

EXECUTIVE SUMMARY

India buys more DAP as MAP firms

Indian importers bought around 360,000t of DAP this week in a \$426-428/t cfr range, as traders liquidated long positions for October and some Chinese producers sold direct. In Pakistan, as much as 180,000t DAP traded ex-Morocco, China and Australia in a \$433-435/t cfr range.

West of Suez, Eurochem sold a further 10,000-15,000t of MAP 11-52 to Brazil at \$455-459/t cfr, up from \$455/t cfr flat last week.

MARKET DRIVERS

OCP to sweep the board in Ethiopia

OCP will, financing permitting, take at least 625,000t of NPS business in Ethiopia, absorbing one month's production. This will limit availability. OCP's sale to Pakistan of 100,000t DAP hints at supply side discipline in the western hemisphere.

US/Brazil fertilizer prices just not logical

US fertilizer prices should be tanking given the talk of trade wars and the effect on crop prices. Yet the market is firm, offering the highest netback globally, and pulling up Brazilian levels. Brazil, in contrast, continues to lag on MAP imports, despite the theoretical positive impact of what is happening in the US, raising the possibility that overall import demand will be down on 2017 and that the US will be an all-year round importer.

30-60 DAY OUTLOOK

DAP stable-to-slightly soft; MAP flat west

\$427-428/t cfr India nets to the low-\$410s/t fob China, lowering the assessment slightly. There is little availability for October left and Chinese suppliers will begin to focus on the domestic market. But Indian DAP buying has hit 5mn t for April-October, meaning residual demand is 500,000t for this fertilizer year at most. Demand in Pakistan is also almost covered at 1.7mn t imports. Australian, Ethiopian and European DAP demand will accelerate. West of Suez, the window for loading barges in the US is closing and suppliers have begun to look elsewhere. But in the short-term the US is firm and will support prices in Brazil.

PRICES

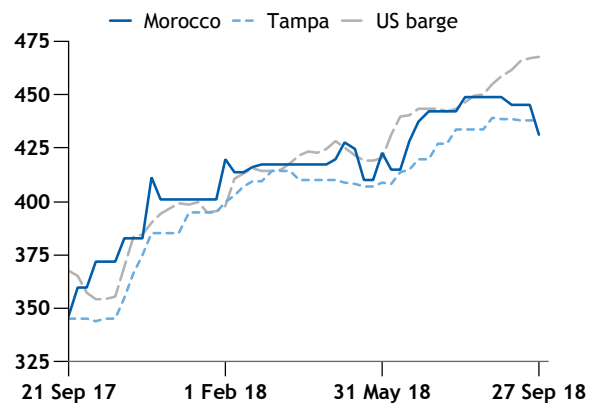
Key price assessments	\$/t	
	27 Sep	20 Sep
DAP/MAP - fob bulk		
DAP/MAP Tampa	438	438
DAP China	413-415	414-417
DAP Saudi Arabia	418-425	420-425
MAP Baltic	430-434	425-440
DAP/MAP - cfr bulk		
DAP India	426-428	425-428
DAP Pakistan	433-435	433-434
MAP Brazil	455-459	455
Phosphoric acid India/t P2O5	758	758
DAP - fca		
DAP Benelux fot/fob duty paid/free	480-485	480-485

See page 2 for full price table

Selected DAP/MAP/NPK supply balance - September	'000t	
Exporter	Sold	Unsold
OCP	575	25
Ma'aden/Sabir	274	-131
GCT	-60	-
Eurochem	134	-

DAP fob prices

\$/t



View the methodology used to assess phosphate prices at www.argusmedia.com/methodology. Your feedback is always welcome at fertilizer@argusmedia.com

MARKET ANALYSIS

Market realism prevails

A substantial flurry of DAP sales into India and to a lesser extent Pakistan represents the realisation by both traders and producers alike that it is best to make sales now lest the rupee in India depreciate further or other sellers beat them to the deal. Further MRP hikes are unlikely now. Traders have lost money having taking positions above \$415/t fob China and liquidated. Likewise, Chinese producers have sold direct at \$426-428/t cfr, which still presents a better netback relative to the domestic market and also eases the pressure on 500,000t of port inventories.

In total, India bought 360,000t of DAP this week while Pakistan took an estimated 130,000-180,000t DAP from Morocco, Australia and China.

India looks on course to import 5.5mn t of DAP with 5mn t now booked. Most of the Pakistan major importers are still in the hunt for DAP in the low/mid-\$430s/t cfr despite provisional data showing inventories at end-August having risen to a substantial 620,000t at the end of August and projected to top 800,000t in September - higher than India.

Elsewhere, OCP is expected to sweep the board in Ethiopia as expected. It faced minor competition from Russia and Saudi Arabia but competitive prices ensured it stands to take at least 625,000t of NPS/NPK business. The only concern is financing but an award is still expected by the end of this week.

OCP was also a significant seller in Pakistan, netting \$407/t fob Jorf Lasfar which is a substantial decline on the last Argus assessment. This probably reflects the paucity of demand west of Suez and limited further opportunities in the US.

West of Suez there was little business. Argentina took in small lots of floating 10-50 ex-China in the higher-\$430s/t cfr but demand is subdued due to concerns over the country's export duties on agricultural commodities. Brazil bought another 10,000-15,000t of MAP in the mid/high-\$450s/t cfr for October shipment, more or less in line with last week's prices.

In Indonesia and Iran, there were expressions of interest for TSP totalling over 150,000t for 4Q shipment. Brazilian TSP demand is, however on the wane seasonally.

Despite Australia, Europe and Ethiopia expected to absorb significant tonnage in 4Q, the market still looks to be in surplus hence some downside is expected.



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Phosphates prices					\$/t
	27 Sep	20 Sep	±		
DAP/MAP/TSP - fob bulk					
DAP/MAP Tampa	438	438	0.00	↔	
DAP/MAP Tampa equivalent Brazil	425-429	426	1.00	↑	
DAP Tampa equivalent India	379-381	380-383	1.50	↓	
DAP Tunisia	450-455	450-455	0.00	↔	
DAP Morocco	407-455	436-455	14.50	↓	
DAP Morocco P2O5 equiv	787.38	822.68	17.65	↓	
DAP Morocco equivalent US terminals	445-450	451-456	6.00	↓	
DAP Lithuania Baltic	450-455	450	2.50	↓	
DAP Russia Baltic/Black Sea	430-432	430-432	0.00	↔	
DAP China	413-415	414-417	1.50	↓	
DAP China P2O5 equiv	752.32	757.94	2.81	↓	
DAP Saudi Arabia (KSA)	418-425	420-425	1.00	↓	
DAP Mexico	435-440	435-440	0.00	↔	
DAP/MAP Australia	420-425	420-425	0.00	↔	
DAP US Gulf domestic barge \$/st	424-425	422-425	1.00	↓	
DAP Central Florida railcar \$/st	425	425	0.00	↔	
DAP China ex-works	370-400	370-400	0.00	↔	
DAP Benelux fot/fob duty paid/free	480-485	480-485	0.00	↔	
MAP Baltic	430-434	425-440	0.50	↓	
MAP China 11-44	338-343	338-343	0.00	↔	
MAP China 10-50	395-410	395-410	0.00	↔	
MAP China 11-52	420-425	420-425	0.00	↔	
MAP Morocco	440-445	440-445	0.00	↔	
TSP Tunisia	360-365	360-365	0.00	↔	
TSP Morocco	350-355	350-355	0.00	↔	
TSP China	310-330	310-330	0.00	↔	
TSP eastern Med (Lebanon/Israel)	335-345	335-345	0.00	↔	
DAP /MAP - cfr bulk					
DAP/MAP Argentina/Uruguay	465-467	465-467	0.00	↔	
MAP Brazil 11-52	455-459	455	2.00	↓	
MAP Brazil 11-52 P2O5 equiv	734.68	733.59	0.54	↓	
MAP Brazil 10-50 (ex-China)	423-432	423-428	2.00	↓	
MAP Brazil 10-50 (ex-China) P2O5 equiv	718.7	717.3	0.70	↓	
MAP Brazil 11-44 (ex-China)	367-375	370-375	1.50	↓	
MAP Brazil 11-44 (ex-China) P2O5 equiv	672.8	679.47	3.34	↓	
DAP India	426-428	425-428	0.50	↓	
DAP India P2O5 equiv	797.41	796.33	0.54	↓	
DAP Pakistan	433-435	433-434	0.50	↓	
DAP Turkey	440-450	440-450	0.00	↔	

