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Argus Sulphur

Formerly Argus FMB Sulphur

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EXECUTIVE SUMMARY

Market waiting for June pricing

This week market activity slowed following the firming seen in price expectations in the previous week, and the expectation of June's Middle East monthly price announcements. Traders were unwilling to offer available June loading cargoes prior to that month's lifting prices being clear. June announcements are expected by early next week.

Next week is also expected to bring further clarity to fertilizer demand going forward, also impacting on sulphur margins.

The US Gulf has improved availability as demand for fertilizer production has eased seasonally, leading to several cargoes being exported to Brazil.

MARKET DRIVERS

- A lack of offers in the market while Middle East June price announcements are awaited.
- Several sales to Brazil priced at around $525/t cfr with 2-3 shipments originating in the US Gulf, where product availability has eased.

30-60 DAY OUTLOOK

Stable/Firm

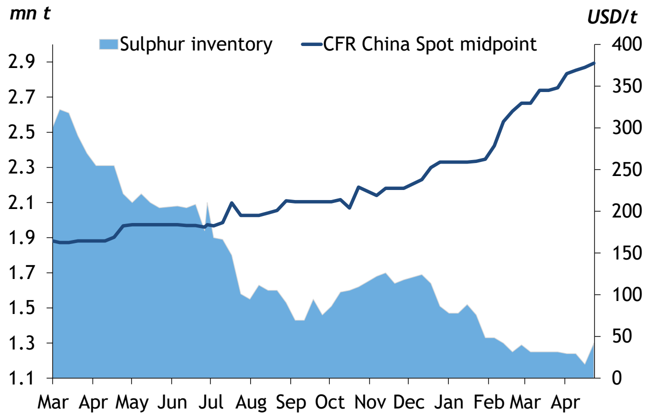
Despite some softening in the fertilizer space in recent weeks, sulphur prices are remaining stable to firm as supply continues to be tight and demand robust. Liquidity has reduced on the back of reduced supply and more difficult financing conditions limiting some trades. Phosphate fertilizer prices are expected to see firming in the coming weeks following some recent softness, supporting raw material margins.

PRICES

Sulphur spot prices

	$/t	±
fob Vancouver	476-480	▲
fob Middle East (excluding Iran)	480-490	◄►
fob Iran (lump-granular)	380-455	▼
fob Black Sea (lump-granular)	320-400	◄►
fob Baltic Sea	305-340	▲
fob US Gulf	469-471	▼
fob Med (under 10,000*t*)	480-481	◄►
cfr Med (under 10,000*t*)	510-525	◄►
cfr north Africa (lump-granular)	430-515	◄►
cfr Brazil	524-526	▲
cfr India	520-525	◄►
cfr India (lump-crushed)	417-425	▼
cfr China (molten-lump-granular)	230-525	◄►
ex-works China *Yn/t*	4,000-4,020	▼
cfr southeast Asia	522-525	◄►

China sulphur stocks vs sulphur import price cfr



DATA & DOWNLOAD INDEX

- **Sulphur deliveries to Jorf Lasfar and Safi Ports**
- **European Covid-19 related sulphur supply curtailments**
- **Sulphur vessels loading at Ruwais port**
- **Rail shipments of Russian and Kazakh sulphur**
- **Sulphur deliveries to Indian ports**
- **Sulphur shipments from Ust Luga port**
- **Sulphur spot deals**

FREIGHT MARKET SUMMARY

The adoption of alternative sources of coal and grain following the war in Ukraine and subsequent global sanctions on Russia are driving up ton-miles and increasing freight rates for dry bulkers, according to shipowner Diana Shipping.

"Recently India reduced Australian coal imports due to high prices of over $500/ton, and European buyers stepped in to take some of the slack created by India after embargoes had started being placed by the EU on Russian coal," the company said. "Therefore, despite reductions in volumes, ton-mile demand on dry cargoes in general has benefited from such changes in trading patterns with longer voyages and lengthier stays in ports."

The voyage from Newcastle, Australia, to Rotterdam, Netherlands, is nearly 12,000 nautical miles, twice as long as the voyage from Newcastle to Krishnapatnam, India, at around 6,000nm.

The traditional buyers of Black Sea exports, located in the Middle East and Asia, affected by the ongoing blockade of critical agricultural products from Ukraine are already looking to the US and Europe for additional volumes, according to the company.

The average time charter equivalent (TCE) rate for Diana Shipping's fleet of 35 vessels comprised of eight Panamax, six Kansarmax, five Post-Panamax, twelve Capesize, and four Newcastlemax dry bulkers in the first quarter rose to $22,099/d, up from $11,436/d a year earlier.

So far in the second quarter, the TCE rate has averaged $24,784/d with 73pc of days booked, while 25pc of 2023 are booked at an average of $26,555/d.

Diana Shipping posted a $26m profit in the first quarter, up from a $1.3m loss a year earlier, citing robust market conditions overall.

By Ross Griffith

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

Argus Sulphur publication change week of 2 June

Argus will publish the Argus Sulphur report a day earlier than usual on Wednesday 1 June, because of a UK holiday on 2-3 June. Please contact fertilizer@argusmedia.com with any questions.

Sulphur prices			$/t
	26 May	19 May	±
Spot			
fob Vancouver	476-480	470-480	3
fob Middle East (excluding Iran)	480-490	480-490	nc
fob Middle East netback	467-479	470-479	-1.875
fob Iran (lump-granular)	380-455	390-455	-5
fob Black Sea (lump-granular)	320-400	320-400	nc
fob Baltic Sea	305-340	300-340	2.5
fob US Gulf	469-471	480-485	-12.5
fob Med (under 10,000*t*)	480-481	480-481	nc
cfr Med (under 10,000*t*)	510-525	510-525	nc
cfr north Africa (lump-granular)	430-515	430-515	nc
cfr Brazil	524-526	520-525	2.5
cfr India	520-525	520-525	nc
cfr India (lump-crushed)	417-425	420-430	-4
cfr China (molten-lump-granular)	230-525	230-525	nc
ex-works China *Yn/t*	4,000-4,020	4,050-4,100	-65
cfr China (granular)	520-525	520-525	nc
cfr southeast Asia	522-525	522-525	nc
Contract - monthly/quarterly			
			26 May
fob Vancouver 2Q 2022			476-480
fob Middle East (excluding Iran) 2Q 2022			380-405
fob Qatar QSP May 2022			460
fob UAE OSP May 2022			470
fob Kuwait KSP May 2022			470
fob Black and Baltic Sea (lump-granular) 2Q 2022			342-350
fob US Gulf 2Q 2022			380-381
cfr north Africa (lump-granular) 2Q 2022			395-448
cfr Brazil 2Q 2022			458-470
cfr China (molten-lump-granular) 2Q 2022			230-525
cfr Tampa 2Q 2022 *$/lt*			481
cfr Benelux (loc refs) (molten) 2Q 2022			400.0-416.0
cpt northwest Europe 2Q 2022			442.0-459.0

