

**World - Ethanol prices for the week ended 1 June, 2018**

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

Fuel		Contract		Spot	
Central	Current	46-48 ☺		47-48 ☺	
	12 months ago (2 June, 2017)	54-55 ☺		54-55 ☺	
North	Current	46-48 ☺		no quote	
	12 months ago (2 June, 2017)	54-55 ☺		no quote	
East	Current	47-48 ☺		47-48 ☺	
	12 months ago (2 June, 2017)	53-55 ☺		54-57 ☺	
		T1		T2	
NW European ports fob	Current	USD 46.5-48 ☺		47.5-48 ☺	
	12 months ago (2 June, 2017)	USD 48.5-49.5 ☺		55.5-57.5 ☺	

Non-Fuel		Contract		Spot	
		96°	99°	96°	99°
West	Current	58-62 (I) ☺ 53-56 (REN) ☺ 59-62 (B) ☺	63-66 (I) ☺	58-61 (I) ☺ 53-55 (REN) ☺ 58-61 (B) ☺	65-67 (I) ☺
	12 months ago (2 June, 2017)	61-62 (I) ☺ 57-60 (REN) ☺ 61-63 (B) ☺	66-67 (I) ☺	61-63 (I) ☺ 58-60 (REN) ☺ 61-63 (B) ☺	66-67 (I) ☺
	Central	Current	58-61 (I) ☺ 53-56 (REN) ☺ 59-62 (B) ☺	63-66 (I) ☺	58-61 (I) ☺ 53-55 (REN) ☺ 59-61 (B) ☺
South	Current	60-63 (I) ☺ 59-61 (B) ☺	66-68 (I) ☺	60-62 (I) ☺ 59-61 (B) ☺	66-68 (I) ☺
	12 months ago (2 June, 2017)	61-63 (I) ☺ 61-62 (B) ☺	68-70 (I) ☺	61-63 (I) ☺ 59-62 (B) ☺	68-70 (I) ☺
	North	Current	60-62 (I) ☺	64-67 (I) ☺	no quote (I)
East	Current	60-64 (I) ☺ 58-62 (B) ☺ no quote (P)	64-65 (I) ☺	60-64 (I) ☺ 58-60 (B) ☺ no quote (P)	64-65 (I) ☺
	12 months ago (2 June, 2017)	60-64 (I) ☺ 59-62 (B) ☺ no quote (P)	64-66 (I) ☺	60-63 (I) ☺ 59-63 (B) ☺ no quote (P)	64-66 (I) ☺
	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 (2 June, 2017)		no quote (99) no quote (REN) no quote (surfin)		no quote (99) no quote (REN) 58-60 (surfin) ☺	

Non-European markets (USD/m3)	Fuel		Non-fuel	
	Hydrous (EPA)	Anhydrous (EPA)	Grade B	
Brazil, fob Santos	460-500 ☺	495-535 ☺	470-505 ☺	
USA, Spot	Chicago	New York		
	386-391 ☺	409-415 ☺		
Pakistan, fob Karachi (USD/tonne)	Anhydrous		ENA	Industrial
	770-790 ☺		680-700 ☺	620-630 ☺

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

## European Market Comment

Negotiations for Q3 are ongoing but first indications are that prices may be stable to lower. Players cite the weakness in the fuel alcohol market as the major reason. Obviously considerable volumes of fuel qualities have been diverted to the non-fuel markets which is providing a bearish undertone. Some question the rationale behind this strategy as feedstock prices (particularly grains) are firmer, and imports are playing less of a role. Others say that the aggressive price offers are primarily aimed at regaining market share which had been lost by some players in Q4/Q1.

The fuel alcohol market continues to be under upward pressure with values for June between EUR475 and EUR480, while July and August are between EUR470 and EUR475.

