

## EXECUTIVE SUMMARY

### Prices flat as buying tails off

NPK prices are likely to face a ceiling despite the continued increase in raw material prices. Demand is limited as buying for spring application does not commence until the fourth quarter and currency depreciations in key importing countries have put pressure on producers to hold back on price increments or even lower prices.

In eastern Europe, price indications remain high for most traders in countries such as Romania and Greece. But some indications in Bulgaria and Croatia suggest there is little room for sellers to push up prices. Low volumes of trading can be expected from now until November, putting prospects of near term price rises in question.

In Asia, low crop prices and weak currencies remain prominent factors in lower buying interest. FACT and NFL have cancelled their NPS tenders for up to 55,000t of 20-20-0+13S, when offers were made above the buyers' expectations, exacerbated by a weak Indian rupee against the US dollar.

In Africa, tenders from Mali and the Ivory Coast are expected to surface by the start of October.

## MARKET DRIVERS

### ■ Currency depreciations

Suppliers and traders are holding back on procurements as several importing countries with depreciating currencies face high prices

### ■ High stocks weigh on producers

Unsold stocks held by producers may pressure some to lower prices to shift volumes before the next buying season.

## 30-60 DAY OUTLOOK

### Flat to slightly weaker

High raw material costs are likely to offer a firm price floor. But NPK prices could plateau or even dip slightly as markets quieten down and significant stock levels remain available.

## SPOT PRICES

Key Spot Prices				\$/t
		13 Sep	6 Sep	±
<b>15-15-15</b>				
Baltic/Black Sea fob		270-275	270-275	↔
Morocco fob		250-265	250-265	↔
West coast Africa cfr		265-270	265-270	↔
<b>16-16-16</b>				
Baltic/Black Sea fob		310-315	310-315	↔
(MOP) China cfr		310-320	310-320	↔
15-15-15/16-16-16 southeast Asia cfr		380-390	380-390	↔
<b>16-20-0+13S</b>				
China fob		270	270	↔

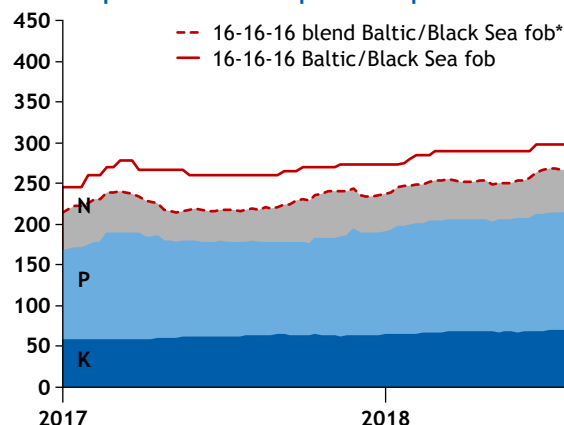
See page 2 for full price table.

Key Freight Rates					
Loading	Destination	'000t	Rate (\$/t) Low/High		±
Baltic	China	50-60	41	43	↔
Belgium	China	20-25	58	60	↔
Morocco	WC Africa	15-20	35	37	▲
Norway	Brazil	20-25	25	27	▼

See page 2 for full price table.

## NPK compound and blend price comparison

\$/t



\*Equivalent price based on raw material costs needed for blending (N = prilled urea Black Sea fob, P = DAP Russia Baltic/Black Sea fob, K = Standard MOP FSU fob), weighted to nutrient equivalent. No import tax or blending cost included.

SPOT PRICES

Spot Prices				
		13 Sep	6 Sep	±
<b>15-15-15</b>				
Baltic/Black Sea fob	\$/t	270-275	270-275	↔
Morocco fob	\$/t	250-265	250-265	↔
West coast Africa cfr	\$/t	265-270	265-270	↔
West coast Africa blend cfr*	\$/t	290-316	286-316	↔
(SOP) China cfr	\$/t	420-430	420-430	↔
Spain fca	€/t	300-310	300-310	↔
Germany cif inland	€/t	305-315	305-315	↔
<b>16-16-16</b>				
Baltic/Black Sea fob	\$/t	310-315	310-315	↔
(MOP) China cfr	\$/t	310-320	310-320	↔
15-15-15/16-16-16 southeast Asia cfr	\$/t	380-390	380-390	↔
Ukraine cpt (bagged)	HRN/t	13,600-14,000	13,800-14,000	↔
<b>17-17-17</b>				
East coast Africa blend cfr*	\$/t	316-328	316-331	↔
<b>10-26-26</b>				
Baltic fob	\$/t	335-345	335-345	↔
India cfr	\$/t	365	365	↔
Ukraine cpt (bagged)	HRN/t	16,400-16,600	16,400-16,600	↔
<b>16-20-0+13S</b>				
China fob	\$/t	270	270	↔
Thailand cfr	\$/t	280-290	280-290	↔
<b>12-46-0+7S</b>				
Morocco fob	\$/t	430	430	↔
<b>20-20-0+13S</b>				
India cfr	\$/t	310-315	310-315	↔

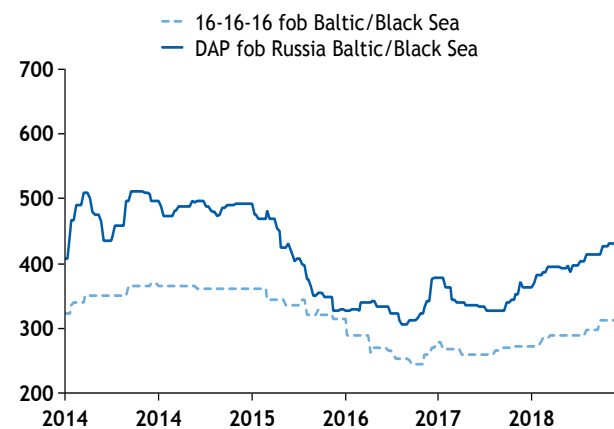
\*Equivalent price based on raw material costs needed for blending, weighted to nutrient equivalent. No import tax or blending cost included.

