S&P Global Platts Launches NNE Brazil Weekly Ethanol Assessment

Provides essential transparency amid falling regional production

NEW YORK, Nov. 13, 2017 /PRNewswire/ -- S&P Global Platts, the leading independent provider of information and benchmark prices for the commodities and energy markets, today announced that it has launched a new North-Northeast Brazil anhydrous ethanol assessment. The new assessment reflects demand for greater transparency and a clearly defined methodology to help market participants understand the drivers of pricing.

Ian Dudden, Global Content Director, Agriculture, S&P Global Platts said: "The North-Northeast of Brazil is a region that is net short ethanol and therefore needs to import from the Center-South region of the country as well as from the United States. Following consultation with market participants, we have seen strong interest in our new NNE Brazil weekly ethanol price assessment, which provides increased transparency, is underscored by a robust methodology, and reflects trade volumes in this key part of the market. It builds out our Brazilian coverage and complements our global ethanol benchmarks.

"So far this year our ethanol analysis shows falling production in the NNE region, with imports having more than doubled to over a third of consumption, compared to just 15% in 2016. We expect this trend to continue into 2018 amid the lower production expectations for the 2017-18 NNE sugar cane crop. Overall ethanol production in Brazil is expected to remain stagnant due in large part to older cane in the fields and lower crushing volumes offsetting an anticipated increase in the ethanol mix. We expect Brazil will remain a net importer of ethanol for a second consecutive year," Dudden concluded.

The NNE assessment will reflect anhydrous ethanol standard ANP quality in Suape, one to 15 days forward from date of publication. S&P Global Platts will calculate the assessment basis delivered at place (DAP) Suape, Pernambuco. Other locations and Incoterms such as free on board (FOB)/cost, insurance and freight (CIF) may be considered but will be normalized back to the basis location. Platts will take into consideration product produced regionally, transfers from the Center-South region and volumes delivered from international locations.

The minimum volume assessed will be 250,000 liters, or 250 cubic meters, and the maximum volume assessed 1,000,000 liters, or 1,000 cubic meters. Other volumes may also be considered but in relation to the assessed volume range. Platts would consider standard payment terms such as payment within 10 days of "delivery." The assessments will be time-stamped to a 4:30 pm local time (Sao Paulo) Friday as a weekly assessment.

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