



**Fertilizer Financial Markets Commentary/Curves**

**NOLA FUTURES & SWAPS**

**UREA**

NOLA UREA values are softer today after it was made known that the RCF might not take all the tonnage they have pledged to in this most recent tender. Specifically, there are rumors circulating the market that the RCF might only take 800kt to 850kt of urea after receiving confirmations of 1.3M last week. The tender last week was seen as mostly bearish in the trade, but now knowing RCF will most likely not take the full confirmations this is making more of an impact the forward curve putting pressure not only in the INTL markets but also NOLA.

In the physical market we saw prices slip today with FH APR barges trading down in the low \$380s after trading \$393 yesterday, full April barges traded down to \$365 after trading as high as the low \$380s earlier this week. However, values on futures somewhat maintained today with spread trades still the focus of the market. The APR/MAY spread traded at +26 today (\$378/\$352). Offers were seen near those values on the follow.

DAP

NOLA DAP futures were lower today trading down to \$523 after last trading at \$537. This comes as a shock to some who still see the nearby prompt market supported with \$543 being bid for prompt. That being said - some traders believe we'll see more barges become available in APR and thereby pushing prices lower. The forward curve on futures was moderately lower today.

**INTERNATIONAL FUTURES**

Intl urea markets were softer today on talk that India may purchase significantly less than the full volume offered into their recent tender. Speculation is that RCF may only purchase as much as 800-850kmt, down from expectations they'd take the full 1.33mn mt which was made available. Of the 1.33mn committed tonnes, Chinese suppliers account for 900kmt - if RCF does in fact accept less than 1mn tonnes in the tender, it is likely Chinese product will need to find a home elsewhere in the world, which would be a bearish development. Only May Brazil urea futures traded today, with a deal executed at \$380 for 5,000 tonnes. This was around \$7 below where we saw value on open, reflecting more aggressive selling interest following the RCF news. Values in other Intl markets were lower as well, but trading limited to the May Brazil contract.

**DOMESTIC**

NOLA UREA				
	BID	ASK	MID	Δ
APR	369	377	373	▼ -3
MAY	343	352	348	▼ -6
JUN	320	329	325	▼ -7

  

NOLA UAN				
	BID	ASK	MID	Δ
APR	280	290	285	▼ -3
MAY	240	250	245	0
JUN	200	215	208	0

  

NOLA DAP				
	BID	ASK	MID	Δ
APR	520	528	524	▼ -14
MAY	500	515	508	0
JUN	485	495	490	0

**INTERNATIONAL**

AG UREA				
	BID	ASK	MID	Δ
APR	340	348	344	▼ -9
MAY	335	345	340	▼ -9
JUN	330	340	335	▼ -8

  

EGYPT UREA				
	BID	ASK	MID	Δ
APR	362	371	367	▼ -12
MAY	360	369	365	▼ -6
JUN	355	365	360	▼ -15

  

BRAZIL UREA				
	BID	ASK	MID	Δ
APR	382	390	386	▼ -13
MAY	375	380	378	▼ -14
JUN	366	375	371	▼ -18

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