World Ethanol - Port Statistics (tonnes) - week beginning June 4, 2018									
Country	Port	Ship Name	Status	L	D	Origin	Sailing		ETA
							on	to	
Brazil	Aratu	BTS Selena	A		8,690	USA			
	Maceio	MTM Tortola	E						
	Maceio	Sveva	B		4,000	USA			
	Santos	MTM London	S	16,590			30/05/2018	Singapore	26/06/2018
	Santos	MTM Kobe	S	15,999			01/06/2018	Fortaleza	
	Santos	Celsius Manila	S	5,400			02/06/2018		
	Santos	Halcon Trader	A	16,000					
	Santos	Taruca	E	20,000					
	Suape	MTM Tortola	E		15,130	USA			
Costa Rica	Punta Morales	MTM Santos	E	15,500				China	
Guatemala	Quetzal	Fairchem Steed	E	7,500					06/06/2018
	Quetzal	Jo Spirit	E	4,500					13/06/2018
	Quetzal	Stolt Sycamore	S	7,200			11/05/2018	Korea	05/06/2018
Peru	Matarani	Chemstar Tierra	S	11,800			11/05/2018	ARA	03/06/2018
Pakistan	Karachi	Chemway Arrow	S	10,700			31/05/2018		
	Karachi	Stolt Calluna	S	4,000			24/05/2018		
	Karachi	Normanna	S	4,700			29/05/2018		
	Karachi	Chemroute Sun	S	5,000			31/05/2018	Singapore	08/06/2018
France	Dunkirk	Chemstar Tierra	E		2,452	Peru			03/06/2018
Germany	Rostock	Aland	S	4,000				Sweden	
Sweden	Norrköping	Nimbus	S	4,500			28/05/2018	Gothenburg	

\*only customs clearing, \*\*ETBE; A: Anchored; B: Berthed; E: Expected; S: Sailed; L: Load; D: Discharge

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

Year	Month	Beverage Alcohol		REN		Industrial Alcohol 99°		REN-beverage spread (EUR/m <sup>3</sup> )
		EUR/m <sup>3</sup>	\$/m <sup>3</sup>	EUR/m <sup>3</sup>	\$/m <sup>3</sup>	EUR/m <sup>3</sup>	\$/m <sup>3</sup>	
2016	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
2018	12	623	735	546	644	650	767	-77
	1	615	750	545	665	650	793	-70
	2	615	763	545	676	650	806	-70
	3	608	748	545	670	654	804	-63
	4	605	744	540	664	645	793	-65
	5	605	714	540	637	645	761	-65

## Brazilian Market Comments

The market traded side-ways in the latest week as the industry is only slowly coming back to life after the crippling truckers' strike. Demand is reported to be strong and this helped lift prices. Hydrous ethanol was offered at BRL2,050-2,060 per cubic metre (exw; taxes included), up BRL10-20 on the week. Offers for anhydrous grades were BRL1,940-1,980, a gain of BRL30-40.

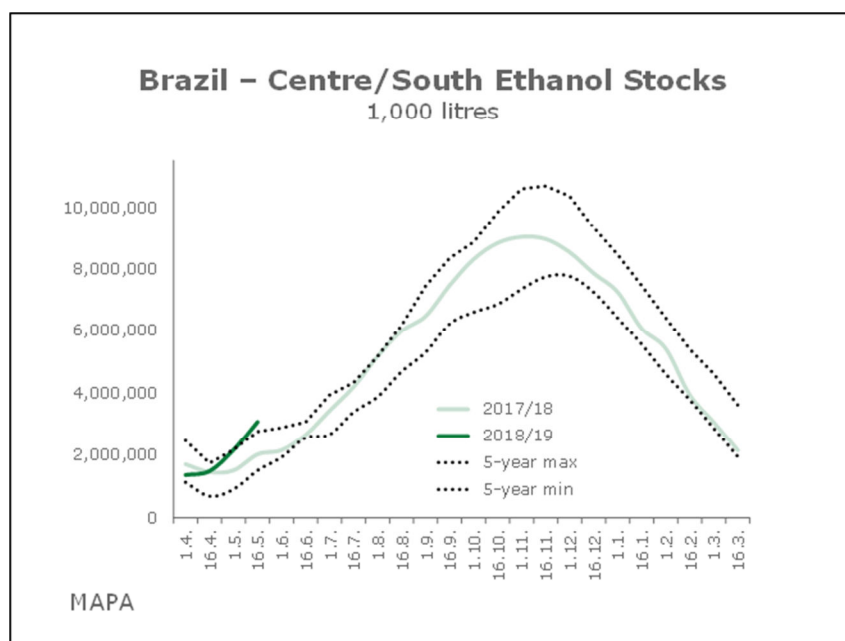
Exports are active for the Far East market given the weak real. However, the truckers' strike has resulted wide-spread disruptions and the backlog is being worked off only slowly, traders said.

**Brazil** - A strong pace of production and large carry-over stocks from the 2017/18 season have prompted ethanol stocks to rise to record levels by mid-May, official data show.

