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Argus FMB Monthly Phosphates Outlook

Outlook

The month ahead

The MRP/subsidy battle between the Indian government and the private sector may slow Indian buying. But the new Indian phosphoric acid price still means DAP imports are more attractive.

The next 3-6 months

The market will enter a seasonal lull and further production cuts are inevitable to restore market balance.

12 months forward

A sustained period of lower prices is expected given fundamental oversupply, and the Chinese export strategy will be crucial during this period.

Phosphates price forecasts $/t

	Aug	Sep	Oct	4Q16	1Q17	2Q17
DAP						
Morocco fob	330-350	330-350	320-340	320-340	330-350	340-360
US Gulf fob	330-340	330-340	320-330	320-330	320-330	330-340
Saudi Arabia fob	330-340	330-340	320-330	320-330	320-330	320-330
MAP						
Baltic fob	335-345	330-340	330-340	330-340	330-340	340-350
Brazil cfr	345-355	340-350	340-350	340-350	340-350	350-360
Phosacid						
India cfr	600-605	600-605	600-605	600-605	600-605	600-605
Phosrock						
N Africa fob	95-120	95-120	95-120	95-120	95-120	95-120

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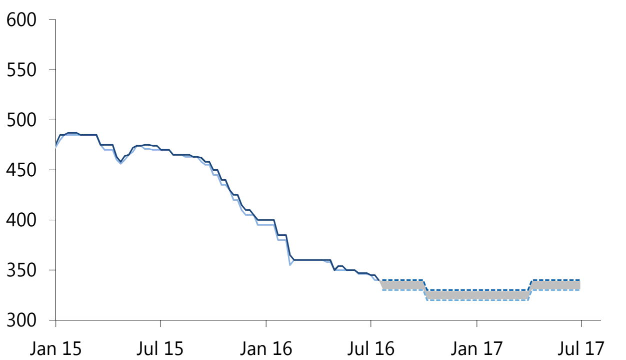
DAP US Gulf fob

DAP fob Tampa fell by $5/t on the month to $344/t. Prices have fallen from $346-347/t in mid-June to $340/t in mid-July on small Mosaic sales to Latin America. The barge price fell to below $300/st fob in early July, its lowest level since 2009, on weaker corn prices, but rebounded slightly in the second week to $300-310/st on moderate activity..

Outlook: Flat-to-soft

US Gulf DAP fob high-low range $/t



Fertilizer
illuminating the markets

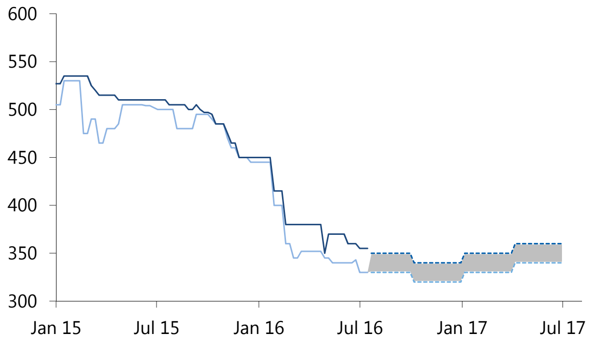
International pricing series

Charts show high-low range, actual and forcast *$/t*

DAP Morocco fob

DAP fob Morocco fell by $8/t on the month to $345/t. Prices have remained under pressure as the European season comes to an end, but the continuation of a large volume of NPK shipments to Africa continues to limit OCP's exposure to the Latin American market.

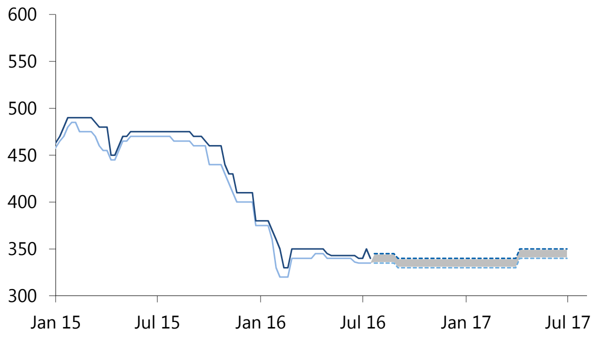
Outlook: Flat-to-soft



MAP Baltic fob

MAP fob Baltic fell by $2/t on the month to $339/t. Prices have fallen from $336-343/t in mid-June to $335-340/t to reflect netbacks from sales into Central and Latin America.

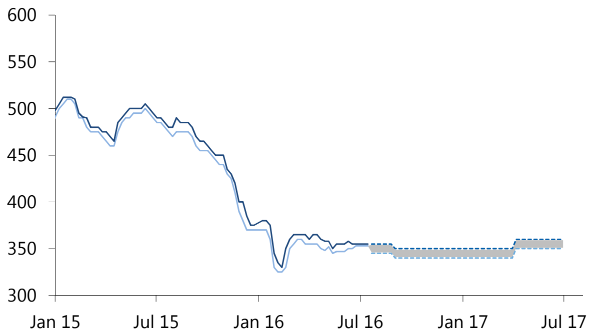
Outlook: Flat-to-soft



MAP Brazil cfr

MAP cfr Brazil increased by $2/t on the month to $354/t. Prices were in a $350-355/t cfr range in mid-June before the high end rose to $353/t cfr on the latest sale of Moroccan MAP into Brazil and prices have remained stable in the low-to-mid-$350s/t in July.