Raw material contracts					\$/t	
				±		
Phosphoric acid/t - P2O5						
cfr India	3Q18	758	2Q18	730	28.00	↓
cfr western Europe	3Q18	775-850	2Q18	755-850	10.00	↓
cfr Brazil	1Q18	835-855	4Q17	650-670	185.00	↓
Phosphate rock (% BPL)						
fob Jordan (68-70)	3Q18	98	2Q18	104-107	7.50	↓
cfr India (68-70)	3Q18	116	2Q18	118-122	4.00	↓
cfr India (70-72)	2Q18	128-135	1Q18	115-120	14.00	↓
fob north Africa (69)	1Q18	78-85	4Q17	75-80	4.00	↓
Sulphur						
cfr Tampa	3Q18	121	2Q18	116	5.00	↓
cfr north Africa	3Q18	127-147	2Q18	110-135	14.50	↓
Ammonia						
cfr Tampa	Sep18	330	Aug18	310	20.00	↓

Spot Sales Selection - 27 September 2018						
Origin	Seller	Buyer	Destination	Volume ('000t)	Price	Delivery Period
China	Aries	NFL	India	100 DAP	\$427/t cfr	October
China	YUC	IPL	India	70 DAP	\$426/t cfr	October
China	Dreymoor	Zuari	India	50 DAP	\$426/t cfr	Oct-Nov
Saudi Arabia	Ma'aden	IPL	India	60 DAP	high-\$420s/t cfr	October
Saudi Arabia	Ma'aden	Kribhco	India	40 DAP	high-\$420s/t cfr	October
Saudi Arabia	Ma'aden	TBC	India	40 DAP	high-\$420s/t cfr	October
China	Yihua	Multan Group	Pakistan	40 DAP	\$433-433.50/t cfr	October
Morocco	OCP	Pakarab	Pakistan	50-100 DAP	\$434-435/t cfr	October
Russia	Eurochem	Various	Brazil	10-15 MAP	\$455-459/t cfr	October
Lithuania	Eurochem	Various	N Europe	5-10 DAP	\$450-455/t fob	October
Morocco	OCP	Various	Europe	80 DAP	\$455/t fob	October

HIGHLIGHTS THIS WEEK

Supply

- Pakistan stocks rise well above 600,000t DAP
- Foskor cuts DAP/MAP output on sulacid turnaround
- Indian DAP imports at 5mn t for fertilizer year
- Chinese DAP port stocks at 500,000t
- Pemex loading DAP/MAP/TSP vessel for US
- Ma'aden sells three DAP vessels to India

Demand

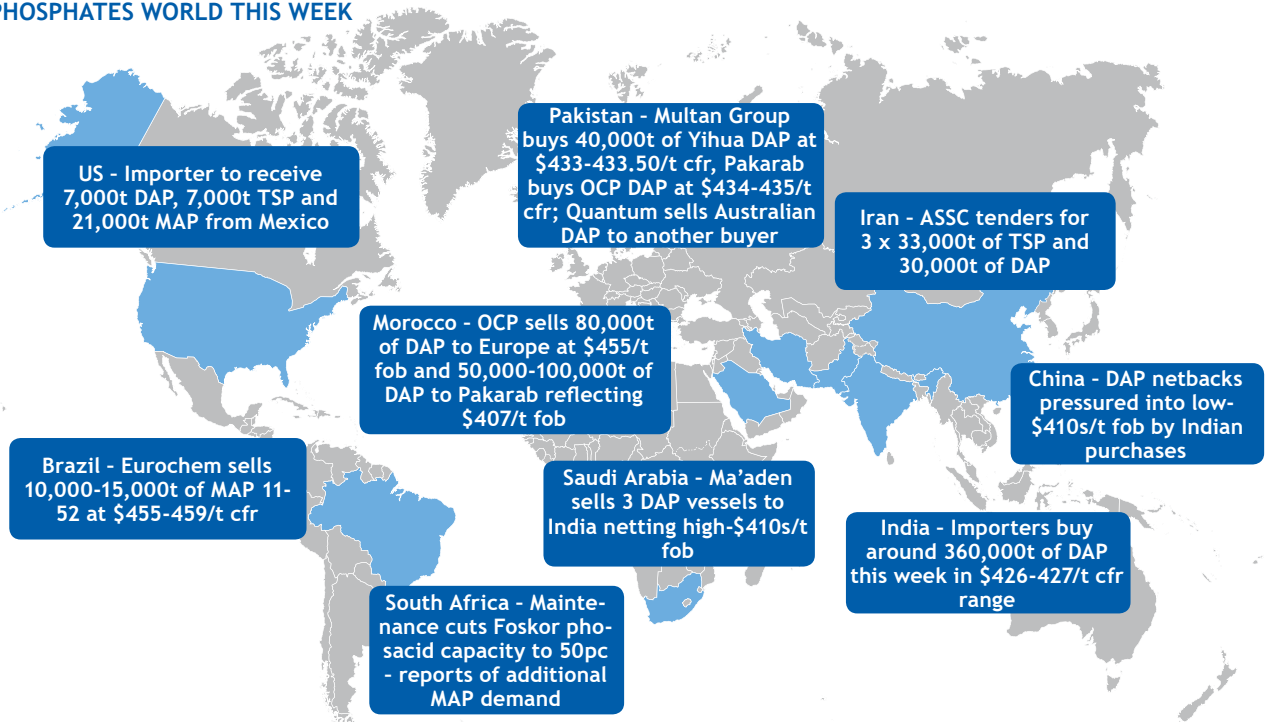
- Pakistan buys 50,000-100,000t from OCP...
- ...and 40,000t DAP from Yihua
- India steps in for another 360,000t DAP
- ASSC Iran issues buy tender for 30,000t DAP...
- ...and 3 x 33,000t TSP tender
- Brazil buys 10,000-15,000t MAP ex-Russia

