

# Fertilizer

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**Non-rated**

## Export volume still firm

### Global Urea FOB price slight fell

- In Oct, according to the Customs, total fertilizer export volume was 160,219 tonnes (-16% mom, +60% yoy), equivalent to USD88mn (-19% mom, +109% yoy). On average, the export price was about USD547/tonnes (-4% mom, +30% yoy) while global urea export price ranged from 343 to 570USD/tonne in Oct.
- In Oct, Vietnam imported nearly 322,000 tonnes of fertilizer (+29% mom, +7% yoy), equivalent to USD154mn (+52% mom, +35% yoy).
- Based on data we collected, in Sep, urea accounted for about 34% of total fertilizer imported (about 86,000 tonnes), followed by NPK with 28% (about 69,000 tonnes).
- In the domestic market, at the beginning of Nov, urea is trading at around VND14,800 – 15,300/kg, which stayed at the same as Oct level.
- In the global market, at the beginning of Nov, both Potash Israel and DAP US downed 2%/1% vs Oct level to USD 525/813 /tonne, while Urea Black Sea only inched 1% to USD513/tonne vs Oct average price.

### Recent decline in gas price might benefit Urea producers later

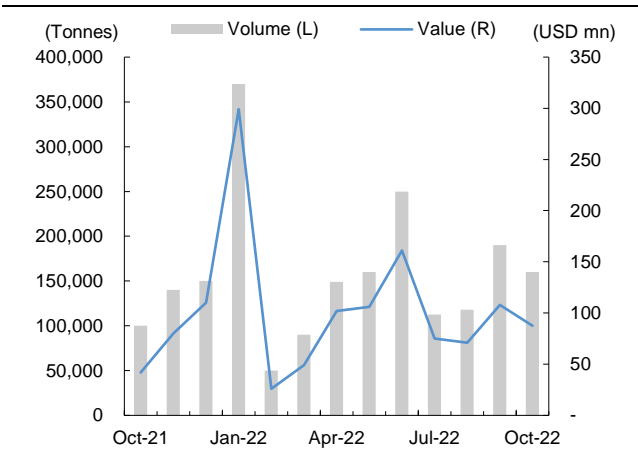
- In 9M22, DPM exported nearly 150,000 tonnes of urea (+15x yoy), equivalent to USD117mn (+36x yoy). In detail, 1Q22 and 2Q22's exports were 90,455/57,925 tonnes, while those in 3Q22 were only 1,150 tonnes.
- At the same time, DCM exported nearly 252,000 tonnes of urea (+41% yoy), equivalent to USD163mn (+198% yoy). In which, export volume to Cambodia accounted for 23% of DCM's total urea export one. In detail, 1Q22 and 2Q22's exports were 150,000/29,638 tonnes.
- In Sep, DCM was the largest urea exporter with USD24.65mn, in which exported to Cambodia accounted for more than 20%.
- We estimate the gas price in Oct was USD226/tonne (-4% mom, -13% yoy). nonetheless, the gas price at the beginning of Nov is USD241/tonne, ups 7% vs the Oct level. We think the urea producers need time to translate material into products, so the companies may not enjoy the downtrend of the gas price immediately. We think the downswing of the material price may be reflected in the business results 1-2 months after that.

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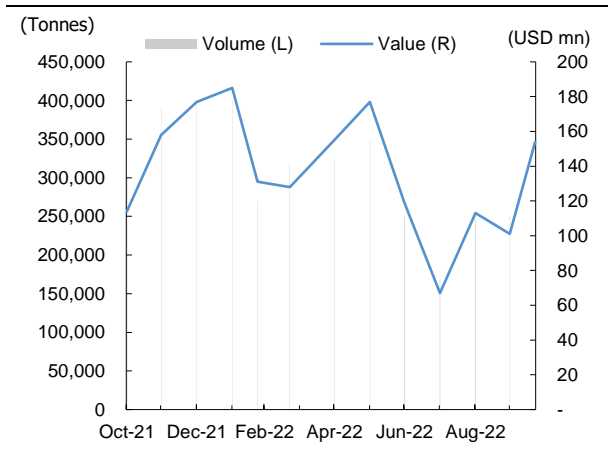
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**Figure 1. Fertilizer export volume and value in Oct**