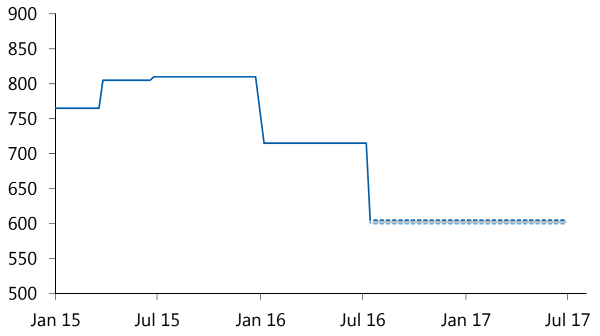
Outlook: Flat-to-soft



Phosphoric Acid India cfr

OCP confirmed in early July that it had settled phosphoric acid contracts with its Indian partners for shipments in the second half of 2016 at a reported price of $605/t P_2O_5 cfr. This is down from $715/t P_2O_5 in the second quarter of 2016 and forms a range of $600-605/t P_2O_5 cfr for contracts agreed with all suppliers.

Outlook: Flat



- Indian subsidy/MRP cut limits any DAP cfr price upside
- West of Suez pricing remarkably stable
- Pakistan DAP subsidy cut unlikely to impact import demand
- Market enters high season for DAP/MAP imports
- Phosphoric acid settlement in India

The phosphates market is flat-to-slightly-soft at the beginning of the third quarter. None of the key prices rose in June or early July on the basis of fundamental oversupply and still lacklustre Brazilian demand. This is witnessed by the substantial production cuts in China and the subsequent cull in Chinese DAP exports, which fell by a third for the first five months of the year. Chinese supply-side discipline has been remarkable, but there are signs that fob prices are edging down marginally on recent sales west of Suez.

India continues to dominate sentiment. OCP has agreed second to fourth-quarter phosphoric acid contracts at an undisclosed price, although said to have been done at $605/t P_2O_5 cfr, ostensibly a marginal increase on IFFCO's agreement with its various partners at $600/t P_2O_5 cfr — and again not confirmed by any supplier. To some participants, the recent issues over the acid price represents a subtle shift of power with IFFCO increasingly defining the engagement.

The $110-115/t P_2O_5 reduction in price will be of some relief to Indian phosphoric acid-based DAP producers. But the government has announced a 2,500 rupee/t cut in the maximum retail price (MRP) to Rs21,200/t, almost Rs2,000/t below breakeven costs for domestic producers. This added pressure follows a distinct lack of enthusiasm from private-sector importers and producers to follow the state-owned NFL/RCF lead. Ultimately it is hard to see how the industry can beat the government, but importers face a tough time. With margins potentially squeezed, untimely subsidy payments hurting and the threat of a subsidy cut it is not hard to see why they are resisting so heavily.

The short-term impact is uncertainty, which has already put a brake on further DAP import activity. The possibility of higher cfr prices for DAP in India is highly unlikely. There is still a good margin to be made on imports in the $340s/t cfr, but this news lowers the ceiling price into the domestic market and any negative movements in the rupee will be more keenly felt. India still has plenty of buying to do — around 2.5mn-3mn t of DAP — but Saudi Arabian, Chinese, US, Russian and Moroccan product will all be available, with OCP selling a DAP panamax for July shipment. Trade has continued with Chinese cargoes sold in the low-$340s/t cfr but bids are much lower into the $330s/t cfr. Partly this was driven by depreciation in the rupee, which has since stabilised, and moreover there are reasons to be optimistic as the monsoon forecast is extremely strong.

Elsewhere in south Asia, in Pakistan the subsidy on a bag of DAP was cut from 500 Pakistan rupees/50kg bag to PRs300/50kg bag. On the plus side, unlike urea, the DAP price can float and the available margin on a tonne of DAP bought at $345/t cfr is almost workable. In addition, it seems the process for distributing the subsidy has been streamlined. Pakistan was active in June and early July, buying four cargoes and demand is strong given the monsoon and limited stocks up country and very little in the hands of private-sector importers. *Argus* FMB estimates that it has now bought 400,000t imported DAP for the calendar year and with 600,000-700,000t of DAP still required for the rest of the year, regular buying is likely.

