F.O. LICHTS

World Ethanol Price Report

Vol. 14, No. 30 January 7, 2019

World - Ethanol prices for the week ended 4 January, 2019

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 (5 January, 2018)	48-49	48-49
North	**Current**	**50-51**	**no quote**
	12 months ago (5 January, 2018)	48-48	no quote
East	**Current**	**51-52**	**51-52**
	12 months ago (5 January, 2018)	49-51	49-51
		T1	**T2**
NW European ports fob	**Current**	**USD 40-41**	**56-57**
	12 months ago (5 January, 2018)	USD 42-43	48-48.5

Non-Fuel		Contract		Spot	
		96°	**99°**	**96°**	**99°**
West	**Current**	**60-61 (I)** **55-57 (REN)** **59-61 (B)**	**66-70 (I)**	**60-61 (I)** **55-57 (REN)** **59-61 (B)**	**66-70 (I)**
	12 months ago (5 January, 2018)	61-62 (I) 54-56 (REN) 61-63 (B)	66-67 (I)	60-61 (I) 54-55 (REN) 60-63 (B)	66-67 (I)
Central	**Current**	**59-61 (I)** **56-58 (REN)** **59-60 (B)**	**67-70 (I)**	**59-61 (I)** **56-58 (REN)** **59-60 (B)**	**67-70 (I)**
	12 months ago (5 January, 2018)	60-62 (I) 54-56 (REN) 60-63 (B)	64-66 (I)	60-62 (I) 54-55 (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 (5 January, 2018)	61-63 (I) 61-63 (B)	68-70 (I)	61-62 (I) 61-63 (B)	68-70 (I)
North	**Current**	**60-62 (I)**	**66-69 (I)**	**no quote (I)**	**no quote (I)**
	12 months ago (5 January, 2018)	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 (5 January, 2018)	61-64 (I) 62-65 (B) no quote (P)	64-65 (I)	61-64 (I) 62-66 (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)** **56-58 (surfin)**	
	12 months ago (5 January, 2018)	no quote (99) no quote (REN) no quote (surfin)		no quote (99) 51-53 (REN) 56-57.5 (surfin)	

Non-European markets (USD/m3)	Fuel		Non-fuel	
	Hydrous (EPA)	**Anhydrous (EPA)**	**Grade B**	
Brazil, fob Santos	**455-480**	**480-535**	**470-490**	
	Chicago	**New York**		
USA, Spot	**325-330**	**375-378**		
	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 in the **traditional** market moved higher in Q1 as had been reported earlier. The market was very quiet in the first week of January as most players are still away from their desks.

In the meantime, **fuel** ethanol prices hold up surprisingly well despite news of the open arbitrage between the US and Europe. January was up EUR40 (when compared with pre-Christmas levels) at EUR560-570. February added up to EUR15 to EUR530 and March was assessed at EUR515-525.

The rise in ARA prices and the continued depression on the US market has prompted new fixtures on the transatlantic route amid an otherwise quiet **freight** market. The following fixtures were reported during the period:

- 31,500 tonnes of ethanol from the US Gulf to the Arab Gulf on the vessel Ardmore Defender in early December in the low USD50s,
- 5,000 tonnes of MTBE and ETBE from Fos/France to Livorno and Taranto/Italy for late December,
- 15,000 tonnes of ethanol from USG to ARA on an Ace vessel for late December in the mid USD50s per tonne, and
- 30,000 cubes of ethanol from USG to Brazil on the Ardmore Cherokee for late January in the low USD50s.

On top of that there was an enquiry for 4,150 tonnes ethanol from Spain to Norway for late December.

