



Introduction to TraQr[®] Reports

Tailored market data, in-depth analysis, and strategic recommendations curated by the experts at ChemQuest

www.cqtraqr.com



ChemQuest designed TraQr® Reports to assist companies with their efforts in data-driven business strategy and forecasting.

- Focused on a specific U.S. sector
- Reports are delivered directly to your email.
- Each report includes market data, key market and materials indicators, and more (refer to the Table of Contents for details).
- Our team of analysts and consultants reviews the data monthly, providing targeted insights, analysis, and recommendations.

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Economic sectors show mixed trends: Oil & Chemical face challenges, Infrastructure and Construction highlight growth opportunities, Utilities offer stability, overall indicators point to resilience

- **Oil & Chemical:** The current contraction phase indicates significant challenges ahead. Companies should prepare for volatility by exploring diversification strategies and investments in innovation to mitigate risks. Close monitoring of global oil prices and regulatory changes is essential.
- **Infrastructure:** Mixed trends necessitate targeted strategies. Businesses should focus on growing segments like defense and chemical, addressing weaknesses in declining areas such as beverage and paper products manufacturing. Strategic investments in technology and efficiency improvements can help navigate these complex trends.
- **Construction:** Predominantly rising trends highlight robust sector health. Companies should capitalize on growth opportunities, particularly in residential and nonresidential construction, while being cautious of potential downturns in specific sub-segments like transportation construction. A balanced approach can ensure sustained growth and stability.
- **Utilities:** Moderate, stable growth presents opportunities for long-term investments in energy infrastructure and renewable projects. Enhancing grid reliability, integrating renewable energy sources, and exploring innovative technologies can help capitalize on the sector's growth potential and contribute to sustainability.
- **Overall Economic Indicators:** Rising trend should leverage this positive environment and profitability.

By tailoring strategies to the specific conditions.

OVERVIEW

Provides comprehensive insights into the market, covering key economic sectors and relevant indicators. Highlights significant trends and offers actionable recommendations.

Targeted Strategies for High-Potential Sub-Markets

- **Phase C Prevalence**
 - **Observation:** A significant number of indicators (10 out of 17) are in Phase C, typically characterized by slower growth or stagnation.
 - **Implication:** The construction adhesives and sealants market may be facing headwinds due to economic uncertainty or market saturation. Companies should brace for potential slowdowns and focus on operational efficiencies and cost management.
- **Falling Trends**
 - **Observation:** More than half of the indicators are exhibiting falling trends.
 - **Implication:** This indicates a potential decline in market demand or economic stress. Companies should consider defensive strategies, such as enhancing customer relationships, offering value-added services, and focusing on high-margin products to maintain profitability.
- **Adhesives**
 - **On-Site Applications:** This sub-market is heavily relevant with 14 indicators. The high correlation suggests that on-site adhesive applications are closely tied to overall construction activities.
 - **Strategy:** Innovate and improve product formulations to meet evolving building codes and environmental regulations. Emphasize product reliability and ease of use to appeal to contractors and builders.
 - **Civil Engineering:** With only 5 indicators, this sub-market, though less prominent, shows strong correlation.
 - **Strategy:** Target infrastructure projects such as bridges and highways. Collaborate with government agencies and engineering firms to develop products that meet specific project requirements.
 - **Off-Site Applications:** With 11 indicators, this sub-market shows strong potential.
 - **Strategy:** Focus on prefab and modular construction trends. Develop adhesives that can enhance the efficiency and quality of off-site construction processes.

