

# CRU Fertilizer Week

## Urea Weekly Report

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### PRICES

#### WEEKLY PRICES

Urea										
Commodity/Type	Unit	52 WK HIGH	52 WK LOW	DEC 2015	JAN 2016	17 DEC	24 DEC	31 DEC	07 JAN	W-on-W
<b>UREA</b>										
<b>Prilled Bulk FOB</b>										
China Spot	USD/t	307	222	241	225	235 - 243	232 - 242	232 - 242	<b>222 - 227</b>	<b>-12</b>
Black Sea Spot	USD/t	321	230	240	231	237 - 241	238 - 242	238 - 242	<b>230 - 232</b>	<b>-9</b>
Baltic Sea Spot	USD/t	315	225	235	227	233 - 236	230 - 233	230 - 233	<b>225 - 228</b>	<b>-5</b>
Bulgaria/Croatia/Romania Spot <sup>1</sup>	USD/t	340	245	254	248	252 - 256	251 - 256	251 - 256	<b>245 - 250</b>	<b>-6</b>
Middle East Spot <sup>1</sup>	USD/t	320	225	243	228	240 - 245	238 - 243	238 - 243	<b>225 - 230</b>	<b>-13</b>
Indonesia Spot <sup>1</sup>	USD/t	308	225	244	228	243 - 248	235 - 240	235 - 240	<b>225 - 230</b>	<b>-10</b>
US New Orleans barge Spot	USD/st	330	233	233	245	233 - 233	233 - 233	233 - 233	<b>240 - 250</b>	<b>12</b>
<b>Prilled Bulk CFR</b>										
Mediterranean (duty paid) Spot	USD/t	362	255	271	258	269 - 274	265 - 270	265 - 270	<b>255 - 260</b>	<b>-10</b>
India Spot	USD/t	319	254	256	256	254 - 257	254 - 257	254 - 257	<b>254 - 257</b>	<b>0</b>
Vietnam Spot <sup>1</sup>	USD/t	323	243	260	246	256 - 261	250 - 255	250 - 255	<b>243 - 248</b>	<b>-7</b>
Philippines Spot <sup>1</sup>	USD/t	328	247	265	250	260 - 265	255 - 260	255 - 260	<b>247 - 252</b>	<b>-8</b>
EC Central America Spot <sup>1</sup>	USD/t	348	238	250	241	245 - 250	240 - 243	240 - 243	<b>238 - 243</b>	<b>-1</b>
Brazil Spot <sup>1</sup>	USD/t	348	230	248	233	245 - 250	238 - 243	238 - 243	<b>230 - 235</b>	<b>-8</b>
<b>Granular Bulk FOB</b>										
US New Orleans barge Spot	USD/st	380	202	225	209	225 - 230	216 - 224	216 - 224	<b>202 - 215</b>	<b>-11</b>
Black Sea Spot <sup>1</sup>	USD/t	345	238	244	241	242 - 247	240 - 245	240 - 245	<b>238 - 243</b>	<b>-2</b>
Baltic Spot <sup>1</sup>	USD/t	345	238	245	241	243 - 248	243 - 245	243 - 245	<b>238 - 243</b>	<b>-3</b>
Middle East (non US netback) Spot	USD/t	338	215	238	220	233 - 238	225 - 235	225 - 235	<b>215 - 225</b>	<b>-10</b>
Middle East (US netback) Spot	USD/t	335	204	229	210	233 - 241	217 - 226	217 - 226	<b>204 - 215</b>	<b>-12</b>
Middle East (all netbacks) Spot	USD/t	338	204	233	215	233 - 241	217 - 235	217 - 235	<b>204 - 225</b>	<b>-11</b>
China Spot	USD/t	316	224	243	227	235 - 242	235 - 242	235 - 242	<b>224 - 229</b>	<b>-12</b>
Egypt Spot <sup>1</sup>	USD/t	366	250	260	251	255 - 260	255 - 260	255 - 260	<b>250 - 252</b>	<b>-7</b>
Algeria Spot <sup>1</sup>	USD/t	373	254	265	256	259 - 266	259 - 266	259 - 266	<b>254 - 258</b>	<b>-7</b>
North Africa Spot <sup>1</sup>	USD/t	373	250	263	254	255 - 266	255 - 266	255 - 266	<b>250 - 258</b>	<b>-7</b>

