F.O. LICHTS

World Ethanol Price Report

Vol. 14, No. 7 July 16, 2018

World - Ethanol prices for the week ended 13 July, 2018

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

Fuel		Contract	Spot
Central	Current	**48-49**	**48-49**
	12 months ago (14 July, 2017)	55-57	55-57
North	Current	**48-49**	**no quote**
	12 months ago (14 July, 2017)	55-56	no quote
East	Current	**48-50**	**48-50**
	12 months ago (14 July, 2017)	55-57	56-57
		T1	T2
NW European ports fob	Current	**USD 44.5-45.5**	**47-47.5**
	12 months ago (14 July, 2017)	USD 48-49	56.5-58

Non-Fuel		Contract		Spot	
		96°	99°	96°	99°
West	Current	**58-60 (I)** **53-55 (REN)** **57-59 (B)**	**63-66 (I)**	**58-60 (I)** **53-55 (REN)** **57-59 (B)**	**65-67 (I)**
	12 months ago (14 July, 2017)	61-62 (I) 58-60 (REN) 62-64 (B)	66-67 (I)	61-63 (I) 58-60 (REN) 62-64 (B)	66-67 (I)
Central	Current	**58-60 (I)** **54-55 (REN)** **57-59 (B)**	**63-66 (I)**	**58-60 (I)** **54-55 (REN)** **57-59 (B)**	**63-66 (I)**
	12 months ago (14 July, 2017)	61-63 (I) 58-60 (REN) 60-63 (B)	64-66 (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 (14 July, 2017)	61-63 (I) 61-63 (B)	68-70 (I)	61-63 (I) 61-63 (B)	68-70 (I)
North	Current	**60-62 (I)**	**64-67 (I)**	**no quote (I)**	**no quote (I)**
	12 months ago (14 July, 2017)	60-62 (I)	65-67 (I)	no quote (I)	no quote (I)
East	Current	**60-63 (I)** **57-59 (B)** **no quote (P)**	**64-65 (I)**	**60-63 (I)** **55-57 (B)** **no quote (P)**	**64-65 (I)**
	12 months ago (14 July, 2017)	60-64 (I) 60-62 (B) no quote (P)	64-66 (I)	60-64 (I) 60-62 (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 (surfin)**	
	12 months ago (14 July, 2017)	no quote (99) no quote (REN) no quote (surfin)		no quote (99) 57-58.5 (REN) 58-60 (surfin)	

Non-European markets (USD/m3)	Fuel		Non-fuel	
	Hydrous (EPA)	Anhydrous (EPA)	Grade B	
Brazil, fob Santos	415-430	465-480	425-435	
	Chicago	New York		
USA, Spot	380-386	412-417		
	Anhydrous		ENA	Industrial
Pakistan, fob Karachi (USD/tonne)	720-740		670-680	620-630

B: beverage; I: industrial; P: pharmaceutical; REN: rectifié extra neutre; ENA: extra neutral alcohol; EPA: Environmental Protection Agency

European Market Comments

The negotiations for Q3 contracts in the **non-fuel** sector have now been finalised for most accounts with no changes seen in the overall trend. Higher grade ethanol was largely rolled over while 96° and REN qualities saw some losses. The timing of the negotiations also seemed to have played a role. Contracts that were finalised in early had a higher chance of price stability than those negotiated at a later stage.

In the meantime, there is talk in the market that a South African supplier is taking a fresh look at delivering ethanol directly to the port of Antwerp for further distribution. The player had been virtually absent from the EU market for the last three years.

Fuel alcohol remained largely stable in the period under review. July gained up to EUR5 to EUR465-475 per m^3 while August and September remained in the EUR470-475 range.

World Ethanol - Port Statistics (tonnes) - week beginning July 16, 2018									
							Sailing		
Country	Port	Ship Name	Status	L	D	Origin	on	to	ETA
Brazil	Aratu	Bunga Angelica	E		4,036	USA			19/07/2018
	Maceio	Bunga Angelica	E		10,000	USA			21/07/2018
	Maceio	Taurus	E		10,000	USA			17/07/2018
	Maceio	Taruca	E		10,000	USA			17/07/2018
	Paranagua	Marie C	S	21,000			12/07/2018	USA	30/07/2018
	Salvador	MTM Amsterdam	E		7,000	USA			09/07/2018
	Santos	Cielo di Salerno	E	31,560					
	Santos	Celsius Malaga	E	16,000					
	Santos	MTM New Orleans	S	19,600			10/07/2018	Singapore	07/08/2018
	Suape	Bunga Angelica	E	11,050		USA			
	Suape	Birdie Trader	E	12,850		USA			
	Suape	Stolt Vanguard	E	8,700		USA			
Costa Rica	Punta Morales	MTM Santos	S	15,500			08/06/2018	China	10/07/2018
Guatemala	Quetzal	Fairchem Conquest	E	10,000					29/07/2018
	Quetzal	TRF Kashima	S	16,600			06/07/2018	ARA	30/07/2018
	Quetzal	Fairchem Steed	S	14,400			13/06/2018	Korea	09/07/2018
Pakistan	Karachi	Chemroute Pegasus	S	5,800			14/07/2018		
	Karachi	Jeil Crystal	S	3,600			09/07/2018		
	Karachi	Octaden	S	9,900			23/06/2018	Med	
Sweden	Norrköping	Marinus	S	4,500			15/07/2018	Germany	17/07/2018
*only customs clearing, **ETBE; A: Anchored; B: Berthed; E: Expected; S: Sailed; L: Load; D: Discharge									

Brazilian Market Comments

The market stabilised in the latest week amid plentiful supplies. Ethanol is trading at parity to sugar for the first time since early 2018. Should ethanol prices fall further millers may re-think their current production mix which is focussing on ethanol.

