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Energy

Sulfur Short-Term Outlook

Monthly report on the global sulfur market and short-term sulfur outlook

Formerly Fertecon

SAMPLE

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July 2026

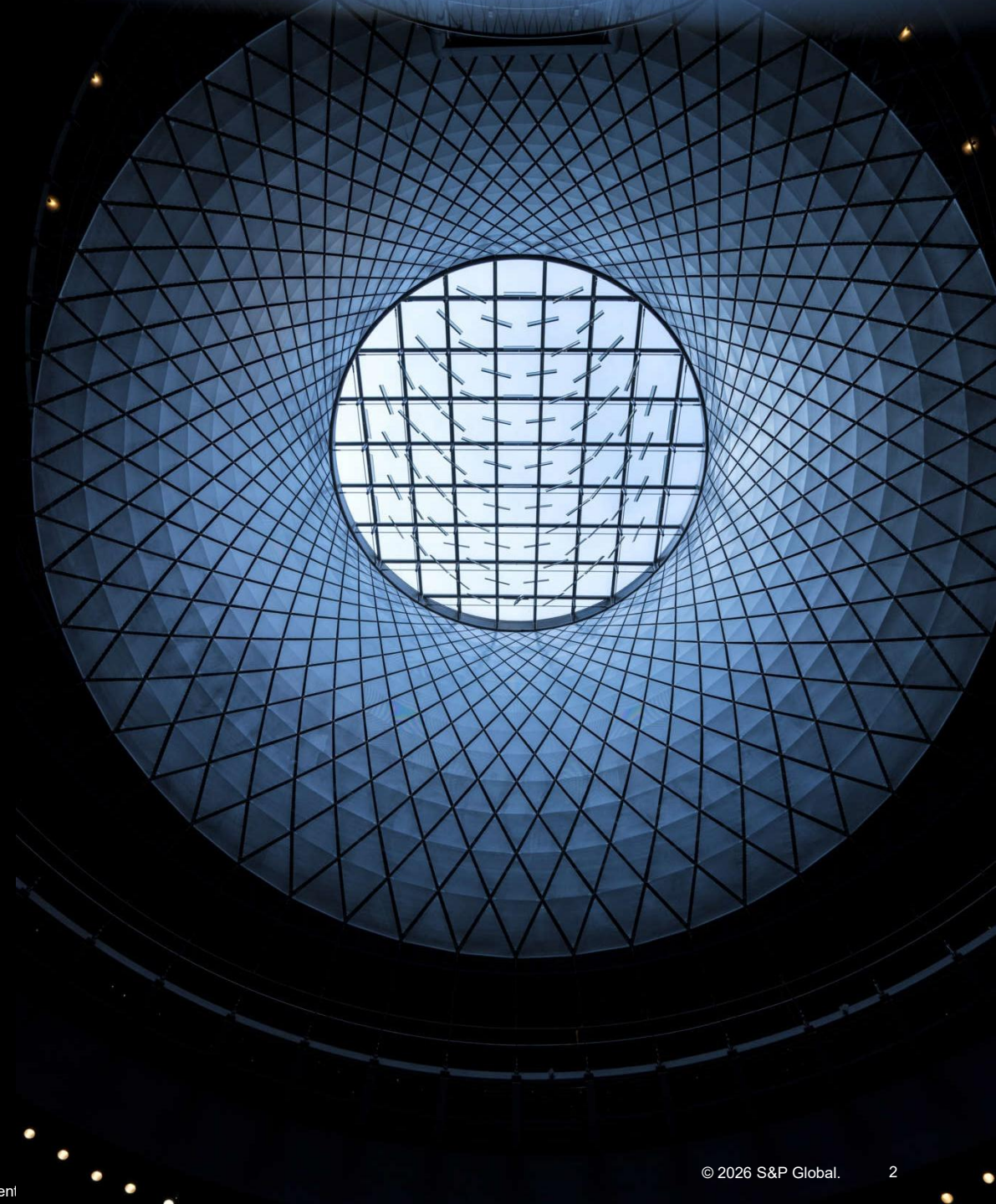


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Market outlook

Sulfur prices remained elevated in July 2026

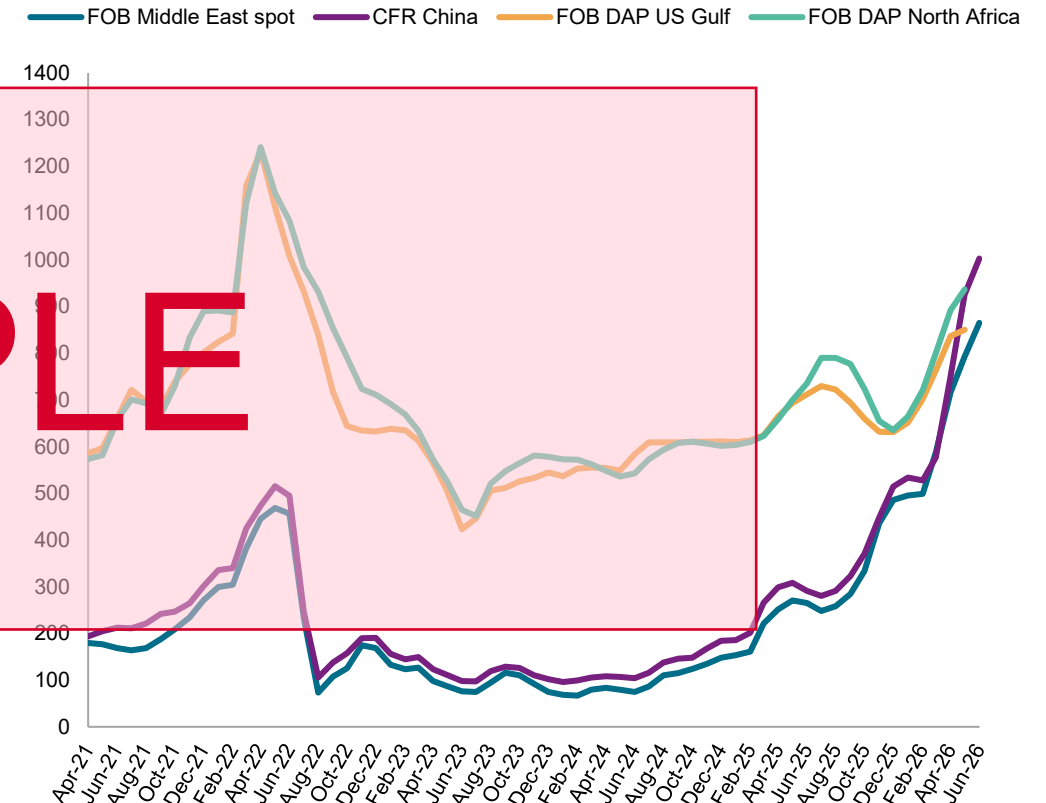
- Global sulfur markets remained tight and volatile in early July, with regional activity shaped by limited spot liquidity, elevated offer levels, and renewed geopolitical risk around the Strait of Hormuz. While Asian markets were broadly stable, buyers across most regions resisted high prices and delayed restocking where inventories allowed. The market tone remains cautious, with supply uncertainty and high freight, insurance, and war-risk premiums limiting price transparency.
- China's sulfur market was largely sideways. Imported offers were heard around \$1,100/t CFR China, while bids remained below \$1,000/t CFR, leaving a wide bid-offer gap. Domestic prices have edged down to a level around Yuan 9,000/t. Fertilizer producers in northern China continued to operate at reduced rates due to weak margins, while some consumers considered switching to sulfuric acid.
