

30 June 2016

- Tasweeq announces July lifting price at \$72/t fob, down \$11/t in June
- Saudi Aramco announces July lifting price at \$73/t fob, down from \$82/t fob in June
- Adnoc announces Official Sulphur Price for Indian sub-continent at \$80/t, down from \$86 fob in June
- Toros in Turkey makes award in high \$60s fob for 17,000 t granular sulphur
- Various shipments arrive in Morocco, China, Tunisia and Jordan this week
- Little clarity still as to the start-up date of the new Swakop sulphur burner in Namibia

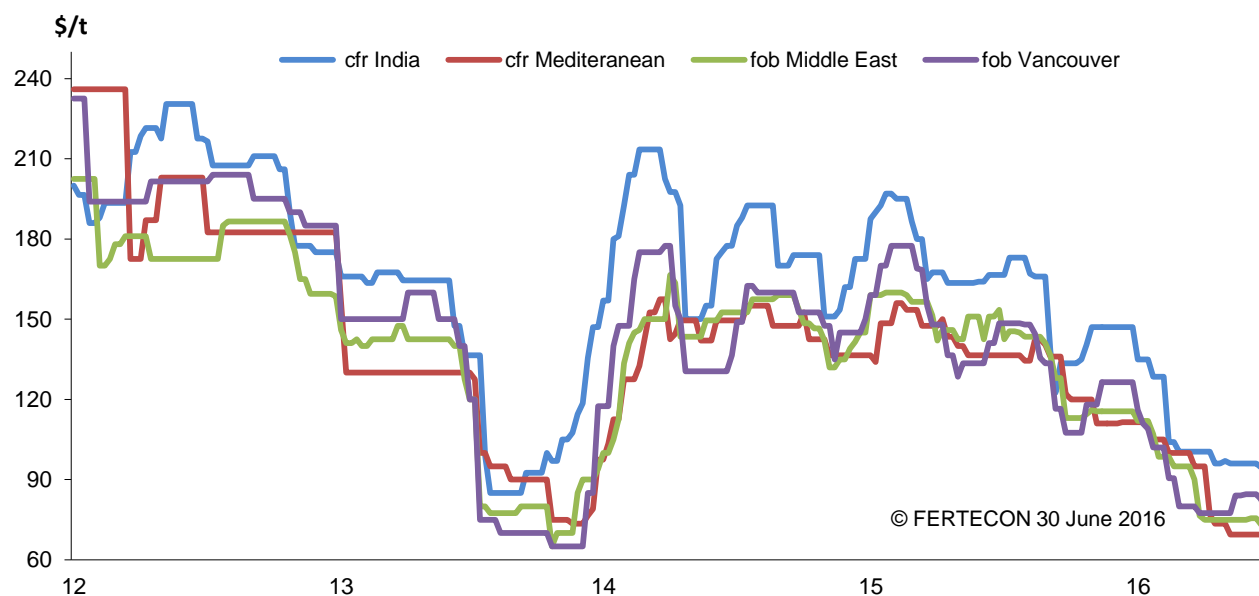
OUTLOOK

Soft

KEY PRICES

	30 June	23 June	16 June
Vancouver spot \$/fob	80-85*	80-85	80-89*
Middle East \$/fob	60-80	60-86	65-86
Med (inc. N.Africa) \$/cfr	60-79	60-79	60-79
North Africa cfr (contract) \$/cfr	60-79	60-79	60-79
Central Florida (liquid, LT) \$/deliv	70	70	70

