

| BIOFUEL PRICES

	ICE Gas oil	FAME 0°C	RME	Value of CFPP point	DC premium UK/DDC/ 87%GHGs ***	UCOME CFPP +2°C	TME ISCC EU +11°C	DC incentive	Ethanol FOB ARA (m ³)
	\$	\$ FOB ARA	\$ FOB ARA	\$ FOB ARA	\$ FOB ARA	€ FOB ARA	€ FOB ARA		€ FOB ARA
Spot	310	815	995	13.8	410	1018	995	1.81	770
Change	-68	-60	-30	2.3	-10	-48	-40	-0.03	125
Q4'20	323	810	1005	15	410	1011	980	1.84	654
Change	-64	-15	-15	0	-10	-6	-5	-0.12	84
Q1'21	339	820	980	12.3	410	1025	995	1.85	595
Change	-61	-10	-20	-0.8	10	0	0	-0.12	45

*Prices are per MT unless indicated differently

**Change from the last Nexus report (approx. 3 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
1.177	-1.49%

BIOFUELS

- **Gas oil prices plunged by 50usd following the decline of crude oil (-12.6%).** Brent crude oil prices were weighted after Saudi Arabia lower its official selling price for Asian buyers as a sign of weak demand while WTI prices were pressure by decline on demand and the end of driving season. The oil industry is again under pressure as many countries are now facing rising COVID cases which could lead to a weak demand in the upcoming weeks.
- **Veg-oils are again in an upward trend. Soybean oil prices hiked by 4.5%** from our last report due to a surge on demand from China and India as they are facing a stock shortage. On the other hand, **palm oil increased 3.9%** supported by SBO movements but prices may drop in the following weeks as imports from India are slipping due to a lower local demand.
- **FAME 0°C prices slumped by 60usd in spot.** With this price levels compared to SBO and CPO prices production margins for EU biodiesel veg-oil producers would be negative. A clear example, SBO FOB Argentina is around 760USD/MT vs FAME 0°C spot at 815USD/MT FOB ARA. Even for the RME producers, with the spread RME-RSO assessed at 55usd, production margins are very tight.
- UCOME prices in euro are mainly driven by the drop in FAME 0 prices but slightly helped by a weaker EUR/USD. TME under ISCC EU is following the similar trend with a discount of around 30 EUR/MT compared to UCOME. Most of TME suppliers are still working on their INS certification for their factory but also their feedstock supplier and very few volumes of INS certified biodiesel are available in the market. Now the premium for INS TME vs ISCC EU is assessed around 50-60 EUR/MT.
- The general demand and activity on the biodiesel are low mainly due to uncertainty on the German market. The new UERs projects might lower the GHGs ticket prices for 2021 and then reduce the competitiveness of blending biodiesel (both SC and DC biodiesel) to comply with the mandate. As it is still unclear how many projects will be approved and how many tons of GHG reduction will be generated through UERs, buyers are now reluctant to take already position for the next year.

| FEEDSTOCK PRICES

		Spot	Change
UCO DDP Europe	€	800	-15
UCO CIF Europe (flexi)	\$	805	-20
UCO FOB China (bulk)	\$	780	0
Animal fat cat 1&2 ISCC EU DDP Europe (FFA 20-25%)	€	560	0
Crude technical glycerin FCA Europe (NaCl) – 80% purity	€	120	30
Refined Pharma glycerin FCA Europe	€	550	25
Crude technical glycerin CIF China	\$	265	70

* 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

- UCO market is being hit by the several factors. EU local UCO prices declined by 15eur following the trend of UCOME prices while import prices dropped by 20usd dragged by a lower EUR/USD rate. The uncertainty on biofuel's demand has slumped the demand of feedstock for Q4 as COVID-19 cases are increasing week by week.
- UCO FOB China in bulk prices were assessed at 820-830usd last week supported by the increased of veg-oil prices. Now prices are back to levels of our last report dragged by the weaker demand and the slide on the biodiesel market.
- Animal Fat Cat 1/2 price assessment is stable representing product ISCC basis. For INS product, producers will ask for a premium which is still unclear.
- On the glycerin market, EU and CIF prices are picking up. EU prices might be increasing as biodiesel demand and production could decrease due to new COVID cases arise and the lower production margins veg-oils EU biodiesel producers are facing. Glycerin CIF prices rose by 70usd as demand from Asia, mainly China, move forward. On the other hand, Argentina it is at their lowest biodiesel production tightening volumes of CG.

NEWS AND REGULATIONS

- Chinese biofuels producer Changyou Bioenergy launched their new HVO plant with a total capacity of 200KT/year. This new project will represent an increase of 50% HVO capacity in the country as currently there are four main HVO plants operating in China with a combined capacity of around 450KT/year.
- Indonesia government is looking to adjust its palm oil export tax in order raise money for biodiesel subsidies. The export tax is a flat rate of 55USD/mt no matter the price, but the new policy will see the tax increase 5usd for every 25usd palm oil price increase.
- Brazilian government is looking for temporarily extend its duty-free quota for US ethanol in a move to support President Trump before elections. The south American country is trying to negotiate this extension of duty-free quota with the US in exchange of an additional sugar export quota for the US market.

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

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