F.O. LICHTS

World Ethanol Price Report

Vol. 14, No. 8 July 23, 2018

World - Ethanol prices for the week ended 20 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 (21 July, 2017)	55-57	55-57
North	**Current**	**48-49**	**no quote**
	12 months ago (21 July, 2017)	55-56	no quote
East	**Current**	**48-50**	**48-50**
	12 months ago (21 July, 2017)	55-57	56-57
		T1	T2
NW European ports fob	**Current**	**USD 45-46**	**46.5-47**
	12 months ago (21 July, 2017)	USD 47.5-48.5	55-58

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 (21 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 (21 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 (21 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 (21 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 (21 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 (21 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**	**425-430**	
	Chicago	New York		
USA, Spot	**375-378**	**409-415**		
	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

Prices in the **traditional** market remained unchanged amid light business. The holiday season is keeping many players away from their desks and this is not expected to change in the next couple of week.

The spill of 200 tonnes of bunker fuel has had a great impact on the activities in the **Port of Rotterdam**. Parts of the port were closed for a number of days to make sure that cleaning companies could do their so that the fuel would not spread any further. Currently the Botlek area is still classified as a polluted area. Entering this area is entirely at the customer's or shipper's own responsibility. It is expected that in the course of the week beginning July 23 all operations can be resumed and everything will be back to normal.

In the **fuel** ethanol market prices were lower on the week with July now in the EUR465-470 per m^3 range, down EUR5 on both ends. Prices for August and September were in a similar band. The market is reported to be well-stocked and some are anticipating that prices could fall back to the EUR450 area.

World Ethanol - Port Statistics (tonnes) - week beginning July 23, 2018

Country	Port	Ship Name	Status	L	D	Origin	Sailing on	Sailing to	ETA
Brazil	Aratu	Bunga Angelica	E		4,036	USA			
	Aratu	Southern Quokka**	E	6,000					
	Aratu	Bow Architect**	E	5,000					
	Itaqui	MTM Antwerp	E		1,750	USA			
	Maceio	Taruca	B		10,000	USA			
	Maceio	Bunga Angelica	E		10,000	USA			
	Maceio	Taurus	E		10,000	USA			
	Paranagua	Sveva	E	11,900					
	Paranagua	Willard J	E	20,000					
	Paranagua	Marie C	S	21,000			12/07/2018	USA	30/07/2018
	Salvador	Bunga Angelica	E		4,036	USA			
	Santos	Muhut Silver	E	36,000					
	Santos	Fairchem Success	E	11,801					
	Santos	Cielo di Salerno	B	31,560					
	Santos	Celsius Malaga	S	16,000			21/07/2018	USA	07/08/2018
	Santos	MTM New Orleans	S	19,600			10/07/2018	Singapore	07/08/2018
	Suape	Bunga Angelica	B		11,050	USA			
	Suape	Birdie Trader	E		12,850	USA			
	Suape	Taruca	E		8,000	USA			
	Suape	Stolt Vanguard	E		8,700	USA			
Guatemala	Quetzal	Fairchem Conquest	E	10,000					29/07/2018
	Quetzal	TRF Kashima	S	16,600			06/07/2018	ARA	30/07/2018
Pakistan	Quetzal	Everrich 7	S	1,000			22/07/2018		
	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	Nimbus	S	4,500			19/07/2018	Sweden	22/07/2018

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

Brazilian Market Comments

The market was unchanged in the latest week amid plentiful supplies. In many locations ethanol sells at a record discount to gasoline which will help support demand. At the same time ethanol continues to trade at parity to sugar. Should ethanol prices fall further millers may re-think their current production mix which is focussing on ethanol.

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Hydrous ethanol was offered at BRL1,820-1,850 per cubic metre (exw; taxes included), down BRL20 at the lower end. Offers for anhydrous grades were flat BRL1,790-1,800.

US Market Comments

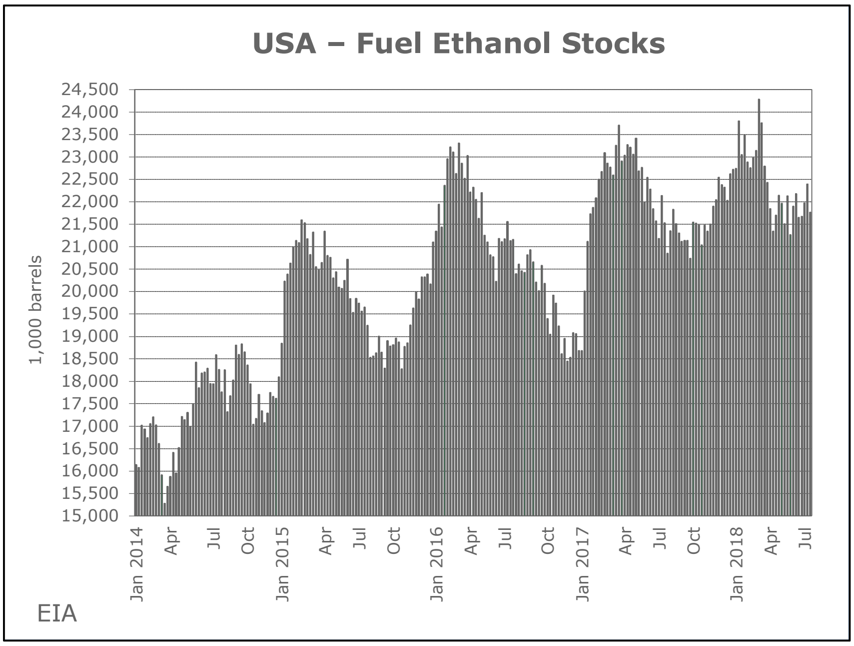
Ethanol future prices in Chicago posted fractional gains over the week amid firmer corn values. By the end of the week prices had recovered to USD1.429 per gallon, basis the August contract, up from USD1.401 a week earlier. Market activity is reported to be limited.

United States - Fuel ethanol production in the week to July 13, 2018 averaged 1.064 mln barrels per day (bpd), said the Energy Information Administration (EIA), up 31,000 on the week, and also remained above last year's (1.026 mln).

Imports were nil for the 32nd consecutive week.

Refiner and blender net input continued to decline on the week (913,000 bpd from 930,000) and also fell below last year's (921,000). Based on the amount of motor gasoline supplied, the average blending share declined to 9.4% vol. from 10.0% in the prior week and 9.6% at the same time last year.

Stocks were down on the week, hitting a three-week low (around 21.8 mln barrels vs. 22.4 mln) with sharp w/w declines recorded in the Midwest and on the Gulf.



Thailand - The record sugar crop continues to bolster the production of ethanol, latest government data show.

Ethanol production from molasses reached to 75 mln litres in April against 65 mln twelve months earlier. This brought cumulative production in the first four months to 331 mln litres, a gain of 14%. Production from sugarcane jumped by 17% to 26 mln litres over the same period.

In contrast, production of cassava ethanol in April fell to 24 mln litres from 31 mln last amid higher prices for this feedstock. Growth over the Jan/Apr period reached only 3%, the data show.

The high speed of production also lifted ethanol stocks to an all-time high of 93 mln litres for this time of the year. This is 86% more than last year's 50 mln litres when a poor molasses crop prompted inventories to dip.

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