argusmedia.com

Argus Nitrogen

Formerly Argus FMB Nitrogen

Issue 22-23 | Thursday 9 June 2022

EXECUTIVE SUMMARY

Sellers drive urea lower chasing demand

Supply chased demand this week and nitrogen prices crashed in most regions and for most products.

Urea is leading the market lower - with ample supply from Russia, Africa and the Middle East meaning any firm demand is chased by a plethora of offers.

Brazilian urea buyers stepped in to secure significant tonnage this week but prices still collapsed from $610/t cfr early in the week to $570/t cfr.

Asian markets were similarly weak, with demand lackluster across the region. Chinese prilled urea traded for Pakistan at $600/t fob and forward offers fell as low as $525/t fob.

Ammonium sulfate prices also fell, with Chinese standard amsul prices as low as $245/t fob, while nitrates are also under pressure from generous supply and the falling urea price.

MARKET DRIVERS

Oversupply

With the disruptions of early 2022 now mostly compensated for, the market is now feeling the impact of the new production facilities which was expected to subdue prices from earlier in the year.

Energy prices

Softening natural gas prices in Europe are moving the natural floor price for urea values lower, as well as reducing import urgency.

30-60 DAY OUTLOOK

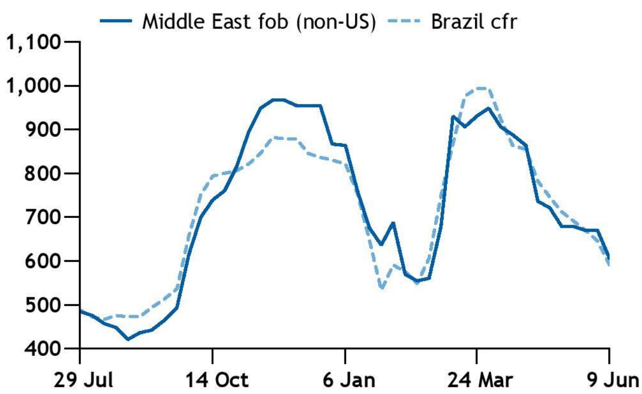
Weak

Traders are building short positions and buyers are wary of trying to catch the falling knife that is the urea price.

PRICES

Key nitrogen prices			$/t
	9 Jun	1 Jun	±
Prilled urea - bulk			
Baltic fob	440-470	515-520	▼
China fob	590-600	630-640	▼
Granular urea - bulk			
Middle East fob non-US	600-610	656-682	▼
Egypt (Europe) fob	680-700	720	▼
Baltic fob	400-460	510-550	▼
US Gulf fob, *$/st*	465.0-515.0	510.0-550.0	▼
Southeast Asia cfr	640-700	710-730	▼
Brazil cfr	570-610	640-650	▼
French Atlantic fca, *€/t*	740-750	760-770	▼
Ammonium sulphate - bulk			
China fob (standard caprolactam)	245-270	270-290	▼
Brazil cfr (compacted/granular)	350-380	350-370	▲
Ammonium nitrate - bulk			
Baltic fob	350-380	385-440	▼
UAN (32%)			
Baltic fob (non-Russian)	652-680	704-715	▼

Granular urea: Middle East fob vs Brazil cfr $/t



DATA & DOWNLOAD INDEX

- India urea supply and demand
- Ukraine and Turkmenistan export line-ups
- US and Brazil urea import line-ups
- India urea tenders
- Brazilian amsul vessel lineup
- Global amsul tradeflow

Nitrogen prices $/t

	9 Jun	1 Jun	±
Prilled urea - fob bulk			
Black Sea	440-470	510-515	▼
Baltic	440-470	515-520	▼
Croatia/Romania	740-750	780-790	▼
Middle East	600-610	656-682	▼
China	590-600	630-640	▼
Brazil (cfr)	540-590	640	▼
Mexico (cfr) east coast	560-610	650-660	▼
Southeast Asia (cfr).	630-660	690-700	▼
India (cfr)	716.50-721.30	716.50-721.30	◄ ►
Granular urea - fob bulk			
Middle East all netbacks	433-610	512-682	▼
Middle East US netback	433-483	512-521	▼
Middle East Brazil netback	505-540	573-579	▼
Middle East non-US netbacks	600-610	656-682	▼
Iran	477-510	530-565	▼
Egypt (Europe)	680-700	720	▼
Egypt (non-Europe)	660-670	660-670	◄ ►
Algeria	600-680	700-720	▼
North Africa full range	600-700	660-720	▼
Nigeria	541-640	611-670	▼
China	590-600	660-670	▼
Southeast Asia	610-620	655-660	▼
Southeast Asia (cfr)	640-700	710-730	▼
Venezuela/Trinidad	525-537	576-595	▼
Brazil (cfr)	570-610	640-650	▼
Mexico (cfr) west coast	585-590	650-660	▼
US Gulf (barge), *$/st*	465.0-515.0	510.0-550.0	▼
US Gulf (cfr)	507-562	557-601	▼
Nola barge weighted average, Jun	480.22	545.00	▼
Nola barge weighted average, Jul	496.67	532.00	◄ ►
French Atlantic (fca), *€/t*	740-750	760-770	▼
Baltic	400-460	510-550	▼
Black Sea	460-600	570-680	▼
India (cfr)	716.50-721.30	716.50-721.30	◄ ►

Argus Nitrogen Index			
Argus Nitrogen Index, points	na	304.272	

Argus Nitrogen Index is a composite based on Argus assessments for a basket of nitrogen-based fertilizers. The index is calculated such that 1 June 2017 = 100 for each component class of fertilizers

Natural gas prices			
Henry Hub *$/mn Btu*	8.87	8.79	▲
TTF month ahead *$/mn Btu*	25.24	27.35	▼

Argus freight rates are assessed in consultation with producers, traders and buyers and freight broker service provider Nueva Seas.