West of Suez saw remarkable price stability although levels eased marginally. Argentina continues to buy at a brisk pace but prices have fallen to the mid-$350s/t cfr from around $360/t cfr. Similarly Brazilian prices fell to the low-to-mid-$350s/t cfr from the mid-to-high-$350s/t cfr. Russian and Moroccan product features most heavily in these destinations. In parallel, there is price pressure on Chinese 11-44 prices with latest trades seen in the low-to-high-$270s/t cfr, down from $290/t cfr last month. Slack demand in Chinese NPK markets will bolster 11-44 availability in July for Safrinha and this in turn keeps 11-52 MAP prices pegged down. Some argue this is a deliberate ploy to keep out Chinese MAP from Brazil. This might be the case, but at current fob levels business is just about possible but hardly lucrative. Business has been sporadic as a result. The problem is that some 150,000t of 11-44 is said to be unsold in trader hands.

This slight edging down in cfr prices in Latin America has seen Tampa DAP offers fall to a $340/t fob range. On a positive note, sources indicate the US domestic pipeline to be relatively empty suggesting Mosaic can afford to keep product onshore, which reduces the pressure to export. It also has potential outlets in its distribution channels in India and Brazil. This suggests gradual erosion at best in Tampa. The US domestic price is not particularly attractive at present although a rally ahead of the southwest meeting saw levels rise to $300-310/st fob Nola, and the import line up into the US is modest as a result with only OCP active.

Bull

India and Pakistan still need to buy 3.7mn t DAP combined

US pipeline relatively empty

Almost all producers comfortable for July

Market entering high season for DAP/MAP imports

Chinese producers remain disciplined on output

Bear

MRP/subsidy debacle in India pauses Indian demand

Pakistan subsidy cut unlikely to boost DAP imports

11-44 MAP ex-China will limit any upside in Brazil MAP prices

Overcapacity still apparent globally

Overall, only JPMC looks to have any length for July with all other producers sold out or at least extremely comfortable. But with Indian demand on hold, Chinese fob prices may come under pressure and 11-44 MAP continues to hang over the market west of Suez. Further marginal price erosion while producers attempt to put the brakes on will be the strategy going forward.

Price Comparison		$/t
	Price	±
Previous month average price		
DAP Morocco fob	345	-8
DAP US Gulf fob	344	-5
DAP Saudi Arabia fob	339	-4
MAP Baltic fob	339	-2
MAP Brazil cfr	354	+2
Phosphoric acid India cfr†	687	-28
Forecast Aug price		
DAP Morocco fob	340	-10
DAP US Gulf fob	335	-8
DAP Saudi Arabia fob	335	-8
MAP Baltic fob	340	-5
MAP Brazil cfr	350	-5
Phosphoric acid India cfr†	602	-2

**month on month †contract price*

Destination markets

India

India continued to be the major importer of DAP globally with an estimated 500,000t of product sourced this month. Prices are edging down towards $340/t cfr with bids at $335/t cfr. Importer margin is still evident at these prices — rupee permitting — and volume demand will remain relatively strong on the basis of a decent monsoon and the fact that imported DAP is still more economically viable than domestically produced product even at the revised phosphoric acid price of around $600/t P_2O_5 cfr.

Imports lag significantly behind 2015 levels at 645,000t officially for January-May, compared with 1.4mn t in the first five months of 2015. But imports have ramped up considerably since then with close to 1mn t of imports in June, 690,000t in July and an estimated 440,000t in August. But we have revised down our August import line up by around 100,000t owing to a clear pause in Indian DAP buying — the result of the price cut announced by the government of Rs2,500/t in the MRP for DAP, which has not been accepted by major sellers, and the subsequent threat to cut the Rs8,945/t subsidy if they do not fall into line. It is hard to see the industry winning in a straight fight with the government, but the clear legacy will be lower DAP cfr prices in India as a result.

Pakistan

Despite the wafer thin margin for importers at current domestic prices and the cut in subsidy from PRs500/50kg to PRs300/50kg, the signs are encouraging for further regular and sustained Pakistani imports. To date, the country has lined up 400,000t DAP imports for the calendar year, well ahead of 2015 levels, with four more cargoes procured this month in the $340s/t cfr. Price wise, Pakistan will follow

India down. But there is still around 600,000t of imports to be bought. Demand for July is expected at 200,000t for the cotton and potato crops and stocks up country are described as thin with only Engro and Fauji with meaningful stocks. July imports are estimated at around 150,000t.

Brazil

No radical changes have been made to our Brazilian forecast, which continues to show a modest improvement in MAP import demand over 2015. Data for the first half of 2016 show a 5pc rise in imports and we expect this to continue. Since our last report Brazil took 100,000t of Moroccan MAP as well as a number of cargoes of Russian plus the usual US shipments. Prices are remarkably stable in the low-to-mid-$350s/t cfr but we do expect prices to come under further pressure in the second half as more 11-44 from China becomes apparent. Prices have slipped to the $270s/t cfr from the $280s/t cfr. This disconnection from 11-52 will probably correct at some point and there is still plenty of shipping time for Safrinha.

Argentina

Argentina continues to surprise with a cargo ex-OCP, Ameropa/EuroChem and an Australian MAP cargo all sold into the country in the past month. Imports are in the region of 500,000t DAP/MAP already for the calendar year, well ahead of 2015 imports for the same period at 360,000t.

