Ammonia Report

Weekly review of the ammonia market

Fertecon
Agribusiness intelligence | informa

21 July 2016

- Sabic reportedly sells 23,000 t to Mitsui priced under formula for 9-13 August lifting from Saudi Arabia
- PPL understood to have awarded its 6 July import tender to CIFC at $325 cfr for 23,000 t delivery in September
- Odessa Port Plant privatisation tender attracts no offers
- New fertilizer complex to be constructed in Algeria

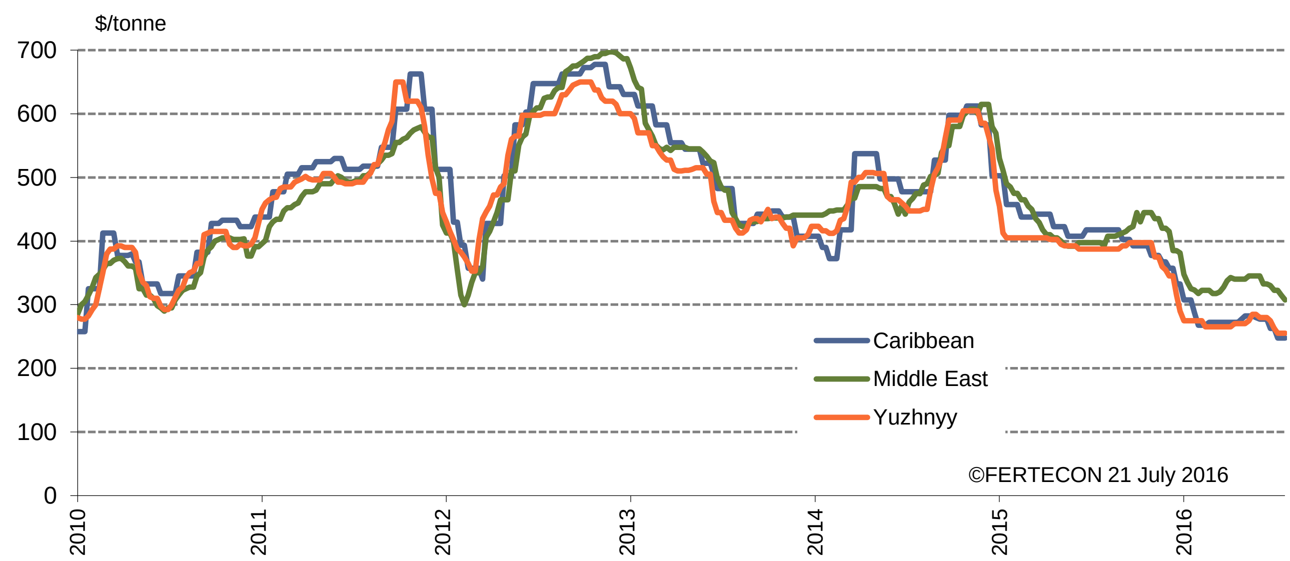
OUTLOOK

Stabilising in some regions with the other parts still under downward pressure.

KEY PRICES

	21 July	14 July	7 July
Yuzhnyy fob $/t	250-260*	250-260*	250-260*
Middle East fob $/t	295-320*	305-325*	310-335*
Tampa/US Gulf cfr $/t	285-290	285-290	285-290

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$

	21 July	14 July	7 July
Fob prices			
Caribbean	245-250	245-250	245-250
Middle East	295-320*	305-325*	310-335*
Of which:			
- Netbacks on contract/formula-priced sales	305-320*	305-325*	310-330*
- Spot fob	295*	n.m.	335*
Yuzhnyy/FSU fob	250-260*	250-260*	250-260*
Baltic/FSU	260-270*	260-270*	260-270*
Southeast Asia	305-320	305-320	310-325
Delivered prices			
NW Europe (duty paid/duty free) *	327-343	327-343	327-343
NW Europe (duty unpaid) *	310-325	310-325	310-325
Far East	345-365	345-365	350-365
India	325-367	338-367	340-380
US Gulf/Tampa	285-290	285-290	285-290
- Tampa	285	285	285
- US Gulf (MS, LA, TX)	290	290	290

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

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

The international ammonia market was largely stable this week, especially in the Far East and Southeast Asia. There has been no new business reported in the Black Sea or the Baltic and in the absence of new deals Fertecon price indications are rolled-over for these regions.

Demand in **India** is still reported to be robust but downward pressure on prices continues. The main price development this week was the 6 July import tender result, understood to be awarded by PPL to CIFC at $325 cfr for 23,000 t delivery in the 2-week of September. The award price becomes the new low end of the Indian cfr price range.

The estimated **Middle East** netback on the cargo is in the region of $295 fob Middle East as the tonnes are expected to be sourced from Iran. As a result, the overall Middle East fob index is assessed to be in the $295-320 fob range. This week Sabic reported stable netback on contract formula sales and confirmed spot sale to Mitsui priced under formula for 9-12 August loading. On production front, all Sabic's plants are running smoothly but the producer reports it is still expecting to be tight until the end of August. Moreover, Muntajat is understood to have agreed a swap deal with Sabic to cover shortage following production downturn at one of its ammonia plants.

Demand from the **Far East** is stable and although no new spot deals have been announced, it is believed that negotiations are ongoing over cargoes destined for South Korea and Taiwan for August and September deliveries.

In the **shipping news**, Ameropa fixed the 40,000 t vessel *Clipper Moon* for 3 months and the vessel will load its first cargo for the trader in August from Yuzhnyy.

SUPPLIERS

FSU

BLACK SEA: There has been no new confirmed business concluded in Yuzhnyy this week and our price indications remain stable at $250-260 fob although it is heard that some buyers' ideas continue to be bearish with levels as low as close to $200 fob being mentioned. However, no business below our current indication has been confirmed.

Ameropa's vessels, the *Gas Cobia* and the *Gas Manta* have arrived at Yuzhnyy earlier this week. The *Gas Manta* lifted a cargo for Morocco and the *Gas Cobia* is anchored and will load in the next couple of days.

The *Sanko Independence* is currently under loading for OCP delivery to Morocco. It is believed the cargo has been sourced from the Rossosh plant.

Trammo's vessel, the *Marycam Swan* will return to Yuzhnyy to reload following its current deliveries to Turkey and Israel and the Ameropa's vessel, the *Clipper Mars* is also expected to reload for delivery to India but is likely to slip into early August.

Ameropa's newly chartered vessel, the *Clipper Moon* will load in Yuzhnyy later in August, most likely for delivery to the Far East.

