Weekly Chemistry and Economic Trends

ACC Economics & Statistics

2 April 2010

Macroeconomic Status

Our running tab of positive indicators rose to 17 out of 20 this week. As a result, we continue to post a green banner. Please refer to the end of this report for an explanation of the color codes. See the *Indicators in Detail* section at the end of this report for more details on the change in the following indicators.

Non-farm Payrolls ↑ 162,000 (1st gain since start of recession)
Unemployment Rate – flat – at 9.7%
Consumer Confidence ↑ 6.1 points to 52**.5**
Personal Income – flat – ; ↑ 1.0% Y/Y
Consumer Spending ↑ 0.3%**;** ↑ 1.6% Y/Y
Light Vehicle Sales ↑ to 11.8 million unit pace
Paper Production ↑ to 2.94 million tons; ↑ 6.1% Y/Y
Construction Spending ↓ 1.3%; ↓ 12.8% Y/Y
Factory Orders ↑ 0.6%; ↑ 11.1% Y/Y
Chicago PMI ↓ 3.8 points to 58.8 (still expanding)
ISM Manufacturing ↑ 3.1 points to 59.6
JPMorgan Global Manufacturing PMI ↑ 1.3 points to 56.7

Business of Chemistry Status

For the business of chemistry, the indicators still bring to mind a green banner for basic and specialty chemicals.

Oil ↑ $84.87 (Thursday)
Natural Gas ↓ $3.73 (Thursday)
Railcar Loadings ↓ 506 from a week ago; ↑ 13.5% Y/Y (13-week moving average)
Market Capitalization ↑ 1.3% this week; ↑ 2.6% YTD
Polymers and Chemicals ↑ **(Y/Y):** chlorine, caustic soda, polypropylene

The economic reports were largely positive this week, with negative news confined to the stagnant consumer incomes. The ISM report was strong, signaling a buoyant manufacturing sector. It is consistent with a manufacturing boom and with 1st quarter economic growth of around 5%. The Chicago PMI confirmed continued recovery in that region. Production of paper also rose and factory orders strengthened. Consumer spending is expanding and this continued into March as evidenced by the light vehicle report. Moreover, consumers appear to be regaining some degree of confidence. All eyes were on this morning's employment report and non-farm payrolls, the top event of the month. And here the news was good. Although the gain was less than expected, employment in manufacturing, construction and other goods sectors paying higher wages rose. Furthermore, the household measure of employment rose for the third month.

Overseas, the JP Morgan PMI and recent industrial production releases signal industrial recovery, especially in East Asia. As evidenced by rising oil and other commodity prices, the economic forces at play suggest boom conditions in the next few quarters.

Turning to the business of chemistry, the chemical industry was one reporting growth in the ISM report. This was confirmed by the number of hours worked and by chemical and polymer railcar loadings. The latter are signaling a strong recovery. More individual product reports are showing stronger positive year earlier comparisons.

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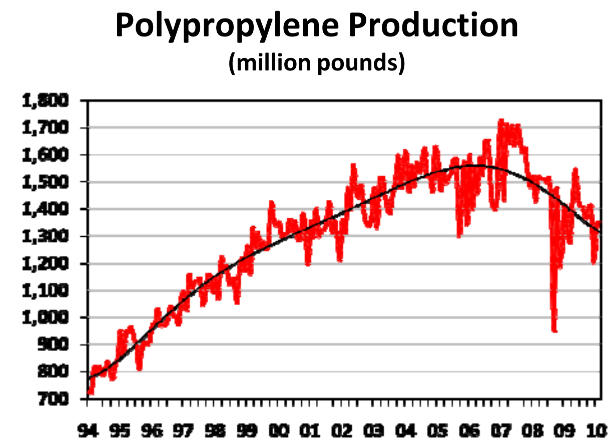
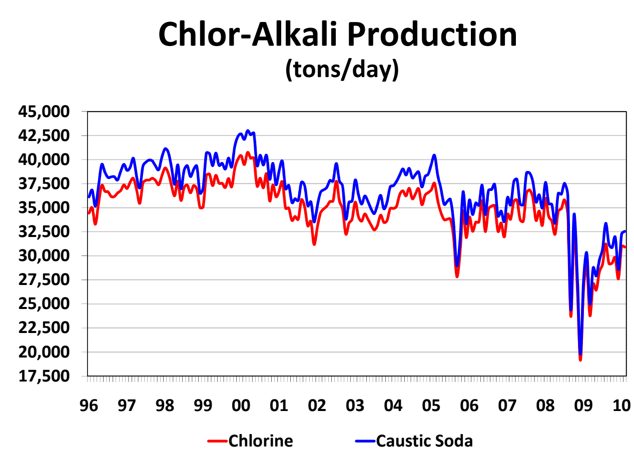
POLYMER AND CHEMICAL PRODUCTS

Data for the production or supply of polymers and chemicals are reported on a non-seasonally adjusted basis, so there are often month-to-month fluctuations. Using a three-month moving average or employing Y/Y comparisons is a good means to deal with this data.