- In Southeast Asia, prices were flat amid weak demand from nickel smelters. Indonesian buyers resisted offers of \$1,100–\$1,150/t CFR, with bids below \$1,000/m CFR. Comfortable inventories have allowed many consumers to postpone purchases, with summer buying interests unlikely before mid-August. South Asia was also stable but quiet, as buyers awaited import tender results. Tradable values were indicated at \$1,000–\$1,100/t CFR, with limited spot activity. High sulfur costs continued to pressure fertilizer margins, prompting some producers to reduce operating rates or buy finished phosphate fertilizers instead.
- Kuwait Petroleum raised its July sulfur price to \$950/t FOB, up \$145/t month over month, reflecting tight supply and stronger seller expectations. Moreover, buyers faced rising freight and insurance costs following renewed US-Iran tensions and shipping risks in the Strait of Hormuz.
- Europe and Africa remained firm but illiquid. Mediterranean buyers resisted high offers, while Southeast Africa was quiet due to ample inventories. The Baltic market stayed inactive because of export bans from Kazakhstan and Russia.
- In the Americas, the market was very quiet but increasingly uncertain. Mosaic's phosphate cuts in Brazil and North America highlighted the impact of sulfur shortages and high input costs, while the Q3 Tampa molten sulfur contract were set at \$705/t.

Data compiled July 2026

Notes: FOB Middle East prices since March 2026 are indicative, reflecting a wide range of netbacks based on both CFR China and Southern Africa.

Source: Platts, S&P Global Energy.

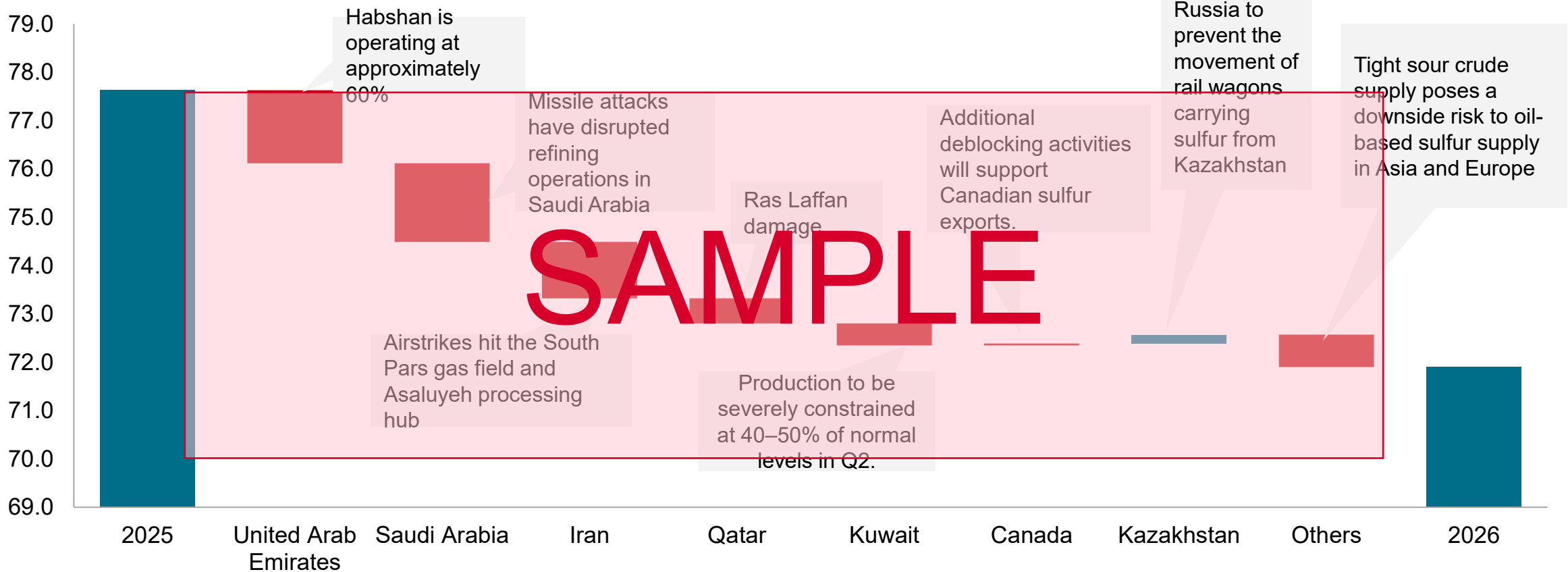
DAP North Africa vs. sulfur FOB Middle East and CFR China, US\$/t (left: sulfur prices; right DAP)



