F.O. LICHTS

# World Ethanol Price Report

Vol. 13, No. 41 March 26, 2018

## World - Ethanol prices for the week ended 23 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 (24 March, 2017) | 58-59 | 56-59 |
| **North** | **Current** | **46-48** | **no quote** |
| | 12 months ago (24 March, 2017) | 57-59 | no quote |
| **East** | **Current** | **49-51** | **49-51** |
| | 12 months ago (24 March, 2017) | 56-57 | 55-57 |
| | | T1 | T2 |
| **NW European ports fob** | **Current** | **USD 46-47** | **44.5-46** |
| | 12 months ago (24 March, 2017) | USD 48.5-49.5 | 57.5-59.5 |

| Non-Fuel | | Contract | | Spot | |
|---|---|---|---|---|---|
| | | 96° | 99° | 96° | 99° |
| **West** | **Current** | **60-63 (I)**<br>**54-56 (REN)**<br>**59-62 (B)** | **65-67 (I)** | **60-63 (I)**<br>**54-55 (REN)**<br>**59-62 (B)** | **65-67 (I)** |
| | 12 months ago (24 March, 2017) | 61-62 (I)<br>54-56 (REN)<br>61-63 (B) | 66-67 (I) | 61-63 (I)<br>57-60 (REN)<br>61-63 (B) | 66-67 (I) |
| **Central** | **Current** | **60-62 (I)**<br>**54-56 (REN)**<br>**59-62 (B)** | **64-67 (I)** | **60-62 (I)**<br>**54-55 (REN)**<br>**59-62 (B)** | **64-67 (I)** |
| | 12 months ago (24 March, 2017) | 61-63 (I)<br>56-59 (REN)<br>59-62 (B) | 63-66 (I) | 61-63 (I)<br>58-60 (REN)<br>60-63 (B) | 64-66 (I) |
| **South** | **Current** | **61-63 (I)**<br>**59-61 (B)** | **68-70 (I)** | **61-62 (I)**<br>**59-61 (B)** | **68-70 (I)** |
| | 12 months ago (24 March, 2017) | 61-63 (I)<br>61-62 (B) | 68-70 (I) | 61-63 (I)<br>60-62 (B) | 68-70 (I) |
| **North** | **Current** | **60-62 (I)** | **64-68 (I)** | **no quote (I)** | **no quote (I)** |
| | 12 months ago (24 March, 2017) | 60-62 (I) | 65-67 (I) | no quote (I) | no quote (I) |
| **East** | **Current** | **60-64 (I)**<br>**61-65 (B)**<br>**no quote (P)** | **64-65 (I)** | **60-64 (I)**<br>**62-66 (B)**<br>**no quote (P)** | **64-65 (I)** |
| | 12 months ago (24 March, 2017) | 60-63 (I)<br>59-62 (B)<br>no quote (P) | 64-66 (I) | 60-63 (I)<br>59-62 (B)<br>no quote (P) | 64-66 (I) |
| | | T1 | | T2 | |
| **NW European ports fob** | **Current** | **no quote (99)**<br>**no quote (REN)**<br>**no quote (surfin)** | | **no quote (99)**<br>**51-53 (REN)**<br>**56-57.5 (surfin)** | |
| | 12 months ago (24 March, 2017) | no quote (99)<br>no quote (REN)<br>no quote (surfin) | | no quote (99)<br>no quote (REN)<br>57-58 (surfin) | |

| Non-European markets (USD/m3) | Fuel | | Non-fuel | |
|---|---|---|---|---|
| | Hydrous (EPA) | Anhydrous (EPA) | Grade B | |
| **Brazil, fob Santos** | **550-610** | **570-630** | **535-620** | |
| | Chicago | New York | | |
| **USA, Spot** | **383-391** | **415-423** | | |
| | Anhydrous | | ENA | Industrial |
| **Pakistan, fob Karachi (USD/tonne)** | **785-795** | | **710-720** | **680-690** |

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

## European Market Comments

Price negotiations for Q2 are dragging on in the **traditional** sector. While lower quality industrial grades were assessed somewhat lower, the situation for higher quality ethanol remains balanced. Negative spill-over effects have been reported from some regions for neutral grades as well but most suppliers do not consider them to be justified as market conditions remain relatively tight.

