

Ammonia (Europe & Asia Pacific)

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SPOT PRICES						
Click for Price History			Price Range		Four weeks ago	US CTS/LB
CFR NWE	USD/TONNE	n/c	475-485	n/c	470-480	21.55-22.00
CFR NORTH AFRICA	USD/TONNE	n/c	455-465	n/c	450-460	20.64-21.09
FOB YUZHNY	USD/TONNE	n/c	416-440	n/c	410-425	18.87-19.96
CFR TAIWAN	USD/TONNE	+10	510-520	n/c	500-520	23.13-23.59
CFR KOREA	USD/TONNE	n/c	520-530	n/c	520-530	23.59-24.04
CFR INDIA	USD/TONNE	n/c	479-496	+12	479-484	21.73-22.50

NOTE: for full details on the criteria ICIS pricing uses in making these price assessments visit www.icispricing.com and click on "methodology".

TRAMMO BUYS YUZHNY SPOT CARGO

Following the sluggish start to the new year, the ammonia market picked up pace slightly this week with some spot deals concluded and purchase tenders closed, although no large sales were heard as producers, traders and buyers took stock of their positions.

In Yuzhny, Trammo purchased 15,000 tonnes of spot ammonia from NF Trading for mid-January loading but the price could not be confirmed by either party before press time. NF Trading's remaining availability for this month is unclear, but the producer has yet to restart Ukrainian units that were taken offline in late 2013.

Trammo and Nitrochem agreed to swap cargoes for long term buyers in North Africa and Belgium, respectively, while Mitsubishi purchased 25,500 tonnes of Australian spot ammonia from Yara for discharge at two ports in Korea.

Given the severe weather in most of the US over the past few days, major players like Koch, PCS and CF Industries may look to send cargoes east from the Caribbean and US Gulf. The freezing temperatures will likely see buyers targeting a lower Tampa price for February than the current \$450/tonne CFR.

Cargoes continue to load as planned in Algeria in a move that has increased supply availability and may place downward pressure on Yuzhny prices given the lack of demand from the US and the recent flow of spot cargoes across the Atlantic to Europe rather than in the other direction.

YUZHNY

Trammo purchased 15,000 tonnes of spot ammonia from NF Trading this week for loading on the Marycam Swan in mid-January. While the price could not be confirmed before press time, NF Trading is understood to have been targeting around \$430/tonne FOB for such a cargo.

The producer has yet to confirm its price ideas for February cargoes and whether it plans to restart ammonia production at some units in the Ukraine following their shutdown in late 2013 when prices softened sharply.

However, given the continued lack of demand from buyers in the US and the recent improvements in supply from Algeria, buyers are likely to target a price towards the low end of our current price range of \$416-440/tonne FOB for February loadings.

Nitrochem will load its regular contract cargoes for buyers in North Africa and Belgium this month, although the 23,400 tonnes that will load on the Gas Cobia this weekend for OCP Morocco will be delivered on behalf of Trammo after the pair agreed a swap.

It is understood that the NERC has announced a natural gas price to industrial users, including nitrogen producers, of Ukrainian Hryvna (UAH) 3,113/000 cbm effective from 1 January. This is a decrease from UAH 3,459/000 cbm in 2013.

The price is expected to be adjusted on a quarterly basis, with proposals for a 10% discount in the first quarter, 11.6% discount in the second quarter, 5.5% discount in the third quarter and a 3.8% discount in the fourth quarter.

As a result, the estimated natural gas price for lowest cost producer OPZ is UAH 3,484.76/000 cbm (\$424/000 cbm) including delivery costs.

BALTIC

No fresh spot business was heard this week and Nitrochem says it does not expect to load any cargoes until late January at the earliest as it focuses on building inventory.

The Coral Ivory loaded for Yara in Sillamae and Ventspils earlier this week and will likely return to the ports from Sweden next week. Around the same time, the Coral Obelia is expected to load in Latvia or Estonia for Yara.

REST OF EUROPE

In Northwest Europe, Yara has sent the Nijinsky to Trinidad to load a 15,000-tonne cargo for delivery in second half January, while the Norwegian firm has also voyage-chartered the Kent to bring 23,400 tonnes of ammonia from the Caribbean to Germany in late January/early February.

The Nordic River will deliver 25,500 tonnes of Black Sea ammonia to Norway and Germany for Yara this month and the George N will deliver 40,000 tonnes to Norway for the same buyer before heading to dry dock for routine maintenance.

The 23,400 tonnes of US ammonia due to arrive in Antwerp for BASF on the SCF Tomsk on 14 January is being delivered on behalf of Nitrochem and is a return swap for the Black Sea cargo that Nitrochem will deliver to Morocco in mid-January for the trader.

The Navigator Galaxy will discharge the bulk of its 15,000-tonne Algerian ammonia cargo at OCI's storage facilities in the Netherlands this weekend.

In the **UK**, the Kemira Gas left Immingham on 5 January with a parcel of ammonia for discharge in Norway and Germany.

