

16 June 2016

- FACT/India receives offers under 13 June tender in the \$90s cfr
- Formosa/Taiwan makes award in the range \$83-85 fob Mailiao under 15 June tender
- IGCC/Iran issues two tenders, one crushed lump and one granular sulphur, closing 20 June
- NOC/Libya closes tender on 16 June for 2x8,000 t granular sulphur
- Anglo American/Brazil closes tender earlier this week – award has yet to be made
- Suncor/Canada expects to return to normal production levels by end-June

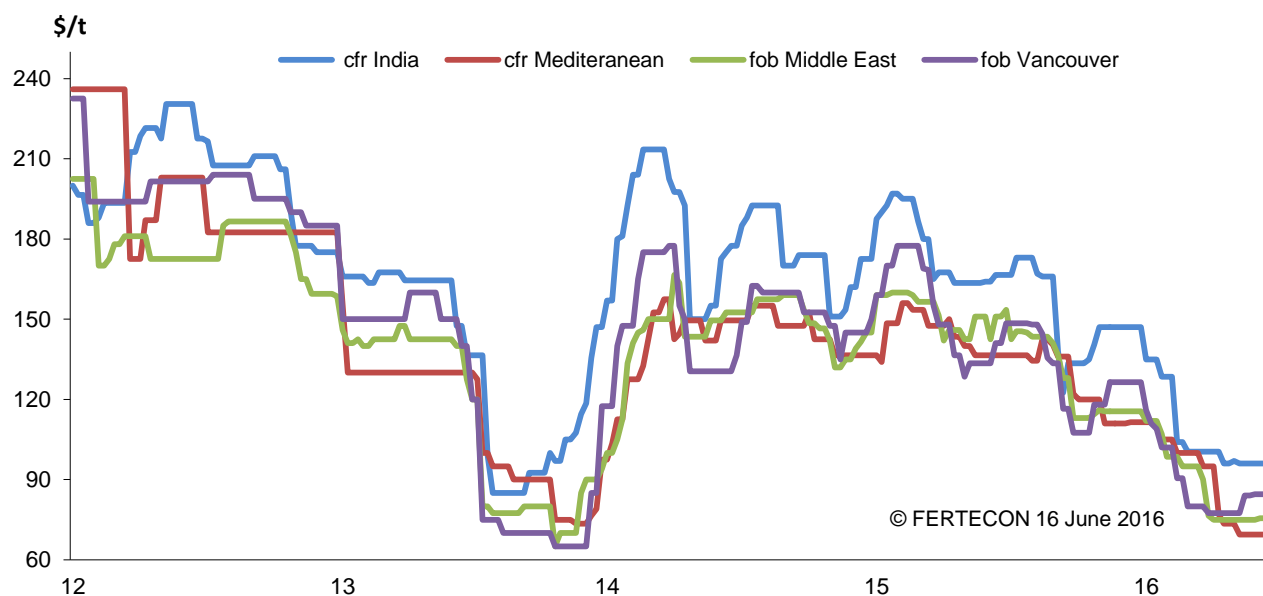
OUTLOOK

Stable

KEY PRICES

	16 June	9 June	2 June
Vancouver spot \$/fob	80-89*	80-89	80-89
Middle East \$/fob	65-86	65-86	65-85
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\$

	16 June	9 June	2 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	Egypt Sales
Med cfr (small lots other markets)	66-75	66-75	66-75	Indicative
North Africa cfr (contract)	60-79	60-79	60-79	Q2 contracts so far
Med fob (small lots other markets)	55-65	55-65	55-65	Indicative
China cfr	72-95*	72-95	72-95	No new business
China cfr spot	72-95*	72-95	72-95	No new business
India cfr	93-99	93-99	93-99	
Brazil cfr	79-87	79-87	79-87	Q2 contracts
Vancouver fob contract	80-89*	80-89	80-89	
Vancouver fob spot	80-89*	80-89	80-89	
California fob	80-85	80-85	80-85	Indicative
Middle East fob	65-86	65-86	65-85	Full ME price range
Middle East fob contract	65-79	65-79	65-79	Q2 business
Middle East fob spot	82-83	82-83	82-83	Aramco/Tasweeq
Tasweeq Qatar Sulphur Price (fob)	83	83	83	
Saudi Aramco monthly price (fob)	82	82	82	
Middle East – Adnoc (fob)	86	86	85	May
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](#).