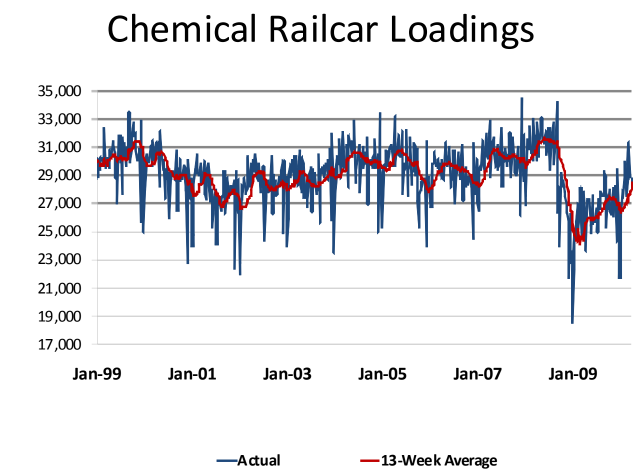
Source: American Chemistry Council

The American Chemistry Council (ACC) reported that domestic production of **polypropylene** resin rose to 1.35 billion pounds in February. Production was up 2.7% Y/Y but off 1.3% YTD. Sales and captive use was up 7.2% Y/Y but off 2.4% YTD. Capacity utilization inched up to 82%. Inventories were off about 9% from a year earlier. Major applications for polypropylene are found in packaging, automotive parts, fibers and appliances.



Source: The Chlorine Institute

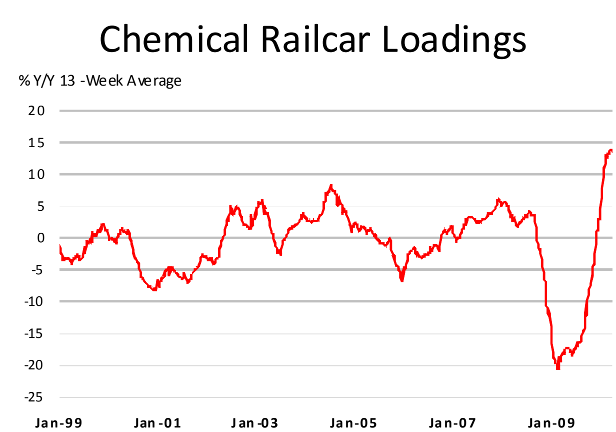
The Chlorine Institute (CI) reported that production of **chlorine** slipped from 30,976 tons per day in January to 30,907 tons per day in February. Production was up 6.9% Y/Y and 12.0% YTD. The effective operating rate slipped by one percentage point to 84%. Chlorine is widely used to manufacture PVC (polyvinyl chloride) resins, organic chemicals (propylene oxide, epichlorohydrin, solvents, etc.), and titanium dioxide, as well as for water treatment, disinfection, and other applications. The output of co-produced **caustic soda** rose from 32,261 tons per day in January to 32,542 tons per day in February. Production was up 7.3% Y/Y and 12.5% YTD. Caustic soda is used in the production and bleaching of wood pulp as well as other organic (propylene oxide, polycarbonates, etc.) chemicals, inorganic chemicals, cleaners, water treatment, oil refining, alumina production, and textiles.



Source: Association of American Railroads

CHEMICAL RAILCAR LOADINGS

According to the Association of American Railroads (AAR), for the week ending 27 March (week 12), railcar loadings of polymers and basic chemicals (blue line) fell by 506 to 28,312 railcars. Compared to the same week last year, loadings were up 14.1% Y/Y and were up 13.6% YTD. Loadings have been on the rise for eight of the last 13 weeks.



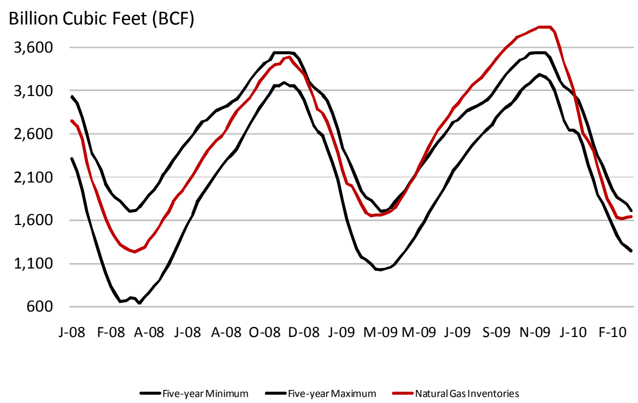
Source: Association of American Railroads

The railcar loadings data are the best ‘real time’ indicator of industry activity. This is especially the case for polymers and other basic chemicals. But the data are fairly erratic. This is one reason why we employ a 13-week moving average to smooth out many of the seasonal irregularities. The 13-week moving average of railcar loadings (red line) is now up 13.5% Y/Y, suggesting a strong recovery.

ENERGY

The Energy Information Administration (EIA) reported a 12 BCF build in **natural gas inventories** for the week ending 26 March. A typical build for this week is 6 BCF. Natural gas inventories now stand at 1,638 BCF and are 1.0% (16 BCF) below last year’s levels for the week, and 10.8% (160 BCF) above the five-year average. As a result, natural gas inventories remain well above the five-year maximum.

