

23 June 2016

- IFFCO pays \$600 P₂O₅ cfr for Q2-Q3 shipments of phosphoric acid from one regular supplier to India
- Pakistan returns to the DAP market, purchasing three cargoes from Saudi Arabia, China and Australia
- EuroChem accepts slightly lower prices to conclude 30,000 t MAP for Latin America
- Indian DAP/DAP Lite production hits unusually high 445,000 t in May
- MAP prices slip back to \$350-355 cfr in Brazil.
- About 200,000 t 11-44-0 from China positioned for Brazil

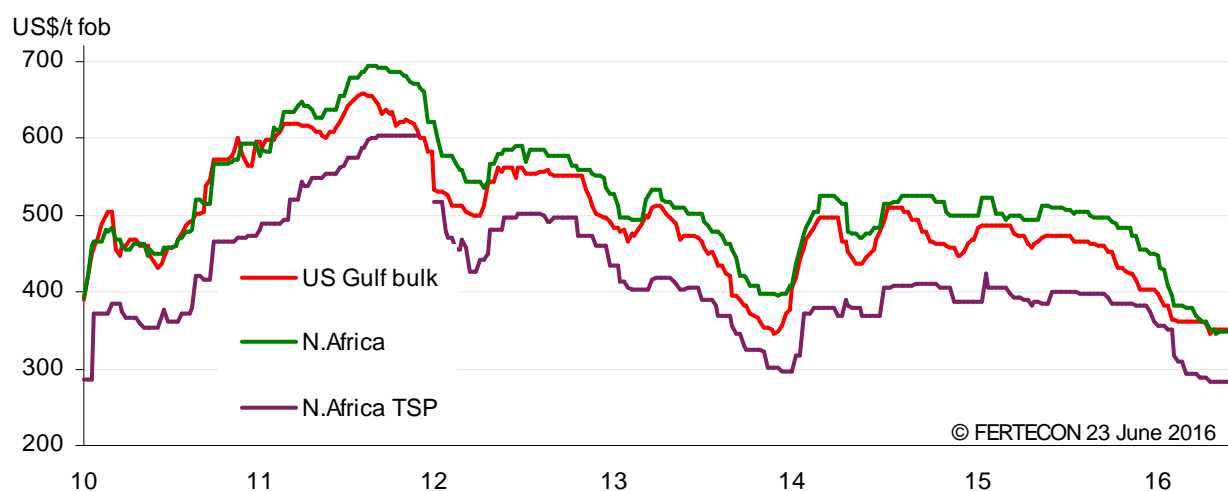
OUTLOOK

Stable

KEY PRICES

	23 Jun	16 Jun	9 Jun
DAP \$/t fob US Gulf	346-347	346-347	346-347
DAP \$/t fob North Africa	341-355	341-355	341-355
DAP \$/ston fob NOLA	305-312	305-312	305-308

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\$

	23 June	16 June	9 June	Notes
DAP				
US Gulf fob bulk	346-347	346-347	346-347	
Morocco fob bulk	341-355	341-355	341-355	
Tunisia fob bulk	347-355	347-355	347-349	
Jordan fob bulk	336-341	336-341	336-341	
Saudi Arabia fob bulk	343-345	343-350	343-350	
Black Sea fob bulk	n.m.	n.m.	n.m.	
Baltic fob bulk	322-330	322-330	322-330	
Australia fob bulk	335-340	335-340	335-340	
China fob cash	332-335	333-338	333-338	
Benelux fca bulk duty paid/free	370-375	370-375	370-375	
India cfr bulk	342-350	342-350	342-350	
US domestic st NOLA	305-312	305-312	305-308	
Ctrl Florida st for	325	355	355	
GTSP				
Bulgaria fob bulk	290	290	290	
Morocco fob bulk	275-290	275-290	275-290	
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	335-350	335-350	
Baltic fob bulk	332-335	335	335	
Brazil cfr bulk	350-355	350-358	350-355	
PHOSPHORIC ACID				
US Gulf fob (P ₂ O ₅)	600	600	600	
India cfr (P ₂ O ₅)	600-715	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

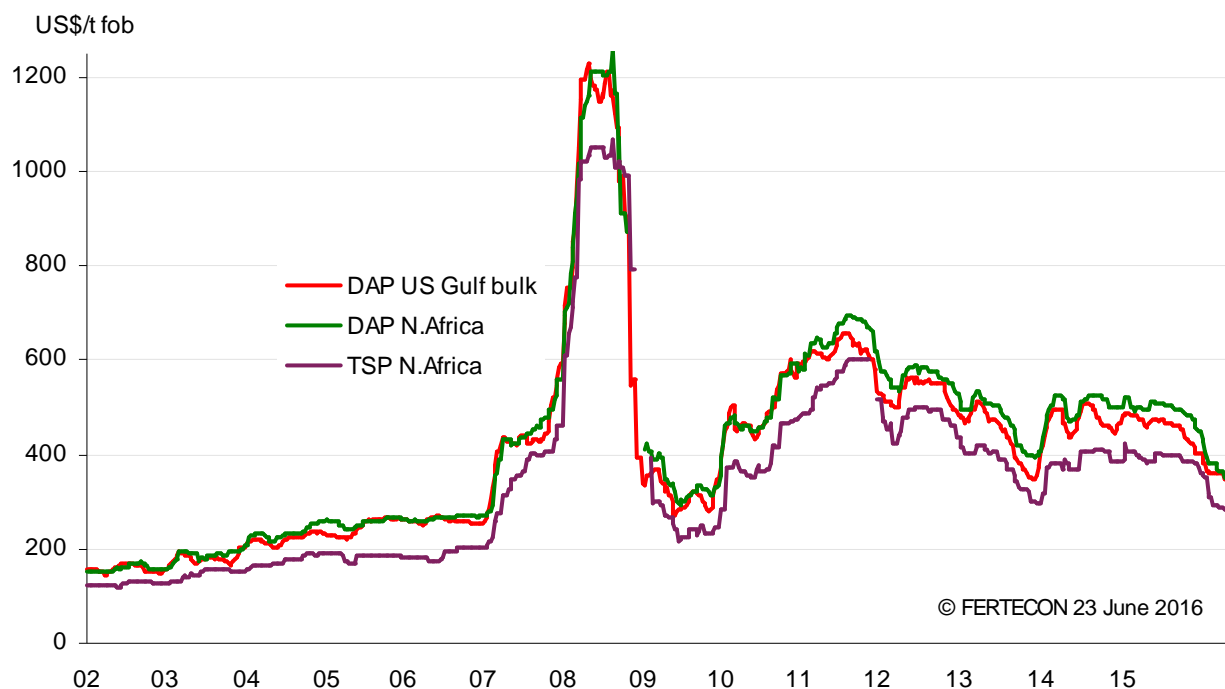
NB: All rates indicated are based on averages. Exact rates will depend on port loading and discharge rates

