



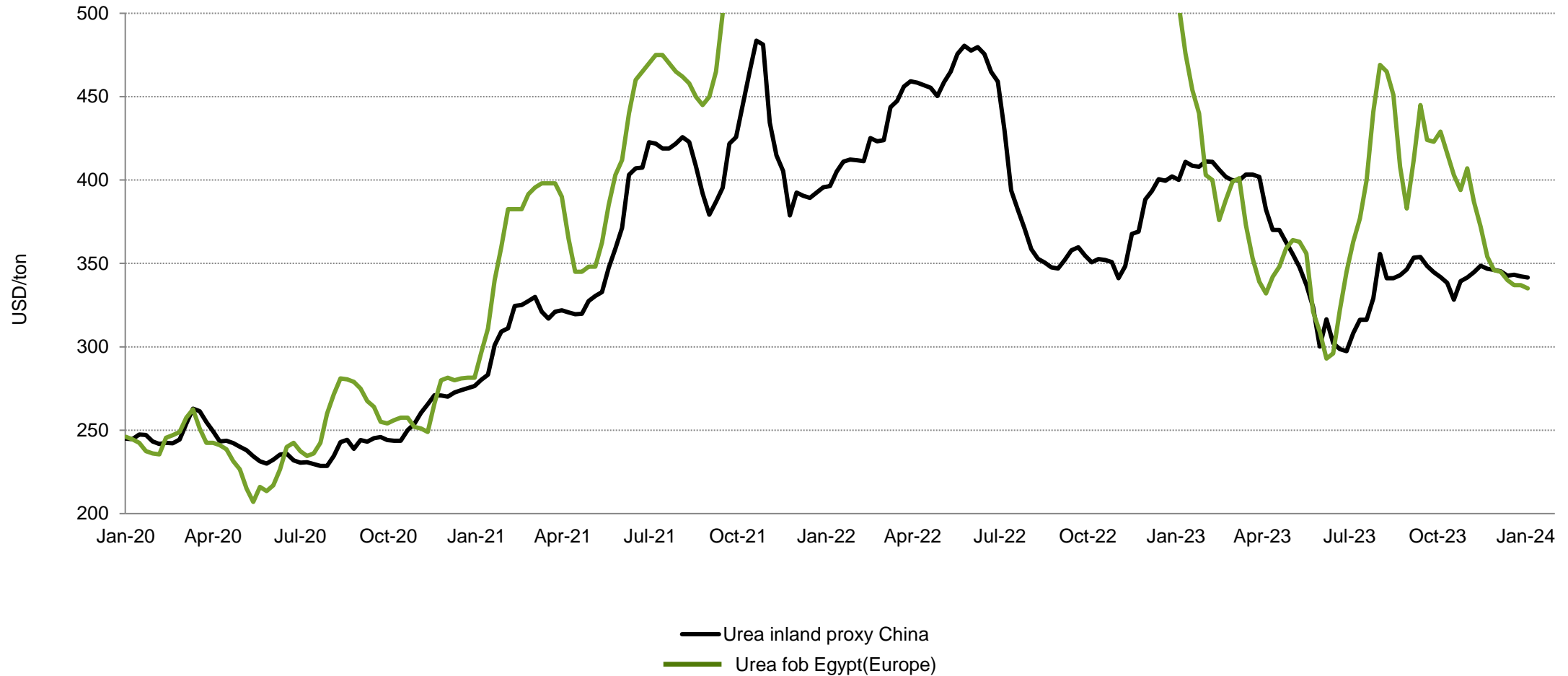
Knowledge grows

Market update

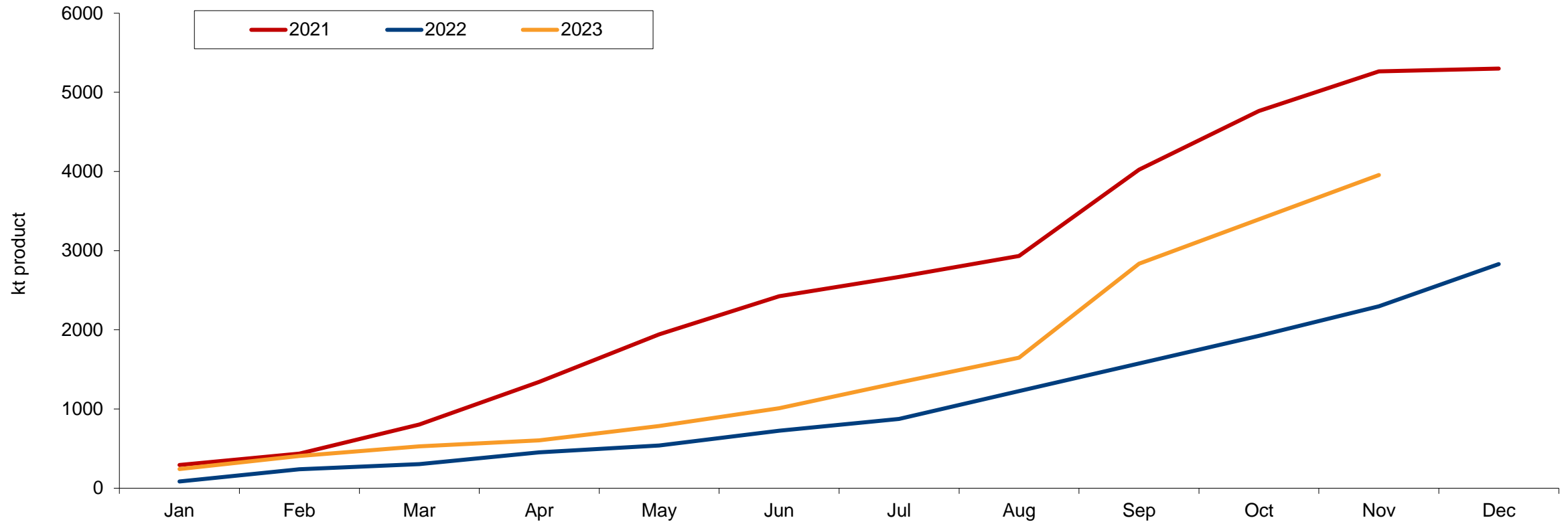
January 2024