**Fuel** alcohol markets traded lower in the latest week. March was in the EUR445-450 per $m^3$ range, down EUR5-10, while April was down EUR15 at EUR445. May lost the same to around EUR450.

| World Ethanol - Port Statistics (tonnes) - week beginning March 26, 2018 | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | Sailing | | |
| **Country** | **Port** | **Ship Name** | **Status** | **Load.** | **Unload.** | **Origin** | **on** | **to** | **ETA** |
| **USA** | Gulf Coast | SC Taurus | S | 20,000 | | | 24/02/2018 | WC India | |
| | Gulf Coast | TRF Mandal | S | 18,000 | | | 21/03/2018 | ARA | |
| | Gulf Coast | NCC Danah | E | 20,000 | | | | WC India | |
| **Brazil** | Aratu | Stolt Basuto** | S | 5,000 | | | 11/03/2018 | USA | 27/03/2018 |
| | Aratu | Las Cuevas | E | | 6,716 | USA | | | 27/03/2018 |
| | Aratu | TRF Memphis | E | | TBC | USA | | | 01/04/2018 |
| | Itaqui | Bow Santos | E | | 3,900 | USA | | | 29/03/2018 |
| | Paranagua | Marie C | S | 21,000 | | | 24/03/2018 | | |
| | Paranagua | Siteam Leader | B | 15,784 | | USA | | | 22/03/2018 |
| | Paranagua | Bow Lind | E | | 5,775 | | | | |
| | Santos | Gulf Mews | A | | 32,144 | USA | | | 16/03/2018 |
| | Santos | BTS Selena | A | 16,000 | | | | USA | |
| | Santos | Siteam Leader | E | | 16,000 | USA | | | 26/03/2018 |
| | Santos | Allegro | E | | 8,052 | USA | | | |
| | Santos | TRF Memphis | E | | 17,129 | USA | | | 31/03/2018 |
| | Santos | MTM Rotterdam | S | 14,520 | | | 20/02/2018 | Singapore | 22/03/2018 |
| | Suape | Navig8 Ammolite | A | | 9,500 | USA | | | 23/03/2018 |
| | Suape | Navig8 Saiph | E | | 6,048 | USA | | | 25/03/2018 |
| | Suape | Las Cuevas | E | | 11,000 | USA | | | 25/03/2018 |
| | Suape | Sloman Helios | E | | 11,900 | USA | | | 31/03/2018 |
| **Guatemala** | Quetzal | Jo Spirit | E | 4,000 | | | | Puerto Rico | 02/04/2018 |
| | Quetzal | Fairchem Edge | E | 11,000 | | | | | 05/04/2018 |
| | Quetzal | Fairchem Filly | S | 10,650 | | | 28/02/2018 | South Korea | |
| | Quetzal/Peru | Navig8 Sirius | S | 16,000 | | | 06/03/2018 | Europe | 28/03/2018 |
| | Quetzal | Celsius Birdie | S | 10,200 | | | 13/03/2018 | ARA | 02/04/2018 |
| | Quetzal | MTM Hamburg | S | 6,000 | | | 15/03/2018 | South Korea | 08/04/2018 |
| | Quetzal | Sea Ploeg | S | 3,000 | | | 19/03/2018 | Puerto Rico | 27/03/2018 |
| **Pakistan** | Karachi | Fairchem Katana | B | 15,000 | | | | | |
| | Karachi | Oriental Sakura | S | 4,700 | | | 18/03/2018 | | |
| | Karachi | Bunga Lavender | S | 13,000 | | | 15/03/2018 | Singapore | 24/03/2018 |
| | Karachi | MTM Hong Kong | S | 20,000 | | | 05/03/3018 | China | 20/03/2018 |
| | Karachi | Pacific Horizon II | S | 11,500 | | | 08/03/2018 | Singapore | 22/03/2018 |
| **Europe** | Norrköping | Wisby Wave | S | 4,000 | | | 15/03/2018 | Germany | 18/03/2018 |
| | Norrköping | Marinus | S | 4,000 | | | 20/03/0218 | Germany | |
| | Rostock | Marinus | B | 4,000 | | | | Denmark | |
| | Rostock | Marinus | B | | 4,000 | | | Sweden | 22/03/2018 |

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

## Brazilian Market Comments

The market ended unchanged to higher 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 BRL2,320-2,350 per cubic metre (exw; taxes included), up BRL20 on the week. Offers for anhydrous grades were unchanged at BRL2,080-2,120.

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Imported material in the Northeast is quoted at around BRL2,180 in the ports while local product is assessed at BRL2,200-2,220.

**Brazil -** Ethanol sales in the first half of March reached 1.06 bln litres, almost all of which for the domestic market.

Sales of hydrous material soared 33.2% to 657.5 mln litres when compared with the same period a year ago. This is indicative of the continuing attractiveness of the fuel at the pump.

At the same time, consumption of anhydrous ethanol dropped to 398.3 mln litres from 487.9 mln.

Total sales so far in the 2017/18 season reached 25.24 bln litres (24.91 bln), of which 1.46 bln for the export market (1.32 bln).

