

## 23 June 2016

- Tata Chemicals/India suspends production of DAP
- FACT/India awards Swiss Singapore under 13 June tender
- IGCC awards sales tender in the \$60-68 fob range for crushed and granular sulphur
- NW European contract negotiations begin – talk of rollovers
- Middle East sellers target rollovers but buyers seek reductions
- Brazilian Q3 contract negotiations begin, initial indications suggest reduction

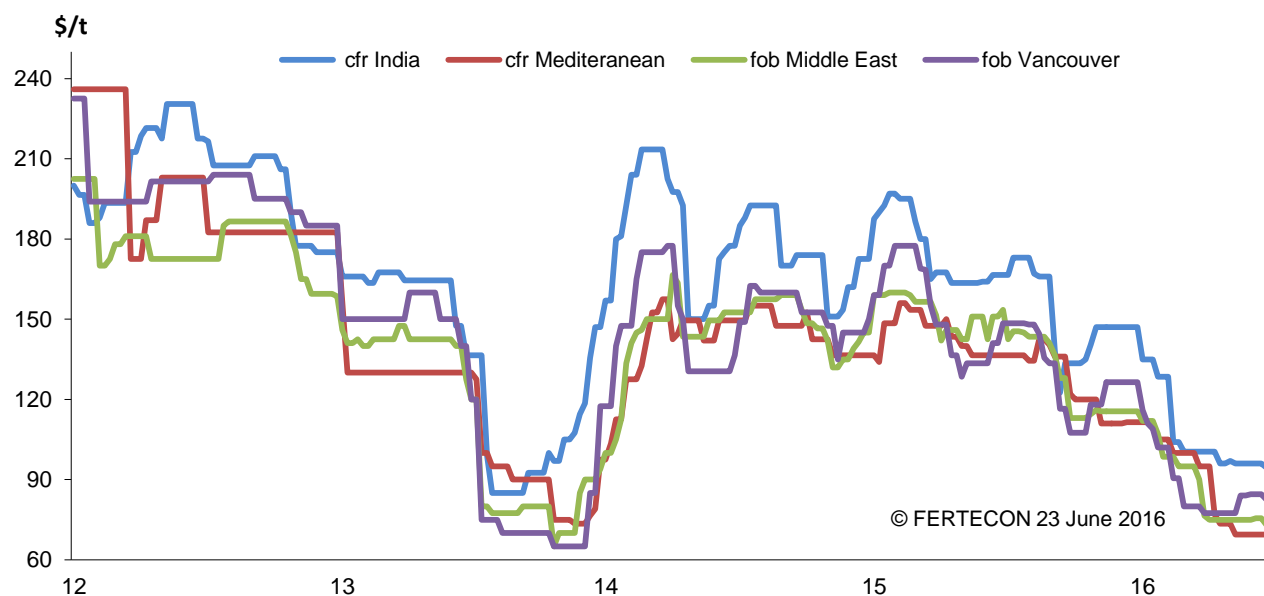
## OUTLOOK

Softening

## KEY PRICES

	23 June	16 June	9 June
Vancouver spot \$/fob	80-85	80-89*	80-89
Middle East \$/fob	60-86	65-86	65-86
Med (inc. N.Africa) \$/cfr	60-79	60-79	60-79
North Africa cfr (contract) \$/cfr	60-79	60-79	60-79
Central Florida (liquid, LT) \$/deliv	70	70	70

## SOLID SULPHUR PRICES



## SULPHUR PRICE INDICATIONS ALL PRICES IN US\$

	23 June	16 June	9 June	
<b>Fob prices</b>				
Med cfr (includes N Africa)	60-79	60-79	60-79	
Med cfr (small lots N Africa)	71-75	71-75	71-75	Egypt Sales
Med cfr (small lots other markets)	66*-75	66-75	66-75	Indicative
North Africa cfr (contract)	60-79	60-79	60-79	Q2 contracts
Med fob (small lots other markets)	55-65	55-65	55-65	Indicative
China cfr	70-87	72-95*	72-95	No new business
China cfr spot	70-87	72-95*	72-95	No new business
India cfr	92-97	93-99	93-99	
Brazil cfr	79-87	79-87	79-87	Q2 contracts
Vancouver fob contract	80-85	80-89*	80-89	Indicative
Vancouver fob spot	80-85	80-89*	80-89	Indicative
California fob	80-85*	80-85	80-85	Indicative
Middle East fob	60-86	65-86	65-86	Full ME price range
Middle East fob contract	65-79	65-79	65-79	Q2 business
Middle East fob spot	60-68	82-83	82-83	IGCC
Tasweeq Qatar Sulphur Price (fob)	83	83	83	
Saudi Aramco monthly price (fob)	82	82	82	
Middle East – Adnoc (fob)	86	86	86	May
<b>Delivered prices</b>				
NW Europe cpt	150-168	150-168	150-168	Q2 contracts
Delivered Benelux (refinery)	110-122	110-122	110-122	Q2 contracts
Tampa/Deliv.Cent.Fla (LT)	70	70	70	Q2 contracts
Cfr Houston (LT)	63	63	63	Q2 contracts
Galveston (LT) ex-tank	63	63	63	Q2 contracts

