F.O. LICHTS

World Ethanol Price Report

Vol. 14, No. 29 December 17, 2018

World - Ethanol prices for the week ended 14 December, 2018

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

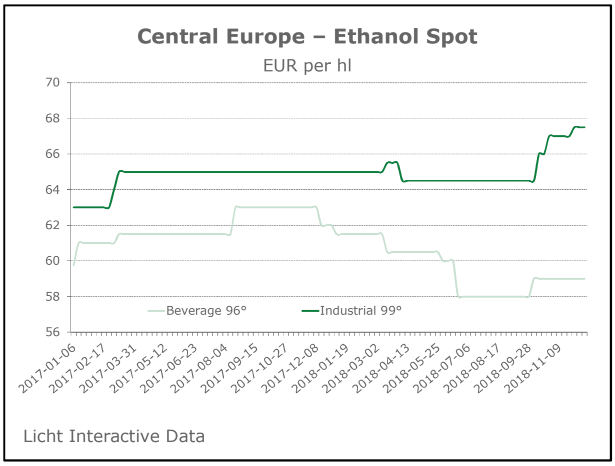
Fuel		Contract	Spot
Central	Current	**50-51**	**52-54**
	12 months ago (15 December, 2017)	47-49	48-49
North	Current	**50-51**	**no quote**
	12 months ago (15 December, 2017)	47-48	no quote
East	Current	**51-52**	**51-52**
	12 months ago (15 December, 2017)	47-49	48-50
		T1	T2
NW European ports fob	Current	**USD 41-42**	**59-61**
	12 months ago (15 December, 2017)	USD 40-41	46.5-47

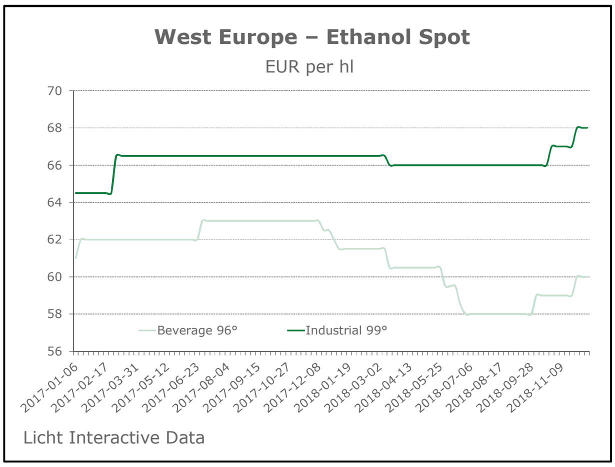
Non-Fuel		Contract 96°	Contract 99°	Spot 96°	Spot 99°
West	Current	**58-60 (I)** **55-56 (REN)** **58-60 (B)**	**66-70 (I)**	**60-61 (I)** **55-57 (REN)** **59-61 (B)**	**66-70 (I)**
	12 months ago (15 December, 2017)	61-62 (I) 56-58 (REN) 62-64 (B)	66-67 (I)	60-61 (I) 54-55 (REN) 62-63 (B)	66-67 (I)
Central	Current	**58-60 (I)** **55-56 (REN)** **58-60 (B)**	**66-68 (I)**	**59-61 (I)** **56-58 (REN)** **58-60 (B)**	**66-69 (I)**
	12 months ago (15 December, 2017)	61-62 (I) 56-58 (REN) 60-63 (B)	64-66 (I)	60-62 (I) 54-55 (REN) 61-63 (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 (15 December, 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 (15 December, 2017)	60-62 (I)	65-67 (I)	no quote (I)	no quote (I)
East	Current	**60-63 (I)** **60-63 (B)** **no quote (P)**	**64-66 (I)**	**60-63 (I)** **60-63 (B)** **no quote (P)**	**no quote (I)**
	12 months ago (15 December, 2017)	61-64 (I) 62-64 (B) no quote (P)	64-65 (I)	61-64 (I) 62-64 (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)** **51-52 (REN)** **57-58 (surfin)**	
	12 months ago (15 December, 2017)	no quote (99) no quote (REN) no quote (surfin)		no quote (99) 51-54 (REN) 56-57.5 (surfin)	

Non-European markets (USD/m3)	Fuel		Non-fuel	
	Hydrous (EPA)	Anhydrous (EPA)	Grade B	
Brazil, fob Santos	**440-465**	**465-520**	**470-490**	
	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

Due to the Christmas/New Year holidays our next Price Report will be published on January 7, 2019.





European Market Comments

Prices in the **traditional** market remain unchanged but there seems to be wide-spread consensus that Q1 will see higher prices for most contracts. Players noted very tight conditions in the spot REN market where extremely limited supplies meet good demand. This may have to do with the sharply higher prices for fuel ethanol which some rectifiers use as an intermediate for the production of other industrial grades.

In the meantime the rally on the **fuel** alcohol market has started to run out of steam. December lost EUR25-40 to EUR595-EUR620. January was down EUR10-15 at EUR520-530 and February lost EUR5-25 to EUR515-535.

