

Ammonia Report

Weekly review of the ammonia market

25 August 2016

- Yara and Mosaic settle the contract price for September deliveries into Tampa at \$240 cfr, \$30 down from August
- Mitsubishi fixes a spot sale of 7,000 t ammonia to CDPC in Taiwan at \$280 cfr for mid-October
- CJ awards a total of 18,000 t ammonia in a tender to Fertzcomm for Sep, Nov and Dec shipment priced under formula
- Mitsui purchases 23,000 t ammonia on a spot basis from Sabic, priced under formula, for mid-September lifting
- Trammo reportedly secures a spot cargo for September lifting from Ma'aden at sub-\$230 fob
- OCP understood to consume ammonia at full capacity

OUTLOOK

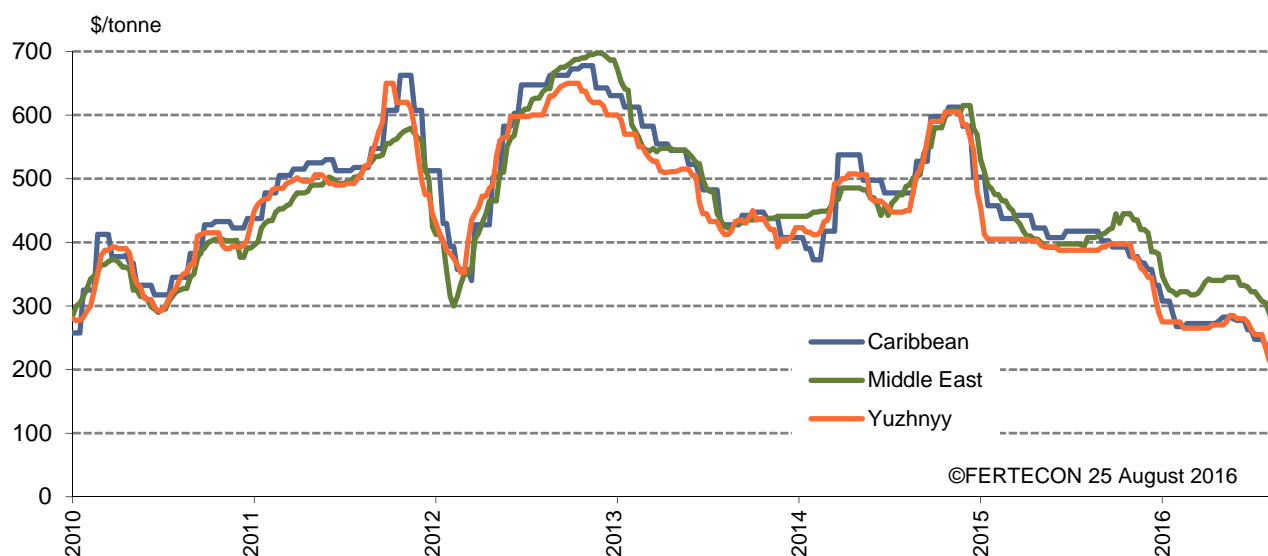
Still soft.

KEY PRICES

	25 August	18 August	11 August
Yuzhnyy fob \$/t	190-200*	190-200*	200-210*
Middle East fob \$/t	225-270*	240-280*	260-290*
Tampa/US Gulf cfr \$/t	240-275	270-275	270-275

* nominal

AMMONIA PRICES



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

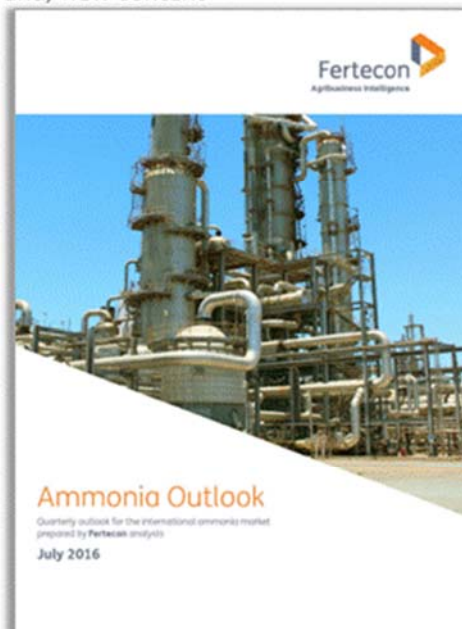
AMMONIA PRICE INDICATIONS ALL PRICES IN US\$

	25 August	18 August	11 August
Fob prices			
Caribbean	200-235	230-235	230-235
Middle East	225-270*	240-280*	260-290*
<i>Of which:</i>			
- Netbacks on contract/formula-priced sales	260-270*	260-280*	260-290*
- Spot fob	225-240	240	n.m.
Yuzhnyy/FSU fob	190-200*	190-200	200-210*
Baltic/FSU	200-210*	200-210*	210-220*
Southeast Asia	260-275*	275-290	285-300
Delivered prices			
NW Europe (duty paid/duty free) *	258-274	258-274	269-285
NW Europe (duty unpaid) *	245-260	245-260	255-270
Far East	280-320	307-330	307-340
India	265-325	265-325	280-325
US Gulf/Tampa	240-275	270-275	270-275
- Tampa	240-270	270	270
- US Gulf (MS, LA, TX)	245-275	275	275
<p align="center">FERTECON PRICE DEFINITION</p> <p>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</p> <p>The full history of Fertecon's ammonia prices is available to view and download by clicking here.</p>			

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	35-45
Black Sea – US (1-1 Tampa)	40,000	60-65
Black Sea – India (1 port E. Coast)	40,000	80-85
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

July issue of the Fertecon's **Ammonia Outlook** is available now
New format, new style, new brand, new content



Contact us on fertecon@agra-net.com

Special focus: **Race to the bottom – have ammonia prices reached the floor yet?**

Special focus

- ✓ Is there room for further price cuts?
- ✓ What are the margins of the key ammonia suppliers?
- ✓ Trade dynamics in H2 – who will be forced out of the market?
- ✓ Maintaining market share at the expense of price?

Ammonia shipping

- ✓ Update on time-charter rates and bunker costs – volatility & implications for NH₃ freight costs
- ✓ New pipeline tariffs in the USA
- ✓ Fleet update: new vessels in ammonia shipping – new opportunities for ammonia players

Latest revisions & updates

- ✓ Global ammonia trade matrix for 2015, with commentary;
- ✓ Trade matrix for 2025 updated
- ✓ Development of two-tier pricing & disrupted price differentials
- ✓ Discussion of evolving trade dynamics & changes to key routes
- ✓ Update on projects and supply disruptions by plant

New features

- ✓ New benchmark added to price forecast coverage – fob SE Asia
- ✓ Expanded discussion of risks and alternative long-term price scenarios
- ✓ Impact of phosphate fertilizer market on ammonia price (on the back of newly launched Phosphate Outlook report)
- ✓ Restructuring of chapters to make the content easily accessible

ANALYSIS

There is no end in sight for the bearishness in the global ammonia market, with several operating issues at plants, mainly in Asia/Oceania but also in the Black Sea, seemingly not able to lend support to prices.

