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Argus Specialised Freight

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For a full list of biofuels and specialised freight arbitrages covering a wide variety of products, routes and tariff/tax levels, please see Argus Workspaces:
- Biofuels Exports + Freight - China
- Biofuels Exports + Freight - Southeast Asia

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THE PULSE

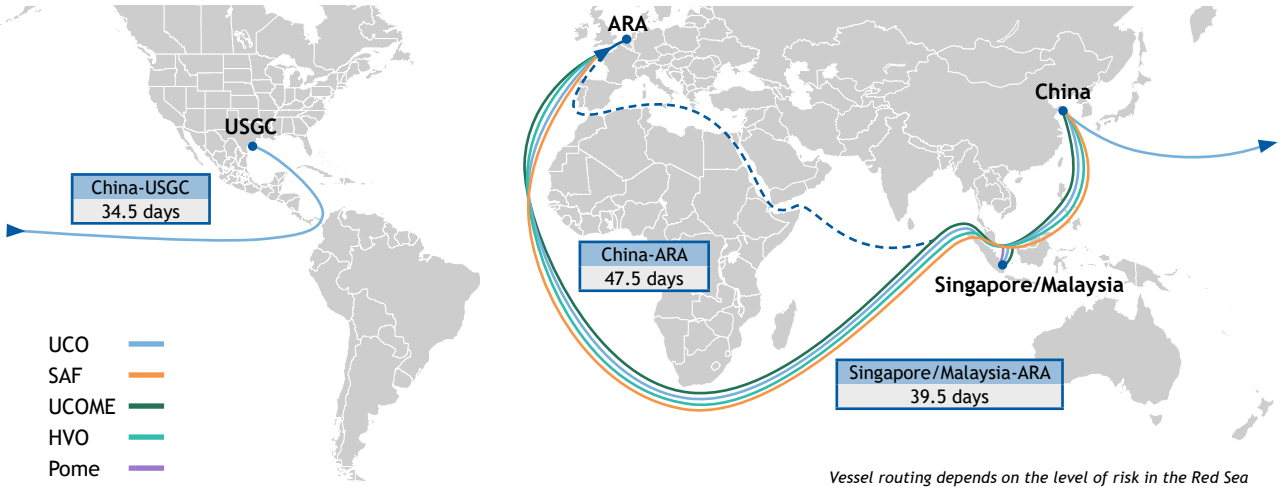
USGC methanol exports buoy specialised

Exports of methanol from the US Gulf on specialised tankers have surged in recent months, pushing several specialised tanker freight rates to multi-month highs.

Shipments of methanol from the US Gulf coast soared in September and October after suppliers in the Mideast Gulf and the Caribbean were absent from the global market. The three-month moving average for US Gulf coast exports has hit a seven-year high of 479,000t this month, according to Kpler data. This has pushed additional cargoes into the spot market and lifted demand for specialised tankers.

Continued on page 9

BIOFUELS ARBITRAGES



Vessel routing depends on the level of risk in the Red Sea

Origin	Destination	Tank type	Product	DWT	Freight full cargo $/t	Freight part cargo $/t	Full-cargo arb	Part-cargo arb
China	ARA	IMO2 coated	UCOME	50,000	180.25	255.35	✗	✗
China	ARA	IMO2 coated	UCO	50,000	191.95	271.95	✗	✗
China	ARA	Stainless steel	UCO	22,000	204.75	266.60	✗	✗
China	USGC	IMO2 coated	UCO	50,000	170.00	251.30	✗	✗
China	USGC	Stainless steel	UCO	22,000	175.35	239.65	✗	✗
China	ARA	IMO3 coated	HVO	50,000	179.75	261.75*	✓	✓
China	ARA	IMO3 coated	SAF	50,000	181.75	293.65*	✓	✓
China	ARA	Stainless steel	SAF	22,000	221.10	287.90	✓	✓
Singapore/Malaysia	ARA	IMO2 coated	UCOME	50,000	157.50	232.75	✓	✗
Singapore/Malaysia	ARA	IMO2 coated	UCO	50,000	167.75	247.90	✓	✗
Singapore/Malaysia	ARA	Stainless steel	UCO	22,000	187.50	245.20	✓	✗
Singapore/Malaysia	ARA	Stainless steel	Pome	22,000	187.50	245.20	✓	✗
Singapore/Malaysia	ARA	IMO3 coated	HVO	50,000	156.45	238.55*	✓	✗
Singapore/Malaysia	ARA	IMO3 coated	SAF	50,000	158.45	267.65*	✓	✓

**Part-cargo freight rates use IMO2 tankers rather than IMO3*

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ASIA-PACIFIC

Firm CPP market buoys specialised tankers

High revenues in the clean petroleum product freight market again reduced ship numbers available for specialised products in the week to 30 October. This pushed several long haul freight rates from Asia-Pacific to all-time highs.

