

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 11-K  
ANNUAL REPORT  
Pursuant to Section 15(d) of the  
Securities Exchange Act of 1934

ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE  
ACT OF 1934 [FEE REQUIRED].  
For the fiscal year ended December 31, 1998

OR

TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES  
EXCHANGE ACT OF 1934 [NO FEE REQUIRED].  
For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number 0-7154

A. Full title of the plan and the address of the plan, if different from  
that of the issuer named below:

QUAKER CHEMICAL CORPORATION PROFIT SHARING  
AND RETIREMENT SAVINGS PLAN

B. Name of issuer of the securities held pursuant to the plan and the  
address of its principal executive office:

QUAKER CHEMICAL CORPORATION  
Elm and Lee Streets  
Conshohocken, Pennsylvania 19428

Profit Sharing and  
Retirement Savings Plan of Quaker Chemical Corporation  
Financial Statements and Additional Information  
December 31, 1998 and 1997

Profit Sharing and Retirement Savings Plan of  
Quaker Chemical Corporation  
Index to the Financial Statements and Additional Information  
December 31, 1998 and 1997

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\* Other schedules required by Section 2520.103-10 of the Department of Labor Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 have been omitted because they are not applicable.

Report of Independent Accountants

To the Participants and Administrator of the  
Profit Sharing and Retirement Savings Plan of  
Quaker Chemical Corporation

In our opinion, the accompanying statements of net assets available for benefits and the related statements of changes in net assets available for benefits present fairly, in all material respects, the net assets available for benefits of the Profit Sharing and Retirement Savings Plan of Quaker Chemical Corporation (the "Plan") at December 31, 1998 and 1997 and the changes in net assets available for benefits for the years then ended, in conformity with generally accepted accounting principles. These financial statements are the responsibility of the Plan's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with generally accepted auditing standards which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedules of Assets Held for Investment Purposes and Reportable Transactions are presented for the purpose of additional analysis and are not a required part of the basic financial statements but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The fund information in the statements of net assets available for benefits and the statement of changes in net assets available for benefits is presented for purposes of additional analysis rather than to present the net assets available for plan benefits and changes in net assets available for benefits of each fund. These supplemental schedules and fund information are the responsibility of the Plan's management. The supplemental schedules and fund information have been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

PricewaterhouseCoopers LLP  
Thirty South Seventeenth Street  
Philadelphia, Pennsylvania  
June 11, 1999

Profit Sharing and Retirement Savings Plan of Quaker Chemical Corporation  
Statement of Net Assets Available for Benefits  
December 31, 1998

	Fund Information						Total
	Guaranteed Interest Fund	U.S. Stock Fund	Bond and Mortgage Fund	Quaker Chemical Corporation Common Stock	Participant Loan Fund	Other	
Investments, at fair value	\$2,137,010*	\$13,716,684*	\$3,440,567*	\$1,044,719*			\$20,338,980
Loans to participants					\$33,652		33,652
Cash surrender value of life insurance contracts						\$54,058	54,058
Total investments	2,137,010	13,716,684	3,440,567	1,044,719	33,652	54,058	20,426,690
Employer contributions receivable	56,535	224,198	51,442	24,028	-	-	356,203
Net assets available for benefits	\$2,193,545	\$13,940,882	\$3,492,009	\$1,068,747	\$33,652	\$54,058	\$20,782,893

\* Represents greater than 5% of net assets available for benefits.

The accompanying notes are an integral part of these financial statements.

Profit Sharing and Retirement Savings Plan of Quaker Chemical Corporation  
Statement of Net Assets Available for Benefits  
December 31, 1997

	Fund Information						
	Guaranteed Interest Fund	U.S. Stock Fund	Bond and Mortgage Fund	Quaker Chemical Corporation Common Stock	Participant Loan Fund	Other	Total
Investments, at fair value	\$2,058,665*	\$11,357,394*	\$2,758,687*	\$897,370*			\$17,072,116
Loans to participants					\$7,628		7,628
Cash surrender value of life insurance contracts						\$75,203	75,203
Total investments	2,058,665	11,357,394	2,758,687	897,370	7,628	75,203	17,154,947
Employer contributions receivable	47,394	215,941	50,972	22,063			336,370
Net assets available for benefits	\$2,106,059	\$11,573,335	\$2,809,659	\$919,433	\$7,628	\$75,203	\$17,491,317

\* Represents greater than 5% of net assets available for benefits.

The accompanying notes are an integral part of these financial statements.

