

World - Ethanol prices for the week ended 8 June, 2018

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

Fuel		Contract		Spot	
Central	Current	47-48	🟢	47-48	🟡
	12 months ago (9 June, 2017)	54-55	🟡	54-55	🟡
North	Current	47-48	🟢	no quote	
	12 months ago (9 June, 2017)	54-55	🟡	no quote	
East	Current	47-48	🟡	47-48	🟡
	12 months ago (9 June, 2017)	53-55	🟡	54-57	🟡
		T1		T2	
NW European ports fob	Current	USD 45.5-47	🔴	47.5-48	🟡
	12 months ago (9 June, 2017)	USD 48-49.5	🔴	56.5-57.5	🟢

Non-Fuel		Contract		Spot	
		96°	99°	96°	99°
West	Current	58-62 (I) 🟡 53-56 (REN) 🟡 59-62 (B) 🟡	63-66 (I) 🟡	58-61 (I) 🟡 53-55 (REN) 🟡 58-61 (B) 🟡	65-67 (I) 🟡
	12 months ago (9 June, 2017)	61-62 (I) 🟡 57-60 (REN) 🟡 61-63 (B) 🟡	66-67 (I) 🟡	61-63 (I) 🟡 58-60 (REN) 🟡 61-63 (B) 🟡	66-67 (I) 🟡
	Central	Current	58-61 (I) 🟡 53-56 (REN) 🟡 59-62 (B) 🟡	63-66 (I) 🟡	58-61 (I) 🟡 53-55 (REN) 🟡 59-61 (B) 🟡
South	Current	60-63 (I) 🟡 59-61 (B) 🟡	66-68 (I) 🟡	60-62 (I) 🟡 59-61 (B) 🟡	66-68 (I) 🟡
	12 months ago (9 June, 2017)	61-63 (I) 🟡 61-62 (B) 🟡	68-70 (I) 🟡	61-63 (I) 🟡 59-62 (B) 🟡	68-70 (I) 🟡
	North	Current	60-62 (I) 🟡	64-67 (I) 🟡	no quote (I)
East	Current	60-64 (I) 🟡 58-62 (B) 🟡 no quote (P)	64-65 (I) 🟡	60-64 (I) 🟡 58-60 (B) 🟡 no quote (P)	64-65 (I) 🟡
	12 months ago (9 June, 2017)	60-64 (I) 🟡 59-62 (B) 🟡 no quote (P)	64-66 (I) 🟡	60-63 (I) 🟡 59-63 (B) 🟡 no quote (P)	64-66 (I) 🟡
	NW European ports fob	Current	no quote (99) no quote (REN) no quote (surfin)	no quote (99) no quote (REN) no quote (surfin)	no quote (99) 51-53 (REN) 🟡 56-57.5 (surfin) 🟡
12 months ago (9 June, 2017)			no quote (99) no quote (REN) no quote (surfin)	no quote (99) no quote (REN) 58-60 (surfin) 🟡	

Non-European markets (USD/m3)	Fuel		Non-fuel	
	Hydrous (EPA)	Anhydrous (EPA)	Grade B	
Brazil, fob Santos	460-495 🔴	495-535 🟡	470-505 🟡	
USA, Spot	Chicago	New York		
	402-404 🟢	407-409 🔴		
Pakistan, fob Karachi (USD/tonne)	Anhydrous		ENA	Industrial
	770-790 🟡		680-700 🟡	620-630 🟡

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

European Market Comment

Negotiations in the **traditional** sector for Q3 are ongoing and players are re-iterating what we have already reported last week: Current indications are that prices may be stable to slightly lower. One down-side factor is the weakness in the fuel alcohol market but firmer grain prices and expensive logistics are driving costs higher. At least one industrial user said that he had booked a contract at EUR60-61 per hl on a delivered basis.

While some producers are busy diverting fuel qualities to non-fuel markets ahead of the maintenance period in June/July, there are discussions as to whether or not low priced supplies will be ample enough to bridge the inter-crop period.

Meanwhile, imports remain difficult because of the competitive prices in the EU and the weaker euro.

The **fuel** alcohol market gave up some of its earlier gains with values for June between EUR470 and EUR475 (-EUR5) per cubic metre, while July and August remained stable between EUR470 and EUR475.

