Weekly Chemistry and Economic Trends

ACC Economics & Statistics
20 February 2015

Macroeconomic Status

Our running tab of positive indicators for the macroeconomic status was 14 out of 20 this week. Thus, we continue to post a green banner.

Producer Prices ▼0.8%; **–flat–** Y/Y
Housing Starts ▼2.0%; ▲18.7% Y/Y
Building Permits ▼0.7%; ▲8.1% Y/Y
Industrial Production ▲0.2%; ▲4.8% Y/Y
Capacity Utilization –steady– 79.4%
Empire State Survey ▼2.0 points to +7.8
Philly Fed Survey ▼1.1 points to +5.2
LEI ▲0.2%; ▲6.1% Y/Y

Business of Chemistry Status

The indicators bring to mind a green banner bordering on yellow for basic and specialty chemicals.

Oil ▲$60.44 (Thursday)
Natural Gas ▲$2.97 (Thursday)
Railcar Loadings ▲1,001 from a week ago; ▲2.3% Y/Y (13-week moving average)
Specialty Chemical Market Volumes ▼0.5%; ▲6.2% Y/Y

The economic reports were mixed this week. Lower domestic producer prices reflect the sharp declines in energy prices. The housing sector fell in January but this was expected given the bad weather. Industrial production rose again, aided by higher utility output as colder weather prevailed. The two regional surveys indicate that manufacturing activity continued to remain positive in February.

Some unusual factors are adversely affecting growth prospects this quarter. The cold weather and heavy snows have put a crimp on commerce and industry, especially in New England. And the on-going labor dispute at West Coast ports is not helping either. Although the consensus is that lower oil prices are a net positive for the US economy, the drop in prices has caused the industry to cut back on new projects (as measured by the rig count). In addition, some exporters are being affected by the strong US dollar. Nonetheless, our forecasters remain positive with the largest change in their lower expectations for inflation, the result of lower energy prices. The January index of leading economic indicators signals moderating growth with some risks. Our chemicals activity barometer (CAB) will shed some light on business cycle dynamics based on provisional February data.

Turning to chemistry, the industrial production report indicates that chemical industry production increased again in January. Looking at performance chemistry, U.S. specialty chemicals market volumes started 2015 on a soft note, falling 0.5% in January. The railcar loadings data suggest continued gains in February.

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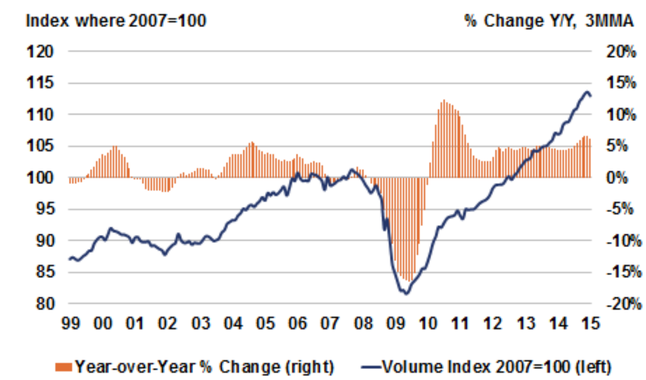
SPECIALTY CHEMICAL MARKET VOLUMES

The American Chemistry Council (ACC) also reported that U.S. specialty chemicals market volumes started 2015 on a soft note, falling 0.5% in January. This follows a 0.3% gain in December and a strong 0.6% gain in November. The adverse weather has played a role but weakness in oilfield chemicals and other segments weighed on overall volumes. Of the 28 specialty chemical segments we monitor, 14 expanded in January, off from 18 in December. Of the remaining segments in January, 13 declined and one was flat. During January, segments experiencing large gains (1.0% and over) included: electronic chemicals, foundry chemicals, mining chemicals and lubricant additives. Other segments experiencing more modest gains included antioxidants, biocides, cosmetic chemicals, dyes, flame retardants, flavors and fragrances, industrial & institutional cleaners, mining chemicals, rubber processing additives, textile specialties, and water management chemicals.