Prices

- Brazilian MAP trades at \$455-459/t cfr
- Indian DAP prices at \$426-428/t cfr...
- Chinese netbacks lower around \$413/t fob
- Pakistan buys DAP in a \$433-435/t cfr range
- Moroccan DAP netback falls to \$407/t fob in Pakistan deal

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THE PHOSPHATES WORLD THIS WEEK



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Outstanding 2018 phosphate tenders						
Country/Holder	Product	Volume ('000t)	Closing date	Shipment	Status	
India/NFL	DAP	500	29/6	Offers up to 150,000t	Sellers shortlisted	
India/GSFC	Phosphate rock	35-40	1/8	Delivery to Hazira by end of September	Offers in	
Indonesia/Pusri	DAP	2 x 5	13/8	September and October deliver, minimum 61pc DAP	Closed	
India/NFL	DAP	101	19/9	Min 25kt DAP, to east coast by 20/10	Awarded	
India/RCF	Phosphate rock	2 x 35	25/9	First shipment 35 days from purchase to Mumbai	Closed	
Indonesia/SinarMas	TSP	56	27/9	TBC	Closed	
India/MFL	Phosphoric acid	2 x 10	8/10	First shipment 20 days from agreement, then 45-60 days, to Chennai	Open	
Iran/ASSC	TSP/DAP	3 x 33	TSP/30 DAP	24/10	Offers to open 27/10	Open

NORTH AMERICA

US

Mosaic reports no new export sales this week.

US domestic

The market was stable this week because of a decline in buying activity as retailer storage bins are full. And, the recent bout of wet weather across the Southern-half of the US delayed the start of the fall application season.

Nola DAP barges were up by \$1/st from the midpoint last week as the ranged narrowed to \$424-425/st fob Nola. The top end was set by the confirmed sale of multiple barges of both open-origin and domestic DAP for October shipment. The low end was underpinned by the confirmed physical offer of open-origin DAP for prompt shipment.

Nola MAP barges were stable again this week at \$430-435/st fob Nola with both ends being underpinned by market sentiment. The estimated 442,000t influx of imports that arrived from July-October has quelled the market's seasonal demand for MAP.

Announcement

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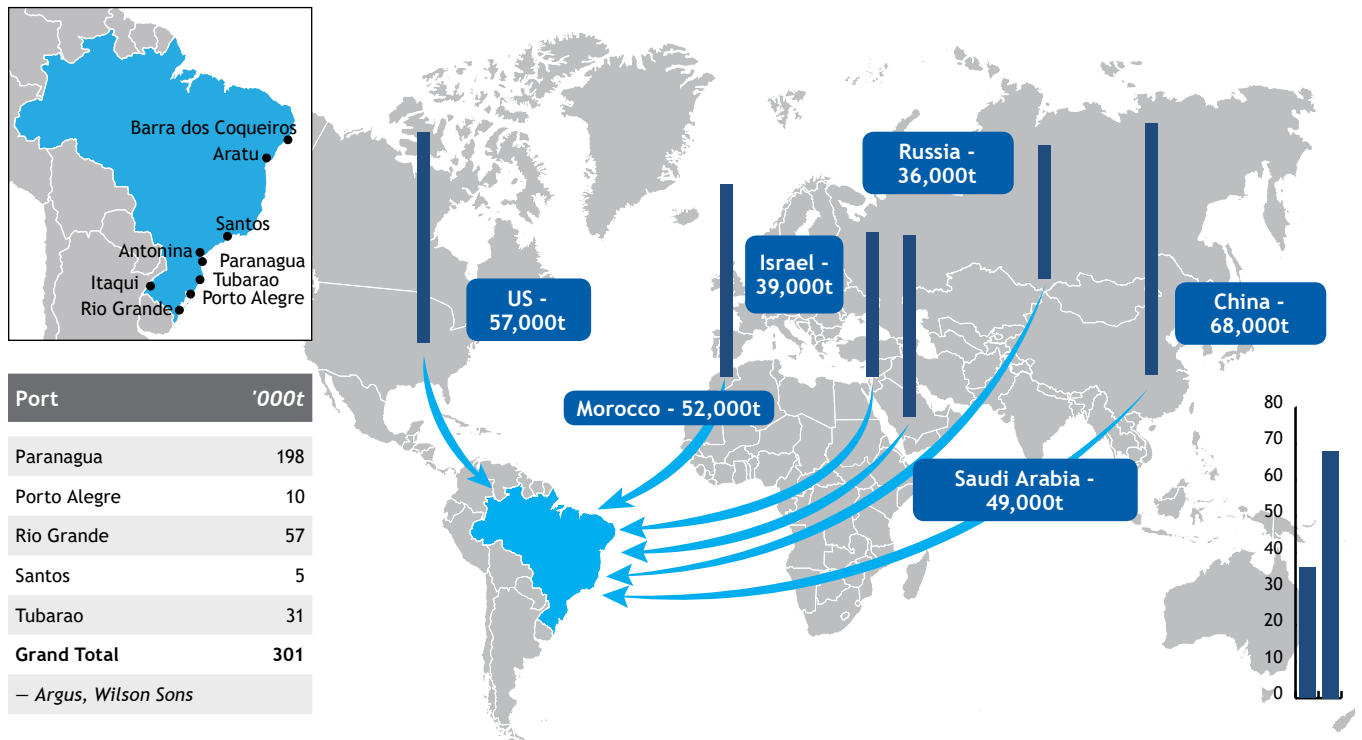
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BRAZIL SEPTEMBER MAP IMPORTS



Port	'000t
Paranagua	198
Porto Alegre	10
Rio Grande	57
Santos	5
Tubarao	31
Grand Total	301

— Argus, Wilson Sons

Brazil port import breakdown ('000t)						
Port	China	Israel	Morocco	Russia	Saudi Arabia	US
Paranagua	68	39	31		29	31
Porto Alegre						10
Rio Grande				21	20	16
Santos					5	
Tubarao					31	
Grand Total	68	39	52	36	49	57

— Argus, Wilson Sons

CENTRAL AND LATIN AMERICA

Brazil

Eurochem has sold a total of 10,000-15,000t of MAP 11-52 at \$455-459/t cfr, loading next month in combination with other fertilizer products. The material was sold directly to buyers from the producer – not through a trading firm. A small amount was sold to its subsidiary, Fertilizantes Tocantins.

MAP 11-44 ex-China prices decreased \$3/t to \$367-375/t cfr Brazil for October shipment, shadowing lower offers. And, MAP 10-50 increased \$4/t to \$423-432/t cfr because of a notional discount over MAP 11-52.

Argentina

Demand for the corn and soybean applications is essentially over. Indications are nominally in the low/mid-\$460s/t cfr but no one is biting.

