Ammonia Report

Weekly review of the ammonia market

Fertecon
Agribusiness intelligence | informa

16 June 2016

- Yara buys two spot cargoes of ammonia from Gemlik in Turkey
- Iffco understood to have purchased 23,000 t from Ameropa for 2-half July delivery prices under formula
- Re-start of the Sorfert plants in Algeria delayed to next week
- OPZ re-starts production on one ammonia line after a 5-day outage
- The first ammonia cargo from the new Acron plant in Novgorod to be shipped out of Sillamäe next week

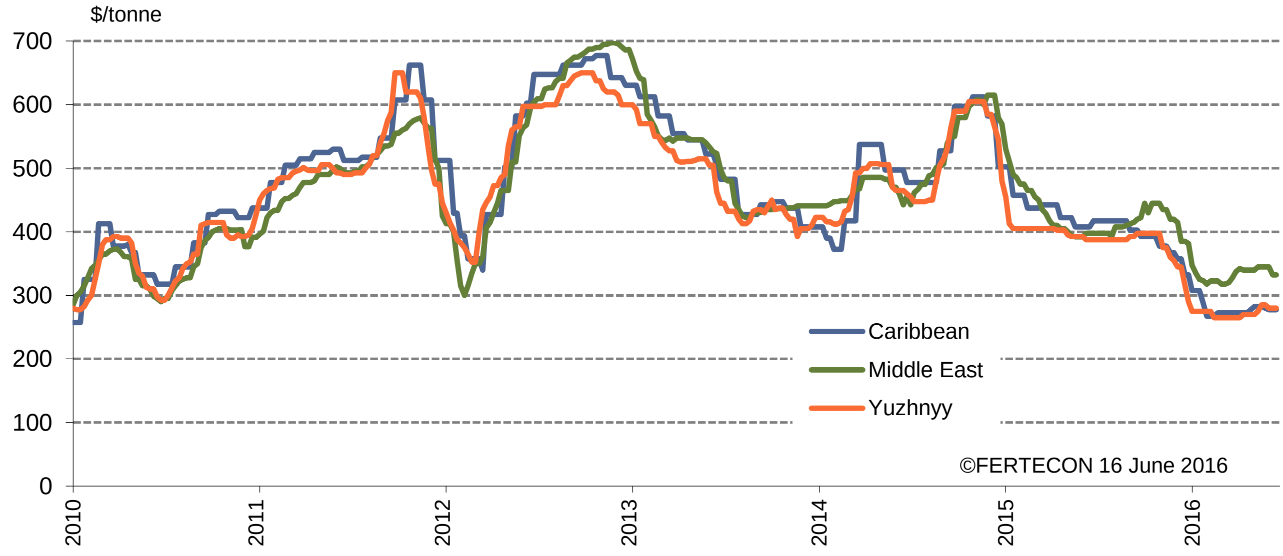
OUTLOOK

Stable to softer

KEY PRICES

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

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$

	16 June	9 June	2 June
Fob prices			
Caribbean	275-280	275-280	275-280
Middle East	320-345*	320-345*	335-355*
Of which:			
- Netbacks on contract/formula-priced sales	320-345*	320-345*	335-345*
- Spot fob	n.m.	n.m.	350-355
Yuzhnyy/FSU fob	270-290*	270-290*	270-290*
Baltic/FSU	280-300*	280-300*	280-300*
Southeast Asia	320-330	325-335	335-345
Delivered prices			
NW Europe (duty paid/duty free) *	349-375	349-375	349-375
NW Europe (duty unpaid) *	330-355	330-355	330-355
Far East	352-385	352-390	365-400
India	360-380	360-380	365-395
US Gulf/Tampa	315-320	315-320	315-320
- Tampa	315	315	315
- US Gulf (MS, LA, TX)	320	320	320

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

International ammonia market was relatively quiet this week in terms of price developments although a couple of new deals have been reported, namely Yara buying two ammonia cargoes from the Gemlik Gubre plant in Turkey and Iffco is understood to have purchased 23,000 t ammonia from Ameropa priced under formula for 2-half July delivery into India.

There have been no new confirmed deals in the **Black Sea** and the **Baltic** although there has been talk of some business being discussed for shipment to OCP/Morocco out of Yuzhnyy rumoured to be priced below our latest price indications but the supposed deal could not be confirmed with any of the suppliers. In the absence of confirmed new deals, the Black Sea and Baltic prices are assessed as stable this week at $270-290 fob and $280-300 fob respectively. The first cargo from the Acron's new 700,000 t/y ammonia plant in Novgorod is expected to be shipped out of the Sillamäe terminal next week.

On the supply side in the Black Sea, OPZ has restarted one ammonia and one urea line following a temporary, 5-day closure caused by a natural gas leak from the pipeline. The second ammonia line, which has been down since December 2015, remains offline. In the Baltic, Uralchem is understood to take the regular annual turnarounds at its plants in June and August, reducing availability of merchant product which is reported to be sold out for June and somewhat beyond already.

