Ammonia Report

Weekly review of the ammonia market

Fertecon
Agribusiness intelligence | informa

9 June 2016

- LFC/S. Korea buys spot cargo of 10-12,000 t ammonia from Mitsubishi at $351.70 cfr for mid-August delivery
- Sorfert urea and one of the two ammonia plants down in Algeria
- OPZ plant in Ukraine down due to gas leak from the pipeline
- Turkish government reported to have stopped all movement of AN, CAN and Potassium Nitrate

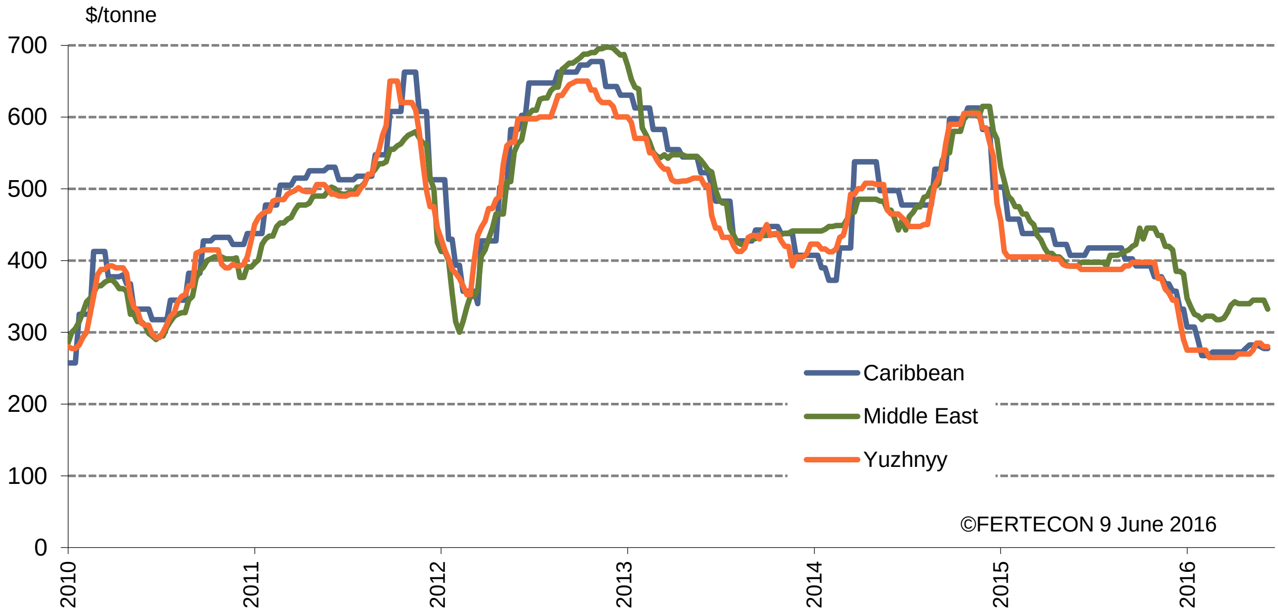
OUTLOOK

Stable to softer

KEY PRICES

	9 June	2 June	26 May
Yuzhnyy fob $/t	270-290*	270-290*	280-290*
Middle East fob $/t	320-345*	335-355*	335-355*
Tampa/US Gulf cfr $/t	315-320	315-320	315-325**

AMMONIA PRICES



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

AMMONIA PRICE INDICATIONS ALL PRICES IN US$

	9 June	2 June	26 May
Fob prices			
Caribbean	275-280	275-280	275-285**
Middle East	320-345*	335-355*	335-355*
Of which:			
- Netbacks on contract/formula-priced sales	320-345*	335-345*	335-345*
- Spot fob	n.m.	350-355	350-355
Yuzhnyy/FSU fob	270-290*	270-290*	280-290*
Baltic/FSU	280-300*	280-300*	290-300*
Southeast Asia	325-335	335-345	335-350
Delivered prices			
NW Europe (duty paid/duty free) *	349-375	349-375	359-375
NW Europe (duty unpaid) *	330-355	330-355	340-355
Far East	352-390	365-400	365-400
India	360-380	365-395	365-395
US Gulf/Tampa	315-320	315-320	315-325**
- Tampa	315	315	315-320**
- US Gulf (MS, LA, TX)	320	320	320-325**

FERTECON PRICE DEFINITION

Prices, rounded to the nearest US$, represent the last known spot and contract business and current indications, for 4-40,000 t cargoes, net of credit. * nominal; n.m. – no market; ^corrected; **low end refers to June price, high end refers to May price

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

FREIGHT INDICATIONS US$/TONNE (RATES BASIS 1-1 UNLESS STATED)

Route	Cargo size (t)	Latest rate
Caribbean –Tampa/USG	23,500	38-42
Baltic (Ventspils) – Antwerp/Belgium	23,500	23-25
Baltic (Ventspils) – NW Europe (France)	8-15,000	42-45
Black Sea–NW Europe (excl Scandinavia)	12-15,000	75-80
Black Sea – Antwerp/Belgium	23,500	60-65
Black Sea - Morocco	23,500	42-45
Black Sea – US (1-1 Tampa)	40,000	60-65
Black Sea – US (2-3 USG)	40,000	70-75
Middle East – India (1 port W. Coast)	23,500	25-30
Middle East – India (2-3 ports W. Coast)	15,000	40-45
Middle East – India (1 port E. Coast)	15,000	50-65
Middle East – India (1 port E. Coast)	23,500	45-55
Middle East - Far East (Taiwan)	23,500	70-75
Middle East – Far East (South Korea)	23,500	75-85
Indonesia – Taiwan	15-20,000	40-45

ANALYSIS

International ammonia prices continue to be stable in parts of the market but weaker in others. The main news of lower price settlement this week came with an announcement of a new spot sale for 10-12,000 t concluded between Mitsubishi and LFC for August delivery to South Korea at $351.70 cfr, around $13 below the lowest previously known delivered price in the Far East. However, some recent contract deliveries in the Far East are still reported to be priced near $390 cfr and the new, low priced spot deal is for a far forward delivery arriving in August.