### FERTECON PRICE DEFINITION

\*no new business \*\*no market - Prices in *italics* relate to previous period contracts still under negotiation

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

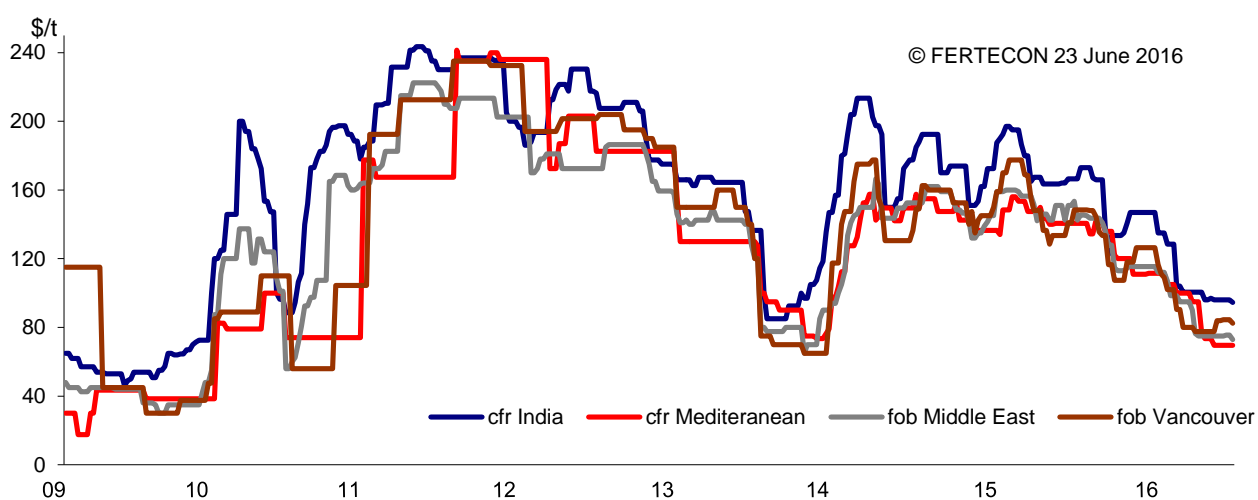
## FREIGHT INDICATIONS US\$

Route	Cargo size (t)	Latest rate (\$/t)
Jubail – WC India	15-35,000	9-10
Middle East – EC India	15-30,000	12-13
Middle East – China	35,000	11-13
Jubail – Morocco	35,000	10-12
Vancouver – China	50-60,000	11-13

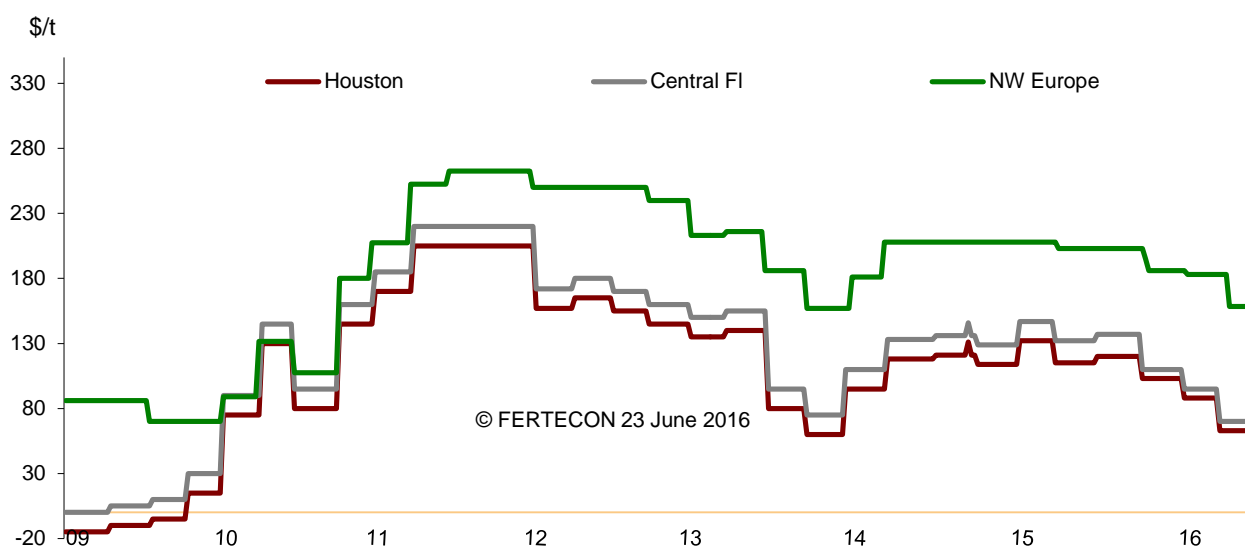
## FERTECON TENDER SERVICE

Holder/Country	'000 t	Close	Load/Deliv.	Notes
FACT/India	15-25	13 June	July	Awarded
Anglo/Brazil	30	Mid-June	July/August	Awarded
NOC/Libya	2x8,000	16 June	July	Awarded
IGCC/Iran* crushed	30	20 June	July	Awarded at \$60 fob
IGCC/Iran* granular	27	20 June	July	Awarded at \$68 fob
*sales tender				

