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## Middle East price rises \$13pt

The market moved up again this week, with two new sales out of the Middle East settled at over \$210pt fob. In Yuzhny there are a growing number of enquiries, and asking prices have now risen to \$220pt fob – although no business has been done at this level yet.

The US market outlook is looking decidedly more auspicious. Supply levels from Trinidad are reported to be lower, and import demand from outside the Caribbean for the US is expected to increase.

Asian and Indian demand is still robust and there is limited tonnage available out of Indonesia, prompting suppliers to try to secure further product from the Middle East. Latest contract cargoes into India have been priced at \$221pt cfr, however the latest FACT tender attracted offers between \$253-272pt, reflecting suppliers' expectations of further price increases.

## MARKET SUMMARY

### FSU/EUROPE

**YUZHNY** – There has been an increase in enquiries again this week out of Yuzhny and a number of new ships have been nominated, bringing the line-up to around 140,000t. However, it is understood that inventories at tanks at the port are fairly low, with around 12,000t needed to be kept in the 4 tanks (3,000t each) for cooling purposes.

#### Yuzhny line-up July:

Vessel	Kt	Shipper/Destination	July
Havlur	12,06	Yara/Turkey	2
Nijinsky	10,00	Trammo/Israel	12
Al-Majedah	15,30	Yara/Turkey	13
Touraine	26,00	Nitrochem/Tunisia	15
Nijinsky	15,00	Trammo	*23-24
Herdis	40,00	Yara	*26
Touraine	26,00	Nitrochem/Tunisia	*26-27
<b>Total</b>	<b>144.36</b>		

\*Estimated arrival date

**RUSSIA** – Togliatti is attempting to start up a fourth ammonia line to enable the plant to pump more tonnes to Yuzhny. However the producer has yet to agree additional gas supply from Gazprom to restart the fourth unit.

The Berezni plant is shut for an unspecified period following a fire. Meanwhile, Cherepovets which was shut

## Ammonia Price Guide (US\$ per tonne unless otherwise stated)

Ammonia – fob	16 July	9 July
Ventspils	205-215	205-215
Yuzhny	200-215	185-200
North Africa	+160	+160
Middle East	182-213	182-200
US Gulf dom (p.s.t. bge)	NM	NM
Caribbean	140	140

### Ammonia – c+f

NW Eur (duty unpaid)	245-255	245-255
NW Europe (duty paid/d free)	258-269	258-269
North Africa	**215-235	**215-235
India	*221-222	**212-229
Far East (excl Taiwan)	250-260	250-260
Taiwan	250-260	250-260
Tampa	180	180
US Gulf	185	185

\* All formula / \*\* indicative / + old business / NM no market

down has now restarted but it appears that the plant will not be able to cover all of the tonnes committed to customers for July.

**VENTSPILS** – A minimum 40,000t is expected to load from Ventspils this month. Yara will load 8,000t on the Kermira Gas later this month – the producer will load 6,500t from Uralchem and has around 1,600t already purchased. The Kemira Gas also loaded 8,000t from Ventspils earlier this month.

Yara is also expected to make 3 voyages from the port on the Coral Ivory in July (4,000t each, all from Eurochem). Meanwhile Trammo is expected to load around 10,000t from the port.

**UK** – A new system developed by Diverse Energy using ammonia to power cell phone towers not connected to the electric grid will be trialled in Africa and other developing regions over the next 18 months. The system requires 6tpa of ammonia to operate and it is estimated that there are currently 400,000 off-grid towers worldwide, rising by 55,000t per year. These towers mainly run on diesel currently. Having completed the product development phase, the company is now seeking investors. Diverse Energy told FMB that if the system was used to operate all off grid towers that currently exist, their ammonia requirement would be around 2.4mn tonnes annually.

