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FMB WEEKLY SULPHUR REPORT

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The most up-to-date FMB Weekly Sulphur Report methodology is available on www.argusmedia.com

Introduction

The FMB Weekly Sulphur Report publishes prices and market commentary on international bulk markets for solid sulphur (crushed and formed) and molten sulphur. These prices are published every Thursday evening in the UK in the FMB Weekly Sulphur Report and in the FMB International Fertilizer Price Guide. There is no published price guide in the week between 25 December and 1 January.

Granular sulphur (formed)

Purity on a dry basis min 99.5% by weight
Ash content max 0.05% by weight
Moisture max 0.50% by weight

Crushed lump sulphur

Purity on a dry basis min 99.5% by weight
Ash content max 0.05% by weight
Moisture max 0.50% by weight

Molten sulphur

Purity 99.9% as elemental sulphur by weight
Moisture max 0.5% by weight
Reduced carbon max 0.1 % by weight
Ash content max 0.01% by weight
As, Se, and Te content – each less than 0.1ppm

The market

In the solid sulphur market, prices are assessed in various regions. Prices are assessed on a fob (free on board) basis in the main export regions and on a cfr (cost and freight) basis in the main consuming markets. All prices are assessed in US dollars per tonne (apart from US molten quarterly contracts cfr Tampa, which are in US long tons). To accommodate all netbacks, some fob prices for Vancouver, Black Sea and Middle East are assessed on the basis of cfr business with appropriate freight cost deducted.

Fob business

In Canada, prices are assessed on the basis of six-month fob contracts (January-June, July-December) fob Vancouver, quarterly contracts and fob spot prices. These prices all relate to granular product.

In the Middle East, prices are assessed on the basis of fob quarterly contracts and fob spot transactions and all relate to granular sulphur. The prices relate to sales made ex-Saudi Arabia, Abu Dhabi, Qatar and Kuwait. They do not include Iran – these prices are published separately. A monthly published posted price is also listed separately – the ADNOC OSP (Official Selling Price) ex-UAE.

In the Black Sea, prices are assessed on the basis of six-month fob contracts (January-June, July-December), fob quarterly contracts (January-March, April-June etc) and fob spot prices. The price range includes crushed lump and granular product ex-Russian and Ukrainian Black Sea ports.

In the US Gulf, fob prices are assessed as fob quarterly and spot

through the ports of Texas and Louisiana.

In the Caribbean, fob prices are assessed as fob quarterly and spot, but are restricted to cargoes under 15,000t ex-US Virgin Islands, Venezuela, Trinidad.

Cfr business

In the Mediterranean markets, prices are assessed on a six-month contract (January-June etc) cfr basis restricted to local refineries offering to local markets. In the regions of the east and west Mediterranean, the assessments are restricted to cargoes less than 10,000t.

Prices in north African markets are assessed for cargoes of all sizes on the basis of cfr six-month and quarterly contracts and cfr spot transactions. The price range includes crushed lump and granular sulphur. These cover Morocco and Tunisia.

Prices in China, India and Brazil are assessed on the basis of quarterly cfr contract prices and cfr spot prices.

Molten sulphur

Prices for molten sulphur in the US Gulf are assessed on the basis of quarterly prices cfr Tampa and spot prices cfr Tampa. These are priced on a long tons basis.

In Europe, molten prices are assessed on the basis of quarterly prices cfr Benelux (ex-local refineries), and for roadtank car deliveries in northwest Europe prices are assessed on a quarterly cpt ('carriage paid to') basis.

Price assessments

Analysts undertake a comprehensive weekly survey of key industry participants to uncover all relevant market information and to confirm market transactions, bids and offers for inclusion in the assessments. Methods used comprise the telephone and various electronic mail and messaging services to acquire and cross-check information. Coverage is not restricted to one subsection of the market such as a single trading platform or single informational channel for its market information. The market surveys are balanced in their approach and are conducted by well-trained specialists.

Deals, bids and offers must be considered repeatable to be reflected in the assessments. All information is taken into account but if the market shows high volatility, the assessments are weighted towards trading activity at the end of the Thursday of the assessment.

Argus publishes prices that report and reflect prevailing levels for open-market arm's length transactions (please see the Argus Global Compliance Policy for a detailed definition of arm's length).

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