Revenues in the clean Medium Range (MR) tanker market eased slightly from five-year highs in the week but remained elevated. The Singapore to Botany Bay 35,000t time charter equivalent (TCE) rate fell to $64,582/d on 29 October, down 5.2pc from the five-year high of $68,116/d on 20 October. But these revenues remain almost four times higher than the level last year of $16,390/d on 29 October 2025. Disruption from the US-Iran war has pushed up revenues in the crude market and pulled more Long Range (LR) ships out of the clean tanker market. A total of 113 LR2 tankers switched from clean to crude trades in January-August 2026, compared with 67 during the whole of 2025. This has lifted trade for Medium Range (MR) ships in the CPP market at a time when fleet inefficiencies are stretched as ship-to-ship transits are required for cargoes from the Middle East.

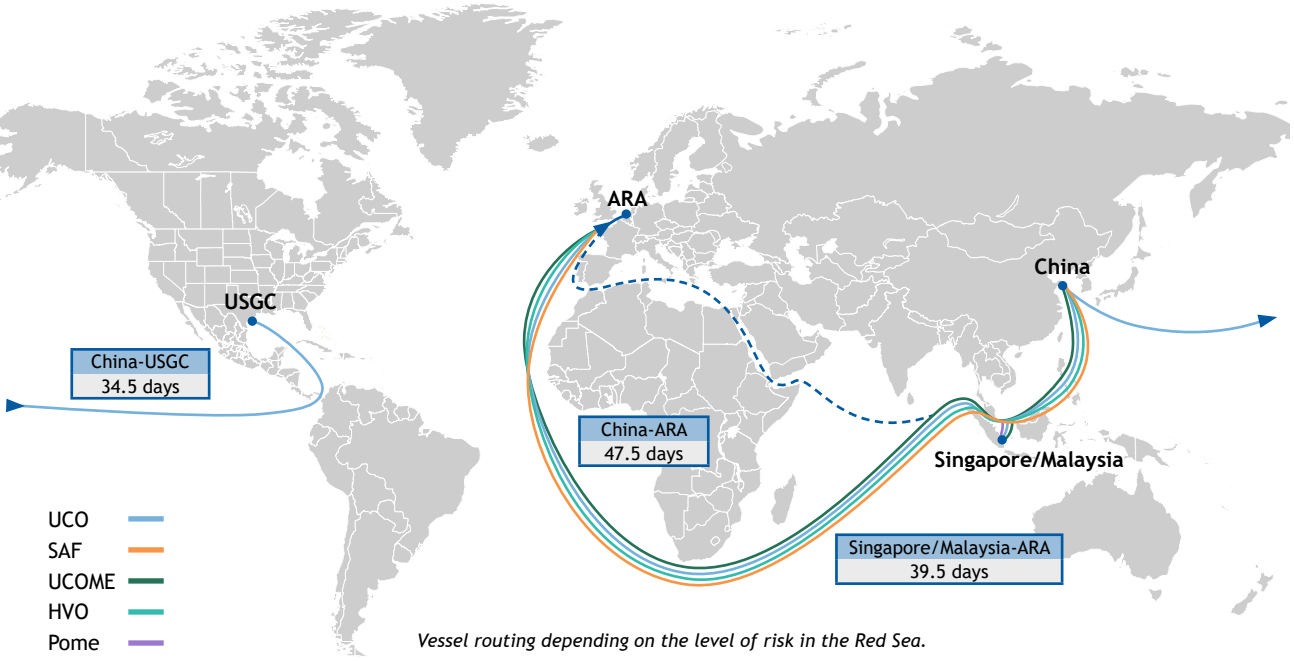
Many owners of "swing tonnage" ships have flocked to the CPP market to capture the high revenues, leaving fewer ships to move biofuels and feedstocks. This has bumped up specialised tanker rates to multi-year highs. The liquidity and regularity of the CPP market makes it attractive to shipowners, as there is less risk when finding a cargo for the

Asia-Pacific biofuels and feedstocks composite rates		$/t
Route	Size '000t	
China-ARA IMO2 coated full cargo	40	188.90
Singapore/Malaysia-ARA part cargo	5	245.20

