

Ammonia Report

Weekly review of the ammonia market

5 May 2016



- **FACT receives two offers in its latest tender for 7,500 t delivery to Cochin**
- **Yara buys 4,000 t cargo from the Police plant in Poland for 2-half May loading**
- **Increased gas curtailments of around 25% until the end of May reported in Trinidad**
- **Ammonia plants at the Fertial facility in Arzew/Algeria heard to be down**
- **The new Yara Pilbara/Orica EGAN plant in Australia heard to be in commercial production**

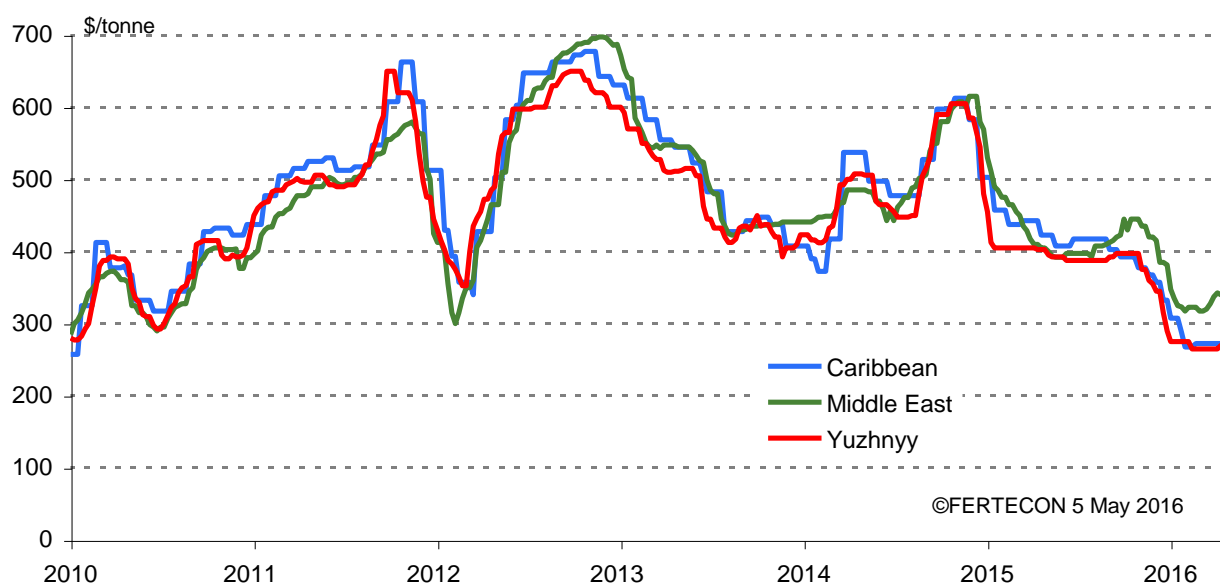
OUTLOOK

Stable to slightly firmer.

KEY PRICES

| | 5 May | 28 April | 21 April |
|------------------------|----------|-----------|----------|
| Yuzhnyy fob \$/t | 270* | 270* | 270* |
| Middle East fob \$/t | 325-355* | 325-355* | 325-355* |
| Tampa/US Gulf cfr \$/t | 320-325 | 310-325** | 310-315 |

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\$

| | 5 May | 28 April | 21 April |
|---|----------|-----------|----------|
| Fob prices | | | |
| Caribbean | 280-285 | 270-285** | 270-275 |
| Middle East | 325-355* | 325-355* | 325-355* |
| <i>Of which:</i> | | | |
| - Netbacks on contract/formula-priced sales | 325-345* | 325-345* | 325-345* |
| - Spot fob | 350-355 | 350-355 | 355 |
| Yuzhnyy/FSU fob | 270* | 270* | 270* |
| Baltic/FSU | 280-285* | 280-285* | 280-285* |
| Southeast Asia | 340-355 | 340-355 | 340-355 |
| Delivered prices | | | |
| NW Europe (duty paid/duty free) * | 349-359 | 349-359 | 349-359 |
| NW Europe (duty unpaid) * | 330-340 | 330-340 | 330-340 |
| Far East | 369-405 | 380-400 | 380-400 |
| India | 360-385 | 360-385 | 361-385 |
| US Gulf/Tampa | 320-325 | 310-325** | 310-315 |
| - Tampa | 320 | 310-320** | 310 |
| - US Gulf (MS, LA, TX) | 325 | 315-325** | 315 |
| 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 relates to Apr price, high end relates 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

The international ammonia market was broadly quiet this week with very little new business concluded. Yara bought a small cargo from Poland for 2-half May lifting at a market price.

The **Black Sea** and the **Baltic** markets were both uneventful with no new confirmed sales.

The **Middle East** market was also quiet and supply situation remains tight with the ongoing maintenance closure at the Safco II ammonia plant in Saudi Arabia. In the absence of new business, the prices are assessed at stable at \$325-355 fob.

In **Africa**, further supply restriction takes place in Algeria with reports this week of both Fertial ammonia plants at Arzew taken down due to fullness of ammonia storage. This is heard to be caused by the vessels not being able to offtake the product due to some administrative issues rumoured to be linked to export licencing.

Furthermore, on the supply side, in **Australia**, the new Yara-Pilbara EGAN plant has been ramping up production and is now heard to be entering commercial output, reducing ammonia export availability by around 140,000 t/y at full capacity.

In **India**, FACT received two offers in its latest tender which closed on 2 May for 7,500 t ammonia delivery to Cochin on or before 20 May but the bids have not been made public yet. Offers have reportedly been received from Transagri and Global Transmart, the latter not seen participating in the ammonia trade previously.

In the **United States**, widespread rains are affecting fertilizer application this week and in **Trinidad** the gas curtailments have reportedly increased to 25% for May from 15-20% in April, which is expected to have adverse effect on the ammonia output volume this month.

The short term outlook continues to be stable to firmer, with the firmness element mainly caused by the ongoing and new supply restrictions mentioned above.

SUPPLIERS

FSU

BLACK SEA: No new spot business has been reported in the Black Sea this week and in the absence of new sales the prices are still assessed as flat at \$270 fob Yuzhnyy.

The *Navigator Grace* finished loading for Trammo on 1 May and sailed for deliveries to Turkey and Israel.

Ameropa's vessel, the *Clipper Odin* arrived around 30 April and is currently anchored of Yuzhnyy waiting to load.

The *Clipper Mars* arrived around 2 May and has berthed today, 5 May to load 40,000 t for Ameropa's delivery to India.

Both the *Solaro* and the *Gas Grouper* are showing eta in Yuzhnyy tomorrow, 6 May followed by the arrival of the *Gas Cobia* around 12 May.

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

| Vessel | Trader | '000 t | Destination | Load date |
|------------------------|---------|--------------|----------------------------------|-------------|
| MARCH | | 237 | | |
| APRIL | | 205.5 | | |
| <i>Gas Cobia</i> | Ameropa | 23.4 | Turkey (Bandirma) | 3-5 April |
| <i>Navigator Grace</i> | Trammo | 15 | Turkey (Mersin) & Israel (Haifa) | 6-7 April |
| <i>Solaro</i> | Ameropa | 25 | Belgium (Antwerp) | 8-9 April |
| <i>Clipper Odin</i> | Ameropa | 25 | Morocco (Jorf Lasfar) | 11-13 April |
| <i>Gas Cobia</i> | Ameropa | 23.4 | Belgium (Antwerp) | 12-13 April |
| <i>Gas Grouper</i> | Ameropa | 23.4 | Jordan (Aqaba) | 16-21 April |



| On behalf of Muntajat | | | | |
|------------------------|---------|--------------|----------------------------------|-----------------------------------|
| <i>Gas Manta</i> | Ameropa | 23.4 | Belgium (Antwerp) | 21-22 April |
| <i>Brussels</i> | Trammo | 23.5 | Morocco (Jorf Lasfar) | 22-23 April |
| <i>Gas Snapper</i> | Ameropa | 23.4 | WC India (Kandla) | 27-29 April |
| MAY | | 223.7 | | |
| <i>Navigator Grace</i> | Trammo | 15 | Turkey (Korfez) & Israel (Haifa) | 30 April – 1 May |
| <i>Clipper Mars</i> | Ameropa | 40 | EC India (Paradeep) | 5 May |
| <i>Clipper Odin</i> | Ameropa | 25 | Tunisia (Gabes) | Arrived 30 April, waiting to load |
| <i>Solaro</i> | Ameropa | 25 | Belgium (Antwerp) | ETA 6 May |
| <i>Gas Grouper</i> | Ameropa | 23.4 | Belgium (Antwerp) | ETA 6 May |
| <i>Gas Cobia</i> | Ameropa | 23.4 | Morocco (Jorf Lasfar) | ETA 12 May |
| <i>Clipper Odin</i> | Ameropa | 25 | Belgium (Antwerp) | 2-half May |
| <i>Gas Manta</i> | Ameropa | 23.4 | TBC | 2-half May |
| <i>Sylvie</i> | Trammo | 23.5 | Morocco (Jorf Lasfar) | 2-half May |

BALTIC: There has been no new confirmed spot business concluded out of Baltic. However, suppliers advise that there is an increased interest in spot tonnes driven by the current restrictions in a wide range of supplying countries namely United Kingdom, Belgium and Algeria together with the continued closure of the second ammonia line at the OPZ plant.