Freight sources told F.O. Licht that a 9,000 tonne ethanol cargo was fixed for US Gulf/North Brazil on the vessel Ambassador Norris in the low USD50s per tonne for early December. Another 8,000 tonnes cargo was booked from the US Gulf to Spain and 31,000 from the East Coast to the Arab Gulf.

Moreover, there was shipping interest for roughly 4,500 tonnes from Cambodia to South Korea for late December/early January. On the intra-EU market, there was an inquiry for 1,000 tonnes of ethanol from ARA to Sweden for early December. For mid-December, shipping interest was recorded for 4,000 tonnes for Cartagena to Tarragona, both Spain, the same tonnage for France/Sweden, up to 14,000 from ARA to the Thames/United Kingdom and up to 8,000 from ARA to the Thames, Dublin and Belfast (UK/Ireland).

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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	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
	11	590	673	559	637	671	765	-31

World Ethanol - Port Statistics (tonnes) - week beginning Dec 17, 2018

Country	Port	Ship Name	Status	L	D	Origin	Sailing on	Sailing to	ETA
USA	East	Ardmore Defender	S	31,560			15/12/2018	Arab Gulf	
	Gulf	Stolt Vanguard	B	3,500				Brazil	
	Gulf	Ambassador Norris	B	9,000				Brazil	
	Gulf	Caribe Rosa	S	8,679			05/12/2018	Spain	
	Gulf	Bunga Allium	S	25,000			22/11/2018	ARA	12/12/2018
Brazil	Aratu	Louis P	B		8,905	USA			13/12/2018
	Aratu	Moyra**	S	6,000			09/12/2018		
	Itaqui	Songa Dream	E		6,500	USA			18/12/2018
	Santos	Otto H	E		23,315	USA			21/12/2018
	Santos	MTM Newport	S	35,321	33,191				
	Santos	Marie C	S	8,000			10/12/2018	USA	31/12/2018
	Santos	MTM Fairfield	S	16,548			22/11/2018	Singapore	25/12/2018
	Suape	Songa Dream	E		9,500	USA			24/12/2018
Guatemala	Quetzal	Lilly PG	E	3,000				Puerto Rico	15/12/2018
Nigeria	Lagos	Nordic Lynx	B		10,800	USA			10/12/2018
Pakistan	Karachi	CT Confidence	B	11,900					
	Karachi	CT Ace	S	7,100			30/11/2018	Singapore	
	Karachi	Stolt Lerk	S	11,000			25/11/2018	Med	
	Karachi	Horin Trader	S	1,050			24/11/2018	Arab Gulf	
	Karachi	Oriental Freesia	S	4,000			18/11/2018	Med	
	Karachi	Caribbean	S	15,500			22/11/2018	China	10/12/2018
France	Dunkirk	CTG Bismuth	E		1,988	Brazil			18/12/2018
Germany	Rostock	Finja	B		3,000				
	Rostock	Sukran C	E	3,000				Rotterdam	
Netherlands	Rotterdam	Chembulk New York	E		25,000	Paraguay			20/12/2018
Sweden	Norrköping	Lillo Swan	E		4,000	Rotterdam			18/12/2018

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

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Brazilian Market Comments

The ethanol market came under pressure again on lower gasoline prices and prospects of higher imports from the US.

Hydrous ethanol lost up to BRL10 at BRL2,030-2,080 per cubic metre (exw; taxes included) while anhydrous grades were assessed BRL30-50 lower at BRL1,950-1,980.

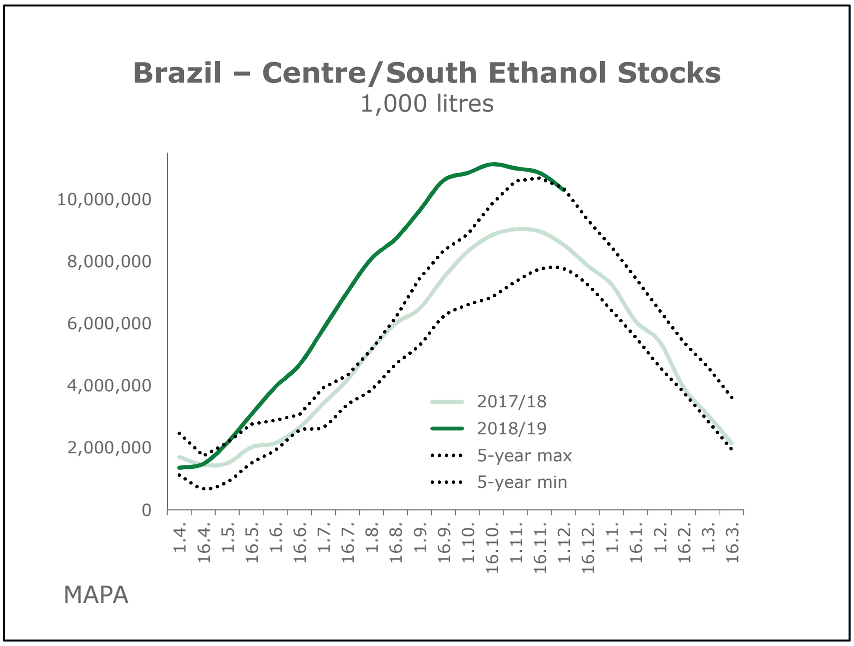
Brazil - The slowing pace of production and high consumption has prompted ethanol stocks in the Centre/South (CS) to be depleted at a record rate for this time of the year.

