



# PROFERCY USA

*US nitrogen prices and the Global perspective*

[fertilizers@profercy.com](mailto:fertilizers@profercy.com)

*Publisher of The Profercy Report*

05 March 2010		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	317.5	42.0	359.5	329.1	315.0	-14.1
Venez/Trinidad	20-25,000	315.0	25.0	340.0	311.4		3.6
Egypt	25,000	315.0	30.0	345.0	316.0		-1.0
China panamax	55,000	335.0	35.0	370.0	338.7		-23.7
						<b>Average delta</b>	<b>-8.8</b>
<b>Prilled Urea</b>							
Libya	20,000	280.0	30.0	310.0	284.2	310.0	25.8
Romania	25,000	295.0	35.0	330.0	302.4		7.6
Middle East	25,000	315.0	47.0	362.0	331.4		-21.4
						<b>Average delta</b>	<b>4.0</b>
<b>UAN</b>							
Russia (Baltic)	30,000	205.0	28.0	233.0	214.4	212.0	-2.4
Romania	25,000	215.0	35.0	250.0	229.8		-17.8
Egypt	30,000	220.0	32.0	252.0	231.6		-19.6
						<b>Average delta</b>	<b>-13.3</b>
<b>Ammonia</b>							
FSU	35,000	390.0	60.0	450.0		\$pt cfr Tampa 450.0	0.0
Middle East	25,000	380.0	80.0	460.0			-10.0
						<b>Average delta</b>	<b>-5.0</b>

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

World Market Status		
Product	Status	Remarks
<b>Granular Urea</b>	<b>Soft</b>	As expected Egyptian granular urea prices have dropped sharply towards \$315pt fob. Interest is evident close to this level for Canada and Europe. Thus, Egyptian prices are probably close to the floor. Venezuelan product has been sold to Mexico at \$313pt fob, in line with returns possible in the US Gulf.
<b>Prilled Urea</b>	<b>Firmer</b>	Again as expected, prices have rallied from last week's lows, bolstered by resurgent Latin American demand. FSU prills have sold at \$282-285pt fob Ukraine while Baltic prices have also gained to \$275-277pt fob from the ice-free ports. The outlook for balance March is firm.
<b>UAN</b>	<b>Stable</b>	The general outlook for UAN is good in N America and France as this nitrogen source is cheap. However, with tanks full in France traders are competing to secure small business at lower prices. This will continue until spring movement begins later in March.
<b>Ammonia</b>	<b>Firm</b>	FSU ammonia prices are pushing toward \$400pt fob in the Baltic and Black Sea. \$390pt fob has already been paid. Ammonia is firm for March but the pace of price appreciation is slowing

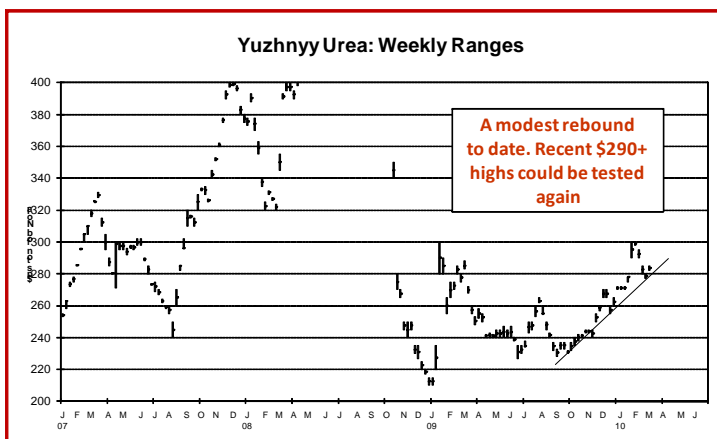


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## Urea

### FSU prilled price rallies

Buyers in Mexico and, to a lesser extent, Brazil have stepped into the market to book over 200,000t of urea over the past few days, mostly from the FSU. This demand has mopped up unsold tonnage in the Baltic and Black Sea and, as expected, prices have begun to recover. At presstime Mexican buyers were bidding in the low-\$280s pt fob Yuzhnyy equivalent for new cargoes – one sale already nets \$283-284pt fob Yuzhnyy. Initially the run of buying did not encourage traders to book new tonnage at \$285pt fob Yuzhnyy, but this price has now been achieved in the expectation that further gains will be seen in the weeks ahead. Indeed, it is possible that prices will test the highs witnessed in late January/early February.