Sellers' price ideas for Baltic tonnes are heard to be higher than currently quoted at around \$290-295 fob although it is understood that no business has been concluded at such level as yet.

Known loadings out of the Baltic ports for April and May are tabulated here:

| Vessel | Trader | '000 t | Destination | Load date |
|----------------------|--------|-------------|------------------------|--|
| MARCH | | 79.4 | | |
| APRIL | | 68 | | |
| <i>Coral Ivory</i> | Yara | 4 | Sweden (Köping) | 2-3 April (Ventspils) |
| <i>Coral Ivory</i> | Yara | 4 | Sweden (Köping) | 10-11 April (Ventspils) |
| <i>Coral Ivory</i> | Yara | 4 | Finland (Uusikaupunki) | 20-21 April (Ventspils) |
| <i>Clipper Orion</i> | Koch | 40 | Far East incl S. Korea | 21-23 April (Ventspils) |
| <i>Coral Ivory</i> | Yara | 4 | Finland (Uusikaupunki) | 23 April (Ventspils) |
| <i>Coral Ivory</i> | Yara | 4 | Finland (Uusikaupunki) | 26 April (Ventspils) |
| <i>Temse</i> | Yara | 8 | Belgium (Antwerp) | 28-30 April (Sillamäe – 6 & Ventspils - 2) |
| MAY | | 4 | | |
| <i>Coral Ivory</i> | Yara | 4 | Sweden (Köping) | 30 April – 1 May (Ventspils) |

EUROPE

POLAND: Yara bought 4,000 t from the Police plant for lifting in the 2-half of May. The price remains confidential but is understood to be around the current market price. The cargo will most likely be destined for Sweden or Germany.

UNITED KINGDOM: The maintenance is underway at the ammonia plant at Hull and the plant is expected to be out of action for the next couple of weeks.

The last ammonia liftings out of the United Kingdom are tabulated below. There are no vessels scheduled for May while the plant is undergoing maintenance works.



| Vessel | Trader | '000 t | Destination | Load date |
|---------------------|--------|-----------|-------------------|--------------------|
| MARCH | | 20 | | |
| APRIL | | 18 | | |
| <i>Temse</i> | Yara | 8 | Germany (Rostock) | 6-7 April (Hull) |
| <i>Antarcticgas</i> | Yara | 10 | Germany (Rostock) | 17-18 April (Hull) |

MEDITERRANEAN

TURKEY: The *Navigator Gusto* is heading for Gemlik with an eta 13 May for loading from the **Gemlik Gubre** plant.

CARIBBEAN

TRINIDAD: There are reports that gas curtailments in Trinidad have been increased last week to around 25% from the previous level of 15-20% and that the higher rate is likely to be maintained until the end of May.

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

| Vessel | '000 t | Destination | Load date |
|---------------------------|--------|--|--------------------|
| MARCH | | 416.3 | |
| APRIL | | 378.7 | |
| <i>Navigator Galaxy</i> | 15 | Brazil (Santos) | 31 March - 1 April |
| <i>Marola</i> | 24.8 | United States (Tampa) | 1-3 April |
| <i>Kaprijke</i> | 25 | United States (Freeport & Houston) & Colombia (Barranquilla) | 4-6 April |
| <i>Luigi Lagrange</i> | 24.8 | Mexico (Lazaro Cardenas) & United States (Stockton) | 6-8 April |
| <i>Clipper Neptun</i> | 40 | United States (Tampa) | 7-9 April |
| <i>Almajedah</i> | 15.4 | Brazil (Santos) | 11-12 April |
| <i>Sanko Independence</i> | 23.5 | South Africa (Richards Bay) | 12-14 April |
| <i>Sombeke</i> | 25.4 | United States (Freeport & Point Comfort) | 14-16 April |
| <i>Marola</i> | 24.8 | United States (Tampa) | 15-17 April |
| <i>Clipper Venus</i> | 40 | United States (Taft) | 22-24 April |
| <i>Clipper Neptun</i> | 40 | United States (Tampa) | 22-24 April |
| <i>Kaprijke</i> | 25 | United States (Freeport & Houston) | 23-24 April |
| <i>Navigator Galaxy</i> | 15 | United States (Tampa) | 23-24 April |
| <i>Clipper Sky</i> | 40 | United States (Taft) | 26-28 April |
| MAY | | 251 | |
| <i>Marola</i> | 24.8 | United States (Tampa) | 1-3 May |
| <i>Sombeke</i> | 25.4 | Belgium (Antwerp) | 3-4 May |
| <i>Almajedah</i> | 15.4 | Brazil (Santos) | 3-4 May |
| <i>Libramont</i> | 25.4 | United States (incl Freeport) | 3-5 May |
| <i>Clipper Neptun</i> | 40 | TBC | 7 May |
| <i>Navigator Galaxy</i> | 15 | TBC | 5 May |
| <i>Clipper Sky</i> | 40 | TBC | 1-half May |
| <i>Clipper Venus</i> | 40 | TBC | 15 May |
| <i>Touraine</i> | 25 | TBC | 2-half May |



AFRICA

ALGERIA: It is heard that ammonia production has been halted at the **Fertial**'s plants in Arzew due to the fullness of storage as a result of vessels being unable to load. It is unclear what the reason of the delay in loading is but it is heard that the issue is of an administrative nature, possibly related to the export licences. Fertial's third ammonia plant in Annaba is believed to be running, although the storage is likely to become an issue and if the vessels are unable to load soon, the plant may also be forced to stop production.

The *Pertusola* arrived at Arzew today, 5 May to load 6,500 t for Yara from the **Sorfert** plant.

Trammo's vessel, the *Brussels* is expected to arrive tomorrow, 6 May to load a 23,000 t cargo from Sorfert.

The *Andesgas* arrived in Algeria on 4 May and is stationary waiting off Annaba to load from **Fertial**.

The latest known line-up for ammonia loading from Algeria is below.

| ALGERIA: 2016 AMMONIA EXPORT SHIPMENTS | | | | | |
|--|----------|--------------|---|-----------|-------------|
| Vessel | Supplier | '000 t | Destination | Load Port | Load Date |
| MARCH | | 120.1 | | | |
| APRIL | | 129.9 | | | |
| <i>Pertusola</i> | Sorfert | 11.8 | France (Bordeaux & Montoir)/Yara | Arzew | 1-3 April |
| <i>Sylvie</i> | Sorfert | 20 | Spain (Sagunto and Castellon)/Trammo | Arzew | 3-4 April |
| <i>Antarcticgas</i> | Fertial | 10 | France/Yara | Arzew | 4-5 April |
| <i>Wilhelm Schulte</i> | Sorfert | 11 | Sweden (Stenungsund) & Netherlands (Rotterdam)OCI | Arzew | 6-7 April |
| <i>Andesgas</i> | Fertial | 10 | Spain (Aviles) & Portugal (Lisbon)/Fertiberia | Arzew | 9-11 April |
| <i>Sylvie</i> | Sorfert | 23.5 | WC India (Kandla)/Trammo | Arzew | 13-15 April |
| <i>Pertusola</i> | Sorfert | 11.8 | France (Ambes)/Yara | Arzew | 16-18 April |
| <i>Andesgas</i> | Fertial | 10 | Portugal/Fertiberia | Annaba | 21-23 April |
| <i>Queen Isabella</i> | Fertial | 7 | Spain/Fertiberia | Arzew | 23-25 April |
| <i>Navigator Gusto</i> | Sorfert | 14.8 | France (Montoir)/Yara | Arzew | 26-27 April |
| MAY | | 29.3 | | | |
| <i>Andesgas</i> | Fertial | 10 | TBC | Annaba | 4-5 May |
| <i>Pertusola</i> | Sorfert | 6.5 | TBC/Yara | Arzew | 5 May |
| <i>Brussels</i> | Sorfert | 23 | TBC/Trammo | Arzew | 6 May |

LIBYA: Yara's vessel, the 10,000 t ammonia capacity *Antarcticgas* is expected at Marsa el Brega on 14 May for loading from the **Lifeco** plant.

MIDDLE EAST

IRAN: The *Gas Line* appears to have loaded from **BIK** at the end of April but the destination is not yet known.

The *Gas Cat* has arrived at BIK for loading on 3 May.

The *Everrich 6* loaded at **Bandar Assaluyeh** on 1-3 May for delivery to Deepak Fertilisers at the JNPT terminal at Mumbai, west coast India.

QATAR: The *Almarona* is expected back at Mesaieed around 9 May to reload for **Muntajat** following the latest deliveries to long-term contract customers in India.

