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Argus Monthly Ammonia Outlook



Outlook

The month ahead

The tension that caused prices to rise in July-August has not dissipated, with production issues ongoing at merchant plants in Trinidad, north Africa, the Middle East and south-east Asia. An unexpected 2-3 month outage at one of Saudi producer Ma'aden's units has reinforced the firm sentiment felt globally, and prices will continue to strengthen into the fourth quarter as a result.

The next 3-6 months

World-scale merchant units from US producer Gulf Coast Ammonia and Australian independent Woodside are due to be brought on line before the end of the year, pushing the market will towards oversupply from December — provided issues afflicting Middle Eastern and north African producers are resolved by then, as expected. The fertilizer demand seasons in India, Europe and the US will have peaked by November, allowing several months of softening from December, until the spring season begins in March-April.

12 months forward

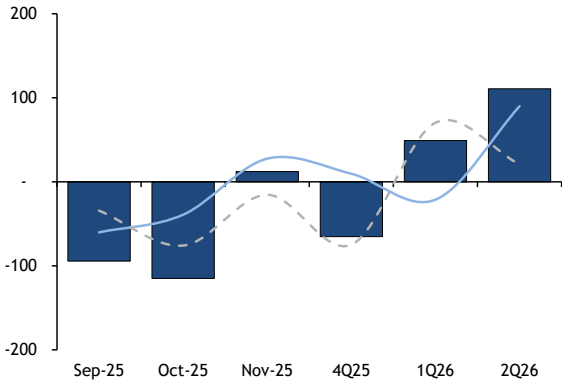
Prices in 2026 will generally be softer and more subdued than in 2025. All of our forecast benchmarks are expected to see price drops during the first half of the year, as the market absorbs new supply coming out of the US Gulf, as well as increased exports from Russia's Ust-Luga following an expansion to domestic producer Eurochem's rail capacity at the terminal. Only minor changes are expected in structural demand next year, so this extra capacity will bring in a period of oversupply in the global ammonia market.

Forecast ammonia prices *$/t*

	Sep	Oct	Nov	4Q25	1Q26	2Q26
Middle East fob	325-355	335-365	350-380	335-390	300-355	280-325
Tampa cfr	540	550-560	565-575	525-575	435-490	390-435
Caribbean fob	490-510	505-525	520-540	480-540	390-455	345-400
Morocco cfr	470-540	505-565	530-580	500-580	415-495	370-440
India cfr	355-400	365-410	380-425	365-435	320-390	300-360
East Asia cfr	385-405	405-425	420-440	405-445	375-420	355-390
Northwest Europe cfr	570-600	590-620	605-635	555-635	465-540	420-485

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Global balance forecast *'000t*



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Outlook summary

Global ammonia markets are expected to stay firm in the next 2-3 months, as supply from Trinidad, the Middle East and southeast Asia will tighten at the same time as seasonal demand picks up in India, the US and Europe. Prompt cargo availability will remain constrained in September-October, adding pressure to already tight markets.

Supply-side challenges are driving most of the tightness — Saudi Arabia's Ma'aden was forced to take its 1.1mn t/yr MPC 1 plant off line for 2-3 months in late-August, and production curtailments in Iran in September-October will tighten Middle Eastern supply even further. Production issues in Trinidad and north Africa are limiting west-of-Suez availability, just as buying interest is picking up ahead of fertilizer seasons in the US and Europe.

The southeast Asian market remains tight, as Indonesian and Malaysian producers are largely out of the spot market owing to plant turnarounds and domestic fertiliser needs. Indonesian producer Parna Raya is expected to finish maintenance at its facility in September, but regional availability will remain limited in the interim. Indian demand is firming ahead of the rabi crop season, supported by rising DAP inventories and procurement activity for September-October. The ongoing supply issues and fears that contract shipments may be delayed are causing buyers to increasingly turn to the spot market, paying a premium as a result.

West-of-Suez markets are firm because of persistent supply constraints and infrastructure disruptions. US prices have risen following a $54/t rise in the September Tampa settlement. The US' domestic balance has tightened owing to commissioning delays at the long-awaited Gulf Coast Ammonia (GCA) plant — now tentatively expected to start up in October — and reduced imports — in part because of new import tariffs. The threat of imminent, severe gas curtailments in Trinidad added to the strength of US and European prices in late August.

Delivered prices in Europe remain firm because of limited spot availability from Algeria, Trinidad and the US Gulf. A proposed end to EU tariffs on US ammonia could reshape trade flows and potentially introduce downside risks later in the quarter, but it remains speculative whether the European Commission will indeed remove its 5.5pc import duty on US ammonia. Russian supply remains stable, but geopolitical risks — such as a recent drone strike near Ust-Luga port — continue to cast uncertainty over infrastructure reliability.

Price comparison					$/t
	Aug average	Sep forecast	Oct forecast	Nov forecast	Market sentiment
Middle East fob	319	325-355	335-365	350-380	▲
Tampa cfr	487	540	550-560	565-575	▲
Caribbean fob	459	490-510	505-525	520-540	▲
Morocco cfr	504	470-540	505-565	530-580	▲
India cfr	359	355-400	365-410	380-425	▲
East Asia cfr	376	385-405	405-425	420-440	▲

European demand is set to rise seasonally in October and prices are expected to continue firming as a result — although the extent to which prices will rise depends heavily on the timing of GCA's start-up and north African and Trinidadian production rates.

Global ammonia markets may begin to ease at the end of the fourth quarter as some of the current supply disruptions are resolved and seasonal demand for fertilizers begins to recede, usually from mid-November onwards. Indonesia's Parna Raya and Malaysia's Petronas will likely return to the spot market by October, while Ma'aden's MPC 1 plant should resume operations by mid-November. The start-up of GCA in the US in October would add new merchant supply to the Gulf Coast and ease domestic tightness. Australian producer Woodside's new ammonia facility is scheduled for commissioning in late 2025, and this will significantly expand west-of-Suez capacity and help reduce volatility in 2026. But the timing and reliability of these additions remain uncertain, and any delays could prolong the current supply imbalance.