The known ammonia vessel schedule for July and August so far is tabulated below.

Vessel	Trader	'000 t	Destination	Load date
JUNE		**242.6**		
JULY		**217.5**		
Cambridge	OCP	23	Morocco (Jorf Lasfar)	30 June - 1 July
Gas Snapper	Ameropa on b/h of Muntajat	23.3	EC India (Paradeep)	4-5 July
Gaschem Stade	Dreymoor	23	EC India (Paradeep & Vizag)	6-8 July
Clipper Odin	Ameropa	25	WC India (Kandla)	9-11 July
Gas Grouper	Ameropa	23.4	Belgium (Antwerp)	15-16 July
Marycam Swan	Trammo	15	Turkey (Igsas) & Israel (Haifa)	11-13 July
Gas Manta	Ameropa	23.4	Morocco (Jorf Lasfar)	20 July
Sanko Independence	OCP	23	Morocco (Jorf Lasfar)	21 July

Marycam Swan	Trammo	15	Turkey (Toros - 8) & Israel (Haifa - 5)	22 July
Gas Cobia	Ameropa	23.4	Tunisia (Gabes)	22-23 July
AUGUST		**80**		
Clipper Mars	Ameropa	40	India (Paradeep)	Early August
Clipper Moon	Ameropa	40	Probably Far East	1-half August

The deadline for submitting applications to participate in the tender for the sale of **OPP** closed on 18 July without receiving any interest.

BALTIC: There is no new spot business in the region and all liftings out of Sillamäe and Ventspils continue to cover contract commitments.

Ameropa will load the *Gas Grouper* with **TOAZ** tonnes in Sillamäe during early August for delivery to Antwerp, Belgium.

Ameropa is also likely to load another mid-size cargo from Sillamäe from the new **Acron** plant late in August.

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

Vessel	Trader	'000 t	Destination	Load date
JUNE		**95**		
JULY		**71.4**		
Gas Manta	Ameropa	23.4	Belgium (Antwerp)	30 June – 1 July (Sillamäe)
Antarcticgas	Yara	10	Norway (Porsgrunn)	1-2 July (Ventspils)
Antarcticgas	Yara	10	Norway (Porsgrunn)	7-8 July (Ventspils)
Antarcticgas	Yara	10	Norway (Porsgrunn)	11-12 July (Sillamäe)
Coral Ivory	Yara	4	Finland (Uusikaupunki)	16-17 July (Ventspils)
Antarcticgas	Yara	10	Norway (Porsgrunn)	18-19 July (Sillamäe)
Coral Ivory	Yara	4	Sweden (Köping)	20-21 July (Sillamäe)
AUGUST		**46.8**		
Gas Grouper	Ameropa	23.4	Belgium (Antwerp)	Early August (Sillamäe)
TBC	Ameropa	23.4	TBC	End August (Sillamäe)

RUSSIA: There will be a 10-day maintenance at the Kemerovo Azot/SBU plant in August because of work being carried out to the gas pipeline. There are two ammonia lines on site with around 561,000 t/y capacity each but large proportion of ammonia output is consumed downstream or sold domestically.

EUROPE

POLAND: It appears that Yara's vessel, the 4,000 t capacity *Coral Ivory*, loaded ammonia from the Police plant twice in July. The first cargo was lifted on 5-6 July and destined for Rostock, Germany and the second cargo, which loaded around 7-8 July has been delivered to Köping, Sweden. The volume is understood to have been purchased some time ago.

UNITED KINGDOM: The known ammonia vessel schedule for July so far is tabulated below:

Vessel	Trader	'000 t	Destination	Load date
JUNE		**16**		
JULY		**8**		
Temse	Yara	8	Germany (Rostock)	7-8 July (Hull)

CARIBBEAN

TRINIDAD: It appears that the *Clipper Moon*, loaded ammonia from Trinidad and is heading east, with tracking indicating eta 24 July at Gibraltar. The vessel, which has been taken on a short term time-charter by Ameropa (see more in the Shipping News section of this report) will load the first cargo for the trader from the Black Sea in August and is now thought to be repositioned but details of its current shipments are scarce.

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

Vessel	'000 t	Destination	Load date
JUNE	**370.2**		
JULY	**427.2**		
Brussels	8	Chile (Including 15 previously loaded from Brazil)	1-2 July
Sombeke	25.4	United States & Colombia (Barranquilla)	1-2 July
Clipper Orion	40	Far East incl Taiwan (Mai-Liao)	2-4 July
Libramont	25.4	Belgium (Antwerp)	3-5 July
Clipper Neptun	40	United States (Tampa)	5-7 July
Clipper Venus	40	United States (Freeport & Beaumont)	7-8 July
Clipper Moon	40	Heading east towards Gibraltar, final destination TBC	11-13 July
Almajedah	15.4	Brazil (Santos)	12-13 July
Navigator Grace	15	United States (TBC)	12-13 July
Marola	24.8	United States (Tampa)	14-15 July
Luigi Lagrange	24.8	TBC via Panama Canal	14-16 July
Sanko Innovator	23	Mexico (Topolobampo)	15-16 July
Kaprijke	25	United States (incl Freeport)	16-17 July
Clipper Venus	40	TBC	23 July
Navigator Galaxy	15	TBC	25 July
Sombeke	25.4	Belgium (Antwerp)	30 July

SOUTH AMERICA

VENEZUELA: The *Clipper Neptun* appears to be heading for the Puerto Jose terminal where she is expected to arrive today.

AFRICA

ALGERIA: As reported last week, the *Eupen* has now been confirmed to be fixed by Trammo for delivery of ammonia sourced from the Sorfert plant to east coast India. The cargo is scheduled to load around 25 July from Arzew.

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

ALGERIA: 2016 AMMONIA EXPORT SHIPMENTS					
Vessel	**Supplier**	**'000 t**	**Destination**	**Load Port**	**Load Date**
JUNE		**103.8**			
JULY		**93.4**			
Andesgas	Fertial	10	Spain (Aviles)/Fertiberia	Arzew	30 June – 1 July
Queen Isabella	Fertial	7	Spain (Sagunto & Castellon)	Annaba	3-5 July
Andesgas	Fertial	10	Portugal (Lisbon) & Spain (Aviles)/Fertiberia	Arzew & Annaba	9-13 July
Wilhelm Schulte	Sorfert	11	Netherlands (Rotterdam)/OCI	Arzew	15-18 July
Queen Isabella	Fertial	7	Spain (Sagunto)/Fertiberia	Arzew	18-19 July
Navigator Gusto	Sorfert	14.9	France (incl Montoir)/Yara	Arzew	17-19 July
Andesgas	Fertial	10	TBC/Fertiberia	Annaba	23 July
Eupen	Sorfert	23.5	India (EC India)/Trammo	Arzew	25 July

MIDDLE EAST

IRAN: It is understood that **CIFC** has been awarded in the latest PPL import tender in India closed on 6 July at $325 cfr for 23,000 t delivery in the 2-week of September. The cargo is expected to be supplied from Iran and the netback is estimated to be around $295 fob.

