



RLA Chemical Market Insights – Tuesday, 30 June 2026

Fertiliser Market Update: Supply Risks After Hormuz Disruption

The US-Israeli attack on Iran and Iran's subsequent closure of the Strait of Hormuz caused a sharp disruption across global fertilizer markets. With the Strait accounting for around 20% of global oil trade, the immediate impact was felt through higher energy costs, fuel shortages, increased freight rates, and shipping delays. Nitrogen fertilizers, particularly urea, came under the most direct pressure because of their exposure to feedstock costs and transport constraints. Phosphate supply was also affected, especially through sulphur availability. Import-dependent regions including India, Sub-Saharan Africa, Brazil, and Argentina faced higher fertilizer costs, with potential implications for crop yields and food security.

Beyond the US-Iran conflict, China's planned sulphuric acid export ban from May 2026 added another layer of disruption across chemical, fertilizer, and metals markets. With Middle Eastern sulphur flows already constrained by Hormuz-related risks, the loss of Chinese sulphuric acid exports removed an important balancing source for global supply. Mining sectors in Chile, Africa, and Indonesia faced potential risks to copper and nickel production, while phosphate fertilizer producers were exposed to higher input costs. Import-dependent markets such as India and Africa faced tighter availability, higher prices, and broader inflationary pressure.

Urea was the fertilizer product hit hardest, with the loss of Arab Gulf and Iranian exports removing around 1.5 million tonnes of seaborne supply. Ammonia also tightened as Hormuz shipments declined, Middle Eastern plants shut down, and gas costs rose, lending support to nitrate prices in Europe. Sulphur emerged as the central bottleneck, affecting phosphate and sulphuric acid production in India, Morocco, China, and Africa. As a result, the outlook for phosphates remained uncertain.

The reopening of the Strait of Hormuz has eased some of the most visible pressures in fertilizer markets, particularly freight and nitrogen prices. However, the key constraint for phosphates remains sulphur availability. A significant share of traded sulphur moves through the Gulf, and because sulphur is recovered as a by-product rather than produced directly in response to fertilizer demand, supply cannot adjust quickly. Even after transit resumed, availability remained limited by war-risk costs, vessel queues, and priority given to crude and condensate cargoes. Some producers have also brought forward maintenance and NPK line turnarounds, which could restrict phosphate product availability into July 2026.

The demand response also differs between nitrogen and phosphate. Nitrogen shortages can create immediate crop stress, while crops can draw on soil phosphate reserves for a season or longer. This allows phosphate markets to balance through reduced consumption rather than through a sharp price rally. Growers and blenders may cut application rates, move to lower-phosphate blends, or delay purchases.

The key indicators to watch are Brazilian and Indian import demand, changes in blending ratios, and actual application rates. In this context, FACT Ltd.'s ammonia tender is a useful signal of steady Indian import demand. The company is seeking up to 93,500 tonnes of fertilizer-grade liquid anhydrous ammonia on a one-year CFR basis into Cochin, with deliveries expected roughly monthly in parcels of up to 8,000 tonnes. The cargo must meet strict fertilizer-grade specifications.

FACT is expected to split the award between suppliers and retains the right to procure from other sources, reducing supply risk. Eligible bidders



include manufacturers and qualified traders with relevant CFR bulk cargo experience. For suppliers, the main risks are Cochin port restrictions, vessel

suitability, credit terms, demurrage discipline, documentation compliance, and fixed freight or premium exposure in a volatile ammonia market.



SHORT TERM OUTLOOK – OIL TANKER MARKET

A monthly report covering the next four months including trends in oil supply, demand and trade, tanker demand and supply, spot, and time charter rates for MRs up to VLCCs, comparisons with FFAs plus the latest news on developments impacting the oil and tanker sectors.

MEDIUM TERM OUTLOOK – OIL TANKER MARKET

Concise analyses of topical issues, consistent market data series and views on future trends in tanker charter rates. The report covers Oil Prices; Economic Developments; Oil Demand and Supply; Trade; Tanker Demand, Supply and Rates. Sent to clients around January, April, July and October each year

SHORT TERM OUTLOOK – VLGC MARKET

A monthly report looking four months ahead at likely trends in the VLGC Spot Market with the latest on key LPG carrier trades, benchmark LPG prices, arbitrage developments, a comparison with FFAs and recent news

MEDIUM TERM OUTLOOK – LPG CARRIER MARKET

A quarterly series of regular reviews, analyses and forecasts of the LPG Carrier Market. The report covers Economic Developments; LPG production, consumption and pricing; LPG, chemical gases and ammonia trade, LPG Carrier Demand, Supply and Rates for Fully Ref, Semi-Ref and Pressurised Ships. Reports are sent to clients around January, April, July and October each year.

CHEMICAL CARRIER WORLD SERVICE

An annual consultancy service currently providing Clients with an Annual Fundamentals Report, a Forecast Update, two quarterly Market Monitors, Monthly Commodity Trade Bulletins for key countries, an annual presentation on the market outlook and access to RLA's consultants and analysts to discuss issues arising from these reports.



SINGAPORE OFFICE

10 Anson Road
#10-11 International Plaza
SINGAPORE 079903
T: +65-6950 7561

LONDON OFFICE

Terminal House
52 Grosvenor Gardens
London, UK SW1W 0AU
T: +44-20-3386 9413

INDIA OFFICE

SCO 10, First Floor
Sector - 79, Mohali,
Punjab, INDIA 140308
T: +91-172-4105887

E: info@wademaritime.com | research@richardsonlawrie.com

W: www.wademaritime.com | www.richardsonlawrie.com