Asia-Pacific IMO2 coated rates - full cargo				$/t
Route	Size '000t	Cargo		
Biofuels		**Biodiesel**	**HVO**	**SAF**
China-ARA	40	180.25	184.75	207.30
China-west Med	40	174.25	178.60	200.40
Singapore/Malaysia-ARA	40	157.50	161.45	181.15
Singapore/Malaysia-west Med	40	151.50	155.30	174.20
Feedstocks		**UCO**	**Veg oils**	**Palm oil**
China-ARA	40	191.95	180.25	-
China-west Med	40	185.60	174.25	-
China-USGC	40	170.00	-	-
Singapore/Malaysia-ARA	40	167.75	157.50	166.95
Singapore/Malaysia-west Med	40	161.35	151.50	160.60

Asia-Pacific IMO3 rates - full cargo			$/t
Route	Size '000t	HVO	SAF
China-ARA	40	179.75	181.75
China-west Med	40	173.60	175.60
Singapore/Malaysia-ARA	40	156.45	158.45
Singapore/Malaysia-west Med	40	150.30	152.30

Asia-Pacific rates assume full cargoes loaded onto 50,000dwt IMO2 coated tankers and full cargoes on 22,000dwt stainless steel tankers, and full cargoes onto 50,000dwt IMO3 coated tankers



Vessel routing depending on the level of risk in the Red Sea.

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ASIA-PACIFIC

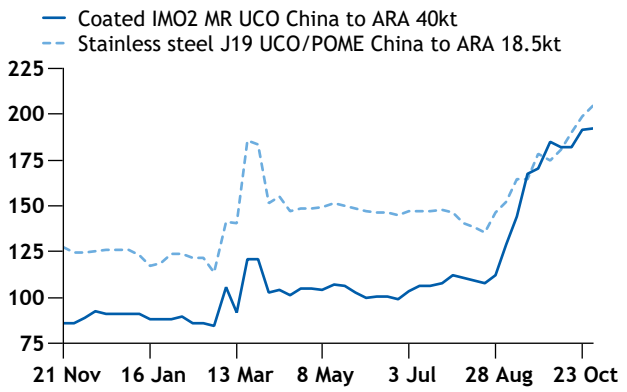
next leg of a ship's journey and fewer last cargo restrictions that in the specialised product market.

Specialised tanker freight rates have climbed to a level which has made some products from Asia-Pacific uncompetitive in export markets. This has prompted some charterers to hold off from seeking ships. Most products delivered from Asia-Pacific are no longer competitive when delivered to ARA ports as a 5,000t cargo, according to *Argus* projections.

Support for the specialised tanker segment could strengthen further in the coming weeks. Current cargo programmes remain heavily skewed towards long-haul exports of UCO, SAF, biofuels and palm oil products to Europe, with demand concentrated on routes to ARA, the Mediterranean and West Africa. These cargoes continue to compete for the same pool of MR tankers, tightening vessel availability in Southeast Asia and supporting freight rates. In addition, Malaysia's proposed suspension of palm oil export taxes could stimulate export activity and generate additional cargo flows from the Southeast Asia. Together, these developments may increase competition for suitable vessels and provide further support to specialised tanker freight rates heading into November.

Meanwhile, China's larger-than-expected fourth batch of fuel export quotas could provide further support to the MR market. The quotas may prompt refiners to increase fuel exports in November, generating additional tanker demand as more cargoes move out of China. Higher export activity could boost spot fixing, tighten vessel supply and support freight rates in the near term, indirectly reinforcing the earnings backdrop for specialised tankers.

China-ARA UCO freight $/t



Asia-Pacific IMO2 coated rates - part cargo				$/t
Route	Size '000t	Cargo		
Biofuels		**Biodiesel**	**HVO**	**SAF**
China-ARA	5	255.35	261.75	293.65
China-west Med	5	249.35	255.60	286.75
Singapore/Malaysia-ARA	5	232.75	238.55	267.65
Singapore/Malaysia-west Med	5	226.75	232.40	260.75
Feedstocks		**UCO**	**Veg oils**	**Palm oil**
China-ARA	5	271.95	255.35	-
China-west Med	5	265.55	249.35	-
China-USGC	5	251.30	-	-
Singapore/Malaysia-ARA	5	247.90	232.75	259.50
Singapore/Malaysia-west Med	5	241.50	226.75	252.85

