# Phosphate Report
Weekly review of the phosphate market

Fertecon
Agribusiness intelligence | informa

**26 May 2016**

- DAP/MAP NOLA barge prices decline amid influx of imports from Russia, China and Morocco
- Ma'aden sells several DAP cargoes for June loading in Saudi Arabia
- PhosAgro and EuroChem lower Russian MAP prices to the mid $330s fob Baltic
- India secures more DAP from several origins at steady prices
- Argentina buys DAP and MAP in the high $350s cfr
- Lower offers for phosphoric acid presented in Bangladesh

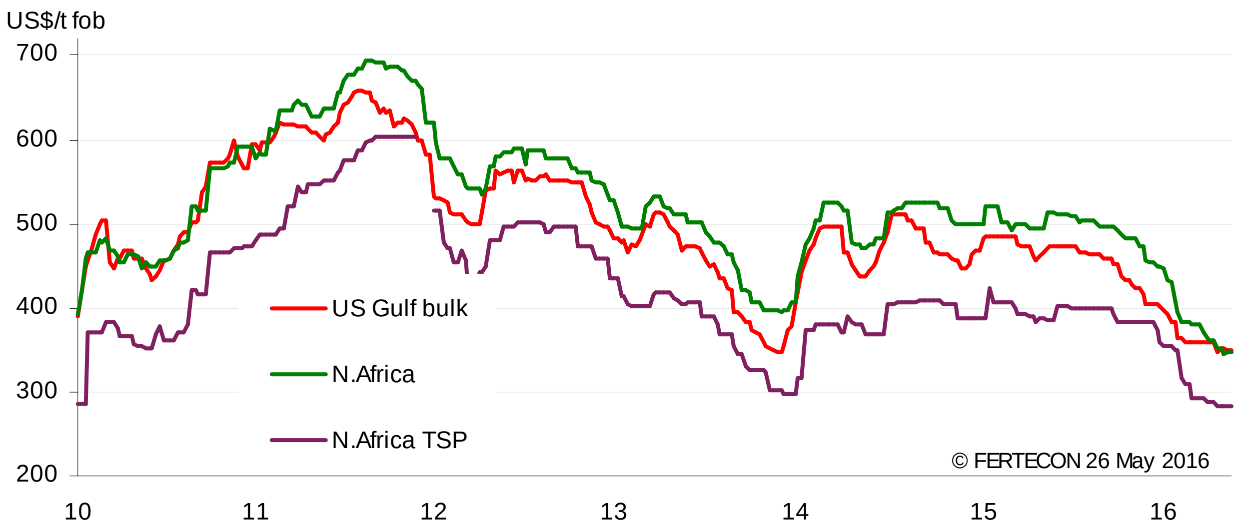
## OUTLOOK

DAP/MAP prices continue to lack direction

## KEY PRICES

| | 26 May | 19 May | 12 May |
|---|---|---|---|
| DAP $/t fob US Gulf | 350 | 350 | 350-354 |
| DAP $/t fob North Africa | 341-355 | 341-355 | 341-359 |
| DAP $/ston fob NOLA | 305-308 | 310-315 | 315-330 |

## DAP/TSP PRICES




Fertecon's phosphate prices are available to analyse and download immediately after publishing via this link.

## PHOSPHATE PRICE INDICATIONS ALL PRICES IN US$

| | 26 May | 19 May | 12 May | Notes |
|---|---|---|---|---|
| **DAP** | | | | |
| US Gulf fob bulk | 350 | 350 | 350-354 | |
| Morocco fob bulk | 341-355 | 341-355 | 341-355** | |
| Tunisia fob bulk | 347-349 | 347-349 | 357-359 | |
| Jordan fob bulk | 340-341 | 340-341 | 340-341 | |
| Saudi Arabia fob bulk | 343-350 | 343-344 | 343-344 | |
| Black Sea fob bulk | n.m. | n.m. | n.m. | |
| Baltic fob bulk | 330-333 | 330-335 | 330-341 | |
| Australia fob bulk | 335-340 | 326-340 | 326-340 | |
| China fob cash | 330-335 | 330-335 | 330-335 | |
| Benelux fca bulk duty paid/free | 370-375 | 370-375 | 380-385 | |
| India cfr bulk | 350 | 342-350 | 342-350 | |
| US domestic st NOLA | 305-308 | 310-315 | 315-330 | |
| Ctrl Florida st for | 355 | 355 | 355 | |
| **GTSP** | | | | |
| Bulgaria fob bulk | 290 | 290 | 290 | |
| Morocco fob bulk | 276-285 | 276-285 | 276-290 | |
| Tunisia fob bulk | 285-290 | 285-290 | 285-290 | |
| Lebanon fob bulk | 285-290 | 285-290 | 285-290 | |
| Mexico fob | 300 | 300 | 300 | |
| China fob bagged | 250-255 | 250-255 | 250-255 | |
| **MAP** | | | | |
| Black Sea fob bulk | 335-350 | 335-350 | 335-350 | |
| Baltic fob bulk | 335 | 335-340 | 335-340 | |
| Brazil cfr bulk | 350-355 | 350-355 | 350-355 | |
| **PHOSPHORIC ACID** | | | | |
| US Gulf fob ($P_2O_5$) | 600 | 600 | 600 | |
| India cfr ($P_2O_5$) | 715 | 715 | 715 | 30 days |
| **PHOSPHATE ROCK** | | | | |
| Casablanca fob 70% BPL | 95-125 | 95-125 | 95-125 | |

FERTECON PRICE DEFINITION

^ all business * No recent known business **price adjusted

NB: All prices refer to most recent concluded business or latest competitive offers. Prices are *net* of credit or other terms.

The full history of Fertecon's phosphate prices is available to view and download by clicking here

## FREIGHT INDICATIONS US$/TONNE

| (BULK) Route | Cargo size (t) | Latest rate |
|---|---|---|
| US Gulf-India | 45-50,000 | 22-23 |
| US Gulf-China | 50-55,000 | 20-21 |
| US Gulf-EC S America | 25-30,000 | 16-23 |
| Baltic-EC S America | 25-30,000 | 18-26 |
| North Africa-India | 30-35,000 | 20-22 |
| Jordan-India | 40,000 | 7-8 |
| Saudi Arabia-India | 30,000 | 6-7 |

NB: All rates indicated are based on averages. Exact rates will depend on port loading and discharge rates