Sulphur freight				$/t
Loading	Destination	'000t	Low	High
Vancouver	China	50-60	41	46
Middle East	EC India	30-35	45	47
Middle East	N/River China	30-35	60	64
Middle East	South China	30-35	54	56
Middle East	Brazil	30-35	64	68
Middle East	North Africa	30-35	68	70
Middle East	South Africa	30-35	46	48
Black Sea	North Africa	30-35	70	120
Black Sea	Brazil	30-35	85	130
Baltic	Brazil	30-35	110	120
Baltic	North Africa	30-35	100	110
Baltic	US Gulf	35-40	100	120
US Gulf	Brazil	35-40	40	42

PHOSPHATE MARKET SUMMARY

India adds more Russian DAP

Indian buyers are seeking to hold DAP cfr levels flat at $920/t, lining up more Russian product for June-July loading. Two more cargoes were sold at that levels to importers this week. Trading firms continue to target higher at $1,020-1,025/t cfr for Chinese DAP, but there have been no sales. Producers are keeping offers at $1,000/t fob China and above. Overall, activity has been muted ahead of the major industry conference next week. There is little activity in Europe and DAP fca Ghent levels were indicated lower. Eurochem's Lifosa is set to restart production next month with DAP output possibly due in the second half of June. Egypt's NCIC has delayed its sales tender to 1 June.

West of Suez, US DAP barges were priced through the week at $825/st fob Nola. Brazil MAP prices slipped slightly amid an absence of demand and there is downwards pressure building on TSP and SSP levels. A trading firm has lined up a Saudi Arabian DAP cargo for Argentina.

MARKET DRIVERS

Tampa June ammonia falls to $1,000/t cfr

Yara has announced the settlement of the Tampa ammonia contract price for June at $1,000/t cfr, a $425/t drop from the May settlement.

India hikes subsidy budget, NBS unaffected

Indian finance minister Nirmala Sitharaman announced on 21 May that the government will add Rs1.1 tn ($14bn) to the budgeted Rs1.05 tn fertilizers subsidy. But the cash injection will not result in a change in the NBS, Argus understands.

30-60 DAY OUTLOOK

Soft still, then firm

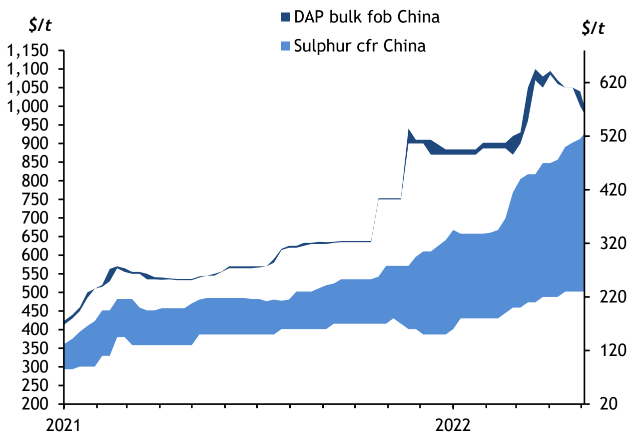
The window to ship Chinese phosphates to Brazil in time for safra application in September is rapidly closing.

Indian DAP stocks have increased to 2.8mn t but are not high enough to insulate importers once the monsoon rains start and domestic offtake accelerates. Importers cannot subsist on Russian product alone. Pakistan and Bangladesh still have plenty of DAP to buy. But, in terms of bearish factors, nitrogen prices are falling.

Weekly molten sulphur deliveries to Chinese ports

Vessel	DWT	Origin	Discharge port	ETA
Hestiana	3,599	Yokkaichi, Japan	Lianyungang	23-May-22
MS dream	3,599	Taesan-Hang, S Korea	Weifang	23-May-22
Sulphur Guardian	14,785	Chiba, Japan	Zhangjiagang	21-May-22
Tai Hai 5	3,276	Ulsan, S Korea	Weifang	19-May-22
MS Dream	3,599	Taesan-Hang, S Korea	Longkou	15-May-22
Sulphur Glory2	2,999	Oita, Japan	Qingdao	15-May-22
Grace Sulphur	2,999	Moji, Japan	Zhangjiagang	13-May-22

China DAP fob vs sul import cfr



ASIA

China

The China cfr all forms spot range stands at $230-525/t cfr, stable week on week.

The granular only range is at $520-525/t cfr, level on last week's conclusions.

This week a Middle East sale to south China was reported to have closed within a similar price level to previous business concluded last week for June arrival.

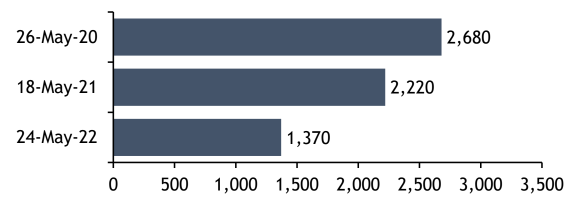
An offer for a Russian origin sulphur shipment made at $520/t cfr for late July- early August arrival was made, but any sale is expected to be made closer to the arrival time of the vessel that is yet to load at the Baltic port of Ust Luga.

Currency exchange rates ($)	*26 May*
Euro (€)	1.0697
Chinese yuan (*Yn*)	6.73860
Brazilian real (*R*)	4.78650
Indian rupee (*Rs*)	77.65210

CHINA PORT INVENTORIES

China port inventories	24-May-22	18-May-21	26-May-20
Longkou	60	17	15
Weifang	8	10	12
Qingdao	0	0	0
Zhenjiang	270	1,090	1,480
Zhanjiang	200	400	220
Fangcheng	470	330	360
Dafeng	220	0	0
Tangshan	0	0	0
Lianyungang	31	0	0
Beihai	54	95	216
Nanjing	0	240	370
Total	1,370	2,220	2,680

Total China port inventory *'000t*



Port inventory slipped slightly to 1.34mn t today compared to 1.35mn t last Thursday. Dafeng stocks remain high at around 220,000t, with a further 50,000t vessel set to berth in the next two days and a further 60,00t to arrive in early June at the port as a result of the ongoing congestion and shortage of river pilots delaying berthing schedules at ports further down along the Yangzte.

Molten sulphur pricing remains stable at $230/t cfr at the low end.

Imports rose

China's sulphur imports in April rose by 24pc from a year earlier to 719,800t.

DAP exports fell on inspections

China's DAP and MAP exports in April fell by 157pc and 52pc from a year earlier to 195,000t and 179,000t respectively, as prolonged customs inspections affected export flows.

Customs inspections for phosphate cargoes became prolonged from mid-April and have been extended further for at least two months in May, according to domestic market participants.

Exports are expected to continue to come out at a restricted rate in the coming weeks and months.

Domestic market

Domestic pricing stands at Yn4,000-4,020/t ex-works from river warehouses today, following softening during the week.

During the week, close to 10,000t traded in the river at Yn4,030/t ex-works on Tuesday and 10,000t at Yn4,000/t ex-works on Thursday with other price ideas today standing at Yn4,020/t ex-works at the high end.

