F.O. LICHTS

World Ethanol Price Report

Vol. 14, No. 16 September 17, 2018

World - Ethanol prices for the week ended 14 September, 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 (15 September, 2017)	53-55	53-55
North	Current	**48-49**	**no quote**
	12 months ago (15 September, 2017)	54-55	no quote
East	Current	**48-50**	**49-50**
	12 months ago (15 September, 2017)	55-56	54-55
		T1	T2
NW European ports fob	Current	**USD 41-42**	**48.5-49**
	12 months ago (15 September, 2017)	USD 47-48	53.5-54.5

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 (15 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 (15 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 (15 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 (15 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 (15 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)** **50-52 (REN)** **56-57 (surfin)**	
	12 months ago (15 September, 2017)	no quote (99) no quote (REN) no quote (surfin)		no quote (99) 56-57.5 (REN) 58-60 (surfin)	

Non-European markets (USD/m3)	Fuel		Non-fuel	
	Hydrous (EPA)	Anhydrous (EPA)	Grade B	
Brazil, fob Santos	410-450	430-490	410-450	
	Chicago	New York		
USA, Spot	333-335	359-362		
	Anhydrous		ENA	Industrial
Pakistan, fob Karachi (USD/tonne)	710-730		650-665	615-630

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

European Market Comments

Negotiations for Q4 in the **traditional** market are underway. Current trends suggest that the bulk of contracts will be rolled over. The only exceptions are grain alcohol where some increases were reported but which remained considerably below the recent moves on the cereal markets.

On the import market, there is talk that more REN product will be available for the EU market coming from South America. A very good cane harvest in Bolivia and Peru and lack of marketing opportunities in the region are expected to boost exports despite the relatively low prices that can fetched there. However, some say that this development is unlikely to make itself felt before the end of the year

On the **fuel** market the effect of Vivergo's announcement to shut down production dissipated quickly. News that a big vessel carrying fuel alcohol from the US to Ventspils, Latvia, was a strong reminder that current low corn ethanol prices will provide a ceiling for the EU market despite the anti-dumping duty.

By the end of the week fuel ethanol had fallen EUR5-10 to EUR485-490 per cubic metre for the prompt. October was down the same at EUR485-490 while November fell EUR10 to EUR480-485.

From the EU **freight** market, ethanol enquiries were reported for up to 20 mln litres from ARA to the Thames/United Kingdom, up to 5 mln from the Tees to Grangemouth, both UK, and for 3.5 mln from Lillebonne/France to Immingham/UK, all for early/mid-September.

World Ethanol - Port Statistics (tonnes) - week beginning September 17, 2018

Country	Port	Ship Name	Status	L	D	Origin	Sailing on	Sailing to	ETA
USA	Houston	Bow Pioneer	S	60,000			21/08/2018	Oman	21/09/2018
Brazil	Aratu	Castillo de Tebra	E		3,300	Santos			
	Aratu	MTM Southport	B		9,000	Paranagua			13/09/2018
	Paranagua	Bow Engineer	S	4,000				Argentina	
	Paranagua	Silver Zoe	S	16,172			31/08/2018	Pacific	
	Paranagua	Reinhold Schulte	S	8,086			13/08/2018	Singapore	15/09/2018
	Santos	TRF Memphis	B	32,389					
	Santos	Birdie Trader	B	13,430			31/08/2018	Itaqui	12/09/2018
	Santos	STI Pontiac	B	32,000			01/09/2018	Pacific	
Pakistan	Karachi	Pacific Horizon II	S	4,950			12/09/2018		
	Karachi	CT Confidence	S	5,500			11/09/2018		
	Karachi	Saehan Estrella	S	6,900			22/08/2018	Singapore	01/09/2018
	Karachi	Rainbow Island 88	S	15,700			31/08/2018	Philippines	15/09/2018
	Karachi	Oriental Protea	S	2,500			25/08/2018	Rotterdam	17/09/2018
Nigeria	Lagos	Fairchem Edge	E		9,900	USA			15/09/2018
France	Dunkirk	Chem Barcelona	E		4,000	USA			13/09/2018
Germany	Rostock	Besiktas Iceland	B		5,000	Sweden			
	Rostock	Besiktas Iceland	B	5,000				Denmark	
Sweden	Norrköping	Nimbus	E	5,000				Göteborg	
	Norrköping	Besiktas Iceland	S	5,000				Germany	

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

Brazilian Market Comments

The market ended higher amid record demand. News of record stocks was discounted as there is consensus that the inter-crop period will be longer than normal. Firmer gasoline prices and ongoing real weakness also lent support.

Hydrous ethanol was offered at BRL2,050-2,080 per cubic metre (exw; taxes included), up BRL70-80 on the week. Offers for anhydrous grades were up the same at BRL1,920-1,950.

Brazil - Ethanol sales ex Centre/South (CS) in August 2018 rose to around 2,947 mln litres from 2,397 mln one year ago, sugar sector group Unica said.