SOLID SULPHUR PRICES



SULPHUR PRICE INDICATIONS ALL PRICES IN US\$

	30 June	23 June	16 June	
Fob prices				
Med cfr (includes N Africa)	60-79	60-79	60-79	
Med cfr (small lots N Africa)	71-75	71-75	71-75	
Med cfr (small lots other markets)	68-75	66*-75	66-75	Indicative
North Africa cfr (contract)	60-79	60-79	60-79	Q2 contracts
Med fob (small lots other markets)	52-62	55-65	55-65	Netback Indications
China cfr	68-82	70-87	72-95*	
China cfr spot	68-82	70-87	72-95*	
India cfr	92-97	92-97	93-99	
Brazil cfr	79-87	79-87	79-87	Q2 contracts
Vancouver fob contract	80-85*	80-85	80-89*	No New Business
Vancouver fob spot	80-85*	80-85	80-89*	No New Business
California fob	80-85*	80-85*	80-85	No New Business
Middle East fob	60-80	60-86	65-86	Full ME price range
Middle East fob contract	65-79	65-79	65-79	Q2 business
Middle East fob spot	60-72	60-68	82-83	
Tasweeq Qatar Sulphur Price (fob)	72	83	83	
Saudi Aramco monthly price (fob)	73	82	82	
Middle East – Adnoc (fob)	80	86	86	
Delivered prices				
NW Europe cpt	150-168	150-168	150-168	Q2 contracts
Delivered Benelux (refinery)	110-122	110-122	110-122	Q2 contracts
Tampa/Deliv.Cent.Fla (LT)	70	70	70	Q2 contracts
Cfr Houston (LT)	63	63	63	Q2 contracts
Galveston (LT) ex-tank	63	63	63	Q2 contracts

FERTECON PRICE DEFINITION

*no new business **no market - Prices in *italics* relate to previous period contracts still under negotiation

Fertecon's sulphur prices are available to analyse and download immediately after publishing [via this link](#).

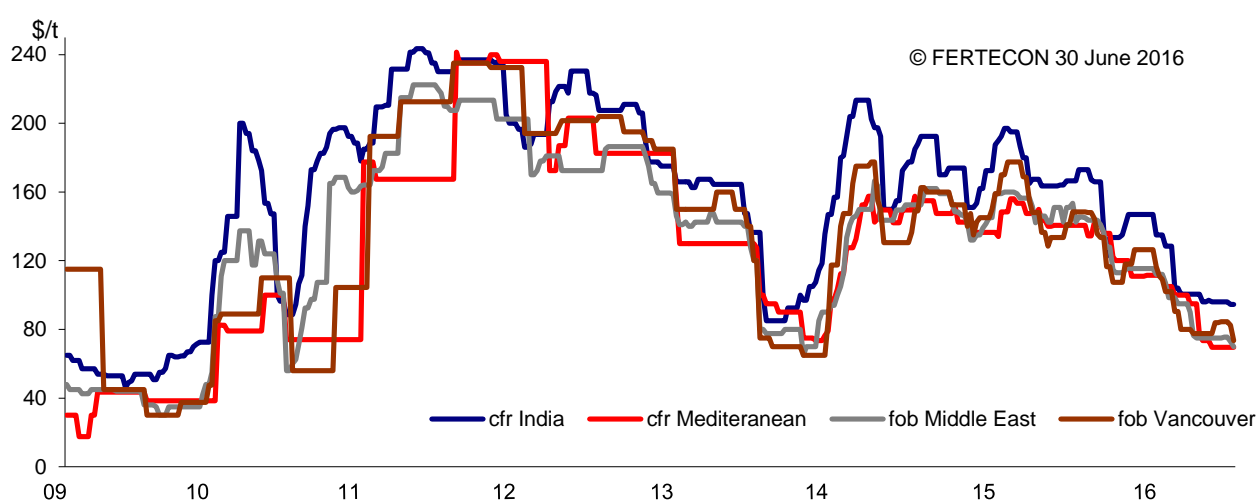
FREIGHT INDICATIONS US\$

Route	Cargo size (t)	Latest rate (\$/t)
Jubail – WC India	15-35,000	9-10
Middle East – EC India	15-30,000	12-13
Middle East – China	35,000	11-13
Jubail – Morocco	35,000	10-12
Vancouver – China	50-60,000	11-13