Expectations of a good soybean crop and the need to restock between seasons as well as more liberal agricultural policies and an ability to export are all positives. Prices have edged down marginally to the mid-$350s/t cfr from the $360/t cfr level because of oversupply but further buying will continue at a decent rate.

Demand Summary *'000t*

	Import requirement 2016	Estimated purchases YTD	Outlook
India*	5,200 DAP	2,570 DAP	Official imports figures in January-May 2016 at 645,000t, compared to 1.5mnt in 2015. But imports have scaled up significantly since then- around 1mn t was bought in June, with an estimated 690,000t and 440,000t of DAP having been committed for July and August respectively. The recent call by the Indian government to cut the domestic DAP price has seen resistance from some major sellers and led to uncertainty in the domestic markets, and as such prices are set to come under pressure.
Pakistan	1,200 DAP	400 DAP	Pakistan's year-to-date line-up has risen to 400,000t of DAP, with about 4 vessels adding to the July line-up. The effect of the recent cut in the subsidy from PRs 500/50 kg to PRs 300/50 kg , is not expected to have a severe impact on buying behaviour, despite some initial confusion.
Brazil	2,500 MAP	1,380 MAP	Brazil continues to show a modest improvement in MAP imports, with 1H16 imports up 5pc year on year, with estimations that this improvement might well carry in the next half of the year. Brazil imported around 1mn t of MAP in January-June 2016, mainly sourcing product from US, Russia and Morocco.
Argentina	200 DAP 550 MAP	500 DAP/MAP	Argentinian DAP/MAP imports already show a rise in 1H16, and at almost 500,000t of DAP/MAP imports, compares favourably with the 360,000t imported last year. Quantum has recently sold a 30,000t Australian MAP vessel to the region. The domestic players are picking up tonnages to restock product, which augurs well for the market.

**Indian fertilizer year April-March*

Production costs

US firm Mosaic's theoretical MAP ex-plant production costs fell by $5/t on the month to $243/t to date in July. This reflects a decline in the July Tampa ammonia contract by $30/t month on month to $285/t, the lowest level since 2009. The sharp decline was attributed to falling application demand in the US Corn Belt and pressure from new production expected on line in the US Gulf coast and Baltic Sea in July.

The news of the Indian government's decision to cut the MRP of DAP by Rs2,500/t may reduce importers margins, which increases their exposure to currency fluctuations.

Based on the first-quarter phosphoric acid price of $715/t P_2O_5, DAP production costs for Indian producers were approximately $478/t ex-works. This equates to a farm gate price of $531/t, approximately Rs35,400/t at the current exchange rate and just around Rs26,500/t when factoring in NBS for phosphates for the 2016-17 fiscal year at Rs8,945/t. As such to sell DAP at Rs21,000/t meant a substantial loss for producers.

Based on OCP settlement of the acid price, reportedly at $605/t P_2O_5, ex works DAP production costs are estimated at $425/t. This equates to a farm gate price of $477/t, approximately Rs32,300 and around Rs23,000 at current subsidy levels. But even in this scenario there is little economic inventive to produce DAP domestically.

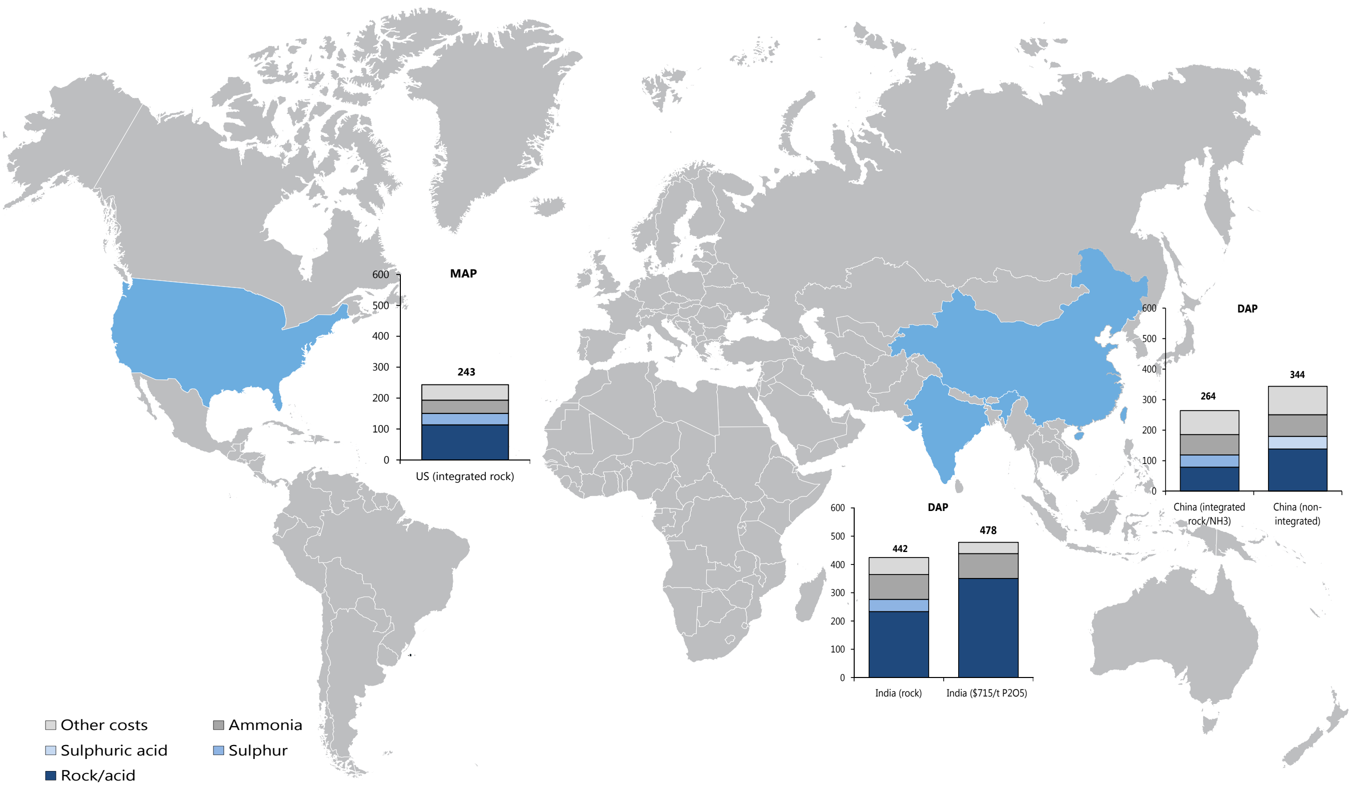
With the current MRP now set at Rs21,000/t, this would assume the market could continue to favour buying imported DAP, at the expense of domestically produced supply, or domestic NPK production.

