

# Fertilizer Under Fire and Volatile Metals

8 March 2026

- **Volatility in precious metals market:** Gold, silver and platinum faced sharp price swings during the week, driven by Middle East tensions and a stronger U.S. dollar
- **Fertilizer under fire:** The Israel–Iran conflict has disrupted fertilizer production, transportation, and trade in and out of the Middle East, including major exporters not being able/willing to fill the gap in the long term

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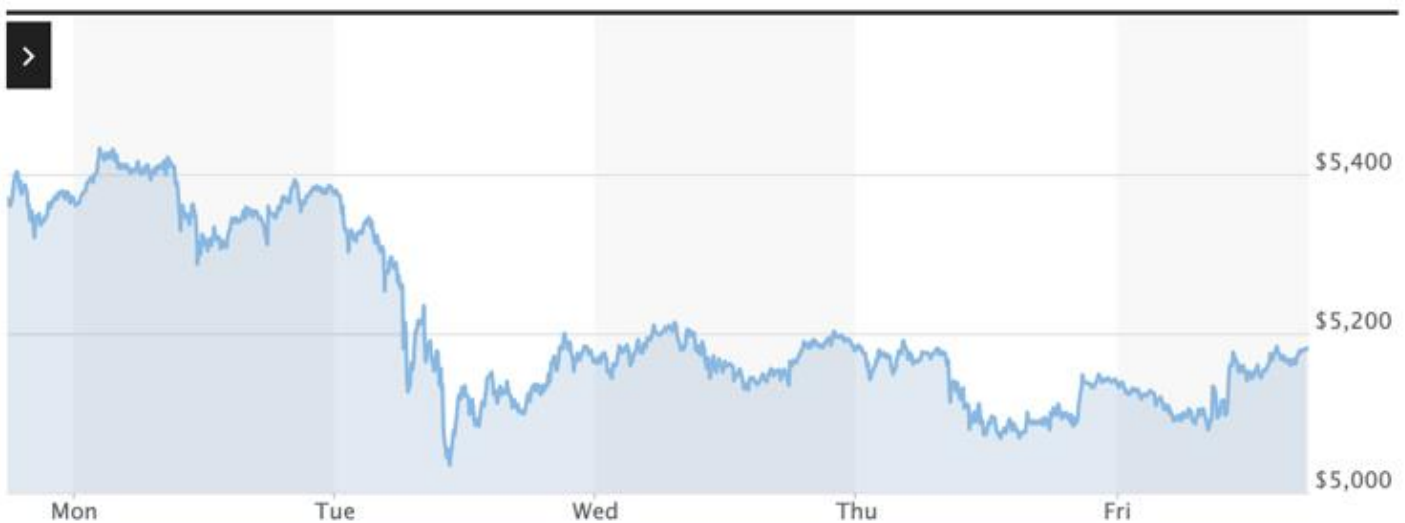
During the week of March 2-8, the precious metals market experienced a significant volatility. This was driven by geopolitical tension in the Middle East and the change of the U.S. monetary policy.<sup>1</sup> The week started with investors moving toward safe-haven assets, which contributed to rising demand for precious metals, particularly gold and silver.<sup>2</sup>

The prices of gold rose sharply to \$5,300 per ounce, as the investors sought the seeking protection from market instability. However, the rally proved short-lived. By March 3, gold prices declined about 3.6%, as the U.S. dollar strengthened.<sup>3</sup>

Early, this week, trading volumes were elevated as industrial and retail investors reacting to news of escalating tensions in the Persian Gulf. Analysts highlighted that gold’s performance was closely linked to expectations of future interest rate changes.

(Graph: Price of gold 02.03.2026 – 06.03.2026 Source: Market Watch)

Other precious metals showed even greater price swings. Price of silver experienced weekly decline of roughly 9%. It was the biggest drop since January.<sup>4</sup> At the same time platinum also weakened, falling to about \$2,108.51 per ounce.<sup>5</sup>



<sup>1</sup> <https://www.reuters.com/world/india/gold-rises-1-us-israel-strikes-iran-raise-regional-temperature-2026-03-01/>  
<sup>2</sup> <https://www.barrons.com/articles/gold-price-5300-middle-east-fighting-3fdc74ca>  
<sup>3</sup> <https://www.reuters.com/world/india/gold-extends-gains->  
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[middle-east-war-boosts-safe-haven-demand-2026-03-03/](https://middle-east-war-boosts-safe-haven-demand-2026-03-03/)  
<sup>4</sup> <https://ts2.tech/en/silver-plunges-as-iran-war-boosts-dollar-and-delays-fed-cuts-slv-back-in-focus>  
<sup>5</sup> <https://bullionexchanges.com/blog/weekly-market-report-precious-metals-crypto-trends-mar-6-2026>

The precious metal market during the week had been reflected by an interaction between the conflict in the middle east and strengthening of the U.S. dollar. Investors sentiment remained fragile, with safe-haven flows driving short-term spikes in gold, while metals like silver and platinum were more sensitive.