In the **Black Sea**, prices are assessed stable as no new business has been reported. The range therefore remains at \$190-200 fob although the high end of this range may seem to be too bullish at present. The OPZ plant at Odessa remains down for the time being and it is uncertain when and how gas supplies will resume.

There was one report confirmed from the buying side this week that Ma'aden has sold spot tonnes for September lifting. Trammo has purchased one of a total of three lots, to be lifted in the first ten days of September, at a price sub-\$230 fob, with the remaining two lots reportedly also sold. Further business in the **Middle East** included a spot sale of 23,000 t ammonia priced under formula from Sabic to Mitsui for mid-September lifting at Ras al Khair. The overall price range for the Middle East has been taken down to \$225-270 fob, adjusted on the low end based on the Ma'aden sale and the high end reflecting estimated netbacks on contract sales.

In the **Far East**, Mitsubishi has sold 7,000 t ammonia to CPDC in Taiwan at a price of \$280 cfr, which is considerably lower than previous business. Delivery is scheduled for mid-October and depending on where the cargo will be sourced this could mean mid- to 2-half September lifting. The origin of the cargo has not been confirmed. The new lower price has been incorporated in the Far East price range this week, lowering it to \$280-320 cfr.

In last week's tender by CJ for a total of 18,000 t ammonia for shipment in three lots in September, November and December the award has been claimed by Fertzcomm with the cargoes understood to be priced under formula. Meanwhile, PPL has received 2-3 offers in its tender for 15-18,000 t ammonia for delivery to Paradeep in mid-October but an award has reportedly not been made yet.

In the **United States**, Yara and Mosaic have agreed on the contract price for deliveries in September at \$240 cfr, which is \$30 down from previous settlement. Until the beginning of September, the Tampa cfr price is quoted as the \$240-270 cfr range, incorporating both the August and the September settlement.

The short-term outlook for ammonia prices remains weak as the sentiment is still bearish in the Western and the Eastern hemispheres.

SUPPLIERS

FSU

BLACK SEA: Amid a lack of activity this week, the Black Sea price range is carried over from last week at \$190-200 fob.

Meanwhile, several changes have been made to the late August and early September Yuzhnyy line-up. The 13,000 t cargo sold by **Ameropa** to Igsas last week, which will be combined with 10,000 t for Bagfas at Bandirma, will be loaded on the *Gas Manta* in the last days of the month. Prior to that, the *Clipper Odin* will load a cargo for OCP in Jorf Lasfar, Morocco in addition to the tonnes that OCP has loaded on the *Cambridge* this week.

Another Ameropa's shipment to OCP will be loaded on the *Solaro* in early September, which was previously given in the August line-up. The *Clipper Mars* will return to Yuzhnyy to load another time for EC India, also in early September and subsequently the *Gas Grouper* will load for Gabes in Tunisia.

Gas supply at the **OPZ** ammonia/urea plant in Odessa has not been restored yet and the plant remains down for the time being. The uncertainty around the resumption of gas supply remains, which means that there is no proposed date for the re-start yet.

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

Vessel	Trader/Buyer	'000 t	Destination	Load date
JULY		257.5		
AUGUST		220.5		
<i>Solaro</i>	Ameropa on b/h of Muntajat	23.5	Jordan (Aqaba)	3-4 August

Marycam Swan	Trammo	15	Turkey (Aliaga & Ceyhan - 10) & Israel (Haifa - 5)	5-6 August
Gas Manta	Ameropa	23.4	Turkey (Bandirma)	8-9 August
Gas Cobia	Ameropa	23.4	Belgium (Antwerp)	13 August
Clipper Moon	Ameropa/Mitsubishi	40	Taiwan & S. Korea (2 ports)	17-18 August
Gas Snapper	Ameropa	23.4	EC India (Kakinada)	22-23 August
Cambridge	OCP	23.4	Morocco (Jorf Lasfar)	22-23 August
Clipper Odin	Ameropa	25	Morocco (Jorf Lasfar)	25-26 August
Gas Manta	Ameropa	23.4	Turkey (Bandirma - 10, Istanbul - 13)	28-29 August
SEPTEMBER		88.2		
Solaro	Ameropa	24.8	Morocco (Jorf Lasfar)	Early September
Clipper Mars	Ameropa	40	India (Paradeep)	Early September
Gas Grouper	Ameropa	23.4	Tunisia (Gabes)	Mid-September

BALTIC: Scheduled maintenance turnarounds at all **Uralchem** plants are now completed and the producer is currently shipping ammonia domestically as well as to contract customers with no new spot business to report.

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

Vessel	Trader/ Buyer	'000 t	Destination	Load date
JULY		71.4		
AUGUST		81.4		
Coral Ivory	Yara	4	Sweden (Köping)	1-2 August (Ventspils)
Wilhelm Schulte	OCP	11	Morocco (Jorf Lasfar)	4-5 August (Sillamae)
Coral Ivory	Yara	4	Finland (Uusikaupunki)	5-6 August (Ventspils)
Gas Grouper	Ameropa	23.4	Belgium (Antwerp)	7-8 August (Sillamae)
Coral Ivory	Yara	4	Sweden (Köping)	9-10 August (Sillamae)
Antarcticgas	Yara	10	Norway (Porsgrunn)	12-13 August (Sillamae)
Coral Ivory	Yara	4	Sweden (Köping)	16-17 August (Sillamae)
Antarcticgas	Yara	10	TBC	24-25 August (Sillamae)
Wilhelm Schulte	OCP	11	Morocco (Jorf Lasfar)	Eta 26 August (Sillamae)

EUROPE

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

Vessel	Trader	'000 t	Destination	Load date
JULY		8		
AUGUST		22		
Pertusola	Yara	12	Finland (Uusikaupunki)	6-7 August (Hull)
Antarcticgas	Yara	10	Germany (Rostock)	19 August (Hull)

NORTH AMERICA

UNITED STATES: The *Warisoulx*, which is under a long-term time charter for Trammo, is en route to Jorf Lasfar, Morocco for an ammonia delivery of **CF Industries'** product from Donaldsonville to OCP. The vessel is scheduled to discharge on 26 August.

CARIBBEAN

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

Vessel	'000 t	Destination	Load date
JULY	435.7		
AUGUST	405.6		
<i>Clipper Sky</i>	40	United States (Tampa)	1-2 August
<i>Yara Kara</i>	14	Cuba (Nuevitas)	2-3 August
<i>Kaprijke</i>	25	Unites States (Taft & Freeport)	3-5 August
<i>Libramont</i>	25.4	South Africa (Richards Bay)	7-9 August
<i>Clipper Neptun</i>	40	TBC via Panama Canal	8-10 August
<i>Sanko Innovator</i>	23	Morocco (Jorf Lasfar)	9-11 August
<i>Sombeke</i>	25.4	Unites States (incl. Freeport)	11-12 August
<i>Marola</i>	17	Brazil (Santos)	11-12 August
<i>Clipper Venus</i>	40	Unites States (incl. Beaumont)	14-15 August
<i>Yara Kara</i>	13	France (Montoir)	15-17 August
<i>Clipper Sky</i>	40	Unites States (Tampa)	16-18 August
<i>Yara Aesa</i>	23	Unites States (Tampa)	17-20 August
<i>Navigator Galaxy</i>	15	TBC	18 August
<i>Luigi Lagrange</i>	24.8	TBC via Panama Canal	18 August
<i>Kaprijke</i>	25	United States (Freeport)	22-23 August
<i>Navigator Grace</i>	15	TBC	End-August

AFRICA

ALGERIA: The *Marycam Swan* is currently in Arzew to load a cargo of **Sorfert** ammonia on the account of Trammo. This will be followed by further liftings by Trammo in late August and early September, possibly also on the *Warisoulx*, which is unloading in Morocco this week.

