

BAIINFO Liquid Ammonia Weekly

Jul. 6, 2023 / Issue 23-26

Highlights:

- *Liquid ammonia market increased with fluctuation.*
- *Methanol market prices were polarized.*
- *Urea market increased then declined.*
- *MAP market registered stable-and-weak scenario.*
- *NPK market consolidated at low level.*
- *Nitric acid market was weakly steady.*
- *Caprolactam market declined in weak conditions.*
- *Acrylonitrile market went up.*

BAIINFO Research Center

<http://www.baiinfo.com/en>

Fax: +86-10-5894 6899

Cell: +86 139 1021 1072

Email: bxj@baiinfo.com

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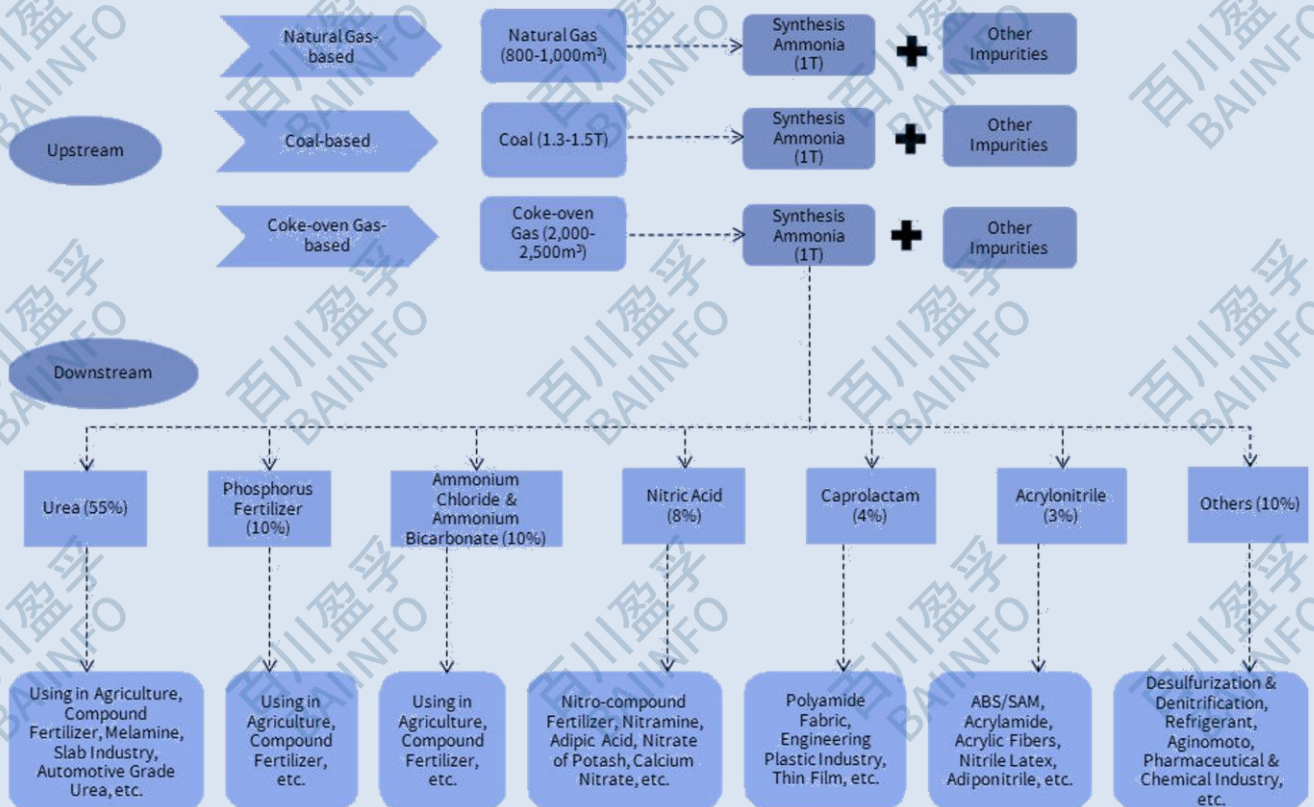
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Synthesis Ammonia Industrial Chain Map

