

World - Ethanol prices for the week ended 6 April, 2018

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

Fuel		Contract		Spot	
Central	Current	44-46	↔	44-46	↔
	12 months ago (7 April, 2017)	54-56	↔	53-55	↔
North	Current	44-46	↔	no quote	
	12 months ago (7 April, 2017)	56-58	↔	no quote	
East	Current	46-47	↔	45-47	↔
	12 months ago (7 April, 2017)	53-55	↔	52-55	↔
		T1		T2	
NW European ports fob	Current	USD 42.5-44	↔	43.5-44.5	↔
	12 months ago (7 April, 2017)	USD 50-51	↔	53.5-54.5	↔

Non-Fuel		Contract		Spot	
		96°	99°	96°	99°
West	Current	58-62 (I) ↔ 53-56 (REN) ↔ 59-62 (B) ↔	63-66 (I) ↔	58-62 (I) ↔ 53-55 (REN) ↔ 59-62 (B) ↔	65-67 (I) ↔
	12 months ago (7 April, 2017)	61-62 (I) ↔ 57-60 (REN) ↔ 61-63 (B) ↔	66-67 (I) ↔	61-63 (I) ↔ 57-60 (REN) ↔ 61-63 (B) ↔	66-67 (I) ↔
	Central	Current	58-61 (I) ↔ 53-56 (REN) ↔ 59-62 (B) ↔	63-66 (I) ↔	58-61 (I) ↔ 53-55 (REN) ↔ 59-62 (B) ↔
12 months ago (7 April, 2017)	61-63 (I) ↔ 58-60 (REN) ↔ 59-62 (B) ↔	63-66 (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 (7 April, 2017)	61-63 (I) ↔ 61-62 (B) ↔	68-70 (I) ↔	61-63 (I) ↔ 59-62 (B) ↔	68-70 (I) ↔
	North	Current	60-62 (I) ↔	64-67 (I) ↔	no quote (I)
12 months ago (7 April, 2017)	59-62 (I) ↔	65-67 (I) ↔	no quote (I)	no quote (I)	
East	Current	60-64 (I) ↔ 61-64 (B) ↔ no quote (P)	64-65 (I) ↔	60-64 (I) ↔ 61-64 (B) ↔ no quote (P)	64-65 (I) ↔
	12 months ago (7 April, 2017)	60-63 (I) ↔ 59-62 (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 (7 April, 2017)	no quote (99) no quote (REN) no quote (surfin)		no quote (99) no quote (REN) 58-60 (surfin) ↔	

Non-European markets (USD/m3)	Fuel		Non-fuel	
	Hydrous (EPA)	Anhydrous (EPA)	Grade B	
Brazil, fob Santos	530-545 ↔	570-610 ↔	535-565 ↔	
	Chicago	New York		
USA, Spot	372-378 ↔	402-409 ↔		
	Anhydrous		ENA	Industrial
Pakistan, fob Karachi (USD/tonne)	800-810 ↔		710-725 ↔	690-700 ↔

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 have largely been concluded in the **traditional** sector. While lower quality industrial grades and ENA were assessed lower, the situation for higher quality ethanol and 99° grades remained more balanced with only mild downward pressure noted.

Fuel alcohol markets traded lower after Easter, with the prompt particularly hard hit. April was in the EUR420-430 per m³ range, down EUR25 when compared with the situation two weeks ago, while May was down EUR5 to EUR445-450. June is assessed at EUR450-455.