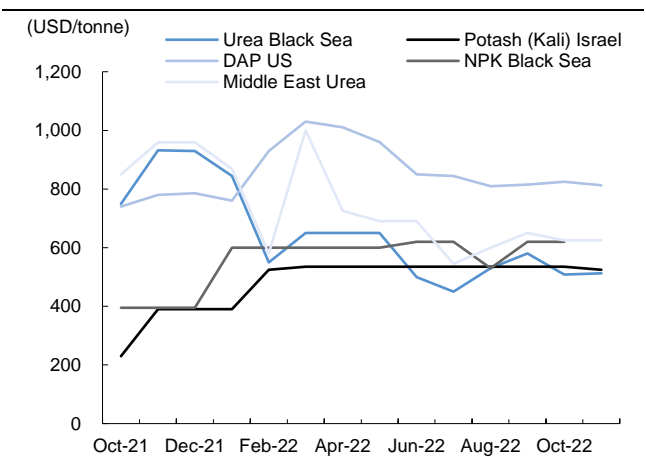
Source: MoIT, KIS

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



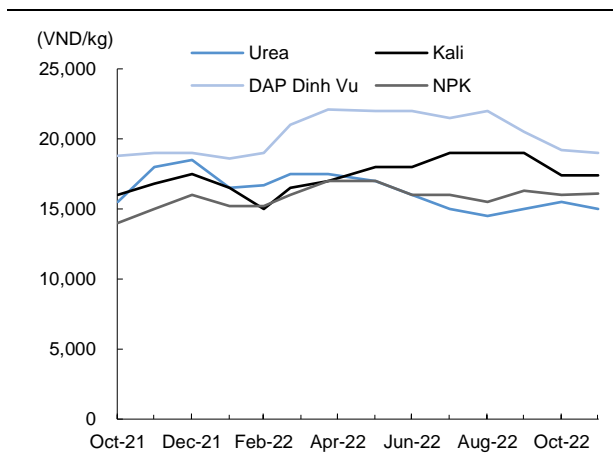
Source: MoIT, KIS

**Figure 3. Global fertilizer prices**



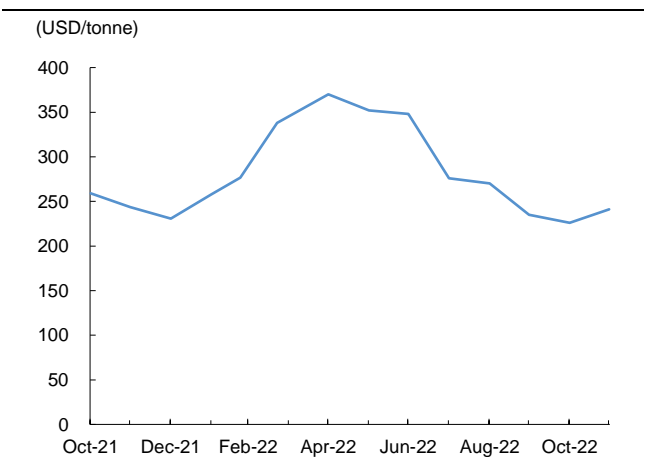
Source: Bloomberg, KIS

**Figure 4. Domestic fertilizer prices**



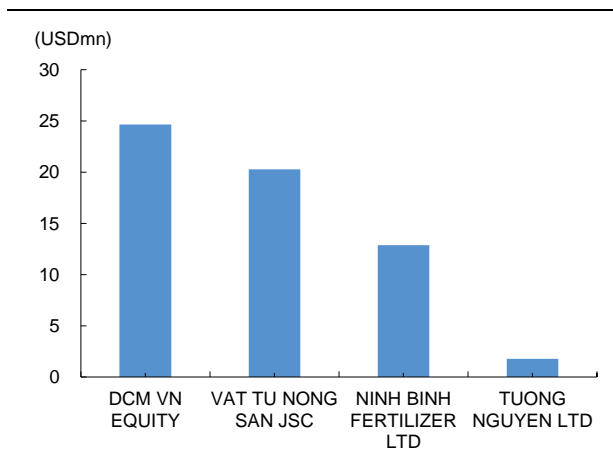
Source: Fertilizer prices are collected from the quoted retail markets, KIS

**Figure 5. Gas price**



Source: MoIT, KIS

**Figure 6. Top urea exporters in Sep**



Source: TENDATA, KIS

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