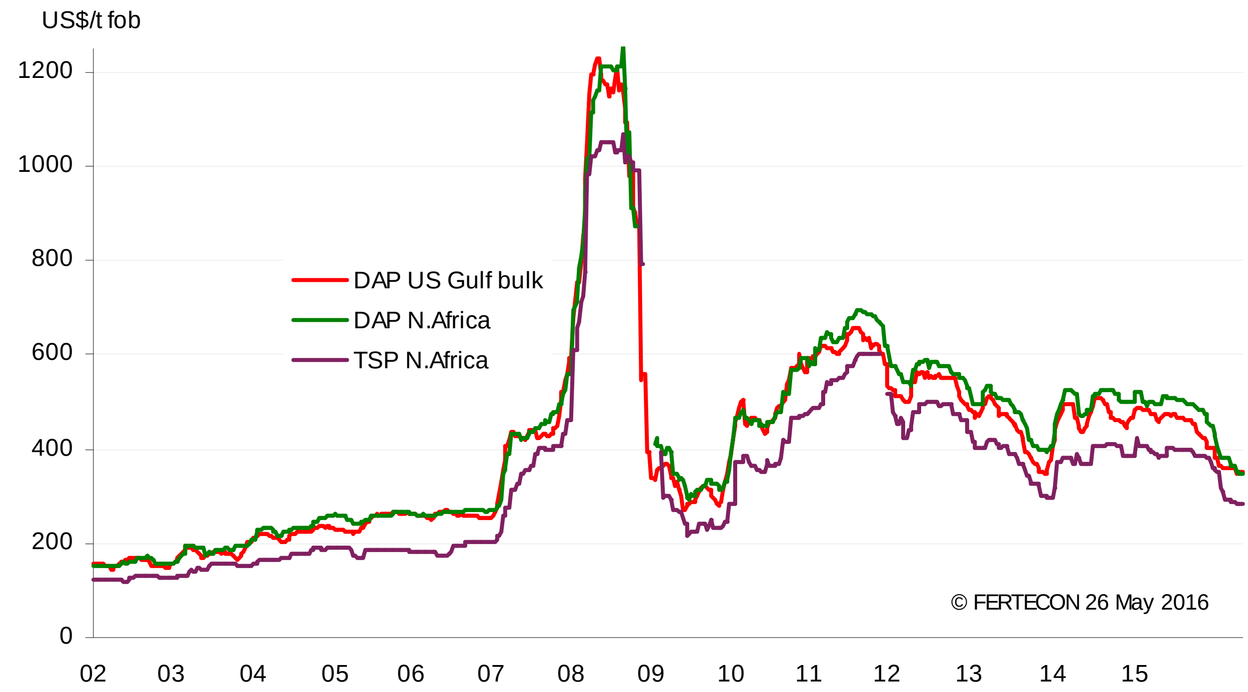
## FERTECON TENDER SERVICE

| Country/Holder | Product | '000 t | Date | Shipments | Remarks |
|---|---|---|---|---|---|
| India/GSFC | DAP | 100 | 16/4 | Apr-May | Offers received |
| India/RCF | DAP | 110 | 3/5 | May-Jun | Awarded |
| Bangladesh/MOA | DAP | 350 | 3/5 | May-Oct | Awarded |
| Bangladesh/MOA | TSP | 250 | 3/5 | May-Oct | Awarded |
| India/Deepak | DAP | 35 | 6/5 | May | Awarded |
| India/Deepak | NPS/NPK | 70 | 6/5 | May | Scrapped |
| India/NFL | DAP | 35 | 9/5 | 1-half June | Scrapped |
| India/RCF | NP/NPK | 70 | 12/5 | 1-half June | Two offers received |
| Bangladesh/BCIC | MGA | 50 | 25/5 | Sep-1-half Nov | Three offers received |
| Nepal/AIC | DAP | 30 | 27/5 | | |
| Bangladesh/BCIC | Phos rock | 30 | 7/6 | | |
| Bangladesh/BCIC | MGA | 10 | 10/7 | | |
| Bangladesh/BCIC | Phos rock | 30 | 11/7 | | |

**EXCHANGE RATES**
**(local currency:US$1)**

| | 26/05/2016 | 19/05/2016 | 26/05/2015 |
|---|---|---|---|
| € Euro | 0.89693 | 0.88656 | 0.91043 |
| £ Pound Sterling | 0.68233 | 0.68952 | 0.64608 |
| Turkish Lira | 2.94286 | 2.97543 | 2.60626 |
| Rupee India | 67.4231 | 66.91 | 63.5542 |
| Real Brazil | 3.57358 | 3.50516 | 3.09468 |
| China RMB | 6.55801 | 6.53172 | 6.08607 |

## DAP/TSP PRICES – 14 YEAR SERIES



## ANALYSIS

Prices for DAP and MAP are showing no clear direction at present with US DAP fob values flat at $350 on sales to Latin America, producers in Russia lowering MAP offers to the mid $330s fob in a bid to secure new business, and DAP prices in the Middle East rising to the high $340s/low $350s fob on trades into East Africa and East Asia but unchanged in the high $340s-350 cfr in India. It has been similar story as regards cfr values this week with MAP and DAP prices steady in India, softening in Argentina to the high $350s and rising in Pakistan to the low $350s.

India, Pakistan and Argentina have purchased more DAP and MAP this week and while demand in these countries and Brazil should rise as the market moves into June and through Q3, equally, there appears to be sufficient supply to cater for their requirements. With the US season winding down, NOLA DAP and MAP barge prices have weakened, with DAP down to $305-308/ston fob, amid an influx of imminent arrivals from Russia and further ahead from China and Morocco. The US NOLA market is the cheapest globally at prices equivalent to the low/mid $330s cfr with the new shipments seeming to highlight the lack of demand in the Brazilian market at present rather than any strength of demand in the US itself.

The extent and timing of demand in the US will play a pivotal role going into the summer. An optimistic outlook for fall demand on higher December corn prices than this time last year when barge prices were almost $120/ston higher may serve to keep US tonnes onshore. However, the amount that India ends up purchasing this year will have a larger impact and with expectations that DAP shipments to this market will be down on last year, any strength that emerges in US demand for summer fill could be quickly offset by a steady stream of FSU, North African and Chinese imports.

## MARKETS

### EUROPE

**BENELUX:** There is little or no interest in DAP at present, leaving prices unchanged at $370-375 fca.

**FRANCE:** EuroChem is in the freight market to load 12,000 t DAP promptly in Lithuania for La Pallice and Rouen, covering part of the 20,000 t identified last week as sold by the producer at a lower $330-335 fob for markets including France, Germany and Spain.

**ROMANIA:** Trammo is in the freight market for 10,000 t DAP to load promptly in Tunisia for Constantza.

**TURKEY:** Buyers remain in the market for DAP, with three major importers reported to be in discussions with GCT. No new business has been reported since last week's reported purchases for Igsas of 3 x 6,000 t DAP from GCT at $350 fob including 90 days' credit and for a distributor in the south of a further 6,000 t from the producer in the low $350s fob including 90 days' credit. Freight 6,000 t from Gabes is put at about $10.

EuroChem is offering 25-30,000 t Lithuanian DAP at $330-335 fob with freight from Klaipeda-Iskenderun indicated at $18-20.

**TURKEY: DAP PURCHASES 2016**
**('000 t)**

| Buyer | Supplier | DAP | Arrival |
|---|---|---|---|
| Alp Ates | Keytrade/EuroChem | 31 | Jan/Feb |
| GubreTas | OCP/Morocco | 22 | Feb |
| Gemlik Gubre | GCT/Tunisia | 10 | Feb |
| Guneysan | Keytrade/JPMC | 4 | Feb |
| Igsas | PhosAgro/Russia | 16 | Feb |
| Ege Gubre | JPMC/Jordan | 10 | Feb/Mar |
| GubreTas | JPMC/Jordan | 10 | Feb/Mar |
| TBC | GCT/Tunisia | 6 | Mar |
| Various | Ameropa/PhosAgro | 7 | Mar |
| Gemlik Gubre | GCT/Tunisia | 25 | Mar |
| Igsas | GCT/Tunisia | 20 | Apr |
| TBC | JPMC/Jordan | 5 | Apr |

| | | | |
|---|---|---|---|
| TBC | JPMC/Jordan | 4 | Apr |
| Igsas | GCT/Tunisia | 6 | Apr/May |
| Igsas | GCT/Tunisia | 6 | Apr/May |
| TBC | JPMC/Jordan | 3 | Apr/May |
| Igsas | GCT/Tunisia | 15 | Apr/May |
| Various | Ameropa/Jordan | 8 | Apr/May |
| Gemlik Gubre | PhosAgro/Russia | 15 | May/Jun |
| Various | Ameropa/Jordan | 8 | May/Jun |
| Igsas | GCT/Tunisia | 6 | May/Jun |
| Igsas | GCT/Tunisia | 6 | May/Jun |
| Igsas | GCT/Tunisia | 6 | May/Jun |
| Distributor | GCT/Tunisia | 6 | May/Jun |
| **Total** | | **255** | |

## AFRICA

**EAST AFRICA:** Ma'aden is reported to have sold 20,000 t DAP in the high $340s fob for June loading in Saudi Arabia.

## ASIA

**BANGLADESH:** The *Penelope L* arrived with 26,250 t Moroccan DAP ex-Jorf Lasfar in Chittagong on 24 May.

It is anticipated that Xiangfeng will load 35,000 t/m DAP in China in June and July to cover awards under the MOA's 3 May tender.

GCT was planning to load a handysize TSP cargo in Tunisia late/end May and another late/end June to cover Noapara Trader's awards under the MOA's 3 May tender.

BADC will receive in June/July its first handysize cargo of TSP from GCT, priced under formula, that forms part of the government-to-government deal for 200,000 t firm and 50,000 t option for 2016 shipment from Tunisia

OCP has four handysize cargoes of TSP to load in Morocco over the coming months to supply awards under the MOA's 3 May tender in addition to shipments to BADC under its government-to government agreement.

**INDIA:** Import demand for DAP continues to tick over and prices remain flat. Latest business has brought the amount identified for April-June arrival to 1.7 million t.

Ma'aden has reported the sale of 55,000 t DAP at about $350 cfr for June shipment from Saudi Arabia. There is a freight enquiry for 53-58,000 t dwt for second week June loading in Ras Al Khair for Mundra or Kandla.

It has come to light that KPR Fertiliser bought 32,900 t DAP from Swiss Singapore, reportedly in the mid $340s cfr including credit. The *Florinda I* is due to arrive in Kakinada on 29 May having sailed from China on 19 May, reportedly with Wengfu material to cover the purchase.

There are also reports emerging that IPL purchased Wengfu DAP from Swiss Singapore in the low $340s cfr that loaded on the 44,950 dwt *Blue Angel* and sailed from China on 23 May.

It is understood that Chambal is due to receive the *Mare Forum* with around 36,500 t DAP at Mundra on 4 June under its MOU with YUC.

IPL is reported to be due to receive 20,000 t DAP from Jordan in early June under its long term contract with JPMC. There are unconfirmed reports of a price in the high $340s cfr being concluded for the cargo.

Zuari received about 40,000 t Australian DAP from the *LA Guimorais* at Kakinada on 18 May, covering its earlier reported purchase from Quantum in the high $340s cfr.

IPL received 42,966 t Saudi Arabian DAP from the *Tamilnadu* at Mundra on 23 May, covering its earlier reported purchase from Ma'aden at about $350 cfr.