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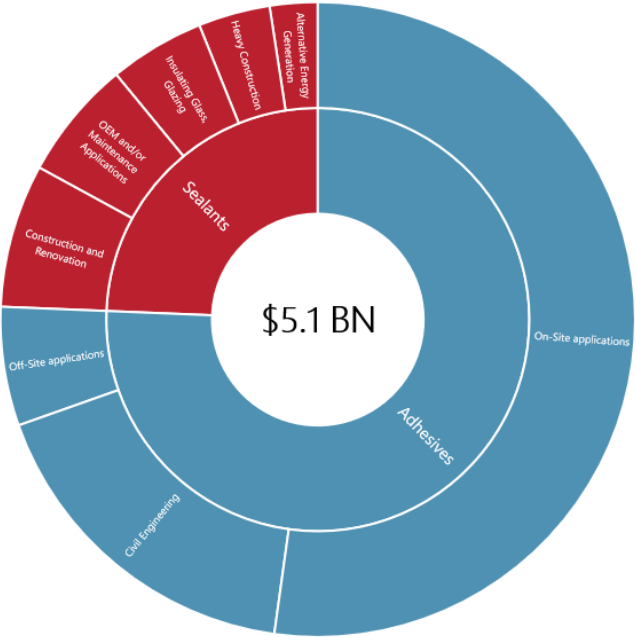
The IM&P market in the United States was \$2.5 billion in 2023



MARKET DATA

Includes accessible and easy-to-read market information on the U.S. sector of your choice, expertly curated from the ChemQuest database.

Adhesives & Sealants Market Data: Building & Construction, USA



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ChemQuest's Approach to Uncovering Key Trends in B&C Adhesives and Sealants

- ChemQuest commenced its analysis with an extensive list of more than 1,000 economic indicators pertinent to the B&C Adhesives and Sealants market.
- Through rigorous evaluation using the TraQr® Dashboard, the ChemQuest consulting team refined this list to around 100 key indicators, ultimately narrowing it down further to the most relevant 17 indicators that correlated best to the B&C Adhesives and Sealants market.
- Additionally, the team employed the Business Cycle Analysis tool to track indicators in business cycles to assess markets, identify trends, strategize proactively, and capture emerging opportunities. The insights derived from this monthly report not only offer a competitive edge but also empower you to make informed, strategic decisions well in advance of other market participants.
- ChemQuest divides B&C Adhesives and Sealants into eight key segments: On-Site applications for new work, repair, maintenance, and renovating; Engineering; Off-Site applications; Construction and Renovation; OEM and/or Maintenance applications; Insulating Glass/Glazing; Heavy Construction; and Alternative Energy Generation.
- The 17 selected indicators have been strategically organized to match the characteristics of the eight segments, ensuring a detailed analysis.

ChemQuest's Approach to Uncovering Key Trends in Industrial Maintenance & Protective Coatings

- ChemQuest commenced its analysis with an extensive list of more than 1,000 economic indicators pertinent to the Industrial Maintenance & Protective Coatings (IM&P) market.
- Through rigorous evaluation using the TraQr® Dashboard, the ChemQuest consulting team refined this list to around 100 key indicators, ultimately narrowing it down further to the most relevant 18 indicators that correlated best to the IM&P coatings market.
- Additionally, the team employed the Business Cycle Analysis tool to track indicators in business cycles to assess markets, identify trends, strategize proactively, and capture emerging opportunities. The insights derived from this monthly report not only offer a competitive edge but also empower you to make informed, strategic decisions well in advance of other market participants.
- In collaboration with the American Coatings Association, ChemQuest divides IM&P coatings into five key segments: Construction, Utilities, and Other applications.
- The selected 18 indicators have been strategically aligned within each of these five segments, providing a nuanced view of the distinct dynamics of each category.
- Mark Twain said that *"History doesn't repeat itself, but it does rhyme."* CQ acknowledges that closely correlated indicators may not perfectly mirror the market's movements but will echo its patterns and are therefore important to monitor.

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METHODOLOGY

Details ChemQuest's methodology for market analysis and outlines the fundamentals of Business Cycle Analysis.

Understanding Business Cycle Analysis

Business Cycle Analysis (BCA) is a tool within TraQr® Dashboard that enables users to track the momentum of Key Economic Indicators in order to assess the market, identify trends, and capitalize on emerging opportunities.

Using BCA, follow the key indicators for Industrial Maintenance & Protective to identify actionable changes in the business cycle.

BCA uses four phases to describe the business cycle:



Advancing: The metric or indicator is down year on year, but that rate of decline is decreasing. The market is gearing up for growth.