Short-term supply outlook

Global sulfur supply is expected to reduce by 6 Mt amid the geopolitical conflict

Global sulfur production changes, by region, Mt, 2025-2026



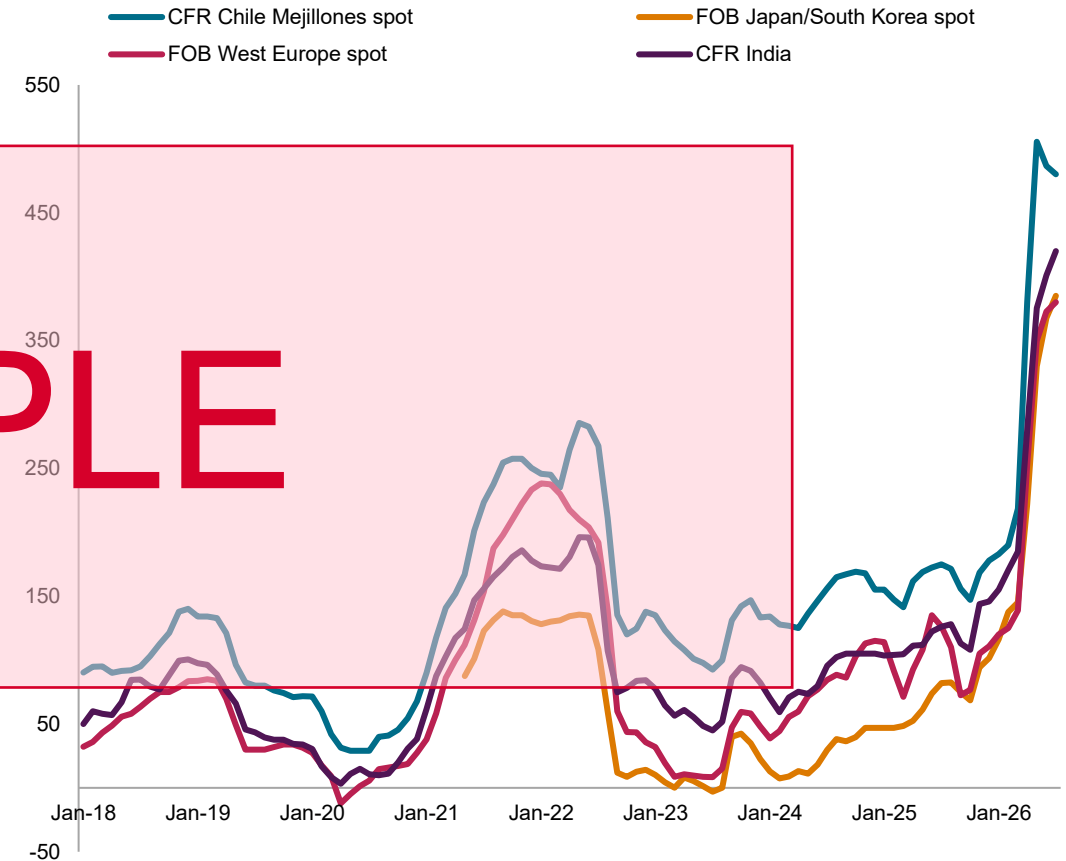
Data compiled July 2026.
Source: S&P Global Energy.

Market outlook — sulfuric acid

Sulfuric acid market analysis (1)

- In the last few weeks, the sulfuric acid became less eventful, correcting from the sharp increases witnessed since March. In Asia, prices traced a sharp boom-and-bust pattern. In Northeast Asia, FOB Japan/South Korea values rose from US\$370/t in mid-June to a short-lived high of US\$385/t on July 1, before losing US\$25/t in one week to US\$360/t FOB by July 8, Platts reported. Tight spot availability, underpinned by restricted sulfur feedstock and limited export flexibility from regional producers, initially supported the rally.
- From an arbitrage perspective, Chile continues to offer a premium in the spot market, from both Eastern Asia and Western Europe origins, followed by Brazil on a slim margin.
- Southeast Asia saw even more pronounced volatility, with CFR prices climbing, supported by reports of an unconfirmed US\$445/t CFR Indonesia deal in late June. Once Indonesian and Vietnamese buyers shifted to a defensive stance, regional demand dropped sharply, prompting a US\$40/t decline to about US\$400/t CFR by July.
- In EMEA, the spot sulfuric acid market appeared calm on the surface but remained structurally tight. FOB West Europe spot prices were stable at US\$360/t throughout the period, even as actual spot availability was described as effectively zero. Nonetheless, Q3 contract negotiations revealed underlying cost escalation: smelter-grade sulfuric acid contracts in Northwest Europe reportedly rose by about €50/t, while sulfur burner acid contracts were expected to increase by roughly €100/t.
- In the Americas, prices were more static but under growing downward pressure by early July. US Gulf CFR assessments held at US\$400/t across the period amid thin spot trading and a strong focus on existing contracts.
- **For more information on the current market, please refer to the latest edition of Platts Sulfuric Acid Market Report.**

