F.O. LICHTS
World Ethanol Price Report
Vol. 13, No. 35 February 12, 2018

World - Ethanol prices for the week ended 9 February, 2018

European Union (in EUR/hl pure alcohol, delivered at place, unless stated otherwise)

Fuel		Contract	Spot
Central	Current	46-48	46-48
	12 months ago (10 February, 2017)	59-60	61-63
North	Current	47-48	no quote
	12 months ago (10 February, 2017)	57-59	no quote
East	Current	49-51	49-51
	12 months ago (10 February, 2017)	58-59	58-60
		T1	T2
NW European ports fob	Current	USD 44.5-45.5	45-46
	12 months ago (10 February, 2017)	USD 49.5-50.5	62-64

Non-Fuel		Contract 96°	Contract 99°	Spot 96°	Spot 99°
West	Current	61-62 (I) 54-56 (REN) 61-63 (B)	66-67 (I)	60-61 (I) 54-55 (REN) 60-63 (B)	66-67 (I)
	12 months ago (10 February, 2017)	60-62 (I) 52-54 (REN) 60-62 (B)	64-65 (I)	61-63 (I) 53-54 (REN) 61-63 (B)	64-65 (I)
Central	Current	60-62 (I) 54-56 (REN) 60-63 (B)	64-66 (I)	60-62 (I) 54-55 (REN) 60-63 (B)	64-66 (I)
	12 months ago (10 February, 2017)	59-61 (I) 53-55 (REN) 59-61 (B)	62-64 (I)	60-62 (I) 54-55 (REN) 60-62 (B)	62-64 (I)
South	Current	61-63 (I) 61-63 (B)	68-70 (I)	61-62 (I) 61-63 (B)	68-70 (I)
	12 months ago (10 February, 2017)	61-63 (I) 60-61 (B)	68-70 (I)	61-63 (I) 60-62 (B)	68-70 (I)
North	Current	60-62 (I)	65-67 (I)	no quote (I)	no quote (I)
	12 months ago (10 February, 2017)	59-62 (I)	65-67 (I)	no quote (I)	no quote (I)
East	Current	61-64 (I) 61-65 (B) no quote (P)	64-65 (I)	61-64 (I) 62-66 (B) no quote (P)	64-65 (I)
	12 months ago (10 February, 2017)	60-63 (I) 58-62 (B) no quote (P)	64-66 (I)	60-63 (I) 59-62 (B) no quote (P)	64-66 (I)
		T1		T2	
NW European ports fob	Current	no quote (99) no quote (REN) no quote (surfin)		no quote (99) 51-53 (REN) 56-57.5 (surfin)	
	12 months ago (10 February, 2017)	no quote (99) no quote (REN) no quote (surfin)		no quote (99) 49-51 (REN) 55-56 (surfin)	

Non-European markets (USD/m3)	Fuel		Non-fuel	
	Hydrous (EPA)	Anhydrous (EPA)	Grade B	
Brazil, fob Santos	550-605	570-640	535-620	
	Chicago	New York		
USA, Spot	370	396		
	Anhydrous		ENA	Industrial
Pakistan, fob Karachi (USD/tonne)	740-750		670-690	640-650

B: beverage; I: industrial; P: pharmaceutical; REN: rectifié extra neutre; ENA: extra neutral alcohol; EPA: Environmental Protection Agency

European Market Comments

The **traditional** market remained in the familiar ranges as the sector continues to be in a state of semi-hibernation. The synthetic producer is reported to shut down for maintenance but this is not expected to have an impact on the market. Activity remains restricted to routine business and the fulfilment of contracts.

The heavy snow-fall in France has resulted in some logistical hiccups but this is expected to be only temporary. Overall winter weather in Europe has been too benign in recent weeks to result in a strong demand for screenwash. As a result, stocks are still high and downward pressure on prices could follow.

A vessel with fuel alcohol from Peru is on the way to the Rotterdam for arrival in late February. At the same time, the flow of Pakistani ethanol to Europe has come to an end. In January only one smaller vessel (Oriental Protea) left Karachi for Spain. Q2 and Q3 business from Karachi is reported to be mainly focussed on the Chinese market.

Fuel ethanol prices moved side-ways in the latest week. February deliveries were assessed at EUR450-455 per m3, down EUR10. March lost up to EUR5 to EUR460-465 and April was put at EUR465-470, also down up to EUR5.

