



PROFERCY USA

US nitrogen prices and the Global perspective

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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	320.0	37.0	357.0	326.9	320.0	-6.9
Venez/Trinidad	20-25,000	333.0	20.0	353.0	323.2		-3.2
Egypt	25,000	335.0	28.0	363.0	332.3		-12.3
China panamax	55,000	325.0	35.0	360.0	329.6		-9.6
						Average delta	-8.0
Prilled Urea							
Libya	20,000	285.0	25.0	310.0	284.2	310.0	25.8
Romania	25,000	315.0	33.0	348.0	318.7		-8.7
Middle East	25,000	315.0	42.0	357.0	326.9		-16.9
						Average delta	0.1
UAN							
Russia (Baltic)	30,000	215.0	22.0	237.0	218.0	200.0	-18.0
Romania	25,000	222.0	32.0	254.0	233.4		-33.4
Egypt	30,000	225.0	27.0	252.0	231.6		-31.6
						Average delta	-27.7
Ammonia							
FSU	35,000	310.0	60.0	370.0		\$pst cfr Tampa 365.0	-5.0
Middle East	25,000	355.0	80.0	435.0		Feb price	-70.0
						Average delta	-37.5

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

World Market Status		
Product	Status	Remarks
Granular Urea	Firm	Another 50-60,000t of Egyptian granular has sold this week at \$335pt fob, mostly for shipment to Europe. High nitrate prices in the EU, up Euros 10pt this week, are supportive of this price but the weakening Euro is a concern. In the Middle East granular prices have moved on to \$320-325pt fob for limited spot availability for February lifting.
Prilled Urea	Firm	FSU prices have consolidated in the \$290-300pt fob range. Good demand is expected over the next 30 days in Latin America, Turkey and Europe (if granular prices appreciate further). There is also the chance of an Indian tender which would be an added bonus for suppliers.
UAN	Firm	French prices have moved on to Euros 165pt FCA for 30%N but are still Euros 10-15pt below replacement cost. Romanian product has sold at \$220-225pt fob this week while a Bulgarian cargo has been booked at \$220pt fob, possibly for the US/Canada.
Ammonia	Firm	Ammonia prices have boomed with Europe and Asia short of product for March delivery. Baltic product has sold at \$350-360pt fob and Middle East ammonia at \$355pt fob. Tampa is set to head over \$400pt cfr for March.



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Urea

AG price gains; US slow pre-TFI conference

The main price advance witnessed in the urea market over the past week has been in the Middle East with granular urea sold for February shipment at \$321-324pt fob. In addition a cargo of prills has been sold at \$330pt fob, albeit to a nearby market. FSU and Egyptian prices have consolidated:

- In Yuzhnyy product has been sold in the high-\$290s pt fob for February and again at \$300pt fob for first half March
- Egypt has placed a further 55,000t of granular urea for February shipment at \$335pt fob and one small cargo at \$340pt fob.

In Asia, Chinese prilled urea is being offered from bonded store at \$315-320pt fob, too high to meet buyers' price ideas in nearby markets. This is of no concern to suppliers as, even though 3-400,000t of urea have been put in bonded storage, shipment can stretch over the next few months. Further, some of this is already committed under earlier sales.

On the demand side in Asia, India has yet to announce any new tender. The usual uncertainty over India's intentions is limiting the propensity for risk taking by most traders. Many appear keen just to buy and sell quickly rather than building large long positions with India in mind.

In the West, cfr prices are moving up with Brazil having paid \$330pt cfr for FSU prills en route and \$365pt cfr equivalent for granular. In Europe, Egyptian granular has sold at levels reflecting the low-\$330s pt fob Egypt. Higher nitrate prices have added to the attraction of urea even though the weakening dollar has offset some of the gain. The US

market is slow running up to the TFI meeting. Prompt barges are around \$320ps ton fob, still low compared with fob levels in Egypt and the Middle East. In general sellers remain optimistic over US price prospects for March and April.

US Gulf: In the run up to TFI the market remains quiet. Offers of prompt granular are in the mid-\$320s ps ton fob but buyers are still in no rush to pay up. March physical is on offer at \$330ps ton fob and in the high-\$320s pst on the paper market.

In this slow market, Koch is reported to be an active seller. Its price at Enid, \$345ps ton, has been unchanged for three months.

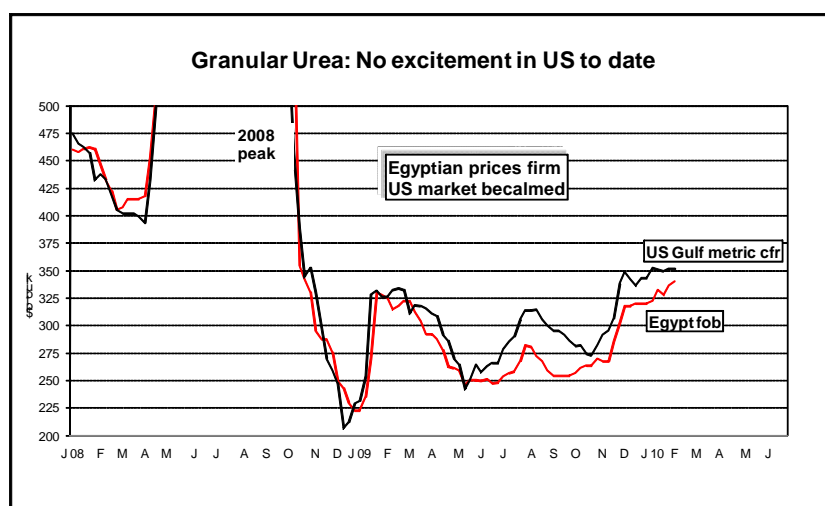
Imports: No new spot shipments have been identified apart from 35,000t ex-Egypt for the east coast via Trammo. Koch is in the freight market for 25,000t Venezuela-Nola or ec Mexico loading 23-27 February.

Ammonia

FSU/AG prices go through the roof

A quantum leap in ammonia prices has taken place this week as buyers have scurried to meet commitments and cover anticipated demand for March arrival.

The ball was set rolling by a major purchase in the Middle East at \$355pt fob and followed by sales ex-Ventspils at \$350-360pt fob. The latest price gains in the Baltic strongly imply that European cfr levels will head well over \$400pt cfr. Further, with no additional supply expected to emerge in February or March, the scene is also set for the next Tampa conclusion to be in excess of \$400pt cfr.



With regard to extra supply, Ukraine is unlikely to ratchet up production in Q1. The cold weather and uncertainty regarding gas prices beyond Q1 act against any early decision (at OPZ for example). Bringing idled capacity back on line could become a reality in March for April, but then the outlook for ammonia prices will have to be promising if, as expected, higher gas prices have to be covered by Ukrainian suppliers.

For further details of
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