Sulfuric acid prices, spot (US\$/t)

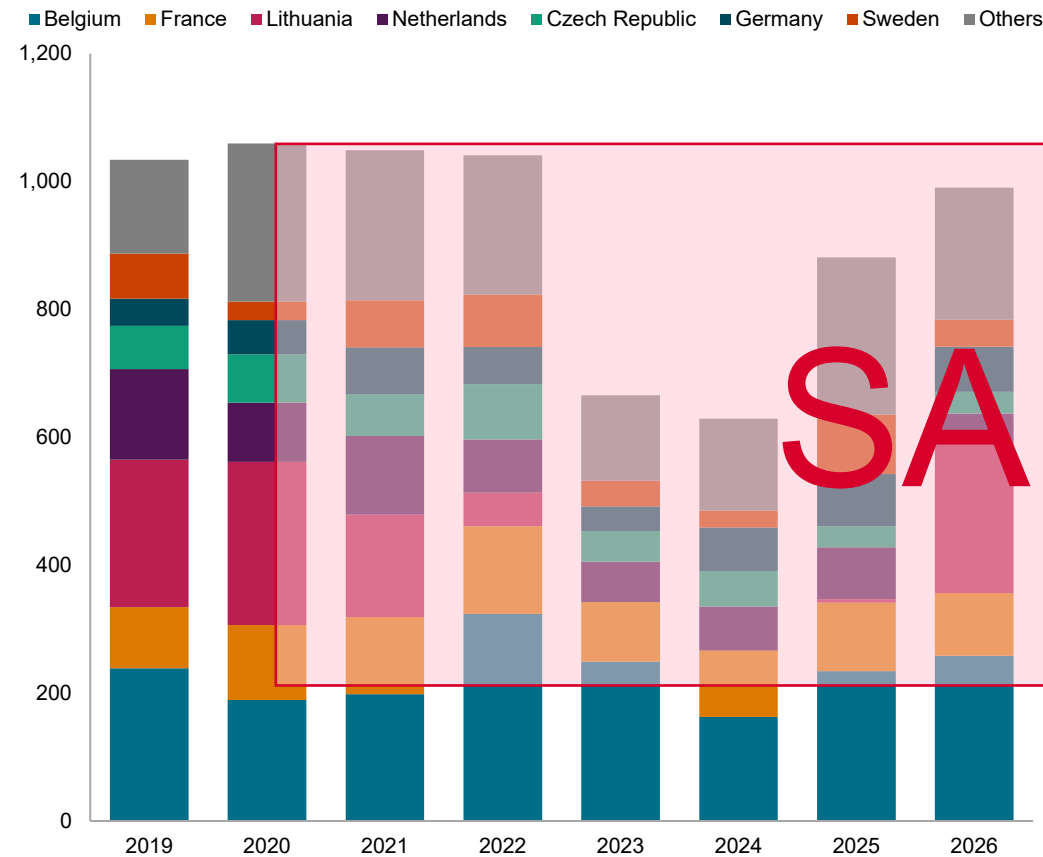


Data compiled July 2026
Source: S&P Global Energy, Platts.

Sulfur demand — Europe

Imports in Jan-Apr up 12% year-over-year

Europe: cumulative imports by region, January-April, 2019-2026 (kt)



- Europe’s sulfur import requirements have continued to increase due to lower domestic supply. In 2025, the major sulfur importers including Belgium, the Netherlands and Germany have seen a double-digit growth of sulfur imports.
- In the period January to April 2026, sulfur imports recovered against the same period last year to almost 1Mt, influenced by a mix of anticipated purchases and demand destruction. Most of the top importers registered a drop, aside from Lithuania, which restarted production at Lifosa, and Italy, where domestic sulfuric acid demand is expected to recover with a TiO₂ restart at Scarlino.
- European sulfur imports rose 11% from 2024 to 2025, with major importers like Belgium, the Netherlands, and Germany showing strong growth. However, overall sulfur demand is expected to remain flat, while Europe’s chemical industry faces structural shifts due to high energy costs, macroeconomic uncertainty, and regulatory challenges, resulting in lower operating rates and a challenging outlook for downstream consumers.
- The European sulfur market is likely to remain under pressure well into 2026 and possibly beyond. Efforts to secure alternative supply sources and improve logistical infrastructure, including tanker capacity, will be critical in managing the shortfall. Nonetheless, the combined effects of refinery instability, structural trade policy shifts, and increasing fertilizer-based demand point toward a prolonged period of market tightness. Unless significant new supply sources emerge or refinery reliability improves markedly, the bullish trend in European sulfur pricing and demand is expected to persist.

Data compiled July 2026
Source: S&P Global Energy; European Parliament.

