**GLEADELL MARKET REPORT**

**FERTILISER**

**Immediate – 23 September 2016**

**Calum Findlay, Gleadell’s fertiliser manager, comments on the markets**

**Granular urea**

Global market activity has increased after a quiet period, due to an increase in activity with three large tenders scheduled to close on Thursday.

Indian’s tender, the largest of the three, aims to book up to 1.5mln t of urea, depending on price. Anticipating the large tonnage required, producers in many regions have been able to firm prices for September and October.

The further weakening of the pound versus the dollar over the week continues to put pressure on replacement values in the UK, though offers remain flat and £10-15/t below the cost for new vessels.

**Ammonium nitrate**

Markets have remained quiet this week. With Oct/Nov terms now available for imported product, many wonder what the reaction from CF will be.

The release of new season prices saw a lot of pressure put on importers and it is thought that CF will want to replicate this as we see autumn demand return. This may present some buying opportunities in the coming weeks for those that can take delivery of product before the New Year.

**Fertiliser news**

This week saw confirmation that leading North American fertiliser producer PotashCorp will merge with Agrium to combine operations and distributions.

In terms of potash, the merged firm will have a production capacity of over 19mln t per year of potash, with additional capacity expected to come online over the coming year.

The merger will also help balance out the offering in the retail potash, nitrogen and phosphate sector. It is thought that the integration of distribution and retail businesses could cut operation costs by as much as $500mln/year, allowing the company to compete in an extremely competitive US market until global supply and demand improves.

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**Notes to Editors**

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