## FMB Spot Sales Selection - 16 July 2009

Product	Origin	Seller	Buyer	Destn	'000t	\$pt bulk	Shipmt
<b>Ammonia</b>	Qatar	Qafco	Mitsubishi	Australia	23.5	213fob	End July
	Saudi Arabia	Sabic	Mitsui	India	15-23	213fob	End July
	Iran	PCC	Yara	NA	23	200fob	15-20 July
	Saudi Arabia	Sabic	Kisan	India	15	180fob	2H July
	Egypt	Abu Qir	Trammo	Netherland	7	160fob	End June
	Yuzhny	Yara	Bagfas	Turkey	12	200cfr	2H June
	Yuzhny	Rossosh	Yara	Europe	15.4	185 fob	1H June
	Ventspils	NA	Trammo	NA	Spot	183 fob	End May
	Qatar	Qafco	Kisan	India	15	200fob	1H June
	Iran	IPCC	Trammo	NA	15	200fob	2H May
	Kuwait	PIC	Mitsui	India	10	300 fob	15 May
	Indonesia	Mitsui	NA	Philippines	8.4	335 cfr	End April
	Ukraine	NA	Trammo	NA	15	285 fob	April
	Indonesia	Mitsubishi	Mitsui	NA	8	300 fob	End March
	UAE	Fertil	Mitsui	Far East	8.5	289 fob	2H March
	Ukraine	OPZ	Trammo	NA	15	250 fob	2H March
	Saudi Arabia	Sabic	Trammo	NA	Spot	205 fob	March
	Saudi Arabia	Sabic	OCP	Morocco	20	260 fob	March
	NA	PCS	NA	Tampa	15	275 cfr Tampa	2H March

**BELGIUM** – It is uncertain how long the BASF plant in Antwerp will remain closed. The producer is expected to have additional ammonia requirements in the coming weeks. Trammo is due to deliver one cargo to the producer in August, and BASF recently bought a cargo directly from Iran.

**TURKEY** – Trammo will deliver an ex-Egypt cargo to Bagfas in late-July. The trader will also deliver a cargo (probably ex-Yuzhny) to Igsas in late July/early August.

### MIDDLE EAST/AFRICA

**SAUDI ARABIA**– This week Sabic sold 15,000-23,000t to Mitsui at \$213pt fob. The cargo will load 21-25 July and will be destined for India.

Kisan will load 15,000-20,000t bought from Sabic two weeks ago at \$182pt fob on the Camberley around 29-31 July. The cargo which is destined for IFFCO, Kandla will load from Jubail or any other Gulf port, according to the terms of the sale.

Sabic has loaded 20-23,000t on the al-Jabirah for EC India under a swap with Mitco.

**OMAN** – Kisan is loading 18-20,000t from Sur for IFFCO Kandla.

**IRAN**– PCC says it has confirmed a contractual cargo with Trammo to load this month. PCC last week sold 23,000t +/- 5% to Yara at \$200pt fob for loading 15-20 July 2009 from BIK.

The producer also sold a 23,000t cargo directly to BASF, Antwerp last week. The cargo is scheduled to

load on the new vessel, Nisyros, on 15-20 July and was priced on a cfr basis.

The Razi 3 plant is still down, but both of the other Razi plants and Pardis 1 are running normally. Engineers are reported to be trying to connect Pardis 2 to the Mobin 1 utility facility for the supply of cooling water. Pardis's own utility facility, Mobin 2, is scheduled to be complete by the end of this year.

**QATAR**– Mitsubishi has bought 23,500t from Qafco loading on the Antwerpen on 27-30 July for Orica, Australia. The cargo was priced at \$213pt fob.

Trammo says it has also bought a 23,500t cargo from Qafco, priced at around \$190pt fob. The cargo will load on the Tobolsk around 22 July, and Trammo says the destination has yet to be confirmed.

Qafco will load a full cargo on the al-Marona from Mesaeid on 20 July for Mangalore and Goa and possibly Asia.

**EGYPT** – Trammo will load around 23,000t on the Sanko Independence from EBIC by end-July. Trammo will load a cargo from Alexfert and Abu Qir around 20 July. The cargo will be delivered to Bagfas, Turkey.

**TUNISIA** – GCT will receive a 26,000t shipment from Nitrochem later this month on the Touraine.

**MOROCCO** – OCP has reportedly purchased a cargo from Nitrochem.

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### INDIA

The following offers were received in the FACT tender for 7,500t +/- 5%, which closed today:

- Sabic \$253 cfr
- Qafco \$257 cfr
- Trammo \$272 cfr

Validity for the tender is until 22 July, with delivery in the first week of August.

Meanwhile, Tata Chemicals has issued an enquiry for the supply of 120,000-130,000tpa of ammonia. Offers should be received by end-July. Delivery period is October 2009-September 2010. Tata's existing supply contract with Mitco is understood to expire at the end of September.

The al-Barrah is due to sail tonight from Jubail with 20,000t for:

- IFFCO Pardip 15,000t, eta 28-29 July
- TCL Haldia 5,000t, eta 31 July

The cargo has been priced at \$221 with 30 days credit. Similarly, Qafco's latest shipment on the al-Marona to India has been priced at \$221.88 cfr with 60 days credit.

The Bunga Kemboja is currently discharging 10,000t at Paradeep for CIFC. The vessel is then scheduled to discharge 5,000t for TCL at Haldia.