World Ethanol - Port Statistics (tonnes) - week beginning April 09, 2018									
Country	Port	Ship Name	Status	Load.	Unload.	Origin	Sailing		ETA
							on	to	
USA	Gulf Coast	TRF Mandal	S	18,000			21/03/2018	ARA	
	Gulf Coast	NCC Danah	S	20,000			31/03/2018	WC India	
Brazil	Aratu	Las Cuevas	B		6,716	USA			
	Itaqui	MTM New York*	E			USA			
	Itaqui	MTM Tortola	E		20,000	USA			
	Paranagua	Marie C	S	21,000		USA	24/03/2018		
	Santos	Vukovar	E		6,616	USA			12/04/2018
	Santos	Amorina	E		10,532	USA			13/04/2018
	Santos	Gulf Mews	A		32,144	USA			
	Santos	TRF Memphis	A		17,129	USA			
	Santos	Goldengate Park	A		15,798	USA			
	Santos	BTS Selena	S	16,000			31/03/2018	USA	19/04/2018
	Suape	Castro Alves	B		11,220				
	Suape	Amorina	E		11,900	USA			
	Suape	Furuholmen	E		7,900	USA			
	Suape	MTM Tortola	E		7,500	USA			
Guatemala	Quetzal	Fairchem Edge	E	11,000					11/04/2018
	Quetzal	Jo Spirit	S	4,400			03/04/2018	Puerto Rico	
	Quetzal	Fairchem Filly	S	10,650			28/02/2018	South Korea	29/03/2018
	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
Pakistan	Karachi	Chemway Arrow	S	22,100			08/04/2018	South Korea	25/04/2018
	Karachi	Oriental Rose	S	4,500			05/04/2018	Med	
	Karachi	Fairchem Katana	S	15,000			29/03/2018	Singapore	
	Karachi	Bochem Mumbai	S	5,700			29/03/2018	Med	
	Karachi	Bochem Ghent	S	5,620			27/03/2018	UAE	
	Karachi	Oriental Sakura	S	4,700			18/03/2018	Med	
Sweden	Norrköping	Wisby Wave	E	4,700				Finland	
	Norrköping	Nimbus	E	4,750				Finland	

*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	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
	3	468	593	379	481	457	579	564	714	-78

Brazilian Market Comments

The market ended sharply lower as the new crop in the Centre/South got underway. At the same time, demand remains high which is cushioning the downturn.

Hydrous ethanol lost BRL260-320 to BRL2,000-2,090 per cubic metre (exw; taxes included). Offers for anhydrous grades were BRL60 lower at BRL2,020-2,060. Despite the downturn activity remained lacklustre. Distributors have reportedly fixed up to 90% of the annual needs for anhydrous already.

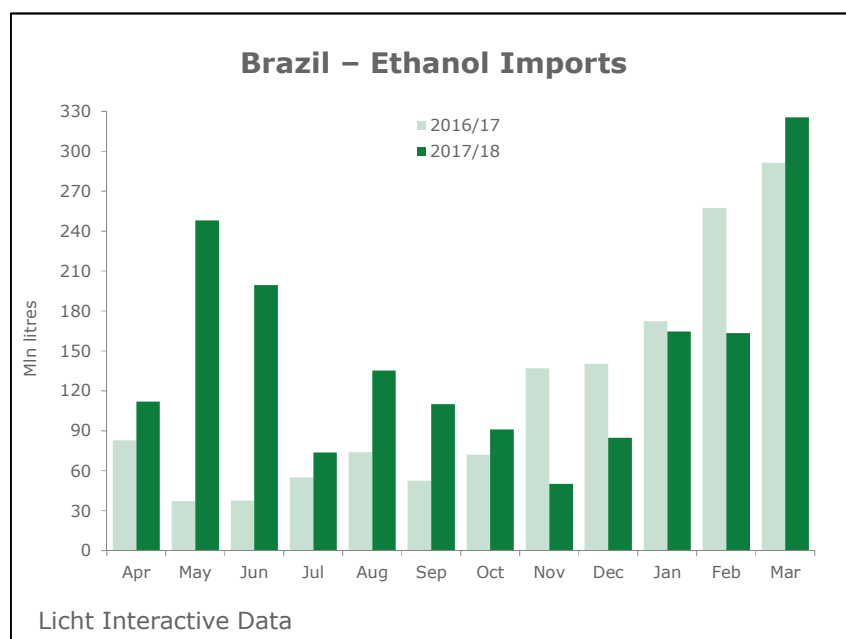
Prices in the North/Northeast for anhydrous were around BRL2,300 against BRL2,100 for imported product.

Brazil - Ethanol imports in March 2018 hit a record level of 325.6 mln litres, trade data show, up from 163.4 mln in the preceding month and 291.2 mln one year earlier.