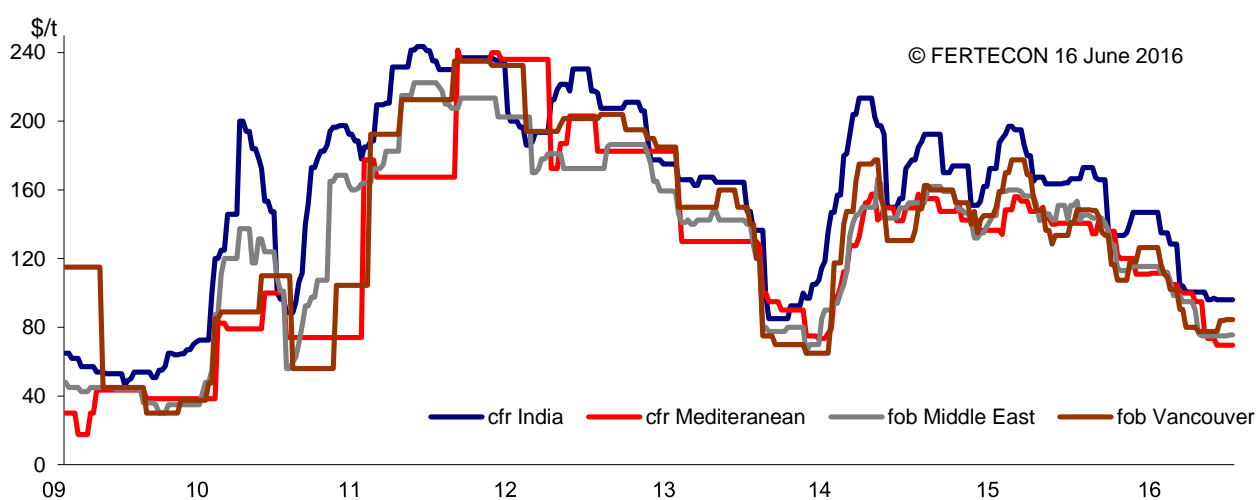
FREIGHT INDICATIONS US\$

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

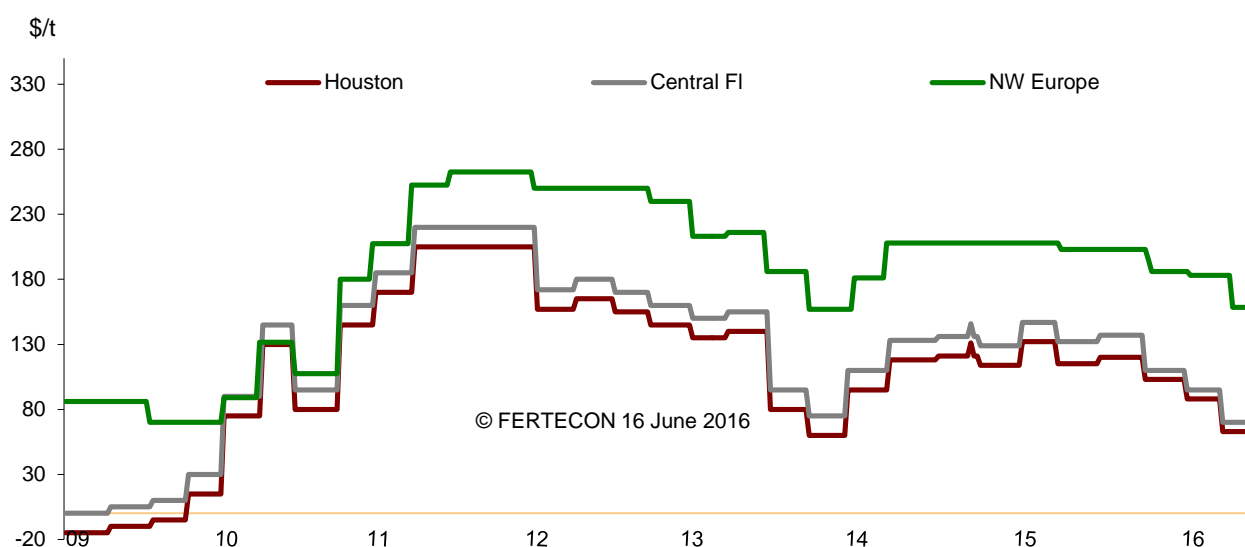
FERTECON TENDER SERVICE

Holder/Country	'000 t	Close	Load/Deliv.	Notes
FACT/India	15-25	13 June	July	Offers received
Anglo/Brazil	30	Mid-June	July/August	Award Outstanding
NOC/Libya	2x8,000	16 June	July	
Formosa/Taiwan	15	15 June	July	\$83-85
IGCC/Iran* crushed	30	20 June	July	
IGCC/Iran* granular	27	20 June	July	
*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

There has been a flurry of tender activity this week with Formosa making an award at \$83-85 fob for 15,000 t and IGCC in Iran issuing two tenders, one crushed and one granular for 30,000 t and 27,000 t, respectively. NOC in Libya also issued a tender for 2x8,000 t and FACT has received offers against its latest tender in the range \$90s cfr. Tasweeq also issued a tender, as reported last week, which will provide some direction to the market. Anglo American in Brazil also closed a tender, but it is unclear whether an award has been made. Meranol in Argentina will close a tender tomorrow and an award is likely next week.