Tata received the *Cos Cherry* into Kakinada on 23 May with the vessel showing eta 1 June at Mundra, covering its earlier reported purchase from Dreymoor in the low $340s cfr.

Zuari is due to receive the *Martin Island* with around 30,000 t Saudi Arabian DAP in early June under its earlier reported purchase from Sabic in the $350s cfr.

Deepak is due to receive 20,000 t dark DAP and 10,000 t NPK 10-26-26 from Russia from the 114,500 dwt *Anangel Dawn* in Krishnapatnam on 9 June before the vessel moves to Kandla to unload 20,000 t beige DAP and 10,000 t 10-26-26, covering its earlier reported purchase from PhosAgro reportedly at a price of $345 cfr for the DAP and in the low $300s cfr for the 10-26-26.

GSFC is due to receive the *IVS Wentworth* with around 40,000 t Saudi Arabian DAP at Kandla 10-12 June under its earlier reported purchase from Sabic in the $350s cfr.

The *Venus Halo* has sailed from China, reportedly with 42,300 t Yihua DAP for Deepak to cover the award it made under its 6 May tender. There were unconfirmed reports that Swiss Singapore took the business at $347 cfr including 120 days' credit, netting the low $340s cfr, for May loading.

It is reported that the 73,035 dwt *Corviglia* is due to start loading 55,000 t DAP in China on 26 May. The vessel is understood to be covering the reported purchase by IPL from Rare Earth in the low $340s cfr for May loading that was reported last week.

IFFCO's managing director, Dr Awasthi, declared during an AGM held yesterday, 25 May, that a discount of Rs 1,000 on its prevailing bagged delivered farm prices for DAP and NPKs would be applied with immediate effect.

It is estimated that DAP importers would cover costs in the low $390s cfr given the current exchange rate of close to $1:Rs 67.5 and assuming that bagged delivered farm prices are about Rs 22,500/t. To achieve a margin of 3%, buyers could import DAP in the low $380s cfr, significantly higher than prevailing market prices.

The latest provisional data from the FAI show DAP production was 315,710 t in April, 26% below March but more than double the 146,570 t manufactured in April 2015. This brought January-April production to 1.554 million t, up 35% on the first four months of 2015.

The figures show 299,000 t DAP imported in April, 42% lower than April 2015. There were no imports in March 2016. This brought calendar y-t-d imports to 381,000 t, 53% below January-April 2015.

The provisional data also show DAP sales were 193,556 t in April, 84% lower than March and 38% below April 2015. This brought calendar y-t-d sales to 2.42 million t, 37% higher than January-April 2015, most of which will, in reality, have simply moved into the retail pipeline and not onto farm.

2016-17 fertilizer year DAP imports are as follows:

| Buyer | Supplier/Origin | '000 t | *Vessel* | Arrival |
|---|---|---|---|---|
| **April** | **To date** | **182** | | |
| Hindalco | Sabic/Saudi Arabia | 33 | *Gloria Galaxy* | 1 May |
| IPL | JPMC/Jordan | 20 | *Loyalty* | 2 May |
| Mosaic | Mosaic/US | 38 | *Stony Stream* | 2 May |
| IPL | Dreymoor/China | 25 | *Huayang Legend* | 5 May |
| Chambal | Aries/Kailin | 32 | *Apollo Bulker* | 10 May |
| Chambal | PhosAgro/Russia | 11 | *Nordic Visby* | 10 May |
| IPL | Trammo/China | 54 | *Megas* | 18 May |
| Zuari | Quantum/Australia | 40 | *LA Guimorais* | 18 May |
| Zuari | Transglobe/Jordan | 43 | *Shang Yuan Men* | 19-24 May |
| Chambal | YUC/China | 40 | *LMZ Phoebe* | 21 May |
| IPL | Ma'aden/Saudi Arabia | 43 | *Tamilnadu* | 23 May |
| Tata | Dreymoor/China | 40 | *Cos Cherry* | 23 May |
| IPL | Fertrade/China | 50 | *Shao Shan 8* | May |
| IPL | Koch/China | 50 | *Nikolaos* | May |

| | | | | |
|---|---|---|---|---|
| Mosaic | Mosaic/US | 60 | *TBN* | May |
| Kribhco | Ma'aden/Saudi Arabia | 42 | *TBN* | May |
| KPR Fertiliser | Swiss Singapore/China | 50 | *Florinda I* | 29 May |
| Chambal | PhosAgro/Russia | 15 | *Top Rich* | End May |
| **May** | **To date** | **686** | | |
| Zuari | Sabic/Saudi Arabia | 30 | *Martin Island* | Early June |
| IPL | JPMC/Jordan | 20 | *TBN* | Early June |
| Chambal | YUC/China | 36 | *Mare Forum* | 4 June |
| Deepak | PhosAgro/Russia | 40 | *Anangel Dawn* | 9 June |
| GSFC | Sabic/Saudi Arabia | 40 | *IVS Wentworth* | 10-12 June |
| NFL | Aries/Kailin | 50 | *Christina IV* | June |
| TBC | PhosAgro/Russia | 60 | *TBN* | June |
| Kribhco | OCP/Morocco | 100 | *TBN* | June |
| GSFC | OCP/Morocco | 50 | *TBN* | June |
| TBC | Sabic/Saudi Arabia | 35 | *TBN* | June |
| TCL | Ameropa/China | 55 | *Ever Success* | June |
| IPL | Trammo/China | 50 | *Reborn* | June |
| RCF | Fertrade/China | 35 | *TBN* | June |
| IPL | Rare Earth/China | 40 | *Corviglia* | June |
| Deepak | Swiss Singapore/China | 42 | *Venus Halo* | June |
| TBC | Xiangfeng/China | 50 | *TBN* | June |
| IPL | Swiss Singapore/China | 43 | *Blue Angel* | June |
| TBC | Ma'aden/Saudi Arabia | 55 | *TBN* | June |
| **June** | **To date** | **831** | | |
| **Total** | **Estimate to date** | **1,699** | | |

**NEPAL:** AIC Ltd will close a tender on 27 May for 30,000 t bagged DAP for delivery to Biratnagar/Birgunj/Bhairahawa at the Indo-Nepalese border.

It is understood that MMTC received no offers under its 25 May tender for 30,000 t bagged DAP which was expected to provide cover for MMTC in the AIC Ltd tender of 27 May.

**PAKISTAN:** Pacific Chartering is reported to have bought 30,000 t Chinese DAP from Ameropa in the low $350s cfr for early June shipment. The trader is in the freight market for 30,000 t DAP to load in China 1-5 June and 12-13,000 t palm kernel expeller in Malaysia for Karachi.

Quantum is shipping DAP on the 32,723 dwt *Aurora Bulker* from China for this market. There are unconfirmed reports that the cargo is covering a purchase made in recent weeks by United Agro in the very high $340s cfr.

It has emerged that the earlier reported purchase by Engro from Ma'aden did not go ahead.

In the local market, prevailing prices for DAP are about Rs 2,300/50kg bag ex-Karachi. Importers are hopeful that next week's Budget will include an announcement that the Rs 500/50kg bag subsidy introduced with effect from 15 October 2015 will be continued.

DAP business reported so far for 2016 arrival is as follows:

| Buyer | Supplier/Origin | '000 t | Vessel | Arrival |
|---|---|---|---|---|
| United Agro | Quantum/Australia | 26.5 | *Bright Hope* | Feb |
| Chawla | Quantum/Australia | 26.0 | *JF Rhone* | Mar |
| Engro | Quantum/Australia | 55.0 | *JS Rhone* | Apr |
| Engro | Sabic/Saudi Arabia | 25.0 | *Calm Bay* | Apr |
| Fauji | Sabic/Saudi Arabia | 27.5 | *Martin Island* | May |
| Chawla | Quantum/Australia | 25.0 | *Eastern Cape* | May |
| Engro | Dreymoor/China | 45.0 | *Courageous* | Jun |
| United Agro | Quantum/China | 30.0 | *Aurora Bulker* | Jun |
| Pacific Chartering | Ameropa/China | 30.0 | *TBN* | Jun |

| TOTAL | 290.0 |
|---|---|

| Kharif DAP balance sheet April-September 2016 | '000 t |
|---|---|
| Opening stock 1 April 2016 | 285 |
| Forecast local production | 421 |
| Imports booked to date | 237 |
| **Forecast availability** | **846** |
| **Forecast offtake** | **520** |
| **Closing stock 30 September 2016** | **423** |

**THAILAND:** Two DAP cargoes have arrived from China this month, reportedly purchased from Kailin in the high $340s-350 cfr.

The 34,334 dwt *Tia Marta* arrived in Ko Sichang on 16 May and the 22,776 dwt *Lucky Star* arrived in Ko Sichang on 11 May, the latter reportedly carrying 20,000 t.

The 28,189 dwt *Clipper Iwagi* sailed from Australia today for this market, covering Quantum's earlier reported sale at $340 fob for Southeast Asia.

