

4 August 2016

- Iffco and Yara conclude a new spot deal for 15,000 t ammonia at \$280 cfr for mid-September delivery
- Ameropa sells 23,000 t ammonia to CIL, west coast India at \$303 cfr including 90 days' credit
- Acron understood to sell 22,000 t to OCP on a spot fob basis for lifting out of Sillamäe in August
- Yara sells 15,000 t to Namhae at \$306.50 cfr for delivery to Yosu, South Korea in September
- LFC buys 5,000 t from Mitsubishi at \$325 cfr for delivery to Ulsan, South Korea in September

OUTLOOK

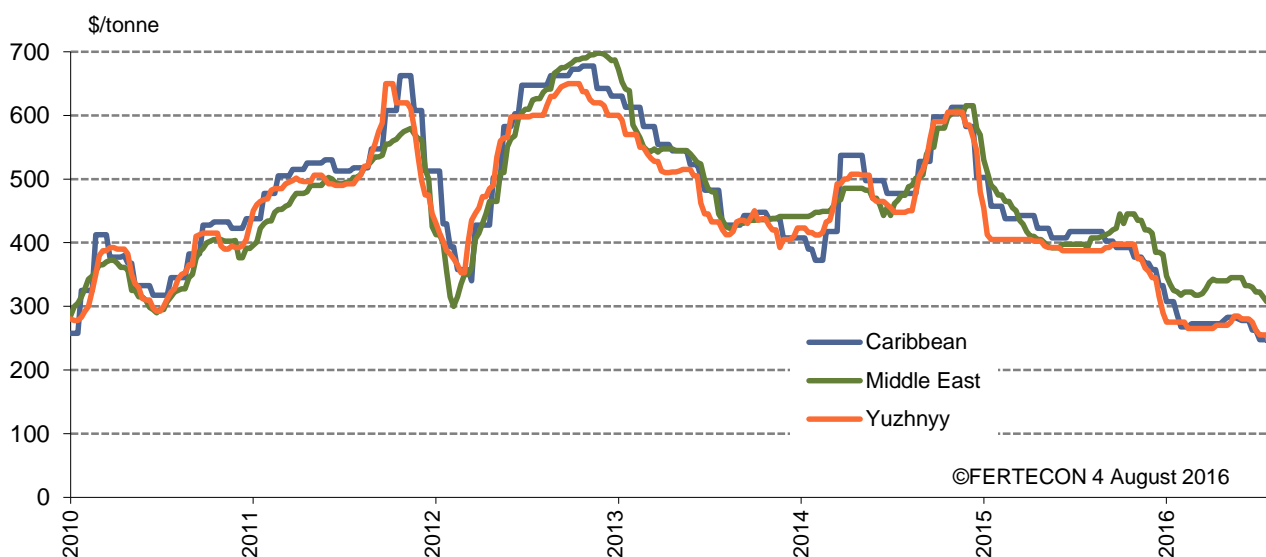
Bearish.

KEY PRICES

	4 August	28 July	21 July
Yuzhnyy fob \$/t	210-220*	230-240*	250-260*
Middle East fob \$/t	280-300*	295-315*	295-320*
Tampa/US Gulf cfr \$/t	270-275	270-290**	285-290

* nominal; ** Low end refers to August price, high end refers to July price

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\$

	4 August	28 July	21 July
Fob prices			
Caribbean	230-235	230-250	245-250
Middle East	280-300*	295-315*	295-320*
<i>Of which:</i>			
- Netbacks on contract/formula-priced sales	280-300*	300-315*	305-320*
- Spot fob	295*	295*	295*
Yuzhnyy/FSU fob	210-220*	230-240*	250-260*
Baltic/FSU	220-225*	250-260*	260-270*
Southeast Asia	290-300	300-310	305-320
Delivered prices			
NW Europe (duty paid/duty free) *	285-295	316-332	327-343
NW Europe (duty unpaid) *	270-280	300-315	310-325
Far East	307-350	325-360	345-365
India	280-325	325-355	325-367
US Gulf/Tampa	270-275	270-290**	285-290
- Tampa	270	270-285**	285
- US Gulf (MS, LA, TX)	275	275-290**	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; ** Low end refers to August price, high end refers to July price The full history of Fertecon's ammonia prices is available to view and download by clicking here .			

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

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

ANALYSIS

This week the international ammonia market was very active with multiple new deals confirmed and prices visibly under further downward pressure. All Fertecon ammonia price indices have been revised down on the back of this.

In the **Black Sea**, Ameropa sold 23,000 t to CIL in India at \$303 cfr with 90 days' credit for delivery mid-September. Also, it has been confirmed that a 40,000 t cargo will be shipped by Ameropa for Mitsubishi's deliveries to the Far East and on the back of the latest developments in the relevant destination markets the Black Sea price indication is adjusted downwards to \$210-220 fob.

The **Baltic** prices followed Yuzhnyy and are also under strong pressure with indications of current levels at \$220-225 fob. Acron sold 22,000 t ammonia from its new plant on a spot basis to OCP for lifting in August in two lots. The price is confidential but believed to be in line with developments in the region.

In the **Far East**, following last week's purchase of 15,000 t by Namhae from Mitsubishi at \$325 cfr Yosu, South Korea, it is now known that at the same time another deal has been concluded also by Mitsubishi, with LFC for 5,000 t at the same price level for delivery to Ulsan. This week, even lower level has been established with Yara selling 15,000 t to Namhae at \$306.50 cfr for delivery to Yosu. All three cargoes are for September delivery.

The very latest development in **India** is the purchase of 15,000 t by Iffco from Yara at \$280 cfr Paradeep, a \$45 drop from the lowest price level known last week and when credit terms are excluded nearly \$20 below the above mentioned sale by Ameropa to CIL at \$303 cfr with 90 days' credit.

On the supply side, the Sorfert plant in **Algeria** is believed to have taken one ammonia line down for a 3-week turnaround but on another hand the Qafco 6 ammonia plant in **Qatar** is back online since 1 August and reportedly running well.

The short term outlook for ammonia prices remains bearish and prices are expected to be under further pressure in the coming weeks.

SUPPLIERS

FSU

BLACK SEA: It is understood that Ameropa sold 23,000 t to CIL, east coast India at \$303 cfr with 90 days' credit for delivery mid-September.

Moreover, it has now been confirmed that Ameropa has concluded business with Mitsubishi which will see 40,000 t of Black Sea ammonia on the *Clipper Moon* placed in the Far Eastern market, namely Taiwan and two customers in South Korea.

It is believed that the part of the cargo destined for South Korea could cover Mitsubishi's recent sales to Namhae and LFC priced at \$325 cfr. The part of the cargo for Taiwan is thought to be likely to cover contract arrangement and is expected to be priced on arrival.

Overall the Black Sea fob index is assessed to be \$210-220 fob this week, with significant weakness prevailing.