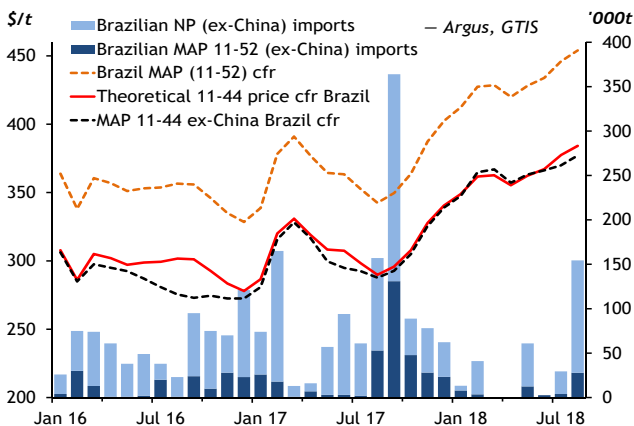
Traders are selling small volumes of 10-50 Chinese MAP in the high-\$430s/t cfr from floaters.

Mexico

Pemex is loading the *Honduras Bulk* with 7,000t of DAP, 7,000t of TSP and 21,000t of MAP for a US importer.

There were reports of a sale to northern Europe but this has yet to be confirmed. Mexican DAP does not incur the

Brazil MAP & NP imports (ex-China) since Jan '16



Brazil MAP 2018 line-up								
Charterer	Receiver	Vessel	Fertilizer	Quantity ('000t)	Origin	Discharge Port	ETB	ETA
January				171				
February				127				
March				200				
April				213				
May				368				
June				448				
July				403				
August				260				
September								
7Seas	na	<i>Qu Shan Hai</i>	TSP/MAP	43	China	Paranagua	1/9	17/8
OCP	na	<i>Ikaria Island</i>	MAP/NP/TSP	31	Morocco	Paranagua	1/9	30/7
Ma'aden	na	<i>Andromeda</i>	MAP/DAP	29	Saudi Arabia	Paranagua	4/9	31/7
Ma'aden	Yara	<i>Darya Chand</i>	MAP	20	Saudi Arabia	Rio Grande	13/9	28/8
Mosaic	Mosaic	<i>Strategic Venture</i>	MAP	5	US	Rio Grande	16/9	13/9
Eurochem	Adufertil	<i>Nordcolorado</i>	MAP	5	Russia	Santos	17/9	30/7
Mosaic	Mosaic	<i>Alberto Topic</i>	MAP	7	US	Rio Grande	19/9	9/9
Mosaic	Mosaic	<i>Blu Tide</i>	MAP/NP	31	US	Paranagua	25/9	19/9
7Seas	na	<i>Beatrice</i>	MAP	25	China	Paranagua	25/9	15/9
Phosagro	Adubos Araguaia	<i>Bunun Hero</i>	MAP/urea	31	Russia	Tubarao	25/9	4/9
Fitco	Unifertil	<i>Alberto Topic</i>	MAP	5	US	Porto Alegre	26/9	26/9
Fitco	Piratini	<i>Alberto Topic</i>	MAP	5	US	Porto Alegre	26/9	26/9
Mosaic	Timac	<i>Darling River</i>	MAP	4	US	Rio Grande	27/9	27/9
ICL	na	<i>Osiris</i>	MAP	39	Israel	Paranagua	27/9	26/9
OCP	Yara	<i>Federal Skeena</i>	MAP	21	Morocco	Rio Grande	30/9	13/9
September total				301				
October								
Mosaic	Fertipar/ Fertigran/ Mosaic	<i>Bunun Infinity</i>	MAP	31	US	Tubarao	1/10	2/9
OCP	Yara	<i>Elin</i>	MAP	11	Morocco	Itaqui	3/10	28/9
OCP	Fertgrow	<i>Elin</i>	MAP	4	Morocco	Itaqui	3/10	28/9
OCP	Fertipar	<i>Elin</i>	MAP	5	Morocco	Itaqui	3/10	28/9
Ma'aden	Yara	<i>Peaceful Seas</i>	MAP	28	Saudi Arabia	Rio Grande	7/10	1/10
OCP	Unifertil	<i>Floriana</i>	MAP	10	Morocco	Porto Alegre	14/10	14/10
na	Mosaic	<i>Elm K</i>	MAP	28	US	Santos	16/10	29/9
Mosaic	Mosaic	<i>Warmia</i>	MAP/DAP/NP	37	US	Paranagua	19/10	15/10
Ameropa	na	<i>Beatrice</i>	MAP/DAP	29	China	Paranagua	25/10	22/10
Seven Seas	na	<i>Beatrice</i>	MAP	17	China	Tubarao	31/10	28/10
October total				200				
November								
Yara	Yara	<i>Melbourne</i>	MAP/urea	25	Saudi Arabia	Sao Francisco do Sul	4/11	4/11
Ma'aden	na	<i>Olympic Pride</i>	MAP	5	Saudi Arabia	Paranagua	9/11	9/11
Indagro	Fertipar	<i>Vega Aquarius</i>	MAP	16	China	Paranagua	25/11	25/11
Indagro	Cibrafertil	<i>Vega Aquarius</i>	MAP	4	China	Paranagua	25/11	25/11
Indagro	Heringer	<i>Vega Aquarius</i>	MAP	14	China	Paranagua	25/11	25/11
Indagro	Santa Terezhina	<i>Vega Aquarius</i>	MAP	1	China	Paranagua	25/11	25/11
Indagro	CHS	<i>Vega Aquarius</i>	MAP	3	China	Paranagua	25/11	25/11
November total				68				

– Wilson Sons

6.5pc EU import duty applicable to material from most non-EU countries.

A trader has meanwhile sold around 15,000t Chinese DAP into west coast Mexico in the \$450s/t cfr.



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EUROPE AND FORMER SOVIET UNION

Lithuania

Eurochem has sold 5,000-10,000t of Lifosa DAP at around \$450-455/t fob to northern Europe, loading next month. Total commitments for October now total around 25,000-30,000t.

Russia

Eurochem has sold 10,000-15,000t of MAP to Brazil at the equivalent \$435-430/t fob Baltic, loading in October. The material will load in combination with other fertilizer products, but may ship from either Kingisepp or the Black Sea.

Eurochem will likely export around 10,000-15,000t of MAP from its Belorechensk facility next month, depending on logistics.

PhosAgro has limited DAP and MAP availability for October loading, confined to around 15,000t of each. It is contemplating shipments west of Suez but is waiting for further market feedback from the TFI event taking place next week.

Domestic fertilizer movements remain the mainstay of PhosAgro's operations but rail maintenance in Russia ahead of winter is making heavy weather of transport logistics.

NPK availability is sold out with shipments for northern Russia, Poland, Latvia, Lithuania, the Balkans, Hungary and Romania.

Eurochem CEO resigns

Switzerland-based fertilizer producer Eurochem Group said its chief executive Dmitry Strashnov has resigned from the Group with immediate effect, citing personal reasons.

Eurochem chief financial officer Kuzma Marchuk has been named acting chief executive. The board has begun a search for Strashnov's successor.

Turkey

Imports are lacklustre as the season for buying is almost over. Current offers for JPMC DAP are around \$450/t cfr, but the lira's weakness has rendered this level largely unviable.

AFRICA AND MIDDLE EAST

Morocco

OCP has sold 80,000t DAP to Europe at \$455/t fob for October shipment. It has also sold 50,000-100,000t DAP to Pakistan for October shipment in the mid-\$430s/t cfr implying a netback of \$407/t fob. OCP has nominated the *Ras Ghumays I* to load the first shipment for Pakistan.