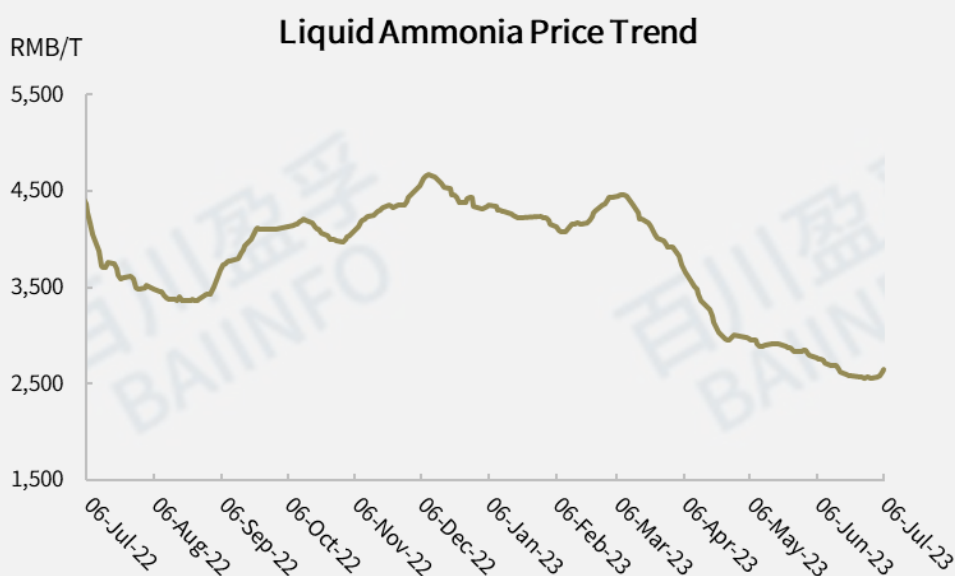


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Liquid Ammonia Market

This week, liquid ammonia market increased with fluctuation. As of Jul. 6, the average market price was at RMB 2,651/T, and the prices in the main producing areas were around RMB 2,300-2,700/T. At the beginning of the week, in the northern areas, Hubei, Hunan and Southwest China, the offers were raised on account of shrinking supply. In East China and Henan, with ample supply and stagnant downstream sentiment, many prices were stable amid a watching mood. From the middle to the end of the week, in the northern areas and Henan, the prices in many areas continued rolling up due to reduced supply. In East China, local prices mostly climbed up in line with price growth in surrounding areas. In the main producing areas, the cumulative price growth was within the range of RMB 50-200/T this week.



Liquid Ammonia Price

	This Week	Last Week	Change (WoW)
Latest Price (RMB/T)	2,651	2,571	3.11%
Weekly Avg (RMB/T)	2,608	2,569	1.52%

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Liquid Ammonia Market Forecast

Liquid ammonia market operates with fluctuation, with limited price growth. At present, the overall trading performance is still average. Although supply in some areas tightens, it is rapidly replenished by surrounding supply, and the overall supply keeps ample. Moreover, some of the shutdown devices are scheduled to resume operation next week, so the overall supply will not be substantially short. In addition, downstream operation rates are relatively low, and procurement of liquid

ammonia is mainly on rigid demand. Under these circumstances, the market registers supply-demand contradictions, insiders mostly have a wait-and-see attitude towards the later market, and price growth may be limited. On balance, it is expected that liquid ammonia market will fluctuate narrowly next week, with transaction prices around RMB 2,300-2,700/T for reference. Coal prices and fertilizer market need to be paid attention to.

Liquid Ammonia Price Forecast



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Liquid Ammonia Market Supply

This week, according to BAIINFO, liquid ammonia output fell WoW. In the northern areas, liquid ammonia supply shrank. In East China, liquid ammonia supply rose. In Central China, liquid ammonia supply nudged down. In Southwest China, liquid ammonia output was slightly reduced.

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Liquid Ammonia Market Demand

On fertilizer side, urea prices ran up further this week, but it was difficult to significantly boost liquid ammonia market. Phosphate fertilizer and NPK markets consolidated at a low level. In the off-season, the industry production was low, and the procurement of feedstock liquid ammonia was mainly based on rigid demand. On chemical industry side, caprolactam and acrylonitrile markets were stable, with limited demand for liquid ammonia.

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Price of Liquid Ammonia and Urea

This week, both urea and liquid ammonia markets went up, and the price difference between the two sides narrowed slightly. Even so, urea remained profitable, and producers mainly produced urea.

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Cost and Profit of Liquid Ammonia

As for cost side, coal prices increased further, and natural gas prices slightly fluctuated. Many producers still suffered obvious cost pressure.

As for profit side, although liquid ammonia prices edged up, mainstream prices were still near the cost line.

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Liquid Ammonia Upstream and Related Markets

This week, domestic coal market mixed ups and downs overall. Domestic LNG prices continued dropping in the case of soft demand.