The latest prices for ammonia delivered into India are reported to be within the $360-380 cfr range and this indicates a wider netback on contract deliveries range in the Middle East with downward adjustment at the low end of our Middle East fob assessment.

Prices in the **west** are reported as stable. OCI has bought another ammonia cargo from Borealis at Rouen, France at an undisclosed price for delivery to the Netherlands. The first product from the new Acron ammonia plant in Russia is expected to be exported via the Sillamäe terminal in the **Baltic** later this month. Buyers are heard to be pressing for lower prices in the **Black Sea** and the Baltic markets but the suppliers are heard to be reluctant to agree lower prices for the time being.

In **Algeria**, Sorfert reported this week that its urea plant and one of the two ammonia lines have gone down last Sunday for 7-10 days and are expected to start-up early next week.

On the demand side, this week in **Turkey** the Ministry for Food, Agriculture and Livestock is understood to have ordered a stop to all transport of AN, CAN and Potassium Nitrate following the latest bombings. No official statement from the Ministry has been released, but sources in the fertilizer industry report that they have been advised to stop movement. It is unclear how long the ban will last but if it continues, it could have a negative impact on ammonia imports into Turkey of which significant proportion is used for nitrate fertilizer production.

The short-term outlook continues to be stable to softer.

SUPPLIERS

FSU

BLACK SEA: The **OPZ** plant had to shut down on 7 June due to a leak of natural gas from the pipeline. Reports suggest that the closure could last up to three days.

The known ammonia vessel line-up for June so far is tabulated below.

Vessel	Trader	'000 t	Destination	Load date
MAY		**228.7**		
JUNE		**175.3**		
Clipper Odin	Ameropa	25	India (Kandla)	2 June
Sylvie	Trammo	23.5	India (Kakinada)	3-4 June
Marycam Swan	Trammo	15	Turkey (inc Aliaga)	6-7 June
Gas Snapper	Ameropa	23.4	Jordan (Aqaba)	6-7 June
Gas Manta	Ameropa	23.4	Belgium (Antwerp)	Arrived 5 June, waiting to load
Solaro	Ameropa	25	Morocco (Jorf Lasfar)	10 June
Clipper Mars	Ameropa	40	India	Mid-June

BALTIC: It is now understood that the 30,000 t of ammonia from the new **Acron** plant, which was last week rumoured to be sold on a spot basis for June lifting out of Sillamae, is likely to be moved under long-term contract arrangements.

OCI's vessel, the *Wilhelm Schulte*, which is currently loading a cargo in France for delivery to the Netherlands, will load the first contract tonnes from the new Acron ammonia plant in combination with some Ameropa tonnes in Sillamäe later in June.

Yara is also expected to lift tonnes from the new Acron plant later this month.

Known loadings out of the Baltic ports for June so far are tabulated here:

Vessel	Trader	'000 t	Destination	Load date
MAY		**39**		
JUNE		**50**		
Coral Ivory	Yara	4	Sweden (Köping)	1-2 June (Ventspils)
Brussels	Trammo	23	Morocco (Jorf Lasfar)	1-2 June (Ventspils)
Temse	Yara	8	Germany (Rostock)	5-6 June (Ventspils)
Coral Ivory	Yara	4	Sweden (Köping)	6 June (Ventspils)
Wilhelm Schulte	OCI	11	TBC	2-half June (Sillamäe)

BELARUS: There are reports of an accident at the **JSC Grodno Azot** plant where two people were killed. There are two ammonia plants at the Grodno facility with combined capacity of around 1 million t/y which is mainly used for downstream production of nitrogen based fertilizers such as urea and UAN as well as ammonium sulphate and caprolactam. Local reports indicate that the plant continues to operate but this could not be confirmed.

EUROPE

FRANCE: It is understood that OCI purchased another ammonia cargo from **Borealis** and is currently loading it on the *Wilhelm Schulte* in Rouen for delivery to Rotterdam, Netherlands. The price of the cargo could not be confirmed but is thought to be settled at the market level.

UNITED KINGDOM: Fertiberia's vessel, the 7,000 t *Queen Isabella* appears to be heading for Tees with an eta 10 June.

The latest ammonia loadings out of the United Kingdom are tabulated here:

Vessel	Trader	'000 t	Destination	Load date
MAY		**8**		
JUNE		**7**		
Queen Isabella	Fertiberia	7	TBC	10 June (Tees)

CARIBBEAN

TRINIDAD: The known vessel line-up for lifting out of Point Lisas in June so far is tabulated below.

Vessel	'000 t	Destination	Load date
MAY	**469.9**		
JUNE	**130.8**		
Marola	24.8	United States (Tampa)	4-5 June
Sombeke	25.4	Belgium (Antwerp)	4-5 June
Navigator Galaxy	15	United States (NOLA)	5-8 June
Luigi Lagrange	24.8	TBC	9 June
Libramont	25.4	TBC	10 June
Almajedah	15.4	TBC	16 June

LATIN AMERICA

VENEZUELA: This week there have been indications that there could be cargoes of Venezuelan ammonia available to place for September, October, November and December.

AFRICA

ALGERIA: The **Sorfert** urea plant and one of its two ammonia lines are in a complete shutdown since last Sunday for 7-10 days and is expected to restart early next week.

The latest known line-up for ammonia loading from Fertial and Sorfert plants is below.

ALGERIA: 2016 AMMONIA EXPORT SHIPMENTS					
Vessel	**Supplier**	**'000 t**	**Destination**	**Load Port**	**Load Date**
MAY		**115.3**			
JUNE		**64.9**			
Clipper Neptun	Sorfert	40	United States/Koch	Arzew	2-5 June
Andesgas	Fertial	10	TBC/Fertiberia	Annaba	Arrived 6 June, waiting to load
Navigator Gusto	Sorfert	14.9	TBC/Yara	Arzew	10 June

EGYPT: The *Navigator Grace* has arrived at **Abu Qir** on 7 June and is waiting to load a cargo for Trammo.