It is in line to receive an award for around 625,000t various NPS/NPK grades for Ethiopia for fourth-quarter and first-quarter 2019 shipment. But no formal award has as yet been made.

OCP Morocco September commitments	'000t
Domestic	35 DAP
Brazil	150 MAP
US	120 DAP/MAP
Europe	150 DAP
Iraq	40 DAP
India	80 DAP
TOTAL	575
PRODUCTION	600 inc NPKs

Sudan

The trader sale of Jordanian DAP to several buyers in Sudan is under loading in Aqaba this week.

Further demand is evident for 4Q shipment. OCP was in the freight market this week to ship 25,000t of DAP to Port Sudan, loading 8-12 October.

JPMC Jordan September commitments	'000t
India	30 DAP
Sudan	25 DAP
TOTAL	55
PRODUCTION	60
BALANCE	5

South Africa

At presstime there were reports of additional MAP import demand.

This may be in response to news that Foskor is undertaking maintenance on one of its three sulphuric acid lines.

The turnaround, which began this week and is scheduled to last until 10 October, has reduced output at the phosphoric acid plant to 50pc of capacity.

Foskor is consequently focusing all its phosphate output on the domestic and southern African regional markets, and has said it has sufficient supplies to cover local requirements.

The Foskor plant at Richards Bay comprises two DAP/MAP production plants with a combined estimated output of 25,000 t/month. Sulphuric acid and phosphoric acid are raw materials in DAP/MAP production.

Saudi Arabia

Ma'aden has concluded three DAP shipments – 60,000t plus two 40,000t vessels – to the east coast of India for October loading. Ma'aden reports the prices in the high-\$420s/t cfr with freight at around \$10/t.

Sabic reports no new sales this week.

Saudi Arabia September commitments '000t	
SABIC	
India	62 DAP
Iraq	25 DAP
Kenya	25 DAP
Ma'aden	
India	104 DAP
Kenya	30 DAP
Brazil	28 MAP
TOTAL	274

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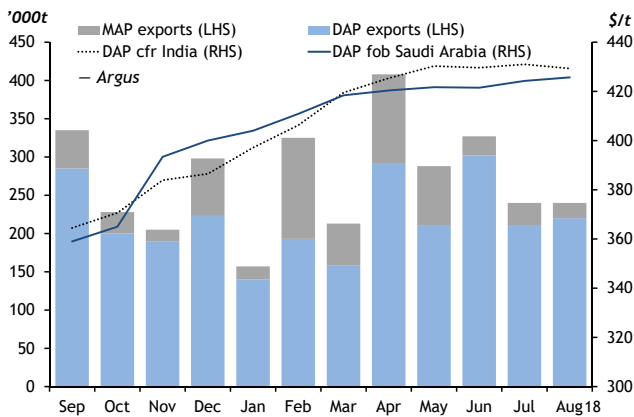
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illuminating the markets

Saudi Arabia DAP/MAP exports since Sept '17



Iran

ASSC has issued a phosphate purchase tender for one 30,000t DAP lot.

The tender closes on 24 October with offers opened on 27 October.

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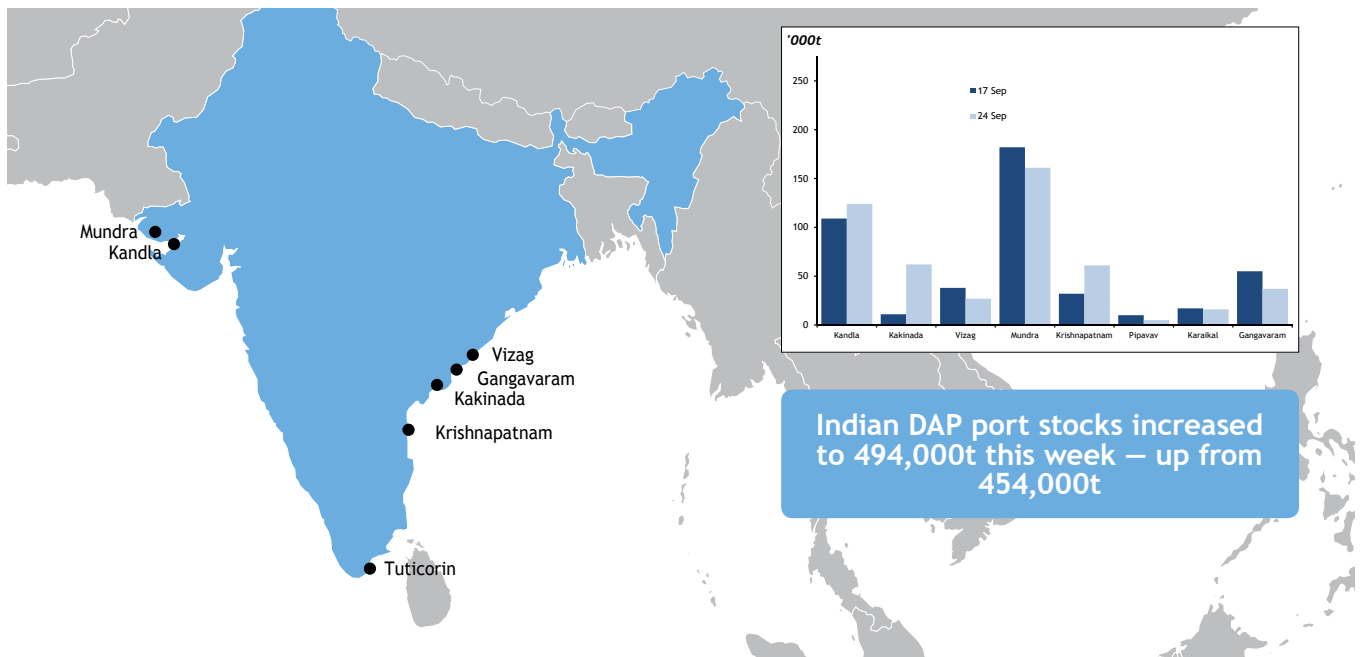
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INDIAN DAP PORT STOCK SITUATION 24 SEPTEMBER ('000T)



INDIAN SUBCONTINENT

India

Further deals concluded by Indian importers for Chinese DAP have emerged this week totalling 360,000t:

- NFL bought 100,000t of DAP through Aries at close to \$427/t cfr under its tender that closed on 19 September
- IPL bought 70,000t of DAP from YUC at around \$426/t cfr east coast India
- Zuari bought 50,000t from Drey Moor at \$426/t cfr for October shipment and early November arrival
- Ma'aden has concluded three shipments (60,000t plus two 40,000t vessels) to the east coast of India for October loading. Ma'aden reports the prices in the high-\$420s/t cfr.

