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Argus Water-soluble Fertilizer

A monthly analysis of the water-soluble fertilizer market

Issue 24-5 | Friday 3 May 2024

PRICES

Water-soluble fertilizer average monthly price *$/t*

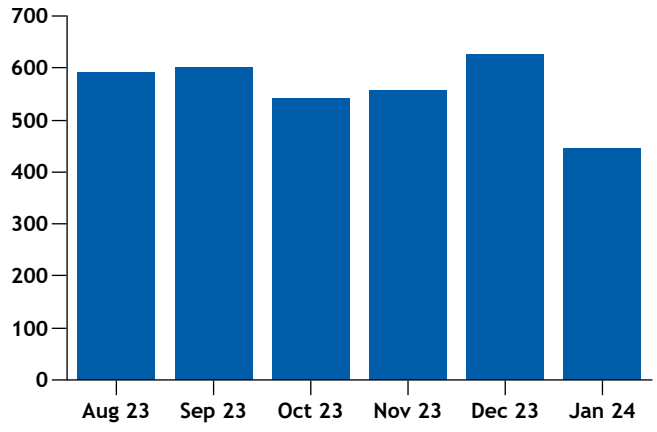
Product	Price	Origin	Weighted average price					Jan 24	
			Aug 23	Sep 23	Oct 23	Nov 23	Dec 23	Jan 24	Low	High
NOP	Mexico import	China and Jordan	1,103	977	1,048	963	885	927	807	1,063
NOP	Peru import	Chile	na	900	na	901	na	876	870	971
NOP	India import	All	870	897	876	869	873	865	845	940
MAP 12-61	China export	China	718	735	757	828	803	811	809	813
MAP 12-61	West coast Latin America import	All	799	801	844	852	840	883	867	940
MAP 12-61	India import	All	798	780	827	836	870	892	840	1,065
CN	India import	China	299	284	286	280	na	na	na	na
CN	India import	Norway	na	458	458	458	na	na	na	na
MKP	India import	China	1,131	1,177	1,244	1,230	1,251	1,274	1,235	1,400
MKP	Mexico import	China	1,248	1,200	1,210	1,353	1,255	1,242	1,213	1,392
MKP	Mexico import	Israel	1,551	1,389	1,452	1,524	1,760	1,504	1,367	1,762
13-40-13	Mexico import	Spain	na	1,461	na	1,520	na	1,308	1,216	1,341
15-5-30	Mexico import	Spain	na	1,326	na	1,284	na	na	na	na
18-18-18	Mexico import	Spain	na	na	1,352	1,308	1,296	1,136	1,119	1,285
19-19-19	India import	Netherlands	na	na	na	na	na	na	na	na
19-19-19	India import	United Arab Emirates	891	867	862	na	906	888	875	910

Fertilizer premium analysis *$/t nutrient*

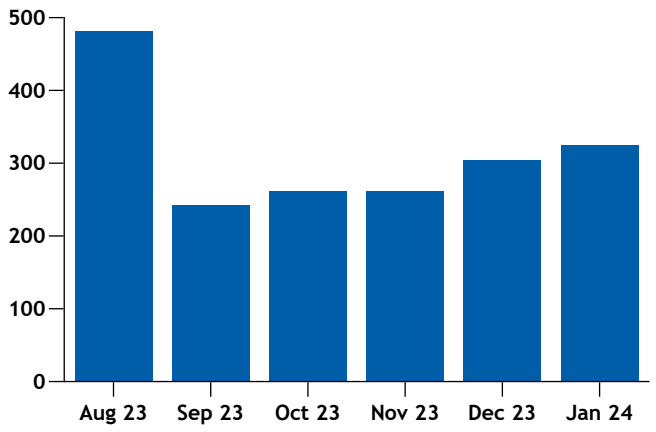
Product	Price	Weighted average price					
		Aug 23	Sep 23	Oct 23	Nov 23	Dec 23	Jan 24
Chloride-free K_2O Premium - India import							
MOP	India import	523	528	523	527	537	527
SOP	India import	1,044	1,092	1,106	1,073	1,013	1,231
SOP Chloride-free premium to MOP		521	563	582	546	477	704
Soluble K_2O Premium - India import							
SOP	India import	1,044	1,092	1,106	1,073	1,013	1,231
NOP	India import	1,634	1,693	1,646	1,630	1,640	1,676
NOP soluble premium to SOP		590	601	541	558	627	445
Soluble P_2O_5 Premium - India import							
DAP 18-46	India import	656	867	923	937	951	1,002
MAP 12-61	India import	1,138	1,108	1,185	1,199	1,255	1,327
MAP 12-61 soluble premium to DAP 18-46		481	241	262	262	304	325

Argus solubility premiums are based on third-party data. New monthly premiums will be published when data availability allows. Publication may cease without notice. All data in this document can be downloaded in Excel on the Argus website.