In **Algeria**, the expected restart of the Sorfert ammonia plant in Arzew has been delayed until next week.

A small downward correction is reported to the current levels in the **Southeast Asia** fob and also to the high end of the **Far East** cfr indices but current delivered prices into **India** are assessed as stable at $360-380 fob.

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

SUPPLIERS

FSU

BLACK SEA: After production at **OPZ** had been shut down on 7 June due to a natural gas leak from the pipeline, the repair works are reported to have been concluded and production of both ammonia and urea has restarted. The total outage is understood to have been 5 days. OPZ confirmed that one ammonia line is currently operating, while the second one remains down for the time being.

Iffco/India is understood to have purchased around 23,000 t ammonia from **Ameropa** priced under formula for delivery in 2-half July. The vessel is expected to load in early July in Yuzhnyy and while no vessel has been confirmed for this voyage so far it is likely to be the *Clipper Odin*.

Meanwhile, the *Gas Grouper* will load around 20-25 June for Tunisia followed by the *Gas Cobia* at the end of the month with another cargo for OCP in Morocco.

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

Vessel	Trader	'000 t	Destination	Load date
MAY		**228.7**		
JUNE		**221.6**		
Clipper Odin	Ameropa	25	India (Kandla)	2 June
Sylvie	Trammo	23	India (Kakinada)	3-4 June
Marycam Swan	Trammo	15	Turkey (incl Aliaga)	6-7 June
Gas Snapper	Ameropa	23.4	Jordan (Aqaba) on behalf of Muntajat	6-7 June
Gas Manta	Ameropa	23.4	Belgium (Antwerp)	8-10 June
Solaro	Ameropa	25	Morocco (Jorf Lasfar)	12-14 June
Clipper Mars	Ameropa	40	India	16-18 June
Gas Grouper	Ameropa	23.4	Tunisia (Gabes)	20-25 June
Gas Cobia	Ameropa	23.4	Morocco (Jorf Lasfar)	Late June

JULY		**25**		
TBC (Clipper Odin?)	Ameropa	25	India (Paradeep)	Early July

BALTIC: **Uralchem** is understood to take the regular annual turnarounds at its plants in the period from June to August, reducing supply availability during this time. The producer reports to be sold out of ammonia for this month and somewhat beyond already.

The *Wilhelm Schulte* will load around 7,000 t from the new **Acron** ammonia plant and 3,000 t balance of the previous purchase from Ameropa in Sillamäe around 20 June. This will be the first ammonia cargo exported from the new 700,000 t/y standalone ammonia plant in Novgorod. The vessel is expected to take this load to Rotterdam.

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

Vessel	Trader	'000 t	Destination	Load date
MAY		**39**		
JUNE		**80.4**		
Coral Ivory	Yara	4	Sweden (Köping)	1-2 June (Ventspils)
Brussels	Trammo	23	Morocco (Jorf Lasfar)	1-2 June (Ventspils)
Temse	Yara	8	Germany (Rostock)	5-6 June (Ventspils)
Coral Ivory	Yara	4	Sweden (Köping)	6 June (Ventspils)
Wilhelm Schulte	OCI	10	Netherlands (Rotterdam)	20 June (Sillamäe)
Temse	Yara	8	TBC	22 June (Sillamäe)
Gas Manta	Ameropa	23.4	TBC	30 June (Sillamäe)

EUROPE

UNITED KINGDOM: January-April ammonia export shipments were recorded to have been 86,239 t, down from 100,493 t in the same four month period a year earlier. The key destinations were the EU countries Germany and France. In April alone, shipments amounted to 18,036 t compared with 20,044 t in March and against 23,955 t in the same year-ago month. (Source: GTIS/HMRC)

MEDITERRANEAN

TURKEY: **Gemlik** is understood to have sold two spot cargoes of ammonia to Yara. Availability of ammonia at the plant is currently increasing due to reduced downstream production of nitrate fertilizers on the back of the ban that was announced last week.

The first cargo of around 15,000 t is for France and will be loaded on the *Navigator Gusto*, which had originally been scheduled to load for Yara in Algeria but was cancelled due to production issues at Sorfert. The vessel for the second cargo has not been nominated yet as the loading is still some weeks ahead.

CARIBBEAN

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

Vessel	'000 t	Destination	Load date
MAY	**469.9**		
JUNE	**258.6**		
Marola	24.8	United States (Tampa)	4-5 June
Sombeke	25.4	Belgium (Antwerp)	4-5 June
Navigator Galaxy	15	United States (NOLA)	7-8 June
Gaschem Stade	23	Morocco (Jorf Lasfar)	8 June
Libramont	25.4	United States (Point Comfort)	10-11 June
Luigi Lagrange	24.8	TBC	12 June
Almajedah	15.4	TBC	16 June
Clipper Orion	40	TBC	2-half June
Clipper Venus	40	TBC	2-half June

Marola	24.8	TBC		18 June

AFRICA

ALGERIA: **Sorfert** reports that both its urea plant and one ammonia line that were shut down on 30 May will re-start only next week. This is a delay from prior expectations that the plants would be running again at the beginning of this week.

