

Pakistan Fertilizer

Mar 2018 urea offtake at 350k tons, up by 69% YoY

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Mar 2018 urea offtake at ~350k tons, up by 69% YoY

- During Mar 2018, Pakistan's Urea sales is expected to clock in ~350k tons, up by ~69% YoY due to early procurement by dealers and famers for coming Kharif season in wake of expected urea shortage (leading to higher price despite of price cap by Govt. at Rs1400/bag) amid intermittent operations by SNGPL based fertilizer plants (Agritech and FatimaFert). On quarterly basis, urea offtake surged by 46% YoY to 1.26mn tons vs. 862k tons in SPLY.
- Among companies, Fauji Fertilizer (FFC) offtake is likely to clock in at 193k tons during Mar 2018 (55% of total urea sales vs. 42% in Mar 2017), up 69% YoY, as company serviced last month's (Feb 2018) booked orders in March mainly due to lower production in Feb 2018 amid closure of one plant, as per our channel checks. Additionally, Engro Fertilizer (EFERT) and Fauji Fertilizer Bin Qasim (FFBL) is estimated to post growth of 42%/116% YoY to 90k/47k tons in urea segment.
- On the other hand, DAP sales for Mar 2018 is expected at around 135k tons, down by 12% YoY due to 1) better offtake in start of the quarter (Jan and Feb 2018) and 2) rise in DAP prices by 3.2%/20% MoM/YoY to Rs3,036/bag. Among companies, FFC's DAP sales is estimated at 31k tons (+3.1x YoY), while EFERT and FFBL offtake is likely to fell by 34%/22% YoY to 16k/69k tons.

Pakistan Urea and DAP Expected Off-take in Mar 2018

'000 tons	Feb-18	Mar-18	MoM	Mar-17	YoY
FFC	157	193	23%	115	68%
EFERT	145	90	-38%	64	42%
FATIMA	38	13	-66%	2	511%
FFBL	27	47	77%	22	116%
Others	3	7	116%	5	56%
Total Urea	370	350	-5%	207	69%
DAP	122	135	11%	154	-12%
Total	492	485	-1%	361	35%

Source: NFDC, Topline Research

Pakistan Urea and DAP Expected Off-take in 1Q2018

'000 tons	1Q2017	1Q2018	YoY
FFC	377	573	52%
EFERT	269	497	85%
FATIMA	99	87	-12%
FFBL	38	87	132%
Others	80	15	-81%
Total Urea	862	1,259	46%
DAP	290	350	21%
Total	1,153	1,609	40%

Source: NFDC, Topline Research

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