



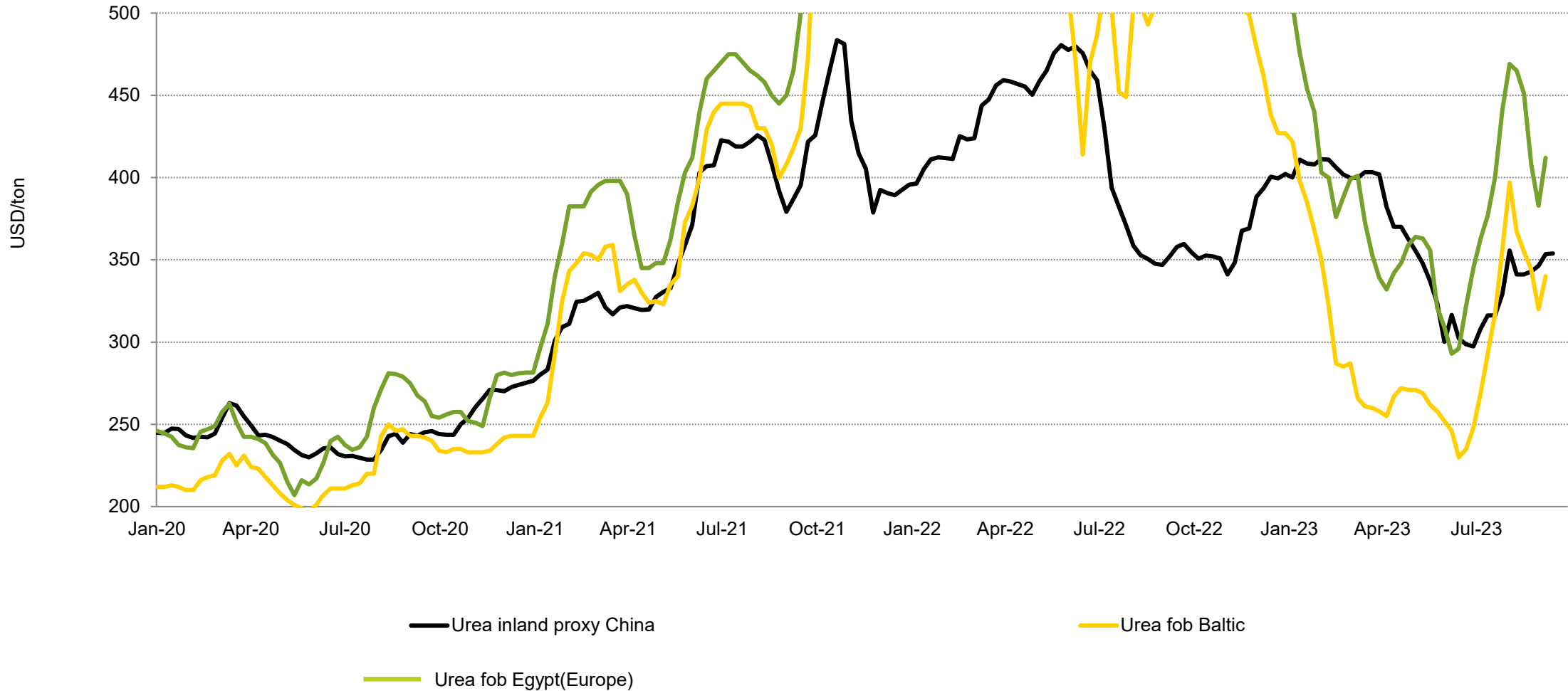
Knowledge grows

Market update

September 2023

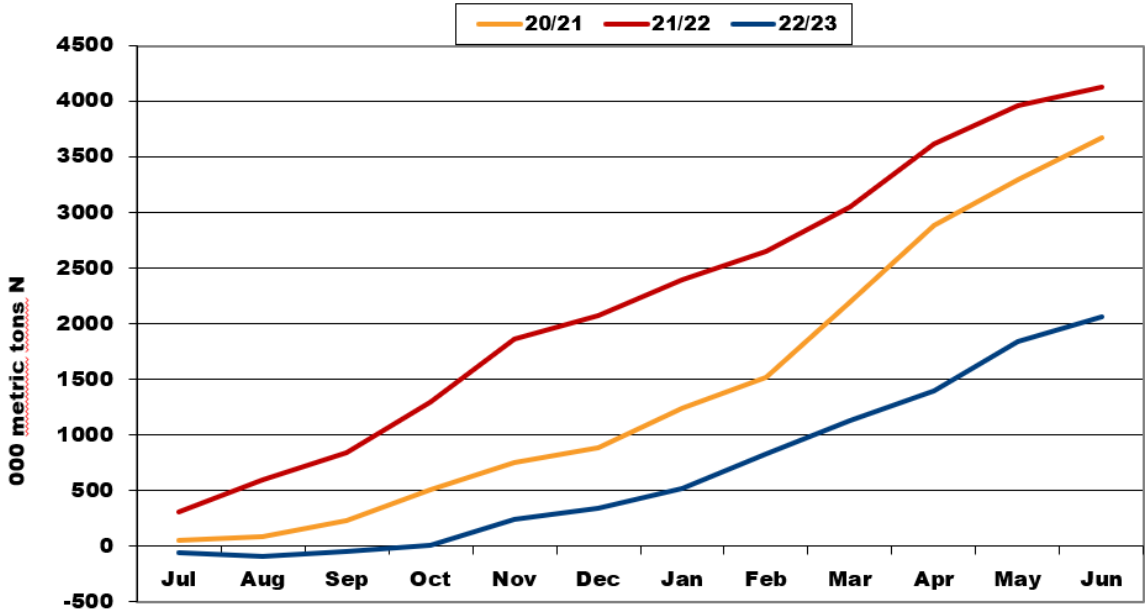


Fob Egypt rebounded, but buyers retreat, prices anyway somewhere above USD400/mt, in a USD425-450/mt fob range?