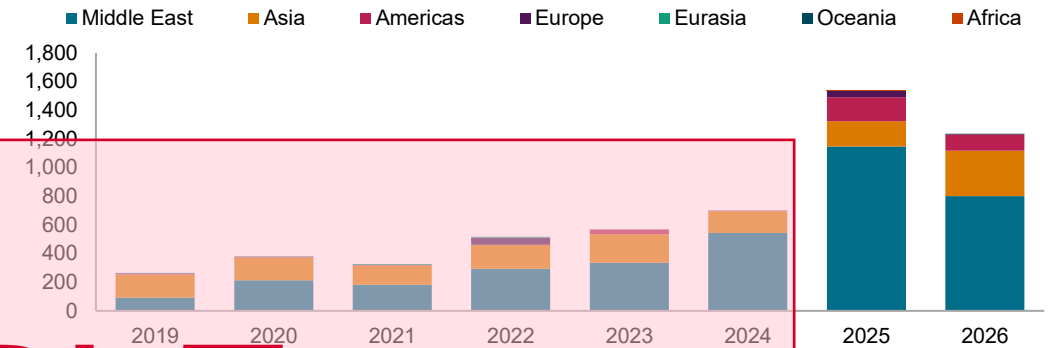
Sulfur demand — Southeast Asia

Indonesia sees positive momentum for sulfur demand through Nickel Corridor initiatives, stabilizing post short-term uncertainty

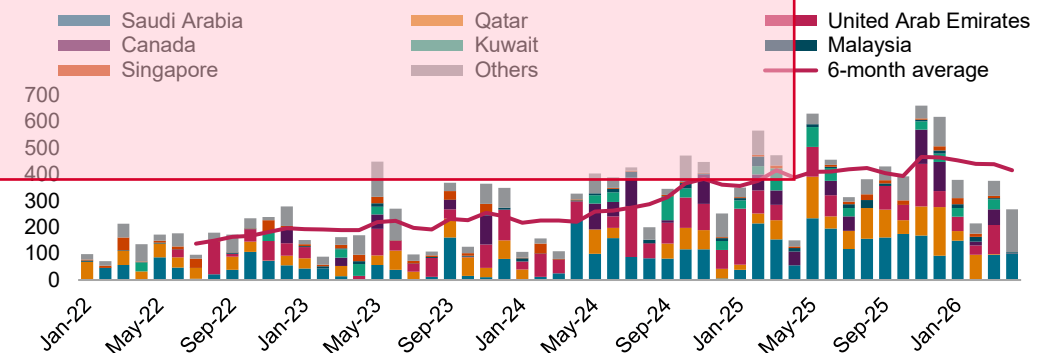
Indonesia

- Indonesia imported 1.2Mt of sulfur in the period Jan-Apr 2026, a 20% decrease from the same period last year. Sulfur imports are likely to face further downward pressure as HPAL nickel producers reduce MHP output by 10-50%, driven by rising raw material costs. At sulfur prices of ~US\$1,000/t, the sulfur/sulfuric acid input accounts for over 60% of HPAL nickel operational costs, making some HPAL operations uneconomic
- The sulfur squeeze has positioned HPAL operators to reduce the production, throughout 2026 that leads temporary ore availability disruption. Less ore are available under RKAB, higher royalties, higher ore pricing under HPM, and sharply higher sulfur/sulfuric acid costs have pushed HPAL to be operating below capacity.
- Indonesia has typically used RKAB allocations flexibly to keep domestic utilization high despite the quota cut aim to match ore output to downstream capacity. The reduction in sulfuric acid demand from quota tightening is more plausible temporary rather than a structural decline, with new processing capacity coming online. In the near term, sulfur demand is being capped, however, structurally, sulfur remains indispensable to Indonesia's HPAL models. Indonesian ores have lower grade quality below 1.5% that will increase sulfuric acid intensity for processing. With the supportive domestic processing facility and large HPAL capacity, sulfur demand is anticipated to recover once ore allocation, logistics, and prices stabilizes.
- The recent corridor MoU between Indonesia and Philippines is likely to reduce the probability of Indonesia's HPAL output constrained by ore feed shortfalls. Amid the RKAB quota running below 2025 levels, Indonesian HPAL operators have been relying on the imported ores including Philippines. The MoU formalizes 200,000mt/month volume floor starting June 2026, enabling steadier operating rates and the sulfur/sulfuric acid consumption will generally follow upward. Coordinated sourcing and formal contracting are expected to narrow ore price volatility and stabilizes sulfuric acid demand in Indonesia.

Indonesia: cumulative imports by region, January-April, 2019-2026 (kt)



Indonesia: sulfur imports by origin, Jan 2022-current (kt)



