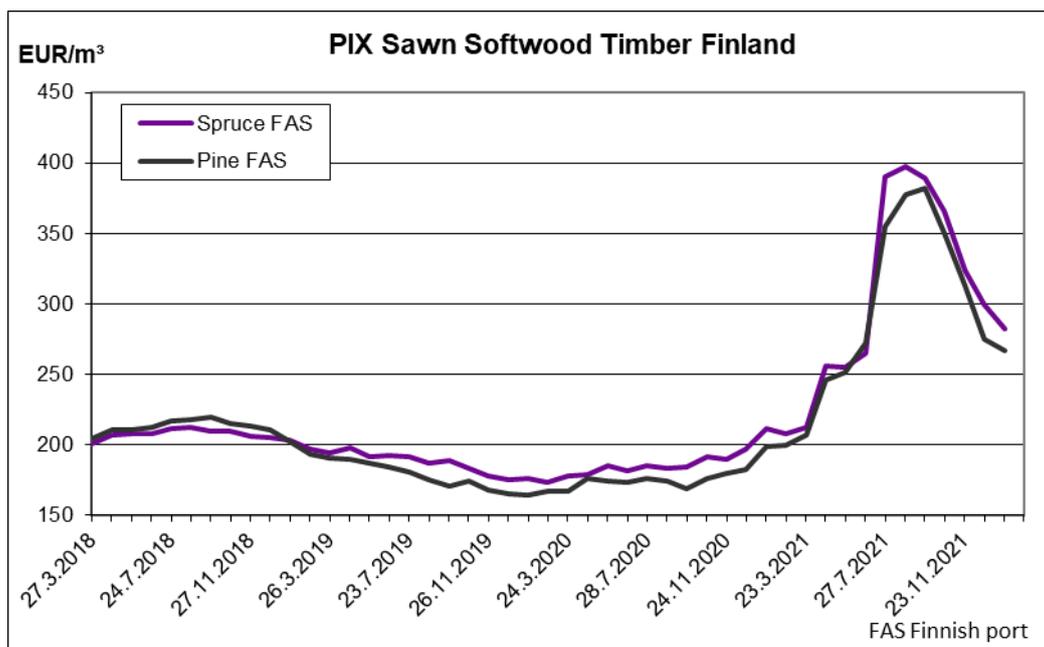
PIX Sawn Timber Finland Indices

December 2021

PIX Wood Products – January 25, 2022

Grade	Index value		Change
Sawn Timber Pine FAS Finland	EUR/m ³	266.45	-8.50
Sawn Timber Spruce FAS Finland	EUR/m ³	282.74	-16.84

Sub-indices					
Pine	EUR/m ³	Change	Spruce	EUR/m ³	Change
V centre cut	282.84	-21.20	Sawf. centre cut	296.56	-31.52
VI	209.92	+14.45	Sawf. boards	275.28	-2.92
V side boards	282.61	-5.33	Schaal Export	186.84	+7.98
US	364.63	-49.17	US centre cut	359.29	-16.53
Schaal Export	183.14	+8.13	Genban	449.31	-23.82
Lamina centre cut	473.21	+5.09	VI	218.92	+6.48



PIX Sawn Softwood Timber FAS Finland – Market of sawn softwood timber in Europe remains strong at the beginning of the year. Demand is expected to stay strong for some time, according to forecasts quoted by Fastmarkets Random Lengths. The pandemic still creates dark clouds in the sky as e.g., short-term forecasts are harder to make due to rapidly changing conditions. Insect-damaged and windblown softwood logs in central Europe is reportedly keeping the supply high in the region and also pushing up the log export numbers, especially to China. Random Lengths' Framing Lumber Composite Price for the US has continued to increase. The price published last week stood at 1,235 USD, showing an increase of 25% compared to the price published about a month ago. The sawn timber futures in the US on CME have also showed increases in January compared to December but there has been some softening last week from the previous one.

Some movements in the global market dynamics stems from e.g., the Russian log export ban that came in force in January and the US duty on Canadian softwood lumber imports doubling from 8.99% to 17.90%. However, the Russian ban is expected to have limited impact on European roundwood exports as the anticipation of the ban has changed some Russian log export procedures already beforehand and the export markets have replaced those volumes with others. The duty for Canadian exports, instead, might steer some Canadian sawn timber producers to look at other export markets offshore which might compete with the products from other regions. However, the previous mentioned increased lumber prices in the US might rapidly pull the Canadian supply back there if the trend continues.

In Finland, the turn of the year has been busy with collective labor agreement negotiations which in some cases have been rather difficult. A strike at Keitele Group's facilities was avoided last week as the company found a solution with two labor unions. UPM has strikes at its pulp and paper mills in Finland, but its sawn timber and plywood production continues uninterrupted with an agreement made already in December.

The sawn timber export markets are running reasonably well, and a clear majority of the volumes reported to us went up. However, the prices reported were more of a mixed bag with changes to both directions, downward ones being in majority. Like the reported prices, the PIX Sawn Timber Finland sub-indices showed both weakening and strengthening but also here the ones heading down were in a majority and showed larger month-on-month changes. Hence, the PIX Sawn Timber Pine FAS Finland index continued to decrease but at a slower pace than before and slipped by 8.50 euros, or by 3.09%, to 266.45 EUR/m³. The PIX Sawn Timber Spruce FAS Finland benchmark lost 16.84 euros, or 5.62%, landing at 282.74 EUR/m³.

Next indices will be released on Tuesday February 22, 2022 at 12 noon Helsinki time.

PIX Bioenergy and Wood Service

Wood-based bioenergy makes up a vital part of the Finnish, Swedish and wider Nordic energy palette. As the world moves toward sustainability through renewable energy and increased use of wood, we are eager to deliver a more robust service to include the growing interest in wood-based products for the move toward a low-carbon economy and a solution to climate change.

The Finnish wood bioenergy market is growing and a reduction in the use of coal and peat is expected to further increase future demand. Prices of Finnish forest bioenergy have increased, with our sub-index for Finnish forest residues rising by over 10% in 2019-2021, for example. While a majority of Finnish wood-based bioenergy comes from forest residues and industry by-products, alongside these, wood pellets have a larger share in e.g. Denmark and Sweden. Wood pellets have become a global commodity with almost 40 million tonnes consumed in 2020. The international sawn timber market boomed in 2021 despite the pandemic, and Finnish export volumes increased by about 35% during the first three quarters compared to pre-pandemic levels. Finnish sawn timber export prices rose to record-high levels, but after the most heated moment the prices have come down, as tracked by our sawn softwood indices.

What we cover:

- PIX Forest Biomass Finland indices – Finnish solid wood-based biomass for energy
- PIX Pellet Nordic index – industrial-scale use of wood pellets in the Nordic countries
- PIX Sawn Timber Finland indices – Finnish export prices for pine and spruce lumber

Our indices are calculated from prices of actual trades.

5 ways you can use Fastmarkets PIX Bioenergy and Wood Service:

- Basis for a price formation directly with a customer/supplier
- Basis for internal raw material pricing/invoicing between profit centers (e.g. from sawmill to pellet mill)
- Hedging - through an exchange or bank/other financial institution - product or raw material price risk against a reliable index
- Market research
- As a useful reference tool, based on industry information. A transparent and objective source of up-to-date market information