F.O. LICHTS

World Ethanol Price Report

Vol. 14, No. 3 June 18, 2018

World - Ethanol prices for the week ended 15 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 (16 June, 2017)	54-55	54-55
North	**Current**	**47-48**	**no quote**
	12 months ago (16 June, 2017)	54-55	no quote
East	**Current**	**47-48**	**47-48**
	12 months ago (16 June, 2017)	53-55	54-57
		T1	T2
NW European ports fob	**Current**	**USD 45-46.5**	**46.5-47**
	12 months ago (16 June, 2017)	USD 48.5-49.5	58-58.5

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 (16 June, 2017)	61-62 (I) 58-60 (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)**	**63-66 (I)**
	12 months ago (16 June, 2017)	61-63 (I) 58-60 (REN) 60-63 (B)	63-66 (I)	61-63 (I) 58-60 (REN) 60-63 (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 (16 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)**	**no quote (I)**
	12 months ago (16 June, 2017)	59-62 (I)	65-67 (I)	no quote (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 (16 June, 2017)	60-64 (I) 59-62 (B) no quote (P)	64-66 (I)	no quote (I) 59-63 (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)** **51-53 (REN)** **56-57.5 (surfin)**	
	12 months ago (16 June, 2017)	no quote (99) no quote (REN) no quote (surfin)		no quote (99) no quote (REN) 59-61 (surfin)	

Non-European markets (USD/m3)	Fuel		Non-fuel	
	Hydrous (EPA)	Anhydrous (EPA)	Grade B	
Brazil, fob Santos	**460-490**	**495-540**	**470-495**	
	Chicago	New York		
USA, Spot	**367-372**	**399-404**		
	Anhydrous		ENA	Industrial
Pakistan, fob Karachi (USD/tonne)	**730-750**		**670-680**	**620-630**

: 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. Talks are expected to drag on until the end of the month if not early July. Meanwhile, imports remain difficult because of the competitive prices in the EU and the weaker euro.

The **fuel** alcohol traded side-ways with values for June between EUR470 and EUR475 per cubic metre, while July and August gave up EUR5 to EUR465 and EUR470.

World Ethanol - Port Statistics (tonnes) - week beginning June 18, 2018									
Country	Port	Ship Name	Status	L	D	Origin	Sailing on	Sailing to	ETA
Brazil	Aratu	Taruca	E		8,000	Santos			
	Itaqui	MTM Kobe	E		3,951	Santos			
	Maceio	MTM Tortola	B		5,000				
	Maceio	Taruca	E						
	Maceio	Flumar Maceió	E			Santos			
	Paranagua	Southern Puma	E	4,000					
	Paranagua	Bow Riyad	E		2,710				
	Santos	Chemway Lara	E		5,000				
	Santos	Taruca	S	20,000			16/06/2018		
	Santos	Halcon Trader	S	16,000			12/06/2018	USA	28/06/2018
	Santos	Castillo de Tebra	S	4,600			12/06/2018		
	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		
	Suape	Flumar Maceió	E	7,100		Santos			
Costa Rica	Punta Morales	MTM Santos	S	15,500			08/06/2018	China	07/07/2018
Guatemala	Quetzal	TRF Kashima	E	8,000					
	Quetzal	Jo Spirit	S	6,000			14/06/2018	Puerto Rico	
	Quetzal	Fairchem Steed	S	14,400			13/06/2018	Korea	
Pakistan	Karachi	Taihua Glory	S	3,060			14/06/2018		
	Karachi	Everrich 1	S	1,100			14/06/2018		
	Karachi	Houyoshi Park	S	6,820			11/06/2018		
	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
Germany	Rostock	Aland	E	4,500				Sweden	
Sweden	Norrköping	Nautilus	S	4,500			16/06/2018	Germany	
*only customs clearing, **ETBE; A: Anchored; B: Berthed; E: Expected; S: Sailed; L: Load; D: Discharge									

Brazilian Market Comments

The market came down somewhat in the latest week as the industry is only slowly coming back to life after the crippling truckers' strike. Hydrous ethanol was offered at BRL2,050-2,080 per cubic metre (exw; taxes included), down BRL20-30 on the week. Offers for anhydrous grades were BRL2,000-2,030, a loss of BRL20 at the upper end. Lower crude oil prices and a firmer real speak against higher prices in the immediate future.

Exports have slowed down because of the difficult logistics and the strengthening real may act as another obstacle to fix additional volumes.

Brazil - Ethanol sales ex Centre/South (CS) fell on the year in May 2018 (1,992 mln litres vs 2,130 mln), after months with considerable growth rates (April: 1,916 mln vs 1,732 mln), reported sugar

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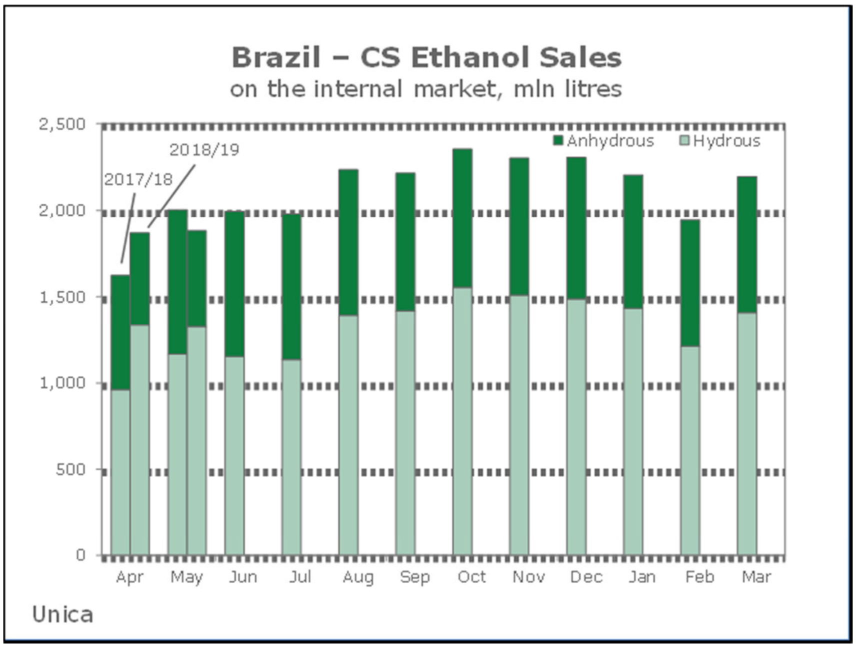
sector group Unica. There was a decline in the anhydrous segment in both the export as well as on the domestic market.

Unica said that part of this was caused by higher imports. Moreover, the recent trucker strike cut deliveries to the tune of 300 mln litres for hydrous grades and 150 mln for anhydrous, with the final numbers being later reported in the official data from the national petroleum agency, ANP.



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 USD1.417 a gallon against USD1.447 a week earlier.

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

Asian Market Comments

Traders are currently assessing the impact of **China's** announcement to slap another 25% on US ethanol imports from August. This would bring the total duties to 70% and make imports prohibitively expensive. As a result prices on CBOT are expected to soften in the week ahead.

The announcement will prompted **Philippine** buyers to hold back purchases. Business had been slow ever since the government announced a record LMA of 115 mln litres for Q3. At the time the increase was justified with new capacity coming online.

In the non-fuel market **Grade B** qualities are currently assessed at USD580 per m^3 on a CFR basis. Traders report that a large industrial user in the Singapore region that regularly buys lower quality anhydrous ethanol in vessel lots of 1,000 tonnes is currently seeking another cargo for USD700 per tonne CIF.

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