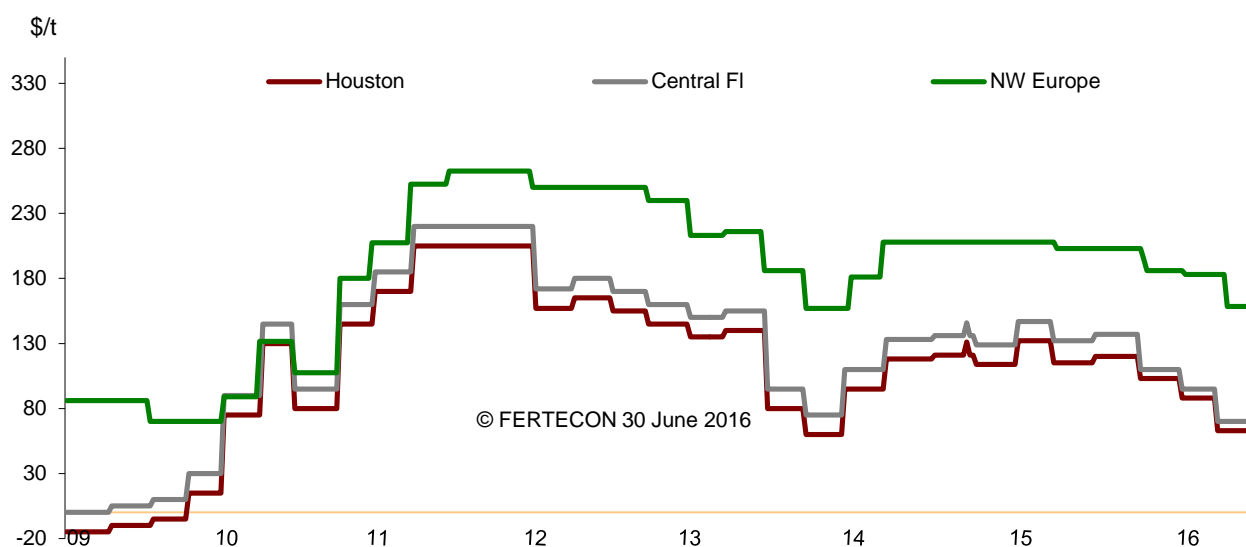
FERTECON TENDER SERVICE

Holder/Country	'000 t	Close	Load/Deliv.	Notes
Tasweeq/Qatar*	30	27 June	July	High \$60s-low \$70s fob
Toros/Turkey	17	23 June	July	High \$60s fob
Raintrade/Iran*	30	29 June	July	Offers received
IGCC/Iran* crushed	30	20 June	July	Awarded at \$60 fob
IGCC/Iran* granular	27	20 June	July	Awarded at \$68 fob
*sales tender				

SOLID SULPHUR PRICES



LIQUID SULPHUR PRICES



The full history of Fertecon's sulphur prices is available to view and download [via this link](#)

ANALYSIS

Chinese granular sulphur prices have fallen again with the latest sales indications in the low \$80s cfr for a cargo of Indian origin. Domestic sulphur prices have also fallen, reaching lows last seen several years ago. There are now suggestions that imported granular sulphur prices will reach the \$60s-70s cfr, which was last witnessed back in 2013 when prices collapsed. The bearish mood was recognized by at least one Middle Eastern seller and Tasweeq has announced its July lifting price at \$72 fob, down from \$83 fob in June. Tasweeq is reported to have made an award under its tender that closed this week and indications are that the cargo was sold in the high \$60s or low \$70s fob but this has yet to be confirmed by the seller. Adnoc has also reduced its lifting price for the Indian subcontinent - but by only \$6/t to \$80 fob, which many observers deemed too high and unworkable in China and other markets.