Sinopec raised its pricing this week by Yn50/t for both Wanzhou and Dazhou to Yn3,970/t ex-works and Yn3,850/t ex-works respectively.

A regular local sales tender for a small quantity from a Northern refinery was awarded priced at Yn3,850/t ex-works from Dalian port. This is down by Yn62/t on last Tuesday's award of Yn3,912/t ex-works and Yn58/t on last Thursday's award of Yn3,905/t ex-works from Dalian port. No further tender was issued today.

In the paper market, June or S2206 ended at Yn3,968/t today compared to Yn4,042/t last Thursday.

China Sulphur Imports '000t

Country	Apr 22	Jan-Apr 22	Jan-Apr 21
UAE	81	265	661
Saudi Arabia	42	329	455
Qatar	32	69	303
South Korea	83	400	334
Oman	20	140	244
Canada	135	135	256
Japan	103	362	247
Iran	33	232	178
India	110	157	110
Other	81	353	325
Total	720	2,442	3,113

Spot Sales Selection 26 May 2022						
Origin	**Seller**	**Buyer**	**Destn**	***'000t***	**$/t bulk**	**Shipment**
US Gulf	Trader	Mosaic	Santos	20*2	$525/t cfr	June
US Gulf	Trader	CMOC	Santos	30	$520s/t cfr	June
Qatar	Muntajat	Undisclosed	tbc	35	bids $475-495 fob	June
Middle East	Trader	PPL	Paradip	40	$520-525/t cfr	June arrival
Middle East	Traders	PT Huayue	Morowali	2*50	$522-525/t cfr	June arrival
Taiwan	Formosa	Trader	Undisclosed	20	$498/t fob	11-15 June
Turkmenistan	Turkmengaz	Trader	Undisclosed	20	$425/t ex-works	tbc
Middle East	Trader	End User	South China	40	close to $510/t cfr	Prompt
Middle East	Trader	Lygend	Obi Island	40	$520/t cfr	Prompt
Greece	MOH	End User	Turkey	7	$525/t cfr	May
Iran	NIGC	Trader	Undisclosed	60	$410/t fob	1-5 May
Iran	Khark	Trader	Undisclosed	25	$415/t fob	1H May
Middle East	Trader	Coromandel	India	30-35	$490/t cfr	May
Qatar	Muntajat	Undisclosed	Undisclosed	35	bids $454-464/t fob	May
Taiwan	Formosa	Trader	Malaysia	15	$425-435/t fob	May
Middle East	Trader	End User	Senegal	30-40	$525/t cfr	April
Greece	Motor Oil	Trader	Undisclosed	7	$440/t fob	Late April
Middle East	Trader	End User	South China	50	$470/t cfr	April
Libya	NOC	Trader	Undisclosed	2x8	Above $410/t fob	April
US WC	Trader	Mosaic	Brazil	30-35	$482/t cfr	April
Taiwan	Formosa	SVI Group	Vietnam	15	$431/t fob	24-30 April
Canada	Undiclosed	End User	China	50	$415-450/t cfr	March-April

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India

The India cfr spot range is at $520-525/t cfr, stable week on week with no new spot business reported.

The most recent spot sale remains last week's conclusion when fertilizer producer PPL was linked to a Middle East origin sale via trader priced at $520-525/t cfr.

Fertilizer producer Coromandel has not yet covered June demand.

Overall sulphur demand remains sluggish, with some sulphuric acid plants in west coast India closed temporarily due to elevated sulphur prices and domestic producers looking to export any excess volumes to manage inventory levels.

In the west coast of India, offers for containerized crushed lump sulphur were received in the range of $417-425/t cfr.

Some crushed lump sulphur was offered from Iraq at around $435/t cfr to the west coast and at $450/t cfr to the east coast of India.

A small parcel of crushed lump sulphur was sold at Rs36,500/t ($471/t) ex-works from the port this week.

Sulphur deliveries to Indian ports						
Vessel	**Destination**	**Origin**	**Charterer**	**Receiver**	**Volume (t)**	**Expected Arrival Date**
Pan Daisy	Vizag	Mesaieed	Swiss Singapore	CIL	31,761	26-May-22
An Hai Vincent	Paradip	Mina Al Ahmadi	Transcom	PPL	29,100	24-May-22
Vafaa M	Haldia	AG	Fagro	IRC Agro	17,000	13-May-22
Vafaa M	Krisnapatnam	AG	Fagro	Nanda Chemicals	7,500	5-May-22
Sulphur Guardian	Vizag	Japan	Mitsui	CIL	7,000	30-Apr-22
Zulfikar	Tuticorin	AG	Fagro	Greenstar	28,010	21-Apr-22
La Chambordais	Paradip	Ras Laffan	KIT	IFFCO	38,500	19-Apr-22
TK Majestic	Paradip	AG	Fagro	PPL	42,201	7-Apr-22
Agios Nikolaos I	Paradip	Yanbu	TBC	TBC	73,992	2-Apr-22
Nord Bosporus	Hazira	Ruwais	TBC	TBC	60,457	29-Mar-22
Janki	Dahej	AG	Fagro	Panoli	30,000	10-Mar-22
Sulphur Guardian	Vizag	Japan	Mitsui	CIL	10,000	9-Mar-22
Janki	Angre	AG	Fagro	Zuari	10,300	6-Mar-22
Denab Harmony	Paradip	Mina Al Ahmadi	Swiss	PPL	36,250	19-Feb-22
AST Malta	Kandla	Umm Qasr, Iraq	Trader	JS Technochem	4,564	16-Feb-22
Zenab	Tuticorin	AG	SSM Ferchem	Greenstar	26,100	15-Feb-22

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Japan

Japanese refinery runs averaged 75.3pc in the week to 21 May, down by 2.4 percentage points from a week earlier.

South Korea

South Korean refiner S-Oil has restarted the gasoline production unit at its 580,000 b/d Onsan refinery, but the affected alkylation unit and the paraxylene (PX) unit remains shut.

The Onsan refinery caught fire on 19 May. The explosion, which killed one employee and injured several others, took place in the processor at the refinery's No.2 alkylation unit at around 8:50pm local time (11:50 GMT) on 19 May during the startup process after maintenance works were completed, the company confirmed at a press conference that took place on 20 May. The impact of the fire on sulphur production has not been confirmed.

SOUTHEAST ASIA

The southeast Asia cfr spot range is stable at $522-525/t cfr week on week

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Indonesia

An offer for a 35,000t granular sulphur cargo of Middle East origin was received at $490/t fob during the week. This works out to around $540-550/t cfr Indonesia. However, no deal was concluded as buyers found the price to be unworkable.

Vietnam

Sulphur buyers were in the market this week for 15,000t of granular sulphur, however no deals were reported due to tight supply from suppliers in the Middle East.