FERTECON TENDER SERVICE

Country/Holder	Product	'000 t	Date	Shipments	Remarks
India/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		Awarded to Wilson
Bangladesh/BCIC	Phos rock	30	7/6		OCP lowest
India/RCF	MAP Lite/DAP Lite	20	15/6	July	10 technical offers opened
India/RCF	NPK	30	24/6	July	
Bangladesh/BCIC	MGA	10	10/7		
Bangladesh/BCIC	Phos rock	30	11/7		

EXCHANGE RATES (local currency:US\$1)			
	23/06/2016	16/06/2016	23/06/2015
€ Euro	0.88666	0.89084	0.87991
£ Pound Sterling	0.68101	0.70613	0.63062
Turkish Lira	2.90377	2.92934	2.68115
Rupee India	67.5809	67.1529	63.3604
Real Brazil	3.41152	3.47220	3.08594
China RMB	6.58843	6.58851	6.08365

DAP/TSP PRICES – 14 YEAR SERIES



ANALYSIS

The conclusion by IFFCO with one regular phosphoric acid supplier to India at \$600 P₂O₅ cfr with 30 days' credit for Q2 and Q3 shipment has caused a major stir in the phosphate market this week. It should be noted, however, that the Q2 contract price between OCP and other suppliers and regular Indian customers has not yet been finalised. With talk that Moroccan phosphoric acid shipments will be suspended from 1 July if the price is not agreed soon, the scene is set for higher DAP demand from Indian importers, all else remaining equal.

Current prices for DAP provide India the cheapest form of P₂O₅ as far as imports are concerned, although it remains to be seen whether any potential pick-up in demand will support a move to higher pricing. There is some concern about the size of Q3 DAP demand in this market given the more than 2 million t that have already been booked and the rupee falling in value in recent weeks, making imports more costly. However, importers' margins remain healthy and the most recent reports from India's Meteorological Department indicate that weather conditions are becoming more favourable. The latest data shows that the monsoon has covered all southern and eastern states, thus accelerating planting of summer crops in those regions. While DAP demand will be all the stronger the longer a deal on most suppliers' phosphoric acid pricing remains absent, the corollary of this is that OCP will have the capability to increase granulation. In the meantime, India has bought more DAP from Saudi Arabia at stable prices while competitive offers for Chinese material remain in the low \$340s cfr.

Elsewhere it has been a case of business as usual, with prices mainly trading sideways. Pakistan has purchased three DAP cargoes, benefitting Saudi Arabian, Chinese and Australian producers, while more Russian MAP has been sold by EuroChem to Latin America at prevailing cfr values although returns for the producer are slightly lower. The company has also placed more Lithuanian DAP in Europe at steady prices. It has been a similar story in the US where DAP barge prices in NOLA are unchanged, although MAP prices have come under a little pressure. The MAP market in Brazil also has a weak undertone with it is estimated that about 200,000 t 11-44-0 have been lined up for 2-half June/1-half July shipment from China, some of which is on offer at cheaper prices than achievable last week with forward offers lower still.

MARKETS

EUROPE

BELGIUM: DAP demand is absent and prices stuck at a nominal 370-375 fca Ghent, Antwerp, Terneuzen.

EUROPE: EuroChem is reported to have sold a further 25,000 t DAP netting the low to the high \$330s fob for June loading in Lithuania for various markets in west Europe, lifting the total it has placed in this region for shipment this month to 35-40,000 t.

ASIA

INDIA: Importers have returned to the market this week, with new business reported representing a sideways move in pricing.

Sabir is reported to have sold 30,000 t DAP in the very low \$350s cfr for July shipment from Saudi Arabia.

Ma'aden is reported to have sold 40-45,000 t Saudi Arabian DAP in the low \$350s cfr for July loading.

Reports of IPL purchasing DAP and NPS 20-20-0+13S from Dreyamoer for shipment from China appear to be unfounded.

Competitive offers for Chinese DAP remain in the low \$340s cfr.

The *Sea Moon* is due to discharge 50,000 t DAP at Mundra on 24 June, covering Ma'aden's earlier reported sale at about \$350 cfr, which it has emerged was purchased by Kribhco.

Ma'aden has been in the freight market for 40,000 t DAP to load in Saudi Arabia 26-28 June, covering its earlier reported sale in the low \$350s cfr with IPL now linked as the buyer.

The *V Red Knot* sailed from China on 20 June with around 32,000 t DAP, reported to be covering the earlier reported sale for Xiangfeng.

The *Chengyang Eminence* has berthed in China where it is waiting to load 55,000 t Yihua DAP for the west coast. This is to cover the earlier reported sale by a trader in the mid \$340s cfr, with it emerging that Fertsul was the seller.

The *Stove Trader* is due to load/loading about 38,500 t in China for 1-half July delivery to Kandla, covering Chambal's earlier reported purchase from Aries under their MoU.

DAP stocks are estimated at around 378,000 t at various ports as at 20 June 2016, as follows:

Port	'000 t
Kandla	89
Mundra	127
Tuticorin	6
Krishnapatnam	18
Gangavaram	38
Kakinada	100
Total	378

It is reported that Tata Chemicals announced it would temporarily halt DAP and complex fertilizers production at its Haldia facility in West Bengal on 19 June and would supply customers from stocks in hand and imports. The plant has the capacity to manufacture 660,000 t/y DAP/NPKs. The company stated in a regulatory filing that output would be suspended due to emerging market conditions, with it understood that high phosphoric acid pricing was the main driver behind the decision. Production at the 160,000 t/y SSP unit is not affected.

The latest provisional data from the FAI show DAP/DAP Lite production was 446,700 t in May, 42% above April and up 59% on May 2015. This brought April-May production to 762,410 t, up 79% on the first two months of the 2015-16 fertilizer year.

