F.O. LICHTS

World Ethanol Price Report

Vol. 14, No. 31 January 14, 2019

World - Ethanol prices for the week ended 11 January, 2019

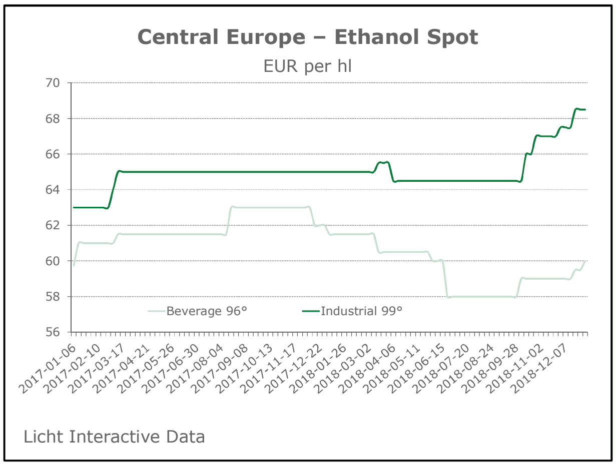
European Union (in EUR/hl pure alcohol, delivered at place, unless stated otherwise)

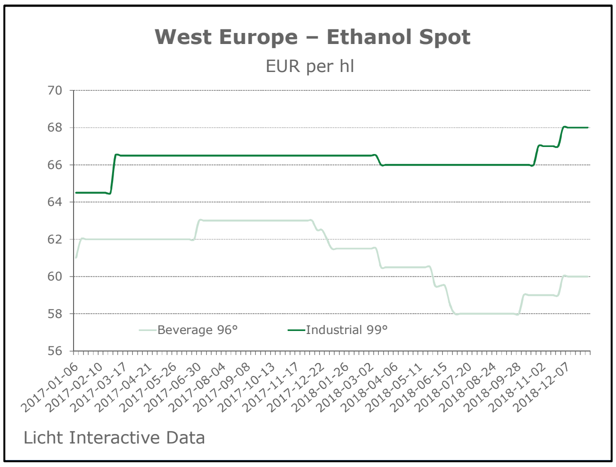
Fuel		Contract	Spot
Central	**Current**	**50-51**	**52-54**
	12 months ago (12 January, 2018)	48-49	48-49
North	**Current**	**50-51**	**no quote**
	12 months ago (12 January, 2018)	48-48	no quote
East	**Current**	**51-52**	**51-52**
	12 months ago (12 January, 2018)	49-51	49-51
		T1	T2
NW European ports fob	**Current**	**USD 40-41**	**57.5-59**
	12 months ago (12 January, 2018)	USD 43-44	47.5-48

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 (12 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 (12 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 (12 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 (12 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 (12 January, 2018)	61-64 (I) 61-65 (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 (12 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	**450-475**	**485-540**	**480-500**	
	Chicago	New York		
USA, Spot	**333-335**	**370-372**		
	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 fuel grades for prompt went up on the week. January was up an average EUR15 at EUR575-590 per cube, while February was flat at roughly EUR530 and March remained at EUR515-525.

On the **freight** market, the elevated ARA values for fuel grades prompted new interest for shipping on the transatlantic route. There was a fixture for 12,000 tonnes from the US Gulf to northern France on an Ace tanker in the mid USD50s per tonne for late December. Moreover, there was an inquiry for Argentina/United Kingdom for 10 mln litres for end-January. On the intra-EU market, inquiries were recorded ex Lillebonne/France to Porvoo in Finland and to Ireland/United Kingdom, both for 6 mln litres each and for mid-January. There also was shipping interest for 2,000 tonnes of ETBE from Fos/France to Taranto/Italy for the same period.

European Market Fundamentals

United Kingdom - Fuel ethanol consumption in November 2018 was 68 mln litres, down 1% on the year, after four consecutive y/y increases, bringing the 2018 total to 697 mln litres, up 1%. Gasoline use showed a downward trend (Jan/Nov: -1%, including fuel ethanol). The average blending share in November reached 4.5%, which is a five-month low. The Jan/Nov total rose slightly to 4.6% from 4.5%.

Fuel ethanol consumption in Jan/Dec 2017 was 753 mln litres, with the blending share reaching 4.5%.