Nitrogen prices $/t

	9 Jun	1 Jun	±
Ammonium sulphate - bulk			
Baltic fob (caprolactam)	405-426	412-434	▼
Black Sea fob (caprolactam and synthetic)	na	na	
China fob (standard caprolactam)	245-270	270-290	▼
China fob (compacted/granular)	280-300	290-320	▼
NW Europe fob (granular caprolactam)	330-589	330-589	◄ ►
NW Europe fob (standard caprolactam)	290-442	300-444	▼
Southeast Asia cfr (caprolactam)	285-300	315-325	▼
Brazil cfr (standard caprolactam)	320-340	330-340	▼
Brazil cfr (compacted/granular)	350-380	350-370	▲
Ammonium nitrate			
Baltic bulk fob	350-380	385-440	▼
Black Sea bulk fob	350-400	440-450	▼
France (fca bagged), *€/t*	745-750	745-750	◄ ►
UK (cif bagged), *£/t*	667-676	623-635	▲
CAN 27 Germany (cif inland), *€/t*	630-640	630-640	◄ ►
UAN (32%)			
Nola, *$/st*	570-575	570-575	◄ ►
Rouen 30% N fca, *€/t*	600-625	640-650	▼
Black Sea fob	460-598	550-620	▼
Baltic fob (non-Russian)	652-680	704-715	▼
Baltic fob (Russian)	567-592	567-614	▼
Nutrient values			
Granular urea			
Middle East - all netbacks fob *$/unit* N	11.33	12.98	▼
French Atlantic fca *€/unit* N	16.20	16.63	▼
Prilled urea			
Baltic fob *$/unit* N	9.89	11.25	▼
Southeast Asia cfr *$/unit* N	14.02	15.11	▼
Nitrates			
AN bulk fob Baltic *$/unit* N	10.74	12.13	▼
UAN 30pc N Rouen fca *€/unit* N	20.42	21.50	▼
UAN 32pc Nola fob *$/unit* N	17.89	17.89	◄ ►
Ammonium Sulphate			
Brazil cfr (caprolactam) *$/unit* N	15.71	15.95	▼
Southeast Asia cfr caprolactam) *$/unit* N	13.93	15.24	▼

Urea freight

Loading	Destination	Tonnage	Rate ($/t) Low	Rate ($/t) High
Mideast Gulf	US Gulf	45	75	79
Mideast Gulf	Thailand	30	50	54
Mideast Gulf	Brazil	40	65	70
Baltic	Brazil	30	110	130
Nigeria	Brazil	30	29	39
Egypt	French bay	6	53	55
China	SE Asia	6	56	71
China	India	60	29	31
Algeria	Brazil	30	36	41
Algeria	US Gulf	30	35	39
Algeria	French bay	12	51	53
Baltic	EC Mexico	30	135	140
Baltic	WC Mexico	25	140	160
China	WC Mexico	25	81	86
UAN solution				
Klaipeda	Rouen	25 - 30	15	30

UREA

BALTIC

Price ideas for prilled and granular urea softened further this week, but liquidity was thin as many buyers adopted a wait-and-see mode. Prilled urea offers into Brazil and Mexico fell to levels netting back to around $440-470/t fob. Granular urea prices in the US and Brazil dropped to $440-460/t fob equivalent.

BLACK SEA

Granular urea offers from Poti and Batumi were heard lowest at $600/t fob but, amid a quiet European market and lower prices in the Americas, no trade occurred. Suppliers have relatively comfortable positions in the short-term after committing two cargoes to India for June shipment but sales opportunities are thin.

Russian netbacks to the Black Sea continued at a steep discount to central Asian supply, owing to high freight costs and limited destinations.

Garabogaz urea loadings

Vessel	'000t	Shipment date	Destination
Omskiy 108	2.7	2 Jun	Astrakhan
Balkan	1.9	2 Jun	Turkmenbashi
Omskiy 143	2.9	4 Jun	Turkey
Andrey Sokolov	7.6	5 Jun	Azerbaijan
Magtymguly	2.8	5 Jun	Turkmenbashi
Balkan	2.0	6 Jun	Turkmenbashi
Omskiy 107	2.9	8 Jun	Astrakhan
Total	**22.8**		

EUROPE

France

Prices in Atlantic ports weakened in line with the broader urea market, though prices around €750/t fca La Pallice remain at nearly a $90/t premium to replacement costs as distributors hope to limit losses on old positions.