The figures show 345,000 t DAP/DAP Lite imported in May, 15% higher than April but 63% below May 2015. This brought fertilizer y-t-d imports to 644,000 t, 56% below April-May 2015.

The provisional data also show DAP/DAP Lite sales were 505,908 t in May, reflecting a two-and-a-half-fold increase on the 193,556 t sold in April but 40% below May 2016. This brought April-May sales to 699,464 t, down 39% on the first two months of the 2015-16 fertilizer year.

The opening stock with States as at 1 June was reported to be 757,369 t, 35% higher than the 562,587 t 1 May opening inventory.

MMTC closed a tender today, 23 June, valid for a minimum of one month, for 30,000 t NPK 10-26-26 for first week July shipment to Mundra. This tender is expected to provide cover for MMTC in RCF's 24 June tender.

RCF will close a tender tomorrow, 24 June, valid for 15 days, for 30,000 t NPK 10-26-26 for first week July shipment to Mundra.

The 75,202 dwt *Aesara* sailed from Muuga on 14 June, reportedly with about 66,000 t Acron, Russian NPK 16-16-16 for the east coast.

2016-17 fertilizer year DAP imports are as follows:

India DAP Arrivals, 2016/17				
Buyer	Supplier/Origin	'000 t	Vessel	Arrival
April		181		
May		450		
RCF	Fertrade/China	35	<i>Western Aida</i>	2 June
IPL	Swiss Singapore/China	45	<i>Blue Angel</i>	3 June
TCL	Ameropa/China	55	<i>Ever Success</i>	3 June
Chambal	YUC/China	36	<i>Mare Forum</i>	4 June
IPL	Ma'aden/Saudi Arabia	27	<i>Poavosa Wisdon III</i>	4 June
IPL	Trammo/China	55	<i>Reborn</i>	5 June
NFL	Aries/Kailin	50	<i>Christina IV</i>	7 June
Deepak	PhosAgro/Russia	40	<i>Anangel Dawn</i>	9 June
Zuari	Sabic/Saudi Arabia	30	<i>Martin Island</i>	9 June
Kribhco	OCP/Morocco	50	<i>Columbia</i>	9 June
GSFC	Sabic/Saudi Arabia	40	<i>RHL Clarita</i>	9 June

Kribhco	Ma'aden/Saudi Arabia	30	<i>Nord Imabari</i>	9 June
Deepak	Swiss Singapore/China	42	<i>Venus Halo</i>	10 June
Mosaic	Mosaic/US	50	<i>Harvest Plains</i>	13 June
IPL	JPMC/Jordan	20	<i>Caravos Liberty</i>	14 June
IPL	Fertrade/China	50	<i>Shao Shan 8</i>	15 June
GSFC	OCP/Morocco	50	<i>Pan Begonia</i>	17 June
IPL	Rare Earth/China	55	<i>Corviglia</i>	21 June
Zuari	Drey Moor/China	43	<i>ST George</i>	23 June
IPL	Koch/China	50	<i>Nikolaos</i>	23 June
Kribhco	Ma'aden/Saudi Arabia	50	<i>Sea Moon</i>	24 June
Chambal	PhosAgro/Russia	15	<i>Top Rich</i>	28 June
Zuari/MCFL	Aries/China	39	<i>Pintail</i>	29 June
TBC	Sabic/Saudi Arabia	35	<i>TBN</i>	June
Greenstar	Sabic/Saudi Arabia	30	<i>Kohinoor</i>	June
IPL	Ma'aden/Saudi Arabia	40	<i>TBN</i>	June
June	To date	1052		
Chambal	YUC/China	42	<i>Stellar Eagle</i>	2 July
TBC	Xiangfeng/China	32	<i>V Red Knot</i>	July
TBC	PhosAgro/Russia	60	<i>TBN</i>	July
Greenstar	PhosAgro/Russia	45	<i>TBN</i>	July
TBC	Fertisul /China	55	<i>Chengyang Eminence</i>	July
IPL	Aries/China	45	<i>Vitaspirit</i>	July
Chambal	Aries/China	35	<i>TBN</i>	July
Kanpur Fertilizers	Sabic/Saudi Arabia	30	<i>Apostolos/Sub</i>	July
TBC	Sabic/Saudi Arabia	30	<i>TBN</i>	July
TBC	Ma'aden/Saudi Arabia	40-45	<i>TBN</i>	July
July	To date	414-419		
Kribhco	OCP/Morocco	50	<i>TBN</i>	Aug-Sep
Aug-Sep	To date	50		
Total	Estimate to date	2,157-2,162		

NEPAL: The monsoon arrived mid last week and by early this week was covering the whole country. Meteorological forecasts point to above average rains in the mid and far west Tarai and with normal rains across the rest of the country. Last year paddy production dropped 10%, mainly due to insufficient rain.

PAKISTAN: While the modalities of the subsidy for DAP announced in the 3 June budget have yet to be finalised in their entirety, purchasing has continued, believed to be fuelled mainly by expectations of robust demand in the local market once the subsidy picture is clear and following anecdotal reports of low dealer offtake in June ahead of subsidy clarification. Importers have accepted marginally higher prices, with latest developments as follows:

- Agven is reported to have purchased 30,000 t non-Kailin DAP from Kailin in the low \$350s cfr for prompt shipment from China. The cargo is due to start loading today for mid-July arrival at Karachi
- United Agro is reported to have purchased a handysize DAP cargo from Quantum in the low/mid \$350s cfr for late June loading in Australia
- Further to last week's report, Engro is reported to have bought a handysize Saudi Arabian DAP cargo from Ma'aden for delivery to Karachi by 15 July. Conflicting reports surround this sale with a price indicated in the high \$340s cfr and Ma'aden indicating \$350 cfr

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

Pakistan DAP Arrivals 2016				
Buyer	Supplier/Origin	'000 t	Vessel	Arrival
United Agro	Quantum/Australia	26.5	<i>Bright Hope</i>	Feb
Chawla	Quantum/Australia	26.0	<i>JF Rhone</i>	Mar
Engro	Quantum/Australia	55.0	<i>JS Rhone</i>	Apr
Engro	Sabic/Saudi Arabia	25.0	<i>Calm Bay</i>	Apr

Fauji	Sabic/Saudi Arabia	27.5	<i>Martin Island</i>	May
Chawla	Quantum/Australia	25.0	<i>Eastern Cape</i>	May
Engro	Drey Moor/China	45.0	<i>Courageous</i>	Jun
United Agro	Quantum/China	30.0	<i>Aurora Bulker</i>	Jun
Pacific Chartering	Ameropa/China	25.0	<i>New Lotus</i>	Jun
Engro	Ma'aden/Saudi Arabia	25.0	<i>TBN</i>	Jul
United Agro	Quantum/Australia	30.0	<i>TBN</i>	Jul
Agven	Kailin/China	30.0	<i>TBN</i>	Jul
TOTAL		370.0		

The latest NFDC data show DAP production was 68,881 t in April, 3% below the 70,885 t manufactured in March but up 2% on April 2015. This brought January-April output to 231,369 t, 11% higher than the first four months of 2015.