Brazilian Market Comments

The ethanol market was unchanged to weaker against the prior week. Hydrous ethanol lost up to BRL30 at BRL2,000-2,030 per cubic metre (exw; taxes included) while anhydrous grades were stable at BRL1,950-1,980.

Brazil - Ethanol imports in December 2018 remained on an upward trend, reaching 174.5 mln litres, an eight-month high, up from 139.4 mln in November and 84.7 mln last year, trade data show.

This brought imports so far in the current Apr/Mar current cycle to 1,121.8 mln litres, down from 1,104.6 mln last year. Virtually the entire import volume in 2018/19 and 2017/18 came from the United States.

Exports in December slowed to around 107.6 mln litres, a seven-month low, against 147.9 mln in November and 66.1 mln last year. There were lower shipments to the US (55.2 mln litres vs 96.6 mln in November) and to South Korea (36.5 mln vs 38.2 mln).

This brought exports so far in 2018/19 to 1,434.5 mln litres, a three-year high, up from 1,207.2 mln in the same period a year ago. The main destinations were the US (778.8 mln litres vs 811.8 mln) and South Korea (471.6 mln vs 274.5 mln). Exports to Japan rose to 83.4 mln litres from 54.1 mln,

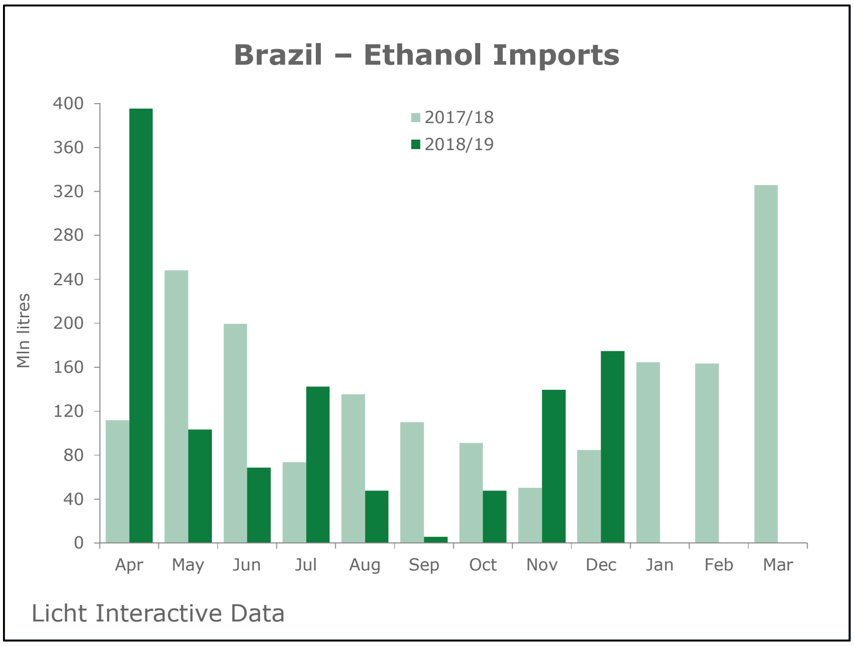
ISSN: 1759-1414

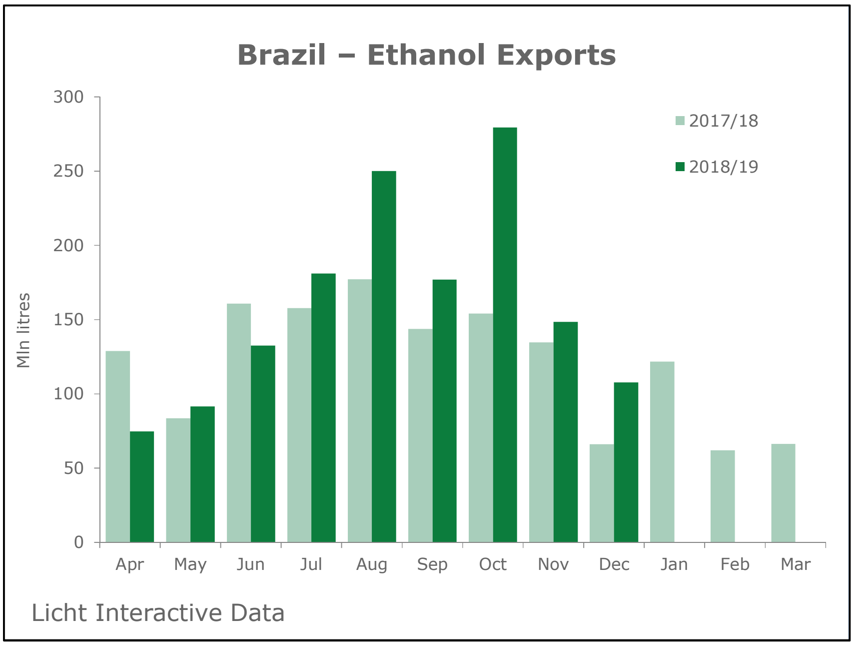
those to Colombia to 19.0 mln from 4.7 mln. Shipments to the European Union fell to 30.9 mln litres from 45.0 mln.