SAUDI ARABIA: The **Safco II** ammonia plant maintenance is underway.

The *Al Jabirah* loaded 2-3 May in Al Jubail and is on the way to Taichung/Taiwan.



The latest Middle East line-up is tabulated below.

| Vessel | Supplier/Origin | '000 t | Destination | Price \$/t | Load date |
|------------------------|---|--------------|--|--------------|--|
| MARCH | | 252.9 | | | |
| APRIL | | 173.5 | | | |
| <i>Almarona</i> | Muntajat/Qatar | 15 | WC India: Zuari/Goa & MCFL/Mangalore EC India: SPIC/Tuticorin | I-t contract | 3-4 April |
| <i>Everrich 6</i> | Transagri/ex-Iran (Assaluyeh) | 5.4 | WC India: Iffco/Kandla | \$350 cfr | 2-4 April |
| <i>Sanko Innovator</i> | Trammo/ex-Oman (Sur - 8.4) & S.A. (RAK- 15) | 23.3 | Taiwan (Mailao) & China (Caojing) | SA: \$340 | Oman: 31 Mar - 1 Apr S. Arabia: 6-7 Apr |
| <i>Gas Line</i> | CIFC-Raintrade/Iran (BIK) | 17 | EC India: CIL/Kakinada | \$361 cfr | 4-6 April |
| <i>Cambridge</i> | Muntajat/Qatar | 23 | EC India: PPL/Paradeep & SPIC/Tuticorin | I-t contract | 6-7 April |
| <i>Everrich 6</i> | Transagri/ex-Iran (Assaluyeh) | 5.4 | WC India: Deepak Fertilisers/JNPT-Mumbai | n/a | 15-16 April |
| <i>Rose Gas</i> | Sabic/S.A. (RAK) | 23 | WC India: GSFC/Sikka (8) & Hindalco/Dahej (6) | \$385 cfr | 15-18 April |
| <i>Almarona</i> | Muntajat/Qatar | 15 | WC India: Zuari/Goa & MCFL/Mangalore EC India: CIL/Kakinada | I-t contract | 17-18 April |
| <i>Gas Columbia</i> | Muntajat/Qatar (Mesaieed) | 23.4 | Madagascar & India | I-t contract | 24-24 April |
| <i>Gas Line</i> | CIFC-Raintrade/Iran (BIK) | 23 | TBC | n/a | 29-30 April |
| MAY | | 154.3 | | | |
| <i>Everrich 6</i> | Transagri/ex-Iran (Assaluyeh) | 5.4 | WC India: Deepak Fertilisers/JNPT-Mumbai | n/a | 1-3 May |
| <i>Al Jabirah</i> | Sabic/S.A. (RAK) | 23.4 | Taiwan (Taichung) | I-t contract | 2-3 May |
| <i>Gas Cat</i> | Raintrade/Iran (BIK) | 18.5 | TBC | n/a | 3-5 May |
| <i>Rose Gas</i> | Sabic/S.A. (Al Jubail) | 23 | India | n/a | 5 May |
| <i>TBC</i> | Iffco/ex-S.A. (TBC) | 23 | India | n/a | 8 May |
| <i>Almarona</i> | Muntajat/Qatar | 15 | TBC | I-t contract | 9 May |
| <i>TBC</i> | Trammo/ex-Oman (13) & S.A. (10) | 23 | TBC | \$355 | 10 May – S. Arabia Mid/2-half May- Oman |
| <i>Al Barrah</i> | Sabic/S.A. (RAK) | 23 | Far East | I-t contract | 15 May |

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

ASIA/OCEANIA

AUSTRALIA: A couple of weeks ago we have reported that the new **Yara Pilbara Nitrates Pty Ltd** explosive-grade ammonium nitrate (EGAN) plant has begun test runs. Over the past few weeks the plant has been ramping up output and is now heard to be entering commercial production.

When running to its full capacity of around 330,000 t/y EGAN, the plant is expected to reduce Australian ammonia exports by around 140,000 t/y. The plant is a joint venture between Yara and **Orica** and will be operated by Yara International ASA and marketed by Orica Limited.

The *Nordic River*, which loaded ammonia at Dampier around 1-5 May is heading for Taichung/Taiwan.

The recent known ammonia loadings are tabulated below:



| AUSTRALIA: 2016 AMMONIA SHIPMENTS | | | |
|-----------------------------------|-----------|--|-----------------------|
| Vessel | '000 t | Destination/Supplier | Load Date/Port |
| MARCH | 96 | | |
| APRIL | 62 | | |
| <i>Viking River</i> | 6 | Indonesia (Gresik)/Yara | 1 April (Dampier) |
| <i>Viking River</i> | 25 | Kwinana (domestic)/Yara | 7-8 April (Dampier) |
| <i>Viking River</i> | 25 | Taiwan (Miaoli) & China (Caojing)/Yara | 19-20 April (Dampier) |
| <i>Nordic River</i> | 6 | Indonesia (Gresik)/Yara | 24 April (Dampier) |
| MAY | 50 | | |
| <i>Nordic River</i> | 25 | Far East incl Taiwan/Yara | 1-5 May (Dampier) |
| <i>Viking River</i> | 25 | TBC/Yara | 1-half May (Dampier) |

INDONESIA: Mitsui's vessel, the *Gas Quantum* finished loading around 23,000 t ammonia in Bontang and is heading for Paradeep, east coast India for 15,000 t delivery to PPL. The balance of around 8,000 t will be discharged for Deepak Fertilisers at the JNPT terminal in Mumbai on the west coast of India.

The *Gaz Serenity* is reportedly on the way to Japan following loading from Bontang around 1-3 May.

The *Gaz Millennium* is expected back in Bontang around 8 May for loading.

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

| INDONESIA: 2016 AMMONIA EXPORT SHIPMENTS | | | |
|--|--------------|--|--|
| Vessel | '000 t | Destination/Supplier | Load Date/Port |
| MARCH | 51.6 | | |
| APRIL | 119.5 | | |
| <i>Gaschem Dollart</i> | 2.3 | Vietnam (Haiphong)/Mitsui | 31 March-1 April (Palembang) |
| <i>SCF Tomsk</i> | 23 | Thailand (Rayong)/Trammo | 7-8 April (Bontang) |
| <i>Gaz Millennium</i> | 15 | S. Korea (Ulsan)/Mitsui | 7-9 April (Bontang) |
| <i>Gaz Serenity</i> | 15 | Japan (Nagoya & Mizushima)/Mitsui | 9-11 April (Bontang) |
| <i>SCF Tobolsk</i> | 23.5 | S. Korea (Ulsan & Yosu)/Trammo & Mitsubishi | 16-17 April (Bontang) |
| <i>Gaz Millennium</i> | 15 | Taiwan (Taichung - 7)/Mitsui & S. Korea (Yosu - 8)/Mitsubishi | 23-24 April (Bontang) |
| <i>SCF Tomsk</i> | 23.4 | S. Korea (Ulsan & Yosu)/Trammo & Mitsubishi | 18-21 April (Lhokseumawe - 7) 26-28 April (Bontang -16) |
| <i>Gaschem Dollart</i> | 2.3 | Vietnam (Haiphong)/Mitsui | 27-28 April (Palembang) |
| MAY | 114.5 | | |
| <i>Gas Quantum</i> | 23 | EC India (Paradeep -15) & WC India (JNPT/Mumbai - 8)/Mitsui | 30 April – 1 May (Bontang) |
| <i>Gaz Serenity</i> | 15 | Japan (TBC) & Taiwan (Taichung)/Mitsui | 1-3 May (Bontang) |
| <i>SCF Tobolsk</i> | 22 | S. Korea (Ulsan – 15 & Incheon - 7)/Trammo | 3-5 May (Bontang) |
| <i>Gaz Millennium</i> | 15 | TBC | 8 May (Bontang) |
| <i>Bunga Kemboja</i> | 16.5 | TBC | 13 May (Bontang) |
| <i>SCF Tomsk</i> | 23 | India (Kandla)/Trammo | 1-half May (Bontang) |

MALAYSIA: The latest ammonia loading schedule for Malaysian ports is below. So far there are no known vessels scheduled for loading in May and the *Bunga Kemboja* appears to be destined to load from Bontang/Indonesia around mid-May.