Methanol market prices were polarized, and trades were based on rigid demand. The average price of methanol went down from RMB 1,920/T to RMB 1,913/T. Domestic coal prices turn higher supporting methanol market in cost side. As for supply side, some shutdown plants in Northwest and Middle China gradually resume production, while other plants plan to overhaul. In general, overall supply still keeps sufficient. Besides, at middle Jul., new project in Northwest China will be put into production, so in a short term, at supply side, there will be no bullish factor appearing. For demand side, though total profit in coal-based olefin market is recovered slightly due to lower methanol prices, the rate of capacity utilization is still at medium and low level, which means the consumption on methanol is limited. Mainstream demand will remain weak for a long term and depress methanol prices to some extent. For traditional downstream market, operation rate edges down in the off season. Moreover, domestic real estate market performs badly, obviously dragging down formaldehyde and acetic acid demand. In a short term, terminal procurement volume on methanol will hardly improve. Buyers are still cautious. At port market, Iran natural gas prices moving up causes import volume of methanol shrinking. In Iran, there is no plant overhauling together. In next week, with more foreign ships, coupled with shutdown olefin plants in East China, port inventory will accumulate shortly. Based on supply-demand pattern, methanol market tends to be buyers' market. Thus, methanol prices are lack of upward momentum. In addition, futures market runs weaker, discouraging insiders' mood. Trading market turns softer. According to BAIINFO, in next week, if there is no bullish news, methanol market prices will run weak with range of RMB 20-30/T. In the future, futures market, market inventory, freight charge and production dynamics of upstream and downstream plants need to be paid attention.

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Liquid Ammonia Downstream Markets

Fertilizer Market

Urea Market: This week, domestic urea market increased then declined. As of Jul. 6, in Shandong, Henan and Hebei, mainstream price was at RMB 2,160-2,260/T, and trading price was at RMB 2,120-2,230/T. Early this week, urea futures price and spot price extended uptrend. Besides, agricultural demand started and traders began to replenish resources. In mid of this week, with continuously rising urea price and the end of the new round of replenishment, traders obviously slowed down procurement. Thus, fresh trading price of urea plants tended to decrease. However, on Jul. 6, individual urea plants cut price within a limited range, owing to acceptable delivering orders and few stocks.

Phosphate Fertilizer Market: This week, MAP market registered stable-and-weak scenario. As of Jul. 6, average market price of 55% powder was at RMB 2,418/T, and mainstream price of 55% powder was at RMB 2,400-2,450/T. Raw material liquid ammonia market fluctuated strongly, sulfur market changed little and phosphate ore market continued falling, providing limited cost support for MAP market. Downstream NPK market consolidated at low-end price level, lending no bullish support to MAP market. With dual bearish effects, MAP plants held low production and many plants mainly focused on destocking. It was reported that granular MAP export situation turned good on the back of the replenishment in South America but the price did not move up significantly. Hence, short-term MAP market would fluctuate amid watching mood. This week, DAP market went down under pressure. As of Jul. 6, average market price of 64% DAP was at RMB 3,310/T. Raw material liquid ammonia market fluctuated strongly, sulfur market changed little and phosphate ore market continued falling, so the cost of DAP registered fluctuations. Currently, as autumn fertilizer price was unclear, downstream plants kept watching mood. DAP plants mainly committed to export orders. However, due to low export price, the profit of DAP plants was limited. With few fresh orders, DAP plants suffered heavy inventory pressure. In Hubei, actual trading price of DAP gradually moved towards low-end level for sales.

NPK Market: This week, domestic NPK market consolidated at low level. Deals were scarce, with fresh trading prices negotiable for one order. Recently, urea and ammonium chloride prices firmed flexibly, supporting NPK market to some degree. Low-end prices stabilized. As of Jul. 6, average market price of 45% CL-based NPK (15-15-15) ran at RMB 2,285/T, down 3.79% WoW, and that of 45% S-based NPK (15-15-15) ran at RMB 2,657/T, down 2.5% WoW. NPK market entered seasonal lull. Demand support from late rice in South China existed. NPK plants in other regions saw poor shipments. Terminal demand was sporadically seen. Plants held autumn fertilizer ordering meeting successively. Some plants released favorable price policies. As it is still early before application of autumn fertilizers, downstream distributors mostly adopted prudent approaches amid watching mood.

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Chemical Market

Nitric Acid Market: This week, nitric acid market was weakly steady. According to BAIINFO, concentrated nitric acid average market price was at RMB 1,720/T as of Jul. 6. Despite many overhauls and production cuts, supply in the main areas was adequate, and production at large plants was moderate. Besides, downstream rigid demand was tepid. In this case, there was no big improvement in nitric acid shipments, and nitric acid plants made settled offers. Overall, nitric acid market will stabilize amid a strong watching mood in the short term, with the prices in the main areas being around RMB 1,500/T. Feedstock liquid ammonia market and supply-demand sides need to be paid attention to.

Caprolactam Market: This week, domestic caprolactam market declined in weak conditions. As of Jul. 6, mainstream spot prices for liquid caprolactam were around RMB 11,750/T, with delivery service. Upstream pure benzene prices were expected to rise first and then fall, so the cost support was limited. Caprolactam supply increased. Downstream slicing market remained bleak. As a result, the market saw a certain bearish sentiment and a weak trading atmosphere. In sum, it is predicted that domestic caprolactam market will move downward next week, with price corrections of RMB 150-300/T, with delivery service.