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
JULY		79.9			
AUGUST		127.8			
<i>Queen Isabella</i>	Fertial	7	Spain (Sagunto)/Fertiberia	Arzew	1 August
<i>Navigator Gusto</i>	Sorfert	14.9	France (Montoir)/Yara	Arzew	2-3 August
<i>Andesgas</i>	Fertial	10	Spain (Aviles) & Portugal (Lisbon)/Fertiberia	Annaba	5-6 August
<i>Eupen</i>	Sorfert	24	India (EC India)/Trammo	Arzew	10-11 August
<i>Almajedah</i>	Fertial	15	France (Ambes & Montoir)/Yara	Arzew	14-15 August
<i>Queen Isabella</i>	Fertial	7	Spain (Sagunto)/Fertiberia	Arzew	16 August
<i>Navigator Gusto</i>	Sorfert	14.9	France (Montoir)/Yara	Arzew	16-18 August
<i>Andesgas</i>	Fertial	10	Spain (Aviles)/Fertiberia	Arzew & Annaba	18-19 August
<i>Marycam Swan</i>	Sorfert	15	TBC/Trammo	Arzew	24-25 August
<i>TBC</i>	Sorfert	10	TBC	Arzew	End August
SEPTEMBER		?			
<i>TBC</i>	Sorfert	?	TBC/Trammo	Arzew	Early September

MIDDLE EAST

SAUDI ARABIA: **Sabir** reported this week to have concluded a spot sale, fixed on a cfr basis, to Yara for delivery to Paradeep, India. The quantity of the sale could not be confirmed at the time of writing.

Mitsui has purchased 23,000 t ammonia from Sabic on a spot basis, priced under formula, for September lifting. The vessel, which is yet to be nominated, will lift the cargo in Ras al Khair around mid-month.

Meanwhile, the producer reported smooth operations at its facilities. There will be scheduled maintenance at one of Sabic's ammonia plants in Q4 2016, with the exact timing to be confirmed later.

While the supplier is yet to confirm the sale, Trammo confirmed that it has secured a spot cargo for lifting in the first ten days of September from **Ma'aden** at a price sub-\$230 fob. A total of three cargoes were reportedly available for the month of September, which are all understood to have been sold at similar levels as the Trammo cargo.

The September line-up out of the Middle East is currently filling up with a total of about 85,000 t already scheduled to load in the course of the month.

The latest Middle East line-up is tabulated below.

Vessel	Supplier/Origin	'000 t	Destination	Price \$/t	Load date
JULY		190			
AUGUST		186.9-191.9			
<i>Al Barrah</i>	Sabic/S.A. (Al Jubail)	23	South Korea (Ulsan)	n/a	8-9 August
<i>Gas Cat</i>	Raintrade/Iran (BIK)	18.5	EC India	l-t contract	11-12 August
<i>Rose Gas</i>	Sabic/S.A. (RAK)	15-20	EC India	n/a	11-14 August
<i>Gas Quantum</i>	Mitsui/ex-S.A. (RAK)	23	Far East incl S. Korea	Spot formula	12-14 August
<i>Gas Line</i>	Raintrade/Iran (BIK)	23	EC India (Kakinada)	l-t contract	18 August
<i>Almarona</i>	Muntajat/Qatar	15	India	l-t contract	Eta 25 August
<i>Al Jabirah</i>	Sabic/S.A. (RAK)	23	Far East	n/a	29 August
<i>Gaschem Stade</i>	TBC/ex-Middle East	23.4	TBC	n/a	End August
<i>Gas Columbia</i>	Muntajat/Qatar	23	TBC	n/a	End August
SEPTEMBER		84-86			
<i>Rose Gas</i>	Sabic/S.A. (RAK)	23	India	n/a	5 September
<i>Sylvie</i>	Trammo/ex-Bahrain (Sitra)	15-17	WC India: Iffco/Kandla (incl some balance from previous voyage)	n/a	1-half September
<i>Al Barrah</i>	Sabic/S.A. (Al Jubail)	23	Far East	n/a	19 September
<i>TBC</i>	Mitsui/ex-S.A. (RAK)	23	TBC	Spot formula	19 September
OCTOBER		23			
<i>Rose Gas</i>	Sabic/S.A. (RAK)	23	India	n/a	5 October

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

ASIA/OCEANIA

BANGLADESH: Early this week, **BCIC's** DAP plant in Anowara/Chittagong experienced an explosion at an ammonia tank after which toxic ammonia gas reportedly leaked for about eleven hours before the rupture in the tank was fixed. The reason behind the explosion remains unclear for the time being but a probe committee has been put in place to investigate the incident.

AUSTRALIA: The *Viking River* is on the way back to Dampier, after discharging in China, with an eta of 29 August.

The **Yara Pilbara** plant is understood to still be offline due to technical issues. The plant went down in early August.

The last known ammonia loadings are tabulated below.

AUSTRALIA: 2016 AMMONIA SHIPMENTS			
Vessel	'000 t	Destination/Supplier	Load Date/Port
JULY		40	
AUGUST		75	
<i>Nordic River</i>	25	Kwinana (domestic)/Yara	3-4 August (Dampier)
<i>Viking River</i>	25	China (Caojing)/Yara	8-9 August (Dampier)

<i>Viking River</i>	25	TBC	End August/early September (Dampier)
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INDONESIA: The *Gaschem Dollart* is currently in Vietnam to unload around 2,800 t ammonia at Dinh Vu. The vessel will subsequently return to Bontang to load another cargo for **Mitsui**.

Trammo's *Touraine* was originally scheduled to load a cargo in Bontang for South Korea in the 2-half of the month, but it is now understood that the *SCF Tobolsk* will make that journey as the *Touraine* will be re-located into the Caribbean region again.

The latest ammonia loading schedule for Indonesian ports is below.

INDONESIA: 2016 AMMONIA EXPORT SHIPMENTS			
Vessel	'000 t	Destination/Supplier	Load Date/Port
JULY	83.3		
AUGUST	73.1		
<i>Gaschem Dollart</i>	2.3	Vietnam (Vung Tau)/Mitsui	3 August (Lhokseumawe)
<i>Gaz Millennium</i>	15	S. Korea (Yosu & Ulsan)/Mitsui	6-7 August (Bontang)
<i>Gaz Serenity</i>	15	Japan (Nagoya, Mizushima & Kurosaki)/Mitsui	17-18 August (Bontang)
<i>Gaschem Dollart</i>	2.8	Vietnam (Dinh Vu)/Mitsui	18 August (Bontang)
<i>SCF Tobolsk</i>	23	S. Korea (Yosu & Ulsan)/Trammo	20-21 August (Bontang)
<i>Gaz Millennium</i>	15	Thailand/Mitsui	22 August (Bontang)
SEPTEMBER	2.3		
<i>Gaschem Dollart</i>	2.3	TBC	Early September (Bontang)

MALAYSIA: The *Bunga Kemboja* is still in Kerteh after arriving last week and will next load ammonia for Thailand, for delivery to PTT Asahi, on behalf of **Mitsubishi**.