Slow urea market, fob Egypt assessed at USD335/mt, limited activity

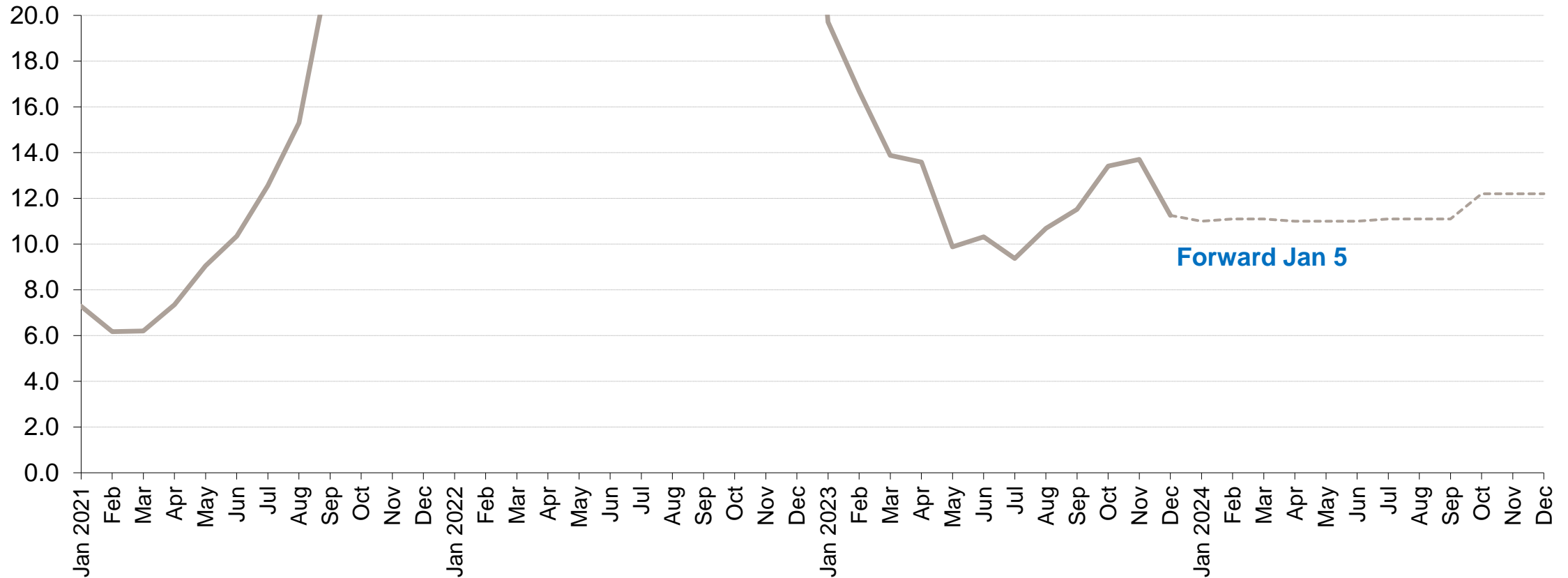


