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Media Release

Weekly Update – Global Fertiliser Markets – w/e 15.05.2026

Global Fertilizer Markets Enter Holding Pattern Amid Hormuz Closure

- Global urea markets appear to be hibernating on the back of the continued closure of the Strait of Hormuz and the mammoth India tender
- Phosphate markets were less active this week, although prices continued to increase on the back of tight availability and the continued absence of Chinese exports
- Global potash markets were flat this week as buyers resisted supplier attempts to push prices higher
- Ammonia markets are taking a wait-and-see position ahead of India's 521,000 t ammonia tender closing on 18 May

UREA

Global urea markets appear to be hibernating, paralysed by the continued closure of the Strait of Hormuz and the aftermath of India's mammoth urea tender. Trading activity remains subdued across most major markets, with buyers unwilling to engage despite signs of softening prices.

In the Middle East, OMIFCO in Oman remains the only active exporter, with latest offers heard around USD 730 PMT FOB. However, few buyers are stepping forward, reflecting weak demand sentiment globally. Iran's official export reserve price has been lowered to USD 610 PMT FOB, down USD 95 PMT from the previous level which failed to attract serious interest due to ongoing US port sanctions. Despite this, rumours persist of cargo leakage into Southeast Asia at around USD 750 PMT CFR.

China's domestic urea prices have weakened further, fueling speculation that exports may resume within coming months following the government-imposed export ban introduced in December 2025. Market rumours suggest up to 900,000 tonnes of export licences could eventually be issued, although timing remains highly uncertain.

North African producers remain reluctant sellers despite several unsold June cargoes, while European buying interest is largely absent. Southeast Asian producers including Pupuk Indonesia and Petronas continue prioritising contract commitments, with only limited spot business reported. Several Brunei cargoes are reportedly heading toward Australia as buyers continue seeking alternatives to disrupted Middle East supply.

In the United States, NOLA granular urea values continue to weaken, with reports of re-export opportunities emerging, including one rumoured cargo to New Zealand at approximately USD 620 PMT FOB equivalent.

Malaysia's urea exports remain exceptionally strong. March exports reached 189,000 tonnes, up 37% year-on-year and the highest March total since 2020. First-quarter exports totalled 558,000 tonnes, up 2% year-on-year and the strongest Q1 result in three years. Shipments to Australia rose 40% year-on-year to 131,000 tonnes during Q1 as importers sourced alternatives to disrupted Middle Eastern cargoes.

Attention is now turning toward potential geopolitical developments surrounding Trump's expected Beijing visit and possible negotiations involving Iranian sanctions and Chinese energy security.

Overall, the urea market remains muted. Prices are easing gradually but not sufficiently to stimulate meaningful demand. However, any further Indian tender activity could quickly tighten sentiment and support prices again.

PHOSPHATES

Global phosphate markets were quieter this week, although pricing continued to strengthen on the back of exceptionally tight supply and the continued absence of Chinese exports.

The market's primary focus remained India's unprecedented IPL tender for 1.2 Mt DAP and 0.4 Mt TSP. Letters of Intent were issued for 1.347 Mt DAP from 13 suppliers at USD 930-935/t CFR. This represents a sharp increase from previous business concluded near USD 865/t CFR and a 39% rise from USD 668-669/t CFR at the beginning of 2026, reaching the highest levels since July 2022.

Despite the elevated settlement, many market participants had expected India would struggle to secure the full 1.2 Mt DAP requirement and anticipated even higher pricing. Importers are now expected to pause further spot buying activity unless prices soften materially, temporarily removing a major demand driver from the market.

Brazilian MAP buyers largely remained sidelined due to affordability concerns and uncertain downstream demand, leaving prices capped near USD 900/t CFR for a fourth consecutive week. US phosphate prices remain below international benchmarks despite recent increases, while Australia's phosphate import season is effectively complete.

Market participants continue to expect logistical disruption through May due to the effective closure of the Strait of Hormuz. Some normalisation is anticipated during June as shipping conditions improve. However, most analysts continue to view the eventual return of Chinese exports, potentially from August onward, as the key catalyst likely to soften prices and restore more traditional market fundamentals during the second half of 2026.

Processed phosphate prices are expected to remain firm in coming months due to extremely tight availability, although affordability concerns may limit further upside.