Dry bulk fertilizer freight assessments				
Loading	Destination	'000t	Rate (\$/t)	Low/High
Algeria	WC Africa	15-20	34	36
Baltic	Brazil	25-35	29	31
Baltic	China	50-60	41	43
Baltic	India	25-35	48	54
Baltic	Thailand	50-60	40	42
Baltic	WC Africa	15-20	47	49
Belgium	China	20-25	58	60
Finland	China	40-50	48	50
Jordan	EC Africa	15-20	30	32
Morocco	EC Africa	25.00	46	48
Morocco	WC Africa	15-20	35	37
Norway	Brazil	20-25	25	27
Norway	Thailand	20-25	58	60
Norway	China	40-50	44	46
Saudi Arabia	EC Africa	15-20	23	25

View the methodology used to assess NPK prices at [www.argusmedia.com/methodology](http://www.argusmedia.com/methodology). Your feedback is always welcome at [fertilizer@argusmedia.com](mailto:fertilizer@argusmedia.com)

FSU DAP and NPK price comparison

\$/t



FREIGHT

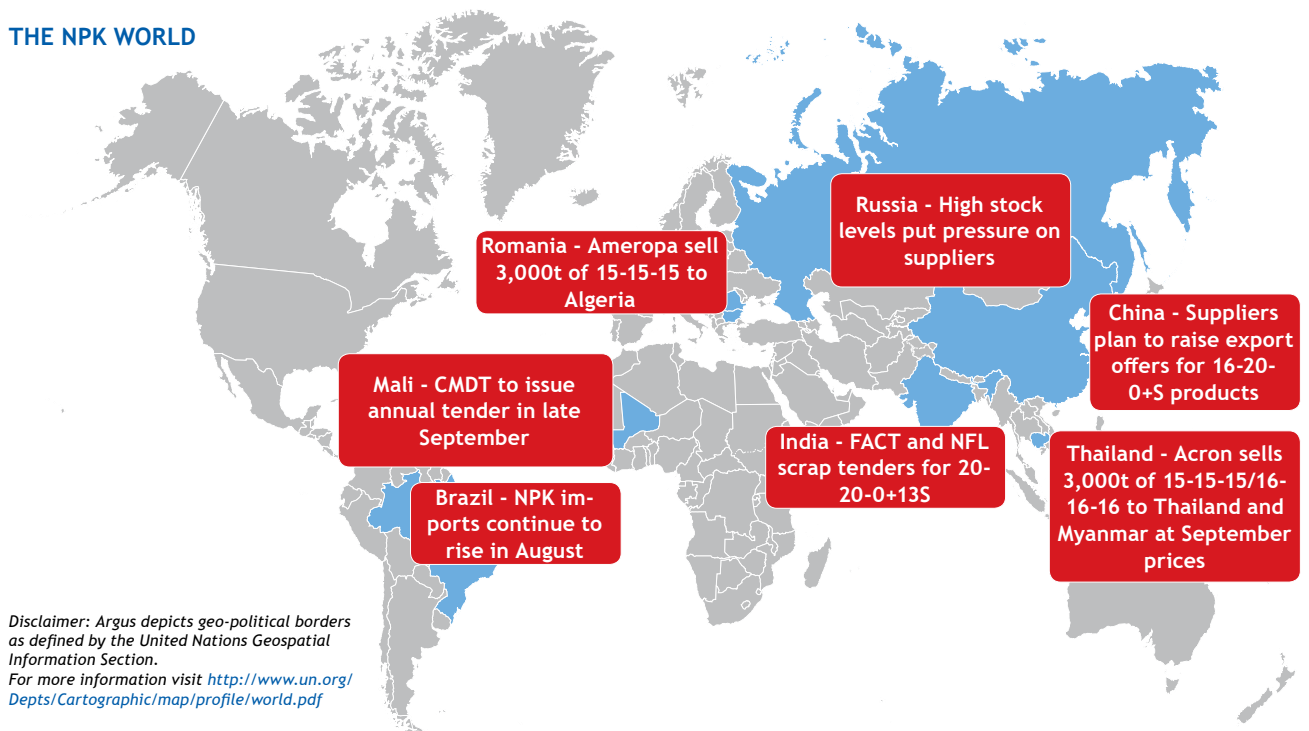
Fertilizer freight rates held steady this week with limited fixing activity in the market. Charterers made several new cargoes available from Europe to a variety of destinations but there was a sufficient surplus of available tonnage in the region and in the US Gulf to swamp any upwards momentum.

In addition, the development of Hurricane Florence off the east coast of North Carolina has kept some participants off the market as they were uncertain of the impact the storm will have on US ports and transatlantic shipping. The hurricane has since dropped to a category 2 and is forecast to make landfall tonight. But it may weaken by then.

Grain cargoes from the Black Sea to Asia Pacific were still under discussion around \$20,000/d but few were fixed. Transatlantic voyages from the US Gulf were priced at \$20,000/d and transatlantic shipments from the east coast of South America were priced at \$15,500/d. Fronthaul from the US Gulf was around \$24,000/d and around \$17,500/d from South America.

There were no fertilizer fixtures this week. But participants suggest that next week might be more active as charterers start to work their October loading cargoes.

THE NPK WORLD



Disclaimer: Argus depicts geo-political borders as defined by the United Nations Geospatial Information Section. For more information visit <http://www.un.org/Depts/Cartographic/map/profile/world.pdf>

Argus spot sales selection							
Origin	Seller	Buyer	Destination	Vol. '000t	Grade	Price	Shipment
Russia	Acron	Unknown	China	52-55	16-16-16	\$320-330/t cfr	July
Russia	Acron	Unknown	Thailand	10	15-15-15/16-16-16	\$380-390/t cfr	July
Russia	Acron	Unknown	Vietnam	5	15-15-15/16-16-16	\$380-390/t cfr	July
Russia	Ameropa	IFFCO	India	20	12-32-16	\$368/t cfr	July
Morocco	OCP	Unknown	Brazil	25-35	12-46-0+7S	\$445/t cfr	July
Morocco	OCP	Trader	Algeria	6	15-15-15	\$265/t fob	August
Morocco	OCP	Unknown	Nigeria	60	15-15-15	\$265-270/t cfr	August
Russia	Acron	Unknown	Latin America	35	16-16-16	\$310-315/t fob	August
Russia	Acron	Unknown	SE Asia	25	15-15-15/16-16-16	\$380-390/t cfr	August
Russia	Acron	Unknown	China	55	16-16-16	\$310-320/t cfr	August
Morocco	Acron	Unknown	Latin America	20	12-24-12	low \$300s/t fob	August
Morocco	OCP	Unknown	Brazil	30	12-46-0	Mid-\$440s/t cfr	August
Russia	Acron	Unknown	China	11	16-16-16	\$310-320/t cfr	September
Russia	Acron	Unknown	China	2	19-9-19	\$310-320/t cfr	September
Russia	Acron	Unknown	China	1	15-15-15	\$280-290/t cfr	September
Romania	Ameropa	Unknown	Algeria	3	15-15-15	Unknown	September
Russia	Acron	Unknown	SE Asia	3	15-15-15/16-16-16	\$380-390/t cfr	October

FSU

Russia

PhosAgro sales of 15-15-15 for export remain slow as the company stays focused on domestic sales. European distributors are exiting the market as the NPKs application season begins for many farmers.

