Ammonia Report

Weekly review of the ammonia market

Fertecon
Agribusiness intelligence | informa

2 June 2016

- Sabic/Saudi Arabia reportedly sells two spot cargoes totalling around 38,000 t at a market/formula price
- Trammo buys 5,000 t of Black Sea ammonia at a price reported to be $285-290 fob for 1-half July loading
- The new Acron ammonia plant in Russia reportedly starts operations with the first cargo expected in June
- The Safco II ammonia plant in Saudi Arabia scheduled to restart in the next week or so following a maintenance

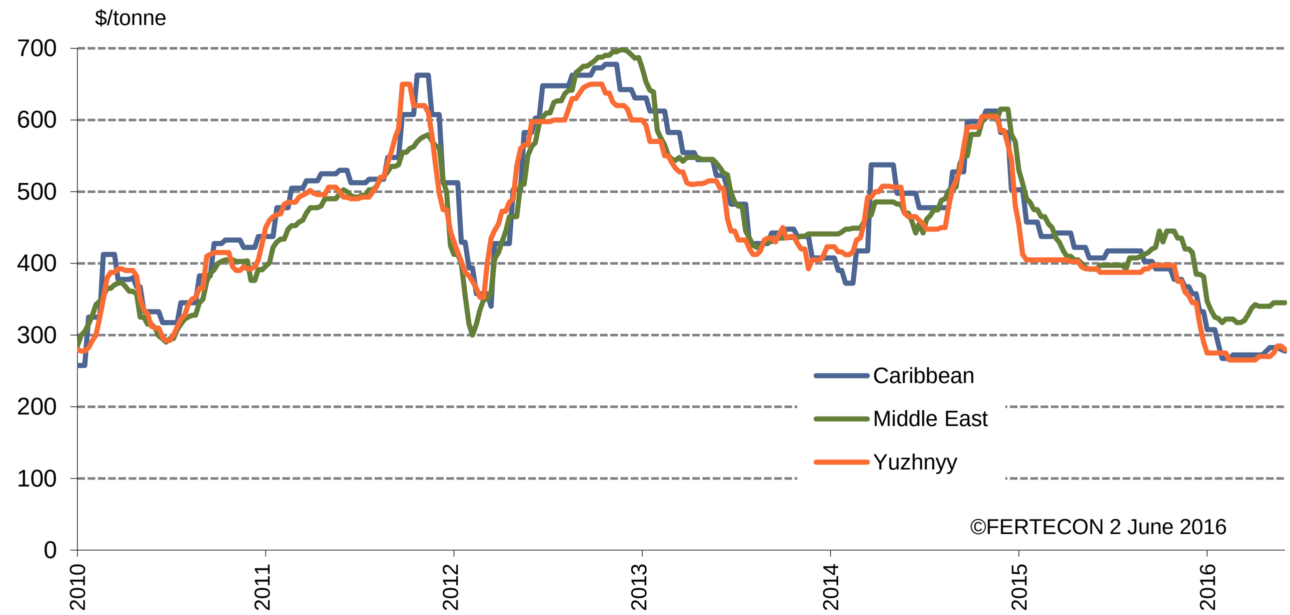
OUTLOOK

Stable to slightly softer.

KEY PRICES

	2 June	26 May	19 May
Yuzhnyy fob $/t	270-290*	280-290*	280-290*
Middle East fob $/t	335-355*	335-355*	335-355*
Tampa/US Gulf cfr $/t	315-320	315-325**	320-325

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$

	2 June	26 May	19 May
Fob prices			
Caribbean	275-280	275-285**	280-285
Middle East	335-355*	335-355*	335-355*
Of which:			
- Netbacks on contract/formula-priced sales	335-345*	335-345*	335-345*
- Spot fob	350-355	350-355	350-355
Yuzhnyy/FSU fob	270-290*	280-290*	280-290*
Baltic/FSU	280-300*	290-300*	290-300*
Southeast Asia	335-345	335-350	335-350
Delivered prices			
NW Europe (duty paid/duty free) *	349-375	359-375	359-375
NW Europe (duty unpaid) *	330-355	340-355	340-355
Far East	365-400	365-400	370-400
India	365-395	365-395	365-395
US Gulf/Tampa	315-320	315-325**	320-325
- Tampa	315	315-320**	320
- US Gulf (MS, LA, TX)	320	320-325**	325

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 June price, high end refers to May 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

There have been a few new ammonia spot deals concluded this week with Sabic reportedly selling two spot cargoes priced under formula/market price and Trammo buying a small cargo of OPZ ammonia for July loading out of Yuzhnyy at a price reported to be $285-290 fob. Our price indication for the Black Sea ammonia has been widened this week with reports of estimated netbacks on contract/formula priced deliveries being closer to $270-280 fob but due to tight spot availability and the recent OPZ-Trammo deal as mentioned above the high end remains at $290 fob. In the absence of new known business out of the Baltic, our fob indication there is adjusted on a nominal basis with $10 freight differential compared to the Black Sea price range.