As of May 15, 2018, there were almost 3.1 bln litres in stock in the Centre/South (CS), up from 2.0 bln last year. The increase in stocks over the last four weeks was 1.6 bln litres against 0.6 bln last year.

In the meantime, supplies of hydrous ethanol continue to ease. The share of this product in overall stocks reached 62% against, which is quite normal for this time of the year.

In contrast to the CS, the situation in the North/Northeast remains rather tight. Here stocks fell to 57 mln litres against 111 mln last year. This is the lowest level in the region in four years.



## US Market Comments

Ethanol future prices in Chicago moved lower during the week amid weaker corn and energy prices. The July contract settled at USD1.478 a gallon against USD1.524 a week earlier.

Spot markets also were lower with Chicago being assessed around USD1.46-1.48 per gallon, down up to 3 cents.

**United States** - Grain Processing Corp. (GPC) will increase Grain Neutral Spirits prices by USD0.10 per proof gallon, effective July 1. The prices for 190 and 200 proof industrial alcohol will go up by USD0.20. Tighter supply and demand conditions coupled with higher feedstock and freight costs are the factors driving this move, the company said.

**United States - Fuel ethanol production** in the week to May 25, 2018 averaged 1.041 mln barrels per day (bpd), up 13,000 on the week, the most-recent data from the Energy Information Administration (EIA) show. Output remained up on the year (1.020 mln bpd).

**Imports** remained at nil for the 25th week.

**Refiner and blender net input** was 941,000 bpd, compared with 944,000 in the preceding week and 950,000 one year earlier. Based on the amount of motor gasoline supplied, the blending ratio averaged 9.7% vol., down marginally on the prior week and slightly up on last year.

**Stocks** fell sharply on the week, reaching 21.3 mln barrels, the lowest since mid-October, and down from 22.1 mln last week. The bulk of the w/w decline was on the Gulf Coast (3.8 mln barrels, down from 4.3 mln).

## Asian Fundamentals

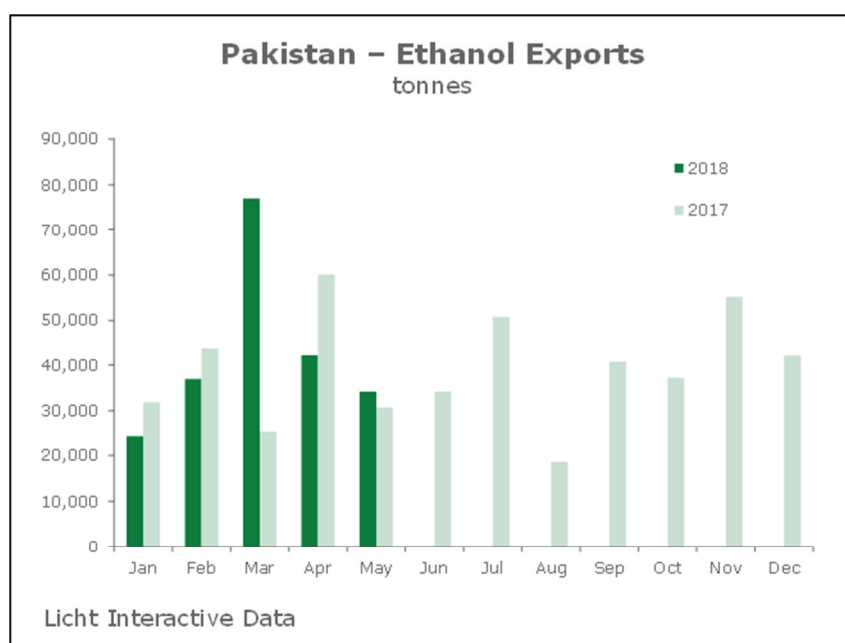
**Pakistan - Ethanol exports** in May 2018 were again lower on the month as the shipping program is now past its peak.

During the month, five ethanol tankers left the port of Karachi: The Oriental Freesia (4,000 tonnes), the MTM Gibraltar (16,500), the Stolt Calluna (4,000), the Normanna (4,700) and the Chemroute Sun (5,000). The overall volume was 34,200 tonnes, against 42,100 in March and 30,700 in April 2017.

Cumulative exports so far in 2018 have reached 214,200 tonnes against 191,700 in the same period a year ago.

With the exception of the Oriental Freesia volume (Turkey, ARA), all of the product remained in the region, with Singapore, China and South Korea being nominated destinations.

There are reports that sellers have oversold their positions till September 2018 and that new supplies will only become available in Q4.



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