PROFERCY

USA

US nitrogen prices and the Global perspective

fertilizers@profercy.com

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World/US Price Comparison

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Product and origin	Cargo size metric tonne	Fob $mt	Freight $mt	cfr Gulf $mt	Equals $pst fob Gulf	Current Price $pst fob Gulf	Current US price - Import cost
Granular Urea							
Middle East	35,000	305.0	30.0	335.0	306.9	320.0	13.1
Venez/Trinidad	20-25,000	315.0	20.0	335.0	306.9		13.1
Egypt	25,000	320.0	28.0	348.0	318.7		1.3
China panamax	55,000	310.0	45.0	355.0	325.1		-5.1
						Average delta	**5.6**
Prilled Urea							
Libya	20,000	260.0	25.0	285.0	261.6	290.0	28.4
Romania	25,000	300.0	35.0	335.0	306.9		-16.9
Middle East	25,000	295.0	35.0	330.0	302.4		-12.4
						Average delta	**-0.3**
UAN							
Russia (Baltic)	30,000	200.0	22.0	222.0	204.4	200.0	-4.4
Romania	25,000	210.0	25.0	235.0	216.2		-16.2
Egypt	30,000	215.0	25.0	240.0	220.7		-20.7
						Average delta	**-13.8**
Ammonia						**$pt cfr Tampa**	
FSU	35,000	282.0	60.0	342.0		325.0	**-17.0**
Middle East	25,000	290.0	80.0	370.0		Dec Price	**-45.0**
						Average delta	**-31.0**

Notes: Prices quoted are spot. Freight rates are estimates.

World Market Status

Product	Status	Remarks
Granular Urea	**Firm**	US prices for January now reflect $350pt cfr affording returns over $320pt fob Egypt and $310-320pt fob Middle East. European buyers are competing for material and higher nitrate prices there will ensure this competition continues into Q1 2010. Chinese urea does not appear to be lined up for the USA which will add to the tightness in the Gulf.
Prilled Urea	**Firm**	Prilled urea prices are also rising rapidly as buyers with the choice opt for this cheaper grade. Chinese prills are around $300pt fob leaving a major opening in India for FSU product as well as prilled urea from the Middle East. The outlook is firm well into Q1 2010.
UAN	**Firm**	UAN prices are now established above $200pt fob in the Black Sea with Romanian quoted over $210pt fob and Ukrainian sold over $200pt. France is short of product and will soon compete with the US for January shipments.
Ammonia	**Weak**	Ammonia is heading down with reports this week that product has been sold into North Africa close to $300pt cfr, in line with the $30pt drop in Tampa values announced last week.

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Urea

In the US Gulf granular urea for December has been sold at $320ps ton fob Nola, January at $322-324ps ton and February at $325-326ps ton. CF is at $330ps ton for January, $335ps ton for February and $340ps ton for March.

Imports: New shipments identified over the past few days are as follows: Toepfer ex-Egypt 25,000t; Ameropa ex-Malaysia 25,000t (possible); Trammo ex Oman 50,000t (freight inquiry). With regard to Chinese cargoes, Gavilon now appears to be moving product to Thailand and Mexico. Trammo has 50,000t of Chinese granular available but this is expected to be for other markets.

The above new granular cargoes have been added to the list of identified shipments arriving in the US Gulf/east coast. Note that the cargoes marked * are uncertain. Assuming all cargoes are shipped, January arrivals would be 530,000t, narrowing the deficit on last year to 440,000t.

US Gulf/ec Projected Gran Urea Imports			
Origin	**Shipper**	**'000t**	**Arrival**
Customs		413	July/Sep
Reported/expected		650	Oct/Dec
Egypt	Toepfer	25	Jan
Malaysia	Ameropa*	25	Jan
Egypt	Gavilon	40	Jan
Egypt	Ameropa	30	Jan
Egypt	Trammo*	25	Jan
Egypt	Helm?	30	Jan
UAE	*	25	Jan
Qatar		90	Jan
Kuwait	CHS	80	Jan
Kuwait	Gavilon	40	Jan/Feb
Oman	Trammo	60	Jan/Feb
Venezuela	Assumed	25	Jan
Trinidad	Assumed	40	Jan
	Total	**1573**	

08/09 Identified Granular Imports into Gulf/ec from official statistics			
Month		**'000t**	***R. Total***
July		47	
Aug		279	*326*
Sep		384	*710*
Oct		319	*1029*
Nov		340	*1389*
Dec		170	*1559*
Jan 09		456	*2015*
	Total	**2015**	
	09-08	**442**	Deficit

UAN

Black Sea firmly above $200pt fob

Prices are surging upwards and over $210pt fob is expected to be achieved by Abu Qir Egypt in its next sales tender on 8 December. In France, importers have withdrawn offers and are now targeting Euros 150pt FCA or higher for spring 2010 – reflecting $210pt fob Romania.

Another export cargo has been reported out of the US for Mexico which will be an unwelcome sign for domestic buyers.

US Gulf: Prices are firm at $195-200ps ton fob and rising. Latest prices paid in the Black Sea reflect over $230pt cfr US Gulf/east coast. CF is quoting railcars at $6.30 unit through February up to $6.50 unit in April/May.

Mexico: Keytrade recently sold a cargo of CF Industries UAN to Dune for Guaymas, Mexico. The cargo will be shipped on the Magic 1.

Ammonium nitrate

There is virtually no free FSU AN available for December. Only one supplier is considering releasing product and price ideas are over $220pt fob. The FSU domestic market is paying high prices and absorbing most output. Acron is committed into January; Eurochem has just a few thousand tonnes left while Uralchem is also concentrating mainly on the domestic market.

European prices are also moving up. CAN list prices have increased Euros 16pt for December while major gains in AN prices are under way or in prospect in the UK and France. Producers are free to move prices on as competition from granular urea is not a constraint this year.

For further details of
The Profercy Report
contact: fertilizers@proferc**y.com**

PUBLISHER

Profercy Ltd.
Email: fertilizers@proferc y.com