

Holiday wind down and contracts dominate

With the Chinese holiday looming, the announcements of the Middle East October selling prices anticipated, and contract negotiations in full flow, low levels of trade are being reported. Iran's IGCC has postponed its spot tender until after the Golden Week holiday, because of the muted level of interest.

Once the week of 8 October starts, expectations remain for renewed vigour in the Chinese market in particular. India is also expected to follow, to secure its November tonnes. Some Brazilian spot demand is expected before this with Copebras likely to come to the market within the next 7-10 days.

MARKET DRIVERS

China celebrates Golden Week

The Chinese market will celebrate Golden Week next week, putting pretty much all trading activity on hold until week of 8 October.

Qatar's Muntajat sets \$170/t fob for October QSP

Muntajat's Qatar Sulphur Price (QSP) at \$170/t fob implies China cfr price \$5-10/t higher than most recent concluded granular business.

Further 4Q price settlements reported

Quarterly contract settlements continue to be reported at an increase on 3Q, setting the tone for new 4Q spot purchases.

30-60 DAY OUTLOOK

Buy and sell-side divide remains

A divide in the market remains as to where prices are going next. Key end-users continue to report that sufficient stocks and healthy contract supply is allowing them to stay out of the spot market. Also, the current sulphur price rises are being viewed as being at a disconnect to the end-product fertilizer market by buyers, and little interest in spot trade is being reported until the price gap is corrected or addressed.

On the sell-side, suppliers anticipate and continue to pursue price increases, encouraged by the tightening supply in the Middle East and FSU, in hand with increased volumes being committed to contracts, while end-user spot demand is rising.

PRICES

Sulphur spot prices		
	\$/t	±
fob Vancouver	160-163	▲
fob Middle East (excluding Iran)	165-168	▲
fob Iran (lump-granular)	130-145	◀ ▶
fob Black Sea (lump-granular)	120-134	◀ ▶
fob US Gulf	150-155	▲
fob Med (under 10,000t)	125-132	◀ ▶
cfr Med (under 10,000t)	145-152	◀ ▶
cfr north Africa (lump-granular)	145-162	▲
cfr Brazil	160-165	◀ ▶
cfr India	173-180	◀ ▶
cfr China (molten-lump-granular)	130-186	▲
ex-works Nantong Yn/t	1,505-1,515	▼

Key freight rates			\$/t	
Loading	Destination	'000t	Low	High
Vancouver	China	50-60	20	23
Middle East	EC India	30-35	17	19
Middle East	N/River China	30-35	23	25
Middle East	South China	30-35	20	22
Black Sea	North Africa	30-35	24	26
US Gulf	Brazil	35-40	18	20

China sulphur stocks vs sulphur import price cfr



FREIGHT MARKET SUMMARY

Fertilizer freight rates drifted higher this week but the momentum behind the movement was limited and the market continued to lack any definite direction.

Several fixtures were concluded at or slightly above last-done levels but owners did not push hard for increased levels and charterers were able to keep a lid on the market. Rates between the US Gulf and Asia-Pacific remained around \$24,000/d though some charterer reportedly discussed \$26,000/d. Ultramaxs were still available below this level at \$23,000/d and below. Fronthaul voyages from the Black Sea were around \$22,000/d.

Several sugar cargoes from Brazil into South Africa were booked at higher levels of \$18,000/d but US coal export volumes dipped as well as shipments between Europe and the Mediterranean and rates slipped slightly.

There were few fertilizer fixtures this week and with public holidays across Asia both this week and next week, booking activity is expected to remain limited.

ASIA

China

Offers of granular sulphur to the Chinese market are at the mid-to-high-\$190s/t cfr this week. Whilst the impending Golden Week holiday is keeping the number of offers low, the price level has increased across the week; spiking following the announcement of the Qatar Sulphur Price (QSP) at \$170/t fob. But, because of the holiday, no spot granular business was confirmed and prices are still holding in the mid-\$180s/t cfr.

Buyers are expected to return to the market following the holiday, which will boost the granular price higher.

In the crushed lump market, offers are remaining at the level of \$180/t cfr but no business has been confirmed this week with buyers still targeting prices closer to \$170/t cfr for the product.

When it comes to molten sulphur, prices have firmed once again, with the range indicated to be spanning \$130-150/t cfr. Molten sulphur trade has picked up as limitations continue to ease and tonnes are priced up to \$60/t lower than granular sulphur offers.

On the molten contract side, negotiations are expected to start in mid-October.

The China cfr price has been assessed at \$130-186/t.

Sulphur prices

	\$/t	±
Spot		
fob Vancouver	160-163	▲
fob Middle East (excluding Iran)	165-168	▲
fob Middle East netback	162-164	◀ ▶
fob Iran (lump-granular)	130-145	◀ ▶
fob Black Sea (lump-granular)	120-134	◀ ▶
fob US Gulf	150-155	▲
fob Med (under 10,000t)	125-132	◀ ▶
cfr Med (under 10,000t)	145-152	◀ ▶
cfr north Africa (lump-granular)	145-162	▲
cfr Brazil	160-165	◀ ▶
cfr India	173-180	◀ ▶
cfr China (molten-lump-granular)	130-186	▲
ex-works Nantong Yn/t	1,505-1,515	▼
Contract - monthly/quarterly		
fob Vancouver 3Q 2018	160-163	
fob Middle East (excluding Iran) 3Q 2018	119-135	
fob Qatar QSP Oct 2018	170	
fob UAE OSP Sep 2018	152	
fob Black Sea (lump-granular) 3Q 2018	117-122	
fob US Gulf 3Q 2018	124-129	
cfr north Africa (lump-granular) 3Q 2018	127-147	
cfr Brazil 3Q 2018	145-149	
cfr China (molten-lump-granular) 3Q 2018	130-186	
cfr Tampa 3Q 2018 \$/lt	121	
cfr Benelux (loc refs) (molten) 3Q 2018	118-134	
cpt NW Europe 3Q 2018	160-177	