## NORTH AMERICA

**UNITED STATES:** Prices for DAP barges have retreated yet further with domestic product reported to have traded at $308/ston fob NOLA although Mosaic was not involved in the transaction and with competitive offers for imported material reported presented down to $305/ston for June loading. Mosaic's offer for domestic DAP barges for May/June shipment for summer fill remains at $330/ston fob NOLA.

A MAP barge traded late last week at $309/ston fob NOLA.

Mosaic continues to indicate a central Florida price of $355/ston for DAP with a premium of $10-15/ston for MAP.

The *Arinaga* is due to arrive in NOLA on 1 June with the earlier reported 7-10,000 t Russian MAP, 15,000 t granular urea and 11,000 t prills shipped by EuroChem from the Black Sea.

The 32,809 dwt *King Coffee* is scheduled to arrive in NOLA on 3 June, reportedly with PhosAgro, Russian DAP.

The 76,466 dwt *Navios Alegria* is due to arrive in NOLA on 25 June, reportedly with a panamax volume of YUC, Chinese DAP/MAP.

OCP is reported to have booked a DAP/MAP cargo for June shipment from Morocco and late reports suggest that as many as three shipments may have been agreed.

Import cargoes reported for July 2015-April 2016 arrival are as follows ('000 t):

| Supplier/Origin | DAP | MAP | TSP | NP+S+Z | Vessel | Arrival |
|---|---|---|---|---|---|---|
| Helm/Morocco | - | - | 30 | - | *TBC* | Jul |
| Indagro/Kailin, China | 23 | 10 | - | - | *Intrepid Eagle* | Aug |
| Keytrade/PhosAgro, Russia | - | 40 | - | - | *Pola Murom* | Aug |
| Koch/PhosAgro, Russia | - | 40 | - | - | *Diana* | Aug |
| Helm/Morocco | - | - | 31 | - | *Coreship Ol* | Aug/Sep |
| Koch/Kailin, China | 60 | - | - | - | *Delmar* | Sep |
| Koch/Morocco | - | 35 | - | 15 | *Pegasus* | Sep |
| Koch, United Suppliers/Morocco | 10 | 75 | - | 15 | *TBC* | Sep/Oct |
| EuroChem/Russia | - | 20 | - | - | *Wulin* | Oct |
| YUC/China | 35 | 20 | - | - | *Ocean Gem* | Oct |
| YUC/China | 5 | 50 | - | - | *Medi Taipai* | Oct |
| Koch/Kailin, China | 30 | - | - | - | *TBC* | Oct |

| | | | | | | |
|---|---|---|---|---|---|---|
| United Suppliers/PhosAgro | 17 | 16 | - | - | *Astakos* | Nov |
| Koch/PhosAgro | 16 | 17 | - | - | *Swan River* | Dec |
| Koch/PhosAgro | 33 | - | - | - | *Astra* | Dec |
| United Suppliers/PhosAgro | 16 | 17 | - | - | *TBC* | Dec |
| EuroChem/Russia | - | 10 | - | - | *SITC Taishan* | Dec |
| Gavilon/Morocco | 25 | 30 | - | - | *Ocean Tomo* | Jan |
| Helm/Morocco | - | - | 30 | - | *TBC* | Jan |
| EuroChem/Russia | - | 11 | - | - | *Atlantic Elm* | Feb |
| EuroChem/Russia | 8 | 30 | - | - | *Scarabe* | Feb |
| Koch/Morocco | 30 | 20 | - | - | *TBC* | Feb |
| Koch/Morocco | 30 | 20 | - | - | *Triton Hawk* | Mar |
| EuroChem/Russia | 30 | 20 | - | - | *Naess Courageous* | Mar |
| EuroChem/Russia | 7 | 25 | - | - | *TBN* | Mar |
| Gavilon/Morocco | 25 | 30 | - | - | *TBN* | Mar |
| Helm/Morocco | - | - | 30 | - | *TBN* | Mar |
| Koch/PhosAgro | 16 | 17 | - | - | *TBN* | Mar |
| Koch/Morocco | 30 | 20 | - | - | *TBN* | Apr |
| Helm/Morocco | - | - | 17-18 | - | *TBN* | Apr |
| PhosAgro/Russia | 10 | 20-25 | - | - | *Indigo Spica* | May |
| EuroChem/Russia | - | 7-10 | - | - | *Arinaga* | Jun |
| PhosAgro/Russia | 30 | - | - | - | *King Coffee* | Jun |
| YUC/China | 25 | 25 | - | - | *Navios Alegria* | Jun |
| OCP/Morocco | 25 | 25 | - | - | *TBN* | Jun |
| **Total** | **536** | **650-658** | **138-139** | **30** | | |

## LATIN AMERICA

**ARGENTINA:** Bunge/ACA is reported to have purchased DAP and MAP from Nitron in the high $350s cfr for supply from floating vessels ex-Saudi Arabia and Russia. The buying group was in the market for 15,000 t each DAP and MAP for 1-half June shipment but excluding Chinese material.

There is still reported to be demand for part cargo lots DAP/MAP with the high $350s cfr still deemed achievable.

The *DK Ione* has been fixed to load 45,000 t DAP/MAP promptly in Morocco, reported to be covering Indagro's award for 13,000 t MAP and 9,000 t DAP at $360 cfr under Profertil's 5 May tender plus sales of more than 15,000 t MAP/DAP at $362 cfr.

**BRAZIL:** Buying interest in the phosphate market has been quiet in the run up to the IFA conference and with holidays interrupting the market. This has left MAP prices to mark time, still indicated at $350-355 cfr.

Further to last week, Tocantins is reported to have been the buyer of the handysize MAP cargo that EuroChem was reported to have sold a in the mid/high $350s cfr for June shipment from Russia although this is unconfirmed.

Competitive bids on 11-44-0 MAP are reported to be just below $290 cfr but this is unworkable from China where price indications are reported to be in the low $280s fob and with freight for 40-45,000 t South China-South Brazil put in the high $10s and handysize freight in the low $20s.

Competitive offers for TSP remain at about $285 cfr although no new business has been reported.

Vessels scheduled for Paranagua:

| Vessel | ETA | Product | '000 t | Seller | Origin |
|---|---|---|---|---|---|
| **May** | | | | | |
| *Basic Rainbow* | 2 May | TSP/Feed | 25.0 | OCP | Morocco |
| *Hedvig Bulker* | 3 May | MAP | 31.0 | OCP | Morocco |
| *Crux* | 8 May | MAP | 11.2 | OCP | Morocco |

| | | | | | |
|---|---|---|---|---|---|
| *Orient Tiger* | 9 May | TSP | 32.3 | OCP | Morocco |
| *Shou Chen Shan* | 11 May | MAP | 26.0 | OCP | Morocco |
| *Golden Hawk* | 12 May | MAP | 16.5 | Ameropa | Saudi |
| *Cielo Di Valparaiso* | 13 May | MAP/NP | 38.2 | Mosaic | US |
| *Alentejo* | 15 May | Nitrate/NPK | 18.6 | TBC | Russia |
| *Princesse Oui* | 19 May | MAP/NP | 27.6 | Mosaic | US |
| *Cielo Di Angra* | 21 May | MAP/NP | 34.0 | Mosaic | US |
| *Pola Murom* | 27 May | SSP/TSP | 25.0 | Nitron | Spain |
| *Royal Justice* | 30 May | DAP/NP | 27.5 | Mosaic | US |

**EC LATIN AMERICA:** Quantum is reported to have sold 35-40,000 t MAP in the high $330s fob for June shipment from Australia.

**GUATEMALA:** NPK Trading was in the market last week for 5,000 t NPK in combo with 10-15,000 t prilled urea for west coast Guatemala and the enquiry is still believed to be open.

**MEXICO:** There are reports emerging that Fertiquim purchased 5,000 t DAP from Samsung at $355 cfr in early/mid May for shipment from China in combination with 12,500 t each granular urea and amsul.

## SUPPLIERS

### EUROPE

**LITHUANIA:** EuroChem still has 10-15,000 t DAP available for May shipment amid a 2-half May turnaround at the Lifosa plant. The producer is open for June when output is expected to be back up to 70-75,000 t. The producer is offering 25-30,000 t DAP to Turkey at $330-335 fob.

EuroChem is in the freight market to load 12,000 t DAP promptly in Klaipeda for two French ports, covering part of the 20,000 t identified last week as sold by the producer at a lower $330-335 fob for markets including France, Germany and Spain.

DAP exports were 59,731 t in March, bringing the Q1 figure to 239,145 t, 7% above January-March 2015. Germany was the largest outlet, up 4% at 54,000 t, followed by France at 50,000 t, which reflected more than a two-and-a-half-fold increase. A further 27,000 t shipped to Turkey compared to zero in Q1 2015. The balance was mostly shipped to Ireland, Belgium, UK and Netherlands in that order. Exports to Ireland registered a 36% decline, there were no exports to Belgium in Q1 2015, shipments to UK were up 39% but down 81% for Netherlands.

