F.O. LICHTS

World Ethanol Price Report

Vol. 14, No. 19 October 8, 2018

World - Ethanol prices for the week ended 5 October, 2018

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

Fuel		Contract	Spot
Central	Current	**49-50**	**50-50**
	12 months ago (6 October, 2017)	48-49	48-49
North	Current	**49-50**	**no quote**
	12 months ago (6 October, 2017)	48-49	no quote
East	Current	**51-52**	**48-49**
	12 months ago (6 October, 2017)	49-50	49-50
		T1	T2
NW European ports fob	Current	**USD 42.5-43.5**	**48.5-49.5**
	12 months ago (6 October, 2017)	USD 45-46	46-46.5

Non-Fuel		Contract 96°	Contract 99°	Spot 96°	Spot 99°
West	Current	**58-60 (I)** **53-55 (REN)** **58-60 (B)**	**63-66 (I)**	**58-60 (I)** **53-55 (REN)** **58-60 (B)**	**65-67 (I)**
	12 months ago (6 October, 2017)	61-62 (I) 58-60 (REN) 62-64 (B)	66-67 (I)	61-62 (I) 58-60 (REN) 62-64 (B)	66-67 (I)
Central	Current	**58-60 (I)** **55-56 (REN)** **58-60 (B)**	**63-66 (I)**	**58-60 (I)** **55-56 (REN)** **58-60 (B)**	**63-66 (I)**
	12 months ago (6 October, 2017)	61-62 (I) 58-60 (REN) 60-63 (B)	64-66 (I)	61-62 (I) 56-60 (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 (6 October, 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 (6 October, 2017)	60-62 (I)	65-67 (I)	no quote (I)	no quote (I)
East	Current	**60-63 (I)** **59-60 (B)** **no quote (P)**	**64-65 (I)**	**60-63 (I)** **59-60 (B)** **no quote (P)**	**64-65 (I)**
	12 months ago (6 October, 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)** **51-52 (REN)** **56-57 (surfin)**	
	12 months ago (6 October, 2017)	no quote (99) no quote (REN) no quote (surfin)		no quote (99) 55-57.5 (REN) 57.5-59 (surfin)	

Non-European markets (USD/m3)	Fuel		Non-fuel	
	Hydrous (EPA)	Anhydrous (EPA)	Grade B	
Brazil, fob Santos	**450-500**	**470-540**	**460-510**	
	Chicago	New York		
USA, Spot	**no quote**	**no quote**		
	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

Negotiations for Q4 in the **traditional** market have mostly been concluded. While most of the contracts have seen a roll-over there were some increases reported in the Central region for beverage grades.

Supply tightness in the absolute market is still a feature as the UK supplier will reportedly remain shut down until mid-November.

On the **fuel** market prices were lower again in the latest week. The prompt lost EUR10 at EUR485-490, November was flat at EUR480-485 and December was assessed at EUR475-480.

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

		Beverage Alcohol		REN		Industrial Alcohol 99°		REN-beverage
Year	Month	EUR/m³	$/m³	EUR/m³	$/m³	EUR/m³	$/m³	spread (EUR/m³)
2017	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
	12	623	735	546	644	650	767	-77
2018	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
	6	590	690	540	632	645	755	-50
	7	580	679	545	638	645	755	-35
	8	580	667	545	627	645	742	-35
	9	580	673	545	632	645	748	-35

Brazilian Market Comments

The market charged higher amid record demand. News of record stocks continue to be discounted as there is consensus that the inter-crop period will be longer than normal.

Hydrous ethanol gained BRL110-140 to BRL2,190-2,210 per cubic metre (exw; taxes included) while anhydrous grades added BRL60-90 to BRL2,020-2,210.

The sharp price increase seen in recent weeks and the recovery of the Brazilian real will undermine the export business for Grade B.