In **Spain**, the Queen Isabella will deliver several thousand tonnes of Algerian ammonia on behalf of Fertiberia in the coming days and the Navigator Galaxy will discharge a parcel of ammonia on behalf of OCI in first half January.

TURKEY

The Marycam Swan will deliver 15,000 tonnes of Black Sea spot ammonia to at least one regular client of Trammo in second half January, although the trader has yet to decide where the cargo will be discharged.

The vessel will return to Turkey in late January after reloading in the Black Sea or North Africa.

Gemlik says it is not currently in the market for a spot cargo and its ammonia plant remains offline.

AFRICA

In **Algeria**, contract cargoes continued to load at Arzew this week, with OCI Nitrogen lifting 15,000 tonnes of Sorfert product on the Navigator Galaxy and Fertiberia loading around 7,000 tonnes of Ferial product on the Queen Isabella on 8 January.

The Antarctic Gas arrived at the port on 9 January to lift several thousand tonnes, understood to be for Fertiberia.

In **Egypt**, gas pressures at EBIC-OCI have improved since late last week when the Marycam Swan loaded a 15,000-tonne cargo in Ain Sokhna on 3 January. The vessel may return to North Africa to reload later in the month.

In **Tunisia**, the Gas Snapper may deliver the next 23,400-tonne contract cargo for GCT from Nitrochem, although the supplier may use the Gas Manta instead.

The Gas Snapper discharged an identical cargo of Black Sea ammonia at Gabes last weekend as GCT continues to consume ammonia at good rates through the operation of one DAP line and one AN line.

In **Morocco**, port congestion caused by high winds means the Clipper Neptun has yet to discharge 30,000-32,000 tonnes of US spot ammonia in Jorf Lasfar for OCP. The cargo is now

understood to have been sold by Koch rather than PotashCorp.

Suggestions PotashCorp sold a Caribbean cargo to the phosphate producer for mid-January arrival could not be confirmed before press time.

OCP, which is understood to be consuming around 80,000 tonnes/month of ammonia, will receive its next cargo of contract ammonia from Trammo on the Gas Cobia in second half January after the trader agreed a swap with Nitrochem.

In **Libya**, the Pertusola arrived at Marsa el Brega this week to lift 10,000 tonnes of Lifeco ammonia for Yara for discharge in Norway.

In **South Africa**, the Almarona or Almajedah will discharge 15,000 tonnes of Qatari ammonia in Richards Bay in second half January on behalf of Muntajat.

Long term clients Omnia and Foskor will receive 10,000 tonnes and 5,000 tonnes, respectively. The cargo will load in Mesaieed or Saudi Arabia on 15 January.

In **Madagascar**, the SCF Tobolsk will discharge 10,000-12,000 tonnes of Indonesian ammonia for a long term client of Trammo on 10 January.

TAMPA

Amid bad weather in large sections of the **US**, the ammonia market remained quiet this week ahead of the start of talks over the February Tampa contract price. With January having been settled at a rollover of \$450/tonne CFR, there may be another impasse between buyers and sellers when discussions get underway next week.

ASIA

East of Suez, FACT India received three offers under its 8 January purchase tender for 7,500 tonnes of ammonia for mid-February arrival – the lowest of which was from CIFC \$475/tonne CFR – but the buyer failed to award before press time.

A tender by CJ Indonesia that closed this week for 6,000 tonnes for early February arrival was awarded to Yara at \$535/tonne CFR.

Demand for ammonia in India remains far stronger than other parts of the world and plenty of contract cargoes will arrive on both coasts over the coming weeks, although Muntajat may need to arrange some swaps as Qafco will launch a turnaround at one of its largest plants next week.

Following the recent arrival of a 40,000-tonne cargo in Taiwan and Korea by Koch, the supplier is understood to be planning to send a similar cargo for February arrival in the Far East, although it is unclear at present where such a cargo would load.

INDIA

FACT has yet to award its 8 January purchase tender having received the following offers for 7,500 tonnes of ammonia for 10-14 February arrival at Cochin: CIFC at \$475/tonne CFR; Muntajat at \$510/tonne CFR; SABIC at \$514/tonne CFR

FACT did not receive any offers for the 7,500 tonnes of ammonia required for 25-30 January arrival at Cochin.

The Gas Quantum discharged 9,050 tonnes of Indonesia spot ammonia priced at \$496/tonne CFR for IFFCO/Paradeep on 9 January on behalf of Mitsui.

The Gas Line delivered 15,000 tonnes of Iranian ammonia priced at \$489/tonne CFR to PPL/Paradeep in early January on behalf of long term supplier CIFC. The vessel then discharged 4,000 tonnes of contract ammonia at Coromandel/Kakinada and the same volume at Coromandel/Vizag, with both cargoes supplied by RainTrade.

The Gas Cat will deliver 18,000 tonnes of Iranian ammonia to PPL/Paradeep on 25 January under the buyer's long term agreement with CIFC. The same trader will use the Gas Master to deliver 16,500 tonnes of Iranian ammonia to Deepak Fertilizer in second half January under the pair's long term supply deal.