Global benchmarks will likely remain firm in the meantime, with cfr India and Tampa prices reflecting tight supply and shifting trade patterns. Buyers are leaning towards fixed-price contracts to hedge against volatility, highlighting the market's sensitivity to disruptions. Any further shocks — be it geopolitical, operational or logistical — could trigger sharp price movements.

Pricing is expected to soften in 2026 as a whole compared with 2025. Additional merchant capacity from GCA and Woodside and an expansion to Ust-Luga port's rail infrastructure will all be in full flow by next year, adding 3mn t/yr of merchant supply to the market. The increased availability will particularly affect west-of-Suez benchmarks, given the geographical concentration of the new capacity in this region.

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Statistical price forecast

Approach to modelling

We use a statistical model as a guide to shape the direction of our forecasts. Our analysts are not bound by the modelled forecast and use other tools such as affordability indexes and short-run marginal costs to create a final forecast that is within the probabilistic distribution presented by the statistical model. The further forward in the forecast horizon, the greater the weight on the statistical model, until the analyst's forecast converges with the 50th percentile of the confidence interval — the most likely outcome based on historical relationships. Allowing divergence of the forecast is essential. Supply and/or demand shocks from events such as extreme weather and unplanned maintenance are invisible to the model before they take place. We rely on our analysts to overrule the model and adjust the forecast to account for resulting market imbalances.

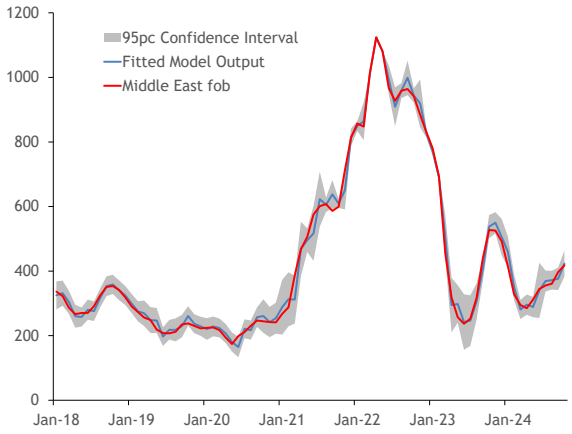
Analyst adjustments to statistical model

Our statistical model adjusted down this month, following a refitting of the historical drivers. It is now more in line with our analysts' expectations for 2026, with bearish pricing brought about by capacity additions in the US Gulf. In the short-term, our forecast predicts more bullish pricing than the statistical model up to the end of 2025, as the ammonia market is being driven more by supply outages than by underlying fundamentals, such as European gas prices.

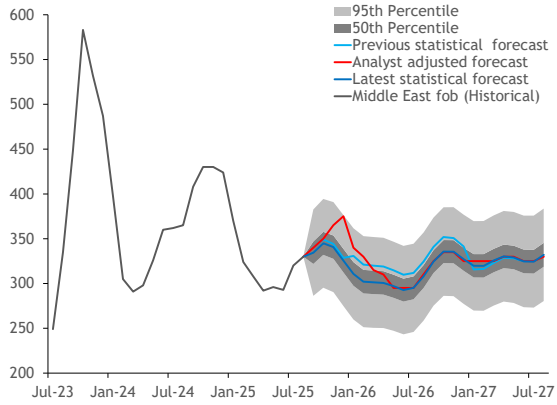
Methodology

Argus' statistical price modelling framework is powered by a distributional regression model that uses linear and non-linear relationships to predict future pricing and the probability of price variance around these prices. The framework uses industry-leading machine-learning practices to identify optimal drivers to produce probabilistic price forecast outcomes. Probabilistic forecasts can account for the distribution of future prices — for example, they can capture the likelihood of extreme events by modelling the heavy tails of a distribution. Our ammonia price model is specified by two main sets of drivers. The first comprises lagged ammonia prices, the northeast Asian LNG spot price, the price of wheat, and a volatility forecast. The second set models the variance and uncertainty and contains lags in the ammonia price itself. There are also parameters driving seasonality, as well as intervention parameters for the Covid-19 pandemic and Ukraine-Russia conflict.

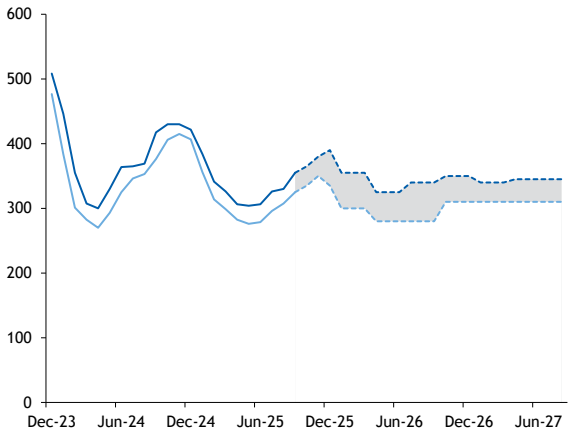
Statistical model fitted to historical data *$/t*



Comparison of statistical and Argus forecasts *$/t*



Middle East fob *$/t*



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Global ammonia balance forecast

■ We have trimmed over 150,000t from our forecast for Saudi Arabian exports in September and October, following an unexpected outage at one of Ma'aden's 1.1mn t/yr units in late August, which is expected to last 2-3 months.

■ The likelihood of gas curtailments in Trinidad in September-October has increased, so we have reduced the island's export forecast for the two months.

■ Imports of Trinidadian supply into the US have fallen on account of a new 15pc import tariff. We expect imports to remain depressed as long as the tariff is in place, with domestic producers prioritising the local market instead of exports. We have adjusted both US imports and exports down to reflect this.

Subscriber notice
A historical monthly balance can be accessed here.

■ Algerian producer Sorfert is offering product for late-September shipment, after months of poor production. We have increased our expectation for Algerian exports in light of this.

■ Ma'aden's unit outage has shifted October's balance into a deeper deficit than September — the opposite of our forecast last month — which will keep prices under sustained upward pressure through to November. The balance is expected to switch to surplus in November, as output from GCA hits the market and demand decreases slightly, loosening the global balance. Oversupply will continue to grow over the next six months, as Woodside's new plant comes on line at the end of the year and the market enters a relatively quiet period in January- February.