Natural Gas Inventories



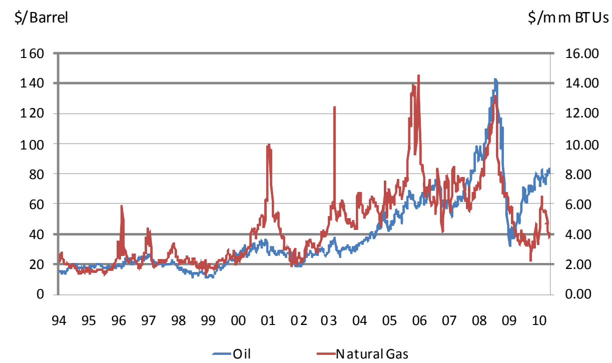
Source: Energy Information Administration

With improving inventories, **natural gas prices** (the benchmark Henry Hub), closed at $3.73 per million BTUs on Thursday, down from $3.98 last Thursday. A year ago, the price was $3.68 per million BTUs. Thus, recent prices represent a 1.4% Y/Y gain. Despite rising crude inventories, an improving global economy was a reason behind **oil prices** rising to $84.87 per barrel yesterday (Thursday). A year ago, oil was $52.64 per barrel, with recent prices representing a 61.2% Y/Y decline.

At 22.8:1, the ratio of oil prices to natural gas prices improved from 20.1:1 a week ago. One year ago, the ratio was 14.31:1. As a rough rule of thumb, when the ratio is above a band between 6 and 7, the competitiveness of Gulf Coast-based petrochemicals and derivatives vis-à-vis other major producing regions is enhanced. In the US, 70% of ethylene, for example, is derived from natural gas liquids while in Western Europe, 70% is derived from naphtha, gas oil and other light distillate oil-based products. Historically, other factors (co-product prices, exchange rates, capacity utilization, etc.) have played a role as well.

According to Baker-Hughes, for the week ending 26 March, the North American **natural gas rig count** rose by two to 941rigs. One year ago the rig count was 810 rigs.

Oil and Natural Gas Prices



Source: Energy Information Administration

CHEMICALS MARKET CAPITALIZATION

The S&P 500 index rose 1.1% during the week ending Thursday, 1 April. The ACC market capitalization of US basic chemical and specialty chemical companies also rose, by 1.3% from what it was last week to close at $558.4 billion on Thursday.

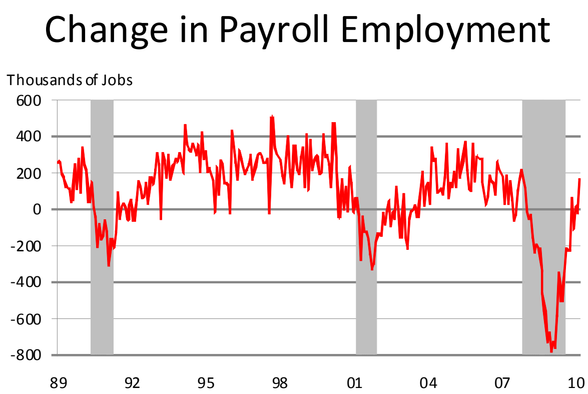
Basic & Specialties
Market Capitalization

Equity prices are often a good indicator of future activity and represent one component of the leading economic indicators. The ACC market cap is up 2.6% from the beginning of the year. By comparison, the S&P 500 index is up by 5.6% since the beginning of the year.

INDICATORS IN DETAIL

Note that economic statistics tend to be somewhat erratic in nature. As seen with the disruptions from the 2005 hurricanes, seasonality plays a role and one must be careful in placing too much emphasis on a single month's figures. Analysts often use a three-month moving average or employ Y/Y comparisons to deal with the volatility. *Also note that chemistry-related items and commentary are reported in italics.*

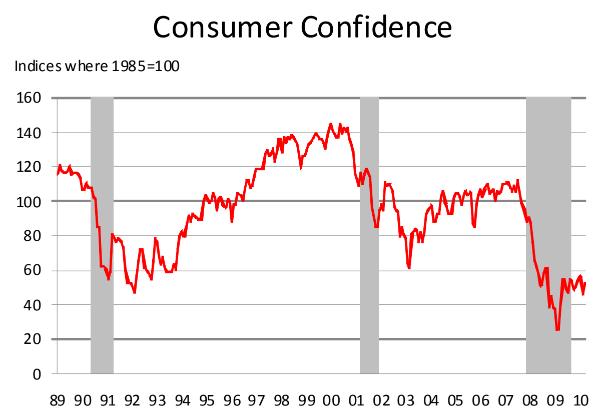
The Department of Labor reported that **initial claims** for unemployment insurance fell by 6,000 to 439,000 during the week ending 27 March. The 4-week moving average was 447,250, a decrease of 6,750 from the previous week's revised average of 454,000.