## SOLID SULPHUR PRICES



## LIQUID SULPHUR PRICES



The full history of Fertecon's sulphur prices is available to view and download [via this link](#)

## ANALYSIS

Sulphur prices in China appear to have begun to decline with reported sales in the \$85-87 cfr range, \$8-10/t below sales only a couple of weeks ago. As the country is entering its seasonally slowest period some players have suggested we will see more of a decrease and this will be exacerbated by the start-up of Sinopec's Dazhou gas plant which has been in maintenance for the past month and a half. The plant is scheduled to start up next week and in preparation of the added supply some domestic speculators and traders have already slashed the price of granular sulphur, reaching the Rmb 660-680 level at some river ports with crushed lump around Rmb 30-50/t lower. The granular sulphur price is equivalent to the low \$80s cfr but it is unlikely that international traders will match this in June given that Middle Eastern and North American lifting prices are still in the \$80s fob.

What is certain is that stocks are high and pressure is mounting to clear at least some of it, so some speculators have had to reduce prices to lock in some sales. The more bullish buyers suggested that we may see the \$70s cfr in July for granular sulphur and at least one buyer suggested even the \$60s cfr but this was dismissed by others as mere speculation, although a granular lot sold from Iran would already equate to the \$70s cfr.

Liquid sulphur is already being sold at \$70 cfr and last week there was a distress sale at \$60 cfr, indicating that sellers are keen to shift volumes especially given sulphur production in both South Korea and Japan has grown this year. This is because the refiners in these countries are now working with more sour crude, yielding more sulphur, hence the increase in exports from South Korea and Japan this year. Add to this the increase in supply from the Middle East and domestic sources in India and China and we have a perfect storm in which downward pressure is expected to bear down on prices.

It has emerged this week that Iffco in India will now source some more of its requirements from IOCL, a domestic refinery while in China we have seen Sinopec increase its sulphur output this year and the same will happen next year. Adnoc in the UAE is also working on ramping up output although falling exports from Kazakhstan, Russia and Turkmenistan may help balance the market somewhat. It has been suggested this week that US Gulf suppliers are now in talks with Brazilian buyers in the high \$60s fob, which is in stark contrast with Vancouver prices in the \$80s fob, although it appears now that since the fires have been put out prices have begun to slide in Vancouver too, reaching the low/mid \$80s this week.

Following the wildfires in April and May now floods are wreaking havoc in the country and as a result Spectra Energy has had to shut down its Pine River gas plant on 16 June after a buried pipeline was exposed and highway access cut off, about 45 kilometres southwest of Chetwynd. The flooding cut off the road and the CN railway up to Chetwynd. As a result, the Pinesul facility has been closed for a couple of weeks with no sulphur movements. CN has since restored the railway line on 22 June, but it is unclear whether the road and the gas lines that feed Pinesul have been repaired. It has yet to be determined when the sulphur shipments will resume from Pinesul. It is estimated that about 50-60,000 t sulphur output will be lost due to the shutdown.

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

## MARKETS

### EUROPE

**NW EUROPE:** The French market appears to be tight due to the strikes that have debilitated the country's refining industry during May and June. The strikes are now over and the plants have all restarted and are running at full capacity but sellers claim it will take another few weeks for sulphur supply to return to normal.

In terms of Q3 contract negotiations, at least one seller is targeting an increase but others suggested a more likely outcome of rollovers.

Adisseo is receiving regular contract cargoes and will require no spot cargoes any time soon.

The Sobegi remelter is now fully functioning and has restarted following several weeks of problems.

**MEDITERRANEAN:** Price indication for small lots in Turkey are in the low/mid \$70s cfr with little fresh activity since last week, except for an import tender by Toros for 17,000 t granular sulphur for July delivery, closing on 23 June. For other markets liquidity is lacking therefore the price range remains unchanged.

## AFRICA

**EGYPT:** One Italian small lot cargo of flakes is understood to have been sold in the mid \$50s fob to Egypt. With freight at \$15 it is estimated to equate to the very low \$70s cfr. According to one trader there are also sales in the mid/high \$70s cfr for granular and about \$5-7/t lower for crushed lump but pending further confirmation this is excluded from this week's range.

**MOROCCO:** Quarterly contract negotiations are now under way and as such it is unlikely any fresh spot business will emerge until the contract talks are over.

April imports were 437,617 t, up 25% on April 2015. The main source was the UAE where four times as much sulphur was imported in April this year than last, due to OCP entering into a long term agreement with Adnoc in the UAE. The next biggest supplier in April was Poland followed by Russia at just under 40,000 t (down from 122,000 t in 2015 and 111,000 t in 2014) perhaps indicating that Russia's dominance is waning in the Northern African market.

