

World - Ethanol prices for the week ended 21 September, 2018

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

Fuel		Contract		Spot	
Central	Current	49-50	🟢	49-50	🟡
	12 months ago (22 September, 2017)	53-55	🟡	53-55	🟡
North	Current	49-50	🟢	no quote	
	12 months ago (22 September, 2017)	54-55	🟡	no quote	
East	Current	51-52	🟢	48-49	🔴
	12 months ago (22 September, 2017)	55-56	🟡	54-55	🟡
		T1		T2	
NW European ports fob	Current	USD 41-42	🟡	49-50	🟢
	12 months ago (22 September, 2017)	USD 46.5-47.5	🔴	52.8-53.4	🔴

Non-Fuel		Contract		Spot	
		96°	99°	96°	99°
West	Current	58-60 (I) 🟡	63-66 (I) 🟡	58-60 (I) 🟡	65-67 (I) 🟡
		53-55 (REN) 🟡		53-55 (REN) 🟡	
		57-59 (B) 🟡		57-59 (B) 🟡	
	12 months ago (22 September, 2017)	61-62 (I) 🟡	66-67 (I) 🟡	61-63 (I) 🟡	66-67 (I) 🟡
		58-60 (REN) 🟡		58-60 (REN) 🟡	
		62-64 (B) 🟡		62-64 (B) 🟡	
Central	Current	58-60 (I) 🟡	63-66 (I) 🟡	58-60 (I) 🟡	63-66 (I) 🟡
		54-55 (REN) 🟡		54-55 (REN) 🟡	
		57-59 (B) 🟡		57-59 (B) 🟡	
	12 months ago (22 September, 2017)	61-63 (I) 🟡	64-66 (I) 🟡	61-63 (I) 🟡	64-66 (I) 🟡
		58-60 (REN) 🟡		56-61 (REN) 🟡	
		60-63 (B) 🟡		62-64 (B) 🟡	
South	Current	60-63 (I) 🟡	66-68 (I) 🟡	60-62 (I) 🟡	66-68 (I) 🟡
		59-61 (B) 🟡		59-61 (B) 🟡	
		61-63 (I) 🟡	68-70 (I) 🟡	61-63 (I) 🟡	68-70 (I) 🟡
	12 months ago (22 September, 2017)	61-63 (B) 🟡		61-63 (B) 🟡	
North	Current	60-62 (I) 🟡	64-67 (I) 🟡	no quote (I)	no quote (I)
	12 months ago (22 September, 2017)	60-62 (I) 🟡	65-67 (I) 🟡	no quote (I)	no quote (I)
East	Current	60-63 (I) 🟡	64-65 (I) 🟡	60-63 (I) 🟡	64-65 (I) 🟡
		59-60 (B) 🟢		59-60 (B) 🟢	
		no quote (P)		no quote (P)	
	12 months ago (22 September, 2017)	60-64 (I) 🟡	64-66 (I) 🟡	60-64 (I) 🟡	64-66 (I) 🟡
		60-62 (B) 🟡		60-62 (B) 🟡	
		no quote (P)		no quote (P)	
		T1		T2	
NW European ports fob	Current	no quote (99)		no quote (99)	
		no quote (REN)		50-52 (REN) 🟡	
	12 months ago (22 September, 2017)	no quote (surfin)		56-57 (surfin) 🟡	
		no quote (99)		no quote (99)	
		no quote (REN)		55.5-57.5 (REN) 🔴	
		no quote (surfin)		57.5-59 (surfin) 🔴	

Non-European markets (USD/m3)	Fuel		Non-fuel
	Hydrous (EPA)	Anhydrous (EPA)	Grade B
Brazil, fob Santos	410-460 🟢	440-495 🟢	430-460 🟢
	Chicago	New York	
USA, Spot	no quote	no quote	
	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 still ongoing. 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. Some report of some supply tightness in the absolute market but this is unlikely to change the contract pricing in Q4.

The feedstock situation still gives the market a headache. While there is agreement that the sugar beet crop in 2018 will be considerably lower, the extent of the downturn is unclear. Therefore there is some room for speculation as to whether the production of sugar or ethanol will be more profitable for manufacturers with switch capacity.

On the **fuel** market prices were higher again in the latest week. For the prompt gains of EUR10 to EUR495-500 per cubic metre were seen. October was up EUR5 at EUR490-495 while November gained up to EUR5 to EUR480-490.

Freight sources said a 5,000 tonne ethanol cargo ex US Gulf was fixed for ARA and the Baltic Sea on the vessel Celsius Mexico in the high USD60s for mid-September. The ship is also carrying lysine and acrylonitrile. Moreover, an 18,000 tonne parcel was fixed for the west coast of India on the TRF Kobe, also for mid-September. There are reports that some cargoes of US ethanol are going to Spain and Cyprus where they are blended with gasoline for the North African markets. There additionally were enquiries for 2,000 tonnes from Karachi to Southeast Asia as well as for up to 6,000 for Brazil/West Africa, both for October. Regarding the intra-EU market, up to 4,000-4,500 tonnes were sought from ARA to Aalborg/Denmark and Sweden (Malmo and Stockholm) for mid-September as well as 2,400 for Lillebonne/La Pallice, both France and 3,500 from Cartagena to Tarragona, both Spain, for later this month. There also was an enquiry for 1,700 tonnes of ETBE from Amsterdam to Slagen/Norway.

