

May 2017 Market Report

After Brexit and Donald Trump, the next big event on the menu is the French election.

Macron and Le Pen are in the final round of the Presidential election on 7th May. The polls were right about the winners this time around and the markets are relieved over the unsurprising results after Brexit and Trump.

Currencies such as EUR/USD and GBP/USD have been heavily sold due to political reasons over the last year; however the euro zone and the UK economies have been showing resilience in recent months. We can expect the euro and the sterling to recover losses once the fears and uncertainty subside on the horizon.

In recent years, there has been a risk posed to the markets by North Korea. However the threats have been downplayed by experts who believe the crisis can be resolved.

Diplomatically, after the meeting between Trump and China's President Xi, the Chinese government have urged North Korea to refrain from further nuclear tests by threatening sanctions. Powerful figures such as Russian President Putin also called for talks to resume with North Korea to avoid escalating the situation.

GBP/USD 90 Day History



ESSENTIAL OILS AND EXTRACTS

Aniseed Oil China Star

The market has been stable over the past few months; however there have been heavy rains and flooding in the main production areas during March and April which could have an impact on production.

Bergamot Oil

The crop is now finished with very little availability in the market. The yield was low with no carry-over from 2016 for support. There is no availability of organic oil currently and very low availability of pure & natural oil; there will be no new material available until the new crop in November.

Chamomile Oil Roman

Due to dry weather the crop is not growing and as it stands currently we are concerned about availability this year again.

Davana Oil

We are receiving positive news from origin for the new crop. Pricing was originally expected to be above current levels due to diminished power supply to the agricultural sector and low rainfall in the growing areas last year, however the drought has had a positive impact as there is limited damage to the crop from rainfall leading to greater yield and quality of product than expected.

EUR/USD 90 Day History





Eucalyptus Globulus

Prices have increased dramatically during the early parts of this year and the market was in shortage following the Chinese New Year. Market price is expected to remain high for the next few months.

Grapefruit Oil

The situation for Grapefruit remains critical with production falling further, current projection from Florida for the new crop is only 8.1 million boxes. The current pricing is incredibly high and is likely to increase further and there is not enough material available to satisfy demand.

Lavender Oil

In France dry weather might have an impact on the crop this year. This is also true in the Valley of the Roses in Bulgaria.

Lemon Oil

The crop from Italy was good this year compared to 2016 however the prices have risen in the past few months due to increase in fresh fruit prices, this is expected to remain firm. With the Argentine crop due in June there are reports that the crop could be lower than expected.

Mandarin Oil Italian

The market has been stable over the past few months. Material rose in price at the beginning of 2017 due to high prices of the fresh fruit and the market did not react well with Brazilian origin frequently being chosen over Italian due to the price increase.

Petitgrain Paraguay

Production is looking stable with the season concluding in the next few months. There was heavy demand at the beginning of the year following the low yield from the end of 2016 with high competition on the raw material causing prices to firm. Pricing is looking stable for the time being.

Orange Oil

Prices for orange oil, terpenes and d-limonene have remained high over the past few months. Production from Florida remains low and it is predicted that there will be an improvement in the crop from Brazil compared to the previous season; however this will be determined later in the year.

Peppermint Arvensis/Menthol Crystals

We have seen a significant increase since the beginning of the year, with the depreciation of the rupee leading to the cost of export increasing substantially. With the new crop due in June it is expected that the pricing for oil and menthol crystals will remain high until then.





Peppermint Oil Piperita

Prices have also increased significantly since the beginning of the year; the market is firm and likely to stay that way until at least June which will be after the new crop.

Rosemary Oil Tunisian

The new crop started in April and the news from producers is good so far. Pricing is expected to remain at least as high as last year but is anticipated to remain stable.

Tea Tree Oil Australian

The market has been badly affected by recent flooding in Queensland and pricing has already increased dramatically. At the moment it is not clear how badly this will impact the crop but the flooding will inevitably result in lower yield of oil. It is predicted that the production could be down substantially and given the lack of carryover from last year we can envisage the price continuing to increase from the current level over the next few months.

AROMA CHEMICALS

Pyrazines

We have seen instability in the pricing of 2-acetylpyrazine over the past few months due to the impact the pollution checks have had on production. Prices have continued to rise recently while availability remains tight due to low production.

Maltol/Ethyl Maltol

Following the explosion in China there has been a major shortage of material; we are seeing dramatic and ongoing price increases from origin and this upward trend is expected to continue over the next few months whilst availability remains low. Maltol EU Natural remains extremely tight due a cease in production with very little availability on the market.

Methylcyclopentenolone

There has been instability in the pricing over the past few months due to pollution checks however we have seen a sizeable increase in price recently due to a routine shut down in production.



Talk to us

Should you have any questions regarding the materials we have discussed in this report, or indeed if you just fancy a chat, we're always pleased to hear from you. You can contact us in the following ways:

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