



Macroeconomic Status

Our running tab of positive indicators slipped to 11 out of 20 this week. As a result, we have moved to a yellow “caution” 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.

Retail Sales ↓ 0.5%; ↑ 4.8% Y/Y
Business Inventories ↑ 0.1%; ↓ 1.5% Y/Y
Trade Deficit ↑ \$2.0 billion to \$42.3 billion
Import Prices ↓ 1.3%; ↑ 4.5% Y/Y
Consumer Prices ↓ 0.2%; ↑ 1.2% Y/Y
Producer Prices ↓ 0.5%; ↑ 2.7% Y/Y
Industrial Production ↑ 0.1%; ↑ 8.2% Y/Y
Capacity Utilization -flat- at 74.1%
Empire State Survey ↓ 15 points to 5.1
Philly Fed Survey ↓ 3 points to 5.1

The economic reports were generally negative this week, pushing our banner clearly into the yellow cautionary area. Retail sales, industrial production, trade, and the regional business surveys all disappointed. There was potentially good news, however, in that initial claims for unemployment insurance fell to a two-year low. Also, it appears that inflation remains constrained.

Overseas, the recovery of industrial production appears to be slowing, with the year-earlier comparisons in the Eurozone, China and India, for example, still strongly positive but moderating. This confirms earlier signals emanating from the purchasing manager reports and composite leading indicators. A second half slowdown or soft patch is clearly in order. It's not clear yet if this is a metamorphosis into a double-dip or not. The risks, however, are clearly rising.

Turning to the business of chemistry, industrial production slipped for overall American chemistry. During June, the only gain among the major segments was in basic chemicals, with gains particularly strong in inorganic chemicals and bulk pe-

Business of Chemistry Status

For the business of chemistry, the indicators bring to mind a yellow-green banner for basic and specialty chemicals. Declines, however, have been irregular so we are reluctant to switch to a yellow banner.

Oil ↑ \$76.62 (Thursday)
Natural Gas ↓ \$4.47 (Thursday)
Railcar Loadings ↓ 4,684 from a week ago; ↓ 5.5% Y/Y (13-week moving average)
Market Capitalization ↑ 4.3% this week; ↓ 1.7% YTD

trochemicals and organic intermediates, which offset weakness downstream. Exports, however, continue to expand and should provide some support in light of slowing domestic demand. The chemical railcar loadings data suggest further moderating activity. There were no individual final product reports released this week although preliminary reports indicate tempered activity.

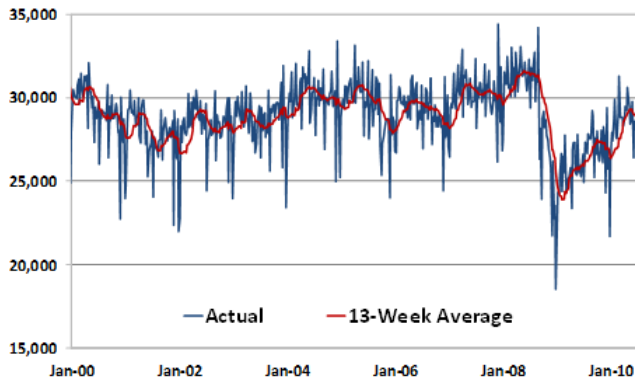
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CHEMICAL RAILCAR LOADINGS

According to the Association of American Railroads (AAR), for the week ending 10 June (week 27), railcar loadings of polymers and basic chemicals (blue line) fell by 4,684 to 25,852 railcars. Readers should note that this week included the Fourth of July holiday. Compared to the same week last year, loadings were off 5.5% Y/Y and were up 12.1% YTD. Loadings have been on the rise for seven of the last 13 weeks.

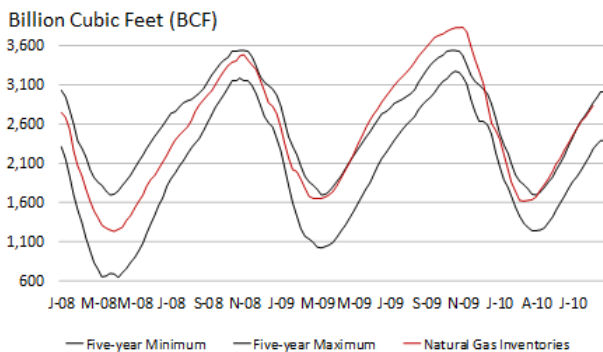
Chemical Railcar Loadings



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) indicates moderating activity and is now up 9.9% Y/Y.