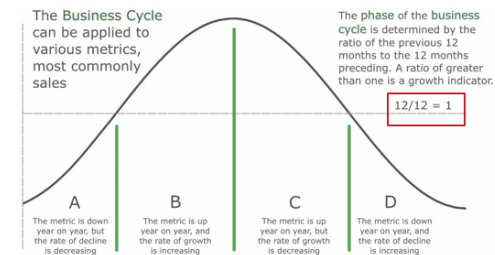
Best: The indicator is up compared to the prior year, and the rate of that growth is increasing. The market is in a growth cycle.



Cautionary: The indicator is still up, but the rate of growth is decreasing. The market is slowing down.



Depressionary: The indicator is down year on year, and the rate of that decline is increasing. The market is declining.



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Oil & Chemical is in a cautionary phase, while Infrastructure is strong, and Construction is mixed.

Segment	Indicator	Correlation Coefficient	Phase	Trend
Oil & Chemical	PPI: Petroleum Lubricating Oil and Grease Manufacturing (USA)	0.96		
	PPI: Oil and Gas Field Machinery and Equipment Manufacturing (USA)	0.90		
	Crude Oil Production (USA)	0.85		
Infrastructure	Manufacturers' Value of Shipments: Meat, Poultry, and Seafood Product Processing	0.87		
	Manufacturers' Value of Shipments: Beverage and Tobacco Products	0.86		
	Manufacturers' Value of Shipments: Beverage Manufacturing	0.83		
	Manufacturers' Value of Shipments: Paper Products	0.81		
Construction	Total Construction Spending: Office in the United States	0.96		
	Total Construction Spending: Nonresidential in the United States	0.93		
	Total Construction Spending: Total Construction in the United States	0.91		
	Total Construction Spending: Commercial in the United States	0.89		
	All Employees, Construction	0.89		
	Total Construction Spending: Residential in the United States	0.86		
	Total Construction Spending: Educational in the United States	0.84		
	Total Construction Spending: Transportation in the United States	0.83		
	Household Estimates	0.82		
	Manufacturers' New Orders: Household Appliance Manufacturing	0.82		
	Manufacturers' Value of Shipments: Construction Materials and Supplies	0.81		
	New Privately-Owned Housing Units Completed: Units in Buildings with 5 Units or More	0.81		

NOTE:
The correlation coefficient measures the degree and direction of the linear relationship between an indicator variable and the B&C adhesives and sealants market.

We carefully selected 17 indicators strongly linked to B&C Adhesives and Sealants, demonstrating their correlation and growth trend.

Indicator	Correlation Coefficient	Phase	Trend	On-Site apps.	Construction	Manufacturing	Transportation	Energy	Healthcare	Technology	Other
Total Construction Spending: Office in the United States	0.96			X		X	X	X	X		
Total Construction Spending: Nonresidential in the United States	0.93			X		X	X	X	X		
Total Construction Spending: Total Construction in the United States	0.91			X	X	X	X	X	X	X	X
Total Construction Spending: Commercial in the United States	0.89			X		X	X	X	X		
All Employees, Construction	0.89			X	X		X			X	
Total Construction Spending: Residential in the United States	0.86			X		X	X	X	X		
Total Construction Spending: Educational in the United States	0.84			X			X		X		
Total Construction Spending: Transportation in the United States	0.83			X	X	X	X	X	X	X	
Household Estimates	0.82			X			X	X			
Manufacturers' New Orders: Household Appliance Manufacturing	0.82					X		X			
Manufacturers' Value of Shipments: Construction Materials and Supplies	0.81			X	X	X	X	X	X	X	X
New Privately-Owned Housing Units Completed: Units in Buildings with 5 Units or More	0.81			X			X	X	X		