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

Vessel	Trader/Buyer	'000 t	Destination	Load date
JUNE		242.6		
JULY		257.5		
<i>Cambridge</i>	OCP	23	Morocco (Jorf Lasfar)	30 June - 1 July
<i>Gas Snapper</i>	Ameropa on b/h of Muntajat	23.3	EC India (Paradeep)	4-5 July
<i>Gaschem Stade</i>	Drey Moor	23	EC India (Paradeep & Vizag)	6-8 July
<i>Clipper Odin</i>	Ameropa	25	WC India (Kandla)	9-11 July
<i>Gas Grouper</i>	Ameropa	23.4	Belgium (Antwerp)	15-16 July
<i>Marycam Swan</i>	Trammo	15	Turkey (Igsas) & Israel (Haifa)	11-13 July

<i>Gas Manta</i>	Ameropa	23.4	Morocco (Jorf Lasfar)	20 July
<i>Sanko Independence</i>	OCP	23	Morocco (Jorf Lasfar)	21 July
<i>Marycam Swan</i>	Trammo	15	Turkey (Toros - 8) & Israel (Haifa - 5)	22 July
<i>Gas Cobia</i>	Ameropa	23.4	Tunisia (Gabes)	22-23 July
<i>Clipper Mars</i>	Ameropa	40	EC India (Paradeep)	30-31 July
AUGUST		197.1		
<i>Solaro</i>	Ameropa on b/h of Muntajat	23.5	Jordan (Aqaba)	3-4 August
<i>Marycam Swan</i>	Trammo	15	TBC	5-6 August
<i>Gas Cobia</i>	Ameropa	23.4	Belgium (Antwerp)	10-11 August
<i>Gas Manta</i>	Ameropa	23.4	TBC	12-13 August
<i>Gas Snapper</i>	Ameropa	23.4	TBC	14-15 August
<i>Clipper Odin</i>	Ameropa	25	TBC	Mid-August
<i>Clipper Moon</i>	Ameropa	40	Taiwan & S. Korea (2 ports)	15-20 August
<i>Cambridge</i>	OCP	23.4	Morocco (Jorf Lasfar)	2-half August

BALTIC: The Baltic fob prices are reported to be at around \$220-225 fob level.

Uralchem continues to move ammonia to cover contract obligations only and is not expecting to be in a spot market until September due to turnaround at its ammonia plants.

Acron is believed to have sold 22,000 t to OCP for August lifting in two lots on the *Wilhelm Schulte*, which the Moroccan buyer is heard to have sub-chartered for these 2 voyages from OCI. This is the first spot sale out of the new Acron ammonia plant with the product so far moved under contract arrangements. The price of the spot sale to OCP remains confidential but is thought to be somewhere within the currently quoted price range.

The *Wilhelm Schulte* is presently at Sillamäe loading the first of the two cargoes with the second lot expected to be lifted later in the month.

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

Vessel	Trader/ Buyer	'000 t	Destination	Load date
JUNE		95		
JULY		71.4		
<i>Gas Manta</i>	Ameropa	23.4	Belgium (Antwerp)	30 June – 1 July (Sillamäe)
<i>Antarcticgas</i>	Yara	10	Norway (Porsgrunn)	1-2 July (Ventspils)
<i>Antarcticgas</i>	Yara	10	Norway (Porsgrunn)	7-8 July (Ventspils)
<i>Antarcticgas</i>	Yara	10	Norway (Porsgrunn)	11-12 July (Sillamäe)
<i>Coral Ivory</i>	Yara	4	Finland (Uusikaupunki)	16-17 July (Ventspils)
<i>Antarcticgas</i>	Yara	10	Norway (Porsgrunn)	18-19 July (Sillamäe)
<i>Coral Ivory</i>	Yara	4	Sweden (Köping)	20-21 July (Sillamäe)
AUGUST		72.8		
<i>Coral Ivory</i>	Yara	4	Sweden (Köping)	1-2 August (Ventspils)
<i>Wilhelm Schulte</i>	OCP	11	Morocco (Jorf Lasfar)	4-5 August (Sillamäe)
<i>Gas Grouper</i>	Ameropa	23.4	Belgium (Antwerp)	7 August (Sillamäe)
<i>Wilhelm Schulte</i>	OCP	11	Morocco (Jorf Lasfar)	20-25 August (Sillamäe)
<i>TBC</i>	Ameropa	23.4	TBC	End August (Sillamäe)

EUROPE

UNITED KINGDOM: Yara's vessel the *Pertusola* is expected to arrive at Hull around 6 August for loading.

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

Vessel	Trader	'000 t	Destination	Load date
JUNE		16		
JULY		8		
<i>Temse</i>	Yara	8	Germany (Rostock)	7-8 July (Hull)
AUGUST		11		
<i>Pertusola</i>	Yara	11	TBC	6 August (Hull)

CARIBBEAN

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

Vessel	'000 t	Destination	Load date
JUNE	370.2		
JULY	435.7		
<i>Brussels</i>	8	Chile (Including 15 previously loaded from Brazil)	1-2 July
<i>Sombeke</i>	25.4	United States & Colombia (Barranquilla)	1-2 July
<i>Clipper Orion</i>	40	Far East incl Taiwan (Mai-Liao)	2-4 July
<i>Libramont</i>	25.4	Belgium (Antwerp)	3-5 July
<i>Clipper Neptun</i>	40	United States (Tampa)	5-7 July
<i>Clipper Venus</i>	40	United States (Freeport & Beaumont)	7-8 July
<i>Almajedah</i>	15.4	Brazil (Santos)	12-13 July
<i>Navigator Grace</i>	15	Mexico (Topolobampo)	12-13 July
<i>Marola</i>	24.8	United States (Tampa)	14-15 July
<i>Luigi Lagrange</i>	24.8	Mexico (Lazaro Cardenas)	14-16 July
<i>Sanko Innovator</i>	23	Mexico (Topolobampo)	15-16 July
<i>Kaprijke</i>	25	United States (Freeport & Pasadena)	16-17 July
<i>Clipper Venus</i>	40	United States (Taft & Freeport)	24-25 July
<i>Brussels</i>	23.5	TBC	26-27 July
<i>Sombeke</i>	25.4	United States (Pascagoula & Pasadena)	21-23 July
<i>Clipper Neptun</i>	40	United States (Tampa)	25 July
AUGUST	144.8		
<i>Yara Kara</i>	14	Cuba (Nuevitas)	1-2 August
<i>Libramont</i>	25.4	TBC	2-3 August
<i>Clipper Neptun</i>	40	TBC	7 August
<i>Sombeke</i>	25.4	Belgium (Antwerp)	1-half August
<i>Clipper Venus</i>	40	TBC	1-half August

AFRICA

ALGERIA: One ammonia line is down for a turnaround at the **Sorfert** plant in Arzew for three weeks starting on 29 July.

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		79.9			
<i>Andesgas</i>	Fertial	10	Spain (Aviles)/Fertiberia	Arzew	30 June – 1 July
<i>Queen Isabella</i>	Fertial	7	Spain (Sagunto & Castellon)	Annaba	3-5 July
<i>Andesgas</i>	Fertial	10	Portugal (Lisbon) & Spain (Aviles)/Fertiberia	Arzew & Annaba	9-13 July
<i>Wilhelm Schulte</i>	Sorfert	11	Netherlands (Rotterdam)/OCI	Arzew	15-18 July
<i>Queen Isabella</i>	Fertial	7	Spain (Sagunto)/Fertiberia	Arzew	18-19 July
<i>Navigator Gusto</i>	Sorfert	14.9	France (Montoir)/Yara	Arzew	19-20 July
<i>Andesgas</i>	Fertial	10	Spain (Aviles) & Portugal (Lisbon)/Fertiberia	Annaba	23-25 July
<i>Antarcticgas</i>	Sorfert	10	France (Montoir)/Yara	Arzew	29-30 July
AUGUST		38.4			
<i>Navigator Gusto</i>	Sorfert	14.9	France (Montoir)/Yara	Arzew	2-3 August
<i>Eupen</i>	Sorfert	23.5	India (EC India)/Trammo	Arzew	Arrived 25 July, waiting to load

NIGERIA: It is heard that OCP may have a cargo to lift from Onne later on for delivery to Morocco but this could not be fully confirmed at the time of writing.