Market Volumes (% Change Y/Y - 3MMA)	Oct 14	Nov 14	Dec 14	Jan 15
Total Specialties	**6.3**	**6.7**	**6.5**	**6.2**
Adhesives & Sealants	9.8	10.4	8.8	6.2
Antioxidants	12.1	12.5	12.7	13.6
Biocides	6.0	5.8	5.6	5.5
Catalysts	3.1	2.7	2.9	3.9
Coatings	7.1	7.0	7.2	7.8
Construction Chemicals	4.7	5.8	5.9	5.4
Corrosion Inhibitors	7.2	7.3	7.2	7.0
Cosmetic Additives	14.6	16.3	16.6	16.8
Dyes	1.7	2.6	3.2	4.3
Electronic Chemicals	7.6	7.9	8.2	8.5
Flame Retardants	9.3	10.1	10.5	11.3
Flavors & Fragrances	7.2	8.1	8.1	8.5
Food Additives	3.0	3.7	3.6	4.0
Foundry Chemicals	13.4	12.3	10.8	10.6
Industrial & Institutional Cleaners	3.4	3.4	3.4	3.9
Lubricant Additives	1.4	2.7	4.4	6.8
Mining Chemicals	3.2	3.3	4.4	6.3
Oilfield Chemicals	10.7	10.6	10.7	8.8
Paint Additives	6.5	7.7	5.3	2.3
Paper Additives	-2.9	-2.0	-1.4	-0.5
Pigments	6.7	7.2	6.3	5.8
Plastic Additives	0.5	1.8	2.3	1.7
Plasticizers	-2.3	-1.0	-0.6	-1.5
Plastic Compounding	4.5	4.6	3.8	3.9
Printing Ink	4.6	4.6	3.5	3.5
Rubber Processing	8.6	8.7	9.2	10.5
Textile Specialties	2.0	2.7	3.5	5.5
Water Management Chemicals	3.0	3.3	3.4	3.8

The index stood at 113.0% of its average 2007 levels. This is equivalent to 8.72 billion pounds, up from 8.26 billion pounds last January. The overall specialty chemicals volume index was up 6.2% year-over-year (Y/Y) on a three-month moving average (3MMA) basis. Year-earlier comparisons have generally been in the 4.0% to 6.8% range since January 2012. Year-earlier gains are still fairly widespread among most market and functional specialty chemical segments and, in some cases, they are improving. Compared to last year, January volumes were up in 26 segments and down in only two segments (paper additives and plasticizers).



Source: American Chemistry Council

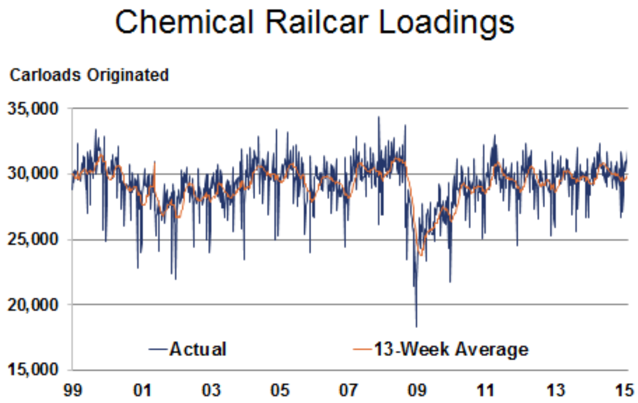
Chemistry directly touches over 96% of all manufactured goods and trends in these specialty chemical segments provide a detailed view of trends in manufacturing. The data represent the sales volume of various specialty chemical markets indexed where the average 2007 volume is equal to 100. Thus, a current reading of 113.0, for example, implies that the market volume of that segment is 13.0% above the average 2007 volumes. The data include 28 market and functional specialty chemical segments. There is some duplication. For example, pigments (a functional market) are included in paint additives, plastic additives, and other market-oriented specialty chemicals. These specialty chemical market indexes cover the U.S. markets for market and functional specialty chemical segments and are based upon the synthesis of annual market research data and monthly economic data. A spreadsheet, which contains monthly history back to January 1997 as well as notes on the methodology, is available for ACC members on MemberExchange.

CHEMICAL RAILCAR LOADINGS

According to the Association of American Railroads (AAR), for the week ending 14 February (week 6), railcar loadings of polymers and basic chemicals (blue line) rose by 1,001 to 31,878 railcars, the highest since April 2014. Compared to the same week last year, loadings were up 9.2% Y/Y and were up 4.2% YTD. Loadings have been on the rise for 7 of the last 13 weeks.

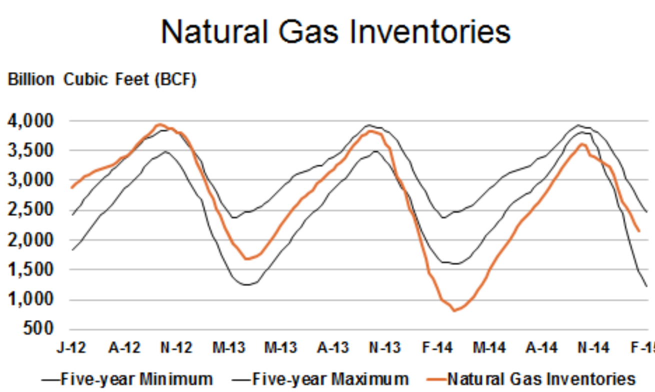
The railcar loadings data are the best 'real time' indicator of industry — especially basic chemicals and polymers — activity. Because the data are fairly erratic, we employ a moving average to smooth out seasonal irregularities.

The 13-week moving average of railcar loadings is up 2.3% Y/Y, indicating improving activity.