Due to the production issues at Sorfert the producer is reported to have cancelled the mid-June Yara vessel, the *Navigator Gusto*. Yara is loading a 15,000 t cargo on this vessel in Turkey instead.

The *Andesgas* is still waiting to load ammonia cargo at Annaba from the **Fertial** plant, pending the renewal of the ammonia export licence.

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

ALGERIA: 2016 AMMONIA EXPORT SHIPMENTS					
Vessel	**Supplier**	**'000 t**	**Destination**	**Load Port**	**Load Date**
MAY		**115.3**			
JUNE		**50**			
Clipper Neptun	Sorfert	40	United States/Koch	Arzew	2-5 June
Andesgas	Fertial	10	TBC/Fertiberia	Annaba	Arrived 11 June, waiting to load

MIDDLE EAST

IRAN: The vessel *Gas Line* is currently showing eta 21 June at **BIK**, returning from a journey to EC India where she discharged for PPL/Paradeep and CIL/Kakinada on the account of CIFC-Raintrade between 6 June and 9 June.

QATAR: **Muntajat** has or will load a total of three vessels for India until the end of the month, all under long term contracts. The *Almarona* is expected to load in Messaid around 19 June, while the *Gas Columbia* is due to load around 27-28 June after returning from a journey to WC India.

SAUDI ARABIA: It is heard that the **Safco II** ammonia plant has restarted last week. Therefore, forward ammonia availability out of Saudi Arabia is expected to improve in the coming weeks. As reported previously, Sabic is sold out for June.

The latest Middle East line-up is tabulated below.

Vessel	Supplier/Origin	'000 t	Destination	Price $/t	Load date
MAY		**211.7**			
JUNE		**154.9**			
Gas Columbia	Muntajat/Qatar	23	WC & EC India	l-t contract	2-3 June
Everrich 6	Transagri/ex-Iran (Assaluyeh)	6	WC India: Deepak Fert/ JNPT-Mumbai	$360 cfr	3-4 June
Gas Cat	Raintrade/Iran (BIK)	18.5	EC India: CIL/Vizag, Kakinada	l-t contract	4-6 June
SCF Tomsk	Trammo/ex-Qatar (8) & S.A. (Jubail - 15)	23	Far East	n/a	5-6 June – Qatar 11-13 June –S.A.
Al Jabirah	Sabic/S.A. (RAK)	23.4	Taiwan (Taichung)	n/a	8-10 June
Almarona	Muntajat/Qatar	15	WC & EC India	l-t contract	19 June
Al Barrah	Sabic/S.A. (Jubail)	23	TBC	n/a	23 June
Gas Columbia	Muntajat/Qatar	23	EC India	l-t contract	27-28 June

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

ASIA/OCEANIA

AUSTRALIA: The *Viking River* is due back in Dampier today or early tomorrow and is next showing an eta in 1-half June for Taiwan.

Additionally, the *Nordic River* is on her way to Dampier with an eta of 21 June.

The recent known ammonia loadings are tabulated below:

AUSTRALIA: 2016 AMMONIA SHIPMENTS			
Vessel	**'000 t**	**Destination/Supplier**	**Load Date/Port**
MAY	**100**		
JUNE	**50**		
Viking River	25	Taiwan (Miaoli)/Yara	16-18 June (Dampier)
Nordic River	25	TBC	21 June (Dampier)

INDONESIA: **Mitsui's** vessel, the *Gaz Serenity*, is scheduled to load at the end of this week and subsequently taking the cargo to LFC in Ulsan/South Korea.

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

INDONESIA: 2016 AMMONIA EXPORT SHIPMENTS			
Vessel	**'000 t**	**Destination/Supplier**	**Load Date/Port**
MAY	**154.1**		
JUNE	**62.3**		
Gaschem Dollart	2.3	Vietnam (Haiphong)/Mitsui	2-3 June (Palembang)
Gaz Millennium	15	Thailand (Map Ta Phut)/Mitsui	3-4 June (Bontang)
Gaz Millennium	15	Far East/Mitsui	15-17 June (Bontang)
SCF Tobolsk	15	South Korea (Ulsan)/Trammo	15-17 June (Bontang)
Gaz Serenity	15	South Korea (Ulsan)/Mitsui	18-20 June (Bontang)

MALAYSIA: The *Bunga Kemboja* is due to load in the coming days in Kerteh for **Petronas** and take the cargo to Ube and NFC in Thailand.

The latest release of customs data showed that ammonia exports from Malaysia amounted to 50,234 t in March 2016. This is up sharply from 20,680 t in the prior month and compares with 57,047 t in the same month a year before, a y-on-y drop of nearly 12%.