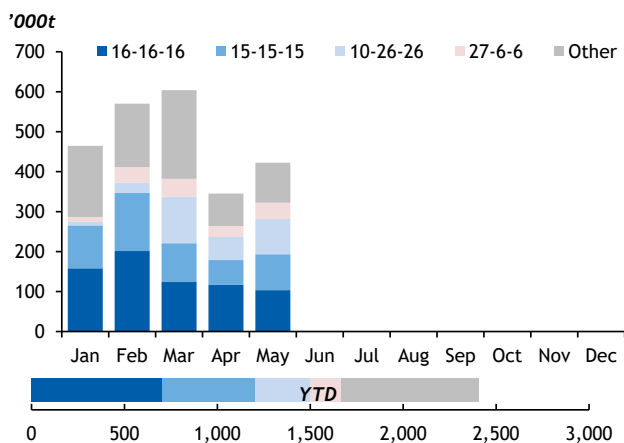
Declining demand and high stock levels may put pressure on Russian producers to accept lower prices to push sales and lock in margins as they head into October. The next buying season for spring application does not arrive until the second half of the fourth quarter.

Acron increases domestic fertilizer sales in January-July

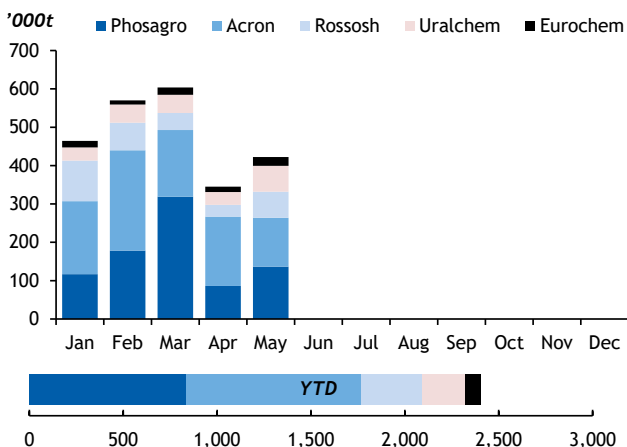
Acron sold over 500,000t of fertilizer products to domestic buyers between January and July this year, up 20pc on the year.

On the back of strong demand from Russian farmers, the producer's sales of NPKs rose by 55pc over the seven month period.

Russia NPK exports by grade



Russia NPK exports by producer



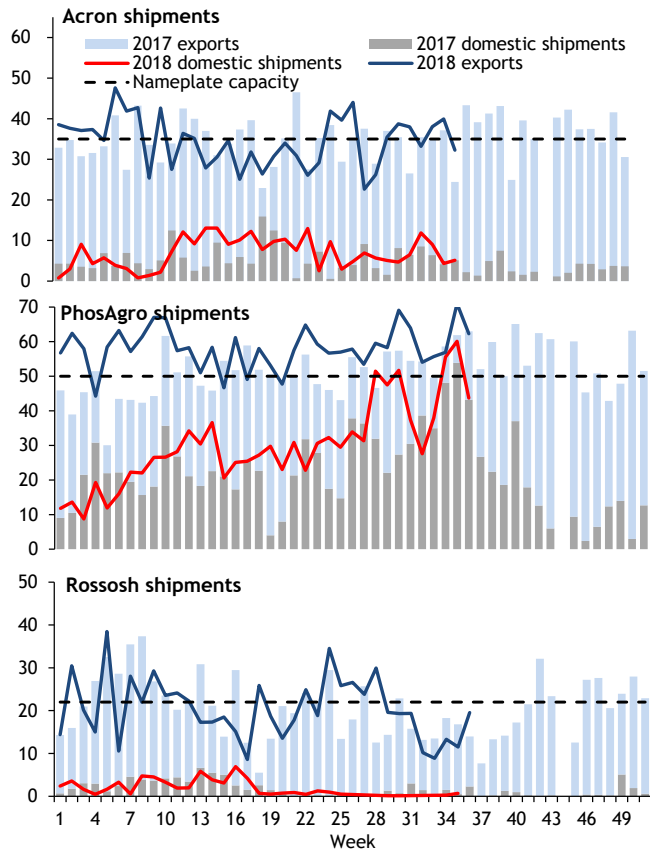
Russian producer exports (1-31 May)			
Producer	Destination	Grade	Volume
Phosagro/Cherepovets	Europe (EU)	10-26-26	23,753
Phosagro/Cherepovets	Europe (EU)	15-15-15	25,375
Phosagro/Cherepovets	Europe (EU)	8-20-30	10,968
Phosagro/Cherepovets	Latin America	10-26-26	24,478
Phosagro/Cherepovets	Latin America	15-15-15	7,930
Phosagro/Cherepovets	Europe (non EU)	10-26-26	11,343
Phosagro/Cherepovets	Europe (non EU)	15-15-15	1,613
Phosagro/Cherepovets	West Africa	15-15-15	10,993
Phosagro/Cherepovets	Southeast Asia	15-15-15	1,603
Phosagro/Cherepovets	Southeast Asia	16-16-8+5S+TE	615
Phosagro/Cherepovets	Caribbean	15-15-15	812
Phosagro/Cherepovets	Central Asia	10-26-26	202
Phosagro/Cherepovets	Middle East	15-15-15	107
Total			119,791
Acron/Novgorod	Northeast Asia	16-16-16	35,418
Acron/Novgorod	Northeast Asia	15-15-15	19,744
Acron/Novgorod	Northeast Asia	18-6-18+2S+Mg	499
Acron/Novgorod	Northeast Asia	19-9-19	2,425
Acron/Novgorod	Northeast Asia	20-10-10	2,812
Acron/Novgorod	Northeast Asia	25-9-9	12,118
Acron/Novgorod	Southeast Asia	16-16-16	12,245
Acron/Novgorod	Southeast Asia	15-15-15	10,153
Acron/Novgorod	Southeast Asia	19-9-19	11,074
Acron/Novgorod	Southeast Asia	20-10-10	2,192
Acron/Novgorod	South Asia	16-16-16	504
Acron/Novgorod	South Asia	19-9-19	500
Total			109,685
Rossosh	Middle East	16-16-16	34,183
Rossosh	Middle East	15-15-15	11,516
Rossosh	Middle East	20-10-10	3,976
Rossosh	Europe (EU)	16-16-16	5,864
Rossosh	Europe (EU)	27-6-6+S	9,341
Rossosh	Europe (EU)	21-6-11+S	2,046
Rossosh	Europe (non EU)	16-16-16	1,076
Rossosh	Central Asia	16-16-16	128
Total			68,130
Uralchem/Kirovo-Chepetsk	Europe (EU)	27-6-6+2S	31,312
Uralchem/Kirovo-Chepetsk	Europe (EU)	22-7-12+2S	8,806
Uralchem/Kirovo-Chepetsk	East Africa	22-7-12+2S	700
Total			40,818
Uralchem/Voskresensk	Europe (EU)	10-26-26	19,395
Uralchem/Voskresensk	Europe (EU)	8-20-30	4,402
Uralchem/Voskresensk	Europe (non EU)	10-26-26	2,414
Uralchem/Voskresensk	Europe (non EU)	20-20-20+TE	1
Uralchem/Voskresensk	Europe (non EU)	18-18-18+3MgO+Me	80
Uralchem/Voskresensk	Latin America	20-20-20+TE	64
Uralchem/Voskresensk	Latin America	Unknown	128
Uralchem/Voskresensk	Central Asia	Unknown	26
Total			26,510
Eurochem/Nevinnomyssk	Latin America	21-1-21	11,000
Eurochem/Nevinnomyssk	Southeast Asia	16-16-16	46
Eurochem/Nevinnomyssk	Southeast Asia	10-26-26	6,410
Eurochem/Nevinnomyssk	Southeast Asia	14-14-23	4,286
Eurochem/Nevinnomyssk	Central Asia	16-16-16	839
Eurochem/Nevinnomyssk	Central Asia	10-26-26	135
Eurochem/Nevinnomyssk	Central Asia	14-14-23	270
Total			22,987
Acron/Dorogobuzh	Europe (non EU)	16-16-16	9,356
Acron/Dorogobuzh	Latin America	27-6-6 (blend)	4,142
Acron/Dorogobuzh	Latin America	31-3-3 (blend)	260
Acron/Dorogobuzh	Europe (EU)	16-16-16	3,869
Acron/Dorogobuzh Total			17,627
Phosagro/Volkhov	Latin America	1-20-20+5S	7,349
Phosagro/Volkhov	Latin America	2-20-18	6,469
Phosagro/Volkhov	Europe (EU)	5-15-30	2,921
Total			16,739
Grand Total			422,287