MIDDLE EAST

QATAR: The **Qafco 6** ammonia plant, which has been down throughout July, has restarted around 1 August and is reportedly running well. Production on all the remaining units is also reported to be running smoothly.

Muntajat's previous confirmed netbacks on contract deliveries are around \$300 fob. However, the producer reports that now at the low end the current Middle East prices can be realistically assessed at around \$280-290 fob already.

SAUDI ARABIA: There has been no new business reported from Saudi Arabia this week.

The latest Middle East line-up is tabulated below.

Vessel	Supplier/Origin	'000 t	Destination	Price \$/t	Load date
JUNE		201.6			
JULY		190			
<i>Gas Cat</i>	Raintrade/Iran (BIK)	18.5	Taiwan (Taichung)	I-t contract	3 July
<i>Gas Quantum</i>	Mitsui/ex-S.A. (Jubail)	23	China (Caojing -16) & Taiwan (Taichung - 7)	Spot formula	3 July
<i>Almarona</i>	Muntajat/Qatar	15	India (MCFL/New Mangalore & CIL/Kakinada)	I-t contract	4-6 July
<i>Everrich 6</i>	Transagri/ex-Iran (Assaluyeh)	5.5	India (Deepak/JNPT-Mumbai)	n/a	8-9 July
<i>Sylvie</i>	Trammo/ex-Oman (Sur)	23	Taiwan (10) & China (13)	n/a	14-15 July
<i>Rose Gas</i>	Sabic/S.A. (RAK)	21	WC India (incl Hindalco/Dahej)	n/a	19-20 July
<i>Gas Line</i>	Raintrade/Iran (BIK)	23	India (incl Deepak/JNPT-Mumbai)	n/a	19-20 July
<i>Al Jabirah</i>	Sabic/S.A. (Jubail)	23	Taiwan (Taichung)	n/a	17-19 July
<i>Gas Columbia</i>	Muntajat/Qatar	23	EC India (SPIC/Tuticorin), Madagascar (Toamasina - 7) & WC India	I-t contract	23-25 July
<i>Almarona</i>	Muntajat/ex-S.A. (RAK)	15	EC India	swap	29-31 Jul
AUGUST		84-89			
<i>Al Barrah</i>	Sabic/S.A. (Al Jubail)	23	Far East	n/a	6 August

<i>Gas Quantum</i>	Mitsui/ex-S.A. (RAK)	23	Far East	Spot formula	9-13 August
<i>Rose Gas</i>	Sabic/S.A. (RAK)	15-20	India	n/a	18-20 August
<i>Al Jabirah</i>	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* is in Dampier and is expected to load for delivery to **CSBP** in Kwinana, where the vessel is expected to arrive on 8 August.

The *Viking River* will arrive in Dampier tomorrow, 5 August.

The June customs figures show exports of 25,505 t with destination being South Korea. This brought the total exports for January-June 2016 to 221,535 t, down by 122,277 t or 35.6% y-o-y from 343,912 t exported during the 1-half of 2015. (Source: GTIS/Australia Customs)

The recent known ammonia loadings are tabulated below.

AUSTRALIA: 2016 AMMONIA SHIPMENTS			
Vessel	'000 t	Destination/Supplier	Load Date/Port
JUNE	75		
JULY	40		
<i>Viking River</i>	25	South Korea (Yosu)/Yara	10-11 July (Dampier)
<i>Nordic River</i>	15	Gladstone (domestic)/Yara	16-17 July (Dampier)
AUGUST	50		
<i>Nordic River</i>	25	Kwinana (domestic)/Yara	3-4 August (Dampier)
<i>Viking River</i>	25	TBC/Yara	5-6 August (Dampier)

INDONESIA: The KPI plant is heard to still be running.

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	83.3		
<i>Gaz Serenity</i>	15	China (Caojing) & Japan (Mizushima & Kuroaki)/Mitsui	3-4 July (Bontang)
<i>SCF Tobolsk</i>	23	S. Korea (Ulsan & Yosu)/Trammo	3-5 July (Bontang)
<i>Gaz Millennium</i>	15	Taiwan (Taichung) & Japan (Nagoya & Mizushima)/Mitsui	6-8 July (Bontang)
<i>SCF Tomsk</i>	13	India for CIL /Trammo (top up after 10 loading in Malaysia)	15-16 July (Bontang)
<i>Gaz Serenity</i>	15	China (Caojing), S. Korea (Ulsan) & Japan (Kuroaki)/Mitsui	27-28 July (Bontang)
<i>Gaschem Dollart</i>	2.3	Singapore/Mitsui	30 July (Pusri)
AUGUST	70.3		
<i>Gaschem Dollart</i>	2.3	TBC/Mitsui	3 August (Lhokseumawe)
<i>Gaz Millennium</i>	15	S. Korea (Yosu)/Mitsui	Early August (Bontang)
<i>Gaz Millenium</i>	15	TBC/Mitsui	Mid-August (Bontang)

<i>Touraine</i>	23	S. Korea/Trammo	Mid-August (Bontang)
<i>Gaz Serenity</i>	15	TBC/Mitsui	End August (Bontang)

MALAYSIA: The new **Petronas'** Samur ammonia plant in Sipitang is running and finally producing on spec ammonia but the urea plant has yet to start operation, so there is some excess ammonia available.

The *Bunga Kemboja* is now on the way to Sipitang with 11,000 t previously loaded in Kerteh and Petronas hopes they can fully load the vessel up to 16,500 t, which will then go to Thailand to discharge for Ube and NFC.

The next voyage will also be to Thailand, covering a sale to Mitsubishi delivering to PTT Asahi.

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	45.3		
<i>SCF Tomsk</i>	10	EC India/Trammo (following top-up in Indonesia)	9-10 July (Kerteh)
<i>Bunga Kemboja</i>	16.5	Thailand (Rayong & Map Ta Phut)/Petronas	17-18 July (Kerteh)
<i>Gaschem Dollart</i>	2.3	Indonesia (Gresik)/Mitsui	16-18 July (Bintulu)
<i>Bunga Kemboja</i>	16.5	Thailand (Map Ta Phut)/Petronas	26-28 July (Kerteh)
AUGUST	33		
<i>Bunga Kemboja</i>	16.5	Thailand (Rayong & Map Ta Phut)/Petronas	1-2 August (Kerteh -11) 6-7 August (Sipitang – 5.5)
<i>Bunga Kemboja</i>	16.5	Thailand/Mitsubishi	2-half August

MARKETS

AFRICA

MOROCCO: **OCP** is believed to have purchased 22,000 t of Acron ammonia for lifting in two lots out of Sillamäe, Baltic during August. The purchase price remains confidential. The cargoes will be lifted on the *Wilhelm Schulte*.

