

World - Ethanol prices for the week ended 2 March, 2018

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

Fuel		Contract		Spot	
Central	Current	46-48 ↕		46-48 ↕	
	12 months ago (3 March, 2017)	59-60 ↕		62-63 ↕	
North	Current	47-48 ↕		no quote	
	12 months ago (3 March, 2017)	57-59 ↕		no quote	
East	Current	49-51 ↕		49-51 ↕	
	12 months ago (3 March, 2017)	58-59 ↕		59-61 ↕	
		T1		T2	
NW European ports fob	Current	USD 46-47.5 ↕		46-46.5 ↕	
	12 months ago (3 March, 2017)	USD 45.5-48 ↕		64-65 ↕	

Non-Fuel		Contract		Spot	
		96°	99°	96°	99°
West	Current	61-62 (I) ↕ 54-56 (REN) ↕ 61-63 (B) ↕	66-67 (I) ↕	60-61 (I) ↕ 54-55 (REN) ↕ 60-63 (B) ↕	66-67 (I) ↕
	12 months ago (3 March, 2017)	60-62 (I) ↕ 53-55 (REN) ↕ 60-62 (B) ↕	64-65 (I) ↕	61-63 (I) ↕ 55-57 (REN) ↕ 61-63 (B) ↕	66-67 (I) ↕
	Central	Current	60-62 (I) ↕ 54-56 (REN) ↕ 60-63 (B) ↕	64-66 (I) ↕	60-62 (I) ↕ 54-55 (REN) ↕ 60-63 (B) ↕
12 months ago (3 March, 2017)	59-61 (I) ↕ 55-57 (REN) ↕ 59-61 (B) ↕	62-64 (I) ↕	60-62 (I) ↕ 56-58 (REN) ↕ 60-62 (B) ↕	63-65 (I) ↕	
South	Current	61-63 (I) ↕ 61-63 (B) ↕	68-70 (I) ↕	61-62 (I) ↕ 61-63 (B) ↕	68-70 (I) ↕
	12 months ago (3 March, 2017)	61-63 (I) ↕ 60-61 (B) ↕	68-70 (I) ↕	61-63 (I) ↕ 60-62 (B) ↕	68-70 (I) ↕
	North	Current	60-62 (I) ↕	65-67 (I) ↕	no quote (I)
12 months ago (3 March, 2017)	59-62 (I) ↕	65-67 (I) ↕	no quote (I)	no quote (I)	
East	Current	61-64 (I) ↕ 61-65 (B) ↕ no quote (P)	64-65 (I) ↕	61-64 (I) ↕ 62-66 (B) ↕ no quote (P)	64-65 (I) ↕
	12 months ago (3 March, 2017)	60-63 (I) ↕ 58-62 (B) ↕ no quote (P)	64-66 (I) ↕	60-63 (I) ↕ 59-62 (B) ↕ no quote (P)	64-66 (I) ↕
	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 (3 March, 2017)	no quote (99) no quote (REN) no quote (surfin)		no quote (99) no quote (REN) 55-56 (surfin) ↕		

Non-European markets (USD/m3)	Fuel		Non-fuel	
	Hydrous (EPA)	Anhydrous (EPA)	Grade B	
Brazil, fob Santos	550-620 ↕	570-650 ↕	535-635 ↕	
	Chicago	New York		
USA, Spot	383-388 ↕	407-412 ↕		
	Anhydrous		ENA	Industrial
Pakistan, fob Karachi (USD/tonne)	785-795 ↕		715-725 ↕	680-690 ↕

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** remained in the familiar ranges as players prepare for the start of Q2 negotiations. While producers are likely to aim for a roll-over, some consumers are betting on lower prices, particularly for lower quality industrial grades.

Grain distillers saw margins squeezed by upward pressure on Paris milling wheat prices. Support for cereal values came from the recent cold spell with double-digit frosts in Germany, where part of the crop is not covered with snow, the weaker euro, higher offers ex Black Sea and concern over dry conditions in the US Plains. On the other side, the cold snap, nicknamed "the Beast from the East", may help diminish the threat from pests and diseases, and there should be no serious threat in snow-covered regions.

Fuel ethanol prices moved lower in the latest week amid ample supplies while support continues to prove solid at around EUR460 per m³. March lost up to EUR15 to EUR460-465, while April was put at EUR470-475, down EUR5. May is assessed at EUR475-480.

Freight sources told F.O. Licht that there were inquiries for up to 7.5 mln litres of ethanol from Tees (United Kingdom) to ARA, for 6 mln from ARA or Lillebonne (France) to Tarragona or Barcelona (both Spain), and for up to 7.5 mln from Le Havre (France) to the Thames (UK), all for early March. Moreover, there was shipping interest for 2,000 tonnes from ARA to Norway and the same amount from Fos (France) to Taranto (Italy), both for late February.