Sulphur freight

Loading	Destination	'000t	\$/t	
			Low	High
Vancouver	China	50-60	20	23
Middle East	EC India	30-35	17	19
Middle East	N/River China	30-35	23	25
Middle East	South China	30-35	20	22
Middle East	Brazil	30-35	21	23
Middle East	North Africa	30-35	22	24
Black Sea	North Africa	30-35	24	26
Black Sea	Brazil	30-35	25	27
Baltic	Brazil	30-35	28	30
Baltic	North Africa	30-35	25	27
US Gulf	Brazil	35-40	18	20

PHOSPHATE MARKET SUMMARY

Market realism prevails

A substantial flurry of DAP sales into India and to a lesser extent Pakistan represents the realisation by both traders and producers alike that it is best to make sales now lest the rupee in India depreciate further or other sellers beat them to the deal. Further MRP hikes are unlikely now. Traders have lost money having taking positions above \$415/t fob China and liquidated. Likewise, Chinese producers have sold direct at \$426-428/t cfr, which still presents a better netback relative to the domestic market and also eases the pressure on 500,000t of port inventories.

In total, India bought 360,000t of DAP this week while Pakistan took an estimated 130,000-180,000t DAP from Morocco, Australia and China.

India looks on course to import 5.5mn t of DAP with 5mn t now booked. Most of the Pakistan major importers are still in the hunt for DAP in the low/mid-\$430s/t cfr despite provisional data showing inventories at end-August having risen to a substantial 620,000t at the end of August and projected to top 800,000t in September - higher than India.

Elsewhere, OCP is expected to sweep the board in Ethiopia as expected. It faced minor competition from Russia and Saudi Arabia but competitive prices ensured it stands to take at least 625,000t of NPS/NPK business. The only concern is financing but an award is still expected by the end of this week.

OCP was also a significant seller in Pakistan, netting \$407/t fob Jorf Lasfar which is a substantial decline on the last Argus assessment. This probably reflects the paucity of demand west of Suez and limited further opportunities in the US.

West of Suez there was little business. Argentina took in small lots of floating 10-50 ex-China in the higher-\$430s/t cfr but demand is subdued due to concerns over the country's export duties on agricultural commodities. Brazil bought another 10,000-15,000t of MAP in the mid/high-\$450s/t cfr for October shipment, more or less in line with last week's prices.

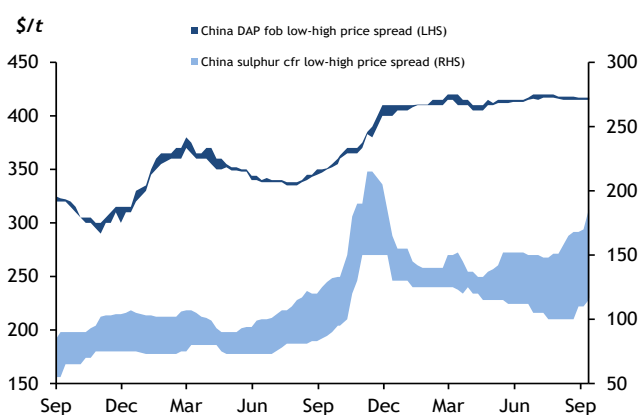
In Indonesia and Iran, there were expressions of interest for TSP totalling over 150,000t for 4Q shipment. Brazilian TSP demand is, however on the wane seasonally.

Despite Australia, Europe and Ethiopia expected to absorb significant tonnage in 4Q, the market still looks to be in surplus hence some downside is expected.

Molten sulphur deliveries to Chinese ports

Vessel	DWT	Origin	Discharge port	ETA
Sulphur Glory	2,999	Japan, Sakai Senboku	Fuzhou	29-Sep 18
Sulphur Garland	4,965	Japan, Sodegaura	Qingdao	26-Sep 18
Sulphur Espoir	3,999	Japan, Kawasaki	Shanghai	26-Sep 18
Koho Maru	1,787	Japan Sodegaura	Zhangjiagang	26-Sep 18
Hestiana	3,599	Japan, Mizushima	Zhangjiagang	26-Sep 18
Sulfur Advance	4,959	S. Korea, Ulsan	Longkou Gang	25-Sep 18

China DAP fob vs sul import cfr



Domestic Market

Puguang prices have been increased by Yn20/t at both sites. Wanzhou is now priced at Yn1,480/t and Dazhou Yn1,360/t. Maintenance, which commenced on 6 September, was scheduled to conclude on 26 September.

Ex-port prices commenced the week at Yn1,515/t, equivalent to low-\$180s/t cfr, and business was thin with only small trades concluded by buyers in the river. Close to press time, offers were in the domestic market at Yn1,500-1505/t, equivalent to high-\$170s/t cfr, but no buying interest or deals were heard at this level with the holidays removing buying interest and end-users said to be targeting prices sub-Yn1,500/t for the next purchases.