Argus Direct subscribers can download this Russian export data with a breakdown of exports by destination country [here](#)."

Acron was not severely affected by Ukrainian sanctions imposed on Russian producers in late May as it has the option of selling NPK products through its Novgorod plant.

**Russian domestic and export shipments**

'000t



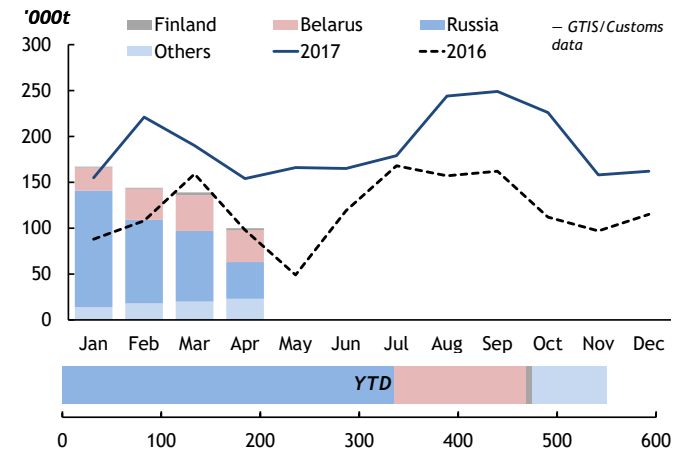
**Ukraine**

Trade remained thin in Ukraine with demand from end users mostly covered for the autumn season. Rail car lots of 16-16-16 were on offer at HRN 13,600-14,000/t (\$481-495/t) cpt, edging down from HRN 13,800-14,000/t cpt last week. Some suppliers started to offer cargoes for shipment over the next two-three weeks at lower prices, pushing the lower end of the price range down by HRN 200/t. Prices of lots for prompt shipment remain unchanged. Prices for 10-26-26 remained in the HRN 16,400-16,600/t cpt range.

Shipments of 16-16-16 from Russian plants to Ukraine surged in August, according to forwarding agents. Shipments totalled 80,300t last month, up from 60,400t in July. Since the beginning of September, Russian producers shipped 22,100t of 16-16-16 to Ukraine. Deliveries of high P and K grades, mainly 10-26-26, were little changed, with 17,400t railed in August compared to 18,000t in July. Shipments of high P and K grades have reached 14,400t so far in September.

ber.

**Ukrainian 2018 NPK imports by origin**



**EUROPE**

**Turkey**

Turkish NP/NPK purchases remain absent as the weak lira against the US dollar continues to put off buyers struggling to make sales to farmers. Market participants are waiting to for signs of stability in the lira before committing to any import plans. Even recent price indications for domestic product have put off buyers, reflecting weak market sentiment in the near term.

**Turkish NP/NPK imports rise in July**

NPK imports totalled 23,640t in July up from just 1,720t in the same month last year, while NP imports more than doubled on the year to 51,730t for the same period, driven by large shipments from Russia and Norway, according to GTIS statistics.

Intake of NPKs from Russia totalled 21,990t in July, accounting for 93pc share of Turkey's NPK imports, compared to none in July 2017, while imports of NP from the same country totalled 27,370t compared to none in the same month last year. A total of 21,490t of NPKs were imported from Norway compared to none in July 2017.

While overall NP imports were up in July, imports from Greece fell by 88pc on the year to just 2,470t.

NP shipments to Turkey in the first seven months of 2018 totalled 160,600t, up 91.4pc. This includes deliveries from new supply sources such as Norway, Romania and Croatia, which accounted for 43,490t, 32,670t and 20,110t respectively, compared to none in the same period last year. But imports from Greece fell by 32.4pc to 31,100t.

NPK imports rose in the first seven months of the year,

by 46.3pc to 117,140t. Imports from Russia nearly doubled to 92,420t, making up for 78.9pc of total NPK imports into Turkey. In line with the trend of declining NP imports from Greece, NPK imports from the country fell below 1,000t compared to 9,240t in 2017.

Import volumes is expected slow alongside the sharp depreciation of the Turkish lira against the US dollar at the beginning of August. But some market participants expect Turkish producers to explore export opportunities as a result.

### Bulgaria

Latest indications for 16-16-16 product stand at €290-295/t fca Devnya in big bags. Sales are slowing because September applications in the country have come to an end. Other Black Sea markets are experiencing a similar lack of trades. Buyers will likely return by November, in preparation for the spring wheat application season.

Water levels in the Danube continue to affect barge shipments in the eastern part of the river, curbing trade flows for producers operating barges in the Balkan region. But near term demand has already been slow.

### Romania

A freight enquiry has emerged for 3,000t of NPKs to be shipped from Constanza and discharged at Mostaganem, Algeria. The laycan period is 14-16 September and is confirmed to be Azomures product sold by Ameropa recently at an unconfirmed price. Latest Azomures indications for 15-15-15 are at \$345/t fob. But export sales are slowing as suppliers turn to the domestic market. Around 3,000t of 20-10-0 product is on offer to Greek buyers. But price indications could not be confirmed.

### Latvia

A freight enquiry for 3,000t of NPKs to be shipped from Ventspils and discharged at Solvesborg, Sweden has emerged. The laycan period for the cargo is 15-16 September.

### Greece

Prices remained flat for exports, with both 15-15-15 and 20-20-0 seen at around €300/t fob. But no transactions have been completed at these levels because suppliers are focused on domestic sales.

### Croatia

Offers of 15-15-15 from Petrokemija were last seen at around €280/t fob.