In December, the Brazilian economy became a net importer of ethanol after being a net exporter for six months.

In 2017/18, 1,563.1 mln litres of ethanol were exported, while 1,758.1 mln came in.

The data exclude trade in blends and products.





US Market Comments

Future prices for ethanol in Chicago went down on the week. The February contract settled at USD1,287 per gallon, down from USD1,298. Downward pressure came from higher inventory levels (see below) and lower corn values. The discount to gasoline for prompt widened.

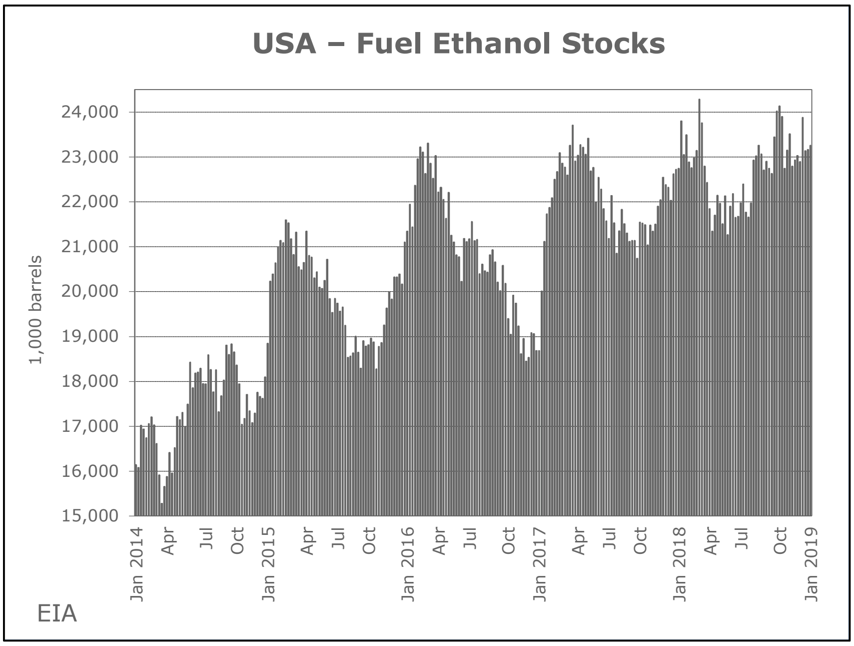
ISSN: 1759-1414

United States - Fuel ethanol production in the week to January 4, 2019 averaged 1.000 mln barrels per day (bpd), a one-year low, reported the Energy Information Administration (EIA), against 1.011 mln in the prior week and 996,000 in the same week a year ago.

Imports were nil for the eighth week in a row.

Refiner and blender net input was 815,000 bpd, against 868,000 in the preceding week and last year's 795,000. Based on the amount of motor gasoline supplied, the blending share averaged around 9.3% vol., down on the week (10.1%) but up on the year (9.0%).

Stocks continued to rise the week, reaching 23.3 mln barrels, a three-week high, against 23.2 mln previously. A w/w decline on the Gulf (4.3 mln barrels vs 4.6 mln) was more than offset by higher inventory levels on the East Coast (7.0 mln vs 6.9 mln) and the Midwest (8.4 mln vs 8.1 mln).



ISSN: 1759-1414

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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

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