DAP imports were 29,306 t in April, 7% lower than March and down 4% on April 2015. This brought calendar y-t-d imports to 138,357 t, 22% higher than January-April 2015.

Sales of DAP to dealers in April were 22% higher than March and up 50% on April 2015, at 104,833 t. This brought sales in the first four months of 2016 to 339,910 t, up 34% on the first four calendar months of 2015.

Kharif DAP balance sheet April-September 2016		'000 t
Opening stock 1 April		253
Forecast local production		422
Imports booked to date		263
Forecast availability		938
Forecast offtake		555
Closing stock 30 September 2016		383

THAILAND: There are reports that about 20,000 t PhosAgro DAP will arrive this month having sailed from Russia in May.

VIETNAM: Offers of bulk DAP are reported to have gone below \$350 cfr, although this was reported for a lot of 10,000 t, generally more that buyers like to take, and better grade DAP is offered at \$353 cfr in bulk. Buyers report offers for bagged DAP at \$360 cfr but again with better appreciated brands higher, at \$365 cfr bagged.

NORTH AMERICA

UNITED STATES: Prices for DAP have been flat this week in the range \$305-312/ston fob NOLA although MAP prices have come under a little pressure, easing to \$305-310.

Mosaic has sold 2 US DAP barges at \$310/ston fob NOLA for early July shipment. The producer has places a further 8,500/ston DAP for delivery by rail at \$311/ston fob NOLA equivalent for early July loading

Mosaic has cut its price for DAP and MAP by \$30/ston central Florida to \$325/ston for DAP with a premium of \$15/ston for MAP.

It has emerged that Koch booked one of the two Moroccan panamax loading in June for July arrival at NOLA.

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

US DAP/MAP/TSP Arrivals 2015/2016						
Supplier/Origin	DAP	MAP	TSP	NP+S+Z	Vessel	Arrival
Imports July 2015-May 2016	456	608	129	30		
EuroChem/Russia	-	7-10	-	-	<i>Arinaga</i>	1 June
PhosAgro/Russia	30	-	-	-	<i>King Coffee</i>	3 June
EuroChem/Lithuania	25	-	-	-	<i>Orient Tribune</i>	9 June
OCP/Morocco	25	25	-	-	<i>TBN</i>	June
Total June 2016	80	32-35	-			
Total Crop Year	536	630-633	139	30		

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

US DAP/MAP/TSP Arrivals 2015/2016						
Supplier/Origin	DAP	MAP	TSP	NP+S+Z	Vessel	Arrival
Koch/Morocco	25	25	-	-	TBN	July
TBC/Morocco	25	25	-	-	TBN	July
TBC/PhosAgro, Russia	15	15	-	-	TBN	July
Helm/Morocco	-	-	30	-	TBN	July
TBC/Morocco	25	25	-	-	TBN	Aug
TBC/Morocco	25	25	-	-	TBN	Aug
Total June 2016	115	115	30			

LATIN AMERICA

ARGENTINA: Buyers are in the market for MAP/DAP with potential demand estimated at about 80,000 t for July shipment although no new business has been reported, leaving prices to mark time in the range \$355-360 cfr.

EuroChem has sold Russian MAP for end June/early July shipment to Latin America this week at netbacks that would translate to the high \$350s cfr Argentina.

It is understood that Indagro placed its Moroccan position for June shipment some weeks ago at prices in the range \$355-360 cfr for MAP/DAP.

BRAZIL: MAP prices have lost the gains they made last week, moving back down to the range \$350-355 cfr. Sellers are no longer finding buyers prepared to pay the high \$350s cfr for delivery to the more expensive ports. It is also proving difficult to maintain values in the range \$350-355 cfr Paranagua with nationalised product reported to be available at prices equivalent to \$345 cfr Paranagua and amid an influx of Chinese 11-44-0, prices of which have also weakened. EuroChem has sold Russian MAP for end June/early July shipment to Latin America this week at netbacks that would translate to the low/mid \$350s cfr Brazil.

Bids for 11-44-0 are at \$285 cfr at best against offers that are reported to have been lowered to the high \$280s-low 290s. There are reports of lower prices going forward, with traders said to be looking to short 11-44-0 at \$285 cfr and perhaps below for August shipment to cater for Safrinha, January-February 2017 planting requirements.

It is estimated that about 200,000 t 11-44-0 MAP have been lined up for 2-half June/1-half July shipment from China, the bulk of which is believed to be unsold. It is reported that Ameropa is shipping about 50,000 t and Helm about 45,000 t, while Mekatrade has been in the freight market for 27-30,000 t to load in China 27-29 June for Sao Francisco do Sul. Nitron is also reported to have two handymax cargoes.

Most are of the opinion that the country still has the bulk of its requirements for 2016 shipment to cover with forecasts that MAP demand will return to growth this year to the tune of about 3% over last year. In the meantime, however, buyers continue to take a relaxed approach to purchasing and are putting significant pressure on suppliers to lower their price aspirations amid weakness in the value of the real against the US dollar.