Natural Gas Inventories

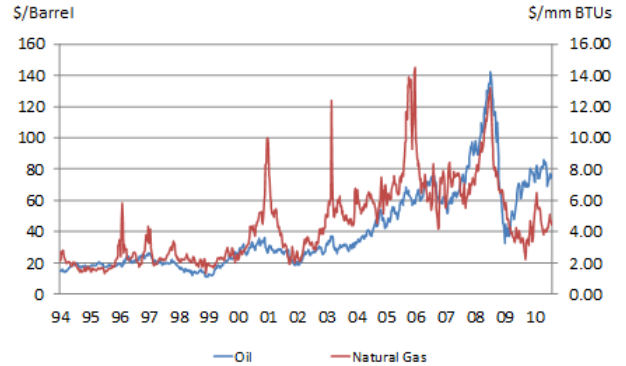


Source: Energy Information Administration

ENERGY

The Energy Information Administration (EIA) reported a 78 BCF build in **natural gas inventories** for the week ending 9 June. This was below expectations but slightly above the five-year average for this week. Natural gas inventories now stand at 2,840 BCF and are 1.1% (33 BCF) below last year's levels for the week, and 10.7% (274 BCF) above the five-year average. As a result, natural gas inventories remain within the five-year historical range.

Oil and Natural Gas Prices

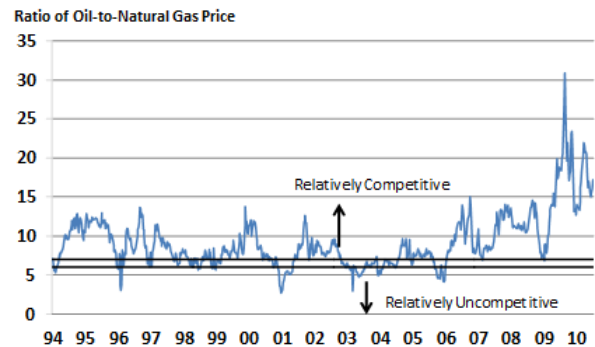


Source: Energy Information Administration

With still abundant supplies, **natural gas prices** (the benchmark Henry Hub), closed at \$4.47 per million BTUs on Thursday, down from \$4.52 last Thursday. A year ago, the price was \$3.23 per million BTUs. As a result, recent prices represent a 38.4% Y/Y increase. With falling crude inventories, **oil prices** rose to \$76.62 per barrel yesterday (Thursday). A year ago, oil was \$62.02 per barrel. As a result, recent prices represent a 23.5% Y/Y increase.

Ratio of Oil and Natural Gas Prices

Proxy for Competitiveness for Gulf Coast Based Petrochemicals



Source: based on data from the Energy Information Administration

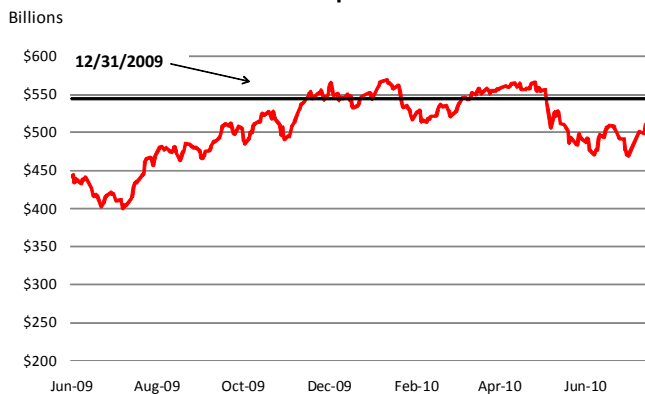
At 17.1:1, the ratio of oil prices to natural gas prices improved from 16.7:1 a week ago. One year ago, the ratio 19.2:1. As a rough rule of thumb, when the ratio is above a band between 6 and 7, the competitiveness of Gulf Coast-based petrochemicals and derivatives vis-à-vis other major producing regions 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 9 July the North American **natural gas rig count** rose by four to 964 rigs. One year ago the rig count was 672 rigs.