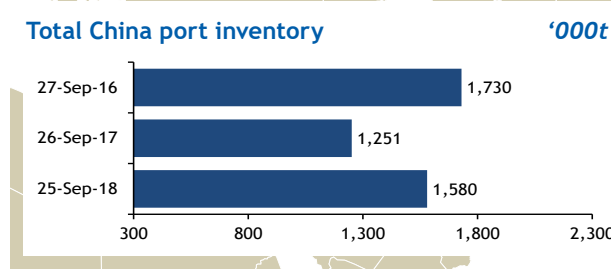
Paper market prices were at Yn1,520/t at the start of the week but jumped up to Yn1,540/t almost immediately after

Currency exchange rates (\$)

	27 Sep
Euro (€)	1.1707
Chinese yuan (Yn)	6.8896
Brazilian real (R)	3.9849
Indian rupee (Rs)	72.5750

CHINA PORT INVENTORIES

China port inventories			
	09-25-18	09-26-17	09-27-16
Longkou	20	5	18
Qingdao	0	12	78
Zhenjiang	590	200	350
Zhanjiang	140	110	100
Fangcheng	300	290	270
Nantong	320	510	800
Tangshan	10	4	24
Beihai	170	80	50
Nanjing	30	40	40



the QSP was announced for October.

Port stocks are standing at 1.58mn t this week, down by 30,000t on the week, following two consecutive weeks of increases in the inventory levels.

India

The import market is subdued this week with expectations that Indian buyers will return to the market next month for November deliveries.

Rashtriya Chemicals and Fertilizers (RCF) is still yet to open the pricing round of its tender, after receiving only one technical offer.

Full tender details [here](#) >>

On the export side, supplier Reliance Industries is yet to

finalise its supply contracts, with volumes previously concluded at around 500,000t/yr.

Vietnam

There are reports of ex-Vietnamese product sold in to China but no further details were available at press time.

MIDDLE EAST

Further 4Q settlements reported

Reports of contract settlements continue, with Moroccan buyers reporting conclusions in the range of \$145-173/t cfr. The high end represents the conclusion with Middle East

Sulphur deliveries to Indian ports						
Vessel	Destination	Origin	Charterer	Receiver	Volume (t)	Expected Arrival Date
VSC Pollux	Paradeep	Ras Laffan	BGN	KIT/IFFCO	32,000	18-Sep-18
Sulphur Guardian	Vizag	Japan	Mitsui	CIL	12,500	11-Sep-18
Great Ocean	Vizag	Ras Laffan	BGN	CIL	21,799	10-Sep-18
Great Ocean	Chennai	Ras Laffan	BGN	CIL	10,000	6-Sep-18
FLC Wealth	Vizag	Shuaiba	Swiss	MMTC/SAIL	7,150	7-Sep-18
Clipper Phoenix	Hadia	Ras Laffan	Sun International	Tata/Sai Phosphate	20,500	6-Sep-18
Bayern S	Paradeep	Iran	Eastern Commodities	KIT/IFFCO	24,982	18-Aug-18
Clipper Phoenix	Paradeep	Ras Laffan	Sun International	PPL	18,000	1-Sep-18
Roshak	Paradeep	Iran	Comzest	KIT/IFFCO	44,632	13-Aug-18
Nord Mumbai	Paradeep	Iran	Swiss	Greenstar	26,500	11-Aug-18
Sulphur Guardian	Vizag	Japan	Mitsui	CIL	12,500	4-Aug-18

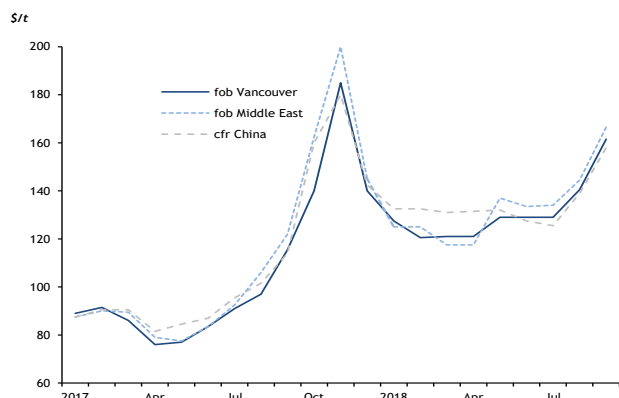
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Spot Sales Selection 27 Sep 2018