### Serbia

Prices for 15-15-15 are at €280-290/t fca Sabac, while prices for 16-16-16 are at €290-300/t fca. Latest indications for 20-20-0 are at €270/t fca. Serbian producers remain pressurised by Russian offers into the country, as Serbian buyers are exempt from import duties unlike other Balkan countries.

## AFRICA AND THE MIDDLE EAST

### Mali

CMDT is expected to issue their annual tender for 17-17-17 and 14-18-18+6S+1B on 27 September. On the back of high demand in the country, the company is likely to request larger volumes of both grades this year. The buyer secured 89,000t of 14-18-18+6S+1B and 25,000t of 17-17-17 in its tender last year. Market participants expect offers to be firm, boosted by higher raw material prices.

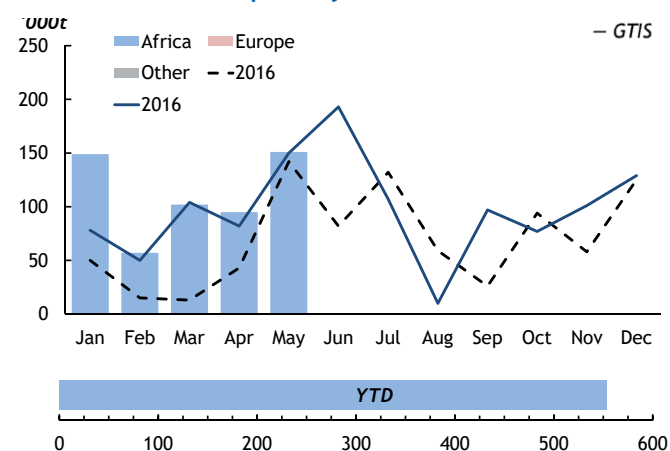
### Burkina Faso

Initial offers from suppliers have been tabled at around \$370/t cfr for the 69,000t of 14-14-18+6S+1B. But some market participants see offers softening before the tender gets awarded, with a more realistic range at around \$360-365/t cfr.

### Ivory Coast

The announcement of Intercoton's annual tender for 15-15-15+6S+1B has been slightly delayed and now expected to come in October. The upcoming tender is expected to be seeking 78,000t, similar to last year.

### Morocco 2018 NPK exports by destination

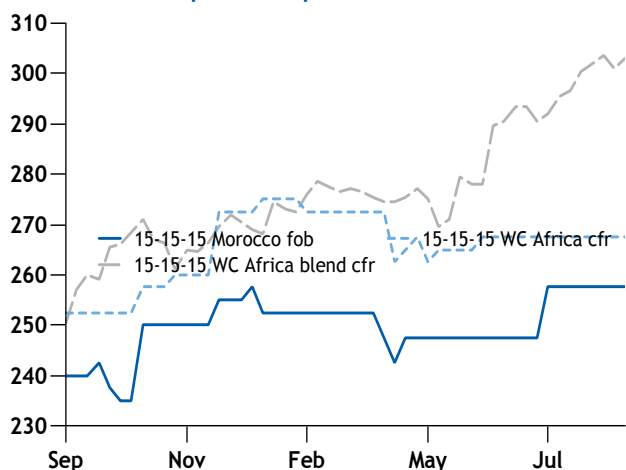


Latest African NPK tenders						
Country/Holder	Product	Vol. '000t	Issue date	Closing date	Shipment	Status
Chad/Cotontchad SN	19-12-19+5S+1.2B	28	Jun 16	5 Aug		Awarded
Kenya/MoA	23-23-0	34	Sep 16	18 Nov		Awarded
Burkina Faso/Socoma	14-18-18+6S+1B	13.5	Oct 16	22 Nov		Awarded
Burkina Faso/Faso Coton	15-20-15+6S+1B	9.5	Dec 16	Dec 16		Awarded
Burkina Faso/Sosuco	15-20-15+1B	2.6	Dec 16	Dec 16		Awarded
Burkina Faso/MoA	14-23-14	4	Jan 17	6 Feb		Awarded
Burkina Faso/MoA	14-18-18+6S+1B	0.3	Jan 17	6 Feb		Awarded
Mali/Office du Niger	15-25-13+4S+MgO+0.3Zn or 16-26-12+4.5S+0.5Zn	5.37	6 Mar	16 Mar		Awarded
EABC/Ethiopia	18.9-37.7-0+6.95S+1B	84.4	Feb 17	20 Mar		Awarded
Gambia/MoA	15-15-15+4MgO	6	May 17	18 May		Awarded
Senegal/Sodefitex	15-15-15	2.3		23 Jun		Awarded
Burkina Faso/Sofitex	14-18-18+6S+1B or 13-17-17+5S+1B+3.5MgO	145	Aug 17	24 Aug		Awarded
Ethiopia/EABC	19-38-0+7S	200	10 Aug	13 Sep		Awarded
Ethiopia/EABC	18.9-37.7-0+6.95S+0.1B	500	10 Aug	13 Sep		Awarded
Ethiopia/EABC	17.8-35.7-0+7.7S+0.1B+2.2Zn	50	10 Aug	13 Sep		Awarded
Mali/CMDT	17-17-17	25	Aug 17	26 Sep		Awarded
Mali/CMDT	14-18-18+6S+1B	89	Aug 17	26 Sep		Awarded
Cameroon/CNPC-C	22-10-15+5S+1B	35		Sep 17		Awarded
Côte d'Ivoire/Intercoton	15-15-15+6S+1B	78	Sep 17	10 Oct		Awarded
Burkina Faso/Faso Coton	14-18-18+6S+1B	8	14 Sep	16 Oct		Awarded
Benin/AIC	14-18-18+6S+1B or 19-19-19+6S	135	Oct 17	26 Oct		Awarded
Benin/AIC	13-17-17+6S+0.5B+1.5Zn	30	Oct 17	26 Oct		Awarded
Togo/NSCT	12-20-18+5S+1B	32.5	Oct 17	7 Nov		Awarded
Ghana/Mofa	20-10-10	120	Dec 17	20 Dec		Awarded
Ghana/Mofa	23-10-5		Dec 17	20 Dec		Awarded
Ghana/Mofa	15-15-15		Dec 17	20 Dec		Awarded
Senegal/Sodefitex	14-23-14+5S+1B	3.6	22 Nov	26 Dec		Awarded
Mozambique	12-12-12	20-22	Jan 18	26 Jan	Apr-Aug 18	Offers in
Mozambique	14-18-18+6S+1B	2.5	Jan 18	26 Jan	Apr-Aug 18	Offers in
Mozambique	23-21-0+4S+Zn	2.0	Jan 18	26 Jan	Apr-Aug 18	Offers in
Kenya/KTDA	26-5-5	88.7	Jan 18	27 Feb		Awarded
Malawi/SFFRFM	23-10-5+6S+1Zn	22.5	Mar 18	28 Mar 18		Awarded
Malawi/SFFRFM	10-24-20+6S+1B	1.2	Mar 18	28 Mar 18		Offers in
Malawi/SFFRFM	8-18-15+6S+1B	0.5	Mar 18	28 Mar 18		Offers in
Burkina Faso/Sofitex	14-18-18+6S+1B	69	Aug-18	4-Sep-18	Dec 18-Mar 19	Offers in
Ethiopia/EABC	19-38-0+7S	100	Aug-18	19-Sep-18	Oct 18-Jan 19	Announced
Ethiopia/EABC	19-38-0+7S+0.1B	450	Aug-18	19-Sep-18	Oct 18-Jan 19	Announced
Ethiopia/EABC	18-36-0+8S+2.2Zn+0.1B	75	Aug-18	19-Sep-18	Oct 18-Jan 19	Announced
Total		2,451.6				

Argus Direct subscribers can download this data on African tenders [here](#).