The annual IFA conference took place in Moscow this week and the mood amongst ammonia market participants during the conference was mostly bearish. This is fuelled by expectations that global ammonia market will become oversupplied in the second half of the year with the new Acron ammonia plant on stream in Russia, a number of US ammonia projects being commissioned and expectation of the merchant ammonia from the new Ma'aden ammonia plant in Saudi Arabia to enter the market by September this year with plans for downstream phosphate facility to be commissioned no earlier than 2017. All this, paired up with a stable-to weak outlook for downstream fertilizer prices point towards a weaker outlook for ammonia.

This week Sabic reported that it concluded two new spot sales with 15,000 t sold to Trammo and 23,000 t to Mitsui at a market/formula price. The Safco II ammonia plant in Saudi Arabia is still under maintenance but is expected to restart in the next week or so. The producer reports good demand from the east and estimated its latest netbacks on contract deliveries to India to be around $340 fob.

Import demand is expected to improve in the Far East with the second caprolactam line at CaproCorp scheduled to re-start this week, adding to the total South Korean import requirement and also CPDC has plans to restart its idle caprolactam facility at Toufen, Taiwan by the end of the month. However, this is not expected to be sufficient to balance the market with all the new ammonia capacity starting up later this year.

In the United States, the fertilizer season is slowly coming to a close and wholesalers are still reluctant to build inventory on any products for the time being.

The short-term outlook is stable to softer.

SUPPLIERS

FSU

BLACK SEA: Trammo has reportedly bought another 5,000 t cargo of OPZ ammonia for 1-half July loading out of Yuzhnyy at $285-290 fob. However, the latest netbacks on cargoes delivered under contract are assessed to be in the $270-280 fob range and therefore our indicative Black Sea fob range is assessed at $270-290 fob this week.

It is understood that buyers' forward price ideas are below these levels with reports of Moroccan delivered price ideas so low that it would indicate a Yuzhnyy netback below $270 fob but actual business concluded at this level could not be confirmed.

It is heard that merchant ammonia output from the **Rossosh** plant in Russia is likely to be traded via a new marketing structure in the near future but details so far are scarce. It is unclear whether the product will be marketed internationally or domestically at this stage.

TogliattiAzot is still running just five out of seven ammonia lines due to maintenance taking place.

OPZ continues to run ammonia production on one out of two ammonia lines with the majority of its output consumed downstream.

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

Vessel	Trader	'000 t	Destination	Load date
APRIL		**205.5**		
MAY		**228.7**		
Navigator Grace	Trammo	15	Turkey (Korfez) & Israel (Haifa)	30 April – 1 May
Clipper Mars	Ameropa	40	EC India (Paradeep)	5-6 May

Clipper Odin	Ameropa	25	Tunisia (Gabes)	10-11 May
Sylvie	Trammo	23.5	Morocco (Jorf Lasfar)	13-15 May
Navigator Grace	Trammo	15	Turkey (Mersin & Ceyhan)	14-15 May
Gas Grouper	Ameropa	23.4	Belgium (Antwerp)	16-17 May
Solaro	Ameropa	25	Morocco (Jorf Lasfar)	19-20 May
Gas Cobia	Ameropa	23.4	Belgium (Antwerp)	24-25 May
Navigator Grace	Trammo	15	Turkey (Mersin)	26-27 May
Gas Manta	Ameropa	23.4	Turkey (Bandirma)	28-29 May
JUNE		**175.3**		
Clipper Odin	Ameropa	25	India (Kandla)	2 June
Sylvie	Trammo	23.5	TBC	Arrived 2 June, waiting to load
Marycam Swan	Trammo	15	TBC	3 June
Gas Snapper	Ameropa	23.4	Jordan (Aqaba)	Early June
Gas Manta	Ameropa	23.4	Belgium (Antwerp)	1-half June
Solaro	Ameropa	25	Morocco (Jorf Lasfar)	1-half June
Clipper Mars	Ameropa	40	India	Mid-June

BALTIC: There has been no new confirmed business concluded in the Baltic this week although there have been reports of a 30,000 t cargo possibly sold on a spot basis from the new **Acron** ammonia plant for June loading. No further details of the supposed transaction could be identified but it was heard that the cargo might have been sold for loading in two lots.

The new 700,000 t Acron ammonia plant is now reported to be operational with around 500-550,000 t/y expected to be destined for export out of the Sillamäe terminal. As reported previously the tonnes will be sold on the fob basis, predominantly under long-term contract agreements with three customers.