March shipments brought y-t-d exports to 102,752 t, up 4-5% from the 98,426 t in January-March 2015. More than half of the January-March total was shipped to Thailand (66,612 t), while another 32,500 t went to South Korea. Other destinations with smaller overall volumes include Singapore and Vietnam. (Source: GTIS/Department of Statistics Malaysia)

The latest ammonia loading schedule for Malaysian ports is below.

MALAYSIA: 2016 AMMONIA EXPORT SHIPMENTS			
Vessel	**'000 t**	**Destination/Supplier**	**Load Date/Port**
MAY	**33**		
JUNE	**16.5**		
Bunga Kemboja	16.5	Thailand/Petronas	18-20 June (Kerteh)

MARKETS

AFRICA

MOROCCO: **OCP** is expected to receive three to four vessels, tabulated below, in June. Ameropa's *Gas Cobia* is due to load in Yuzhnyy towards the end of the month, which could mean that the delivery will only take place in early July.

The ammonia importer has reportedly secured a time charter agreement for the vessel *Cambridge* for a total of three deliveries in the coming month or so at a competitive freight, suggesting lower delivered prices in the coming weeks than previously.

OCP has claimed that levels in the low-$270s cfr would be possible although a sale out of Yuzhnyy or Donaldsonville – another potential origin for one of the deliveries given the plant there is running by that time – could not been confirmed at the time of writing. If realised, this would mean a netback in the $240s fob Yuzhnyy.

The latest line-up for ammonia deliveries into Morocco:

MOROCCO: KNOWN 2016 AMMONIA IMPORTS			
Vessel	**'000 t**	**Supplier/Origin**	**Discharge**
MAY	**95.4**		
JUNE	**92.8**		
Brussels	23	Trammo/ex-Baltic	13 June
Solaro	23.4	Ameropa/Yuzhnyy	Mid-June
Gaschem Stade	23	Trammo/ex-Trinidad	2-half June
Gas Cobia	23.4	Ameropa/Yuzhnyy	End-June/early July

TUNISIA: Ameropa's vessel, the *Gas Grouper*, is expected to load in Yuzhnyy around 20-25 June for a delivery to Gabes at the end of the month.

The latest known ammonia deliveries into Gabes:

TUNISIA: KNOWN 2016 AMMONIA IMPORTS			
Vessel	**'000 t**	**Supplier/Origin**	**Discharge**
MAY	**25**		
JUNE	**23.4**		
Gas Grouper	23.4	Ameropa/Yuzhnyy	End-June

EUROPE

BELGIUM: The three vessels tabulated below are understood to complete the June shipment program into Antwerp, totalling 72,200 t for the entire month.

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

BELGIUM: KNOWN 2016 AMMONIA IMPORTS			
Vessel	**'000 t**	**Supplier/Origin**	**Discharge**
MAY	**118.2**		
JUNE	**72.2**		
Gas Cobia	23.4	Ameropa/Black Sea	7 June
Sombeke	25.4	PCS/Trinidad	18 June
Gas Manta	23.4	Ameropa/Black Sea	26 June

UNITED KINGDOM: Fertiberia's vessel, the *Queen Isabella*, discharged a total of 7-8,000 t ammonia in Tees for CF on the account of Trammo. The tonnes had been loaded in Spain from Fertiberia and topped up with the French product. After this charter agreement between Trammo and Fertiberia, the vessel is now back in Fertiberia's hands.

MEDITERRANEAN

TURKEY: The ban on the movement and sales of nitrates products continues in Turkey.

Bagfas was understood to continue operating its 660,000 t/y CAN plant although not at the full rate, producing for storage, while the producer was reported to not be making AN at the moment.

Gemlik has reportedly stopped all nitrates production for the time being, while ammonia production is still running to cover local sales and for export.

There have been reports since the ban was announced that producers are now working on formulating nitrates fertilizers with a lower N content, such as a CAN with 20-21% N instead of the usual 27-28%. Any product with a different formulation than before needs to be tested in laboratories and by the government to receive approval, a procedure which can last up to a month.

ASIA/OCEANIA

INDIA: **West Coast** – Ameropa's vessel, the *Clipper Mars*, is expected to deliver around 40,000 t of ammonia to **Iffco** at Kandla in 1-half July.

West and East Coast – As previously reported, Muntajat's vessel, the *Gas Columbia*, discharged 8,000 t ammonia on the west coast for **Hindalco** at Dahej on 9 June and 4,500 t for **Zuari** at Goa on 11 June. It is now understood that the same vessel will also deliver a total of 8,000 t ammonia to **CIL** on the east coast, to be discharged at Ennore (4,500 t) on 16 June and at Kakinada (3,500 t) also on 16 June.

East Coast – Trammo vessel, the *Sylvie*, is due to deliver around 24,000 t of ammonia to **CIL**. About 18,500 t are to be discharged at Kakinada and the remaining 5,500 t at Vizag. The price of the vessel has not yet been confirmed.

