

Fertilizer

Non-rated

Apr fertilizer production updates

Can export output maintain in the following months?

- Urea production volume in Apr was 194,600 tonnes, upped 35% yoy but downed 4% mom, while NPK volume increased 6% yoy/4% mom to reach nearly 272,000 tonnes.
- According to the MoIT, after two months that had been disrupted in exporting, fertilizer export volume in Apr jumped 28% mom/15% yoy to hit 115,000 tonnes, with the total value of USD78mn. On average, the export price was USD678/tonne (+25% mom and +105% yoy) in Apr. In which, Viet Nam exported to Cambodia the most with the market share of about 41% (more than USD31mn).
- Viet Nam's fertilizer import in Apr had nearly the same level as Mar, but the import value expanded by 19% mom. On average, the import price in Apr was USD476/tonne, causing the total import volume to hit USD152mn. China was still the main import fertilizer market to Viet Nam, with the market share of about 42% in Apr.

Domestic fertilizer prices showed sign of going sideways

- In Apr, domestic fertilizer prices continued at a high level. Urea/Kali/NPK were trading at VND17,500/17,000/17,000/kg, increase by 0%/3%/6% mom and 84%/95%/72% yoy. DAP selling price recorded the new peak at VND27,000/kg (+4% mom and +141% yoy). Up to May 16th, urea stayed at the same level as Apr, while DAP/NPK slightly felt by 1%/4% vs Apr. At the same time, Kali increased by 9% compared to Apr due to the disruption in supply chain.

Global fertilizer prices are cool downed

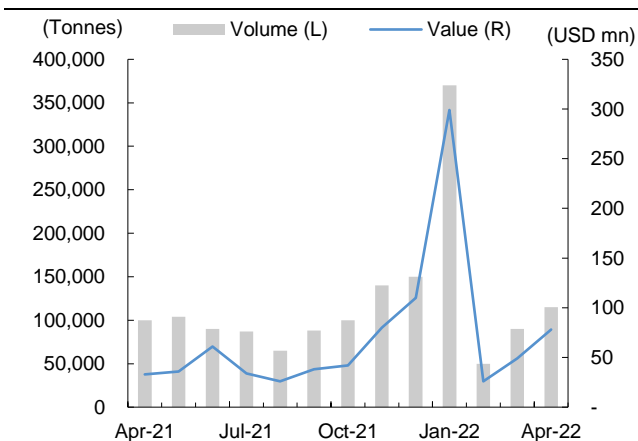
- In Apr, NPK Black Sea/Kali Israel remained the same level as Mar, at USD600/535/tonne (equivalent to VND14mn/12mn/tonne), while urea/DAP in the US market reduced to USD720/1010/tonne (-23% mom/-2% mom), equivalent to VND17mn/23mn/tonne.
- Up to May 20th, the downtrend was more obvious when urea/DAP US felt up to 12% and 3% vs Apr.

Gas input price showed a reversal in May

- As we estimated, the average price of input gas used in urea production jumped to USD370/tonne (+9% mom, +81%yoy) in Apr. In May, we estimated the average gas price reduced to USD352/tonne, downed 5% compared to Apr level.

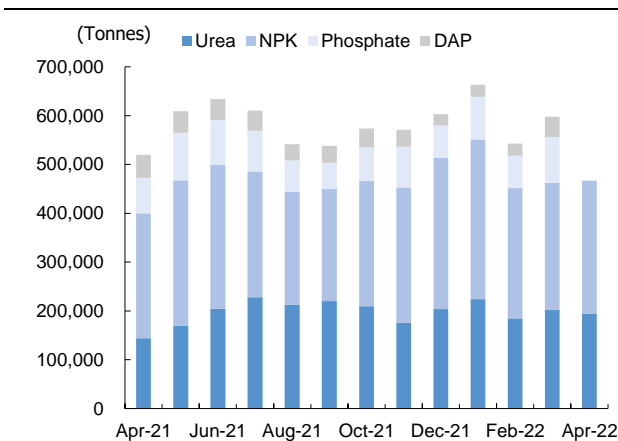
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Figure 1. Fertilizer export volume and value in Apr