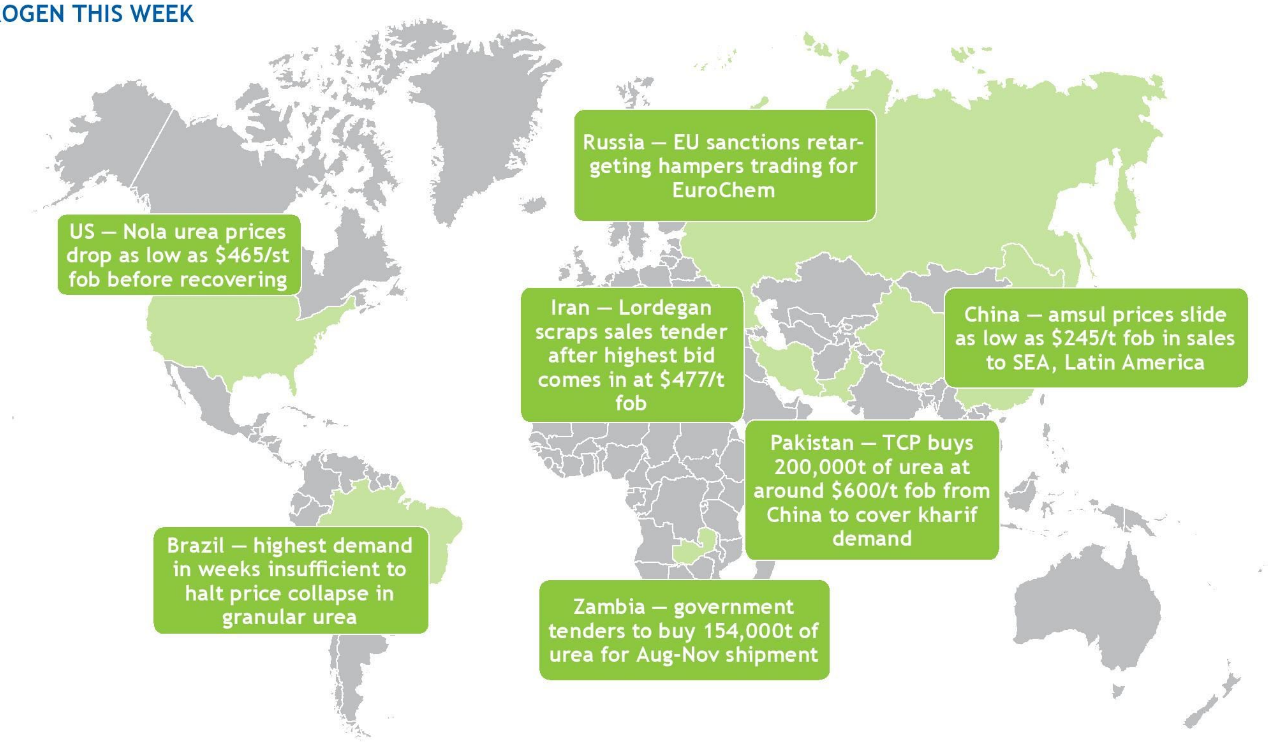
UK

Distributors offered granular from Immingham at around £725-730/t fca in bags.

Turkey

Polisan was in the market seeking 3,000-5,000t of urea for prompt shipment, with offers to be valid until 7 June, but no trade was confirmed.

NITROGEN THIS WEEK



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 - 9 June 2022							
Product	**Origin**	**Supplier**	**Buyer**	**Destination**	**'000t**	**$/t bulk**	**Shipment**
Granular urea							
	Middle East	trader	importer	Brazil	20	570-575 cfr	June
	Middle East	trader	importer	Brazil	10	600 cfr	June
	Russia	producer	importer	Brazil	6	610 cfr	June
	Russia	producer	importer	Brazil	5	570 cfr	June
	Iran	trader	importer	Brazil	55	570 cfr	June
	Iran	importer	importer	Brazil	5	575 cfr	June
Prilled urea							
	China	CNAMPGC	TCP	Pakistan	200	600 fob	June-July
Amsul							
standard	NW Europe	trader	importer	Italy	4	€360 fob	July
standard	NW Europe	trader	importer	UK	3	€395 fob	July
standard	NW Europe	producer	importer	France	4	€410-415 fob	July
standard		trader	importer	Indonesia	10	285 cfr	July
standard	China	trader	importer	Thailand	20-40	low-mid 290s cfr	July
standard		trader	Atlas	Philippines	8	300 cfr	June-July

Buyers' price ideas were around $600/t cfr duty unpaid for Iranian or Russian granular urea this week.

AFRICA

Egypt

Offers have dropped after an extended period of low demand, and producers are now biddable around $700/t fob. But liquidity remained limited this week amid slow buying interest from Europe.

Abu Qir restarted its 650,000 t/yr granular urea plant in late May following planned maintenance that started on 6 May.

Algeria

AOA offered a prompt parcel to traders this week, with freight enquiries subsequently seen for Canada, Mexico and Brazil. The producer indicated to some buyers it was biddable around $600/t fob for deepsea, though price ideas from Algeria for Europe remain in line with Egyptian levels.

Nigeria

A trader offered a cargo of granular at $640/t fob Lekki, unsuccessfully, with buyer price ideas much lower.

Zambia

Zambia's ministry of agriculture has tendered to purchase 153,665t of prilled or granular urea and 106,327t of 10-20-10+S for shipment 30 August-30 November 2022.

The tender closes on 29 June and requests bid validity for 120 days.

Ten lots are available to bid for (see table), requiring delivery of urea and NPKS to warehouses inland, and storage therein.