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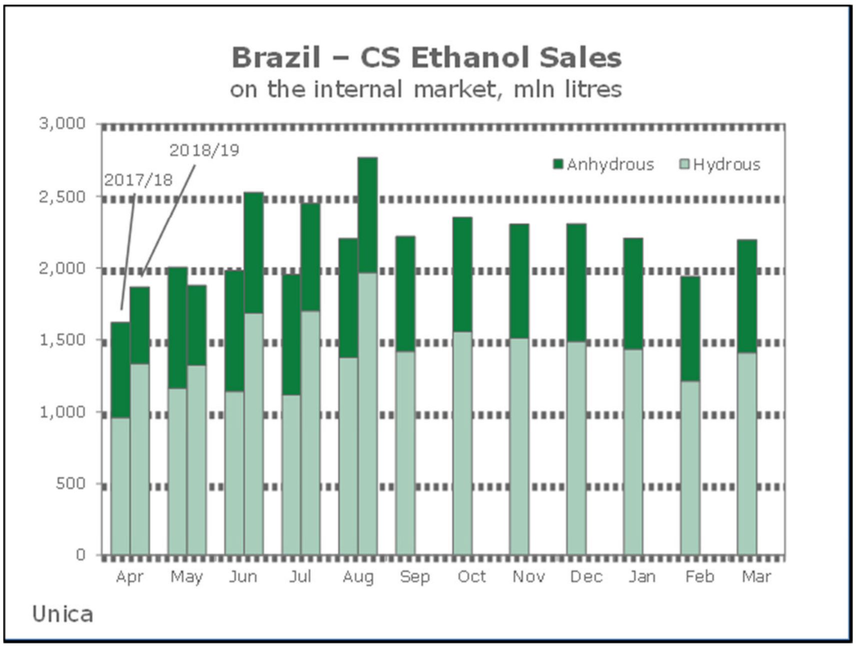
Out of this, 2,040 mln litres (1,486 mln) were hydrous grades for the local market, supported by advantageous economics against gasohol at the pump.

Unica added that around 1,050 mln litres of hydrous ethanol were sold on the local market in the second half of August, up from 932,35 mln in the second fortnight of July and bringing the August total to 1,968 mln, another record level and up 43% y/y.

Total sales of all grades so far in the current Apr/Mar cycle were up 16% at 12,186 mln litres, the Unica data show. The hydrous segment rose by 38% to 8,291 mln litres.



Brazil: CS Ethanol Sales (mln litres; Apr/Mar season)								
	Aug 2018	Jul 2018	Aug 2017	Change y/y in %	Cumulative 2018/19	Cumulative 2017/18	Change y/y in %	2017/18
Domestic market	2,767	2,450	2,203	26	11,493	9,766	18	25,400
Anhydrous	799	749	827	-3	3,480	4,003	-13	9,527
Hydrous	1,968	1,702	1,376	43	8,013	5,764	39	15,873
Export	180	253	194	-7	693	763	-9	1,511
Anhydrous	108	153	84	29	415	516	-20	1,099
Hydrous	72	100	110	-35	278	247	13	412
Total	2,947	2,703	2,397	23	12,186	10,529	16	26,911
Anhydrous	906	902	911	-1	3,895	4,518	-14	10,626
Hydrous	2,040	1,802	1,486	37	8,291	6,011	38	16,286
Imports are excluded. Source: Unica								

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US Market Comments

Ethanol future prices in Chicago remained below USD1.30 amid a weak grain market and higher stocks. Higher gasoline prices prompted the ethanol discount to rise again.

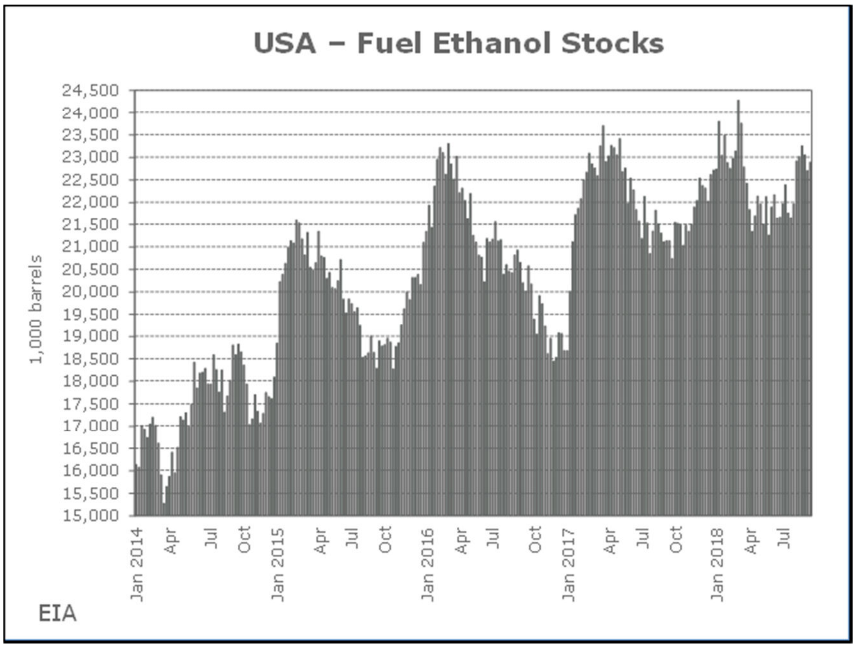
The front-month October contract finished the week at USD1.281 per gallon, down from USD1.292 the prior week.

United States - Fuel ethanol production in the week to August 31, 2018 averaged 1.020 mln barrels per day (bpd), reported the Energy Information Administration (EIA), down 67,000 on the week and the lowest since late April.

Imports fell to nil from 32,000 bpd, the EIA data show.

Refiner and blender net input was 918,000 bpd, down from 943,000 in the prior week. However, it remained up on the year (901,000 bpd). Based on the amount of motor gasoline supplied, the blending share averaged 9.51% vol., down from 9.69% the prior week.

Stocks rose on the week (22.9 mln barrels vs. 22.7 mln) due to additions on the Gulf Coast (218,000 to 4.144 mln).



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