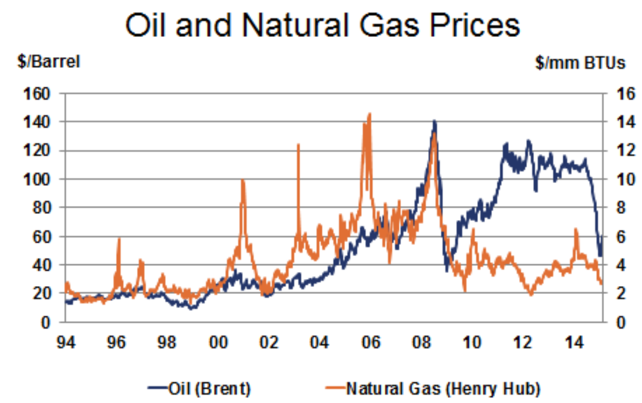
Source: Association of American Railroads

ENERGY
The Energy Information Administration (EIA) reported a 111 billion cubic feet (BCF) withdrawal in **natural gas inventories** during the week ending 13 February, well below the typical 162 BCF draw for this week. Stocks were 678 BCF (45.8%) higher than last year at this time and 58 BCF (2.8%) above the five-year average. At 157 BCF, total gas inventories remain well within the five-year historical range.



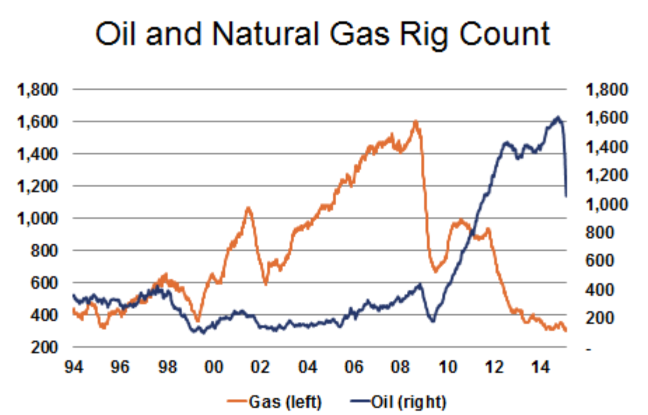
Source: Energy Information Administration

Despite rising supply and record inventories, encouraging signs regarding the global economy helped **oil prices** rise to $60.44 per barrel yesterday (Thursday). A year ago, oil was $110.37 per barrel. Thus, recent prices are 45.2% lower than last year. With severe cold weather across much of the nation (in Washington it broke a record last seen in the Cleveland administration), **natural gas prices** (the benchmark Henry Hub), closed at $2.97 per million BTUs on Thursday, up from $2.86 last Thursday. A year ago, the price was $6.00 per million BTUs. Thus, recent prices represent a 50.5% Y/Y decline.



Source: Energy Information Administration

At 20.4:1, the ratio of oil prices to natural gas prices <u>improved</u> from 19.7:1 a week ago. One year ago, the ratio was 18.4:1. As a rough rule of thumb, when the ratio is above 7, the competitiveness of Gulf Coast-based petrochemicals and derivatives vis-à-vis other major producing regions is enhanced. As the following chart shows, we've been above 7 for several years. In the US, nearly 90% of ethylene, for example, is derived from natural gas liquids while in Western Europe, over 85% 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 in competitiveness as well. The current ratio is favorable for US competitiveness and exports of petrochemicals, plastics and other derivatives.



Source: Baker-Hughes

According to Baker-Hughes, for the week ending 13 February the North American **natural gas rig count** fell by 14 to 300 rigs. One year ago the rig count was 337 rigs. During the same week, the **oil rig count** fell by 84 to 1,056 rigs. One year ago the rig count was 1,423 rigs.

SURVEY OF FORECASTERS
Every month, ACC's Economics & Statistics Department collects the forecasts from a number of economic professionals who have a track record for accuracy and expert knowledge of manufacturing. Most, from industrial

companies or consultancies, have expertise in the dynamics of the manufacturing sector. In the accompanying table, the data presented are strict averages of their input.

February Economic Forecasters Survey Results *% change Y/Y* *(Unless noted otherwise)*	**12**	**13**	**14**	**15**	**16**
GDP	2.3	2.2	2.4	3.2	2.9
Consumer Spending	1.8	2.4	2.5	3.4	2.9
Business Investment	7.2	3.0	6.3	5.1	5.3
Industrial Production	3.8	2.9	4.3	3.7	3.2
Light Vehicle Sales (mm)	14.4	15.5	16.5	16.9	17.0
Housing Starts (mm)	0.78	0.93	1.01	1.19	1.38
Consumer Prices	2.1	1.5	1.6	0.4	2.3
10-Year Treasury Notes (%)	1.80	2.35	2.54	2.11	2.89
Unemployment Rate (%)	8.1	7.4	6.2	5.5	5.2
$/Euro	1.29	1.33	1.33	1.13	1.11