The *Gas Line* has arrived at **BIK** on 19 July to load.

The *Gas Cat*, which loaded ammonia from BIK around 3 July, is expected to discharge ammonia in Taichung, Taiwan for CPDC.

OMAN: Trammo lifted a 23,000 t cargo from Sur around 14-15 July on the *Sylvie* of which around 10,000 t will be delivered to Taiwan with the balance destined for China.

QATAR: The **Qafco 6** ammonia plant is heard to be experiencing some production problems and Muntajat is understood to have concluded a swap deal with Sabic for end July loading of the *Almarona.*

SAUDI ARABIA: This week **Sabic** reported that all its ammonia plants are running as normal but availability remains tight until the end of August. The producer reported a swap deal under which Muntajat's vessel, the *Almarona* will load 15,000 t from Ras al Khair on 25-29 July.

Furthermore, Sabic confirmed a new sale of 23,000 t to Mitsui for loading on 9-13 August for delivery to the Far East. The cargo is reportedly priced on a formula basis.

The *Al Barrah* is expected back at Al Jubail around 6 August to load for another delivery to the Far East.

The *Rose Gas* will load 15-20,000 t from Ras al Khair around 18-20 August for delivery to India.

The *Al Jabirah* will arrive at Al Jubail around 25 August to load a cargo for delivery to the Far East.

The latest Middle East line-up is tabulated below.

Vessel	Supplier/Origin	'000 t	Destination	Price $/t	Load date
JUNE		**201.6**			
JULY		**190**			
Gas Cat	Raintrade/Iran (BIK)	18.5	Taiwan (Taichung)	l-t contract	3 July
Gas Quantum	Mitsui/ex-S.A. (Jubail)	23	China (Caojing -16) & Taiwan (Taichung - 7)	Spot formula	3 July
Almarona	Muntajat/Qatar	15	India (MCFL/New Mangalore & CIL/Kakinada)	l-t contract	4-6 July
Everrich 6	Transagri/ex-Iran (Assaluyeh)	5.5	India (Deepak/JNPT-Mumbai)	n/a	8-9 July
Sylvie	Trammo/ex-Oman (Sur)	23	Taiwan (10) & China (13)	n/a	14-15 July
Rose Gas	Sabic/S.A. (RAK)	21	WC India (incl Hindalco/Dahej)	n/a	19-20 July
Gas Line	Raintrade/Iran (BIK)	23	TBC	n/a	19-20 July
Al Jabirah	Sabic/S.A. (Jubail)	23	Taiwan (Taichung)	n/a	17-19 July
Gas Columbia	Muntajat/Qatar	23	India	l-t contract	23 July
Almarona	Muntajat/ex-S.A. (RAK)	15	India	swap	25-29 Jul
AUGUST		**84-89**			
Gas Quantum	Mitsui/ex-S.A. (RAK)	23	Far East	Spot formula	9-13 August
Al Barrah	Sabic/S.A. (Al Jubail)	23	Far East	n/a	6 August
Rose Gas	Sabic/S.A. (RAK)	15-20	India	n/a	18-20 August
Al Jabirah	Sabic/S.A. (Al Jubail)	23	Far East	n/a	25 August

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

ASIA/OCEANIA

AUSTRALIA: The *Nordic River* left Dampier on 17 July for Gladstone where she is expected to arrive around 25 July to deliver 15,000 t to **Orica** from Yara.

The recent known ammonia loadings are tabulated below.

AUSTRALIA: 2016 AMMONIA SHIPMENTS			
Vessel	**'000 t**	**Destination/Supplier**	**Load Date/Port**
JUNE	**75**		
JULY	**40**		
Viking River	25	South Korea (Yosu)/Yara	11 July (Dampier)
Nordic River	15?	Gladstone (domestic)/Yara	16-17 July (Dampier)

INDONESIA: It is heard that the **KPI** ammonia plant could go down for maintenance works during August but it could not be fully confirmed at the time of publication.

The latest ammonia loading schedule for Indonesian ports is below.

INDONESIA: 2016 AMMONIA EXPORT SHIPMENTS			
Vessel	**'000 t**	**Destination/Supplier**	**Load Date/Port**
JUNE	**80.6**		
JULY	**96**		
Gaz Serenity	15	China (Caojing) & Japan (Mizushima & Kurosaki)/Mitsui	3-4 July (Bontang)
SCF Tobolsk	23	S. Korea (Ulsan & Yosu)/Trammo	3-5 July (Bontang)
Gaz Millennium	15	Taiwan (Taichung) & Japan (Nagoya & Mizushima)/Mitsui	6-8 July (Bontang)
SCF Tomsk	13	India for CIL /Trammo (top up after 10 loading in Malaysia)	15-16 July (Bontang)
Gaz Serenity	15	TBC/Mitsui	27 July (Bontang)
Gaz Millennium	15	S. Korea (Yosu)/Mitsui	End July (Bontang)

MALAYSIA: The *Bunga Kemboja* loaded ammonia in Kerteh on 17-18 July and is heading for Rayong, Thailand.

On spec ammonia is yet to be produced at the **new Samur plant** which has been in the start-up process over the last few weeks.

The latest ammonia loading schedule for Malaysian ports is below.

MALAYSIA: 2016 AMMONIA EXPORT SHIPMENTS			
Vessel	**'000 t**	**Destination/Supplier**	**Load Date/Port**
JUNE	**16.5**		
JULY	**28.8**		
SCF Tomsk	10	EC India/Trammo (following top-up in Indonesia)	9-10 July (Kerteh)
Bunga Kemboja	16.5	Thailand (Rayong)/Petronas	17-18 July (Kerteh)
Gaschem Dollart	2.3	Indonesia (Gresik)/Mitsui	16-18 July (Bintulu)

MARKETS

AFRICA

MOROCCO: The *Clipper Sky* arrived in Jorf Lasfar on 19 July and is currently discharging US ammonia for **OCP**.

The next delivery will be on the *Gas Manta* from Ameropa followed by the *Sanko Independence*, also from Yuzhnyy.