Although activity has picked up, those tenders that have been awarded went in the same price ranges as previous sales, indicating continued stability in the market. This has not deterred buyers in China from beginning to submit bids in the \$80s cfr once again ahead of expected price erosion through the Chinese low-season. However, traders are keen to maintain margins and have so far failed to lower prices, establishing a stalemate in this key sulphur market.

Major Middle Eastern suppliers such as Saudi Aramco, Adnoc and Tasweeq claim to be sold out and feel comfortable in their positions. Q3 contract negotiations will soon get underway and sellers will likely aim to roll prices over to maintain stability.

The outlook for June and Q3 in general is mixed with some suggestions that prices will stabilize but on the other end of the spectrum major buyers indicated that there is still room – and need – for a further reduction to improve eroding margins due in turn to weak commodity and phosphates prices.

The argument for a price decrease is clear: supply has increased in many regions and demand has not grown at the same rate so with this in mind prices should inevitably decline. However, a large chunk of the additional supply has come on stream in places which are not easily accessible and those producers also have the option to store the sulphur when prices are not high enough to justify exports. As such, given these changes in the sulphur supply outlook, it seems reasonable to expect no further price decreases below the current \$60s fob Middle East levels for contract cargoes and around \$80 fob for the monthly lifting prices.

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

MARKETS

EUROPE

MEDITERRANEAN: There appears to be very little activity in the market with one sale discovered to Egypt in the mid \$70s cfr. Bagfas will receive no fresh sulphur cargoes in June but they will need about three small lot cargoes in July, totalling 12,000 t. It is planning to source two from the Med and one from domestic sources.

Toros has no plans to issue any new tenders as its stocks are sufficient. Other small lot buyers are in no hurry to buy and sources available to comment this week suggested prices are stable in the ranges witnessed in previous weeks. The next indicator will be NOC's sales tender that closed today and Meranol's purchase tender in Argentina which could potentially be sourced from the Med. As such, the Fertecon price ranges remain unchanged this week.

EU28: EU28 imports in March and Jan/March were down by 5% in total, despite growth in Lithuania and Czech Republic.

	Jan/March				March			
	2014	2015	2016	% Change 2016/2015	2014	2015	2016	% Change 2016/2015
Belgium	175,464	167,856	163,955	-2.32%	64,868	58,912	56,248	-4.52%
Lithuania	74,825	80,362	89,099	10.87%	39,482	23,421	25,158	7.42%
France	38,608	47,379	36,632	-22.68%	8,466	19,026	17,497	-8.04%
Czech Republic	25,691	14,675	27,212	85.43%	10,288	12,176	4,083	-66.47%
Netherlands	25,370	18,024	24,711	37.10%	6,275	4,254	9,733	128.80%
Austria	17,413	22,704	18,605	-18.05%	6,511	8,434	4,742	-43.78%
Germany	18,427	27,780	16,006	-42.38%	6,759	3,625	8,134	124.39%
Slovenia	14,275	14,188	14,799	4.31%	4,201	5,845	5,185	-11.29%
Sweden	21,710	11,852	472	-96.02%	10,352	132	165	25.00%
Others	35,533	43,547	34,787	-20.12%	18,689	16,208	13,747	-15.18%
Total	447,316	448,367	426,278	-4.93%	175,891	152,033	144,692	-4.83%

Data: GTIS from Eurostat

AFRICA

EGYPT: A trader is reported to have sold a small lot of granular sulphur from Bulgaria to Egypt at \$74 cfr. Freight is estimated in the mid-teens, therefore this cargo is estimated to net back to around \$60 fob.

MADAGASCAR: The *SFL Yukon* is loading about 35-40,000 t in Qatar this week for delivery to Madagascar.

MOROCCO: OCP is comfortable in its position as it is approaching Q3 contract negotiations. It is receiving regular shipments from various suppliers as usual.

OCP's 500,000 t/y sulphur capacity JPH-2 plant will start consuming sulphur in August or September 2016. The new plant is in the commissioning phase now and commercial production is expected late Q3.