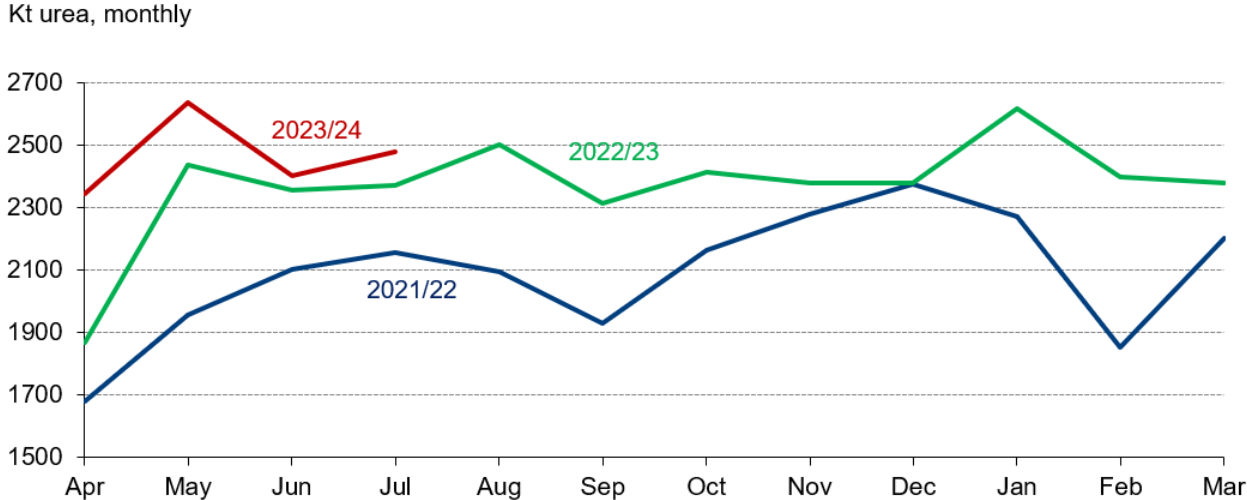


USA and India both important negative drivers for nitrogen in 22/23

US net nitrogen imports



Urea production in India

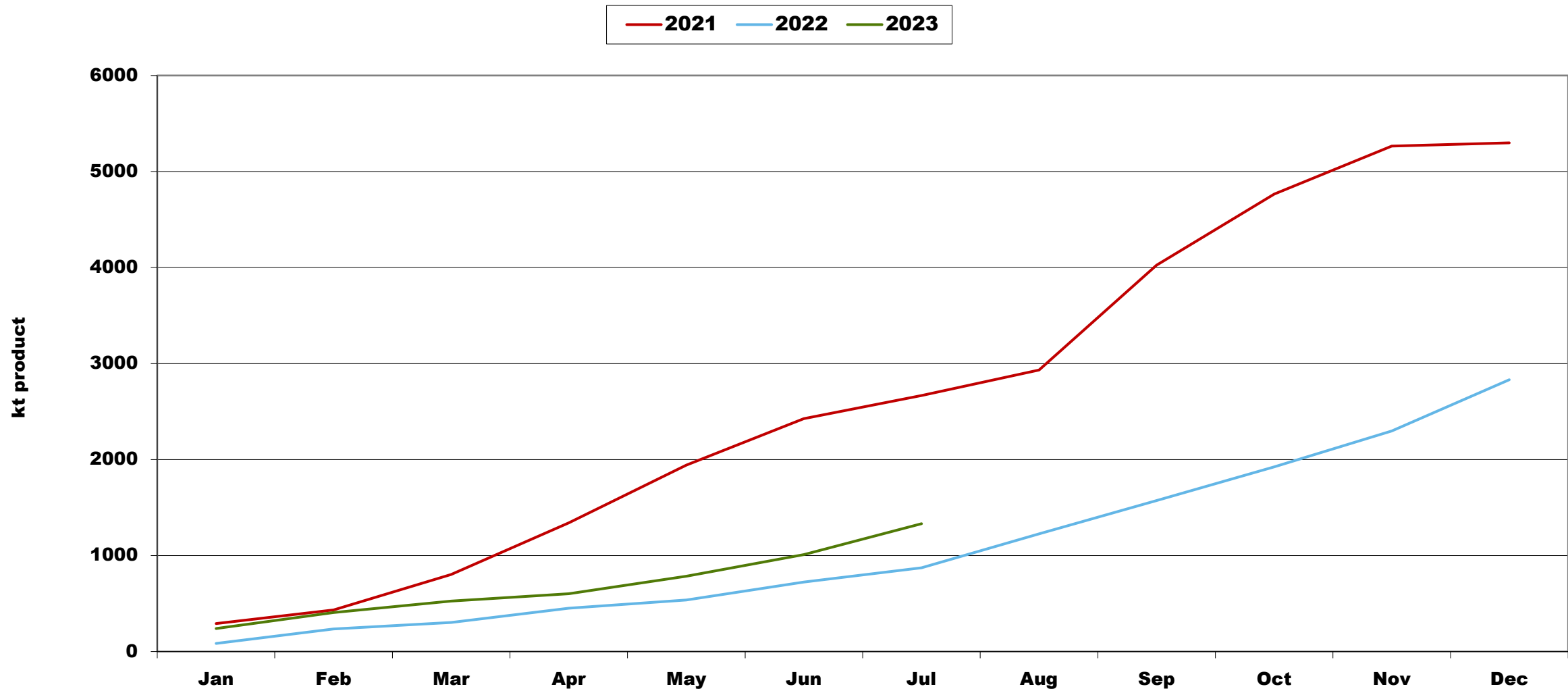


USA imported 2 million tons less N during 22/23 than the season before, on a net basis, that is a lot! Some due to stronger production, estimated to have increased by 0.7 million tons N, but also due to large carry-over inventories from previous season, as consumption declined due to the high prices. India produced 3.3 million tons more urea during its 22/23 agricultural year than the year before, also a lot.

US inventories are starting 23/24 at a low level, and net imports will increase. India is now tendering. Brazil urea imports lagging compared to 2022, -11% at end August.