**Brazil: CS Ethanol Sales** (mln litres; Apr/Mar season)

| | H1 Mar 2018 | H1 Mar 2017 | Change y/y in % | Cumulative 2017/18 | Cumulative 2016/17 | Change y/y in % |
|---|---|---|---|---|---|---|
| **Domestic market** | **1,033** | **935** | **10** | **23,781** | **23,583** | **1** |
| Anhydrous | 376 | 441 | -15 | 9,039 | 9,818 | -8 |
| Hydrous | 657 | 494 | 33 | 14,742 | 13,765 | 7 |
| **Export** | **24** | **48** | **-50** | **1,456** | **1,323** | **10** |
| Anhydrous | 22 | 47 | -53 | 1,044 | 780 | 34 |
| Hydrous | 1 | 1 | 0 | 412 | 543 | -24 |
| **Total** | **1,057** | **983** | **8** | **25,237** | **24,906** | **1** |
| Anhydrous | 398 | 488 | -18 | 10,083 | 10,598 | -5 |
| Hydrous | 659 | 495 | 33 | 15,154 | 14,308 | 6 |

Source: Unica

## US Market Comments

Futures prices for ethanol in Chicago lost further ground during the week amid a broader commodity sell-off.

The front-month April contract settled at USD1.451 per gallon, down from USD1.493 last week.

On the spot market, prompt deliveries at the Argo terminal in the Chicago area traded down two cents at around USD1.44. Prompt delivered ethanol by barge in the New York Harbour fell to USD1.55 from USD1.59.

**United States - Fuel ethanol production** in the week to March 16, 2018 averaged 1.049 mln barrels per day (bpd), said the Energy Information Administration (EIA), up from 1.025 mln in the prior week.

**Imports** remained at nil for the 15th consecutive week.

**Refiner and blender net input** averaged 916,000 bpd, against 910,000 in the prior week and 915,000 one year earlier. Based on the amount of motor gasoline supplied, the average blending ratio was 9.83% vol., up from 9.45% in the prior week and 9.95% last year.

**Stocks** fell on the week to around 23.8 mln barrels from 24.3 mln. The draw-down was mostly caused by a steep drop on the Gulf Coast (-723,000 barrels), implying a high level of exports during the latest week.

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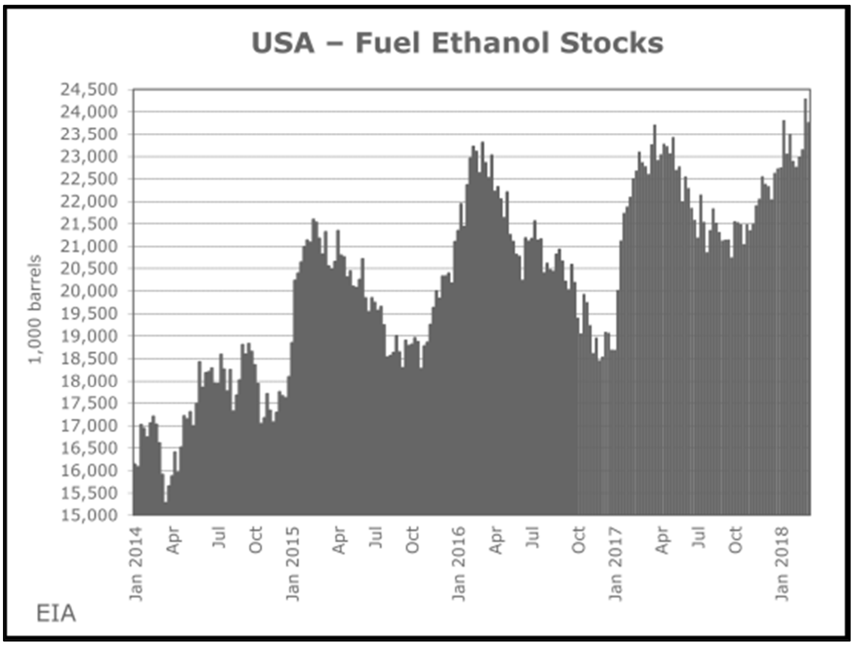


## Asian Market Comments

**China -** Beijing has presented plans to slap levies on USD3 bln worth of US goods. This move would affect about 2% of China's imports from the country. This compares to the roughly 10% of trade that will be penalized under the US's plans to impose tariffs on USD50 bln of goods from China.

A 15% tariff may be levied on fruit, nuts, wine and denatured ethanol, which together amount to USD1 bln a year. A 25% duty will be slapped on pork and processed products as well as aluminium scrap.

Earlier Washington had declared that it would charge an additional 25% and 10% on Chinese steel and aluminium products, respectively.

Beijing had already raised the import duty on denatured ethanol from 5% to 30% as of January 1, 2017.

Please note: Due to the Easter holidays our next World Ethanol Price Report will be published on April 9, 2018


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