Zambia tender for 2022-23 fertilizers			
Lot number	**Province**	**Fertilizer**	**Tonnage**
1	Central	Urea	24,406.7
2	Copperbelt	Urea	14,053.2
3	Eastern	10-20-10+S	29,181.5
		Urea	29,181.5
4	Luapula	10-20-10+S	9,270.6
		Urea	9,270.6
5	Lusaka	Urea	8,878.2
6	Muchinga	10-20-10+S	9,773.0
		Urea	9,773.0
7	Northern	10-20-10+S	14,747.3
		Urea	14,747.3
8	Southern	10-20-10+S	27,506.3
		Urea	27,506.3
9	North Western	10-20-10+S	10,196.0
		Urea	10,196.0
10	Western	10-20-10+S	5,652.6
		Urea	5,622.6

MIDDLE EAST

Spot prices fell this week framed by lower buyer and seller price ideas and netbacks from key destination markets.

Bahrain

PIC sought bids from traders for a July cargo but, with prices falling and demand absent, none were willing to commit.

Iran

Granular urea offers from producers Pardis, Shiraz and Kermanshah remained at $550/t fob this week, but buying interest was absent amid softer prices in the destination markets.

Lordegan closed a tender on 8 June to sell up to 40,000t of granular urea for June shipment. The tender was cancelled, with the highest bid reported at $477/t fob.

Prilled urea offers at $525-550/t fob depending on producer were deemed unworkable.

ASIA

China

Export prices dropped sharply this week in trade for Pakistan and on offers of smaller cargoes to regional markets.

CNAMPGC sold 200,000t of urea to Pakistan's TCP under a government-to-government deal at around $600/t fob. Domestic traders subsequently offered smaller lots to traders around the same level.

Seven cargoes overall – including two re-export lots – will sail from China to India covering trader commitments in RCF's 11 May tender.

Late in the week a 45,000t prilled lot – apparently yet to secure customs clearance – was offered to traders at around $525/t fob.

Domestic market firms

The domestic prilled urea market recovered this week driven by demand from the summer storage refill program and a 200,000t sale to Pakistan.

- Shandong and Hebei: prilled urea prices rose around Yn30/t to Yn3,180-3,200/t ex-works. Granular prices slipped slightly to Yn3,340/t ex-works.
- Shanxi: prilled urea was priced at Yn3,170/t ex-works and granular urea at Yn3,160/t ex-works.
- Inner Mongolia: granular was offered at Yn3,060/t ex-works.
- Jiangsu: granular urea price rose by Yn50/t to Yn3,360/t ex-works.

India

Most commitments by suppliers against RCF's 11 May tender now have vessels nominated (see table), and should arrive by early July.

Vessel nominations by suppliers in RCF's 11 May tender

Supplier	Ship	000t	Disport	Loadport	Origin	Laycan
Ameropa	Obe Grande	45,000	Adani Dhamra	Gresik	Indonesia	25-28 May
	Star Pyxis	47,250	Pipavav	Sohar	Oman	21-24 May
Dreymoor	Oracle	46,000	Kakinada	Huanghua	China	13-19 June
	Rostrum Africa	33,000	Rozy	Ust-Luga Port	Russia	04-08 June
	Tac Odessa	33,000	Rozy	Poti	Georgia	12-16 June
Fertcom	Eco Ocean	50,000	Pipavav	Ust-Luga Port	Russia	11-15 June
Gavilon	Seacon 9	50,000	Gangavaram	Tianjin & Longkou &/Or Yantai &/Or Huanghua	China	10-20 June
Koch	Sentosa Challenger	47,000	Kakinada	Zhenjiang	China	5-10 June
Keytrade	Panstar	45,000	Gangavaram	Qinhuangdao	China	8-12 June
	Star Norita	45,000	Deendayal	Sohar	Oman	31 May-3 June
Midgulf	Da Ying	42,000	Gangavaram	Huanghua &/Or Yantai	China	25 May-5 June
Fertiglobe	Elgiznur Cebi	45,000	Pipavav	Sitra	Bahrain	10-15 June
	Tsukuyomi Eternity	35,000	Deendayal	Arzew	Algeria	28 May-01 June
OQ Trading	W-Smash	65,000	Krishnapatnam	Yantai	China	8-12 June
	Star Pyxis	43,000	Mundra	Sur	Oman	5-8 June
	Jag Rohan	43,000	Mundra	Sur	Oman	13-16 June
	Jag Rohan	43,000	Mundra	Sur	Oman	27-30 May
	KSL Anyang	31,000	Mundra	Sur	Oman	19-22 June
	Super Emma	30,000	Mundra	Mesaieed	Qatar	6-10 June
	Super Emma	30,000	Deendayal	Mesaieed	Qatar	26-30 June
Sabic	Stamford Pioneer	25,000	Deendayal	Al Jubail	Saudi Arabia	16-20 June
	ND Maritsa	50,000	Mundra	Al Jubail	Saudi Arabia	3-7 June
	STH Sydney	50,000	Jaigarh	Al Jubail	Saudi Arabia	8-12 June
Samsung	Green Mile	49,500	Kakinada	Huanghua & Lianyungang	China	31 May-6 June
	Tan Binh 267	45,000	Krishnapatnam	Ho Chi Minh	Vietnam	3-15 June
	Elgiznur Cebi	45,000	Tuticorin	Phu My	Vietnam	4-10 June
		47,000	New Mangalore			
	Elgiznur Cebi	45,000	Deendayal	Ruwais &/Or Zayed Port	UAE	01-10 June
	Summer Sky	47,000	Mundra	Ruwais &/Or Zayed Port,	UAE	10-17 June
	Sapphire X	47,000	Mundra	Batumi	Georgia	23-28 May
	Tomini Prosperity	47,000	Pipavav	Abu Qir	Egypt	23-28 May
Swiss Singapore	Nord Ultra	47,000	Pipavav	Abu Qir	Egypt	01-06 June
		50,000	Paradip			
	Nordic Stavanger	47,000	Adani Dahej	Kotka	Finland	12-14 June
	Ocean Freedom	47,000	Adani Tuna	Sohar	Oman	12-16 June
	Odysseus N	60,000	Adani Tuna	Kotka	Finland	5-11 June
	Thetis	55,000	Adani Hazira	Ust-Luga Port	Russia	29 May-3 June