African 15-15-15 price comparison

\$/t



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## Indian NPK arrivals during April 2018-March 2019

Supplier	Buyer	Vessel	Fertilizer	Quantity (T)	Load port	Discharge port	ETA
PhosAgro	Greenstar	SSI Challenger	10-26-26	43,905	Murmansk	Vizag	05.05.18
Midgulf	NFL	Agios Sostis	12-32-16	36,700	Ust Luga		25.5.18
Midgulf	Chambal	Agios Sostis	12-32-16	10,694	Ust Luga	Kakinada	25.5.18
Agrifield	GSFC	MV. Tan Binh 236	APS (20-20-20-13S)	22,500	Bontang	Kakinada	19.5.18
Transglobe	Zuari	Hercules	15-15-15	9,320	Ust Luga	Kakinada	22.5.18
Transglobe	MCFL	Hercules	15-15-15	11,000	Ust Luga	Kakinada	22.5.18
Ameropa	Smartchem Technologies	Samos Warrior	10-26-26	21,965	Ust Luga	Kandla	10.6.18
Ameropa	Smartchem Technologies	Samos Warrior	12-32-16	21,903	Ust Luga	Kandla	10.6.18
PhosAgro	Greenstar	Panagia Stenion	10-26-26	29,969	Ust Luga	Karaikal	16.7.18
Ameropa	Smartchem Technologies	Indian Light	12-32-16	21,987	Ust Luga	Kandla	24.7.18
Ma'aden	Kribhco	Sofie Victory	10-26-26	21,966	Ras Al Khair	TBC	8.8.18
Fertrade	RCF	Eleoussa	10-26-26	52,482	Ust Luga	Mundra	18.9.18
Total				251,909			

Argus Direct subscribers can download this Indian vessel line-up data [here](#).

## ASIA

### India

FACT scrapped the tender issued on 23 August for 25,000t of 20-20-0+13S, after receiving offers above its price expectations of around \$330/t cfr from suppliers such as Aries Fertilizer, Amber and Agrifield.

NFL scrapped its most recent tender for 30,000t of 20-20-0+13S and will likely scrap its tender for 100,000t of DAP that was extended to 11 September. This was again down to a disagreement over prices.

This follows on from NFL scrapping its previous tender in July for 100,000t of 10-26-26, 12-32-16 and 20-20-0+13S. Indian importers have been rejecting offers from NPS and DAP sellers as a record low rupee against the dollar continues to push up price indications. As import prices rise, Indian end users are turning to domestic producers for NPK products such as 10-26-26 and 12-32-16.

### Port stocks decline

Indian NPK/NPS port stocks stand at 96,700t as of 10 September, down from 112,800t recorded the week before. The stocks are located as follows:

- Kandla: 36,500t of NPK, down from 39,300t last week
- Vizag: 6,500t of NPK, unchanged from last week
- Krishnapatnam: 5,500t of NPK, down from 7,300t last week and 7,200t of NPS, down from 8,700t
- Karaikal: 23,000t of NPK, down from 27,000t last week
- Gangavaram: 18,000t of NPK, unchanged from last week
- Kakinada: No stocks compared with 6,000t last week

### China

Demand on the Chinese market remains limited as farmers facing low crop prices are still unwilling to accept rising price

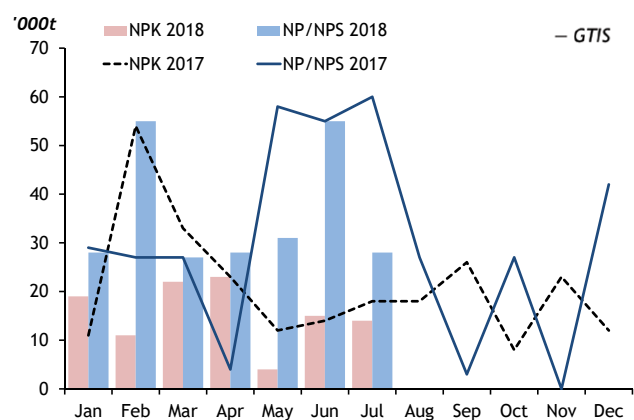
indications from suppliers. Major suppliers such as Yara and Eurochem are expected to increase prices, driven by the depreciation of the Yuan and rising prices of feedstock such as ammonia, urea and phosphates. But traders expect that buyers will need time to adjust to the higher prices ahead of the application season.

### South Korea

South Korean chemical and fertilizer firm Namhae has scheduled its month-long annual turnaround starting in early October at its 1.3mn t/yr NPK plant in Yosu. The firm expects to continue to fulfil its contractual commitments during this period. The producer is a regular supplier to Thailand and the Philippines.

A freight enquiry has emerged for a vessel to load 6,000t of NPK at Yosu between 23-26 September for delivery to Ho Chi Minh. Last offer indications for 16-16-8 from South Korea to Vietnam were at \$315-320/t cfr.

### South Korean NPK and NP/NPS exports

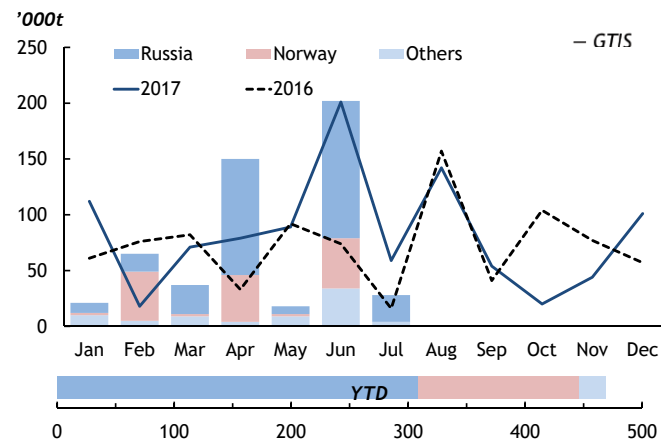




### Thailand

Rising raw material prices are putting upward pressure on the price of imports but the domestic price has remained relatively flat. The main application season is expected to draw to a close in late September and the next shorter season for rice farmers starts in November. But pending the arrival of the rainy season, the next application season may be delayed until December.