Raintrade's vessel, the *Gas Cat*, is due to deliver 18,500 t of ammonia to CIL with the cargo to be discharged at Kakinada (11,500 t) on 17 June and at Vizag (7,000 t) on 20 June under a long term contract.

Finally, CIL is due to receive the *Gas Columbia* with around 12,000 t ammonia during 1-half July under their l-t contract with Muntajat. This vessel is also expected to deliver some quantity to other buyers in India, but details are not clear at the time of writing.

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

Buyer/Location	Supplier	'000 t	$/t cfr unless stated	Discharge	Vessel
MAY		**209.4**			
JUNE		**161.3**			
West Coast		**72.4**			
Iffco/Kandla	Fertrade-Ameropa/ ex-Black Sea	25.4	n/a	16 June	*Clipper Odin*
Iffco/Kandla	Trammo/ex-Trinidad	7.5	Mid/high $360s	End June	*Sanko Independence*
GSFC/Sikka	Sabic/S. Arabia	15	~$380	31 May-1 June	*Rose Gas*
Hindalco/Dahej	Muntajat/Qatar	8	l-t contract	9 June	*Gas Columbia*
Deepak Fertilisers/ JNPT-Mumbai	Sabic/S. Arabia	6	~$380	3 June	*Rose Gas*
Deepak Fertilisers/ JNPT-Mumbai	Transagri/ex-Iran	6	$360	11 June	*Everrich 6*
Zuari/Goa	Muntajat/Qatar	4.5	l-t contract	11 June	*Gas Columbia*
East Coast		**88.9**			
Greenstar/Tuticorin	Muntajat/Qatar	6.4	l-t contract	4 June	*Almarona*
CIL/Ennore	Muntajat/Qatar	4.5	n/a	16 June	*Gas Columbia*
CIL/Kakinada	CIFC-Raintrade/ex-Iran	8	l-t contract	9 June	*Gas Line*
CIL/Kakinada	Muntajat/Qatar	3.5	n/a	16 June	*Gas Columbia*
CIL/Kakinada	CIFC-Raintrade/ex-Iran	11.5	l-t contract	17 June	*Gas Cat*
CIL/Kakinada	Trammo/ex-Black Sea	18.5	n/a	22-25 June	*Sylvie*

CIL/Vizag	Muntajat/Qatar	9	l-t contract	8 June	*Almarona*
CIL/Vizag	CIFC-Raintrade/ex-Iran	7	l-t contract	20 June	*Gas Cat*
CIL/Vizag	Trammo/ex-Black Sea	5.5	n/a	22-25 June	*Sylvie*
PPL/Paradeep	CIFC-Raintrade/ex-Iran	15	l-t contract	6 June	*Gas Line*
JULY		**100**			
West Coast		**48**			
Iffco/Kandla	Ameropa/ex-Black Sea	40	n/a	1-half July	*Clipper Mars*
Deepak Fertilisers/ JNPT-Mumbai	Trammo/ex-Algeria	8	n/a	Mid-July	*TBC*
West and/or East Coast		**15**			
TBC	Muntajat/Qatar	15	l-t contract	July	*Almarona*
East Coast		**37**			
CIL/TBC	Muntajat/Qatar	12	l-t contract	1-half July	*Gas Columbia*
Iffco/Paradeep	Ameropa/ex-Black Sea	25	n/a	End July	*TBC (Clipper Odin?)*

PHILIPPINES: **Philphos** has been in the market to buy 5-6,000 t of ammonia to help with a limited re-start of production at the Isabel plant. The importer is currently in negotiations with Trammo but no purchase has been concluded as yet.

SOUTH KOREA: **Namhae** is still understood to be comfortable until August and is not expected to take any new supply before the end of that month.

Koch will use the *Clipper Orion* for the 20,000 t due to be delivered to **LFC** in August.

Imports of ammonia in May 2016 reached 68,826 t, according to the latest release of customs data. This compares with 74,030 t reported for the same month a year ago, a y-on-y drop of 7%. The figure further compares with Fertecon's shipment records of roughly 89,400 t for May. January-May deliveries amounted to 457,844 t against 435,258 t in the first five month of 2015, representing an increase of just over 5% on the year. (Source: GTIS/Korea Customs and Trade Development Institution)

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

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

THAILAND: Petronas is due to deliver a total of 16,500 t ammonia from Malaysia to **Ube** and **NFC** on the *Bunga Kemboja*, which is due to load in the coming days in Kerteh.

NORTH AMERICA

UNITED STATES: In the **domestic market** for direct ammonia application, light volume was reported to be going to corn sidedress in the centre and east of North Dakota. Meanwhile, demand for ammonia has become very light moving to corn sidedress in west Kansas.

