

## | BIOFUEL PRICES

	ICE Gas oil	FAME 0°C	RME	Value of CFPP point	DC premium UK/DDC/ 87%GHGs ***	UCOME CFPP +2°C	TME IT DC +11°C	DC incentive	Ethanol FOB ARA (m <sup>3</sup> )
	\$	\$ FOB ARA	\$ FOB ARA	\$ FOB ARA	\$ FOB ARA	€ FOB ARA	€ FOB ARA		€ FOB ARA
Spot/Q220	195	585	750	12.7	390	877	865	2.00	483
Change	-78	-75	-30	3.5	30	-44	-25	0.07	18
Q3'20	242	595	780	14.2	390	883	875	2.10	499
Change	-70	-95	-40	4.2	30	-63	-45	0.15	16
Q4'20	276	605	800	15	390	891	875	2.19	505
Change	-63	-90	-45	3.5	30	-57	-45	0.17	8

\*Prices are per MT unless indicated differently

\*\*Change from the last Nexus report (approx. 2 weeks ago)

\*\*\*To get in line with the new specs of Argus contract, DC premium will now be based on 87% GHGs

Euro/USD	Change
1.083	-0.48%

## BIOFUELS

- Gas oil prices are again in a downward trend following Brent Crude oil which loss 29% since our last report. Last week, we experienced one of the biggest crashes in history of oil market after seeing WTI Crude oil May contract at -40usd. One of the main reasons why the US oil contract passed the negative barrier was for the lack of available storage of refineries and market players cause by the dropped of demand/consumption in oil products due to COVID-19 pandemic situation
- In the past two weeks, **soybean oil prices dropped by 5.3%, followed by palm oil prices at much higher pace (7.5%)**. This could be explained by the lower demand across the globe and the high volatility in the markets that we are facing due to the current global situation.
- Following the same trend of veg-oils, FAME 0°C prices plummeted by 75usd for Spot/Q2 and 85usd for Q3/Q4 reaching a **new low record since FAME 0°C is getting quoted**. With current prices, production margins for EU biodiesel veg-oils based seems impossible to be positive. Spot Rapeseed oil FOB Dutchmill (755USD/MT) is now assessed 5usd/mt over RME prices (750USD/mt). On the other side, by products from oil refining as rapeseed cake for animal feed and biodiesel by product glycerin prices are increasing which at some point should help RME producers to get some positive margins on the crush-oil refining-biodiesel production complex.
- DC premium is up by 30usd and now assessed at 390USD. With FAME 0°C premium over GO reduced and DC premium increased, DC incentive coefficient is now again at 2. UCOME fixed price in euros decreased weighted by a weaker FAME 0 followed by TME at smaller pace.
- On the ethanol market, even with a little catch up on the prices, market it seems critical due to shortfall of demand on gasoline.

## | FEEDSTOCK PRICES

		Spot	Change
UCO DDP Europe	€	730	0
UCO CIF Europe (flexi)	\$	715	0
UCO FOB China (bulk)	\$	685	10
Animal fat cat 1&2 DDP Europe (FFA 20-25%)	€	450	-10
Crude technical glycerin FCA Europe (NaCl) – 80% purity	€	180	30
Refined Pharma glycerin FCA Europe	€	500	50
Crude technical glycerin CIF China	\$	270	20

\* Prices are per MT

\*\*Change from the last Nexus report (approx. 2 weeks ago)

\*\*\*UCO FFA max 5%, MIU max 2%, IV 80, Sulphur 50 ppm

## FEEDSTOCK & BY-PRODUCTS

- On the UCO market, no significant movements on EU local prices. Even if local collection has significantly declined which could have helped to increase prices, demand and prices of UCOME are getting lower starting to put significant pressure on UCOME production margins. As for import prices, most of countries are struggling to collect due to the lockdowns, creating a big gap in the bid-ask valuated around 695/730usd.
- UCO prices FOB China gained 10usd since our last report. Collection in China starts to recover a long side with the demand in bulk and prices seems to be push by the less volume availability. Now, freight in China to EU for big size vessels increased significantly as traders are taking advantage of the high contango in petroleum products using vessels as floating storage. With the current FOB price and freight quotation the arbitrage to import UCO in bulk seems to be close or very tight given the current UCOME prices.
- On the glycerin market, EU and CIF are picking up as expected. Due to the ongoing pandemic situation, biodiesel demand fell considerably and so as the production due to the current negative production margins.

## NEWS AND REGULATIONS

- Brazilian ethanol market is under pressure for the last two weeks, after the collapse in demand due to the COVID situation, the crash in oil prices and the weakness of Brazilian real, reinforce the drop in cane sugar prices. **World sugar prices fell by 22% in only one month**, breaking a new low record in the last twelve years. **The lower oil prices and demand are encouraging refineries to limit the use of sugar cane for ethanol production, increasing volume availability of sugar in the global market pressuring more and more prices.**
- Last week, **Malaysian government announced the rollout of the implementation of their new biodiesel mandate of 20% blending called B20.** Government expect to set the full implementation of the B20 by mid-June 2021 with a possible review of this decision after the ease of the current pandemic virus.

If you have any comments or questions, do not hesitate to contact us at:  
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