F.O. LICHTS

World Ethanol Price Report

Vol. 14, No. 14 September 3, 2018

World - Ethanol prices for the week ended 31 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 (1 September, 2017)	no quote	no quote
North	**Current**	**48-49**	**no quote**
	12 months ago (1 September, 2017)	no quote	no quote
East	**Current**	**48-50**	**49-50**
	12 months ago (1 September, 2017)	no quote	no quote
		T1	**T2**
NW European ports fob	**Current**	**USD 41-42**	**49-50**
	12 months ago (1 September, 2017)	USD 48.5-49.5	52.5-53.5

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 (1 September, 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)**	**63-66 (I)**
	12 months ago (1 September, 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 (1 September, 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)**	**no quote (I)**
	12 months ago (1 September, 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 (1 September, 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 (1 September, 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	**410-440**	**430-460**	**410-440**	
	Chicago	**New York**		
USA, Spot	**no quote**	**362**		
	Anhydrous		**ENA**	**Industrial**
Pakistan, fob Karachi (USD/tonne)	**720-730**		**650-665**	**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.

Some players report increased spot demand on account of lower production at a French plant.

Meanwhile, producers continue to watch the situation on the grain and sugar markets. Wheat prices have retreated somewhat from their highs but remain around EUR200 a tonne. Sugar prices on the other hand remain depressed.

Fuel ethanol prices were largely flat. By the end of the week they had reached EUR480-500 per cubic metre for the prompt. September fell by up to EUR5 w/w to EUR490-495 while October was down the same at roughly EUR485-490. At the same time, prices for milling wheat continued to put downward pressure on margins which remain deep in the red for 2018/19.

Europe - Fuel Ethanol Prices, fob Rotterdam

		T1				T2				T1-T2 Spread
Year	Month	USD/m^3	USD/tonne	EUR/m^3	EUR/tonne	EUR/m^3	EUR/tonne	USD/m^3	USD/tonne	EUR/m^3
2017	3	483	612	453	574	599	759	639	810	-146
	4	509	645	475	602	544	689	583	739	-69
	5	475	586	430	531	586	743	648	821	-156
	6	483	574	431	512	574	728	643	815	-143
	7	481	574	418	498	571	724	658	834	-153
	8	490	621	416	527	550	697	648	821	-134
	9	477	605	400	507	530	672	631	800	-130
	10	453	574	385	488	461	584	542	687	-76
	11	455	577	387	491	468	593	550	697	-81
	12	422	535	357	452	472	598	559	708	-115
2018	1	433	549	356	451	474	601	577	731	-118
	2	463	587	375	475	461	584	570	722	-86
	3	468	593	379	481	457	579	564	714	-78
	4	464	588	377	478	444	563	546	692	-67
	5	466	591	394	500	448	567	529	671	-53
	6	459	581	392	497	474	600	554	702	-81
	7	456	578	390	495	474	601	554	702	-84
	8	431	546	374	474	502	636	578	733	-128

World Ethanol - Port Statistics (tonnes) - week beginning September 3, 2018

Country	Port	Ship Name	Status	L	D	Origin	Sailing on	Sailing to	ETA
USA	Houston	Bow Pioneer	S	60,000				ARAG	
Brazil	Paranagua	MTM Southport	E	16,300					05/09/2018
	Paranagua	Bow Palladium	E	4,000					13/09/2018
	Paranagua	Stolt Acer	B	7,900					
	Paranagua	Silver Zoe	S	16,172			31/08/2018	Pacific	
	Paranagua	Willard J	S	20,977			17/08/2018	GC USA	03/09/2018
	Paranagua	Reinhold Schulte	S	8,086			13/08/2018	S.Korea	
	Santos	TRF Memphis	E	32,389					
	Santos	Birdie Trader	B	13,430					
	Santos	STI Pontiac	B	32,000					
	Santos	Silver Zoe	S	15,960			22/08/2018	Paranagua	
	Santos	Otto H	S	16,000			15/08/2018	GC USA	01/09/2018
	Suape	Bow Querida	E		7,900				07/09/2018
	Suape	Taruca	B		7,900				
Guatemala	Quetzal	Jo Spirit	S	5,000			22/08/2018	Puerto Rico	02/09/2018
Pakistan	Karachi	Saehan Estrella	S	6,900			22/08/2018	Singapore	01/09/2018
	Karachi	Rainbow Island 88	S	15,700			31/08/2018		
	Karachi	Oriental Protea	S	2,500			25/08/2018	Med	
	Karachi	MTM Tokyo	S	17,000			09/08/2018	China	01/09/2018
	Karachi	Stolt Strength	S	6,350			09/08/2018	Spain	05/09/2018