LIBYA: Yara has loaded the 12,000 t ammonia capacity vessel, the *Pertusola* from the **Lifeco** plant at Marsa el Brega around 2-4 June for delivery to Porsgrunn, Norway where she is expected to arrive around 14 June.

The *Antarcticgas* loaded another cargo for Yara around 7 June for delivery to Glomfjord, Norway where she is expected to discharge around 21 June.

MIDDLE EAST

IRAN: Transagri's vessel, the *Everrich 6*, which is expected to deliver around 6,000 t ammonia to Deepak Fertilisers on west coast India on 11 June, has reportedly been priced at $360 cfr level, which is estimated to provide a netback of around $320 fob **Bandar Assaluyeh**.

The *Gas Cat*, which loaded at **BIK** on 4-6 June, will deliver ammonia to CIL at Vizag, east coast India around 17 June.

QATAR: Trammo's vessel, the *SCF Tomsk* has arrived at Mesaieed on 5-6 June. The vessel is thought to have loaded a part cargo, return swap for the volume **Muntajat** loaded in Saudi Arabia on the *Almarona* in the first half of May and the *SCF Tomsk* is now in Saudi Arabia waiting to top up.

SAUDI ARABIA: The *SCF Tomsk* and the *Al Jabirah* arrived in Saudi Arabia this week in the last couple of days and are waiting to load.

The latest Middle East line-up is tabulated below.

Vessel	Supplier/Origin	'000 t	Destination	Price $/t	Load date
MAY		**211.7**			
Al Jabirah	Sabic/S.A. (Al Jubail)	23.4	Taiwan (Taichung)	l-t contract	2-3 May
Everrich 6	Transagri/ex-Iran (Assaluyeh)	5.4	WC India: Deepak Fertilisers/ JNPT-Mumbai	n/a	3-4 May
Gas Cat	Raintrade/ Iran (BIK)	18.5	EC India: CIL/Kakinada & Vizag & Deepak/JNPT Mumbai	n/a	3-6 May
Rose Gas	Sabic/S.A. (Al Jubail)	23	WC India: GSFC/Sikka (12)	Part cargo $380 cfr?	6-7 May
Almarona	Muntajat/Qatar (7) & S.A. (Al Jubail – 8 – swap with Trammo)	15	WC India: Hindalco/Dahej, Zuari/Goa & MCFL/Mangalore	l-t contract	10-11 May
Al Barrah	Sabic/S.A. (RAK)	23	South Korea (Ulsan)	l-t contract	13-15 May
Everrich 6	Transagri/ex-Iran (Assaluyeh)	6	WC India: FACT/Cochin	$395 cfr	18-19 May
Gas Line	CIFC-Raintrade/ Iran (BIK)	15	EC India: PPL/Paradeep	n/a	25-26 May
SCF Tomsk	Trammo/ex-Oman (13) & S.A. (RAK-10)	23	WC India: Iffco/Kandla	$355	25-27 May
Rose Gas	Sabic/S.A. (Al Jubail)	21	WC India: GSFC/Sikka (15) & Deepak Fert/JNPT Mumbai (6)	~$380 cfr	26-28 May

Almarona	Muntajat/Qatar	15	EC India: CIL/Vizag & SPIC/Tuticorin	l-t contract	28-29 May
Gas Quantum	Mitsui/ex-Bahrain (Sitrah) & UAE (Ruwais)	23.4	Taiwan (Taichung)	n/a	27-30 May
JUNE		**116.9**			
Gas Columbia	Muntajat/Qatar	23	WC & EC India	l-t contract	2-3 June
Everrich 6	Transagri/ex-Iran (Assaluyeh)	6	WC India: Deepak Fert/ JNPT-Mumbai	$360 cfr	3-4 June
Gas Cat	Raintrade/ Iran (BIK)	18.5	EC India incl CIL/Vizag	n/a	4-6 June
SCF Tomsk	Trammo/ex-Qatar (8) & S.A. (Jubail - 15)	23	TBC	n/a	5-6 June – Qatar 7 June – Arrived Saudi Arabia, waiting to load
Al Jabirah	Sabic/S.A. (Al Jubail)	23.4	TBC	n/a	Arrived 8 June, waiting to load
Al Barrah	Sabic/S.A. (Jubail)	23	TBC	n/a	23 June

RAK = Ras Al Khair, S.A. = Saudi Arabia

ASIA/OCEANIA

AUSTRALIA: April exports ammonia were at 38,201 t down by 33,897 t or 47% m-o-m from 72,098 t exported in March. In April, exports were destined for Taiwan (13,251 t), Indonesia (12,600 t) and China (12,339 t). This brought total exports for January-April to 147,572 t, a big fall of 98,412 t or 40% y-o-y from 245,984 t during the first four months of 2015. (Source GTIS/Australian Bureau of Statistics)

The *Viking River* is expected back at Dampier around 16 June for loading.

The recent known ammonia loadings are tabulated below:

AUSTRALIA: 2016 AMMONIA SHIPMENTS			
Vessel	**'000 t**	**Destination/Supplier**	**Load Date/Port**
MAY	**100**		
JUNE	**25**		
Viking River	25	TBC	16 June (Dampier)

INDONESIA: Mitsui loaded the *Gaz Millennium* in Bontang on 3-4 June for delivery to Thailand.

The next vessel to load for Mitsui will be the *Gaz Serenity*.

The ammonia vessel line-up for June so far is tabulated below.