Urea export from China – strong recently, but currently restricted

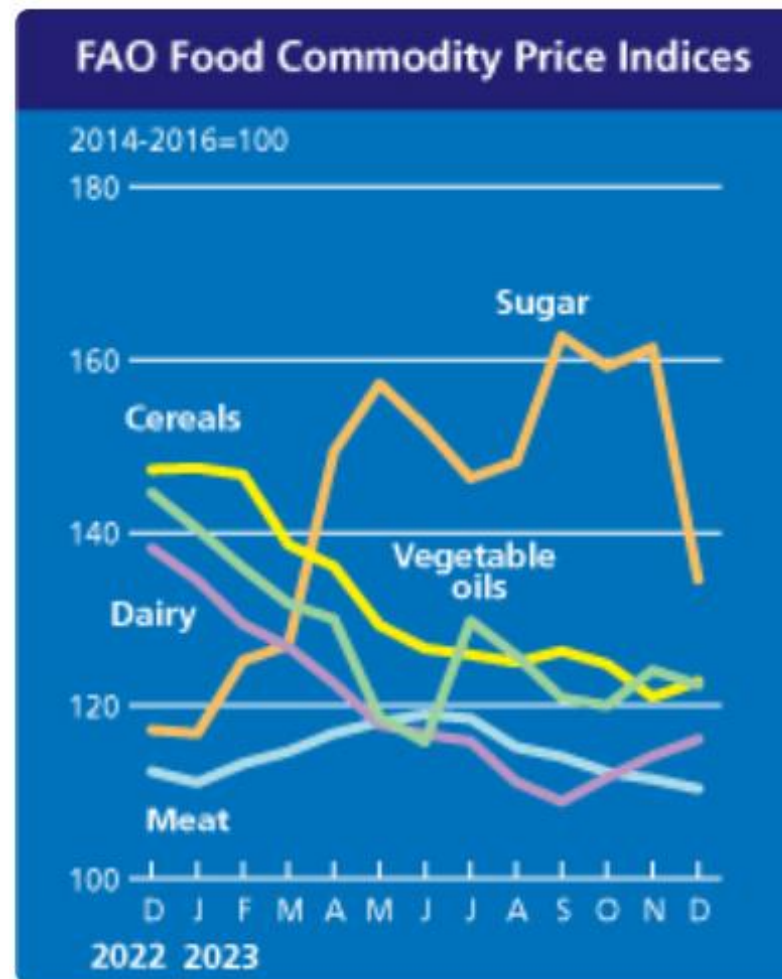
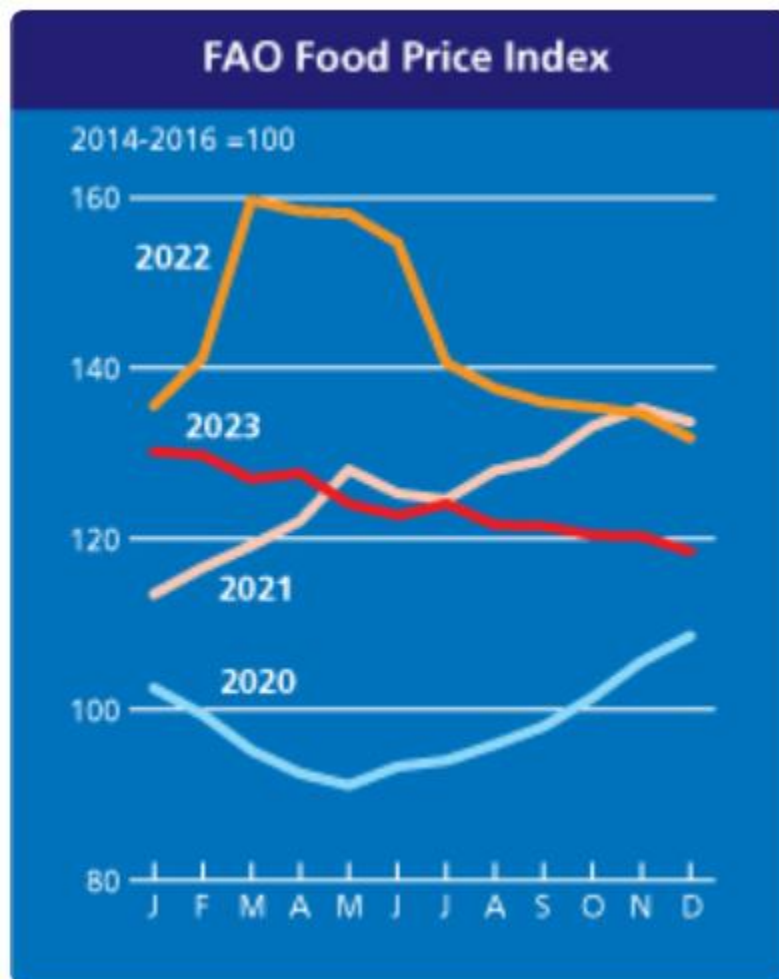