MALAYSIA: 2016 AMMONIA EXPORT SHIPMENTS

| Vessel | '000 t | Destination/Supplier | Load Date/Port |
|----------------------|-------------|--|----------------------|
| MARCH | 32.5 | | |
| APRIL | 33 | | |
| <i>Bunga Kemboja</i> | 16.5 | Thailand (PTT Asahi & NFC)/ Petronas & Mitsubishi | 13-15 April (Kerteh) |
| <i>Bunga Kemboja</i> | 16.5 | EC India (PPL-Paradeep)/CIFC | 26-27 April (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 |
|---------------------|--------------|-------------------|-------------|
| MARCH | 138.4 | | |
| APRIL | 35 | | |
| <i>Marycam Swan</i> | 10 | Trammo/ex-Turkey | 16-17 April |
| <i>Clipper Odin</i> | 25 | Ameropa/Yuzhnyy | 20-21 April |
| APRIL | 70.3 | | |
| <i>Brussels</i> | 23.5 | OCP/ex-Yuzhnyy | 1-2 May |
| <i>Gas Cobia</i> | 23.4 | Ameropa/Yuzhnyy | 2-half May |
| <i>Sylvie</i> | 23.4 | Trammo/ex-Yuzhnyy | 2-half May |

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

TUNISIA: KNOWN 2016 AMMONIA IMPORTS

| Vessel | '000 t | Supplier/Origin | Discharge |
|---------------------|-----------|-----------------|------------|
| APRIL | 25 | | |
| <i>Clipper Odin</i> | 25 | Ameropa/Yuzhnyy | 3-4 April |
| MAY | 25 | | |
| <i>Clipper Odin</i> | 25 | Ameropa/Yuzhnyy | 1-half May |

EUROPE

BELGIUM: OCI's vessel, the *Wilhelm Schulte* discharged 5,500 t of Polish ammonia for **BASF** at Antwerp. Subsequently the vessel loaded 9,500 t from Borealis' facility in Rouen in France and is expected back at Antwerp to discharge today or tomorrow.

At a similar time Ameropa will deliver 23,400 t of Black Sea ammonia on the *Gas Manta* and Yara's vessel, the *Temse* is also arriving with 8,000 t of Baltic ammonia.

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



| BELGIUM: KNOWN 2016 AMMONIA IMPORTS | | | |
|-------------------------------------|--------------|-------------------|------------------|
| Vessel | '000 t | Supplier/Origin | Discharge |
| MARCH | 48.8 | | |
| APRIL | 103.2 | | |
| <i>Gas Grouper</i> | 23.4 | Ameropa/Black Sea | 2-4 April |
| <i>Gas Snapper</i> | 23.4 | Ameropa/Black Sea | 14-15 April |
| <i>Temse</i> | 8 | Yara/Netherlands | 15-16 April |
| <i>Solaro</i> | 25 | Ameropa/Black Sea | 22-24 April |
| <i>Gas Cobia</i> | 23.4 | Ameropa/Black Sea | 28-30 April |
| MAY | 120.2 | | |
| <i>Wilhelm Schulte</i> | 5.5 | OCI/ex-Poland | 30 April – 1 May |
| <i>Wilhelm Schulte</i> | 9.5 | OCI/ex-France | 5-6 May |
| <i>Gas Manta</i> | 23.4 | Ameropa/Black Sea | 5-6 May |
| <i>Temse</i> | 8 | Yara/ex-Baltic | 5-6 May |
| <i>Solaro</i> | 25 | Ameropa/Black Sea | Mid-May |
| <i>Gas Grouper</i> | 23.4 | Ameropa/Black Sea | Mid-May |
| <i>Sombeke</i> | 25.4 | PCS/Trinidad | 15-16 May |

ASIA/OCEANIA

INDIA: West Coast – The latest **FACT** import tender, which closed on 2 May, for 7,500 t ammonia delivery to Cochin on or before 20 May, is reported to have received two offers from Transagri and Global Transmart but there is no information on the submitted price bids as yet. The award is expected to be issued later today or tomorrow.

Iffco will receive around 23,000 t ammonia on Trammo's vessel, the *SCF Tomsk*, most likely for delivery to Kandla mid-May.

Sabic's vessel, the *Rose Gas* will deliver around 12,000 t ammonia to **GSFC** at Sikka mid-May.

The *Everrich 6* is expected at the JNPT terminal in Mumbai on 8 May for Transagri's delivery to **Deepak Fertilisers**.

East Coast – Ameropa's vessel the *Clipper Mars* is expected to deliver around 40,000 t ammonia to **Iffco** at Paradeep at the end of May or early in June.

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

| Buyer/Location | Supplier | '000 t | \$/t cfr unless stated | Discharge | Vessel |
|--------------------------------|----------------------|--------------|------------------------|-------------|---------------------|
| MARCH | | 197.2 | | | |
| APRIL | | 180.4 | | | |
| West Coast | | 94.6 | | | |
| Iffco/Kandla | Transagri/ex-Iran | 5.4 | \$350 | 7 April | <i>Everrich 6</i> |
| Iffco/Kandla | Ameropa/ex-Black Sea | 23 | \$330 | 13-15 April | <i>Clipper Mars</i> |
| Iffco/ Kandla | Trammo/ex-Algeria | 23 | ~\$360 | 29-30 April | <i>Sylvie</i> |
| GSFC/Sikka | Sabic/S. Arabia | 8 | \$385 | 21 April | <i>Rose Gas</i> |
| Hindalco/Dahej | Sabic/S. Arabia | 6 | \$385 | 23 April | <i>Rose Gas</i> |
| Deepak Fertilisers/JNPT-Mumbai | Transagri/ex-Iran | 5.4 | n/a | 26-27 April | <i>Everrich 6</i> |



| | | | | | |
|--------------------------------|---------------------------|--------------|--------------|--------------------|---------------|
| Zuari/Goa | Muntajat/Qatar | 4 | I-t contract | 7 April | Almarona |
| Zuari/Goa | Muntajat/Qatar | 4 | I-t contract | 22 April | Almarona |
| MCFL/Mangalore | Muntajat/Qatar | 4 | I-t contract | 11 April | Almarona |
| MCFL/Mangalore | Muntajat/Qatar | 4 | I-t contract | 23 April | Almarona |
| FACT/Cochin | Trammo/ex-Qatar & Bahrain | 7.8 | \$395w180d | 6 April | Brussels |
| East Coast | | 85.8 | | | |
| Greenstar/Tuticorin | Muntajat/Qatar | 5.9 | I-t contract | 9 April | Almarona |
| CIL/Kakinada | Muntajat/Qatar | 5 | I-t contract | 2-3 April | Gas Columbia |
| CIL/Kakinada | CIFC-Raintrade/ex-Iran | 17 | \$361 | 17 April | Gas Line |
| CIL/Kakinada | Muntajat/Qatar | 7 | I-t contract | 27 April | Almarona |
| CIL/Vizag | CIFC-Raintrade/ex-Iran | 3 | \$357 | 4-5 April | Gas Cat |
| Iffco/Paradeep | Ameropa/ex-Black Sea | 17 | \$330 | 10-11 April | Clipper Mars |
| PPL/Paradeep | Trammo/ex-Qatar & Bahrain | 13.4 | n/a | 1 April | Brussels |
| PPL/Paradeep | Muntajat/Qatar | 11 | low \$380s | 16 April | Cambridge |
| TCL/Haldia | Muntajat/Qatar | 6.5 | I-t contract | 4 April | Gas Columbia |
| MAY | | 165.9 | | | |
| West Coast | | 71.4 | | | |
| Iffco/ Kandla | Trammo/ex-Indonesia | 23 | n/a | Mid-May | SCF Tomsk |
| GSFC/Sikka | Sabic/S. Arabia | 12 | I-t contract | Mid-May | Rose Gas |
| Deepak Fertilisers/JNPT-Mumbai | Transagri/ex-Iran | 5.4 | n/a | 8 May | Everrich 6 |
| Deepak Fertilisers/JNPT-Mumbai | Mitsui/ex-Indonesia | 8 | spot formula | 2-half May | Gas Quantum |
| Iffco/Kandla | Ameropa/ex-Black Sea | 23 | n/a | 11 May | Gas Snapper |
| East Coast | | 94.5 | | | |
| CIL/Kakinada | CIFC-Raintrade/ex-Iran | 8 | n/a | Mid-May | Gas Line |
| Iffco/Paradeep | Ameropa/ex-Black Sea | 40 | n/a | End May/early June | Clipper Mars |
| PPL/Paradeep | Mitsui/ex-Indonesia | 15 | spot formula | 9 May | Gas Quantum |
| PPL/Paradeep | CIFC/ex-Malaysia | 16.5 | \$375 | Early May | Bunga Kemboja |
| PPL/Paradeep | CIFC-Raintrade/ex-Iran | 15 | n/a | Mid-May | Gas Line |

JAPAN: According to customs' data, imports of ammonia into Japan in March were, at 22,981 t more than double the arrivals in prior month of 9,750 t. The total ammonia imports in Q1 reached 56,708 t, slightly down (2,241 t or 3.8%) from the 58,949 t imported during Q1 2015. Ammonia delivered in Q1 2016 has been sourced entirely from Indonesia. (Source: GTIS/Japan Ministry of Finance)

SOUTH KOREA: LFC (formerly SFC) reports that its current prices for ammonia delivered under contract arrangements from a mix of suppliers are \$369-405 cfr. The range is reportedly very wide as deliveries sourced from different regions are subject to significant price variation.