Customs data showed that April 2016 ammonia imports reached 423,560 t, down almost 22% on the year from 541,541 t in the same month in 2015. With this, January-April deliveries amounted to roughly 1.732 million t against 1.879 million t in the first four months of 2015, a fall of close to 8% on the year. Trinidad & Tobago was by far the main supplier in the period under review with nearly 1.212 million t, followed by Canada (453,082 t) and Russia with 46,470 t. (Source: GTIS/USDC, Bureau of Census)

LATIN AMERICA

BRAZIL: The latest release of **ANDA** data showed that there were no imports of anhydrous ammonia in the month of May although shipping records suggested a small delivery last month. Imports in the same month a year before had been 44,190 t. The y-t-d import total in 2016 has been reported at 130,700 t, all moving into Santos, against 159,817 t in January-May 2015. (Source: ANDA)

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

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

MEXICO: 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 production issues and delays could impact ammonia requirements in the coming weeks and months.

COMPANY NEWS

CZECH REPUBLIC: **Unipetrol** has acquired 100% shareholding of the chemical producer **Spolana** from **Anwil** for €1 million, a statement on 10 June said. Spolana's main activity is the production and sale of chemical products such as PVC, caprolactam, industrial fertilizers, inorganic compounds and other chemicals. The company's primary focus is the export of its products, with exports accounting for more than 80% of its production.

The transaction falls in line with Unipetrol's reorganization of activities, which included taking full control over the refining assets in the Czech Republic. The group's recent consolidation efforts include takeovers of Benzina and Polymer Institute Brno.

"Takeover of Spolana opens up additional possibilities to further strengthen and integrate Unipetrol's position in the Czech Republic," said Marek Świtajewski, CEO of Unipetrol.

Both companies are connected with the Litvínov - Neratovice piping system for product deliveries. Spolana is a major consumer of ethylene, as well as also purchasing ammonia and sulphur from Unipetrol RPA.

SWITZERLAND / USA / SINGAPORE: **Trammo Inc** has announced that it has reorganized some of the product lines in its Commodities Division and that this has led to a reduction in workforce of 8 people among offices in Tampa, New York, Zurich and Singapore.

NATURAL GAS/COAL

QUICK GLANCE (change from last week)

Henry Hub (day ahead): $2.62 (up)   TTF: €14.26 (down)   Brent: $48.97 (down)

WEST EUROPE: The NBP day-ahead price closed at 33.40 p/therm on 15 June down from 33.80 p/therm on 8 June. A price of 33.40 p/therm equates to $4.73/mmBtu at the £/$ exchange rate of 1:1.41586 from 15 June.

The July 2016 contract on ICE natural gas futures for the NBP closed at 33.75 p/therm on 15 June up from 33.56 p/therm on 8 June. The average 6-month forward strip (Jul-Dec 2016) is 36.49 p/therm, which equates to $5.17/mmBtu at the £/$ exchange rate of 1:1.41586 from 15 June.

The Dutch TTF day-ahead price closed at €14.26/MWh on 15 June down from €14.61/MWh on 8 June, according to Tankard. The Tankard indices are trade-backed volume-weighted average price indices, calculated from trades arranged by ICAP, Marex Spectron and Tullett Prebon.

A price of €14.26/MWh equates to $4.70/mmBtu at the exchange rate of €/$ 1:1.1248 on 15 June. In June so far, the TTF day-ahead average is estimated at $4.72/mmBtu, which compares with $4.33/mmBtu in May and $4.01/mmBtu in April. The March average was $3.99/mmBtu, down from February at $4.02/mmBtu and January at $4.38/mmBtu.

The average six-month ICE futures price for TTF for Jul-Dec 2016 is €15.09/MWh on 15 June, and equating to $4.97/mmBtu using the €/$ exchange rate of 1:1.1248 from 15 June.

Crude – The Brent crude oil contract for August 2016 settled at $48.97/bbl on 15 June down from $52.51/bbl on 8 June. The average price for the 3-month strip (Aug-Oct 2016) is $49.46/bbl against $52.92/bbl a week before, while the 12-month average (Aug 2016-Aug 2017) is $51.68/bbl compared with $54.07/bbl.

Over the past week, crude oil prices declined despite a report from the EIA pointing to a modest draw on domestic crude stockpiles of 933,000 bbl last week. This, however, contrasted with a private sector report on 14 June showing a hefty rise in reserves.

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

UKRAINE: Ukraine's Economic Development and Trade Ministry said this week that the country imported natural gas at an average customs value of UAH4,595.10/thousand cubic metres (roughly $5.11/mmBtu at the average UAH/$ exchange rate in May) in May 2016.

The average customs value of imported natural gas in January was UAH 5,542.82/thousand cubic metres ($6.39/mmBtu at the average exchange rate in January), in February it was UAH 5,352.03/thousand cubic metres ($5.68/mmBtu at the average February exchange rate), in March – UAH 5,292.39/thousand cubic metres ($5.66/mmBtu at the average March exchange rate) and in April – UAH 4,795.75/thousand cubic metres ($5.26/mmBtu at the average April exchange rate).

Meanwhile, natural gas stocks at Ukraine's underground storage facilities after the completion of the 2015/16 heating season have increased by 11.2% or 941.5 million cubic meters.