Data compiled July 2026

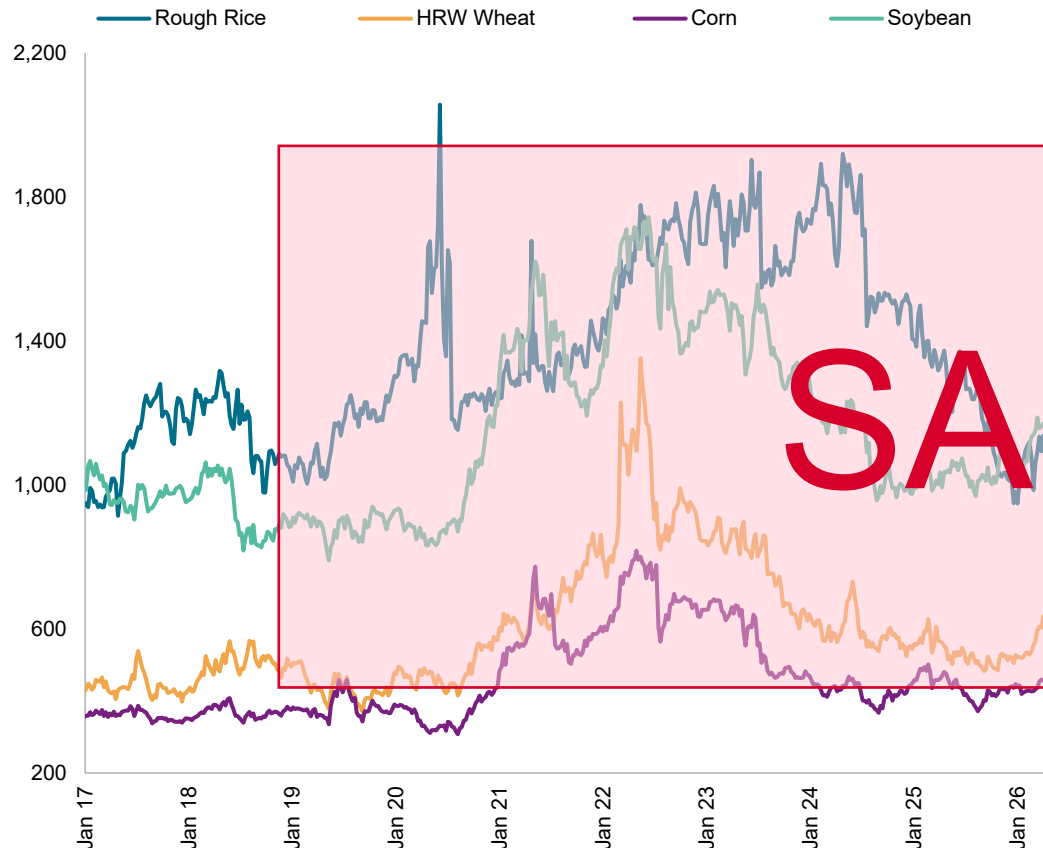
*Note: 2025-2028 represents our forecast

Source: S&P Global Energy, LME

Sulfur demand — Latin America

Weather stress, input costs and policy shifts drive diverging global agricultural markets

Weekly CBOT Crop Prices (¢/bu, except Rough Rice in ¢/cwt)



- Corn markets are softening at the margin, as strong US planting progress and ample old-crop stocks, combined with advancing Brazilian winter corn and increasing Argentine availability, weigh on prices despite localized dryness concerns. Black Sea origins remain competitive, supported by active Turkish buying and steady Ukrainian exports.
- Wheat has turned notably firmer, led by North American weather stress. US winter wheat conditions have deteriorated sharply under drought in key Plains states, while cold, wet weather is delaying Canadian spring sowing. This contrasts with an improving Russian production outlook, with a larger 2026-27 crop, tempering some of the global upside but not offsetting immediate weather-driven risk premiums in North America.
- Soybean and meal markets have recently rallied, supported by pre-meeting optimism around US-China discussions, robust Brazilian export performance and harvest delays in Argentina that are constraining crush and meal availability. Brazil's harvest and exports are running ahead of last year, while Chinese crush margins have turned negative, capping near-term demand even as forward new-crop business remains active.
- Farmers are increasingly deviating from their usual application rates as input costs become a critical constraint. Around 70% of US farmers report they cannot afford full fertilizer applications, with smaller and Southern operations particularly exposed. Ammonia values of around US\$725/t FOB US Gulf are significantly raising production costs and may prompt further rate reductions or acreage shifts. In Vietnam, 30–40% increases in input and fertilizer costs are already influencing summer-autumn rice planting decisions, with potential area cuts or switches to alternative crops.
- Seasonally, North American planting is progressing quickly despite cost pressures, reducing near-term weather risk premiums for corn and soybeans. Meanwhile, as the South American harvest nears completion, attention is refocusing on yields, export competition, and currency effects.

Data compiled July 2026
Source: S&P Global Energy.

Sulfur supply — Europe

Demand cuts brought the European market to a more balanced picture

Delivered Benelux liquid sulfur contract prices (US\$/t)

	DEL Benelux (Low)	DEL Benelux (High)
Q1 2022	259	274
Q2	383	398
Q3	361	376
Q4	133	148
Q1 2023	125	140
Q2	127	142
Q3	87	102
Q4	104	119
Q1 2024	104	111
Q2	124	131
Q3	129	141
Q4	159	171
Q1 2025	179	194
Q2	239	254
Q3	255	276
Q4	298	319
Q1 2026	435	435
Q2	515	520

- The Q2 2026 Benelux liquid sulfur contract was settled at US\$515-520/t CPT, while the NW Europe liquid sulfur contract price was set at US\$570-575/t CPT in Q2.
- European crude runs in 2026 have fallen in Q1 due to maintenance, picking up again in Q2 as some Middle East crudes were replaced by other sources. As the Middle East crisis continues and global access to its crude supplies remains constrained, refineries reliant on these crudes have been forced to diversify their feedstocks. Meanwhile, since the beginning of the year, unfavorable economics for merchant-grade sulfuric acid producers have reduced liquid sulfur demand in the region, with some balancing effect on the European market, although obviously influenced by the international context.
- A transition to heavy, sour crude slates such as Venezuelan could expand by-product sulfur supply in the region, provided refineries have the flexibility. Refineries with deeper upgrading hardware (cokers + hydrocrackers) and high sulfur and naphtha capacity are best positioned to accept alternative heavy and sour feedstocks.
- Regulatory changes in European bunkering (RED III) depress structural demand for HSFO and VLSFO and shift bunkering toward LNG and Antwerp, eroding Rotterdam's role as a sink for high-sulfur streams. Refineries are running lighter, sweeter crudes, which both reduce local sulfur recovery.
- The delivered Benelux contract price is derived from discussions with market participants on both buy and sell sides; for example, regional distributors, sulfuric acid producers and oil refiners. The price includes barges and larger railcar consignments, large quantities and also plants that are closer to refineries and connected directly with the pipeline. Typically, the price is lower than in NW Europe due to large-volume purchases and proximity to refineries. An estimated 80% of traded molten product is negotiated quarterly between large trading partners in the region at prices within this range.