LFC's ammonia import requirement could be increased by 7-8,000 t/m from June due to the second caprolactam plant at the **Capro Corp** restarting operation. However, LFC is expecting to be able to cover this additional requirement through its long-term contract arrangement.

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

| Buyer/Location | Supplier | '000 t | Discharge | Vessel |
|----------------|----------------------------------|-------------|-------------|----------------|
| MARCH | | 111 | | |
| APRIL | | 109 | | |
| Namhae/Yosu | Trammo/ex-Kuwait | 10 | 5-7 April | SCF Tobolsk |
| Namhae/Yosu | Yara/Australia | 25 | 7 April | Nordic River |
| Namhae/Yosu | Mitsubishi & Trammo/ex-Indonesia | 7 | 26 April | SCF Tobolsk |
| LFC*/Ulsan | Trammo/ex-Oman (6) & Kuwait (7) | 13 | 7-8 April | SCF Tobolsk |
| LFC*/Ulsan | Mitsui/ex-Indonesia | 15 | 15-16 April | Gaz Millennium |
| LFC*/Ulsan | Trammo/ex-Indonesia | 16 | 23 April | SCF Tobolsk |
| LFC*/Ulsan | Sabic/S. Arabia | 23 | 19-21 April | Al Barrah |
| MAY | | 93.4 | | |
| Namhae/Yosu | Mitsubishi/ex-Indonesia | 8 | 1-3 May | Gaz Millennium |
| Namhae/Yosu | Mitsubishi/ex-Indonesia | 8.4 | 5-10 May | SCF Tomsk |
| Namhae/Yosu | Yara/ex-Australia | 25 | 2-half May | TBC |
| LFC*/Ulsan | Mitsubishi/ex-Indonesia | 15 | 4-5 May | SCF Tomsk |
| LFC*/Ulsan | Trammo/ex-Indonesia | 15 | Mid-May | SCF Tobolsk |
| LFC*/Ulsan | Koch/ex-Baltic | 15 | 2-half May | Clipper Orion |
| Hanwha/Incheon | Trammo/ex-Indonesia | 7 | 11 May | SCF Tobolsk |

* Lotte Fine Chemical (formerly Samsung Fine Chemicals)

TAIWAN: Mitsui's vessel, the 15,000 t *Gaz Serenity* will deliver Indonesian ammonia to Taichung around 7 May.

Yara's vessel, the *Nordic River* will deliver Australian ammonia to Taichung around 11 May.

THAILAND: Total ammonia imports into Thailand during Q1 were, at 93,162 t, down by 7,788 t or 7.7% y-o-y from 100,950 t which arrived during January-March 2015. The largest proportion of ammonia imports during Q1 2016 was sourced from Malaysia (66,599 t) followed by Australia (16,527 t) and Indonesia (10,022 t). During March alone, imports were, at 36,382 t up by 12,966 t or 55.3% m-o-m from just 23,416 t in February. (Source: GTIS/Thai Customs Department)

VIETNAM: Mitsui's vessel, the *Gaschem Dollart* will deliver a small cargo of Indonesian ammonia to Haiphong on 6 May.

NORTH AMERICA

UNITED STATES: In the **domestic market** for direct application of ammonia, demand for ammonia going to corn preplant in central and south Michigan, statewide in Ohio and in north and central Indiana was limited by more rain showers. Wholesalers in north and central Indiana report that corn is 30% planted. Corn fields in north and central Illinois are mostly planted according to wholesalers there. Wholesalers in west Illinois and east Iowa report that ammonia movement for corn preplant is finished. Demand for ammonia continued to be light in east Colorado and west Kansas for corn preplant. Scattered but heavy rains continue to slow spring preplant activities in most regions.



LATIN AMERICA

BRAZIL: The next ammonia delivery from Yara for **Vale** is scheduled to arrive at the Tiplam terminal at Santos from Trinidad on the *Almajedah* around 16 May.

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

| Vessel name | Supplier | '000 t | Origin | Discharge date/ Estimated arrival |
|-------------------------|----------|-------------|----------|--------------------------------------|
| MARCH | | 15.4 | | |
| APRIL | | 45.9 | | |
| <i>Almajedah</i> | Yara | 15.4 | Trinidad | 2-3 April |
| <i>Navigator Galaxy</i> | Yara | 15.1 | Trinidad | 11-12 April |
| <i>Almajedah</i> | Yara | 15.4 | Trinidad | 23-24 April |
| MAY | | 15.4 | | |
| <i>Almajedah</i> | Yara | 15.4 | Trinidad | 16-17 May |

COMPANY NEWS

AUSTRIA: On 4 May, **Borealis** announced a net profit of €255 million for Q1 2016, compared to €137 million in the same quarter of 2015. The improved result was driven by the very strong margins in the polyolefins business. The base chemicals business also saw an improved performance compared to the first quarter of 2015, while the contribution from Boroweg was lower due to limited feedstock availability.

In the first quarter, net debt increased by €125 million largely due to the payment of a €425 million dividend to Borealis' shareholders. Despite the increase in net debt, Borealis' financial position remains strong with a gearing of 22% at the end of Q1 2016.

| Key figures and ratios | | Q1 2016 | Q1 2015 | Q4 2015 | FY 2015 |
|---|-----------|------------|------------|------------|------------|
| Net Sales | € million | 1,871 | 1,988 | 1,803 | 7,700 |
| Total Sales* | € million | 2,193 | 2,267 | 2,146 | 9,026 |
| Net Profit | € million | 255 | 137 | 242 | 988 |
| Reduction / (increase) in net interest-bearing debt | € million | (125) | 132 | 223 | 702 |
| Gearing | % | 22% | 34% | | 19% |

* Net sales of Borealis plus pro-rata sales of at equity consolidated companies

Investing in the future

In addition to an ongoing project for building a new combined heat and power plant in Finland, Borealis also announced a new round of investments in its melamine and fertilizer production facilities in Linz, Austria. The heart of the so-called "Linz 2020" programme is a €80 million investment package to boost the overall long-term competitiveness of the Linz location. According to the company's financial statement, Borealis creates real value for the agricultural industry, selling approximately 5 million tonnes of fertilizers, as well as offering a wide range of base chemicals, including melamine, phenol, acetone, ethylene, propylene, butadiene and pygas.

Beyond the first quarter of 2016

The long-term ethane supply project of Borealis' location in Stenungsund, Sweden, with ethane from the United States has reached a new milestone: on 3 May 2016, Navigator Gas and Borealis celebrated the naming ceremony of the vessel *Navigator Aurora*, the new 35,000 cubic metre state-of-the-art ethane vessel, in Shanghai, China. This vessel is among the most modern in the world and will ensure cost effective, safe and reliable transport of ethane to Borealis'



location in Stenungsund, Sweden. In the meantime, the currently ongoing, multi-million investment in the cracker upgrade and the construction of an ethane storage tank in Borealis' location in Stenungsund is proceeding according to plan. The commissioning of a new unloading and storage facility will begin in Q4 2016.

Outlook

"Borealis continues to benefit from its strategy of growing the three profit centres of polyolefins, base chemicals and Borouge," comments Mark Garrett, Borealis Chief Executive. "The polyolefins business had an outstanding contribution in the first quarter supported by the strong polyolefins industry margin, resulting in significantly improved overall results for Borealis compared to the first quarter of 2015. The Borouge result in the first quarter was impacted by limited availability of feedstock, but the market conditions in Borouge's core region remain strong.

In the second quarter, Borealis expects yet again a solid result, albeit lower than the record second quarter of 2015. Both Borouge and the base chemicals business should see an improved profit contribution in the second quarter compared to the first, while we expect the polyolefins business to continue to perform well."

NORWAY: In its recent release of financial results **Yara International ASA** reports that it delivered lower underlying Q1 2016 results compared with a year earlier. EBITDA excluding special items was down 12% driven by lower fertilizer prices and deliveries, but partly offset by positive currency effects and lower energy cost.

"Yara reports strong results in a challenging market environment, even as weaker fertilizer prices and lower deliveries impacted earnings," said Svein Tore Holsether, President and Chief Executive Officer of Yara.

"Our operational performance improved compared with the fourth quarter, with both ammonia and finished fertilizer production running at high levels. In addition, lower natural gas cost in Europe continued to improve Yara's competitive position during the quarter," said Svein Tore Holsether.

Yara reports Q1 net income after non-controlling interests of NOK 2,800 million (NOK 10.22 per share), compared with NOK 729 million (NOK 2.65 per share) a year earlier. Excluding net foreign exchange gain and special items, the result was NOK 9.14 per share compared with NOK 10.51 per share in Q1 2015. First-quarter EBITDA excluding special items was NOK 5,050 million compared with NOK 5,742 million a year earlier.

Global Yara fertilizer deliveries were 5% lower y-o-y compared with Q1 2015, mainly reflecting lower nitrate and compound NPK sales. All regions except Brazil saw lower sales.

