

# Fertilizer

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**Non-rated**

## Mar fertilizer production updates

### Export price was still high, promising to expand gross margin

- Compared to Feb, fertilizer production in Mar recovered with 597,800 tonnes (+10% mom and +2% yoy).
- In which, NPK production volume was 261,000 tonnes, down 2% mom but nearly at the same level as Mar-21. The production volume of Urea was 202,000 tonnes (+10% mom and +2% yoy), while Phosphate production volume recorded impressive growth with 92,800 tonnes (+40% mom and +24% yoy). DAP production was 42,000 tonnes, increasing 68% mom but decreasing 22% yoy.
- According to the MoIT, fertilizer export volume in Mar had modest amount at 90,000 tonnes, up 80% mom but down 30% yoy. However, the export price in Mar was estimated at USD544/tonne (+5% mom and +76% yoy), leading the export value reach USD49mn (+88% mom and +23% yoy).
- Viet Nam's fertilizer import in Mar expanded by 19% mom but shrunk by 16% yoy to reach 320,000 tonnes. On average, the import price in Mar was USD400/tonne (-18% mom but +43% yoy), causing the total import volume hit USD128mn (-2% mom and +20% yoy).

### Domestic fertilizer prices continue to go up

- In Mar, domestic fertilizer prices maintained at a high level. Urea/Kali/NPK were trading at VND17,500/16,500/16,000/kg, increase by 5%/10%/5% mom and 84%/90%/62% yoy. DAP selling price recorded the highest level at VND26,000/kg (+16% mom and +132% yoy).

### Global Urea and DAP prices still increased strongly

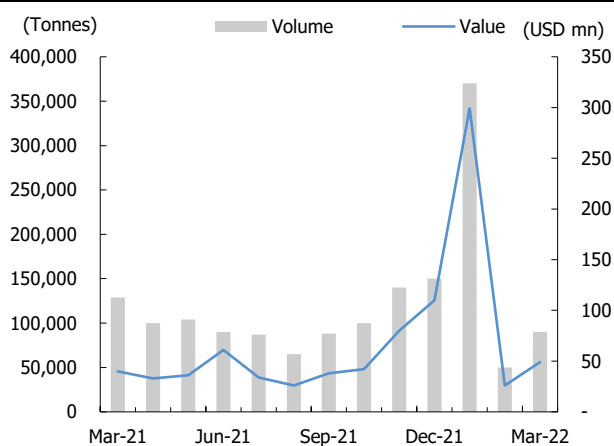
- In Mar, Urea/DAP in the US market hit the highest level at USD930/USD1030/tonne, increasing 32%/11% mom and 130%/76% yoy, while NPK Black Sea was trading at the same level as Feb at USD600/tonne. Potash in Israel market inched by 2% mom but expanded 162% yoy to reach USD535/tonne.

### Gas input price is rocketing

- As we estimated, the average price of input gas used in urea production jumped to USD338/tonne (+22% mom, +59%yoy) in Mar. From Apr 1<sup>st</sup> to Apr 6<sup>th</sup> we estimated the average gas price jump to USD367/tonne, up 9% compared to Mar level.

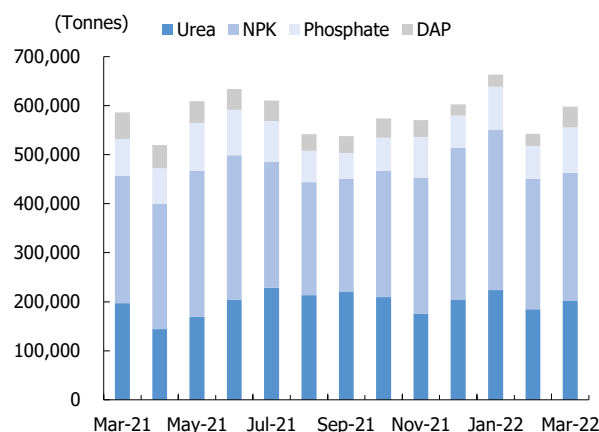
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**Figure 1. Fertilizer export volume and value in Mar**



