F.O. LICHTS

World Ethanol Price Report

Vol. 13, No. 39 March 12, 2018

World - Ethanol prices for the week ended 9 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 (10 March, 2017)	59-60	60-61
North	Current	**47-48**	**no quote**
	12 months ago (10 March, 2017)	57-59	no quote
East	Current	**49-51**	**49-51**
	12 months ago (10 March, 2017)	58-59	59-61
		T1	T2
NW European ports fob	Current	**USD 47.5-48.5**	**45-46**
	12 months ago (10 March, 2017)	USD 45.5-48	60-61

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 (10 March, 2017)	60-62 (I) 53-55 (REN) 60-62 (B)	64-65 (I)	61-63 (I) 57-60 (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)**	**64-66 (I)**
	12 months ago (10 March, 2017)	60-62 (I) 55-57 (REN) 59-61 (B)	62-64 (I)	61-63 (I) 58-60 (REN) 60-63 (B)	64-66 (I)
South	Current	**61-63 (I)** **61-63 (B)**	**68-70 (I)**	**61-62 (I)** **61-63 (B)**	**68-70 (I)**
	12 months ago (10 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)**	**no quote (I)**
	12 months ago (10 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 (10 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)
		T1		T2	
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 (10 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**	**570-645**	**535-625**	
	Chicago	New York		
USA, Spot	**388-391**	**417-420**		
	Anhydrous		ENA	Industrial
Pakistan, fob Karachi (USD/tonne)	**780-790**		**705-720**	**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** sector remained in the familiar ranges as players prepare for 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. In this context, quality problems at a new production plant in Southeast Europe are cited as a factor that resulted in higher supplies in this segment.

Fuel ethanol prices moved lower in the latest week amid ample supplies with the former support level of EUR460 per m^3 now being broken. March lost up to EUR10 to EUR450-460, while April was put at EUR460-465, down up to EUR15. May lost the same to EUR470.

On the **freight** market, there was a fixture for 12,400 tonnes of ethanol (roughly 15.7 mln litres) from the US Gulf to the west coast of India in the high USD60s per tonne on the vessel NCC Danah in early March. On the EU market, there was an enquiry for 5,000 tonnes from Le Havre/France to the Thames/United Kingdom, also for early March.

World Ethanol - Port Statistics (tonnes) - week beginning March 12, 2018

Country	Port	Ship Name	Status	Load.	Unload.	Origin	Sailing on	Sailing to	ETA
USA	Gulf Coast	SC Taurus	S	20,000			24/02/2018	WC India	
	Gulf Coast	NCC Danah	E	12,400				WC India	
Brazil	Aratu	Bow Cedar**	S	5,000			20/02/2018	USA	07/03/2018
	Aratu	Stolt Basuto**	S	5,000			11/03/2018	USA	
	Aratu	Condor Trader	E		10,293	USA			10/03/2018
	Aratu	Castillo de Tebra	E		4,300				
	Itaqui	Sichem Eagle	B		10,000	USA			
	Itaqui	Navig8 Ammolite	A		2,000	USA			04/03/2018
	Itaqui	Halcon Trader	E		4,000	USA			16/03/2018
	Itaqui	Allegro	E		40,000	USA			13/03/2018
	Paranagua	Marie C	E	21,000					12/03/2018
	Paranagua	Bow Lind	E		2,100				19/03/2018
	Santos	MTM Rotterdam	S	14,520			20/02/2018	Singapore	22/03/2018
	Suape	Navig8 Ammolite	E		9,000	USA			
	Suape	Sichem Falcon	A		6,000	USA			
	Suape	MTM Tortola	E		8,000	USA			
	Suape	Navig8 Ammolite	E		9,000	USA			
	Suape	Sichem Eagle	E			USA			14/03/2018
	Suape	Allegro	E		4,000	USA			
Guatemala	Quetzal	Fairchem Filly	S	10,650			28/02/2018	South Korea	
	Quetzal/Peru	Navig8 Sirius	S	16,000			06/03/2018	Europe	
	Quetzal	Celsius Birdie	B	10,200				Europe	11/03/2018
	Quetzal	MTM Hamburg	E	6,000				South Korea	07/03/2018
	Quetzal	Sea Ploeg	E	6,000				Puerto Rico	10/03/2018
	Quetzal	Jo Spirit	E	4,000				Puerto Rico	31/03/2018
Pakistan	Karachi	Bunga Lavender	B	13,000					
	Karachi	Stolt Sycamore	S	4,500			21/02/2018	Antwerp	12/03/2018
	Karachi	MTM Hong Kong	S	20,000			05/03/3018	China	
	Karachi	Ariane Makara	S	2,000			06/03/2018	Singapore	
	Karachi	Pacific Horizon II	S	11,500			08/03/2018		
Europe	Dunkirk	Chemstar Stellar	E		1,370	Guatemala			09/03/2018

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

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Europe - Non-fuel Ethanol Prices, Central Region, dlvd.