The Camberley will deliver 23,000 tonnes of Saudi contract ammonia to IFFCO/Kandla around 18 January.

The Clipper Mars will deliver up to 40,000 tonnes of Black Sea ammonia to IFFCO/Paradeep around 25 January on behalf of Nitrochem, although the buyer may yet decide to receive a portion of the contract cargo at Kandla.

In **Bangladesh**, Marubeni is understood to have loaded the Gaschem Stade with several thousand tonnes in Chittagong this week, with the cargo destined for the Far East.

KOREA

No fresh spot business has been heard. Namhae is understood to be covered for its January requirements but is looking for a spot cargo for February arrival.

The Al-Barrah is currently discharging 23,000 tonnes of Saudi ammonia for Namhae and the Clipper Orion will arrive on 13 January with 11,000 tonnes of Black Sea ammonia from Koch for the same buyer.

Namhae will also receive 12,000 tonnes of Australia ammonia on the Pazifik on 17 January from Mitsubishi.

SFC has yet to confirm its shipment schedule for January or February but the Pazifik is scheduled to discharge 13,500 tonnes of Australian ammonia in Ulsan on 15 January from long term supplier Mitsubishi.

TAIWAN

No new spot business was heard this week amid softening demand due to a series of scheduled turnarounds at downstream units.

The Rose Gas will deliver 15,000 tonnes to TFC around 14-15 January, the shipment has been delayed due to poor weather

in Saudi Arabia. SABIC will deliver again in mid-February, with 23,000 tonnes on the Al Barrah.

The Nashwan discharged 9,000 tonnes at Kaohsiung for CPDC on behalf of Mitsui on 2 January. The vessel was due to arrive in late December but was delayed. Mitsui will also supply 5,000 tonnes on the Clipper Orion from Koch in mid-January. Earlier this week, the Al-Jabirah discharged a parcel of Saudi ammonia in Taichung.

In late January, the Gas Venezia will deliver 5,000 tonnes to CPDC and Mitsui also plans to deliver around 9,000 tonnes to CPDC this month.

CPDC began a scheduled turnaround at its 200,000 tonne/year caprolactam plant in Xiaogang on 6 January for two-three weeks. It is understood the maintenance will be finished by the Chinese New Year. Maintenance is also scheduled for its other caprolactam plant from mid-April to mid-May.

A planned turnaround at Formosa's acrylonitrile (ACN) unit in Mailiao will reduce the company's ammonia requirements in early 2014. The unit – heard running at 100% of capacity in late December – will undergo one month of maintenance from early February.

INDONESIA

CJ awarded Yara at \$535/tonne CFR under its 6 January tender for 6,000 tonnes of ammonia for early February arrival.

The Sanko Independence arrived in Bontang earlier this week to lift a cargo for Trammo, with at least some of the cargo priced at \$482.50/tonne FOB following a spot deal for 20,000 tonnes that was agreed in second half December.

Mitsui has yet to finalise its line-up for January, but the Gaz Venezia and Gas Oriental are both expected to arrive in Bontang in the next few days to load contract cargoes for long term customers in south-east Asia and the Far East.

REST OF ASIA

In **China**, Trammo will use the Brussels to deliver around 18,000 tonnes of Arabian Gulf ammonia to a contact customer in Caojing on 13 January.

In **Thailand**, the Bunga Kemboja arrived at Rayong on 8 January with a cargo of Malaysian ammonia for a long term customer of Petronas.

In **Malaysia**, Petronas' ammonia plant is running at full rates again following an unplanned outage caused by utility supply problems at the Kerteh petrochemical complex in early December.

The Bunga Kemboja, which is time-chartered to Petronas, loaded in Kerteh earlier this week and is expected to return from Thailand this weekend to load up to 16,500 tonnes of ammonia for long term customers in south-east Asia and the Far East.

In the **Philippines**, Philphos will not need any ammonia this month as it does not expect to restart phosphate production

until at least March as the company continues to repair its Isabel plant following the powerful typhoon that devastated the country in late 2013.

In **Vietnam**, the Gaz Venezia continued to discharge its 5,000-tonne cargo of Indonesian ammonia for at least one long term customer of Mitsui this week.

In **Japan**, Mitsui will use the Nashwan to deliver 6,000 tonnes of contract ammonia to a long term client in mid-January.

In **Australia**, Mitsubishi this week confirmed it bought 25,500 tonnes of spot ammonia from Yara. The cargo, which loaded on the Pazifik in Dampier on 4 January, is priced under formula and is for two long term Mitsubishi customers in Korea.

CSBP will receive 14,500 tonnes of domestic ammonia on the Viking River around 13 January from Yara. The vessel loaded at Dampier this week and is currently en-route to Kwinana. The remaining 11,000 tonnes of the contract volume will be delivered in early February.

CSBP will require an extra 200,000 tonnes of ammonia in 2014 which includes extra demand generated from an extension to its AN plant that is due to commence operation in late March.

(\$1 = €0.74)

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