Origin	Seller	Buyer	Destn	'000t	\$/t bulk	Shipment
Undisclosed	Undisclosed	Copebras	Brazil	46	mid-\$160s/t cfr	Oct-18
Iran	IGCC	Undisclosed	Undisclosed	16	\$130/t fob	Sep-18
Iran	IGCC	Trader	Undisclosed	30	mid-\$140s/t fob	Sep-18
Qatar	Muntajat	Undisclosed	Undisclosed	35	\$146-147/t fob	Oct-18
Undisclosed	Swiss	MMTC	India	6	\$170/tcf	Aug-18
Libya	NOC	BGN	Undisclosed	2x8	mid-\$130s/t fob	Aug-18
Undisclosed	Swiss	Din Vu DAP	Vietnam	20	High-\$150s/t cfr	Aug-18
Middle East	Muntajat	Swiss	Undisclosed	35	mid-\$130s/t fob	Aug-18
Middle East	Trader	Ambatovy	Madagascar	40	mid-\$130s/t fob	Aug-18
Open	Trader	Copebras	Brazil	40	mid/high-\$140s/t	Aug-18
Undisclosed	BGN	PPI	India	30	mid-\$150s/t cfr	Jul-18
Iran	IGCC	Undisclosed	Undisclosed	30	mid-\$110s/t fob	Jul-18
Qatar	Muntajat	BGN	Undisclosed	30	mid/high-\$130s/t fob	Jun-18
Iran	IGCC	Undisclosed	Undisclosed	30	mid-\$120s/t fob	Jun-18
Turkmenistan	IPC	Trader	China	35	mid-\$130s/t cfr	Jun-18
Iran	IGCC	Undisclosed	Undisclosed	30	mid-\$120s/t fob	Jun-18
Iran	IGCC	Undisclosed	Undisclosed	30	mid-\$110s/t fob	Jun-18
Undisclosed	Sun International	Dinh Vu Dap	Vietnam	15	mid-\$140s/t cfr	Jun-18
Undisclosed	Tricon	Akzo	Argentina	15	mid/high-\$150s/t cfr	Jun-18
India	MRPL	Trader	Undisclosed	35	low-\$140s/t fob	Jun-18

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Sulphur spot price comparison



producers and nets back to high-\$140s/t fob, but supply-side confirmation of the settlement price was not available at press time.

For Brazil, buyers indicated settlements had been made at around \$173/t cfr for ex-Middle East tonnes, netting back to low/mid-\$150s/t fob, but there are further market indications prices could be towards the high-\$170s/t cfr Santos for final settlements.

Traders and Adnoc settled contracts at \$163/t fob, and so far this indicates the high end of the fourth quarter Middle East contract price.

The spot market remains quiet because of tight availability and the holiday season muting the world's biggest import market, China. But, with monthly selling prices announcements starting at a dramatic increase on the previous month and offer prices climbing in all markets, the Middle East fob

has been firmed slightly; to span \$165-168/t.

Bahrain

State-owned Bahrain Petroleum Company (BAPCO) will issue its 2019 supply tender in the first week of November. The company will offer 120,000t to the market.

Details of the company's last annual tender are [here](#) >>

Iran

Supplier IGCC has postponed the closing date of its tender to sell 45,000t of granular sulphur by two weeks, citing logistical problems and slowing demand in China, ahead of the Golden Week holiday that starts on 1 October.

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Jumbo bags of around 2,000t are on offer from supplier NIOPDC. The company expects to complete a sale by 29 September.

NIOPDC has been offering small lots of bulk sulphur from the the Arak refinery on an ex-works basis.

Fob Iran prices are still range-bound at \$135-145/t, and IGCC's tender will likely be the next test of the price.

The following inquiries are currently in the freight market;

- 40,000t loading Bandar Abbas 7-12 October for shipment to Fangcheng, China.
- 30,000-44,000t of bagged sulphur, loading Bandar Abbas 25 September - 5 October, for shipment to South China.

Proposal to change China ex-works sulphur assessments

Argus proposes to change its China ex-works sulphur assessments because of the planned cessation of sulphur discharge operations at Langshan berth.

Under this proposal, the ex-works Nantong Yn/t assessment will be renamed ex-works China Yn/t and will include sulphur sold from the domestic stockpiles at Chinese ports on an ex-works basis.

Argus will accept comments on this change up to 4 October 2018. To discuss comments on this proposal, please contact Clairia Lloyd at clairia.lloyd@argusmedia.com or +44 20 7199 1613. Formal comments should be marked as such and may be submitted by email to fertilizer@argusmedia.com or by post to Clairia Lloyd Argus Media Ltd, Lacon House, 84 Theobald's Road, London, WC1X 8NL, UK and received by 4 October 2018. Please note, formal comments will be published after the consultation period unless confidentiality is specifically requested.

Oman

Duqm refinery to start construction early 2019

The 230,000 b/d Duqm Refinery in Oman is on track to start commissioning at the end of 2021, with financial close on loan agreements due within days. Construction is set to commence early in 2019 and is scheduled to take 36-40 months.

