

# Fertilizer

**Neutral**

## Waiting for a revival in selling prices

### Sluggish export volume since 4Q22

- According to Customs, in Apr, total fertilizer export volume was 131,913 tonnes (-11.5% yoy, +4.2% mom), equivalent to USD48mn (-52.9% yoy, -12.7% mom).
- Total urea/NPK production in Apr was 153,200/385,500 tonnes (-22.7%/+47.5% yoy, -27.3%/+22.7% mom), respectively. Overall, Apr fertilizer production was 654,200 tonnes (+7.2% mom, +13.1% yoy).
- At the same time, Vietnam imported more than 307,869 tonnes of fertilizer (-5% yoy, -6% mom), equivalent to USD109mn (-30% yoy, -4% mom) in Apr.
- As we estimated, average the export price was USD363.9/tonne (-46.8% yoy, -16.2% mom, while the imported price came in at USD354/tonne (-26% yoy, -9% mom) in Apr.
- In 4M23, Vietnam exported USD232mn (-51.2% yoy) with a total volume of 536,829 tonnes of fertilizer (-18.5% yoy) and imported USD346mn (-42% yoy) with a total volume of 781,828 tonnes (-30% yoy).
- In 1Q23, DPM, the largest urea exporter in Vietnam exported USD39.3mn (-60.9% yoy, -16.9% qoq) while DCM did USD15.6mn (-79.9% yoy, -28.8% qoq).

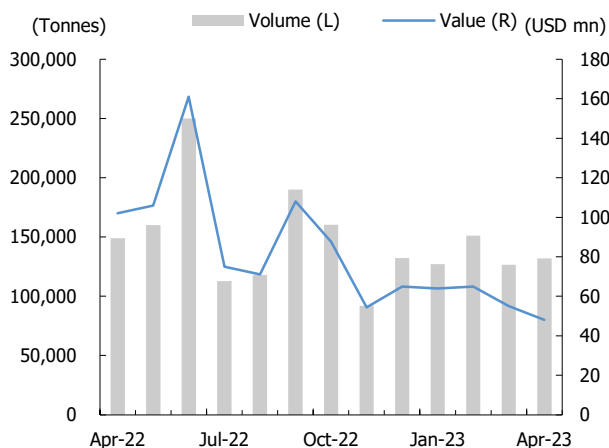
### The downturn selling price is concerned

- The Apr urea domestic market price was trading at around VND9,500/kg (-1.0% mom, -45.7% yoy and -22% YTD). In 4M23, the average urea domestic market price was VND10,400/kg (-39% yoy).
- In the global market, in Jan, urea Black Sea was trading at USD303/tonne (-53.4% yoy, +12.2% mom), while that in the Middle East was USD331/tonne (-54.3% yoy, +9.2% mom). DAP in the US market was trading at USD768/tonne (-24.0% yoy, +14.1% mom) in Apr.

### Neutral on the 2Q23F outlook

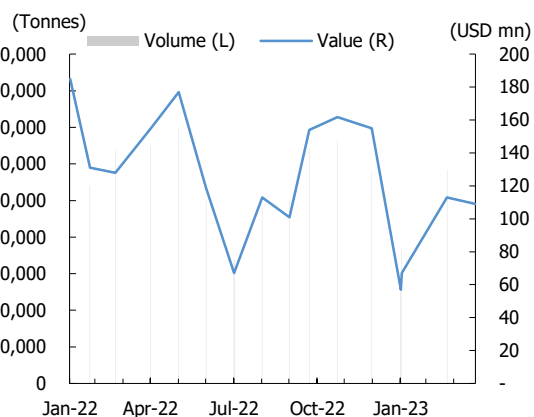
- We maintain our Neutral rating on Vietnam's fertilizer industry due to a lack of significant growth in both selling prices and sales volume. The 2Q23F prospects could be enlightened thanks the new crop season facilitating the selling price hike but not enough to come back to the 4Q22.

