

Paper/Forest Products

Pkgg/Paper Wrap-up, Daily – 1/31/24: Wood prices; news in cans & AMCR

Industry Overview

Futures Tracker

Exhibit 2: Lumber Futures

Summary of lumber futures w/w

	Date	Price	w/w (%)
Lumber (\$/bf)			
Lumber (CME \$/bft) Mar 24	31-Jan-24	\$561.50	-0.7%
Lumber (CME \$/bft) May 24	31-Jan-24	\$580.00	0.3%
Lumber (CME \$/bft) Jul 24	31-Jan-24	\$598.00	2.0%
Lumber (CME \$/bft) Sep 24	31-Jan-24	\$604.00	1.9%
Lumber (CME \$/bft) Nov 24	31-Jan-24	\$610.00	1.9%

Source: FactSet as of 1/31/24 intraday, BofA Global Research

BofA GLOBAL RESEARCH

RL Midweek shows flat-to-down prices

Random Lengths' (RL) Midweek report showed that the Framing Lumber Composite decreased \$4/MBF to \$392/MBF compared to midweek prices reported on January 23rd. Random Lengths noted that mills accepted more counters and offered more discounts given the slower sales activity. The CME lumber futures (March 24 contract) decreased by \$4/MBF to \$561/MBF compared to last week though there was a modest uptick in future periods. Meantime, the Structural Panel index was down \$3/MSF at \$599/MSF. North Central and South East oriented strand board (OSB) prices were flat at \$415/MSF and \$355/MSF, respectively. As for plywood, prices were flat at \$645/MSF. In OSB, prices were flat though RL noted sparse volumes continued as most mills remained off the market. In plywood, RL cited shipments were booked roughly two weeks out.

Amcor expands its thermoforming ops at Oshkosh, WI

Amcor (AMCR; U/P) announced today (1/31) its plan to expand its packaging capabilities at its Oshkosh, WI plant. The expansion will focus on providing thermoformed packaging solutions for its healthcare customers. The equipment is expected to be operational in 2H24. We expect to hear more from Amcor's management team on the news during the company's earnings call scheduled for February 6th.

"Label-less" pilot in the works

Packaging News reported on 1/29 that The Coca Cola Company (KO; Rated Buy by our colleague Bryan Spillane), is undergoing a "label-less" pilot for its Sprite and Sprite Zero on-the-go bottles in the United Kingdom (Jan. – Mar. '24). The bottles will include embossed logos and laser-engraved nutritional information as part of the limited trial. We'll continue to monitor what this development might mean for our coverage. Names in our coverage with exposure to soft drink and beverage packaging trends include AMCR, Ardagh Metal Packaging (AMBP; Neutral), Ball Corp. (BALL; U/P), Crown (CCK; Buy), and O-I Glass (OI; Buy).

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Exhibit 1: Paper/Packaging Research

Summary of recent BofA notes

	Date	Link
Notes		
Weekly	26-Jan	Market Commentary
Weekly	19-Jan	Paper & Pulp Pricing
Weekly	12-Jan	WestRock price hikes
Weekly	7-Jan	Red Sea Shipping Impact
Year-Ahead	2-Jan	Year-Ahead Note
Daily		
Daily	18-Jan	Investor Comments
Daily	17-Jan	Wood/Lumber
Daily	23-Jan	Commodity Tracker

Source: BofA Global Research

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