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Qatar

October Qatar Sulphur Price up \$25/t

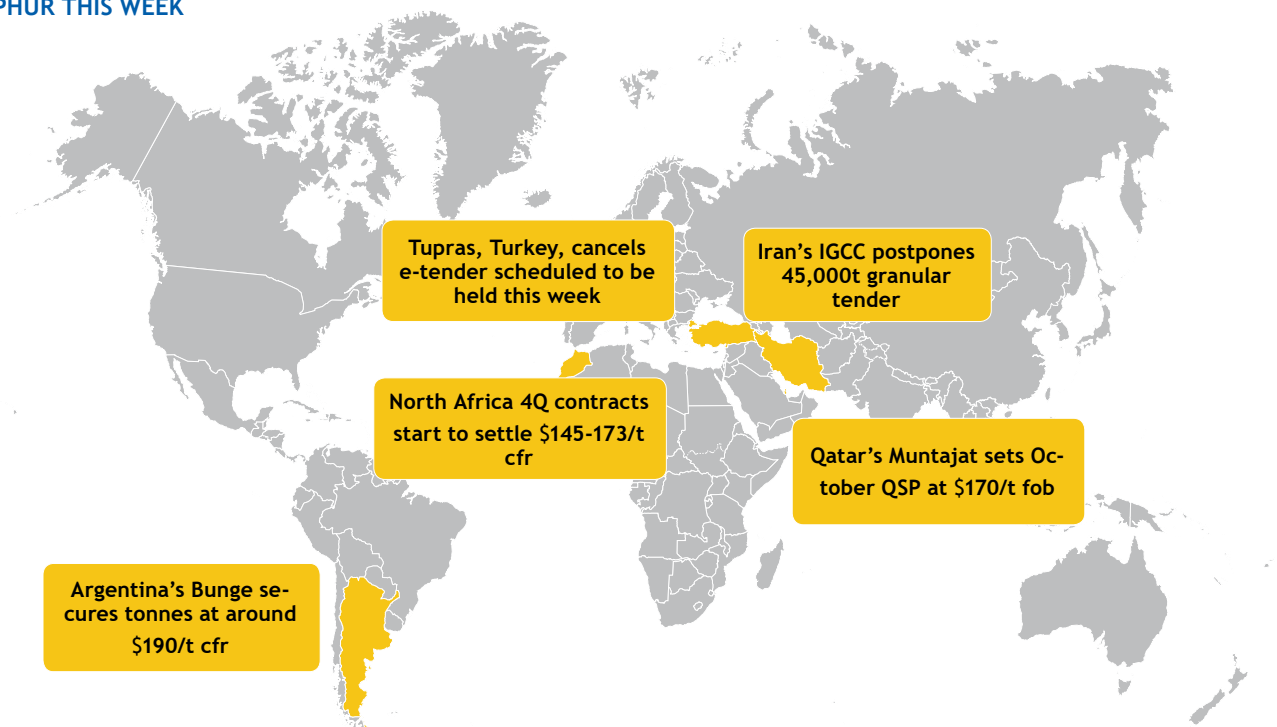
State-owned marketer Muntajat has set its October Qatar Sulphur Price (QSP) at \$170/t fob Ras Laffan/Mesaieed, an increase of \$25/t on the September price of \$145/t fob Ras Laffan/Mesaieed.

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UAE

The MV Butinah, a bulk carrier vessel owned by Adnoc Logistics and Services, arrived at Ruwais port on 23 September.

SULPHUR THIS WEEK



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AFRICA

Fourth quarter settlement reports commence

Contracts for tonnes for shipment to Morocco are reported as concluded by the buy-side within the range of \$145-173/t cfr north Africa. There is no confirmation of Tunisian prices at present from the buy-side but market participants indicate that prices are likely to match the top-end of Moroccan conclusions.

Supply-side confirmation is pending, but the top-end of the range is likely to reflect ex-Middle East tonnes and the bottom ex-Mediterranean tonnes. FSU product will span a range on an origin and crushed lump/granular spread.

North Africa spot prices have been assessed up to range \$145-162/t cfr as global market prices firm and, with buyers indicating that contract prices are not settled below \$145cfr, no spot business will likely be able to be concluded below this level in the near term.

Egypt

The award of the latest Libya tender (see below) implies an increase in the Egyptian cfr price of granular sulphur towards the mid-\$150s/t cfr. But recently concluded business is still sitting in the low-\$150s/t cfr.

Sulphur deliveries to Jorf Lasfar port			
Vessel	Tonnage	Origin	ETB
La Tonda	54,817	Ruwais, UAE	Discharging
Aqua Prosper	56,643		Discharging
Al Yasat II	53,743	Ruwais, UAE	Berthed
Medi Perth	60,000	Ust Luga, Russia	28-Sep-18
Dacc Egfo	35,000	Ruwais, UAE	29-Sep-18
Delfa	15,000	Ruwais, UAE	2-Oct-18
Ras Ghumays	60,000	Ust Luga, Russia	6-Oct-18
Good Hope	49,500	Jubail, Saudi Arabia	6-Oct-18
TR Niklas	54,250	Jubail, Saudi Arabia	12-Oct-18
Discharging total	438,953		