Asia-Pacific stainless steel rates - part cargo				$/t
Route	Size '000t	Cargo		
Biofuels		**Biodiesel**	**HVO**	**SAF**
China-ARA	5	250.35	256.60	287.90
China-west Med	5	239.35	245.35	275.25
Singapore/Malaysia-ARA	5	230.25	236.00	264.80
Singapore/Malaysia-west Med	5	219.25	224.75	252.15
Feedstocks		**UCO/Pome**	**Veg oils**	**Palm oil**
China-ARA	5	266.60	250.35	-
China-west Med	5	254.90	239.35	-
China-USGC*	5	239.65	-	-
Singapore/Malaysia-ARA	5	245.20	230.25	256.75
Singapore/Malaysia-west Med	5	233.50	219.25	244.45

**excludes Pome*

Asia-Pacific stainless steel rates - full cargo				$/t
Route	Size '000t	Cargo		
Biofuels		**Biodiesel**	**HVO**	**SAF**
China-ARA	18.5	192.25	197.05	221.10
China-west Med	18.5	181.25	185.80	208.45
Singapore/Malaysia-ARA	18.5	176.05	180.45	202.45
Singapore/Malaysia-west Med	18.5	165.05	169.20	189.80
Feedstocks		**UCO/Pome**	**Veg oils**	**Palm oil**
China-ARA	18.5	204.75	192.25	-
China-west Med	18.5	193.05	181.25	-
China-USGC*	18.5	175.35	-	-
Singapore/Malaysia-ARA	18.5	187.50	176.05	186.60
Singapore/Malaysia-west Med	18.5	175.80	165.05	174.95

**excludes Pome*

Asia-Pacific rates assume full cargoes loaded onto 50,000dwt IMO2 coated tankers and full cargoes on 22,000dwt stainless steel tankers, and full cargoes onto 50,000dwt IMO3 coated tankers

West coast India - stainless steel rates - part cargo				$/t
Route	Size '000t	Cargo		
		Biodiesel	**UCO**	**Aromatics**
West coast India to ARA	5	301.00	320.55	281.75
West coast India to Singapore/Malaysia	5	108.05	115.05	101.15

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EUROPE

Poor weather lifts coaster rates

Adverse weather conditions across northwest Europe and the Mediterranean have disrupted commercial shipping operations and kept specialised coaster rates firm.

A series of storms has disrupted port operations and commercial shipping across Europe. This has caused backlogs and delays at numerous ports across northwest Europe and the Mediterranean, including ports in the crucial Amsterdam-Rotterdam-Antwerp (ARA) hub. Several ports face disrupted loading programmes, delayed vessel departures and congestion at terminals. The disruption has reduced the number of specialised coasters available in the spot market and buoyed freight rates across Europe.

Chartering activity remained firm for specialised coasters and intermediate tankers, with a flurry of cargoes entering the spot market at ARA ports. Charterers have brought several cargoes of biofuels, clean petroleum products (CPP) and vegetable oils to the ARA spot market, which supported demand for specialised coasters and intermediate ships.

Poor weather conditions have also disrupted commercial shipping operations in the Mediterranean, where storms have caused congestion at Spanish and Italian ports.

This has reduced vessel availability in the specialised coaster spot market, which left charterers seeking to load cargoes promptly struggling to secure ships.

Europe rates $/t

Route	Size '000t	Cargo			
Biofuels		**Biodiesel**	**HVO**	**SAF**	**Ethanol**
ARA-east coast UK	5	39.50	40.50	42.25	39.50
ARA-west Med	5	98.50	100.95	105.40	98.50
Cross Med	5	68.35	70.05	73.15	68.35
West Med-ARA	5	78.00	79.95	83.45	78.00
ARA-USGC	10	52.75	54.05	-	-
Feedstocks		**UCO/Tallow/Pome**	**Veg oils**	**Palm oil**	**-**
ARA-east coast UK	5	42.05	39.50	41.85	-
ARA-west Med	5	104.90	98.50	104.40	-
Cross Med	5	72.80	68.35	72.45	-
West Med-ARA	5	83.05	78.00	82.70	-