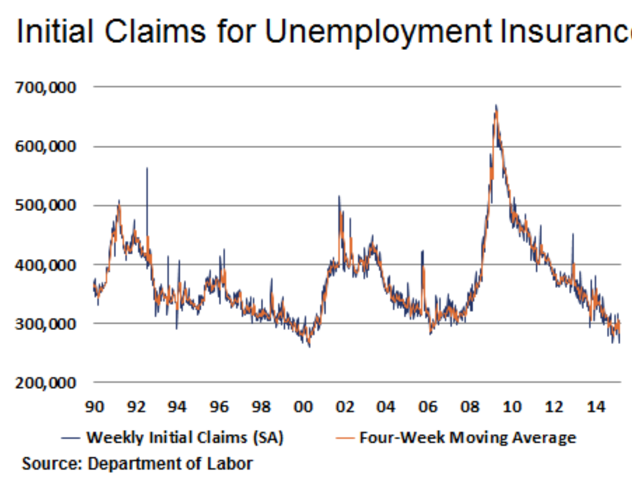
The economy in 2015 is still expected to rise by 3.2%. Consumer spending is expected to rise 3.4%, up 0.2 percentage points from last month. The outlook for business investment, however, has been reduced (by 0.4 percentage points) and is now expected to gain 5.1% this year. Expectations for light vehicle sales are still at 16.9 million units, up from 16.5 million in 2014. Expectations for 2015 housing starts are for 1,185,000 units, down 22,000 units from last month's survey. Expected housing starts will still be well below the bubble-related peak of 2.07 million units in 2005. Expectations for inflation mark the biggest revision among the forecasters as lower oil prices ripple through to the consumer level. The outlook was reduced by 0.5 percentage points to a 0.4% rise in headline consumer prices. Industrial production is still expected to rise 3.7% in 2015. Industrial output is a more meaningful benchmark than GDP for comparing performance of basic and specialty chemicals. The unemployment rate is expected to average 5.5% for the year. This is up 0.1 percentage points from the average forecast last month. The 10-year Treasury note is expected to average 2.11% in 2015.

In general, expectations for 2016 continue to be positive. Economic growth is still expected to average 2.9%, with growth led by increased business investment, which is anticipated to rise 5.3%, a gain that is off 0.1 percentage points from last month. Consumer spending is expected to rise 2.9%, up 0.1 percentage points from last month. Overall consumer prices are still expected to rise 2.3% in 2016 and the unemployment rate is still expected to average 5.2%. The 10-year Treasury note is expected to average 2.89% in 2016, off from last month's survey. Turning to the real economy, light vehicle sales are still expected to reach 17.0 million units in 2016 and housing starts will rise to 1.38 million. Expectations for housing starts were revised down up by 24,000 units from last month's survey. The forecasters expect a slightly slower (by 0.2 percentage points) 3.2% gain for industrial production in 2016. The year will, nonetheless, mark the seventh consecutive year in which industrial production gains outpace that of the overall economy. This is a result of the renaissance in manufacturing. This stands in contrast to the recovery/expansion in the 2000s when industrial production lagged overall GDP in all years save one.

The latest forecasters' survey results (including the range of responses, historical data and farther forecasts) are available on MemberExchange for ACC members (see details under For More Information).

INDICATORS IN DETAIL

Note that economic statistics tend to be somewhat erratic in nature. Seasonality often 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.



The Department of Labor reported that **initial claims** for unemployment insurance fell by 21,000 to 283,000 during the week ending 7 February. The four-week moving average was 283,250, a decrease of 6,500 from the previous week's unrevised average of 289,750

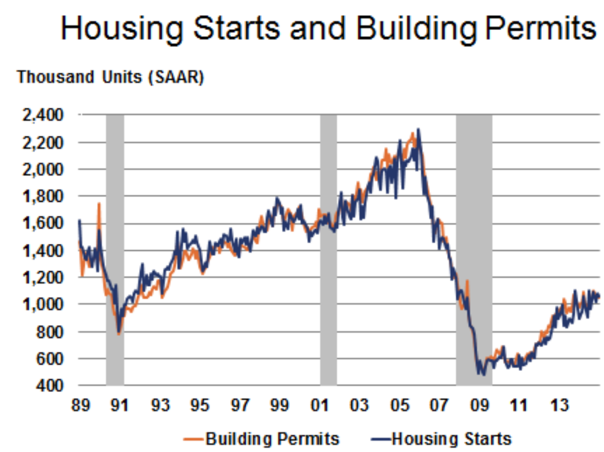
The Bureau of Labor Statistics reported that **producer prices** fell 0.8% in January following 0.2% declines in December and November. Recent monthly declines reflect lower energy prices. Energy prices to producers have been on the decline since last July and dropped 10.3% in January. A measure which excludes food and energy prices shows that prices were down just 0.2%. Headline producer prices were flat Y/Y. Slowing global growth and an abundant supply in oil will keep energy prices low in the near term. This suggests that the underlying trend in producer prices will continue pointing to muted inflation.

