



PROFERCY USA

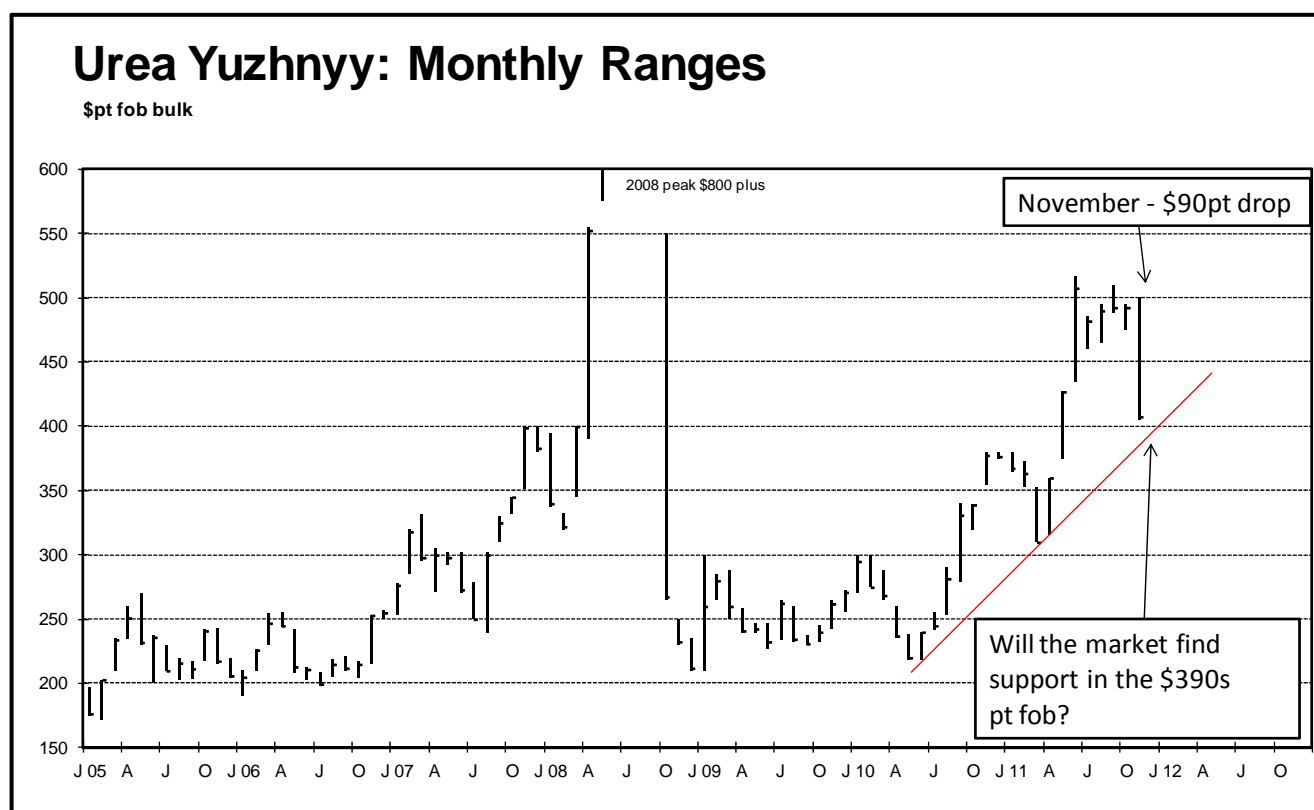
US nitrogen prices and the Global perspective

fertilizers@profercy.com

Publisher of The Profercy Report

02 December 2011		World/US Price Comparison					
Product and origin	Cargo size metric tonne	Fob \$mt	Freight \$mt	cfv Gulf \$mt	Equals \$pst fob Gulf	Current Price \$pst fob Gulf	Current US price - Import cost
Granular Urea							
Middle East	35,000	450.0	30.0	480.0	438.5	407.0	-31.5
Venez/Trinidad	20-25,000	435.0	20.0	455.0	415.8		-8.8
Egypt	25,000	450.0	28.0	478.0	436.6		-29.6
						Average delta	-23.3
Prilled Urea							
Romania	25,000	420.0	32.0	452.0	413.1	405.0	-8.1
Middle East	25,000	460.0	40.0	500.0	456.6		-51.6
						Average delta	-29.8
UAN							
Russia (B Sea)	30,000	285.0	35.0	320.0	293.3	320.0	26.7
Romania	25,000	285.0	35.0	320.0	293.3		26.7
Egypt	25,000	285.0	32.0	317.0	290.6		29.4
						Average delta	27.6
Ammonia							
FSU	35,000	510.0	70.0	580.0		\$pt cfr Tampa 650.0	70.0
Middle East	25,000	555.0	90.0	645.0		Dec price	5.0
						Average delta	37.5