POTASH

Global potash markets were broadly flat this week as buyers resisted supplier attempts to increase pricing despite potash remaining the most affordable major nutrient relative to urea and phosphates.

In Brazil, prices held steady at USD 400-410/t CFR, with suppliers attempting to push June and July offers as high as USD 450/t CFR. Buyer resistance above USD 400/t CFR remains strong as farmers adopt a more cautious approach following recent restocking activity. Several suppliers continue flagging tight availability through August. April imports rose 7% year-on-year to 1.2 million tonnes.

In Southeast Asia, prices were unchanged for a fifth consecutive week at USD 380-400/t CFR for standard MOP and USD 410-450/t CFR for granular product. Demand remained subdued, although one Jordanian granular cargo to Thailand was reportedly concluded at USD 450/t CFR for May-June delivery.

India's contract negotiations with major suppliers remain unresolved. Suppliers continue holding near USD 380-390/t CFR while Indian buyers remain closer to USD 369/t CFR. April imports surged 162% year-on-year to 236,500 tonnes, with Russia accounting for approximately 89% of supply.

Potash prices are expected to rise marginally as growers continue favouring the nutrient's relative affordability compared to sharply higher urea and phosphate markets.

AMMONIA

Global ammonia markets were largely subdued this week as both buyers and sellers adopted a wait-and-see position ahead of India's IPL consortium tender for 521,000 tonnes closing on 18 May.

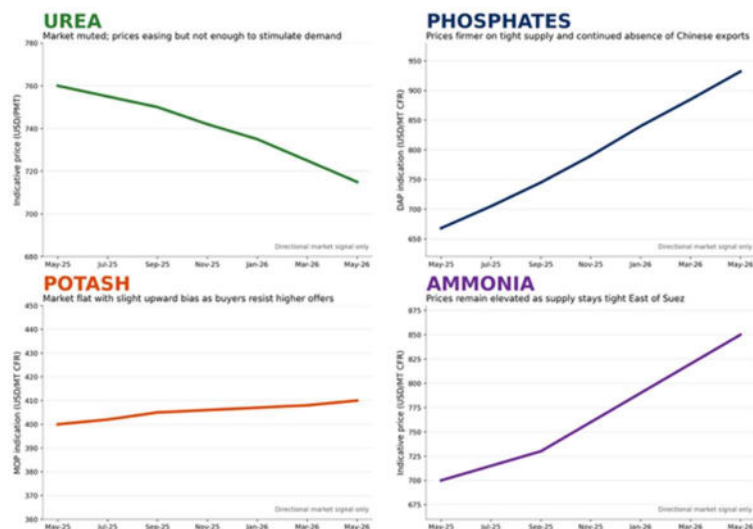
East of Suez, supply remains structurally tight. Indonesia's PAU facility remains offline during its five-week turnaround, removing approximately 700,000 t/yr of production until at least mid-June. Petronas in Malaysia is only now expected to resume operations, while Yara's Pilbara plant outage is reportedly extended into early June.

Against this backdrop, East Asian spot values continued strengthening. Taiwan-China indications were heard near USD 850/t CFR, while South Korean contract prices increased toward USD 750-800/t CFR.

China continues partially filling regional supply gaps, with cumulative exports reaching 367,618 tonnes between January and May 2026 compared to just 48,635 tonnes during the same period in 2025. However, uncertainty has increased following the expiry of OFAC's wind-down licence for Hengli's Dalian facility on 14 May.

Ammonia prices are expected to remain elevated despite some recent softening across urea markets.

ENDS



Global Fertilizer Markets enter Holding Pattern amid Hormuz closure

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Australian Fertilizer Corporation (AFC)

Australian Fertilizer Corporation (AFC) is a Brisbane-based fertiliser company focused on strengthening Australia's domestic nutrient supply. The Company is progressing the development of a large-scale ammonia and granular urea facility in Gladstone, Queensland, utilising established gasification technology in combination with circular economic principles to produce nitrogenous fertilisers at scale.

In parallel, AFC is advancing downstream capability including a proposed AdBlue-grade urea production facility. AFC's strategy is to reduce reliance on imported fertilisers while supporting long-term supply security for the Australian agricultural sector.

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