Ukrtransgaz reported that 8.4 bcm of gas had been in the underground storage facilities on 6 April 2016, while the 11 June total amounted to 9.4 bcm (down 13.9% y-o-y).

CHINA: Thermal coal prices at Qinhuangdao for the 5,500kcal grade remained flat on the week at Rmb395-405/t (around $60.70/t). The average price in June so far is estimated at Rmb397/t ($60.25/t) compared with a May average of Rmb390/t ($59.78/t) which was flat, at least in Rmb-terms, against the April average of Rmb390/t ($60.22/t). The March average was Rmb389/t ($59.72/t). The m-t-d June average compares with Rmb415/t ($67.66/t) in the same month last year.

INDIA: Lower global prices for LNG could become a boon for Indian companies that use it as a feedstock or input. In recent years several sectors have come to rely heavily on imported LNG, among others the fertilizer industry, local press reports read.

Although gas prices, even lower ones, are a pass-through for fertilizer companies, they could have a positive impact on these companies' subsidy burden and working capital need. National Fertilizer, with five gas-based urea plants, remains the biggest beneficiary, Indian press estimates. The company saw a turnaround in the quarter ending 31 March 2016, reporting a profit instead of a loss which had been reported in the same quarter last year. The improvement in the results was mainly driven by savings in interest and operating costs. Chambal Fertilizer and Tata Chemicals are also expected to benefit, as will Deepak Fertilizers and Coromandel International that are mainly in the complex fertilizer space.

However, gas supply to Deepak remains suspended for the time being due to ongoing litigation and local analysts expect a normalisation of gas availability coupled with a sharp increase in profitability during in the financial year 2017 only.

Meanwhile, India is reported to have re-started talks on an LNG purchasing alliance with South Korea and Japan, which may also include China.

State-owned GAIL Ltd is spearheading the talks, which follow a similar attempt as in 2013.

Natural gas currently accounts for about 8% of India's overall energy mix, government data showed. In the last 10 years or so imports of LNG have risen by 335%. This is likely to grow further as India gradually shifts to a gas-based economy, Dharmendra Pradhan, India's minister of petroleum and natural gas said.

AUSTRALIA: The Newcastle market for Q3 2016 is $53.50/t down from $54.05/t last week; Q4 2016 is $55.20/t down from $55.40/t; 2017 is $56.10/t up from $56.05/t; 2018 is $57.05/t against $57.55/t last week; and 2019 is $57.15/t.

UNITED STATES: The Henry Hub day-ahead price closed at $2.62/mmBtu on 15 June up from a revised price of $2.36/mmBtu on 8 June.

In June so far, the Henry Hub has averaged $2.38/mmBtu, against a May average of $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 July 2016 contract settled at $2.595/mmBtu on 15 June up from the $2.468/mmBtu on 8 June. The average for the next three months – Jul-Sep 2016 – is $2.641/mmBtu compared with $2.534/mmBtu a week before, while the average for the next 12 calendar months (Jul 2016-Jul 2017) is $2.927/mmBtu against $2.905/mmBtu.

The EIA Weekly Natural Gas Storage Report for the week ending 3 June showed a net injection of working gas stocks into underground storage of 65 bcf. The net injection compares with a median expectation of market analysts of a net injection of 76 bcf. It further compares with the year-ago injection of 117 bcf and the five-year-average injection of 96 bcf. Natural gas stocks on 3 June were 2,972 bcf, which is 628 bcf (27%) *above* a year ago and 722 bcf (32%) *above* the five-year average.

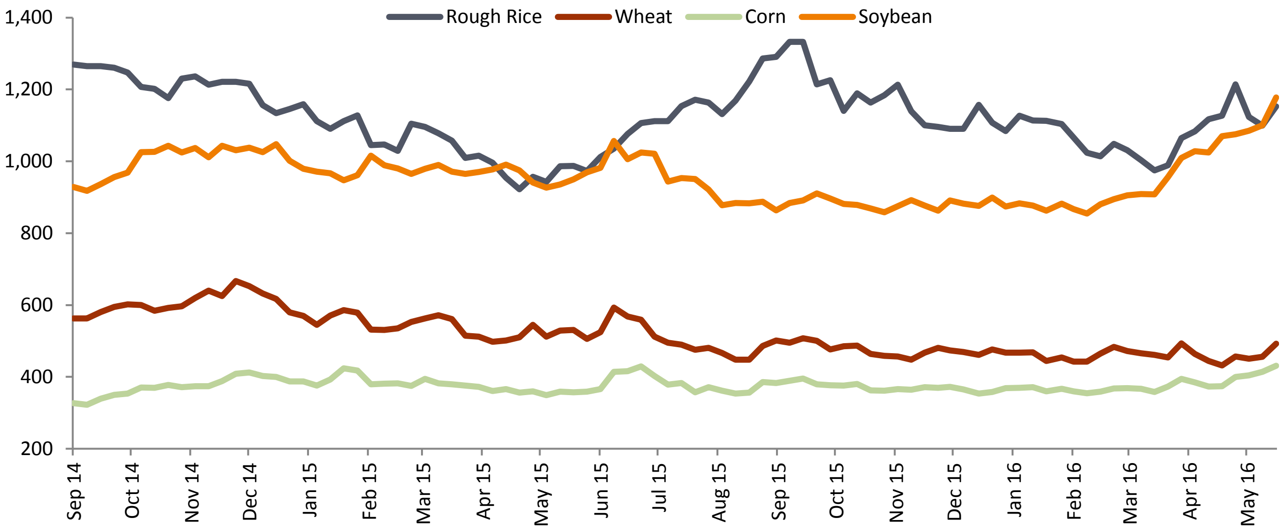
In its June Short-term Energy Outlook (STEO), EIA expects the Henry Hub natural gas spot price to average $2.22/mmBtu in 2016 (down from $2.25/mmBtu in the May report) and $2.96/mmBtu in 2017 (down from $3.02/mmBtu in the prior report), having averaged $2.63/mmBtu in 2015.