Morocco Sulphur Imports April ('000 t)			
	2014	2015	2016
United Arab Emirates	53	53	213
Poland	26	-	55
Russia	112	122	37
Spain	18	-	37
Canada	-	-	37
Saudi Arabia	2	53	32
Others	81	121	26
<b>Total</b>	<b>291</b>	<b>350</b>	<b>438</b>

This brought January-April imports to 1.5 million t, up 4% on the same period last year. The UAE has become the largest supplier at 730,000 t, doubling its quantities compared with 2015, followed by Russia at almost a third of the UAE's volumes at 184,000 t (down from 464,000 t in 2015). Another major decrease was witnessed in imports from Kuwait and Saudi Arabia, down by 59% and 67%, respectively. The main sources of supply were as follows:

Morocco Sulphur Imports January – April ('000 t)			
	2014	2015	2016
UAE	263	367	730
Russia	419	464	184
US	165	130	159
Poland	147	98	135
Spain	77	69	97
Kazakhstan	-	-	53
Canada	-	-	37
Saudi Arabia	36	78	32
Kuwait	62	94	31
Others	116	131	38
<b>Total</b>	<b>1,285</b>	<b>1,432</b>	<b>1,496</b>

Source: GTIS / Office des Changes

**TUNISIA:** May imports were 65,000 t, up from around 50,000 t in the same month last year. This brought January-May imports to 570,677 t, almost double that of the same period last year. The main suppliers in the first five months of the year were the UAE (179,000 t), Russia (258,000 t), Kuwait (62,000 t) and Kazakhstan at 60,000 t. Source: Fertecon

## MIDDLE EAST

**ISRAEL:** ICL is now back to normal production levels following a regular maintenance shutdown and is expected to receive a contract cargo within the next 10 days.

**JORDAN:** Jifco in Jordan is understood to have bought a spot cargo of about 35-40,000 t sulphur estimated in the high \$80s cfr but no confirmation was forthcoming at the time of publication.

## ASIA

**CHINA:** There has been a confirmed deal in China at \$85 cfr this week for July delivery from the Middle East. Another cargo of 30-35,000 t has been bought at \$87 cfr this week for July delivery.

Two further cargoes have been bought for July delivery from Iran, one of which is 30,000 t crushed lump at \$60 fob and another similar size granular sulphur cargo at \$68 fob. Taking into account a subsidy the trader that won these cargoes will receive, Fertecon estimates the delivered price will be around or under \$70 cfr for the crushed lump and the mid/high \$70s for the granular, sharply down on any previously reported deals this year.

Granular sulphur from domestic stocks and inventories have been put in the range Rmb 660-680 ex warehouse this week although some traders suggested there are still sales in the low Rmb 700s. This is down on last week's range of Rmb 700-745 ex warehouse.

Liquid sulphur prices have gone down slightly, reaching the \$70s fob this week, down from \$72 fob last week. However, there are still sales in the high \$70s cfr by some traders.

Sinopec has cut its ex-works price this week by Rmb 20-40/t to reach Rmb 620-640. Further decreases are expected following the start-up of the Dazhou gas plant.

Domestic stocks are high at 1.7 million t granular sulphur.

YUC is carrying out a 30 day partial turnaround and is estimated to be operating at 50-55% of nameplate capacity. Phosphate producers in Guizhou are operating at 65-68% capacity and in Hubei close to 70% capacity. Wengfu's operating capacity at present is estimated at 40-60% of nameplate capacity.

Domestic refinery sulphur output in May increased by 31,000 t compared with April. The main sources were as follows:

Chinese Refineries & Monthly sulphur Production ('000 t)							
	Jan-May	May	April	March	Feb.	Jan.	
North Eastern China	144	30	31	31	31	30	22
North China	134	29	25	27	23	30	
Central China	52	8	12	11	10	11	
East China	664	136	127	137	130	134	
South China	1,005	204	183	193	195	230	
<b>Total</b>	<b>1,949</b>	<b>407</b>	<b>378</b>	<b>399</b>	<b>338</b>	<b>427</b>	

May imports were 1.1 million t, up 37% on May last year and indicating that the new norm is now importing about 1-1.1 million t/m into China, compared with an average of 850-950,000 t/m in preceding years. The main sources were as follows:

China Sulphur Imports May ('000 t)			
	2014	2015	2016
Saudi Arabia	104	152	257
Canada	97	71	166
Iran	45	33	132
S Korea	63	100	132
Japan	90	85	126
UAE	0	22	97
Russia	80	28	96
Others	184	319	105
<b>Total</b>	<b>663</b>	<b>810</b>	<b>1,111</b>

This brought January-May imports to 5.27 million t, up almost 20% on the same period last year. Saudi Arabia is by far the largest source with more than a fifth of the total volume followed by the UAE which doubled its exports compared with last year. South Korea maintained its total exports to China but Canada managed to double theirs compared with 2015 even as the wildfires raged across much of northern Alberta during part of April and May.