Saudi Aramco has also announced its July lifting price at \$73/t fob, down from \$82/t fob and it is understood there was a spot sale from the Red Sea this week in the low \$70s fob for July lifting. The last cargo from Yanbu sailed to Jordan. Prior to these were two sales from Iran last week, in the range \$60-68 fob for 30,000 t crushed and 30,000 t granular sulphur, respectively. And this week it has emerged that a crushed lump cargo was sold several weeks ago from the Black Sea port of Kavkaz to Zhenjiang, China for July delivery in the mid \$80s cfr. At the time this was deemed representative of the market but at present it is too high and crushed lump sales are put in the \$70s cfr this week.

The decrease in China has been attributed to the need to improve phosphates production margins and to bring the market more in line with North Africa and Brazil where Q2 prices were lower. Chinese prices were higher due to the wildfires in Canada and also as a result of lower availability from the Middle East where sellers were sold out on contract leaving little for the spot market. Now that consumption is declining and many end-users in China are opting to cut back output it is becoming clear that something has got to give and traders have slashed prices. It has also been pointed out, however, that this is not a crash, more like an adjustment to bring China in line with other markets and could bring stability in the \$70s cfr for granular sulphur.

On the contract front, there are now indications that some Middle Eastern Q3 contracts have settled at single digit reductions but any further negotiations will now be halted by the Eid Festivities following the conclusion of Ramadan. In North Africa some information has started to emerge suggesting that contracts will decrease by a few dollars compared with Q2, in line with expectations. In Brazil, it is understood contracts have now begun to fall into place at a much narrower range in the high \$70s cfr, down from \$79-87 cfr in Q2, but pending some further talks and confirmations from the buyers the Fertecon range remains unchanged.

For a more in-depth analysis and forecast, please subscribe to the Informa Sulphur Futures Report.

MARKETS

EUROPE

NW EUROPE: There has been no news on Q3 negotiations yet but it appears talks will not be as prolonged this quarter because the outcome is most likely going to be a rollover and most parties seem to agree on this.

TURKEY: Toros has made an award in the high \$60s cfr net of credit to a trader that will source the 17,000 t granular sulphur from Kazakhstan for delivery in July. This will feed the buyer's new sulphur burner which is operating as usual.

MEDITERRANEAN: Prices have edged down a bit to the low \$50s - low \$60s fob on latest activity in the market. Sales indications in Egypt in the mid \$70s are estimated to equate to the low \$60s fob Libya and based on the latest Toros purchase any new sales from Italy and Spain would net back to the low \$50s fob.

AFRICA

EGYPT: Price indications continue to be in the low/mid \$70s cfr with cargoes having been sourced recently from Romania, Italy and Libya.

MOROCCO: Q3 contract negotiations continue and are unlikely to be settled this week or next due to the Eid festivities although there have been suggestions that some contracts have already fallen into place at a reduction of a few dollars.

There appears to be a handy size shipment in the line up to arrive in Jorf Lasfar late June from Puerto Jose, Venezuela.

Two shipments totalling about 100,000 t are expected on the *Sam Wolf* and the *Leo* from the UAE end-June/early July in Jorf Lasfar.

The *Drawsko* is expected to deliver about 25,000 t sulphur from Gdansk in Safi on 2 July.

The *Western Paris* is expected to deliver about 35,000 t sulphur from the US Gulf in Jorf Lasfar on 10 July.

NAMIBIA: There is still very little clarity as to whether the new Swakop Uranium sulphur burner is operational or not. It was supposed to start-up in Q1 this year but has been plagued by delays ever since. The new 500,000 t/year sulphuric acid plant was due to come on-stream at the end of 2015. The uranium mine is scheduled to start production once the sulphuric acid plant is on-stream and will utilize all its captive acid and import any additional requirements. The project is 90% owned by Taurus Minerals, a subsidiary of China's CGN Nuclear Resources. Swakop awarded a contract last week to a local private company for the construction of a wall around the mine.

SENEGAL: ICS is understood to have bought a cargo in the mid \$70s cfr from the UAE for delivery in July. The 57,000 dwt *North Quay* is expected to arrive in Dakar on 7 July from Ruwais, UAE but it is unclear whether this cargo is to cover the aforementioned purchase or whether this is against another sale.