World Ethanol - Port Statistics (tonnes) - week beginning June 11, 2018									
Country	Port	Ship Name	Status	L	D	Origin	Sailing		ETA
							on	to	
Brazil	Aratu	BTS Selena	B		8,690	USA			
	Maceio	MTM Tortola	B		5,000				
	Maceio	Flumar Brasil	B						
	Maceio	Taruca	E						
	Maceio	Flumar Maceió	E						
	Paranagua	Southern Puma	E	4,000					
	Paranagua	Bow Riyadh	E		2,710				
	Santos	Taruca	E	20,000					
	Santos	Halcon Trader	B	16,000					
	Santos	Castillo de Tebra	B	4,600					
	Santos	MTM London	S	16,590			30/05/2018	Singapore	26/06/2018
	Santos	MTM Kobe	S	15,999			01/06/2018	Fortaleza	
	Santos	Celsius Manila	S	5,400			02/06/2018		
	Costa Rica	Punta Morales	MTM Santos	S	15,500			08/06/2018	China
Guatemala	Quetzal	Fairchem Steed	E	14,400				Korea	06/06/2018
	Quetzal	Jo Spirit	E	4,500					13/06/2018
	Quetzal	Stolt Sycamore	S	7,200			11/05/2018	Korea	05/06/2018
Pakistan	Karachi	Houyoshi Park	B	6,820					
	Karachi	Bw Mia	S	17,500			09/06/2018		
	Karachi	Chemway Arrow	S	10,700			31/05/2018		
	Karachi	Stolt Calluna	S	4,000			24/05/2018		
	Karachi	Normanna	S	4,700			29/05/2018		
	Karachi	Chemroute Sun	S	5,000			31/05/2018	Singapore	08/06/2018
Sweden	Norrköping	Nautilus	E	4,500					12/06/2018

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

Europe - Fuel Ethanol Prices, fob Rotterdam

Year	Month	T1				T2				T1-T2 Spread	
		USD/m ³	USD/tonne	EUR/m ³	EUR/tonne	EUR/m ³	EUR/tonne	USD/m ³	USD/tonne	EUR/m ³	USD/EUR
2016	12	509	645	483	612	522	662	550	698	-39	1.0545
2017	1	479	607	451	571	594	753	631	800	-143	1.0623
	2	484	613	454	576	636	806	677	858	-181	1.065
	3	483	612	453	574	599	759	639	810	-146	1.0666
	4	509	645	475	602	544	689	583	739	-69	1.0714
	5	475	586	430	531	586	743	648	821	-156	1.105
	6	483	574	431	512	574	728	643	815	-143	1.1202
	7	481	574	418	498	571	724	658	834	-153	1.15
	8	490	621	416	527	550	697	648	821	-134	1.178
	9	477	605	400	507	530	672	631	800	-130	1.1913
	10	453	574	385	488	461	584	542	687	-76	1.1755
	11	455	577	387	491	468	593	550	697	-81	1.1743
	12	422	535	357	452	472	598	559	708	-115	1.1836
2018	1	433	549	356	451	474	601	577	731	-118	1.2164
	2	463	587	375	475	461	584	570	722	-86	1.236
	3	468	593	379	481	457	579	564	714	-78	1.2334
	4	464	588	377	478	444	563	546	692	-67	1.230
	5	466	591	393	499	448	567	530	672	-54	1.1853

Brazilian Market Comments

The market traded higher in the latest week as the industry is only slowly coming back to life after the crippling truckers' strike. Hydrous ethanol was offered at BRL2,080-2,100 per cubic metre (exw; taxes included), up BRL30-40 on the week. Offers for anhydrous grades were BRL2,000-2,050, a gain of BRL60-70.

Exports have slowed down because of the difficult logistics but the weak real may act as a strong incentive to fix additional volumes.

Brazil - Ethanol imports in May 2018 totalled 103.3 mln litres, trade data show, the lowest for five months and below 392.4 mln in April and 248.0 mln one year earlier. So far in the current Apr/Mar cycle, 495.6 mln litres were imported, up from 359.9 mln one year earlier. Virtually the entire amount came from the United States.

Exports in May hit a three-month high of 91.6 mln litres, compared with 74.9 mln in April and 84.0 mln one year earlier. Out of the May total, 68.0 mln litres went to the United States, after 47.8 mln in April and 42.5 mln last year.

So far in the current cycle, 166.4 mln litres were exported, down from 212.9 mln. The main destinations were the US (115.8 mln litres vs 170.6 mln), South Korea (23.9 mln vs 27.0 mln) and Japan (16.1 mln vs 14.0 mln).

In the 2017/18 cycle, 1.758 bln litres came in, while exports totalled 1.457 bln.