Egyptian prices have tumbled with the latest sales tender bringing a highest bid \$15pt below last done. However, this may be close to the floor as European demand should begin to build as weather improves. Further, US prices for April reflect above \$320pt fob and, finally, Egyptian producers have been requested to supply 400,000t to the local market April-July.

In Asia, Chinese export prices remain high at \$325pt fob for prills, \$10pt extra for granular. Middle East suppliers are comfortable for the month and have rejected approaches for granular sub \$315pt fob.

While the urea market has not changed from cool to super-hot, a floor level has now been found for FSU product and perhaps also in Egypt and the US Gulf. However, for the market to really take off beyond Q1, major demand will be needed from the Indian subcontinent to fill in the gaps as Western offtake slows.

**US Gulf:** Granular urea prices have picked up as the week has developed with \$317ps ton fob having traded for second half March. Prompt sales early in the week were down to \$312-313ps ton fob. Koch has been an active buyer. As regards April, CF has reduced its price for April and May by \$15ps ton fob to \$325ps ton. Peper offers are at similar levels.

As regards imports, Sabic's decision not to ship an extra cargo is important although there is concern that additional Egyptian product could appear if prices there slump. This does appear unlikely as, at around \$315pt fob Egypt, prices should find support (the differential with FSU prills has narrowed by \$25pt in one week).

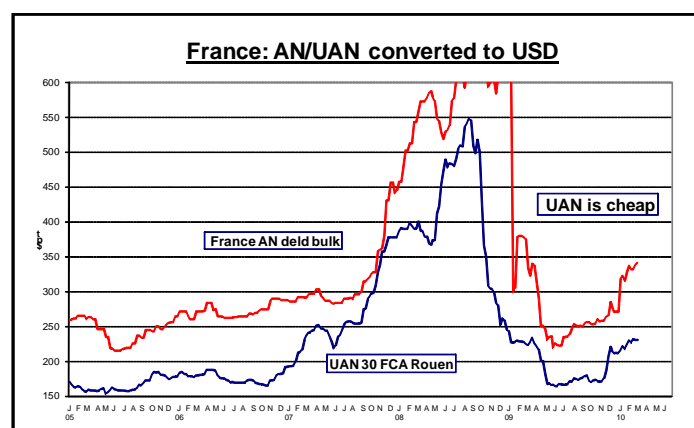
## UAN

### Outlook for UAN promising in US

In the Gulf barge prices are put at \$210-215ps ton fob. The outlook for UAN is positive with this cheap nitrogen source expected to encourage heavy buying in the forthcoming season.

Eurochem and Acron are offering UAN from early-March loaders over \$250pt cfr east coast.

In France UAN 30 is at Euros 165-167pt FCA Rouen. Two traders are competing heavily for business in what remains a slow market. The slight dip in UAN prices has widened the gap with other nitrogen forms. This may support greater reliance on UAN when spring movement begins in earnest.



## Ammonia

### \$400pt fob approaches for FSU suppliers

FSU prices have moved close to \$400pt fob over the past week. \$390pt fob has been paid for Ukrainian product to complete vessels in Yuzhnyy while close to \$400pt fob has been paid for March tonnage in Ventpils. In the US barge prices have ratcheted up a



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\$90ps ton increase over the past week, more or less in line with last week's price jump in Tampa. In Asia spot tonnage has been sold in the region of \$450pt cfr.

For further details of  
**The Profercy Report**  
contact: [fertilizers@profercy.com](mailto:fertilizers@profercy.com)

### PUBLISHER

**Profercy Ltd.**

**Email:** [fertilizers@profercy.com](mailto:fertilizers@profercy.com)

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