The latest line-up for ammonia deliveries into Morocco:

MOROCCO: KNOWN 2016 AMMONIA IMPORTS			
Vessel	'000 t	Supplier/Origin	Discharge
JUNE	69.4		
JULY	130.8		
<i>Navigator Grace</i>	10	Trammo/ex-Algeria	1-3 July
<i>Gas Cobia</i>	23.4	Ameropa/Yuzhnyy	8 July
<i>Cambridge</i>	23	ex-Yuzhnyy	9-11 July
<i>Clipper Sky</i>	28	ex-CF Donaldsonville (US)	19-21 July
<i>Gas Manta</i>	23.4	Ameropa/Yuzhnyy	28 July
<i>Sanko Independence</i>	23	ex-Yuzhnyy	30 July
AUGUST	92.2		
<i>Cambridge</i>	23.4	ex-CF Donaldsonville (US)	1-half August
<i>Wilhelm Schulte</i>	11	ex-Baltic	1-half August
<i>Gas Grouper</i>	23.4	Ameropa/ex-Baltic	Mid-August

<i>Cambridge</i>	23.4	ex-Yuzhnyy	2-half August
<i>Wilhelm Schulte</i>	11	ex-Baltic	2-half August

TUNISIA: Ameropa's vessel, the *Gas Cobia* discharged ammonia at Gabes around 2 August.

The latest known ammonia deliveries into Gabes are as follows:

TUNISIA: KNOWN 2016 AMMONIA IMPORTS			
Vessel	'000 t	Supplier/Origin	Discharge
JULY	23.4		
<i>Gas Grouper</i>	23.4	Ameropa/Yuzhnyy	1-2 July
AUGUST	23.4		
<i>Gas Cobia</i>	23.4	Ameropa/Yuzhnyy	31 July – 2 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		
<i>Gas Manta</i>	23.4	Ameropa/Baltic	5-8 July
<i>Temse</i>	8	Yara/Netherlands	6 July
<i>Libramont</i>	25.4	PCS/Trinidad	19-20 July
AUGUST	72.2		
<i>Gas Grouper</i>	23.4	Ameropa/Yuzhnyy	1-3 August
<i>Gas Grouper</i>	23.4	Ameropa/ex-Baltic	Mid-August
<i>Sombeke</i>	25.4	PCS/Trinidad	End August

ASIA/OCEANIA

INDIA: West and East Coast – The *Almarona* is expected at Mangalore on 6 August for **MCFL** and it is understood that this vessel is also expected to deliver 7,200 t to **TCL** at Haldia on 8 August from Muntajat. The *Almarona* will also deliver 3,000 t to **CIL** at Vizag.

East Coast – It is understood that **KIT/Iffco** has bought 15,000 t ammonia from Yara at \$280 cfr for delivery to Paradeep around mid-September.

CIL bought 23,000 t ammonia from Ameropa for mid-September delivery at \$303 cfr with 90 days' credit. The cost of 90 days' credit is believed to be worth around \$4.75 therefore the net price of this cargo is estimated to be around \$298 cfr.

Muntajat's vessel the *Gas Columbia* has delivered 5,200 t ammonia to **Greenstar** at Tuticorin on 1 August.

Raintrade's vessel the *Gas Cat* is due to deliver around 18,000 t to **CIL** at around 22 August under their contract.

Raintrade's vessel the *Gas Line* is due to deliver around 15,000 t to **CIL** at the end of August under their contract.

Ameropa's vessel the *Clipper Mars* is expected to deliver around 40,000 t of ammonia to **Iffco** at around 20 August.

The list of known July and August as well as the first few cargoes fixed for September deliveries into Indian ports so far is below:

Buyer/Location	Supplier	'000 t	\$/t cfr unless stated	Discharge	Vessel
JUNE		179.3			
JULY		248.6			
West Coast		94.5			
Iffco/Kandla	Trammo/ex-Trinidad	7.5	Mid/high \$360s	2 July	<i>Sanko Independence</i>
Iffco/Kandla	Ameropa/ex-Black Sea	18.5	n/a	25-27 July	<i>Clipper Odin</i>
GSFC/Sikka	Sabic/S. Arabia	15	n/a	5 July	<i>Rose Gas</i>
GSFC/Sikka	Sabic/S. Arabia	15	~\$355	26 July	<i>Rose Gas</i>
Hindalco/Dahej	Sabic/S. Arabia	6	~\$355	25 July	<i>Rose Gas</i>
Deepak Fertilisers/ JNPT-Mumbai	Transagri/ex-Iran	5.5	n/a	1-2 July	<i>Everrich 6</i>
Deepak Fertilisers/ JNPT-Mumbai	Trammo/ex-Bangladesh	8	Mid-\$370s	7-9 July	<i>Sylvie</i>
Deepak Fertilisers/ JNPT-Mumbai	Sabic/S. Arabia	4	\$380	12-13 July	<i>Rose Gas</i>
Deepak Fertilisers/ JNPT-Mumbai	Transagri/ex-Iran	5.5	n/a	14 July	<i>Everrich 6</i>
Zuari/Goa	Muntajat/Qatar	4.5	I-t contract	18 July	<i>Gas Columbia</i>
MCFL/New Mangalore	Muntajat/Qatar	5	I-t contract	10 July	<i>Almarona</i>
East Coast		154.1			
Greenstar/Tuticorin	Muntajat/Qatar	7	I-t contract	4 July	<i>Gas Columbia</i>
CIL/Kakinada	CIFC-Raintrade/ex-Iran	5.5	\$367	6 July	<i>Gas Line</i>
CIL/Kakinada	Muntajat/Qatar	10	I-t contract	14 July	<i>Almarona</i>
CIL/Kakinada	Muntajat/Qatar	8.5	\$350	15-16 July	<i>Gas Columbia</i>
CIL/Kakinada	Dreymoor/ex-Black Sea	11	n/a	27 July	<i>Gaschem Stade</i>
CIL/Kakinada	Trammo/ex-Malaysia (10) and Indonesia (13)	10	Mid-high \$360s	30-31 July	<i>SCF Tomsk</i>
CIL/Vizag	CIFC-Raintrade/ex-Iran	8	\$367	7 July	<i>Gas Line</i>
CIL/Vizag	Muntajat/Qatar	5	\$350	13 July	<i>Gas Columbia</i>
Iffco/Paradeep	Trammo/ex-Turkey	23	\$350	23 July	<i>Anafi</i>
Iffco/Paradeep	Ameropa/ex-Black Sea	32.8	High \$330	9 July	<i>Clipper Mars</i>
PPL/Paradeep	CIFC-Raintrade/ex-Iran	10	\$367	4 July	<i>Gas Line</i>
PPL/Paradeep	Muntajat/ex-Black Sea	23.3	\$360	24 July	<i>Gas Snapper</i>
AUGUST		148.4			
West Coast		18			
Deepak Fertilisers/ JNPT-Mumbai	Ameropa/ex-Black Sea	8	n/a	2-3 August	<i>Clipper Odin</i>
Deepak Fertilisers/ JNPT-Mumbai	Trammo/ex-Algeria	5.5	\$330	1-half August	<i>Eupen</i>
MCFL/New Mangalore	Muntajat/ex-S. Arabia	4.5	I-t contract	6 August	<i>Almarona</i>
East Coast		130.4			
Greenstar/Tuticorin	Muntajat/Qatar	5.2	I-t contract	1 August	<i>Gas Columbia</i>
CIL/Vizag	Trammo/ex-Malaysia (10) and Indonesia (13)	12	Mid-high \$360s	1-2 August	<i>SCF Tomsk</i>
CIL/Vizag	Muntajat/ex-S. Arabia	3	I-t contract	1-half August	<i>Almarona</i>
CIL/TBC	CIFC-Raintrade/ex-Iran	18	I-t contract	22 August	<i>Gas Cat</i>