Acrylonitrile Market: This week, domestic acrylonitrile market went up. As of Jul. 6, mainstream prices at East China ports were at RMB 7,750/T, freight excluded. To be specific, acrylonitrile supply shrank further, but downstream demand was still lackluster. Therefore, it was not easy to deal with high prices, and the market lacked growth momentum. On the whole, it is anticipated that acrylonitrile market will fluctuate up next week, with the prices being around RMB 7,900/T.

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Liquid Ammonia Statistics

Liquid Ammonia Market Price

Liquid Ammonia Market Price (RMB/T)

Area	29-Jun-23	06-Jul-23	WoW
Shandong	2,650	2,800	5.66%
Jiangsu	2,650	2,700	1.89%
Zhejiang	2,800	2,900	3.57%
Anhui	2,450	2,550	4.08%
Henan	2,400	2,600	8.33%
Hunan	2,650	2,830	6.79%
Hubei	2,500	2,750	10.00%
Hebei	2,600	2,800	7.69%
Shanxi	2,300	2,450	6.52%
Heilongjiang	3,200	3,200	0.00%
Jilin	3,300	3,300	0.00%

Liaoning	3,100	3,100	0.00%
Ningxia	2,500	2,530	1.20%
Xinjiang	3,450	2,700	-21.74%
Qinghai	3,400	3,400	0.00%
Gansu	3,000	3,000	0.00%
Shanxi	2,320	2,470	6.47%
Yunnan	3,100	3,250	4.84%
Guizhou	2,900	3,100	6.90%
Sichuan	2,600	2,800	7.69%
Chongqing	2,700	2,900	7.41%
Guangxi	3,250	3,430	5.54%
Fujian	2,700	2,750	1.85%
Inner Mongolia	3,050	3,050	0.00%
Jiangxi	2,450	2,450	0.00%

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Liquid Ammonia Intl Price

Area	Liquid Ammonia Intl Price (USD/T)				
	30-Jun-23	03-Jul-23	04-Jul-23	05-Jul-23	06-Jul-23
Ventspils (FOB)	-	-	-	-	-
Yuzhnyy (FOB)	-	-	-	-	-
North Africa (FOB)	300	300	300	300	300
the Middle East (FOB)	240	240	240	240	240
U. S. Gulf (FOB)	280	280	280	280	280
Caribbean Sea (FOB)	240	240	240	240	240
Northwest Europe (Pre-tax, CFR)	315	315	315	315	315
Northwest Europe (After-tax/free, CFR)	340	340	340	340	340
North Africa (CFR)	315	315	315	315	315
India (CFR)	295	295	295	295	295
the Far East (CFR)	325	325	325	325	325
Taiwan of China (CFR)	310	310	310	310	310
Tampa (CFR)	285	285	285	285	285
U. S. Gulf (CFR)	290	290	290	290	290
China (CFR)	320	320	320	320	320

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Liquid Ammonia Imports & Exports

China Liquid Ammonia Imports & Exports in Jan.-May 2023

Month	Imp. Qty (T)	Imp. Value (USD)	Exp. Qty (T)	Exp. Value (USD)
Jan.	24,558	22,654,875	50,743	34,849,047
Feb.	31,116	26,628,062	52,055	37,815,241
Mar.	49,638	30,346,346	23,599	13,123,836
Apr.	108,603	52,938,594	4,339	1,987,071
May	102,497	38,728,423	2,497	1,130,503
Total	316,413	171,296,300	133,234	88,905,698

China Liquid Ammonia Imports & Exports by Countries/Regions in May 2023

Origin	Imp. Qty (T)	Imp. Value (USD)	Exp. Qty (T)	Exp. Value (USD)
Indonesia	66,607	25,921,806	-	-
Japan	3	24,294	-	-
Malaysia	3,754	1,132,076	-	-
Qatar	11,050	4,521,629	-	-
Saudi Arabia	21,000	6,616,537	-	-
South Korea	4	64,328	-	-
UAE	68	349,354	-	-
Taiwan, China	11	98,399	-	-
Hong Kong, China	-	-	13	17,170
Malaysia	-	-	14	66,123
Thailand	-	-	49	125,045
Turkey	-	-	2	12,944
Vietnam	-	-	2,408	863,930
France	-	-	12	45,291
Total	102,497	38,728,423	2,497	1,130,503

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Registered office

501A, 5th Floor, Air Service Bld., Building 2, No. 39, Dongzhimenwai Street, Dongcheng District, Beijing, P.R. China

Fax: +86-10-5894 6899

Cell: +86 139 1021 1072

Email: bxj@baiinfo.com

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