With the recent escalation of tensions between Israel and Iran that has become a war, fertilizer production, transportation routes, and global trade flows have been significantly disrupted. The Middle East plays an important role in global fertilizer supply due to its access to key energy resources, namely natural gas, as well as its established fertilizer production facilities. As the conflict affects nearby nations such as Qatar, and Saudi Arabia, fertilizer production and exports from the Middle East through the strait of Hormuz has been severely disrupted. These disruptions have contributed to an increase in fertilizer prices, rising from \$516 per metric ton on the 27th of February to \$683 per metric ton on the 5th of March<sup>6</sup>, according to data from the import hub in New Orleans. In addition, some exporting countries have begun tightening their own supply such as Russia and China to ensure domestic agricultural security<sup>7</sup>.

Fertilizer plays an important role in the global economy because it is an essential component of modern agricultural production. Fertilizers supply key nutrients such as nitrogen, phosphorus, and potassium, which support plant growth and improves overall crop yields<sup>8</sup>. Without sufficient fertilizer, farmers struggle to maintain current levels of agricultural productivity, making it more difficult to meet global food demand. Because fertilizer production is energy-intensive and relies intensively on international transportation networks, geopolitical conflicts can have significant effects on both supply and price levels.

The global fertilizer market relies on a small number of countries to produce most ingredients for fertilizer or the finished product in its entirety, with Qatar being a major provider of resources such as natural gas and Sulphur as the base ingredients and further producing urea which is essential for fertilizer production. The decrease in urea supply has been caused by an attack

against Qatar's liquified natural gas (LNG) infrastructure, which has shut down the largest single-site urea production complex in the world, operated by the Qatar Fertilizer Company (QAFCO). This facility normally produces approximately 5.6 million metric tonnes of urea annually, making Qatar one of the largest exporters of urea fertilizer globally. The shutdown of such a large facility removes a considerable amount of potential fertilizer from global supply and contributes to tightening fertilizer markets worldwide. Furthermore, approximately 10.2% of the world's annual Sulphur capacity, or roughly 3.9 million tonnes, has been eliminated with Qatar halting its production at the Ras Laffan industrial facility, while Saudi Arabia's damaged Ras Tanura refinery has also reduced Sulphur output<sup>9</sup>. These disruptions significantly affect global fertilizer production because Sulphur is an important input for phosphate-based fertilizers, further tightening global fertilizer supply.

This is a major knock to some regions who are dependent on imports from the region with countries like India buying more than 40% of its Urea and phosphatic fertilizer from the middle east and for South African farmers for whom up to 50% of their production costs are attributed to fertilizer costs<sup>10</sup>.

This reduction in supply hits especially hard with two major exporting nations also clamping down on its exports namely Russian and China. First off Russia being the world's largest fertilizer exporter and it's fertilizer market not being affected by the sanctions imposed due to food security concerns will not be able to make up for the world's shortfall caused by the war between Israel and Iran. This is due to Russian fertilizer producers focusing on the domestic supply obligations first and its own supply of Ammonium Nitrate and NPK (Nitrogen, Phosphorus and Potassium) fertilizer has been affected with its ongoing war with Ukraine, where Ukrainian drones have attacked one of Russia's largest fertilizer plants in Dorogobuzh which has temporarily eliminated up to 5% of Russia's total production capabilities<sup>11</sup>. China is likely to expand its fertilizer export controls due to the conflict which further adds to the supply bottleneck experienced by the global economy.<sup>12</sup>

<sup>6</sup>Thukral, Naveen , and Ed White. "Farmers See Fertiliser Price Surge as Iran War Blocks Exports, Threatening Losses." *Investing.com*, 5 Mar. 2026, [www.investing.com/news/commodities-news/farmers-see-fertiliser-price-surge-as-iran-war-blocks-exports-threatening-losses-4545206](https://www.investing.com/news/commodities-news/farmers-see-fertiliser-price-surge-as-iran-war-blocks-exports-threatening-losses-4545206). Accessed 8 Mar. 2026.