CIL/TBC	CIFC-Raintrade/ex-Iran	15	I-t contract	End August	<i>Gas Line</i>
Iffco/Paradeep	Ameropa/ex-Black Sea	40	n/a	20 August	<i>Clipper Mars</i>
Iffco/Paradeep	Trammo/ex-Algeria	18	I-t contract	1-half August	<i>Eupen</i>
PPL/Paradeep	Dreymoor/ex-Black Sea	12	Mid-\$340s w120d	6 August	<i>Gaschem Stade</i>
TCL/Haldia	Muntajat/ex-S. Arabia	7.2	I-t contract	8 August	<i>Almarona</i>
SEPTEMBER		61			
East Coast		61			
CIL/2-ports	Ameropa/ex-Black Sea	23	\$303 w90d	Mid-September	<i>TBC</i>
Iffco/Paradeep	Yara/ex-TBC	15	\$280	Mid-September	<i>TBC</i>
PPL/Paradeep	CIFC/ex-Iran	23	\$325	2-week September	<i>TBC</i>

JAPAN: June customs figures report import of almost 22,000 t, all shown coming from Indonesia. For the first half of 2016 imports of 110,400 t are almost the same as first half 2015. (Source: GTIS/Japan Customs)

Provisional data for June shows the production of nearly 57,500 t ammonia, down from the revised figure of 64,700 t in May.

SOUTH KOREA: Yara has sold 15,000 t ammonia to **Namhae** at \$306.50 cfr, for target second half September arrival. Last week \$325 cfr was done by Mitsubishi to Namhae and at the same time another 5,000 t was sold to **LFC** at the same price. Both cargoes sold by Mitsubishi are expected to be delivered from the Black Sea on the *Clipper Moon* in September.

The *Gaz Serenity* arrived in Ulsan today to deliver 5,000 t to **LFC** from Mitsui.

LFC will then get 10,000 t from Trammo on the *Touraine*, eta 12 August, before this vessel goes on to Yosu to deliver to Namhae on behalf of Mitsubishi.

Sabir will deliver a full cargo to LFC in August on the *Al Barrah* and Koch is due to ship 16,000 t on the *Clipper Orion*, now in Taiwan.

Namhae will get 10,000 t from Mitsui on *Gaz Millennium*, eta 14 August, with the *Touraine* following around 16 August with 15,000 t from Mitsubishi. The *Touraine* will then go to Indonesia to load and will be back in Ulsan at the end of the month with 10,000 t from Trammo.

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	<i>Nordic River</i>
Namhae/Yosu	Trammo/ex-Indonesia	10	13-15 July	<i>SCF Tobolsk</i>
Namhae/Yosu	Yara/Australia	25	22 July	<i>Viking River</i>
LFC*/Ulsan	Trammo/ex-Indonesia	16	8 July	<i>Bunga Kemboja</i>
LFC*/Ulsan	Trammo/ex-Indonesia	13	11 July	<i>SCF Tobolsk</i>
LFC*/Ulsan	Sabir/S. Arabia	23	17-19 July	<i>Al Barrah</i>
AUGUST		89		
Namhae/Yosu	Mitsubishi/ex-USA	15	16 August	<i>Touraine</i>
Namhae/Yosu	Mitsui/ex-Indonesia	10	14 August	<i>Gaz Millennium</i>
LFC*/Ulsan	Koch/ex-Trinidad	16	Early August	<i>Clipper Orion</i>
LFC*/Ulsan	Mitsui/ex-Indonesia	5	4 August	<i>Gaz Serenity</i>
LFC*/Ulsan	Trammo/ ex-USA	10	12 August	<i>Touraine</i>
LFC*/Ulsan	Sabir/S. Arabia	23	2-half August	<i>Al Barrah</i>

LFC*/Ulsan	Trammo/ ex-Indonesia	10	End August	<i>Touraine</i>
SEPTEMBER		72-73		
Namhae/Yosu	Mitsubishi/ex-Black Sea	10	September	<i>Clipper Moon</i>
Namhae/Yosu	Yara/ex-TBC	15	2-half September	<i>TBC</i>
LFC*/Ulsan	Mitsubishi/ TBC	15	Early September	<i>TBC</i>
LFC*/Ulsan	Mitsubishi/ex-Black Sea	5	September	<i>Clipper Moon</i>
LFC*/Ulsan	Koch/ TBC	4-5	Mid-September	<i>TBC</i>
LFC*/Ulsan	Trammo/TBC	23	End September	<i>TBC</i>
* Lotte Fine Chemical				

TAIWAN: The *Al Jabirah* arrives at Taichung this weekend with a cargo for **TFC** from Sabic.

THAILAND: The *Bunga Kemboja* has loaded 11,000 t in Kerteh, Malaysia and will now go to the new plant in Sabah, Malaysia to try and complete loading of a total 16,500 t for shipping to Ube and NFC.

The *Bunga Kemboja* will then return to Malaysia to load a cargo for PTT Asahi, to be delivered on behalf of Mitsubishi.

NORTH AMERICA

UNITED STATES: In the **domestic market** for direct application ammonia, new sales of ammonia remain seasonally slow over much of the Midwest. Welcome rains fell on crops in central and south Michigan, north and central Ohio and north and central Indiana. A few loads of ammonia moved to dealer storage in central Texas ahead of wheat preplant.

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		
<i>Marola</i>	Yara	16	Trinidad	1-2 July
<i>Navigator Galaxy</i>	Yara	15	Trinidad	12-13 July
<i>Almadejah</i>	Yara	15.4	Trinidad	23-25 July

COMPANY NEWS

RUSSIA: **Acron** released its operating results and financial results of the 1-half of 2016 on Monday 1 August. EBITDA was down 20% year-on-year in the January-June period to RUB 9,087 million, from 11,295 million in the same period in 2015.

Total commercial output at Acron, Dorogobuzh, Hongri Acron and NWPC was up 3.4% year-on-year to 3.206 million t, mostly owing to increases in the mineral fertilizer segment. Total mineral fertilizer commercial output was up to 2.579 million t from 2.410 million tonnes previously.

Ammonia output was up 11.1% to 957,000 t in the January-June period, up from 861,000 t. According to Alexander Popov, board of directors' chair, the "start of production at the new ammonia unit with the output of 30,000 t contributed to the growth in the reporting period." "The launch of the new large-tonnage Ammonia-4 unit opens up new horizons for further expansion of the processing capacity and introducing new products," he added.

Nitrogen fertilizers in total were up 20.3% to 1.766 million t from 1.468 million t in the 1-half 2015 period. AN output was up 12.6% year-on-year to 859,000 t, from 763,000 t before, while UAN output jumped 31.4% to 536,000 t. Urea production increased 25.1% year-on-year to 370,000 t in the January-June 2016 period, from 296,000 t in the same 6 months in 2015. On market trends, the producer said: "urea and other nitrogen products remain under pressure due to a weak seasonal demand in summer." A 37% cut in imports also contributed to current demand levels, Acron added.

"To some extent, the decreased India's imports are offset by lower exports from China because the world [urea] prices have fallen below production cost level for the majority of manufacturers in the country," the company said. The producer believed the potential for further price decline is however limited, as Chinese urea makers would not be able to compete with prices below \$200 fob. Price increase potential was on the other hand also deemed to be limited and Acron believes there may only be some price recovery nearer to the last quarter of the year on the back of seasonal demand.

Output of complex fertilizers moved to 1.108 million t in the 1-half 2016, from 1.171 million t in 2015, with NPK production down 5.5% to 1.083 million t from 1.146 million t. Bulk blends' output remained stable at 25,000 t.