Soluble K_2O Premium - India import *$/t nutrient*



Soluble P_2O_5 Premium - India import *$/t nutrient*



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MARKET SUMMARY

Chinese NOP and 12-61 fobs dip

Prices are coming off out of China. This is a result of supply, although still erratic, rising and prices for commoditized fertilizers, particularly phosphates, taking a hit globally. Weakness in international fertilizer markets is impacting sentiment, with a wait-and-see approach now evident. High freight rates are not helping trade, as sellers struggle to maintain fob prices.

NOP prices fell from $790-820/t fob in March to closer to $750/t fob. Prices of MAP 12-61 dropped from $780-800/t fob, also closer to $750/t fob. Notably, for 12-61, this brings European markets into play, despite high freights, the 6.5pc duty from China, and unpredictable load times. Some traders describe the European arena as short of MAP. Traders peg wholesale prices at €1,050-1,100/t ($1,123-1,176/t) .With fobs at $100-150/t, this equates to around $950/t cfr duty paid.

But NOP from China is still largely absent from Europe, as the lower fobs have been more than compensated for by firm freights. Lower fobs out of China have also had a knock-on effect in regional cfr markets. In India, cfr prices fell from $860/t towards $820/t. NOP demand in the Mediterranean has been hit by poor conditions, including a lack of rain.

Water-soluble SOP has been far steadier by comparison, at $660-700/t fob for Egypt, compared with $660-720/t fob last month.

