

# Fertilizer

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## Export volume down in domestic peak season

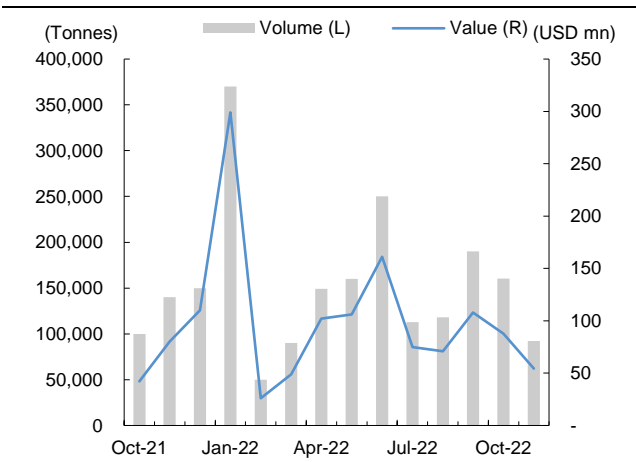
### Disappointed results in Nov

- According to the Customs, in Nov, total fertilizer export volume was more than 92,000 tonnes (-43% mom, -34% yoy), equivalent to USD54mn (-38% mom, -32% yoy).
- This disappointing result was predictable as the Winter-Spring crop was happening in Vietnam. Fertilizer producers had to prioritize the domestic market first.
- Moreover, 4Q21 was the period that Vietnam benefited from a global temporary fertilizer shortage. We believe the "golden" opportunity for domestic fertilizer producers, especially in urea, has passed. Based on that, we think the fertilizer export volume in 4Q22 will be unimpressive.
- In contrast, the pressure from low-priced fertilizer weighted significantly on the domestic fertilizer industry. In Nov, Vietnam imported 330,785 tonnes of fertilizer (+3% mom, -16% yoy), equivalent to USD162mn (+5% mom, +2% yoy).
- As we estimated, on average the export price was USD590/tonne, while the imported product was USD489/tonne, about a 20% difference.
- In 11M22, Vietnam export USD1,139mn (+150% yoy) of fertilizer.

### Urea selling price moves sideways

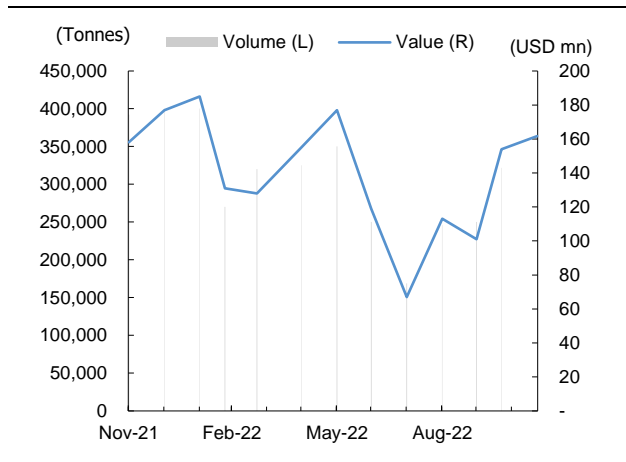
- Observing the domestic market, at the beginning of Dec, urea is trading at around VND14,000-15,000/kg, slightly decrease vs Nov level (VND14,800-15,300/kg). This trend is in contrast to our previous uptrend forecast for fertilizer prices in this Winter-Spring crop.
- In the global market, at the beginning of Dec, potash Israel nearly stayed at the same level from Feb-22, at around USD525/tonne. Urea in major markets such as the Black Sea and the Middle East in Dec are USD518 and USD553/tonne, which does not have much change compared to the price in Nov.
- Urea FOB prices of both China and Russia in Nov were USD391/USD505/tonne (+13% mom/-1% mom).
- In 10M22, the largest urea exporter in Vietnam was DCM with USD194mn, followed by DPM with USD138mn.