World Ethanol - Port Statistics (tonnes) - week beginning Jan 7, 2019

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	Ardmore Cherokee	E	23,650				Brazil	
	Gulf	Nordic Ace	E	15,000				ARA	
	Gulf	Caribe Rosa	B	8,679				Spain	
	Gulf	Chem Polaris	S	16,000			15/12/2018	ARA	31/12/2018
	Gulf	Stolt Vanguard	S	3,500			24/12/2018	Brazil	08/01/2019
Brazil	Santos	Navig8 Almandine	E	33,280					03/01/2019
	Santos	Stena Impeccable	E		39,603	USA			14/01/2019
	Santos	Otto H	B		23,315	USA			21/12/2018
	Santos	MTM Newport	S	35,321	33,191	USA	19/12/2018	Ulsan	27/01/2019
	Santos	Marie C	S	8,000			10/12/2018	USA	31/12/2018
	Suape	Ambassador Norris	E		2,960	USA			31/12/2018
Guatemala	Quetzal	Celsius Birdie	E						12/01/2019
Pakistan	Karachi	Stream Arctic	S	5,250				Med	
	Karachi	Stolt Kashi	S	11,000			31/12/2018		
	Karachi	Chem New York	S	13,000			28/12/2018		
	Karachi	BW Neon	S	4,700			22/12/2018	Singapore	01/01/2019

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

ISSN: 1759-1414

Europe - Fuel Ethanol Prices, fob Rotterdam

		T1				T2				T1-T2 Spread	Import duties*
Year	Month	USD/m3	USD/tonne	EUR/m3	EUR/tonne	EUR/m3	EUR/tonne	USD/m3	USD/tonne	EUR/m3	
2017	7	481	574	418	498	571	724	658	834	-153	142
	8	490	621	416	527	550	697	648	821	-134	142
	9	477	605	400	507	530	672	631	800	-130	140
	10	453	574	385	488	461	584	542	687	-76	139
	11	455	577	387	491	468	593	550	697	-81	139
	12	422	535	357	452	472	598	559	708	-115	136
2018	1	433	549	356	451	474	601	577	731	-118	136
	2	463	587	375	475	461	584	570	722	-86	138
	3	468	593	379	481	457	579	564	714	-78	138
	4	464	588	377	478	444	563	546	692	-67	138
	5	466	591	394	500	448	567	529	671	-53	139
	6	459	581	392	497	474	600	554	702	-81	139
	7	456	578	390	495	474	601	554	702	-84	139
	8	431	546	374	474	502	636	578	733	-128	138
	9	419	531	359	456	495	627	577	731	-136	136
	10	426	540	374	474	485	615	552	700	-111	138
	11	420	532	370	468	531	672	603	764	-161	137
	12	414	524	364	461	603	764	686	870	-239	137

*) for US product

Brazilian Market Comments

The ethanol market was unchanged to weaker over the holiday period on signs of weakening demand for hydrous ethanol. At the same time the 2018/19 harvest in the Centre/South has come to an end.

Hydrous ethanol lost up to BRL30 at BRL2,030-2,050 per cubic metre (exw; taxes included) while anhydrous grades were stable at BRL1,950-1,980.

Brazil - Ethanol exports in December 2018 amounted to around 107.4 mln litres against 147.9 mln in November and 65.2 mln last year, Trade Ministry figures show.

The ministry's data refer to undenatured grades only.

This would bring ethanol exports so far in the 2018/19 season (starting in April) to 1,441 mln litres, up from 1,206 mln in the same period a year ago, the data imply. In 2017/18, 1,457 mln litres were exported.

Brazil - The decreasing consumption growth has prompted ethanol stocks in the Centre/South (CS) fall at a slower pace in December 2018. Hydrous ethanol had turned less competitive at the pump because of falling gasoline prices.