Year	Month	Beverage Alcohol EUR/m³	Beverage Alcohol $/m³	REN EUR/m³	REN $/m³	Industrial Alcohol 99° EUR/m³	Industrial Alcohol 99° $/m³	REN-beverage spread (EUR/m³)
	9	604	676	543	608	643	720	-61
	10	595	655	535	589	630	693	-60
	11	595	643	535	578	630	680	-60
	12	597	627	535	562	630	662	-62
2017	1	607	643	543	576	630	668	-64
	2	610	647	559	593	633	671	-51
	3	615	658	590	631	650	696	-25
	4	615	658	590	631	650	696	-25
	5	615	683	590	655	650	722	-25
	6	615	689	590	661	650	728	-25
	7	615	707	590	679	650	748	-25
	8	624	736	587	693	650	767	-37
	9	630	750	585	696	650	774	-45
	10	630	743	563	664	650	767	-67
	11	630	737	550	644	650	761	-80
	12	623	735	546	644	650	767	-77
2018	1	615	750	545	665	650	793	-70
	2	615	763	545	676	650	806	-70

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) while offers for anhydrous grades were BRL2,080-2,120.

Imported material in the Northeast is quoted at around BRL2,180 in the ports while local product is assessed at BRL2,200-2,250.

Brazil - Ethanol sales ex-Centre/South (CS) in February 2018 totalled 1.951 bln litres, up 16% on the year, following a 19% increase to 2.226 bln in January, sugar industry group Unica reported.

Hydrous ethanol sales to the domestic market rose to 1.154 bln litres from 836 mln (January: 1.367 bln vs. 897 mln) as its economics at the pump remained attractive for motorists.

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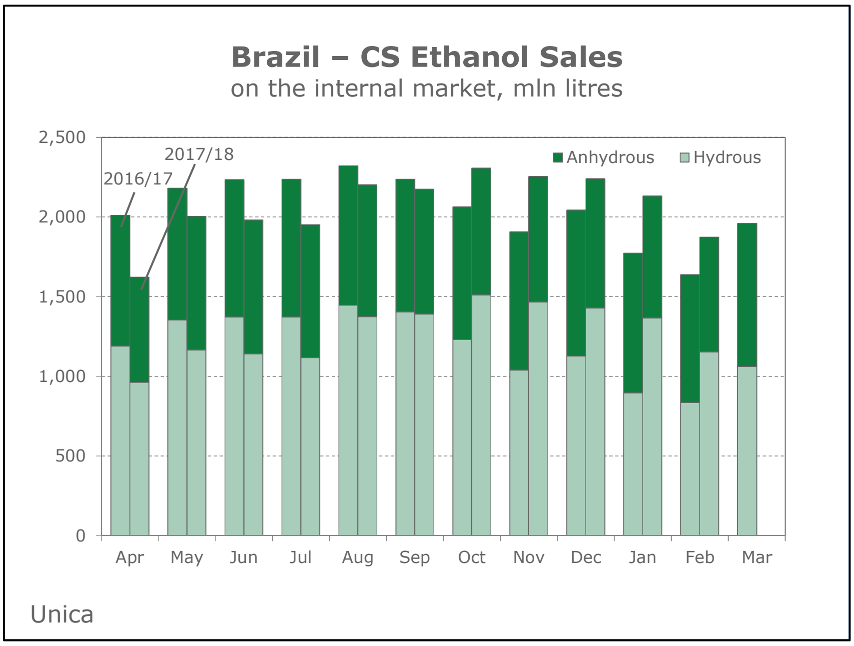

US Market Comments

Futures prices for ethanol in Chicago rebounded amid higher corn and energy prices. The front-month April contract settled at USD1.510 per gallon, down from USD1.472 last week.

