

Fertilizer

Not out of the wood yet

Export volume was bullish on the monthly basis

- According to Customs, the total May fertilizer export volume was nearly 155,000 tonnes (+17.5% mom, -3.13% yoy), equivalent to USD57mn (+17.36% mom, -46.32% yoy).
- Total urea/NPK production in May was nearly 236,000/340,100 tonnes (+54%/-5% mom, +19%/20% yoy), respectively.
- To meet the local demand, Vietnam imported more than 386,000 tonnes (+26% mom, +11% yoy), equivalent to USD123mn (+12% mom, -31% yoy) in May.
- The average export price drop was slower to USD367/tonne (-0.11% mom, -44.58% yoy) while the imported product also slid further at USD317/tonne (-11% mom, -37% yoy).
- Thus, the 5M23 Vietnam export pulled back in both volume 691,824 tonnes (-15.53% yoy) and value with USD289mn, -50.3% yoy.

The revival was weak in local market

- Observing the domestic market, urea price was trading around VND10,100/kg (+9% mom, -41% yoy) in May. The average urea price hovered around VND10,300/kg (-39.6% yoy) in 5M23.
- In the global market, urea Black Sea inched down to USD280/tonne (-7.44% mom, -56.92% yoy), while that in the Middle East persisted USD328/tonne (-1.06% mom, -52.54% yoy). In contrast, the DAP in the US market fell to USD663/tonne (-13.68% mom, -30.99% yoy) and Kali Israel remained at USD399/tonne (+0% mom, -25.51% yoy).
- The fertilizer export value of listed fertilizer companies sharply retreated in 4M23 as the unfavourable base in 2022 disappeared. In particular, the largest urea exporter DCM narrowed with 108,414 tonnes (-32.7% yoy) and USD46.3mn (-57% yoy). Besides that, DPM also slid with (48,672 tonnes, -51.6% yoy) and USD19.1mn (-77% yoy).

Neutral on 2Q23F outlook

- We retain our anticipation of the selling price hike continuation in Jun-Jul thanks the new crop season. But the rally is not enormous to push the selling price back to the golden time in 2022. We maintain Neutral rating.