Trade balance						'000t
	Sep 25	Oct 25	Nov 25	4Q25	1Q26	2Q26
Export total	1344	1362	1505	4354	4663	4791
Import total	1438	1477	1493	4419	4614	4681
West-of-Suez balance	-60	-39	28	10	-21	90
East-of-Suez balance	-34	-76	-15	-75	70	21
Global balance	**-94**	**-115**	**12**	**-65**	**49**	**111**

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Revisions to forecast

An outage at one of Ma'aden's 1.1mn t/yr units came as a surprise, and we have raised our short-term outlook for east-of-Suez benchmarks as a result. The outage is expected to last 2-3 months, coinciding with India's buying season and causing prices to firm as buyers compete for very limited spot cargoes.

To the west-of-Suez, it seems likely that Trinidad will experience deep gas curtailments in the next month, which was factored into the September Tampa contract price rise. We have recalibrated our Caribbean, European and Moroccan prices to reflect the size of this rise, but the direction — firmer prices until November — is unchanged at these locations.

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Regional outlook

Europe

Ammonia prices in northwest Europe are expected to remain stable-to-firm in the short term, supported by limited supply and cautious demand. Spot cargoes from key exporting region such as the US Gulf, Trinidad and north Africa are limited, with most September-loading cargoes already committed. Algerian exports are starting to resume but the pace is insufficient to ease immediate supply pressures.

The economics of domestic production have improved because TTF gas prices have fallen below $11/mn Btu. This has brought local production costs to around $430/t, well below import costs. This could encourage increased production in Europe, but logistical and operational constraints may limit any immediate increases. Demand remains seasonally weak, with buyers largely covered for August and delaying late-September purchases in anticipation of softer prices. But ongoing availability issues, an anticipated increase in European fertilizer demand and continued uncertainty around the start-up of the US' Gulf Coast Ammonia (GCA) facility all mean we expect prices to continue firming into the start of the fourth quarter, before weakness returns at the end of the year.

The European Commission has proposed ending its 5.5pc import tariff on US ammonia, in a bid to reduce reliance on Russian fertilisers and secure more affordable supplies. If approved, this change could reshape trade flows and introduce downside risk to prices later in the quarter. In the near term, price sentiment remains bullish, but it is increasingly vulnerable to changes in supply availability and policy outcomes.

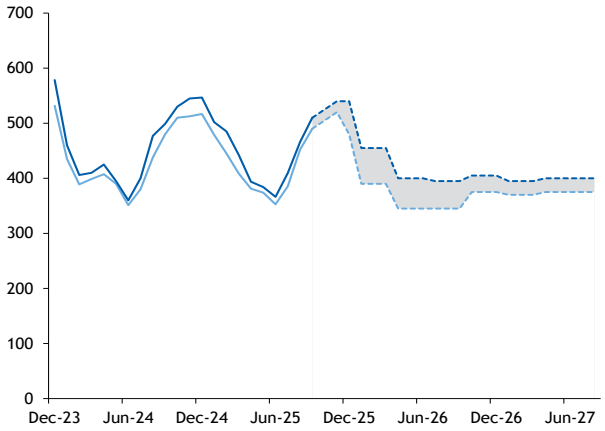
Russia

Russian ammonia supply is currently stable, with flows supported by regular loadings from domestic producer Eurochem's Ust-Luga terminal, and higher capacity at Russian firm Acron's production plant. But a recent drone strike on an LNG facility near Eurochem's Ust-Luga terminal highlights the vulnerability of Eurochem's export infrastructure. Ammonia assets were not damaged by the strike, but the incident has raised fears that the Russian government could limit exports of dangerous chemicals from the port — as it has for Uralchem's ammonia exports from Taman, on the Black Sea. We will continue to include Ust-Luga exports in our base-case balance forecast until the government decides to act.

Seasonal demand for ammonia derivatives in Europe typically increases as autumn approaches, tightening regional balances. Consistent Russian supply will be vital to cater to

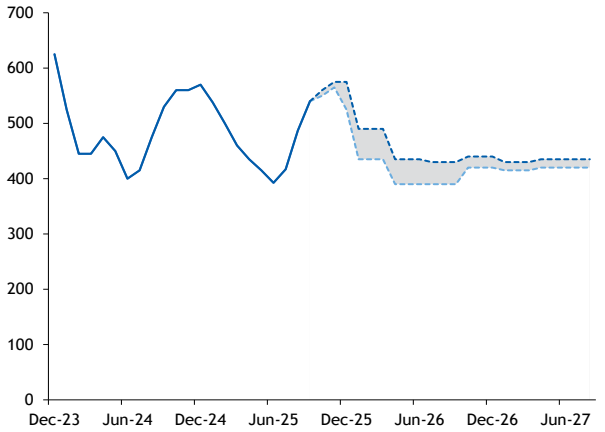
Caribbean fob: Firm

Prices are forecast at $490-510/t fob for September and $505-525/t fob for October.



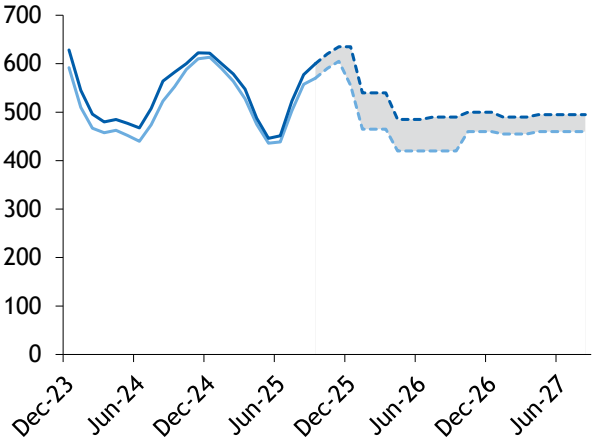
Tampa cfr: Firm

Norway's Yara and the US' Mosaic settled the Tampa September contract at $540/t cfr.



Northwest Europe cfr: Firm

Delivered prices are expected to be at $570-600/t cfr in September and at $590-620/t cfr in October.



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this demand, to prevent prices continuing to rise at the pace seen over the past two months.