CHEMICALS MARKET CAPITALIZATION

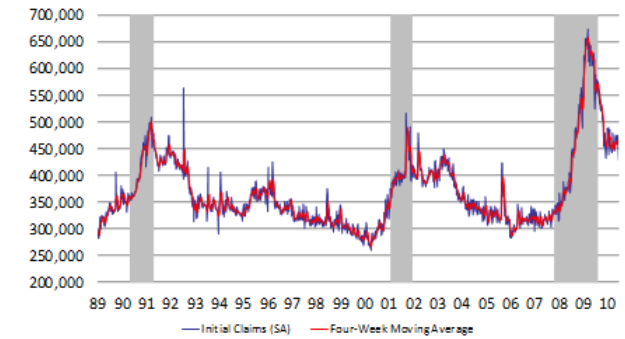
The S&P 500 index rose 2.5% during the week ending Thursday, 15 July. The ACC market capitalization of US basic chemical and specialty chemical companies also rose, by 4.3% from what it was last week to close at \$513.7 billion on Thursday.

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 down 5.6% from the beginning of the year. By comparison, the S&P 500 index is down by 1.7% since the beginning of the year.

Initial Claims for Unemployment Insurance



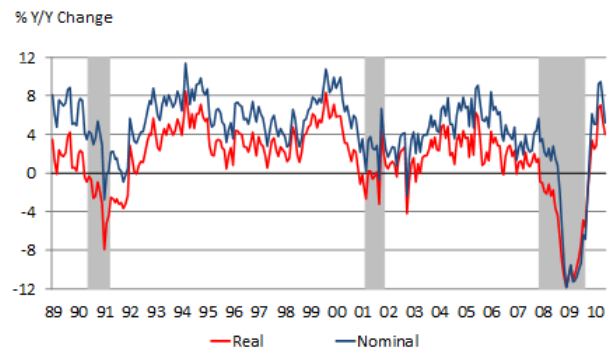
Source: Department of Labor

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 a larger-than-expected 29,000 to 429,000 during the week ending 10 July. The four-week moving average was 455,250, a decrease of 11,750 from the previous week's revised average of 467,000. Claims were at their lowest level in two years. However, it is unclear whether this indicates an improving labor market. The sharp decline could also be due to seasonal factors, such as automakers *not* shutting down as they often do this time of year.

Retail Sales

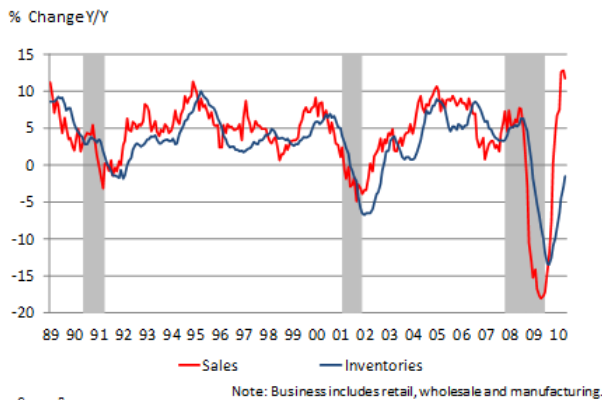


Source: Census Bureau

The Census Bureau reported that **retail sales** fell a worse-than-expected 0.5% in June following a 1.1% decline in May. Compared to a year ago, retail sales were up 4.8%. Excluding food service sales which rose modestly, total retail sales were off 0.6%, but up 5.0% Y/Y. Excluding motor vehicles and parts, retail sales were off 2.3%, but up 6.8% Y/Y. Sales rose at electronics stores, health and personal care stores, clothing stores, general merchandise stores, miscellaneous and non-store retailers. Sales declined at furniture stores, building materials/garden supply centers, food and beverage stores, gasoline stations, and sporting goods, hobby, book & music stores. High unemployment, contracting credit, and the expiration of jobless benefits combined with a weak consumer confidence are creating strong headwinds for household spending. *This report is important to the business of chemistry in that historically there is a correlation between "real" retail sales (i.e., adjusted for price change) and the consumption of polyethylene resins used in packaging. Also, food service is a major market for industrial and institutional cleaning chemicals.*