European natural gas (TTF) – forward curve flat around USD11/millbtu through Q3

USD/millbtu

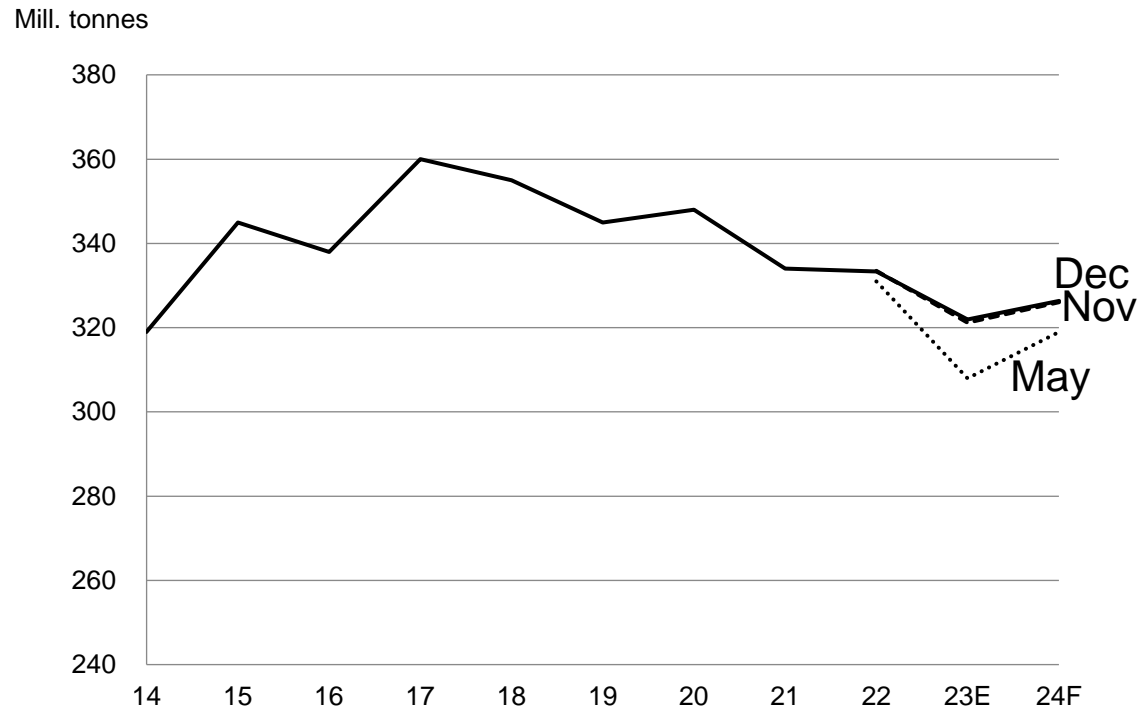


Food prices sliding through 2023



Grain inventories outside China, seen increasing for the first season in a long time (July 23 – June 24 season), modestly

Grain stocks – excluding China



Days of consumption in stock

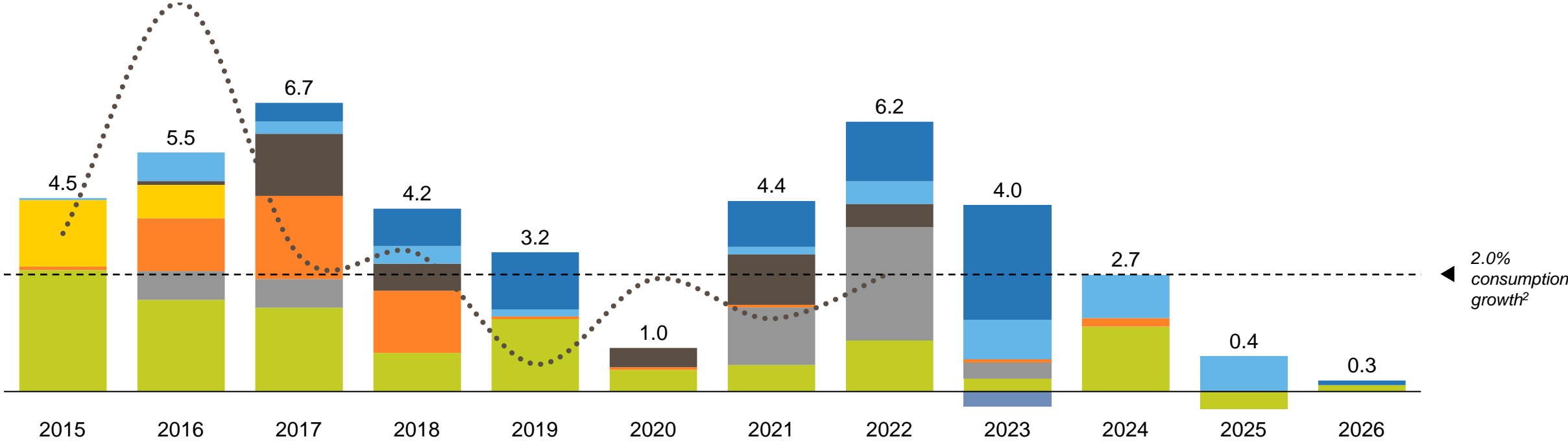


Source: USDA December 2023

Peak of capacity additions is behind us

Global urea capacity additions ex. China ^{1,2} (mt)