World Ethanol - Port Statistics (tonnes) - week beginning March 05, 2018									
Country	Port	Ship Name	Status	Load.	Unload.	Origin	Sailing		ETA
							on	to	
USA	Gulf Coast	Sichem Falcon	S	20,000			17/02/2018	Brazil	01/03/2018
	Gulf Coast	SC Taurus	E	20,000				WC India	
Brazil	Aratu	Bow Cedar**	S	5,000			20/02/2018	USA	05/03/2018
	Itaqui	Sichem Falcon*	B		20,000	USA			01/03/2018
	Itaqui	Navig8 Ammolite	A		2,000	USA			04/03/2018
	Itaqui	MTM Tortola*	A		15,794	USA			
	Itaqui	Halcon Trader	E		4,000				11/03/2018
	Itaqui	Sichem Eagle	E		10,000	USA			
	Paranagua	Bow Tribute	E		3,013				
	Paranagua	Marie C	E	21,000					12/03/2018
	Santos	MTM Rotterdam	S	14,520			20/02/2018	Singapore	22/03/2018
	Santos	Gulf Mist	E		15,764	USA			
	Santos	Navig8 Aquamarine	E		17,306	USA			02/03/2018
	Santos	Chemroute Sky	A		23,744	USA			
	Suape	Navig8 Ammolite	E		9,000	USA			
	Suape	Sichem Falcon	E		6,000	USA			
	Suape	MTM Tortola	E		8,000	USA			
	Suape	Navig8 Ammolite	E		9,000	USA			
Guatemala	Quetzal	Chemstar Stellar	S	7,000			14/02/2018	Europe	
	Quetzal	Fairchem Filly	S	10,650				South Korea	
	Quetzal/Peru	Navig8 Sirius	A	16,000					05/03/2018
	Quetzal	MTM Hamburg	E	11,285				South Korea	07/03/2018
	Quetzal	Sea Ploeg	E	6,000				Puerto Rico	10/03/2018
	Quetzal	Celsius Birdie	E	15,000					11/03/2018
Pakistan	Quetzal	Jo Spirit	E	4,000				Puerto Rico	31/03/2018
	Karachi	Stolt Sycamore	S	4,500			21/02/2018	Antwerp	12/03/2018
Pakistan	Karachi	MTM Hong Kong	B	20,000					
	Europe	Dunkirk	Chemstar Stellar	E		1,370 Guatemala			09/03/2018

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

Europe - Fuel Ethanol Prices, fob Rotterdam

Year	Month	T1				T2				T1-T2 Spread
		USD/m ³	USD/tonne	EUR/m ³	EUR/tonne	EUR/m ³	EUR/tonne	USD/m ³	USD/tonne	EUR/m ³
2016	9	480	608	428	542	461	584	517	655	-33
	10	500	634	454	575	476	603	524	664	-22
	11	493	625	455	577	464	588	502	637	-9
	12	509	645	483	612	522	662	550	698	-39
2017	1	479	607	451	571	594	753	631	800	-143
	2	484	613	454	576	636	806	677	858	-181
	3	483	612	453	574	599	759	639	810	-146
	4	509	645	475	602	544	689	583	739	-69
	5	475	586	430	531	586	743	648	821	-156
	6	483	574	431	512	574	728	643	815	-143
	7	481	574	418	498	571	724	658	834	-153
	8	490	621	416	527	550	697	648	821	-134
	9	477	605	400	507	530	672	631	800	-130
	10	453	574	385	488	461	584	542	687	-76
	11	455	577	387	491	468	593	550	697	-81
	12	422	535	357	452	472	598	559	708	-115
2018	1	433	549	356	451	474	601	577	731	-118
	2	463	587	375	475	461	584	570	722	-86

Brazilian Market Comments

The market ended unchanged in the latest week with good demand bolstering prices for hydrous grades while the steady flow of imports stabilised the market for anhydrous material.

Hydrous ethanol was offered at BRL2,300-2,320 per cubic metre (exw; taxes included), up BRL40-50 on the week. Offers for anhydrous grades were unchanged at BRL2,080-2,120.

US Market Comments

Futures prices for ethanol in Chicago continued to drift lower amid falling corn prices and lack of buyer support. The front-month February contract settled at USD1.458 per gallon, down from USD1.471 last week.