Pakistan

TCP bought 200,000t of urea from CNAMPGC at around $600/t fob to ship in June-July under a government-to-government deal. This will cover Pakstan's kharif needs and no fresh purchase is likely for several months.

Indonesia

Pupuk Indonesia will tender next week to sell 30,000-45,000t of granular urea and up to 20,000t of industrial-grade prills from the Pusri factory.

Malaysia

Petronas' Sipitang plant should return from maintenance by the end of June, potentially freeing up some spot availability for July-onwards.

Vietnam

No prilled urea export offers were heard this week. Domestic demand remains sluggish during the seasonal lull, with dealers unwilling to stock up for the next application season because of firm prices.

AMERICAS

US

Spot granular urea prices at Nola ebbed and flowed this week, slumping as low as $465/st fob for June delivery in an early-week trade session then rebounded up to $515/st fob by mid-week.

Suppliers with length initially pressured the barge market as the window to ship barges upriver for in-season use is all but close. Buyers then bid the market back above $500/st fob by Tuesday and buoyed values through the end of the week.

Mexico

Prilled urea indications from Russian producers slipped to $610/t cfr east coast by the middle of the week from $660/t cfr last week, but buyers stayed on the sidelines in anticipation of further price drops. Offers of granular urea for re-export from the US were reported at $600-610/t cfr east coast.

Prices on the west coast weakened further, with offers heard around $590/t cfr for granular urea ex-Russia.

Brazil

Several buyers stepped in with firm demand this week but, with a surfeit of supply on offer, prices tanked.

US urea vessel line-up

Month	Origin	'000t	Ship	Disport	ETA
Jul		389			actual
Aug		190			actual
Sep		193			actual
Oct		563			actual
Nov		687			actual
Dec		278			actual
Jan		372			actual
Feb		426			actual
Mar		680			actual
Apr	Russia	55	Agia Filothei	Nola	
555	Nigeria	40	Desert Challenger	Nola	
	Qatar	45	Zoitsa Sigala	USEC	
	Qatar	45	MH Arpeggio	Nola	
	Algeria	45	Bold Voyager	Galveston	
	Algeria	45		Nola	
	Saudi Arabia	50	CL Dengsha He	Nola	
	Bahrain	40		Nola	
	Georgia	45	St Ajisai	Nola	
	Oman	45	Chang Hang Hong Hai	Nola	
	Oman	50	Amis Dolphin	Nola	
	Saudi Arabia	50	JY London	Nola	
May	Qatar	45		Nola	
483	Qatar	45	Sunny Royal	Nola	
	Nigeria	40	Nordic Stavanger	Nola	
	Russia	20	Whistler	Toledo	
	UAE	55		Nola	
	Saudi Arabia	50		Nola	
	Algeria	45		Nola	
	Algeria	45		Nola	
	Qatar	45		Nola/USEC	
	Russia	20	Aeolian Fortune	Nola	
	Trinidad	8	Balsa 96	USEC	
	Trinidad	5	Miranda	USEC	
	Nigeria	40	Trident Star	Nola	
	Russia	20	Patria	Nola	
Jun	Qatar	45		Nola	
215	Qatar	45		Nola	
	Saudi Arabia	50		Nola	
	Algeria	30		Nola	
	Algeria	45		Nola/USEC	
Jul-Jun 21/22		5,031			
Jul-Jun 20/21		4,095			
Delta %		23			

Several trades of granular urea were confirmed late in the week at or near $570/t cfr, but the market traded actively all the way down from $610/t cfr late last week.

Importers have been active in forward months too, covering commitments made inland over the last few weeks.

Argentina

Some buying interest arose, but for small tonnages only, and offers were reported lowest at around $620/t cfr for July shipment.