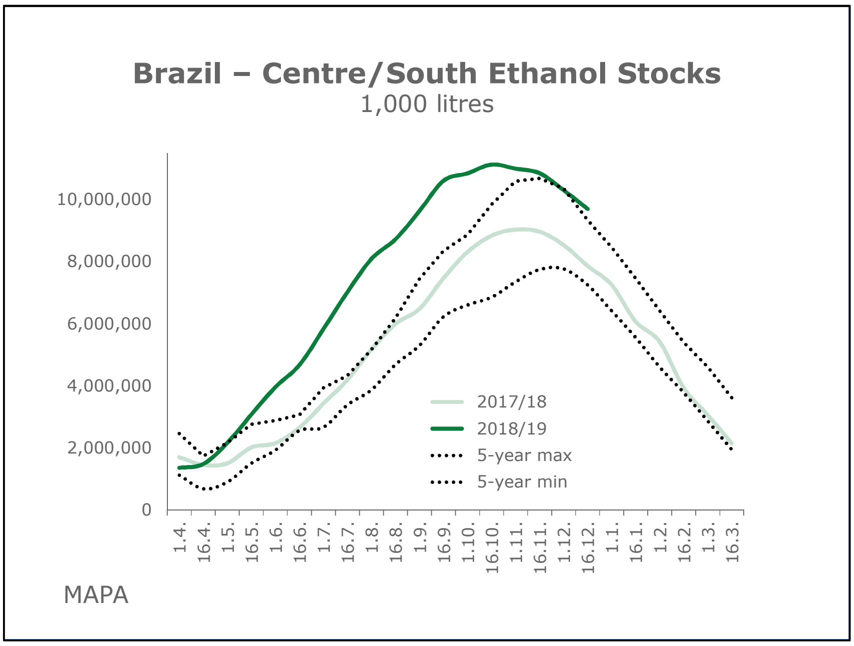
During the first half of December a net volume of 600 mln litres left the storage tanks in the region, compared with 675 mln last year. Of the total, 312 mln litres were hydrous ethanol and 288 mln anhydrous.

As a result stocks are now at record levels again reaching 9.7 bln litres, against 7.9 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 64%, also an all-time high.

Stocks in the North/Northeast continue to climb as the harvest in the region is now at its peak. Inventories there reached 381 mln litres by mid-December, against 347 mln 12 months earlier.

 ISSN: 1759-1414



US Market Comments

Ethanol futures remain under pressure but were able to claw back some of the losses over the holiday period. Nevertheless the market continues to suffer from oversupply. However, higher corn values seem to provide a floor for the time being. The front-month future (January) rose to USD1.274 per gallon from USD1.258 before Christmas.

United States - Fuel ethanol production in the week to December 28, 2018 averaged 1.011 mln barrels per day (bpd), an 11-week low, reported the Energy Information Administration (EIA), down from 1.042 mln in the prior week and 1.032 mln in the same week a year ago.

Imports were nil for the seventh week in a row.

Refiner and blender net input was 868,000 bpd, down from 935,000 in the preceding week but above last year's 855,000. Based on the amount of motor gasoline supplied, the blending share averaged around 10.1% vol., up slightly on the week (10.0%) and on the year (9.9%).

Stocks rose slightly on the week, reaching 23.2 mln barrels against 23.1 mln previously. Inventories rose the most w/w in the Midwest (8.1 mln barrels vs 7.6 mln), which more than offset a decline on the Gulf (4.6 mln vs. 5.0 mln).

Asian Market Comments

China - Ethanol imports in November 2018 reached around 94.1 mln litres, up sharply from 16.0 mln in October and 6.5 mln last year, trade data show. The November total included 59.9 mln litres coming in from Indonesia (likely re-exports) and 30.9 mln from Pakistan.

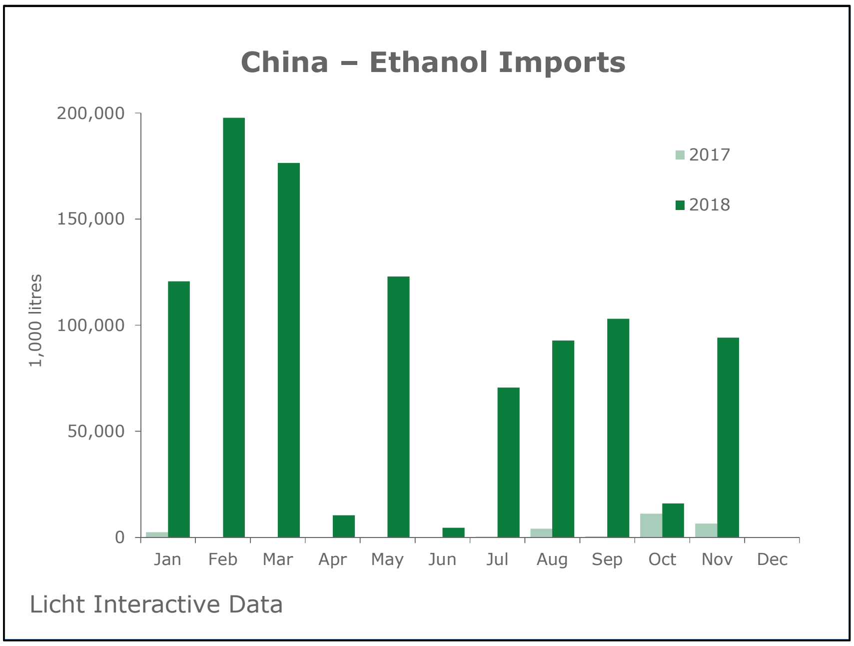
Jan/Nov 2018 imports totalled 1,009 mln litres, up sharply from 24.9 mln one year earlier.

