

Fertilizer Financial Markets Commentary/Curves NOLA FUTURES & SWAPS

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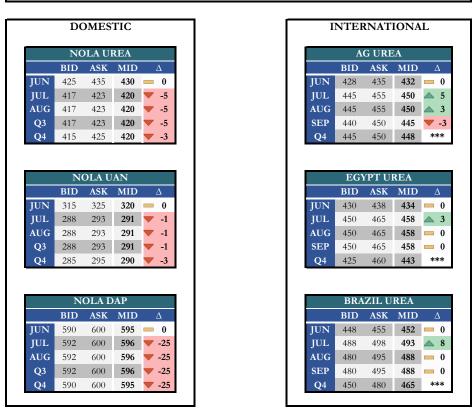
NOLA Urea markets fell lower still today, under pressure from sellers becoming a bit more aggressive. The Q3 futures strip traded three times at \$420 today, down about \$5 from values marked yesterday afternoon. A June barge traded this morning at \$445, but other than that, futures contracts were the focus of the market today. Sellers were a bit more keen to transact today due to soft corn prices. Most are expecting China to only contribute about a half a million tonnes to India in the upcoming tender, there is enough uncertainty to let values fall back.

DAP

NOLA DAP values came under further pressure today, with sellers chasing buyers down lower with help form limit-down closes in the corn market. The November futures contract traded by itself one time at \$600, more than \$20 lower than where we saw value yesterday. Later in the afternoon, the Q4 futures strip traded twice at \$595. Bulls saw a good buying opportunity on a hard pullback while sellers were anxious to play ball seeing further downside.

INTERNATIONAL FUTURES

Buying interest picked back up in AG paper today following an aggressive sale late Wednesday of July futures at 445. Bid support built near that level on both July and Aug, whilst sellers weren't keen to repeat the sale. The market seemed a bit directionless otherwise, with consensus still split on which direction the next price move will be, and what will result from the upcoming Indian tender. On physical, \$498/mt cfr Brazil was reported, however buyers on paper haven't been willing to pay those levels, highlighting current uncertainty.



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