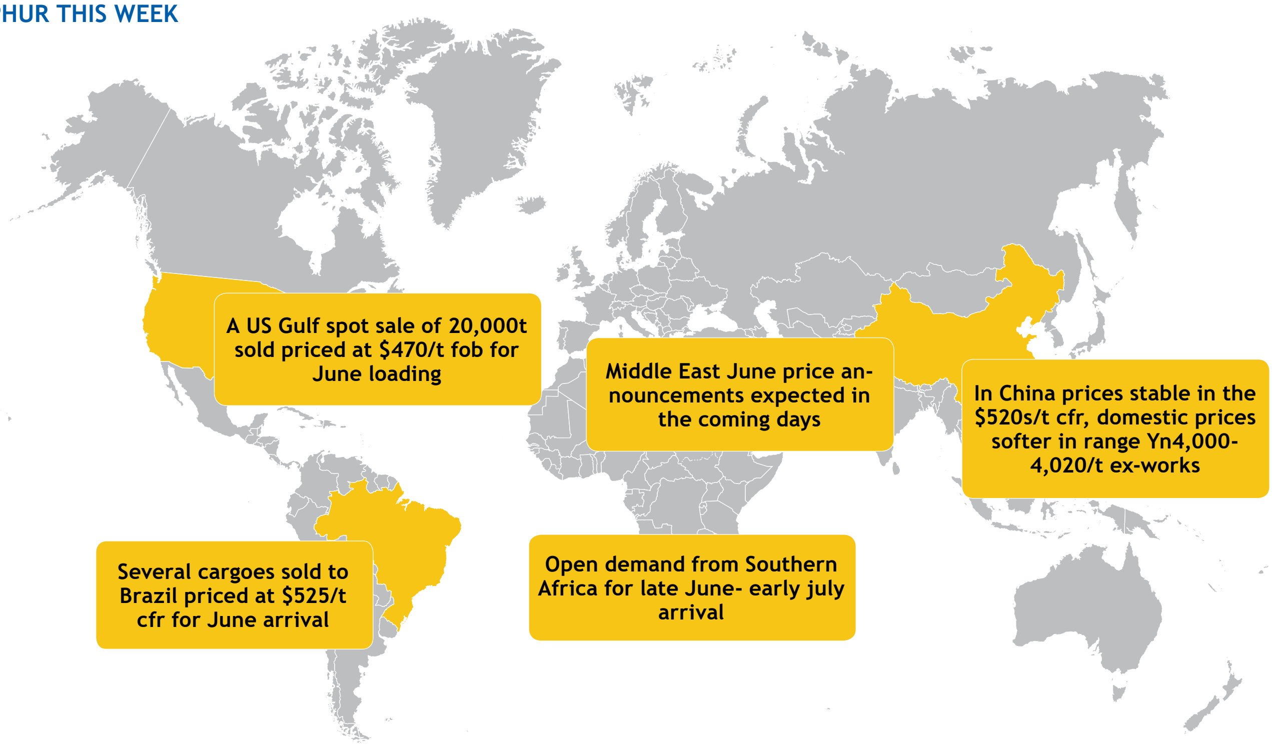
Unstable production of phosphate rock in Vietnam remains a source of frustration for DAP plants and has curbed import interest for sulphur along with it.

OCEANIA

New Zealand

Sulphur imports in the first four months of the year fell slightly by 2pc year-on-year to 57,600t on fewer imports from Oman. While imports from Canada remained stable on the year at 50,500t, imports from Oman fell 53pc on the year to 2,600t. However, this was largely outweighed by more deliveries from South Korea. New Zealand imported 4,200t of sulphur in January-April from South Korea, compared to only 500t last year.

SULPHUR 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

MIDDLE EAST

The Middle East spot price excluding Iran is stable this week at $480-490/t fob.

Offers for Middle East tonnes have been made this week from $485/t fob for China, 490/t fob to Indonesia and in excess of %500/t fob Middle East for an African market.

Much of the market was waiting for clarity on June pricing from monthly price announcements from major Middle East suppliers for June loading. These are expected by early next week.

Iran

The Iran fob range has been lowered at the low end while the high end remains stable at $380-455/t fob with crushed lump on offer priced at $380-385/t fob Iran, while granular product is stable with no new sales tender reported following last week's award priced at the high end.
NIGC issued a tender to sell 60,000t for 10-14 June loading at Assaluyeh port with the award at $455/t fob.

Jordan

Jordan's JPMC issued a spot tender to buy 60,000t for arrival in the second half of June. This is now believed to have been covered, priced on formula basis.
JPMC is also considering offers under its earlier term tender for 260,000t of sulphur for arrival over three months from June onwards. The tonnes will also be priced on formula basis.

UAE

Recent vessels that have loaded at Ruwais port in May:

- *Arnica* dwt 56,000 to Beira, Mozambique sailed 20-May-22
- *Evropi* dwt 53,789 to Aqaba, Jordan sailed 13-May-22
- *Adam Schulte* dwt 63,500 to Santos, Brazil sailed 07-May-22
- *Sunshine Bliss* dwt 70,000 to Jorf Lasfar, Morocco sailed 05-May-22
- *Magic Vela* dwt 55,000 to Jorf Lasfar, Morocco sailed 05-May-22
- *Fair Lady* dwt 76,608 to Jorf Lasfar, Morocco sailed 03-May-22

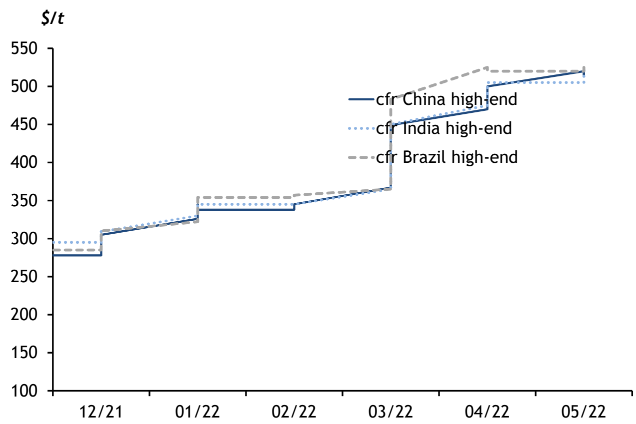
Ras Laffan/Mesaieed, Qatar - Sulphur vessels

Vessel	DWT	Destination	Departure
Pan Daisy	31,760	Vizag, India	15-May-22
IVS Gleneagles	58,070	Toamasina, Madagascar	14-May-22
Anasa	55,680	Jorf Lasfar, Morocco	6-May-22
KSL Hengyang	50,000	Obi Island, Indonesia	30-Apr-22
Dawn	60,000	Beira, Mozambique	27-Apr-22
Appaloosa	36,067	Coatzacoalcos, Mexico	20-Apr-22
Jiu Heng	57,000	Gresik, Indonesia	17-Apr-22
Pangeo	57,000	Beira, Mozambique	12-Apr-22

Mina Al Ahmadi, Kuwait- Sulphur vessels

Vessel	DWT	Destination	Departure
An Hai Vincent	30,700	Paradip, India	9-May-22
Prabhu Mihikaa	55,557	Beira, Mozambique	30-Apr-22
Ocean Crown	37,870	Sfax, Tunisia	23-Apr-22
Agia Dynami	35,220	Safi, Morocco	7-Apr-22
Spring Sunshine	46,947	Fangcheng, China	2-Apr-22

Sulphur spot price comparison



NORTH AFRICA

Egypt

Recent sales for June arrival to Egypt were concluded at around $510-515/t cfr levels.