The Census Bureau reported that **business inventories** increased 0.1% to \$1,355.7 billion at the end of May. Gains in inventories were posted in all kinds of businesses except for food and beverage stores where a slight decline was posted. Furthermore, this was the fifth consecutive gain. The increase in business inventories signals improved confidence in future demand. The combined value of distributive trade sales and manufacturers' shipments for May fell 0.9% to \$1,090.2 billion. Sales declined in many businesses with the exceptions being in food and beverage stores and furniture, home furnishing, electronics and appliances stores where gains were posted in May. The inventory-to-sales ratio rose just slightly to 1.24. A year ago, the ratio was 1.41. Headline sales were up 11.8% Y/Y and inventories were down 1.5% Y/Y. Thus, inventories are still very lean. *This indicator is of importance to the chemicals industry as it explains much of variation in demand and production during the cycle.*

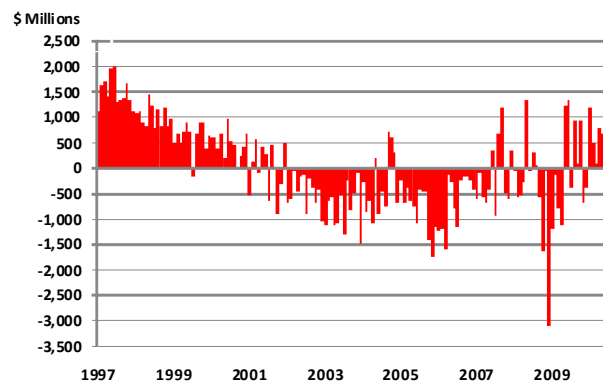
Business Sales and Inventories



The Census Bureau reported that the nation's **trade deficit** rose unexpectedly by \$2.0 billion in May to \$42.3 billion. This was the highest level since November 2008 as surging imports from China offset declining imports from OPEC countries from lower oil prices. Exports rose by \$3.5 billion to \$152.3 and imports rose by \$5.5 billion to \$194.5 billion. The gain in exports reflected increases in capital goods (\$2.0 billion); industrial supplies and materials (\$0.6 billion); consumer goods (\$0.3 billion); and automotive vehicles, parts, and engines (\$0.1 billion). A decrease occurred in other goods (\$0.1 billion). Foods, feeds, and beverages were virtually unchanged. Imports rose in consumer goods (\$2.6 billion); automotive vehicles, parts, and engines (\$2.2 billion); capital goods (\$2.0 billion); and foods, feeds, and beverages (\$0.2 billion). A decrease occurred in industrial supplies and materials (\$2.2 billion). Other goods were virtually unchanged.

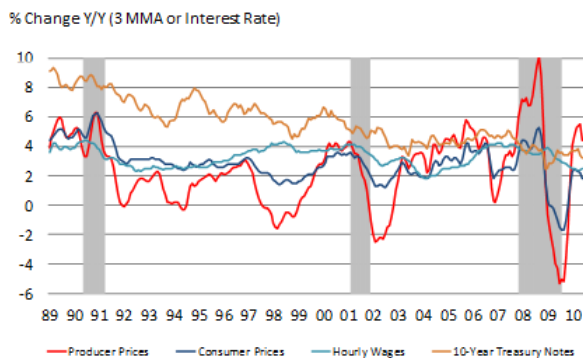
Turning to the business of chemistry, exports (not seasonally adjusted) rose from \$13.7 billion in April to \$14.2 billion in May. Exports rose across the board with the exception of consumer products and synthetic rubber which posted very small declines. Excluding pharmaceuticals, monthly exports rose by 5.5%. Imports rose from \$12.9 billion in April to \$13.5 billion in May. Excluding pharmaceuticals (which rose 10% in the month), imports fell slightly (by 0.6%). Imports rose in all categories with inorganic chemicals and agricultural chemicals being the exceptions. The trade surplus in chemistry fell from \$771 million to \$680 million. Much of the shift was due to a lower deficit in pharmaceuticals. Please note that we are now reporting trade figures using the NAIC basis rather than the SITC basis. Using a NAIC basis, the trade data is more comparable to the shipments data that we present.