Source GTIS/Eurostat

### FSU

**RUSSIA:** Baltic prices for DAP and MAP have eased to the low $330s fob and the mid $330s, respectively.

**PhosAgro** is comfortable for June having placed a total of 280-290,000 t NPKs/MAP in domestic and regional markets, in addition to its earlier reported 60,000 t DAP commitment for June loading for India. The producer is asking the mid $330s fob for DAP and MAP for Latin American markets.

PhosAgro's DAP/MAP/NP/NPK commitments for May and June shipment are reported as follows:

**May**

- 50,000 t DAP on the *Shao Shan 8* to Fertrade for India
- 35,000 t DAP/10-26-26 on the *Top Rich* to Chambal in India
- 15,000 t DAP on the *IVS Kinglet* to Nitron for Argentina/Uruguay
- The 32,809 dwt *King Coffee* that sailed from Ust Luga on 14 May, reportedly with DAP
- 15,000 t MAP on the *Interlink Verity* to Nitron for Argentina/Uruguay

- 90,000 t MAP for domestic and regional markets, and Baltic States
- 110-120,000 t NPKs for domestic and regional markets, and Baltic States

**June**

- 60,000 t DAP to India
- 280-290,000 t NPKs for domestic and regional markets,

**EuroChem** has lowered its asking price to $335 fob for the next MAP cargo available from Kingisepp which is for end June shipment. Further to last week, the producer is reported to have sold to Tocantins the handyzize cargo identified concluded for June loading for Brazil at a price estimated to netback to the high $330s fob although this is unconfirmed.

EuroChem's DAP/MAP commitments for May shipment are reported as follows:

**May**

- 30,000 t MAP to Helm for Brazil ex-Kingisepp
- 25,000 t MAP to Fertipar Brazil ex-Kingisepp
- 25,000 t MAP to Ameropa for Brazil ex-Belorechensk
- 7-10,000 t MAP on the *Arinaga* to the US ex-Belorechensk

**UralChem** continues to produce MAP and NPKs, which it has continued to sell domestically and in FSU markets for May and June loading.

## AFRICA

**MOROCCO:** OCP is reported to have booked a DAP/MAP cargo for June shipment to US and late reports suggest that as many as three shipments may have been agreed.

The *DK Ione* has been fixed to load 45,000 t DAP/MAP promptly at Jorf Lasfar for Argentina, reported to be covering OCP's earlier reported sale to Indagro that slipped from April.

OCP's May and June DAP/MAP/NP/NPK commitments are reported ('000 t) as follows:

| | May | June |
|---|---|---|
| **Est. Production** | **500** | **500** |
| Croatia | 6 | - |
| Spain | 10 | - |
| Turkey | 20 | - |
| Africa | 260 | - |
| Bangladesh | 25 | - |
| India | 100 | 50 |
| US | - | 50 |
| Argentina – carry from April | 45 | - |
| Brazil | 150 | - |
| **Total** | **616** | **100** |

On TSP, OCP has four handysize volumes to load for Bangladesh over the coming months to supply Bulk Trade's awards under the MOA's 3 May tender that were concluded at a price estimated to netback to the low/mid $280s fob in addition to shipments to BADC under a government-to-government agreement.

**TUNISIA:** No new DAP business has been reported this week but GCT is understood to be in negotiations with three major Turkish buyers. The producer last sold 6,000 t lots to this market at $350 fob and in the low $350s fob, both including 90 days' credit for May shipment.

Trammo is in the freight market for 10,000 t DAP to load promptly in Gabes for Romania.

GCT's May DAP commitments are as follows ('000 t):

| | May |
|---|---|
| **Est. Production** | **60** |
| Turkey | 24 |
| **Total** | **24** |

On TSP, GCT was planning to load a handysize cargo for Bangladesh late/end May and another late/end June to supply Noapara Trader's awards under the MOA's 3 May tender that were concluded at a price estimated to netback to the high $280s fob. It is also scheduled to load a handysize cargo for BADC in June, priced under formula, the first shipment under the government-to-government deal for 200,000 t firm and 50,000 t option for 2016 shipment to Bangladesh.

## MIDDLE EAST

**JORDAN:** JPMC is comfortable on DAP into June. In addition to commitments identified previously, the producer is reported to be shipping a further 20,000 t DAP to India in May under its long term contract with IPL. There are unconfirmed reports of a price in reflecting about $340 fob being concluded for the cargo.

JPMC's May DAP commitments are as follows ('000 t):

| | May |
|---|---|
| **Est. Production** | **30** |
| Turkey | 8 |
| India | 63 |
| **Total** | **71** |

**SAUDI ARABIA:** **Ma'aden** has added to its order book for June with reported sales of 55,000 t DAP at a price estimated to netback to about $345 fob for India, 20,000 t DAP in the high $340s fob for East Africa and 11,000 t DAP in the low $350s fob for East Asia. There is a freight enquiry for 53-58,000 t dwt for second week June loading in Ras Al Khair for Mundra or Kandla.

Ma'aden loaded 42,966 t DAP on the *Tamil Nadu* that sailed from Ras Al Khair Mundra on 15 May, covering its earlier reported sale at a price reflecting the mid $340s fob.

No new business has been reported for **Sabic** this week.

The 32,723 dwt *Martin Island* is due to arrive in Ras Al Khair on 26 May to load about 30,000 t DAP for India, covering Sabic's earlier reported sale to Zuari reflecting the low/mid $340s fob.

The 58,091 dwt *IVS Wentworth* is due to arrive in Ras Al Khair end May/start June May to load about 40,000 t DAP for India, covering Sabic's earlier reported sale to GSFC reflecting the low/mid $340s fob.

It is understood that the MPC 2.92 million t/y DAP/MAP plant is operating at about 90% capacity.

MPC's DAP/MAP commitments for May and June shipment are reported as follows ('000 t):

| | May | June |
|---|---|---|
| **Est. Production** | **240** | **240** |
| East Africa – Ma'aden | - | 20 |
| India – Ma'aden | 85 | 55 |
| India – Sabic | 70 | 35 |
| Pakistan – Ma'aden | 25 | - |
| Pakistan – Sabic | 25 | - |
| East Asia – Ma'aden | - | 11 |
| Brazil – Ma'aden | 35 | - |
| **Total sales** | **240** | **121** |

## ASIA

**CHINA:** Traders report DAP producers are firming their stance on pricing, noting that product is difficult to purchase below $334-345 fob. However, some producers are understood to be offering directly to southeast Asian buyers at reported prices that it is estimated would net back to around $330 fob and there are late reports of competitive offers to traders at about this level also.

Ameropa is reported to have sold 30,000 t DAP to Pacific Chartering reflecting the high $330s fob before trader margin for early June shipment to Pakistan. The trader is in the freight market for 30,000 t DAP to load in Nantong 1-5 June and 12-13,000 t palm kernel expeller in Malaysia for Karachi.

Quantum is shipping DAP on the 32,723 dwt *Aurora Bulker* from Zhenjiang for Pakistan. There are unconfirmed reports that this is a Yihua cargo covering an earlier sale to United Agro at a reported price estimated to netback to the mid $330s fob.

There are reports emerging that Swiss Singapore sold Wengfu DAP to IPL at a reported price estimated to netback to the low $330s fob that loaded on the 44,950 dwt *Blue Angel* and sailed from Beihai on 23 May.

It has also come to light that Swiss Singapore sold 32,900 t DAP to KPR Fertiliser, reportedly at a price estimated to netback to about $330 fob. The *Florinda I* sailed from Beihai on 19 May for east coast India reportedly with Wengfu product to cover the sale.

The *Venus Halo* has sailed from Zhenjiang for India, reportedly with 42,300 t Yihua DAP for Deepak to cover the award it made to a trader under its 6 May tender. There were unconfirmed reports that Swiss Singapore took the business at a price estimated to netback to about $330 fob for May loading.

It is reported that the 73,035 dwt *Corviglia* was due to start loading 55,000 t Dayukou DAP in Nantong for India today, 26 May. The vessel is understood to be covering the sale reported for Rare Earth to IPL for May loading that was reported last week which it is estimated would net back to the low $330s fob.

No new sales have been reported for **YUC** although the producer is understood to have a busy shipping schedule for Bangladesh in the coming months following awards totalling 210-245,000 t DAP under the MOA's 3 May tender.

**YUC's** export commitments for May shipment are reported to include:

- The 76,466 dwt *Navios Alegria* that sailed from Fangcheng for the US on 15 May, reportedly with a panamax volume DAP/MAP.
- The 46,743 dwt *Mare Forum* sailed from Fangcheng on 20 April, reportedly with DAP for India for Chambal

Similarly, no new business has been reported for **Kailin** although the producer is making regular shipments to Chambal under their MOU and Agven is looking to ship a DAP cargo for June delivery to Pakistan.

