F.O. LICHTS

World Ethanol Price Report

Vol. 14, No. 25 November 19, 2018

World - Ethanol prices for the week ended 16 November, 2018

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

Fuel		Contract	Spot
Central	Current	**50-51**	**51-52**
	12 months ago (17 November, 2017)	48-49	48-49
North	Current	**50-51**	**no quote**
	12 months ago (17 November, 2017)	48-49	no quote
East	Current	**51-52**	**49-50**
	12 months ago (17 November, 2017)	49-50	49-50
		T1	T2
NW European ports fob	Current	**USD 41.5-42.5**	**51.5-52.5**
	12 months ago (17 November, 2017)	USD 45-46	46.5-47

Non-Fuel		Contract		Spot	
		96°	99°	96°	99°
West	Current	**58-60 (I)** **53-55 (REN)** **58-60 (B)**	**66-68 (I)**	**59-60 (I)** **53-55 (REN)** **58-60 (B)**	**66-68 (I)**
	12 months ago (17 November, 2017)	61-62 (I) 56-58 (REN) 62-64 (B)	66-67 (I)	60-61 (I) 54-56 (REN) 62-64 (B)	66-67 (I)
Central	Current	**58-60 (I)** **55-56 (REN)** **58-60 (B)**	**66-68 (I)**	**58-60 (I)** **55-56 (REN)** **58-60 (B)**	**66-68 (I)**
	12 months ago (17 November, 2017)	61-62 (I) 56-58 (REN) 60-63 (B)	64-66 (I)	60-62 (I) 54-56 (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 (17 November, 2017)	61-63 (I) 61-63 (B)	68-70 (I)	61-62 (I) 61-63 (B)	68-70 (I)
North	Current	**60-62 (I)**	**65-67 (I)**	**no quote (I)**	**no quote (I)**
	12 months ago (17 November, 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 (17 November, 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 (17 November, 2017)	no quote (99) no quote (REN) no quote (surfin)		no quote (99) 51-54 (REN) 57.5-59 (surfin)	

Non-European markets (USD/m3)	Fuel		Non-fuel	
	Hydrous (EPA)	Anhydrous (EPA)	Grade B	
Brazil, fob Santos	**440-485**	**465-540**	**465-490**	
	Chicago	New York		
USA, Spot	**322-325**	**357-359**		
	Anhydrous		ENA	Industrial
Pakistan, fob Karachi (USD/tonne)	**710-730**		**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

Prices for **traditional** product remained largely unchanged as the market has entered its peak consumption period. An outage of a grain-based player in England has prompted increased spot demand and lifted prices. However, this is not expected to materially change the S/D balance as there does not seem to be an immediate shortage of ENA product.

Meanwhile, players try to assess the effects of the arrival of two large vessels from South America in ARA in the next couple of weeks. Most of the product is for the **fuel** market which has seen considerable gains in recent weeks after CropEnergies announced that it would idle its plant in the UK at the end of November. So far the prospect of the higher import volume has failed to impress market participants and values continued to rise in the latest week. November gained up to EUR10 to EUR520-525 per m^3, December was up EUR10 at EUR515-520 and January gained the same to EUR505-510.

Crushing spreads for ethanol producers improved in recent days on higher product prices but remained in the red.

Freight sources told F. O. Licht that the vessel Louis P is to load 20 mln litres of ethanol for US Gulf/Brazil in the mid-USD40s per tonne for mid-November. Moreover, there was shipping interest for 3.6 mln litres from a Caribbean port to Trinidad or South Korea from early November, up to 8,500 tonnes of fuel grades (roughly 11 mln litres) from Peru to East Asia for early/mid-December and for 6 mln litres from the US Gulf to Kenya for late December/early January.

From the EU market, a fixture for an 8,000 tonne cargo including MTBE and ETBE from Fos/France to various ports in Italy (Livorno, Taranto and Venice) on an Oriental vessel in the low EUR20s was reported.

World Ethanol - Port Statistics (tonnes) - week beginning Nov 19, 2018

							Sailing		
Country	**Port**	**Ship Name**	**Status**	**L**	**D**	**Origin**	**on**	**to**	**ETA**
USA	Gulf	Louis P	E	15,780				Brazil	
Brazil	Itaqui	Stena Imprimis	A		4,750	USA			
	Itaqui	BTS Selena	E		20,000	USA			28/11/2018
	Itaqui	MTM Tortola	E		2,000	USA			04/12/2018
	Paranagua	Chembulk Virgin Gorda	E	23,670				Ulsan	
	Paranagua	Southern Quokka	S	7,051				ARA	23/11/2018
	Salvador	Fairchem Charger	B		7,750	USA			
	Salvador	TRF Bergen	B		10,000	USA			
	Santos	Marie C	E	8,000					
	Santos	MTM Fairfield	B	16,548					13/11/2018
	Santos	SW Cap Ferrat I	S	27,200			05/11/2018	Pacific	
Pakistan	Karachi	Oriental Freesia	E	4,000					
	Karachi	Caribbean	E	15,500					
	Karachi	Bochem Ghent	S	5,500				Spain	17/11/2018
France	Dunkirk	BW Helium	E		2,404	Guatemala			14/11/2018
	Dunkirk	Songa Winds	E		4,000	USA			16/11/2018
Germany	Rostock	Marinus	S	5,000				Denmark	08/11/2018
Netherlands	Rotterdam	Chembulk New York	E		25,000	Paraguay			
Sweden	Norrköping	Donia	E	5,000				Germany	