Vessels arriving into the main ports in June/July are as follows:

Brazil Phosphate Fertilizer Arrivals, June/July					
Charterer/Receiver	Product	Origin	'000 t	Arrived/ETA	Vessel
Paranagua					
OCP	MAP	Morocco	33.0	2 June	Halki
Fitco	MAP/NP/DAP	Mosaic	36.5	14 June	Floriana
Ameropa	MAP	Tuapse	27.5	18 June	Persenk
Mosaic	MAP/NP	Mosaic	37.6	18 June	Cielo di Monaco
Bulk Fertz	SSP/TSP	Egypt	31.3	19 June	Intrepid Joanne
Nitron	MAP	Russia	22.8	20 June	Sunlight Lily
EuroChem	MAP	Russia	16.6	23 June	Bulgaria
Ameropa	NP	China	28.0	23 June	Josco Hangzhou
DSW	SSP/MOP	Israel	20.3	27 June	Sozon

Nitron	NP 14-34	Poland	27.5	29 June	<i>Pomorze</i>
OCP	MAP	Morocco	26.4	3 July	<i>Mazury</i>
OCP	TSP	Morocco	25.0	5 July	<i>Miltiades</i>
Ameropa	MAP	China	20.0	8 July	<i>Seto Gloria</i>
Ameropa	MAP	Australia	25.5	9 July	<i>Nordrubicon</i>
7Seas	MAP	China	30.0	18 July	<i>Western Santos</i>
Rio Grande					
Mosaic	MAP/NP	US	21.0	4 June	<i>Rauli N</i>
Yara	TSP	Morocco	22.0	5 June	<i>Sea Smile</i>
Yara	MAP/DAP	Morocco	17.7	8 June	<i>Daiwan Wisdom</i>
Heringer	MAP	Morocco	4.0	8 June	<i>Daiwan Wisdom</i>
Mekatrade	NP 11-44	China	17.0	14 June	<i>African Puffin</i>
Mosaic	MAP/DAP	US	15.3	14 June	<i>Nord Houston</i>
Itaqui					
Yara	NPK	Norway	4.0	12 June	<i>Saga Spray</i>
Tocantins	SSP/MOP	Israel	7.7	14 June	<i>Hemus</i>
TBC	Ferts	Morocco	34.0	14 June	<i>Indigo Silva</i>
Recife					
Fertine	SSP	Egypt	4.0	14 June	<i>Koznitza</i>
Aratu					
TBC	MAP	Morocco	15.4	14 June	<i>Clipper Brilliance</i>
Itacoatiara					
Amaggi	SSP/MOP	Israel	42.5	18 June	<i>Hemus</i>
San Fransico do Sul					
TBC	MAP/DAP	Morocco	11.0	4 June	<i>Shou Chen Shan</i>
Mosaic	Ferts	US	19.0	4 June	<i>Orient Accord</i>
Ameropa	Ferts	China	25.0	5 June	<i>Josco Hangzhou</i>
Porto Alegre					
Heringer	MAP	Morocco	7.0	20 June	<i>Daiwan Wisdom</i>
Unifertil	MAP/DAP	US	6.3	21 June	<i>Rauli N</i>

CHILE: The 37,423 dwt *Kmarin Mugunghwa* sailed from west coast Mexico on 19 June, covering Fertinal's earlier reported sale of about 12,000 t each DAP, MAP and TSP, priced according to a formula, that was initially due to load 1-half June.

PARAGUAY/URUGUAY: Isusa is last week reported to have bought 7,000 t MAP/DAP at a lower \$350 cfr Uruguay based on open origin supply.

There are reports that Nitron was the trader that bought about 30,000 t MAP/DAP and about 5,000 t TSP from OCP for June loading in Morocco.

SUPPLIERS

EUROPE

LITHUANIA: EuroChem is reported to have sold a further 25,000 t Lifosa DAP netting the low to the high \$330s fob for June loading for various markets in west Europe, lifting the total it has placed for shipment this month to 35-40,000 t. This leaves it with 30-35,000 t June production to place, which it is currently aiming to sell directly to one buyer in the mid \$330s fob.

FSU

RUSSIA: EuroChem is reported to have sold 2 x 30,000 t fertilizers for end June/early July shipment from the Baltic to Latin America. A total of about 30,000 t Kingisepp MAP will be loaded on the two combo vessels, sold at prices netting the low/mid \$330s fob. The producer is open for July, during which it is expected to manufacture 60-65,000 t MAP at Kingisepp.

From Belorechensk, EuroChem is planning to manufacture 40,000 t MAP and 20,000 t NP 20-20-0 in July, which has been allocated to and placed in domestic and regional markets.

EuroChem's DAP/MAP export commitments for June/July shipment are reported as follows:

- 25-30,000 t MAP to Tocantins for Brazil ex-Kingisepp
- 30,000 t MAP on two combo vessels for Latin America

No new phosphate sales have been reported for **PhosAgro** this week with the producer comfortable for July

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

June

- 60,000 t DAP to India
- 30,000 t DAP/MAP to US
- 30,000 t MAP to Nitron for Brazil
- 280-290,000 t NPKs/MAP for domestic and regional markets

July

- 45,000 t DAP and 20,000 t 10-26-26 to Greenstar for India
- 300,000 t NPKs/MAP for domestic and regional markets

AFRICA

MOROCCO: OCP's June-July DAP/MAP/NP/NPK commitments are reported ('000 t) as follows:

OCP/Morocco	June	July
Est. Production	550	550
E. and W. Europe	90	-
Turkey	30	-
Africa	230	-
Bangladesh	30	-
US	100	100
Argentina	35	-
Brazil	-	200
Paraguay/Uruguay	35	-
Total	550	300

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

GCT/Tunisia	June
Est. Production	60
Romania	20
Turkey	-
Total	20

MIDDLE EAST

SAUDI ARABIA: DAP prices have eased to the low/mid \$340s fob on sales to the Indian sub-continent for July loading.

Sabir is reported to have sold 30,000 t DAP netting the mid \$340s fob for July shipment to India.

Ma'aden is reported to have concluded 40-45,000 t DAP reflecting the mid \$340s fob for July loading for India.

The supplier is last week reported to have sold a handysize DAP cargo to Engro at variously reported prices estimated to netback to the low/mid \$340s fob for loading by 7 July for Pakistan.

Ma'aden has been in the freight market for 40,000 t DAP to load in Ras Al Khair 26-28 June for India, covering its earlier reported sale reflecting the mid/high \$340s fob with IPL now linked as the buyer.

Further to last week, Ma'aden loaded 50,000 t DAP on the *Sea Moon* that sailed from Ras Al Khair on 13 June against its supply contract with Kribhco.

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

MPC/Saudi Arabia	June	July
Est. Production	240	240
East Africa – Ma'aden	20	-
India – Ma'aden	95	40-45
India – Sabic	95	30
Pakistan – Ma'aden	-	25
Pakistan – Sabic	-	-
East Asia – Ma'aden	11	-
Brazil – Ma'aden	-	-
Total sales	221	95-100

ASIA

CHINA: DAP values have retreated to the low/mid \$330s fob this week, reflected in sales for India, Pakistan and Southeast Asia.