Petronas' Sabah plant in Sipitang has not yet re-started operations following an accident on 16 August, which involved ammonia leakage.

The latest ammonia loading schedule for Malaysian ports is below.

MALAYSIA: 2016 AMMONIA EXPORT SHIPMENTS			
Vessel	'000 t	Destination/Supplier	Load Date/Port
JULY	45.3		
AUGUST	56.5		
<i>Bunga Kemboja</i>	16.5	Thailand (Rayong & Map Ta Phut)/Petronas	1-2 August (Kerteh -11) 10-11 August (Sipitang – 5.5)
<i>Sylvie</i>	8.5	EC India (Paradeep)/Trammo	11 August (Kerteh)
<i>Nordic River</i>	15	South Korea (Ulsan)/Yara	17-18 August (Kerteh)
<i>Bunga Kemboja</i>	16.5	Thailand/Mitsubishi	18 August (Kerteh)

MARKETS

AFRICA

MOROCCO: **OCP** confirmed that downstream production of phosphates and NPs/NPKs is currently running smoothly. In fact, granulation rates are understood to be close to 100% with additional high phosphoric acid operating rates. This suggests improved rates of ammonia consumption, which is estimated at 80,000 t/m in August and September as well.

Following the *Warisoulx*, under long-term time charter by Trammo, which is due to discharge roughly 25,000 t ammonia in Jorf Lasfar on 26 August ex-Donaldsonville, the *Cambridge* is showing eta 30 August to discharge 23,400 t ammonia ex-Rossosh

followed by the *Wilhelm Schulte* with another 11,000 t ex-Baltic. This will bring total deliveries recorded in August to around 117,000 t.

Two vessels are expected to arrive in Jorf Lasfar ex-Yuzhnyy on the account of Ameropa in 1-half September, namely the *Clipper Odin* and the *Solaro*. An additional 6-7,000 t ammonia are due to arrive ex-Nigeria in 1-half September.

June 2016 ammonia imports rose around 80% on the year to 87,437 t, customs data show. This figure compares with 48,583 t in the same year-ago month. June deliveries brought total imports in January-June to 481,850 t, up roughly 11% from 434,575 t in the same six months in the prior year. (Source: GTIS/Office de Changes)

The latest line-up for ammonia deliveries into Morocco:

MOROCCO: KNOWN 2016 AMMONIA IMPORTS			
Vessel	'000 t	Supplier/Origin	Discharge
JULY	130.8		
AUGUST	117.3		
<i>Cambridge</i>	23.4	ex-CF Donaldsonville (US)	12 August
<i>Wilhelm Schulte</i>	11	ex-Acron (Baltic)	16 August
<i>Sanko Innovator</i>	23.5	Trammo/ex-Trinidad	19 August
<i>Warisoulx</i>	25	Trammo/ex-CF Donaldsonville (US)	25-26 August
<i>Cambridge</i>	23.4	ex-Rossosh (Yuzhnyy)	End-August
<i>Wilhelm Schulte</i>	11	ex-Acron (Baltic)	End-August
SEPTEMBER	55.8-56.8		
<i>Clipper Odin</i>	25	Ameropa/Yuzhnyy	1-half September
<i>Pertusola</i>	6-7	ex-Nigeria (Onne)	1-half September
<i>Solaro</i>	24.8	Ameropa/Yuzhnyy	Mid-September

TUNISIA: The next Ameropa cargo scheduled for Gabes will be loaded on the *Gas Grouper* in early September in Yuzhnyy for 2-half September arrival as AN production at the GCT complex continues to be down for maintenance until end-August/early September.

The latest known ammonia deliveries into Gabes are as follows:

TUNISIA: KNOWN 2016 AMMONIA IMPORTS			
Vessel	'000 t	Supplier/Origin	Discharge
AUGUST	23.4		
<i>Gas Cobia</i>	23.4	Ameropa/Yuzhnyy	31 July – 2 August
SEPTEMBER	23.4		
<i>Gas Grouper</i>	23.4	Ameropa/Yuzhnyy	2-half September

EUROPE

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

BELGIUM: KNOWN 2016 AMMONIA IMPORTS			
Vessel	'000 t	Supplier/Origin	Discharge
JULY	56.8		
AUGUST	70.2		
<i>Gas Grouper</i>	23.4	Ameropa/Yuzhnyy	1-3 August
<i>Gas Grouper</i>	23.4	Ameropa/ex-Baltic	13 August

<i>Gas Cobia</i>	23.4	Ameropa/Yuzhnyy	20 August
SEPTEMBER	46.9		
<i>TBC</i>	23.5?	TBC	Early September
<i>TBC</i>	23.4	Ameropa/Yuzhnyy	2-half September

MEDITERRANEAN

TURKEY: Ameropa's vessel, the *Gas Manta*, will load ammonia in Yuzhnyy in late August and bring the cargo to Turkey subsequently.

According to the latest release of Turkish customs data, ammonia imports in the month of June amounted to 34,679 t, down from 63,522 in May and against 54,814 t in June 2015, a y-o-y drop of almost 37%. Despite the m-o-m and y-o-y decline in imports in June, the January-June total remained higher than in the same period a year before at 300,117 t compared with 263,253 t in the first six months of 2015, representing a y-o-y increase of around 14%. (Source: GTIS/State Institute of Statistics)

ASIA/OCEANIA

CHINA: July 2016 ammonia imports rose more the 37% y-o-y to 36,081 t against 26,244 t in the same month a year before. This brought total imports in January-July 2016 to 265,165 t, up nearly 19% y-o-y from 222,971 t in the first seven months of 2015. The main origin in the period under review was Indonesia (125,967 t), followed by Saudi Arabia (57,505 t) and Australia (27,342 t). (Source: GTIS/China Customs)

INDIA: West Coast – Muntajat's vessel, the *Gas Columbia*, is understood to have delivered 6,300 t ammonia to **Hindalco** at Dahej on 23 August. It was previously reported that this vessel would drop 5,000 t ammonia for Hindalco at Dahej on 20 August.

West/East Coast – Sabic's vessel, the *Rose Gas*, is now understood to have delivered nearly 7,000 t ammonia to **Greenstar** at Tuticorin on 20 August and is now due to deliver 15,000 t ammonia to **GSFC** at Sikka on 26 August. It remains unclear at the time of writing if the 7,000 t delivered to Greenstar are in fact Sabic product or if these tonnes have a different origin.

East Coast – PPL has reportedly received 2-3 offers in its tender, which closed on 17 August, for 15-18,000 t ammonia for shipment in the second week of October. A decision on the award is yet to be taken and there has not been any information released on the bidders or the bidding prices.