#### Thailand 2018 NPK imports by origin



### Myanmar

Acron confirmed selling 3,000t of 15-15-15 and 16-16-16 to both Myanmar and Thailand for October shipment at stable prices of \$380-390/t cfr. Price indications have been level so far, but Acron confirmed intentions to sell up to 22,000t more for October shipment to countries in southeast Asia.

### Philippines

A trader is offering a 6,000-8,000t cargo of 16-20-0+7s from China to the Philippines at \$280/t cif, for October loading. A 7,000t cargo also bound for the Philippines is loading in China at the end of this month.

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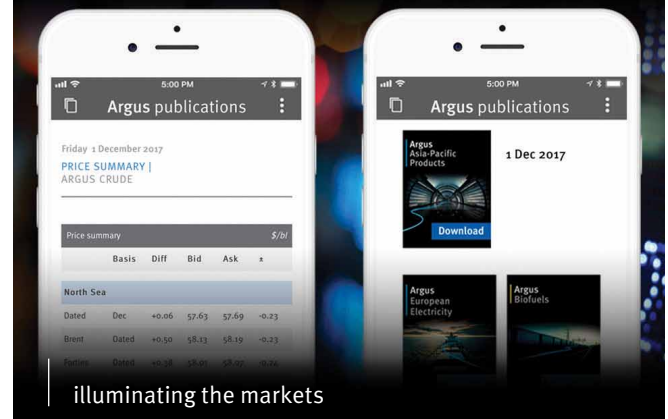


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Brazilian NP/NPK line-up						
Port	Buyer	Supplier/Origin	Vessel	'000t	Product	Estimated time of arrival
Aratu						
	Yara	Yara	Federal Spey	2.40	NPK	Anchored
Santos						
	Yara	Yara	Bosphorus Asia	26.71	NPK	19-Sep
	Yara	Yara	Ultra Angel	30.80	NPK	19-Sep
	Yara	Yara	Yasa Canary	18.50	NPK	20-Sep
			Notos Venture	26.60	NPK	5-Oct
Sao Francisco do Sul						
	Yara	Yara	Astoria	21.39	NPK	17-Sep
	Yara	Yara	Ultra Angel	10.00	NPK	7-Oct
Alegre	Yara	Yara	Federal Spey	9.57	NPK	6-Oct
Rio Grande						
	Yara	Yara	Patmos John	18.74	NPK	13-Sep
	Yara	Yara	Silver Lake	10.30	NPK	15-Sep
TOTAL				175.02		-Wilson Sons

## AMERICAS

### Brazil

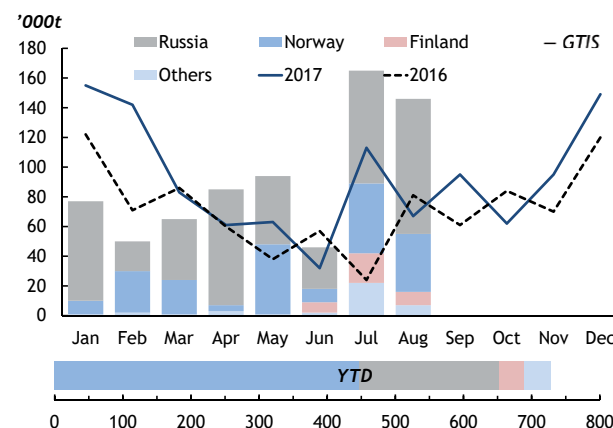
Brazilian NPK imports increased by 54pc on the year to reach 145,984t in August, according to GTIS trade data.

The increase in imports last month continues from May after a slow start to the first quarter when a high volume of carry over stocks for the safrinha harvest season from the end of 2017 dampened demand for NPKs. Strong import growth since 2017 in Brazil is driven by high demand for multi-nutrient fertilizers consumed as blends.

Russian shipments totalling 90,918t accounted for the majority of the August imports and were more than double the imports in the same month last year. Imports from Norway reached 39,100t, more than five times the volume shipped last August. But imports from Finland fell to 8,760t, down 50pc on the year.

The increase in August imports have pushed Brazil's year to date NPK imports ahead of 2017 for the first time this year. Imports from January to August totalled 728,300t, up just 2pc on the year. Russia remains the largest exporter to Brazil, shipping a total of 447,932t in this period, up 29pc compared to the same period in 2017. But shipments from Norway and Finland from January to August have declined overall, falling 23pc on the year to 206,696t and 12pc on the year to 36,324t respectively.

Brazil 2018 NPK imports by origin



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RELATED NUTRIENTS MARKETS

**Urea**

Urea prices have remained firm this week amid quiet buying activity demonstrating the fundamental strength of the market. Middle East granular urea prices have established themselves comfortably above \$300/t fob and Baltic sales have stayed firm. The market is awaiting the next Indian tender expected in the second half of September. Buyers in southeast Asia took a breather this week to digest higher prices ahead of next purchases. This lull in demand is by no means a sign of potential price weakness. Strong demand from Bangladesh, Pakistan, Ethiopia and countries in Latin America will underpin Chinese and Baltic prices.

Outlook: Firm

**Phosphates**

The DAP market east of Suez slowed this week as participants assessed the effects of the latest DAP MRP rise in India. India's NFL issued a fresh buy tender for 100,000t of DAP, closing 19 September, following the MRP rise. Meanwhile in Europe, Eurochem sold 10,000-15,000t of DAP to northern European buyers at around \$450/t fob Lifosa, loading in October. Tunisian producer GCT sold around 25,000t of DAP to Mediterranean markets in the mid-\$450s/t fob, with a further 10,000t allocated for loading in September/October. West of Suez, Mosaic reported a sales of 6,000t of MAP to Brazil at \$460/t cfr, lifting the range to \$455-460/t cfr.