Kailin is reported to have sold 30,000 t non-Kailin DAP to Agven at a reported price estimated to netback to the mid \$330s fob for prompt shipment to Pakistan. The cargo is due to start loading load today. A DAP panamax is reported to have been sold to a trader at \$332-333 fob for 2-half July shipment to east coast India while a small parcel is understood to have been placed in Vietnam at \$332 fob.

The *V Red Knot* sailed from Fangcheng for India on 20 June with around 32,000 t DAP, reported to be covering the earlier reported sale for Xiangfeng.

The *Stove Trader* is due to load/loading about 38,500 t Kailin DAP for 1-half July delivery to west coast India, covering earlier Aries' reported sale to Chambal under their MoU.

The *Chengyang Eminence* has berthed at Nantong where it is waiting to load 55,000 t Yihua DAP for west coast India. This is to cover the earlier reported sale for Yihua to Fertilis at \$333 fob.

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

- 45,000 t DAP on the *Vistaspirit* to Aries for India for IPL
- 39,000 t DAP on the *Pintail* to Aries for India for Zuari and MCFL
- 38,500 t DAP on the *Stove Trader* to Aries for India for Chambal
- 10,000 t each DAP, 10-50-0 MAP at TSP for Argentina including Profertil, YPF, ASP, Bunge and ACA

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

June

- 32,000 t DAP on the *V Red Knot* to India
- 35,000 t DAP to Bangladesh

July

- 35,000 t DAP to Bangladesh

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

- 50,000 t DAP on the *Chenyang Eminence* to Fertilis for India

- 30,000 t DAP on the *Aurora Bulker* to Quantum for Pakistan for United Agro

Competitive offers for 11-44-0 MAP are reported to have been taken down to the high \$260s fob. It is estimated that about 200,000 t have been lined up for 2-half June/1-half July shipment to Brazil. It is reported that Ameropa is shipping about 50,000 t and Helm about 45,000 t, while Mekatrade has been in the freight market for 27-30,000 t to load in Nanjing 27-29 June for Sao Francisco do Sul. Nitron is also reported to have two handymax cargoes.

YUC is still reported to be in turnaround, operating at 50-55% capacity, while phosphate producers in Guizhou are understood to be running at 65-68% capacity and in Hubei at close to 70% capacity.

DAP exports were 516,416 t in May, bringing y-t-d exports to 1.374 million t, down 35% on January-May 2015. India was the largest outlet, despite shipments falling 53% to 384,000 t. A 4% rise in exports to Vietnam to 237,000 t saw the country lose its top position that resulted from the 239,000 t exported to it January-April 2016. Shipments to Thailand were 4% higher at 163,000 t with Indonesia taking 97,000 t, Japan 67,000 t and 51,000 t.

May saw 260,000 t load for India, 88,000 t for Vietnam, 63,000 t for Thailand and 35,000 t for Indonesia.

Exports of MAP in May were 169,090 t, bringing the January-May figure to 622,384 t, 47% lower than the same period 2015. The largest volume destination was Australia at 269,000 t, up 30%. This was followed by Brazil at 103,000 t, down 80%, India at 72,000 t compared to 30,000 t, and Vietnam at 37,000 t.

Shipments in May included 53,000 t to Brazil, 50,000 t to Australia and 24,000 t to India.

Source GTIS/China Customs

OCEANIA

AUSTRALIA: Quantum is reported to have sold a handysize DAP cargo to United Agro reflecting the mid \$330s fob for late June shipment to Pakistan.

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

IPL/Australia	June
Pakistan	30
Thailand	-
Brazil	35-40
Total sales	65-70

NORTH AMERICA

UNITED STATES: No new business has been reported this week, leaving DAP unchanged at \$346-347 fob.

The contract price between Mosaic and Yara for July deliveries of ammonia into Tampa has been settled at \$285 cfr, a \$30 decrease from the previous settlements of \$315 cfr for June and lowering the cost of producing one tonne of DAP by \$6.90. We estimate that average production costs for integrated DAP producers are in the high \$270s fob.

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

- 6,000 t DAP to various markets in Latin America at \$350 fob
- 15,000 t DAP to various markets in Central America at \$346-347 fob in combo with a total of 8,000 t MES/powdered MAP.

MEXICO: The 37,423 dwt *Kmarin Mugunghwa* sailed from Lazaro Cardenas on 19 June reportedly with a total of 36,000 t MAP, DAP, TSP to cover the Fertinal's earlier reported sale to Chile.

Fertinal's DAP/MAP/TSP commitments for June-August shipment are reported as follows ('000 t):

Fertinal/Mexico	June	July	August
Carryover	55	37-42	38-48
Est. Production	50	65	65
Chile	36	35-40	35-40
Colombia	10	-	-
Mexico	15-20	22	22
Latin America (containers)	2	2	2
Total sales	63-68	59-64	59-64
Carryover	37-42	38-48	39-54

PHOSPHORIC ACID

INDIA: It is reported that IFFCO has agreed \$600 P₂O₅ cfr including 30 days' credit with a regular phosphoric acid supplier for April-September shipments. This is a reduction of \$115 P₂O₅ on the \$715 P₂O₅ cfr with 30 days' credit finalised for Q1.

PotashCorp has not agreed to a phosphoric acid price for Q2 with any of its regular Indian customers. It is also understood that OCP, GCT, ICL, JPMC, JIFCO, and ICS have not finalised either.

It is reported that OCP intends to suspend phosphoric acid shipments from Morocco with effect from 1 July in the absence of a price settlement for Q2 loading. Discussions were underway between buyers and suppliers to settle the price before the end of this month and there was some consensus that a deal would be struck in the range \$620-625 P₂O₅ cfr. However, reports of IFFCO agreeing \$600 P₂O₅ cfr with a regular supplier is said to have thwarted negotiations.

As the rupee has weakened over the past few weeks, now down to around \$1 : Rs 67.4, the breakeven price for phosphoric acid is around \$625 P₂O₅ cfr with 30 days' credit if producers want to sell DAP at a farmgate price of Rs 22,500 bagged delivered. To achieve a 3% margin, prices need to be nearer \$600 P₂O₅ cfr including 30 days' credit.