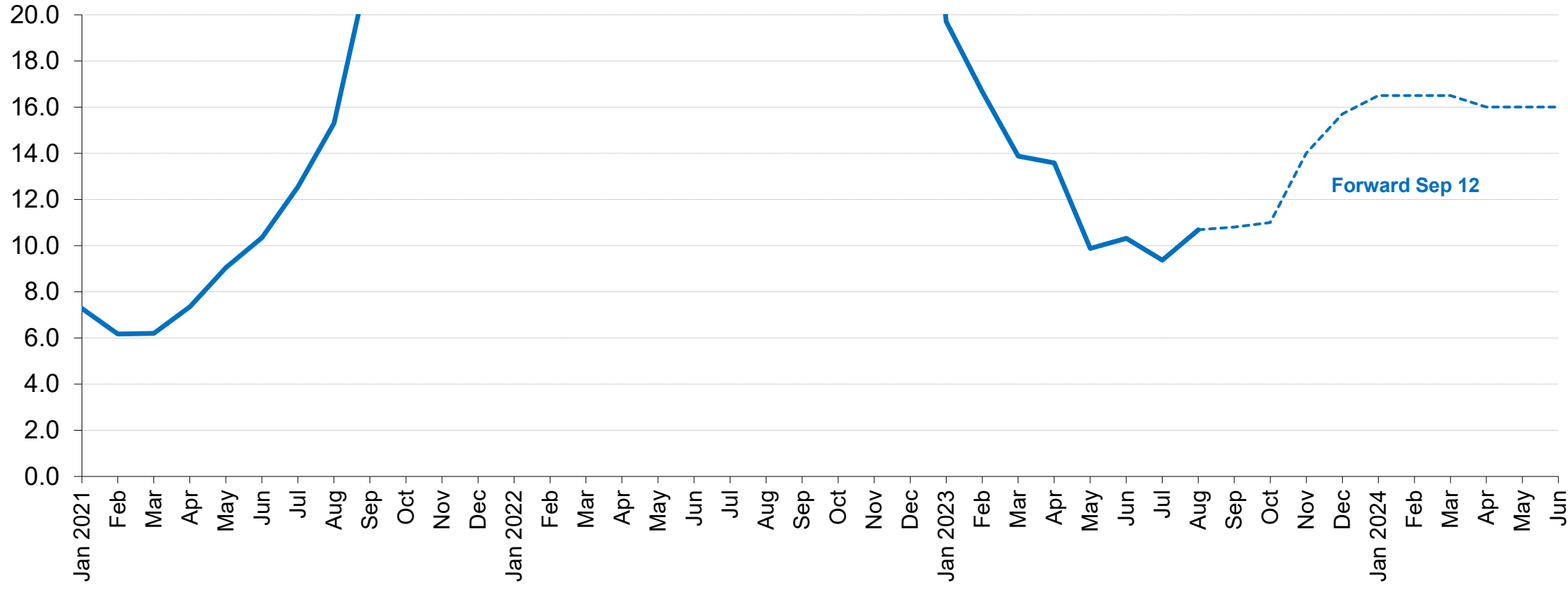


Urea export from China – picking up some pace, will be strong in September, Q4 and onwards a question mark