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



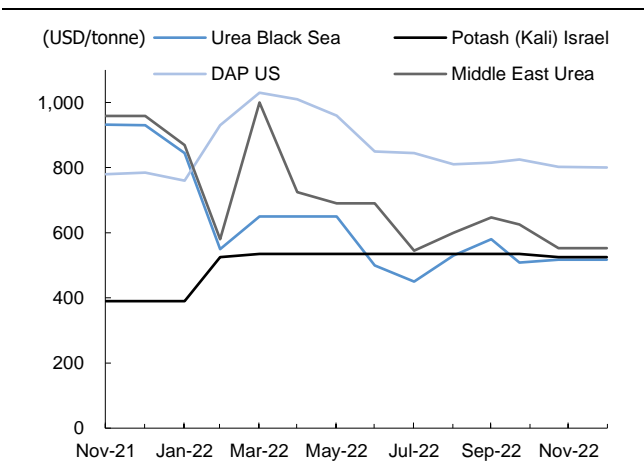
Source: Customs, KIS

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



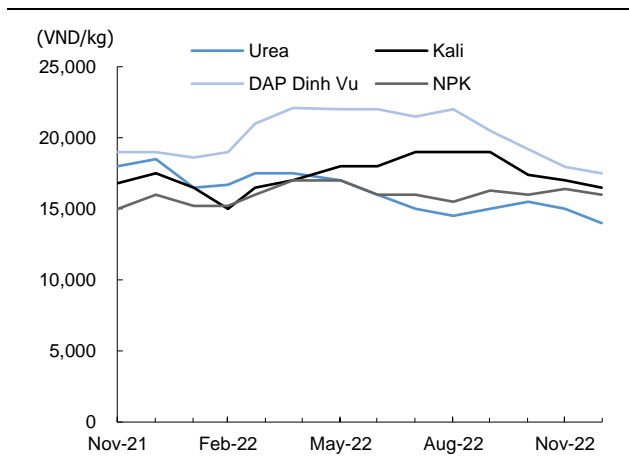
Source: Custom, KIS

**Figure 3. Global fertilizer prices**



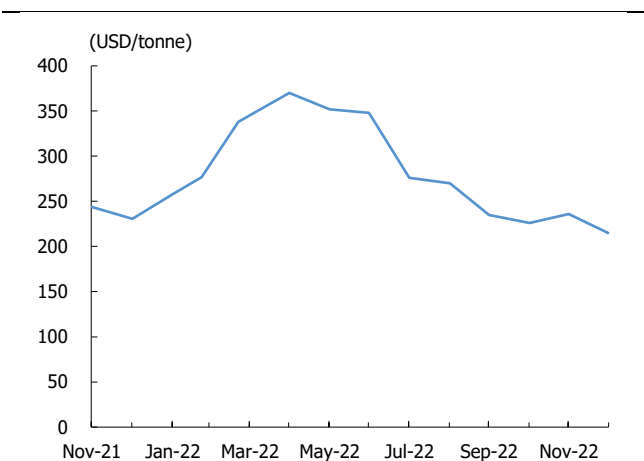
Source: Bloomberg, KIS

**Figure 4. Domestic fertilizer prices**



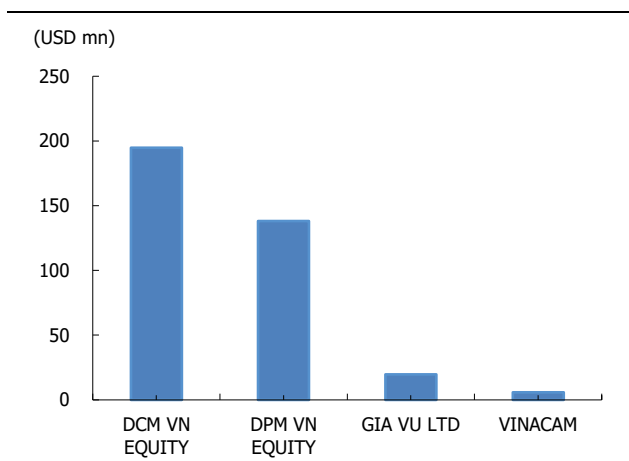
Source: Fertilizer prices are collected from the quoted retail markets, KIS

**Figure 5. Gas prices**



Source: Bloomberg, KIS

**Figure 6. Top urea exporter in 10M22**



Source: Tendata, KIS

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