Business of Chemistry Trade Balance



The Bureau of Labor Statistics (BLS) reported that **import prices** declined for the second consecutive month in June falling by 1.3% and following a 0.5% drop in May. Fuel prices also declined for the second consecutive month, falling 4.0% in June after a similar 4.1% decrease in May. The June decline was led by a drop in petroleum prices but was partially offset by rising natural gas prices. Although the headline drop was driven by declining fuel prices, a downturn in non-fuel prices also contributed to the overall decrease. The price index for import prices excluding fuel fell 0.6% in June, the first monthly decline since July 2009 and the largest since March 2009. A 1.5% downturn in non-fuel industrial supplies and materials was the largest contributor to the June decline, while prices for consumer goods, foods, feeds, and beverages, and capital goods also decreased. Weakness was centered in unfinished metal prices. Export prices also fell in June, edging down 0.2% following three consecutive monthly increases. Despite the recent declines, import prices were up 4.5% Y/Y, down from an 8.7% year-earlier comparison in May. For the 12 months ended in June, non-fuel import prices advanced 2.8% Y/Y. Export prices were up 4.3% Y/Y. Disinflation is still at work. *Turning to chemistry, import prices fell 0.6%, with pharmaceuticals stable and chemicals excluding pharmaceuticals falling 1.2%. Import prices for inorganic chemicals, organic chemicals and other segments were all weak. Export prices fell 1.5%, with pharmaceutical prices falling 1.4%, and chemicals excluding pharmaceuticals falling 1.5%. Exports prices were falling except for a slight rise posted in miscellaneous chemical products. Import prices for chemicals excluding pharmaceuticals were up 5.4% Y/Y while comparable export prices were up 9.8% Y/Y.*

Inflation and Interest Rates



Source: Bureau of Labor Statistics, Federal Reserve

The BLS reported that **consumer prices** declined 0.1% in June. As with April and May, a decline in the energy prices caused the decrease in June. Energy prices decreased 2.9% in June, the same decline as in May, with falling gasoline prices accounting for most of the decrease. This more than offset an increase in in consumer prices less food and energy (or core consumer prices) while food prices were unchanged for the

second month in a row. As a result, core consumer prices rose 0.2% in June after increasing 0.1% in May. Price gains were present in shelter, apparel, used cars, medical care, tobacco, and recreation and more than offset declines in prices for household furnishings and operations, and for airline fares. Headline consumer prices were up 1.2% Y/Y while core consumer prices were up for the third month in a row at only 0.9% Y/Y, a level below the comfort zone of many economists. Inflation remains contained.

The BLS reported that **producer prices** declined a larger-than-expected 0.5% in June. This decrease followed declines of 0.3% in May and 0.1% in April. At the earlier stages of processing, prices received by producers of intermediate goods moved down 0.9% while crude goods dropped 2.4%. In June, over eighty percent of the 0.5% decrease in the finished goods index can be traced to prices for consumer foods, which fell 2.2%. Also contributing to lower prices, energy goods declined 0.5% in June. This was led by lower gasoline and home heating oil prices. By contrast, prices for finished goods other than foods and energy -- or core-producer prices -- inched up 0.1% in June. Leading the June advance was higher cigarette prices. Producer prices were up 2.7% Y/Y in June, their third straight month of slowing year-over-year advances following a 6.0% Y/Y increase in March. The report illustrates disinflation at work and is suggestive of deflationary forces.

Producer Prices (% change Y/Y using 3MMA*)	Mar 10	Apr 10	May 10	June 10
Feedstocks	83.5	91.8	93.6	77.9
Total Chemistry	2.5	3.9	4.5	5.0
Pharmaceuticals	6.1	5.7	5.2	4.9
Total Chemistry, excl. Pharma.	0.3	2.8	4.1	5.1
Agricultural Chemicals	-16.7	-10.3	-7.8	-3.3
Consumer Products	-1.4	-0.7	-0.4	-0.1
Basic & Specialty Chemicals	3.1	5.1	6.6	6.9
Basic Chemicals	4.5	7.2	9.2	9.4
Inorganic Chemicals	-4.7	-3.8	-2.1	-0.8
Petrochemicals & Organic Chemicals	5.0	7.0	9.4	9.9
Plastic Resins	13.5	18.8	19.8	19.9
Synthetic Rubber	8.4	16.3	21.4	25.9
Man-Made Fibers	4.4	5.0	7.1	4.6
Specialty Chemicals	-0.7	-0.7	-0.6	-0.4
Coatings	-0.1	-0.5	-0.7	-0.5
Other Specialties	-1.0	-0.8	-0.6	-0.4