Ammonia production in Q1 2016 was, at around 2 million t, very similar to the output during the same period of 2015 with just a marginal 8,000 t or 0.4% increase y-o-y. Total ammonia sales in Q1 2016 reached 717,000 t, down by 96,000 t or 11.8% from Q1 2015 when sales were reported at 813,000 t.

Yara reports that the ammonia market has been stable through first quarter. Due to lower global oil and gas prices, the floor for ammonia prices have been significantly reduced. At current prices around \$270 fob Black Sea, Ukrainian export is curtailed. But most ammonia producers are still making positive margins, due to the energy price developments.

Yara's margins declined compared to Q1 last year, as realized prices fell more than input costs. Yara's average realized urea prices decreased around 20%, nitrate prices were 15% lower, and compound NPK prices decreased on average 12% compared with Q1 2015. Yara's average global gas costs were 32% lower than a year ago.

The global farm margin outlook and incentives for fertilizer application remain supportive overall, and agricultural export profitability in Brazil is higher than a year ago due to currency depreciation. In Europe, Yara expects a catch-up in deliveries during the second quarter, with full-season industry deliveries close to last year's level. Based on current forward markets for oil products and natural gas, Yara's spot energy costs for the next two quarters are expected to be approximately NOK 2.2 billion lower than a year earlier.

CANADA: Agrium Inc. announced on 3 May its Q1 2016 earnings results, with net earnings attributable to equity holders of Agrium of \$2 million (\$0.02 diluted earnings per share) compared to \$12 million (\$0.08 diluted earnings per share) in Q1 2015. The reduction in net earnings was driven by weaker selling prices across all nutrients. This was largely offset by excellent results achieved from the Retail operations and strong Wholesale operational performance.



Q1 adjusted net earnings were \$7 million or \$0.05 per share. Retail achieved the second highest EBITDA for Q1, with strong margins across all major product lines. International Retail delivered strong results, with South America achieving record Q1 EBITDA, and Australia reaching record Q1 in local currency. Wholesale continues to achieve impressive operational performance. This quarter, nitrogen margins remained strong despite much lower benchmark prices.

Agrium acquired 27 Retail locations through acquisitions in Canada and the US, adding expected annual incremental EBITDA of over \$11 million.

2016 annual guidance range has been revised to \$5.25 from \$6.25 diluted earnings per share due to the weak outlook for nutrient prices.

Agrium further reports that North American **nitrogen** prices increased beginning in February 2016, driven by a relatively early start to the spring application season, combined with relatively low volumes of offshore imports. In January to February 2016 US offshore imports of urea were down close to 40% compared to the same period of 2015.

Due to the poor 2015 fall application season in the US and the high corn acreage intentions for 2016 projected by the USDA, US spring nitrogen applications are expected to be historically high.

Nitrogen projects in North America are expected to continue to ramp up in 2016, which is expected to keep buyers tentative entering the fall season in the 2-half of the year.

Nitrogen sales volumes were slightly lower than the same period last year, as Western Canadian dealers were slow to commit to nitrogen purchases early in the season.

However, demand in the US was strong due to the early start to the spring application season, which supported increased ammonia sales volumes. Wholesale **sales of ammonia** in Q1 2016 reached 230,000 t, up by 55,000 t or 31.4% y-o-y from the 175,000 t sold in Q1 2015.

North American **phosphate** demand is projected to be relatively strong in the spring of 2016 due to the poor fall application season and relative stability in prices, which have increased from the January 2016 lows. Chinese phosphate exports have declined compared to 2015 levels, in part because of lower import demand from India. The changes in the NBS for phosphate in India appear positive for 2-half DAP demand, but most analysts expect reduced demand in 2016 from 2015 levels.

Phosphate gross profit was 56% lower than the same period last year, due to a combination of lower benchmark selling prices, lower sales volumes and a slight increase in cost of product sold on a per tonne basis relative to the same period last year.

Phosphate sales volumes were 22% lower than the same period last year due to slow spring demand in Canada and the Western US, as dealers in these regions delayed purchasing due to higher supply in the market.

CANADA: PotashCorp reported Q1 2016 earnings of \$0.09 per share (\$75 million) – including notable charges of \$0.06 per share (\$52 million) – down from \$0.44 (\$370 million) generated in the same period of 2015. Weaker prices – primarily for potash and nitrogen – and lower offshore potash sales volumes negatively impacted performance for the quarter, with gross margin of \$234 million, cash provided by operating activities of \$188 million and earnings before finance costs, income taxes, depreciation and amortization, termination benefit costs and certain impairment charges (adjusted EBITDA) of \$385 million, all well below 2015's respective totals.

Lower global energy costs and new nitrogen capacity pressured prices for all nitrogen products, keeping them below those realized in Q1 2015, although urea and UAN prices displayed seasonal strength in the US as buyers prepared for the spring planting season.

Global phosphate markets remained muted in Q1 2016 as elevated inventories in India and cautious buying in Brazil led to weaker shipments than those in Q1 2015. Tighter supply for feed, industrial and liquid fertilizer products supported more stable demand and prices relative to solid fertilizers.

In **Phosphate** gross margin of \$39 million in Q1 2016 was negatively impacted by weaker prices and a noncash impairment charge of \$27 million. These factors more than offset the benefit of lower input costs, causing this year's total to trail the \$58 million earned in the comparable period last year.



The average realised phosphate price in Q1 2016 was \$499/t, down from the \$574/t in the same period last year as weaker demand weighed on prices, most notably for solid fertilizers. Q1 2016 sales volumes of 0.717 million t were up 10% compared to Q1 2015, due primarily to fewer production constraints. PotashCorp's phosphate production was 0.411 million t, or 86% of operational capacity, compared to 0.366 million t, or 62%, in Q1 2015.

The average realised finished phosphate fertilizer price was \$436/t in Q1 2016, down from \$524/t in Q1 2015. Finished phosphate fertilizer sales volumes in Q1 2016 were 0.437 million t, up from 0.371 million t in Q1 2015.

Per-tonne cost of goods sold in the quarter was \$446, down from \$487 in Q1 2015 as lower input costs more than offset notable non-cash charges, primarily an impairment of property, plant and equipment at Aurora related to an industrial product that PotashCorp will no longer produce.

In **Nitrogen**, gross margin of \$107 million for Q3 trailed the \$181 million generated in Q1 2015 as weaker prices – particularly for ammonia – were partially offset by higher volumes and lower natural gas costs. PotashCorp's US operations accounted for 73% of its nitrogen gross margin for the quarter, with Trinidad providing the remainder.

Sales volumes for the quarter of 1.7 million t were up 27% compared to Q1 2015, due to strong demand and increased production at the recently expanded Lima facility.

Cost of goods sold for Q1 was \$182/t, down from \$215 in the same period last year, driven mainly by lower natural gas costs in Trinidad and the US.

UNITED STATES: Ammonia and UAN producer **CVR Partners** have reported a net income in Q1 2016 of \$18 million on net sales of \$73.1 million, compared to a net income of \$29.8 million on net sales of \$93.1 million in the same period a year earlier, according to a statement on 28 April. Adjusted EBITDA amounted to \$27.9 million, from \$38.4 million in Q1 2015.

"Our Coffeyville fertilizer plant continued to operate well following last year's turnaround and has maintained its performance since posting record production rates for the fourth quarter of 2015," CEO Mark Pytosh said.

CVR Partners produced 113,700 ston of ammonia and purchased an additional 3,000 ston of ammonia during Q1 2016, of which 15,100 net ston were available for sale while the rest was upgraded to 248,200 ston of UAN. This compares to Q1 2015, when the plant produced 96,000 ston of ammonia and purchased an additional 21,200 ston of ammonia, of which 14,600 net ston were available for sale while the remainder was upgraded to 252,100 ston of UAN.

"Through April, we have seen steady demand for nitrogen fertilizer to meet the expected substantial spring planting of corn acres in the United States," Pytosh said.

The producer completed its acquisition of Rentech Nitrogen Partners on 1 April, which primarily includes the East Dubuque, Illinois, Nitrogen fertilizer plant. According to CVR Partners, in 2015 the Coffeyville plant produced 385,400 ston of ammonia and 928,600 ston of UAN, and the East Dubuque plant produced 340,300 ston of ammonia and 279,000 ston of UAN. "We are confident in the strategic benefits of the combination," Pytosh said.

UNITED STATES: On 4 May, the **Mosaic** Company reported Q1 2016 operating earnings of \$163 million, down from \$319 million a year ago, as lower net sales were partially mitigated by lower potash and phosphate production costs and benefits of continued expense management initiatives.

Q1 2016 net earnings of \$257 million, down from \$295 million in Q1 2015. Earnings per diluted share were \$0.73 and included a positive impact of \$0.59 from notable items, primarily related to currency and tax benefits.

Mosaic's net sales in Q1 2016 were \$1.7 billion, down from \$2.1 billion last year, reflecting lower prices as well as lower potash sales volumes.

Phosphate operating earnings were negatively impacted by lower phosphate prices, as well as related production curtailments and the typical lag in realising the benefits of lower raw materials costs.