World Ethanol - Port Statistics (tonnes) - week beginning February 12, 2018

Country	Port	Ship Name	Status	Load.	Unload.	Origin	Sailing on	Sailing to	ETA
USA	Gulf Coast	Navig8 Universe	S	30,000			24/12/2017	India	
	Gulf Coast	Sichem Falcon	E	20,000				Brazil	
	Gulf Coast	SC Taurus	E	20,000				WC India	
Brazil	Aratu	Stolt Vision**	S	5,000			06/02/2018	US Gulf	21/02/2018
	Itaqui	Shamrock Jupiter	E		4,000	USA			
	Itaqui	Kristin Knutsen	E		5,000	USA			
	Paranagua	Bow Tribute	E		3,013				
	Paranagua	Bunga Allium	E		11,846	USA			
	Paranagua	Stolt Endurance	S	20,977			23/01/2018	US Gulf	07/02/2018
	Santos	Bunga Allium	A		6,065				
	Santos	MTM Rotterdam	E	14,520					
	Santos	Pigeon Point	E		5,000	USA			
	Suape	Chembulk New York	E		5,982	USA			14/02/2018
	Suape	Stolt Vanguard	E		7,915	USA			
Guatemala	Quetzal	Chemstar Stellar	B	12,000					
	Quetzal/Peru	Navig8 Sirius	E	23,500					
	Quetzal	Fairchem Filly	E	11,600					
	Quetzal	Chembulk Shanghai	S	3,908			08/01/2018	China	07/02/2018
Pakistan	Karachi	Mid Nature	S	10,000			07/02/2018	China	
	Karachi	BW Gallium	S	13,000			05/02/2018	Singapore	
	Karachi	Oriental Protea	S	3,500			21/01/2018	Med	
	Karachi	Chemroad Fuji	S	10,040			23/01/2018	China	12/02/2018
	Karachi	Oriental Lotus	S	7,000			11/02/2018		
	Karachi	Oriental Jasmin	B	2,500					
Europe	Norrköping	Key Fjord	S	4,500					
	Rostock	Havva Ana	S	5,000			07/02/2018	France	

***only customs clearing, **ETBE; A: Anchored; B: Berthed; E: Expected; S: Sailed**

ISSN: 1759-1414

Europe - Non-fuel Ethanol Prices, Central Region, dlvd.

		Beverage Alcohol		REN		Industrial Alcohol 99°		REN-beverage
Year	Month	EUR/m³	$/m³	EUR/m³	$/m³	EUR/m³	$/m³	spread (EUR/m³)
	8	610	683	551	617	655	734	-59
	9	604	676	543	608	643	720	-61
	10	595	655	535	589	630	693	-60
	11	595	643	535	578	630	680	-60
	12	597	627	535	562	630	662	-62
2017	1	607	643	543	576	630	668	-64
	2	610	647	559	593	633	671	-51
	3	615	658	590	631	650	696	-25
	4	615	658	590	631	650	696	-25
	5	615	683	590	655	650	722	-25
	6	615	689	590	661	650	728	-25
	7	615	707	590	679	650	748	-25
	8	624	736	587	693	650	767	-37
	9	630	750	585	696	650	774	-45
	10	630	743	563	664	650	767	-67
	11	630	737	550	644	650	761	-80
	12	623	735	546	644	650	767	-77
2018	1	615	750	545	665	650	793	-70

European Market Fundamentals

Germany - Higher volumes of beet ethanol helped lift production to record levels in November 2017. Nevertheless output remained down on a calendar year basis, the latest figures from the Bundesmonopolverwaltung für Branntwein (BfB) show.

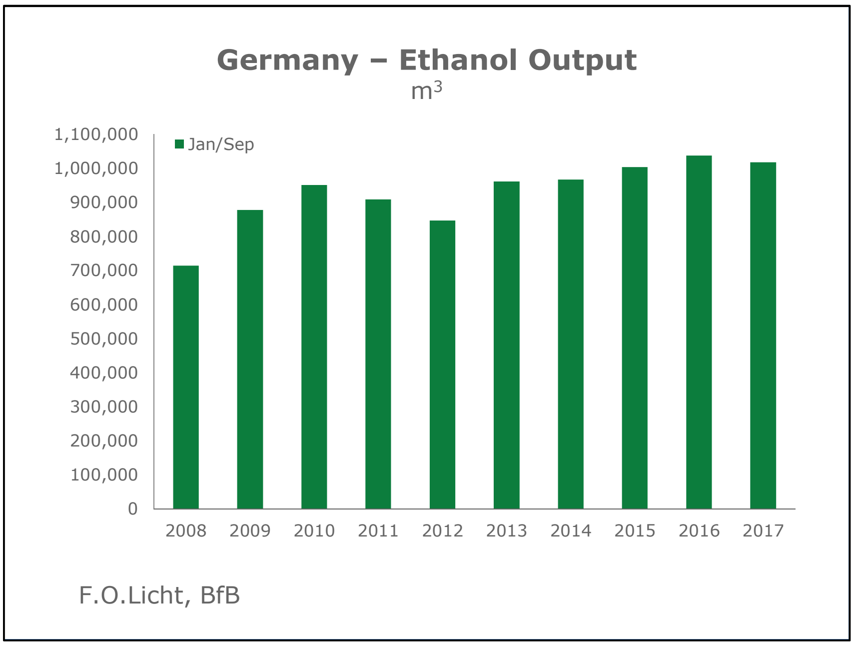
In November production of ethanol from sugary feedstock rose to 39.0 mln litres from 19.9 mln in October and 29.0 mln in November 2016. This brought cumulative production so far in 2017 to 164 mln litres, down from 216 mln last year. Despite the recovery this continues to be the lowest number for this feedstock category since 2007, the year before two large-scale beet alcohol plants started operations.