Source: MoIT, KIS

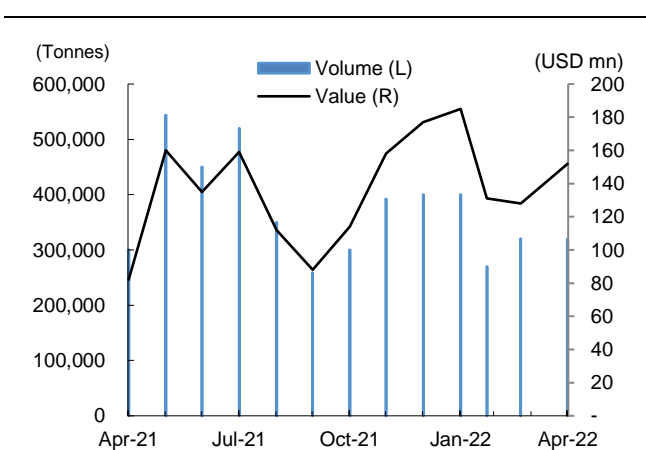
Figure 2. Fertilizer production in Apr



Source: GSO, KIS

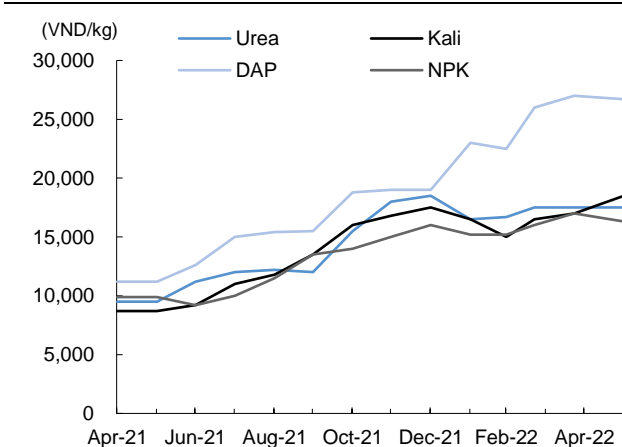
Note: The report provided by the GSO does not have the data about Phosphate/DAP production in Apr

Figure 3. Viet Nam's fertilizer import in Apr



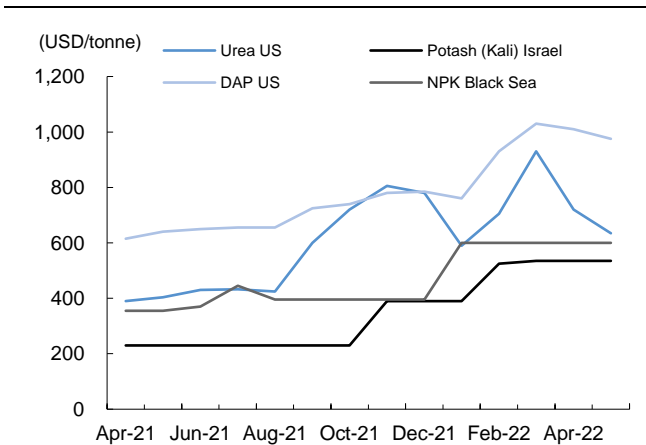
Source: MoIT, KIS

Figure 4. Domestic fertilizer prices are still on high level



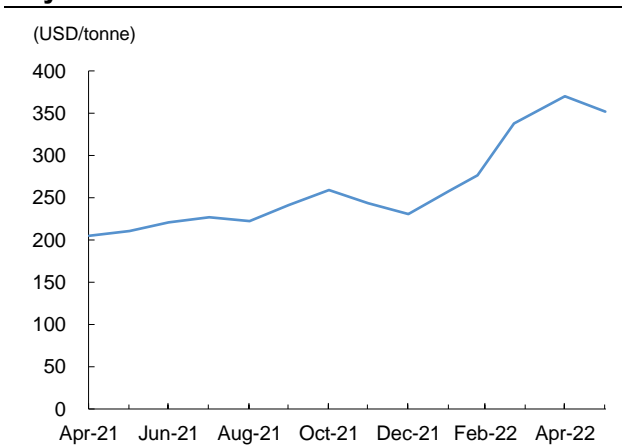
Source: Fertilizer prices are collected from the quoted retail markets, KIS

Figure 5. Global fertilizer prices are starting "cool down"



Source: Bloomberg, KIS

Figure 6. Gas input price showed a reversal in May



Source: PetroVietnam, KIS

Note: The gas price is calculated based on Singapore FO price

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