



**FERTILIZER SWAPS**

**Fertilizer Financial Markets Commentary/Curves**

**NOLA FUTURES & SWAPS**

**UREA**

NOLA UREA futures continue to edge higher on the March contract but yet we've seen little movement in other months, in fact we see sellers more aggressive in the Q2 part of the curve signalling the market belief that we are going to see much backwardation in the market, similar to what we saw this past spring. Overall, March traded four times today at \$259 with profit takers eager to clip coupons before the holidays feeding the bulls. We continue to see activity in the nearby physical market with a few barges trading today for December, \$243-\$245, however the \$245 was never confirmed as traded. Buyers are willing to continuing to pay here, and it seems there is enough availability in December to meet that demand on barges.

**DAP**

NOLA DAP futures were unchanged, but the market got a shock today when it was announced that the ITC made a mistake in their calculation of duty it would impose upon OCP's Phosphate Fertilizer product imported into the United States. The ITC stated they would lower the prelim duty to ~16% down from ~23%. The implications of these duties being adjusted are yet to be felt in the market given it is a holiday week and most traders seem checked out, but some in the market think it might be more bearish long term as OCP isn't paying as much of a duty as they were previously expected to pay.

**INTERNATIONAL FUTURES**

Sentiment remains positive in intl urea markets, with physical business maintaining current price levels. Buying interest is evident across the futures complex, however buyers don't yet appear motivated to cross the spread and engage at appetising levels for sellers.

**DOMESTIC**

NOLA UREA				
	BID	ASK	MID	Δ
JAN	248	255	252	▲ 1
FEB	254	259	257	▲ 1
MAR	255	260	258	▬ 0
APR	253	260	257	▲ 1
MAY	240	247	244	***

NOLA UAN				
	BID	ASK	MID	Δ
JAN	129	138	134	▬ 0
FEB	138	142	140	▬ 0
MAR	146	148	147	▬ 0
APR	137	144	141	▬ 0
Q2	138	148	143	▬ 0

NOLA DAP				
	BID	ASK	MID	Δ
JAN	392	396	394	▲ 1
FEB	392	396	394	▬ 0
MAR	391	398	395	▬ 0
Q1	392	396	394	▬ 0

**INTERNATIONAL**

AG UREA				
	BID	ASK	MID	Δ
JAN	268	275	272	▬ 0
FEB	266	273	270	▲ 1
MAR	265	272	269	▲ 2
Q1	266	273	270	▲ 1

EGYPT UREA				
	BID	ASK	MID	Δ
JAN	275	285	280	▬ 0
FEB	270	280	275	▬ 0
MAR	270	280	275	▬ 0
Q1	272	282	277	▬ 0

BRAZIL UREA				
	BID	ASK	MID	Δ
JAN	278	287	283	▲ 3
FEB	272	280	276	▲ 2
MAR	272	280	276	▲ 2
Q1	274	282	278	▲ 2

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