The country's maximum ethanol production capacity from sugary feedstock can be estimated at 350-380 mln litres a year.

Ethanol production from grains also is lower than year ago with the cumulative total in Jan/Nov reaching 693 mln litres against 697 mln in 2016. In contrast, synthetic ethanol output reached an eight-year high (144 mln litres).

Total production in Jan/Nov 2017 amounted to 1.018 bln litres against 1.037 bln last year.

ISSN: 1759-1414



Brazilian Market Comments

The market was stable to lower in the latest week as business remained subdued. This is unlikely to change as the country is now in the midst of the carnival holidays.

Hydrous ethanol was offered at BRL2,230-2,250 per cubic metre (exw; taxes included), down BRL20-30 on the week. Offers for anhydrous grades were BRL2,100-2,130, down up to BRL20.

Brazil - Ethanol imports in January 2018 totalled 164.6 mln litres, trade data show, up sharply from 84.7 mln in the prior month, but below 172.5 mln one year earlier.

This brought imports in the current Apr/Mar cycle to 1.269 bln litres, up from 861.4 mln one year earlier. Brazil sources virtually all of its imports from the United States.

The government introduced a tariff rate quota last September. However, lower US prices and a stronger local market boost the import outlook for Q1 to possibly 700 mln litres.

Exports in January totalled 121.7 mln litres, up from 66.1 mln in December and 104.6 mln last year. The January total included 66.2 mln litres shipped to the US (after 58.2 mln in November) and 45.3 mln for South Korea (nil).

Apr/Jan exports rose to 1.329 bln litres from 1.260 bln. The main destinations were the US (878.0 mln litres vs. 647.3 mln) and South Korea (319.9 mln vs. 390.6 mln).

In the preceding cycle, Brazil imported 1.410 bln litres and exported 1.376 mln.

US Market Comments

Futures prices for ethanol in Chicago were dragged lower by the weaker energy complex and a bearish EIA report. Despite the losses the nearby months managed to hold above $1.40 a gallon. The front-month February contract settled at $1.403 per gallon, down from $1.443 last week.

In **spot** market, prompt deliveries at the Argo terminal in the **Chicago** area traded at $1.39 per gallon, up 1.0 cent on the week. Prompt delivered ethanol by barge in the **New York Harbour** was assessed at $1.49, down one cent on the week.

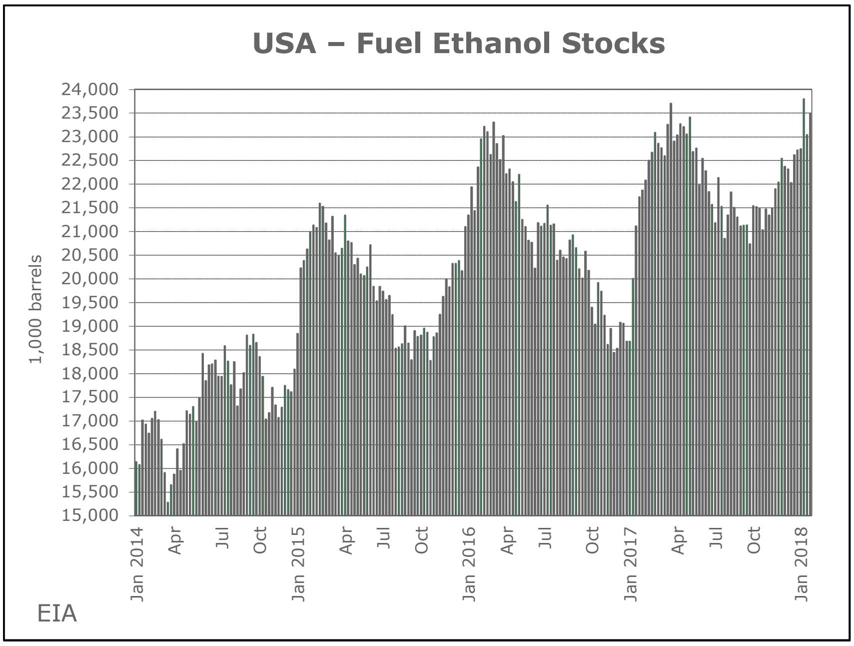
United States - Fuel ethanol production in the week to February 2, 2018 averaged 1.057 mln barrels per day (bpd), said the Energy Information Administration (EIA), up from 1.040 mln in the prior week and 1.055 mln one year earlier.