US

The US' Tampa contract increased by $53/t from August to $540/t for September, marking a third consecutive month-on-month rise. This trend reflects firm global pricing, growing demand ahead of the autumn fertilizer application season, and expectations of tighter regional supply because of anticipated gas supply curtailments in Trinidad.

Domestic supply remains limited because of commissioning delays at the new GCA plant, which we now expect to come on line in October. Producers continue to prioritise exports and value-added nitrogen products over inland spot sales. Export activity remains robust, with significant volumes being shipped to Europe and north Africa, but the focus will likely turn back to the domestic market in September-October as demand ramps up. Price sentiment in the US Gulf remains bullish in the near term, given firm global benchmarks, constrained domestic logistics and seasonally higher demand.

Trinidad and Tobago

Producers in Trinidad are preparing for expected gas supply curtailments from September, which could disrupt plant operations and tighten export availability. The exact timing and scale of these curtailments remain uncertain, but vessel repositioning and relet offers indicate that supply constraints are on the horizon.

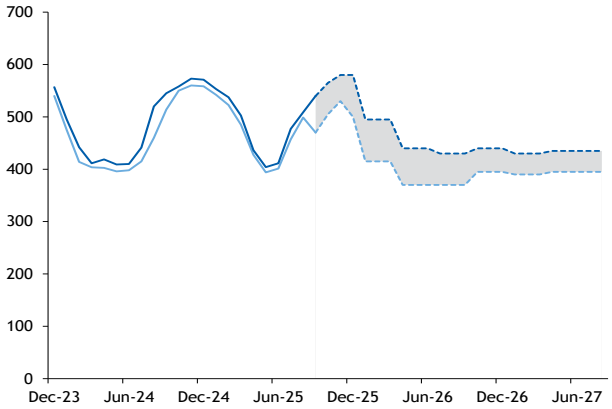
US-bound exports have fallen significantly since the US increased its tariff on Trinidadian imports to 15pc from 10pc on 7 August. This has resulted in a shift in exports towards Europe and Morocco and contributed to the size of the September Tampa price rise. Shipments to Europe reached a 2025 high in July, and exports to Morocco are trending above average.

North Africa

Production in Algeria is gradually picking up. Sorfert has resumed production but will remain out of the spot market until late September because of prior commitments. Fellow Algerian producer Fertial continues to face operational challenges, while AOA is focusing on downstream urea production. New LNG infrastructure is supporting steady ammonia output in Egypt at around 80pc of capacity, but exports remain limited as producers prioritise urea. Libya is maintaining consistent shipments from state-owned NOC's Mersa Al Brega plant. Overall we expect north African merchant availability to increase in September and again in October, limiting some of the tightness felt in Europe over the past two months.

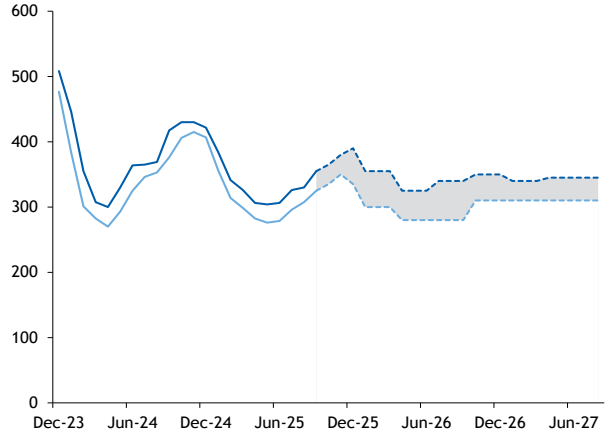
Morocco cfr: Firm

Prices are expected be at $470-540/t cfr in September and at $505-565/t cfr in October.



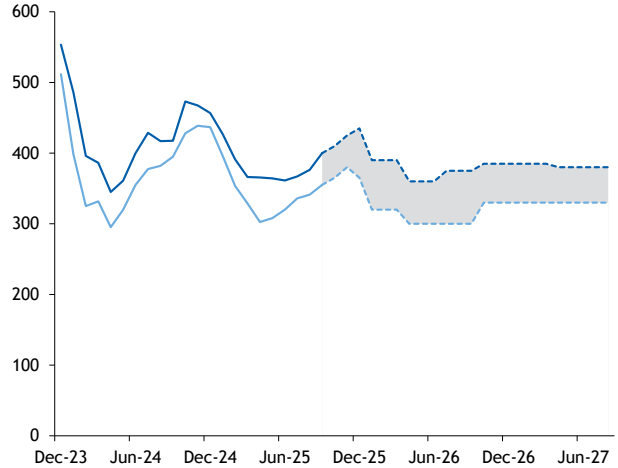
Middle East fob: Firm

Prices are forecast at $325-355/t fob for September and at $335-365/t fob for October.



India cfr: Firm

Delivered prices will be at $355-400/t cfr in September and at $365-410/t cfr in October.



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Moroccan OCP's imports were strong in August, with most supply coming from Trinidad as its redirects exports away from the US because off the latter's tariff hike. OCP's imports in the year-to-date are 14pc down on the same period last year, possibly reflecting the company's strategic shift away from reliance on ammonia by prioritising TSP production over DAP/MAP. But a strong second half of the year is still possible, especially with elevated processed phosphates prices keeping margins healthy.

Middle East

Production in the Middle East has been disrupted by an emergency shutdown at Ma'aden's 1.1mn t/yr MPC 1 plant in Saudi Arabia. The shutdown began on 22 August and was initially expected to last for two weeks, but Ma'aden has now extended this to 2-3 months — which could remove up to 200,000t of merchant ammonia from the market. The shutdown is reportedly because of overheating issues, although further details are not yet available. Ma'aden's other production units are still currently operational, and high stockpiles are expected to mitigate some of the immediate impact. Nevertheless, the availability of ammonia in east-of-Suez markets will tighten sharply in late September or October. This development has caused us to increase our forecasts for regional benchmarks in the fourth quarter, closing some of the arbitrage between east and west-of-Suez benchmarks.