SOUTH AFRICA: It is understood a trader is loading a handy-size shipment in the Middle East for delivery to Richards Bay in July. The cargo is believed to have been sold to buyers in South Africa and the Copper Belt.

TUNISIA: The *Arrilah-I* is expected to deliver a handy-size cargo to GCT on 1 July from the UAE.

MIDDLE EAST

JORDAN: There are two shipments in the line up to Aqaba, both about 40,000 t each. One is from the Red Sea from Yanbu and the other from Ras Laffan, Qatar. The price for these shipments is understood to be in the \$80s cfr.

There have been suggestions that JPMC has bought its next cargo directly from Tasweeq/Qatar under the seller's tender that closed this week. Indications are that the cargo was sold in the high \$60s or low \$70s fob but this has yet to be confirmed by the seller.

The *Lady Mary* is expected to arrive from Qatar on 2 July with about 40,000 t granular sulphur and the *Calix* is expected to arrive on 29 June from Yanbu with about the same quantity of sulphur.

ASIA

CHINA: A trader has sold a handy-size granular sulphur cargo to a buyer in China in the low \$80s cfr, bringing the Fertecon range down by \$5/t to \$82 cfr on the high end. Rumours have also surfaced that granular sulphur has been sold in China this week in the high \$70s cfr from imports although at least one trader dismissed this price as too low and opportunistic while others suggested this may have been bought from domestic stocks.

However, a crushed lump shipment from Russia is expected to arrive in Zhenjiang on the *Taurus Two* from Kavkaz, sold by a trader as part of a spot deal. Since yesterday's supplement it has emerged that the cargo was priced in the mid \$80s cfr mid/end May instead of the reported \$70s cfr. However, any new sales would have to be in the \$70s given the slide in granular sulphur prices.

Molten sulphur spot prices have slipped to the high \$60s to low \$70s cfr this week and supply continues to be high from both Japan and South Korea.

Domestic prices in China are now firmly in the range Rmb 650-670 ex-warehouse in Nantong and Zhenjiang, which equates to the high \$70s cfr, down from Rmb 660-680 last week. Crushed lump is offered in the range Rmb 630-640 ex-warehouse.

Domestic inventories are now put between 1.7-1.8 million t, with Nantong holding more than 630,000 t, up from around 1.65-1.70 million t last week, an 18-month high. There are suggestions that with the Puguang gas plant returning to full swing and domestic consumption as low as it is, port stocks could rise to 2 million t by the end of July.

YUC is carrying out a 30 day partial turnaround and is estimated to be operating at 50-55% of nameplate capacity. Phosphate producers in Guizhou are operating at 65-68% capacity and in Hubei close to 70% capacity. Wengfu's operating capacity at present is estimated at 40-60% of nameplate capacity.

The following shipments are for delivery to various Chinese ports from the Middle East, Russia and North America:

Origin	Destination	'000 t	Vessel name	ETA
Iran	China	90	<i>Various</i>	June
Canada	China	55	<i>Maple Island</i>	30 June

Japan	China	100	<i>Various Liquid</i>	July
South Korea	China	110	<i>Various Liquid</i>	July
Qatar	China	38	<i>SFL Yukon</i>	3 July
Saudi Arabia	China	38	<i>Azurit</i>	3 July
Saudi Arabia	China	38	<i>Soldoy</i>	10 July
Russia	China	40	<i>Taurus Two</i>	22 July
Total		509		

INDIA: Iffco is due to receive the Singapore Bulker with around 30,000 t sulphur at Paradeep end-July under its long term contract with Swiss Singapore. Swiss Singapore is currently loading the cargo in the Middle East against this shipment.

Indian buyers continue to import increased quantities of sulphuric acid and domestic supply has also increased, leading some market observers to suggest this will have a dampening effect on sulphur prices. In particular, Iffco has been giving preference to sulphuric acid against sulphur and, as reported last week, it will also source about 5-10,000 t/month sulphur from IOCL (a domestic refiner). This could potentially result in a drop in its spot sulphur requirements which it tends to import, currently standing at around 150-200,000 t/y.