The following sulphur shipments are in the line-up for Morocco according to Fertecon's database:

Origin	Destination	Vessel name	'000 t	ETA
UAE, Ruwais	Morocco, Jorf Lasfar	<i>Genco Acquitane</i>	50	1 June
US	Jorf Lasfar	<i>Sea Pioneer</i>	30	4 June
Germany	Jorf Lasfar	<i>Verila</i>	19	7 June
Russia,	Safi	<i>Crested Eagle</i>	40	7 June
Poland	Safi	<i>Mamry</i>	20	12 June
UAE, Ruwais	Morocco, Jorf Lasfar	<i>Genco Loire</i>	45	18 June
Total			204	

SOUTH AFRICA: Demand in South Africa continues to be subdued as Foskor is carrying out maintenance work that will last until at least the end of June.

MIDDLE EAST

JORDAN: BGN is loading a term cargo in Qatar for delivery to Jordan this week. The vessel is called the *Lady Mary*.

ASIA

CHINA: Demand in China has not improved over the past week and there appears to be a stalemate between buyers and sellers. Buyers have now begun to submit bids in the \$80s cfr again against offers in the low/mid \$90s cfr by international traders.

Some speculators have now begun to liquidate part of their old stocks. However, there is very little downside as international suppliers don't want to take a hit as their Middle East suppliers are offering at \$83-85 fob.

River port prices are now lower in the range Rmb 700-745, down about Rmb 20-30 since last week. Crushed lump is heard to be in the range Rmb 690/t.

Kailin is rumoured to have started up its new 600,000 t DAP plant, which is estimated to require about 300,000 t/y sulphur, equating to about one additional cargo per month. Kailin will have a second plant of similar size starting up in December.

An international trader is reported to have sold a 1,000 t liquid sulphur cargo at \$60/t cfr China, but this was not included in the range as it was a distress sale and too small to be considered.

Inventories have been estimated between 1.6-1.7 million t for weeks and the same volume has been suggested this week as well.

The following vessels have been identified as shipping sulphur to China from various origins:

Origin	Destination	Vessel name	'000 t	ETA
UAE, Ruwais	China, Zhenjiang	<i>Loyalty</i>	29	1 June
UAE, Ruwais	China, Nantong	<i>Ras Ghumays-I</i>	33	3 June
Qatar	Fangcheng	<i>Spar Mira</i>	38	26 May
Saudi Arabia, Jubail	Nantong	<i>Glovis Magellan</i>	35	3 June

Kuwait, Shuaiba	Nantong	<i>Pretty Keel</i>	27	9 June
Qatar	Nantong	<i>Team Hope</i>	35	9 June
Saudi Arabia, Jubail	Nantong	<i>V Sanderling</i>	35	12 June
Saudi Arabia, Jubail	Nantong	<i>Thor Brave</i>	38	16 June
Saudi Arabia, Jubail	China	<i>Tasman Castle</i>	40	26 June
Qatar, Ras Laffan	China	<i>River Globe</i>	38	16 June
Total			348	

INDIA: FACT is reported to have received offers primarily in the \$90s cfr, under its tender that closed on 13 June for 15-25,000 t for 17-21 July arrival in Cochin.

RCF has invited applications from producers/traders interested in supplying sulphur to the buyer. The closing date for pre-qualification is 11 July.

Sun International's *Hanaro Melody* is due to deliver around 5,000 t sulphur to CIL at Vizag on 15 June - priced at \$93 cfr. This vessel is also due to deliver a further ~ 10,000 t sulphur to various other buyers at Haldia.

IFFCO will receive around 20,000 t sulphur at Paradeep early July under its long term contract with Swiss Singapore.

PPL is due to receive around 15,000 t sulphur at Paradeep on 20 June under their long term contract with Swiss Singapore. The same vessel is also expected to deliver around 11,800 t to CIL under their earlier reported purchase from Swiss Singapore at \$93 cfr. CIL has already received 13,200 t from Swiss Singapore on the *Benita*.

Reliance has left its basic price for sulphur unchanged. The price with effect from 16 June is as follows:

Yard Jamnagar	Rs/t
Basic price	8,021.00
Excise Duty @ 12.5%	1,002.63
CST @ 2%	180.47
Refundable	MODVAT (1,002.63)
Selling Price	8,201.47

The price is equivalent to \$122.00 (based on exchange rate of \$1 = Rs 67.22).

AUSTRALIA: The *Loch Milford* loaded about 35,000 t in Qatar this week for delivery to Esperance, Australia.