**Kailin's** export commitments for May shipment are reported to include:

- 50,000 t DAP on the *Christina IV* to Aries for India for NFL
- The 34,334 dwt *Tia Marta* that sailed from Zhanjiang on 11 May for Thailand, reportedly with DAP
- The 22,776 dwt *Lucky Star* That sailed from Zhanjiang on 6 May for Thailand, reportedly with 20,000 t DAP

**Wengfu's** export commitments for May shipment are reported to include:

- 43,000 t DAP on the *Blue Angel* to Swiss Singapore for India for IPL
- 33,000 t DAP on the *Florinda I* to Swiss Singapore for India for KPR Fertiliser

**Yihua's** export commitments for May shipment are reported to include:

- 50,000 t DAP on the *Reborn* to Trammo for India for IPL
- 50,000 t DAP on the *Nikolaos* to Koch for India for IPL
- 45,000 t DAP on the *Courageous* to Dreymoor for Engro

- 42,000 t DAP on the *Venus Halo* to Swiss Singapore for India for Deepak
- 35,000 t DAP to Fertrade for India for RCF
- 30,000 t DAP on the *Aurora Bulker* to Quantum for Pakistan for United Agro
- 10-15,000 t DAP for Japan

**Xiangfeng's** export commitments for May-July shipment are reported to include:

**May**

- 55,000 t DAP on the *Ever Success* to Ameropa for India for Tata

**June**

- 50,000 t DAP to India
- 35,000 t DAP to Bangladesh

**July**

- 35,000 t DAP to Bangladesh

**Dayukou's** export commitments for May shipment are reported to include:

- 55,000 t DAP on the *Corviglia* to Rare Earth for India for IPL

With Latin American demand for all grades MAP lacklustre, it is reported that producers are not encountering much in the way of buying interest from traders. However, competitive price indications for 11-44-0 MAP and 10-50-0 MAP are reported to be holding in the low $280s fob and at about $320 fob, respectively. This level remains unworkable in Brazil, however, even with freight for 40-45,000 t South China-South Brazil put in the high $10s.

TSP with 45% available $P_2O_5$ is reported to be available at $250-255 fob.

**DAP exports** were 293,852 t in April, bringing y-t-d exports to 857,636 t, down 39% on January-April 2015. Vietnam was the largest outlet, up 10% at 239,000 t, while a 72% drop in shipments to India to 124,000 t saw the country lose top position resulting from the 450,000 t exported to it January-April 2015. Shipments to Thailand were 18% lower at 100,000 t with Indonesia taking 62,000 t and Australia and Japan 51,000 t each.

April saw 77,000 t load for Thailand, 45,000 t for Vietnam, 44,000 t for India and 42,000 t for Australia.

Exports of **MAP** in April were 128,907 t, bringing the January-April figure to 453,294 t, 25% lower than the same period 2015. The largest volume destination was Australia at 219,000 t, up 79%. This was followed by Brazil at 50,000 t, down 81%, India at 48,000 t compared to 7,000 t, and Vietnam at 29,000 t.

Shipments in April included 49,000 t to Australia, 24,000 t to India and 21,000 t to Vietnam.

**TSP** exports were 35,422 t in April, bringing the y-t-d figure to 170,721 t, 14% below January-April 2015. Indonesia was the largest outlet, up 5% at 74,000 t, while there was a 35% drop in shipments to Australia to 22,000 t. Shipments to Sri Lanka were 37% lower at 19,000 t with Argentina taking 14,000 t compared to none in the first four months of 2015.

April saw 19,000 t load for Indonesia and 8,000t for Sri Lanka.

Exports of **NP** in April were 62,976 t, bringing the January-April figure to 157,592 t, 52% lower than the same period 2015. The largest volume destination was Philippines at 55,000 t, down 28%. This was followed by Guatemala at 28,000 t, up 15%, Pakistan at 16,000 t, up 63%, and Thailand at 15,000 t, up 83%. Exports to Kenya dropped 90% to 5,000 t while there were no shipments to Turkey or India compared to 52,000 t and 21,000 t, respectively, January-April 2015.

Shipments in April included 25,000 t to Philippines, 14,000 t to Thailand and 10,000 t to Guatemala.

Source GTIS/China Customs

## OCEANIA

**AUSTRALIA:** Quantum is reported to have sold 35-40,000 t IPL MAP in the high $330s fob for June loading for east coast Latin America.

The 28,189 dwt *Clipper Iwagi* sailed from Townsville today for Thailand, covering Quantum's earlier reported sale at $340 fob for Southeast Asia.

IPL's DAP/MAP commitments for May and June shipment are reported as follows ('000 t):

| | May | June |
|---|---|---|
| Pakistan | 25 | - |
| Thailand | 25 | - |
| EC Latin America | 35 | 35-40 |
| **Total sales** | **50** | **35-40** |

## NORTH AMERICA

**UNITED STATES:** The DAP price has held at $350 fob this week. Mosaic has sold a total of 6,000 t at this price for June shipment to various markets in Latin America.

The contract price between Mosaic and Yara for June deliveries of ammonia into Tampa has been settled at $315 cfr, a $5 decrease from the previous settlements of $320 cfr for May and lowering the cost of producing one tonne of DAP by $1.15. We estimate that average production costs for integrated DAP producers are in the mid $280s fob.

Mosaic's export commitments for May shipment are reported to include:

- 20,000 t DAP/MAP to various markets in Latin America at $358-360 fob
- 15,000 t DAP/MAP to various markets in Latin America markets at $350 fob for the DAP and up to $360 fob for the MAP
- 20,000 t DAP to Latin America at $350-354 fob
- 34,000 t MAP/MES on the *Cielo Di Angra* to Brazil
- 27,570 t MAP/MES on the *Princesse Oui* to Brazil
- 27,570 t DAP/MES on the *Royal Justice* to Brazil

**MEXICO:** Fertinal's DAP/MAP/TSP commitments for May, June and July shipment are reported as follows ('000 t):

| | May | June | July |
|---|---|---|---|
| **Carryover** | **47** | **55** | **52-57** |
| **Est. Production** | **65** | **65** | **65** |
| Chile | 30 | 36 | 33 |
| Colombia | - | 10 | - |
| Mexico | 15 | 15-20 | - |
| Latin America (containers) | 2 | 2 | - |
| **Total sales** | **57** | **63-68** | **33** |
| **Carryover** | **55** | **52-57** | **84-89** |

# PHOSPHORIC ACID

## MARKETS

**BANGLADESH:** BCIC opened price offers under its 25 May tender today for 5 x 10,000 t MGA solution for September-1-half November shipment for DAP production, as follows:

| Supplier | Origin | '000 t solution | \$/t fob | \$/t cfr |
|---|---|---|---|---|
| Aries Fertilizer | Foskor, South Africa<br>Vedanta, India<br>IJC, Jordan<br>Lao Cai, Vietnam | 30 – lots 1-3 | 324.41 | 355.41 |
| Commodities First | OCP, Morocco | 50 – lots 1-5 | 327.47 | 358.47 |
| Wilson International | Greenstar, India<br>Jifco, Jordan | 20 – lots 1-2 | 332.47 | 368.47 |

**INDIA:** There remains an impasse on negotiations with OCP for Moroccan phosphoric acid despite unconfirmed reports that its has lowered its price aspirations by \$20 $P_2O_5$ to \$630 $P_2O_5$ cfr as buyers are also said to have cut their price ideas to \$590 $P_2O_5$ cfr.

Phosphoric acid vessels identified for May and early June arrival are as follows:

| Buyer/Port | Supplier/Origin | '000 t solution | Vessel | Arrival |
|---|---|---|---|---|
| IFFCO/Kandla | Potashcorp/US | 30.1 | *Bow Sagami* | 1 May |
| IFFCO/Kandla | JIFCO/Jordan | 30.0 | *Stolt Vestland* | 4 May |
| IFFCO/Kandla | JIFCO/Jordan | 30.0 | *Stolt Vinland* | 4 May |
| ZIL/Goa | OCP/Morocco | 13.0 | *Chemroad Rose* | 6 May |
| GSFC/Sikka | OCP/Morocco | 18.7 | *Lumphini Park* | 7 May |
| FACT/Cochin | OCP/Morocco | 5.0 | *Chemroad Rose* | 7 May |
| GSFC/Sikka | OCP/Morocco | 10.2 | *Chemroad Haya* | 8 May |
| - | - | 7.6 | *Eastern Neptune* | 11 May |
| CIL/Vizag | GCT/Tunisia | 18.8 | *Elm Galaxy* | 11 May |
| ZIL/Goa | OCP/Morocco | 12.0 | *Chembulk Westport* | 12 May |
| FACT/Cochin | OCP/Morocco | 8.7 | *Chembulk Westport* | 13 May |
| CIL/Kakinada | GCT/Tunisia | 20.9 | *Stolt Focus* | 13 May |
| GSFC/Sikka | OCP/Morocco | 19.0 | *Princimar Equinox* | 17 May |
| CIL/Kakinada | OCP/Morocco | 20.0 | *MTM Rotterdam* | 17 May |
| MCFL/Mangalore | - | 8.0 | *Shun Sheng* | 24 May |
| IFFCO/Kandla | JIFCO/Jordan | 24.4 | *Chem Patriot* | 24 May |
| ZIL/Goa | OCP/Morocco | 9.7 | *Argent Star* | 24 May |
| CIL/Kakinada | - | 30.3 | *Chemroad Hope* | 26 May |
| IFFCO/Kandla | Sinchem/Senegal | 31.7 | *Bow Hector* | 27 May |
| GSFC/Sikka | GCT/Tunisia | 20.0 | *SC Taipei* | 28 May |
| FACT/Cochin | OCP/Morocco | 9.0 | *Mid Fortune* | 31 May |
| **Total May** | | **377.1** | | |
| IFFCO/Kandla | JIFCO/Jordan | 29.0 | *Stolt Endurance* | 1 June |
| IFFCO/Kandla | - | 30.0 | *Stolt Vinland* | 4 June |
| DFCL/JNPT | - | 8.5 | *Chemroad Wing* | 9 June |
| **Total June** | | **67.5** | | |