In August, OCP will have its recently chartered vessel, the *Cambridge* delivering ammonia from the US and thereafter Ameropa will deliver a cargo on the *Gas Grouper* from the Baltic.

The latest line-up for ammonia deliveries into Morocco:

MOROCCO: KNOWN 2016 AMMONIA IMPORTS			
Vessel	**'000 t**	**Supplier/Origin**	**Discharge**
JUNE	**69.4**		
JULY	**142.8**		
Navigator Grace	10	Trammo/ex-Algeria	1-3 July
Gas Cobia	23.4	Ameropa/Yuzhnyy	8 July
Cambridge	23	OCP/ex-Yuzhnyy	9-11 July
Clipper Sky	40	ex-CF Donaldsonville (US)	19-21 July
Gas Manta	23.4	Ameropa/Yuzhnyy	End July
Sanko Independence	23	OCP/ex-Yuzhnyy	End July
AUGUST	**46.4**		
Cambridge	23	OCP/ex-CF Donaldsonville (US)	1-half August
Gas Grouper	23.4	Ameropa/ex-Baltic	Mid-August

TUNISIA: The latest known ammonia deliveries into Gabes are as follows:

TUNISIA: KNOWN 2016 AMMONIA IMPORTS			
Vessel	**'000 t**	**Supplier/Origin**	**Discharge**
JULY	**23.4**		
Gas Grouper	23.4	Ameropa/Yuzhnyy	1-2 July
AUGUST	**23.4**		
Gas Cobia	23.4	Ameropa/Yuzhnyy	Early August

EUROPE

BELGIUM: The latest known ammonia deliveries into Antwerp are as follows:

BELGIUM: KNOWN 2016 AMMONIA IMPORTS			
Vessel	**'000 t**	**Supplier/Origin**	**Discharge**
JUNE	**80.2**		
JULY	**56.8**		
Gas Manta	23.4	Ameropa/Baltic	5-8 July
Temse	8	Yara/Netherlands	6 July
Libramont	25.4	PCS/Trinidad	19-20 July
Gas Grouper	23.4	Ameropa/Yuzhnyy	27 July

AUGUST	**48.8**		
Gas Grouper	23.4	Ameropa/ex-Baltic	Mid-August
Sombeke	25.4	PCS/Trinidad	Mid-August

MIDDLE EAST

JORDAN: **JPMC** has increased DAP production to 40-45,000 t this month leading to an improved ammonia consumption but output will be lowered again to about 30,000 t in August as it continues the revamp of its Aqaba plant.

ASIA/OCEANIA

INDIA: **West Coast** – Sabic's vessel, the *Rose Gas* will discharge around 6,000 t for **Hindalco** at Dahej on 23 July and 15,000 t for **GSFC** at Sikka on 25 July.

West and East Coast – We have previously reported that PPL has bought 12,000 t of Black Sea ammonia from Dreymoor for 1-half July shipment priced at mid-$340 cfr level with 120 days' credit. We have subsequently reported that that the cargo will be delivered on the *Gaschem Stade* chartered by Dreymoor for a single-voyage and will be shipped in combination with a similar sale to CIL. It is now understood that the vessel is also expected to discharge a part cargo at Goa on 23 July and thereafter at Kakinada on 27 July.

East Coast – It is understood that in its 6 July import tender, for 23,000 t delivery in 2-week of September, **PPL** has awarded CIFC at $325 cfr establishing the new low end of the Indian cfr range. The cargo is expected to be sourced from Iran.

The *Gas Snapper* will deliver 23,300 t of Black Sea ammonia to PPL on 24 July on behalf of Muntajat. It is understood that this cargo has been priced on formula basis at around $360 cfr level.

Trammo has fixed *the Eupen* to deliver 18,000 t ammonia from Sorfert, Algeria to **Iffco** under their long term contract.

Trammo's vessel, the *SCF Tomsk* will discharge 10,000 t at Kakinada on 24 July and 12,000 t at Vizag on 25 July for CIL.

The list of known July deliveries into Indian ports so far is tabulated below:

Buyer/Location	Supplier	'000 t	$/t cfr unless stated	Discharge	Vessel
JUNE		**179.3**			
JULY		**280.6**			
West Coast		**97.5**			
Iffco/Kandla	Trammo/ex-Trinidad	7.5	Mid/high $360s	2 July	*Sanko Independence*
Iffco/Kandla	Ameropa/ex-Black Sea	18.5	n/a	25 July	*Clipper Odin*
GSFC/Sikka	Sabic/S. Arabia	15	n/a	5 July	*Rose Gas*
GSFC/Sikka	Sabic/S. Arabia	15	n/a	25 July	*Rose Gas*
Hindalco/Dahej	Sabic/S. Arabia	6	n/a	23 July	*Rose Gas*
Deepak Fertilisers/ JNPT-Mumbai	Transagri/ex-Iran	5.5	n/a	1-2 July	*Everrich 6*
Deepak Fertilisers/ JNPT-Mumbai	Trammo/ex-Bangladesh	8	Mid-$370s	7-9 July	*Sylvie*
Deepak Fertilisers/ JNPT-Mumbai	Sabic/S. Arabia	4	$380	12-13 July	*Rose Gas*
Deepak Fertilisers/ JNPT-Mumbai	Transagri/ex-Iran	5.5	n/a	14 July	*Everrich 6*
Deepak Fertilisers/ JNPT-Mumbai	Ameropa/ex-Black Sea	8	n/a	28 July	*Clipper Odin*