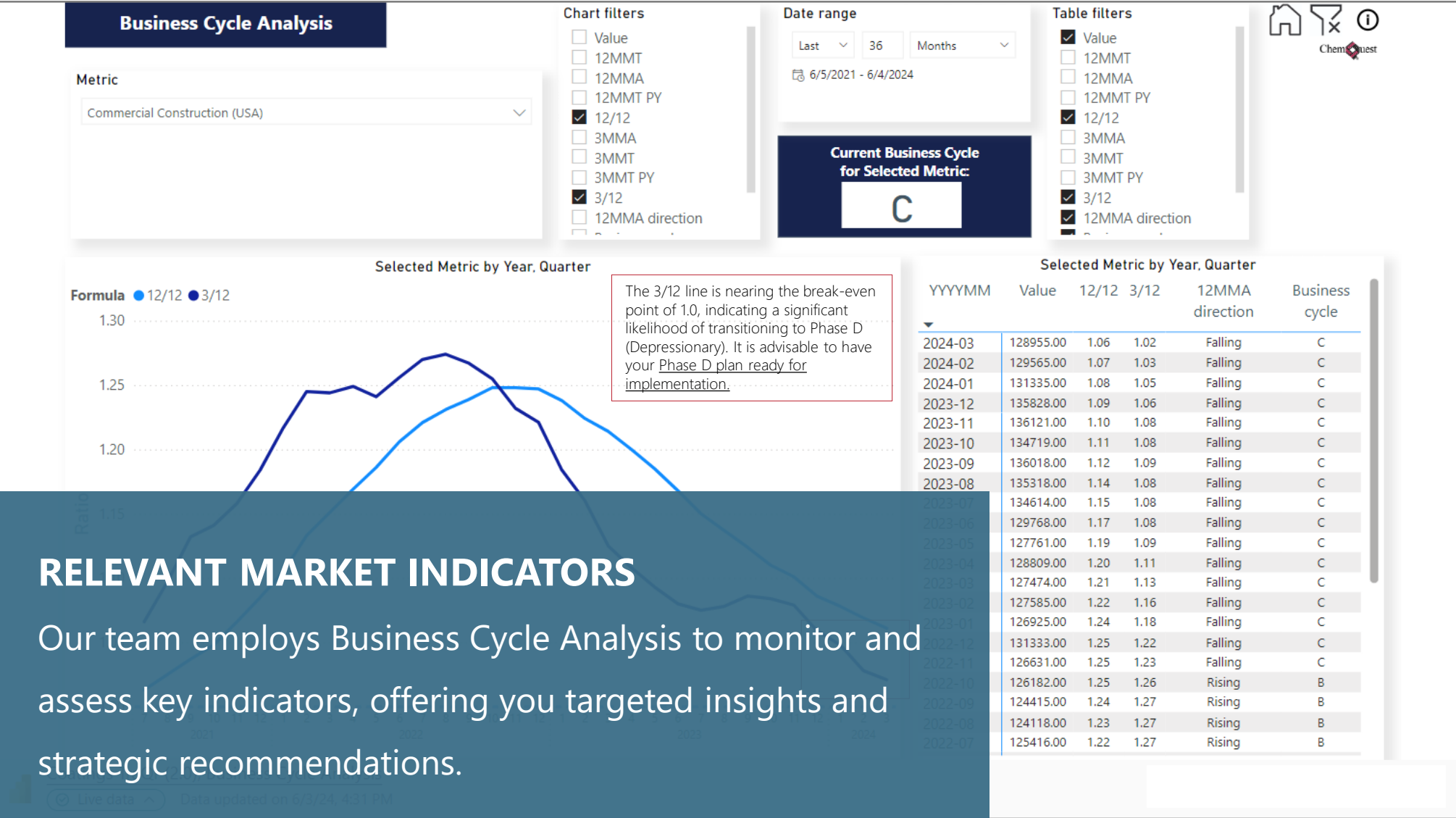
NOTE:
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RELEVANT MARKET INDICATORS

Displays indicators that best correlate with each segment, highlighting their current business phase and trend direction.

Commercial Construction approaches a critical transition as the 3/12 line nears break-even, indicating a potential shift from caution (C) to depressionary (D) phase. Urgent monitoring is required.



RELEVANT MARKET INDICATORS

Our team employs Business Cycle Analysis to monitor and assess key indicators, offering you targeted insights and strategic recommendations.

Total Construction Spending:
Commercial in the United States

Business Phase:

Business Cycle Trend:

Correlation Coefficient:
0.89

Bisphenol: Historical and 6-Month Forecast





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