

The pH Report

The pH report value proposition is based on their ability to view the economy through the lens of capacity utilisation in the chemical industry. This is proven to be the best leading indicator for the global economy, with a 56% correlation to IMF GDP data over the past 30 years. They also developed insights into the growing importance of demographics, since the 2011 publication of their book 'Boom, Gloom and the New Normal: how the Ageing BabyBoomers are Changing Demand Patterns Again'.

They were recognised in the Financial Times several times, namely as one of the few to accurately forecast the 2008 global financial crisis, and then for their timely forecast in August 2014 that the oil price would likely crash from over \$100/bbl to under \$50/bbl.

The pH report approach is data-driven, and they cover areas where the team has long-term expertise, especially on the following key issues:

- ✓ The warning signs over the outlook for the global economy provided by chemical industry sales. Over the past year, they have particularly emphasised the worrying rise in corporate debt, and the role of leverage in sustaining US / China auto demand. They also provide analysis of key regional and national markets and of application areas including consumer products, plastics, fibres and other major sectors.
- ✓ Detailed coverage of oil/energy markets and geo-political developments including identification of likely turning points and their rationale – such as the current uneasy balance between fears of supply shortages caused by war in the Middle East and a sharp slowdown in demand due to the US-China trade war.
- ✓ The implications for investors of the rise of populism in the US, UK/EU and other major countries. Having correctly forecast President Trump's success and the UK's Brexit result, they focus on the increasing role being played by politics in formulating economic policy, at the expense of economic logic.
- ✓ Their expertise includes the key areas of chemical demand - autos, housing and electronics. In autos, they are currently focus on the growth of alternative business models including Electric Vehicles and ride-hailing and are suggesting the used car market will become the main growth area in both China and the USA. In November 2018, they called the start of the downturn in the smartphone market, ahead of the market
- ✓ They naturally also focus on the growing impact of Europe's sustainability agenda and moves towards a circular economy. In particular they have highlighted the conflict this creates for US-based producers who need to sell major new quantities of single-use polymers into Europe, given the tariff barriers now impacting exports to China.

The pH Report provide clients with a monthly report covering the above topics and are also available for telephone discussions and in-house workshops on specific areas of client interest.

Their team has a unique capability in these areas and a proven ability to understand investor needs. **Paul Hodges** is a Global Expert with the World Economic Forum: he speaks regularly at international conferences and writes for the Financial Times. **David Hughes** is an expert on the Middle East and worked in Saudi Arabia for 5 years. **Paul Satchell** understands financial markets, having been an equity analyst with several leading investment banks. **Daniël de Blocq van Scheltinga** is Hong Kong-based with a background in investment / corporate banking; he was the first foreigner to run an SOE's finance department in China.