Brazil urea import line up

Vessel	*000t*	Origin	Supplier	Disport	Status	ETA
Sea Eagle	8	Germany	Yara	SDFS	arrived	9 Apr
Santa Francesca	33	Qatar	Yara	Rio Grande +SFDS	arrived	15 Apr
Desert Symphony	38	Qatar	Fitco	Rio Grande+Santos	arrived	16 Apr
Aghia Marina	27	Russia	Dreymoor	Paranagua	arrived	15 Apr
Apogee Endeavour	20	Venezuela		Rio Grande	arrived	20 Apr
Carina	63	Oman, Saudi Arabia	Eleva Quimica	Imbituba+Rio Grande+SFDS	arrived	20 Apr
Mona Manx	21	Saudi Arabia	Sabic	Rio Grande +Porto Alegre	arrived	21 Apr
Densa Dolphin	65	Nigeria	Fitco	SFDS+Rio Grande	arrived	28 Apr
Antigoni B	44	Algeria	Indagro	Rio Grande	arrived	29 Apr
Ponente	58	Iran	Tecnogran	Imbituba+SFDS	arrived	30 Apr
Captain Karam	50	Iran		SFDS	arrived	30 Apr
Chumerna	42	Russia	Acron	Rio Grande+Antonina	arrived	19 May
Common Faith	25	Middle East		Paranagua	arrived	22 May
Ultalaz	55	Qatar	Ameropa	Santos+Antonina	arrived	22 May
Common Faith	37	USA	Mosaic	Paranagua, Rio Grande	arrived	22 May
African Seto	47	Qatar	Fitco	Rio Grande	arrived	24 May
Destiny	41	Middle East	Eleva Quimica	Paranagua	arrived	25 May
Scarabe	42	Nigeria	Fitco	Santos	arrived	25 May
General Guisan	29	Qatar	Koch	Paranagua	arrived	27 May
Amapola	33	Algeria	Keytrade	SFDS	arrived	27 May
Lugano	58	Iran		SFDS	arrived	28 May
Impression Bay	7			Aratu	eta	8 Jun
Gloria 1	63	Oman	Eleva Quimica	Imbituba	eta	14 Jun
Kouroupi	10	Germany	Yara	SFDS	eta	15 Jun
Lem Marigold	6	Germany	Yara	SFDS	eta	18 Jun
Atlas S	30	Russia	Phosagro	Paranagua	eta	20 Jun
Ganj	49	Iran		SFDS	eta	24 Jun
Royal Samurai	44	Qatar	Koch	Paranagua	eta	25 Jun
Jabal ar Rawdah	21	Saudi Arabia	Sabic	Rio Grande	eta	27 Jun
Abigail	15	Qatar	Fitco	Rio Grande	eta	11 Jul
Santa Virginia	25	Qatar		Rio Grande	eta	14 Jul
Total	**1,066**					

AMMONIUM SULPHATE

Black Sea/Baltic

Standard amsul prices softened, in line with competing prices from northwest Europe.

SBU Azot started planned maintenance works on 1 June at its 305,000 t/yr amsul plant in Kemerovo, Russia. The works are due to run until the end of the month.

Turkey eases export restrictions

Turkey's commerce ministry has eased export restrictions on amsul until the end of August, which have been in place since October 2021.

The government will limit how much amsul producers can export to a maximum of 40pc of their monthly production capacity from June-August. This type of limit has been applied to other fertilizer products as well, including up to 60pc for ammonia, up to 40pc for NPK 15-15-15, and up to 30pc of CAN/AN.

The government said export registration permits will be granted direct to manufacturers or to their affiliated trading arms.

There are two amsul producers in Turkey, Eti Bakir and Bagfas, each with production capacities at around 50,000 t/month and 15,000 t/month, respectively. The two plants were commissioned in 2018-19, with exports since totalling 75,000t in 2019 and 144,000t in 2020, before falling to 31,000t in 2021 owing to extended plant outages and export restrictions in the fourth quarter.

Traders said amsul exports from Turkey are likely to be limited over the next three months from June to August, owing to low domestic production and high production costs relative to implied bid levels. Buyers are reported to be targeting below $300/t fob Turkey for fresh June-July shipments, against producer offers that are expected to be above $420/t fob Turkey based on current production costs.

Domestic prices for standard amsul are at 6,000-6,500 lira/t ex-works bagged ($349-378/t) with domestic producers at the high end of this range.

Europe

Standard amsul prices softened to $290-442/t fob northwest Europe, framed by lower netbacks from Brazil and softer prices in Europe with fresh sales at €360-415/t fob northwest Europe.

There were several new sales in the week, including:

- A trader sold 4,000t of standard amsul at €400/t cif Italy for July shipment. This nets back to €360/t fob northwest Europe.
- A trader sold 3,000t of standard amsul at €420/t cif UK for July shipment. This nets back to €395/t fob northwest

Europe.

- A producer sold 4,000t of standard amsul at €410-415/t fob northwest Europe for July shipment to France.
- An importer bought 2,300t of northwest European standard amsul for June shipment to Benelux. The price was not disclosed at the time of publishing.

Granular amsul prices were steady at $330-589/t fob northwest Europe, owing to stable prices in Europe and netbacks from Brazil being unchanged on last week.

Germany

Domo to resume production at Leuna

German chemical producer Domo said that it is in the process of restarting caprolactam and amsul production at its 420,000 t/yr amsul plant in Leuna, Germany, following planned works that started in April.

Egypt

A 13,000t cargo of granular amsul will ship to Germany in June. The cargo will load in Abu Qir, Egypt for discharge in either Hamburg, Rendsburg, or Szczecin on the German-Polish border.

The shipment is one of three cargoes to sail this route so far in 2022, with the first having been shipped in May and the third to sail in July.

UK

CF plans permanent closure of Ince plant

CF Industries has proposed the permanent closure of its plant at Ince in northwest England, that has been offline since September 2021, as part of a wider set of plans for its UK operations.

Continue reading >>

Argus estimates that Ince previously had an annual intake of standard amsul at 100,000-120,000t, used mainly to produce ammonium sulphate nitrate (ASN). The plant has an ASN capacity of 250,000 t/yr, which was assumed to run at around 75pc ahead of its mothballing last year. Standard amsul was also used to produce complex fertilizer.