Net sales in the Phosphates segment were \$909 million in Q1 2016, down from \$1.2 billion last year, driven primarily by lower prices of finished product. Gross margin was \$65 million, or 7% of net sales, compared to \$222 million, or 19 % of net sales, for the same period a year ago. The year-over-year change in gross margin rate primarily reflects lower finished product selling prices, partially offset by lower realized ammonia and sulphur costs.



The Q1 2016 average DAP selling price, FOB plant, was \$355/t, compared to \$458/t a year ago. Phosphates segment total sales volumes in Q1 2016 were 2.2 million t, down from 2.3 million t in Q1 2015. Mosaic's North American finished phosphate production was 2.2 million t, or 75% of operational capacity, compared to 2.3 million t, or 79%, in Q1 2015.

Total sales volumes for the Phosphates segment are expected to range from 2.3 to 2.6 million t for Q2 2016, compared to 2.8 million t last year. Mosaic's realised DAP price, FOB plant, is estimated to range from \$335 to \$355/t for Q2 2016. The segment gross margin rate in the second quarter is estimated to be around 10%, and the operating rate is expected to be approximately 80%.

NATURAL GAS

QUICK GLANCE (change from last week)

Henry Hub (day ahead): \$2.01 (up) TTF: €12.19 (down) Brent: \$44.62 (down)

WEST EUROPE: The NBP day-ahead price closed at 28.35 p/therm on 4 May down from 34.80 p/therm on 27 April. A price of 28.35 p/therm equates to \$4.11/mmBtu at the £/\$ exchange rate of 1:1.4513 from 4 May. The cold weather has passed in western Europe and has been replaced by much milder temperatures.

The June 2016 contract on ICE natural gas futures for the NBP closed at 28.07 p/therm on 4 May down from 32.28 p/therm on 27 April. The average 6-month forward strip (Jun-Nov 2016) is 30.35 p/therm, which equates to \$4.40/mmBtu at the £/\$ exchange rate of 1:1.4513 from 4 May.

The Dutch TTF day-ahead price closed at €12.19/MWh on 4 May down from €14.55/MWh on 27 April, 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 €12.19/MWh equates to \$4.11/mmBtu at the exchange rate of €/£ 1:1.1491 on 4 May. In April, the TTF day-ahead average is estimates at \$4.01/mmBtu, which compares with \$3.99/mmBtu in March and \$4.02/mmBtu in February. The average in January was \$4.38/mmBtu, \$5.05/mmBtu in December, \$5.39/mmBtu in November and \$6.00/mmBtu in October.

The average six-month ICE futures price for TTF for Jun-Nov 2016 is €12.98/MWh on 4 May, and equating to \$4.37/mmBtu using the €/£ exchange rate of 1:1.1491 from 4 May.

Crude – The Brent crude oil contract for July 2016 settled at \$44.62/bbl on 4 May down from \$46.93/bbl on 27 April. The average price for the 3-month strip (Jul-Sep 2016) is \$45.06/bbl, while the 12-month average (Jul 2016-Jul 2017) is \$46.75/bbl.

In its April Short-term Energy Outlook (STEO), the EIA is forecasting Brent crude oil prices to average \$35/bbl in 2016 (up \$1 from the March report) and \$41/bbl in 2017 (up \$1 from the prior STEO), with annual average West Texas Intermediate (WTI) prices in 2016 and 2017 expected to average the same as Brent prices. In its comments, EIA said the current values of futures and options contracts suggest an even higher degree of uncertainty in the oil price outlook. "WTI futures contracts for July 2016 delivery that were traded during the five-day period ending April 7 averaged \$39/b, and implied volatility averaged 44%. These levels established the lower and upper limits of the 95% confidence interval for the market's expectations of monthly average WTI prices in July 2016 at \$27/b and \$57/b, respectively. The 95% confidence interval for market expectations widens over time, with lower and upper limits of \$22/b and \$78/b for prices in December 2016", the report reads.

RUSSIA: The Yamal LNG project has reportedly signed 15-year loan agreements worth more than \$12billion with Export-Import Bank of China and the China Development Bank, according to press reports. Natural gas producer Novatek owns a 50.1% stake in the project. Meanwhile, French company Total and China National Petroleum hold 20% stake each, and the remaining 9.9% is owned by China's Silk Road Fund.

Yamal LNG has already received \$2.3bn from a fund and €3.6bn from state-controlled Sberbank and Gazprombank.

According to recent media reports, the project is progressing as previously planned and the first train of the LNG plant is currently around 65% complete. The facility will have a total of three trains with a capacity of 5.5 million t/y each. The project owners expect that the plant will begin producing LNG in 2017.



CHINA: Thermal coal prices at Qinhuangdao for the 5,500kcal grade remain flat at Rmb385-395/t (roughly \$60/t), which they have done since early March. The average price in April is estimated at Rmb390/t (\$60.22/t), up only slightly from the March average of Rmb389/t (\$59.72/t) and compared with Rmb413/t (\$67.40/t) in the same month last year.

INDIA: On 2 May, Oil Minister Dharmendra Pradhan was cited by local media as saying that the revision of the LNG agreement with Qatar, which FERTECON previously reported on, has helped to bring down the cost of importing natural gas to less than \$5/mmBtu against \$12/mmBtu prior to the revision effective from 1 January 2016.

AUSTRALIA: The Newcastle market for Q3 2016 is \$50.70/t up from \$50.60/t last week; Q4 2016 is \$50.70/t up from \$50.50/t, 2017 is \$50.25/t down from \$50.75/t, 2018 is \$50.10/t against \$50.25/t last week, and 2019 is \$49.00/t.

UNITED STATES: The Henry Hub day-ahead price closed at \$2.01/mmBtu on 4 May up from \$1.88/mmBtu on 27 April. Meanwhile the Midcont closed at \$1.95/mmBtu up from \$1.79/mmBtu a week earlier.

In April, the Henry Hub averaged \$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 June 2016 contract settled at \$2.141/mmBtu on 4 May down from the \$2.153/mmBtu on 27 April. The average for the next three months – Jun-Aug 2016 – is \$2.724/mmBtu, while the average for the next 12 calendar months (Jun 2016-Jun 2017) is \$2.724/mmBtu.

The EIA Weekly Natural Gas Storage Report for the week ending 22 April showed a net injection of working gas stocks into underground storage of 73 bcf. The net injection compares with a median expectation of market analysts of a net injection of 70 bcf. It further compares with the year-ago injection of 84 bcf and the five-year-average injection of 52 bcf. Natural gas stocks on 22 April were 2,557 bcf, which is 846 bcf (49%) above a year ago and 832 bcf (48%) above the five-year average.

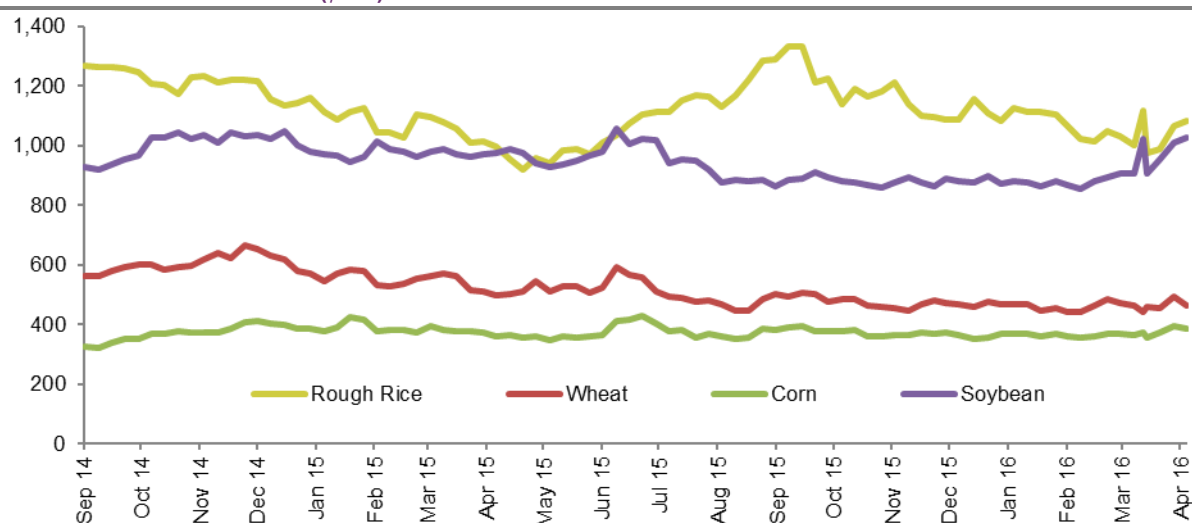
In its April Short-term Energy Outlook (STEO), EIA expects the Henry Hub natural gas spot price to average \$2.18/mmBtu in 2016 (down from \$2.25/mmBtu in the March report) and \$3.02/mmBtu in 2017 (flat from the prior report), having averaged \$2.63/mmBtu in 2015.