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

Vessel	Trader	'000 t	Destination	Load date
APRIL		**68**		
MAY		**39**		
Coral Ivory	Yara	4	Sweden (Köping)	30 April – 1 May (Ventspils)
Coral Ivory	Yara	4	Germany (Rostock)	7-8 May (Ventspils)
Coral Ivory	Yara	4	Sweden (Köping)	11 May (Ventspils)
Coral Ivory	Yara	4	Germany (Rostock)	17-18 May (Ventspils)
Temse	Yara	8	Germany (Rostock)	19-20 May (Ventspils)
Coral Ivory	Yara	4	Sweden (Köping)	25-26 May (Ventspils)
Wilhelm Schulte	OCI	11	Netherlands (Rotterdam)	30-31 May (Sillamäe)
JUNE		**27**		
Coral Ivory	Yara	4	Sweden (Köping)	1-2 June (Ventspils)
Brussels	Trammo	23	Netherlands (Rotterdam)	1-2 June (Ventspils)

EUROPE

UNITED KINGDOM: Yara's vessel, the *Temse*, which loaded ammonia from Hull on 28-30 May is delivering the cargo to Uusikaupunki, Finland today, 2 June.

The latest ammonia loadings out of the United Kingdom are tabulated here:

Vessel	Trader	'000 t	Destination	Load date
APRIL		**18**		
MAY		**8**		
Temse	Yara	8	Finland (Uusikaupunki)	28-30 May (Hull)

CARIBBEAN

TRINIDAD: The gas curtailments in Trinidad are heard to have increased further to 30-35%.

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

Vessel	'000 t	Destination	Load date
APRIL	**378.7**		
MAY	**469.9**		
Marola	24.8	United States (Tampa)	1-3 May
Sombeke	25.4	Belgium (Antwerp)	3-4 May
Almajedah	15.4	Brazil (Santos)	3-4 May
Libramont	25.4	United States (Freeport, Pascagoula & Houston)	3-5 May
Touraine	25	Unites States (Waggaman & Pascagoula)	6-7 May
Navigator Galaxy	15	United States (Taft)	6-7 May
Clipper Neptun	40	United States (Tampa)	9-10 May
Kaprijke	25	United States (Freeport & Houston) & Colombia (Barranquilla)	11-13 May
Clipper Venus	40	United States (Point Comfort)	15-16 May
Marola	24.8	United States (Tampa)	15-16 May
Clipper Sky	40	Mexico (Lazaro Cardenas) & United States (Stockton)	16-17 May
Navigator Galaxy	15	United States (NOLA)	21-22 May
Libramont	25.4	United States (Freeport)	24-25 May
Almajedah	15.4	Brazil (Santos)	25-26 May
Sanko Independence	23.5	South Africa (Richards Bay)	25-27 May
Luigi Lagrange	24.8	United States (Tampa)	26-28 May
Clipper Venus	40	United States (Beaumont)	29-30 May
Kaprijke	25	United States (Freeport)	30-31 May
JUNE	**65.2**		
Marola	24.8	TBC	Arrived 29 May, waiting to load
Sombeke	25.4	TBC	Arrived 31 May, waiting to load
Navigator Galaxy	15	TBC	4 June

AFRICA

ALGERIA: Merchant ammonia at **Sorfert** is reported to be fully sold out until early July.

Koch's vessel, the *Clipper Neptune* is currently under loading from the Sorfert facility for delivery to the United States.

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

ALGERIA: 2016 AMMONIA EXPORT SHIPMENTS					
Vessel	**Supplier**	**'000 t**	**Destination**	**Load Port**	**Load Date**
APRIL		**129.9**			

MAY		**115.3**			
Pertusola	Sorfert	6.5	Italy (Ravenna)/Yara	Arzew	6-7 May
Brussels	Sorfert	23.5	Morocco (Jorf Lasfar)/Trammo	Arzew	7-9 May
Andesgas	Fertial	10	Spain (Aviles) & Portugal (Lisbon)/Fertiberia	Annaba	8-10 May
Queen Isabella	Fertial	7	Spain (Sagunto)/Fertiberia	Arzew	9-10 May
Queen Isabella	Fertial	7	Spain (Castellon)/Fertiberia	Annaba	14 May
Marycam Swan	Sorfert	9	Turkey (Mersin) & Israel (Haifa)/Trammo	Arzew	18-19 May
Pertusola	Sorfert	11.8	France (Ambes)/Yara	Arzew	18-19 May
Brussels	Sorfert	23.5	Belgium (Brussels)/Trammo	Arzew	19-21 May
Queen Isabella	Fertial	7	Spain (Sagunto)/Fertiberia	Arzew	22-23 May
Andesgas	Fertial	10	Spain (Aviles) & Portugal (Lisbon)/Fertiberia	Arzew	24-25 May
JUNE		**51**			
Clipper Neptun	Sorfert	40	United States/Koch	Arzew	2-3 June
Wilhelm Schulte	Sorfert	11	TBC/OCI	Arzew	Early June

LIBYA: Yara is expected to load two vessels from the **Lifeco** plant at Marsa el Brega with the *Pertusola* arriving today, 2 June followed by the *Antarcticgas* with an eta 6 June.