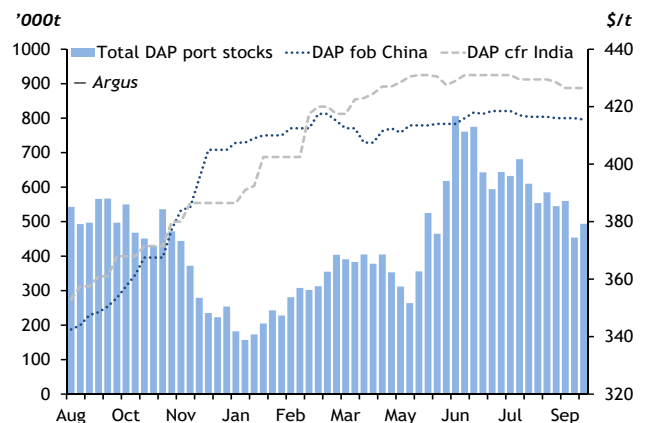
Indian imports for October now total around 700,000t and November volumes will likely reach similar levels. April-November DAP imports will then be around 5mn t, and will likely total 5.5mn t for the 2018-19 fertilizer year - up from around 4.2mn t in the previous fertilizer year.

Pakistan

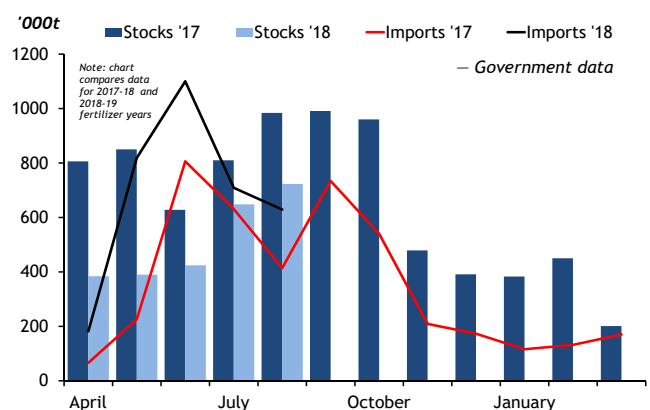
Additional deals have come to light as follows:

- Multan Group has bought a 40,000t DAP cargo directly from Yihua at \$433-433.50/t cfr.
- Pakarab has bought 50,000-100,000t from OCP at \$434-435/t cfr for October shipment.

India DAP port stocks since Aug '17



India DAP stocks and imports



■ A third deal of Australian DAP on the vessel *TS Index* loaded in Townsville this week with 35,000t. The cargo has been linked to several importers but there is no confirmation of the buyers yet.

This takes Pakistan DAP imports towards 1.7mn t for this year, almost on par with 2017. The peak agricultural rabi season is approaching and several buyers are in the market to bolster their stocks despite overall inventories being high. Importer and manufacturer Engro discharged 48,000t of Chinese DAP from the *Rowan 3* this week. Engro also reportedly received around 31,000t of Chinese DAP aboard the *Heilian Equilibrium* this week, thought to be supplied by Merrycorn.

DAP stocks build in August

Pakistan's DAP fertilizer stocks grew to nearly 620,000t at the end of August from 360,000t a month earlier, and hit a notably high level of almost 810,000t at the end of September, on par with stocks in the much larger Indian market, according to preliminary data from the country's National Fertilizer Development Centre (NFDC).

NFDC predicts a shortfall in the October-March rabi season because of heavy offtake in October and November. It sees deficits of 6,000t in December, 111,000t in January and 155,000t in February, implying that Pakistan needs another 220,000t of DAP imports.

NFDC calculates total imports since the start of the kharif season in April at around 1.1mn t, but *Argus* estimates the total for this period at closer to 1.5mn t. This would offset the deficit.

Overall DAP offtake in August was 79,000t, up 2pc year on year, NFDC said. Demand for the kharif season stood at 698,000t in April-August, up 9pc year on year.

Domestic DAP production stood at 61,000t and imports at 273,000t, making total availability 693,000t. Closing inventories were 618,000t, compared with stocks of 359,000t at the beginning of August.

NFDC puts overall kharif season inventories at 190,000t, with imports of 1.1mn t and production of 368,000t. This equates to 1.65mn t of availability. With offtake at 852,000t, stocks will be above 800,000t at the end of September, NFDC projects.

Rabi supply will total 1.18mn t DAP, with 808,000t of stocks and 378,000t of local production but no imports, according to NFDC predictions. Offtake is forecast at 1.4mn t, leaving a shortfall of 219,000t.

Pakistan DAP import line-up 2018

Supplier	Buyer	Origin	Vessel	Tonnage ('000t)	Arrival
OCP	Pakarab	Morocco	<i>Ras Ghumays I</i>	20	January
Quantum	Fauji	China	<i>Silk Road 03</i>	55	January
Quantum	Fauji	China	<i>Astra Centaurus</i>	55	February
Kailin/Aries	Engro	China	<i>Nordic Tianjin</i>	54	April
Dreymoor	Engro	China	<i>New Victory</i>	49	April
OCP	Pakarab	Morocco	<i>Butinah</i>	55	May
Quantum	Fauji	China	<i>Mariner 2</i>	46	May
Quantum	Engro	China	<i>Navios Venus</i>	49	May
Aries	Fauji	China	<i>Ken Wave</i>	55	May
Aries	Fauji	China	<i>Triton Valk</i>	50	May
Kailin/Aries	Engro	China	<i>Alonissos</i>	50	June
Quantum	Fauji	China	<i>Aurelia</i>	57	June
OCP	Pakarab	Morocco	<i>WP Brave</i>	55	June
Sun Int'l	Engro	China	<i>Seaboss</i>	54	July
Quantum	Fauji	Australia	<i>Klima</i>	50	July
Kailin	Engro	China	<i>Truong Minh Sea</i>	46	August
Quantum	Chawla	Australia	<i>Broadgate</i>	35	August
Swiss	TBC	China	<i>Ocean Crown</i>	46	August
Aries	Engro	China	<i>Captainyannis L</i>	49	August
Aries	Engro	China	<i>Delfa</i>	52	August
TBC	TBC	China	<i>Malmo</i>	52	August
Quantum	United Agro	Australia	<i>Team Hope</i>	35	August
Trader	Engro	China	<i>Christos Theo</i>	50	Sept
Quantum	Fauji TBC	China	<i>Balaban</i>	50	Sept
Midgulf	Agven/Pacific	China	<i>Alby Story</i>	42	Sept
Quantum TBC	Fauji	China	<i>Rowan 3</i>	48	Sept
Merrycorn TBC	Engro	China	<i>Heilian Equilibrium</i>	31	Sept
TBC	Engro	China	<i>Lorentzos</i>	44	Sept/Oct
TBC	Fauji	China	TBN	50	Oct
Yihua	Multan	China	TBN	40	Oct
Pakarab	OCP	Morocco	<i>Ras Ghumays I</i>	50	Oct
Quantum	TBC	Australia	<i>TS Index</i>	35	Oct
Total				1509	

