

# Fertilizer

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**Non-rated**

## May fertilizer production updates

### Resilient export volume in May

- In May, urea production volume was pegged at 197,900 tonnes, nearly the same as Apr but upped 16% yoy, while NPK volume slid 5% yoy but rallied 8.6% mom to reach 283,700 tonnes.
- According to the MoIT, export volume jumped 54% yoy/7% mom to hit 160,000 tonnes (USD106mn) in May. On average, the export price was USD663/tonne (-3% mom and +91% yoy), equivalent to VND15mn/tonne. Despite being far below the record of 370,000 tonnes seen in Jan, May export continues its upswing trend and stays resilient compared with other months in 2021.
- In contrast, Vietnam imported 350,000 tonnes, +8% mom/-36% yoy in May, equivalent to USD177mn, +14% mom, implying an import price of USD506/tonne (VND12mn/tonne).

### Fertilizer prices moved in narrow ranges

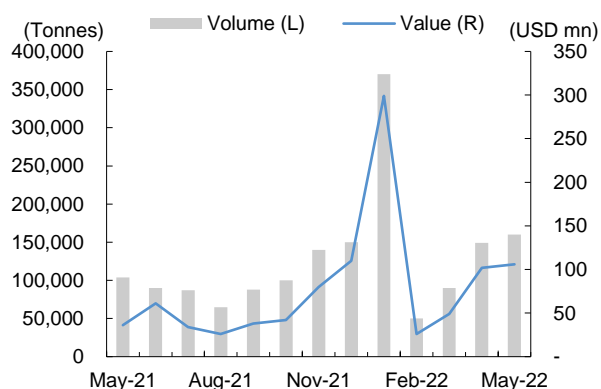
- In May, the average prices of domestic fertilizers swung around of VND17,000/18,000/17,000/26,700/kg, nearly the same as Apr.
- At the same time, NPK Black Sea/Kali Israel remained unchanged at USD600/535/tonne (equivalent to VND14mn/12mn/tonne), while urea/DAP in the US market cooled down to USD585/960/tonne (-19% mom/-5% mom), equivalent to VND13mn/22mn/tonne.
- On Jun 2, the Russian Government announces to keep imposing export quotas on nitrogenous fertilizers and NPK from Jul 1st to Dec 31st. The action could trigger another price rally after a short period of ease.

### A temporary slump in gas price

- The average price of input gas used in urea production tumbled to USD345/tonne (-6% mom, -5% yoy) in May. We think this slump is temporary amid the prolonged chaos of geopolitical tensions.

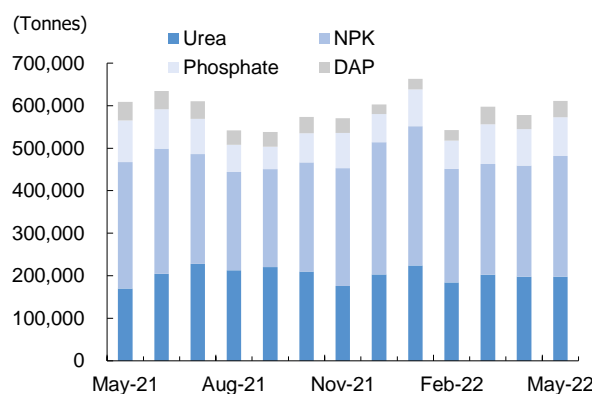
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**Figure 1. Fertilizer export volume and value in May**



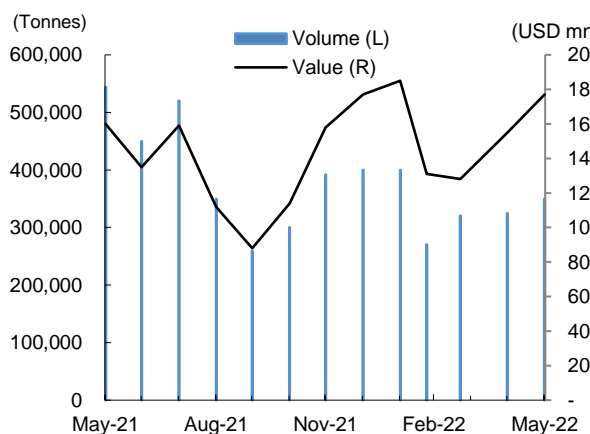
Source: MoIT, KIS

**Figure 2. Fertilizer production in May**



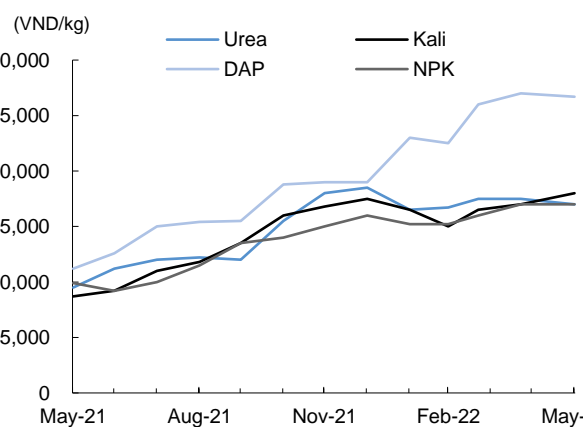
Source: MoIT, KIS

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



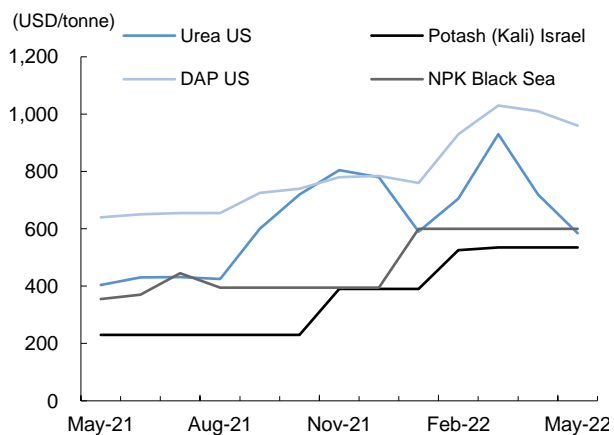
Source: MoIT, KIS

**Figure 4. Domestic fertilizer prices tend to move sideways**



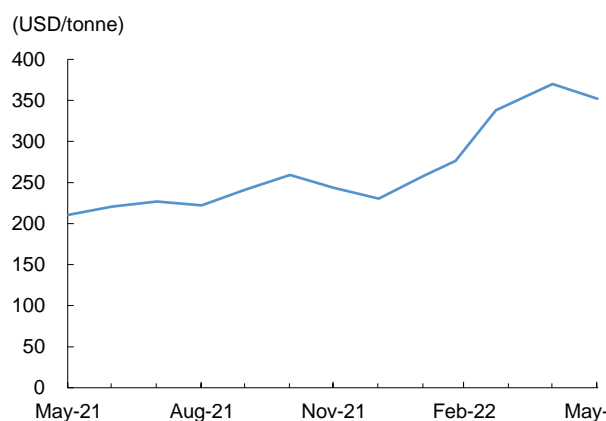
Source: Fertilizer prices are collected from the quoted retail markets, KIS

**Figure 5. Global fertilizer prices in May**



Source: Bloomberg, KIS

**Figure 6. Gas input price slightly fell down in May**



Source: PetroVietnam, KIS

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

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