Imports remained at nil for the ninth consecutive week.

ISSN: 1759-1414

Refiner and blender net input average 868,000 bpd, a four-week high, against 858,000 in the prior week and 875,000 one year earlier. Based on the amount of motor gasoline supplied, the average blending ratio was 9.54% vol., against 9.50% in the prior week and 9.79% one year earlier.

Stocks rose on the week, following a strong decline (23.5 mln barrels vs. 23.0 mln). There were strong w/w increases on the East Coast and the Midwest, which more than offset declines on the Gulf and the West Coast.



United States - Ethanol exports in December 2017 hit a six-year high of around 659.1 mln litres, up 60% on the year, trade data show, following a 17% decline to 409.0 mln in November.

The December total included 183.8 mln litres destined for Brazil, up from 106.5 mln in the prior month. Additionally, 84.0 mln litres went to China (9.1 mln in November), while shipments to Canada fell slightly (88.9 mln vs. 93.5 mln). There also were comparably high exports to India (75.8 mln litres) and South Korea (35.4 mln). Exports to the European Union jumped to 64.7 mln litres from 4.4 mln. Additionally, the United Arab Emirates re-emerged as destination for US ethanol, taking 12.2 mln litres in December.

Calendar year 2017 exports reached 5.230 bln litres, a record level, up 17% on the year. The main destinations were Brazil (1.687 bln litres vs. 1.057 bln in 2016), Canada (1.262 bln vs. 1.198 bln), India (653.6 mln vs. 345.8 mln), the Philippines (249.8 mln vs. 218.1 mln), the EU (224.4 mln vs. 45.6 mln) and South Korea (165.5 mln vs. 162.5 mln). At the same time, exports to China fell sharply (93.4 mln litres vs. 750.0 mln), following changes in the import taxation. It should be noted that Brazil introduced a tariff rate quota and raised tariffs on ethanol in September.

Imports in December totalled 33.1 mln litres, which was the lowest level since October 2014. The December total included 28.2 mln litres from Brazil, after 152.9 mln in the preceding month.

Calendar year 2017 imports reached 1.055 bln litres, up 25% on the year. The main origins were Brazil (940.3 mln litres vs. 722.4 mln), Canada (60.1 mln vs. 60.0 mln). Arrivals from Guatemala fell to 17.4 mln litres from 24.9 mln.

ISSN: 1759-1414

Editorial
Am Mühlengraben 22
23909 Ratzeburg
Germany

Editor: Dr. Christoph Berg
Claus Keller

Phone: +49 (0)4541 8892-0
Fax: +49 (0)4541 82145
E-mail: info@fo-licht.com

General Enquiries
E-mail: Subscriptions@informa.com
Tel: +44 (0)20 7017 5540 or
(US) Toll Free: +1 800 997 3892

Online Access
E-mail: OnlineAccess@informa.com
Tel: +44 (0)20 7017 4161

Subscriptions
Christchurch Court
10-15 Newgate Street
London EC1A 7AZ, UK

Phone: +44 (0)20 7017 7583
Fax: +44 (0)20 7017 6985
E-mail: marketing@agra-net.com

Marketing: Sharon Tzuang

F.O. Licht® Online www.agra-net.com

ISSN 1759-1414

Additional subscriptions: Additional copies, online passwords and site licences are available on request. Please contact the marketing department on
Phone: +44 (0)20 7017 7578 or
Fax: +44 (0)20 7017 6985
E-mail: marketing@agra-net.com

World Ethanol Price Report is published by F.O. Licht, a division of Informa Agra Ltd., Christchurch Court, 10-15 Newgate Street, London, EC1A 7AZ, UK

an **informa** business