<sup>7</sup> The Western Producer. (2026). *Fertilizer markets tighten as Russian exports hit capacity limits*. <https://www.producer.com/daily/fertilizer-markets-tighten-as-russian-exports-hit-capacity-limits/>

<sup>8</sup> *What Is The Role Of Fertilizer In Agriculture? A Complete Guide - GardenerBible*. (2026, February 28). GardenerBible. <https://gardenerbible.com/what-is-the-role-of-fertilizer-in-agriculture/>

<sup>9</sup> Hidayat, Muflih. "Qatar Stops Sulphur Production: Global

Supply Impact." *Discovery Alert*, 2026, <https://discoveryalert.com.au/qatar-sulphur-production-halt-impact-2026/>

<sup>10</sup> Thukral, Naveen , and Ed White. "Farmers See Fertiliser Price Surge as Iran War Blocks Exports, Threatening Losses." *Investing.com*, 5 Mar. 2026, [www.investing.com/news/commodities-news/farmers-see-fertiliser-price-surge-as-iran-war-blocks-exports-threatening-losses-4545206](https://www.investing.com/news/commodities-news/farmers-see-fertiliser-price-surge-as-iran-war-blocks-exports-threatening-losses-4545206). Accessed 8 Mar. 2026.

<sup>11</sup> The Western Producer. (2026). *Fertilizer markets tighten as Russian exports hit capacity limits*. <https://www.producer.com/daily/fertilizer-markets-tighten-as-russian-exports-hit-capacity-limits/>

<sup>12</sup> Thukral, Naveen , and Ed White. "Farmers See Fertiliser Price Surge as Iran War Blocks Exports, Threatening

Market sentiment in the agricultural sector all around the world seems to be at a low as the sharp increase in fertilizer prices has occurred at one of the most crucial times of the agricultural year as farmers in the Northern hemisphere prepare to plant seeds<sup>13</sup>. This is furthermore particularly detrimental to farmers who are already suffering under a grain glut as grain prices remain depressed and will force farmers to make a choice between changing the crops they wish to grow toward crops that require less fertilizer input or reduce their fertilizer application rates which will surely impact the overall yield of crops negatively and therefore the income for the farmers increasing further financial pressure on farmers.

In all the conflict between Israel and Iran has caused major disruptions in the global fertilizer market by forcing the shut down or damaging critical production facilities, disrupting transport routes and tightening the global trade flow. With further alternative major producers not being able or not wanting to step up their production out of fear of neglecting their domestic obligations. These disruptions highlight the vulnerability of the global fertilizer market to geopolitical instability through the supply shocks observed in the energy and fertilizer producing regions and how it translates into broader economic and food security challenges.

The beginning of Spring 2026 coincided with the escalation of USA-Iran conflict. Gulf countries being among the major suppliers of fertilizers and early spring being the time for farmers to fertilize their soils in both Northern and Southern hemisphere, drives up expectations for higher prices for agricultural commodities. The spot markets between 1<sup>st</sup> of March and 8<sup>th</sup> of March 2026 for grains support those expectations, with slight increases in prices. Meanwhile the spot markets for broilers and eggs remain unchanged, reflecting that feed prices are not having major effects on livestock producers. If Brazil's livestock supply will be redirected from Middle East to Europe, the prices of meat in European market will fall<sup>14</sup>.

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Losses." *Investing.com*, 5 Mar. 2026, [www.investing.com/news/commodities-news/farmers-see-fertiliser-price-surge-as-iran-war-blocks-exports-threatening-losses-4545206](http://www.investing.com/news/commodities-news/farmers-see-fertiliser-price-surge-as-iran-war-blocks-exports-threatening-losses-4545206). Accessed 8 Mar. 2026.

<sup>13</sup> Thukral, Naveen, and Ed White. "Farmers See Fertiliser Price Surge as Iran War Blocks Exports, Threatening Losses." *Investing.com*, 5 Mar. 2026, [www.investing.com/news/commodities-news/farmers-see-fertiliser-price-surge-as-iran-war-blocks-exports-threatening-losses-4545206](http://www.investing.com/news/commodities-news/farmers-see-fertiliser-price-surge-as-iran-war-blocks-exports-threatening-losses-4545206). Accessed 8 Mar. 2026.

[threatening-losses-4545206](http://www.investing.com/news/commodities-news/farmers-see-fertiliser-price-surge-as-iran-war-blocks-exports-threatening-losses-4545206). Accessed 8 Mar. 2026.

<sup>14</sup> Stewart, H. (2026, March 4). From petrol to groceries: How Middle East crisis is driving up prices. *The Guardian*. <https://www.theguardian.com/world/2026/mar/04/middle-east-crisis-petrol-groceries-rising-prices>

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