INDONESIA: 2016 AMMONIA EXPORT SHIPMENTS			
Vessel	**'000 t**	**Destination/Supplier**	**Load Date/Port**
MAY	**154.1**		
JUNE	**32.3**		
Gaschem Dollart	2.3	Vietnam (Haiphong)/Mitsui	2-3 June (Palembang)
Gaz Millennium	15	Thailand (Map Ta Phut)/Mitsui	3-4 June (Bontang)
Gaz Serenity	15	Far East/Mitsui	1-half June (Bontang)

MALAYSIA: The latest ammonia loading schedule for Malaysian ports is below.

MALAYSIA: 2016 AMMONIA EXPORT SHIPMENTS			
Vessel	**'000 t**	**Destination/Supplier**	**Load Date/Port**
MAY	**33**		
JUNE	**16.5**		
Bunga Kemboja	16.5	TBC	Mid-June (Kerteh)

MARKETS

AFRICA

MOROCCO: Trammo's vessel, the *Brussels* is expected at Jorf Lasfar on 13 June.

The latest line-up for ammonia deliveries into Morocco:

MOROCCO: KNOWN 2016 AMMONIA IMPORTS			
Vessel	**'000 t**	**Supplier/Origin**	**Discharge**
MAY	**95.4**		
JUNE	**46.4**		
Brussels	23	Trammo/ex-Baltic	13 June
Solaro	23.4	Ameropa/Yuzhnyy	Mid-June

TUNISIA: The latest known ammonia deliveries into Gabes:

TUNISIA: KNOWN 2016 AMMONIA IMPORTS			
Vessel	**'000 t**	**Supplier/Origin**	**Discharge**
MAY	**25**		
JUNE	**23.4**		
TBC	23.4	Ameropa/Yuzhnyy	2-half June

EUROPE

BELGIUM: PCS vessel, the *Sombeke* will deliver a cargo of Trinidad ammonia to Antwerp around 18 June.

The latest schedule of known ammonia arrivals into Antwerp is tabulated below.

BELGIUM: KNOWN 2016 AMMONIA IMPORTS			
Vessel	**'000 t**	**Supplier/Origin**	**Discharge**
MAY	**118.2**		
JUNE	**72.2**		
Gas Cobia	23.4	Ameropa/Black Sea	5 June
Gas Manta	23.4	Ameropa/Black Sea	1-half June
Sombeke	25.4	PCS/Trinidad	18 June

NORWAY: Yara will deliver two cargoes of ammonia sourced from the Lifeco plant in Libya to Norway during June. The *Pertusola* is expected to arrive at Porsgrunn around 14 June followed by the *Antarcticgas* around 21 June.

MEDITERRANEAN

TURKEY: The Turkish Ministry for Food, Agriculture and Livestock is understood to have ordered a stop to all transport of AN, CAN and Potassium Nitrate following the latest bombings this week.

No official statement from the Ministry has been released, but sources in the fertilizer industry have been advised to stop movement. Any restrictions on CAN however are expected to be lifted soon as this product is not considered to be a threat.

There are reports that local AN and CAN producers have been told to halt production.

Officials are expected to start a process of determining inventory levels at different locations in the country in order to create a more transparent and secure system on the movement of the product. Some believe the measures will therefore only be temporary until such a system is in place.

Depending on how long the ban lasts, it could have a negative impact on demand for imported ammonia into Turkey. The country is a major importer of ammonia which is used predominantly for production of phosphate and nitrate fertilizers and while phosphate products are free to move, disruption in the movement of nitrates could have adverse effect on ammonia imports. According to customs data annual imports of ammonia into Turkey reached 545,097 t in 2015 (Source: GTIS/State Institute of Statistics).

ASIA/OCEANIA

INDIA: **West Coast** – Last week we reported that Muntajat's vessel, the *Gas Columbia* is expected to deliver 4,000 t of ammonia to **Hindalco** at Dahej on 5 June. It is now understood that this vessel will in fact deliver 8,000 t to Hindalco at Dahej on 9 June and further 4,500 t to **Zuari** at Goa on 11 June.

Transagri's vessel, the *Everrich 6* is expected to deliver around 6,000 t ammonia to **Deepak Fertilisers** at the JNPT terminal in Mumbai on 11 June with the price reported at $360 cfr level.

It is heard that the 7,500 t cargo which will be delivered to **Iffco** at Kandla on the *Sanko Independence* at the end of has been priced at around mid-high $360 cfr level.

East Coast – Muntajat's vessel, the *Almarona* delivered 6,400 t of ammonia to **Greenstar** at Tuticorin on 4 June and 8,999 t to **CIL** at Vizag on 8 June.

The *Gas Line* delivered 15,000 t of Iranian ammonia to **PPL** at Paradeep on 6 June and is now scheduled to deliver 8,000 t to CIL at Kakinada on 9 June.

The latest known ammonia arrivals list for Indian ports is tabulated below:

Buyer/Location	Supplier	'000 t	$/t cfr unless stated	Discharge	Vessel
MAY		**209.4**			
JUNE		**110.3+**			
West Coast		**71.9**			
Iffco/Kandla	Fertrade-Ameropa/ ex-Black Sea	25.4	n/a	16 June	*Clipper Odin*
Iffco/Kandla	Trammo/ex-TBC	7.5	Mid/high $360s	End June	*Sanko Independence*
GSFC/Sikka	Sabic/S. Arabia	15	~$380	31 May-1 June	*Rose Gas*
Hindalco/Dahej	Muntajat/Qatar	8	l-t contract	9 June	*Gas Columbia*
Deepak Fertilisers/ JNPT-Mumbai	Sabic/S. Arabia	6	~$380	3 June	*Rose Gas*
Deepak Fertilisers/ JNPT-Mumbai	Transagri/ex-Iran	6	$360	11 June	*Everrich 6*
Zuari/Goa	Muntajat/Qatar	4	l-t contract	11 June	*Gas Columbia*
East Coast		**38.4+**			
Greenstar/Tuticorin	Muntajat/Qatar	6.4	l-t contract	4 June	*Almarona*
CIL/Kakinada	CIFC-Raintrade/ ex-Iran	8	l-t contract	9 June	*Gas Line*
CIL/Vizag	Muntajat/Qatar	9	l-t contract	8 June	*Almarona*
CIL./Vizag	CIFC-Raintrade/	?	n/a	17 June	*Gas Cat*

	ex-Iran				
PPL/Paradeep	CIFC-Raintrade/ ex-Iran	15	l-t contract	6 June	*Gas Line*

Q2 contracts for phosphoric acid have still not been finalised between OCP and its customers in India despite rumoured price agreements beginning to circulate in the market.