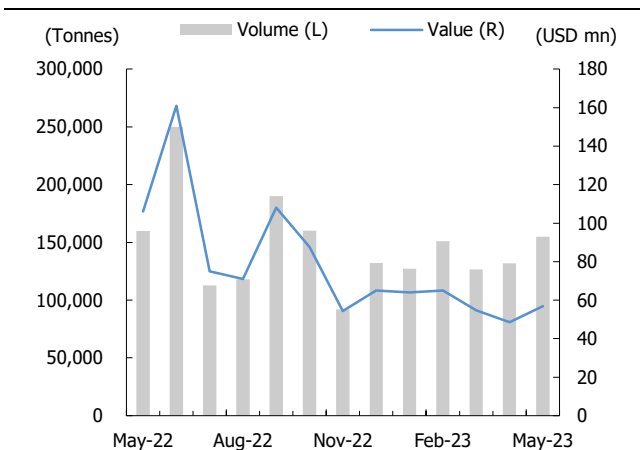
Neutral

Company	Rating	TP (VND)
DPM	HOLD	
DCM	HOLD	

Research Dept

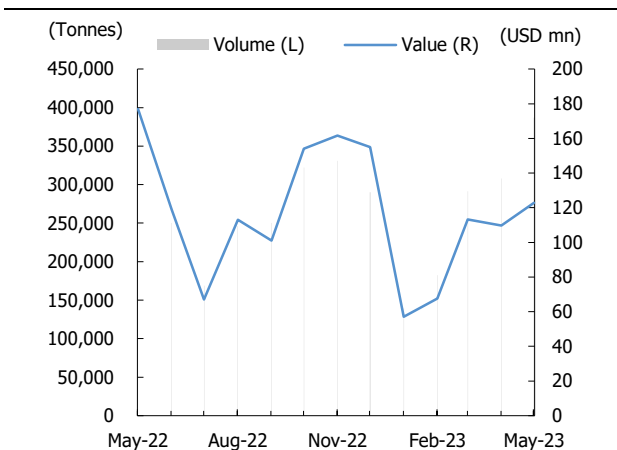
researchdept@kisvn.vn

Figure 1. Fertilizer export volume and value in May



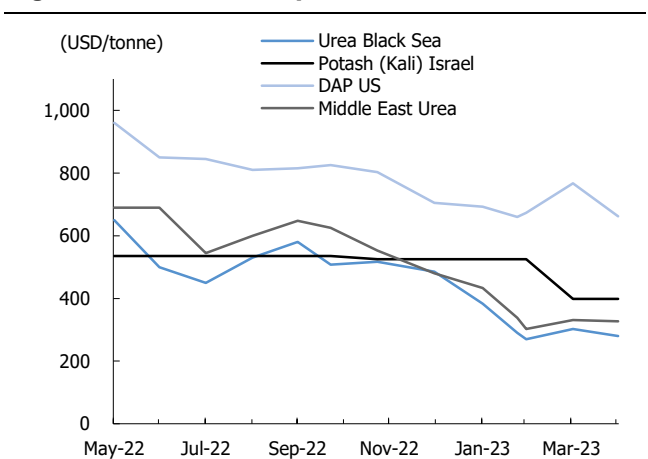
Source: Customs, KIS

Figure 2. Fertilizer import volume and value in May



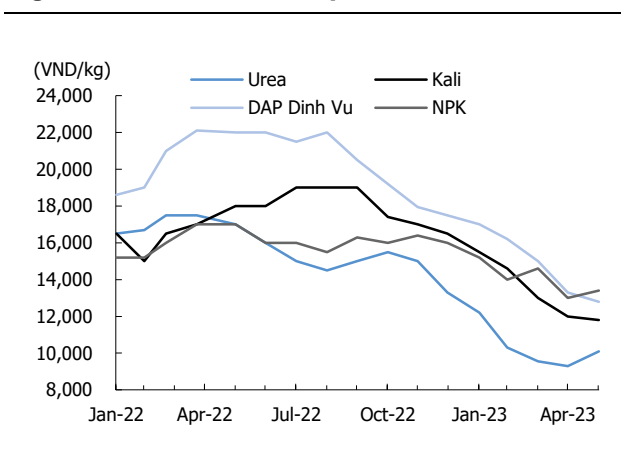
Source: Custom, KIS

Figure 3. Global fertilizer prices



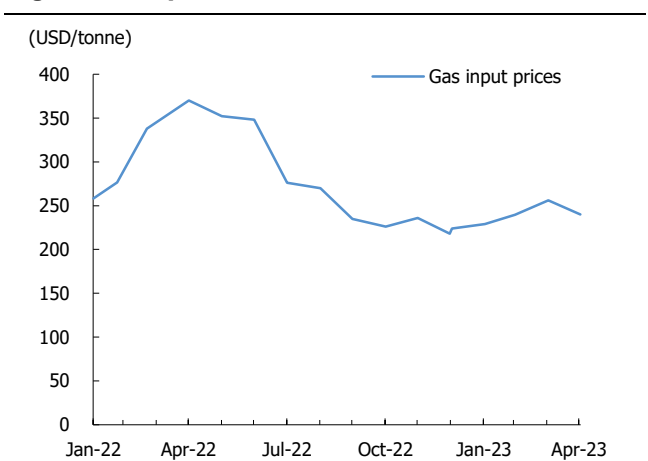
Source: Bloomberg, KIS

Figure 4. Domestic fertilizer prices revived



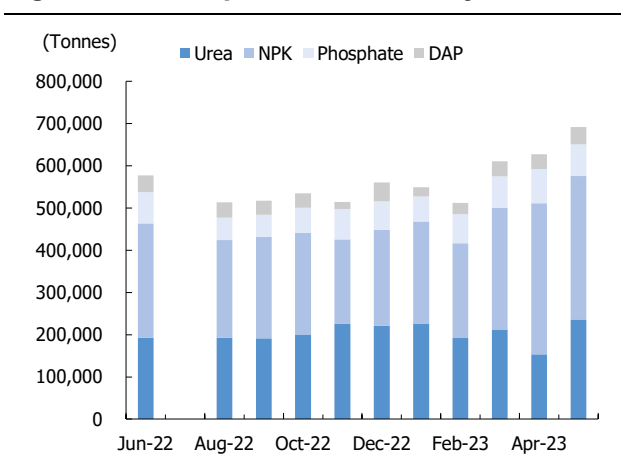
Source: Fertilizer prices are collected from the quoted retail markets, KIS

Figure 5. Gas prices



Source: Bloomberg, KIS

Figure 6. Fertilizer production rose in May



Source: MoIT, KIS

Note: The MoIT did not public the Jul data

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