Profit Sharing and Retirement Savings Plan of Quaker Chemical Corporation  
Statement of Changes in Net Assets Available for Benefits  
For the Year Ended December 31, 1998

	Fund Information						
	Guaranteed Interest Fund	U.S. Stock Fund	Bond and Mortgage Fund	Quaker Chemical Corporation Common Stock	Participant Loan Fund	Other	Total
Additions to net assets attributed to:							
Net investment income (loss)	\$ 110,715	\$ 1,687,284	\$ 233,567	\$ (15,295)	\$ 1,405		\$ 2,017,676
Participant contributions	103,976	1,125,647	237,001	152,978			1,619,602
Employer contributions	76,971	296,565	66,295	33,476			473,307
Rollovers	29,651	138,171	41,136	9,238			218,196
	321,313	3,247,667	577,999	180,397	1,405		4,328,781
Deductions from net assets attributed to:							
Participant benefit payments	164,702	755,584	77,654	13,396	2,238		1,013,574
Life insurance premiums	203	1,713	570				2,486
Net participant loan activity	4,825	21,326	734	(28)	(26,857)		-
Decrease in cash surrender value of insurance contracts						21,145	21,145
Interfund transfers	64,097	101,497	(183,309)	17,715			-
	233,827	880,120	(104,351)	31,083	(24,619)	21,145	1,037,205
Net increase (decrease)	87,486	2,367,547	682,350	149,314	26,024	(21,145)	3,291,576
Net assets available for benefits:							
Beginning of year	2,106,059	11,573,335	2,809,659	919,433	7,628	75,203	17,491,317
End of year	\$2,193,545	\$13,940,882	\$3,492,009	\$1,068,747	\$33,652	\$54,058	\$20,782,893

The accompanying notes are an integral part of these financial statements.

Profit Sharing and Retirement Savings Plan of Quaker Chemical Corporation  
Statement of Changes in Net Assets Available for Benefits  
For the Year Ended December 31, 1997

	Fund Information						Total
	Guaranteed Interest Fund	U.S. Stock Fund	Bond and Mortgage Fund	Quaker Chemical Corporation Common Stock	Participant Loan Fund	Other	
Additions to net assets attributed to:							
Net investment income	\$ 109,860	\$ 2,561,919	\$ 261,862	\$150,784	\$ 535		\$ 3,084,960
Participant contributions	89,006	853,695	226,972	104,524			1,274,197
Employer contributions	65,671	298,628	73,238	29,829			467,366
Rollovers	3,102	15,298	3,189	302			21,891
	-----	-----	-----	-----	-----		-----
	267,639	3,729,540	565,261	285,439	535		4,848,414
Deductions from net assets attributed to:							
Participant benefit payments	216,936	2,460,544	599,430	48,950	2,270		3,328,130
Life insurance premiums	945	2,488	750				4,183
Net participant loan activity	(3,122)	6,074	(1,624)	(21)	(1,307)		-
Decrease in cash surrender value of insurance contracts						\$16,240	16,240
Interfund transfers	20,063	(81,768)	(10,959)	72,664			-
	-----	-----	-----	-----	-----		-----
	234,822	2,387,338	587,597	121,593	963	16,240	3,348,553
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Net increase (decrease)	32,817	1,342,202	(22,336)	163,846	(428)	(16,240)	1,499,861
Net assets available for benefits:							
Beginning of year	2,073,242	10,231,133	2,831,995	755,587	8,056	91,443	15,991,456
	-----	-----	-----	-----	-----		-----
End of year	\$2,106,059	\$ 11,573,335	\$2,809,659	\$919,433	\$7,628	\$75,203	\$17,491,317
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The accompanying notes are an integral part of these financial statements.

1. Description of Plan

The following description of the Quaker Chemical Corporation Profit Sharing and Retirement Savings Plan (the "Plan") provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

General

The Plan is a defined contribution plan for all employees of the Quaker Chemical Corporation (the "Company") except for employees compensated in whole or in part by commissions on sales. The Plan is administered by the Profit Sharing and Retirement Savings Committee appointed by the Company's Board of Directors, and is subject to the Employee Retirement Income Security Act of 1974.

Employees become eligible for participation in the Plan on the first day of the month following employment commencement, unless the employee is hired on the first day of the month in which case the employee is eligible immediately. Plan participants are immediately vested in their account balance. All Plan administrative expenses are paid by the Company.

Contributions

Participants may elect to contribute on a "before-tax" basis any whole percentage of their compensation, up to 15%, during the year. Each year, the Company makes a matching contribution of \$150 for each whole percentage of the participant's compensation contributed to the Plan during the Plan year, with the Company's matching contribution for each individual participant limited to \$450 in any calendar year. The Company's 1998 and 1997 matching contributions were \$117,104 and \$130,996, respectively.

Additionally, the Company makes a contribution based on the level of domestic company profit from operations (as defined) versus the target profit (as defined). The target profit is determined as the average of the prior three years' domestic company profit from operations increased by 15%. The Company's Board of Directors, at its discretion, may increase the amount of the contribution to the Plan for each Plan year. The Company's 1998 and 1997 profit sharing contributions were \$356,203 and \$336,370, respectively.

Benefit payments

Participants are entitled to receive their account balance upon retirement or termination from the Company. In the event that a payment cannot be made due to the inability to locate the participant or beneficiary, the participant account balance will be forfeited and treated as an additional employer profit sharing contribution for the related Plan year.

In the event of Plan termination, the Plan provides that the assets shall continue to be held by the trustee and custodian (currently, First Union Bank and Principal Mutual Life Insurance Company ("PML"), respectively,) for normal distribution.