The list of known August and September deliveries into Indian ports so far is below:

Buyer/Location	Supplier	'000 t	\$/t cfr unless stated	Discharge	Vessel
JULY		248.6			
AUGUST		192.2			
West Coast		56.8			
Iffco/Kandla	Trammo/ex-Malaysia	5	n/a	21 August	<i>Sylvie</i>
GSFC/Sikka	Sabic/S. Arabia	15	n/a	26 August	<i>Rose Gas</i>
Hindalco/Dahej	CIFC-Raintrade/ex-Iran	4	I-t contract	5-6 August	<i>Gas Line</i>
Hindalco/Dahej	Muntajat/Qatar	6.3	n/a	23 August	<i>Gas Columbia</i>
Deepak Fertilisers/JNPT-Mumbai	Ameropa/ex-Black Sea	8	n/a	2-3 August	<i>Clipper Odin</i>
Deepak Fertilisers/JNPT-Mumbai	CIFC-Raintrade/ex-Iran	6	I-t contract	11 August	<i>Gas Line</i>
Deepak Fertilisers/JNPT-Mumbai	Trammo/ex-Algeria	8	\$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		135.4			
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	SCF Tomsk
CIL/Vizag	Muntajat/ex-S. Arabia	3	I-t contract	11 August	Almarona
CIL/TBC	CIFC-Raintrade/ex-Iran	18	I-t contract	22 August	Gas Cat
CIL/TBC	CIFC-Raintrade/ex-Iran	8	I-t contract	End August	Gas Line
Iffco/Paradeep	Ameropa/ex-Black Sea	40	n/a	20 August	Clipper Mars
Iffco/Paradeep	Trammo/ex-Algeria	15	n/a	1-half August	Eupen
PPL/Paradeep	Drey Moor/ex-Black Sea	12	Mid-\$340s w120d	6 August	Gaschem Stade
PPL/Paradeep	CIFC-Raintrade/ex-Iran	15	\$325	End August	Gas Line
TCL/Haldia	Muntajat/ex-S. Arabia	7.2	I-t contract	12 August	Almarona
SEPTEMBER		84			
West Coast		23			
Iffco/Kandla	Trammo/ex-Bahrain	23	\$265	1-half September	Sylvie
East Coast		61			
CIL/TBC	CIFC/ex-Iran	15	n/a	1-half September	Gaschem Stade
CIL/2-ports	Ameropa/ex-Black Sea	23	\$303 w90d	Mid-September	Gas Snapper
Iffco/Paradeep	Yara/ex-TBC	15	\$280	Mid-September	TBC
PPL/Paradeep	CIFC/ex-Iran	8	\$325	2 September	Gaschem Stade

FACT's Board of Directors in mid-August decided to resume **caprolactam** production at its 50,000 t/y facility although the exact date for the re-start was not disclosed.

Meanwhile, the latest release of figures from the **Fertilizer Association of India** showed that **DAP** production in July 2016 amounted to 287,130 t, up from 263,110 t in the same month a year before and compared with 347,260 t in June 2016. This brought total production in the first four months of the 2016/17 (Apr/Mar) fertilizer year to 1,396,830 t, up around 430,000 t or 44% from the 967,800 t in April-July 2015.

Finally, production of **NP/NPK complex fertilizers** decreased y-o-y in July 2016 to 808,200 t from 847,540 t in the same year-ago month although the monthly total was higher than the 754,800 t in the prior month. Total production in April-July, the first four months of the 2016/17 (Apr/Mar) fertilizer year reached 2,586,280 t against 2,694,470 t in April-July 2015, a y-o-y decline of little more than 108,000 t or 4%.

INDONESIA: **CJ** closed a tender for three lots of 6,000 t each for delivery to Gresik in September, November and December on 23 August. The award is claimed by Fertzcomm with a price under formula.

SOUTH KOREA: The *Nordic River* arrives in Ulsan today, 25 August, with 15,000 t Malaysian ammonia supplied to **LFC** by Mitsubishi. LFC is also expecting the *Al Barrah* around 28-29 August with 23,000 t ammonia from Sabic in Saudi Arabia. Finally, Trammo will deliver 13,000 t ammonia to LFC and another 10,000 t to **Namhae** on the *SCF Tobolsk* before the end of the month.

In September, Koch will deliver 4,000 t ammonia on the *Clipper Neptune* around mid-month, followed by Trammo delivering on the *SCF Tobolsk* at the end of September.

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

Buyer/Location	Supplier	'000 t	Discharge	Vessel
JULY		112		
AUGUST		124		
Namhae/Yosu	Mitsubishi/ex-USA	15	17-18 August	Touraine
Namhae/Yosu	Mitsui/ex-Indonesia	10	13-14 August	Gaz Millennium
Namhae/Yosu	Trammo/ex- Indonesia	10	28-29 August	SCF Tobolsk
LFC*/Ulsan	Koch/ex-Trinidad	16	10 August	Clipper Orion

LFC*/Ulsan	Mitsui/ex-Indonesia	5	4 August	<i>Gaz Serenity</i>
LFC*/Ulsan	Trammo/ex-USA	10	15-16 August	<i>Touraine</i>
LFC*/Ulsan	Mitsubishi/ex-Malaysia	15	25 August	<i>Nordic River</i>
LFC*/Ulsan	Sabic/S. Arabia	23	28-29 August	<i>Al Barrah</i>
LFC*/Ulsan	Trammo/ex- Indonesia	13	End-August	<i>SCF Tobolsk</i>
Hanwha/Incheon	Koch/ex-Trinidad	7?	8-9 August	<i>Clipper Orion</i>
SEPTEMBER		87		
Namhae/Yosu	Mitsubishi/ex-Black Sea	10	1-half 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	1-half September	<i>Clipper Moon</i>
LFC*/Ulsan	Mitsui/ex-Saudi Arabia on b/h of Yara	15	1-half September	<i>Gas Quantum</i>
LFC*/Ulsan	Koch/ TBC	4	Mid-September	<i>Clipper Neptune</i>
LFC*/Ulsan	Trammo/TBC	23	End-September	<i>SCF Tobolsk</i>
* Lotte Fine Chemical				

TAIWAN: Mitsubishi this week concluded a spot sale of 7,000 t ammonia to **CDPC** at a price of \$280 cfr Taiwan. The cargo will arrive in mid-October. The source of supply for this sale remains to be confirmed, with potential origins being in the Middle East, Black Sea or Southeast Asia.

In September CPDC will receive 15,000 t ammonia from Iran and 15,000 t from Koch on the *Clipper Neptune*. In 1-half October Mitsui is scheduled to deliver 15-20,000 t ammonia with the vessel yet to be nominated.

NORTH AMERICA

UNITED STATES: Yara and Mosaic agreed the contract price for September deliveries into **Tampa** at \$240 cfr, down \$30 from the \$270 cfr level for August.

In the **domestic market** for direct application ammonia, movement was very light to dealer storage in central and southern Minnesota. Very light volumes went to dealer fill in central Illinois as well. Occasional loads of ammonia are moving to wheat pre-plant in northern and central Texas. Meanwhile, wholesalers reported that they heard of an early start to the corn harvest.