On the **spot** market, prompt deliveries at the Argo terminal in the Chicago area traded up one cent at around USD1.47-1.48. Prompt delivered ethanol by barge in the New York Harbour rose to USD1.58 from USD1.55-1.56.

United States - Ethanol exports in January 2018 amounted to around 337.2 mln litres, trade data show, a four-month low, down 28% on the year and following a 60% increase to 659.1 mln in December.

Some of the downturn can be attributed to logistical constraints as a result of severe weather conditions which made it difficult to bring material from the Midwest to the Gulf Coast.

Shipments to Brazil totalled 154.2 mln litres, against 183.8 mln in December and 223.1 mln last year (when the tariff rate quota did not yet exist). Exports to China were marginal after 84.0 mln litres in December. There also were declines on the month for shipments to India (10.8 mln litres vs 75.8 mln) and South Korea (13.5 mln vs a 35.4 mln). Exports to Canada amounted to 77.3 mln litres, against 88.9 mln in December.

Imports in January totalled 96.0 mln litres, a plus of 36% on the year (December: 33.1 mln, -34%). Around 85.1 mln litres came from Brazil in January, against 28.2 mln in December and 63.3 mln one year earlier.

In calendar year 2017, exports reached 5.229 bln litres, while 1.055 bln came in.

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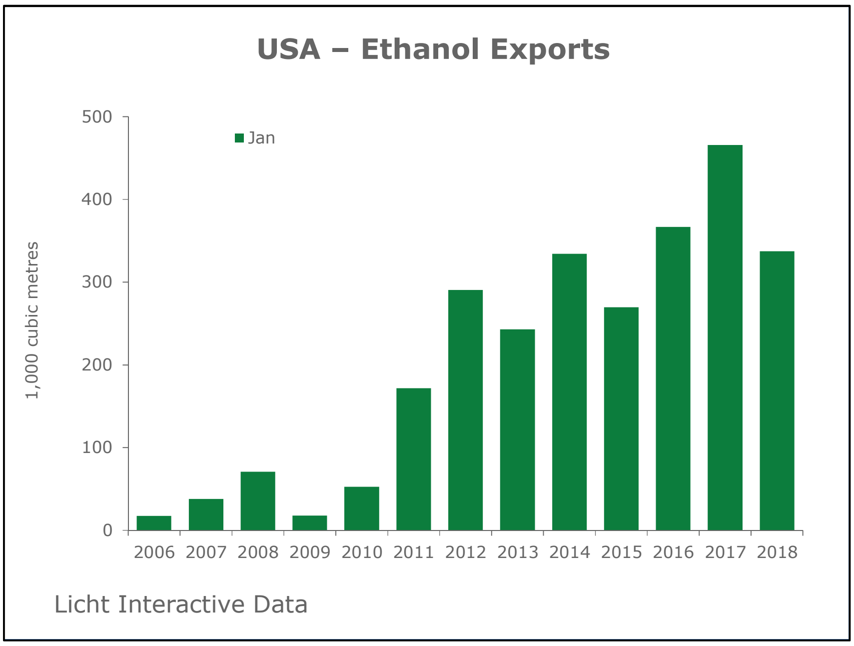

United States - Fuel ethanol production in the week to March 2, 2018 averaged 1.057 mln barrels per day (bpd), said the Energy Information Administration (EIA), above 1.044 mln in the prior week and 1.055 mln last year.

Imports remained at nil for the 13th consecutive week.

Refiner and blender net input averaged 894,000 bpd, a ten-week high, against 876,000 in the prior week and 877,000 one year earlier. Based on the amount of motor gasoline supplied, the average blending ratio was 9.64% vol. against 9.89% in the prior week and 9.45% last year.

Stocks continued to rise on the week, reaching a four-week high of 23.1 mln barrels from 23.0 mln.

Pakistan - Ethanol exports in March 2018 are off to a strong start with three ships having loaded 46,500 tonnes in the first 12 days of the month.

The first to leave Karachi port was the MTM Hong Kong (20,000 tonnes) which is destined for China. On top, the Ariana Makara (2,000 tonnes) and the Pacific Horizon II (11,500) also sailed during that period while the Bunga Lavender is currently loading product (13,000 tonnes).

Total exports in March 2017 were just 25,500 tonnes.

Shipments in February 2018 were 37,000 tonnes, most of which to China. This compares with 43,600 tonnes in February 2017.

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