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



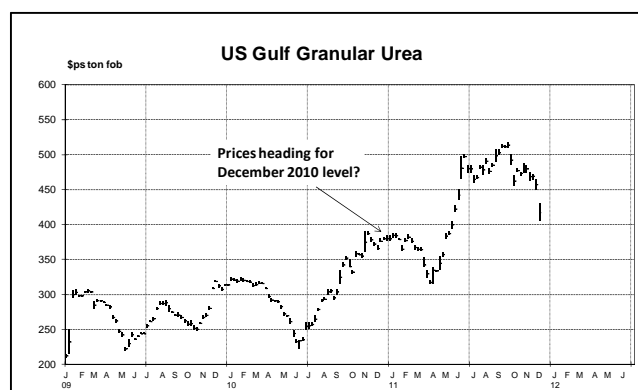


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Urea

Market crashes

US Gulf: Matching developments elsewhere, US prices have slumped this week, falling from \$430-440ps ton fob on 29 November to \$405ps ton fob for December at presstime. Dealers are reported to be kicking tyres given the huge drop evident but have yet to buy. One year ago urea was trading at \$380ps ton fob.



Imports: There is speculation that the 27,000t Egyptian cargo booked by Hagrpta may be for Oakley.

US Gulf/ec Projected Gran Urea Imports 2011/12

Origin	Shipper	'000t	Arrival
July actual		164	
Aug actual		278	
Sep actual		261	
Oct estimate		375	
Egypt	Trammo	30	Nov
Kuwait	CHS	40	Nov
S Arabia		60	Nov
S Arabia	CHS	40	Nov/Dec
Oman	Toepfer	45	Oct/Nov
Egypt	Gavilon	60	Oct/Nov
Kuwait	CHS	40	Dec
Kuwait	Gavilon	40	Dec
S Arabia		60	Dec
Russia		60	Dec
Egypt	Helio	27	Dec
Trinidad		25	Dec
Venez		25	Dec
	Total	1630	
	J -D 2010	1861	
	Difference	-231	

Corn prices: At presstime corn for December was at \$5.96/bu and March around \$6.03/bu. September 2012 was at \$5.74/bu.

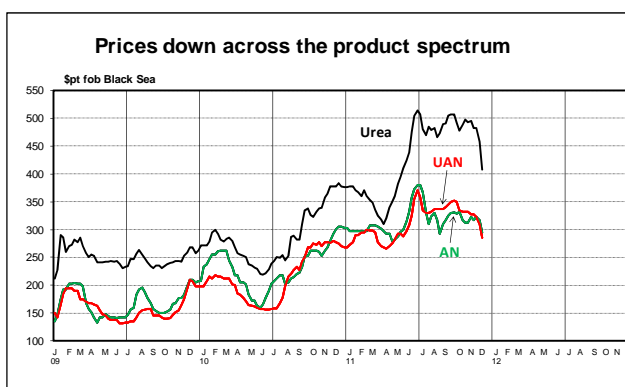
US west coast: Agrium is expected to inquire for 20-25,000t of granular urea for January arrival.

UAN

UAN down on lack of activity

With spot activity limited in the US and France, UAN prices have slipped below \$300pt fob Black Sea/Egypt. A sale has been reported in Egypt at \$285-290pt fob while in the US Gulf prices have slipped to \$320ps ton fob.

USA: Although not matching the slump in urea, UAN prices have moved lower. Small volumes were sold in the Gulf earlier in the week at \$330ps ton fob but prices are now put some \$10ps ton lower. On the paper market UAN is offered firm for Q1 at \$300ps ton fob reflecting well below \$300pt fob Black Sea.



Ammonia

Heading south fast

Ammonia continues to head south. Product sold last week at \$525pt fob and the expectations are that with demand weak prices will soon move below \$500pt fob. There are already reports of product being offered at this level. One possibility is that FSU product will be moved east of Suez undercutting product from the Middle East. Demand there is also easing with caprolactam production rates down in South Korea and Taiwan.

In addition to weak demand, in the West buyers in the USA and Europe are not keen to take new product before year end for financial reasons. This has resulted in some requests to delay deliveries into January

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