

Dupont (DD) under CEO Ellen Kullman

HEXAGRAM 31 – Hsien - Influence (Wooing)

Above TUI THE JOYOUS, LAKE
Below KEN KEEPING STILL, MOUNTAIN

The name of the hexagram means "universal," "general," and in a figurative sense "to influence," "to stimulate." The upper trigram is Tui, the Joyous; the lower is Ken, Keeping Still. By its persistent, quiet influence, the lower, rigid trigram stimulates the upper, weak trigram, which responds to this stimulation cheerfully and joyously. Ken, the lower trigram, is the youngest son; the upper, Tui, is the youngest daughter. Thus the universal mutual attraction between the sexes is represented. In courtship, the masculine principle must seize the initiative and place itself below the feminine principle.

Just as the first part of book I begins with the hexagrams of heaven and earth, the foundations of all that exists, the second part begins with the hexagrams of courtship and marriage, the foundations of all social relationships.

THE JUDGMENT

Influence.

Success.

Perseverance furthers.

To take a maiden to wife brings good fortune.

The weak element is above, the strong below; hence their powers attract each other, so that they unite. This brings about success, for all success depends on the effect of mutual attraction. By keeping still within while experiencing joy without, one can prevent the joy from going to excess and hold it within proper bounds. This is the meaning of the added admonition, "Perseverance furthers," for it is perseverance that makes the difference between seduction and courtship; in the latter the strong man takes a position inferior to that of the weak girl and shows consideration for her. This attraction between affinities is a general law of nature. Heaven and earth attract each other and thus all creatures come into being. Through such attraction the sage influences men's hearts, and thus the world attains peace. From the attractions they exert we can learn the nature of all beings in heaven and on earth.

THE IMAGE

A lake on the mountain: The image of influence.

Thus the superior man encourages people to approach him

By his readiness to receive them.

A mountain with a lake on its summit is stimulated by the moisture from the lake. It has this advantage because its summit does not jut out as a peak but is sunken. The image counsels that the mind should be kept humble and free, so that it may remain receptive to good advice. People soon give up counseling a man who thinks that he knows everything better than anyone else.

THE LINES

Nine in the third place means:

The influence shows itself in the thighs.

Holds to that which follows it.

To continue is humiliating.

Every mood of the heart influences us to movement. What the heart desires, the thighs run after without a moment's hesitation; they hold to the heart, which they follow. In the life of man, however, acting on the spur of every caprice is wrong and if continued leads to humiliation. Three considerations suggest themselves here. First, a man should not run precipitately after all the persons whom he would like to influence, but must be able to hold back under certain circumstances. As little should he yield immediately to every whim of those in whose service he stands. Finally, where the moods of his own heart are concerned, he should never ignore the possibility of inhibition, for this is the basis of human freedom.

Six at the top means:

The influence shows itself in the jaws, cheeks, and tongue.

The most superficial way of trying to influence others is through talk that has nothing real behind it. The influence produced by such mere tongue wagging must necessarily remain insignificant. Hence no indication is added regarding good or bad fortune.

Above CH'IEN THE CREATIVE, HEAVEN

Below K'UN THE RECEPTIVE, EARTH

This hexagram is the opposite of the preceding one. Heaven is above, drawing farther and farther away, while the earth below sinks farther into the depths. The creative powers are not in relation. It is a time of standstill and decline. This hexagram is linked with the seventh month (August-September), when the year has passed its zenith and autumnal decay is setting in.

THE JUDGMENT

STANDSTILL.

Evil people do not further

The perseverance of the superior man.

The great departs the small approaches.

Heaven and earth are out of communion and all things are benumbed. What is above has no relation to what is below, and on earth confusion and disorder prevail. The dark power within, the light power is without. Weakness is within, harshness without. Within are the inferior, and without are the superior. The way of inferior people is in ascent; the way of superior people is on the decline. But the superior people do not allow themselves to be turned from their principles. If the possibility of exerting influence is closed to them, they nevertheless remain faithful to their principles and withdraw into seclusion.

THE IMAGE

Heaven and earth do not unite: The image Of STANDSTILL.

Thus the superior man falls back upon his inner worth In order to escape the difficulties.

He does not permit himself to be honored with revenue.

When, owing to the influence of inferior men, mutual mistrust prevails in public life, fruitful activity is rendered impossible, because the fundamentals are wrong. Therefore the superior man knows what he must do under such circumstances; he does not allow himself to be tempted by dazzling offers to take part in public activities. This would only expose him to danger, since he cannot assent to the meanness of the others. He therefore hides his worth and withdraws into seclusion.

Hot Stocks - DuPont (DD) Shoots for Top Spots in Biofuels and Food Sectors

BY KERRI SHANNON, Associate Editor, Money Morning

U.S. manufacturing group E.I. du Pont de Nemours & Co. (NYSE: DD) announced Sunday it would buy Danish food ingredients company Danisco A/S (PINK: DNSOF) for \$6.3 billion to broaden its presence in the fast-growing biofuels and food sectors.

DuPont will pay \$5.8 billion cash and also assume \$500 million in Danisco's debt. The company expects the deal to establish it as a leader in industrial biotechnology and help it successfully address global issues in food production and fossil fuel reduction.