MIDDLE EAST

SAUDI ARABIA: **Sabic** reports that the Safco II ammonia plant is still under scheduled turnaround which is progressing according to plan. It is expected that the ammonia production will be back within a week. Safco II urea plant has started up two weeks ago and is now running at full capacity.

Sabic reports the conclusion of a new spot sale of 15,000 t with Trammo at market level and a new spot sale of 23,000 t to Mitsui also at market level.

The producer reports healthy demand in the east with forward enquiries for deliveries in June and July and assessed its netbacks for latest deliveries into India to be around $340 fob.

The new **Ma'aden** ammonia plant will reportedly start-up in September with downstream phosphate production not expected to be commissioned before 2017. It is expected that the additional ammonia availability will loosen any tightness in Middle East supply during Q4 2016 if indeed the plant will start-up as planned.

There were rumours that the plant may have already started up but this has not been confirmed and the official start-up schedule is still September 2016. It is expected that the plant will be in the start-up process before then with test runs and fine tuning taking place as is common with the new capacity start-ups.

The latest Middle East line-up is tabulated below.

Vessel	Supplier/Origin	'000 t	Destination	Price $/t	Load date
APRIL		**173.5**			
MAY		**211.7**			
Al Jabirah	Sabic/S.A. (Al Jubail)	23.4	Taiwan (Taichung)	l-t contract	2-3 May
Everrich 6	Transagri/ex-Iran (Assaluyeh)	5.4	WC India: Deepak Fertilisers/ JNPT-Mumbai	n/a	3-4 May
Gas Cat	Raintrade/ Iran (BIK)	18.5	EC India: CIL/Kakinada & Vizag & Deepak/JNPT Mumbai	n/a	3-6 May
Rose Gas	Sabic/S.A. (Al Jubail)	23	WC India: GSFC/Sikka (12)	Part cargo $380 cfr?	6-7 May
Almarona	Muntajat/Qatar (7) & S.A. (Al Jubail – 8 – swap with Trammo)	15	WC India: Hindalco/Dahej, Zuari/Goa & MCFL/Mangalore	l-t contract	10-11 May
Al Barrah	Sabic/S.A. (RAK)	23	South Korea (Ulsan)	l-t contract	13-15 May

Everrich 6	Transagri/ex-Iran (Assaluyeh)	6	WC India: FACT/Cochin	$395 cfr	18-19 May
Gas Line	CIFC-Raintrade/ Iran (BIK)	15	EC India: PPL/Paradeep	n/a	25-26 May
SCF Tomsk	Trammo/ex-Oman (13) & S.A. (RAK-10)	23	WC India: Iffco/Kandla	$355	25-27 May
Rose Gas	Sabic/S.A. (Al Jubail)	21	WC India: GSFC/Sikka (15) & Deepak Fert/Mumbai (6)	n/a	26-28 May
Almarona	Muntajat/Qatar	15	EC India	l-t contract	28-29 May
Gas Quantum	Mitsui/ex-Bahrain (Sitrah) & UAE (Ruwais)	23.4	TBC	n/a	27-30 May
JUNE		**47.2**			
Gas Columbia	Muntajat/Qatar	23	WC & EC India	l-t contract	2-3 June
Everrich 6	Transagri/ex-Iran (Assaluyeh)	5.7	TBC	n/a	3-4 June
Gas Cat	Raintrade/ Iran (BIK)	18.5	TBC	n/a	4-6 June

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

ASIA/OCEANIA

AUSTRALIA: The *Viking River* left Dampier on 28 May and is heading for Miaoli, Taiwan with an eta 6 June.

The *Nordic River* left Dampier on 31 May heading for South Korea.

The recent known ammonia loadings are tabulated below:

AUSTRALIA: 2016 AMMONIA SHIPMENTS			
Vessel	**'000 t**	**Destination/Supplier**	**Load Date/Port**
APRIL	**62**		
MAY	**100**		
Nordic River	25	Taiwan (Taichung) & S. Korea (Yosu)/Yara	5-6 May (Dampier)
Viking River	25	Kwinana (domestic)/Yara	18-19 May (Dampier)
Viking River	25	Taiwan (Miaoli)/Yara	27-28 May (Dampier)
Nordic River	25	South Korea (Yosu)/Yara	30-31 May (Dampier)

BANGLADESH: The **Kafco** ammonia plant is reportedly down.

INDONESIA: The **KPI** plan in Indonesia is reportedly running at 104% of its design capacity at present.