Source: Bureau of Labor Statistics

The Bureau of Labor Statistics (BLS) reported that **non-farm payrolls** increased by 162,000 jobs in March the first sizeable increase since prior to the recession. Moreover, the January and February figures were revised upwards by 62,000 and the previous January decline was revised to a small 14,000 gain. That a trough was apparently reached in payrolls indicates that 8.4 million jobs were lost in the recession. Temporary help services and healthcare continued to add jobs over the month and federal government employment also rose, reflecting hiring of temporary workers for the 2010 Census. That hiring for this was less than expected was a key factor in a less-than-expected gain in headline payrolls. Nonetheless, drilling down in the data, manufacturing employment rose by 17,000, the third consecutive gain; and construction employment rose (for the first time since June 2007) by 15,000. Employment in mining, wholesale and retail trade, and transportation and warehousing also rose. The goods (or tangible) economy is clearly rising. Employment continued to decline in financial services and in information. Another measure of employment is from the household survey and that showed a 264,000 gain in March, the third consecutive gain. Because this measure includes the self-employed and start-ups, it is thought to be a better measure of labor market conditions at business cycle troughs. The **unemployment rate** held steady at 9.7% and reflects an improving participation rate as formerly discouraged workers re-enter the labor market. The number of people unemployed longer that 26 weeks rose by 414,00 people to an all-time record of 6.5 million people, about 45% of all unemployed and nearly double from a year earlier. The level of involuntary part-time employment rose as well.

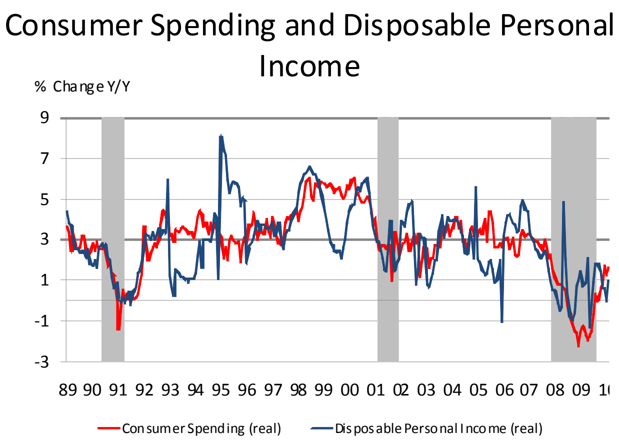
Turning to the business of chemistry, payrolls fell by 2,200 (or 0.3%) to 781,500 in March. During the past 12 months, 32,200 jobs were lost in the industry. Payrolls were off 4.0% Y/Y. The number of production workers, however, rose by 100 to 476,600, a level off 1.5% Y/Y, or 7,400 jobs. The March gain in production workers was accompanied in a lengthening of the workweek, from 41.8 to 42.2 hours. As a result, hours worked rose 1.0% in March, implying a significant gain in production. Average hourly wages slipped seven cents to $20.50 per hour in March, a level up 2.7% Y/Y.



Source: Conference Board

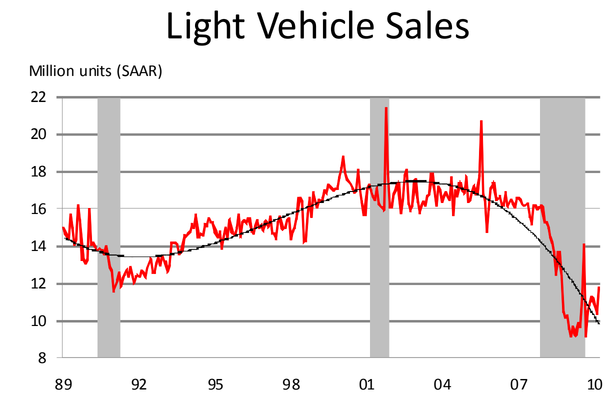
The Conference Board reported that **consumer confidence** rebounded sharply, rising 6.1 points to 52.5 (1985=100) in March, recouping much of the February weakness. The Present Situation Index increased 4.3 points to 26.0. Consumers, however, continue to express concern about current business and labor market conditions. The Expectations Index improved 7.3 points to 70.2 in March. Nonetheless, the headline figure remains little changed over the past year. The Consumer Confidence Survey is based on a representative sample of 5,000 households. *This report is important to the business of chemistry as an explanatory variable for both pharmaceuticals and consumer products (e.g., soaps, detergents, and toiletries). To the limited extent that it foreshadows consumer spending (and the chemistry associated with that) it is also an important indicator.*

The Bureau of Economic Analysis (BEA) reported that **personal income** (the ability to spend) was flat in February following a 0.3% gain in January. After adjusting for inflation and taxes, real disposable personal income was also flat in February, but up 1.0% Y/Y. The massive snowstorms in February disrupted businesses along the East Coast and put many hourly employees out of work cutting into wage and salary income. Farm income and interest on assets were weak as well and it was government transfers propping up incomes. Excluding transfers, incomes actually fell, which isn't healthy for a sustainable recovery. The BEA also reported that **consumer spending** (the willingness to spend) rose 0.3%, following a similar gain in January. This gain is the fifth consecutive increase. After adjusting for inflation, real consumer spending was up 0.3% and up 1.6% Y/Y. Consumers dipped into their savings, with the savings rate falling from 3.4% in January to 3.1% February. The price index for personal consumption expenditures was flat in February, but up 1.8% Y/Y. Excluding food and energy, core prices were off 0.6% for the month, but up 1.3% Y/Y. Inflation remains tame. *This consumer spending indicator (actually personal consumption expenditures in stats-speak) is important to the business of chemistry in that some $183 billion in chemistry is directly associated with consumer spending. Included are 25+ billion pounds of plastic resins in packaging and 20+ billion pounds of resins used in other goods.*