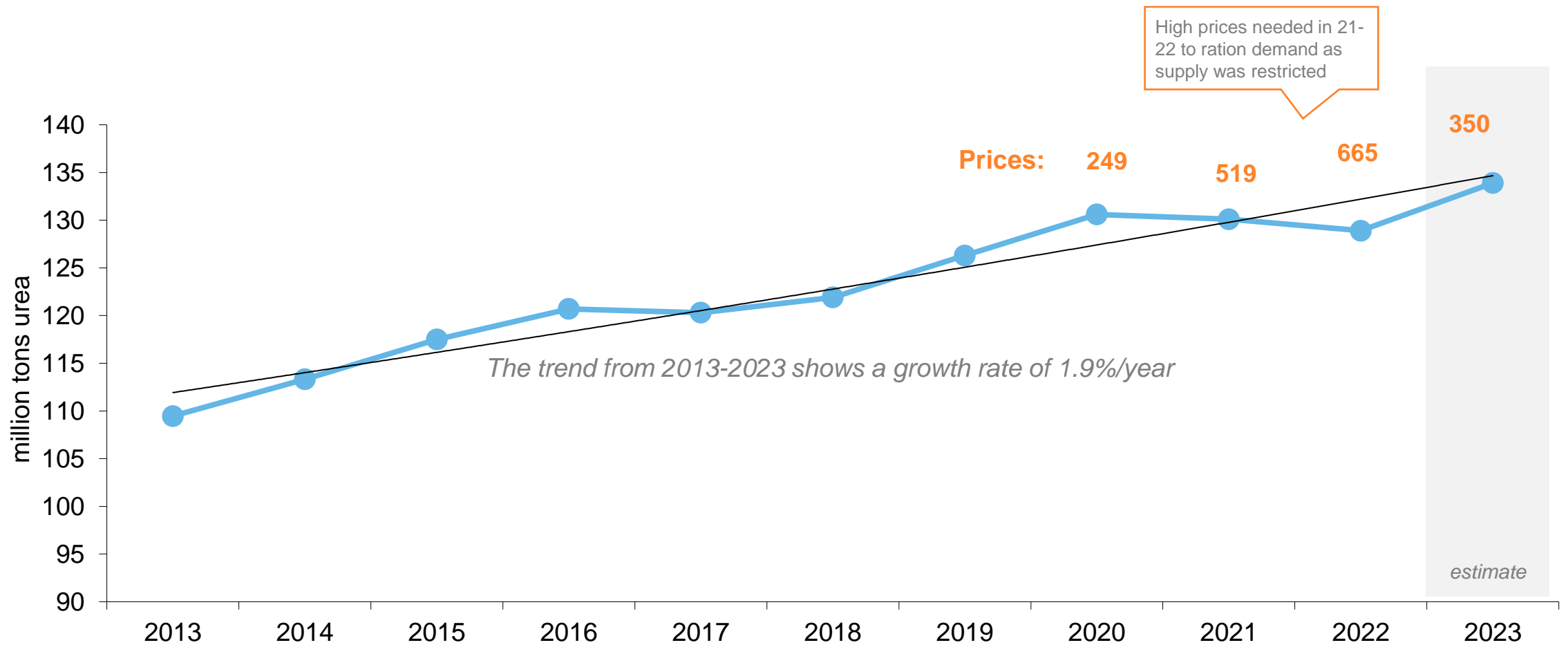
India Russia Iran Algeria USA Nigeria Australia Others •• Production