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
JULY		46.4		
AUGUST		17		
<i>Marola</i>	Yara	17	Trinidad	24 August

COMPANY NEWS

NETHERLANDS: **OCI NV** on 18 August announced that its subsidiary **OCI Nitrogen** in the Netherlands has successfully concluded the refinancing and upsizing of its outstanding debt with €550 million of term loans and revolving credit facilities. OCI Nitrogen intends to use the net proceeds to refinance €300 million of debt and provide the remaining proceeds to its parent company, OCI NV, a press release reads.

The financing package comprises a €250 million term loan facility A, a €250 million term loan facility B and a €50 million revolving credit facility. The term loan facility A is amortized over five years and the term loan facility B will be repaid on the maturity date in 2021. The weighted average opening margin is 4.23% over EURIBOR. The lending group includes seven banks that are lenders

under OCI Nitrogen's existing facility, as well as ten new lenders to the company.

In addition to the OCI Nitrogen refinancing, OCI NV received proceeds totalling approximately \$300 million in May and August 2016 following the Natgasoline tax exempt bond issuance and the Natgasoline subscription agreement with Proman. These funds, together with the recently received \$150 million break-up fee, have been used to repay roughly \$400 million of short-term facilities at the holding company level. The total proceeds of almost \$1.1 billion from these fund-raising and refinancing have been utilized to reduce OCI NV's debt, settling short-term obligations, and to provide financing for on-going expansion projects in the United States.

POLAND: Grupa Azoty on 24 August reported its results of Q2 and 1-half 2016. Total revenue fell in April-June 2016 to PLN2.16 billion (\$1=PLN3.81664) from PLN2.276 billion in Q2 2015. This brought total revenue in 1-half 2016 to PLN4.63 billion, down from PLN5.11 billion in January-June 2015.

Of the 1-half 2016 revenue total, most was generated from sales to the domestic market, namely almost PLN2.60 billion. Revenue from sales to EU markets in total amounted to PLN4.15 billion or 89% of the total. Cost of sales in 1-half 2016 were roughly PLN450 million lower y-o-y, which meant that the gross profit only came down slightly from the same period a year earlier to PLN1.18 billion against PLN1.20 billion. Net profit of the group amounted to PLN355.51 million in 1-half 2016, down from PLN457.64 million in January-June 2015.

In the Agro Fertilizer segment, external revenue reached PLN2.74 billion in January-June 2016 while EBITDA amounted to PLN495.50 million. The company reported that lower prices for mineral fertilizers across the board had reduced revenues in 1-half 2016.

According to information supplied by Grupa Azoty, average prices across nitrogen products fell to various degrees in the period under review. Ammonia (fob Yuzhnyy) values collapsed by 32% y-o-y in 1-half 2016, while urea (fob Yuzhnyy) prices saw a decline of 31%. In nitrates and sulphates, prices dropped by 22% y-o-y for AN (33.5%, delivered bulk France), by 23% for CAN (27%, cif inland bulk Germany) and by 14% for AS (fob Black Sea, white).

AUSTRIA: On 24 August Borealis announced its Q2 and 1-half 2016 results with both sales and profit down y-o-y in Q2 but with overall profit rising y-o-y in 1-half 2016. Net sales amounted to €1.79 billion in Q2 2016, down from €2.04 billion a year before. 1-half 2016 net sales reached €3.66 billion compared with €4.03 billion in January-June 2015, a y-o-y drop of more than 9%. Net profit was lower y-o-y in Q2 2016 at €309 million against €351 million, bringing the 1-half 2016 total to €564 million, up from €489 million in January-June 2015.

The company's performance in 1-half 2016 was mainly driven by positive developments in the polyolefins business, which offset some of the underperformance in the base chemical business where depressed demand and prices hampered results. "Borealis achieved an excellent result in the second quarter, supported by the favourable market conditions in polyolefins," comments Mark Garrett, Borealis Chief Executive. "Borouge also significantly increased its contribution to the Borealis result compared to the first quarter, with good production volumes combined with the highlight of the start-up of the XLPE plant bringing the Borouge 3 plant expansion project to a successful close. On the other hand, the fertilizer business suffered from low demand and depressed prices. [...] For the third quarter of 2016 Borealis expects another solid result."

NATURAL GAS/COAL

QUICK GLANCE (change from last week)

Henry Hub (day ahead): \$2.79 (up)

TTF: €11.12 (down)

Brent: \$49.05 (down)

WEST EUROPE: The NBP day-ahead price closed at 28.35 p/therm on 24 August down from 30.05 p/therm on 17 August. A price of 28.35 p/therm equates to \$3.73/mmBtu at the £/\$ exchange rate of 1:1.31689 from 24 August.

The September 2016 contract on ICE natural gas futures for the NBP closed at 28.68 p/therm on 24 August down from 31.41 p/therm on 17 August. The average 6-month forward strip (Sep 2016-Feb 2017) is 39.46 p/therm, which equates to \$5.09/mmBtu at the £/\$ exchange rate of 1:1.31689 from 24 August.

The Dutch TTF day-ahead price closed at €11.12/MWh on 24 August down from €11.48/MWh on 17 August, 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 €11.12/MWh equates to \$3.69/mmBtu at the exchange rate of €/£ 1:1.13258 on 24 August. In August so far, the TTF day-ahead average is estimated at \$3.99/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 €14.25/MWh on 24 August, and equating to \$4.73/mmBtu using the €/£ exchange rate of 1:1.13258 from 24 August.

Crude –The Brent crude oil contract for October 2016 settled at \$49.05/bbl on 24 August down from \$49.85/bbl on 17 August. The average price for the 3-month strip (Oct-Dec 2016) is \$49.38/bbl against \$50.14/bbl a week before, while the 12-month average (Oct 2016-Oct 2017) is \$50.31/bbl compared with \$51.76/bbl.

In its August Short-term Energy Outlook (STEO), the EIA is forecasting Brent crude oil prices to average \$42/bbl in 2016 (down \$2 from the July report) and \$52/bbl in 2017 (flat from the prior STEO), with annual average West Texas Intermediate (WTI) prices in 2016 expected to average slightly less than Brent prices while they are projected to be roughly the same as Brent in 2017. 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 November 2016 delivery that were traded during the five-day period ending August 4 averaged \$42/b, and implied volatility averaged 42%. These levels established the lower and upper limits of the 95% confidence interval for the market's expectations of monthly average WTI prices in November 2016 at \$29/b and \$61/b, respectively. The 95% confidence interval for market expectations widens over time, with lower and upper limits of \$22/b and \$104/b for prices in December 2017”, the report reads.

UKRAINE: Naftogaz has announced a reduction in natural gas prices to industrial consumers, effective 1 September 2016. On the basis of pre-payment, prices are set to fall roughly 7.4-7.9% from current levels of around UAH6,762/thousand cubic metres (roughly \$7.50/mmBtu) to UAH6,036-6,556/thousand cubic metres (around \$6.70-7.30/mmBtu), including VAT, and depending on the monthly volume of gas consumption and the level or absence of debt due to Naftogaz.

Meanwhile, Ukraine imported just over 3 bcm of natural gas worth \$586 million in 1-half 2016, none of which from Russia, according to information released by Naftogaz.