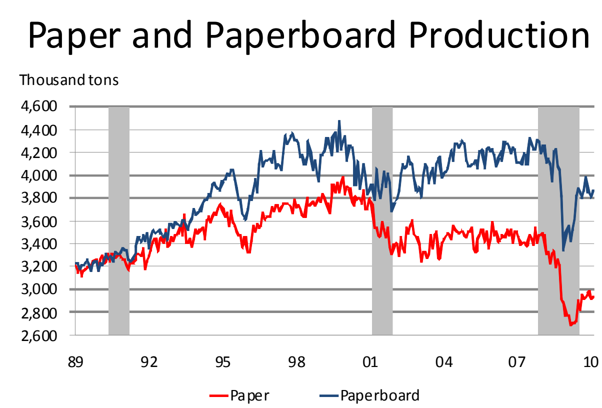
Source: Bureau of Economic Analysis

The automobile companies reported that **light vehicle sales** rose from a 10.4 million unit pace in February to an 11.8 million unit pace in March. A year earlier the sales pace was 9.7 million units. Led by Toyota, a number of manufacturers boosted incentive packages during the month and companies were aided by an improving economy. Toyota experienced a large sequential gain and sales were stronger for most other major companies, Chrysler being the exception. The sales gain was less-than-expected given that sales were somewhat dampened in January and February by the unusually severe winter weather. *This sector is important to the business of chemistry because a typical vehicle contains $2,973 of chemistry (chemical products and chemical processing). Included, for example, are antifreeze and other fluids, catalysts, plastic dashboards and other components, rubber tires and hoses, upholstery fibers, coatings and adhesives. Virtually every component of a light vehicle, from the front bumper to the rear taillights features some chemistry. The latest data indicate that polymer slipped to 343 pounds per vehicle. More details are available in our annual Chemistry and Light Vehicle report.*



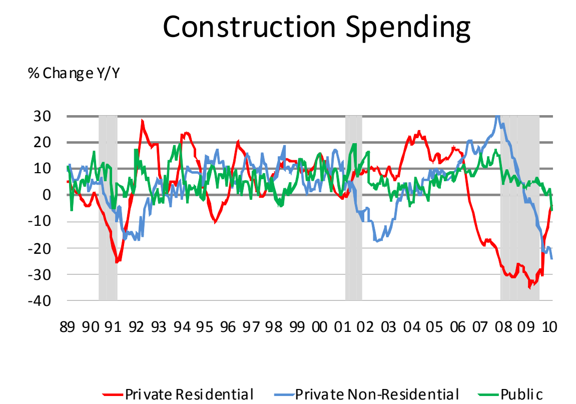
Source: Bureau of Economic Analysis

The American Forest & Paper Association (AF&PA) reported that **paper production** rose to 2.94 million tons in February, a level up 6.1% Y/Y and 5.5% YTD. Production of paperboard rose 3.87 million tons, a level up 8.6% Y/Y and 8.7% YTD. The gains in both pushed the operating rate up two percentage points to 89%. *(See www.afandpaorg for more details on subscribing to the Monthly Statistical Summary.) Pulp and paper represents a $6.4 billion market for pulping and bleaching chemicals (elemental chlorine, sodium chlorate, hydrogen peroxide, oxygen, ozone, soda ash, etc.) as well as chemicals such as aluminum oxide, caustic soda, sodium silicate, sodium sulfate and titanium dioxide, and as well as dyes and pigments, whiteners, sizing agents, dry-strength and wet-strength agents, defoamers, biocides, polymers, deposit control agents, and other processing aids and additives. Synthetic resins are also used for paper coatings and pigments binders. An additional $4.0 billion of chemistry is used in paperboard containers and other converted paper products. An ACC paper – Changing Customer Dynamics: Chemistry and Pulp & Paper Industry – presents an analysis of the dynamics and long-term prospects for the global pulp and paper industry and the effects of changes in this global industry on the demand for chemistry.*