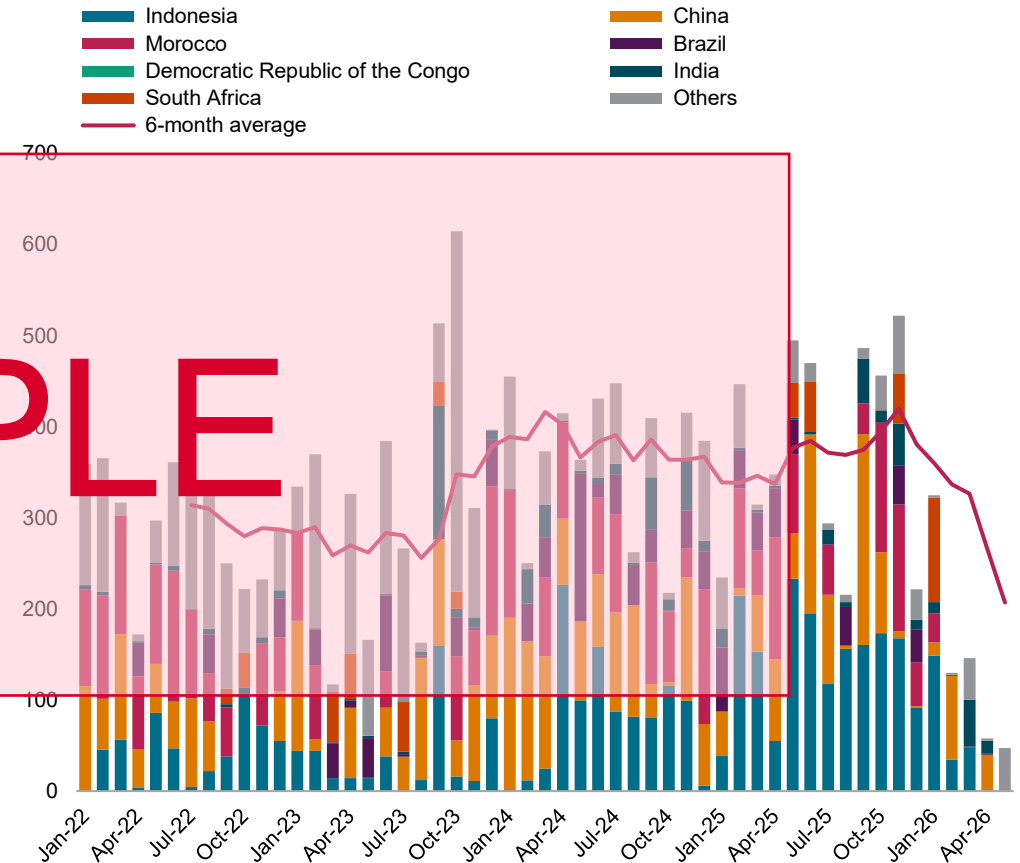
Data compiled July 2026
Source: S&P Global Energy.

Sulfur supply — Middle East

Saudi Arabia sulphur exports dropped to a single shipment in May 2026

- Missile attacks have disrupted refining operations in Saudi Arabia. Three refineries, including Ras Tanura, SAMREF (Yanbu), Riyadh refinery, and SATORP (Jubail), with a total sulfur capacity of 744kt/year, have been impacted. This accounts for 8% of Saudi Arabia's total sulfur capacity. Notably, one processing train at SATORP (approximately 230,000b/d) was shut down after sustaining damage in early April.
- Unlike Qatar, Saudi Arabia has not suffered large-scale, sustained gas production losses during the conflict. Saudi Arabia uses almost all its gas domestically. Most upstream gas fields have continued operating, supported by domestic infrastructure and security coverage. The conflict has raised the risk of temporary shutdowns or reduced throughput if the volume of stranded sulfur exceeds the inventory capacity.
- According to our preliminary vessel assessments, we estimate that only 100kt of sulfur was exported from Saudi Arabia—less than one-third of the average monthly level seen in 2025. Historically, Saudi Arabia has exported between 3.2 and 4.7Mt of sulfur annually, roughly 45% of total supply, with exports peaking at 4.4Mt in 2024, including 1Mt to China and 986 kt to Indonesia.
- According to the country's Vision 2030 strategy, Saudi Arabia continues to position gas as the backbone of power generation and a key feedstock for petrochemicals and fertilizers. However, sulfur recovery expansions at Yanbu and Berri, alongside the Hawiyah Gas Plant expansion under the Haradh Gas Increment Program, will face delays due to the Middle East war.
- Saudi's sulfur supply is expected to return to pre-war levels by 2028, when Maaden's phosphate expansion plant is set to come on stream. As such, the country's export levels are unlikely to resume pre-war levels until the early 2030s unless deblocking activities gain momentum.

Saudi Arabia: sulfur exports by destination, Jan 2022-current (kt)



Data compiled July 2026

Please see the 'Export shipments' tab (from cell AE7) in the Excel appendix accompanying this report for details on sulfur shipments from Saudi Arabia.