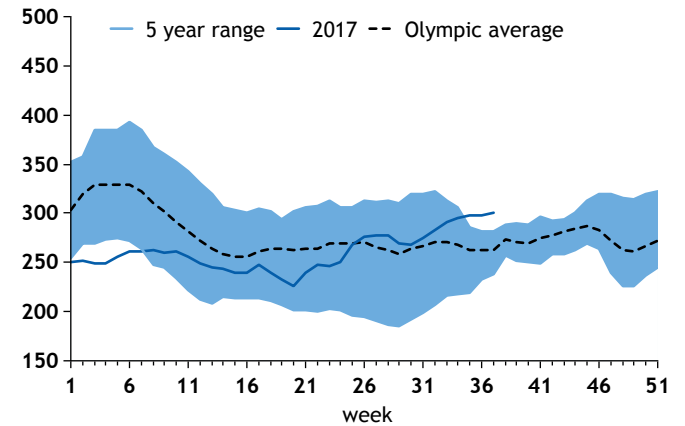
Outlook: DAP/MAP stable

**Potash**

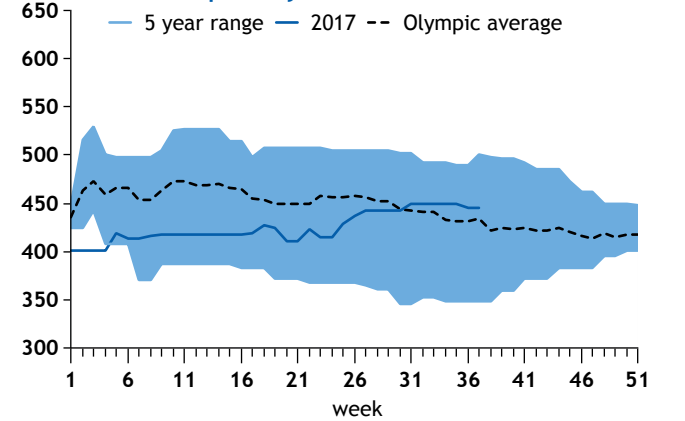
A general realignment of spot prices for granular and standard MOP took place in southeast Asia this week, mainly to reflect the recent annual contracts signed in India. Granular MOP levels in Europe have also risen, as buyers look to stock up ahead of application season in the first quarter next year. And while prices in Brazil continue to rise sharply, levels stayed the same this week. But most sales had moved to the top end of the range.

Outlook: MOP prices to rise globally

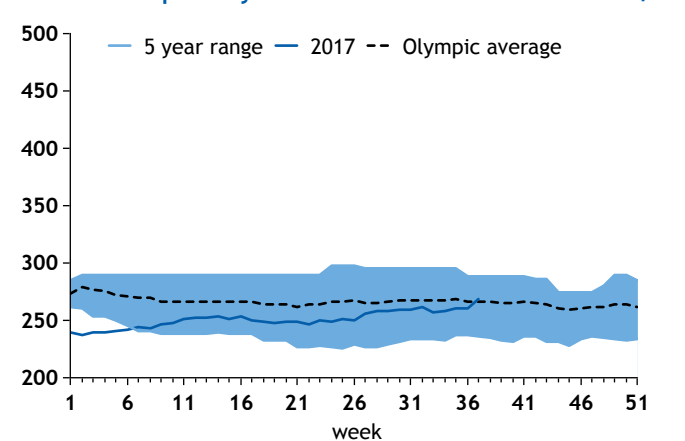
Middle East non-US netbacks fob granular urea price cycle \$/t



Morocco fob DAP price cycle \$/t



FSU fob MOP price cycle \$/t



**Five year price range:** This is determined by calculating the mid-point of each weekly price range during this five-year period. The highest and lowest prices for (that specific) week are eliminated leaving the remaining prices to create the range.  
**Olympic average:** This is determined by calculating the mid-point of each weekly price range during this five-year period. The highest and lowest prices for (that specific) week are eliminated and the average price of the remaining prices creates the Olympic average.



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Selection of new NPK capacity						
Company	Project type	Location	Technology	Product	Capacity	Project status
Yara	Capacity expansion	Porsgrunn, Norway	Chemical granulation	NPKs and CN	Additional 50,000t/yr, taking total capacity to 2.35mn t/yr	Expected to be completed in 2H 2017
PetroVietnam Fertilizer and Chemicals Corporation (PVFCCO)	Capacity expansion	Phu My, Vietnam	Chemical granulation	NPKs	250,000t/yr	Commissioned in Feb 2018
OCP	New plant JPH4	Jorf Lasfar, Morocco	Chemical granulation	NPKs/DAP/MAP	1mn t/yr	Commissioning expected in 2Q 2018
Ma'aden/Mosaic/Sabic JV	Capacity expansion	Ras Al-Khair, Saudi Arabia	Chemical granulation	DAP/MAP/NPS/NPKs	3mn t/yr	Commercial production expected in 2Q 2018
Deepak Fertilizers and Petrochemicals Company	Capacity expansion	Taloja, India	Chemical granulation	NP/NPKs	Additional 300,000t/yr, taking total capacity to 1.1mn t/yr	Commissioning expected by 2H 2018
Granuphos	New plant	Gabes, Tunisia	Chemical granulation	NP/NPK/MAP/SSP/TSP	300,000t/yr	Completion end of 2018
Agri First	New NPK blend unit	Myanmar		NPKs	120,000-125,000t/yr	Commence sales 2H 2018

Further information about new NPK capacities can be found in the Argus Strategy Report - World NPK Outlook 2031)

## NEWS AND ANALYSIS

### Capacity expansion boosts OCP's fertilizer sales

Moroccan phosphates fertilizer producer OCP increased its fertilizer and phosphoric acid sales in the first half of the year, driven by the completion of the first phase of its production capacity expansion.

OCP increased fertilizer sales in the first half of the year by 21pc on a year earlier, its latest financial results show. Sales of phosphoric acid were up by 17pc on the year.

Production volumes have been bolstered by the completion of the first phase of production capacity expansion at OCP's Jorf Lasfar site. The first phase of expansion began in 2007 and has now been completed, improving OCP's ability to export phosphate rock, phosphoric acid and increase its output of finished phosphate-based fertilizers DAP, MAP, NPS, TSP and NPKs.

The increased production and rise in prices of fertilizers and phosphoric acid boosted OCP's revenues in the first half of the year. Revenues increased in the first half of the year by 15pc to 26.6bn dirhams (\$2.8bn), of which the second quarter accounted for Dh16.8bn. And earnings before interest and tax (ebit) were Dh4.8bn, up from Dh3.1bn in the period last year. Earnings were impacted by the rise in the cost of raw materials in the period, particularly sulphur. But the ramp-up of the slurry pipeline at Jorf Lasfar, which

transported 8.3mn t of phosphate rock slurry product in the first six months of the year, helped to offset additional costs – saving Dh1.1bn in the period. The 187km slurry pipeline from OCP's phosphate rock mines to its processing plant at Jorf Lasfar has had a dramatic effect on production costs, cutting rock costs to single digits a tonne.

Second quarter ebit was Dh3.5bn, implying ebit in the first quarter was Dh1.3bn after port closures at Jorf [restricted OCP's exports](#) in January-March.

#### Outlook for second half 2018

OCP projects the market will remain tight in the third quarter, citing strong demand forecast for the second half of the year. But the producer cautioned that global macroeconomic events and uncertainty around Chinese export availability could have significant impacts on the fertilizer markets for the rest of the year.

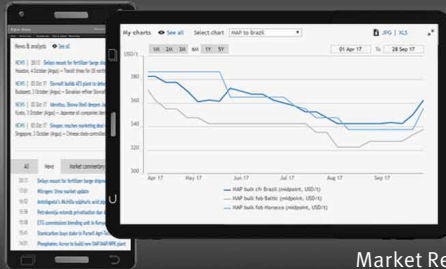
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