During November a net volume of close to 700 mln litres left the storage tanks in the region compared with less than 500 mln last year. Of the total 560 mln litres were hydrous ethanol and 135 mln anhydrous.

Nevertheless stocks remained at elevated levels as of December 1, 2018 when they reached 10.3 bln litres against 8.5 bln 12 months ago.

Supplies of hydrous ethanol in the CS remain plentiful, the data suggest. The share of this product in overall stocks reached 63%, a level which was last surpassed in 2010 at this time of the year.

Stocks in the North/Northeast continue to climb as the harvest in the region is now at its peak. Inventories there reached 359 mln litres by early-December against 356 mln 12 months earlier.



US Market Comments

Ethanol futures remain under pressure but were able to claw back some of the losses after falling to an intra-week low of USD1.221 per gallon. Nevertheless the market continues to suffer from oversupply while weaker corn values erode support further.

The front-month future (January) rose to USD1.258 per gallon from USD1.238.

United States - Fuel ethanol production in the week to December 7, 2018 averaged 1.046 mln barrels per day (bpd), reported the Energy Information Administration (EIA), down from 1.069 mln in the prior week and 1.089 mln in the first week of December 2017. Cumulatively, average weekly production currently stands at 1.047 mln barrels per day against 1.030 mln last year (+1.7%).

Imports were nil for the fourth week in a row.

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Refiner and blender net input was 910,000 bpd, up 14,000 on the week but slightly below last year's 916,000. Cumulatively, average weekly net input currently stands at 914,224 barrels per day against 913,510 mln last year (+0.8%).

Based on the amount of motor gasoline supplied, the blending share averaged around 10.1% vol., flat on the week and on the year.

Stocks declined on the week, after two consecutive increases. Overall inventories reached around 22.9 mln barrels, below 23.0 mln. Inventories declined marginally w/won the Gulf Coast (4.4 mln barrels vs 4.7 mln), offsetting growth elsewhere, the EIA data show, especially on the West Coast (3.3 mln vs 3.2 mln).

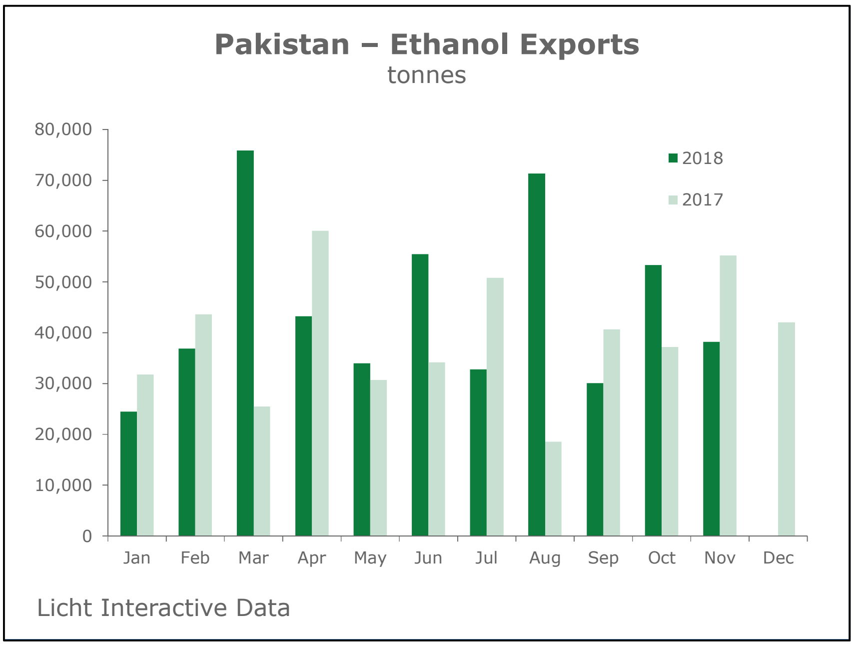
Pakistan - Ethanol exports in November 2018 were lower again after the sharp in increase in October.

During the month, five tankers loaded ethanol at the port of Karachi: the Oriental Freesia (4,000 tonnes), the Caribbean (15,200), the Horin Trader (1,000), the Stolt Lerk (10,700) and the CT Ace (7,200).

Most of the product exported in October went to the EU (21,000 tonnes), followed by China (18,000 tonnes).

The overall volume in the latest month was 38,000 tonnes, against 53,000 in October and 55,000 in November 2017.

Cumulative exports so far in 2018 have reached 496,000 tonnes against 428,000 in the same period a year ago.



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