



Forisk News, July 26, 2010

Archives available at: <http://www.forisk.com/News-v-38.html>

Subject line: Forisk News: Wood Demand – Timber REITs – Forest Finance course

Wood Demand: Purchases of all pine roundwood products increased this quarter in the South. Pine grade consumption grew nearly 6%; pine pulpwood volume rose 4.5%. In fact, quarterly demand for grade products (17.9 million tons) rose to its highest level since Q4 2008. Hardwood grade consumption improved slightly to its highest level since Q1 2009. However, lumber prices corrected during the 2nd Quarter and several mills decreased grade consumption in June. Looking ahead, until the housing market improves, sawmills and OSB mills will continue to reduce demand for wood, though reduced residual chip levels will further strengthen pulpwood demand. For further details by state and by end use market, review the [Wood Demand Report](#).

Timber REITs: The Forisk Timber REIT (FTR) Index of publicly-traded timber REITs (Plum Creek, Potlatch, Rayonier) returned 7.29% year-to-date in 2010 relative to a negative 1.12% for the S&P 500. On July 12, 2010, Weyerhaeuser took the final major step required by the IRS for its REIT conversion by declaring a special dividend of \$5.6 billion. [Click [here](#) for a detailed breakdown on Forisk's Blog]. Weyerhaeuser's REIT conversion will increase the market capitalization of the FTR Index and the public timber REIT sector by ~85%. Forisk instructors will review performance metrics, discount rate estimation, and NAV analysis for public timber REITs in Atlanta during its "Investing in Timber REITs" Master Class on August 4th.

Forisk Updates

- The Forisk Continuing Education Program offers **Applied Forest Finance and Investing in Timber REITs** on August 4th at the Emory Conference Center Hotel in Atlanta, Georgia. For course details and to register, click [here](#).
- Forisk's 10-year Stumpage Forecast for pine sawtimber and pulpwood in the US South is available. The ForiskForecast provides year-by-year and state-by-state forecasts of stumpage pricing through 2020. For details, please contact Brooks Mendell at bmendell@forisk.com.
- This week Forisk launches **Wood Bioenergy US**, a detailed tracking of all wood bioenergy projects in the US. For more information and to subscribe, click [here](#).
- Brooks Mendell will speak about **Timberland Investment Vehicles at the LandThink Summit** on September 30, 2010 in Atlanta, Georgia. For more information, visit <http://www.getlandsmart.com/>.

Forisk provides research and educational services to executives and analysts making decisions associated with timber REITs, timberlands, and wood-using energy and manufacturing facilities.