The DAP ex-plant production costs for integrated and non-integrated Chinese producers were in a $264-344/t range to date in July, down from $271-353/t in June, driven by a decline in the ammonia and sulphur prices, and depreciation of the Chinese yuan.

The yuan has depreciated to $1/Yn6.69 from $1/Yn6.57 in mid-June, following the UK vote to leave the EU and may help Chinese phosphate producers in the export market.

Production cost comparison

$/t ex-plant

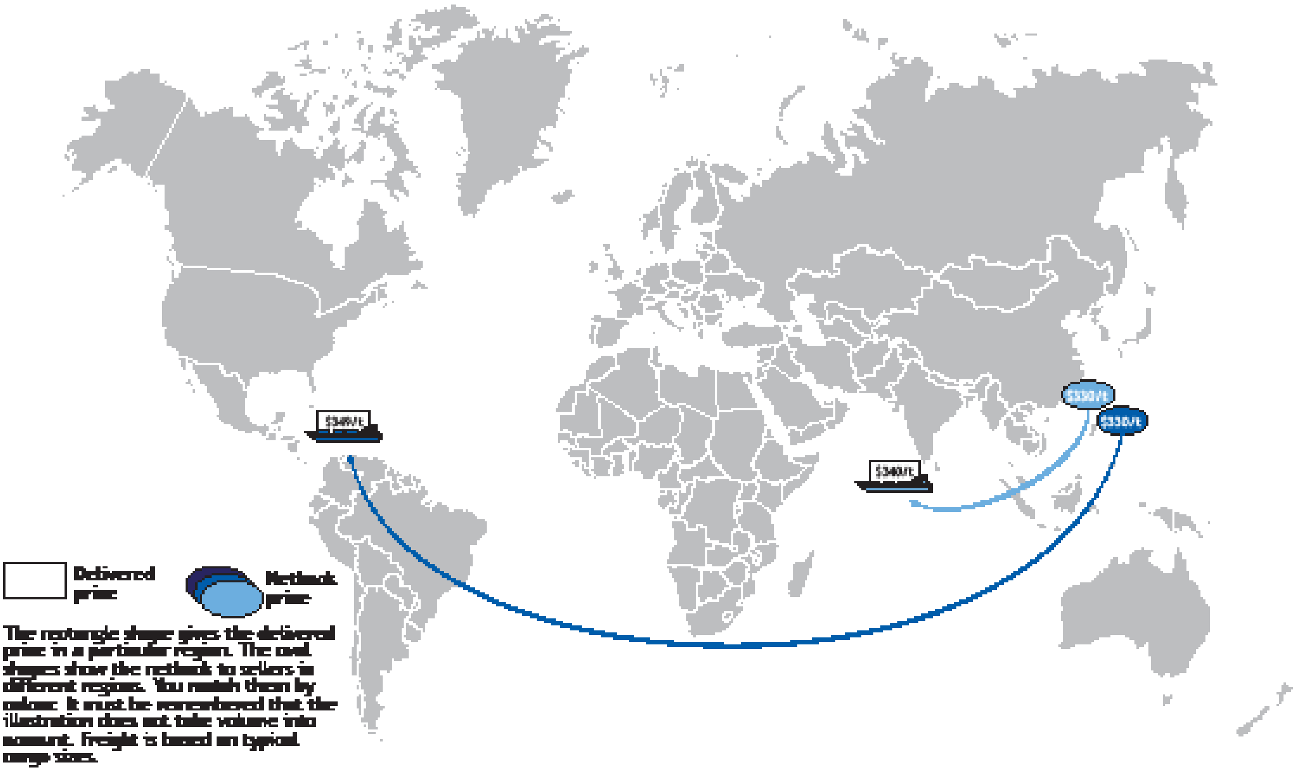


Netbacks

Chinese DAP prices to India remained in the low-$330s/t fob in the first half of July. With freight estimated at $10-11/t, this equates to a delivered price in the low-$340s/t cfr India.