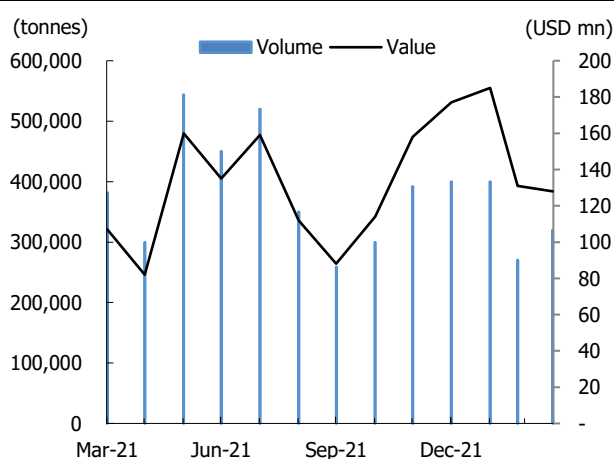
Source: Ministry of Industry and Trade

**Figure 2. Fertilizer production recovered in Mar**



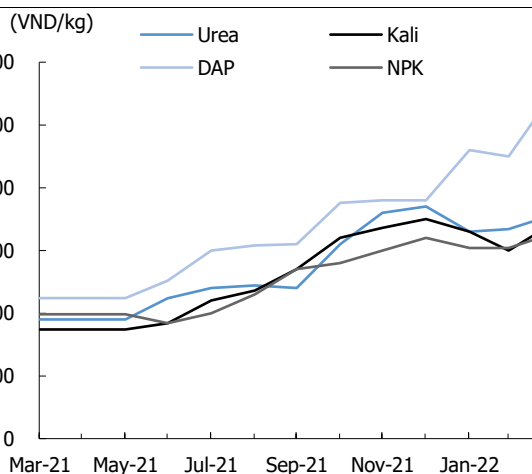
Source: Ministry of Industry and Trade

**Figure 3. Viet Nam's fertilizer import in Mar**



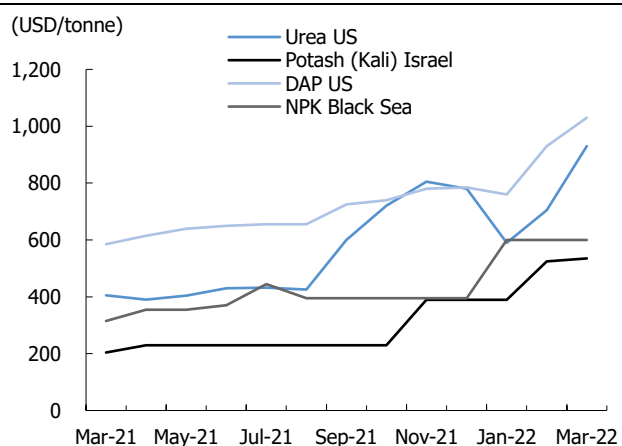
Source: Ministry of Industry and Trade, KIS

**Figure 4. Domestic fertilizer prices are on the uptrend**



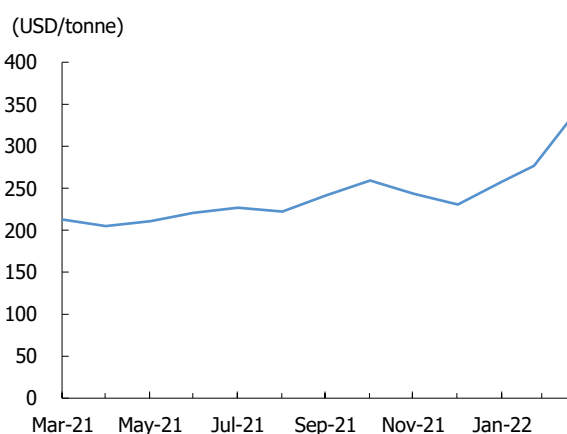
Source: Fertilizer prices are collected from the quoted retail markets, KIS

**Figure 5. Global fertilizer mixed**



Source: Bloomberg, KIS

**Figure 6. Gas input price was peak in Mar**



Source: PetroVietnam, KIS  
Note: The gas price is calculated based on Singapore FO price

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