The average cost of imported gas in June 2016 was \$210.90/thousand cubic metres (\$5.90-6.00/mmBtu), up from \$184.20/thousand cubic metres (around \$5.20/mmBtu) in May 2016.

In January-June 2016, Ukraine imported 0.627 bcm (worth \$121.9 million) of gas from Germany, 0.457 bcm (\$88.7 million) from France, 0.444 bcm (\$87.9 million) from Switzerland, and 0.426 bcm (\$86.7 million) from the UK, among others.

CHINA: Thermal coal prices at Qinhuangdao for the 5,500 kcal grade increased by Rmb10 on both the low and the high end of the range this week to Rmb475-485/t (around \$72.20/t). This compares with Rmb465-475/t (around \$70.90/t) last week. The average price in August so far is estimated at Rmb459/t (\$69.05/t), the highest monthly average since March 2015 in Rmb-terms. It compares with a July 2016 average of Rmb421/t (\$63.02/t) and the year-ago average of Rmb410/t (\$64.62/t) in August 2015.

INDIA: The Indian government is understood to have given an additional penalty of \$380 million on **Reliance Industries** and its partners for producing less than targeted natural gas from eastern offshore KG-D6 fields. With this, the total penalty, which is in form of disallowing recovery of cost incurred, for missing the target in five fiscal years beginning 1 April 2010, now stands at a cumulative nearly \$2.8 billion, local press reported.

The Production Sharing Contract allows Reliance Industries and its partners BP Plc of the UK and Canada's Niko Resources to deduct all capital and operating expenses from the sale of gas before sharing profit with the government. Disallowing costs will result in government's profit share rising.

Meanwhile, in July, **LNG imports** fell for the first time in fiscal 2017 (April 2016-March 2017) after strong y-o-y growth in monthly volumes in every month from April to June, according to data released by the Oil Ministry's Petroleum Planning and Analysis Cell (PPAC).

Imports in July amounted to 1.96 bcm, representing a fall of nearly 4% from the same month in 2015 as consumption slowed. Cumulative imports for the first four months of fiscal 2017 remain, however, substantially higher than in April-July 2015. The April-July 2016 total reached 8.09 bcm, up almost 22% y-o-y.

INDIA: LNG IMPORTS April-July 2016		
Month	Imports (bcm)	Y-o-y change
April	2.142	+45%
May	2.081	+43%
June	1.908	+14%
July	1.960	-4%
Y-t-d FY 2017	8.091	+22%

Source: PPAC

The cost of importing LNG has dropped sharply this year after New Delhi signed a revised long-term contract with Doha. The revised formula bases the price on a three-month average figure of Brent crude oil, replacing a five-year average of a basket of crude imported by Japan. Qatar is the largest supplier of LNG to India. India has four operational LNG terminals at Dahej and Hazira in Gujarat, Dabhol in Maharashtra and Kochi in the state of Kerala.

India's gross gas output in July stood at 2.71 bcm, up 3% y-o-y. Cumulative output for the first four months of FY 2017 was 10.45 bcm, down about 4% on the same period of previous year.

THAILAND: State-controlled energy firm **PTT Pcl** plans to import at least 5 million t of LNG in 2017, up from 3 million t in 2016 as local gas production fades, according to local media. PTT expects to conclude talks with several suppliers including Royal Dutch Shell and BP to buy LNG under long-term contracts in September, chief executive Tevin Vongvanich was cited as saying.

Thailand's domestic gas fields are slowly being depleted, which has made the country increasingly reliant on LNG imports. A long-term contract with Qatar for supplies of up to 2 million t/y of LNG is currently in place.

PTT is currently in process of doubling the intake capacity of its 5 million t/y LNG import terminal at Map Ta Phut in the country's east, which is expected to be completed in 2017, Tevin said, after the company has cut its 2016 investment budget to \$1.25 billion and a decision to focus more infrastructure including LNG terminals and gas pipelines.

AUSTRALIA: The Newcastle market for Q4 2016 is \$65.40/t down from \$68.15/t last week; Q1 2017 is \$64.75/t down from \$67.85/t; 2017 is \$61.50/t down from \$64.65/t; 2018 is \$60.35/t against \$63.50/t last week; and 2019 is \$59.85/t.

Australian oil and gas producer **Santos Ltd** reported a 1-half 2016 net loss of \$1.1 billion after taking a \$1.05 billion charge on its Gladstone LNG export project in Queensland. Please note that the company has recently switched to reporting in US dollars from Australian dollars. The loss compared with net income of \$30 million a year earlier, the Adelaide-based company said in a statement. It recorded an underlying loss of \$5 million versus a profit of \$25 million in the previous corresponding period.

Santos booked the impairment charge on Gladstone amid rising prices for third-party supplies and a slower-than-expected ramp up of its own output to feed the project. The company is also grappling with declining prices, with its realized oil price falling 29% to \$42.79/bbl, while the average LNG price was 42% lower.

UNITED STATES: The Henry Hub day-ahead price closed at \$2.79/mmBtu on 24 August up from a revised price of \$2.76/mmBtu on 17 August.

In August so far, the Henry Hub has averaged \$2.81/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 \$2.796/mmBtu on 24 August up from the \$2.619/mmBtu on 17 August. The average for the next three months – Sep-Nov 2016 – is \$2.866/mmBtu compared with \$2.703/mmBtu last week, while the average for the next 12 calendar months (Sep 2016-Sep 2017) is \$3.047/mmBtu against \$2.966/mmBtu.

The EIA Weekly Natural Gas Storage Report for the week ending 12 August showed a net injection of working gas stocks into underground storage of 22 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 56 bcf and the five-year-average injection of also 57 bcf. Natural gas stocks on 12 August were 3,339 bcf, which is 312 bcf (10%) above a year ago and 405 bcf (14%) above the five-year average.

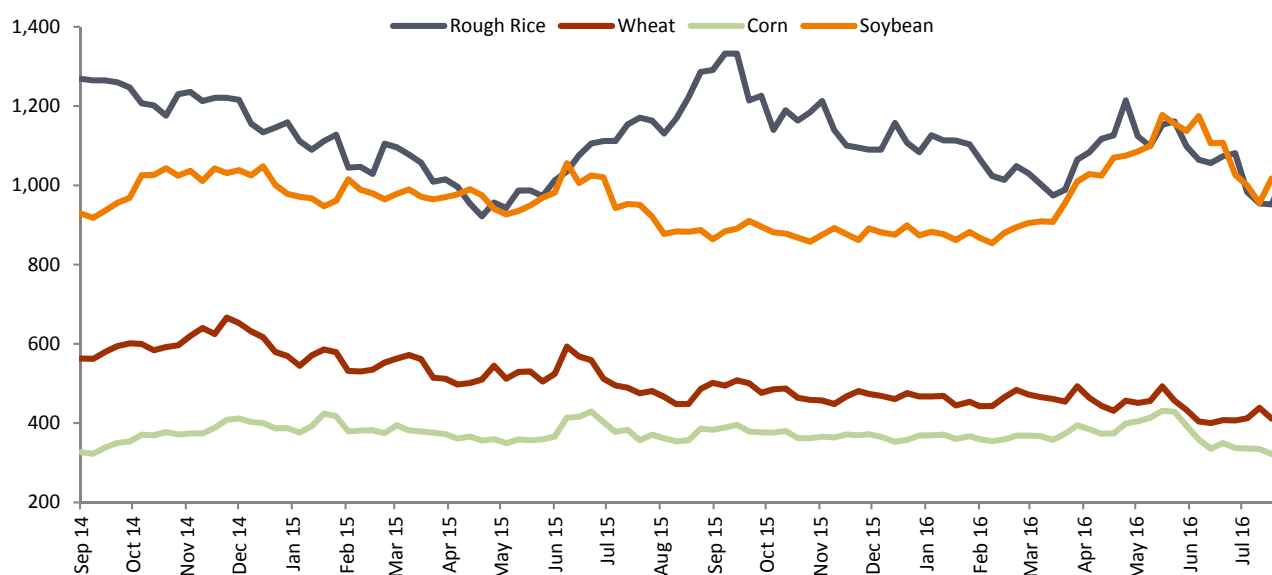
In its August Short-term Energy Outlook (STEO), EIA expects the Henry Hub natural gas spot price to average \$2.41/mmBtu in 2016 (up from \$2.36/mmBtu in the July report) and \$2.95/mmBtu in 2017 (flat from the prior report), having averaged \$2.63/mmBtu in 2015.