Source: American Forest and Paper Association

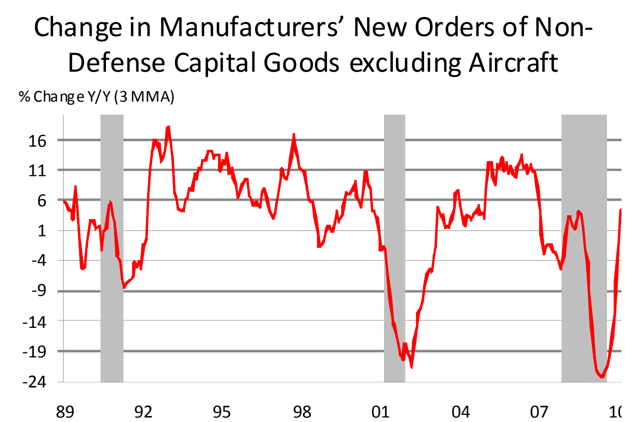
The Census Bureau reported that **construction spending** fell for the fourth straight month in February by 1.3% to $846.2 billion. It marks the 10th decline in construction spending over the past 12 months. February was a difficult month for the construction sector as massive snowstorms disrupted building activity for days along the East Coast. Compared to a year ago, construction spending was off 12.8%. Private residential spending which had shown some improvement at the end of 2009, fell by 2.1% and was off 3.8% Y/Y. Private nonresidential spending fell by 0.4%, but was off 24.3% Y/Y. Declines in lodging, commercial, amusement, and healthcare and office projects were offset by gains in manufacturing and power. The overhang created by the building boom and subsequent high vacancy rates combined with tight credit have curtailed a large number of projects. Lodging, office and commercial construction are off compared to a year ago by 53.3%, 38.1% and 37.8%, respectively. Finally, public construction fell by 1.7% and was down 5.4% Y/Y. Despite substantial Federal stimulus that continues to have an impact, much of the construction spending in the public sector is dependent on state and local tax collections, which have declined sharply during the recession.



Source: Bureau of the Census

This report is of significance to the business of chemistry because on average, the construction sector directly purchases $8 in chemistry for every $1,000 worth of output. Indirectly, it purchases more than twice that as increasing construction spending generates sales of chemistry products through purchases of supplies such as plastics pipe, architectural coatings, vinyl siding and construction products, carpet, sealants, concrete additives, etc. More than $32 billion in chemistry products goes into construction each year. Among plastic resins, PVC is most tied to building and construction. A useful indicator we use is the Y/Y change in real (i.e., inflation-adjusted) new orders for construction materials and supplies.

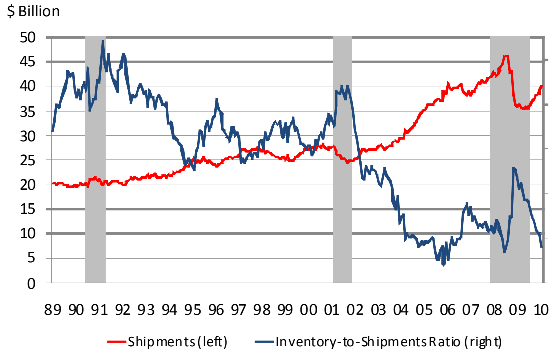
The Bureau of the Census reported that **factory orders** rose 0.6% in February to $383.5 billion following a 2.5% surge in orders in January. This was the tenth gain in the past twelve months. Compared to a year ago, orders were up 11.1%. Orders rose in machinery, fabricated metal products, primary metals, computers and furniture. Orders slipped for electrical equipment, transportation equipment and communications equipment. New orders for nondefense capital goods excluding aircraft (a proxy for business investment) rose 2.0% and were up 7.9% Y/Y. Manufacturing **shipments** slipped by 0.1% to $384.9 billion following a 0.7% gain in January. February data are likely skewed because of the massive snowstorms that disrupted economic activity along the East Coast. Gains in shipments of primary metals, fabricated metal products, machinery, electrical equipment, leather, paper, chemicals, and plastic and rubber products were offset by declines in computers and electronics, transportation equipment, textiles and apparel, printing and petroleum products. **Inventories** rose 0.5% to $498.3 billion following a 0.3% gain in January. As a result, the **inventories-to-sales ratio** remained steady at 1.29. One year ago, the ratio was 1.45. **Unfilled orders**, a measure of future manufacturing activity in the pipeline, rose by 0.5%. This is the 2nd consecutive month and follows 15 consecutive months of decline. The report suggests the manufacturing expansion is continuing and gaining traction.



Source: Bureau of the Census

Turning to the business of chemistry, shipments of chemicals rose 1.5% in February and were up 5.3% Y/Y. Pharmaceutical shipments were up 0.5%, but off 7.1% Y/Y. As a result, shipments of chemicals, excluding pharmaceuticals were up 1.8% and up 10.4% Y/Y. Shipments of agricultural chemicals, coatings and other chemicals also rose. Inventories of chemicals were essentially flat in February, but off 5.0% Y/Y. Inventories of pharmaceuticals were also flat (down 8.8% Y/Y). Excluding pharmaceuticals, chemical inventories slipped a modest 0.1%, and were off 2.6% Y/Y. Inventories of agricultural chemicals were flat. Coatings and adhesive inventories rose 0.7% (down 6.5% Y/Y) and all other chemicals were down 0.1% (down 2.8% Y/Y). The chart below shows the relationship between shipments and inventories for chemicals, excluding pharmaceuticals, over time. It compares a Y/Y change using a 3 month moving average to smooth out volatility.