"Danisco has two well-positioned global businesses that strongly complement our current biotechnology capabilities, R&D pipeline, and specialty food ingredients, a combination that offers attractive long-term financial returns," DuPont Chief Executive Officer Ellen Kullman said Sunday in a statement. "This also would create new opportunities across other parts of the DuPont portfolio, including traditional materials science offerings."

While DuPont is best known for its chemical business and safety equipment products like Kevlar bulletproof vests, it has broadened its focus to scientifically innovative products in a wide industry range.

Danisco is mainly focused on making food ingredients, like yogurt cultures and sweeteners for ice cream, and derives 65% of its sales from that segment.

It is also a global leader in the biofuels industry. It uses specially engineered enzymes, instead of corn and sugar, to make fuel, which will prevent a continued price surge in those commodities as they are used more for alternative energy.

DuPont is offering 665 Danish kroner (\$115) for each Danisco share, which represents a 25.5% premium to Friday's closing price. The company will finance the deal with \$3 billion in existing cash and the remainder in debt. It'll reduce DuPont's 2011 profit estimates of \$3.30 to \$3.60 a share by 30 cents to 45 cents a share.

Danisco's stock rose 42% last year. In its second quarter ending December 2010, its profits rose more than expected due to cost-cutting measures and sales growth. Analysts pegged the company as an acquisition target in 2009 when it revised its shareholder voting structure in 2009.

The deal helps DuPont offset income losses from struggling pharmaceutical sales due to recent patent expiration. It also allows DuPont to enter the market niche of food additives, which smaller rival International Flavors & Fragrances Inc. (NYSE: IFF) has dominated.

It's the biggest acquisition for DuPont since its \$7.7 billion purchase of seed-maker Pioneer Hi-Bred International Inc. in 1999, the company's first big move into the food and nutrition business.

Jefferies & Co. analyst Laurence Alexander wrote in a note to clients that Danisco's food ingredients division will help complete DuPont's "farm to fork" strategy.

The international acquisition is also congruent with DuPont's shifting focus to emerging markets. While DuPont's overseas workforce continues to grow, its number of U.S. employees shrank by 9% from January 2005 to October 2009.

"We are a global player out to succeed in any geography where we participate in," said Thomas M. Connelly, chief innovation officer at DuPont. "We want our resources close to where our customers are, to tailor products to their needs."

DuPont shares fell 1.47% to \$49.03 Monday on the news. Danisco stock soared 23.96%.

A Global Player in 2011's Megatrends: Food and Biofuels

The newest deal is in line with DuPont's strategy to expand beyond its chemical and manufacturing focus into the "megatrend" sectors of agribusiness and alternative energy. Both industries are expected to grow rapidly in coming years as food demand and prices increase and clean energy policies gain more ground.

DuPont and Danisco are already bound in a \$140 million joint venture formed in 2008 for developing bioethanol - biofuel made from non-farm crops - which Danisco has called a \$75 billion market. Analysts attribute the U.S. market's multi-billion dollar potential to countries' increasing pressure to reduce greenhouse gas emissions and use more biofuels in transportation.

"Biotechnology and specialty food ingredients have the potential to change the landscape of industries, such as substituting renewable materials for fossil fuels and addressing food needs in developing economies," said DuPont's Kullman.

Danisco has been a leader in the effort to produce cellulosic ethanol from plant leftovers like straw. Cellulosic ethanol reduces greenhouse gases more than conventional ethanol and helps keep food prices lower by using agricultural waste instead of edible products like corn.

Now that DuPont has a bigger stake in the biofuels industry, new rival Novozymes A/S (PINK: NVZMF) said the U.S. company's market presence will help bolster an industry that's starting to get off the ground. The Danish industrial enzymes producer said there's plenty of money for research and development to benefit both companies.

"I welcome more competition in that field," Peder Holk Nielsen, head of Novozymes' enzyme division, told Reuters. "The more horses pulling on this one right now the better off we will all be because, in the short to mid-term, the task is to establish a whole new industry in the United States. A company like DuPont, with their presence in the U.S., can be a forceful entity in trying to establish that industry."

Novozymes and Danisco are two of the only names in the enzyme-provider field and have hoped for more U.S. interest in the sector. Novozymes' shares were up 3.62% Monday after the acquisition news.

DuPont is also now positioned to be a leader in a global food industry that will have to increase production by 70% by 2050 to meet worldwide demand, as prices reach new highs.

Crop-killing weather issues, increasing demand and rising fuel prices have pushed food prices to record levels, so high they are passing prices last seen during 2008's global food crisis.

A report by the United Nations' Food and Agriculture Organization last week said the group's Food Price Index hit its highest rating since it began in 1990. The index - which tracks the prices of 55 food commodities - reached 214.7 points, surpassing the previous record of 213.5 set in June 2008.

"We are entering a danger territory," said Abdolreza Abbassian, an economist with the FAO. "It will be foolish to assume this is the peak."

Agribusiness companies have been working on creating seeds that can withstand inclement weather to prevent future supply contractions, and DuPont last week launched a new kind of drought-resistant corn seed. The seed was developed through conventional methods rather than genetic modification, meaning it will not need to secure government approval and the seeds can hit the market before rivals like Monsanto Co. (NYSE: MON) release their genetically engineered competition.

Developing drought-tolerant seeds will allow more land to be available for cultivation in dry U.S. states like Texas and Oklahoma, and in previously unused lands in Africa.