Producer Prices (% change Y/Y using 3MMA*)	Oct 14	Nov 14	Dec 14	Jan 15
Feedstocks	0.8	2.9	-3.8	-18.5
Total Chemistry	3.3	3.4	2.9	1.7
Pharmaceuticals	5.9	6.8	7.0	7.9
Total Chemistry, excl. Pharma.	1.5	1.0	0.1	-2.6
Agricultural Chemicals	2.5	2.9	3.2	2.4
Consumer Products	1.8	1.7	1.5	0.8
Basic & Specialty Chemicals	1.5	1.4	0.9	-0.5
Basic Chemicals	1.6	1.4	0.8	-1.1
Inorganic Chemicals	2.6	2.4	2.7	3.5
Petrochemicals & Organic Chemicals	-0.7	-0.9	-2.0	-4.7
Plastic Resins	5.6	5.5	5.0	2.3
Synthetic Rubber	2.7	0.6	-1.5	-4.2
Manufactured Fibers	0.4	0.2	-0.6	-1.7
Specialty Chemicals	1.1	1.2	1.2	1.2
Coatings	1.3	1.2	0.9	0.8
Other Specialties	1.0	1.2	1.3	1.4

Source: Bureau of Labor Statistics, ACC analysis
** 3MMA= 3 month moving average*

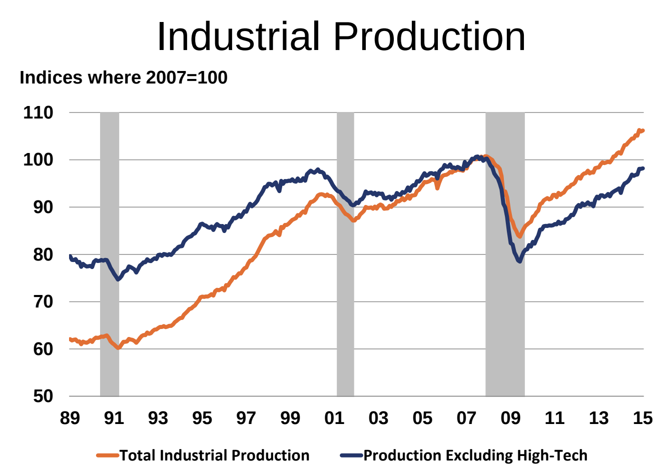
Turning to the business of chemistry, overall prices fell 1.1% in December. This follows a 0.3% decline in December and a 0.8% decline in November. During January, prices for pharmaceuticals rose 2.3% and, as a result, prices for other chemistry (excluding pharmaceuticals) declined 3.7%. This follows a 0.8% decline in December and a 1.4% decline in November. During January prices for basic chemicals fell 3.6% with weakness generally across-the-board although inorganic chemical prices apparently firmed. Specialty chemical prices slipped 0.2% in January and the weakness was centered in coatings. Consumer products prices slipped and agricultural chemical prices fell as well. Compared to last year, headline chemistry prices were up 1.7% Y/Y on a 3MMA basis. Basic chemical prices were off 1.1% Y/Y. Bulk petrochemical and organics were off 4.7% Y/Y, but inorganic chemicals were up 3.5% Y/Y, plastic resins prices were up 2.3% Y/Y, synthetic rubber prices were off 4.2% Y/Y and manufactured fibers were off 1.7% Y/Y. Specialty chemical prices were up 1.2% Y/Y compared to a year ago.

The Census Bureau reported that **housing starts** fell by 2.0% to a 1.065 million pace in January. The reading met expectations and marks the fifth consecutive month with starts above the 1 million mark. Single family starts fell 3.1% from a six-year high. Single-family starts gained in the Northeast, but were off in other regions. Forward-looking **building permits** also slipped, by 0.7%, to a 1.053 million pace. Compared to a year ago when much of the country was struggling with a harsh winter, housing starts were up 18.7% Y/Y (single family +24.5% Y/Y) while permits were up by 8.1% Y/Y. The outlook for housing in 2015 is for improvement over 2014 when lower inventories and slow wage growth were drags. Household formation, a key indicator of housing market growth, broke above one million during the fourth quarter, suggesting increased demand for housing in the year ahead. *This is a key indicator for the business of chemistry because housing is an important end-use market for chemistry products in the form of paints, wire insulation, house-wrap, sealants, roofing materials, resilient flooring, vinyl siding, etc. New housing also generates sales of appliances, furniture, carpet, fixtures, and window treatments. In total, each start engenders on average over $15,000 worth of chemistry.*



Source: Census Bureau

The **Wells Fargo/NAHB Housing Market Index** fell by two points to 55 in February, due in large part to weaker activity in the Midwest. The decline was unexpected. Prospective buyer traffic continued to be weak and present sales slipped as well, but remained relatively strong.