— Argus



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Indian DAP/MAP arrivals 2018							
Supplier	Buyer	Vessel	Fertilizer	Quantity (t)	Load Port	Discharge Port	ETA
2017-18 fertilizer year total				4,299,470			
April				181,194			
May				832,348			
June				1,134,878			
July				853,436			
August				629,309			
September							
Midgulf	IPL	<i>Helvetia One</i>		79,591	Jorf Lasfar	Mundra	3/9
Fertrade	IPL	<i>Dimitrios T</i>		67,440	Fangcheng	Gangavaram	3/9
Ma'aden	IPL	<i>Essex Strait</i>		54,888	Ras Al-Khair	Mundra	6/9
Fertrade	RCF	<i>Dubai Crown</i>		48,075	Nantong	Krishnapatnam	12/9
YUC	Chambal	<i>Qing Hua Shan</i>		52,930	Behai	Kakinada	17/9
YUC	Chambal	<i>Pacific Valor</i>		58,010	Panjin	Kandla	17/9
Ma'aden	Kribhco	<i>Medi Okinawa</i>		44,000	Ras Al-Khair	Tuna	20/9
Sabic	NFL	<i>African Halcyon</i>		32,000	Ras Al-Khair	Mundra	20/9
Mosaic	Mosaic	<i>Stove Phoenix</i>		47,003	Tampa	Kakinada	25/9
Sun Intl	GSFC	<i>Patagonia</i>		33,000	Aqaba	Kandla	27/9
Midgulf	IPL	<i>Prigipos</i>		50,004	Jorf Lasfar	Mundra	28/9
Midgulf	KIT/IFFCO	<i>Prigipos</i>		30,000	Jorf Lasfar	Mundra	28/9
Ma'aden	IPL	<i>Thalassini</i>		66,000	Ras Al-Khair	Mundra	28/9
Sabic	NFL	<i>Crane Island</i>		31,500	Ras Al-Khair	Pipavav	30/9
September total				694,441			
October							
Daweco	IRC Agro	<i>Anna Smile</i>		70,000	Zhanjiang	Dhamra	2/10
Sabic	Chambal	<i>Seastar Empress</i>		30,000	Ras Al-Khair		October
Mosaic	Mosaic	<i>Praslin</i>		50,000	Ras Al-Khair		October
Amber	IPL	<i>Evangelia Petrakis</i>		75,000	China		October
YUC	Chambal			70,000	China		October
Ma'aden	IPL			65,000	Ras Al-Khair		October
Ma'aden	Kribhco			50,000	Ras Al-Khair		October
Dreymoor	KIT/IFFCO			50,000	China		October
Aries	NFL			100,000	China		October
YUC	CIL			50,000	China		October
Amber	IRC Agro			50,000	China		October
YUC	IPL			70,000	China		October
October total				730,000			

Indian phosphoric acid shipments during 2018							
Supplier	Buyer	Vessel	Quantity (t)	Domestic quantity (t)	Load port	Discharge port	ETA
January 2018			351,468				
February			277,446	19,000			
March			317,429	11,867			
April			278,216	3,382			
May			439,768	8,485			
June			238,831				
July			430,243				
August			339,316				
September							
OCP	FACT	<i>Brillante</i>	9,694		Jorf Lasfar	Cochin	2/9
OCP	DFCL	<i>Chemroad Lily</i>	12,150		Jorf Lasfar	JNPT	5/9
OCP	DFCL	<i>Chembulk Gibraltar</i>	11,500		Jorf Lasfar	JNPT	6/9
OCP	ZIL	<i>Chemroad Haya</i>	8,500		Safi	Goa	6/9
OCP	MCFL	<i>Chemroad Haya</i>	7,400		Safi	Mangalore	7/9
IRC Agro	CIL	<i>Bochem Mumbai</i>	7,621		Dakar	Kakinada	7/9
IRC Agro	IRC Agro	<i>Bochem Mumbai</i>	5,300		Dakar	Haldia	9/9
Lao Cai Chem	DFCL	<i>Geum Gang</i>	12,000		Hai Phong	JNPT	9/9
OCP	ZIL	<i>MTM New York</i>	12,500		Jorf Lasfar	Goa	11/9
Foskar	GSFC	<i>Chembulk Westport</i>	11,000		Richards bay	Sikka	12/9
OCP	GSFC	<i>Chembulk Gibraltar</i>	11,500		Jorf Lasfar	Sikka	13/9
IRC Agro	IRC Agro	<i>Stolt Calluna</i>	15,014		Dakar	Haldia	13/9
OCP	PPL	<i>Mid Fortune</i>	18,846		Safi	Paradip	14/9
IRC Agro	IRC Agro	<i>Stolt Calluna</i>	15,014		Dakar	Haldia	15/9
OCP	DFCL	<i>Eva Heron</i>	8,331		Jorf Lasfar	JNPT	16/9
OCP	CIL	<i>MTM New York</i>	9,450		Jorf Lasfar	Kakinada	18/9
JIFCO	IFFCO	<i>Stolt Vestland</i>	28,600		Aqaba	Kakinada	19/9
OCP	ZIL	<i>Eva Heron</i>	13,000		Jorf Lasfar	Goa	20/9
Foskar	Greenstar	<i>Bochem Oslo</i>	8,404		Cape town	Tuticorin	20/9
OCP	DFCL	<i>Navig 8 Sirius</i>	16,000		Safi	JNPT	24/9
Indo Jordan	CIL	<i>Bunga Lavender</i>	20,000		Aqaba	Kakinada	25/9
Nutrien	CIL	<i>Bow Cedar</i>	32,000		Morhead City	Kakinada	26/9
OCP	FACT	<i>Eva Heron</i>	10,455		Jorf Lasfar	Cochin	28/9
September total			304,279				
October							
IRC Agro	IFFCO	<i>Bochem Ghent</i>	29,800		Dakar	Kandla	2/10
OCP	CIL	<i>Central Park</i>	10,461		Jorf Lasfar	Kakinada	5/10
OCP	FACT	<i>Argent Bloom</i>	9,613		Jorf Lasfar	Cochin	5/10
October total			49,874				

EAST ASIA AND OCEANIA

China

A flurry of sales by Chinese producers to India and Pakistan is an acknowledgement that cfr prices in these markets will not go any higher and also a strategy to clear port stocks. Chinese producers have sold direct, or via trading firms, 400,000t of DAP to India and Pakistan in the past week.

Port stocks throughout China were estimated at 500,000t. With the domestic market offering a lower netback relative to the Indian subcontinent, Chinese producers offloaded DAP to ease inventories that could not be pushed back into the domestic sector. Netbacks have eroded marginally to the low/mid-\$410s/t fob for DAP.

Another '6+2' meeting of key Chinese producers took place this week to discuss prices in India with a line drawn at \$428/t cfr.

Chinese DAP exports supported by Indian buying

Chinese DAP exports remain above last year's levels, driven by increased Indian buying. But the rate of shipments in July-August slowed, implying that measures agreed between producers to focus on the domestic market have begun to take effect.

Chinese suppliers exported 4.01mn t of DAP in January-August, up by 0.9pc on the year. This is a slowdown from the first half of the year – when exports were up by 9.9pc on January-June 2017 – despite a big rise in Indian DAP buying since May. Chinese DAP producers exported 1.93mn t to India in May-September, *Argus* estimates.

August exports were approximately 690,000t, of which around 440,000t were bound for India, *Argus* data show. July exports are provisionally estimated at around 830,000t, implying a monthly drop in levels of around 140,000t as producers held offers firm in the \$415-420/t fob range.