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

ISSN: 1759-1414

Brazilian Market Comments

The market ended higher amid record demand and lower supplies following rainfalls in the sugar-cane growing areas which resulted in some harvest interruptions. Firmer gasoline prices and ongoing real weakness lent further support.

Hydrous ethanol was offered at BRL1,950-1,980 per cubic metre (exw; taxes included), up BRL210-220 on the week. Offers for anhydrous grades were up BRL70-80 at BRL1,820-1,850.

US Market Comments

Ethanol future prices in Chicago gave up further ground in the latest week amid a weak export market and lower corn prices. At the same time, gasoline remained firm, resulting in the highest discount of ethanol vs. gasoline since 2014. Towards the end of the week, firmer corn values sparked support for ethanol. Volume remained very light ahead of the Labor Day holiday weekend.

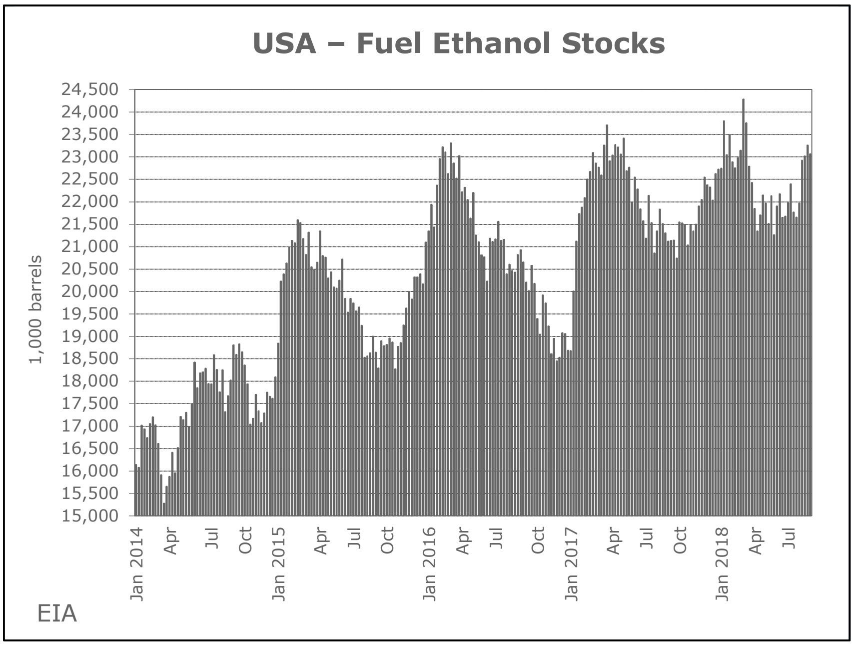
The front-month September contract finished the week at USD1.280 per gallon, down from USD1.313 the prior week.

United States - Fuel ethanol production in the week to August 24, 2018 averaged 1.070 mln barrels per day (bpd), reported the Energy Information Administration (EIA), down 3,000 on the week and the lowest for four weeks. However, output remained up on the year (1.042 mln bpd).

Imports amounted to 8,000 bpd, the EIA data show, up from nil in the prior week. These were the first imports of fuel grades recorded by the EIA since early December 2017.

Refiner and blender net input was 950,000 bpd, above 943,000 in the prior week. However, it remained down on the year (956,000 bpd). Based on the amount of motor gasoline supplied, the blending share averaged 9.6% vol., down from 10.0% and 9.7%.

Stocks declined on the week (23.1 mln barrels vs. 23.3 mln), the first decrease in five weeks. Industry sources pointed to the decline on the Gulf Coast (5.1 mln barrels vs. 5.4 mln), following a large shipment going to the Middle East.



 ISSN: 1759-1414

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ISSN 1759-1414

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

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