Source: Federal Reserve

The Federal Reserve reported that **industrial production** rose by 0.2% in January, in line with expectations and following a downwardly revised 0.3% decline in December. Production levels expanded to 106.2% of their average 2007 level. Mining output declined, but utility output was higher as colder weather prevailed. Manufacturing output expanded by 0.2% following a modest 0.1% gain in December. Notable gains were seen in primary metals, computers and electronics and apparel. Output of motor vehicles and parts declined, as did furniture and petroleum products. Compared to a year ago, industrial production was up by 4.8%. **Capacity utilization** was steady at 79.4%, a level below its long-term average of 80.1%. Compared to a year ago, overall capacity grew by 3.1%. The report is consistent with recent purchasing manager index readings signaling a slower pace in manufacturing.

Production (% change Y/Y using 3MMA*)	Oct 14	Nov 14	Dec 14	Jan 15
Motor Vehicles & Parts	6.4	6.4	7.1	9.6
Construction Materials	5.2	4.9	5.1	5.5
Structural Panels & Engineered Products	3.8	2.9	2.7	4.3
Aerospace	3.3	3.7	4.3	4.8
Apparel	-1.3	-0.2	0.8	2.8
Appliances	6.2	6.4	5.3	-28.8
Computers & Electronics	3.8	4.0	4.5	-3.9
Fabricated Metal Products	4.4	4.0	3.7	3.8
Food, Beverages & Tobacco	1.9	2.5	2.6	3.2
Foundries	13.3	12.3	10.7	10.5
Furniture	8.9	9.4	9.3	9.1
Iron & Steel Products	3.1	2.5	2.2	4.9
Paper	-2.4	-1.5	-0.9	0.0
Petroleum Refining	2.1	1.5	1.8	2.7
Printing	2.9	2.8	1.7	1.8
Rubber & Plastic Products	8.2	8.7	9.0	9.8
Plastic Products	7.8	8.5	8.8	9.4
Rubber Products	9.5	9.6	10.0	11.1
Semiconductors & Electronic Components	7.8	7.8	7.9	8.3
Textile Mill Products	2.8	2.7	2.5	1.5
Total Industrial Production	**4.4**	**4.5**	**4.5**	**4.7**
High Tech Industries	5.2	5.1	5.1	5.7
Non-High Tech Industries	3.8	4.0	4.2	4.9
Capacity Utilization (% capacity)	**79.1**	**79.8**	**79.4**	**79.4**

Source: Federal Reserve Board, ACC analysis
** 3MMA= 3 month moving average*

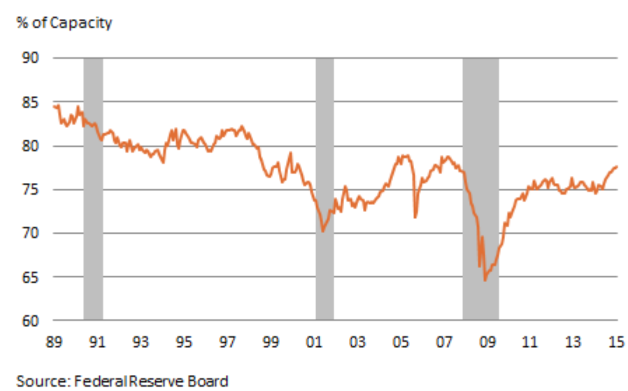
During January, production in the business of chemistry increased by 0.2% to 91.9% of its average 2007 level. Pharmaceuticals production rose 0.1%. Excluding pharmaceuticals, chemical industry production rose 0.3% and this follows a 0.3% gain in December and a 0.6% gain in November. During January, production of basic chemicals rose 0.4%, with a decline in bulk petrochemicals and organic intermediates, plastic resins and manufactured fibers offset by strength in inorganic chemicals and synthetic rubber. Production of specialty chemicals fell 1.4% in January, with weakness across-the-board in adhesives and sealants, coatings and other specialty segments. Production rose for consumer products but fell for agricultural chemicals. Compared to the same period in 2014, total production of chemicals is up 4.6% Y/Y (3MMA basis), basic chemicals production was up 1.8% Y/Y and specialties production was up 7.6% Y/Y.

