



# PROFERCY USA

*US nitrogen prices and the Global perspective*

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*Publisher of The Profercy Report*

04 February 2011		World/US Price Comparison					
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
<b>Granular Urea</b>							
Middle East	35,000	395.0	30.0	425.0	388.6	380.0	-8.6
Venez/Trinidad	20-25,000	392.0	20.0	412.0	376.8		3.2
Egypt	25,000	425.0	25.0	450.0	411.2		-31.2
China panamax	55,000	405.0	35.0	440.0	402.2		-22.2
<b>Average delta</b>							<b>-14.7</b>
<b>Prilled Urea</b>							
Libya	20,000	360.0	25.0	385.0	352.3	385.0	32.7
Romania	25,000	395.0	32.0	427.0	390.4		-5.4
Middle East	25,000	390.0	43.0	433.0	395.8		-10.8
<b>Average delta</b>							<b>5.5</b>
<b>UAN</b>							
Russia (Baltic)	30,000	290.0	26.0	316.0	289.7	293.0	3.3
Romania	25,000	295.0	30.0	325.0	297.8		-4.8
Egypt	25,000	290.0	28.0	318.0	291.5		1.5
<b>Average delta</b>							<b>0.0</b>
<b>Ammonia</b>							
FSU	35,000	470.0	60.0	530.0		<b>\$pt cfr Tampa</b> 515.0	<b>-15.0</b>
Middle East	25,000	450.0	80.0	530.0		Feb price	<b>-15.0</b>
<b>Average delta</b>							<b>-15.0</b>

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

World Market Status		
Product	Status	Remarks
<b>Granular Urea</b>	<b>Firm</b>	The Egyptian crisis and fears of a cut to granular urea exports has created a rush for product from Russia. Prices have risen to \$405-410pt fob Baltic for Eurochem granular urea. The one sale of Egyptian product reported this week was at \$425pt fob bulk for 25,000t. In the US prices have risen sharply with buyers finally moving for product after a slow period.
<b>Prilled Urea</b>	<b>Weaker</b>	A final fire sale of Ukrainian urea took place this week with February and March tonnage sold down to \$359pt fob Yuzhnyy. Baltic prices also eased to around \$360pt fob fast ports. The strength of granular should support prills in the coming weeks.
<b>UAN</b>	<b>Firm</b>	US UAN prices have risen sharply and seem to be heading for \$300ps ton fob Gulf. East coast buyers are now facing offers at \$320-325pt cfr. French prices are stable at around \$320pt cfr reflecting \$295pt fob for Romanian product.
<b>Ammonia</b>	<b>Firm</b>	As expected the Tampa price increased sharply for February by \$40pt to \$515pt cfr, the highest level since October 2008. FSU product is committed for February with prices firm at around \$470pt fob.



## The Profercy USA Report

### Urea

#### A mixed week but generally positive

It has been a mixed week for urea with no overall price trend evident. On the negative side, prilled prices in the Black Sea have taken another modest beating as the fallout from the FCI situation has continued. Prices dipped to around \$360pt fob. Baltic prices have also been under pressure with product sold close to \$360pt fob Riga (higher for small lots for Europe).

On the positive side, the upheaval in Egypt coupled with a feeling that prices had fallen too far has prompted a sharp rebound in US prices with urea for March sold at \$385ps ton fob Nola. If US prices continue to gain, this major market could again act as a draw for more spot granular from nearby sources. Further:

- Pakistan has announced a tender for urea for prompt shipment closing 7 February. FSU product should be competitive.
- There are reports that India will tender in early March.
- In Thailand contract receivers of granular urea look set to take most of the product expected for February/March shipment. Stocks are depleting and latest spot sales from store reflect over \$390pt fob Middle East.

Overall, the positives outweigh the negatives. Prills could/should also benefit from the strength of granular urea with buyers in some areas switching to the cheaper grade as the premium for the better grade increases.

**US Gulf:** The US urea market is heating up (in contrast to the weather in the Midwest). Prompt barges are now put at \$380ps ton fob while on the paper market the low-\$390s ps ton fob has traded for March. As regards the snow through the Midwest, this is seen to be positive from a moisture angle.

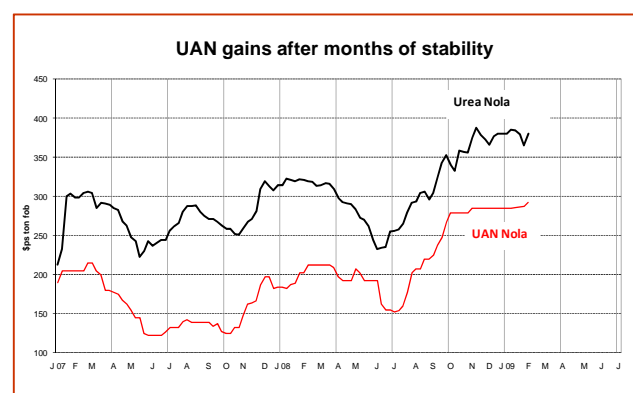
**Imports:** Koch is in the freight market for 25,000t of urea Jose-Wilmington loading 20-24 February. Gavilon's latest shipment ex-Egypt is reported to be heading for the US west coast rather than the Gulf with part of the cargo sold to a west coast buyer. The 40,000t spot cargo sold earlier by Sabic is heading for Simplot US west coast and not the Gulf. This has reduced the inflow into the Gulf still further from earlier estimates. It is now estimated that arrivals in the Gulf through end February will be just 525,000t

ahead of July 2009-February 2010. Due to recent low prices, the volume arriving in March should be relatively low.

### UAN

#### Gulf price breaks out of flat trading range

The recovery in urea prices in the US has coincided with a breakout from the recent flat pricing in the UAN market. Gulf prices have now moved above \$290ps ton fob with major supply committed through April. On the east coast offers are now reported at \$320-325pt cfr. In France, business is slow but prices holding at levels reflecting \$295pt fob Black Sea.



**USA:** Gulf prices are firming. CF is sold out through April while Helm ex-Trinidad is also fully committed for the same period. CF's availability is being affected by a reported shut down at its Woodward facility following the expansion work. Gulf prices are now put at \$290-293ps ton while some indicate that levels have moved as high as \$300ps ton fob equivalent. On the east coast offers have increased to \$320-325pt cfr.

For further details of  
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