SOUTH KOREA: **LFC** bought 10-12,000 t ammonia from Mitsubishi at $351.70 cfr for delivery in August.

LFC received a contract cargo from Sabic around 3 June on the *Al Barrah* and has two further 15,000 t cargoes to arrive in June, one from Trammo around 21 June and one from Mitsui at the end of the month.

In early July LFC is expected to receive 13,000 t from Trammo followed by 25,000 t also from Trammo and 20,000 t from Koch in early August.

The recently restarted second caprolactam line at **Capro Corp** is reportedly now running at 100% capacity. This should have a positive impact on the South Korean ammonia import demand.

The latest known ammonia deliveries are provided in the table below.

Buyer/Location	Supplier	’000 t	Discharge	Vessel
MAY		**89.4**		
JUNE		**95.5**		
Namhae/Yosu	Yara/ex-Malaysia	16.5	5 June	*Bunga Kemboja*
Namhae/Yosu	Yara/ex-Australia	10	10 June	*Nordic River*
Namhae/Yosu	Mitsubishi/Malaysia	16	End June	*Bunga Kemboja*
LFC*/Ulsan	Sabic/S. Arabia	23	3 June	*Al Barrah*
LFC*/Ulsan	Trammo/ex-TBC	15	21 June	*TBC*
LFC*/Ulsan	Mitsui/ex-TBC	15	End June	*TBC*
JULY		**38**		
LFC*/Ulsan	Trammo/ex-TBC	13	July	*TBC*
LFC*/Ulsan	Trammo/ex-TBC	25	July	*TBC*
AUGUST		**30-32**		
LFC*/Ulsan	Koch/ex-TBC	20	Early August	*TBC*
LFC*/Ulsan	Mitsubishi/Malaysia	10-12	August	*TBC*
* Lotte Fine Chemical (formerly Samsung Fine Chemicals)				

THAILAND: Customs figures show the import of 35,423 t ammonia in April, with 18,416 t sourced from Indonesia and 17,005 t from Malaysia. This is marginally down m-o-m by 959 t or 2.6% from the 36,382 t imported during March and has taken the total imports for January-April to 128,585 t, down by 23,160 t or 15.3% y-o-y. (Source: GTIS/Thai Customs Department)

NORTH AMERICA

UNITED STATES: In the **domestic market** for direct ammonia application, ammonia moved in heavy volume to corn side dress in central and south Michigan and state-wide in Ohio and Indiana. Wholesalers in central Illinois report that corn side dress with ammonia is nearly done and that corn is looking in excellent condition. A few loads of ammonia moved to corn side dress in south Illinois. Demand was light for ammonia going to corn side dress in east Colorado and west Kansas. Wholesalers reported wheat yields in Kansas running 60-70 bpa, about 10 bpa above normal. However, they also report that the protein content was below normal.

LATIN AMERICA

BRAZIL: Yara delivered 15,400 t Trinidad ammonia on the *Almajedah* into Santos for **Vale** on 6-7 June.

The latest known ammonia vessel arrivals into Santos terminal are tabulated below.

Vessel name	Supplier	'000 t	Origin	Discharge date/ Estimated arrival
MAY		**15.4**		
JUNE		**15.4**		
Almajedah	Yara	15.4	Trinidad	6-7 June

NATURAL GAS/COAL

QUICK GLANCE (change from last week)

Henry Hub (day ahead): $2.46 (up) TTF: €14.61 (up) Brent: $52.51 (up)

WEST EUROPE: The NBP day-ahead price closed at 33.80 p/therm on 8 June down only very slightly from 33.90 p/therm on 1 June. A price of 33.80 p/therm equates to $4.91/mmBtu at the £/$ exchange rate of 1:1.45241 from 8 June.

The July 2016 contract on ICE natural gas futures for the NBP closed at 33.56 p/therm on 8 June up from 32.54 p/therm on 1 June. The average 6-month forward strip (Jul-Dec 2016) is 36.36 p/therm, which equates to $5.28/mmBtu at the £/$ exchange rate of 1:1.45241 from 8 June.

The Dutch TTF day-ahead price closed at €14.61/MWh on 8 June up from €14.20/MWh on 1 June, according to Tankard. The Tankard indices are trade-backed volume-weighted average price indices, calculated from trades arranged by ICAP, Marex Spectron and Tullett Prebon.

A price of €14.61/MWh equates to $4.86/mmBtu at the exchange rate of €/$ 1:1.13573 on 8 June. In June so far, the TTF day-ahead average is estimated at $4.79/mmBtu, which compares with $4.33/mmBtu in May and $4.01/mmBtu in April. The March average was $3.99/mmBtu, down from February at $4.02/mmBtu and January at $4.38/mmBtu.

The average six-month ICE futures price for TTF for Jul-Dec 2016 is €15.35/MWh on 8 June, and equating to $4.78/mmBtu using the €/$ exchange rate of 1:1.13573 from 8 June.

Crude – The Brent crude oil contract for August 2016 settled at $52.51/bbl on 8 June up from $49.72/bbl on 1 June. The average price for the 3-month strip (Aug-Oct 2016) is $82.92/bbl, while the 12-month average (Aug 2016-Aug 2017) is $54.07/bbl.