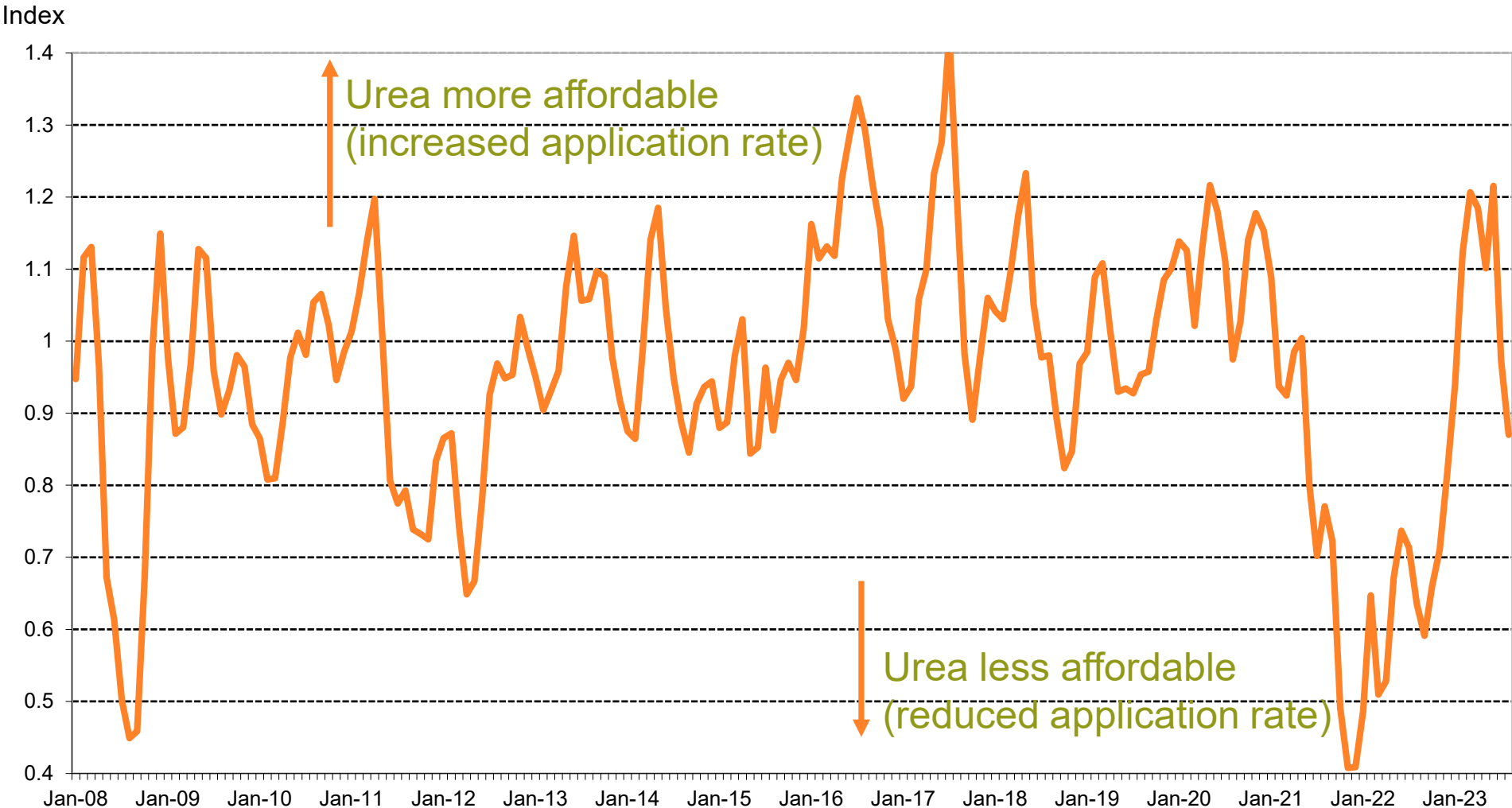


European natural gas (TTF)

USD/millbtu



Cereal index/urea index – dropping over recent months as urea prices increased

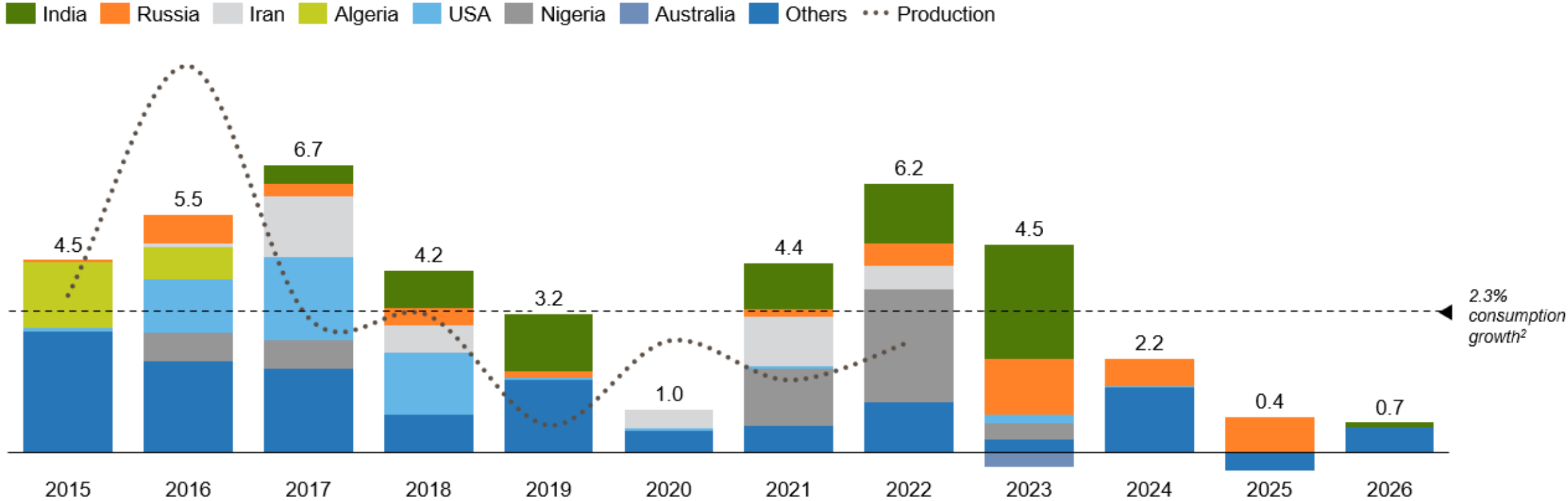


Source: International publications, FAO (2014-2016 = 100) for both FAO cereal index and urea fob Arab Gulf



Peak of capacity additions is behind us

Global urea capacity additions ex. China ¹ (mt)



1) Urea projects assessed as "probable" by CRU.
 2) Growth calculated based on last 10 years up to 2021, equal to ~3.38 mt/year, from 2019 baseline (IFA) of 130.1 mt (global production + China trade)
 Source: CRU June 2023