NORTH AMERICA

UNITED STATES: Chemours Company has signed a definitive agreement to sell its Sulphur Products assets, part of its Chemical Solutions segment, to Veolia North America for \$325 million cash. The transaction is expected to be completed in 2-half 2016 subject to the usual conditions and regulatory approvals. The Sulphur Products division provides a range of sulphuric acid products and services to a range of North American companies, in particular spent acid regeneration (SAR) and sulphur gas recovery (SGR) services, non-fuming sulphuric acid and higher value sulphur derivatives. The company reports around \$250 million in revenue and has 7 production sites across North America with around 240 employees. These include

- 3 sulphuric acid recovery units located on refinery sites in Delaware, New Jersey and Texas
- Merchant sulphuric acid recovery and sulphur product facility in Burnside Louisiana
- 4 sulphur based acid production facilities located in Mid-Atlantic and East Coast

According to the press release from Veolia, "this take-over provides Veolia with a highly differentiated services offering to allow it to move up the value chain with existing refinery customers, along with an opportunity to cross-sell its existing offerings to a new customer base. It also presents growth opportunities within the refinery services sector, and it positions Veolia to capture future demand for clean gasoline related products."

SOUTH AMERICA

ARGENTINA: Meranol's tender will close tomorrow, 17 June, for 15-20,000 t sulphur for July/August delivery.

BRAZIL: Anglo American is reported to have closed a tender this week for 30,000 t granular sulphur, but an award has yet to be made. Offers were heard in the low \$80s cfr.

The *Chestnut* is expected to deliver 27,000 t granular sulphur to Santos on 21 June, having sailed from Beaumont, US.

The *Stamford Pioneer* is expected to arrive in Santos on 19 June with 20,000 t granular sulphur.

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
Total	268		

MEXICO: The *Challenger* has been fixed to load 52,000 t granular sulphur for Lazaro Cardenas, part of it will be picked up in Vancouver and the rest in California. Fertinal's next requirement is expected to be for mid-August.

Reports of a labour dispute that started late last week together with already existing output issues are understood to have put Fertinal 7-10 days behind on slated phosphate production for this month.

The planned maintenance of the sulphuric acid unit at Lazaro Cardenas, previously reported to be taking place end September/October, will now take place end October/November during which time Fertinal is expected to require two cargoes of sulphuric acid per month.

SUPPLIERS

EUROPE

EU28: EU28 exports were up in both March and Jan/March. Growth in March came from some recovery in Poland and Holland; substantial growth in Spain and Sweden with a fall in Germany.

tonnes S	Jan/March				March			
	2014	2015	2016	% Change 2016/2015	2014	2015	2016	% Change 2016/2015
Poland	183,597	121,267	115,653	-4.63%	47,905	32,718	40,178	22.80%
Germany	134,367	97,867	116,574	19.11%	47,503	45,053	30,249	-32.86%
Netherlands	106,030	109,870	116,867	6.37%	41,612	32,131	38,036	18.38%
Spain	106,394	89,208	102,834	15.27%	26,840	23,139	41,187	78.00%
Greece	50,204	56,890	55,289	-2.81%	19,219	22,849	19,333	-15.39%
Italy	71,346	37,190	48,304	29.88%	12,737	14,619	21,402	46.40%
Romania	19,829	16,839	27,864	65.47%	11,845	3,549	13,761	287.74%
Slovakia	20,224	22,960	20,004	-12.87%	6,118	6,390	3,847	-39.80%
Hungary	12,817	12,480	14,923	19.58%	3,949	4,606	4,792	4.04%
Portugal	11,139	13,406	14,072	4.97%	7,181	5,106	4,665	-8.64%
Sweden	3,632	3,632	30,790	747.74%	1,213	1,210	12,221	910.00%
France	11,042	15,248	11,074	-27.37%	10,777	472	49	-89.62%
Bulgaria	9,375	9,850	15,469	57.05%	3,125	2,527	5,581	120.85%
Others	10,985	12,876	14,135	9.78%	27,079	4,355	5,152	18.30%
Total	750,981	619,583	703,852	13.6%	267,103	198,724	240,453	21.0%

Source: GTIS from Eurostat

AFRICA

LIBYA: NOC has issued a new tender, closing today 16 June for 2x8,000 t granular sulphur to load in July.

FSU

KAZAKHSTAN: TCO is expected to undergo a regular maintenance shutdown towards the end of Q3, reducing its sulphur export availability.

According to TCO's press statement, the company produced 2.4 million t sulphur in 2015 and this is unlikely to increase in 2016.

TURKMENISTAN: There is 10,000 t granular sulphur on offer this week from the Galkynysh Gas plant at \$28/t ex-works.

MIDDLE EAST

MIDDLE EAST: The *SKM Ambition* loaded a handy-size cargo for delivery to China this week.

The *ISS Tata* has loaded about 30,000 t for delivery to India.