In its June Short-term Energy Outlook (STEO), the EIA is forecasting Brent crude oil prices to average $43/bbl in 2016 (up $2 from the May report) and $52/bbl in 2017 (up $11 from the prior STEO), with annual average West Texas Intermediate (WTI) prices in 2016 expected to average slightly less than Brent price and roughly the same in 2017. In its comments, EIA said the current values of futures and options contracts suggest a very high degree of uncertainty in the oil price outlook. "WTI futures contracts for September 2016 delivery that were traded during the five-day period ending June 2 averaged $50/b, and implied volatility averaged 35%. These levels established the lower and upper limits of the 95% confidence interval for the market's expectations of monthly average WTI prices in September 2016 at $36/b and $69/b, respectively. The 95% confidence interval for market expectations widens over time, with lower and upper limits of $31/b and $83/b for prices in December 2016", the report reads.

UKRAINE / RUSSIA: Naftogaz could potentially resume natural gas imports from Russia in the near future as the company this week confirmed that it has sent a letter to Gazprom, requesting a resumption of supplies of Russian natural gas.

In the proposal, Naftogaz reportedly suggests to sign an addendum to the contract between the two companies, which includes the resumption of deliveries based on a competitive price for the next winter package.

ANGOLA: On 5 June 2016, Angola's recently refurbished LNG export project launched a tender to sell its first cargo after the plant was idled in April 2014, according to market sources. Chevron owns a 36.4% stake in the plant, while Angolan state oil firm Sonangol holds 22.8%. Other stakeholders include Total, BP and ENI.

The cargo has already been loaded on 3-5 June on the Sonangol Sambizanga. Bids are due on 13 June.

It was reported that the plant will be shut down again after producing a limited number of cargoes as additional testing needs to be carried out.

CHINA: Thermal coal prices at Qinhuangdao for the 5,500kcal grade rose to Rmb395-405/t (around $60.90/t) this week after a prolonged period of flat prices in Rmb-terms of Rmb385-395/t, which started in early March 2016. The average price in May is estimated at Rmb390/t ($59.78/t) flat, at least in Rmb-terms, against an April average of Rmb390/t ($60.22/t), which was up only slightly from the March average of Rmb389/t ($59.72/t). The May average compares with Rmb413/t ($67.40/t) in the same month last year.

INDIA: In the coming six years, India's government plans to more than double the country's LNG import terminal capacity to cater to the rising natural gas demand from refineries, fertilizer and power plants. Annual terminal capacity is planned to be pushed by setting up new terminals as well as by expanding existing ones. A total of 47.5 million t/y are expected to be reached by 2022, which compares with a current capacity of 21.3 million t/y, according to Oil Ministry data.

AUSTRALIA: The Newcastle market for Q3 2016 is $54.05/t up from $53.60/t last week; Q4 2016 is $55.40/t up from $53.60/t; 2017 is $56.05/t up from $53.60/t; 2018 is $57.55/t against $54.05/t last week; and 2019 is $57.65/t.

UNITED STATES: The Henry Hub day-ahead price closed at $2.46/mmBtu on 8 June up from a revised price of $2.25/mmBtu on 1 June. Despite the fact that storage levels of natural gas in the US remain elevated, higher demand due to a projected hot summer and the slow diminishing of the current supply glut as is expected by market sources have helped to push prices sharply higher in the course of last week.

In May, the Henry Hub has averaged $1.97/mmBtu, against an April average of $1.91/mmBtu. This compares with a March average of $1.72/mmBtu, which was down from February at $1.98/mmBtu and also lower than the $2.28/mmBtu in January. The December average was $1.93/mmBtu, November was $2.09/mmBtu and October was $2.34/mmBtu.

On NYMEX natural gas futures, the July 2016 contract settled at $2.468/mmBtu on 8 June up from the $2.381/mmBtu on 1 June. The average for the next three months – Jul-Sep 2016 – is $2.534/mmBtu compared with $2.442/mmBtu a week before, while the average for the next 12 calendar months (Jul 2016-Jul 2017) is $2.905/mmBtu against $2.810/mmBtu.

The EIA Weekly Natural Gas Storage Report for the week ending 27 May showed a net injection of working gas stocks into underground storage of 82 bcf. The net injection compares with a median expectation of market analysts of a net injection of 84 bcf. It further compares with the year-ago injection of 126 bcf and the five-year-average injection of 98 bcf. Natural gas stocks on 27 May were 2,907 bcf, which is 674 bcf (30%) *above* a year ago and 753 bcf (35%) *above* the five-year average.

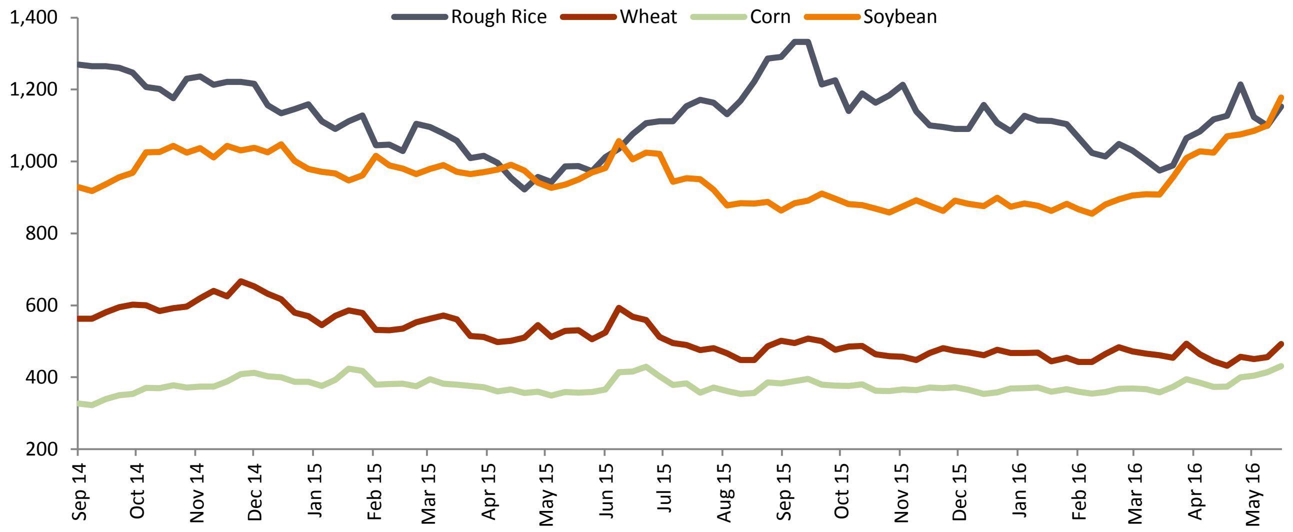
In its June Short-term Energy Outlook (STEO), EIA expects the Henry Hub natural gas spot price to average $2.22/mmBtu in 2016 (down from $2.25/mmBtu in the May report) and $2.96/mmBtu in 2017 (down from $3.02/mmBtu in the prior report), having averaged $2.63/mmBtu in 2015.