# CRU Fertilizer Week

Commodity/Type	Unit	52 WK HIGH	52 WK LOW	DEC 2015	JAN 2016	17 DEC	24 DEC	31 DEC	07 JAN	W-on-W
Malaysia Spot <sup>1</sup>	USD/t	325	230	245	233	238 - 243	238 - 243	238 - 243	<b>230 - 235</b>	-8
Indonesia Spot <sup>1</sup>	USD/t	335	230	247	233	240 - 245	240 - 245	240 - 245	<b>230 - 235</b>	-10
Venezuela/Trinidad Spot <sup>1</sup>	USD/t	335	215	245	223	238 - 248	238 - 248	238 - 248	<b>215 - 230</b>	-20
US Midwest Spot	USD/st	420	260	274	265	265 - 280	265 - 280	265 - 280	<b>260 - 270</b>	-8
US Great Lakes Spot	USD/st	400	265	277	270	275 - 275	275 - 275	275 - 275	<b>265 - 275</b>	-5
US Southern Plains Spot	USD/st	410	260	265	270	260 - 270	260 - 270	260 - 270	<b>265 - 275</b>	5
US Arkansas River Spot	USD/st	410	255	265	260	260 - 270	260 - 270	260 - 270	<b>255 - 265</b>	-5
US Texas Coast Spot	USD/st	390	265	270	268	270 - 270	270 - 270	270 - 270	<b>265 - 270</b>	-2
US South Spot	USD/st	400	265	270	268	270 - 270	270 - 270	270 - 270	<b>265 - 270</b>	-2
US East Coast Spot	USD/st	430	270	307	273	300 - 300	300 - 300	300 - 300	<b>270 - 275</b>	-27
<b>Granular Bulk CFR</b>										
SE Asia Spot <sup>1</sup>	USD/t	345	238	258	241	247 - 253	247 - 253	247 - 253	<b>238 - 243</b>	-9
South Korea Spot <sup>1</sup>	USD/t	333	238	255	242	245 - 247	245 - 247	245 - 247	<b>238 - 245</b>	-4
Brazil Spot <sup>1</sup>	USD/t	360	232	250	235	248 - 253	238 - 243	238 - 243	<b>232 - 237</b>	-6
Mediterranean (duty paid) Spot <sup>1</sup>	USD/t	395	265	274	273	273 - 278	265 - 275	265 - 275	<b>270 - 275</b>	3
<b>Granular Bulk DEL</b>										
US Northern Plains Spot	USD/st	420	310	313	313	310 - 315	310 - 315	310 - 315	<b>310 - 315</b>	0
US California Spot	USD/st	410	330	363	340	360 - 365	360 - 365	360 - 365	<b>330 - 350</b>	-23
US Pacific NW Spot	USD/st	420	350	363	355	360 - 365	360 - 365	360 - 365	<b>350 - 360</b>	-8
Canada West Spot	CAN/t	625	450	503	500	500 - 505	500 - 505	500 - 505	<b>500 - 500</b>	-3
<b>Granular Bulk FCA</b>										
France Spot	EUR/t	344	265	272	268	268 - 273	268 - 273	268 - 273	<b>265 - 270</b>	-3
<b>Prilled Bagged EXW</b>										
China North Spot	RMB/t	1720	1220	1317	1260	1280 - 1350	1280 - 1350	1280 - 1350	<b>1220 - 1300</b>	-55

Notes: (1) Indicative Price

## WEEKLY FREIGHTS

### UREA<sup>1</sup>

Commodity/Route	Unit	52 WK HIGH	52 WK LOW	DEC 2015	JAN 2016	17 DEC	24 DEC	31 DEC	07 JAN	W-on-W
<b>UREA</b>										
Yuzhnyy - Turkey 10-15,000 mt 8,000c / 3,000c	USD/t	21	12	14	15	12 - 14	14 - 16	14 - 16	<b>14 - 16</b>	0
Yuzhnyy - Mundra 55-60,000 mt 10,000c / 10,000c	USD/t	24	16	17	18	16 - 18	16 - 18	16 - 18	<b>17 - 19</b>	1
Yuzhnyy - WC India 35-45,000 mt 10,000c / 10,000c	USD/t	29	18	20	19	19 - 21	19 - 21	18 - 20	<b>18 - 20</b>	0
Yuzhnyy - Brazil 25-30,000 mt 8,000c / 5,000c	USD/t	24	14	17	15	16 - 18	16 - 18	15 - 17	<b>14 - 16</b>	-1
Yuzhnyy - EC Mexico 25-30,000 mt 8,000c / 3,000c	USD/t	26	14	17	15	16 - 18	16 - 18	15 - 17	<b>14 - 16</b>	-1
Yuzhnyy - WC Mexico 25-30,000 mt 8,000c / 4,000c	USD/t	43	26	29	27	28 - 30	28 - 30	27 - 29	<b>26 - 28</b>	-1
Baltic - WC India 35-45,000 mt 8,000c / 10,000c	USD/t	39	22	24	23	23 - 25	23 - 25	22 - 24	<b>22 - 24</b>	0
Baltic - Brazil 25-30,000 mt 8,000c / 5,000c	USD/t	26	13	15	14	14 - 16	14 - 16	14 - 16	<b>13 - 15</b>	-1
Baltic - EC Mexico 25-30,000 mt 8,000c / 3,000c	USD/t	25	13	16	14	15 - 17	15 - 17	15 - 17	<b>13 - 15</b>	-2
Baltic - WC Mexico 25-30,000 mt 8,000c / 4,000c	USD/t	42	25	29	26	28 - 30	28 - 30	28 - 30	<b>25 - 27</b>	-3
Middle East - WC India 15-25,000 mt 6,000x / 6,000x	USD/t	14	10	9	9	8 - 10	8 - 10	8 - 10	<b>8 - 10</b>	0
Middle East - Vietnam 20-25,000 mt 6,000x / 2,500x	USD/t	23	13	14	14	14 - 16	13 - 15	13 - 15	<b>13 - 15</b>	0
Middle East - Miss River, US 40-45,000 mt 6,000x / 8,000c	USD/t	26	12	14	13	13 - 15	13 - 15	13 - 15	<b>12 - 14</b>	-1
North China - EC India 20-25,000 mt 3,000c / 5,000x	USD/t	26	13	15	15	15 - 17	14 - 16	14 - 16	<b>14 - 16</b>	0
China - US Gulf 50-55,000 mt 5,000c / 10000c	USD/t	9	11	13	8	14 - 16	11 - 13	9 - 11	<b>7 - 9</b>	-2
Egypt - US Gulf 40-45,000 mt 6,000x / 8000c	USD/t	19	10	10	10	9 - 11	9 - 11	9 - 11	<b>9 - 11</b>	0

# CRU Fertilizer Week

Notes: (1) Freight rates are supplied by Bery Maritime: + 47 23 11 35 00 (Norway) / +86 755 2689 7049 (China) / +65 6236 2580 (Singapore) / E-mail: bery@bery.no. While Bery Maritime makes all reasonable efforts to ensure the reliability of the data, it does not guarantee its accuracy nor take liability for any direct, indirect or consequential loss arising from any use of the data.