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Libya

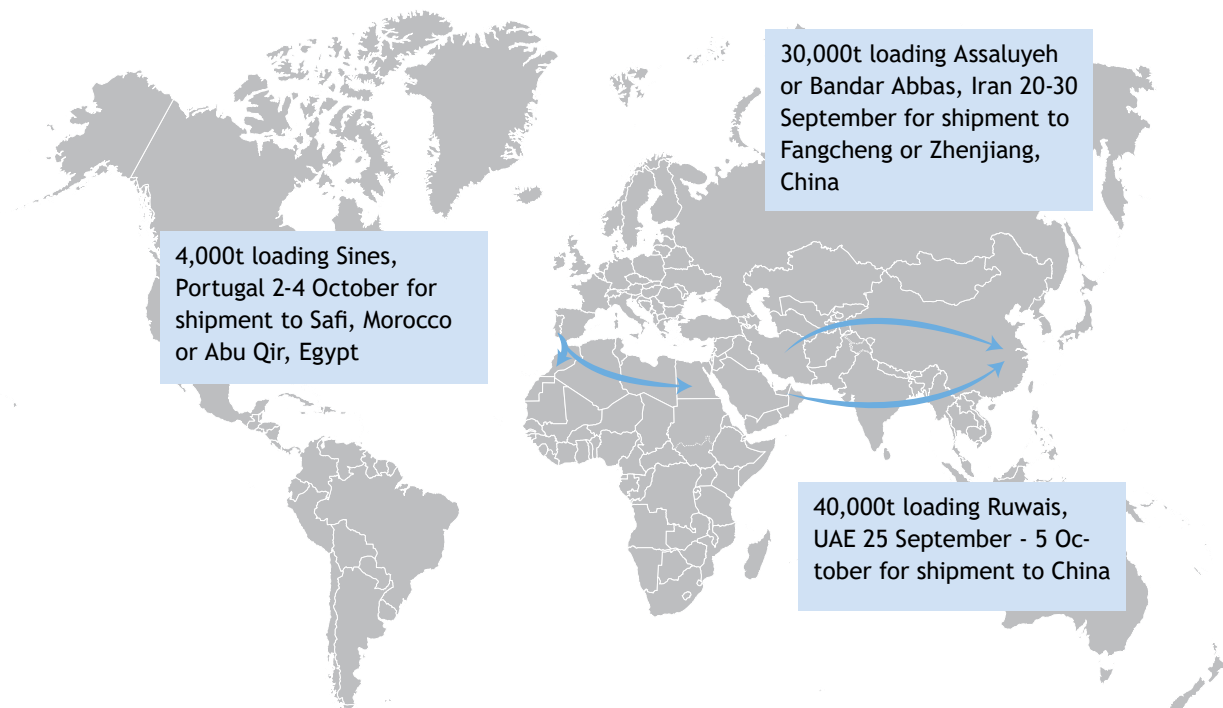
The tender from NOC was awarded in the mid/high-\$130s/t fob to a trader and is expected to be shipped to Egypt.

A freight inquiry has appeared in the market since the award for 8,000t loading Mellitah 26-28 September for shipment to Abu Qir, Egypt.

Morocco

Fertilizer producer OCP is out of the spot market with set-

FREIGHT INQUIRY HIGHLIGHTS



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tled contract tonnes covering current demand and also the current disconnect between raw material costs and finished phosphate fertilizer products making spot market sulphur unappealing at present.

South Africa

In the freight market, an inquiry for 40,000t loading Ruwais, UAE, for shipment to Richards Bay 26-28 September is linked to the recent spot purchase by Foskor.

A price in the high-\$170s/t cfr has been attached to the deal and is linked to trader Swiss Singapore. Market participants indicate there is nothing below this price being offered to the South African market, and previous business had not been concluded below the mid-\$170s/t cfr.

Freight between the Middle East and South Africa is indicated at around \$17-20/t.

Foskor takes maintenance on phosacid line

Phosphate and NPK producer Foskor is undertaking maintenance on one of its three sulphuric acid lines.

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MEDITERRANEAN

Mediterranean fob and cfr prices continue to lag behind the increases in the wider global market. Fob prices remain range bound with a high end in the low-\$130s/t fob and cfr prices continue to top out in the low-\$150s/t cfr. But expectations persist of higher prices on next done business.

Greece

A supplier has sold a cargo within the current Mediterranean fob range of \$125-132/t fob.

Portugal

Maintenance works are scheduled at Galp's Sines refinery in the south from mid-October, but will have a minimal impact on its sulphur production rates.

A [60 day turnaround](#) is ongoing at Galp's Porto refinery in the north, but is having no impact on sulphur production rates.

Spain

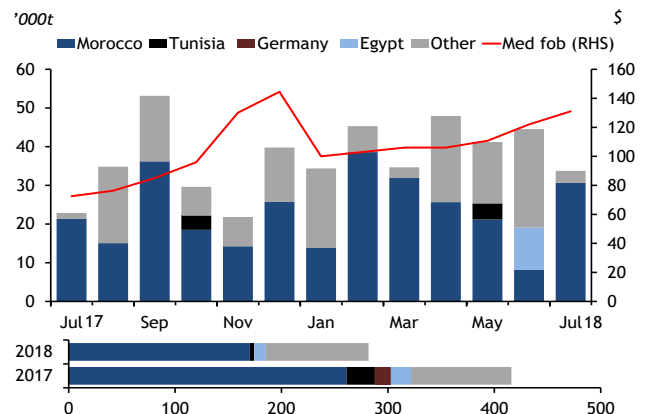
Jan-Jul exports up 6pc

Spain exported 282,000t in the year to July, up by 6pc on the year. Exports from Spain come largely from refiner Repsol, which has a sulphur producing capacity of around 500,000t/yr.

Morocco received the majority of Spanish exports, at

Spain exports vs fob Med

Xxx



170,000t, up by around 4pc. Exports to Morocco are for OCP and are largely shipped under quarterly contract.

Senegal received 50,000t, up from zero during the same period in 2017, and just 9,000t in 2016. Exports to France and Egypt totalled 17,000t and 11,000t respectively, with deliveries to France surging 189pc.

For July, Spain exported 34,000t, up by 48pc last July. Morocco continued to receive the lion's-share at 31,000t, up by 44pc on the year.

Turkey

Refiner Tupras was meant to hold its monthly e-tender this week but cancelled and will confirm by next week if the tender will be held or not for October supply. Supply constraints have been linked to the cancellation.

Details of the September supply e-tender are [here](#).