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

INDONESIA: 2016 AMMONIA EXPORT SHIPMENTS			
Vessel	**'000 t**	**Destination/Supplier**	**Load Date/Port**
APRIL	**119.5**		
MAY	**154.1**		
Gas Quantum	22.8	EC India (PPL/Paradeep -14.5) & WC India (JNPT/Mumbai – 8.2)/Mitsui	30 April – 1 May (Bontang)
Gaz Serenity	15	Japan/Mitsui	1-3 May (Bontang)
SCF Tobolsk	22	S. Korea (Ulsan – 15 & Incheon - 7)/Trammo	3-5 May (Bontang)
Gaz Millennium	15	Thailand (Rayong)/Mitsui	9-10 May (Bontang)

Gaschem Dollart	2.3	Vietnam (Vung Tau)/Mitsui	14-16 May (Palembang)
Sanko Innovator	23.5	China (Caojing)/Trammo	18-20 May (Bontang)
Gaz Millennium	15	Taiwan (Taichung)/Mitsui	22-24 May (Bontang)
Gaz Serenity	15	China & Japan/Mitsui	23-25 May (Bontang)
SCF Tobolsk	23.5	China (Caojing)/Trammo	28-29 May (Bontang)
JUNE	**2.3**		
Gaschem Dollart	2.3	Vietnam (Haiphong)/Mitsui	2 June (Palembang)

MALAYSIA: The *Bunga Kemboja* left Kerteh on 28 May for Namhae at Yosu, South Korea where Petronas will deliver a full cargo to on behalf of Yara.

The latest ammonia loading schedule for Malaysian ports is below.

MALAYSIA: 2016 AMMONIA EXPORT SHIPMENTS			
Vessel	**'000 t**	**Destination/Supplier**	**Load Date/Port**
APRIL	**33**		
MAY	**33**		
Bunga Kemboja	16.5	Thailand (Map Ta Phut)	18-19 May (Kerteh)
Bunga Kemboja	16.5	S. Korea (Yosu)/Petronas on behalf of Yara	28 May (Kerteh)

MARKETS

AFRICA

MOROCCO: The latest line-up for ammonia deliveries into Jorf Lasfar is below:

MOROCCO: KNOWN 2016 AMMONIA IMPORTS			
Vessel	**'000 t**	**Supplier/Origin**	**Discharge**
APRIL	**35**		
MAY	**95.4**		
Brussels	23.5	OCP/ex-Yuzhnyy	2-4 May
Brussels	23.5	Trammo/ex-Algeria	11-12 May
Sylvie	23.4	Trammo/ex-Yuzhnyy	24-25 May
Solaro	25	Ameropa/Yuzhnyy	28 May
JUNE	**23.4**		
Solaro	23.4	Ameropa/Yuzhnyy	1-half June

TUNISIA: The latest known ammonia deliveries into Gabes are tabulated below.

TUNISIA: KNOWN 2016 AMMONIA IMPORTS			
Vessel	**'000 t**	**Supplier/Origin**	**Discharge**
APRIL	**25**		
MAY	**25**		
Clipper Odin	25	Ameropa/Yuzhnyy	16-19 May
JUNE	**23.4**		
TBC	23.4	Ameropa/Yuzhnyy	2-half June

EUROPE

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

BELGIUM: KNOWN 2016 AMMONIA IMPORTS			
Vessel	**'000 t**	**Supplier/Origin**	**Discharge**
APRIL	**103.2**		
MAY	**118.2**		
Wilhelm Schulte	5.5	OCI/ex-Poland	30 April – 1 May
Wilhelm Schulte	9.5	OCI/ex-France	5-6 May
Temse	8	Yara/ex-Baltic	6-7 May
Gas Manta	23.4	Ameropa/Black Sea	9-10 May
Sombeke	25.4	PCS/Trinidad	17-19 May
Brussels	23	Trammo/ex-Algeria	26 May
Gas Grouper	23.4	Ameropa/Black Sea	28 May
JUNE	**46.8**		
Gas Cobia	23.4	Ameropa/Black Sea	5 June
Gas Cobia	23.4	Ameropa/Black Sea	1-half June

ASIA/OCEANIA

CHINA: Chinese customs figures show the import of 39,652 t ammonia in April, with 27,266 t sourced from Saudi Arabia and 12,339 t from Australia. (Source: GTIS/China Customs)

INDIA: **Iffco** is reported to have agreed with its jv partners, JIFCO and ICS, a provisional price of $600 P_2O_5 cfr for Q2 phosphoric acid shipments. There remains an impasse on negotiations between OCP and its customers in fixing a Q2 contract price.

West Coast – The *SCF Tomsk*, which is due to deliver around 23,000 t ammonia to **Iffco** at Kandla on 31 May is heard to be priced at around the $370 cfr level.

It is understood that the *Clipper Odin* will deliver 25,400 t of Black Sea ammonia at Kandla on 16 June and Fertrade is linked as a supplier of this vessel.