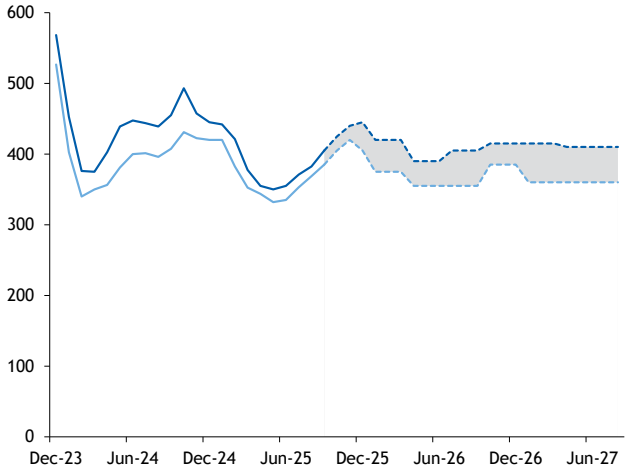
Elsewhere, Iran is also facing production challenges, with domestic producer Hengam temporarily suspending operations to manage stocks, and fellow Iranian company Pardis considering a reduction to its production rates. As a result, the Middle East may experience rising prices and decreased spot liquidity in the month ahead. Buyers may need to secure alternative sources of supply or pay premiums for timely deliveries, especially when seasonal demand from India picks up.

India

India's ammonia imports increased in August, driven by strong downstream demand to replenish depleted DAP inventories. Seasonal application demand and rising DAP stocks will likely sustain this momentum for the next two months. But tightening global supply, caused by the extended shutdown at Ma'aden's MPC 1 plant and intermittent Iranian production, has raised concerns about potential delays in contract shipments. In response, Indian buyers are increasingly exploring spot market options to secure supply for September-October. These purchases are likely to come at a premium, pushing up our forecast for Indian prices in the fourth quarter. Market fundamentals are expected to remain strong in the near term because of robust agricultural demand, increasing DAP inventories and constrained global supply.

East Asia cfr: Firm

Prices are expected to be at $385-405/t cfr in September and at $405-425/t cfr in October.



Southeast Asia

Southeast Asian merchant ammonia supply remains limited, especially in Indonesia and Malaysia. In Indonesia, Parna Raya expects its ongoing plant turnaround to conclude in early September, while Pupuk has indicated no spot availability until October due to domestic fertilizer needs. Malaysia's Petronas is also out of the spot market, likely because of production issues. These disruptions have significantly reduced regional supply. Some recovery is expected from mid-September, but the market will remain tight in the short term, at least until production normalises in October.

East Asia

Spot interest is starting to emerge in South Korea and Taiwan because of concerns about potential delays in term shipments from the Middle East. Consequently, buyers are reaching out to suppliers to secure or expedite deliveries, even though current inventories are sufficient. In South Korea, demand could be supported by changing industrial usage — especially a shift from AdBlue to ammonia solutions for nitrogen oxide abatement processes. But scheduled plant turnarounds for nitric acid plants in October may offset some of this demand. The region remains stable in the immediate term but any disruption in contract flows could quickly lead to increased activity in the spot market, adding upward pressure to regional prices.

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New capacity

New capacity 2024-26

Company	Location	Date expected	± Capacity '000 t/yr	Notes
TogliattiAzot	Togliatti, Russia	2024	-400	Construction of TogliattiAzot's new urea plant has been complicated by Russia's invasion of Ukraine. The addition of downstream capacity in Russia has gained speed in recent years because of restrictions to the country's ammonia export routes. Currently only two of Russia's seven plants are thought to be running and all ammonia is being upgraded to other nitrogen products.
Gulf Coast Ammonia	Texas City, US	2025	1,260	Gulf Coast Ammonia is nearing completion of its 1.26mn t/yr export-oriented ammonia facility in Texas City. The $1bn project was developed by Agrifos before being acquired by private equity firm Starwood Energy Group and German energy trading company Mabanaft. The plant was originally planned to start up in March 2023, but has been delayed by over two years. An initial 15,000t cargo loaded in March, but the plant was subsequently brought back off line as part of the commissioning process. Positive signs have been coming in recent weeks, with market participants hopeful that full operations can begin by October — although this is tentative given the previous delays.
HPC	Hengam, Iran	2025	-759	Iran's Hengam opened a new ammonia unit in late 2023 as part of a wider fertilizer development project, but the unit has been producing merchant ammonia for the past year. The urea unit included in the project scope was originally expected to begin operating in the fourth quarter of 2024, but construction delays mean we now expect it to open in the third quarter of this year, or even in the fourth quarter.
Shchekinoazot	Tula, Russia	2025	119	Shchekinoazot started testing urea granulation at its 700,000 t/yr urea project in October 2024. It continues to work on merchant ammonia production and storage — the project specification includes 119,000 t/yr of merchant ammonia capacity in addition to the urea produced. Production of ammonia ramped up to full capacity in April.
Gemlik Gubre	Gemlik, Turkey	2025	-102	Gemlik Gubre is building a urea and urea ammonium nitrate (UAN) unit at its existing facility in Gemlik, Turkey. Nameplate capacities are for 1,640 t/d of urea and 500 t/d of UAN. At full capacity, we expect 360,000 t/yr of ammonia to be consumed by the new units, but as Gemlik's ammonia capacity is insufficient to supply its existing downstream capacity, we assume that the impact of the project on ammonia balances will come from the facility's increased import need to feed the UAN unit — around 102,000 t/yr. Engineering, procurement and construction contracts were signed with Italian engineering firm Maire Tecnimont in March 2020, but construction has been delayed several times. We now expect the downstream units to come on line in late 2025.
Woodside	Beaumont, Texas, US	2025	1,100	Australia's Woodside Energy purchased this project from Dutch firm OCI in a $2.35bn turnkey deal agreed in the third quarter of last year. Industrial gas firm Linde will provide Woodside with hydrogen and nitrogen for processing into ammonia, through over-the-fence agreements. The plant is marketing its product as blue ammonia but it will initially come on line as a grey unit. We are expecting an initial cargo to be exported in the fourth quarter, ahead of a ramp-up of production in early 2026. Carbon capture and storage technology is expected to come on line in late 2026, with the captured CO_2 to be sequestered by ExxonMobil.
Ma'aden	Ras al-Khair, Saudi Arabia	2026	-278	The first phase of Ma'aden's Phosphate-3 processed phosphates project is expected to come on line in 2026. The plant will use ammonia from a unit Ma'aden constructed on site in 2022, leading to a loss of 278,000 t/yr of merchant capacity in this phase. Further phases will follow from 2026-29.