RUSSIA: PhosAgro announced its production results for the six months ending 30 June 2016. Total fertilizer production and sales increased by 8.7% and 7.7% respectively year-on-year in 1-half of 2016. Production of phosphate-based fertilizers and feed phosphates in the first half of 2016 rose by 8.3% year-on-year to 2.9 million t, while production of nitrogen-based fertilizers grew by 10.1% year-on-year to 800,000 t.

PhosAgro's production and sales volumes for 1-half of 2016 are summarized in the tables below.

PRODUCTION VOLUME BY TYPE (^{'000} t)			
Product	H1 2016	H1 2015	Change y-o-y
Phosphate-based fertilizers and MCP	2,894.70	2,671.7	8.3%
Nitrogen-based fertilizers	781.40	709.9	10.1%
TOTAL fertilizers	3,676.10	3,381.6	8.7%
Apatit mine and beneficiation plant	4,703.90	4,385.3	7.3%
Other products**	68.80	76.9	(10.5%)

** Excluding feed stock

Commenting on the H1 2016 production results, PhosAgro CEO Andrey Guryev said:

"I am very pleased to announce another set of excellent operating results, with production and sales volumes increasing by 9% and 8% year-on-year, respectively. This marks the second consecutive year of our modernisation and debottlenecking programmes delivering strong, tangible results. PhosAgro's 1H 2016 performance is particularly impressive given that the market situation remains challenging.

"Looking forward to the remainder of 2016, I expect phosphate-based fertilizer consumption for the year to remain relatively stable, with greater demand likely to come from Latin America in connection with the upcoming soybean planting season. I also expect India to increase purchases in the second half of the year, given fertilizer stocks are depleted."

The table below provides a breakdown of production volumes for selected products for 1-half of 2016:

PRODUCTION VOLUMES (^{'000} t)			
Product	H1 2016	H1 2015	Change y-o-y
Phosphate-based fertilizers and MCP			
DAP/MAP	1,406.0	1,382.5	1.7%
NPK	955.1	942.2	1.4%
NPS	229.0	100.0	129.0%
APP	63.4	49.6	27.8%
MCP	175.7	128.1	37.2%
PKS	50.6	51.4	(1.6%)
SOP	14.9	17.9	(16.8%)
Nitrogen-based fertilizers			
AN	243.0	239.2	1.6%
Urea	538.4	470.7	14.4%
Feed stock			

Ammonia	608.1	545.0	11.6%
Phosphoric acid (kt P ₂ O ₅)	1,122.3	1,050.0	6.9%
Sulphuric acid (kt monohydrate)	2,465.1	2,368.0	4.1%

The table below provides a breakdown of sales volumes for selected products for 1-half of 2016:

SALES VOLUMES (‘000 t)			
Product	H1 2016	H1 2015	Change y-o-y
Phosphate-based fertilizers and MCP			
DAP/MAP	1,369.0	1,353.5	1.1%
NPK	955.2	953.2	0.2%
NPS	233.5	114.9	103.2%
APP	65.4	48.1	36.0%
MCP	165.5	119.9	38.0%
PKS	53.3	57.3	(7.0%)
SOP	11.5	18.0	(36.1%)
Nitrogen-based fertilizers			
AN	258.7	262.9	(1.6%)
Urea	528.0	452.8	16.6%
Other products			
Ammonia	2.1	3.1	(32.3%)
Phosphoric acid	8.2	25.1	(67.3%)
Sulphuric acid	15.7	13.9	12.9%

UNITED STATES: CF Industries reports EBITDA for the April-June 2016 period at \$329 million, down from \$670 million in the second quarter of 2015, according to results released on Thursday 4 August.

Earnings were said to be affected by a realized loss on natural gas hedges of \$61 million for the second quarter of 2016, the \$150 million paid to OCI in connection to the termination of the combination agreement as well as taxes.

Net sales were down to \$1.13 billion in the second quarter, from \$1.31 billion in the same period in 2015, due to lower average selling prices across all segments. The decrease was partially offset by an increase in sales volume, including the impacts of the company's capacity expansion projects and the inclusion of CF Fertilisers UK.

"Selling prices were negatively impacted by continued oversupply of nitrogen driven by global nitrogen capacity additions, coupled with lower energy and ocean freight costs, and softer global ammonia demand from industrial users, including phosphate fertilizer production," CF Industries said in its statement.

The producer added that the new ammonia plant at Donaldsonville, LA, is expected to begin production during the third quarter of this year, while at Port Neal, IA, the new ammonia plant complex is mechanically complete and ammonia production there is expected to begin towards the end of the third quarter, or beginning of the fourth quarter. Production of the urea plant is anticipated to follow closely thereafter.

On July 31, 2016, the Board of Managers of CF Industries approved a distribution payment to CHS of approximately \$75 million, which paid on August 1, 2016. This total is comprised of approximately \$30 million related to February and March 2016, and approximately \$45 million related to the second quarter of 2016.

Ammonia output amounted to 1,991,000 short tons in the second quarter, up from 1,843,000/stons in the same period in 2015. Production in the first 6 months of the year amounted to 3,994,000 ston, from 3,660,00 ston a year earlier.

"Ammonia sales volume increased slightly for the first six months of 2016 compared to the comparable period in 2015. An early start to spring applications drew sales into the first quarter of 2016 from the second quarter of 2016, however, year-to-date results were strong," the statement said.

Granular urea production increased to 808,000 ston in the April-June period from 593,000 ston a year before, and 1,627,000 ston in the first 6 months of the year, from 1,218,000 ston.

Granular urea sales volume increased due to increased production as a result of the company's new urea plant coming on line at Donaldsonville, LA.

UAN 32% output amounted to 1,771,000 ston in the second quarter of 2016 from 1,484,000 ston a year earlier. In the first six months of 2016, UAN 32% output amounted to 3,289,000 ston, from 2,914,000 ston. AN output increased to 386,000 ston in the April-June 2016, from 202,000 ston in 2015. In the first six months, production of AN amounted to 817,000 ston, from 431,000 ston in the same period a year earlier.

UAN sales volume increased due to an increase in production as a result of the company's new UAN plant coming on line at Donaldsonville, LA, in the first quarter of 2016, as well as increased demand resulting from favourable application conditions late in the second quarter 2016.

Agrium meanwhile reported second quarter earnings before finance costs and income taxes at \$677 million, from 682 million in the same period in 2015. Sales were down to 6.415 billion, from 6.992 billion in the same period in 2015.

Nitrogen gross profit was down 45% compared to the same period last year primarily due to significantly lower global benchmark nitrogen prices, partially offset by lower cost of production. Sales volume was understood to be lower due to an extended planned outage at the Borger facility, and a strong pull of ammonia volumes in the first quarter of 2016. UAN sales volumes were also lower due to the divestiture of the West Sacramento upgrade facility at the end of 2015.

Potash gross profit declined 76% compared to the same period last year due to downward pressure on potash benchmark prices.

Lower selling prices were partly offset by higher sales volumes this year. Sales volumes were 37% higher than the same period last year, as second quarter volumes last year were impacted by the ramp-up of our Vanscoy potash facility expansion. International sales volumes were 47% higher than the second quarter of last year, due to Agrium's higher Canpotex allocation in 2016 and higher product availability.

Phosphate gross profit was 83% lower than the same period last year due predominately to lower realised selling prices. Higher sales volumes and lower cost of product sold per tonne partially offset the impact from the significant decline in prices.