### ASIA/AUSTRALISIA

**MALAYSIA** – Mitco will raise production at its Kertih plant to full capacity over the next few days.

The Bunga Kemboja, currently discharging in Paradip, will return to Kertih at the end of July to load 15,000t for delivery to Kaohsiung under a swap arrangement with Sabic.

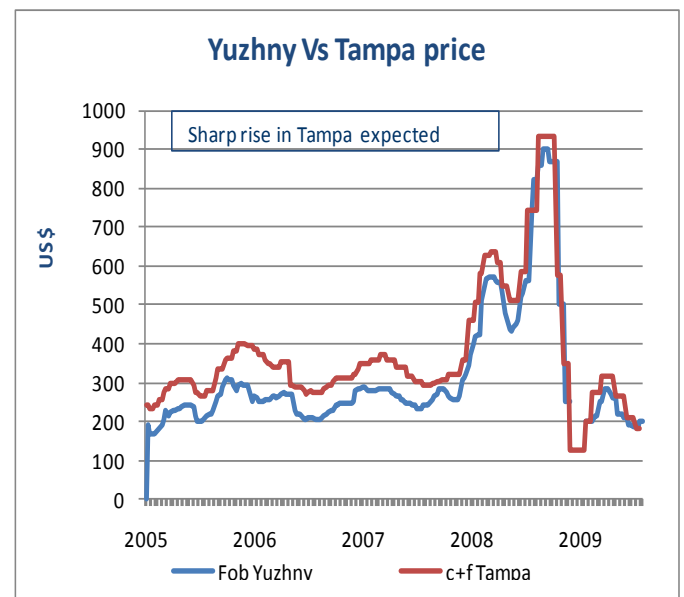
**KOREA** – SFC is currently discharging 23,500t on the Sanko Innovator from Trammo. The producer will then receive 15,000t on the Jag Virag from Mitsui on 23 July. At the beginning of August, SFC will then receive 18,000t from Yara – the vessel has yet to be nominated.

Namhae is scheduled to receive 22,000t on the Hesiod from Yara in August.

**CHINA** – Nitrochem's Hekabe will discharge at Zhanjiang in the next few days.

**INDONESIA** – Ammonia demand from Gresik is reported to be robust. A reported sale out of Indonesia at \$224pt fob last week reflects the tighter availability in the region.

**AUSTRALIA** –Orica will receive a 23,500t shipment from Mitsubishi on the Antwerpen in mid-August.



## AMERICAS

**US** – Supplies in the US are fairly low, and there are unconfirmed reports that one major supplier has paid close to \$270pt cfr for a cargo into Tampa. Fall pre-pay is quoted in the \$340-350pt level on the East side of the pipeline, but most buyers at farm level have covered their purchases for the new season and are not taking long positions.

Suppliers say industrial demand has started to pick up but is still nowhere near to last year's levels. Below is a breakdown of US ammonia imports by country, showing a decline in volumes from most countries.

### US Ammonia Imports by Country July-May

Comm. and Country	JULY-MAY			
	Quantity		Value	
	'07/'08	'08/'09	'07/'08	'08/'09
Canada	830,068	894,499	419,123,509	579,096,324
Mexico	40,710	40,338	15,878,571	26,647,055
Trinidad and Tobago	4,206,742	3,564,721	1,412,789,386	1,303,123,173
Colombia	17,480	32,671	2,763,972	12,965,972
Venez.	223,537	183,988	81,160,917	63,898,455
Chile	-	5,842	-	3,550,588
Brazil	60,387	-	22,648,694	-
UK	6,768	-	1,378,162	-
Latvia	56,969	-	15,152,457	-
Russia	1,688,749	914,470	554,907,770	428,197,255
Ukraine	529,493	195,244	181,859,194	128,094,495
Portugal	14,001	-	2,863,469	-
S Arabia	28,458	94,931	8,047,895	25,536,188
Qatar	68,813	79,743	19,846,482	47,309,536
Oman	106,976	-	35,359,976	-
Bahrain	12,737	-	4,258,415	-
Malaysia	25,816	-	6,294,524	-
Singapore	1	-	10,000	-
Indonesia	18,174	-	4,625,539	-
China Mainland	-	32	-	10,543
China Taiwan	168	-	12,199	-
Japan	365	206	39,455	75,539
Australia	-	43,973	-	6,781,691
Algeria	20,400	-	6,652,563	-
Libya	-	36,352	-	8,628,868
World	7,956,813	6,087,010	2,795,673,149	2,633,915,682

Source: USDA

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