MMTC closed a tender yesterday, 22 June, for 8,000 t MGA for prompt shipment to Chennai, presumably for onward sale to MFL.

Phosphoric acid vessels identified for June arrival are as follows:

India – Phosphoric Acid Arrivals, June				
Buyer/Port	Supplier/Origin	'000 t solution	Vessel	Arrival
IFFCO/Kandla	JIFCO/Jordan	29.0	<i>Stolt Endurance</i>	1 June
MCFL/Mangalore	OCP/Morocco	10.0	<i>Mid Fortune</i>	1 June
PPL/Paradeedp	OCP/Morocco	19.6	<i>TRF Kashima</i>	4 June
PPL/Paradeep	OCP/Morocco	9.8	<i>Greenwich Park</i>	6 June
DFCL/JNPT	OCP/Morocco	8.5	<i>Chemroad Wing</i>	9 June
ZIL/Goa	OCP/Morocco	8.1	<i>Chemroad Wing</i>	10 June
CIL/Kakinada	JPMC/Jordan	29.4	<i>Stolt Vestland</i>	10 June
ZIL/Goa	OCP/Morocco	8.8	<i>Chemroad Lily</i>	12 June
GSFC/Sikka	OCP/Morocco	13.8	<i>Chem Bulldog</i>	17 June
GSFC/Sikka	-	19.0	<i>GT Star</i>	18 June
FACT/Cochin	-	8.9	<i>Genuin Galaxy</i>	18 June
GSFC/Sikka	OCP/Morocco	12.0	<i>Chemroad Wing</i>	20 June
PPL/Paradeep	-	5.2	<i>Ginga Tiger</i>	21 June
GSFC/Sikka	OCP/Morocco	19.0	<i>Houyoshi Park</i>	23 June
CIL/Kakinada	GCT/Tunisia	18.0	<i>Bow Summer</i>	23 June
IFFCO/Kandla	-	29.4	<i>Stolty Courage</i>	24 June
CIL/Kakinada	-	9.1	<i>Mtm Southport</i>	25 June
IFFCO/Kandla	Sinchem/Senegal	30.0	<i>Stolt Vinland</i>	26 June
ZIL/Goa	OCP/Morocco	12.0	<i>Chemroad Dida</i>	26 June
GSFC/Sikka	-	9.4	<i>Southeren Pec</i>	28 June
Total June to date		309.0		

PHOSPHATE ROCK

INDIA: Phosphate rock vessels identified for June arrival are as follows:

India – Phosphate Rock Arrivals, June				
Discharge Port	Origin	Quantity	Vessel	ETA
IFFCO/Paradeep	JPMC/Jordan	51,150	<i>Defiant</i>	3 June
Sterlite/Tuticorin	JPMC/Jordan	54,000	<i>Yasa Aysen</i>	5 June
Hazira	Egypt	46,650	<i>Arybbas</i>	9 June
IPL/Vizag	JPMC/Jordan	14,100	<i>Carvos Liberty</i>	13 June
IFFCO/Paradeep	-	55,000	<i>AS Victoria</i>	13 June
Hazira	Egypt	22,949	<i>Melimas</i>	14 June
Mangalore	Egypt	6,800	<i>Emanet</i>	16 June
IFFCO/Paradeep	Peru	66,000	<i>Perly</i>	18 June
Hindalco/Dahej	Togo	50,006	<i>Egret Bulker</i>	19 June
Total June to date		366,655		

COMPANY NEWS

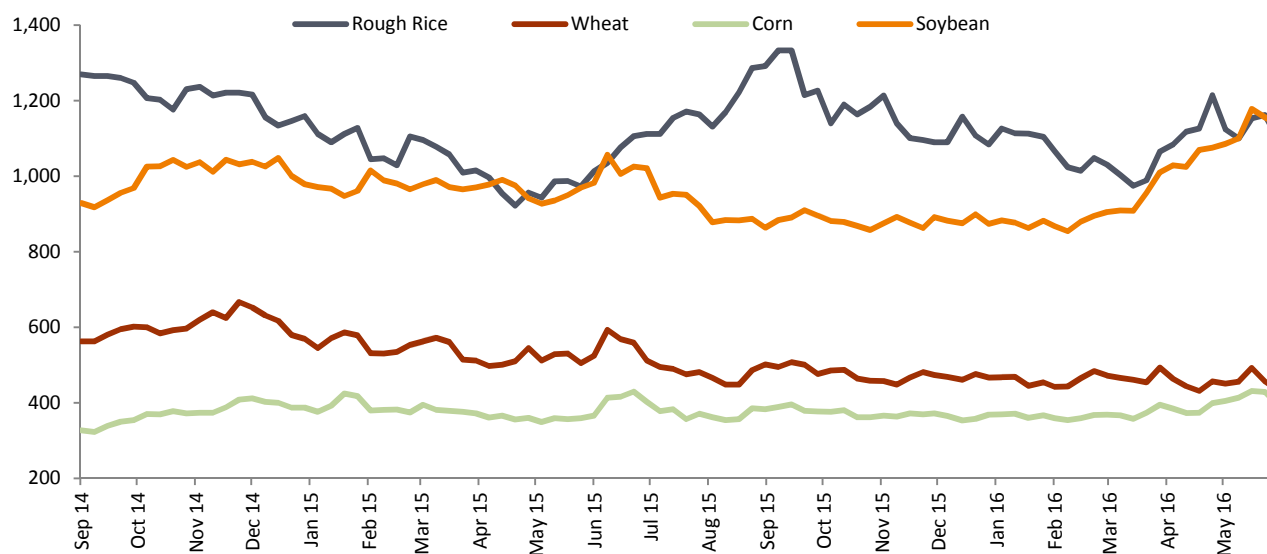
UNITED KINGDOM: To more efficiently serve its customers and position the business for continued growth and success, **Koch Fertilizer** is planning to consolidate the activities of Koch Nitrogen International Sarl located in Grand Cayman, Koch Fertilizer Trading Sarl located in Geneva and Koch Fertilizer Trading Sarl Sucursal Uruguay located in Montevideo to Koch Fertilizer International Limited, a new entity based in London.

"We remain committed to providing high levels of service and quality fertilizer products globally. We believe this transition will enhance our ability to meet our customers' and suppliers' current and future needs with greater efficiency," said Scott McGinn, president of Koch Fertilizer.