LATEST PRICE INDICATIONS

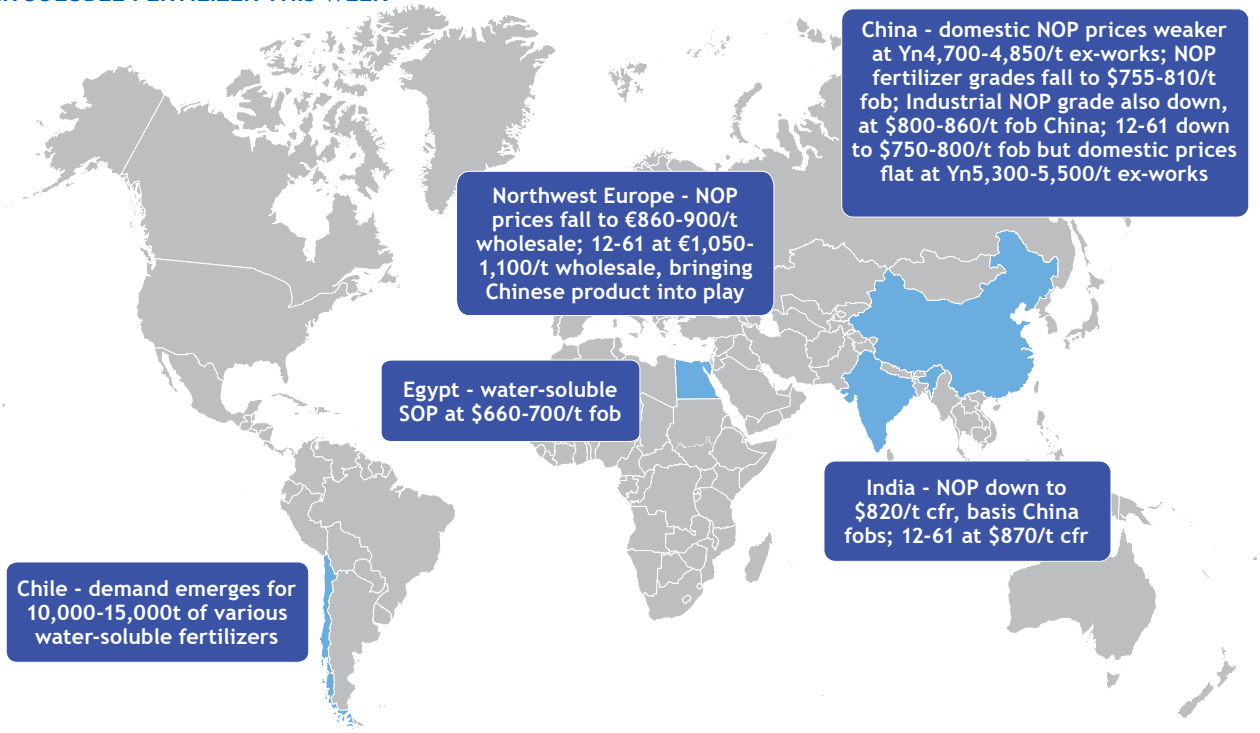
NOP

- China domestic prices weaker at Yn4,700-4,850/t ex-works
- Chinese fertilizer grades fall to $755-810/t fob
- Industrial grade also down, at $800-860/t fob China
- Northwest European prices at €860-900/t wholesale

Argus monthly water-soluble prices

			Apr 24		Mar 24		
Product	Price	Unit	Low	High	Low	High	±
NOP	China ex-works	Yn/t	4,700	4,850	4,850	5,000	-150
NOP	China fob	$/t	760	860	790	890	-30
12 - 61	China fob	$/t	750	800	780	800	-15

WATER-SOLUBLE FERTILIZER THIS WEEK



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12-61
- Chinese domestic prices flat at Yn5,300-5,500/t ex-works
- Fob levels at $750-800/t ex-China
- Northwest European prices at €1,050-1,100/t wholesale

SOP
- Chinese fobs at $630-650/t
- Egyptian fobs slightly lower at $660-700/t fob

OUTLOOK

Slightly bearish
More Chinese supply, a weak global market for commoditized fertilizers, distributors continuing to buy hand to mouth, and memories of 2023 have cast a bearish shadow over the water-soluble market. Only firm freights could potentially limit cfr downsides.

NOP

China domestic
Domestic NOP prices were generally under pressure in April, falling slightly to Yn4,850/t ex-works, down by Yn50/t on the end of March. They then held steady until mid-April, when they fell to Yn4,750/t ex-works and, by late in the month, to Yn4,700/t.

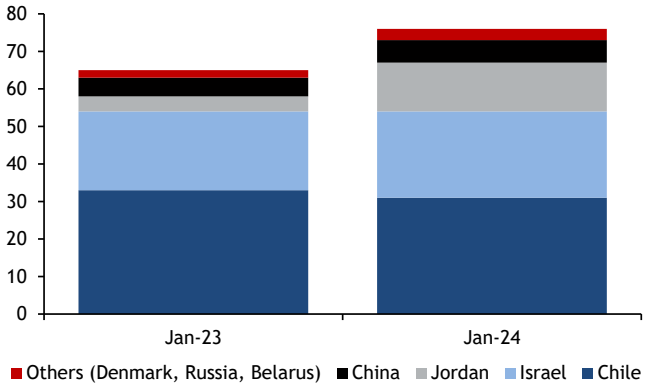
China export

Fertilizer grade
Export offers started April at $790-810/t fob, with small sales at the low end of the range. Prices then fell by $15/t at the low end to $775-810/t fob, with a trader selling less than 200t at the low end for April shipment. Overall, export activity was quiet, with buyers in wait-and-see mode, while sellers were focussed on delivering against earlier orders. Prices held steady until mid-April, when a trader reported selling 100t at $760/t fob for May shipment. As the month ended, indications dropped to $760-800/t fob, with one global trader saying that it had bought 2,500t at $755/t fob. The recent surge in shipping costs has put pressure on traders, promoting them to consider lowering fobs to attract buyers. Lower potash prices in general have also weighed on NOP values.

Industrial grade
Suppliers started offering in April at $850-860/t fob, down from $850-890/t fob at the end of March. But by 11 April, export prices had fallen back on a lack of liquidity. There were no deals, but producers cut offers to $840-860/t fob. They then continued to cut prices in the middle of the month to $810-860/t fob, before dropping them even more drastically to $800-820/t fob. A trader reported selling around 100t of the grade to Mexico at the high end.