Source: Bureau of Labor Statistics, ACC analysis

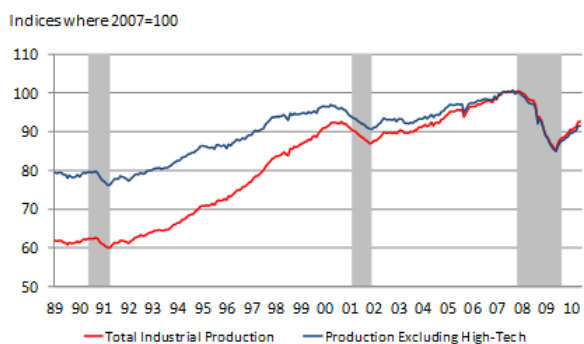
* 3MMA= 3 month moving average

Turning to the business of chemistry, overall prices slipped 0.1% in May. This follows a 0.9% decline in May and a 1.4% gain in April. Prices for pharmaceuticals rose 0.2% and, as a result, prices for other chemistry (excluding pharmaceuticals) fell 0.3% in June. This follows a 1.4% decline in May and a

2.2% gain in April. During June, gains in basic chemicals were posted in inorganic chemicals (up 1.4%) and synthetic rubber (up 3.9%). Weakness was found in petrochemicals and derivatives (down 0.6%), plastic resins (down 2.5%), and man-made fibers (down 2.2%). Feedstock prices fell by 8.9% in June. Specialty chemical prices fell 0.2% in June with stable coatings' prices and fairly widespread weakness across other segments. Agricultural chemical prices were off by 0.6% for the month and consumer chemistry products prices rose 0.1%. Compared to last year, headline chemistry prices were up 5.0% Y/Y on a 3MMA basis. Basic chemical prices were up 9.4% Y/Y. Bulk petrochemical and organics were up 9.9% Y/Y but inorganic chemicals were down 0.8% Y/Y. Plastic resins prices were up 19.9% Y/Y. Specialty chemical prices were off 0.4% Y/Y.

The Federal Reserve Board (FRB) reported that **industrial production** rose a modest 0.1% in June, following a 1.3% surge in May. Compared to a year ago, at the low point of the cycle, production was up 8.2%. Production is still down 8.1% from its peak. We are halfway out of the proverbial ditch. While utility and mining output were up, manufacturing production slipped 0.3% (up 8.9% Y/Y), the second drop in the last 12 months. Gains in metals and metal products; non-metallic mineral products; machinery; computers; aerospace; petroleum products; and plastic and rubber products were offset by declines in wood products; electrical equipment; furniture; food, beverages and tobacco; textiles; paper and printing; and chemicals. Capacity utilization was flat at 74.1%. A year ago, industry was using only 68.2% of capacity. Nonetheless, operating rates are well below the peak. There is a large amount of unused production capacity remaining in the economy. With so much idle capacity, there is little price pressure. This report suggests that the boost from inventory restocking has played out and that industrial sector growth is weakening.

Industrial Production



Source: Federal Reserve

The evolving mix of industry activity has implications for the business of chemistry as the high-tech industries' implied chemistry value amounts to only \$14 per \$1,000 of output

while for the more mature industries the value of products and services of chemistry is equivalent to \$71 per \$1,000. However, comparisons have been improving for the latter as well, as the recovery has broadened to these industries. Important to the business of chemistry, production of rubber and plastic products rose 0.5% during June and now stands 13.2% above June 2009 levels.

Production (% change Y/Y using 3MMA*)	Mar 10	Apr 10	May 10	Jun 10
Motor Vehicles & Parts	34.8	28.4	34.8	42.4
Construction Materials	-2.2	1.0	4.0	5.4
Structural Panels & Engineered Products	-2.6	0.1	4.3	6.1
Apparel	-2.9	-1.5	-0.7	2.5
Appliances	6.0	9.3	9.5	8.4
Computers & Electronics	12.3	13.8	14.9	15.5
Fabricated Metal Products	-2.4	1.4	5.5	8.1
Food, Beverages & Tobacco	2.7	3.1	4.0	4.0
Foundries	-0.5	7.5	14.1	22.3
Furniture	-8.9	-5.0	-1.7	0.5
Iron & Steel Products	84.8	93.8	98.5	92.4
Paper	4.0	5.9	7.5	6.1
Petroleum Refining	-0.8	1.4	3.4	3.7
Printing	-8.2	-6.2	-3.9	-2.4
Rubber & Plastic Products	2.9	7.0	10.5	12.5
Plastic Products	2.6	7.0	10.4	12.2
Rubber Products	5.1	7.8	11.4	13.8
Semiconductors & Electronic Components	26.6	26.6	26.2	26.0
Textile Mill Products	-1.7	-0.1	2.6	4.0