INDONESIA: Swiss Singapore's next shipment to Indonesia is not expected until after July.

PAPUA NEW GUINEA: Swiss Singapore has not shipped any sulphur to Papua New Guinea in the past two months as the Ramu nickel mine is running slowly. The earliest it may ship a cargo could be the end of July but as yet it is still unclear whether the buyer will require it then.

NORTH AMERICA

UNITED STATES: A handy size shipment is believed to have sailed to Tampa on 15 June on the *Trammo Baumann* from Ust Luga, Russia. It is expected to arrive in Tampa on 3 July.

SOUTH AMERICA

BRAZIL: It is understood that contracts have now begun to fall into place at a much narrower range than in Q2. Indications suggest the high \$70s cfr, down from \$79-87 cfr in Q2, but pending some further talks and confirmation from the buyers the Fertecon range remains unchanged.

The *Nord Maru* is expected to arrive in Santos on 12 July with about 38,000 t granular sulphur from the US Gulf.

Other vessels in the line-up for June are as follows:

Vessel	('000t)	Buyer	ETA
<i>TBC</i>	50	Vale	June
<i>Boston Harmony</i>	38.5	Vale	June
<i>True Love</i>	38.5	TBC	16/6
<i>Albion Bay</i>	38	Vale	19/6
<i>Stamford Pioneer</i>	22	Vale	19/6
<i>Chestnut</i>	27	Vale	21/6
<i>Caroline Bolten</i>	15	Galvani	25/6
<i>Oktem Aksoy</i>	39	Vale	26/6
<i>Nord Maru</i>	38	Vale	12/7
Total	306		

MEXICO: The *Challenger* is currently loading for Fertinal in Vancouver. Half the tonnes are believed to be loading in Canada with the balance to follow in Long Beach. Fertinal's next cargo is expected to be for mid-August loading.

SUPPLIERS

FSU

KAZAKHSTAN: A trader is understood to have sold 17,000 t granular sulphur to Toros in Turkey for July shipment at \$68 cfr, which is estimated to net back to close to \$0-10 fob Kazakhstan.

RUSSIA: A trader is reported to have shipped a cargo of crushed lump sulphur from Kavkaz to Zhenjiang, sold on spot at an undisclosed price.

Another shipment is believed to have sailed to Tampa, US last week on the *Trammo Baumann* from Ust Luga. It is expected to arrive in Tampa on 3 July.

ASIA

INDIA: The *Julian Oldendorff* loaded 29,700 t sulphur in Sikka on 25 June, believed to be for delivery to China.

MIDDLE EAST

SHIPPING: The following shipments have sailed during June from various Middle East ports:

Origin	Destination	'000 t	Vessel name	ETD
Qatar	China	38	<i>SFL Yukon</i>	June
UAE	Morocco	50	<i>Leo</i>	2 June
UAE	Morocco	50	<i>Sam Wolf</i>	10 June
Iran	China	90	<i>Various</i>	11 June
Saudi Arabia	China	38	<i>Soldoy</i>	11 June
UAE	Tunisia	35	<i>Arrilah-I</i>	13 June
Saudi Arabia	China	38	<i>Azurit</i>	16 June
Qatar	Jordan	40	<i>Lady Mary</i>	20 June
Saudi Arabia	Jordan	40	<i>Calix</i>	27 June
Total		419		

IRAN: Raintrade is believed to have closed a tender yesterday for 30,000 t granular sulphur to load in Bandar Imam Khomeini in July.

KUWAIT: There are rumours that Q3 contract discussions are close to conclusion at a reduction of a few dollars compared with Q2.

QATAR: There are rumours that the Tasweeq tender which closed on 27 June was awarded to a buyer directly instead of a trader at a price in the high \$60s to low \$70s fob.