Information on ammonia production capacity additions beyond 2023 can be found in the Argus Ammonia Analytics service. For more information, please click here.

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Production costs

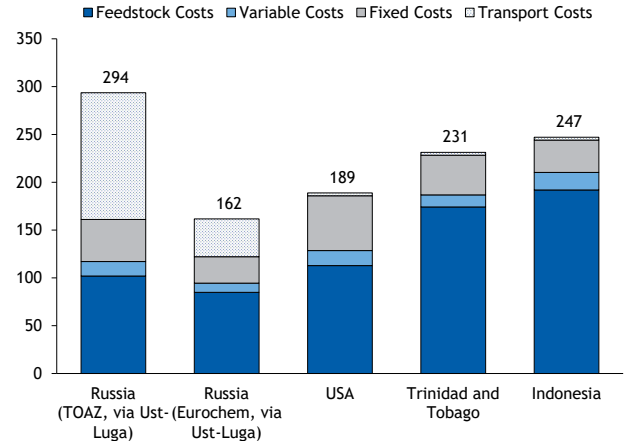
Russia's Eurochem has completed building a rail discharge rack at its Ust-Luga terminal, meaning more of Russia's merchant ammonia capacity can now be exported through the Baltic Sea. We have therefore split our Russian costs into two elements — those for trucked local exports and those for railed inland exports.

Production costs for trucked exports from Ust-Luga fell to $162/t fob in August from an average of $165/t in July. This was calculated using the wholesale gas price for the Novgorod region of 4,876-5,120 roubles/'000m³ at an exchange rate of Rbs 80.1:$1 — equating to a delivered gas price estimate of $2.63/mn Btu.

Trinidad's benchmark plant, Nitrogen 2000, opened in 2007 and better reflects a modern plant's costs on the island. The production costs for this plant rose to $231/t fob in August, from an average of $217/t fob in July.

US average ammonia producer costs fell to $189/t fob in August from an average of $200/t fob in July, as the Henry Hub gas benchmark made losses during the month.

Ammonia production costs *$/t fob*



More information on the Argus Ammonia Cost and Margin Service is available here

Ammonia production costs

Country	Natural gas price *$/mn Btu*	*$/t* fob
Russia (TOAZ, via Ust-Luga)	2.43	294
Russia (Eurochem, via Ust-Luga)	2.61	162
USA	3.05	189
Trinidad and Tobago	5.62	231
Indonesia	6.00	247

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Downstream markets

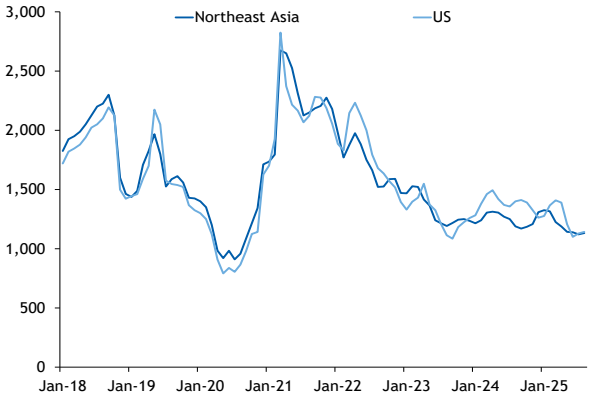
Acrylonitrile

ACN prices in China are firming because of production cuts owing to negative margins, with domestic prices rising to 8,300–8,400 yuan/t ($1,160-1180/t). State-controlled PetroChina's new 260,000 t/yr plant may ease tightness, but near-term availability remains constrained. Negotiations in northeast Asia are limited, with offers climbing to $1,140–1,150/t cfr. Margins for non-integrated producers are widening slightly across Asia-Pacific. Supply is set to stay tight in the short term, but new capacity and easing feedstock costs could stabilise prices heading into the fourth quarter.

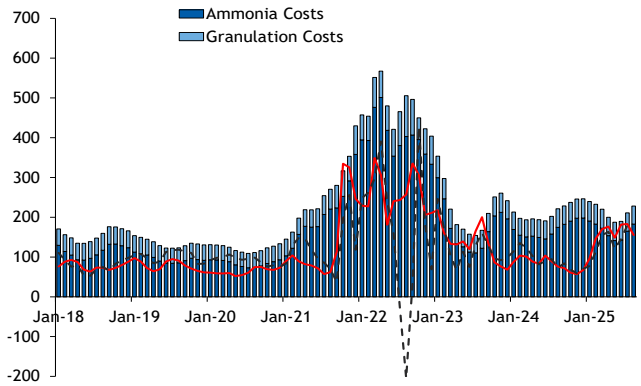
CAN margin

European CAN production margins narrowed in August — just the second time this has happened in 2025 so far. This was primarily driven by increasing ammonia prices, which climbed throughout August. The average CAN price in inland Germany fell to $383/t cif in August from $394/t in July. As a result, the production margin for CAN producers using imported ammonia fell to $155/t in July. For producers utilising domestically produced ammonia, the margin fell to $175/t.

Acrylonitrile **$/t**



CAN ammonia margins **$/t**



Related markets

Phosphates

The processed phosphate market remains split, with DAP maintaining firm pricing while MAP pricing is trending softer. DAP prices are being supported by strong demand from India and Europe alongside constrained supply from China. Indian importers are continuing to secure more supply than seasonally normal, and prices could peak near $870–880/t cfr in October before declining. European buyers face limited sourcing options because of sanctions on Russian and Belarusian fertilisers, supporting high Moroccan and Saudi DAP fob prices throughout the fourth quarter.

Conversely, MAP prices are softening, particularly in Brazil, where seasonal demand is tapering and inventories are high. MAP cfr Brazil prices could decline into early 2026 and stabilise at around $715–725/t, as only 20pc of P2O5 demand is left to cover for soya bean planting. Chinese MAP exports remain low, as producers are prioritising domestic powdered MAP and port inventories are low.