The United States was by far the main origin with 521.1 mln litres, up from marginal volumes one year earlier. Around 244.2 mln litres came from Pakistan, up from 12.6 mln. Unconventional origins include Costa Rica (20.1 mln), Indonesia (95.5 mln) and Malaysia (88.4 mln).

Exports in Jan/Nov fell y/y to 75.6 mln litres from 129.4 mln. The main destinations were Vietnam (35.6 mln litres vs nil) and North Korea (27.8 mln vs 33.6 mln). Shipments to Saudi Arabia fell to nil from 70.1 mln litres.

In Jan/Dec 2017, a total of 25.0 mln litres was imported, while exports reached 133.2 mln.

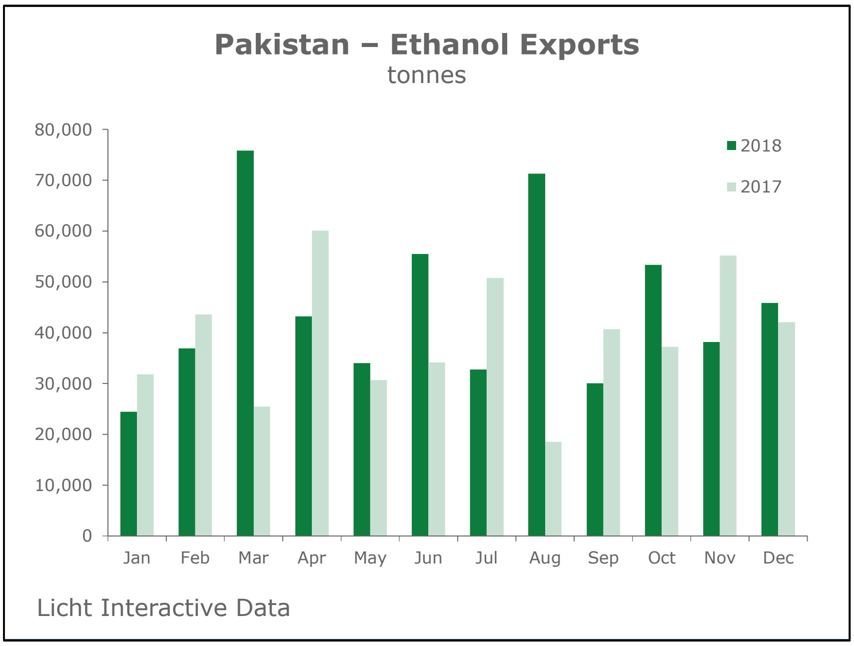
 ISSN: 1759-1414



Pakistan - Ethanol exports in December 2018 were higher month on month as the industry is entering the 2018/19 production season. During the month, five tankers loaded ethanol at the port of Karachi: the CT Confidence (11,900 tonnes), the BW Neon (4,700), the Chem New York (13,000), the Stream Arctic (5,200) and the Stolt Kashi (11,000). Most of the product exported in December went to Far East destinations (30,000 tonnes).

The overall volume in the latest month was 46,000 tonnes, against 38,000 in November and 42,000 in December 2017.

Total exports so far in 2018 reached 541,000 tonnes against 470,000 in 2017.



 ISSN: 1759-1414

F.O. LICHTS

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