Total NOP exports reached 6,406t in January, slightly up on the 5,400t shipped in January 2023 and the 4,500t exported in the same month of 2022.

NOP exports by country of origin '000t



— *Customs data, Argus analysis*

India
NOP was assessed at around $820/t cfr, given fobs out of China.

Northwest Europe
Prices are assessed lower at €860-900/t wholesale, which some traders have put down to more aggressive producer selling to garner demand after a weak 2023.

Netherlands
The Netherlands imported 19,237t of NOP in January. That was down slightly on the 24,000t taken in the same month of 2023, and further below the 34,000t imported in January 2022.

Mediterranean
Wholesale prices are around $900/t or €850/t in Spain and Greece. Prices have been weaker on a lack of rain and plentiful supply.

Spain
Spain imported 12,439t of NOP in January, a major rise on the 3,000t of receipts in the same month of 2023. But it lags the 21,350t taken in during January 2022.

Turkey
Buying is taking place at around $850/t cif big bags. Igsas

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is understood to have tendered for around 2,000t of NOP in April but awards are still thought to be pending.

Israel

Israeli NOP exports reached 22,771t in January, according to trade data, on par with the corresponding months of both 2022 and 2023.

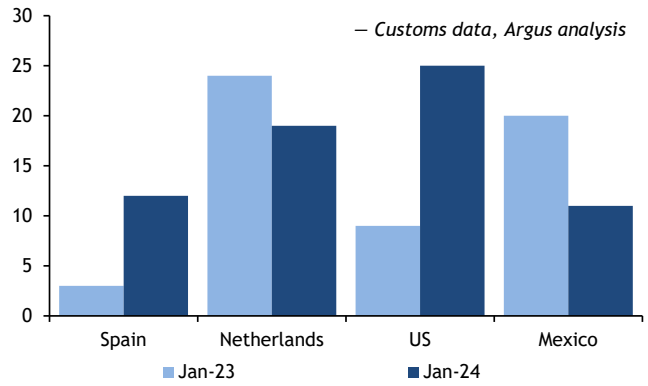
Jordan

Jordanian NOP exports totalled 13,469t in January, a major uptick on the 3,700t shipped in January last year and also above the 9,500t moved in the same month of 2022.

US

US NOP imports reached 25,170t in January, up significantly on the 9,350t taken in January 2023 and the 12,750t imported in the same month of 2022.

NOP imports for top four consuming countries *'000t*



Mexico

Mexican NOP imports fell to 10,733t in January, down on the 19,812t of the first month of last year. But the 2024 figure was far up on the 3,180t taken in during January 2022.

Chile

Chile exported 30,602t of NOP in January, according to *Argus* analysis of latest trade data. This is roughly on par with exports in the same month of 2023 but well down on the 83,000t exported in January 2022.

SOP

Northwest Europe

Fobs were assessed at €650-700/t fob NW Europe. But one European producer is sold out for May and offering for June loading at as high as €710/t fob. Water-soluble SOP remains by far the most popular SOP product. Demand is strong, and producers have little availability for the rest of the second quarter.

China

Indications started in April at $650/t fob for 52pc powdered SOP. They were stable until mid-month, when offers fell to $630-650/t fob. Most exporters were out of the market as they waited for further clarification on customs inspections. A sale to Mexico for end-May loading at the low end of the range was reported. At press time, one trader reported buying water-soluble SOP as low as $560/t fob, with others pegging it at $630-650/t fob. Availability is limited due to customs inspections but producers would like to export much more.

Taiwan

Indications for water-soluble SOP are at $630-660/t fob for June loading.

Tunisia

Bagged water-soluble SOP was agreed at €720-730/t cfr Tunisia.

Turkey

SOP is at around $695/t cfr.

Egypt

A producer was offering SOP at $670-680/t fob for June shipment. Another producer was offering at $680-700/t fob for May loading. Traders put prices at around $660-670/t fob.

Mexico

SOP from Egypt was on offer at $785/t cfr for April/May loading and shipment to various ports.

Ecuador

Water-soluble SOP was on offer at $770-780/t cfr.

Colombia

A supplier was offering Egyptian water-soluble SOP at $750/t cfr Buenaventura and $780/t cfr Santa Marta for April/May shipment.