Regarding the WTI, the CME October 2016 contract closed at \$46.77/bbl on 24 August down from \$47.52/bbl on 17 August. The forward 3-month strip (Oct-Dec 2016) is \$47.47/bbl, while the 12-month forward average (Oct 2016-Oct 2017) is \$49.76/bbl.

US coal – The CAPP September 2016 contract closed at \$39.50/ston on 24 August flat w-o-w. The 3-month forward strip (Sep-Nov 2016) is stable on the week at \$39.67/ston, while the Sep-Dec 2016 forward average is also flat at \$39.69/ston.

AGRICULTURE

WEEKLY CBOT CROP PRICES (¢/BU)



CROP FUTURES

CME CROP FUTURES (cents/bushel)						
Product	Q3 2016	Weekly Change	Q4 2016	Q1 2017	August 2015	Annual Change
Corn	327.4	-2.8	336.2	346.0	361.6	-9%
Wheat	407.6	-10.6	434.0	450.2	466.4	-13%
Soybean	1,030.6	+0.1	1,005.2	1,006.0	877.6	+17%
Rough Rice	1,008.0	-14.5	1,008.5	1,034.5	1,131.0	-11%

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

CORN: Crop scouts on the Pro Farmer crop tour continue to move into some of the best corn-growing regions in the US, increasing corn-yield estimates, weighing on prices.	WHEAT: Talk of large wheat production estimates in both Ukraine and Russia whilst the US continues to receive favourable weather are adding pressure to the market, causing a 10 cent decline w-o-w
SOYBEAN: Remained flat however prices are under pressure. Reports from the Pro Farmer crop tour are shoring up expectations for a bumper US output, with potential record yields	RICE: Rice futures decreased this week, mostly correcting the recent increase which was attributable to spilled over sentiment from neighbouring crop markets; fundamentals remain weak.

REGIONAL MARKETS

FSU: In Russia, farmers plan to increase total cultivated area by 6% from a year ago, having already sown 4% of the planned area of 17.35 million hectares, according to the ministry. Last autumn, Russia reduced its sowing area to a lower 16.4 million hectares, owed to dry weather. Russia is also still harvesting the current marketing year's grain crop; expected to reach a record 110 million tonnes.

Meanwhile in Ukraine, farmers have also launched the winter sowing for the 2017 campaign, seeding 139,000 ha of winter rapeseed, the agriculture ministry also revealed. Farms plan to sow around 700,000 ha of winter rapeseed this year. A senior ministry official this week said farmers were likely to increase the area sown for winter grains for 2017 to 7.3 million ha from 7 million last year due to better weather. Poor weather last autumn forced farmers to reduce the area under winter grains. The area under winter wheat could be up to 6.5 million hectares for the 2016/17 season, the official said.

UNITED STATES: US corn conditions improved slightly over the past week, moving up to 3rd highest since 1989 according to MDA Weather Services. Corn conditions also remained considerably above the 1989-2015 average and well ahead of last year at this time, indicated Kyle Tapley, senior agriculture meteorologist at MDA.

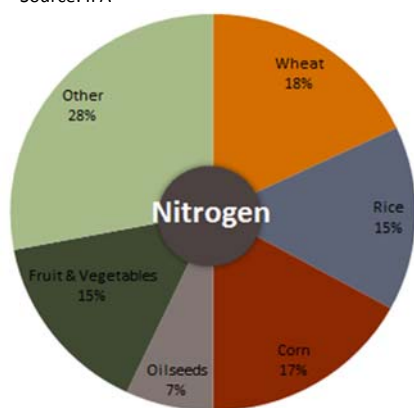
"Corn conditions improved significantly across Michigan over the past week thanks to recent rainfall, but conditions declined across Kentucky and Colorado," said Tapley. "Elsewhere, changes in corn conditions were relatively minor."

Meanwhile US soybean conditions also improved slightly over the past week, now ranking 2nd highest since 1989 and remaining well above last year and the 1989-2015 average. Soybean conditions improved significantly in Michigan and Ohio, but declined significantly in Louisiana due to recent flooding, added the MDA report.

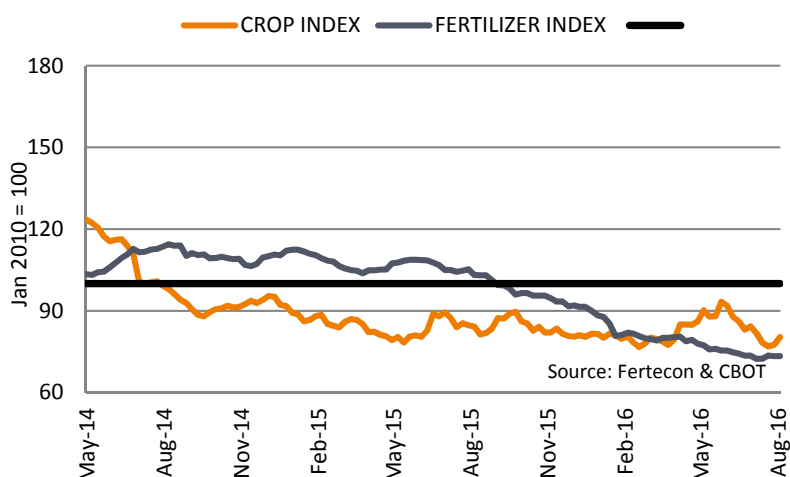
In terms of crop progress, 40% of the US corn crop is now denting nationally, slightly ahead of the 5-year average of 35% and last year at this time when 34% of the crop was denting. For soy, currently 89% of the crop is setting pods nationally, slightly ahead of the 5-year average of 85% and last year at this time when 85% of the crop was setting pods. The soybean crop is beginning to drop leaves across the Delta and the northern Plains, with 7% of the crop in South Dakota and 6% of the crop in North Dakota dropping leaves.

NITROGEN USE BY CROP

Source: IFA



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.

<http://agribusinessintelligence.informa.com/>

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