We expect this consolidation to be complete in early 2017 and will be working to ensure a smooth transition for our employees, customers and suppliers.

AGRICULTURE

WEEKLY CBOT CROP PRICES (¢/BU)



CROP FUTURES

CME CROP PRICES (cents/bushel)					
Product	July 2016	Weekly Change	September 2016	December 2016	June 2015
Corn	393.0	-36.0	398.2	404.0	366.4
Wheat	433.0	-23.6	451.0	476.4	524.4
Soybean	1,137.4	-18.6	1,123.6	1,116.6	981.6
Rough Rice	1,098.5	-63.0	1,123.0	1,150.5	1,012.5

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

CORN:	WHEAT:
Corn futures plummeted due to fund liquidation as large commercials exited their long positions; Rain in the US calmed fears that the corn crop will be drought-stressed.	The winter wheat harvest has been progressing quicker-than-normal which was bearish while rains across the Midwest this week are expected to help wheat fields.
SOYBEAN:	RICE:
Losses due to spill over from corn; also bearish are weather reports for the US Midwest are calling for rain this week which should alleviate concerns over excess dryness	Rice futures corrected downwards after weeks of price firming; this was caused in part by spill over from neighbouring corn and soy markets but also driven by the supply glut in Southeast Asia.

REGIONAL MARKETS

EUROPE: The EU has revised down its forecast for soft **wheat** yield this year due to reduced expectations in leading EU producers France and Germany. The average soft wheat yield in the EU is now expected to 6.07 t/ha, down from 6.11t/ha last month and 6.26 t/ha in 2015 but up from the five-year average of 5.83 t/ha, Mars reports.

In France, the average soft wheat yield is expected to slip to 7.45t/ha in 2016 from 7.92t/ha last year, while German yield should fall to 8.04t/ha from 8.11t/ha (see dashboard below). Central and North-Eastern France and parts of Germany are considered to be areas of concern for crops due to the heavy rains that resulted in flooding in certain areas recently.

RUSSIA: Russian **wheat** export prices dropped last week on continuing expectations of a large crop, amid already ample global supplies and low prices.

If current weather conditions continue to be favourable, Russia stands to harvest 64.5 million tonnes this year, up from 61 million in 2015; the third straight year of a large crop.

Market concerns surrounding quality of the new wheat crop were triggered after recent rains in Russia. Worrying protein levels as well as reports of fungal disease fusarium in the southern regions of Russia due to excessive moisture have been

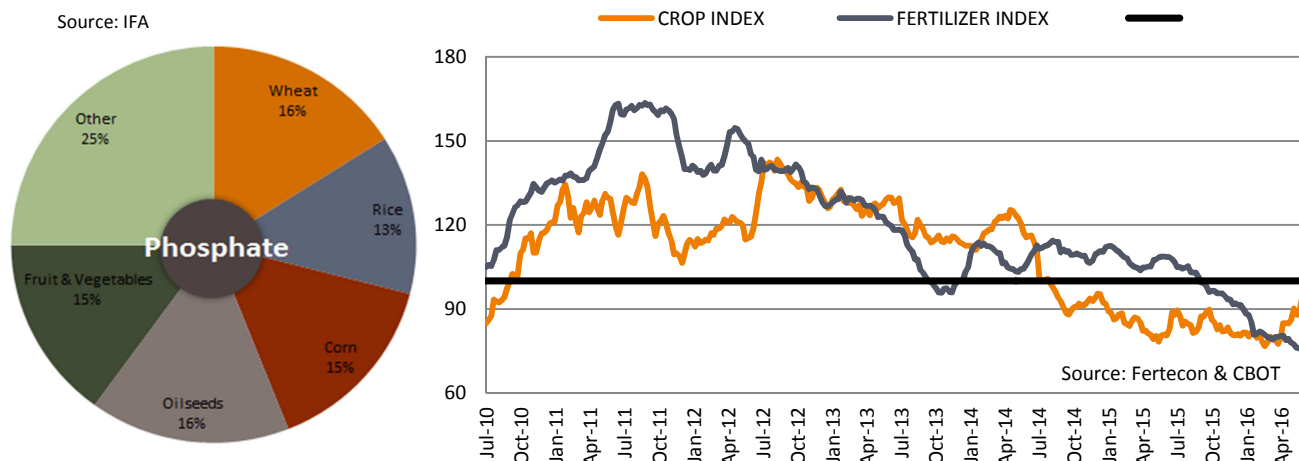
Russia has almost completed spring grains sowing. According to the agriculture ministry, farmers have sown 99.3% of their planned area, 30.8 million hectares as of June 17, down from 31 million ha a year ago. Spring wheat was sown on 13.6 million ha, up 3.3% from the originally planned area.

UNITED STATES: **Corn** export values had risen significantly over the last month owing to persistent dryness in the US, however, with wetter weather on its way, this may be a signal for prices to take another tumble. US weather is currently dictating proceedings for prices in both the export and futures market. US corn prices saw futures and cash prices move higher by about USD6/tonne week-on-week at the beginning of the week, following a spate of dry weather.

Chicago corn futures fell to their lowest since June 3 on Tuesday 21 June due to the forecast rain boosting US production outlooks as well as the USDA issuing better than expected weekly crop ratings.

PHOSPHATE USE BY CROP

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

INDIA: According to India's Central Water Commission, the slower than expected progress of the monsoon has meant that water levels in key reservoirs have declined from 26.81 billion m3 on 26 May, to 23.78 billion m3 on 16 June.

There is some hope however for Indian farmers; the most recent reports from India's Meteorological Department indicate that conditions are becoming more favourable and the latest data shows that the monsoon has covered all southern and eastern states, thus accelerating planting of summer crops in those regions.

FREIGHT

DATE	Baltic Capesize	Baltic Panamax	Baltic Supramax	Baltic Handysize	Baltic Dry Index
17 June	927	546	555	311	587
20 June	897	546	559	312	582
21 June	873	548	563	315	580
22 June	878	556	570	318	585
23 June	897	569	577	322	596

Source: Baltic Exchange

FERTILIZER DERIVATIVES

DAP fob Tampa (metric tonne)				DAP fob NOLA (short ton)			
Month	Bid	Offer	Mid	Month	Bid	Offer	Mid
July	340	350	345	July	305	310	308
Aug	336	347	342	Aug	305	311	308
Sep	334	350	337	Sep	305	311	308

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