Sales volumes were up 5% compared to the second quarter of 2015, as phosphate sales were slightly delayed this year.

SHIPPING NEWS

Yara's new 25,000 t ammonia capacity vessel, the *Yara Aesa* has been launched in South Korea in July.

OCP is understood to have sub-chartered the 11,000 t capacity vessel *Wilhelm Schulte* for two voyages from Sillamäe, Baltic to Jorf Lasfar, Morocco.

NATURAL GAS/COAL

QUICK GLANCE (change from last week)

Henry Hub (day ahead): \$2.85 (up)

TTF: €13.31 (down)

Brent: \$43.10 (down)

WEST EUROPE: The NBP day-ahead price closed at 33.45 p/therm on 3 August down from 36.10 p/therm on 27 July. A price of 33.45 p/therm equates to \$4.43/mmBtu at the £/\$ exchange rate of 1:1.32457 from 3 August.

The September 2016 contract on ICE natural gas futures for the NBP closed at 34.78 p/therm on 3 August down from 37.44 p/therm on 27 July. The average 6-month forward strip (Sep 2016-Feb 2017) is 41.06 p/therm, which equates to \$5.44/mmBtu at the £/\$ exchange rate of 1:1.32457 from 3 August.

The Dutch TTF day-ahead price closed at €13.31/MWh on 3 August down from €14.25/MWh on 27 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. Market fundamentals are seen as quiet comfortable at the moment with steady demand against sufficient supply. Temperatures are not seen as having impacted spot prices over the past week as they have largely been in the normal range. In contrast, higher temperatures forecast for Germany in the coming days are set to pressure local spot prices there.

A price of €13.31/MWh equates to \$4.37/mmBtu at the exchange rate of €/£ 1:1.11938 on 3 August. In the early days of August, the TTF day-ahead average is estimated at \$4.43/mmBtu, which compares with \$4.63/mmBtu in July and with \$4.76/mmBtu in June. The May average was \$4.33/mmBtu, up from the April average of \$4.01/mmBtu, and up from March at \$3.99/mmBtu.

The average six-month ICE futures price for TTF for Sep 2016-Feb 2017 is €15.46/MWh on 3 August, and equating to \$5.07/mmBtu using the €/£ exchange rate of 1:1.11938 from 3 August.

Crude –The Brent crude oil contract for October 2016 settled at \$43.10/bbl on 3 August down from \$43.91/bbl on 27 July. The average price for the 3-month strip (Oct-Dec 2016) is \$43.54/bbl, while the 12-month average (Oct 2016-Oct 2017) is \$45.66/bbl.

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.

UKRAINE: At the end of July, **gas stocks** in Ukrainian underground storage facilities amounted to nearly 10.56 bcm, according to data provided by Ukrtransgaz. This is down 18.3% y-o-y but up from 8.44 bcm at the end of the 2015/16 heating season in early April.

Naftogaz was reported as suggesting that minimum gas stocks in underground storage facilities before the start of the 2016/17 heating season should be 14.5 bcm, which would mean that another 4 bcm would be needed before the start of the heating season. About 1 bcm of gas was planned to be pumped into underground storage facilities in July, followed by 1.5 bcm in August and some 1.9 bcm in September. In October, if the weather remains warm enough, plans are to continue increasing stock levels further.

Gas imports in the January-July 2016 period reached 3.42 bcm, down 63% y-o-y, an Ukrtransgaz spokesman said.

Meanwhile, Ukrainian natural **gas consumption** in January-July also decreased y-o-y to 17.1 bcm from 19.4 bcm reported for the same period last year, Ukrtransgaz added.

CHINA: Thermal coal prices at Qinhuangdao for the 5,500 kcal grade increased for the second week in a row to Rmb430-440/t (around \$65.50/t). This compares with Rmb425-435/t (around \$64.40/t) last week. The average price in July is estimated at Rmb421/t (\$63.02/t), the highest monthly average since April 2015. It compares with a June 2016 average of Rmb389/t (\$60.34/t) and the year-ago average of Rmb414/t (\$67.56/t) in July 2015.

AUSTRALIA: The Newcastle market for Q4 2016 is \$67.05/t down from \$67.70/t last week; Q1 2017 is \$67.40/t down from \$68.20/t; 2017 is \$65.05/t down from \$65.90/t; 2018 is \$64.75/t against \$65.55/t last week; and 2019 is \$64.45/t.

UNITED STATES: The Henry Hub day-ahead price closed at \$2.85/mmBtu on 3 August up very slightly from a revised price of \$2.84/mmBtu on 27 July.

In the first days of August, the Henry Hub has averaged \$2.91/mmBtu against a July average of \$2.82/mmBtu and June at \$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 \$2.28/mmBtu in January.

On NYMEX natural gas futures, the September 2016 contract settled at \$2.839/mmBtu on 3 August up from the \$2.660/mmBtu on 27 July. The average for the next three months – Sep-Nov 2016 – is \$2.918/mmBtu, while the average for the next 12 calendar months (Sep 2016-Sep 2017) is \$3.125/mmBtu.

The EIA Weekly Natural Gas Storage Report for the week ending 22 July showed a net injection of working gas stocks into underground storage of 17 bcf. The net injection compares with a median expectation of market analysts of a net injection of 26 bcf. It further compares with the year-ago injection of 52 bcf and the five-year-average injection of also 52 bcf. Natural gas stocks on 22 July were 3,294 bcf, which is 422 bcf (15%) above a year ago and 524 bcf (19%) 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 September 2016 contract closed at \$40.83/bbl on 3 August down from \$41.92/bbl on 27 July. The forward 3-month strip (Sep-Nov 2016) is \$41.59/bbl against \$42.62/bbl a week before, while the 12-month forward average (Sep 2016-Sep 2017) is \$44.34/bbl compared with \$45.26/bbl.

US coal – The CAPP September 2016 contract closed at \$39.50/ston on 3 August flat w-o-w. The 3-month forward strip (Sep-Nov 2016) is \$39.67/ston against \$39.75/ston a week before, while the Sep-Dec 2016 forward average is \$39.69/ston compared with \$39.79/ston.

US LNG – The **Lake Charles LNG** project in southwestern Louisiana is reported to be facing a delay as **Royal Dutch Shell** is deferring its final investment decision on the export facility as the company is looking to cut company spending.

The effort to curtail spending means that capital investments with returns that will come in with a delay may be put on the back burner, according to company spokesman Ray Fisher. Low oil prices were cited as one of the reasons for deferring the investment.