Regarding the WTI, the CME June 2016 contract closed at \$43.78/bbl on 4 May down from \$45.33/bbl on 27 April. The forward 3-month strip (Jun-Aug 2016) is \$45.90/bbl against \$46.08/bbl a week before, while the 12-month forward average (Jun 2016-Jun 2017) is \$45.90/bbl compared with \$47.65/bbl.

US coal – The CAPP June 2016 contract closed at \$43.50/ston on 4 May level with \$43.50/ston on 27 April. The 3-month forward strip (Jun-Aug 2016) is \$44.73/ston, while the Jun-Dec 2016 forward average is \$45.02/ston.

AGRICULTURE

WEEKLY CBOT CROP PRICES (¢/bu)





CROP FUTURES

| CME CROP PRICES (cents/bushel) | | | | | |
|--------------------------------|-----------|---------------|----------------|---------------|----------|
| Product | July 2016 | Weekly Change | September 2016 | December 2016 | May 2015 |
| Corn | 376.6 | -8.0 | 379.0 | 385.0 | 366.4 |
| Wheat | 457.6 | -18.8 | 474.4 | 499.4 | 501.2 |
| Soybean | 1,034.0 | +5.6 | 1,024.0 | 1,015.4 | 990.4 |
| Rough Rice | 1,144.5 | +34.5 | 1,161.0 | 1,170.0 | 954.5 |

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

| CORN: | WHEAT: |
|---|--|
| July futures were pressured by the active pace of spring seeding across the Midwest. Strength in the US dollar index was also said to be bearish. | Expected yields of 40-60 bu/acre in the upcoming US crop tour underpinned the bearish tone, and received support from gains in the US\$ index. |
| SOYBEAN: | RICE: |
| Ongoing uncertainty over the size of Argentina's crop provided some support, with production forecasts continuing to deteriorate in the country. | Ongoing concerns around the drought in some SE Asian countries, especially the Philippines and Thailand, support July contract prices this week. |

REGIONAL MARKETS

GLOBAL: The *International Grains Council (IGC)* raised its forecasts for 2016/17 world wheat and corn crops, with total supply potentially reaching a record level, according to its latest outlook.

The IGC's monthly update increased the forecast for world **wheat** production by 4 million t to 717 million t, saying that beneficial weather was improving the outlook in both the EU and Russia. Global wheat production, however, was still seen below the previous season's 734 million.

Global **corn** production in 2016/17 was forecast to rise to 998 million t, up from a previous projection of 993 million and the prior season's 973 million.

Meanwhile the IGC said world **soybean** production in 2016/17 was expected to be little changed at 319 million t versus a downwardly revised 318 million t in the previous season. The IGC cut its 2015/16 world soybean production forecast by 5 million t, reflecting the impact of poor weather in South America, notably Argentina, where a third of soy farms remain swamped after early April storms.

EUROPE: The *European Commission* has increased its forecast for EU **wheat** output in 2016/17 by 383,000 t from last month, as the amount of weekly export licences awarded for the grain continue to fall. Final stocks of soft wheat next season are now pegged at 18.87 million t, compared with 18.29 million t at the close of the current season.

This compares with French analyst *Strategie Grains* last week predicting end stocks of 13.2 million t at the close of 2016/17, down from 15.6 million t in the current marketing year.

The Commission now forecasts 2016/17 soft wheat production will be 142.76 million t, up from 142.38 million t last month. It also marginally increased its estimate for output in the current 2015/16 marketing year to 151.31 million t from 151.23 million t in March.

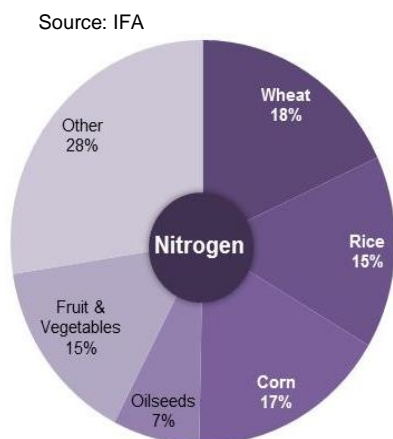
PHILIPPINES: Drought in the Philippines has caused the country's **rice** output to drop by 300,000 t, or a third higher than its estimate last month according to local reports. As such, the Philippines is likely to miss its target of producing 18 million t after one of the three strongest El Niño weather patterns in the last 20 years.



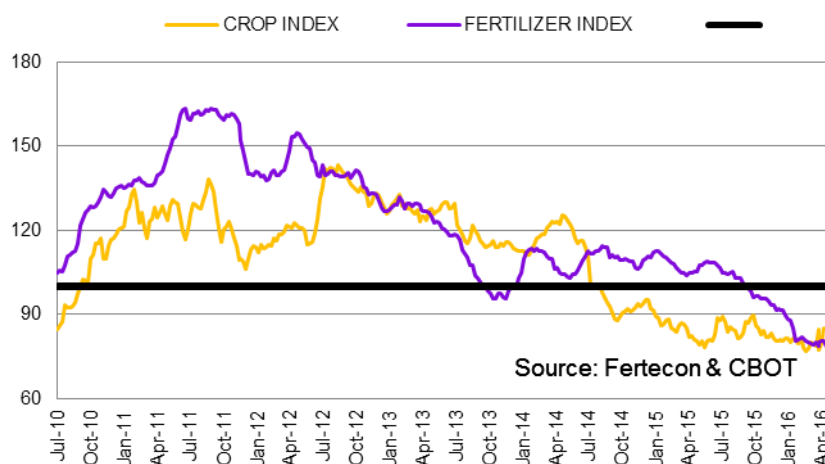
The damage report released by the Department of Agriculture also showed 204,245 t of corn had been lost since February last year when an El Niño weather pattern emerged.

The government had yet to discuss contingency measures for a possible La Niña, a weather pattern that sometimes follows an El Niño that could bring strong rains and further damage crops later this year.

NITROGEN USE BY CROP

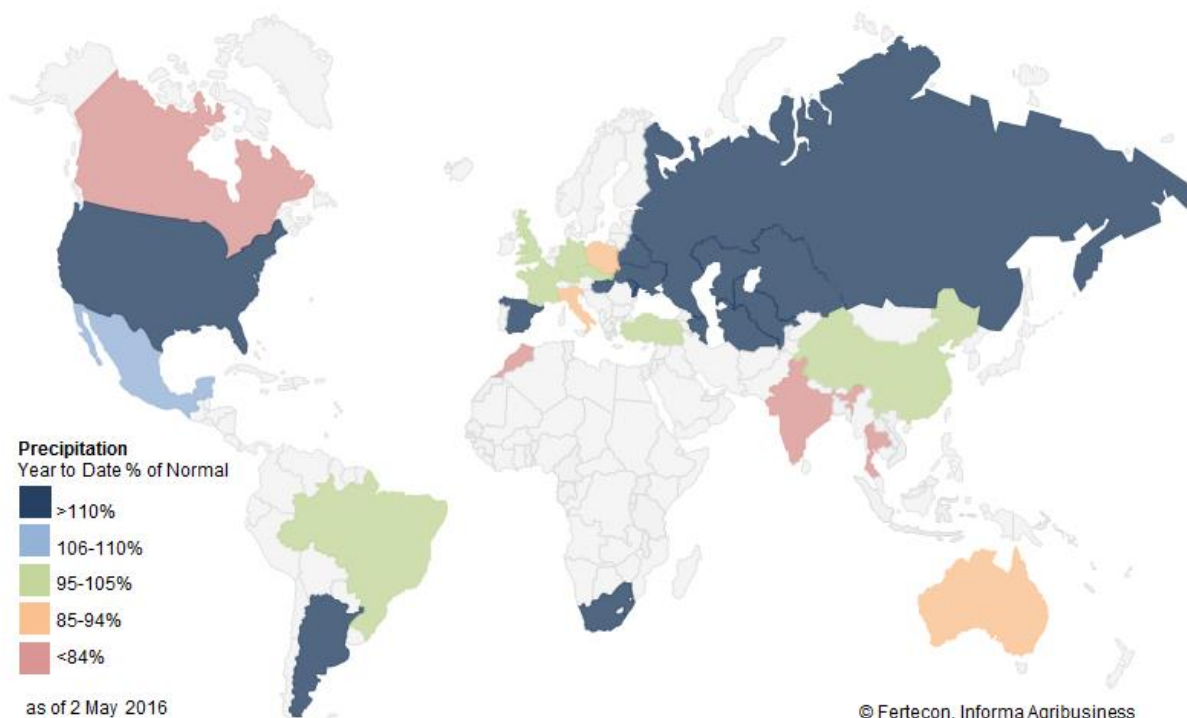


FERTECON FERTILIZER & CROP INDICES



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

WEATHER & LAND CONDITIONS



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ANALYST: **Marta Jamroz** TEL: **+44 (0) 20 7551 9798** EMAIL: info@fertecon.com

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