IRAN: IGCC issued two new tenders yesterday one crushed lump cargo of 30,000 t to load in Bandar Abbas and another 27,000 t granular cargo to load in Assaluyeh during the first week of July. The tender will close on Monday next week.

IGCC loaded one 30,000 t granular sulphur cargo in Assaluyeh this week and will load another 32,000 t granular cargo later this week for delivery to China.

QATAR: BGN is loading a term cargo in Qatar for delivery to Jordan this week. The vessel is called the *Lady Mary*.

The *Loch Milford* loaded about 35,000 t in Qatar this week for delivery to Esperance, Australia.

UAE: The *MV Leo* sailed to Morocco this week from the UAE with about 50,000 t granular sulphur.

The *Sam Wolf* also sailed to Morocco this week with a similar size cargo.

SAUDI ARABIA: In 2015 Saudi Aramco produced 4.9 million t sulphur and exported 3.8 million t (the exports included about 1 million t crushed lump sulphur from the Berri block). The 2015 figures compared with 4.4 million t production and 3.6 million t exports in 2014.

SHIPPING: The following shipments have sailed from various Middle East ports in recent weeks:

Origin	Destination	Vessel name	000 t	ETD
Qatar	Nantong	<i>Team Hope</i>	35	20 May
UAE, Ruwais	Indonesia	<i>Rook</i>	32	22 May
Saudi Arabia, Jubail	Nantong	<i>V Sanderling</i>	35	23 May
UAE, Ruwais	Brazil, Santos	<i>Oktem Aksoy</i>	38	24 May
UAE, Ruwais	Morocco, Jorf Lasfar	<i>Genco Loire</i>	45	26 May
Saudi Arabia, Jubail	Nantong	<i>Thor Brave</i>	38	26 May
Qatar	Zhenjiang	<i>River Globe</i>	35	27 May
Qatar	Brazil, Santos	<i>Ibis Bulker</i>	32	29 May
Saudi Arabia, Yanbu	Madagascar, Toamasina	<i>Anarita</i>	45	31 May
Qatar	Australia, Esperance	<i>Loch Melfort</i>	30	1 June
Qatar	Australia, Esperance	<i>Kapetan Nondas</i>	30	3 June
Saudi Arabia, Jubail	China	<i>Tasman Castle</i>	40	4 June
Total			435	

ASIA

JAPAN: Recovered sulphur production in April was 155,696 t, up from 144,457 t in April 2015. Inventories dropped from 172,075 t in March to 159,301 t in April. Source: Meti

April exports were 112,324 t, an increase of 26% on the same month last year, most of it to China. This brought January-April exports to 423,816 t, an increase of 6% on the same period last year. Most of the sulphur was exported to China. Source: GTIS - Japan Ministry of Finance

SOUTH KOREA: May exports were 139,000 t, which is more or less the same as exports in February and March this year but 40% higher than May last year. The reason for the increase is believed to be higher refining rates in the country, necessitating increased exports. This brought January-May exports to 588,442 t, an increase of 13% on the same period of last year. The main destination remained China. As a result of the increased supply, liquid sulphur prices in China dropped substantially, even dipping into the \$60s cfr. Source: GTIS / Korea Customs and Trade Development Institution

TAIWAN: Formosa closed a tender yesterday, 15 June for 15,000 t sulphur to load 5-9 July. An award was made in the range \$83-85 fob, possibly to be delivered to Vietnam. Bids from China came in at around \$80-81 fob.

NORTH AMERICA

CANADA: Price indications this week have been in the low/mid \$80s fob Vancouver but pending further confirmation the above range remains unchanged.

Suncor is ramping up production in a staged manner and expects that all of its operations in the Regional Municipality of Wood Buffalo ("RMWB") will be producing at normal, pre-turnaround rates by the end of June. Suncor expects base plant operations to return to pre-fire production rates by mid-June. A return to normal production levels at Suncor's in situ facilities and the completion of the planned turnaround maintenance on the U2 upgrading complex is expected in the third week of June.

There has been no damage to Suncor's assets as a result of the fires and enhanced fire mitigation work has been conducted at all sites to reduce any future potential threat. Suncor continues to work closely with the province, region and industry to monitor and manage the fire risk. Construction activities at Suncor's Fort Hills mine have also returned to pre-fire levels.

Based on the operator's current estimates, Syncrude anticipates a return to production starting in late June and expects a full ramp up of production following completion of the scheduled turnaround by mid-July. Suncor will continue to work with the operator to ensure a safe restart of operations.

Due to the cumulative impact of the fires on refinery feedstock and a short unplanned outage at one unit of Suncor's Edmonton refinery, gasoline and diesel production has been reduced. The unit is expected to be back in service by the end of the week and Suncor is currently working to minimize the supply disruptions to its retail and wholesale customers.