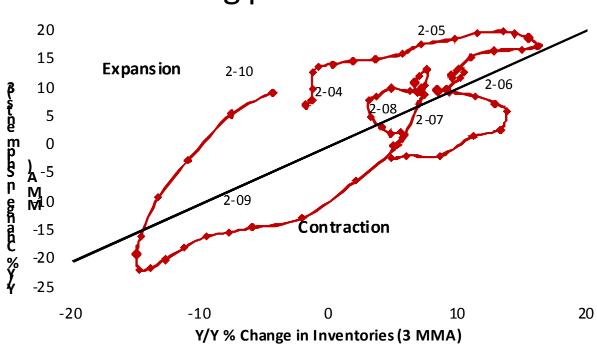
Chemical (excluding Pharmaceuticals)
Shipments and Inventory-to-Shipments Ratio



Source: Bureau of the Census

The type of chart that follows is used to illustrate inventory cycles. In this case, it is used to compare the Y/Y growth in shipments and inventories for chemicals (excluding pharmaceuticals) for the January 2003 through February 2010 period. A three-month moving average (3MMA) is used. In a perfect world where inventories and shipments are matched, the shape of the line would be fairly symmetric, a balance of centrifugal and centripetal forces. That is, growth in inventories would parallel that of growth in shipments. This is illustrated by the 45° blue line, which represents a balanced norm. In this perfect world, growth or shrinkage of both would move in tandem, with sufficient inventories to meet rising demand, but inventories are not excessive when demand slows or falls. Deviations or volatility represent another name for a mismatch of sales and inventories, with a subsequent and hopefully, very short cycle of correction. This is particularly the case should the line connecting Y/Y growth for both variables shift toward the right. This would indicate a build-up of inventories without the similar gain in shipments.

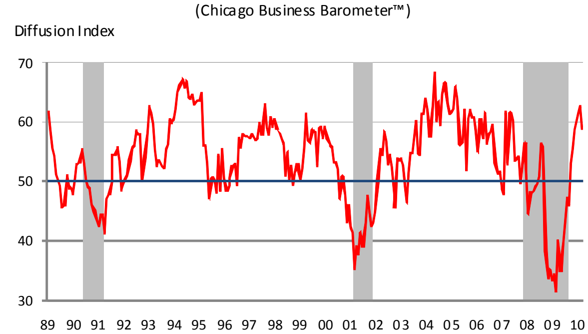
Inventory Cycle for Chemicals,
excluding pharmaceuticals



Source: Census Bureau, ACC analysis

The chart provides a fairly simple yet good visual aide for evaluating the stages of the inventory cycle. In this particular chart the data are presented on a monthly basis, using a 3MMA. This makes the chart easier to read and using monthly data instead of quarterly allows easier identification of turning points. It can also be adapted to actual chemical and polymer products. The most recent data indicate the severe contraction in both shipments and inventories and continues to indicate an inventory overhang for the industry as a whole (excluding pharmaceuticals) as inventories (with a 4.3% Y/Y decline on a 3MMA basis) continued to lag shipments (with a 8.9% Y/Y rise on a 3MMA basis) in this comparison. The gap between the two, moreover, widened from 12.7 percentage points to a positive 13.2 percentage points. The gap is a significant improvement from its widest (at -11.1 percentage points) in January 2009. Shipments are outstripping inventories and the need to replenish the latter will bolster productive activity in the months to come.

Chicago Purchasing Managers Index
(Chicago Business Barometer™)

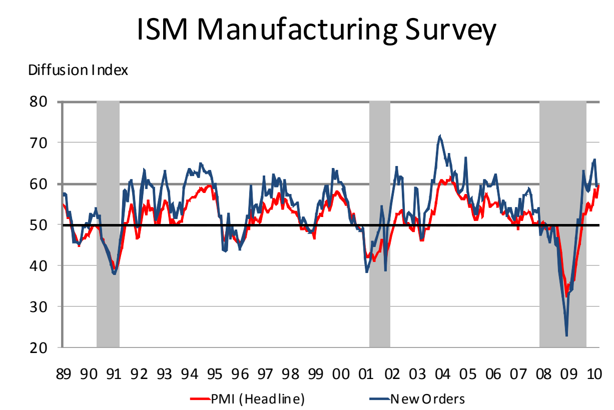


Note: An index of 50 or over indicates that manufacturing is expanding, while an index below 50 indicates that is declining.

Source: National Association of Purchasing Management - Chicago

Providing us an early look at March activity, purchasing managers in the Midwest reported that the **Chicago PMI** (conducted by the ISM-Chicago and actually named the Business Barometer™) slipped by 3.8 points to 58.8 in March. (With this type of diffusion index, a reading above 50 indicates expanding regional business activity, while a reading below 50 signals contraction.) This continues to signal growth just as a slightly slower pace and marks the sixth month of recovery. All business activity indices marked expansion during the month. An inventory build was recorded for the first time since October 2008 and prices paid slowed its upward climb for the first time since last July. Order backlogs reversed the February acceleration and lead times for production material lengthened while other buying policy indices shortened. (See www.ism-chicago.org for details.) *This is an important regional index for the chemical industry as Chicago is a geographical focus for plastics processing and the report suggests that the manufacturing sector in this region may be improving. Plastic resins sales correlate well with this index and the inventory build confirms our analysis of downstream inventory dynamics (reported last week).*