Regarding the WTI, the CME July 2016 contract closed at $51.23/bbl on 8 June up from $49.01/bbl on 1 June. The forward 3-month strip (Jul-Sep 2016) is $51.79/bbl against $49.47/bbl last week, while the 12-month forward average (Jul 2016-Jul 2017) is $53.05/bbl compared with $50.71/bbl.

US coal – The CAPP July 2016 contract closed at $39.63/ston on 8 June down from the $39.75/ston on 1 June. The 3-month forward strip (Jul-Sep 2016) is $39.63/ston compared with $39.75/ston a week before, while the Jul-Dec 2016 forward average is $39.76/ston down from $41.82/ston.

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	431.2	+17.5	434.6	437.0	357.2
Wheat	492.75	+36.75	509.2	533.4	530.4
Soybean	1,177.6	+78.0	1,173.0	1,159.2	949.4
Rough Rice	1,153.0	+53.5	1,180.0	1,205.0	987.0

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

CORN:	**WHEAT:**
Stronger crude oil futures increase the likelihood that processors of ethanol, which is made from corn, will blend above mandated amounts – driving an 18 cent increase.	The pace of the US winter wheat harvest is behind the five-year-average, which is bearish for wheat. Rain and flooding in France, which puts the country's crop at risk, further propped up prices.
SOYBEAN:	**RICE:**
Prices have been supported by dryness in the US which could hurt crop development, as well as flooding in Argentina which is expected to increase demand for US soy.	International rice prices saw the largest month-on-month rise registered since February 2014, according to the Food and Agriculture Organization (FAO), driven by lower supplies.

REGIONAL MARKETS

GLOBAL: The International Grains Council (IGC) has boosted its forecasts for both global wheat and corn production in the upcoming 2016/17 season. The council's latest projection for world total grains production in 2016/17 is now 10 million t higher month-on-month, at 2.015 billion t, an increase of 1% year-on-year and the second largest harvest on record.

The IGC projected world wheat production in 2016/17 at 722 million t, up from a previous forecast of 717 million but below the prior season's record 736 million. The upward revision was driven by improved outlooks in Russia, the US and France, more than offsetting deteriorating prospects in Morocco as its crop drops to a nine-year low.

World corn production in 2016/17 was seen at 1.003 billion t, up from a previous projection of 998 million and the prior season's 971 million. The revision reflected an increase in the IGC's crop forecast for the US to 355.3 million t, up from last month's projection of 350.2 million.

Meanwhile for soybeans, the IGC forecast world production in 2016/17 at 320 million t, up from a previous forecast of 319 million and the prior season's 314 million. Due to reduced outlooks for Argentina and Brazil, the IGC forecasts lower world soybean output in 2015/16 at 314 million, a drop of 6 million, year-on-year – although still 14% above the prior five-year average.

FRANCE: The condition of cereal crops in France mostly declined, farm office FranceAgriMer said on 3 June, signalling that heavy rain is affecting crops in the EU's largest grain producer. Some 81% of soft wheat was rated good or excellent as of Monday (May 30) against 83% a week earlier, FranceAgriMer said in a weekly crop progress report

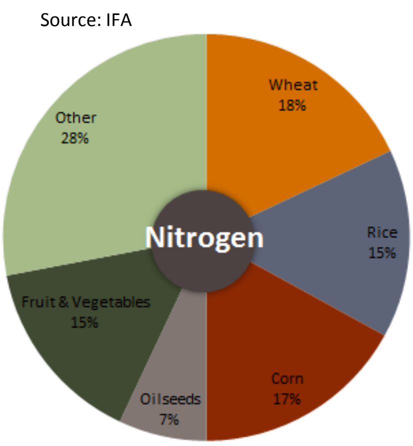
Winter barley was rated 78% good/excellent, down from 83% the previous week, although spring barley maintained a 93% score for third week in a row. The office estimated that 79% of grain corn crops were in good or excellent condition, down from 84% a week earlier.

ARGENTINA: Rains this week in Argentina's top agricultural province, which was previously unaffected by recent wet weather, may further damage the 2015/2016 soybean harvest, the Buenos Aires Grain Exchange said on 3 June. Currently the exchange is still keeping output forecasts for soy at 56 million t this season, after severe April rains left crops under water and sent prices climbing on shortage fears.