First sulphur is expected from the Socar Turkey Aegean Refinery (STAR) in December. When at full capacity the facility is estimated to produce 150,000t/yr.

On the demand side, a freight market inquiry for 20,000t loading Kavkaz, Russia for shipment to Samsun 2-6 October is linked to Toros' monthly requirements.

Also, Bagfas is heard to have operational restrictions at its sulphuric acid plant at present, which is keeping it out of the sulphur market.

WEST EUROPE

Fourth quarter contract negotiations are underway

The supply/demand balance has improved on the quarter, with sulphur from Grossenkneten understood to be returning to the supply chain. Buyers are largely expecting prices to rollover in response.

But, the regional market remains slightly undersupplied, and international prices are currently at annual highs, which

is encouraging suppliers to target a price increase on the quarter.

France

The MV Iver Ability, a molten sulphur carrying vessel, arrived at Bayonne port on 26 September, after departing Bilbao, Spain on 23 September.

Ust-Luga, Russia - Sulphur loading vessels			
Vessel	DWT	Destination	Departure
TR Niklas	63,497	Morocco, Jorf Lasfar	22-Sep-18
Western London	39,260	Brazil, Santos	21-Sep-18
New London Eagle	63,410	USA, Tampa	17-Sep-18
Nord Chesapeake	60,447	Brazil, Santos	14-Sep-18
Medi Perth	60,447	Morocco, Jorf Lasfar	9-Sep-18
UBC Sagunto	33,313	Brazil, Santos	7-Sep-18
Reliable	38,800	Senegal, Dakar	27-Aug-18
Iberian Bulker	37,668	Brazil, Santos	20-Aug-18
Strategic Tenacity	36,851	Brazil, Santos	18-Aug-18

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EAST EUROPE

Fourth quarter settlements so far

Contract prices for sulphur shipments to Morocco are indicated to span \$145-173/t cfr north Africa for the fourth quarter, but it is not yet clear where in the range ex-FSU product prices fall, as prices will vary depending on loading port and product type. Supply-side confirmation of price settlements was not available at press time.

There are also market reports that GazpromExport (GPE) will only have a maximum of 200,000t available for 4Q shipment, but this remains unconfirmed by the supplier.

For Brazil contract prices, buyers indicate prices span \$163-173/t cfr with ex-FSU tonnes at the top-end of the range. This would imply a netback in the mid/high-\$110s/t fob but, suppliers indicate that contracts are not yet concluded and market participants have placed top-end Brazil contracts closer to the high-\$170s/t cfr.

Polish supplier Grupa Azoty is expected to conclude three cargoes for shipment to Morocco's OCP on a formula basis. Each cargo will be 25,000t in size.

Russia

There are two freight market inquiries for Ust-Luga loaders:

- 35,000t loading 27-29 September for delivery to Tampa,

USA.

- 51,000-60,000t loading 2-4 October for delivery to Santos, Brazil.

Freight between the Baltic Sea and Tampa is indicated at \$28/t.

Vancouver Dry Bulk Sulphur Exports (000t)			
Country	Jul-18	Jan-Jul 18	Jan-Jul 17
Australia	67	419	344
China	49	336	511
Cuba	30	177	120
Chile	0	160	110
New Caledonia	52	101	37
Mexico	51	81	206
New Zealand	0	64	103
Brazil	0	39	40
Other	1	0	15
TOTAL	250	1,377	1,486

NORTH AMERICA

Canada

Vancouver fob prices rose by \$3/t to \$160-163/t with netbacks from China and the most recent business in the low-\$160s/t. Supply has improved with Syncrude in Alberta nearing full rates after its extended maintenance.

Jan-Jul exports down by 7pc

Dry bulk exports from Vancouver port totalled 1.37mn t in the year to July, around 7pc lower on the year.

Shipments to Australia continued to outstrip those to China, accounting for around 30pc of overall exports, at 419,000t and up by 22pc on the year. China received just 336,000t, down by 34pc. Lower deliveries to China are partly linked to more tentative buying patterns from end-users this year, with cheaper priced domestic tonnages taking a preference to international product.

Exports to Latin America remained strong, with around 456,000t delivered to the region in total, and accounting for around a third of ex-Vancouver shipments. Cuba, Chile and Mexico received the most, at 177,000t, 160,000t and 81,000t, respectively. Exports to Cuba surged by 47pc on the year. Exports to Brazil remained flat at around 39,000t.

Exports to New Caledonia also remained roughly flat on the year at around 101,000t. New Caledonia's demand is largely for Vale's mining operations in the south of the country.

For July, 250,000t was shipped from Vancouver port, up by 31pc on the year. Australia received the most, but down by 39pc on last July, at 67,000t. Exports to China totalled 49,000t, up by 65pc. Data collected by Argus shows a 70,000t cargo was sold to China in June at low-\$150s/t cfr China.

Suncor Montreal to begin maintenance

Suncor plans to shut down equipment on 25 September at the sulfur plant associated with its 130,000 b/d refinery in Montreal, Canada.

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USA

US Gulf spot prices increased by \$9.50/t on a midpoint basis, with the most recent business in the \$150-155/t fob range. A recent 30,000t tender from the region was awarded to a trader within the range.

Supply is healthy in most regions and demand strong, leading to balance in most regions of the domestic market.

Freight between the Middle East and Tampa is indicated at around \$25-28/t.