Iffco will receive 7,500 t on the *Sanko Independence* at Kandla at the end of June under the purchase from Trammo.

Sabic's vessel, the *Rose Gas* which delivered 15,000 t to **GSFC** at Sikka on 31 May and will deliver 6,000 t to **Deepak Fertilisers** at the JNPT terminal in Mumbai on 3 June is believed to be priced at around $380 cfr level.

Muntajat's vessel the *Gas Columbia* is expected to deliver 4,000 t ammonia to **Hindalco** at Dahej on 5 June.

East Coast – Muntajat's vessel the *Almarona* is expected to deliver 6,350 t ammonia to **Greenstar** at Tuticorin on 4 June.

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

Buyer/Location	Supplier	'000 t	$/t cfr unless stated	Discharge	Vessel
APRIL		**180.4**			
MAY		**209.4**			
West Coast		**92.4**			
Iffco/Kandla	Ameropa/ex-Black Sea	23.3	~$365	13-14 May	*Gas Snapper*
Iffco/Kandla	Trammo/ex-Middle East	23.4	~$370	31 May	*SCF Tomsk*
GSFC/Sikka	Sabic/S. Arabia	12	~$380	10 May	*Rose Gas*

Hindalco/Dahej	Muntajat/Qatar	6	l-t contract	19 May	*Almarona*
Deepak Fertilisers/ JNPT-Mumbai	Transagri/ex-Iran	5.4	n/a	8 May	*Everrich 6*
Deepak Fertilisers/ JNPT-Mumbai	Mitsui/ex-Indonesia	8.3	spot formula	17 May	*Gas Quantum*
Deepak Fertilisers/ JNPT-Mumbai	CIFC-Raintrade/ ex-Iran	8	n/a	25 May	*Gas Cat*
FACT/Cochin	Transagri/ex-Iran	6	~$395	26 May	*Everrich 6*
East Coast		**117**			
Greenstar/Tuticorin	Muntajat/Qatar	6.5	l-t contract	19 May	*Gas Columbia*
CIL/Kakinada	CIFC-Raintrade/ ex-Iran	8	$387	14-15 May	*Gas Line*
CIL/Kakinada	Muntajat/Qatar	6.5	$385	19 May	*Gas Columbia*
CIL/Vizag	CIFC-Raintrade/ ex-Iran	10	$387	15-16 May	*Gas Cat*
Iffco/Paradeep	Ameropa/ex-Black Sea	40	n/a	24 May	*Clipper Mars*
PPL/Paradeep	Mitsui/ex-Indonesia	14.5	~$375	10-11 May	*Gas Quantum*
PPL/Paradeep	CIFC/ex-Malaysia	16.5	$375	3-5 May	*Bunga Kemboja*
PPL/Paradeep	CIFC-Raintrade/ ex-Iran	15	n/a	12-14 May	*Gas Line*
JUNE		**79.3**			
West Coast		**57.9**			
Iffco/Kandla	Fertrade-Ameropa/ ex-Black Sea	25.4	n/a	16 June	*Clipper Odin*
Iffco/Kandla	Trammo/ex-TBC	7.5	n/a	End June	*Sanko Independence*
GSFC/Sikka	Sabic/S. Arabia	15	~$380	31 May-1 June	*Rose Gas*
Hindalco/Dahej	Muntajat/Qatar	4	l-t contract	5 June	*Gas Columbia*
Deepak Fertilisers/ JNPT-Mumbai	Sabic/S. Arabia	6	~$380	3 June	*Rose Gas*
East Coast		**29.4**			
Greenstar/Tuticorin	Muntajat/Qatar	6.4	l-t contract	4 June	*Almarona*
PPL/Paradeep	CIFC-Raintrade/ ex-Iran	15	n/a	1 wk June	*Gas Line*

INDONSIA: **CJ** is expecting the *Parna Berlian* into Gresik around mid-June with 5,400 t ammonia from the KPI plant, sold by Parna Raya under a new frame contract under formula pricing.

JAPAN: April imports of ammonia were just short of 19,000 t, all of it shown coming from Indonesia. (Source: GTIS/Japan Ministry of Finance)

The preliminary figure for ammonia production in April is 85,895 t, slightly down from the adjusted figure of 87,195 t for March.

PHILIPPINES: **Philphos** has been in the market this week asking prices for a delivery of 5,000 t ammonia, but this is understood to be more of a price checking exercise as a restart of production is still some-way off.

SOUTH KOREA: The *Bunga Kemboja* is on way to Yosu from Kerteh, Malaysia with a full cargo of ammonia for **Namhae**, delivered on behalf of Yara as a swap. The vessel is expected to arrive around 5 June.

On 10 June the *Nordic River* is due to arrive at Yosu with another 10,000 t for Namhae from Yara.