## ANALYSIS

### New Year a disappointment for urea producers, so far

Producers of urea that had been hoping for better times in 2016 are so far faced with significant price deterioration rather than prospects for price improvement.

Focus in the early days of January was largely on the US market where prices dived close to \$200/st FOB at New Orleans after closing 2015 almost \$20/st higher.

The barge market did display volatility as had been expected, and the drop in values was largely attributed to the substantial tonnage due into the Mississippi River over the coming 30 days, to be priced via formulae. A short-term rebound back into the mid-to-upper \$210s/st FOB can therefore not be excluded as importers and traders re-evaluate positions.

The decline in US values reflects a severe setback in returns available to Middle East producers, who are also suffering from limited demand from key contract market Thailand and from a slowdown in sales via offtake contracts for Brazil.

European demand did support another sale via a trader for Europe well above the netbacks available from the US, Thailand and Brazil, but apparent problems with prior sales in Turkey has increased competition for residual open business in the region.

Middle East producers also witnessed sales of about 100,000 mt granular urea being added by Egyptian manufacturers, destined against prior sales. The Egyptian producers conceded discounts down to about \$250/mt FOB, maintaining the advantages offered via the ability to access ports not reachable by larger carriers, lower freights and duty free entry into Turkey and the EU.

Chinese prices are meanwhile also drifting lower, and the cut in the value of the RMB against the dollar is likely to trigger even lower numbers in the short term. Purchasing interest remains limited in the domestic market, but producers are pinning hopes on a major rebound in buying ahead of spring application, and may thus be hesitant to continue to flood ports with tonnage destined for export.

The likely substantial delay in clearing additional Indian tenders does however limit prospects of a rebound, and competition for other business open to Chinese product is expected to be fierce.

As was the case ahead of the holidays, lower prices for Egyptian, Iranian and other Middle East urea in Turkey are adding pressure on prilled values from the Black Sea destined for that region, and producers holding residual availability for January did need to discount prior targets to generate sales despite limited availability.

# CRU Fertilizer Week

## Highlights of the week

- Netbacks to Chinese suppliers slip in prompt trades
- Barges at New Orleans trade in wide \$202-215/st
- Egyptian producers book sales of 100,000 mt granular to load in January
- Brazilian trade stalls on holidays and limited availability of credit
- Chinese traders lower targets to dispose of prior length in prilled and granular urea
- Chinese domestic prices also soft as distributors still hold off on major purchasing
- Prospects for a prompt return by India remote on limited DoF funding
- Traders chase Turkish business to dispose of prior length below prior sales
- As some Turkish buyers allegedly renege on prior commitments
- Black Sea relatively stable on limited supply, but traders sell prior positions at loss
- Baltic values lower as buyers hold off on added purchasing

## Short term outlook

A distinctly softer undertone from most sources with limited prospects of a rebound in the short term unless US barge values adjust substantially higher.

## MARKETS

### UREA

#### NORTH AMERICA

## US West Coast: Prices holding for product

Small lots of granular urea are reported trading from warehouses in California and the Pacific Northwest at \$330-360/st DEL, down on prior weeks, but yet to be influenced by lower numbers expected available when inbound carriers with Indonesian and Chinese product hit the western US shores.

## US Atlantic Coast: Prices lower, but no collapse in sight

Trades in granular urea from US East Coast warehouses were confirmed over the week in a relatively narrow \$270-275/st FOB range.

## US Midwest: Activity subdued despite NOLA volatility

Trades in granular urea in the Midwest remains subdued with limited buying interest from retailers, but retailers and endusers are watching the substantial volatility in New Orleans with keen interest ahead of further purchases.

# CRU Fertilizer Week

Offers are reported down to \$275/st FOB while indications of interest from retailers are some \$10/st lower. Most buyers appear content to await further downward adjustments in regional values before embarking on additional procurement.

## Canada: Urea imports down exports remain higher

Canadian November 2015 imports of urea of 125,000 mt were down by about 6% from the same month in 2014. Arrivals from Russia and Trinidad and Tobago were up by 62.8% and 37.6% to 58,500 mt and 25,200 mt, respectively. Deliveries from the US were up by 89% to 25,000 mt while shipments from Qatar were down by 82% to 6,300 mt.

The November volume lifted January-November imports to 769,000 mt but this was nevertheless down by 13.2% on the same months in 2014.

The US retained the number one spot with deliveries of 182,000 mt, but these were down by more than 45% on the prior year. Russian arrivals were up by 14.2% to 154,000 mt while Trinidad and Tobago accounted for 65,500 mt, an increase of 227%. German arrivals reached 63,500 mt, down by 1.6% while

### Urea Imports

Month	Year		Comparative (%)		
	2015	2014	2013	2015/14	2014/13
<b>Canada (Mt)</b>					
January	29,472	27,572	24,854	6.9%	10.9%
February	48,713	19,239	41,766	153.2%	-53.9%
March	98,331	65,137	70,331	51.0%	-7.4%
April	104,589	94,692	130,473	10.5%	-27.4%
May	80,161	178,763	57,061	-55.2%	213.3%
June	35,465	56,769	47,774	-37.5%	18.8%
July	6,600	130,904	67,701	-95.0%	93.4%
August	48,769	4,598	70,546	<>	-93.5%
September	42,963	56,874	18,456	-24.5%	208.2%
October	148,975	118,286	97,688	25.9%	21.1%
November	125,451	133,183	235,373	-5.8%	-43.4%
December		103,883	58,272		78.3%
YTD	769,489	886,017	862,023	-13.2%	2.8%
Total		989,900	920,295	NA	7.6%

Source: Global Trade Information Services

www.gtis.com

Algerian shipments marginally below 40,000 mt were up from zero. Arrivals from the UAE were ahead by 164% to 38,000 mt and Bahrain was up up from 740 mt to 32,000 mt.