Tasweeq has announced its July lifting price at \$72 fob, down from \$83 fob in June.

UAE: Adnoc has issued its Official Sulphur Price for the Indian sub-continent at \$80 fob, down from \$86 fob in June.

SAUDI ARABIA: Saudi Aramco has announced its July lifting price at \$73 fob, down from \$82 fob in June.

A spot cargo was reportedly sold this week from the Red Sea in the low \$70s fob.

NORTH AMERICA

CANADA: Spot offers and liquidity ex-Vancouver continue to be lacking, but current lifting prices appear to be too high to work in virtually any market. The last sale reported was almost a month ago and as such the Vancouver (fob) range is deemed not representative of the market but in the absence of any fresh business it has been left unchanged.

UNITED STATES: Similarly to the US, the Californian price has been left unchanged in the absence of any spot indications or fresh business but this price also appears too high in the current conditions. It is hoped that quarterly negotiations in Brazil will shed some light as to what the exact level is ex Long Beach and Stockton but this is not expected until next week. Freight to Brazil is estimated in the mid \$10s/t, giving a theoretical netback close to the mid \$60s fob.

SOUTH AMERICA

VENEZUELA: There appears to have been a handy size shipment that sailed from Puerto Jose to Jorf Lasfar early June.

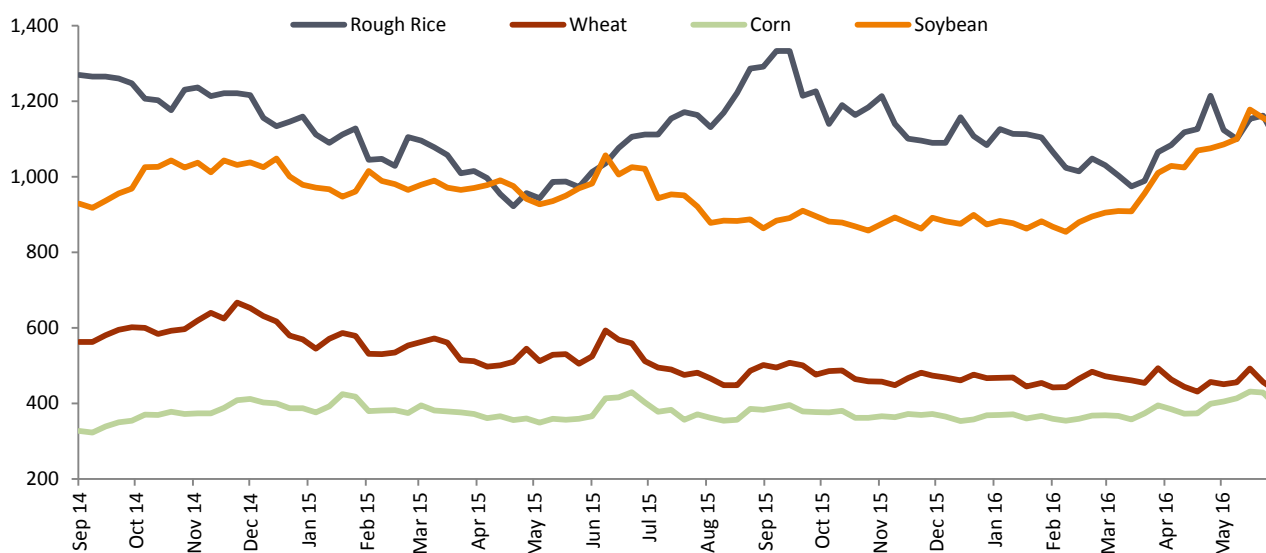
FREIGHT

DATE	Baltic Capesize	Baltic Panamax	Baltic Supramax	Baltic Handysize	Baltic Dry Index
24 June	913	585	583	329	609
27 June	919	601	587	331	616
28 June	936	618	593	336	627
29 June	955	634	606	338	640
30 June	996	662	619	342	660

