Economic Indicators

The S&P index for chemical companies rose by 4.2% in December 2013, outpacing the overall S&P 500 index, which rose 2.4%. The numbers were included in the Weekly Chemistry and Economic Report from the American Chemistry Council (ACC; Washington, D.C.; www.americanchemistry.com) for the week of January 10. Over the entirety of 2013, the S&P chemical index rose by 29.6%, its largest annual gain since 1997, the ACC report says. The S&P 500 rose 29.0% in 2013.

In the report for the week of January 3, the ACC indicated that the JP Morgan Global Manufacturing Purchasing Managers’ index (PMI) rose 0.2 points in December 2013, to a level of 53.3. The gain is the 12th consecutive monthly rise, and the highest level for the index in 32 months.

"Output growth was again led by the G7 developed nations in December, as robust expansions in the U.S., Japan, Germany, the U.K. (which registered the highest Output PMI reading of all countries) and Italy offset the ongoing contraction in France and a sharp growth slowdown in Canada," says the ACC report.

In other data discussed in the report, U.S. specialty-chemical market volumes rose 0.8% in November 2013. "The 2013 slowdown in manufacturing affected these business segments, but recovery in specialty chemicals appears to be broadening," the ACC says.

HIGHLIGHTS FROM RECENT ACC WEEKLY REPORTS

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Of the 28 specialty chemical segments monitored by ACC, 24 expanded in November, while the remaining four experienced decline. Large gains (1.0% or greater) were noted in 13 segments, the ACC noted, including the following: adhesives and sealants; antioxidants; biocides; catalysts; coatings; cosmetic additives; electronic chemicals; flavors and fragrances; foundry chemicals; oilfield chemicals; paint additives; rubber processing chemicals; and textile specialties.

CURRENT TRENDS

Preliminary data for the November 2013 CE Plant Cost Index (CEPCI; top; the most recent available) show a small decrease (0.12%) in the overall index compared to the October index value. The decrease reverses the trend direction for the three previous months, which all saw increases in the PCI. The decrease in the overall index was mostly due to decreases in the index subcategories for Process Machinery and Construction Labor. The current CEPCI value stands at 0.67% lower than the value from a year ago. Meanwhile, updated values for the Current Business Indicators from IHS Global Insight (middle) saw the numbers for each category increase compared to the previous month’s values.