

| 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 FOBARA (cubic metres)
	\$	\$ FOB ARA	\$ FOB ARA	\$ FOB ARA	\$ FOB ARA	€ FOB ARA	€ FOB ARA		€ FOB ARA
Spot/Q120	465	820	950	10	500	1170	1160	2.41	637
Change	-39	-35	0	2.7	10	-58	-30	0.01	1
Q2'20	466	825	900	5.8	500	1182	1175	2.39	621
Change	-36	-35	-30	0.4	10	-54	-30	0.02	-11
Q3'20	472	830	890	4.6	500	1189	1175	2.39	602
Change	-33	-25	-30	-0.4	10	-43	-35	0	-9

*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
1.111	2.49%

BIOFUELS

- **Crude oil prices rose by 7% this Monday, after a substantial decline on prices by 13% in the last two weeks.** Following this trend, Gas Oil prices have also recovered but at a much lower pace. Due to the spread of the corona virus across the globe, demand of crude oil and derivatives has slumped but this week prices are being supported by the expected announce of the deeper production cuts.
- **Soybean oil decreased by 6% followed by palm oil prices by 10%.** This can be explained by the low activity from the Asian market due to the current situation with the corona virus. Now we are finally seeing the usual spread between SBO and CPO prices.
- FAME 0°C prices dropped by 35usd at the same pace than GO prices. With the slide on the veg-oils prices and F0 prices following at the same pace, production margins for EU veg-oil biodiesel producers remain critical. Even for RME margins are almost close to zero if not negative as prices for Q2 fell by 35usd while rapeseed oil at slower pace by 20usd.
- DC premium is slightly up but with the FAME 0°C premium over GO stable. Then, DC incentive remains unchanged. **UCOME fixed prices in euros plunged due to a stronger EUR/USD rate which increased by 2.49%.**
- TME prices are following the trend of the UCOME but at lower pace supported by a significant demand from the Italian market.
- No significant movements on the ethanol prices since our last report despite the rally on the corn futures in the last week (+5%).

| FEEDSTOCK PRICES

		Spot	Change
UCO DDP Europe	€	870	0
UCO CIF Europe (flexi)	\$	870	0
UCO FOB China (bulk)	\$	835	-20
Animal fat cat 1&2 DDP Europe (FFA 20-25%)	€	550	0
Crude technical glycerin FCA Europe (NaCl) – 80% purity	€	100	0
Refined Pharma glycerin FCA Europe	€	410	0
Crude technical glycerin CIF China	\$	180	0

* 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, EU local and import prices are stable. Although most of the Chinese companies are back on business, many suppliers are having delays to comply open contracts due to the shortage of volume.
- **UCO prices FOB China dropped by 20usd following the trend of UCOME prices but also weighted by the decline on veg-oil prices and the increase in freight rates.**
- No substantial movements of the animal fat Cat 1/2 prices.
- On the glycerin market, is still difficult to understand the current import situation in China as many ports are not yet available to operate. In addition, Asian market seems to be over supply due to the full implementation of the B30 and B20 in Indonesia and Malaysia respectively.

NEWS AND REGULATIONS

- This week, **UK Government has announced a consultation period for feedback on E10**, which is expected to be the standard grade in the UK from 2021. The current blend contains up to 5% bioethanol but with the 5% increase it will seek to reduce carbon dioxide from transport by around 750,000mts of CO2 per year.
- One of the largest foods and grain mill Argentinian's producer Molino Cañuelas is nearing to file bankruptcy after failed talks with creditors to restructure its USD 1.4 billion debt. This situation is following the Vicentin's default at the end of 2019.
Apart from this, **the registration of agricultural exports is currently closed until further notice as the government is planning to raise taxes on soybean exports to 33% from the current 30%.**
- In Sweden, Södra has built the world's first plant for commercial biomethanol, a sustainable fuel from forest biomass at its pulp mill with a capacity of 5,000mts. Biomethanol is produced from the crude methanol recovered from the manufacturing process at Södra's pulp mill.

If you have any comments or questions, do not hesitate to contact us at:
market-news@nexus-brokerage.com

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