A substantial drop was witness in imports from Kazakhstan, more than halving the total import volumes as the TCO block was cleared up last October. Turkmen imports increased, although not as much as previously expected due to prohibitively high freight rates. The below table details the exact volumes imported in the observed period:

<b>China Sulphur Imports January – May ('000 t)</b>			
	<b>2014</b>	<b>2015</b>	<b>2016</b>
Saudi Arabia	875	907	1,128
UAE	271	277	567
S Korea	353	501	541
Canada	254	235	507
Japan	434	400	503
Iran	478	422	448
Russia	326	75	317
Kazakhstan	635	685	274
India	116	167	272
Turkmenistan	-	191	241
Qatar	265	311	210
United States	126	87	110
Others	225	160	157
<b>Total</b>	<b>4,357</b>	<b>4,419</b>	<b>5,272</b>

Source of Data: China Customs

**INDIA:** FACT is reported to have awarded Swiss Singapore under its 13 June tender for 15-25,000 t sulphur at around \$92 cfr net of credit, bringing the Fertecon range down by \$1/t.

Swiss Singapore also sold a cargo to Wilson at around \$97 cfr net of credit, bringing the high end of the range down a notch.

It has been confirmed that PPL has agreed a price for 15,000 t granular sulphur to be delivered on the *ISS Cantata* at \$91.50 cfr but this is a formula contract price and has been excluded from the Fertecon range.

Tata Chemicals is reported to have suspended production of DAP and complex fertilizers, reducing its sulphur and sulphuric acid requirements accordingly. It is reported that Tata Chemicals announced it would temporarily halt DAP and complex fertilizers production at its Haldia facility in West Bengal on 19 June and would supply customers from stocks in hand and imports. The plant has the capacity to manufacture 660,000 t/y DAP/NPKs. The company stated in a regulatory filing that output would be suspended due to emerging market conditions, with it understood that high phosphoric acid pricing was the main driver behind the decision. Production at the 160,000 t/y SSP unit is not affected.

The *Hanary Melody* discharged 5,000 t to CIL and around 2,000 t to BEC at Vizag on 16 June as well as 6,300 t to TCL and 6,200 t to another buyer at Haldia on 21 June priced in the range \$93-99 cfr.

The *ISS Cantata* delivered 15,000 t to CIL at Vizag on 23 June and thereafter it will sail to Paradeep to deliver 15,702 t to PPL on 26 June.

IFFCO and the Indian Oil Corporation Ltd (IOCL) have signed an agreement for the supply of molten sulphur from the IOCL refinery to Iffco at a tune of about 5,000-10,000 t/m on a formula based pricing.

IOCL Panipat and HPCL Bhatinda have left their basic sulphur price unchanged. Their latest prices with effect from 7 April are as follows:

<b>Ex Yard Panipat (Sulphur lumps)</b>	<b>Rs/t</b>
Basic price	5,810.00
Excise Duty @ 12.5%	726.25
CST @ 2%	130.73
Refundable	MODVAT (726.25)
<b>Selling Price</b>	<b>5,940.73</b>

Net price is equivalent to \$88.01 (based on exchange rate of \$1 = Rs 67.5).

<b>Ex Yard Panipat (Sulphur Pellets)</b>	<b>Rs/t</b>
Basic price	6,350.00
Excise Duty @ 12.5%	793.75

CST @ 2%	142.88
Refundable	MODVAT (793.75)
<b>Selling Price</b>	<b>6,492.88</b>

Net price is equivalent to \$94.04 (based on exchange rate of \$1 = Rs 67.5).

<b>Ex Yard Bhatinda (Sulphur lumps)</b>	<b>Rs/t</b>
Basic price	5,800
Excise Duty @ 12.5%	725.00
CST @ 2%	130.50
Refundable	MODVAT (725.00)
<b>Selling Price</b>	<b>5,930.50</b>

Net price is equivalent to \$87.85 (based on exchange rate of \$1 = Rs 67.5).

**NEW CALEDONIA:** Vale is in discussions for a fresh cargo for delivery in Q3, targeting the low \$80s cfr.

## **NORTH AMERICA**

**UNITED STATES:** Mosaic is understood to have bought at least one but there are suggestions that it has bought two granular sulphur cargoes of Kazakh origin to feed its new sulphur remelter.

There is growing speculation that Mosaic is in talks to acquire Vale's fertilizer assets. This follows rumours last month that Yara was interested in acquiring the Brazilian miner's operations. A figure of \$3 billion has been suggested as the value of Vale's fertilizer division and according to some press reports, a deal with Mosaic could result in Vale taking a 12-15% stake in the US company as part of a cash and stock agreement.

Mosaic and Vale, along with Mitsui, are already partners, as stakeholders in the Bayovar joint venture phosphate rock development in Peru. Mosaic has a 35% share in the mine, while Vale and Mitsui hold 40% and 25% respectively. In January-April this year, Mosaic imported 331,000 t phosphate rock from Bayovar/Peru, representing over 80% of all US imports of rock.

## **SOUTH AMERICA**

**ARGENTINA:** Meranol has decided to postpone the award under its tender that closed on 17 June for 15-20,000 t sulphur. It has enough stocks for now and is expecting softer prices going into July.

Bunge is reported to have bought a small lot cargo of sulphur for July or August delivery.

**BRAZIL:** Vale has now begun contract negotiations with its suppliers and is expecting a modest reduction compared with Q2. It is now in talks with US Gulf suppliers and is targeting \$68 fob, equating to the low \$80s cfr. From the FSU it is hoping to achieve \$79-80 cfr while from the Middle East around \$79 cfr. In Q2 its contracts were agreed in the range \$79-87 cfr across all suppliers.