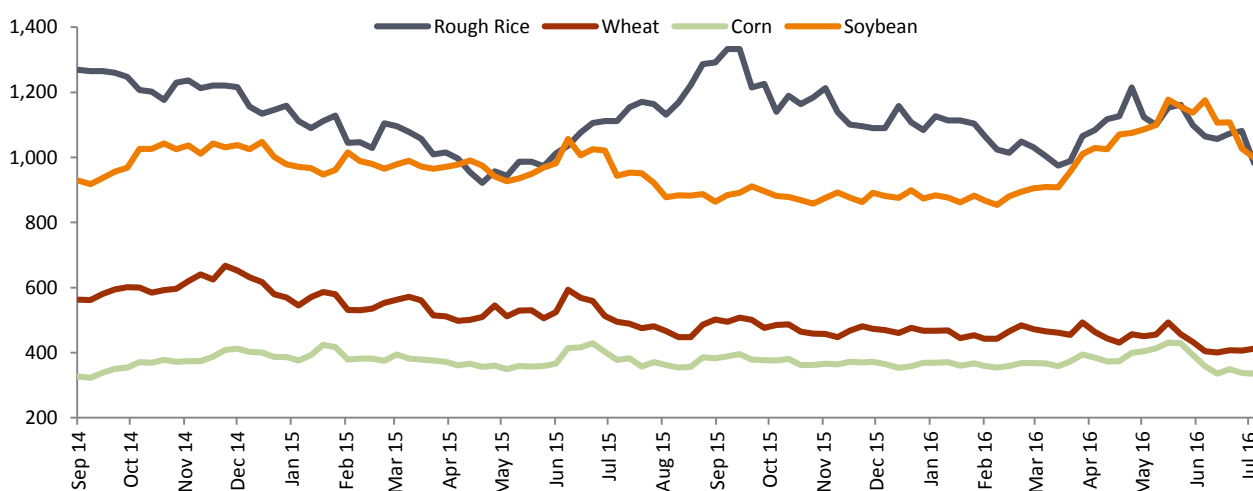
Previously known as Trunkline LNG, a regasification terminal for imported natural gas shipped in as liquid, Lake Charles LNG plans to transform the area into a liquefaction facility to export LNG.

In other news, on 19-20 July, **Royal Dutch Shell's Maran Gas Apollonia** has loaded up with LNG at **Cheniere Energy's** Sabine Pass export plant in Louisiana. The vessel subsequently passed through the Panama Canal is currently passing by the west coast of Mexico.

While Shell is not disclosing the destination of this vessel and there is no eta showing for it at the moment, market analysts are expecting the vessel could possibly be destined for China.

AGRICULTURE

WEEKLY CBOT CROP PRICES (¢/BU)



CROP FUTURES

CME CROP PRICES (cents/bushel)					
Product	Q3 2016	Weekly Change	Q4 2016	Q1 2017	August 2015
Corn	325.0	-10.6	335.0	345.0	372.6
Wheat	412.2	-0.2	438.4	455.2	489.4
Soybean	990.4	-9.2	973.4	955.4	991.6
Rough Rice	954.5	-28.0	981.0	1,000.5	1,154.0

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

CORN:	WHEAT:
Predictions that US farmers will harvest massive corn crops this year continued to weigh on September contract prices and favourable weather in the US added further pressure.	Reports that Germany's grain crop could see yield losses of up to 20% this year was supportive, however ongoing concerns over total global wheat supply continued to weigh on values.
SOYBEAN:	RICE:
The IGC expects global carryover of 30 million t, up by 2 million t compared to last month, which weighed on soybean September contracts.	The trajectory of travel for the next few rice futures contracts remained negative as the stubborn supply glut in Southeast Asia continued to weigh on investor confidence.

REGIONAL MARKETS

EUROPE: The EU has left its forecast for soft wheat production almost unchanged despite leading producer France potentially producing its smallest harvest for three decades. Total soft wheat output is pegged by the European Commission at 144.483 million t, down slightly from 144.56 million t last month and the record 151.6 million t produced in 2015.

The slight revision down is in line with the recent yield forecast predicted by crop monitoring unit Mars, which pegged yields in France down to 7.37 tonne/ha compared with 7.45 tonne/ha in the previous month but increased the forecast for other member states, notably Bulgaria, which was revised up to 5.06 tonne/ha from 4.66 tonne/ha.

This week also saw French consultancy Offre & Demande Agricole set its French wheat forecast at its lowest for almost three decades.

SOUTHEAST ASIA: Palm oil futures rallied to a six-week high on Wednesday 3 August, recording a fourth consecutive session of gains, as improved demand and a recovery in rival US soy supported prices.

Benchmark palm oil futures for October delivery on the Bursa Malaysia Derivatives Exchange gained 3.3% in evening trade, its strongest gains in 10 months, settling at MYR2,415 (US\$595) per tonne at the end of the day. It earlier rose to an intraday high of MYR2,419, palm's strongest levels since 21 June.

Palm typically tracks the performance of its rival oilseed soy, as they both compete for a share in the global vegetable oils market. Palm oil shipments from Malaysia, the world's second-largest producer, rose 12-15% in July from June, supported by better demand from China and Europe.

GLOBAL: The International Grains Council (IGC) raised its global wheat crop forecast for 2016-17 to 735 million t, up 6 million t from its last report a month ago. In total, the IGC projects global wheat carryover at 228 million t, up 2 million t from last month and 9 million t higher year-on-year.

The council indicated that much of the upward revision for wheat was attributed to increases for the CIS and US, which was offset slightly by a reduction in the EU due to "increasing evidence of yield and quality damage following untimely rains."

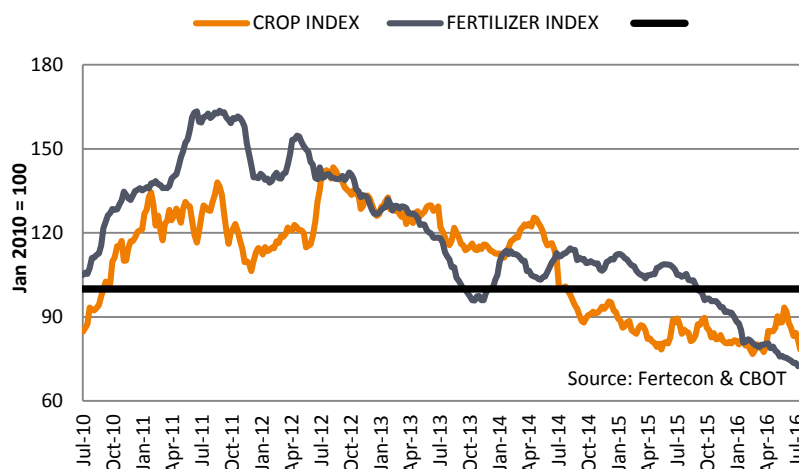
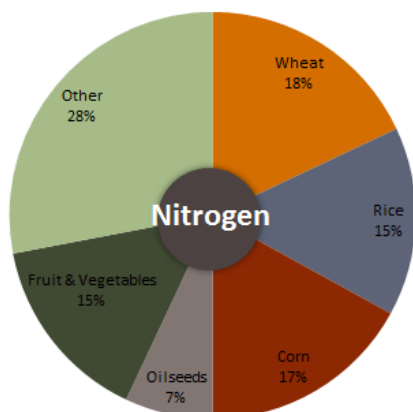
The report also saw global corn production boosted by 14 million t to 1.017 billion t, leading to a carryover of 213 million t, up from 205 million t last month and 207 million t in the 2015-16 season. The IGC outlined that much of the increase in the corn estimate came from an increase in US crop prospects. However, the council was optimistic about global feed demand, "Much of the month-over-month rise in grains supply is absorbed by increased feed use, lifting projected total consumption to a new peak of 2.029 billion t," it stated. "nevertheless, the forecast for stocks is 6 million t higher than last time, at 488 million t. Bigger numbers for wheat and corn boost the world trade forecast by 5 million t, but neither grain is seen matching the all-time highs of the year before."

Meanwhile the report raised global soybean production by 1 million t month-on-month, to 321 million t. This therefore amounted to a global carryover of 30 million t, up by 2 million t compared to last month but down from 35 million t in 2015-16.

NITROGEN USE BY CROP

FERTECON FERTILIZER & CROP INDICES

Source: IFA



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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FERTECON AMMONIA 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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