Zuari/Goa	Muntajat/Qatar	4.5	l-t contract	18 July	*Gas Columbia*
Zuari/Goa	Dreymoor/ex-Black Sea	?	n/a	23 July	*Gaschem Stade*
West and/or East Coast		**15**			
MCFL/New Mangalore	Muntajat/Qatar	15	l-t contract	10 July	*Almarona*
CIL/Kakinada	Muntajat/Qatar			14 July	
East Coast		**168.1**			
Greenstar/Tuticorin	Muntajat/Qatar	7	l-t contract	4 July	*Gas Columbia*
PPL/Paradeep	CIFC-Raintrade/ex-Iran	10	$367 cfr	4 July	*Gas Line*
PPL/Paradeep	Dreymoor/ex-Black Sea	12	Mid-$340s w120d	2-half July	*Gaschem Stade*
PPL/Paradeep	Muntajat/ex-Black Sea	23.3	l-t contract	24 July	*Gas Snapper*
CIL/Kakinada	CIFC-Raintrade/ex-Iran	5.5	$367 cfr	6 July	*Gas Line*
CIL/Kakinada	Muntajat/Qatar	8.5	l-t contract	15-16 July	*Gas Columbia*
CIL/Kakinada	Dreymoor/ex-Black Sea	11	n/a	27 July	*Gaschem Stade*
CIL/ Kakinada	Trammo/ex-Malaysia (10) and Indonesia (13)	10	Mid-high $360s cfr	24 July	*SCF Tomsk*
CIL/Vizag	CIFC-Raintrade/ex-Iran	8	$367 cfr	7 July	*Gas Line*
CIL/Vizag	Muntajat/Qatar	5	l-t contract	13 July	*Gas Columbia*
CIL/Vizag	Trammo/ex-Malaysia (10) and Indonesia (13)	12	Mid-high $360s cfr	25 July	*SCF Tomsk*
Iffco/Paradeep	Trammo/ex-Turkey	23	$350	23 July	*Anafi*
Iffco/Paradeep	Ameropa/ex-Black Sea	32.8	High $330 cfr	9 July	*Clipper Mars*
AUGUST		**18**			
East Coast		**18**			
Iffco/Paradeep	Trammo/ex-Algeria	18	l-t contract	August	*Eupen*

SOUTH KOREA: Monthly imports of ammonia reached 112,403 t in June, an increase of 43,577 t or 63% m-o-m from 68,826 t in May and posted the second highest monthly import figure this year so far, just slightly behind April imports. Total ammonia deliveries for January-June reached 570,247 t representing an increase of 74,671 t or 15% y-o-y. (Source: GTIS/Korea Customs and Trade Development Institution)

There has been no new known spot business concluded in South Korea this week.

Namhae is understood to still be in talks over next spot purchase and is thought to be close to conclusion. In August, Namhae will receive a cargo on the *Touraine* of which part is on account of Trammo (around 10,000 t) and part on account of Mitsubishi (around 12,000 t). The buyer will also get a cargo from Mitsui on the *Gaz Millennium*.

LFC is heard to be assessing possibility of a part cargo spot purchase of less than 10,000 t for September but nothing has been confirmed yet. LFC will receive 15,000 t from Mitsubishi in early September followed by a small 4-5,000 t from Koch and a full 23,000 t cargo from Trammo at the end of the month.

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

Buyer/Location	Supplier	'000 t	Discharge	Vessel
JUNE		**79.5**		
JULY		**112**		
Namhae/Yosu	Mitsubishi/ex-Australia	25	3-6 July	*Nordic River*
Namhae/Yosu	Trammo/ex-Indonesia	10	13-15 July	*SCF Tobolsk*
Namhae/Yosu	Yara/Australia	25	22 July	*Viking River*

LFC*/Ulsan	Trammo/ex-Indonesia	16	8 July	*Bunga Kemboja*
LFC*/Ulsan	Trammo/ex-Indonesia	13	11 July	*SCF Tobolsk*
LFC*/Ulsan	Sabic/S. Arabia	23	17-19 July	*Al Barrah*
AUGUST		**90**		
Namhae/Yosu	Trammo (10) & Mitsubishi (12)/ex-USA	22	Mid-August	*Touraine*
Namhae/Yosu	Mitsui/ex-Indonesia	15	Mid-August	*Gaz Millennium*
LFC*/Ulsan	Koch/ex-TBC	22	Early August	*Clipper Orion*
LFC*/Ulsan	Trammo/ex-TBC	10	1-half August	*TBC*
LFC*/Ulsan	Mitsui/ex-TBC	5	August	*TBC*
LFC*/Ulsan	Mitsubishi/Malaysia	16	End August	*TBC*
SEPTEMBER		**42-43**		
LFC*/Ulsan	Mitsubishi/ TBC	15	Early September	*TBC*
LFC*/Ulsan	Koch/ TBC	4-5	Mid-September	*TBC*
LFC*/Ulsan	Trammo/TBC	23	End September	*TBC*
* Lotte Fine Chemical				

TAIWAN: Total ammonia imports into Taiwan during January-May reached 241,569 t, down by 28,423 t or 11% y-o-y from 269,992 t which was delivered during the same period of 2015. Monthly import volume in May was, at 47,182 t, down by 11,709 t or 20% m-o-m from the 58,894 t in April but it is worth nothing that April's import figure was the highest since November last year. Ammonia imports this year so far have been sourced from Saudi Arabia (97,938 t), Australia (57,773 t), Indonesia (43,009 t), Iran (31,000 t), Oman (7,347 t) and Latvia (4,500 t). (Source: GTIS/Taiwan Directorate General of Customs)

The *Gas Cat* will deliver Iranian ammonia to Taiwan and is expected to arrive at Taichung on 22 July to cover the spot sale of 15,000 t to **CPDC**. The cargo is reportedly priced under formula. Later on CPDC is expecting 7,000 t from Mitsui on *Gas Quantum*.

The acrylonitrile production at CPDC is currently running at around 90% capacity with caprolactam output at around 80%.

The *Clipper Orion* is scheduled to arrive at Miaoli on 4 August with 15,000 t sold by Koch to **Formosa** and priced on a formula basis. Formosa's next delivery will be delivered by Mitsubishi in September.

The *Al Jabirah* has sailed from Al Jubail, Saudi Arabia for Taiwan with Sabic's delivery to **TFC** and is expected to arrive at Taichung around 5 August.

NORTH AMERICA

UNITED STATES: In the **domestic market** for direct application ammonia, new sales of ammonia continue seasonally slow throughout the Midwest. Corn and soybean crops in the centre and east of North Dakota, centre and east of South Dakota and centre and south of Minnesota all look in excellent condition.

Wholesalers in central Illinois are indicating $410 for fall fill but report no buying interest at that level. Light volume of ammonia continued moving to wheat preplant in south-west Kansas, panhandle Oklahoma and panhandle Texas. Wheat farmers in central Oklahoma and north-central Texas are reportedly enquiring wholesalers about ammonia prices and could begin buying next week to get product in place.

There are reports of optimism of some ammonia sellers following sales of first layers for fall done over the past 30 days and are hoping for a corn rally to inspire another layer of transactions sometime after UAN fill picks up. On the other hand, presently low corn prices are heard to be weighing on farmer attitudes and the oversupply of urea in the global market is understood to be putting downward pressure on both ammonia and UAN prices for the time being.