The Institute for Supply Management (ISM) reported that its **ISM Manufacturing** index rose 3.1 points to 59.6 in January. This was the highest level since July 2004 and was the eighth consecutive month of above 50 for this indicator. (With this type of diffusion index, a reading above 50 indicates expanding regional business activity, while a reading below 50 signals contraction.) The advance was well ahead of expectations and confirms that the manufacturing sector is in recovery. The details of the report were strong, with big gains generally across-the-board. Both Production and New Orders were above 60, indicating strong current and future performance. Inventories improved by 8.0 points to 55.3 (the strongest monthly gain in 22 years) and is now above 50 for the first time in four years, indicating that companies are restocking (or replenishing) inventories after a long period of destocking. This gain suggests that economic growth in the 1st quarter will be more solid than expected. In addition, 17 of 18 industries reported growth, indicating breadth in recovery. Moreover, employment continued to expand. The rebound in global economic activity remains supportive for manufacturing. Diffusion indices have the properties of leading indicators and illustrate the prevailing direction of change in the economy and its scope. (See www.ism.ws for more details.)



Source: Institute for Supply Management

Turning to the business of chemistry, the details in the ISM manufacturing report indicate that the chemical industry was one of the manufacturing industries reporting growth in March. Chemical companies' inventories apparently trended higher, but customer inventories were said to be low. The chemical industry did report an increase in exports and other new orders as well as production and backlog of orders. Imports also rose. Chemical companies experienced slower supplier deliveries during March and employment levels apparently fell. This ISM report is of significance to the business of chemistry because on average, the goods sectors purchase $43 worth of chemistry for every $1,000 worth of output (or revenues). In contrast, the services sectors purchase only $11 for every $1,000 worth of output. As a result, production of basic industrial chemicals and specialties tends to track this PMI fairly well. On a sour note, production and other indicators for plastics and rubber products – a key end-use market – were negative during March.

The **JPMorgan Global Manufacturing PMI** rose 1.3 percentage points to 56.7 in March, its highest reading since May 2004 (a 70-month high), and the ninth month above 50. (As with the ISM index, a reading above 50 indicates expanding global activity, while a reading below 50 signals contraction.) The latest improvement in overall operating performance reflects accelerated growth of production and new orders from a broad base of nations, but especially in the US and China. Moreover, employment rose for the third consecutive month. The March manufacturing production gain extended the recovery and expansion that began last June. Western European manufacturing also showed further signs of improvement. Global new orders for manufactured goods increased for the ninth straight month in March with growth in new export orders showing their sharpest reading on record. Almost all of the countries for which January data were available reported higher new orders. The global recovery looks to still have sizeable forward momentum with inventory accumulation suggesting that boom conditions will continue in the months ahead.

NEXT WEEK

Economic reports released next week include the ISM Non-Manufacturing, consumer credit, wholesale trade, and OECD composite leading indicators. The EIA Short-Term Energy Outlook will also be released.

UPCOMING EVENTS OF INTEREST

7th Annual NABE Professional Development Seminar
12-14 April 2010
Sheraton Crystal City
Arlington, Virginia
Contact: www.nabe.com

Raj Gupta, Former Chairman and CEO of Rohm and Haas Company
"Building Long-Term Value: The Rohm and Haas Story"
Société de Chimie Industrielle
21 April 2010
Hyatt Regency
Jersey City, New Jersey
Contact: www.societe.org

"From Recession to Recovery"
Chemical Week's 15th Annual CFO Conference
25 May, 2010
Intercontinental The Barclay
New York, New York
Contact: www.chemweek.com/cfo10

Opportunities for Chemicals and Materials: B&C 2020 -- Capitalizing on the Next Generation of Building and Construction
Chemical Development and Marketing Association - A Special Interest Group of PDMA (Product Development and Management Association)
2-4 June 2010
The University of Pennsylvania
Philadelphia, Pennsylvania
Contact: www.pdma.org

FOR MORE INFORMATION

For ACC members, our section of the members-only extranet, MemberExchange, contains a plethora of data, economic analyses, presentations, outlooks, weekly economic updates, and much more. You can access frequently updated data files (which provide the most recent and historical data for the business of chemistry - including trade data) as well as the economic data that enable you to track worldwide industry trends, follow developments as they unfold and gain insight into the long-term outlook. These include the indicators covered in this weekly report. To request access to the site, go to: https://memberexchange.americanchemistry.com, and select “Economics and Statistics,” and complete the registration process.

In addition to this weekly newsletter, ACC offers monthly, semi-annual and annual economic data publications that enable users to track worldwide industry trends, follow developments as they unfold and gain insight into the long-term outlook. These products contain comprehensive statistics and analyses that cover worldwide production, trade, shipments, inventories, price indices, energy, employment, investment, R&D, EH&S, financial performance measures, macroeconomic data, plus MUCH more. To order, call 301-617-7824 or visit ACC online at http://americanchemistry.com/thestore and select Software.

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Note on the color codes: The banner colors represent observations about the current conditions in the overall economy and the business of chemistry. For the overall economy we keep a running tab of 20 indicators. The banner color for the macroeconomic section is determined as follows:

Green – 13 or more positives
Yellow – between 8 and 12 positives
Red – 7 or fewer positives

For the chemical industry, there are fewer indicators available. As a result we rely upon judgment whether production in the industry (defined as chemicals excluding pharmaceuticals) has increased or decreased three consecutive months).