### Exports

Canadian exports of urea in November of 50,500 mt were down by 32.8%, destined almost exclusively for the US. The January-November volume of 992,000 mt was nonetheless up by 7.4% on 2014, with 99.7% heading for the US.

## Mexico: Importers book Chinese granular

Isaosa and Tepeyac are suggested as buyers of the two lots of about 12,000 mt each of Chinese granular urea for January loading to the West Coast, priced around the \$230/mt FOB marker ahead of the most recent decline in Chinese prices.

# CRU Fertilizer Week

## US NOLA: Volatility returns with a vengeance

Price volatility marked the start of the year in trades in granular urea barges at New Orleans as importers holding length from inbound carriers rushed to dispose of as much tonnage as possible ahead of the vessels' arrivals.

Trades in US-quality granular were confirmed down to \$202/st FOB for prompt January positions and early February barges traded down to \$205/st FOB. These were down from the pre-holiday low of \$216/st FOB and even more so from January 4 trades reported at or marginally below \$215/st FOB.

The significant price-deterioration spells bad news to Middle East suppliers despite the significant savings offered via 2016 Contracts of Affreightment (CoA) fixed around \$12/mt versus 2015 CoA's some \$8/mt higher.

The lowest barge sale reported this week at \$202/st FOB reflected a delivered value around \$215/mt CFR, indicative of netbacks to Middle East suppliers well below \$205/mt FOB when allowing for spot freight closer to \$10/mt and regular transaction costs.

Prilled urea for feed is meanwhile holding up much better with trades in relatively limited quantities reported at \$240-250/st FOB this week.

### CENTRAL AND SOUTH AMERICA

## Brazil: Trade stalls over holidays

There are no new sales of granular urea reported to Brazilian importers this week, but indications from suppliers are down further compared to offers available ahead of the holidays.

Offers are cited as plentiful at or even below \$235/mt CFR, and importers point to the significant drop in barge values in the US in support of calls for offers below \$230/mt CFR.

While up from the week's low end at \$202-205/st FOB New Orleans, even the higher quotes over the week around \$212/st FOB reflected about \$227/mt CFR Mississippi River, with freights largely in line with those available from the Middle East to one Brazilian main port.

## Colombia: Imports continue to increase

Colombian imports of urea from January through October of 442,000 mt were up by 12.3% on the same period in 2014. China retained the lead with 141,800 mt, an increase of 8.2% on the prior year.

Arrivals from Venezuela of 123,700 mt were down by 0.3% while shipments from Russia were up 22.4% to 93,200 mt. UAE arrivals accounted for 45,200 mt, up from zero, while Trinidad and Tobago arrivals were down by 17.3% to 35,000 mt.

Imports in the month of October of 48,800 mt were up by close to 116% on October 2014 with Venezuela in the lead at 30,700 mt, an increase of 109%. Arrivals from Russia were up from 1,000 mt to 10,000 mt.



# CRU Fertilizer Week

## Urea Imports

Month	Year		Comparative (%)		
	2015	2014	2013	2015/14	2014/13
<b>Colombia (Mt)</b>					
January	34,461	32,384	26,671	6.4%	21.4%
February	12,144	46,049	22,628	-73.6%	103.5%
March	24,404	31,520	21,402	-22.6%	47.3%
April	38,152	59,419	56,828	-35.8%	4.6%
May	48,701	22,854	36,830	113.1%	-37.9%
June	86,189	52,312	24,504	64.8%	113.5%
July	27,688	45,729	23,973	-39.5%	90.8%
August	71,852	26,404	84,334	172.1%	-68.7%
September	50,018	54,758	32,746	-8.7%	67.2%
October	48,812	22,660	41,762	115.4%	-45.7%
November		101,632	37,004		174.7%
December		45,861	32,385		41.6%
<b>YTD</b>	<b>442,421</b>	<b>394,089</b>	<b>371,678</b>	<b>12.3%</b>	<b>6.0%</b>
<b>Total</b>		<b>541,582</b>	<b>441,067</b>	<b>NA</b>	<b>22.8%</b>

Source: Global Trade Information Services

www.gtis.com

## FORMER SOVIET UNION (FSU)

### Black Sea: Slow trade due to holidays

Trade in prilled and granular urea was slow this week due to regional holidays and there are no reports of fresh sales by producers. Traders did however dispose of prior length via sales of prills into Turkey, achieving netbacks in a narrow \$230-232/mt FOB range.