The *Kenan* is expected to arrive at the Termag terminal on 20 July with 37,000 t sulphur from the US Gulf for Anglo American.

Other vessels in the line-up for June are as follows:

<b>Vessel</b>	<b>('000t)</b>	<b>Buyer</b>	<b>ETA</b>
<i>TBC</i>	50	Vale	June
<i>Boston Harmony</i>	38.5	Vale	June
<i>True Love</i>	38.5	TBC	16/6
<i>Albion Bay</i>	38	Vale	19/6
<i>Stamford Pioneer</i>	22	Vale	19/6
<i>Chestnut</i>	27	Vale	21/6
<i>Caroline Bolten</i>	15	Galvani	25/6
<i>Oktem Aksoy</i>	39	Vale	26/6
<b>Total</b>	<b>268</b>		



## SUPPLIERS

## EUROPE

**MEDITERRANEAN:** One Italian small lot cargo of flakes is understood to have been sold in the mid \$50s fob. With freight at \$15 it is estimated to equate to around the low \$70s cfr.

At least two buyers suggested that the price of small lot cargoes have edged up slightly from the mid \$50s to the high \$50s fob. The high end of the range continues to be put in the mid \$60s fob. However, a trader said that sales continue in the mid \$50s fob while another suggested the low \$50s fob. Until more clarification is received the above range remains unchanged.

## AFRICA

**LIBYA:** NOC is reported to have made an award in the mid \$60s fob under its tender that closed on 16 June for 2x8,000 t sulphur. However, one source indicated the tender was awarded in the high \$50s fob and another that it was awarded in the low \$60s fob. Until further clarification the Fertecon range remains unchanged.

## FSU

**KAZAKHSTAN:** A trader is understood to have fixed a vessel to deliver about 30-35,000 t Kazakh granular sulphur to Tampa for the Mosaic remelter, loading in Ust Luga, Russia in July.

**RUSSIA:** Q3 contract discussions are on-going and are not expected to be settled before the end of the month.

April exports were 203,000 t, a drop of 5% on April 2015. The main destinations were as follows:

Russia Sulphur Exports April ('000 t)			
	2014	2015	2016
Morocco	42	37	82
Brazil	51	27	48
China	43	31	22
Belarus	17	15	19
Lithuania	18	12	18
Others	69	91	14
<b>Total</b>	<b>240</b>	<b>213</b>	<b>203</b>

This brought January-April exports to 1.33 million t, up 24% on last year, mainly because of a big jump in January exports of more than 600,000 t which was unusually high compared with previous years. Overall, the expectation is that annual exports will drop by an estimated 700,000 t because of a major maintenance shutdown in December 2015 and Q1 2016. Exports to Morocco dropped by 13% but to China increased by 118% and Tunisia took substantially more volumes this year (260,000 t in 2015 vs 40,000 t in 2015). The main destinations were as follows:

Russia Sulphur Exports January – April ('000 t)			
	2014	2015	2016
Morocco	392	390	339
China	187	146	320
Tunisia	80	39	258
Brazil	82	111	138
Lithuania	54	64	106
Belarus	61	41	64
Lebanon	17	39	20
Israel	0	52	19
Germany	19	10	15
Others	75	178	51
<b>Total</b>	<b>966</b>	<b>1,070</b>	<b>1,331</b>

Source: GTIS / Federal Customs Service of Russia

## MIDDLE EAST

**IRAN:** IGCC is reported to have awarded a trader at \$60 fob for crushed lump sulphur and \$68 fob for granular sulphur, \$10/t below what it was hoping to achieve, indicating that perhaps the market is entering a phase in which prices will likely decline further before they stabilize.

**KUWAIT:** KPC is in the process of Q3 negotiations and is targeting a rollover.

A vessel is currently loading about 25,000 t in Shuaiba for delivery to Santos, Brazil for contract customer Vale.

**QATAR:** Tasweer's tender which is closing early next week will provide some much needed direction to the market in addition to the QSP price announcement for July.

**UAE:** Adnoc expects fundamentally stable market conditions and no dramatic changes in pricing in Q3.

It is currently producing about 11,000 t/d sulphur which it is hoping to ramp up to achieve about 14,000 t/d by the end of the year, bringing its annual production to around 5 million t in 2016.

## NORTH AMERICA

**CANADA:** It appears that export prices are softening in Vancouver with at least one buyer claiming to have received offers in the low \$80s fob and late last week one seller suggested that the top end had fallen to the mid \$80s fob from the high \$80s fob. Based on falling prices in China and latest price indications from various sources the Fertecon range for Vancouver has been adjusted downward to reflect a softening market sentiment.

Following the wildfires in April and May now floods are wreaking havoc in the country and as a result Spectra Energy has had to shut down its Pine River gas plant on 16 June after a buried pipeline was exposed and highway access cut off, about 45 kilometres southwest of Chetwynd. The flooding cut off the road and the CN railway up to Chetwynd. As a result, the Pinesul facility has been closed for a couple of weeks with no sulphur movements. CN has since restored the railway line on 22 June, but it is unclear whether the road and the gas lines that feed Pinesul have been repaired. It has yet to be determined when the sulphur shipments will resume from Pinesul. It is estimated that about 50-60,000 t sulphur output will be lost due to the shutdown.