UNITED STATES: The *Challenger* has been fixed to load about half of 52,000 t granular sulphur in Long Beach for Lazaro Cardenas late June/early July.

AGRICULTURE

CROP FUTURES

CME CROP PRICES (cents/bushel)					
Product	July 2016	Weekly Change	September 2016	December 2016	June 2015
Corn	429.0	-2.2	434.0	439.4	359.2
Wheat	456.6	-36.15	474.4	499.4	505.4
Soybean	1,156.0	-21.6	1,155.0	1,145.0	969.0
Rough Rice	1,161.5	+8.5	1,189.0	1,213.0	973.0

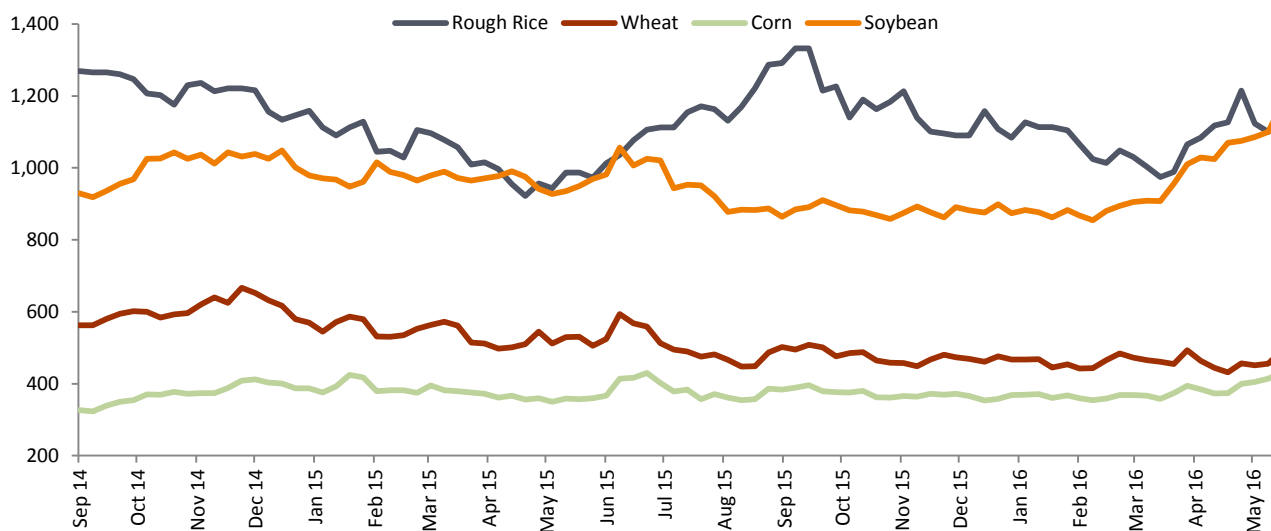
Prices are Wednesday's closing rates for the forward months indicated. The 2015 price is the forward price reported one year ago.

CORN:	WHEAT:
While forecasts calling for hot temperatures were somewhat supportive, the Midwest is also expected to see some beneficial rain over the next few weeks.	Early yield reports generally beat expectations in the southern Plains, which was bearish. However, persistent production issues elsewhere in the world helped to stem the decline.
SOYBEAN:	RICE:
Good US crop weather and ideas that planted area may end	Rice futures increased again in Chicago as efforts to cut global

up above earlier projections eroded prices. Improving nearby Midwestern weather forecasts were also bearish.

supply, especially in the largest growing regions in Asia, continue to provide underlying support.

WEEKLY CBOT CROP PRICES (¢/BU)



REGIONAL MARKETS

MALAYSIA: Palm oil prices have continued to tumble this week to their lowest levels in five months, as demand concerns heightened and Malaysia raised its export tax for the commodity. Futures fell again on Thursday morning, with the September contract on the Bursa Malaysia Derivatives Exchange hitting MYR2,426 (US\$593) /t.

Malaysia, the world's second-largest palm oil producer after Indonesia, will raise its crude palm oil export tax to 6% in July from 5.5% in June, a circular on the Malaysian Palm Oil Board website showed on Wednesday.

Production is forecast to rise in line with seasonal trends until the fourth quarter of the year. Malaysian output in May climbed 4.9% from April to 1.36 million t, according to government data.

AUSTRALIA: Australia raised its forecast for wheat production for the 2016/17 season as favourable weather in key growing regions drive production to a four-year high in the world's fourth largest exporter.