As had been expected, December shipments from Yuzhnyy were a little above 153,000 mt, while shipments and fully firm nominations for January are just below 35,000 mt to date:

# CRU Fertilizer Week

## Urea Line-up: December 2015

Vessel	Quantity	Trader	Country	Status
<b>Black Sea/mt</b>				
Can Yucel	22,000	Trammo	Turkey	Sailed 03 Dec
Zeynep Kiran (1)	22,000	Ameropa	Turkey	Under loading
Sahin Kaya	2,748	Nitora	Lebanon	Sailed 08 Dec
Vectis Isle	5,500	Koch	Turkey	Sailed 08 Dec
YM Fuji	10,135	Nitora	Turkey	Sailed 10 Dec
Julietta (2)	1,800	NF	Albania	Sailed 10 Dec
Harun Konan	3,300	Trammo	Turkey	Sailed 12 Dec
Filiboz	5,500	Keytrade	Romania	Sailed 13 Dec
Bogdan	11,000	Ameropa	Turkey	Sailed 14 Dec
Serra Atasoy	3,754	Koch	Turkey	Sailed 15 Dec
Jasper	3,799	Actatrade	Turkey	Sailed 16 Dec
Bellis (3)	6,152	Drey Moor	Romania	Sailed 16 Dec
Genius Star X (4)	9,099	Trammo	Portugal	Sailed 16 Dec
Filiboz	5,484	Koch	Turkey	Sailed 19 Dec
Ibrahim Konan	6,600	Ameropa	Turkey	Sailed 20 Dec
H.Kemal Kaptan	1,980	Ameropa	Israel	Sailed 21 Dec
Jasper	3,666	Nitora	Turkey	Sailing 23 Dec
Oles Honchar	6,023	Ameropa	Turkey	Sailing 23 Dec
Burak (3)	5,000	Ameropa	Turkey	Sailing 26 Dec
Norwind	6,440	Trammo	Italy	Sailed 26 Dec
D. Kotiuzhenko	5,500	Ameropa	Bulgaria	Sailed 28 Dec
Oles Honchar	5,850	Ameropa	Romania	Sailed 31 Dec
<b>Total</b>	<b>153,330</b>			

(1) incl. 17,424 mt TIS DneproAzot (2) Plus 1,300 mt NPK from TIS (3) TIS DneproAzot (4) incl. 8,642 TIS DneproAzot

## Urea Line-up: January 2016

Vessel	Quantity	Trader	Country	Status
<b>Black Sea/mt</b>				
Elit	11,000	Ameropa	Turkey	Sailed 05 Jan
Bakan (1)	5,500	Trammo	Romania	Sailed 05 Jan
Elit	11,000	Ameropa	Turkey	Sailed 05 Jan
Oles Honchar	5,850	Ameropa	Romania	Eta 07 Jan
<b>Total</b>	<b>33,350</b>			

(1) TIS DneproAzot



# CRU Fertilizer Week

## Belarus: GrodnoAzot likely to retender for urea

The January 5 GrodnoAzot tender for the sale of up to 25,000 mt prilled urea resulted in sales of minor quantities for export via Klaipeda around a \$225/mt FOB equivalent, plus some small quantities for delivery via rail to nearby markets at slightly higher netbacks. The exact quantities and the identity of the buyers were not released by the producer.

GrodnoAzot will likely issue a retender to close next week to attempt to sell the balance quantity available.

### EUROPE

## France: Granular values dip further

Offers for prompt positions of granular urea from inventory are freely available around an even €270/mt FCA, according to distributors in the French Bay, and cover is likely obtainable down to €265/mt FCA.

A €265/mt FCA number reflects about \$275/mt CIF, which is in turn indicative of netbacks around the recent Egyptian sales around \$250/mt FOB with limited provisions for margins to an intermediary.

## Turkey: Widespread rumours of low-priced sale

Reports from Turkey that suggested that importers in southern Turkey had concluded a purchase of 30,000 mt granular urea from SIUCI/Oman around \$240/mt CFR, duty unpaid, presumably with 180 days credit, are now termed incorrect.

Koch had been widely linked with the purported deal, which represented a further decline in delivered values of granular urea into the country following the December deals concluded for Qatari and Iranian product variously reported at \$248-255/mt CFR with credit.

Kastamonu meanwhile booked 4,500 mt FSU prills with Trammo around 248/mt CFR with 180 days credit, suggesting a \$244/mt CFR cash equivalent, or about \$230/mt FOB Yuzhnyy for Trammo to generate a small margin.

Another major trader is now reported to be pushing to sell a full cargo of Middle East granular at \$240/mt CFR with 270 days credit for a \$235/mt CFR cash equivalent, and Iranian granular is allegedly on offer as low as \$230/mt CFR basis payment at sight.

Domestic producers and traders are preparing for the PANKO tender set to close January 13. The session calls for offers for 57,000 mt urea to be delivered to inland warehouses in bags through Q1.

The announcement of a 17% cut in VAT on fertilizers in Turkey from 18% to 1% with effect from January 1 is likely to trigger additional demand from endusers and distributors that had been holding off on purchases pending the cut promised by the government since the initial 2015 general elections.

# CRU Fertilizer Week

## MIDDLE EAST AND AFRICA

### South Africa: Imports decline further

South African imports of urea from January through November a shade short of 600,000 mt were down by 30% on the same period in 2014, but Qatari arrivals of 230,800 mt were nevertheless up by 10.6%.

Saudi Arabia accounted for 172,000 mt, a drop of 17%, while shipments originating in the UAE were up 335% to 114,200 mt. Arrivals from China were down from 236,000 mt to 400 mt, and Oman was down from 82,300 mt to 22,000 mt.

Qatar supplied 31,300 mt of the 31,600 mt imported in November 2015. November 2014 imports were 114,500 mt.

The main losers were Saudi Arabia and Oman that were down to zero from 51,900 mt and 27,400 mt, respectively.

