

World - Ethanol prices for the week ended 17 August, 2018

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

Fuel		Contract		Spot	
Central	Current	48-49	↕	49-50	↕
	12 months ago (18 August, 2017)	53-55	↘	53-55	↘
North	Current	48-49	↕	no quote	
	12 months ago (18 August, 2017)	54-55	↘	no quote	
East	Current	48-50	↕	49-50	↕
	12 months ago (18 August, 2017)	54-56	↘	54-55	↘
		T1		T2	
NW European ports fob	Current	USD 42-44	↘	50-51	↘
	12 months ago (18 August, 2017)	USD 47-49	↘	54.5-55	↘

Non-Fuel		Contract		Spot	
		96°	99°	96°	99°
West	Current	58-60 (I) ↕ 53-55 (REN) ↕ 57-59 (B) ↕	63-66 (I) ↕	58-60 (I) ↕ 53-55 (REN) ↕ 57-59 (B) ↕	65-67 (I) ↕
	12 months ago (18 August, 2017)	61-62 (I) ↕ 58-60 (REN) ↕ 62-64 (B) ↕	66-67 (I) ↕	61-63 (I) ↕ 58-60 (REN) ↕ 62-64 (B) ↕	66-67 (I) ↕
	Central	Current	58-60 (I) ↕ 54-55 (REN) ↕ 57-59 (B) ↕	63-66 (I) ↕	58-60 (I) ↕ 54-55 (REN) ↕ 57-59 (B) ↕
12 months ago (18 August, 2017)	61-63 (I) ↕ 58-60 (REN) ↕ 60-63 (B) ↕	64-66 (I) ↕	61-63 (I) ↕ 56-61 (REN) ↘ 62-64 (B) ↕	64-66 (I) ↕	
South	Current	60-63 (I) ↕ 59-61 (B) ↕	66-68 (I) ↕	60-62 (I) ↕ 59-61 (B) ↕	66-68 (I) ↕
	12 months ago (18 August, 2017)	61-63 (I) ↕ 61-63 (B) ↕	68-70 (I) ↕	61-63 (I) ↕ 61-63 (B) ↕	68-70 (I) ↕
	North	Current	60-62 (I) ↕	64-67 (I) ↕	no quote (I)
12 months ago (18 August, 2017)	60-62 (I) ↕	65-67 (I) ↕	no quote (I)	no quote (I)	
East	Current	60-63 (I) ↕ 57-59 (B) ↕ no quote (P)	64-65 (I) ↕	60-63 (I) ↕ 55-57 (B) ↕ no quote (P)	64-65 (I) ↕
	12 months ago (18 August, 2017)	60-64 (I) ↕ 60-62 (B) ↕ no quote (P)	64-66 (I) ↕	60-64 (I) ↕ 60-62 (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 (surfin) ↕	
	12 months ago (18 August, 2017)	no quote (99) no quote (REN) no quote (surfin)		no quote (99) 57-58.5 (REN) ↕ 58.5-60 (surfin) ↕	

Non-European markets (USD/m3)	Fuel		Non-fuel	
	Hydrous (EPA)	Anhydrous (EPA)	Grade B	
Brazil, fob Santos	405-410	440-450	405-415	
USA, Spot	Chicago	New York		
	357-359	386-388		
Pakistan, fob Karachi (USD/tonne)	Anhydrous		ENA	Industrial
	730-740		645-660	620-630

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

European Market Comments

Prices in the **traditional** market remained unchanged amid a general lack of activity.

Players continue to watch the situation on the grain and sugar markets. There are reports that grain suppliers are insisting on renegotiating delivery contracts if they contain prices of less than EUR200. On the sugar market the summer heat also has taken its toll but the losses that are expected now will not materially change the picture of more than ample supplies.

While the determination of grain alcohol producers to seek higher prices in Q4 will certainly grow given current prices for their raw material, there is still some time to go before negotiations will start in mid-September. Therefore, most buyers remain rather relaxed taking some comfort from the fact that grain prices have retreated somewhat in recent days. Other background factors that could provide support are the stronger US dollar and higher oil price.

On the **fuel** alcohol market prices remained firm. By the end of the week they had reached EUR500-510 per cubic metre for the prompt, down up to EUR15 on the week. September remained in the high EUR500s, and October fell slightly to EUR500-505.

World Ethanol - Port Statistics (tonnes) - week beginning August 20, 2018									
Country	Port	Ship Name	Status	L	D	Origin	Sailing		ETA
							on	to	
Brazil	Aratu	Reinhold Schulte	E		8,000	Paranagua			20/08/2018
	Aratu	Pigeon Point	E		8,000	Paranagua			23/08/2018
	Maceio	MTM Tortola	E		3,270	USA			14/08/2018
	Maceio	Pigeon Point	E		3,000	Paranagua			20/08/2018
	Paranagua	Willard J	B	20,977					
	Paranagua	Reinhold Schulte	S	8,086			13/08/2018		
	Santos	Silver Zoe	E	15,960					22/08/2018
	Santos	Otto H	S	16,000			15/08/2018	GC USA	01/09/2018
	Santos	Muhut Silver	S	36,000			29/07/2018	WC USA	22/08/2018
	Santos	Fairchem Success	S	11,801			24/07/2018	Singapore	21/08/2018
	Santos	Cielo di Salerno	S	31,560			23/07/2018	WC USA	20/08/2018
	Guatemala	Quetzal	Jo Spirit	E	5,000				
Pakistan	Karachi	Oriental Protea	S	2,500					
	Karachi	MTM Tokyo	S	17,000					
	Karachi	Chemway Gaia	S	9,200			10/08/2018		
	Karachi	Stolt Strength	S	6,350			09/08/2018		
	Karachi	Chemroute Sun	S	6,000			03/08/2018		
	Karachi	Elm Galaxy	S	5,500			01/08/2018		
Peru	Paita	MTM Northsound	B	3,675				China	
Sweden	Norrköping	Neptunus	E	5,000				Germany	