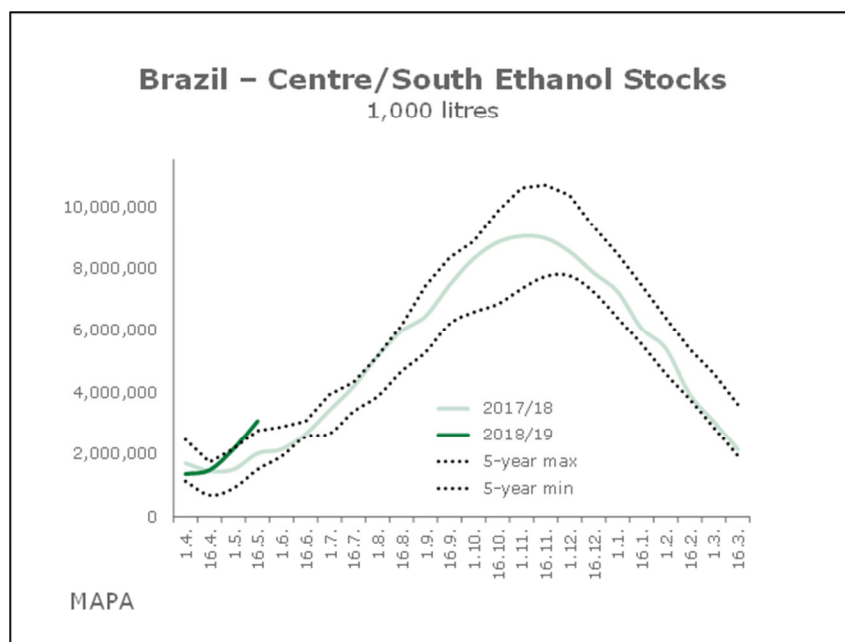
The data exclude trade in blends and products.

Brazil - A strong pace of production and large carry-over stocks from the 2017/18 season have prompted ethanol stocks to rise to near record levels by early May, official data show.

As of May 1, 2018, there were almost 2.2 bln litres in stock in the Centre/South (CS), up from 1.5 bln last year. The increase in stocks was 0.8 bln litres in May against a decrease of 0.2 bln last year.

In the meantime, supplies of hydrous ethanol have eased. The share of this product in overall stocks reached 58% against, which is quite normal for this time of the year.

In contrast to the CS, the situation in the North/Northeast is quite tight. Here stocks fell to 88 mln litres against 129 mln last year.



US Market Comments

Ethanol **future** prices in Chicago moved lower during the week amid weaker corn and energy prices. Overall activity remained lacklustre. The July contract settled at USD1.447 a gallon against USD1.478 a week earlier.

On the **spot** market in the Chicago area prices were assessed at around USD1.42 a gallon.

United States - Ethanol exports in April 2018 totalled 618.0 mln litres, the lowest for three months, against 817.2 mln in March and 340.0 last year, trade data show.

Shipments to Brazil amounted to 230.8 mln litres in April, down from 362.2 mln in the preceding month but up from 168.5 mln last year. Exports to Canada were 106.6 mln litres, an average level. There were only marginal shipments to China, after 74.8 mln litres in the preceding month. Exports to India remained strong (46.5 mln litres, up from 44.7 mln in March).

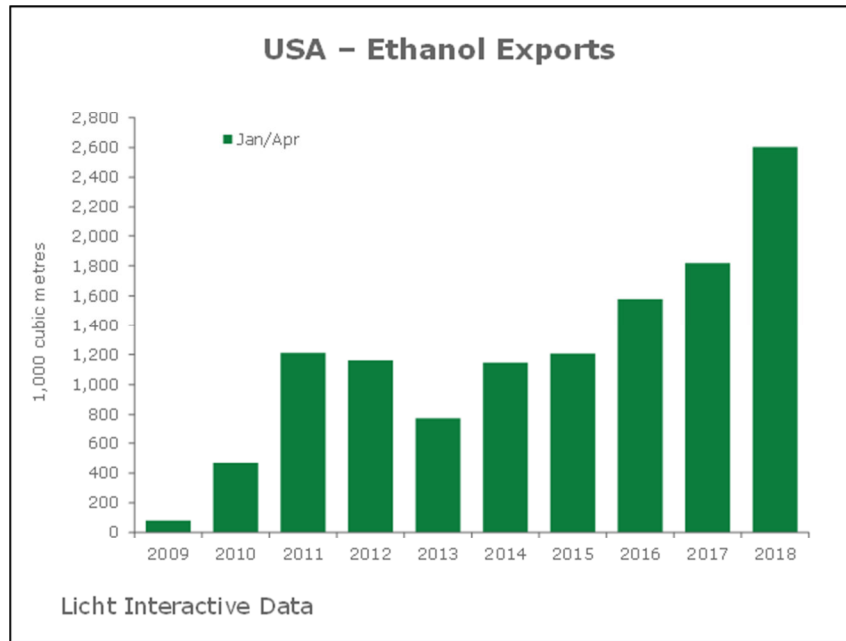
Exports in Jan/Apr rose to a record 2.604 bln litres, up 43% on the year. The main destination was Brazil (1.139 bln litres vs 722.6 mln), followed by Canada (363.6 mln vs 358.3 mln) and China (200.0 mln vs marginal volumes).