A freight enquiry was issued for the shipment of 26,000-30,000t of bagged sulphur from Umm Qasr, Iraq, to Abu Qir, Egypt in late May.

Morocco

Vessels scheduled to arrive at Jorf Lasfar port during May and June include Middle East origin shipments and Ust Luga vessels linked to product of Kazakh origin. A Poti, Georgia, vessel with Turkmen product is also included in the May line up.

Tunisia

A recent sale to fertilizer producer Tifert was reported from Turkey priced at around $510/t cfr Tunisia for June arrival.

Sulphur deliveries to Jorf Lasfar, at pier NR 4/5

Vessel	Tonnage	Origin	ETB
Sweet Lady III	55,000	Ust Luga, Russia	23-Jun-22
Kavala	65,000	TBC	23-Jun-22
Celine Oldendorff	70,000	Ruwais, UAE	8-Jun-22
Sunshine Bliss	70,000	Ruwais, UAE	29-May-22
Anasa	50,000	Ras Laffan, Qatar	26-May-22
Magic Vela	55,000	Ruwais, UAE	24-May-22
Fair Lady	55,000	Ruwais, UAE	22-May-22
New Spirit	10,000	Jubail, Saudi Arabia	22-May-22
Venezia	55,000	Ust Luga, Russia	15-May-22
Christina	55,000	Ruwais, UAE	13-May-22
Al Karama	50,000	Jubail, Saudi Arabia	12-May-22
Coral Gem	53,300	Ruwais, UAE	9-May-22
Glyfada	50,000	Ust Luga, Russia	9-May-22
Kingfisher D	20,000	Poti, Georgia	5-May-22
Pessada	68,000	Ust Luga, Russia	5-May-22
Discharging total	781,300		

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SUB-SAHARAN AFRICA

An offer for a shipment was made at around $530-535/t cfr Southern Africa this week.

DRC

Inland trucking to the DRC is seeing severe delays, with the only border crossing point for sulphur to the DRC via the Kasumbalesa crossing from Zambia to the DRC. This is currently adding an additional $500/t per truckload as a result of 15-16 day delays to cross the border- this is almost doubling the inland transport cost and duration from the best-case scenario.

This border crossing point sees a high volume of commodity traffic and is prone to queues building, but a rise in mining activity with metals demand buoyant has increased this congestion, and the need for another crossing point has been accentuated.

This impacts on sulphur deliveries from Tanzania's Dar Es Salaam, Mozambique's Beira, Namibia's Walvis Bay as well as South Africa's Richards Bay- effectively limiting imported sulphur quantities through all the DRC supply routes. Mineral exports out of the country are equally subject to bottlenecks.

Major end users in the DRC are believed to hold sufficient sulphur stocks to continue feeding sulphur burners for the time being, and no operational impact has been reported beyond rising costs eating into margins. As is the case in many other markets also, the additional financing costs incurred are also stretching credit lines to the limit, and reducing the number of trades in some instances where financing becomes difficult.

Mozambique

One shipment for 30,000t for June loading from the Middle East is being sought for arrival in to Beira port.

South Africa

Fertilizer producer Foskor has yet to cover demand for late June- early July arrival of 50,000t.

Transnet Port Terminals (TPT) will limit each coal customer to a maximum of two vessels a month at the Richards Bay multipurpose terminal (MPT) in South Africa, as part of a raft of new measures to manage a sharp increase in coal demand.

MEDITERRANEAN

The Mediterranean cfr range is stable at $510-525/t cfr.

The Med fob from suppliers in the Med region is also stable at $480-481/t fob.

Greece

The next Greek sales tender for a 8,000t is expected to be available for June loading soon.

Turkey

Turkish origin tonnes were linked to a recent reported sale to fertiliser producer Tifert for June arrival in Tunisia.

Turkish refiner Tupras has awarded 5,700t in smaller lots from Izmir and Kirikkale refineries priced at $432-474/t fca under a tender on 24 May to sell sulphur from the Izmir and Kirikkale refineries for June lifting.

Tupras awarded an earlier tender on 18 May for 14,000t for June lifting from Izmit refinery in smaller quantities, priced in a range of $491-504/t fca.

The product can be lifted on an fca or fob basis at the buyer's discretion, but an additional $6.50/t will be added to the final price if big bags are chosen, to cover costs. A $5/t discount for prompt lifting will also apply.

The previous Tupras tender was last awarded on 21 April for May lifting in a wider range of $460-511/t fca.

WEST EUROPE

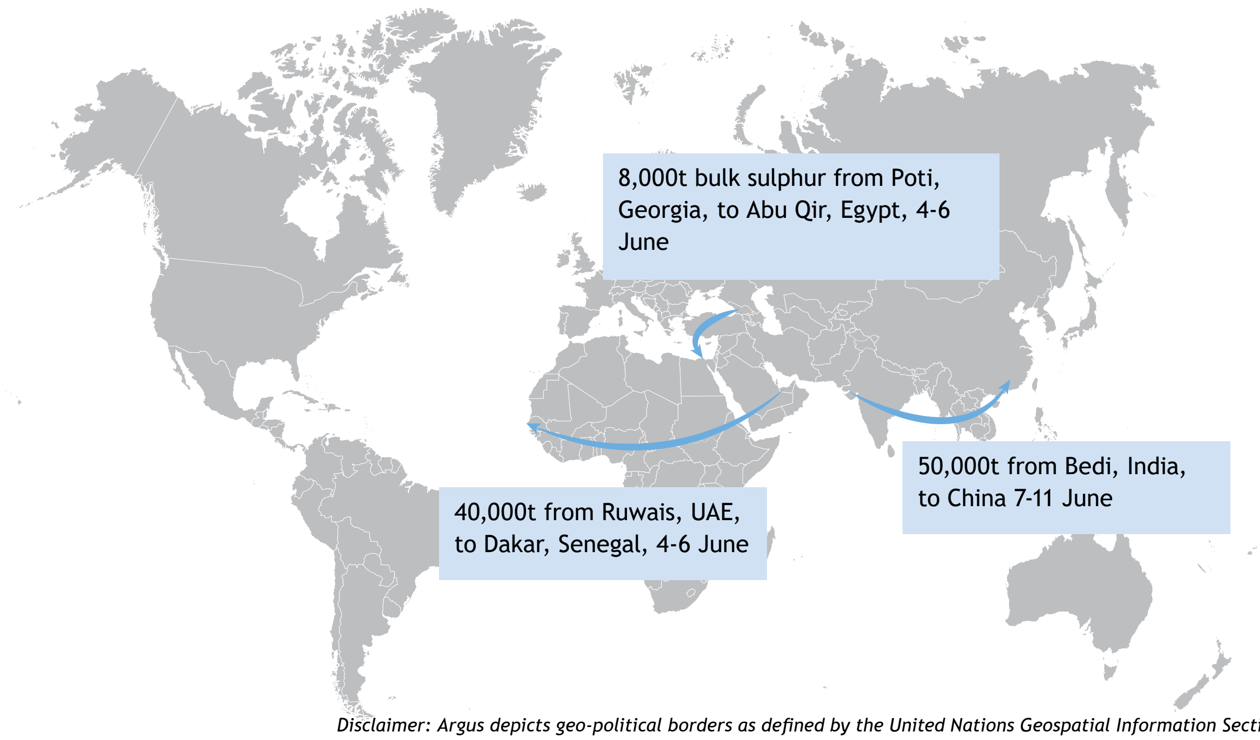
The two molten sulphur vessels are making regular trips for European buyers. The molten sulphur tanker *Sulphur Genesis* dwt 3,800 called at the sulphur tank terminal Brake, Germany, followed by a 22 May ETA in Bayonne, France. The molten sulphur tanker *Iver Ability* dwt 12,497 called Corpus Christi 20 May, and is currently en route to Antwerp, Belgium, with an ETA 11 June.