## PHOSPHATE ROCK

## MARKETS

**INDIA:** Phosphate rock vessels identified for May arrival are as follows:

| Buyer/Port | Supplier/Origin | Tonnes | Vessel | Arrival |
|---|---|---|---|---|
| CIL/Chennai | ICL/Israel | 33,000 | *Fadelsia* | 2 May |
| Mangalore | Egypt | 7,700 | *Star Reliance* | 4 May |
| CIL/Vizag | OCP/Morocco | 41,895 | *Tai Ping Shan* | 7 May |
| Hazira | Egypt | 24,229 | *Star Reliance* | 9 May |

| | | | | |
|---|---|---|---|---|
| SPIC/Tuticorin | JPMC/Jordan | 52,440 | *Nika* | 10 May |
| Hazira | Egypt | 31,900 | *Heilan Brother* | 11 May |
| IFFCO/Paradeep | JPMC/Jordan | 54,300 | *Trident Challenger* | 14 May |
| GSFC/Dahej | JPMC/Jordan | 35,000 | *Sbi Hydra* | 15 May |
| PPL/Paradeep | OCP/Morocco | 10,474 | *Tai Ping Shan* | 17 May |
| Khaitan/Vizag | Egypt | 11,700 | *Sakarya* | 17 May |
| PPL/Paradeep | OCP/Morocco | 60,500 | *Jagora* | 23 May |
| CIL/Vizag | - | 49,170 | *Tai Harvest* | 29 May |
| **Total** | | **412,308** | | |

## COMPANY NEWS

RUSSIA: **PhosAgro** on 25 May announced its operating results for Q1 2016. Quarterly group revenue for the period increased by 12% y-o-y to RUB56.1 billion ($751 million), while EBITDA grew by 3% y-o-y to RUB25.2 billion ($ 338 million). The company achieved a net profit of RUB22.6 billion ($303 million) in the first three months of 2016 against a net profit of nearly RUB14.2 billion ($228 million) in Q1 2015.

**EuroChem Group AG** on 23 May reported consolidated sales for Q1 2016 of $1.26 billion, as higher sales volumes offset the considerably lower product pricing environment and positively impacted sales. Q1 sales of the entire group sales were up 2% from the $1.24 billion in sales realised in Q1 2015.

Despite continued, albeit less pronounced, support from favourable currency movements, Q1 2016 EBITDA declined 17% y-o-y. Pulled down by lower fertilizer and iron ore prices, EBITDA for the quarter amounted to $384 million, as compared to $461 million in the corresponding period of 2015. Nonetheless, EuroChem's Q1 EBITDA margin remained strong at 31%. For Q1 of the year, the company realised a net profit of $321 million.

Excluding raw material mining products and hydrocarbons, EuroChem said it realised Q1 2016 nitrogen sales of 2.0 million t and phosphates sales of 1.2 million t. The total of 3.2 million t sold in the first three months of 2016 surpassed the 2.8 million t achieved in Q1 2015 by 13% as nitrogen sales expanded 18% and phosphate sales grew 6%. Additionally, reflecting the company's acquisition of the US-based Bentrei distribution company, third-party product sales forQ1 2016 grew to 937,000 t, representing a 448,000 t y-o-y increase on the 488,000 t sold in Q1 2015. The company also sold 1.3 million t of iron ore and baddeleyite concentrates.

Highlighting the effects of the acquisition of the Bentrei distribution company in Q4 2015, sales to the North American market doubled to represent 20% of total sales in Q1 2016. North America generated $253 million in sales during the quarter under review.

Contributing $508 million, the European market accounted for 41% of total sales during the January-March 2016 period, while sales to Russia declined by 16% to $202 million, as compared to $239 million in Q1 2015. Despite the lower iron prices, stronger fertilizer deliveries drove a 19% increase in Asia Pacific sales with the region contributing $127 million to the company's Q1 2016 sales.

Against an uncertain economic backdrop, Q1 2016 progressed without the market visibility and pricing support traditionally offered by peak application season across developed markets, EuroChem said in its official statement. In light of the inventory build-up, market participants favoured a hand-to-mouth approach to purchasing.

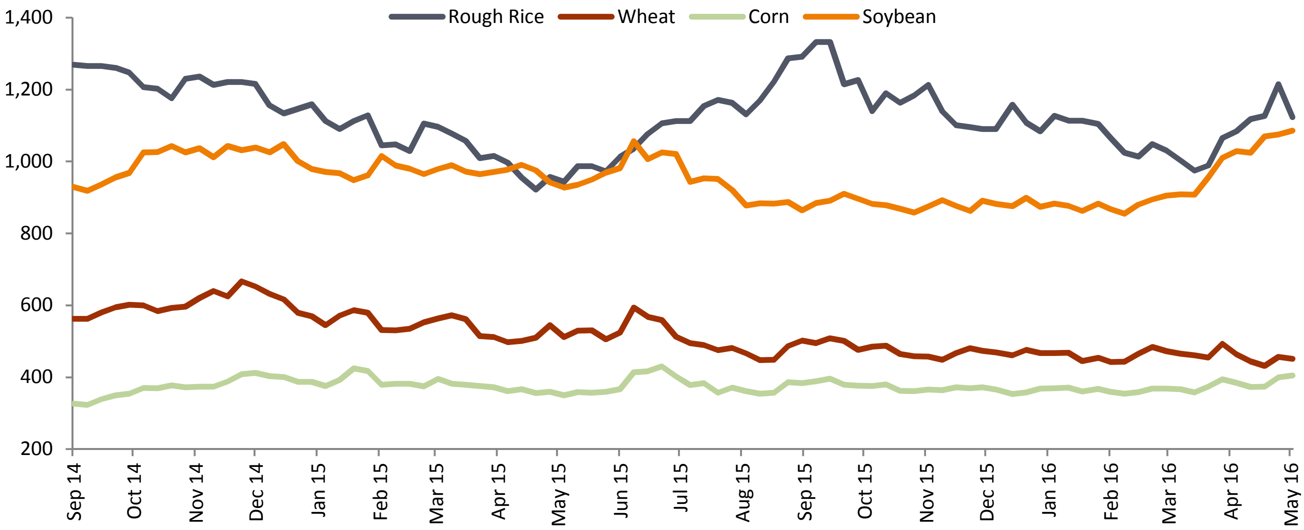
**Phosphate** Q1 pricing largely followed a slow downward trend amidst difficult trading conditions, EuroChem reported. Average MAP and DAP prices for Q1 2016 were $353/t and $366/t fob Baltic, respectively, trailing their Q1 2015 average prices by 27% for MAP and by 25% for DAP.

Phosphates fertilizer sales volumes increased 6% y-o-y to 1.15 million t, as compared to 1.08 million t in Q1 2015 on the back of good demand for NPK and feed products in Europe and MAP in North America. In light of considerably lower iron ore demand in Asia, a stronger focus on the Russian market provided some support to Q1 volumes. With sales of 1.33 million t, iron ore sales volumes for the first three months of the year remained within 3% of last year's Q1 sales of 1.38 million t.

The significant deterioration in prices for the EuroChem's key phosphates products, including MAP/DAP and iron ore, while partially offset by additional volumes, pushed sales 12% lower to $476 million, down from $542 million in the same period last year. The lower product prices overshadowed the positive effects from currency shifts and additional raw material capacity and dragged Q1 2016 phosphates EBITDA 28% lower y-o-y to $119 million.