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

European Market Fundamentals

Ireland - Fuel ethanol use in Jan/Jan 2018 reached 28.0 mln litres, down 5.7% on the year, data from the National Oil Reserves Agency (NORA) show. The decline can be attributed to a 10.7% decrease in gasoline consumption, which more than offset an increase in the blending ratio (5.4% vol. vs. 5.1%). The (volumetric) Biofuels Obligation (BO) remained at 8.695%.

The NORA data imply an average biofuels blending share of 4.8%, if 84.0 mln litres of biodiesel are added, up fractionally on the year. However, waste-based product counts twice under the BO, and the bulk of the biodiesel consumed should fall under this category, so the actual share according to the quota is significantly higher.

In calendar year 2017, biodiesel use was 167.3 mln litres (blending share: 5.2%) and that for fuel ethanol 58.5 mln (5.2%). The biofuel blending share excluding double counting was 4.9%.

Brazilian Market Comments

The market ended unchanged in the latest week amid plentiful supplies and record demand. Sellers are reportedly finding the prices paid increasingly unattractive. However, they have little choice as sugar prices remain under pressure. In many locations ethanol continues to sell at a record discount to gasoline which is supporting demand growth. With the rapid progress of the harvest, there are increasing signs that the cane crush will end as early as October. This could support values going forward.

Hydrous ethanol was offered at BRL1,740-1,760 per cubic metre (exw; taxes included), unchanged on the week. Offers for anhydrous grades also were flat at BRL1,750-1,770.

US Market Comments

Ethanol **future** prices in Chicago recovered somewhat weaker following support from the corn markets. Overall activity is expected to remain sluggish. The front-month September contract finished the week at USD1.361 per gallon, up from USD1.349 the prior week.

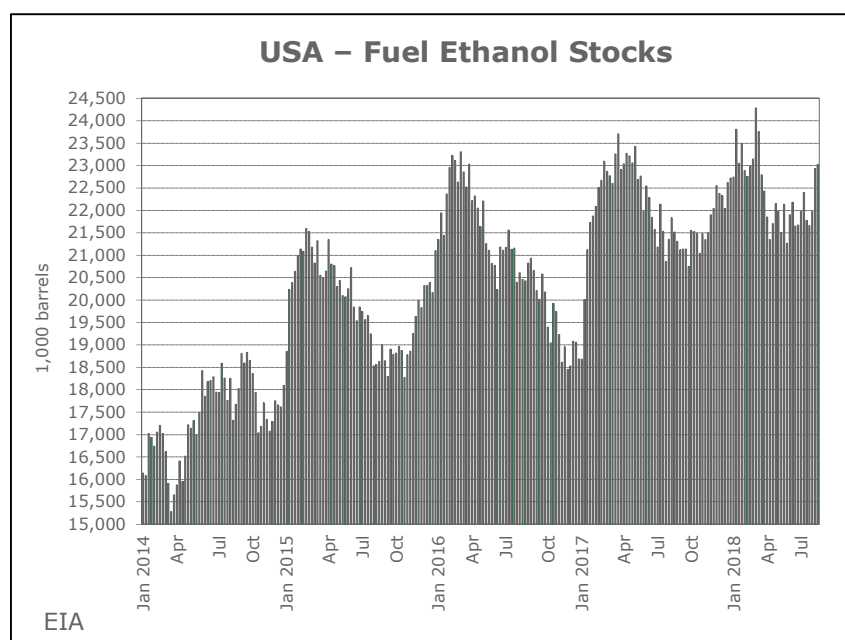
Spot prices in the Midwest recovered to the high-USD1.30s, while on the East Coast, they remained in the high USD1.40s.

United States - Fuel ethanol production in the week to August 10, 2018 averaged 1.072 mln barrels per day (bpd), down 28,000 on the week and only slightly below the all-time high of 1.108 mln set in early December 2017, data from Energy Information Administration (EIA) show. Output remained significantly above last year's (1.059 mln bpd).

Imports were nil for the 36th consecutive week.

Refiner and blender net input rose w/w to a six-week high (948,000 bpd vs 941,000) and was flat on the year. Based on the amount of motor gasoline supplied, the average blending share was around 10.0% vol., down slightly on the week and virtually flat on the year.

Stocks continued to rise w/w, hitting a 21-week high (around 23.0 mln barrels vs. 22.9 mln).



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