#### Urea Imports

Month	Year		Comparative (%)		
	2015	2014	2013	2015/14	2014/13
<b>South Africa (Mt)</b>					
January	51,825	39,920	59,662	29.8%	-33.1%
February	22,272	48,575	30,980	-54.1%	56.8%
March	120	17,398	33,302	-99.3%	-47.8%
April	25,113	49,490	635	-49.3%	<>
May	62,307	27,821	25,347	124.0%	9.8%
June	34,864	68,145	16,225	-48.8%	<>
July	103,107	61,580	141,792	67.4%	-56.6%
August	83,848	132,091	90,487	-36.5%	46.0%
September	89,211	106,025	69,089	-15.9%	53.5%
October	94,715	189,836	70,829	-50.1%	168.0%
November	31,582	114,549	85,451	-72.4%	34.1%
December		49,713	61		<>
YTD	598,964	855,430	623,799	-30.0%	37.1%
Total		905,143	623,860	NA	45.1%

Source: Global Trade Information Services

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### Egypt: MOPCO, HFC and AFC book January sales

Egyptian producers MOPCO, Helwan and Alexfert sold a total of about 100,000 mt granular urea for January lifting ahead of New Year celebrations at \$250-252/mt FOB.

MOPCO confirmed sales of 20,000 mt to Helm at \$252/mt FOB, and 25,000 mt to Ameropa at \$250/mt FOB. The cargoes will load output from the new MOPCO I Joint Venture unit with Agrium.

HFC booked a total of 25,000 mt with Keytrade, Agrium Europe and Borealis at \$251-252/mt FOB, and AFC had previously sold 8-10,000 mt each to Helm, Trammo and Koch at numbers closer to \$260/mt FOB.

## INDIAN SUBCONTINENT

### India: Prospects for January tender termed remote

Reports from Delhi suggest that funding available to the Department of Fertilizers (DoF) for more imports in the short term following purchases of about 1.37 million mt in the November 28 IPL tender is limited to the equivalent of about 150,000 mt urea.

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## Sri Lanka: Urea imports continue to decline

Sri Lankan urea imports from January through November were a shade short of 400,000 mt, down by 6.6% on the same period in 2014.

Chinese arrivals were nevertheless up 63.3% to 358,700 mt. UAE arrivals dropped from 178,600 mt to 37,000 mt and Indonesia was down from 17,700 mt to zero.

November imports of 54,300 mt were down by 45.8% on the prior year, sourced almost entirely from China, while arrivals from the UAE were down from 19,000 mt to zero.

Urea Imports					
Month	Year			Comparative (%)	
	2015	2014	2013	2015/14	2014/13
Sri Lanka (Mt)					
January	12,846	748	11,448	<>	-93.5%
February	14,823	51,476	12,849	-71.2%	<>
March	49,814	60,742	1,200	-18.0%	<>
April	60,937	38,416	9,040	58.6%	<>
May	27,652	59,166	30,997	-53.3%	90.9%
June	35,636	18,560	43,861	92.0%	-57.7%
July	8,190	20,457	15,528	-60.0%	31.7%
August	21,876	12,754	20,799	71.5%	-38.7%
September	73,267	9,449	40,566	<>	-76.7%
October	38,570	54,110	59,329	-28.7%	-8.8%
November	54,344	100,211	34,921	-45.8%	187.0%
December		27,602	11,040		150.0%
YTD	397,955	426,089	280,538	-6.6%	51.9%
Total		453,691	291,578	NA	55.6%

Source: Global Trade Information Services

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## India: December urea imports at 1.21 million mt

The Indian Department of Fertilizers (DoF) assessed December 2015 imports of urea at 1.21 million mt, lifting the total for the 2015-2016 April-March Financial Year (FY) through December to 6.87 million mt.

This was up on the DoF's assessment on the same period in the 2014-2015 FY at 5.45 million mt.

The increase in Indian imports for April-December 2015 was widely expected following purchases of following awards for 1.37 million mt in the November 28 IPL tender and the 769,000 mt booked by STC in the October 30 session.

Imports in October as reported by Indian customs via GTIS of 1.2 million mt were up by 118% on October 2014, with China up by 78% to 693,000 mt and Oman up by 259% to 322,000 mt. Iran

Urea Imports					
Month	Year			Comparative (%)	
	2015	2014	2013	2015/14	2014/13
India (Mt)					
January	781,378	591,346	1,247,870	32.1%	-52.6%
February	832,481	160,901	406,442	<>	-60.4%
March	729,148	209,382	372,663	248.2%	-43.8%
April	823,068	736,318	194,315	11.8%	278.9%
May	514,275	713,742	416,989	-27.9%	71.2%
June	342,422	152,958	638,224	123.9%	-76.0%
July	989,431	102,556	713,956	<>	-85.6%
August	925,549	386,166	1,205,850	139.7%	-68.0%
September	924,371	576,725	971,916	60.3%	-40.7%
October	1,199,452	549,049	916,008	118.5%	-40.1%
November		1,277,922	620,560		105.9%
December		1,839,019	939,446		95.8%
YTD	8,061,575	4,179,143	7,084,233	92.9%	-41.0%
Total		7,296,084	8,644,239	NA	-15.6%

Source: Global Trade Information Services

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accounted for 174,000 mt, an increase of 171%.

The October volume lifted January-October 2015 imports reported by customs by 93% to 8.06 million mt, with China in the lead at 4.45 million mt, up by 80%. Arrivals from Oman were up by 57% to 1.93 million mt and Iran was up 251% to 1.31 million mt. Ukraine followed with 117,000 mt and Qatar supplied 88,000 mt.

