

11MCY16 analytics ~ fertilizer connoisseurs...

Healthy Off-take...Cheers for FFBL & FFC – EFERT needs to fulfil promises

We see growth in urea offtake amongst fertilizer companies following commencement of season & farmers ability to pick fertilizers – after a substantial cut in nutrient prices. The newspapers reported Oct-Nov numbers.

FFBL proving to be investment case...

FFBL witnessed highest increase of 76.6%YoY in urea sales which is being some sort of a record for this company. FFBL urea sales remained under cloud for quite some time given uneven supply of feedstock from SNGP network.

FFBL also reported robust DAP sales of 736k tons during 11MCY16 which is indeed commendable. FFBL may not get as much margins of yesteryears since price of DAP has gone down in this year given government intervention in favour of farming co

EFERT – trying to catching up in sales

EFERT showed some increase by 240% to 215k tons only in the month of Nov-16 as compared to preceding month wherein during 11MCY16 EFERT sales rose to 1.3mn which is a drop from last year numbers. This is unlike company claims in the recent analyst briefing of making record sales in the current calendar year. Nevertheless we shall keep our fingers cross for December sales. However, we expect EFERT sales to remain lower than expectations and with respect to its capacity.

FFC proved its 'mettle'

FFC being one of the premier companies has shown lead with monthly off-take of 350k tons in the month of Nov 16 which showed an increase of 17.2% as compared to preceding month. FFC shown tremendous sales and we can see they are already operating at above 100% capacity.

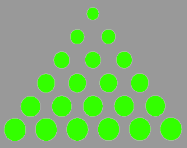
Overall urea demand have experienced a significant boost because of the start of the winter crop season, which further eased the inventory levels of the fertilizer companies.

After seeing these 11MCY16 numbers we see good fortunes for FFBL & FFC.

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