**UNITED STATES:** Latest indications suggest that sales from the US Gulf are in the high \$60s fob and contract prices against talks with Brazilian buyers are also put at that level.

## PERSONNEL NEWS

**UNITED STATES:** "After 42 years with Mosaic and its predecessor companies, Hermann Wittje will be retiring at the end of the year.

Mosaic is the world's largest consumer of sulphur and ammonia, and in his current role of Director – Raw Materials Procurement, Hermann led many significant changes and strategic advances in this area. Most notable are the formation of GSS to provide the base infrastructure needed to support Mosaic's supply of sulphur, the development of the sulphur melting unit at New Wales, and the upcoming ammonia tug and barge to complement our new ammonia supply contract, which begins January 1, 2017.

Hermann will transition to a raw materials special project... for the remainder of his time with the company.

Jason VanVleet will lead our raw materials procurement group, effective immediately. Jason began his career with Mosaic nine years ago as part of the treasury team in Plymouth. Two years later, he joined the supply chain team in Florida. In his most recent role, Jason oversaw all sulphur, ammonia and zinc purchases for the company. Jason will report to Jenny Wang, Vice President – Product Management."

## FREIGHT

DATE	Baltic Capesize	Baltic Panamax	Baltic Supramax	Baltic Handysize	Baltic Dry Index
17 June	927	546	555	311	587
20 June	897	546	559	312	582
21 June	873	548	563	315	580

22 June	878	556	570	318	585
23 June	897	569	577	322	596

Source: Baltic Exchange

## AGRICULTURE

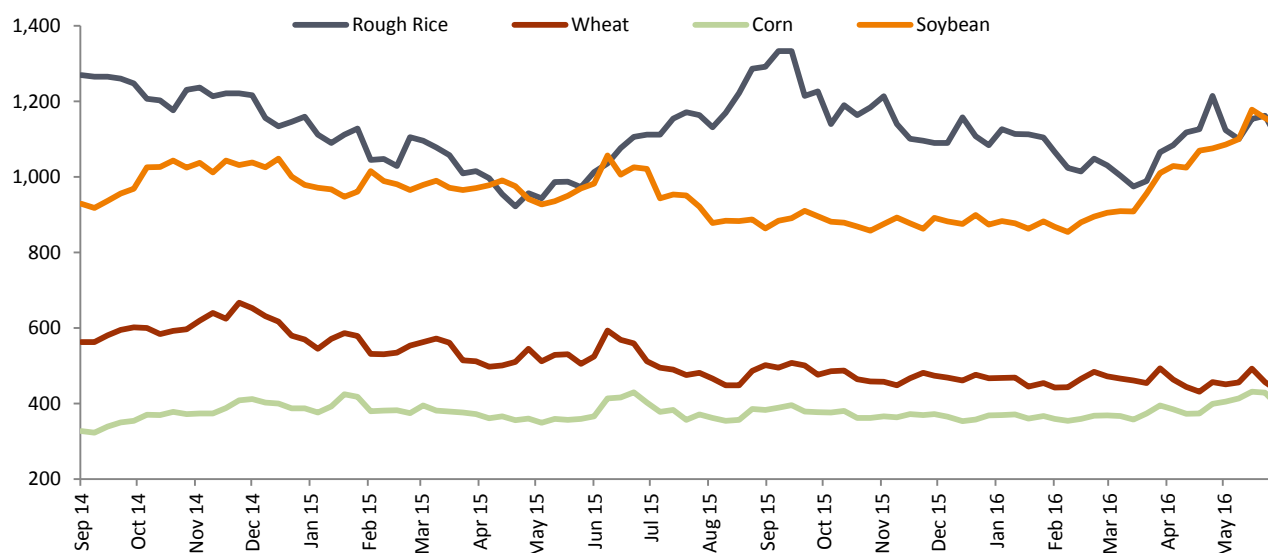
### CROP FUTURES

CME CROP PRICES (cents/bushel)					
Product	July 2016	Weekly Change	September 2016	December 2016	June 2015
Corn	393.0	-36.0	398.2	404.0	366.4
Wheat	433.0	-23.6	451.0	476.4	524.4
Soybean	1,137.4	-18.6	1,123.6	1,116.6	981.6
Rough Rice	1,098.5	-63.0	1,123.0	1,150.5	1,012.5

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

<b>CORN:</b> Corn futures plummeted due to fund liquidation as large commercials exited their long positions; Rain in the US calmed fears that the corn crop will be drought-stressed.	<b>WHEAT:</b> The winter wheat harvest has been progressing quicker-than-normal which was bearish while rains across the Midwest this week are expected to help wheat fields.
<b>SOYBEAN:</b> Losses due to spill over from corn; also bearish are weather reports for the US Midwest are calling for rain this week which should alleviate concerns over excess dryness	<b>RICE:</b> Rice futures corrected downwards after weeks of price firming; this was caused in part by spill over from neighbouring corn and soy markets but also driven by the supply glut in Southeast Asia.