## Nepal: AICL to tender February 15

Nepalese importer AICL floated a tender December 31 for the purchase of 20,000 mt urea in bags, set to close at 13:00hrs local time February 15.

Delivery of the full quantity is requested on CIP terms to AICL inland warehouses at Biratnagar, Birgunj and Bhairahawa within 97 days from the date of LC issuance, and offers are to remain valid for 21 days from the closing date.

The importer also tenders for 15,000 mt DAP and 5,000 mt MOP on the same date at the same terms.

### ASIA AND OCEANIA

## Indonesia: Kaltim tender expected shortly

Pupuk Kaltim is expected to float a tender in mid-January for the sale of up to 500,000 mt granular urea via formula contracts for shipment from January through June.

The producer tendered end June for the sale of 360,000 mt to load by mid-December, and is expected to apply the same procedure in the upcoming tender.

The June session called for premiums to be paid on top of prices established via a formula applying average published FOB values for granular urea in Southeast Asia and the Middle East for two weeks ahead of the date of presentation of Notice of Readiness by each carrier nominated.

Awards in the June tender were issued July 1 to Ameropa (150,000 mt), Koch (90,000 mt), EuroChem (60,000 mt), and Drey Moor (60,000 mt), all basis a \$1/mt premium on top of the price established via the formula.

## Taiwan: TFC opts to hold off on urea purchases

Citing current indications of availability from traders of Chinese prilled urea down to a \$222/mt FOB equivalent, TFC has opted to hold off on further purchases of prills for the time being.

The further drop in the value of the Chinese currency to an official January 7 RMB 6.5646 midpoint against the US dollar had triggered further deterioration down to RMB 6.59/\$1 at press time. Chinese exporters might thus opt to accept even lower bids for urea and still retain RMB returns unchanged, and TFC is aiming to benefit from the lower numbers.

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## China: Prilled and granular urea prices under pressure

Attempts by Chinese suppliers of prilled and granular urea to maintain pricing in the \$230s/mt FOB as was possible ahead of the New Year holidays in sales covering Indian shorts, have not succeeded. However the further drop in the value of the RMB against the US dollar following the January 7 adjustment of the official midpoint rate to RMB 6.5646/\$1 did improve producer returns in RMB. The official rate is used in the calculations below, but the USD traded closer to RMB 6.60 at press time.

Offers for prills are abundantly available around \$225/mt FOB, with regular granular quality available at identical prices. Top-quality granular has also traded below \$230/mt FOB, down from the \$240/mt FOB number achieved by suppliers such as China Blue ahead of the holidays. Trades in prills are confirmed down to \$222/mt FOB.

Port inventories were assessed slightly below 1 million mt at the beginning of January, but these likely included some 250,000 mt yet to load against sales to IPL in India.

Stocks in Yantai were assessed at 400,000 mt, including 190,000 mt prills, while Rizhao inventory was 180,000 mt, including 120,000 mt prills. Qinhuangdao inventory was 158,000 mt with 130,000 mt prills, and Qingdao stocks were 140,000 mt with 100,000 mt prills. Tianjin, Bayuquan and Jinzhou reported inventories of 65,000 mt, 20,000 mt and 20,000 mt, respectively.

Mainstream domestic offers for prilled urea are posted at RMB 1,300/mt (\$198/mt) EXW in the North, but trades in Shanxi were completed some RMB60/mt (\$9/mt) below December sales with confirmed deals down to RMB 1,220/mt (\$186/mt) FCA.

Quotes for prilled tonnage destined for exports were down to RMB 1,320/mt CPT into main ports such as Yantai, suggesting export values at \$223/mt FOB plus a margin to the exporter, but purchasing interest is limited.

Offers for granular product in Shanxi dipped to RMB 1,240-1,250/mt (\$189-191/mt) FCA in Shanxi and to RMB 1,330-1,340/mt (\$203-205/mt) CPT into Yantai, but these also attracted limited interest at the \$226/mt FOB equivalent with no provisions for margins to exporters.

## Thailand: Imports decline in November, slow market

Offers for good quality granular are suggested available to importers below \$240/mt CFR, but purchasing interest remains subdued.

Thai imports of urea in November of 155,000 mt were meanwhile down by 17.7% on November 2014.

Saudi Arabia registered a loss of 14.4% to 61,200 mt. Arrivals from Qatar were up from 16,100 mt to 44,000 mt and Kuwait was up from zero to 16,500 mt. Arrivals from China were down from 52,000 mt to 13,300 mt.



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Aggregate January-November 2015 imports of 1.96 million mt were down 6.4% on the same months in 2014 while Saudi Arabian arrivals were stable year-on-year at about 855,000 mt and shipments from Qatar were up 4% to 348,000 mt.

Arrivals from Malaysia were down by 5% to 278,000 mt while Kuwait accounted for 151,600 mt, a 72% increase.

Chinese arrivals were down 46% to 98,000 mt and Indonesia was off by 44% to 97,500 mt. Oman was back up to 51,700 mt from zero while Bahrain and the UAE lost 30% and 77% to 46,200 mt and 11,500 mt, respectively.