Central America held a succession of small tenders at the beginning of July, which included 30,000t of Chinese MAP and close to 6,000t of DAP. The DAP was sold at $349/t cfr, with freight at $20/t brining China fob levels at or below $330/t fob before trader margins.

Netbacks Map



Plant Updates

The Philippines – Philippine Phosphate Fertilizer (Philphos) restarted one of its two NPK units in June. Production ceased at the Isabel, Leyte plant in late October 2013 following the extensive damage caused by an earthquake in mid-October and typhoon Haiyan a few weeks later.

Philphos had the capacity to produce around 1.2mn t/yr of NPKs (14-14-14 and 16-16-8) by steam granulation using ammonium sulphate and some urea, but at the time when it was hit by the typhoon, it was estimated to be producing 350,000-400,000 t/yr of NPKs. Philphos also operated an integrated ammoniated phosphates plant and 396,000 t/yr phosphoric acid plant and prior to 2013 imported around 400,000-500,000 t/yr of lower-grade rocks from a variety of sources depending on availability and cost.

New capacity 2016-17

Product	Company	Location	Date expected	± capacity '000t/yr	Notes
Phosphoric acid	PT Petrokimia Gresik	Gresik, Indonesia	2016	200	Existing capacity to be doubled to 400,000 t/yr
DAP/MAP/NPK/NPS	OCP – JPH 2	Jorf Lasfar, Morocco	2016	1,000	Second of four integrated units to be built at six-month intervals. Previously expected in 2Q16 but postponed to August/September
DAP/MAP/NPK/NPS	OCP – JPH 3	Jorf Lasfar, Morocco	2016	1000	Third of four integrated units to be built at six-month intervals, expected in 4Q16
DAP/MAP	Guizhou Lufa Sierte	Kaiyang, Guizhou	2016	500	-
DAP	Guizhou Kailin Group	Kaiyang, Guizhou	2016	600	Expansion of an existing plant in Kaiyang, expected to start production in July 2016
DAP	Aksu Tonglesheng Chemical	Wensu, Xinjiang, China	2016	600	-
DAP	Gujarat State Fertilizer Company	Sikka, India	2016	500	Construction of a fourth DAP/NPK line at existing facility
DAP	Fukang Xin Phosphate Chemical (Wuzin Copper)	Fukang, Xinjiang, China	2016	300	-
MicroEssentials	Mosaic	New Wales, US	2016	1300	A $225mn investment at the Florida phosphates plant to convert DAP production lines to MicroEssentials
DAP/MAP/NPK	Ma'aden Wa'ad Al Shamal Phosphate Company	Saudi Arabia	2017	2900	Wa'ad Al Shamal phosphate project includes the development of a mine in Umm Wu'al where phosphate rock will be processed into phosphoric acid. The acid will be railed to the existing Ras Al Khair chemicals plant, which will be expanded to include new ammonia, ammonium phosphates and NPKs capacity
DAP/MAP/NPK/NPS	OCP – JPH 4	Jorf Lasfar, Morocco	2017	1000	-
DAP/MAP	Guizhou Jinlin Chemical Ltd	Zhinjin, Guizhou, China	2017	1000	-
DAP	Yuntianhua Group	Hebei, China	2017	600	-
MAP	Zhongxiang Ruifeng Phosphate Chemical	Zhongxiang, Hubei, China	2017	80	-
TSP	GCT	Mdhilla, Tunisia	2017	330	Construction of a new phosphoric acid and TSP plant at Mdhilla to replace the Sfax TSP plant, which is expected to close this year because of environmental issues

Phosphate rock balance

Minimal revisions have been made to our phosphate rock balance, which shows the market in a surplus in the fourth quarter of 2016, amid a seasonal lull in phosphates fertilizer demand.

The news that Philphos restarted one of its two NPK units June raises the question as to whether they will restart their 396,000 t/yr phosphoric acid plant based on imported rock. But until further clarification is obtained, rock imports to the Philippines are expected to remain negligible.

Phosphoric acid balance

In line with the rock market, the acid market will also be in surplus in the fourth quarter, as seasonal consumption of phosphates fertilizer production declines in key markets.