### WEEKLY CBOT CROP PRICES (¢/BU)



### REGIONAL MARKETS

**EUROPE:** The EU has revised down its forecast for soft **wheat** yield this year due to reduced expectations in leading EU producers France and Germany. The average soft wheat yield in the EU is now expected to 6.07 t/ha, down from 6.11t/ha last month and 6.26 t/ha in 2015 but up from the five-year average of 5.83 t/ha, Mars reports.

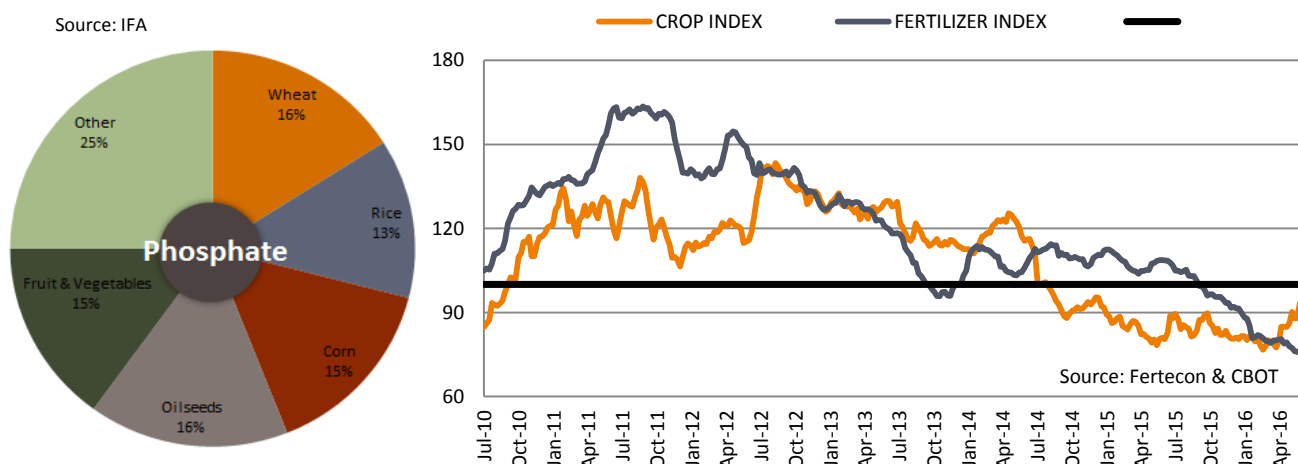
In France, the average soft wheat yield is expected to slip to 7.45t/ha in 2016 from 7.92t/ha last year, while German yield should fall to 8.04t/ha from 8.11t/ha (see dashboard below). Central and North-Eastern France and parts of Germany are considered to be areas of concern for crops due to the heavy rains that resulted in flooding in certain areas recently.

**UNITED STATES:** Corn export values had risen significantly over the last month owing to persistent dryness in the US, however, with wetter weather on its way, this may be a signal for prices to take another tumble. US weather is currently dictating proceedings for prices in both the export and futures market. US corn prices saw futures and cash prices move higher by about USD6/tonne week-on-week at the beginning of the week, following a spate of dry weather.

Chicago corn futures fell to their lowest since June 3 on Tuesday 21 June due to the forecast rain boosting US production outlooks as well as the USDA issuing better than expected weekly crop ratings.

## PHOSPHATE USE BY CROP

## FERTECON FERTILIZER & CROP INDICES



Using 6 January 2010 as the starting point (Jan 2010=100), the FERTECON indices aim to assess relative fertilizer affordability and illustrate the comparative movement of fertilizer prices (a basket of urea, DAP and MOP) against crop prices. The denotation is that the higher the crop index is relative to the fertilizer index, the more affordable fertilizers are to farmers – and vice versa.

**SULPHUR REPORT** is prepared by **Janos Gal** Phone: **+44 20 7551 9945** Email: [info@fertecon.com](mailto:info@fertecon.com)

**FERTECON SULPHUR REPORT** is published weekly by:

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

**Subscriptions Enquiries:** Phone: **+44 20 7551 9664** Email: [subscriptions@informa.com](mailto:subscriptions@informa.com)

**Client Services:**

EMEA Phone: **+44 20 701 76242** (open from 9AM to 5PM GMT)

APAC Phone: **+61 287 056 966** (open from 9AM to 5PM AEST)

NORTH AMERICA & LATAM Phone: **+1 212 652 5322** (open 9AM to 5PM EDT)

Email: [clientservices@fertecon.com](mailto:clientservices@fertecon.com)

© 2016 FERTECON Ltd. Conditions of sale: 1. All rights reserved, no part of this publication (including, but not limited to, single prices or any other individual items of data) may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording, or otherwise without prior written permission of the Publisher. FERTECON Ltd. does not participate in a copying agreement with any Copyright Licensing Agency. Photocopying without permission is illegal. 2. All abstracting of the content for republication and sale must have prior permission from the Publisher. 3. The publication must not be circulated outside the staff who work at the address to which it is sent without prior agreement with the Publisher.

**informa**