Suppliers said that while Ince's permanent closure will displace a large amount of standard amsul imports into the UK, but it will likely be partly replaced directly by granular amsul sales or indirectly through higher NPKS sales.

China

Export

Standard amsul prices softened to $245-270/t fob China, owing to a fresh trade in the north and lower bids to suppliers in the south guided by sales at $285-300/t cfr southeast Asia across the week.

Granular and compacted amsul prices fell to $280-300/t fob China, owing to softer netbacks from the Americas and lower offers. The window is narrowing to ship to Brazil for the next corn application season in July-August, but buying interest remains weaker than in previous years as buyers remain on the sidelines as falling urea prices continue to weigh on nitrogen values.

Domestic

Prices of caprolactam-grade standard amsul fell to Yn1,500-1,700/t ex-works Shandong, down from around Yn1,770/t ex-works last week. Offers were quoted at Yn1,700/t ex-works Hunan.

Steel-grade standard amsul prices fell to Yn1,430-1,500/t ex-works Shanxi, down from Yn1,450-1,550/t ex-works last week.

Southeast Asia

Standard amsul prices fell to $285-300/t cfr southeast Asia, framed by fresh sales in Thailand, Indonesia and the Philippines across the week.

Thailand

A Thai importer has bought two 20,000t cargoes of Chinese standard amsul in the low-to-mid $290s/t cfr for June shipment. Traders said that the agreed tonnage may need to be reduced to complete this sale.

Freight indications for a 20,000t vessel from south China to Thailand were quoted at around $40/t, traders said.

Philippines

Atlas awarded its tender to buy 8,000t of standard amsul at $300/t cfr Sangi for shipment by early July. The sale marks around a $20/t fall from its last tender on 30 May for the same cargo size for late June shipment.

Its latest purchase will likely load from China, with an expected netback at $245-250/t fob China, traders said.

Indonesia

An importer bought around 10,000t of standard amsul at $285/t cfr Indonesia for July shipment late in the week, traders said. The price follows a general downward trend in prices in the region.

Suspension of weekly amsul bulk fob Black Sea assessment

Argus has suspended its weekly ammonium sulphate (amsul) bulk fob Black Sea (caprolactam and synthetic) price assessment because trading activity has been severely disrupted after Russia's launch of military operations in Ukraine. *Argus* will continue to monitor the situation and will provide further announcements in due course.

Brazil

Compacted and granular amsul prices widened to $350-380/t cfr Brazil, owing to high values for European amsul.
European granular amsul sold at $385/t cfr Brazil last week, outside of our assessment window, for June-July shipment, with further tonnage being discussed at $380/t cfr Brazil this week.
Standard amsul prices fell to $320-340/t cfr Brazil, framed by Chinese and European offers.

AMMONIUM NITRATE

Baltic

Russian AN was indicated below $400/t fob, but demand was muted, and no new business emerged this week.

Germany

The market has well and truly entered its summer downtime. The vast majority of buying that has taken place so far for the new season was completed earlier, at the initial price level of €620/t cif inland. Few, if any, wholesalers have paid the later asking price of €640/t cif inland, and with a decrease expected soon, buyers have no incentive to engage producers.

UK

Purchases of Polish and Lithuanian AN for import have been made at €780-790/t (£667-676/t) cif bagged, up from business around mid-May of €735-750/t cif bagged.
In the domestic market, imported product has been selling at around £730/t bagged delivered to merchant.
Meanwhile, CF has continued to price spot deliveries of its AN at £750/t bagged delivered to merchant, while issuing significant news this week about plans to permanently close its (already-mothballed) plant at Ince.

Brazil

Price ideas are again in a broad range. Russian supply is dominant again, with buyers mostly coalesced around $550/t cfr but with indications ranging $500-580/t cfr.

Brazil amsul vessel line-up

Vessel	'000t	Origin	Charterer	Disport	Status	Date
Good Luck	15	China	Indagro	Paranagua	Anchored	20 May
Aquavita Eternity	17	China	Indagro	Rio Grande	Anchored	21 May
Zagori	26	China	Allied Harvest	Rio Grande	ETA	20 Jun
Antwerpia	20	China	Allied Harvest	Paranagua	ETA	23 Jun
Persenk	27	Russia	PhosAgro	Paranagua	ETA	25 Jun
Crinis	10	Belgium	Fitco	Rio Grande	ETA	26 Jun
Athina II	18	China	Fertigran	Tubarao	ETA	1 Jul
Magic Starlight	20	China	Termag	Santos	ETA	25 Jun
Kitakame	45	China	Ameropa	Santos	ETA	29 Jul
PMS Edelweiss	44	Canada	Canpotex	Santos	ETA	29 Jul
Total	244					
YTD arrivals: 2022	1,129					
Chg on prev year	-24%					

Argus Nitrogen Methodology

Argus uses a precise and transparent methodology to assess prices in all the markets it covers. The latest version of the Argus Nitrogen Methodology can be found at:
www.argusmedia.com/methodology.

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


METHODOLOGY AND SPECIFICATIONS GUIDE

argus

ARGUS NITROGEN

UAN SOLUTIONS

France

Prices dropped sharply this week as suppliers competed for thin demand against the backdrop of a weakening nitrogen complex.

Some prompt shipment UAN 30 traded around €625/t fca but offers for forward product were generally around €605/t fca by the middle of the week.