This brought the total from the Apr/Mar sugar cycle to 1.758 bln litres, also an all-time high, up from 1.410 bln in 2016/17. Virtually, the entire amount came from the United States.

Exports in March amounted to 66.4 mln litres, up from 62.0 mln in February and 54.3 mln last year. Out of the March total, 41.5 mln litres went to the United States and 18.0 mln to South Korea.

Exports in 2017/18 totalled 1.457 bln litres, up from 1.376 bln. The main destinations were the United States (966.7 mln litres vs. 740.0 mln) and South Korea (337.8 mln vs. 394.6 mln). Exports to Japan fell to 68.1 mln litres from 77.0 mln, while for shipments to the European Union, an increase to 57.4 mln from 37.9 mln was recorded. Exports to India fell to nil from 44.4 mln litres. There were only weak shipments to Nigeria (0.6 mln litres vs. 22.0 mln).



US Market Comments

Futures prices for ethanol in Chicago lost further ground on weakness in the broader commodity markets.

The front-month May contract settled at USD1.434 per gallon, down from USD1.467 two weeks ago.

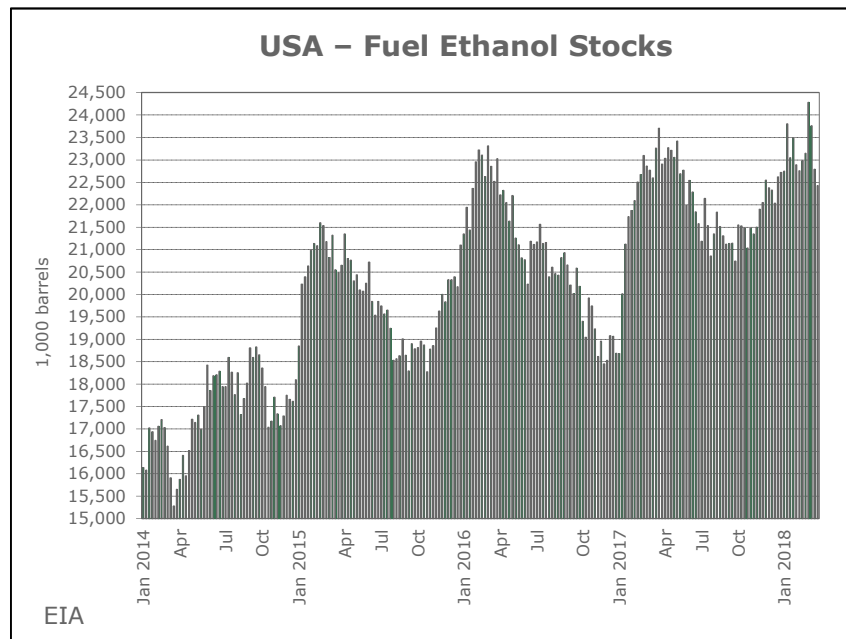
On the spot market, prompt deliveries at the Argo terminal in the Chicago area traded down two cents at around USD1.42. Prompt delivered ethanol by barge in the New York Harbour fell to USD1.52 from USD1.55.

United States - Fuel ethanol production in the week to March 30, 2018 averaged 1.038 mln barrels per day (bpd), the most-recent data from the Energy Information Administration (EIA) show. This was down 1,000 bpd on the week and the lowest for three weeks. The level compares with 1.019 mln bpd one year ago.

Imports were nil for the 17th consecutive week.

Refiner and blender net input amounted to 903,000 bpd, against 900,000 in the preceding week and 918,000 one year earlier. Based on the amount of motor gasoline supplied, the blending ratio averaged 9.82% vol., against 9.77% and 9.92%.

Stocks declined on the week to a fourteen week-low 22.4 mln barrels from 22.8 mln. The bulk of the w/w decrease was on the Gulf Coast (4.0 mln barrels, a four-week low, down from 4.4 mln).