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

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

Year	Month	Beverage Alcohol EUR/m³	Beverage Alcohol $/m³	REN EUR/m³	REN $/m³	Industrial Alcohol 99° EUR/m³	Industrial Alcohol 99° $/m³	REN-beverage spread (EUR/m³)
2017	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
	10	590	679	555	638	661	760	-35

United Kingdom - Ethanol imports in September 2018 amounted to 49.3 mln litres, a three-month high, up from 26.7 mln in August and 42.1 mln last year, trade data show.
The Jan/Sep total rose to a three-year high of 433.9 mln litres from 412.5 mln in 2017. The main origins were the Netherlands (208.0 mln litres vs 250.6 mln) and France (195.8 mln vs 119.4 mln).
Exports in September fell to a 19-month low of 17.9 mln litres, bringing the Jan/Sep total to 362.7 mln, down from 428.2 mln last year. The main destinations were the Netherlands (195.8 mln litres vs 136.9 mln) and Belgium (48.9 mln vs 35.7 mln).
In Jan/Dec 2017, 562.4 mln litres came in, while 576.4 mln were exported.

Brazilian Market Comments

The ethanol market remained under pressure as Petrobras continued to lower gasoline prices.

Hydrous ethanol lost BRL40-50 to BRL2,000-2,030 per cubic metre (exw; taxes included) while anhydrous grades were assessed BRL70 lower at BRL2,030-2,070.

Brazil - Ethanol exports in October 2018 amounted to around 279.4 mln litres, against 177.0 mln in September and 154.1 mln last year, trade figures show.

This was the highest volume since February 2016. Support came from the weaker real. Shipments to the United States rose to 128.8 mln litres from 97.8 mln in September and 97.9 mln last year. Exports to South Korea jumped to 105.6 mln litres from 59.6 mln and 27.0 mln.

This brought exports so far in the 2018/19 season (starting in April) to 1,186 mln litres, up from 1,004 mln in the same period a year ago. The main destination was the US (633.9 mln litres vs 665.5 mln), followed by South Korea (396.6 mln vs 247.1 mln). Shipments to Japan more than doubled y/y to 83.4 mln litres from 38.0 mln.

Imports in October rebounded to 47.7 mln litres from a three-year low of 5.7 mln in September, but remained down on the year (91.1 mln). This brought imports in the current cycle to 807.9 mln litres,

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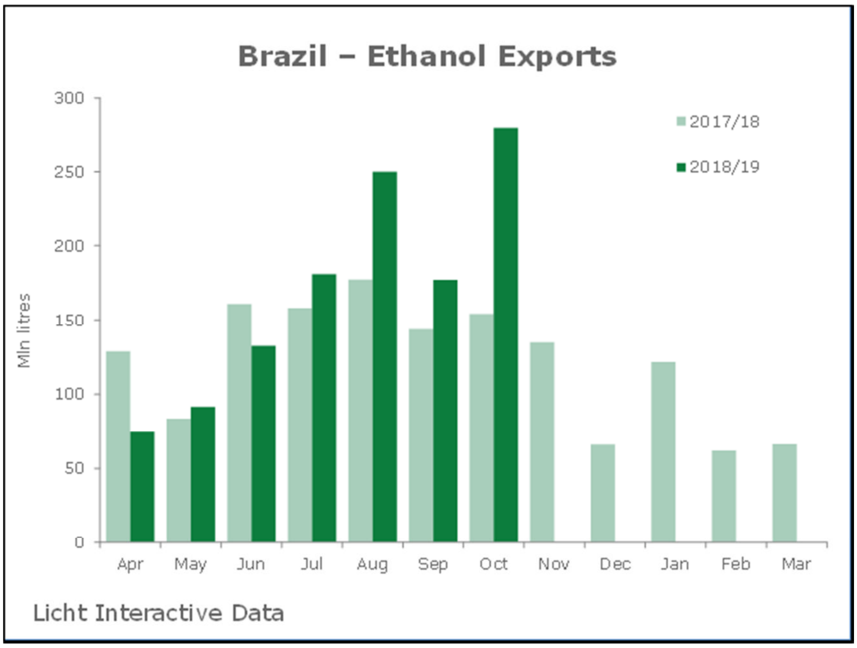
down from 969.6 mln last year. Virtually the entire import volume in 2018/19 and 2017/18 came from the US.

In 2017/18, 1,457 mln litres of ethanol were exported, while 1,758 mln came in.

The data exclude trade in blends and products.



US Market Comments

Downward pressure on ethanol values came from declines in crude oil. Meanwhile, gasoline premiums over ethanol continued to fall.

On **CBOT**, the front-month (December) contract finished the week at USD1.264 per gallon, down from USD1.269 the prior week.

Spot prices for ethanol settled up from multi-year lows. Levels in the low-to-mid USD1.20s per gallon were reported from the Agro terminal, up from the mid-to-high USD1.10s last week. Market sources pointed to output cuts which can also be attributed to a seasonal decline in demand.

United States - Fuel ethanol **production** in the week to November 9, 2018 averaged 1.067 mln barrels per day (bpd), reported the Energy Information Administration (EIA), down 1,000 on the week. Output remained up on the year (1.054 mln bpd).
Imports jumped to 37,000 bpd from nil.
Refiner and blender net input was 926,000 bpd, up 9,000 on the week and also up on the year (916,000). Based on the amount of motor gasoline supplied, the blending share averaged around 10.1% vol., flat on the week (10.0% last year).
Stocks increased for the second consecutive week. Overall inventories reached around 23.5 mln barrels, up from 23.2 mln in the prior week. Growth came from the East Coast (7.8 mln barrels vs 7.5 mln) and the Gulf Coast (4.7 mln vs 4.5 mln).

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