## AGRICULTURE

### WEEKLY CBOT CROP PRICES (¢/BU)




## CROP FUTURES

| CME CROP PRICES (cents/bushel) | | | | | |
|---|---|---|---|---|---|
| Product | July 2016 | Weekly Change | September 2016 | December 2016 | May 2015 |
| Corn | 404.6 | +5.2 | 407.2 | 408.4 | 355.0 |
| Wheat | 451.0 | -5.6 | 466.6 | 489.6 | 524.5 |
| Soybean | 1,085.4 | +10.2 | 1,065.4 | 1,054.2 | 922.5 |
| Rough Rice | 1,123.5 | -91.0 | 1,148.0 | 1,171.5 | 942.0 |

Prices are Wednesday's closing rates for the forward months indicated. The 2015 price is the forward price reported one year ago.

| CORN: | WHEAT: |
|---|---|
| A feedstock for ethanol production, corn closed stronger as gains in crude oil bolstered purchasing interest for the grain. Anticipation for lower yields from Brazil was also bullish. | Heavy global supplies weighed on wheat prices this week, in spite of some risk of disease in parts of the US, owing to cold and wet weather conditions. |
| **SOYBEAN:** | **RICE:** |
| Soybean futures closed higher this week, as wet weather in the US slowed seeding progress. Stronger crude oil prices and gains in the nearby soymeal market also support values. | Early signs of an easing of the drought conditions in some parts of Southeast Asia countered much of the recent gains in rice prices, reflected in a 91 cent decrease week on week. |

## REGIONAL MARKETS

**EUROPE:** EU **corn** production could be larger than expected this year after the European Commission again raised its forecast for average yields. The May bulletin from the EU executive's crop monitoring unit, Mars, pegs the average corn yield across the bloc at 7.31 t/ha, up from 7.06 t/ha in April and just 6.42 t/ha last year. The latest figure is up 14% from last year and nearly 6% higher than the five-year average.

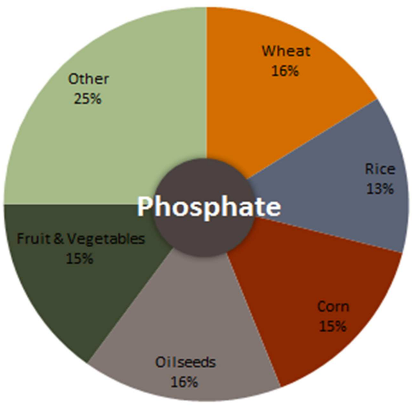
Mars said that growth conditions are "fairly good" across most of Europe, although there have been some delays for summer-sown crops due to cold and wet periods in most regions except the south-east of the bloc, where temperatures have exceeded 30°C in several countries.

**FRANCE:** French farmers had sown 91% of its **corn** area for this year's harvest by 16 May after rain delayed sowing, according to farm office FranceAgriMer. Corn sowing was up from 78% complete a week earlier, but was behind the 96% progress rate made a year ago. The average date for sowing was 15 days later than both last year and the average of the past five years, FranceAgriMer said in its weekly crop report. An estimated 56% of corn crops had now emerged from the soil, up from 27% a week earlier, but was well below the 85% level a year earlier, it said.

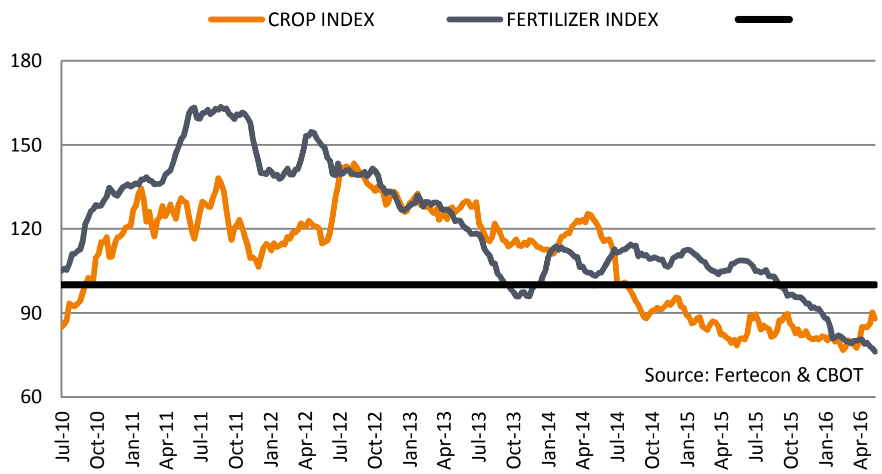
**ARGENTINA:** Argentina expects to plant 5.3 million ha of **wheat** for the 2016/2017 season, the largest planting in nine years. Additionally, the agriculture ministry increased its forecast for corn production to 37.9 million t for the 2015/2016 season, from a previous projection of 37 million t. Argentine agriculture has seen a boost since business-friendly President Mauricio Macri, who took office in December, eliminated taxes and export caps.

## PHOSPHATES USE BY CROP

Source: IFA

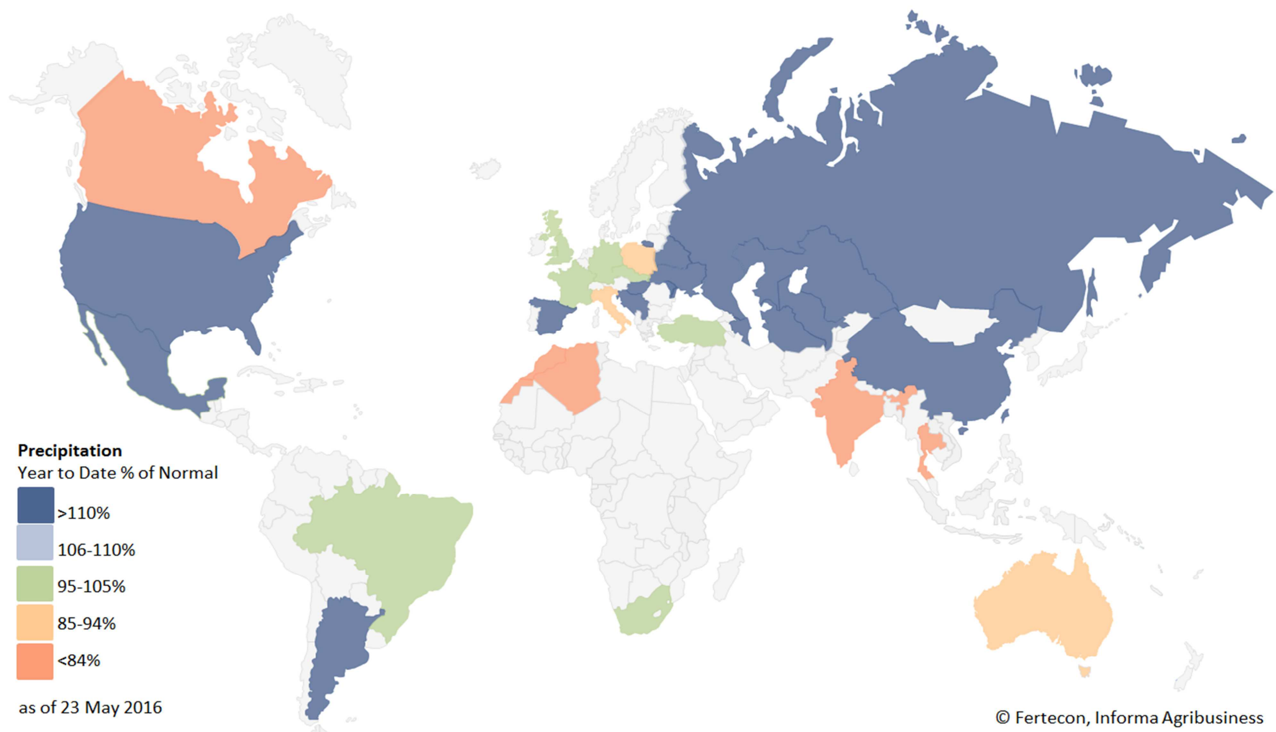



## FERTECON FERTILIZER & CROP INDICES




Using 6 January 2010 as the starting point (Jan 2010=100), the FERTECON indices aim to assess relative fertilizer affordability and illustrate the comparative movement of fertilizer prices (a basket of urea, DAP and MOP) against crop prices. The denotation is that the higher the crop index is relative to the fertilizer index, the more affordable fertilizers are to farmers – and vice versa.

## WEATHER & LAND CONDITIONS



## FREIGHT

The table below shows how the various indices have developed since our last report:

| DATE | Baltic Capesize | Baltic Panamax | Baltic Supramax | Baltic Handysize | Baltic Dry Index |
|---|---|---|---|---|---|
| 20 May | 870 | 614 | 562 | 343 | 625 |
| 23 May | 870 | 611 | 565 | 344 | 624 |
| 24 May | 848 | 608 | 568 | 345 | 618 |
| 25 May | 799 | 571 | 596 | 346 | 605 |
| 26 May | 793 | 586 | 575 | 347 | 601 |

Source: Baltic Exchange

## FERTILIZER DERIVATIVES

| DAP fob Tampa (metric tonne) | | | | DAP fob NOLA (short ton) | | | |
|---|---|---|---|---|---|---|---|
| Month | Bid | Offer | Mid | Month | Bid | Offer | Mid |
| June | 346 | 363 | 355 | June | 304 | 310 | 307 |
| July | 343 | 352 | 348 | July | 305 | 308 | 307 |
| Aug | 336 | 347 | 342 | Aug | 305 | 308 | 307 |

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