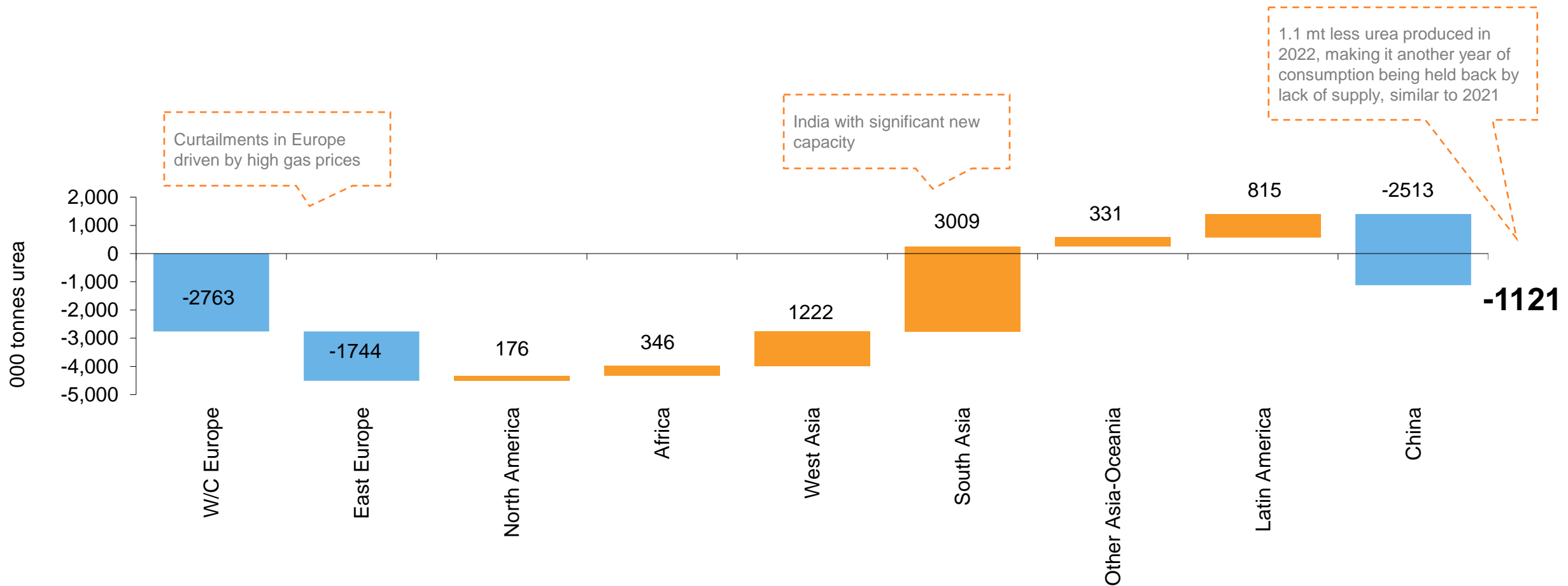
1) Urea projects assessed as “probable” by CRU.
 2) Several projects under development scheduled for completion after 2026, including in Australia and Russia, with unclear timing.
 3) Growth calculated based on last 10 years up to 2022, equal to ~2.6 mt/year, from 2022 baseline (IFA) of 129.2 mt (global production + China trade). Trend growth rate held back by supply restrictions in 2021 and 2022.
 Source: CRU September 2023



Apparent urea consumption ex. China – rebounding in 2023

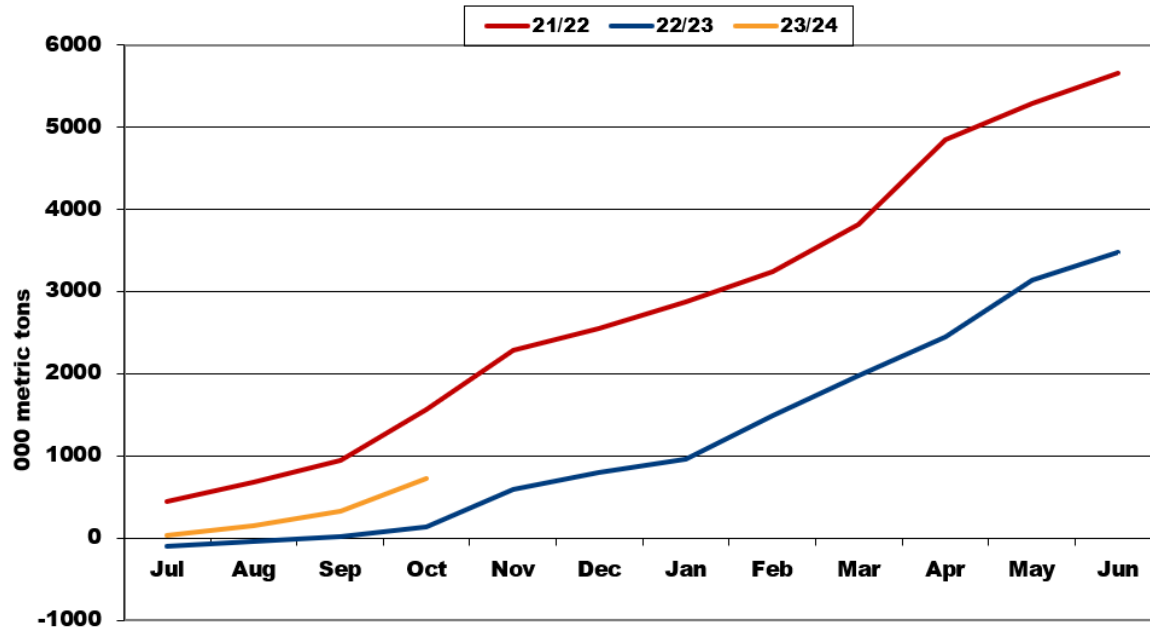


Urea supply outside China decreased by 0.9% (1.1 million tons) in 2022, to 128.9 million tons