Imports in April hit a four-month low of 59.1 mln litres, against 77.2 mln in March and 36.3 mln in April. Arrivals from Brazil fell on the month (47.4 mln litres vs 65.3 mln) but were up on the year (27.2 mln).

Imports in Jan/Apr were up 12% on the year at 292.4 mln litres, of which 246.9 mln (222.1 mln) from Brazil.

In calendar year 2017, a total of 5.230 bln litres was exported, with imports reaching 1.055 bln.

The data exclude trading plans and other products.

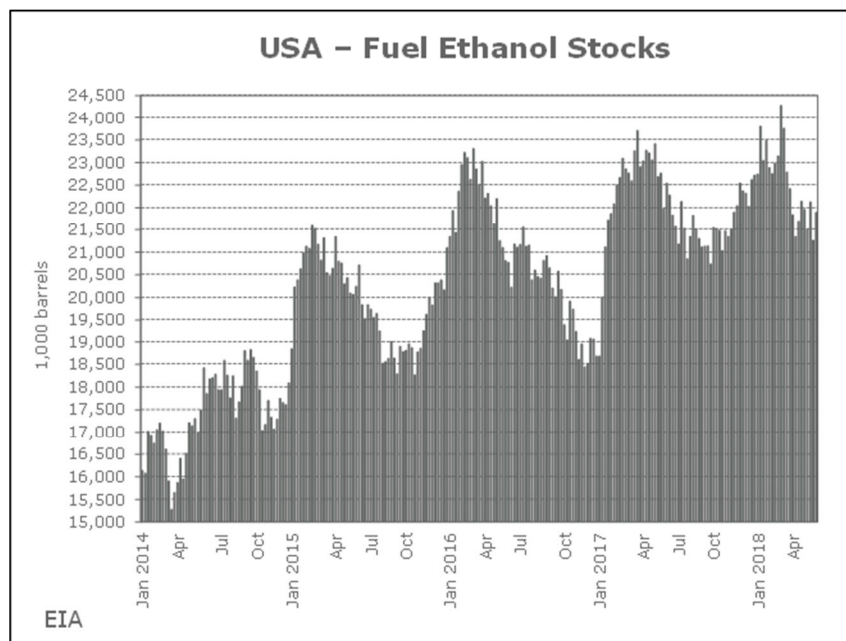


United States - Fuel ethanol production in the week to June 1, 2018 averaged 1.041 mln barrels per day (bpd), flat on the week, the most-recent data from the Energy Information Administration (EIA) show. Output remained up on the year (999,000 bpd).

Imports remained at nil for the 26th week.

Refiner and blender net input was 901,000 bpd, compared with 941,000 in the preceding week and 909,000 one year earlier. Based on the amount of motor gasoline supplied, the blending ratio averaged around 10.0% vol., above 9.7% on the prior week and 9.8% last year.

Stocks rebounded, after the sharp decline in the preceding on the week, to 21.9 mln barrels from 21.3 mln last week.



F.O. LICHT

Editorial

Am Mühlengraben 22
23909 Ratzeburg
Germany

Editor: Dr. Christoph Berg
Claus Keller

Phone: +49 (0)4541 8892-0
Fax: +49 (0)4541 82145
E-mail: info@fo-licht.com

Data Protection Officer
Claire Bullen

E-mail: RIDPO@informa.com

General Enquiries

E-mail: Subscriptions@informa.com

Tel: +44 (0)20 7017 5540 or
(US) Toll Free: +1 800 997 3892

Online Access

E-mail: OnlineAccess@informa.com

Tel: +44 (0)20 7017 4161

Subscriptions

Christchurch Court
10-15 Newgate Street
London EC1A 7AZ, UK

Phone: +44 (0)20 7017 7583

Fax: +44 (0)20 7017 6985

E-mail: marketing@agra-net.com

Marketing: Sharon Tzuang

F.O. Licht® Online www.agra-net.com

ISSN 1759-1414

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Phone: +44 (0)20 7017 7578 or
Fax: +44 (0)20 7017 6985
E-mail: marketing@agra-net.com

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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