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World Ethanol - Port Statistics (tonnes) - week beginning Oct 8, 2018									
							Sailing		
Country	Port	Ship Name	Status	L	D	Origin	on	to	ETA
USA	Gulf	Ace Vessel	E	5,000				ARA	
	Gulf	TRF Kobe	E	18,000					
	Gulf	Bow Pioneer	S	60,000			21/08/2018	UAE	24/09/2018
Brazil	Itaqui	Battersea Park	E		6,000	Santos			
	Paranagua	Chembulk Virgin Gorda	E	23,670				Ulsan	
	Santos	Stolt Maple	E	32,000					
	Santos	MTM Southport	E	17,489					
	Santos	Barbouni	E	2,600					
	Santos	Normanna	E	4,157					
	Santos	Castillo de Tebra	E	3,782					
	Santos	Battersea Park	S	15,800			04/10/2018	Itaqui	08/10/2018
	Santos	Stena Imprimis	S	40,000			01/10/2018	US GC	22/10/2018
	Santos	Atlantic Gemini	S	32,000			25/09/2018	US WC	25/10/2018
	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
	Suape	Louis P	E	12,842					
Guatemala	Quetzal	BW Helium	E	10,000					17/10/2018
Pakistan	Karachi	Straum	S	4,000			23/09/2018	UAE	03/10/2018
Germany	Rostock	Aland	S	5,000			07/10/2018	Sweden	08/10/2018
*only customs clearing, **ETBE; A: Anchored; B: Berthed; E: Expected; S: Sailed; L: Load; D: Discharge									

US Market Comments

Fuel ethanol future prices in Chicago recovered during the latest week and managed to stay above the USD1.30 per gallon mark throughout the week. The main drivers were firmer grain and energy markets.

The front-month October contract finished the week at USD1.320, up from USD1.285 the prior week.

United States - President Trump is expected to announce on October 9 that he will allow higher concentrations of fuel ethanol in gasoline during summer months, Reuters reported.

Mr Trump had previously pledged to allow the sale of gasoline with 15% vol. ethanol during the summer months, which the EPA currently prohibits because of concerns over air pollution. The ethanol industry has long pushed for a lift on the ban.

Reuters also reported that the lifting of the ban will be coupled with "restrictions on trading biofuel credits that underpin the program."

United States - Fuel ethanol production in the week to September 28, 2018 averaged 1.015 mln barrels per day (bpd), reported the Energy Information Administration (EIA), down 21,000 on the week. Output remained up on the year (1.010 mln bpd).

Imports were nil for the fourth consecutive week.

Refiner and blender net input was 917,000 bpd, up 16,000 on the week in the prior week but below 930,000 last year. Based on the amount of motor gasoline supplied, the blending share averaged around 10.0% vol., flat on the year.

Stocks bounced back and reached the highest level since early March. Overall inventories climbed to reach 23.4 mln barrels up from 22.6 mln last week. Increases were recorded on the Gulf Coast (+258,000 barrels) and in the Midwest (+514,000 barrels).

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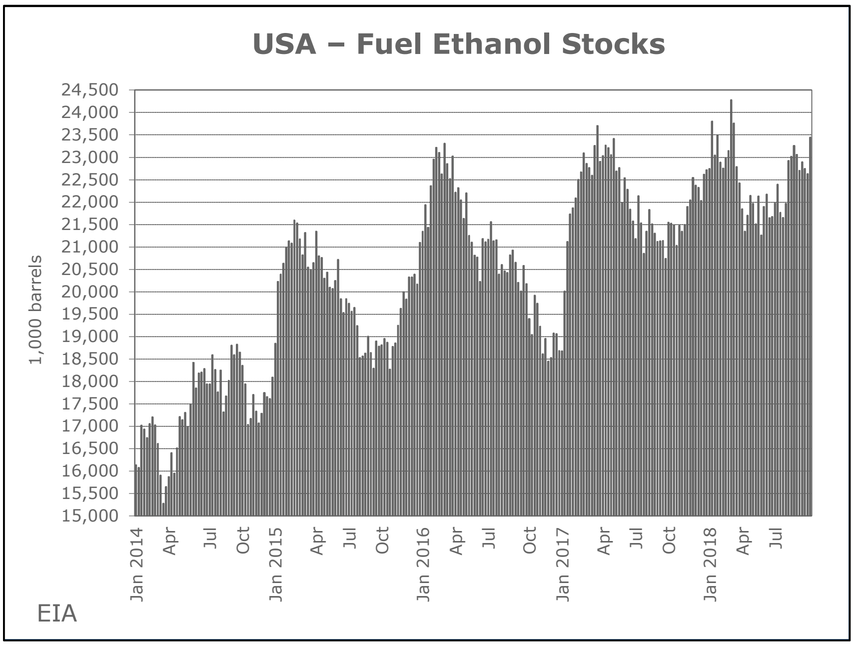

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