Source: Baltic Exchange

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	372.6	-20.4	377.6	383.0	366.4
Wheat	400.0	-33.0	419.5	445.4	524.4
Soybean	1,144.4	+7.0	1,123.0	1,112.4	981.6
Rough Rice	1,064.5	-34.0	1,090.0	1,118.5	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: Favourable crop conditions in the US pressured the market. The market is likely to continue to notch lower into next week, as favourable crop-conditions add pressure.	WHEAT: Wheat closed weaker on this week, pressured by the expectation for ample stocks to be reflected in Thursday's report. Harvest pressure was also a feature.
SOYBEAN: Traders expect an increase in seeded area to be reflected in the upcoming USDA report. The Soybean area had been	RICE: Despite a 6.1% decrease in projected paddy output from Vietnam's winter-spring rice crop, CBOT prices came under

pegged at 82.2 million acres in a March.

pressure from spill over from other crops.

REGIONAL MARKETS

VIETNAM: Paddy output from Vietnam's winter-spring rice crop is projected to fall 6.1% from last year to 19.43 million t due to dry weather, the agriculture ministry revealed this week. The southern region has harvested 12.19 million t from the crop, down around 9%, following damage by the worst drought in 90 years, the ministry said in its monthly report. The winter-spring crop provides Vietnam's best quality grain, mostly used for export.

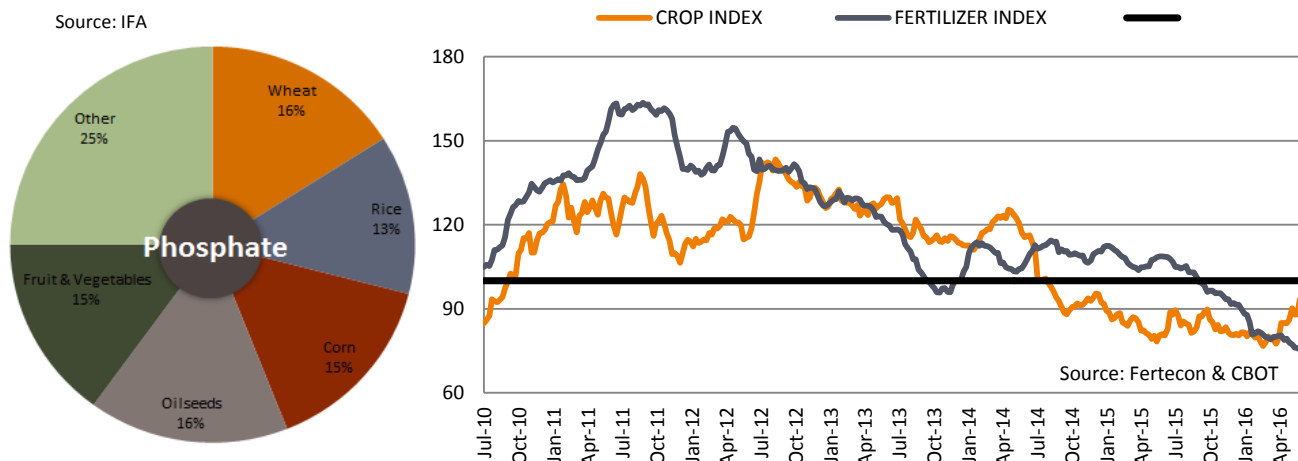
Rice exports from Vietnam, which ranks behind India and Thailand, are forecast at 5.7 million t this year, down 13.2% from 2015, a government report said last Friday. The forecast would be the lowest since 2008, based on government data.

ARGENTINA: Argentina increased its 2015/16 soybean crop estimate to 58 million t from a previous forecast of 57.6 million t, citing a faster-than-expected recovery of areas thought to have been lost to floods caused by unusually hard April rains.

It said 93% of planted area had been harvested as of last week compared with 99% at the same point in the previous season. The pace of harvesting sped up in the first half of this month after slowing to a crawl due to flooding in Cordoba and Santa Fe earlier in the season, the report said.

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.

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