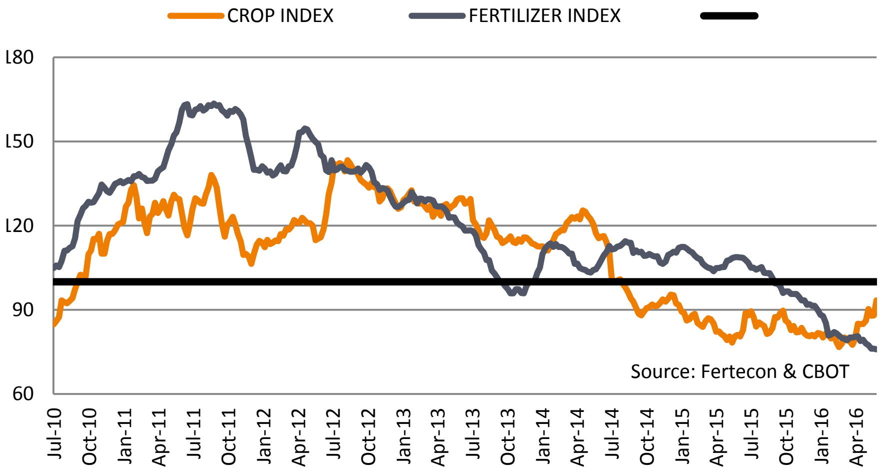
Buenos Aires province, the country's top agricultural area, had escaped bad weather until this week when rains hit the southern part of the region, along with some parts of La Pampa province. Farmers have harvested 78.7% of 20.1 million hectares dedicated to soy, a 6.5% point increase over last week and a delay of 14.8 points compared to last year. Analysts say the country could export up to 25% less soy than last season.

This year's El Niño phenomenon, which causes global climate extremes, has worsened floods in some parts of South America, including Argentina. In other areas like Colombia it has brought drought.

NITROGEN USE BY CROP



FERTECON FERTILIZER & CROP INDICES



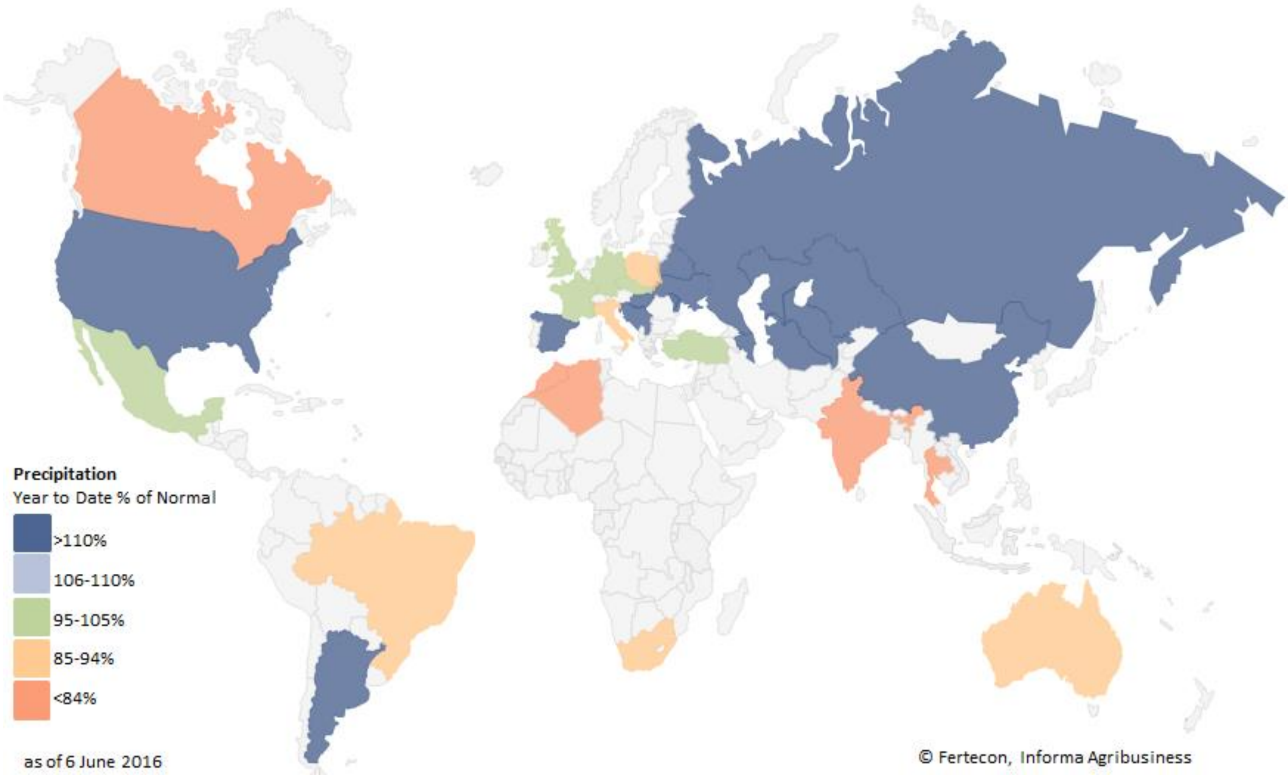
Using 6 January 2010 as the starting point (Jan 2010=100), the FERTECON indices aim to assess relative fertilizer affordability and illustrate the comparative movement of fertilizer prices (a basket of urea, DAP and MOP) against crop prices. The denotation is that the higher the crop index is relative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

WEATHER & LAND CONDITIONS

INDIA: The Indian government expects grain sowing to gain momentum in the coming days due to the onset of the monsoon, following a 7 day delay. The expectation is that this could lead to greater crop output in the 2016/2017 year than in previous two years, when drought hampered agricultural production. India's foodgrain production totalled approximately 252 million t in the 2015/2016 and 2014/2015 crop years.

India’s Meteorological Department (IMD) has projected an "above normal" rainfall this year.

FERTECON GLOBAL PRECIPITATION TRACKER



AMMONIA REPORT is prepared by **Marta Jamrozy** Phone: **+44 20 7551 9798** Email: **info@fertecon.com**

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Subscriptions Enquiries: Phone: **+44 20 7551 9664** Email: subscriptions@informa.com

Client Services:
EMEA Phone: +44 20 701 76242 (open from 9AM to 5PM GMT)
APAC Phone: +61 287 056 966 (open from 9AM to 5PM AEST)
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