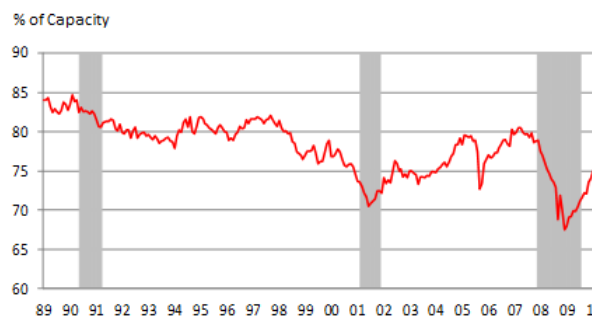
Total Industrial Production	2.7	4.0	5.9	7.2
High Tech Industries	19.0	19.8	19.7	19.4
Non-High Tech Industries	2.0	3.4	5.3	6.7

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

Overall production of the business of chemistry fell by 0.6% to 92.5% of its 2007 level during June. In May, production decreased by 0.5% after a 0.3% decline in April. Excluding pharmaceuticals, production declined for the third consecutive month, suggesting a yellowish caution banner. During June, the only gain among the major segments was in basic chemicals, up 0.4%. Gains were particularly strong in inorganic chemicals (up 2.3%) and also rose for bulk petrochemicals and organic intermediates (up 0.3%). The weakness was centered downstream in plastic resins, synthetic rubber, and man-made fibers. Production of specialty chemicals fell during June

and was across-the-board with declines in coatings, adhesives and sealants and other specialty segments. In other chemistry segments, production fell in pharmaceuticals, agricultural chemicals, and consumer products. Compared to the same period in 2009, overall production of chemicals is up by 4.0%, a pace that has moderated. For basic chemicals, production was up 9.1% Y/Y and for specialties was up 0.4%, its first positive year earlier comparison since the start of the recession. (Readers should note that the Federal Reserve Board revised its data on industrial production and changed the base year from 2002 to 2007. As a result, the data presented here are not comparable to data presented last month.)

Business of Chemistry Capacity Utilization



Source: Federal Reserve

Production (% change Y/Y using 3MMA*)	Mar 10	Apr 10	May 10	June 10
Capacity	-1.1	-1.2	-1.3	-1.3
Total Chemistry	7.2	6.2	4.9	4.0
Pharmaceuticals	3.6	2.6	1.6	1.0
Total Chemistry, excl. Pharma.	-3.1	-4.5	-6.2	-7.2
Agricultural Chemicals	23.3	18.3	12.0	9.5
Consumer Products	4.5	5.3	4.7	3.6
Basic & Specialty Chemicals	-4.2	-5.8	-7.4	-8.4
Basic Chemicals	16.3	13.7	11.0	9.1
Inorganic Chemicals	13.8	13.0	11.6	10.9
Petrochemicals & Organic Chemicals	21.0	18.6	14.5	11.3
Plastic Resins	12.2	6.2	3.8	1.9
Synthetic Rubber	-2.4	-2.7	-4.3	-4.1
Man-Made Fibers	12.2	11.5	12.3	12.9
Specialty Chemicals	-6.0	-4.1	-1.5	0.4
Coatings	-6.2	-2.0	1.3	1.9
Other Specialties	-9.5	-9.1	-7.7	-7.7

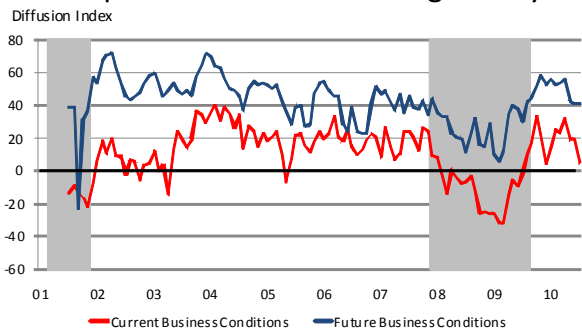
Source: Federal Reserve Board, ACC analysis

* 3MMA= 3 month moving average

Capacity utilization in the business of chemistry slipped 0.4 percentage points to 73.0% in June. One year ago it was 70.4%. Capacity is up 1.3% Y/Y.