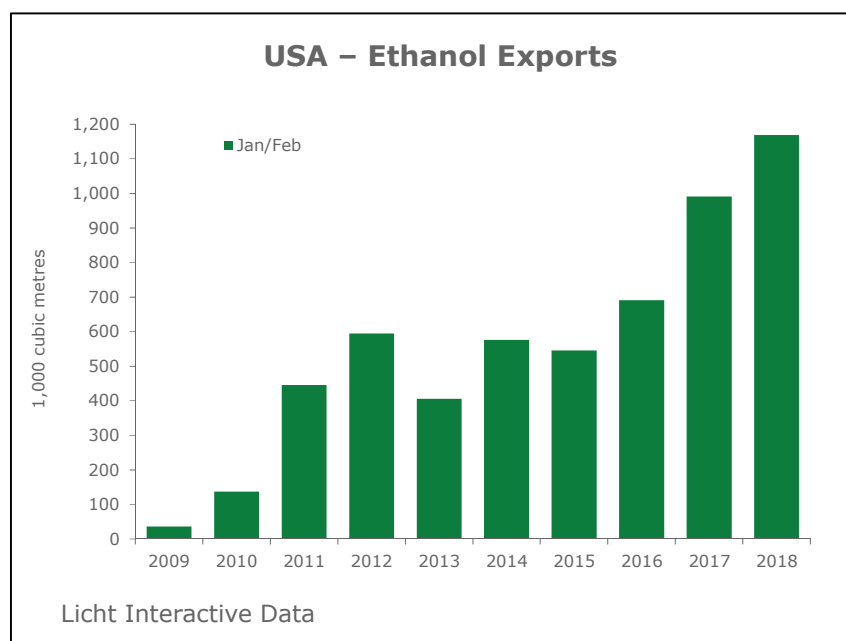


United States - Very low corn ethanol prices during December and January prompted significant buying by overseas customers and ethanol exports swelled to a record high in February.

Overall sales during the latest month amounted to 831 mln litres, up from around 337 mln litres in January and also above the 526 mln seen in February 2017.

Shipments to Brazil totalled 390 mln litres against 192 mln in February 2017. Exports to China surged to 125 mln litres from nil last year. There also were higher sales to Singapore, the UAE and Colombia during the latest month.

Exports in March and April are likely to be lower again. Not only came the higher import duties in China into force but prices on the domestic market in the US rose considerably above the critical USD1.40 per gallon threshold during this period. At the same time the start of the crushing season in Brazil will prompt prices to fall in the US' biggest export market.



China - Buyers of US ethanol will have to cut imports because of higher tariffs, but eventually will have to return to the overseas market to meet government targets for using the fuel, industry participants and analysts told Reuters.

Beijing said on April 1, 2018 it will slap an extra 15% tariff on denatured ethanol imports from the United States (harmonised system code 22072000), part of its response to US duties on aluminium and steel imports. The previous duty was 30%.

The tariffs, effective April 2, will neutralize cost savings from importing cheaper US ethanol versus domestic supply, said three sources that participate in the market.

"The price difference is gone. We will suspend imports for now," said a manager at a private oil refinery, adding that he was considering turning to domestic suppliers for fuel ethanol.

That is good news for domestic producers, who are already ramping up output on cheaper corn and government subsidies.

But analysts said China will probably need to resume imports to meet the nationwide E-10 target by 2020.

Beijing said last year the new ethanol mandate would boost industrial demand for corn and help clean up its choking smog. It would mean consumption of around 15 mln tonnes of ethanol annually, made from 45 mln of corn, according to Reuters calculations.

It is not clear where future imports will come from. A 30% duty on ethanol imports previously levied since January 2017 had already slowed a once-booming trade to a trickle.

US imports had recently picked up after prices fell enough to be attractive even with the high duties.

But the new tariffs will close the arbitrage again, boosting the price of US ethanol to around CNY6,300 (USD1,003.58) per tonne after taxes, on par with domestic prices, market sources said.

The refinery manager said prices in Brazil are currently too high for exports to China, but could be an option in future.

China's State Council Tariff Committee recently announced that additional tariffs on 128 US-origin products would be implemented, effective immediately. These tariffs were proposed by the Ministry of Commerce on March 23 in response to the US 232 Trade Action. The majority of the targeted products were food and agricultural products, totalling 84 out of the 128 tariff codes and accounting for approximately USD2 bln.

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