Some pockets of length have recently emerged in the European molten sulphur market. In some parts in eastern Europe and Germany and potentially some Benelux areas buyers have noted an eased sulphur supply situation compared to earlier in the quarter. Supplementary crude oil imports replacing Russian crude imports have had the unexpected effect of leading to more sulphur being produced at some refineries.

Germany

German chemical production in first-quarter 2022 was hampered by rising energy costs, according to the German chemical industry association VCI.

FREIGHT ENQUIRY HIGHLIGHTS



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Aggregate chemical output was 1.3pc higher in the first quarter than it was in fourth-quarter 2021, with strong growth in the pharmaceutical sector more than offsetting weaker production from other market segments, according to VCI.

Despite higher overall production, capacity utilisation by German chemicals firms in the first quarter slipped to 80.9pc, down from 81.5pc in the previous quarter.

"Bottlenecks in supply chains, and sharply rising energy and raw material costs, bothered chemical companies in the first quarter," VCI said, adding that the war in Ukraine had exacerbated these issues.

Looking ahead, potential bottlenecks to gas and oil supply present the largest concerns for the German chemicals industry, VCI said.

"A gas embargo or a stop to gas supplies from Russia would have additional devastating effects," the group said.

EAST EUROPE

The Baltic fob
range has been increased
slightly at the low end to $305-340/t fob. The high end refers to
Kazakh origin product shipping from Ust Luga, while the low end refers to Russian-origin product.

A shipment is expected to load in early June for delivery to South China, with sailing time translating to an arrival time of late July- early August.

Freight costs from the Baltic stand at $100-110/t for shipments to North Africa, while freight to China was indicated at a minimum of $150/t or potentially more.

The Black Sea fob range remains stable at $320-400/t fob.

Delays from Black Sea ports remain an issue, a lack of product availability is noted and there is no new product on offer at present.

Freight costs from the Black Sea are in a large range, with low end of freight from southern part of the Black Sea from Poti in Georgia and the high end from Russian ports with higher costs and a lack of vessels willing to call the region.

Kazakhstan

Kazakh product has primarily continued to move to North Africa in May and new shipments in June have already been scheduled in the line up at the port of Ust Luga.

As previously reported, more disruption is expected with the Kashagan field set to have a 6-week long full maintenance with no sulphur to be produced in June and the first half of July, with the sulphur loss estimated at around 160,000t-170,000t during that period.

Lithuania

Fertilizer producer Eurochem is planning to restart production at its Lithuanian Lifosa DAP and NPS complex next month under the supervision of a temporary administrator. With raw material purchases starting in the beginning of June, output of DAP is poised to restart in the second half of the month. By July, production could be running at 90pc of capacity.

Eurochem idled Lifosa in early April because of logistical and financial challenges following sanctions. Before that, the plant produced up to 70,000 t/month of DAP and NPS, mainly for north America and Europe.

Sulphur producer Orlen Group's Lithuanian 91,000t/y sulphur capacity Mazeikiai refinery is under maintenance from May to June for 6-8 weeks..

Poland

In Poland the high margins and recent flows of discounted Russian crude oil have meant that refineries have been running at high rates and producing healthy quantities of sulphur in recent weeks.

Poland's refinery throughput rose by nearly 1pc on the year and by more than 2pc on the month to 1.966mn t (480,000 b/d) in April, national statistics body GUS said today, 25 May. Refinery runs were 8.111mn t (495,000 b/d) in the first four months of this year, up by 18pc from the same period in 2021.

Crude exports through the Transneft system, including transit flows, rose by 18pc on the month to 4.83mn b/d (19.9mn t) in April — the highest since October 2019.

Crude flows to central Europe through the Druzhba system rose by 6pc to 856,000 b/d (3.57mn t) last month — the highest since December 2020 — with deliveries to Poland almost doubled to 240,000 b/d, as refineries took advantage of record-high margins for Urals processing. Druzhba shipments to Germany dropped by almost a third to 280,000 b/d (1.2mn t), following the expiry of Rosneft's contract to supply TotalEnergies' 236,000 b/d Leuna refinery. Hungarian firm Mol increased supplies to its refineries in Hungary and Slovakia after maintenance in March.

Meanwhile Grupa Azoty, Poland's leading fertilizer manufacturer, strongly improved its fertilizer division's financial performance in the first quarter of the 2022, on the back of higher margins and a decline in imports to its domestic market.

The fertilizer division's earnings before interest, taxation, debt and amortisation (ebitda) more than tripled on the year to 814mn zlotys ($190mn) in January-March, the company said in its quarterly financial report.

Azoty said that despite of a large increase in costs of natural gas, its margins on fertilizer sales improved on the year.

The company has kept its fertilizer — particularly nitrogen — production at high levels so far this year, it said, while benefiting from low imports to Poland.

"There is no secret that market picture is positive for us," chief financial officer Marek Wadowski said on May 26. He added that the company is prioritising the supply of fertilizer to its home market, as production cuts in Europe, high transports costs and restrictions on Russian exports have impacted imports to the country.

Russia

A Russian sulphur cargo is expected to load next week at Ust Luga port, offered to Chinese buyers at a price allowing for a substantial margin to cover the high freight, financing and insurance costs.

An alternative destination for this cargo was also indicated in India.

Three shipments of 50,000-60,000t are understood to be in the works at present. June availability from Gazprom's plant for railing to Ust Luga is believed to be less than in April as a result of higher domestic demand.

NORTH AMERICA

Canada

Vancouver sulphur values ranged from $476-480/t fob this week, with healthy levels of demand supporting higher netbacks.

Market participants anticipate increased capacity from Canadian sulphur formers and prillers in the third quarter to sustain export volumes seen in the first half of the year as shippers dive into the massive sulphur storage blocks in mainland Canadian to meet demand of firming global markets.