Production of wheat, Australia's largest winter crop, for the season ending 1 July 2017 is now expected at 25.4 million t, said the Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES). Its previous estimate in March was 24.5 million t. If the latest forecast is achieved, 2016/17 would see Australia's biggest annual production since 2012/13.

Australia has seen near ideal crop weather in its biggest grain producing region of Western Australia in recent weeks, while the end of the strongest El Niño in nearly 20 years has aided crops on the country's east coast.

UNITED STATES: Supplies of corn and soybeans will be tighter than expected in the US as problems with crops in Brazil and Argentina have raised demand for US supplies from overseas buyers, the US Agriculture Department revealed in its latest WASDE report.

In its monthly supply and demand report, the USDA cut its new-crop and old-crop ending stocks outlooks for both corn and soybeans by more than analysts had forecast. The USDA said US ending stocks for 2016/17 end stocks would be 51 million t from its view in May of 54.68 million t.

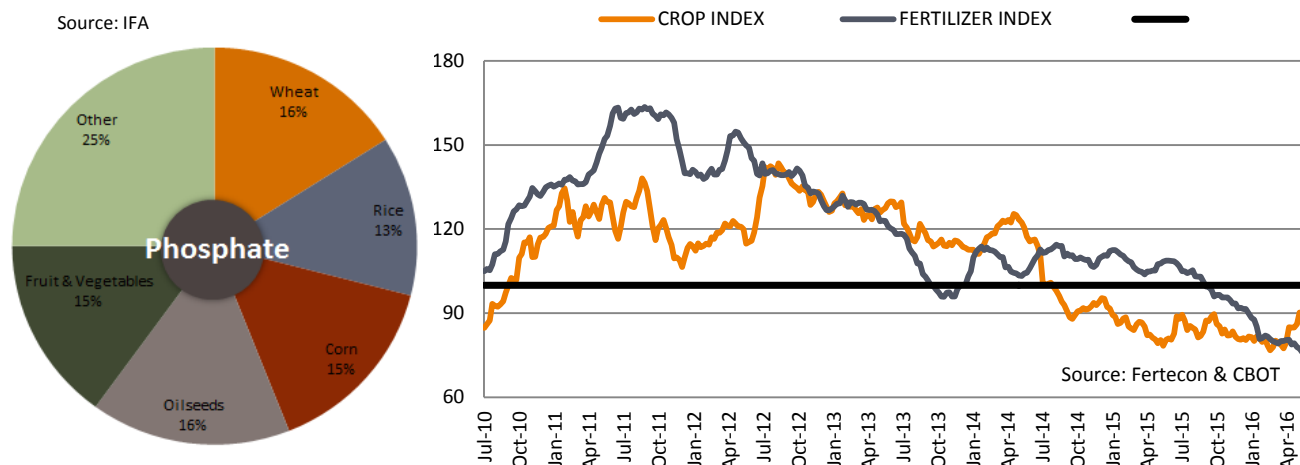
The USDA also trimmed its 2015/16 Brazil corn harvest outlook by 3.5 million t to 77.50 million t and its Brazil soy harvest outlook by 2 million t to 97 million t, reflecting dryness in key growing areas. The department meanwhile left its estimate of Argentine 2015/16 crops unchanged, at 27 million t for corn and 56.5 million t for soybeans, but indicated that harvest delays there have helped boost US exports.

Wheat supplies are expected to rise to a 29-year high even as the corn and soybean balance sheet tightens. The USDA pegged 2016/17 US wheat ending stocks at 28.58 million t, up from its May outlook of 27.99 million t, due to a record winter wheat yield of 50.5 bushels per acre. For global wheat supplies the USDA's 2016/17 outlook was raised by 3.9 million t with production increases for the EU (157.50 million t), Russia (64 million t), and the US (56.53 million t).

ARGENTINA: Argentina's Rosario grains exchange on Wednesday revised its forecast for the 2015/16 **soy** harvest up to 55.3 million t from 55 million t previously. The exchange raised its forecast for the 2015/16 corn harvest to 27 million t and said 4.7 million t would likely be planted for the upcoming wheat crop.

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.

FREIGHT

DATE	Baltic Capesize	Baltic Panamax	Baltic Supramax	Baltic Handysize	Baltic Dry Index
10 June	1006	543	557	327	610
13 June	1014	542	554	322	609
14 June	1018	543	552	317	608
15 June	1000	545	552	315	604
16 June	976	545	554	314	598

Source: Baltic Exchange

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FERTECON SULPHUR REPORT is published weekly by:

FERTECON, Agribusiness Intelligence, Informa UK Ltd., Christchurch Court, 10-15 Newgate Street, London, EC1A 7AZ, UK.

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