#### Investment options

Participants may elect to invest their pro rata share of the Company's contribution in any of the following pooled investment funds of PML: Guaranteed Interest, U.S. Stock, and Bond and Mortgage. Participants may also elect to invest in Quaker Chemical Corporation Common Stock.

The Plan includes a provision whereby PML, if so instructed by the Plan administrator, shall invest an amount less than 50% of the employer's current contribution allocable to each participant for the year in whole life insurance contracts. These contracts are owned by the Plan and maintained by PML. The Plan is the sole beneficiary of the contracts.

## 2. Significant Accounting Policies

#### Basis of accounting

The Plan's financial statements are prepared on the accrual basis of accounting.

#### Reclassifications

Certain prior year amounts have been reclassified in order to conform to current year presentation.

#### Benefit payments

Benefits are recorded when paid.

#### Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of net assets available for benefits at the date of the financial statements and the reported amounts of changes in net assets available for benefits. Actual results could differ from those estimates.

#### Investment valuation and income recognition

Investments in pooled investment funds are valued at the Plan's pro rata share of the market value of the funds. Market value is determined using the daily net asset value quoted by the trustee based on the published market prices of the underlying securities in the funds. The market value of the Company's common stock is based on the closing price as listed on the New York Stock Exchange. Life insurance contracts are valued at cash surrender value, which approximates fair value. Participant notes receivable are valued at cost, which approximates fair value. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

3. Loans to Participants

At December 31, 1998 and 1997, outstanding loans were \$33,652 and \$7,628 with original principal of \$49,563 and \$19,960, respectively. Interest rates on loans approximate the prime rate in effect at loan inception. The Plan has certain limitations on loans that can be made to Plan participants. These limitations include, but are not limited to, a minimum on loans of \$1,000 not to exceed one-half of the participant's vested interest in the Plan and with a term of not more than three years. Participants should refer to the Plan document for a complete description of these limitations.

4. Tax Status of the Plan

The Plan has received a tax determination letter from the Internal Revenue Service dated August 18, 1995 indicating that the Plan is a qualified plan under Section 401 of the Internal Revenue Code ("IRC"). The Plan has been amended since receiving the determination letter. However, the Plan administrator believes that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC. Accordingly, no provision for income taxes has been recorded in the financial statements.

5. Related Party Transactions

Certain Plan assets are invested in shares of separate accounts managed by PML. PML is a custodian and recordkeeper as defined by the Plan and, therefore, these investments qualify as party-in-interest which are exempt from the prohibited transactions rules.

Profit Sharing and Retirement Savings Plan of  
 Quaker Chemical Corporation  
 Item 27a Form 5500 - Schedule of Assets Held for Investment Purposes  
 December 31, 1998

Schedule I

Description of Asset	Cost	Current value
*Principal Mutual Life Pooled Investment Funds:		
Guaranteed Interest Fund	\$ 2,024,588	\$ 2,137,010
U.S. Stock Fund	6,826.623	13,716,684
Bond and Mortgage Fund	2,558,486	3,440,567
*Quaker Chemical Corporation		
Common Stock	897,923	1,044,719
Sun Life of Canada Insurance Contracts	54,058	54,058
Loans to Participants, 9.00% - 9.50%	33,652	33,652
	<u>\$12,395,330</u>	<u>\$20,426,690</u>

\* Party-in-interest

Profit Sharing and Retirement Savings Plan of  
 Quaker Chemical Corporation  
 Item 27d Form 5500 - Schedule of Reportable (5%) Transactions\*  
 December 31, 1998

Schedule II

Identity of Party Involved	Description of Asset	Number of Transactions	Purchase price	Selling price	Cost of asset	Current value of asset on transaction date	Net gain
Principal Mutual Life Insurance Co.	U.S. Stock Fund	73	\$1,906,502	\$ -	\$1,906,502	\$1,906,502	\$ -
	U.S. Stock Fund	54	-	1,234,496	624,084	1,234,496	610,412
Principal Mutual Life Insurance Co.	Guaranteed Interest Fund	34	545,704	-	545,704	545,705	-
	Guaranteed Interest Fund	24	-	578,072	578,072	578,072	-
Principal Mutual Life Insurance Co.	Bond and Mortgage Fund	38	695,414	-	695,414	695,414	-
	Bond and Mortgage Fund	31	-	247,102	183,393	247,102	63,709

\* Transactions or series of transactions in excess of 5 percent of the current value of the Plan's assets as of January 1, 1998 as defined in Section 2520.103-6 of the Department of Labor Rules and Regulations for Reporting and Disclosure under ERISA.



Consent of Independent Accountants

We hereby consent to the incorporation by reference in the Registration Statement on Form S-8 (No. 33-54158) of Quaker Chemical Corporation of our report dated June 11, 1999, appearing on page 1 on this Form 11-K.

PricewaterhouseCoopers LLP  
Thirty South Seventeenth Street  
Philadelphia, Pennsylvania  
June 30, 1999