## Urea Imports

Month	Year			Comparative (%)	
	2015	2014	2013	2015/14	2014/13
Thailand (Mt)					
January	141,552	102,037	119,295	38.7%	-14.5%
February	36,006	180,731	158,610	-80.1%	13.9%
March	165,912	161,126	242,946	3.0%	-33.7%
April	207,395	200,954	173,323	3.2%	15.9%
May	310,166	248,163	203,660	25.0%	21.9%
June	146,974	255,268	291,730	-42.4%	-12.5%
July	304,192	198,770	310,217	53.0%	-35.9%
August	184,381	212,197	185,343	-13.1%	14.5%
September	166,935	201,881	265,087	-17.3%	-23.8%
October	143,081	145,469	154,280	-1.6%	-5.7%
November	155,144	188,582	68,823	-17.7%	174.0%
December		173,106	226,573		-23.6%
YTD	1,961,738	2,095,178	2,173,314	-6.4%	-3.6%
Total		2,268,284	2,399,887	NA	-5.5%

Source: Global Trade Information Services

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## Philippines: Imports up further through September

Philippine importers of urea took delivery of 68,000 mt in September 2015, an increase of 16.8% on September 2014. Malaysia accounted for 33,000 mt, up from 5,400 mt, while arrivals from China were up 10% to 31,600 mt.

Saudi Arabia lost out in September, dropping from 23,800 mt in 2014 to zero in 2015.

January-September imports of 532,600 mt were up by 7% on the first nine months of 2014, with China retaining the lead at 252,000 mt, up by 22%. Malaysia gained 44% to 159,000 mt and arrivals from Qatar were up from 17,000 mt to 93,500 mt.

Arrivals from Indonesia and Saudi Arabia were down by 69% and 85% to 21,300 mt and 6,000 mt, respectively.

## Urea Imports

Month	Year		Comparative (%)		
	2015	2014	2013	2015/14	2014/13
Philippines (Mt)					
January	153,236	69,049	76,282	121.9%	-9.5%
February	98,817	46,281	18,188	113.5%	154.5%
March	32,929	33,696	33,042	-2.3%	2.0%
April	27,467	44,868	36,352	-38.8%	23.4%
May	50,641	31,183	71,690	62.4%	-56.5%
June	26,611	36,350	41,809	-26.8%	-13.1%
July	29,917	83,109	68,944	-64.0%	20.5%
August	43,445	94,873	85,686	-54.2%	10.7%
September	66,676	58,231	58,356	14.5%	-0.2%
October		112,141	27,635		<0
November		51,215	50,193		2.0%
December		89,149	68,759		29.7%
YTD	529,739	497,640	490,349	6.5%	1.5%
Total		750,145	636,936	NA	17.8%

Source: Global Trade Information Services

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## New Zealand: Urea imports up in November and y-t-d

Imports of urea by New Zealand in November 2015 were up by 9% on November 2014 to reach 61,700 mt. Saudi Arabia was the main supplier with 30,800 mt, an increase of 7.9% while arrivals from Malaysia of 30,000 mt were up from zero in the prior year. China was down from 27,600 mt to 242 mt.

January-November imports of 522,600 mt were up by 14.9% on the same period in 2014, with Saudi Arabia the clear winner with 315,000 mt, up by 14.7% while arrivals from China dropped by 24% to 86,000 mt.

Indonesia accounted for 58,000 mt, an increase of 27%, and Malaysia was up from 16,500 mt to 56,600 mt.

Urea Imports					
	Year			Comparative (%)	
Month	2015	2014	2013	2015/14	2014/13
New Zealand (Mt)					
January	1,209	50,279	60,622	-97.6%	-17.1%
February	59,391	477	44,093	<>	-98.9%
March	89,397	69,443	61,031	28.7%	13.8%
April	31,416	27,311	21,109	15.0%	29.4%
May	1,594	51,263	443	-96.9%	<>
June	28,467	336	30,287	<>	-98.9%
July	31,508	31,604	48,663	-0.3%	-35.1%
August	57,292	26,167	58,775	118.9%	-55.5%
September	58,579	85,171	43,206	-31.2%	97.1%
October	102,570	56,527	96,257	81.5%	-41.3%
November	61,735	56,657	98,988	9.0%	-42.8%
December		90,422	54,875		64.8%
YTD	523,158	455,235	563,474	14.9%	-19.2%
Total		545,657	618,349	NA	-11.8%

Source: Global Trade Information Services

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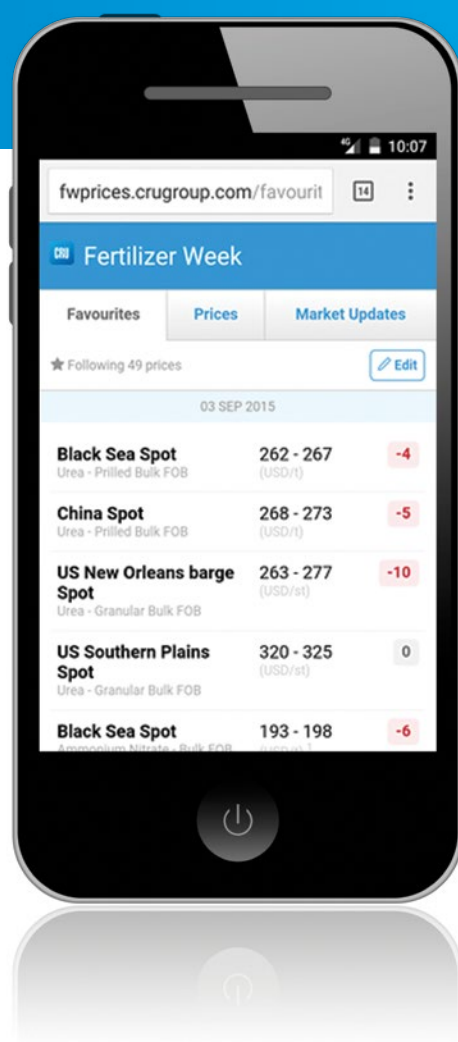
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