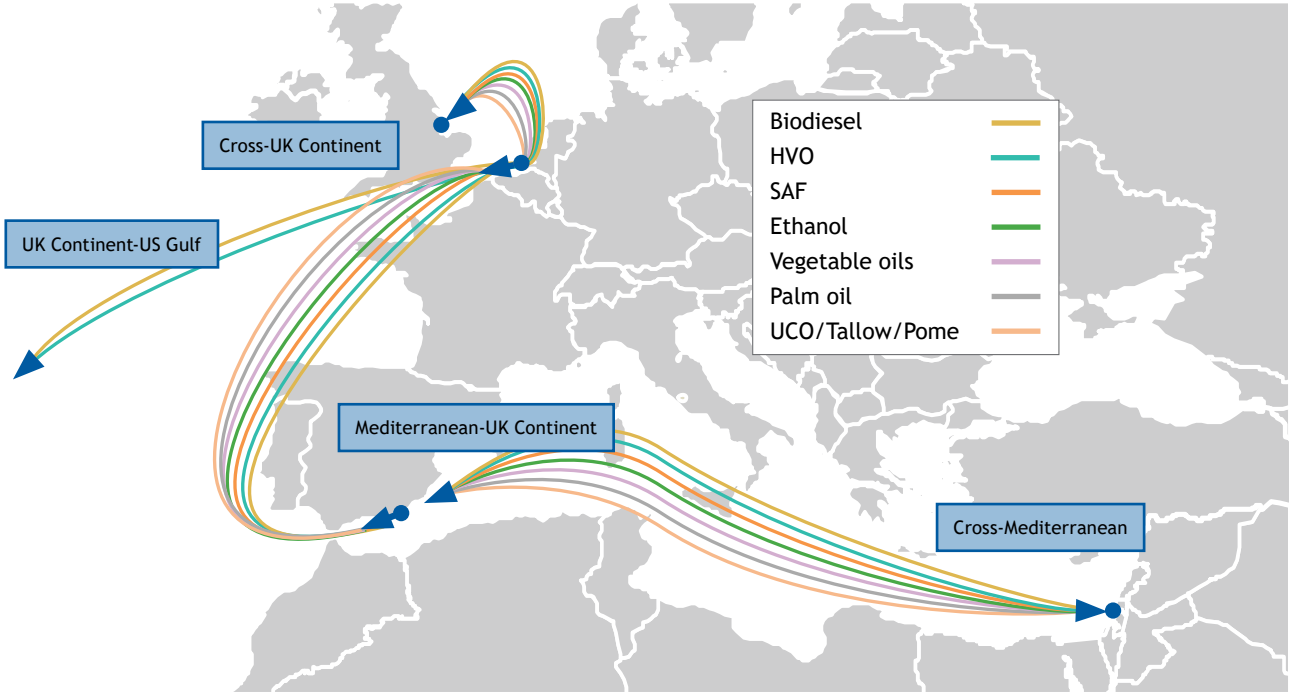
Europe rates assume full cargoes loaded onto 5,000-15,000dwt specialised IMO2 coaster vessels, except for the ARA-USGC assessment, which assumes part cargoes loaded onto 22,000dwt stainless steel tankers

Specialised/Biofuels Arbitrage Workspaces

For a full list of biofuels and specialised freight arbitrages covering a wide variety of products, routes and tariff/tax levels, please see Argus Workspaces:

- Biofuels Exports + Freight - China
- Biofuels Exports + Freight - Southeast Asia

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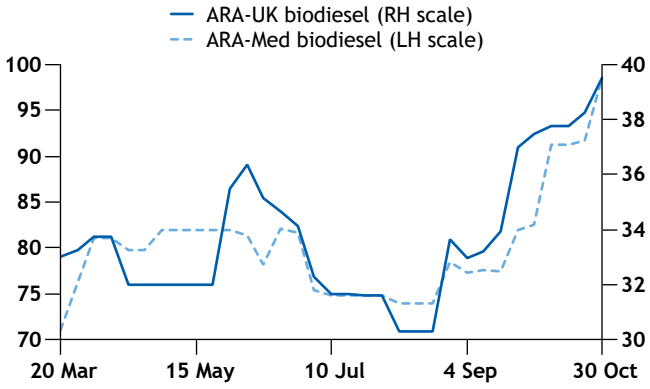
EUROPE

Chartering remained moderate across the Mediterranean, with most activity concentrated in the western region. Chemical and CPP cargoes have sustained demand for specialised coasters while biofuel cargo volumes were modest. Vegetable oil shipments from the Black Sea have dwindled.