Source: S&P Global Energy.

Sulfur supply — Eastern Asia

Progress of new refinery projects in Mainland China

Refinery name	Capacity	Construction start date	Expected commercial operation date
Zhenhai (Ningbo) Phase II Expansion	220,000b/d	November 2021	Second quarter 2025
Ningbo Daxie (Zhoushan) expansion	120,000b/d	July 2022	On stream in Aug 2025
Yulong (Yantai)	400,000b/d	October 2020	First quarter 2025
Xizhong Island (Dalian) Phase 1	200,000b/d	2023	Fourth quarter 2028
Gulei Phase 2 Greenfield	320,000b/d	Unknown	Second quarter 2028
Panjin (HAPCO)	300,000b/d	First quarter 2023	Second quarter 2026
Qilu (Zibo) expansion	200,000b/d	Unknown	Fourth quarter 2027
Zi'yang Gas Plant (PetroChina)	12 mcm/day		September 2025
Dongming Zhongyou	100kt/year sulfur		2026

- Market feedback indicates that domestic sulfur supply in June declined materially. Monthly output was around 800,000 tons, down 11%–12% year on year, including the turnaround of PetroChina's 400 kt/y Phase 1 at the CDB sour-gas capacities and production curtailments at most facilities in East and South China.

- In discussions with key phosphate producers, three major state-owned oil companies began supplying captive-produced sulfur to the fertilizer sector at steep discounts across June. Implementation, however, faced several practical constraints. First, some refineries are located in remote regions such as Xinjiang, Qinghai, and Northeast China. Their monthly output typically ranges from a few hundred tons to a few thousand tons and is sometimes produced in molten form. Where only small quantities were committed, fertilizer producers struggled to manage solidification and other logistics, leading to effective abandonment of that portion of supply. Second, broad refinery production cuts starting in June reduced actual delivered volumes.

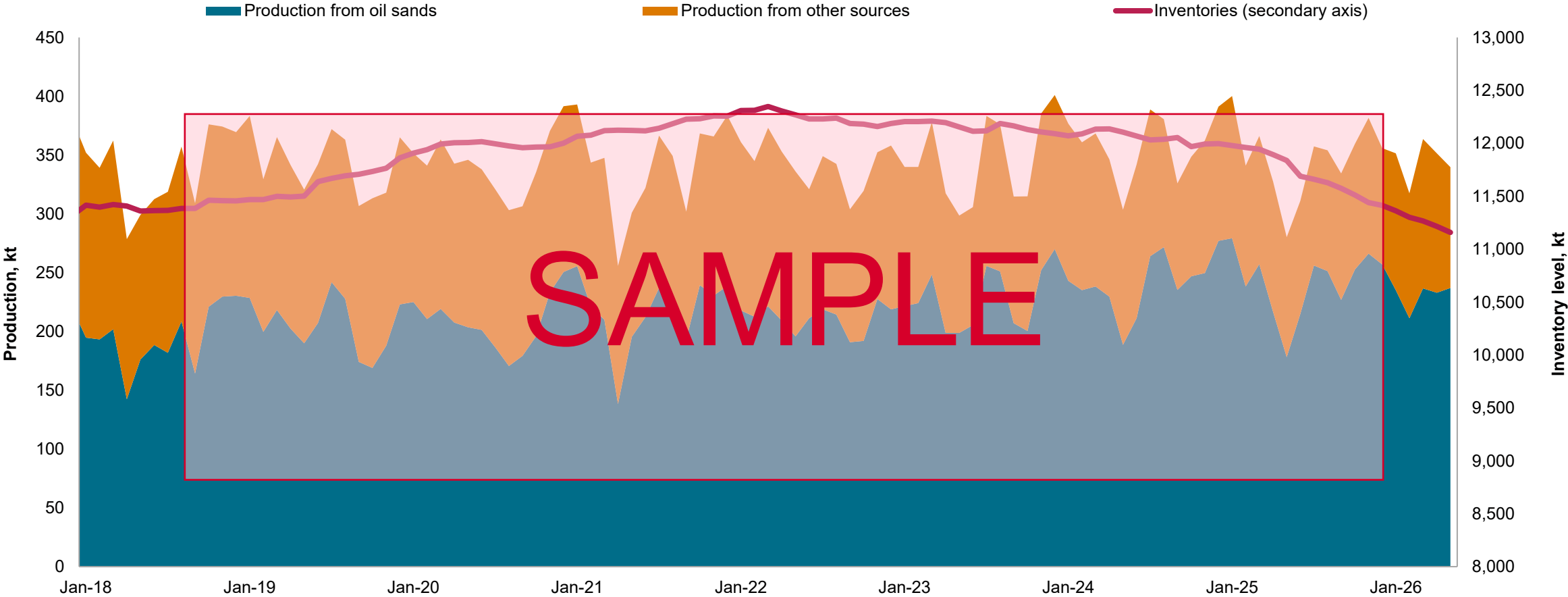
- Overall, we estimate executed supply reached about 80% of the theoretical target, leaving a gap versus major fertilizer producers' requirements. This likely forced further operating-rate adjustments or incremental spot-market purchases. In July, domestic output improved slightly, but the supply-guarantee policy kept resources tight.

Data compiled July 2026

Source: S&P Global Energy, World Refinery Database.

Sulfur supply — North America

Production and inventories in Alberta, Canada



Data compiled July 2026
Source: Alberta Energy Regulator (AER).

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