Hydrous ethanol was offered at BRL1,840-1,850 per cubic metre (exw; taxes included), up BRL20 at the lower end. Offers for anhydrous grades rose by BRL10 at the lower end to BRL1,790-1,800.

US Market Comments

Ethanol future prices in Chicago remained weak throughout most of the week falling to below USD1.400 per gallon on Wednesday. By the end of the week prices had recovered to above the USD1.400 threshold again. In the end the spot month August contract ended at USD1.401 against USD1.439 a week earlier.

United States - Ethanol exports in May 2018 totalled 352.7 mln litres, the lowest since January, and down from against 459.0 mln in May last year, trade data show.

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Exports to Brazil amounted to 35.8 mln litres in May, down from 230.8 mln in the preceding month and also below 204.6 mln last year. Shipments to Canada were 122.6 mln litres against 120.2 mln last year. Exports to Peru soared to 48 mln litres in May against 18 mln in May 2017, while those to Philippines also increased to almost 36 mln (21 mln).

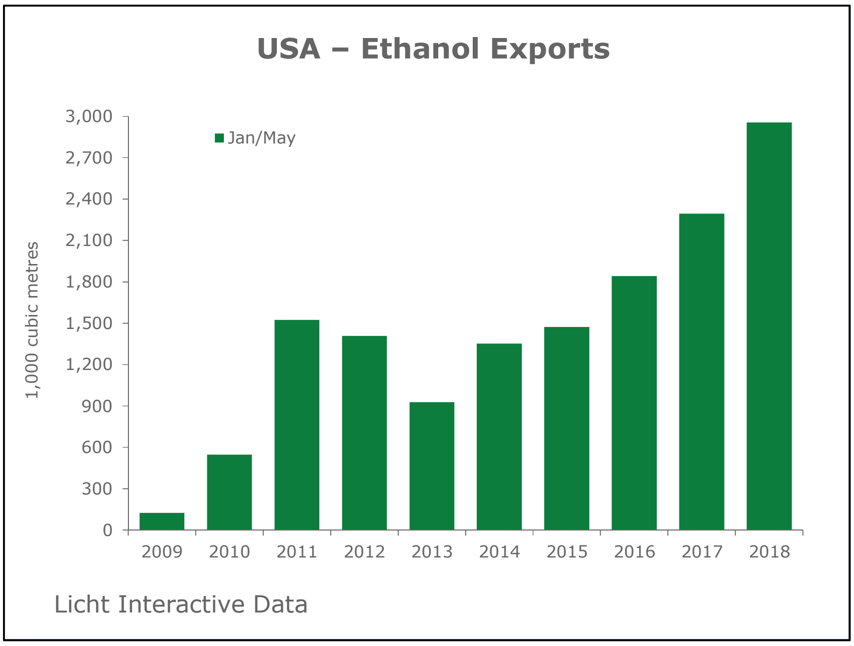
Exports in Jan/May Apr amounted to a record 2.957 bln litres, up 29% on the year. The main destination was Brazil (1.175 bln litres vs 915.6 mln), followed by Canada (486.2 mln vs 473.5 mln) and China (200.0 mln vs marginal volumes).

Imports in May rose to 75.5 mln litres, against 59.1 mln in April and 67.1 mln in April. Arrivals from Brazil rose on the month (67.8 mln litres vs 47.4 mln) and were also up on the year (61.5 mln).

Imports in Jan/May were up 12% on the year at 367.8 mln litres, of which 314.6 mln (283.4 mln) from Brazil.

In calendar year 2017, a total of 5.230 bln litres was exported, with imports reaching 1.055 bln.

The data exclude trade in blends and other products.



United States - Fuel ethanol production in the week to July 6, 2018 averaged 1.033 mln barrels per day (bpd), said the Energy Information Administration (EIA), down 34,000 on the week but above 1.007 mln one year earlier. This was the highest level since mid-May.

Imports were nil for the 31st consecutive week.

Refiner and blender net input fell on the week to 930,000 bpd from 950,000 but remained up on the year (927,000). Based on the amount of motor gasoline supplied, the average blending ratio was 10.0% vol., up from 9.6% in the prior week and 9.5% last year.

Stocks settled up on the week (22.4 mln barrels vs. 22.0 mln) with the biggest increase recorded on the Gulf Coast (+197,000 barrels to 5.0 mln a new all-time high).

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