Brazilian sulphur demand has also raised expectations in the coming months as the country has taken several shipments from North American exporters in recent weeks following the drop in FSU imports. Elevated offers from Middle Eastern producers into Brazil has raised demand for Canadian sulphur as higher transatlantic freight rates raise delivered values.

Ust-Luga, Russia - Sulphur loading vessels

Vessel	DWT	Destination	Departure
Transeurope	25,000	tbc	tbc
Xin Hai Tong 8	48,500	tbc	tbc
Genoa	60,396	Jorf Lasfar, Morocco	17-May-22
Venezia	60,388	Jorf Lasfar, Morocco	7-May-22
Glyfada	60,414	Jorf Lasfar, Morocco	2-May-22
Palau	31,837	Santos, Brazil	26-Apr-22
Pessada	75,484	Jorf Lasfar, Morocco	22-Apr-22
Viva Glory	46,644	Gabes, Tunisia	16-Apr-22
Genoa	60,396	Jorf Lasfar, Morocco	11-Apr-22
Agia Eleni	29,664	Dakar, Senegal	10-Apr-22
Manna	55,697	Jorf Lasfar, Morocco	7-Apr-22
Ina Lotte	38,267	Santos, Brazil	30-Mar-22
Maina	63,280	Walvis Bay, Namibia	22-Mar-22
Bulk Trident	52,514	Walvis Bay, Namibia	21-Mar-22
Zante	60,436	Santos, Brazil	16-Mar-22
WL Kirillov	37,300	Jorf Lasfar, Morocco	13-Mar-22

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US

US Gulf coast sulphur values ranged from $469-471/t fob as a 20,000t shipment to Brazil was sold this week from the region priced within the assessed range. Two further sales from the region for Brazil are believed to have been concluded in recent weeks.

As the US fertilizer industry encroaches on the upcoming offseason, domestic sulphur demand is expected to wane into the coming months as fertilizer producers look to draw down costly raw material storage. Fertilizer application season has come and gone in most regions as inclement weather conditions, coupled with high fertilizer pricing reduced demand during the second quarter.

The molten sulphur tanker *Iver Ability* dwt 12,497 called Corpus Christi 20 May, and is currently en route to Antwerp, Belgium, with an ETA 11 June.

The molten sulphur tanker *Sulphur Enterprise* dwt 21,649 sailed from Galveston 21 May with an ETA 23 May in Tampa. This follows a previous trip between Beaumont and Tampa, both regular routes for the vessel.

On the US west coast, demand from South American consumers prompted increased offers from the region and prices ranged from $476-478/t fob.

Refinery throughputs climb

US refinery throughputs climbed to 16.27mn b/d during the week ending 20 May, according to the Energy Information Administration (EIA), the highest since June 2021, with US Gulf coast throughputs averaging more than 9mn b/d, the highest since the beginning of the pandemic and in line with the 4-week average during the same time in 2019. Producers have retained bullish expectations for sulphur output this year on the back of increased utilization rates, despite surging fuel prices.

Improved diesel cracks have raised opportunities for processors of sour crudes after the ban on Russian-sourced diesel fuel tightens US supplies and widens margins for refiners, raised demand for higher-sulphur producing sour crudes.

Atlantic hurricane season above normal

US Gulf storm activity has had a more muted effect on oil and natural gas prices over the last several years as onshore activity increased, acting as a buffer for offshore wells. But expectations for an above-average Atlantic hurricane season this year adds to the risk of disruptions to production, imports and exports of most commodities.

LATIN AMERICA

Brazil

The Brazil spot cfr range has been lifted slightly $524-526/t cfr.

Several spot sales were concluded at around this price level for Brazilian buyers for June arrival, with at least two spot cargoes originating in the US Gulf. Offer levels for product from Vancouver and the Middle East are understood to stand above these cfr levels.

Vessels are expected to call both Tiplam and Termag terminals in June.

Mexico

Some Mexican buyers are indicating lower demand for sulphur imports, with the high raw material pricing not deemed to deemed supportive of margins and reduced operating rates to be preferable until prices soften.

Overall import demand in Mexico continues to be supported by fluctuating local sulphur production rates.

Brazilian sulphur vessel line-up

Vessel	Buyer	Charterer/Origin	Port, Terminal	000t	Estimated time of berth
Simge Aksoy	CMOC	Dreymoor/Poti, Georgia	Santos, Termag	30	9-Jun-22
Adam Schult	Mosaic	Adnoc/Ruwais	Santos, Tiplam	41	1-Jun-22
Nord Adriatic	Mosaic	Mosaic/USA	Santos, Tiplam	40	27-May-22
Chicago Harmony	Mosaic	Mosaic/Beaumont	Santos, Tiplam	35	5-May-22
Poseidon	Mosaic	Tricon/Jubail	Santos, Tiplam	37	1-May-22
Ocean Tianchen	Mosaic	HJ Baker/Vancouver	Santos, Tiplam	55	30-Apr-22
Gant Grace	Fosnor	USG	Aratu	25	23-May-22
Seto Harmony	Mosaic	Mosaic/Galveston	Santos, Tiplam	35	21-Apr-22
Zante	Mosaic	Trammo/Ust Luga	Santos, Tiplam	40	20-Apr-22
Nord Sun	Elekeiroz	Trammo/Ust Luga	Santos, Termag	45	19-Apr-22
Dorysia	Mosaic	Dreymoor/Poti	Santos, Tiplam	28	17-Apr-22
Ocean Tianchen	Mosaic	Vancouver	Santos, Termag	25	14-Apr-22
CL Gemma	Mosaic	Trammo/Ust Luga	Santos, Tiplam	40	6-Apr-22
Ultra Infinity	Mosaic	HJ Baker/Stockton/Long Beach	Santos, Tiplam	44	30-Mar-22
Captain D Lempesis	Mosaic	Trammo/Ust Luga	Santos, Tiplam	50	28-Mar-22
Berge Asahidake	Mosaic	Mosaic/USG	Santos, Tiplam	31	20-Mar-22
Abu Al Abyad	Mosaic	Trammo/Ust Luga, Russia	Santos, Tiplam	40	17-Mar-22

NEWS AND ANALYSIS

Solidarity key on Russian oil embargo: Germany

German vice-chancellor Robert Habeck said today, 23 May, that "special exceptions" could be granted to Hungary and other countries, but these must lead to "a common answer" on the imposition of an EU-wide embargo on Russian oil.
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EU-15 refinery crude intake hits post-Covid high

Revised Euroilstock data for April show crude and other feedstock runs at refineries in the EU-15 plus Norway rose by 6.8pc on the month to the highest since the start of the Covid-19 pandemic, to meet rising demand for transport fuels.
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Transnet issues new Richards Bay MPT rules

Transnet Port Terminals (TPT) will limit each coal customer to a maximum of two vessels a month at the Richards Bay multipurpose terminal (MPT) in South Africa, as part of a raft of new measures to manage a sharp increase in coal demand.
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Australia's Incitec Pivot to split fertilizers unit