The *Al Barrah* is due in Ulsan tomorrow, 3 June for Sabic's delivery to **LFC**.

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

Buyer/Location	Supplier	'000 t	Discharge	Vessel
APRIL		**109**		
MAY		**89.4**		
Namhae/Yosu	Mitsubishi/ex-Indonesia	8	1-3 May	*Gaz Millennium*
Namhae/Yosu	Mitsubishi/ex-Indonesia	8.4	6-7 May	*SCF Tomsk*
Namhae/Yosu	Yara/ex-Australia	13	13 May	*Nordic River*
Namhae/Yosu	Yara/ex-Baltic via Koch	8	27-28 May	*Clipper Orion*
LFC*/Ulsan	Mitsubishi/ex-Indonesia	15	4-6 May	*SCF Tomsk*
LFC*/Ulsan	Trammo/ex-Indonesia	15	15-17 May	*SCF Tobolsk*
LFC*/Ulsan	Koch/ex-Baltic	15	29-30 May	*Clipper Orion*
Hanwha/Incheon	Trammo/ex-Indonesia	7	13-14 May	*SCF Tobolsk*
JUNE		**65.5**		
Namhae/Yosu	Yara/ex-Malaysia	16.5	5 June	*Bunga Kemboja*
Namhae/Yosu	Yara/ex-Australia	10	10 June	*Nordic River*
Namhae/Yosu	Mitsubishi/TBC	16	End June	*TBC*
LFC*/Ulsan	Sabic/S. Arabia	23	3 June	*Al Barrah*
JULY		**23**		
LFC*/Ulsan	TBC	23	End July	*TBC*
* Lotte Fine Chemical (formerly Samsung Fine Chemicals)				

TAIWAN: **CPDC** received 5,000 t from Koch on the *Clipper Orion* around 10 days ago under a spot purchase agreement.

The next delivery will be on the *Gas Quantum* from Mitsui under the long-term contract.

CPDC's plants are currently operating at around 80-90% capacity and in the light of recent moderate increase of caprolactam price in China, the producer is planning to restart its idle **Toufen** line at the end of this month.

NORTH AMERICA

UNITED STATES: It is understood that the commissioning of two new ammonia sea-going barges which will be used for the contract ammonia transportation from the new CF Industries ammonia plant in Donaldsonville to Mosaic, will now take place next year with the first barge expected to be operational by mid-Q2 2017.

In the **domestic market** for direct ammonia application, in centre and east of North Dakota movement of ammonia was moderate going to sidedress corn. Demand for ammonia was light moving to corn sidedress in central and south Minnesota. Wholesalers report that spring wheat was in good condition. Corn sidedress demand for ammonia was heavy state-wide in Ohio and Indiana. Ammonia moved in light volume to corn sidedress in north-central and central Illinois. Demand has been light state-wide in Iowa and Nebraska for ammonia going to sidedress corn. Product also went out in light to moderate volume to corn sidedress in st Missouri and south-west and far south Illinois.

The US fertilizer season is slowly coming to a close. Wholesalers are still reluctant to build inventory on any products and while crop prices have improved over the past few weeks the memory of much higher prices received a few years ago is heard to have negative influence on the market sentiment.

LATIN AMERICA

BRAZIL: Yara will deliver 15,400 t of Trinidad ammonia on the *Almajedah* into Santos for **Vale** on 5-6 June.

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

Vessel name	Supplier	'000 t	Origin	Discharge date/ Estimated arrival
APRIL		**45.9**		
MAY		**15.4**		
Almajedah	Yara	15.4	Trinidad	16-17 May
JUNE		**15.4**		
Almajedah	Yara	15.4	Trinidad	5-6 June

NATURAL GAS/COAL

QUICK GLANCE (change from last week)

Henry Hub (day ahead): $2.26 (up) TTF: €14.20 (up) Brent: $49.71 (flat)

WEST EUROPE: The NBP day-ahead price closed at 33.90 p/therm on 1 June up from 29.70 p/therm on 25 May. A price of 33.90 p/therm equates to $4.90/mmBtu at the £/$ exchange rate of 1:1.44519 from 1 June. Various reports point to this week's increase being due to slightly lower volumes available either from LNG re-gasification or direct pipeline.

The July 2016 contract on ICE natural gas futures for the NBP closed at 32.54 p/therm on 1 June up from 29.68 p/therm on 25 May. The average 6-month forward strip (Jul-Dec 2016) is 34.615 p/therm, which equates to $5.00/mmBtu at the £/$ exchange rate of 1:1.44519 from 1 June.

The Dutch TTF day-ahead price closed at €14.198/MWh on 1 June up from €13.18/MWh on 25 May, according to Tankard. The Tankard indices are trade-backed volume-weighted average price indices, calculated from trades arranged by ICAP, Marex Spectron and Tullett Prebon.