Regarding the WTI, the CME July 2016 contract closed at $48.01/bbl on 15 June down from $51.23/bbl on 8 June. The forward 3-month strip (Jul-Sep 2016) is $48.49/bbl against $51.79/bbl last week, while the 12-month forward average (Jul 2016-Jul 2017) is $49.96/bbl compared with $53.05/bbl.

US coal – The CAPP July 2016 contract closed at $39.50/ston on 15 June down from the $39.63/ston on 8 June. The 3-month forward strip (Jul-Sep 2016) is $39.50/ston compared with $39.63/ston a week before, while the Jul-Dec 2016 forward average is $39.69/ston down from $39.76/ston.

AGRICULTURE

WEEKLY CBOT CROP PRICES (¢/BU)



CROP FUTURES

CME CROP PRICES (cents/bushel)

Product	July 2016	Weekly Change	September 2016	December 2016	June 2015
Corn	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 up above earlier projections eroded prices. Improving nearby Midwestern weather forecasts were also bearish.	Rice futures increased again in Chicago as efforts to cut global supply, especially in the largest growing regions in Asia, continue to provide underlying support.

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 ($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.

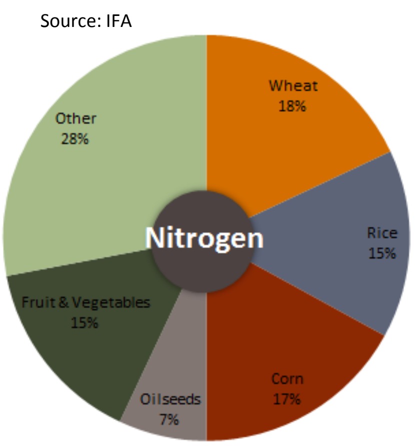
UNITED STATES: Supplies of **corn** and **soybeans** will be tighter than expected in the US as problems with crops in Brazil and Argentina have raised demand for US supplies from overseas buyers, the US Agriculture Department revealed in its latest WASDE report. In its monthly supply and demand report,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

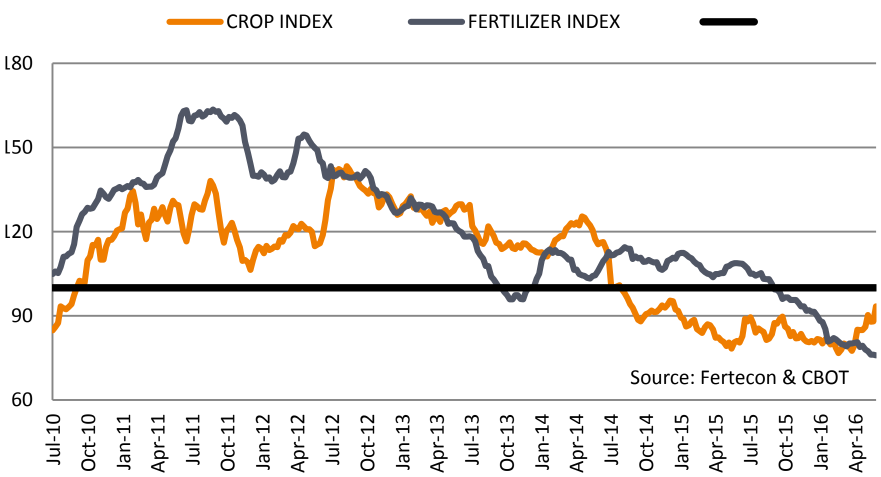
Wheat supplies are expected to rise to a 29-year high even as the corn and soybean balance sheet tightens. The USDA pegged 2016/17 US wheat ending stocks at 28.58 million t, up from its May outlook of 27.99 million t, due to a record winter wheat yield of 50.5 bushels per acre. For global wheat supplies 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.

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.

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