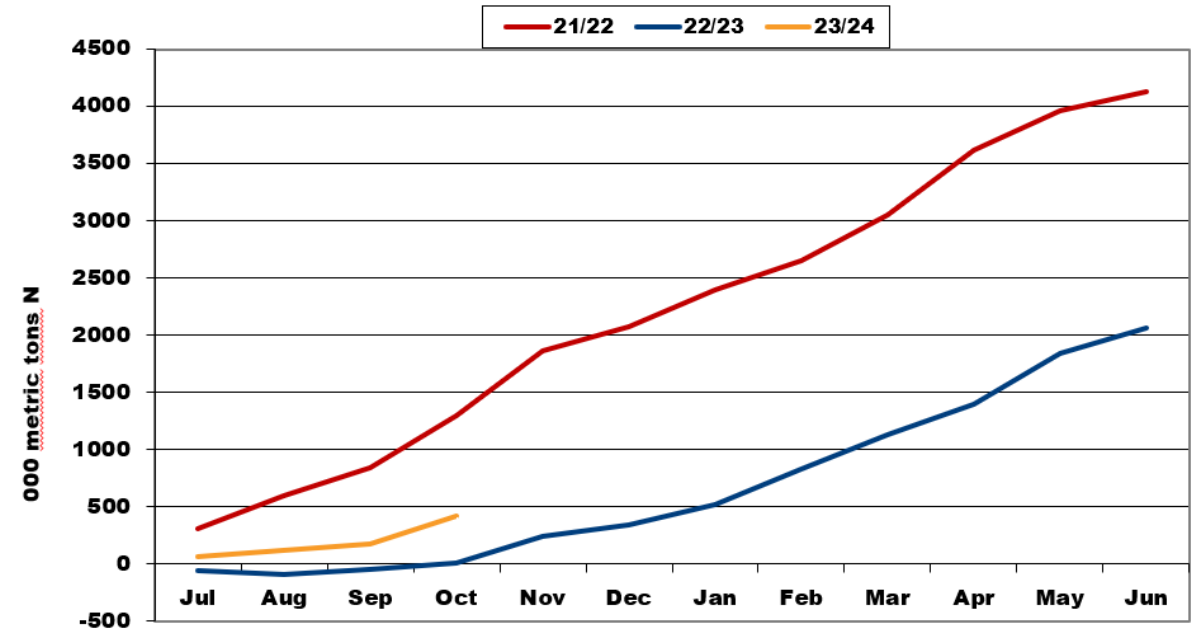


Some pick-up in US urea and nitrogen imports in October, but a lot remains

Net US urea import



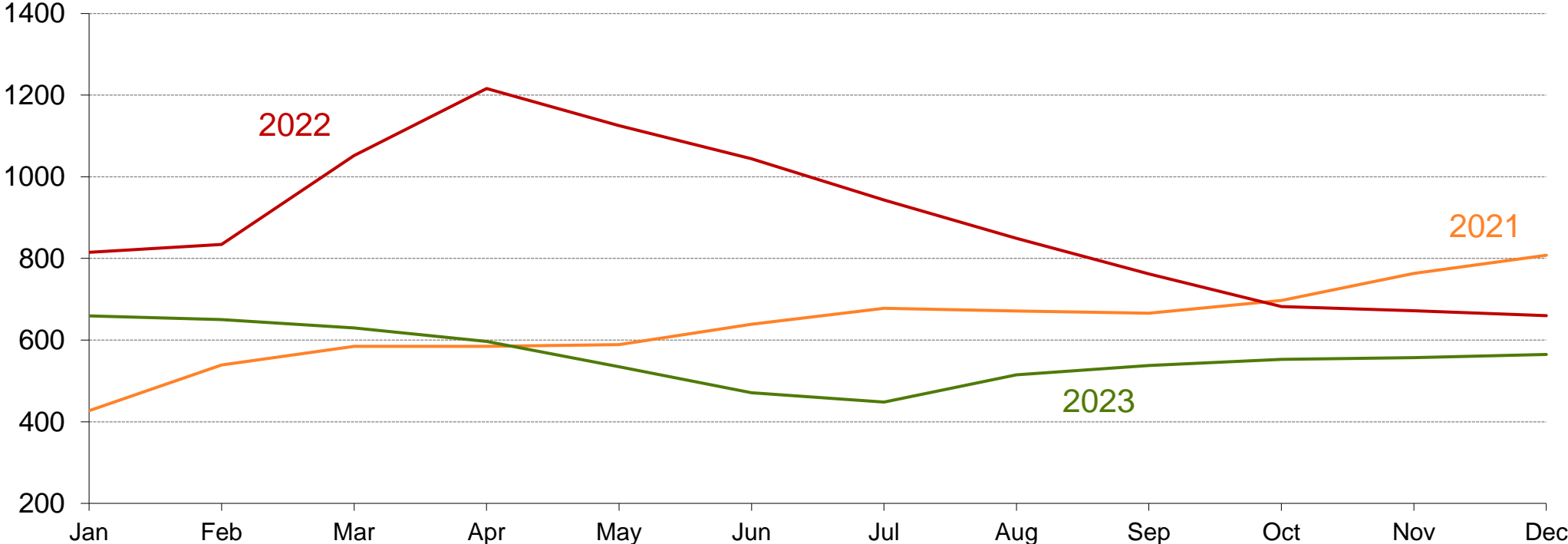
US net nitrogen imports



The total should end up somewhere between the previous seasons. Not as strong as 21/22 due to stronger domestic production. But a lot more than 22/23, large carry-over inventories starting that season.