A price of €14.20/MWh equates to $4.64/mmBtu at the exchange rate of €/$ 1:1.11503 on 1 June. In May, the TTF day-ahead average is estimated at $4.28/mmBtu, which compares with $4.01/mmBtu in April and $3.99/mmBtu in March. The February average was $4.02/mmBtu and January was $4.38/mmBtu.

The average six-month ICE futures price for TTF for Jul-Dec 2016 is €14.727/MWh on 1 June, and equating to $4.81/mmBtu using the €/$ exchange rate of 1:1.11503 from 1 June.

Crude – The Brent crude oil contract for July 2016 settled at $49.71/bbl on 1 June flat with $49.74/bbl on 25 May. The average price for the 3-month strip (Jul-Sep 2016) is $49.86/bbl compared with $50.19/bbl a week before, while the 12-month average (Jul 2016-Jul 2017) is $51.18/bbl against $51.56/bbl.

In its May Short-term Energy Outlook (STEO), the EIA is forecasting Brent crude oil prices to average $41/bbl in 2016 (up $6 from the April report) and $51/bbl in 2017 (up $10 from the prior STEO), with annual average West Texas Intermediate (WTI) prices in 2016 expected to average slightly less than Brent price and roughly the same in 2017. In its comments, EIA said the current values of futures and options contracts suggest a very high degree of uncertainty in the oil price outlook. "WTI futures contracts for August 2016 delivery that were traded during the five-day period ending May 5 averaged $46/b, and implied volatility averaged 41%. These levels established the lower and upper limits of the 95% confidence interval for the market's expectations of monthly average WTI prices in August 2016 at $32/b and $65/b, respectively. The 95% confidence interval for market expectations widens over time, with lower and upper limits of $26/b and $83/b for prices in December 2016", the report reads.

CHINA: Thermal coal prices at Qinhuangdao for the 5,500kcal grade remain flat at Rmb385-395/t (around $59.50/t). Prices have been unchanged since the second week of March 2016 in Rmb-terms. The average price in May is estimated at Rmb390/t ($59.78/t) flat, at least in Rmb-terms against an April average of Rmb390/t ($60.22/t), which was up only slightly from the March average of Rmb389/t ($59.72/t). The May average compares with Rmb413/t ($67.40/t) in the same month last year.

UNITED STATES: The Henry Hub day-ahead price closed at $2.26/mmBtu on 1 June up from a revised price of $1.97/mmBtu on 25 May. Warm weather forecasts have increased buying in anticipation of an increased load for cooling.

In May, the Henry Hub has averaged $1.92/mmBtu, against an April average of $1.91/mmBtu. This compares with a March average of $1.72/mmBtu, which was down from February at $1.98/mmBtu and also lower than the $2.28/mmBtu in January. The December average was $1.93/mmBtu, November was $2.09/mmBtu and October was $2.34/mmBtu.

On NYMEX natural gas futures, the July 2016 contract settled at $2.381/mmBtu on 1 June up from the $2.181/mmBtu on 25 May. The average for the next three months – Jul-Sep 2016 – is $2.442/mmBtu compared with $2.151/mmBtu a week before, while the average for the next 12 calendar months (Jul 2016-Jul 2017) is $2.810/mmBtu against $2.581/mmBtu.

The EIA Weekly Natural Gas Storage Report for the week ending 20 May showed a net injection of working gas stocks into underground storage of 71 bcf. The net injection compares with a median expectation of market analysts of a net injection of 67 bcf. It further compares with the year-ago injection of 106 bcf and the five-year-average injection of 97 bcf. Natural gas stocks on 20 May were 2,825 bcf, which is 724 bcf (34%) *above* a year ago and 769 bcf (37%) *above* the five-year average.

In its May Short-term Energy Outlook (STEO), EIA expects the Henry Hub natural gas spot price to average $2.25/mmBtu in 2016 (down from $2.18/mmBtu in the April report) and $3.02/mmBtu in 2017 (flat from the prior report), having averaged $2.63/mmBtu in 2015.

Regarding the WTI, the CME July 2016 contract closed at $49.01/bbl on 1 June down from $49.56/bbl on 25 May. The forward 3-month strip (Jul-Sep 2016) is $49.47/bbl against $49.94/bbl last week, while the 12-month forward average (Jul 2016-Jul 2017) is $50.71/bbl compared with $50.99/bbl.

US coal – The CAPP July 2016 contract closed at $39.75/ston on 1 June down from the $44.80/ston on 25 May. The 3-month forward strip (Jul-Sep 2016) is$39.75/ston compared with $44.37/ston a week before, while the Jul-Dec 2016 forward average is $41.82/ston down from $45.02/ston.

AMMONIA REPORT is prepared by **Marta Jamrozy** Phone: **+44 20 7551 9798** Email: **info@fertecon.com**

FERTECON AMMONIA 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**

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