Production (% change Y/Y using 3MMA*)	Oct 14	Nov 14	Dec 14	Jan 15
Capacity	1.3	1.3	1.3	1.3
Total Chemistry	3.7	4.3	4.1	4.6
Pharmaceuticals	1.6	1.7	1.9	2.7
Total Chemistry, excl. Pharma.	4.7	5.5	5.2	5.6
Agricultural Chemicals	0.7	1.9	1.3	2.4
Consumer Products	12.2	13.8	14.1	15.0
Basic & Specialty Chemicals	3.3	4.0	3.4	3.4
Basic Chemicals	1.3	1.7	1.2	1.8
Inorganic Chemicals	7.8	8.2	8.2	8.5
Petrochemicals & Organic Chemicals	-1.8	-1.0	-1.2	-0.6
Plastic Resins	1.5	0.6	-1.4	-1.9
Synthetic Rubber	5.7	5.4	6.6	8.8
Man-Made Fibers	-2.9	-2.1	-1.3	-2.9
Specialty Chemicals	8.6	10.0	9.1	7.6
Coatings	4.6	5.8	3.4	0.5
Other Specialties	10.1	11.7	11.3	10.5

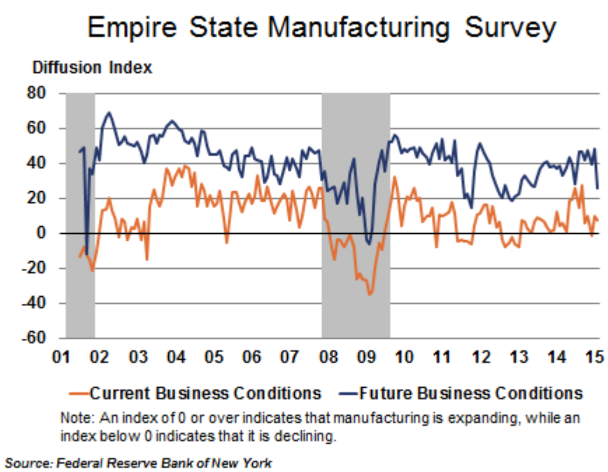
Source: Federal Reserve Board, ACC analysis
** 3MMA= 3 month moving average*

Capacity utilization in the business of chemistry rose 0.1 percentage points to 77.6% in January. One year ago it was 74.6%. The operating rate for plastics resins fell 1.0 percentage points to 88.5%. This is off from 90.5% one year ago.

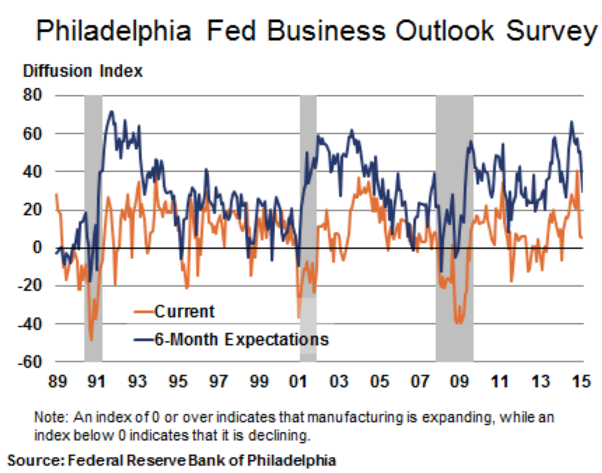
US Business of Chemistry Capacity Utilization



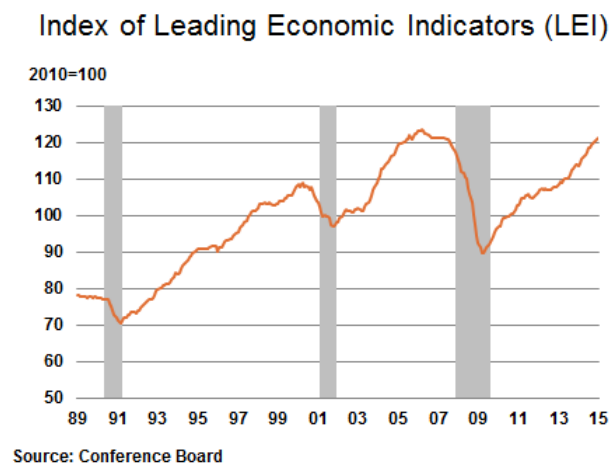
The **Empire State Manufacturing Survey** prepared by the **New York** Federal Reserve, is sort of a bellwether of manufacturing activity in the rest of the nation because it is the first index of manufacturing activity that is released every month. (With this type of diffusion index, a reading above 0 indicates expanding regional business activity, while a reading below 0 signals contraction.) According to the New York Federal Reserve Bank, the *Empire State Manufacturing Survey* indicates that business activity continued to expand at a modest pace for New York manufacturers. The headline general business conditions index edged down two points to 7.8. The orders component slipped to near neutral suggesting flat orders while shipments accelerated. Indexes for the six-month outlook, while generally positive, conveyed markedly less optimism than they have in recent months, with the index for future general business conditions falling twenty-three points. The capital spending index, however, shot up eighteen points to 32.6, its highest level in more than three years.