Publicly-listed Australian chemicals and fertilizer producer Incitec Pivot (IPL) plans to split its explosives and fertilizer business into two separate entities.
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South Korea's S-Oil restarts FCC unit after fire

South Korean refiner S-Oil has restarted the gasoline production unit at its 580,000 b/d Onsan refinery, but the affected alkylation unit and the paraxylene (PX) unit remains shut.
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Missile hits Odessa Port Plant

Ukrainian ammonia and urea plant, Odessa Port Plant (OPZ) in Pivdenny was hit by a missile this afternoon, according to sources in Ukraine.
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Rising oil, gas imports hike energy security concerns

Southeast Asia's rising dependence on oil and natural gas imports will heighten its energy security risks and could slow down the region's energy transition efforts.But gas price rises could also incentivise countries to hasten their energy transition, because of "changing perceptions on affordability and policy attitudes towards investments in gas import infrastructure", the IEA says. Under both scenarios, around $120bn is spent on gas infrastructure, such as pipelines, between 2020-30. But, longer term, the prospect of higher oil and gas prices could encourage policies to speed up the clean energy transition. Under the SDS scenario, countries making urgent policy changes to increase energy efficiency could see oil and gas imports being 50pc lower in 2050 than in the Steps scenario.
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Balanced copper market to move to large surplus: IWCC

The global copper market is expected to be balanced this year before moving into a larger surplus next year, the International Wrought Copper Council (IWCC) has said.
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Fire at 580,000 b/d Onsan refinery in S Korea: Update

South Korean firm S-Oil's 580,000 b/d Onsan refinery caught fire on 19 May, according to the firm.
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UN seeks ways to allow seaborne exports from Ukraine

The UN is seeking to bring Ukrainian agricultural production, as well as fertilizer output from Russia and Belarus, back to global markets to avert food shortages, UN secretary-general Antonio Guterres told the UN Security Council on 19 May.
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Rosneft, Lukoil suspend Primorsk diesel loadings

Exports of low-sulphur diesel from Russia's Baltic port of Primorsk are scheduled 31pc lower on the month on a daily average basis at 1.1mn t in May.
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Ni market in surplus of 37,000t this year: Nornickel

The 2022 nickel market is forecast to be in a mild surplus of 37,000t, mostly in low-grade nickel, according to market research conducted by Norilsk Nickel (Nornickel), the world's largest Class 1 nickel producer.
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Gazpromneft takes control of Gydan JV

Gazpromneft has taken sole ownership of an arctic exploration project in Russia following the departure of Shell, according to Russia's state register of legal entities. The Russian firm now holds 100pc of the Gydan Energy joint venture formed in late 2020 for exploration and development of the remote onshore Leskinsky and Pukhutsyayakhsky blocks, on Russia's far north Gydan peninsula. The blocks could hold a combined 135mn t (985mn bl) of oil equivalent. Exploration is under way. Shell announced its withdrawal from Russia following the invasion of Ukraine on 24 February. Lukoil agreed to buy the major's retail and lubricants business in Russia earlier this month — 411 service stations, mostly in central and northwestern Russia, and the 180,000 t/yr Torzhok lubricants blending plant in the central Tver region. But Shell is yet to finalise the withdrawal from its two largest Russian assets — a 27.5pc stake in the Gazprom-led Sakhalin 2 project in Russia's far east and a 50pc shareholding in the producing Salym Petroleum Development upstream joint venture with Gazpromneft in western Siberia.
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Oman's refinery output fell by 16pc in January-April

Oman's refinery output dropped by 16pc year on year in January-April, but production in April continued the upward trend, rising significantly from March as the 198,000 b/d Sohar refinery ramped up runs after completion of a major turnaround early in the year.
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Shell shareholders' meeting disrupted by protesters

Shell's annual general meeting (AGM) was delayed Tuesday morning after climate protesters disrupted the event with chanting, prompting the firm to call for police assistance.
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German chemical 1Q output rises despite energy costs

German chemical production in first-quarter 2022 was hampered by rising energy costs, according to the German chemical industry association VCI.
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Saudi Arabia says Iran talks have made 'some progress'

Talks to help mend relations between Saudi Arabia and its long-time regional foe Iran have made "some progress" over the past year but more work is needed, Saudi foreign minister Faisal bin Farhan said Tuesday.
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Atlantic hurricane season to be above normal: NOAA

This year's Atlantic hurricane season is set to be above normal, according to the US' National Oceanic and Atmospheric Administration (NOAA), although the expected frequency is broadly in line with a year earlier and below 2020's near-record number.
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US Gulf Mars platform crude production restored

Maintenance on Shell's Mars platform in the deepwater US Gulf of Mexico was completed on 23 May, three days ahead of schedule, the company said this week.
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Japanese weekly refinery activity: Runs fall further

Japanese refinery runs averaged 75.3pc in the week to 21 May, down by 2.4 percentage points from a week earlier.
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Hungary declares state of emergency over Ukraine

Hungarian prime minister Viktor Orban declared a state of emergency from 25 May citing energy security worries, among other concerns, because of the war in neighbouring Ukraine.
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Poland's refinery runs edged up in April

Poland's refinery throughput rose by nearly 1pc on the year and by more than 2pc on the month to 1.966mn t (480,000 b/d) in April, national statistics body GUS said today, 25 May.
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Russian pipeline crude supplies surge

Crude exports through the Transneft system, including transit flows, rose by 18pc on the month to 4.83mn b/d (19.9mn t) in April — the highest since October 2019. Druzhba deliveries to central Europe are scheduled fractionally higher than the April plan at 3.56mn t (826,000 b/d) in May. There are higher shipments to most destinations this month, apart from Slovakia, where maintenance is scheduled at Hungarian firm Mol's 120,000 b/d Bratislava refinery on 20-27 May. Landlocked Hungary, Slovakia and

the Czech Republic have expressed concerns about the EU's proposed embargo on Russian oil, to be implemented by the end of 2022. Hungary has rejected the idea outright, while Slovakia and the Czech Republic have asked for a longer transition period.
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Iraq, BP discuss raising Rumaila field crude capacity

Iraq's oil minister has discussed with BP raising output capacity at the 1.5mn b/d Rumaila field — the country's biggest oil producing field — to 1.7mn b/d.
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China's April nickel sulphate imports fall

China's nickel sulphate imports in April fell sharply by 36.9pc from a month earlier and down by 12.9pc against the previous year.
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China's April cobalt feedstock intake dips on lockdowns

China's cobalt feedstock imports in April fell compared with a year and a month earlier with reduced customs clearance efficiency caused by Covid-19 lockdowns, particularly in east China.
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China's custom inspections weigh on fertilizer exports

China's fertilizer exports fell noticeably in the first four months of this year under the country's customs inspections policy, that was implemented to secure sufficient domestic fertilizer supplies and stabilise domestic prices.
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China's April DAP, MAP exports fall with customs delays

China's DAP and MAP exports in April fell by 157pc and 52pc from a year earlier to 195,000t and 179,000t respectively, as prolonged customs inspections affected export flows.
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