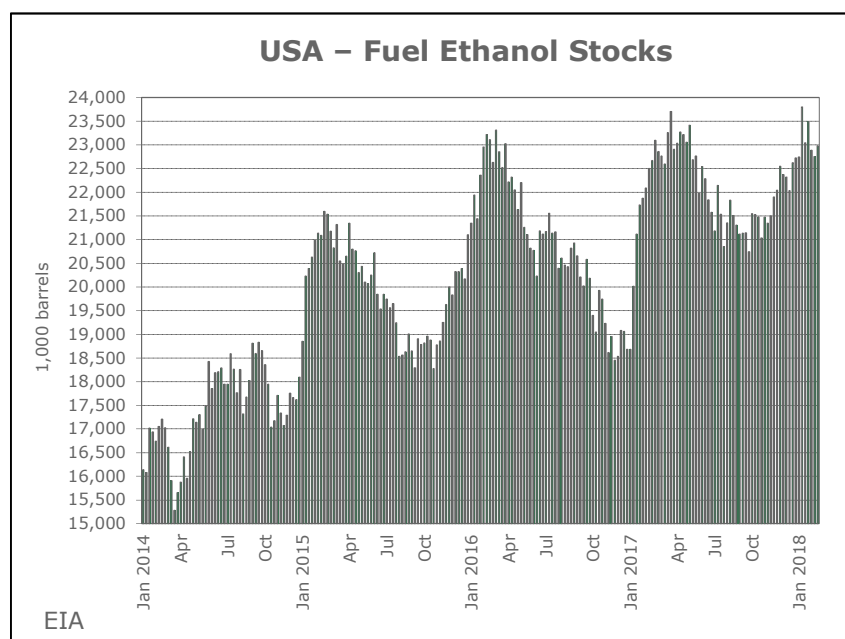
On the **spot** market, prompt deliveries at the Argo terminal in the Chicago area traded flat at around USD1.46-1.47. Prompt delivered ethanol by barge in the New York Harbour declined to USD1.55-1.56 from USD1.58.

United States - Fuel ethanol production in the week to February 23, 2018 averaged 1.044 mln barrels per day (bpd), said the Energy Information Administration (EIA), against 1.068 mln in the prior week and 1.034 mln last year.

Imports remained at nil for the 12th consecutive week.

Refiner and blender net input averaged 876,000 bpd, a three-week low, against 885,000 in the prior week and 882,000 one year earlier. Based on the amount of motor gasoline supplied, the average blending ratio was 9.89% vol. against 9.83% in the prior week and 10.14% last year.

Stocks rose on the week to a three-week high of 23.0 mln barrels from 22.8 mln. A decline on the East Coast (7.7 mln barrels vs 7.9 mln) was offset by higher inventory levels in the Midwest (8.5 mln vs 8.3 mln).



Philippines - The Sugar Regulatory Administration fixed the Local Market Allocation for fuel ethanol in Q2 at 73.650 mln litres, industry sources reported. This would bring the H1 total to around 149.440 mln litres.

This would be down on the 152.735 allocated during the same period last year.

Total allocations in 2017 were about 300 mln litres against 282 mln in 2016.

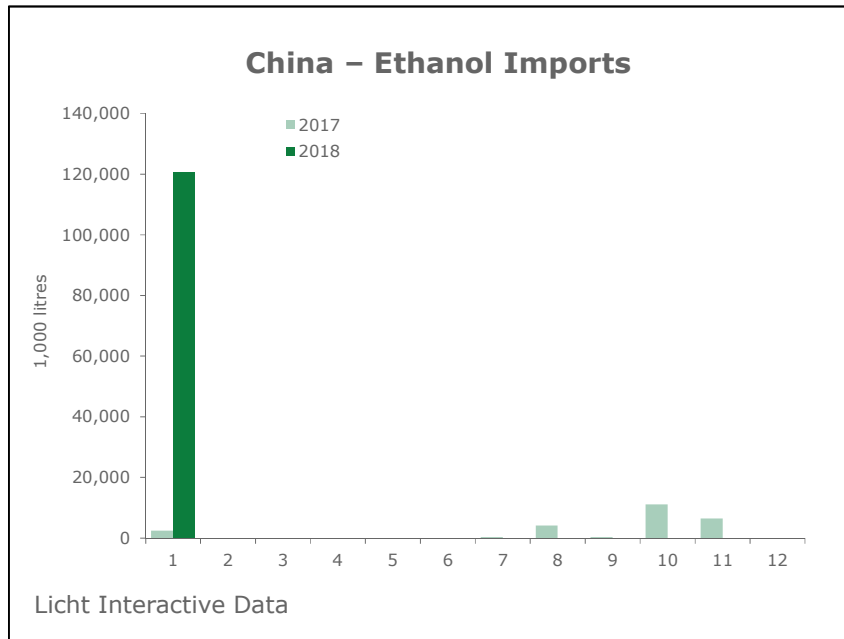
China - Ethanol imports in January 2018 amounted to around 120.7 mln litres, the highest for 13 months, compared with marginal volumes in December and 2.4 mln one year earlier.

The January total included 91.3 mln litres from the US and 29.4 mln from Pakistan.

Changes in import taxation prompted a sharp decline in Jan/Dec 2017 imports (25.0 mln litres vs. 890.1 mln). Shipments from the US fell to marginal volumes from around 853.3 mln litres. However, rising prices on the domestic market prompted the arbitrage with the US to open again. In contrast to the US, Pakistan continues to enjoy preferential access to the Chinese market.

Exports in January remained comparably weak and hit a 14-month low of 2.9 mln litres, almost all of which going to North Korea. This compares with 3.8 mln litres in December and 14.1 mln one year earlier.

Exports in 2017 jumped to 133.2 mln litres from 33.7 mln, due to rising shipments to Saudi Arabia (70.1 mln) and North Korea (36.8 mln).



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