F.O. LICHT'S World Ethanol Price Report

Vol. 14, No. 21 October 22, 2018

World - Ethanol prices for the week ended 19 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 (20 October, 2017)	48-49	48-49
North	**Current**	**49-50**	**no quote**
	12 months ago (20 October, 2017)	48-49	no quote
East	**Current**	**51-52**	**48-49**
	12 months ago (20 October, 2017)	49-50	49-50
		T1	T2
NW European ports fob	**Current**	**USD 41.5-42.5**	**47.5-48.5**
	12 months ago (20 October, 2017)	USD 44-46	45.5-47

Non-Fuel		Contract		Spot	
		96°	99°	96°	99°
West	**Current**	**58-60 (I)** **53-55 (REN)** **58-60 (B)**	**65-67 (I)**	**58-60 (I)** **53-55 (REN)** **58-60 (B)**	**65-67 (I)**
	12 months ago (20 October, 2017)	61-62 (I) 56-58 (REN) 62-64 (B)	66-67 (I)	61-62 (I) 55-56 (REN) 62-64 (B)	66-67 (I)
Central	**Current**	**58-60 (I)** **55-56 (REN)** **58-60 (B)**	**65-67 (I)**	**58-60 (I)** **55-56 (REN)** **58-60 (B)**	**65-67 (I)**
	12 months ago (20 October, 2017)	61-62 (I) 56-58 (REN) 60-63 (B)	64-66 (I)	61-62 (I) 55-56 (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 (20 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)**	**65-67 (I)**	**no quote (I)**	**no quote (I)**
	12 months ago (20 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)**	**64-66 (I)**	**60-63 (I)** **59-60 (B)** **no quote (P)**	**64-66 (I)**
	12 months ago (20 October, 2017)	60-64 (I) 60-62 (B) no quote (P)	64-65 (I)	60-64 (I) 60-62 (B) no quote (P)	64-65 (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 (20 October, 2017)	no quote (99) no quote (REN) no quote (surfin)		no quote (99) 51-53 (REN) 57.5-59 (surfin)	

Non-European markets (USD/m3)	Fuel		Non-fuel	
	Hydrous (EPA)	Anhydrous (EPA)	Grade B	
Brazil, fob Santos	**460-535**	**490-595**	**490-545**	
	Chicago	New York		
USA, Spot	**328-330**	**362-365**		
	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 been concluded and the price trends of recent weeks have been confirmed.

On the **fuel** market prices were lower again in the latest week. The prompt lost EUR10 at EUR470-480, November was down EUR15 at EUR455-465 and December lost the same to EUR455-460.

Freight sources told F.O. Licht there was a new fixture for a 20 mln litre ethanol cargo for New York/Itaqui in the low USD40s per tonne on the vessel Intrepid Seahawk for mid-October. Moreover, there was an inquiry for 12,000 tonnes (around 15 mln litres) from the US Gulf to the Philippines for early November. Others were for up to 8,000 tonnes from the west coast of South America to the EU for mid-/late October as well as for up to 7,000 tonnes from Pakistan to the Med for mid-/late November.

From the EU market, an inquiry for a 2,000 tonne ENA cargo was reported for ARA/Finland for early/mid-October. There also was shipping interest for 5 mln litres of fuel grades from ARA to Sweden for mid-October. Other inquiries for later this month included 4,500 tonnes from Cartagena/Spain for Fos/France and up to 6 mln litres from northern France to the Thames (United Kingdom).

World Ethanol - Port Statistics (tonnes) - week beginning Oct 22, 2018

Country	Port	Ship Name	Status	L	D	Origin	Sailing on	Sailing to	ETA
USA	Gulf	Ace Vessel	E	5,000				ARA	
	Gulf	TRF Kobe	S	18,000			03/10/2018	Suez	27/10/2018
	EC	Intrepid Seahawk	B	15,780				Itaqui	
Brazil	Itaqui	MTM Fairfield	E		6,000	USA			27/10/2018
	Itaqui	MTM Tortola	E		7,500	USA			
	Paranagua	Chembulk Virgin Gorda	E	23,670				Ulsan	
	Santos	SW Cap Ferrat I	E	27,200					
	Santos	Normanna	S	4,157				Ghana	27/10/2018
	Santos	Castillo de Tebra	S	3,782				Suape	23/10/2018
	Santos	MTM Southport	S	17,489			11/10/2018	Singapore	10/11/2018
	Santos	Barbouni	S	2,600			13/10/2018	Argentina	16/10/2018
	Santos	Stolt Maple	S	32,000			08/10/2018	Pacific	
	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
	Suape	Louis P	A		10,150	USA			21/10/2018
Guatemala	Quetzal	BW Helium	S	8,400				Atlantic	
Pakistan	Karachi	Chemroute Sun	B	13,800					
	Karachi	Ginga Leopard	S	2,000				Malaysia	
	Karachi	Bunga Lavender	S	17,500			17/10/2018	Singapore	27/10/2018
	Karachi	Brillante	S	7,000			14/10/2018	Singapore	23/201/2018
	Karachi	Stolt Sequoia	S	8,365			23/09/2018	ARA	29/10/2018
Sweden	Norrköping	Neptunus	S	5,000			21/10/2018	Germany	24/10/2018

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

Brazilian Market Comments

The rally on the ethanol market finally ran into resistance as the firmer real made imported gasoline cheaper. This reduced the attractiveness of hydrous ethanol at the pump and prices retreated somewhat. By the same token demand for anhydrous was higher and prices continued to climb.