It appears that the export limits discussed in July have begun to take hold. A meeting between the major Chinese suppliers – the so-called '6+2' – was held at the end of July, in which the consensus reached was reportedly to allocate half of DAP output for domestic customers in the remainder of the year. Domestic producers have continued to reiterate their focus on domestic clients this month, but exports remain available for October.

There was a flurry of purchases last week on the Indian subcontinent for prompt and October delivery, and importers in Pakistan remain in the market for more DAP vessels. Indian DAP importers could secure up to another 1mn t of DAP through to March for the rabi sowing season beginning in October, *Argus* forecasts. But Chinese domestic buying will accelerate at the end of next month for the winter

season, and suppliers will begin to pivot away from international markets.

China domestic

Because of the mid-Autumn festival holiday, feedback from the domestic market was limited this week. The domestic DAP/MAP market is stable but shipments for the 4Q application season has nearly finished. Future movements will be for the winter fill programme.

DAP producers are satisfied with export orders in hand. This encouraged them to hold domestic prices though the domestic demand slowed down. A DAP producer reported an increase in delivered prices in the northeast this week to 3,100 yuan/t (\$451/t), up from Yn2,950-2,980/t delivered last week.

MAP producers also feel little pressure with the prices. The feedstock prices give strong support to MAP prices. Days before the holiday season, some traders have stopped exporting MAP. This will resume after the holiday.

Australia

Demand is still relatively quiet apart from the recent YUC sale of 10-50. Significant demand for the east coast is not expected before December-January. The *TS Index* was loaded with around 35,000t of DAP at Townsville for Pakistan this week.

New Zealand

New Zealand DAP imports were up by 7.5pc on a year earlier to 146,000t in the January-August period, latest GTIS data show. Chinese material accounted for 132,000t – up by 6.4pc on the year. Morocco's OCP exported 11,000t, broadly in line with volumes a year earlier. Imports of Vietnamese DAP were 3,000t.

Imports last month were 6,000t, almost all of which was sourced from China.

TSP

Indonesia

Indonesian palm oil plantation company SinarMas will close a tender to buy 56,000t of TSP on 27 September. At presstime there were no concrete reports of offers or awards.

Indonesia is a modest TSP importer, taking around 250,000 t/yr of imports in 2014-16, according to IFA data. The vast majority is sourced from China.

Iran

ASSC has issued a phosphate purchase tender for three 33,000t TSP lots. The tender closes on 24 October with of-

fers opened on 27 October.

TSP imports can be substantial. TSP imports rose from 142,000t in 2012 to around 350,000t in 2013 and 2014 before declining to zero in 2016, IFA data show, because of sanctions.

ASSC closed a tender for a similar volume of TSP in late July this year for fourth quarter shipment, awarding Chinese suppliers around €370/t cfr. The vast majority of TSP is sourced from China.

Lebanon

LCC is understood to be shipping its last TSP cargo to Bangladesh in October hence availability is thin.

Bulgaria

AGP has one vessel still to ship to Bangladesh, hence there is limited availability.

Israel

ICL reports to be sold out for October basis commitments to Europe and Brazil. Prices are stable in line with Argus assessments.

PHOSPHORIC ACID

Morocco

OCP is loading the following vessels with acid at Jorf:

- *MTM Shanghai* - 18,800t
- *Chemroad Echo* - 31,985t
- *Sichem Ruby* - 7,500t purified acid
- *Argent Gerbera* - 17,000t
- *Chemroad Dita* - 14,000t
- *Chemroad Sirius* - 14,100t
- *Genuine Hercules* - 14,100t

Senegal

Senegalese phosphoric acid exports were up by over a third to 304,000t in the January-August period. Exports were almost all for Indian buyers – 288,000t – up by 36pc on a year earlier. Remaining exports were to the UAE, totalling 16,000t.

Exports last month were 34,000t, all of which was to India.

NEWS AND ANALYSIS

OCP signs R&D deal with China's Hubei Forbon

Moroccan state-owned phosphates fertilizer producer OCP has signed an initial agreement with Chinese fertilizer manu-

facturer Hubei Forbon on further collaboration.

This new partnership – the latest supply-side development in an increasingly consolidated market – will aim to enhance OCP's specialty fertilizer offering, while Forbon will benefit from fuelling OCP's expansionist export policy.

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Rupee to weigh on DAP, MOP demand in India

Fertilizer importers to India have had to contend with a weakening local currency in the third quarter – typically the monsoon season in India – below-par rainfall and the prospect of increasing domestic prices. An adverse impact on the consumption of phosphatic and potash fertilizers is therefore likely in the fourth quarter.

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US crops advance amid Corn Belt dry spell

Two weeks of sparse rainfall coupled with rising temperatures to accelerate the maturation rate of US corn and soybean crops in the Corn Belt last week, according to the US Department of Agriculture.

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US, China: trade tariffs latest

The US and China have implemented the biggest round of bilateral tariffs so far, covering a combined \$260bn/yr of traded goods including LNG, metals, fertilizers and chemical products.

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Freight market analysis

Fertilizer freight rates drifted higher this week, but the momentum behind the movement was limited and the market continued to lack any definite direction.

Several fixtures were concluded at or slightly above last-done levels but owners did not push hard for increased levels and charterers were able to keep a lid on the market. Rates between the US Gulf and Asia-Pacific remained around \$24,000/day, though some charterer reportedly discussed \$26,000/day. Ultramaxs were still available below this level at \$23,000/day and below. Fronthaul voyages from the Black Sea were around \$22,000/day.

Several sugar cargoes from Brazil into South Africa were booked at higher levels of \$18,000/day, but US coal export volumes dipped as well as shipments between Europe and the Mediterranean and rates slipped slightly.

There were few fertilizer fixtures this week and – with public holidays across Asia both this week and next week – booking activity is expected to remain limited.

FERTILIZER DERIVATIVES

Direct Hedge - 27 September 2018			
Month	Bid	Offer	Mid
DAP fob Nola (st)			
October	424	427	425
November	415	422	419
December	415	422	419
MAP cfr Brazil (mt)			
October	420	430	425
November	420	430	425
December	420	430	425

Phosphate freight				
Loading	Destination	Tonnage	Rate (\$/t) Low/High	
Finished Phosphates				
Tampa	WC India	55-60	46	48
Morocco	Brazil	25-35	18	20
Tampa	Brazil	25-35	29	31
Baltic	Brazil	25-35	31	33
Baltic	India	25-35	50	54
KSA	EC India	25-35	17	19
Phosphate Rock				
Morocco	South Brazil	30	18	20
Red Sea	WC/EC India	25-35	19	21
Red Sea	Indonesia	25-35	22	24
Morocco	US	25-35	19	21

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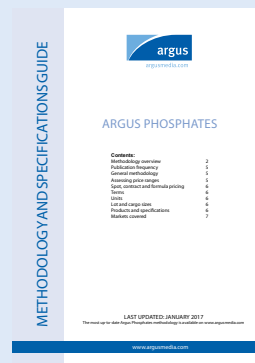
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For a hard copy, please email info@argusmedia.com, but please note that methodologies are updated frequently and for the latest version, you should visit the internet site.



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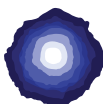


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