LATIN AMERICA

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

Vessel name	Supplier	'000 t	Origin	Discharge date/ Estimated arrival
JUNE		**15.4**		
JULY		**46.4**		
Marola	Yara	16	Trinidad	1-2 July
Navigator Galaxy	Yara	15	Trinidad	12-13 July
Almadejah	Yara	15.4	Trinidad	23 July

SHIPPING NEWS

The 40,000 t ammonia capacity vessel *Clipper Moon* has been taken on a short-term 3-month time charter by Ameropa reportedly with an option to extend. The vessel is currently being repositioned and is expected to load in Yuzhnyy during August for delivery most likely destined for the Far East.

As reported last week, Ameropa has also recently fixed the *Solaro* on a short term 3-month time charter. The vessel is presently in Varna, Bulgaria in dry dock.

COMPANY NEWS

SWITZERLAND: **EuroChem** Group AG is pleased to announce that Mr Gaston Nogues will be joining the Group as Head of Marketing & Sales Operations, Latin America on 1 September 2016. Mr Nogues will report to Terje Bakken, Head of the Marketing & Sales Division and Member of the Group's Management Board.

Sergey Kirov will continue his current operational focus and will now formally take his position as Commercial Director for Latin America, reporting to M Nogues. Vilalba Trivellier will continue his position as Manager and will also report to Mr Nogues.

ALGERIA: Press reports have suggested that this week two Algerian firms have signed deals with Indonesian producer **Indorama** to build two plants, one of which will produce ammonia, technical ammonium nitrate (TAN) and CAN, and a phosphate mine for a total cost of $4.5 billion.

The new phosphate mine Bled El Hadba will be located in Tebessa with the production of phosphoric acid and DAP located in Souk Ahras. The ammonia and nitrates plants will be built near the port of Skikda in the north east of the country.

In total, the Indorama will hold a 49% stake in the three projects, with Algerian state-owned **Asmidal** and **Manal** owning the rest.

NATURAL GAS / COAL

QUICK GLANCE (change from last week)

Henry Hub (day ahead): $2.65 (down) TTF: €14.41 (up) Brent: $47.17 (up)

WEST EUROPE: The NBP day-ahead price closed at 34.70 p/therm on 20 July up from 33.35 p/therm on 13 July. A price of 34.70 p/therm equates to $4.57/mmBtu at the £/$ exchange rate of 1:1.31797 from 20 July. Natural gas prices in the UK have risen in the past week mainly due to lower LNG supplies and higher gas exports amid the continued shutdown of the Rough storage facility.

The August 2016 contract on ICE natural gas futures for the NBP closed at 35.14 p/therm on 20 July up from 34.50 p/therm on 13 July. The average 6-month forward strip (Aug 2016-Jan 2017 2016) is 41.83 p/therm, which equates to $5.51/mmBtu at the £/$ exchange rate of 1:1.31797 from 20 July.

The Dutch TTF day-ahead price closed at €14.41/MWh on 20 July up from €14.20/MWh on 13 July, 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 €14.41/MWh equates to $4.60/mmBtu at the exchange rate of €/$ 1:1.10490 on 20 July. In July so far, the TTF day-ahead average is estimated at $4.60/mmBtu, which compares with $4.76/mmBtu in June and $4.33/mmBtu in May. The April average was $4.01/mmBtu, up slightly from March at $3.99/mmBtu.

The average six-month ICE futures price for TTF for Aug 2016-Jan 2017 is €16.34/MWh on 20 July, and equating to $5.29/mmBtu using the €/$ exchange rate of 1:1.10490 from 20 July.

Crude – The Brent crude oil contract for September 2016 settled at $47.17/bbl on 20 July up from $46.26/bbl on 13 July. The average price for the 3-month strip (Sep-Nov 2016) is $47.63/bbl against $46.80/bbl a week before, while the 12-month average (Sep 2016-Sep 2017) is $49.80/bbl compared with $49.40/bbl. Please note that the 12-month average figure had been given as $59.40/bbl in last week's summary by mistake, which has now been corrected in the prior sentence.

In its July Short-term Energy Outlook (STEO), the EIA is forecasting Brent crude oil prices to average $44/bbl in 2016 (up $1 from the June report) and $52/bbl in 2017 (flat from the prior STEO), with annual average West Texas Intermediate (WTI) prices in 2016 and 2017 expected to average roughly the same as Brent. In its comments, EIA said the current values of futures and options contracts suggest a high degree of uncertainty in the oil price outlook. "WTI futures contracts for October 2016 delivery that were traded during the five-day period ending July 7 averaged $49/b, and implied volatility averaged 37%. These levels established the lower and upper limits of the 95% confidence interval for the market's expectations of monthly average WTI prices in October 2016 at $35/b and $67/b, respectively. The 95% confidence interval for market expectations widens over time, with lower and upper limits of $32/b and $77/b for prices in December 2016", the report reads.

CHINA: Thermal coal prices at Qinhuangdao for the 5,500kcal grade remained flat this week at Rmb415-425/t (around $62.70/t). The average price in July so far is estimated at Rmb418/t ($62.60/t) compared with a June average of Rmb389/t ($60.34/t). The m-t-d July average compares with Rmb414/t ($67.56/t) in the same month last year.

INDIA: Reliance Industries reportedly said in an earnings presentation to investors that it is just about to start natural gas production from its coal-bed methane blocks in Madhya. It said that test gas production from Phase-1 facilities of the Sohagpur-West block had commenced while the pipeline that will take the fuel to the consumers was under testing and pre-commissioning.

Initial output is likely to be 1 million cubic meters/d. Reliance Industries operates a total of three coal-bed methane blocks – two in Madhya Pradesh and one in the state of Chhattisgarh.

AUSTRALIA: The Newcastle market for Q4 2016 is $64.35/t up from $64.10/t last week; Q1 2017 is $64.65/t flat w-o-w; 2017 is $63.15/t down from $63.40/t; 2018 is $62.90/t against $63.00/t last week; and 2019 is $62.70/t.

After an outage at Chevron Corp's Gorgon **LNG** export plant following a leak that lasted longer than expected, the company now reported that output will resume shortly with start-up activities currently under way. The shutdown began on 1 July and was initially expected to last only about a week.

The plant began operations in March and has since exported two LNG cargoes with another one expected to leave the plant in 1-half July, but the nominated vessel, the Asia Excellence, is currently showing as being anchored just off the shore where the plant is located, waiting to load.

UNITED STATES: The Henry Hub day-ahead price closed at $2.65/mmBtu on 20 July down from a revised price $2.81/mmBtu on 13 July.