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



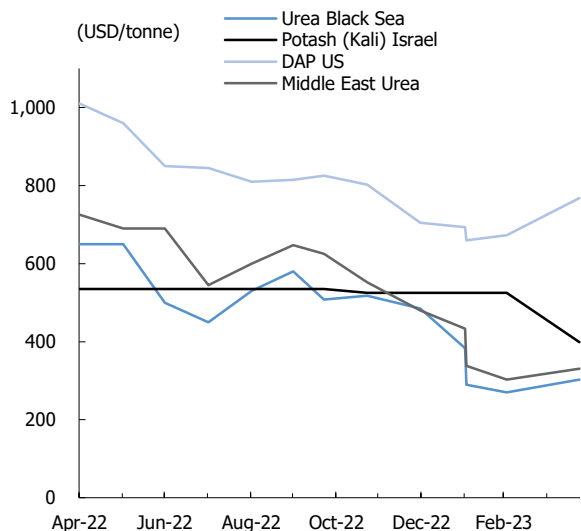
Source: Customs, KIS

**Figure 2. Fertilizer import volume and value in Jan**



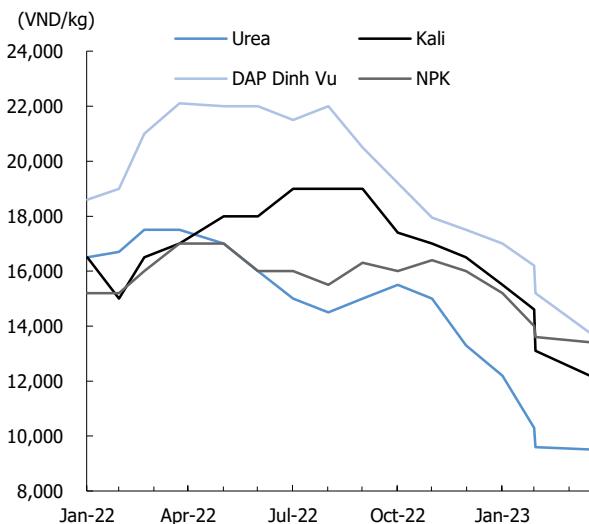
Source: Custom, KIS

**Figure 3. Global fertilizer prices**



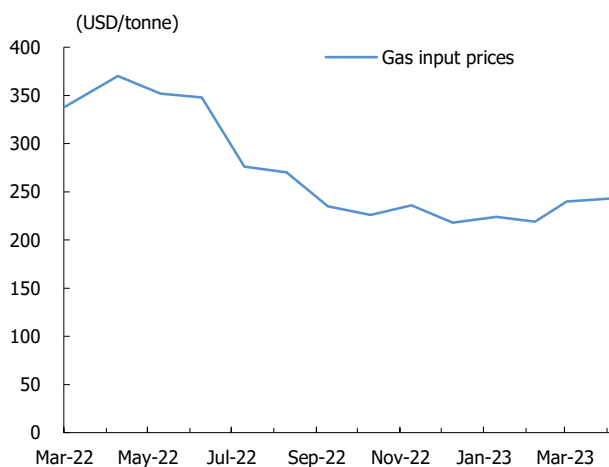
Source: Bloomberg, KIS

**Figure 4. Domestic fertilizer prices**



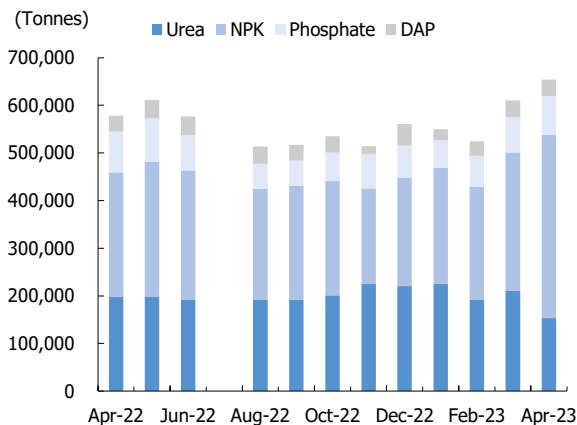
Source: Fertilizer prices are collected from the quoted retail markets, KIS

**Figure 5. Gas prices**



Source: Bloomberg, KIS

**Figure 6. Fertilizer production in 2022**



Source: MoIT, KIS  
Note: The MoIT did not public the Jul data

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