Following OCP's settlement of the phosphoric acid contracts with its Indian partners for the second half of 2016, OCP will continue to ship substantial volumes of acid to India. The recent issues over the phosphoric acid price represents a subtle shift of power with IFFCO increasingly defining the engagement. Certainly, the $110-115/t P_2O_5 reduction in the price will be of some relief to Indian phosphoric acid based DAP producers, whose ex-works production costs are now reduced to around $425/t.

Phosphate rock balance						'000t
	Aug	Sep	Oct	4Q16	1Q17	2Q17
Export total	2,025	2,145	2,145	6,515	5,925	6,685
Morocco	700	700	700	2,100	1,700	2,100
Tunisia	10	10	10	30	30	30
Jordan	420	420	420	1,260	1,260	1,260
Russia	100	200	300	700	500	400
Syria	30	30	30	90	90	90
Algeria	100	100	100	300	300	300
Peru	200	400	300	900	900	1,000
Egypt	200	100	100	400	400	800
Togo	100	50	50	250	250	250
China	30	0	0	80	90	50
Christmas Island	45	45	45	135	135	135
Israel	80	80	80	240	240	240
Other	10	10	10	30	30	30
Import total	1,835	2,175	2,135	6,035	5,835	6,460
West Europe	465	455	435	1,275	1,325	1,505
E Europe, C Asia	170	170	90	390	300	310
Africa	0	0	0	0	0	0
North America	100	200	150	400	550	550
Latin America	200	250	300	800	750	850
Mexico	100	50	100	200	200	250
Brazil	50	150	150	450	400	450
Middle East	40	40	40	120	120	120
South Asia	610	760	710	2,130	1,930	2,130
India	500	700	700	2,100	1,900	1,900
Southeast Asia	155	155	225	365	320	425
East Asia	45	45	85	255	250	270
Oceania	50	100	100	300	290	300
Balance	190	-30	10	480	90	225

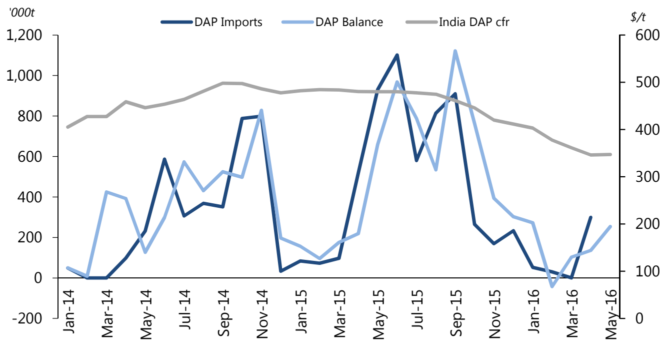
Phosphoric acid balance						'000t P2O5
	Aug	Sep	Oct	4Q16	1Q17	2Q17
Export total	395	385	340	1,045	997	1,110
Morocco	200	200	150	450	350	550
Tunisia	20	20	20	60	60	60
Jordan	45	45	45	135	135	135
South Africa	10	10	10	30	30	30
Senegal	20	20	20	60	60	60
Other	100	90	95	310	362	275
Import total	390	369	267	781	806	1,032
West Europe	63	58	58	179	159	174
E Europe, C Asia	25	30	30	90	54	65
Africa	3	6	5	14	9	16
North America	10	16	10	36	0	0
Latin America	30	15	30	60	65	80
Middle East	5	5	5	15	15	15
South Asia	222	212	102	306	376	586
India	200	200	100	300	300	500
Southeast Asia	16	11	11	33	73	48
East Asia	15	15	15	45	50	45
Oceania	1	1	1	3	4	3
Balance	5	16	73	264	192	78

DAP balance

The DAP market is relatively balanced in August and September. Our supply/demand balance model shows a very modest deficit of 48,000t in August, building to 90,000t in September before rising to a surplus of around 100,000t in October and November. This supports our view that prices will be flat to slightly soft through the rest of the third quarter before eroding further in the fourth quarter. As such, production curtailments and supply side rationalisation in the US and Morocco are expected as seasons end.

Minimal revisions have been made to the supply side. We have adjusted JPMC's operating rates to 50pc for August and so lowered availability. On the demand side, the MRP and subsidy issues in India will lead to a pause in DAP imports and we have made a modest adjustment downwards accordingly.

