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MARKET NEWS LETTER **October 2017**

Following the successful IFEAT conference in Athens, the most significant industry concern was the USDA issuance of their October update to the Citrus Crop Report.

ARGENTINE ESSENTIAL OILS

No market changes were reported by traditional suppliers during October.

AMERICAN ESSENTIAL OILS

With the U. S. DEPARTMENT OF AGRICULTURE'S crop report in mid-October being questioned by the Florida CITRUS MUTUAL industry association, we are looking forward to possible "downward" corrections of the original USDA estimates. To date we look for offers for "New crop" ORANGE OIL, GRAPREFRUIT OIL, and TANGERINE OIL. American PEPPERMINT OIL prices remained firm during the month. Regarding NATIVE SPEARMINT OIL - traditional suppliers still recommend that interested buyers should cover current needs promptly, in anticipation of future price advances. SCOTCH SPEARMINT OIL continues to be offered at competitive prices.

BRAZILIAN ESSENTIAL OILS

Following the issuance of the "USDA" crop report – ORANGE OIL and D'LIMONENE (CITRUS TERPENES) prices advanced, particularly for FCC (minimum 1.2 aldehyde) quality oil. Major processors raised oil prices into the upper US\$12.00/kilo range and D'LIMONENE prices into the upper US\$10.00/kilo range. While a number of buyers are still hoping that these prices will not hold, suppliers feel differently. They refer to adverse weather conditions – high temperatures, lack of rain, etc. – possibly even affecting next season's crop. GREEN MANDARIN OIL continues to be on offer around US\$35.00/kilo CFR world ports. NATURAL ALPHA BISABOLOL pricing firmed slightly during October. This product is currently offered at US\$96.00/kilo CFR world ports. WATER SOLUBLE DISTILLED CHAMOMILE EXTRACT has reappeared in the market at US\$12.60/kilo CFR world ports.

CANADIAN ESSENTIAL OILS

No market changes were reported by traditional suppliers during October.

CHINESE ESSENTIAL OILS AND AROMATIC CHEMICALS

We are still missing the usual multi product offers from traditional shippers. As already stated, traditional shippers continue to refer to past unfavorable weather having affected production and changing economic conditions, including speculative holdings, still affecting ready supplies. We continue missing the regular offers for CITRONALLA OIL, CAMPHOR OIL, EUCALYPTUS OIL, LITSEA CUBEBA OIL, PEPPERMINT 50% SPEARMINT OIL and STAR ANISE OIL that we received in the past. Traditional suppliers continue to ask for us to pass on specific inquiries – for the suppliers to check the market and revert with specific offers. Small lots of CLARY SAGE OIL are offered at \$126.00/kilo, and SCLAREOL and SCLAREOLIDE are available at \$110.00/kg and \$290.00/kg respectively.

INDIAN ESSENTIAL OILS

The MONSOON rains came – but OIL LEMONGRASS prices did not recede, now quoted around US\$20.00 – to as high as US\$21.75/kilo CIF world ports for prompt shipment. NUTMEG OIL (ca. 2.5% MYRISTICIN) remains on offer at US\$36.00/kilo CFR. PALMAROSA OIL pricing has remained firm during October. Other oils continue to be offered at unchanged prices.

INDONESIAN ESSENTIAL OILS AND AROMATIC CHEMICALS

CANANGA OIL remains in short supply – with single drums offered at US\$115.00/kilo CFR world ports. CLOVELEAF OIL and its derivatives have remained in short supply, with shippers asking us to pass on buyers' specific inquiries. CUBEB OIL remains in short supply. PATCHOULI OIL, as well as NUTMEG OIL offers and prices have varied greatly during October, with suppliers asking for specific inquiries – for them to offer appropriately.

MEXICAN ESSENTIAL OILS

We are currently without further offers for MEXICAN ORANGE OIL (ALDEHYDE 1.3%) but have still access to DISTILLED KEY LIME TERPENES at US\$15.30/kilo FOB Laredo.

TURKISH ESSENTIAL OILS

LAUREL LEAF OIL is currently on offer at €75.00/kilo delivered within the European Union. Various qualities of ORIGANUM OIL have been on offer in recent weeks. Our suppliers look for potential buyers to indicate the botanical name (e.g. "VULGARE", "ONITES", ETC.) of the oil they are interested in – to make respective offers. We remain without offers for ROSE OIL. Small quantities of GUM STYRAX remain in stock at origin, offered at €125.00/kilo.

NEPALESE ESSENTIAL OILS

ANTHOPOGAN OIL is currently offered at US\$200.00/kilo FOB. GERMAN CHAMOMILE OIL has been on offer at US\$650.00 – 820.00/kilo FOB, VALERIAN WALLICHII ROOT OIL at US\$370.00/kilo FOB, WINTERGREEN OIL at US\$80.00/kilo FOB.

RUSSIAN ESSENTIAL OILS

GERMAN CHAMOMILE OIL has been offered at US\$800.00/kilo FOB. Current CORIANDER OIL offers from origin appear quite competitive, with producers anticipating same to firm early next year, at US\$40.00/kilo FOB, in ton lots. Equally competitive is the current price of CORIANDER HERB OIL at US\$62.00/KILO FOB. Limited quantities of CLARY SAGE OIL have been on offer at US\$139.00/kilo FOB. DILL WEED OIL is priced at US\$30.00/kilo FOB, subject lot sample approval. FENNEL SEED OIL is quote at US\$32.00/kilo FOB.

VIETNAMESE ESSENTIAL OILS

Following our meeting with Vietnamese shippers at the IFEAT meeting in Athens, they reverted in recent weeks – once again asking us to obtain specific inquiries for their oils and aromatic chemicals, namely CASSIA OIL and its derivatives such as NATURAL CINNAMIC ALDEHYDE, NATURAL BENZALDEHYDE, NATURAL CINNAMYL ACETATE, always as NATURAL COUMARIN, as BASIL OIL (Methyl Chavicol), CITRONELLA and CAJEPUT OIL. We will be pleased to forward respective inquiries to our shippers.