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. The latest survey indicates that New York manufacturing continued to grow in July but at a substantially slower pace. The general business conditions index fell 15 points from its June level to 5.1 in July. Despite the large drop in July, the monthly reading is still positive and marks one year of consecutive positive readings. (With this type of diffusion index, a reading above 0 indicates expanding regional business activity, while a reading below 0 signals contraction.) The new orders and shipments indexes were also positive but lower than their June levels. After two months at levels near zero, the inventories index rose to 6.4, indicating that manufacturers may be restocking. The prices paid index, at 25.4 in July, was little changed from June and remains at a level well below what was seen in April and May. The prices received index fell from 4.9 to a level just below zero. The majority of manufacturers indicate that prices received were little changed in July. For the second month in a row, the index for number of employees was positive, but fell (it was 7.9 in July) suggesting that while employment continues to increase, it is a slower pace. Meanwhile, the average workweek index shrank, falling 18 points and into negative territory for the first time in a year. Future indexes were still well above zero, but the six-month outlook weakened somewhat. All in all, the latest survey indicates continuing recovery, just at a more modest pace.

Empire State Manufacturing Survey

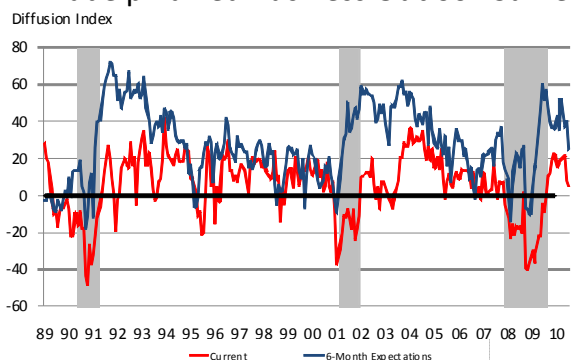


Note: An index of 0 or over indicates that manufacturing is expanding, while an index below 0 indicates that it is declining.

Source: Federal Reserve Bank of New York

The **Business Outlook Survey** prepared by the **Philadelphia** Federal Reserve indicates that activity in the region's manufacturing sector continued to expand in July. Though still positive, the pace of growth has been more moderate over the past two months. The current business conditions index slipped from a reading of 8.0 to 5.1. The new orders component fell 13 points into negative territory in July (the first negative reading in a year). The shipments index also fell (by 10 points) but remained positive. Employment increased slightly in July and the index remains positive as does that for average workweek. Looking ahead, expectations for business conditions six months from now remained positive for the 19th consecutive month. However, the index fell 15 points to 25.0, the lowest reading in 16 months. Overall, this report is in line with that released by the NY Fed. Manufacturers expect to see continued recovery but are less optimistic about the pace.

Philadelphia Fed Business Outlook Survey



Note: An index of 0 or over indicates that manufacturing is expanding, while an index below 0 indicates that it is declining.

Source: Federal Reserve Bank of Philadelphia

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

features the third largest state chemical industry with \$37 billion in shipments.

NEXT WEEK

Economic reports released next week include housing starts and building permits, existing home sales, and the leading economic indicators (LEI). The CPRI (Chemical Production Regional Index), Global Chemical Production Index, and the survey of economic forecasters will also be released.

UPCOMING EVENTS OF INTEREST

"Econometrics for the Business Analyst"

17-20 August 2010

National Association for Business Economics (NABE)

Federal Reserve Bank of Atlanta

Atlanta, Georgia

Contact: www.nabe.com

"Brazil/Latin America - Resource-Loaded and Ready for Prime Time" a panel discussion

Chemical Marketing & Economics Group

American Chemical Society, NY Section

9 September 2010

Club Quarters Midtown

40 W 45th Street

New York, NY

Contact: www.nyacs-cme.org

"The 3rd Chemical Purchasing Summit"

16-17 September 2010

ICIS Chemical Business

Hyatt Harborside

Boston, Massachusetts

Contact: www.icis.com

"2010 Plastics Processors Conference & Plastics Industry Workshop"

20-21 September 2010

Chemical Market Associates, Inc.

The Westin Michigan Avenue Chicago

Chicago, Illinois

Contact: www.cmaiglobal.com

2010 NABE Annual Meeting

"Mile-High Challenges to Economic Prosperity"

9-12 October 2010

National Association for Business Economics (NABE)

Grand Hyatt Denver

Denver Colorado

Contact: www.nabe.com

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).