In July so far, the Henry Hub has averaged $2.84/mmBtu against a June average of $2.59/mmBtu, May at $1.92/mmBtu, and against April at $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 August 2016 contract settled at $2.658/mmBtu on 20 July down from the $2.737/mmBtu on 13 July. The average for the next three months –Aug-Oct 2016 – is $2.647/mmBtu compared with $2.732/mmBtu last week, while the average for the next 12 calendar months (Aug 2016-Aug 2017) is $2.960/mmBtu against $3.045/mmBtu.

The EIA Weekly Natural Gas Storage Report for the week ending 8 July showed a net injection of working gas stocks into underground storage of 64 bcf. The net injection compares with a median expectation of market analysts of a net injection of 60 bcf. It further compares with the year-ago injection of 95 bcf and the five-year-average injection of 77 bcf. Natural gas stocks on 8 July were 3,243 bcf, which is 507 bcf (18%) *above* a year ago and 586 bcf (22%) *above* the five-year average.

In its July Short-term Energy Outlook (STEO), EIA expects the Henry Hub natural gas spot price to average $2.36/mmBtu in 2016 (up from $2.22/mmBtu in the June report) and $2.95/mmBtu in 2017 (down slightly from $2.96/mmBtu in the prior report), having averaged $2.63/mmBtu in 2015.

Regarding the WTI, the CME August 2016 contract closed at $44.94/bbl on 20 July up from $44.75/bbl on 13 July. The forward 3-month strip (Aug-Oct 2016) is $45.71/bbl against $45.42/bbl last week, while the 12-month forward average (Aug 2016-Aug 2017) is $48.54/bbl compared with $48.40/bbl.

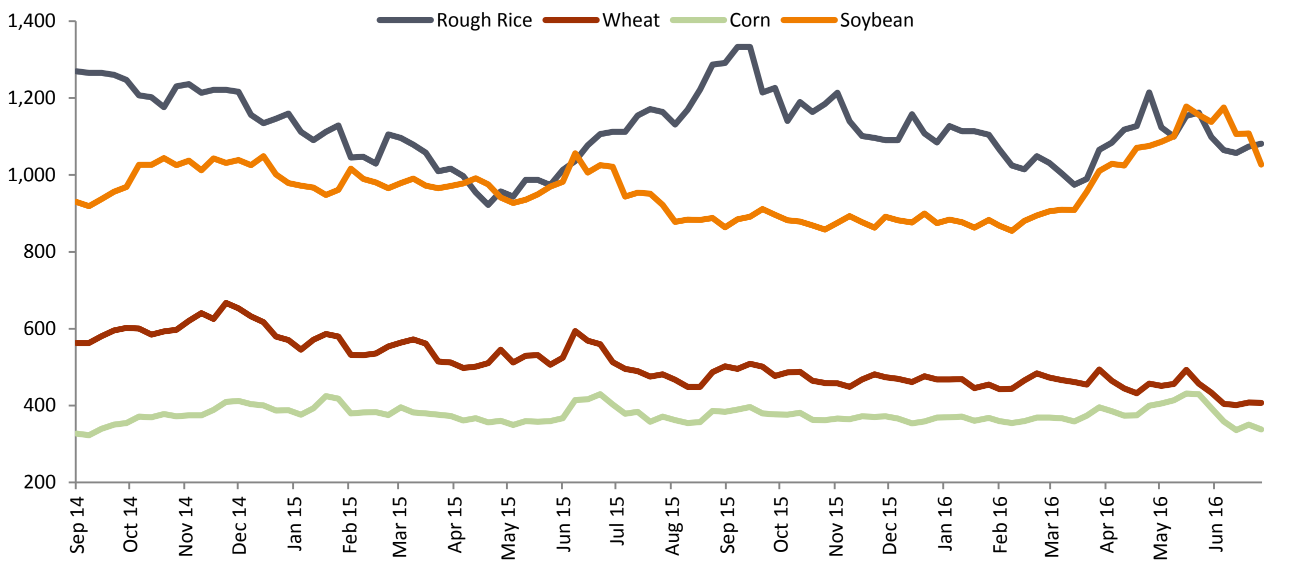
US LNG – Cheniere Energy's Sabine Pass LNG plant in Louisiana is understood to be planning a maintenance shut-down in September, although the precise dates have yet to be set, according to reports from a newswire.

Exports from the terminal began in February and more than 15 cargoes have left the plant to date. Nameplate production capacity is 4.5 million t/y of LNG from the one currently operational production line, the so-called Train 1. Train 2 is expected to become operational this summer still, before the maintenance outage, likely around end-August.

US coal – The CAPP August 2016 contract closed at $39.50/ston on 13 July flat again w-o-w. The 3-month forward strip (Aug-Oct 2016) is also stable at $39.63/ston, while the Aug-Dec 2016 forward average is flat at $39.73/ston.

AGRICULTURE

WEEKLY CBOT CROP PRICES (¢/BU)



CROP FUTURES

CME CROP PRICES (cents/bushel)					
Product	Q3 2016	Weekly Change	Q4 2016	Q1 2017	July 2015
Corn	337.4	-28.2	344.2	353.2	402.6
Wheat	406.6	-1.0	432.6	449.4	512.2
Soybean	1,027.0	-101.0	1,009.0	1,009.2	1,020.6
Rough Rice	1,081.0	+32.5	1,108.0	1,132.5	1,120.0

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

CORN:	WHEAT:
Corn futures lost some ground following a rebound last week, mainly reflecting easing weather concerns. Parts of the US Corn Belt will see high temperatures short-term, which could stress crops, but not for as long as previously thought.	The downtrend in wheat futures slowed down this week with only a marginal drop compared to last week's settlement. Wheat market remains pressured by strength of the US dollar and US wheat harvest is advancing ahead of its average pace, which added to the bearish tone. Stronger US$ makes US commodities less affordable to international buyers.
SOYBEAN:	**RICE:**
Soybean futures demonstrated the largest reduction this week in tandem with a downward trend in corn and wheat futures markets, as hot weather in key growing regions is expected to be short-lived.	Unlike other major crops, rice futures climbed up this week. Asian rice export prices are currently mixed, with prices from top exporter India edging up on higher demand and lower supplies, while Vietnamese prices fell to near the lowest in five months due to lack of buying interest.

REGIONAL MARKETS

OVERVIEW OF RICE MARKET IN ASIA: The arrival of monsoon rains in South Asia and Iraq's unexpected purchase of parboiled rice from India has helped to shape global rice markets of late, while gains were capped by stockpile releases in Thailand.

