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## INDUSTRY ALERT

## Industry Update

### Paper & Forest Products

### Grays Harbor Closure Eliminates 150K/tons of Uncoated Paper

#### Focus stocks

Domtar (UFS.N), USD101.66 Buy,  
Price Target USD115.00

International Paper (IP.N), USD30.37  
Buy, Price Target USD39.00

Glatfelter (GLT.N), USD14.53 Buy,  
Price Target USD18.00

This week's closure of privately-held Grays Harbor Paper removes 150K/tpy of uncoated free sheet from the US market. This is equivalent to ~1.5% of industry supply. The closure is expected to tighten up the market and should provide a much-needed boost to current industry pricing initiatives. Grays Harbor was a nonintegrated mill in Washington State. The mill was hit by rising input costs and declining demand. We see little likelihood that the mill will be resuscitated. Among our coverage names, companies with exposure to uncoated free sheet include Domtar, International Paper and Glatfelter. Boise (not covered) and privately-held Georgia-Pacific are also important producers.

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