DAP fob US Gulf

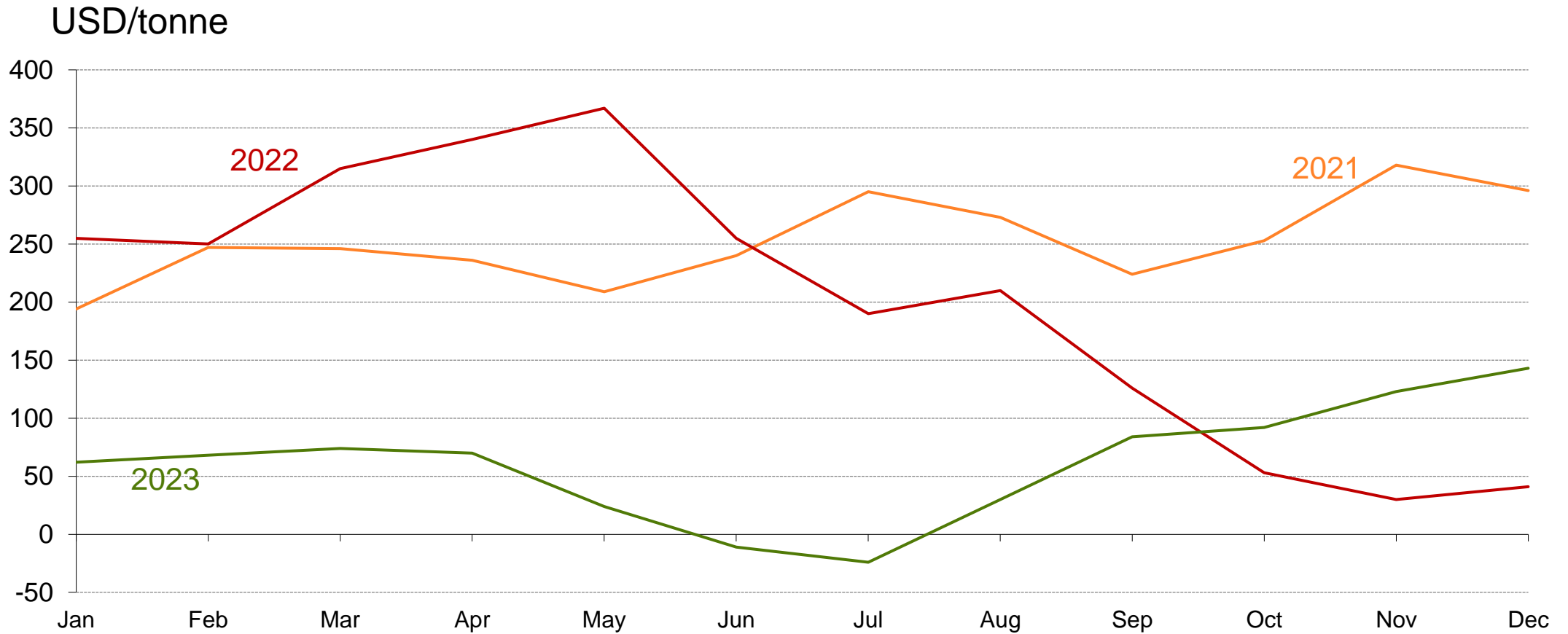
USD/tonne



Source: Average of publications



Upgrading margins from rock to DAP in Morocco (proxy calculation) – rebounding to historic average



Source: Average of publications, DAP fob Morocco – (1.43*Rock fob Morocco + 0.46*S fob Arab Gulf + 0.23*(NH3 fob Black Sea + 30))