India's 5% broken parboiled rice rose this week on higher demand and dwindling supplies as the Grain Board of Iraq secured 100,000 tonne of parboiled rice from India at around US$ 430 cif. "Prices in India have found some support lately after Iraq started opting for Indian origins, rather than the North/South American origins that it was previously buying from," James Fell, market analyst at the International Grains Council (IGC), told The Public Ledger, Fertecon's sister company. Currently the focus remains very much on India's monsoon progress, which seems to be progressing well.

Meanwhile in **Vietnam**, prices for its 5% broken rice fell and are now mirroring levels witnessed back in February. **Myanmar** could set to be the beneficiary of government-to-government purchases by Indonesia (of 300,000 tonnes), while there has also been a suggestion that the **Philippines** may well re-enter the market and also purchasing from Myanmar. "No official announcement has been made by the Philippines on the new administration's rice import policy, but it is expected very soon," said James Fell. "The rumours have weighed on Vietnam's prices, as Indonesia and the Philippines usually make their government-to-government deals with Vietnam."

In **Thailand**, the leading rice exporter, total production is estimated at around 16.6 mln tonnes by the IGC (20 mln FAO), the smallest in more than a decade. "Monsoon rains were largely inadequate, thwarting yields and leading to reduced plantings particularly of the second crop," explained the IGC. For the 2016/17 season in Thailand, assuming better conditions, total production of rice is pegged at 20.2 mln tonnes.

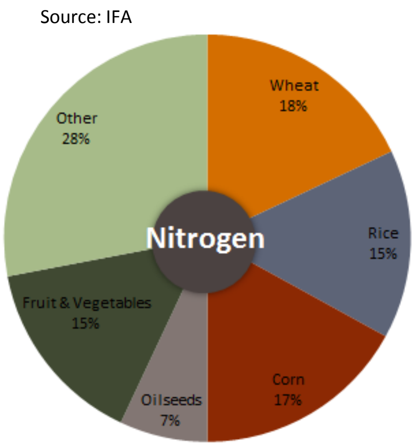
World rice use is seen rising by 1% in 2016/17, to an all-time peak of 488 mln tonnes (502 mln by the FAO. "With the start of the 2017 trade year is some six months away, predictions are highly tentative," said the IGC. "Although a growing population and food needs in sub-Saharan Africa could boost import demand, improved crop outcomes in Asia may curtail purchases by some of the region's leading buyers," it said. Nevertheless, world trade is still expected to remain high, at close to 42 mln tonnes with Thailand and Vietnam likely to be the world's prominent exporters as India's international sales retreat to more normal levels, said the council.

Looking ahead, prices prospects remain uncertain. Whether price gains can be sustained also remains to be seen.

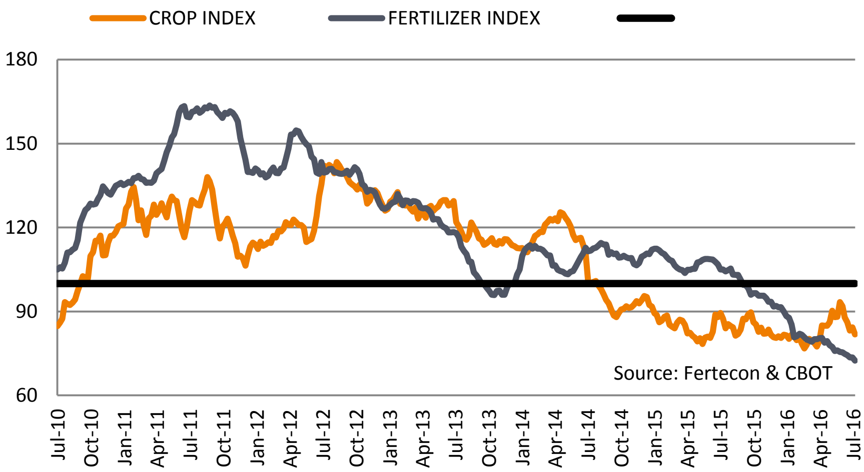
BRAZIL SUGAR INDUSTRY UPDATE: Local sugar and ethanol market consulting company Datagro cuts its forecast for Brazil's 2016/17 centre-south (CS) sugarcane crush to 597.25 million tonnes, down -4.4% from its May projection of 625 mln, due to dry weather. President of Datargo Plinio Nastari pointed out that the CS had drier-than-average conditions in March, April, early May and late June, leading to a downward revision of the expected sugarcane yield. Nastari also said that reduced crop inputs by financially distressed mills and increased pest infestation was also lowering yields.

Consequently, the region will produce no more than 34.1 mln tonnes of sugar in 2016/17, down from the May estimate of 35.2 mln (-3.1%). Ethanol production was cut to 26.097 billion litres this season from an estimated 27.281 bln in May (-4.3%), Nastari said.

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.

AGRICULTURAL POLICY & TRADE

EUROPE – AID PACKAGE TO FARMERS: The EU Agriculture Commissioner Phil Hogan has announced a series of new measures to aid struggling farmers – notably a €500 million support package comprising €350 million in national envelopes for all 28 member states and €150 million for milk supply reduction measures. The fresh aid package announced at the Farm Council in Brussels on 18 July comes during a difficult time for EU dairy farmers, suffering on account of low prices at least partially brought-on by oversupply to the market. On top of the aid package, Commissioner Hogan has also announced a number of "technical" measures to provide flexibility, cash flow relief and to reinforce the safety net measures for producers already in place.

EU-INDONESIA FTA TALKS: EU governments have given the European Commission the go-ahead to start negotiations with Indonesia on a free trade agreement (FTA), with the two sides seeking an "ambitious" deal covering a range of trade areas, writes Agra Europe, Fertecon's sister company. Member states' required green light was given during the Farm Council meeting in Brussels on 18 July, with the first round of FTA talks to take place "later in 2016".

Indonesia is the biggest economy of the 10-member Association of South-Asian Nations (ASEAN), with a population of nearly 260 million – but is behind three other members in terms of EU trade. The EU has been seeking FTAs with Southeast Asian countries since 2009, when talks on a regional ASEAN deal broke down. Brussels has completed FTA talks with two ASEAN members – Singapore and Vietnam – and is progressing with Malaysia and Thailand. Talks with the Philippines are poised to begin soon. As a developing country, Indonesia currently benefits from EU preferential import duties under the bloc's Generalised Scheme of Preferences (GSP).

Wider EU-Indonesia relations are governed by a broad Partnership Cooperation Agreement signed in 2009. EU-Indonesia trade relations have been somewhat soured by a long-running and ongoing dispute on biodiesel – with the EU having imposed anti-dumping duties on Indonesian (and Argentinian) biodiesel since mid-2013.

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