Urea

Urea prices remained firm in August, driven by strong Indian demand, constrained global supply and geopolitical disruptions. India's latest tender for up to 2mn t of urea for shipment by late September has strengthened bullish sentiment already in place because of domestic production declines and higher agricultural activity owing to monsoon rains. China's export restrictions, particularly on prilled urea, are limiting global availability and preventing prices from falling significantly.

Conflict between Israel and Iran in June led to temporary production halts in Egypt and Iran, removing around 500,000t from global supply and triggering panic buying. Production has resumed but the market remains tight. Scheduled maintenance and outages at plants in Brunei, Malaysia, Ukraine and Russia are adding to supply pressure.

Supply concerns in the US are rising because of reduced imports, forthcoming plant turnarounds and potential

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Superphosphates, including TSP and SSP, are facing downward pressure because of record-high imports and waning Brazilian demand. Water-soluble SOP and NOP markets are tight, supported by constrained MOP supply and rising raw material costs.

Overall, DAP prices are likely to remain firm throughout the fourth quarter of this year, while MAP and superphosphate prices could continue to face downward pressure. Market participants are closely watching Chinese export policy and south Asian buying behaviour for further direction.

sanctions on Russian products. European supply is also constrained by new tariffs on Russian fertilisers, while demand remains seasonal.

Despite affordability concerns in Brazil and Mexico, demand destruction has been limited. India, Ethiopia and the US will likely continue buying regardless of price, while South Africa and Latin America may test market resilience as seasonal buying picks up. Prices are likely to stay firm into the fourth quarter because of forecast supply deficits in January and limited new availability, unless Chinese exports resume or demand softens in key agricultural markets.

Macroeconomic outlook

The IMF's latest World Economic Outlook forecasts that the global economy will grow by 3pc in 2025 and 3.1pc in 2026, more than it was expecting just three months. The revisions come with the caveat that "risks to the global economy remain firmly to the downside", chief economist Pierre-Olivier Gourinchas says. He also notes the possibility that President Donald Trump's tariffs could be reset to higher levels or that the trade deals he concluded may unravel.

The effective US tariff rate is 17pc as of mid-July — lower than the 24pc rate if Trump had made good on his plans in April to impose high rates, the IMF estimates. Since then, the US has struck deals with the UK — keeping the US tariff rate at 10pc — and followed a similar model with the EU, Japan and South Korea, now all subject to a 15pc tariff.

Turning to the US economy, GDP grew at an annual rate of 3pc in the second quarter of 2025, rebounding from a 0.5pc decline in the first quarter. The increase was driven primarily by higher consumer spending and lower imports, per advanced estimates released by the US Bureau of Economic Analysis. Regarding employment, total non-farm payroll employment in the US climbed by 73,000 in July, the lowest level since April. The unemployment rate held steady at 4.2pc, with job gains in healthcare and social assistance having compensated for declines in federal government employment and non-farm payrolls, according to the US Bureau of Labor Statistics.

Shifting focus to China, the country's manufacturing PMI dropped to 49.3 in July from 49.7 in June, indicating continued contraction caused by a seasonal slowdown and extreme weather conditions, according to the National Bureau of Statistics (NBS). China's gross domestic product (GDP) growth hit 5.3pc in the first half year of 2025 despite a slowdown in the second quarter. The growth was partially driven by stronger-than-expected exports. The country's export value totalled $325bn in June, up by 2.9pc on the month and 5.6pc on the year, Chinese customs data show. The month-on-month increase was partially driven by a rush to send cargoes to the US so that they would arrive before 9 August, the US' deadline for an additional 24pc tariff on Chinese goods.

The eurozone economy expanded at the lowest possible rate in the second quarter of this year, according to preliminary figures from the EU's statistical office Eurostat. Seasonally-adjusted gross domestic product (GDP) increased by 0.1pc in the single-currency bloc and by 0.2pc in the EU as a whole. These mark a slowdown from revised respective growth of 0.6pc and 0.5pc in the first quarter, Eurostat said. The highest growth was in Spain. Germany's economy contracted for a second time in three quarters. Italy's GDP turned negative, as did that of Ireland after remarkable growth in the first quarter of this year.

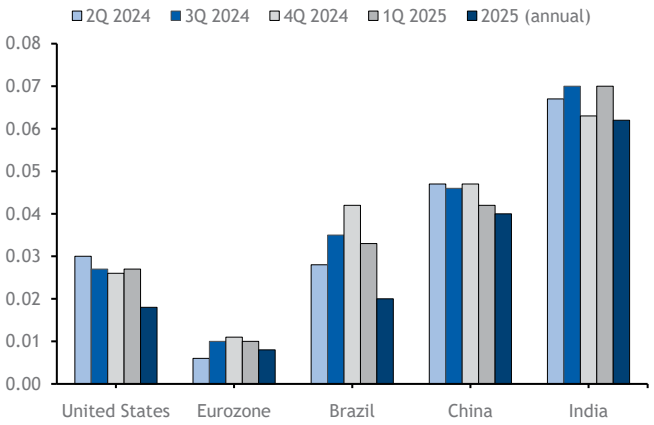
Argentina's economy continues to expand, growing by 6.2pc in the six months through June compared to a decline of 3pc during the same period a year earlier, according to preliminary data from the statistics agency, Indec. The economy expanded by 6.4pc in June, with double-digit growth in financial services and the wholesale and retail sector. Manufacturing was up by 7.8pc from a year earlier. The mining sector was up by 11pc, while manufacturing was up by 7.8pc from a year earlier. June was the ninth consecutive month of economic expansion since President Javier Milei's administration began a radical adjustment shortly after taking office in December 2023.

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The Milei administration has stopped economic decline and rampant inflation by reducing the size of the state and dramatically curbing public expenditures, including subsidies on power and natural gas. Subsidies of public services were down by 26.6pc in the 12 months ended in July. Subsidies have dropped from 2.1pc of GDP in 2023 to 0.4pc today, according to the government. Inflation for the first six months of the year was 17.3pc, compared to 87pc during the same seven months in 2024, according to Indec. The government's top economic concern now is the exchange rate, with the peso falling by 12pc against the US dollar in July.

