



ANALYST QUICK NOTES

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Dow Chemical Co. (NYSE: DOW: BUY)

Target Price: \$69

E. I. du Pont de Nemours & Company (NYSE: DD: HOLD)

Target Price: NM

William Selesky

2/6/2017

Upcoming Dow Chemical & DuPont merger

- The original time line for the merger was the end of 1Q17, but is now pushed out to the end of the first half.
- Regulatory approval was delayed by the EU over future R&D spending in the crop-protection segment.
- The EU remains worried that innovation in that segment would be jeopardized with merger.
- We don't believe that will happen, based on commentary from both companies.
- Also, since the crop-protection business is the focus of the EU, we see Dow and DuPont following their recommendation.

Recommendation

- We reaffirm a BUY on Dow Chemical with price target of \$69.
 - Our rating on DuPont is HOLD.
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