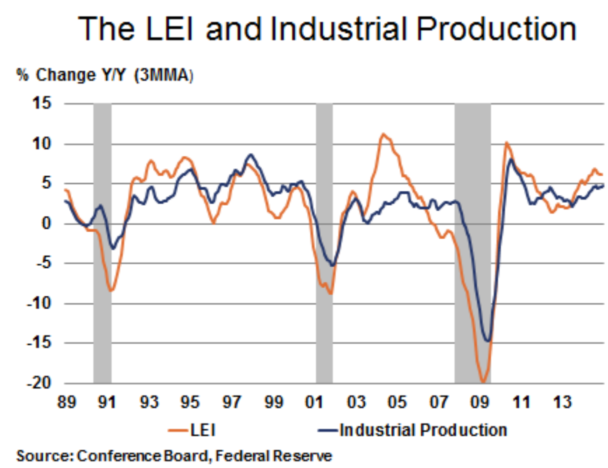


The **Business Outlook Survey** prepared by the **Philadelphia** Federal Reserve indicated continued modest growth in the region's manufacturing sector in February. Although the current activity index fell for the third consecutive month (by 1.1 points to 5.2) it remained positive, and the employment indicator increased from its reading last month. The survey's future activity index also fell but continues to reflect general optimism about manufacturing growth in the region over the next six months.



Both surveys cover regions where chemicals production and customer activity occurs. In particular, the Philadelphia region is home to a number of chemical companies with strong a regional focus in fine and other specialty chemicals, finished pharmaceuticals, and some inorganic chemicals. New York hosts a large chemical industry presence with $30 billion in shipments.





The Conference Board reported that its **leading economic index (LEI)** for the United States increased 0.2% in January to 121.1 (2010 = 100), following a 0.4% increase in December and a 0.3% increase in November. The pace of growth has moderated in recent months. Five of the ten indicators that make up the LEI increased in December. As a result strength was mixed. The positive contributors -- beginning with the largest positive contributor -- were the interest rate spread; consumer expectations; the Leading Credit Index; new orders for capital goods excluding aircraft; and new orders for consumer goods and materials. At the same time, the coincident economic index (CEI), a measure of current economic conditions, increased 0.2% in January. These composite economic indexes are the key elements in an analytic system designed to signal peaks and troughs in the business cycle. The leading, coincident, and lagging economic indexes are essentially composite averages of several individual leading, coincident, or lagging indicators. They are constructed to summarize and reveal common turning point patterns in economic data in a clearer and more convincing manner than any individual component – primarily because they smooth out some of the volatility of individual components. Taken together, the current behavior of the composite indexes suggests a positive short-term outlook in 2015, but with the lack of strong momentum in housing along with a weak outlook for new orders in manufacturing, the Conference Board feels it poses a downside risk for the U.S. economy. (See www.conference-board.org for details.) *This indicator is important to the business of chemistry as the Y/Y change in industrial production generally follows the Y/Y change in the LEI. The LEI is up 6.1% Y/Y (on a 3MMA basis), an improvement from earlier in the year, but off from the strong pace in the 3rd quarter. Industrial production is an important indicator for underlying demand for basic and specialty chemicals.*

NEXT WEEK

Economic reports released next week include the chemicals activity barometer (CAB), new and existing home sales, Texas manufacturing survey, consumer confidence, durable goods orders, consumer prices and the Chicago PMI. The US CPRI will be released and hopefully the Global CPRI.

UPCOMING EVENTS OF INTEREST

"International Flavors & Fragrances: The Winning Scent of Clean & Fresh"
Charles Tremblay – IFF Creative Center Director
Chemical Economics & Marketing Group
5 March 2015
Penn Club of New York
www.cmeacs.org

"Hard Truths, Difficult Choices"
NABE Economic Policy Choices
8-10 March 2015
Capital Hilton
Washington, DC
www.nabe.com

"Writing Skills for Business Economists and Analysts"
11 March 2015
National Association for Business Economics (NABE)
Capital Hilton
Washington, DC
www.nabe.com

"Communication and Presentation Skills for Business Economists and Analysts"
12-13 March 2015
National Association for Business Economics (NABE)
Capital Hilton
Washington, DC
www.nabe.com

"M&A Panel: Experiences and Market Perspectives"
Brian Buchert, Church & Dwight
Nirmalya Maity, Cabot Corporation
Société de Chimie Industrielle Luncheon
18 March 2015
Yale Club of New York
www.societe.org

"Argus DeWitt Petrochemical Summit"
23-25 March 2015
Houston, TX
www.argusmedia.com

"Applied Econometrics"
National Association for Business Economics (NABE)
23-26 March 2015
Federal Reserve Bank of New York
NY, NY
www.nabe.com

Propane to Propylene Markets Summit
31 March – 1 April
Houston, TX
www.propane-propylene-markets.com

"Big Data Analytics at Work: New Tools for Corporate and Industry Economics"
4th Annual NABE Industry Conference
16-17 June 2015
Federal Reserve Bank of Boston
Boston, MA
www.nabe.com

PET Value Chain North America
18-19 June 2015
Charlotte, NC
www.icisconference.com/petnorthamerica

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).

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