

FERTILIZER SWAPS

Fertilizer Financial Markets Commentary/Curves

NOLA FUTURES & SWAPS

UREA

The curve on NOLA UREA futures is becoming more inverted as hand of mouth demand in the nearby is supporting prices for nearby April barges, but values are drifting lower in May and June as the trade is starting to price in a large correction/inverse in the market going into the summer. In the futures market we saw APR trade up to \$373 that is up from last done at \$367. In the May contract we saw it trade down to \$337 down into the \$330s for the first time in weeks. In the physical market, values traded as high as \$405 for prompt while April barges continue to trade at \$370. Some in the trade believe we will likely continue to see price stay supported in the nearby if hand of mouth demand continues at this pace while other cite lower international values for a reason to drift lower.

DAP

Values on DAP started to firm up in NOLA this week as we come back from holiday break. Values in NOLA were bid as high as \$560 for a prompt DAP barge last, we heard with values trading as high as \$550 for a loaded barge earlier today. That is up from the highs of last week and supports futures. However, since the \$490 trades on Q3, we have not any activity on futures since then.

INTERNATIONAL FUTURES

Urea remains under pressure on both physical and paper markets on the international side. On futures, Egypt sellers got more aggressive following Abu Qir's scrapped tender, with no buying interest around the producer's target of \$370/mt fob. The spot month futures contract was offered sub 370, despite a first index print for April at 390. Expectations are the 5 weeks of pricing in the April index could see settlements quite different from where the month has started pricing. Brazil urea meanwhile was heard to have traded 363 for May etc, around \$10 below where we had value marked, and a significant discount to current physical levels.

DOMESTIC

NOLA UREA				
	BID	ASK	MID	Δ
APR	370	374	372	▲ 1
MAY	338	345	342	▼ -5
JUN	315	325	320	▼ -6

NOLA UAN				
	BID	ASK	MID	Δ
APR	280	290	285	■ 0
MAY	240	250	245	■ 0
JUN	200	215	208	■ 0
Q3	185	205	195	***

NOLA DAP				
	BID	ASK	MID	Δ
APR	538	548	543	▲ 16
MAY	515	525	520	▲ 15
JUN	485	495	490	■ 0
Q3	485	495	490	***

INTERNATIONAL

AG UREA				
	BID	ASK	MID	Δ
APR	340	348	344	▲ 2
MAY	335	342	339	■ 0
JUN	330	340	335	■ 0

EGYPT UREA				
	BID	ASK	MID	Δ
APR	358	368	363	▼ -4
MAY	350	360	355	▼ -10
JUN	345	355	350	▼ -10

BRAZIL UREA				
	BID	ASK	MID	Δ
APR	378	385	382	▼ -4
MAY	360	370	365	▼ -9
JUN	360	370	365	■ 0

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