MAP 12-61

China domestic

Domestic prices were remarkably stable throughout April at Yn5,300-5,500/t ex-works, flat on March.

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China export

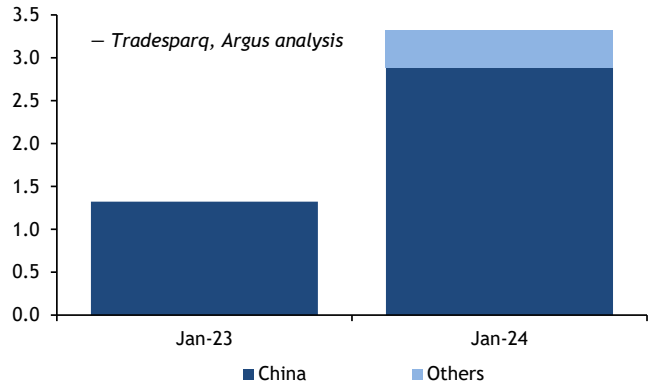
Prices started April steady at $780-800/t fob, with reports in the middle of the month that at least 100t had been sold to Europe at the equivalent of $800/t fob. Indications then ranged $770-790/t fob before the high end fell by $10/t thanks to weaker overall phosphate prices internationally. Some sales were made to Pakistan at this level. Offers to Europe reportedly fell as low as $760/t fob for product in containers, as the month ended. One trader confirmed that it had sold Chinese 12-61 to Europe. Traders put fobs at $750-760/t fob for June loading, as May began. Overall, traders are still reticent to touch Chinese 12-61, worried over availability, customs inspections, and transit times. Little product is available.

India

Prices of 12-61 were pegged at around $870/t cfr, given freight rates from China and current fobs.

India imported 3,321t of 12-61 in January, of which China supplied 2,885t. This is double the 1,323t taken in during the same month of 2023.

Indian MAP 12-61 imports by country of origin *'000 t*



Europe

Chinese fobs plus freight at $125-150/t imply landed costs, at a minimum, of around $940/t cfr. This is less expensive versus other sources but traders are still wary of taking positions on Chinese product, aware that delays are inevitable and that freight rates are unpredictable. Volumes moving east to west will, as a result, be quite small. Traders peg wholesale prices at €1,050-1,100/t.

US

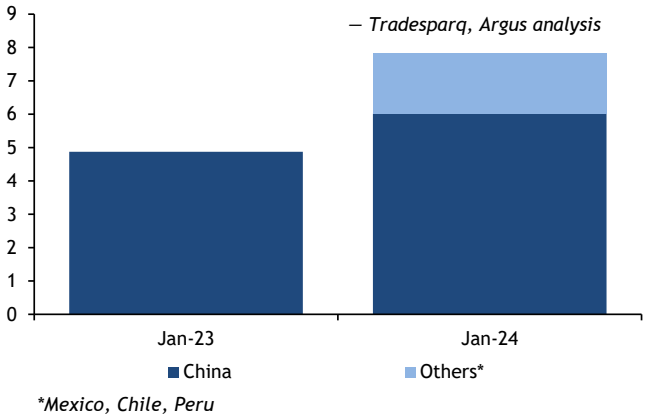
Freight rates from China for 12-61 suggest cfr prices of around $900-950/t cfr.

Latin America

Chinese fobs plus freight indicate cfr levels of around $850-880/t cfr, the same price as in African countries. Container prices are probably $100/t higher.

West-coast Latin American 12-61 MAP imports reached 7,811t in January, of which China shipped over 6,000t. This is up on the 4,872t taken in during January 2023.

WC Latin America* 12-61 imports, country of origin *'000t*



Mexico, Chile, Peru

CN

China

Chinese fobs were reported below $200/t fob.

Europe

Ex-warehouse prices were pegged at €350-400/t.

GENERAL WATER-SOLUBLE FERTILIZERS

Senegal

Everest eyes West Africa expansion

UAE-based trading firm Everest Energy announced in April the incorporation of a new business unit in Senegal. It will be called Everest Energy Africa SARL.

The new unit has "already successfully made its first steps in importing water-soluble fertilizers" — namely MAP, CN, NOP, and SOP — into Dakar, Everest said.