Further US cargoes have been booked for delivery over the summer months, with three-four split between two buyers and another cargo on offer.

US

Spot terminal prices continued to deteriorate in the US, with attention focused on inland distribution as side-dress demand ramps up.

The Nola market was untested this week by buyers and sellers, and prices notionally rolled over from $570-575/st fob. Barge values, though, face headwinds as UAN continues to command a substantial premium to urea and is expected to reset lower to close the differential between the two products.

Terminal values coalesced on either side of $600/st fot throughout the Midwest, with suppliers with length biddable as they vie to end the season with minimal carryover.

Argentina

Limited enquiries were reported this week but, with buyers targeting around $500/t cfr for UAN 32, supply is likely to be thin.

NEWS

Nutrien to build two blenders in Brazil

Nutrien, the world's largest fertilizer producer, will build two fertilizer blenders in Brazil with 2023 start dates.
Continue reading >>

Petrobras resumes fertilizer plant's sale

Brazilian state-owned Petrobras resumed by the sale of the nitrogen-based fertilizer unit (UFN3) in Três Lagoas, Mato Grosso do Sul.
Continue reading >>

Yara to close a blender unit in Brazil

Norway fertilizer producer Yara is ending operations in Brazil's blender unit in Catalao, in Goias state.
Continue reading >>

Romania's Azomures restarts NPK production

Romanian fertilizer producer Azomures has restarted NP/NPK output after shutting down in mid-December because of natural gas price volatility.
Continue reading >>

Eurochem hit by refreshed EU sanctions

Switzerland-headquartered fertilizer producer Eurochem is ensuring that there is strict compliance with the sanctions imposed by the European Council on its main beneficiary and will make proposals to find solutions in order to maintain operations.
Continue reading >>

Russia mulls ferts export quotas to mid-2023

Russian authorities are discussing the potential extension of fertilizer export quotas to the middle of next year, with the industry and trade ministry and its agriculture counterpart agreeing a plan to supply domestic fertilizers until June next year, deputy industry and trade minister Mikhail Ivanov said.
Continue reading >>

No new gas cutoffs planned: Kremlin

Customers contracting gas from Russia's state-controlled Gazprom have switched their payment mechanism and no further cutoffs are planned, Russian presidential press secretary Dmitry Peskov has said.
Continue reading >>

FERTILIZER DERIVATIVES

FIS Cash Settled swaps - 8 Jun 2022				
Month	Bid	Offer	Mid	Basis
Urea (gran) fob barge NOLA (s ton)				
Jun	515	530	523	1.5kst
July	530	540	535	1.5kst
Q3	530	540	535	1.5kst
Urea (gran) fob Egypt (mt)				
Jun	680	690	685	5kmt
July	620	650	635	5kmt
Q3	620	650	635	5kmt
Urea (gran) fob Middle East (mt)				
Jun	660	680	670	5kmt
July	620	650	635	5kmt
Q3	620	650	635	5kmt
Urea (gran) cfr Brazil (mt)				
Jun	610	650	630	5kmt
July	580	620	600	5kmt
Q3	580	620	600	5kmt

Direct Hedge Cash Settled swaps - 9 Jun 2022				
Month	Bid	Offer	Mid	Basis
Urea (gran) fob barge NOLA (s ton)				
Jun	500	520	510	1.5kst
July	525	535	530	1.5kst
Aug	530	540	535	1.5kst
Urea (gran) fob Egypt (mt)				
Jun	600	650	625	5kmt
Q3	605	635	620	5kmt
July	605	630	618	5kmt
Urea (gran) fob Middle East (mt)				
Jun	630	650	640	5kmt
Q3	600	650	625	5kmt
July	600	660	630	5kmt
Urea (gran) cfr Brazil (mt)				
Jun	580	630	605	5kmt
Q3	600	650	625	5kmt
July	590	630	610	5kmt

Argus *Nitrogen* is published by Argus Media group

Registered office
Lacon House, 84 Theobald's Road,
London, WC1X 8NL
Tel: +44 20 7780 4200

ISSN: 2399-875X

Publisher
Adrian Binks

Chief operating officer
Matthew Burkley

Global compliance officer
Jeffrey Amos

Chief commercial officer
Jo Loudiadis

President, Expansion Sectors
Christopher Flook

Global SVP editorial
Neil Fleming

Editor in chief
Jim Washer

Managing editor
Andrew Bonnington

Editor
Bede Heren
Tel: +44 7780 860 114
bede.heren@argusmedia.com

Customer support and sales:
support@argusmedia.com
sales@argusmedia.com

London, Tel: +44 20 7780 4200
Beijing, Tel: +86 10 6598 2000
Dubai, Tel: +971 4434 5112
Hamburg, Tel: +49 48 22 378 22-0
Houston, Tel: +1 713 968 0000
Kyiv, Tel: +38 (044) 298 18 08
Moscow, Tel: +7 495 933 7571
Mumbai, Tel: +91 22 4174 9900
New York, Tel: +1 646 376 6130
Paris, Tel: +33 1 53 05 57 58
San Francisco, Tel: +1 415 829 4591
Sao Paulo, Tel: +55 11 3235 2700
Shanghai, Tel: +86 21 6377 0159
Singapore, Tel: +65 6496 9966
Tokyo, Tel: +81 3 3561 1805
Washington, DC, Tel: +1 202 775 0240