World Ethanol - Port Statistics (tonnes) - week beginning September 24, 2018									
Country	Port	Ship Name	Status	L	D	Origin	Sailing		ETA
							on	to	
USA	Gulf	Celsius Mexico	E	5,000				ARA	
	Houston	Bow Pioneer	S	60,000			21/08/2018	UAE	24/09/2018
Brazil	Itaqui	MTM Southport	E		3,000	Paranagua			
	Paranagua	Silver Zoe	S	16,172			31/08/2018	US WC	28/09/2018
	Santos	Atlantic Gemini	E	32,000					
	Santos	Battersea Park	E	15,800					
	Santos	TRF Memphis	S	32,389			10/09/2018	Ulsan	16/10/2018
	Santos	STI Pontiac	S	32,000			01/09/2018	US WC	29/09/2018
Pakistan	Karachi	Straum	B	4,000					
	Karachi	Stolt Sequoia	B	8,300					
	Karachi	Pacific Horizon II	S	4,950			12/09/2018	Singapore	25/09/2018
	Karachi	CT Confidence	S	5,500			11/09/2018	Ulsan	
Nigeria	Lagos	Fairchem Edge	E		9,900	USA			18/09/2018
Sweden	Norrköping	Astina	E	5,000				ARA	

*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.

Hydrous ethanol was offered at BRL2,050-2,100 per cubic metre (exw; taxes included), a gain of up to BRL20 on the week. Offers for anhydrous grades were up BRL40 at BRL1,960-1,990.

The sharp price falls for Grade B in recent weeks prompted increased sales of this product to all parts of the world, including China, Korea and Europe.

US Market Comments

Fuel ethanol future prices in Chicago remained below USD1.30 per gallon despite a firmer grain market and lower stocks. Higher gasoline prices prompted the ethanol discount to rise again during the week. The front-month October contract finished the week at USD1.251, down from USD1.281 the prior week.

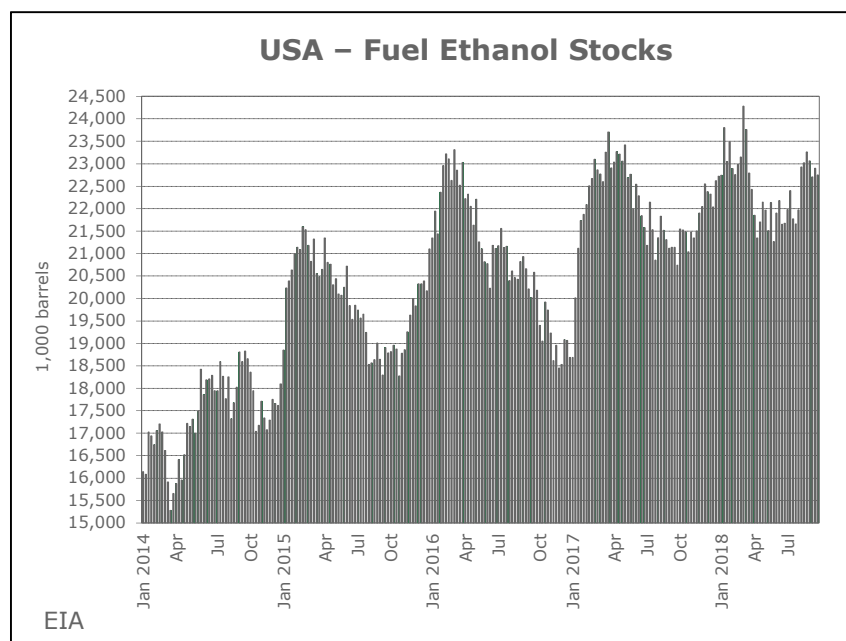
In the non-fuel market players took note of Univar's announcement to take over Nexeo. Both companies operate as ethanol distributors in North American market.

United States - Fuel ethanol production in the week to September 14, 2018 averaged 1.051 mln barrels per day (bpd), reported the Energy Information Administration (EIA), up 31,000 on the week. Output remained up on the year (1.047 mln bpd).

Imports were nil for the second consecutive week.

Refiner and blender net input was 928,000 bpd, above 918,000 in the prior week and 901,000 last year. Based on the amount of motor gasoline supplied, the blending share averaged around 9.7% vol., up from 9.5% each.

Stocks declined on the week (22.7 mln barrels vs. 22.9 mln). An increase on the Gulf Coast (4.6 mln barrels vs 4.1 mln) was more than offset by a decline on the East Coast (7.2 mln vs 7.8 mln).



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