Hydrous ethanol lost BRL20-30 to BRL2,200-2,220 per cubic metre (exw; taxes included) while anhydrous grades added BRL30 to BRL2,080-2,100.

ISSN: 1759-1414

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

US Market Comments

Fuel ethanol future prices in Chicago came under pressure amid a weaker corn market and dire demand prospects. The poor performance of the energy complex and the sharp downturn in equities contributed to the gloomy mood.

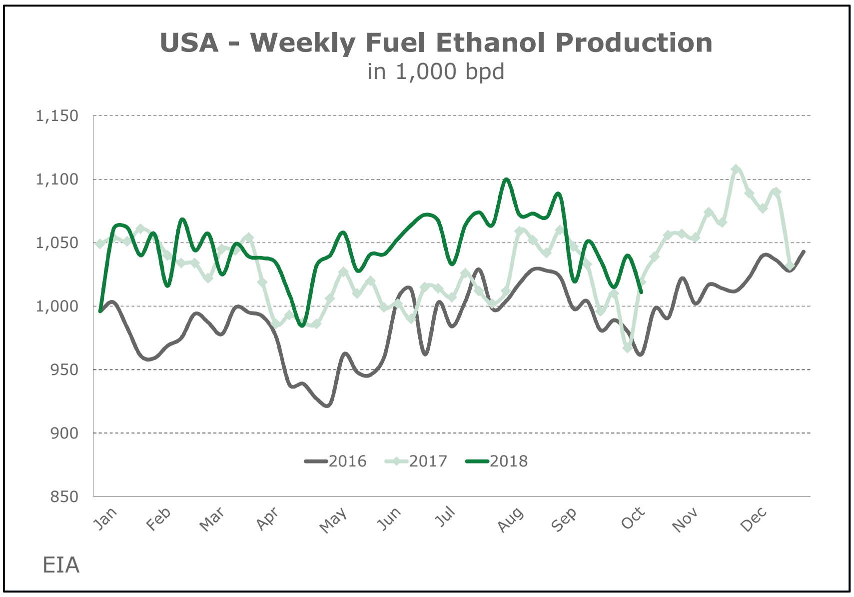
The front-month November contract finished the week at USD1.265 per gallon, down from USD1.309 the prior week.

United States - Fuel ethanol production in the week to October 12, 2018 averaged 1.011 mln barrels per day (bpd), reported the Energy Information Administration (EIA), down 29,000 on the week and the lowest since mid-April. Output even fell on the year (1.019 mln bpd). Market sources pointed to logistical issues cutting output.

Imports fell to nil from 71,000 bpd in the prior week.

Refiner and blender net input was 933,000 bpd, a six-week high, up 20,000 on the week in the prior week and above 922,000 last year. Based on the amount of motor gasoline supplied, the blending share averaged around 10.2% vol., up slightly from 10.1% each. The average blending rate was at its highest since late November.

Stocks were higher, following the strong decline in the prior week. Overall inventories rose to 24.1 mln barrels from 24.0 mln. A decline on the Gulf Coast (4.5 mln barrels vs 4.7 mln) was offset by higher stocks elsewhere. Stocks on the West Coast have meanwhile reached 3.2 mln barrels, up from 3.0 mln and the highest since September 2017.



Asian Market Comments

Rising **freight** rates are giving ethanol traders in Asia a headache. This is quite a change from the situation a couple of months ago when the growing US-Sino trade tensions resulted in an oversupply of vessel space and lower rates. However, operators have now adapted their routes and this means that less tankers will go to Asia.

With the US still out of the **Chinese** import market the question is who will fill this gap. At the moment only some smaller suppliers in Asia and Latin America enjoy duty-free access. One obvious candidate would be Brazil but for this to happen the 20% import duty on product from this origin would have to be lifted.

ISSN: 1759-1414

In other news, **Vietnam** is expected to appear as a regular importer for the next couple of months as the country is ramping up its fuel alcohol program. As all of the ethanol distilleries are located in the south of the country, imports could remain the cheaper option even after the re-start of some of the idled domestic production assets.

Elsewhere in Asia, **India** and the **Philippines** feature as regular buyers of fuel grade alcohol with the former's imports expected to remain near 500 mln litres in 2019 as well. Current fuel ethanol prices in the Philippines are assessed at around USD450-460 per m^3 cfr Subic Bay.

ISSN: 1759-1414

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: BIDPO@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

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

an **informa** business