Mexico's association of finance executives IMEF nudged its 2025 GDP growth forecast higher in its August survey, with trade tensions easing after a major US tariff hike was postponed. IMEF increased its full-year GDP growth estimate to 0.4pc from 0.1pc held over the past three months but emphasized that growth will remain "very weak" for the rest of the year. The uptick followed the US decision to pause for 90 days its plans to raise the flat tariff rate on Mexico to 35pc from 25pc, originally scheduled for 1 August. IMEF now expects the central bank to make additional cuts to its target interest rate from the current 7.75pc to reach 7.25pc by year-end, compared with the 7.5pc projected in the July survey. It also projects the peso to finish 2025 at Ps19.70/$1, stronger than the Ps20.10/$1 forecast in July.

GDP growth in major fertilizer-consuming countries %



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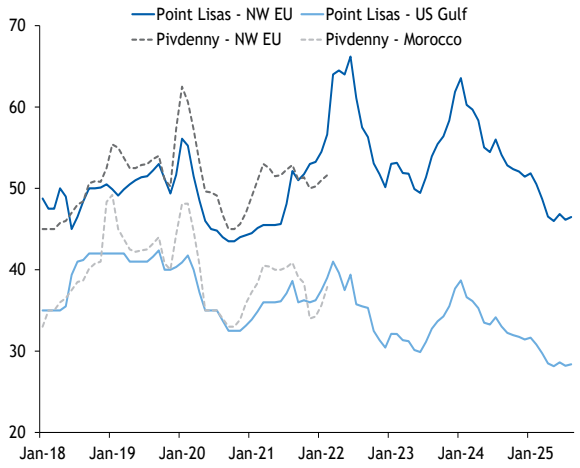
Freight

Missile attacks by Yemen's Houthi militants have endangered the free flow of freight through the Suez Canal since December 2023. A war premium has emerged to account for the increased risk, adding fuel to the fire in global freight markets already struggling with Panama Canal water supply issues.

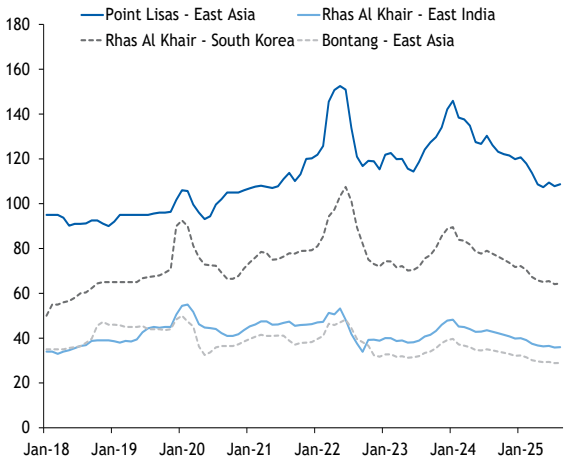
The 25,300t cargo route from Trinidad and Tobago's Point Lisas to northwest Europe rose to $46.48/t in August from $46.12/t in July. The 25,300t route from Saudi Arabia's Ras al-Khair to South Korea rose to $64.37/t on a mid-point basis in August, from $65.46/t in July. Trade routes through the Suez Canal are most affected — the 25,300t route from Ras al-Khair to Jorf Lasfar is around $100.7/t when going around the Cape of Good Hope, compared with $74.5/t through the canal.

We have stopped publishing freight assessments for the shipment of ammonia cargoes from the Ukrainian Black Sea port of Pivdenny to northwest Europe and Morocco for the foreseeable future, as no cargoes have loaded since Russia's invasion in February 2022.

West of Suez *$/t*



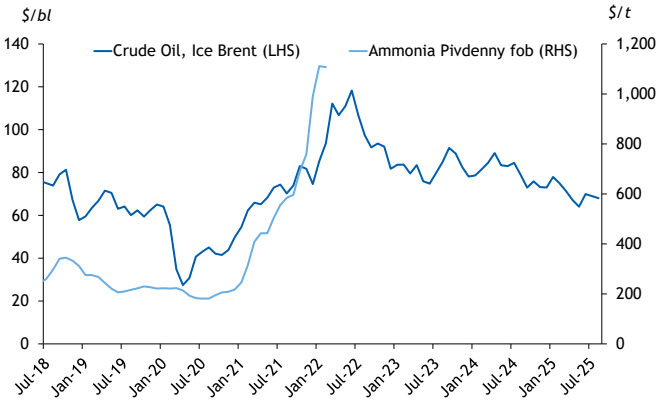
East of Suez *$/t*



Crude oil

Crude oil prices remain elevated despite weak underlying fundamentals. Opec+ has accelerated the unwinding of its voluntary production cuts, with output increases in August and likely September meaning it could complete the process a year ahead of schedule. This is expected to result in a 1.5mn b/d market oversupply in the second half of 2025, rising to 2.5mn b/d in 2026 and potentially 4.4mn b/d in 2027 — although a new quota regime is anticipated to prevent this outcome.

Crude oil and ammonia Yuzhny fob



Non-Opec+ supply is also increasing, with North America leading a 1.4mn b/d rise, outpacing global demand growth of 1.1mn b/d. Opec+ maintains that fundamentals are strong, citing low OECD inventories. But significant stock-builds in China and India suggest the market may not be as tight as claimed. The reliance on OECD data, which represents only 44pc of global demand, may misrepresent broader conditions.

Geopolitical developments are exerting a strong influence on prices. US policy under President Donald Trump — including threats of sanctions on Russia and secondary tariffs on energy buyers — is contributing to volatility. EU sanctions and ongoing trade negotiations add further uncertainty. Opec+ remains optimistic but the market appears increasingly driven by political factors rather than supply and demand balance, leaving prices vulnerable to external shocks.

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Registered office
Lacon House, 84 Theobald's Road,
London, WC1X 8NL
Tel: +44 20 7780 4200

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Publisher
Adrian Binks

Global compliance officer
Vladas Stankevicius

Chief commercial officer
Martin Gijssel

President, Expansion Sectors
Christopher Flook

SVP Consulting services
Lloyd Thomas

Editor
Jake Preston
Tel: +44 20 7780 4200
fertilizer@argusmedia.com

Customer support and sales:
support@argusmedia.com
sales@argusmedia.com

London, Tel: +44 20 7780 4200
Houston, Tel:+1 713 968 0000
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