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MARKET NEWS LETTER **March 2017**

Our February report pointed to the Indian suppliers' "monetary problems". They still persist and our shippers now also face a weakening currency and uncertainty whether the coming monsoon season will be a normal one. Thus, our shippers continue raising prices, while limiting quantities of LEMONGRASS OIL and PALMAROSA OIL – currently on offer.

AMERICAN ESSENTIAL OILS

During February – American market conditions remained unchanged.

BRAZILIAN ESSENTIAL OILS

ALPHA BISABOLOL NATURAL continues being offered for prompt shipment, in minimum 100 kilo quantities, at US\$95.00/kilo FOB Santos. BALSAM COPAIBA, in multi-ton quantities, has been on offer at US\$21.50/kilo CFR world ports. With the current shortage of Citronella Oil – some traditional buyers are looking at alternates, such as OIL EUCALYPTUS CITRIODORA 75%, still offered at around US\$15.00 – 15.50/kilo CFR world ports. New crop GREEN MANDARIN OIL remains on offer at US\$47.00/kilo FOB Santos. BITTER ORANGE OIL, new crop, has entered the market at US\$ 52.00 kilo FOB. Small quantities of ORGANIC TAHITI LIME OIL C.P. remain on offer at US\$50.00/kilo FOB Santos. We continue waiting for offers for new crop LEMON OIL. The market situation for shrinking stocks of old crop ORANGE OIL and its BY-PRODUCT derivatives has resulted in slightly higher prices during March - - - while we remain without offers for 2017/2018 season material. Small quantities of OIL MORINGA and OIL PATCHOULI are currently available – while we await further offers for VETIVER OIL.

CHINESE ESSENTIAL OILS AND AROMATIC CHEMICAL

There has been very little activity in CHINESE ESSENTIAL OILS during March. Traditional suppliers have all pointed out the current shortage of CITRONELLA OIL. Limited quantities have been on offer in the US\$19.00/kilo CIF world ports range. The "EUCALYPTUS" story is a similar one. Only limited quantities of OIL EUCALYPTUS GLOBULUS 80% have been on offer, at US\$16.80/kilo CIF world ports. EUCALYPTOL 99% prices increased to US\$22.10/kilo CIF world ports.

EGYPTIAN ESSENTIAL OILS

While awaiting the April harvest, some of our suppliers have made some “preliminary” offers – with prices substantially differing from one shipper to another. BASIL OIL LINALOOL TYPE prices vary, with offers made at slightly above US\$200.00/kilo CIF to US\$230.00/kilo FOB. CHAMOMILE OIL BLUE has been offered at slightly below US\$800.00 to US\$900.00/kilo, ONION OIL prices are ranging from US\$800.00/kilo CIF to slightly below US\$1,000.00/kilo FOB. We will have to await real harvest prices next month.

INDIAN ESSENTIAL OILS

While Indian shippers still bemoan the inability of many local distillers to provide essential oils due to current country wide currency shortages, they now point to the existing drought conditions in many production areas and the uncertainty of future monsoon rains which is limiting the production of LEMONGRASS OIL, lately quoted US\$18.00/k CIF world Ports range. Our shippers advise that farmers see that CITRONELLA OIL is more profitable than LEMONGRASS OIL. Thus, they reduced the LEMONGRASS acreage, growing CITRONELLA instead. With LITSEA CUBEBA OIL in short supply, demand for LEMONGRASS OIL has increased. Current prices range from US\$18.00/kilo to US\$18.80/kilo CFR world ports. Further price increases are anticipated. Pricing of another traditional Indian oil, such as PALMAROSA OIL increased as well. Depending on supplier, DAVANA OIL 50% continues being offered in 100 kilos lots at US\$490.00 – 520.00/kilo CIF world ports via air. Pricing of AROMATIC CHEMICALS, remained unchanged during the month.

INDONESIAN ESSENTIAL OILS AND AROMATIC CHEMICALS

We continue trading CANANGA OIL at slightly below US\$100.00/kilo CFR world ports. CITRONELLA OIL prices, in tandem with the increase in the price of Chinese oil, continued to firm. The supply various CLOVE OILS remains a problem. RECTIFIED CLOVELEAF OIL 85% was offered in recent days at US\$16.25/kilo CFR world ports, EUGENOL USP at US\$18.55/kilo CFR. CUBEBA OIL is currently in short supply. Depending on acid and Patchoulol content – traditional shippers of OIL PATCHOULI still continue pushing their “SUMATRA” oil, still priced at US\$51.00 – 52.00/kilo. SANDALWOOD OIL – with ALPHA SANTALOL content not specified - for minimum 25 kilo quantities – remains at US\$1,650.00/kilo CFR air. We still remain without offers for VETIVER OIL.

MEXICAN ESSENTIAL OILS

We currently hold nominal quotations for small quantities of WHITE GRAPEFRUIT OIL, ORANGE OIL, PERSIAN LIME OIL, and TANGERINE OIL. Please contact us if the one or other of said oils is of interest, for us to obtain specific offers.

NEPALESE ESSENTIAL OILS

No market changes were reported during February.

PARAGUAYAN ESSENTIAL OILS

This being the “off season” only limited quantities of PETITGRAIN OIL have been on offer at US\$54.70/kilo FOB for April shipment.

SOUTH AFRICAN ESSENTIAL OILS

Our South African suppliers – referring to operating under drought conditions – have withdrawn from the CITRUS market, for the time being. EUCALYPTUS DIVES OIL is currently on offer, in limited quantities, at US\$18.50/kilo CFR world ports