Indian DAP balance



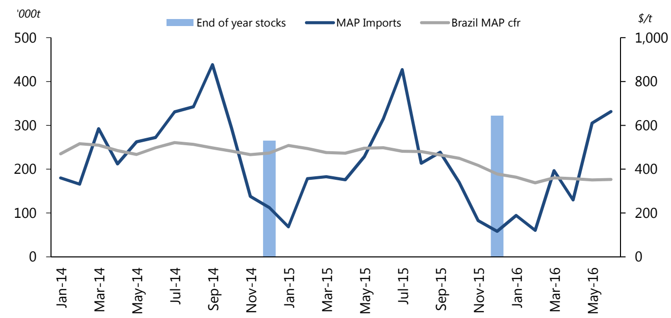
DAP balance						'000t
	Aug	Sep	Oct	4Q16	1Q17	2Q17
Export total	1,470	1,750	1,335	3,140	2,455	4,260
West Europe	65	80	55	165	235	130
Lithuania	60	70	50	150	205	110
E Europe, C Asia	60	110	60	180	330	280
Russia	50	100	50	150	300	250
Turkey	10	10	10	30	30	30
Africa	200	200	200	600	400	520
Morocco	150	150	150	450	280	400
Tunisia	50	50	50	150	120	120
North America	150	150	140	455	300	500
Latin America	20	10	10	30	50	40
Middle East	215	220	220	660	420	720
Asia	710	910	610	1,010	720	1,920
China	700	900	600	1,000	700	1,900
Australia	50	70	40	40	0	150
Import total	1,518	1,840	1,227	2,874	2,667	3,353
West Europe	85	125	157	434	622	240
E Europe, C Asia	60	30	30	90	90	90
Turkey	50	20	20	60	60	60
Other EECA	10	10	10	30	30	30
Africa	43	40	55	95	275	198
North America	50	50	60	230	95	100
Central America	40	30	20	80	120	180
Mexico	20	10	0	20	60	120
Other C America	20	20	20	60	60	60
South America	70	80	60	190	280	440
Brazil	10	10	20	60	100	250
Argentina	20	20	20	40	40	60
Other S America	40	50	20	90	140	130
Middle East	5	155	5	60	0	50
Iran	0	150	0	50	0	50
Other Middle East	5	5	5	10	0	0
South Asia	975	1,150	675	1,175	525	1,400
Bangladesh	175	175	0	0	150	100
India	700	800	500	800	300	1,100
Pakistan	100	150	150	350	50	200
East and SE Asia	170	120	115	385	510	555
Vietnam	50	50	50	150	140	250
Thailand	40	20	20	60	60	100
China	0	0	0	0	100	120
Oceania	20	60	50	135	150	100
Balance	-48	-90	108	266	-212	907

MAP balance

The global MAP market is predominantly in surplus for the rest of the year. The surplus is close to 150,000t in August, falls to 50,000t in September and is more or less balanced in October before moving into surplus again in November and December by well over 200,000t each month. This again supports modest price erosion on the fundamental oversupply in north Africa and China versus modest import growth in Brazil relative to 2015.

We have made minimal changes to the supply/demand model apart from cutting Russian MAP exports in August to around 100,000 t/month on the basis of heavy shipments to the domestic and regional markets. This will limit movement to deep sea markets.

Brazilan MAP balance



MAP balance						'000t
	Aug	Sep	Oct	4Q16	1Q17	2Q17
Export total	858	798	636	2,208	1,795	1,959
West Europe	3	3	1	3	15	19
E Europe, C Asia	100	160	160	480	360	480
Russia	100	160	160	480	360	480
Africa	205	105	55	265	270	420
Morocco	200	100	50	250	250	400
South Africa	5	5	5	15	20	20
US	150	150	100	300	400	550
Latin America	20	20	10	80	150	60
Middle East	60	60	60	180	250	60
Asia	300	300	250	308	350	350
China	300	300	250	900	350	350
Oceania	20	0	0	0	0	20
Import total	712	748	664	1,799	1,692	1,843
West Europe	20	14	17	62	68	62
E Europe, C Asia	50	45	45	145	140	130
Africa	15	15	70	115	50	30
North America	150	150	100	400	245	280
Central America	70	70	5	70	45	70
South America	345	403	381	781	701	890
Brazil	200	300	300	600	500	600
Argentina	80	80	50	100	105	150
Other S America	65	23	31	81	96	140
South Asia	20	5	5	15	0	50
India	20	5	5	5	0	50
Other S Asia	0	0	0	10	0	0
East and SE Asia	32	36	10	31	42	61
Japan	20	20	0	10	10	20
Oceania	10	10	30	180	400	270
Balance	147	50	-28	409	103	116

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Registered office
Argus House, 175 St John St, London, EC1V 4LW
Tel: +44 20 7780 4200 Fax: +44 870 868 4338
email: sales@argusmedia.com

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Publisher
Adrian Binks

Chief executive
Neil Bradford

Global compliance officer
Jeffrey Amos

Commercial manager
Jo Loudiadis

Editor in chief
Philip Shaw

Managing editor
Kristine Klavers

Senior Analyst
Alice Charlton
Tel: +44 20 7199 6891
fertilizer@argusmedia.com

Customer support and sales:
Technical queries
technicalsupport@argusmedia.com
All other queries
support@argusmedia.com

London, UK
Tel: +44 20 7780 4200

Astana, Kazakhstan
Tel: +7 7172 72 92 94

Beijing, China Tel: +86 10 8535 7688

Dubai Tel: +971 4434 5112

Moscow, Russia Tel: +7 495 933 7571

Rio de Janeiro, Brazil
Tel: +55 21 2548 0817

Singapore Tel: +65 6496 9966

Tokyo, Japan Tel: +81 3 3561 1805

Argus Media Inc, Houston, US
Tel: +1 713 968 0000

Argus Media Inc, New York, US
Tel: +1 646 376 6130