Its main strategy will be to supply bulk and water-soluble fertilizers locally to meet demand in Senegal. But the company also plans to diversify into neighbouring Mali and Burkino Faso.

Chile

A group of buyers was reportedly in the market for 10,000-15,000t of various water-soluble products, including SOP, MAP and CN.

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NEWS

N markets face-short term headwinds: CF

Nitrogen markets face headwinds this year, led by expectations of lower Indian urea imports and higher Russian exports, according to fertilizer producer CF Industries.

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Russia extends export quotas to end November

The Russian government has extended its largely notional quota system for shipments of selected finished fertilizers to 30 November.

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India's NP/NPK stocks rise despite import falls

Indian imports of NP/NPK fertilizers fell on the year in 2023-24, while domestic production and sales climbed, leaving stocks at around 4.13mn t.

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Yara production, deliveries rise in 1Q

Norwegian fertilizer producer Yara today said its production and deliveries rose on the year in the first quarter, with the latter notably higher in Europe.

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Yara to keep ammonia output stable

Norway-based fertilizer producer Yara is anticipating stable production volumes in 2024, supported by an increase in industrial demand, despite a 7pc fall in global ammonia production in the first quarter of this year.

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US likely to raise phosphates duties

The US Department of Commerce revised its phosphate import duties higher on Russian producer PhosAgro and Moroccan producer OCP in a preliminary review released today.

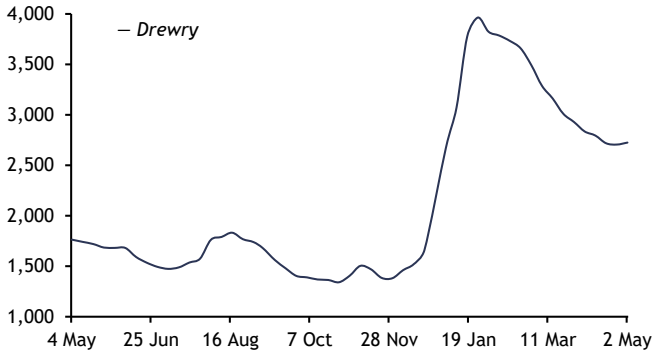
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Spot freight rates by major route

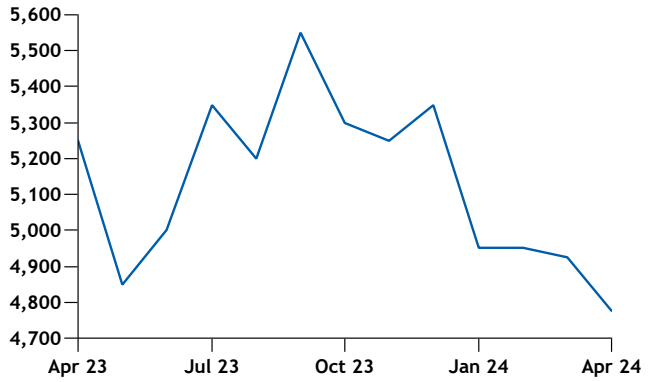
Route	18-Apr-24	25-Apr-24	2-May-24	Weekly change (%)	Annual change (%)
Composite Index	$2,719	$2,706	$2,725	1%	55%
Shanghai - Rotterdam	$2,989	$3,056	$3,103	2%	89%
Rotterdam - Shanghai	$767	$749	$739	-1%	24%
Shanghai - Genoa	$3,577	$3,615	$3,717	3%	67%
Shanghai - Los Angeles	$3,487	$3,395	$3,371	-1%	85%
Los Angeles - Shanghai	$708	$700	$700	0%	-31%
Shanghai - New York	$4,453	$4,369	$4,382	0%	55%
New York - Rotterdam	$626	$624	$625	0%	-32%
Rotterdam - New York	$2,291	$2,214	$2,210	0%	-54%

The container spot freight rates are assessed by Drewry. For further information please contact Drewry at enquiries@drewry.co.uk

World Container Index *$/40ft container*



China NOP ex-works price *Yn/t*



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A monthly service presenting Argus short-term demand and price forecasts for key biofuels, feedstocks and environmental credits

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Argus *Water-soluble Fertilizer* is published by Argus Media group

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ISSN: 2635-148X

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