4Q contracts update

Fourth quarter US Gulf prices continue to be indicated in the mid-\$130s/t to mid-\$140s/t fob based on netbacks from Brazil settlements and sell-side price indications.

Brazilian buyers have placed fourth quarter US Gulf contract tonnes at \$163/t cfr Santos.

Negotiations for the fourth quarter Tampa settlement have begun for some participants, though not all have engaged.

LATIN AMERICA

Argentina

Bunge has now purchased a 7,000t granular cargo, after issuing an enquiry for it earlier this month. The cargo was purchased at \$190/t cfr for November arrival. The delivery is understood to be a part cargo, with additional sulphur aboard for discharging to another buyer.

Brazil

Copebras will next step in to the market in the first half of October, seeking a cargo for early-December arrival. The company's [last purchase](#) is expected to arrive at Santos in early-November.

Contract prices are continuing to be priced at \$163-173/t cfr by the buy-side for 4Q shipments, but there are wider market indications that contracts have not yet concluded in full, and some agreements have been made in the high-\$170s/t cfr.

Brazilian sulphur vessel line-up

Port, Terminal	Buyer	Charterer/Origin	Vessel	000t	Estimated time of berth
Santos, Tiplam	Mosaic	NA/US	Saga Frontier	35	18-Oct-18
Santos, Tiplam	Mosaic	NA/US	Cielo Di Tampa	35	6-Oct-18
Santos, Ataru	Fertipar	Fitco/Portugal	Crinis	9	30-Sep-18
Santos, Tiplam	Mosaic	Trammo/Russia	Iberian Bulker	35	23-Sep-18
Santos, Tiplam	Mosaic	Mosaic/US	Spring Sky	38	15-Sep-18
Santos, Tiplam	Mosaic	Adnoc/Ruwais	Belnippon	35	9-Sep-18
Santos, Termag	CMOC	Trammo/Russia	Anita N	41	29-Aug-18
Santos, Termag	Galvani	Trammo/Russia	Anita N	9	29-Aug-18
Santos, Termag	Elekeiroz	Trammo/Russia	Anita N	5	29-Aug-18
Santos, Tiplam	Mosaic	Trammo/Russia	Nordorinco	33	22-Aug-18
Santos, Tiplam	Mosaic	KPC/Shuaiba	Lavieen Rose	30	17-Aug-18
Santos, Tiplam	Mosaic	Total/Russia	Nord Treasure	32	12-Aug-18
Santos, Tiplam	Mosaic	Adnatco/Ruwais	Hanton Trader II	35	26-Jul-18

Source - Wilson Sons

NEWS AND ANALYSIS

Oil prices forecast to head higher

Oil prices could end the year much higher from current levels amid lower supplies from Iran and Venezuela and firm demand growth, speakers told the Asia-Pacific Petroleum Conference (Appec) in Singapore.

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US, China move ahead with latest round of trade tariffs

The US and China have implemented the biggest round of bilateral tariffs so far, covering a combined \$260bn/yr of traded goods including LNG, metals, fertilizers and chemical products.

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Morocco's OCP signs R&D deal with China's Hubei Forbon

Moroccan state-owned phosphates fertilizer producer OCP has signed an initial agreement with Chinese fertilizer manufacturer Hubei Forbon on further collaboration.

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EU, Iran search for way around US sanctions

The EU, China, France, Germany, Russia and the UK said today they plan to develop a new mechanism to ensure continued oil exports from Iran despite looming US sanctions.

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QP plans fourth LNG train in expansion push

State-owned Qatar Petroleum (QP) plans to build a fourth LNG plant to raise production capacity to 110mn t/yr, instead of 100mn t/yr, as previously planned. Current capacity is 77mn t/yr.

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Nayara reapplies for Vadinar refinery expansion

Indian refiner Nayara Energy, formerly Essar Oil, is seeking environmental approval to double capacity to 800,000 b/d for its Vadinar refinery in Gujarat state, while also planning to boost the number of its retail outlets by around 50pc.

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Weak rupee to weigh on DAP, MOP demand in India

Fertilizer importers to India have had to contend with a weakening local currency in the third quarter – typically the monsoon season in India – below-par rainfall and the prospect of increasing domestic prices. An adverse impact

on the consumption of phosphatic and potash fertilizers is therefore likely in the fourth quarter.

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IMO 2020 NEWS

European refiners see clouds beyond IMO wind-fall

European refiners will reap the rewards of the global shipping industry's response to the International Maritime Organisation's (IMO) marine fuels sulphur cap. But broader decarbonisation moves and environmental concerns pose challenges.

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International Seaways to install scrubbers

New York-listed shipowner International Seaways has announced plans to install exhaust gas cleaning systems, or scrubbers, on seven vessels with an option for a further three.

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Q&A: Fuels standards key to sulphur cap sales

Bunker fuels' availability and compatibility remain a concern for shipowners and operators as they prepare to shift to 0.5pc fuels to comply with the International Maritime Organisation's (IMO) 2020 sulphur cap. Argus asked Danish bunker fuel supplier Monjasa chief operating officer Svend Molholt about his views on these issues.

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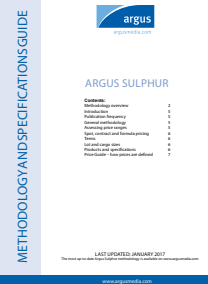
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