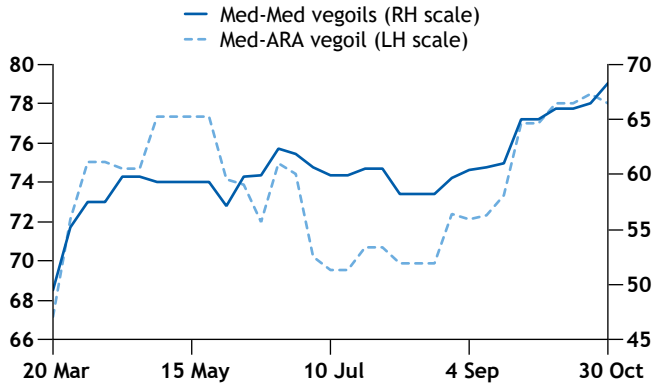
The specialised coaster market could face further disruption from planned industrial action at several Mediterranean ports on 30 October, market sources said. The planned strikes could affect port operations in Italy, France, Greece and Turkey. This could further disruption and support rates in the near term.

Bunker fuel costs in Europe have eased week on week. *Argus*' Marine gasoil 0.1pc sulphur northwest Europe barge price slipped below $1,325/t on 28 October, down nearly $75/t from five days earlier. But this level is still more than double the typical price before the US-Iran war.

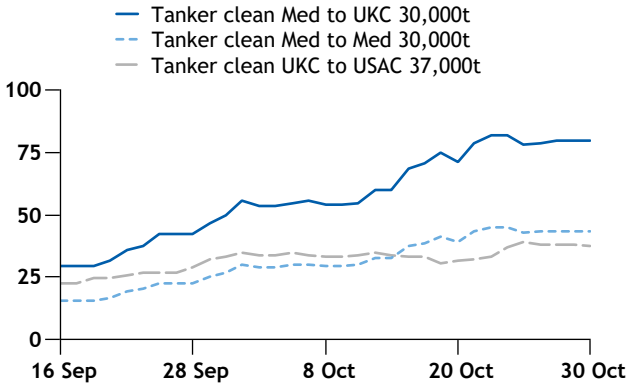
European biodiesel freight $/t



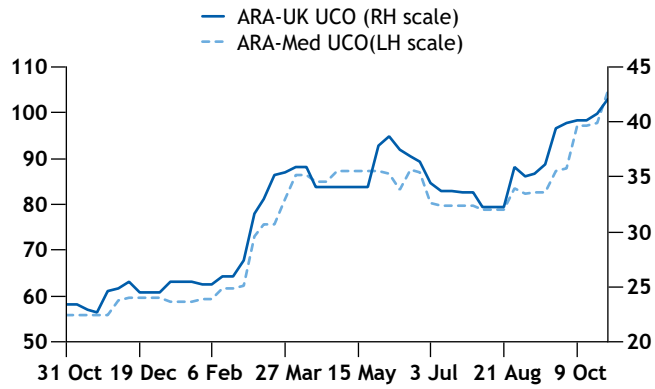
Med vegoils freight $/t



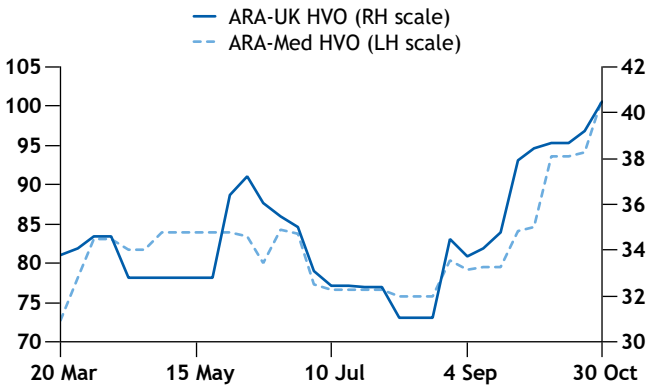
Med clean freight $/t



European UCO freight $/t



European HVO freight $/t



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AMERICAS

Americas part-cargo markets step up

Part-cargo specialised tanker freight rates from the US Gulf climbed in the week to 30 October, as surging methanol exports and competition from the clean petroleum product (CPP) tanker market tightened vessel availability. Full-cargo 40,000t and 18,500t rates were less affected by the momentum in the part-cargo market, and full-cargo rates to east coast Mexico and south Brazil dipped.

Growing momentum in the part-cargo market came chiefly from oxygenates, particularly methanol from the US Gulf on stainless steel J19 tankers. The cost of shipping 5,000t of methanol from the US Gulf to north Brazil on a stainless steel tanker rose by $7.20/t to $90.65/t, while the equivalent ethanol rate increased by $8/t to $100.20/t.

Part-cargo rates for 5,000t stainless steel shipments from the US Gulf to Amsterdam-Rotterdam-Antwerp (ARA) rose by $5.30-6.10/t. The HVO assessment recorded the largest increase, rising by $6.10/t to $111.65/t.

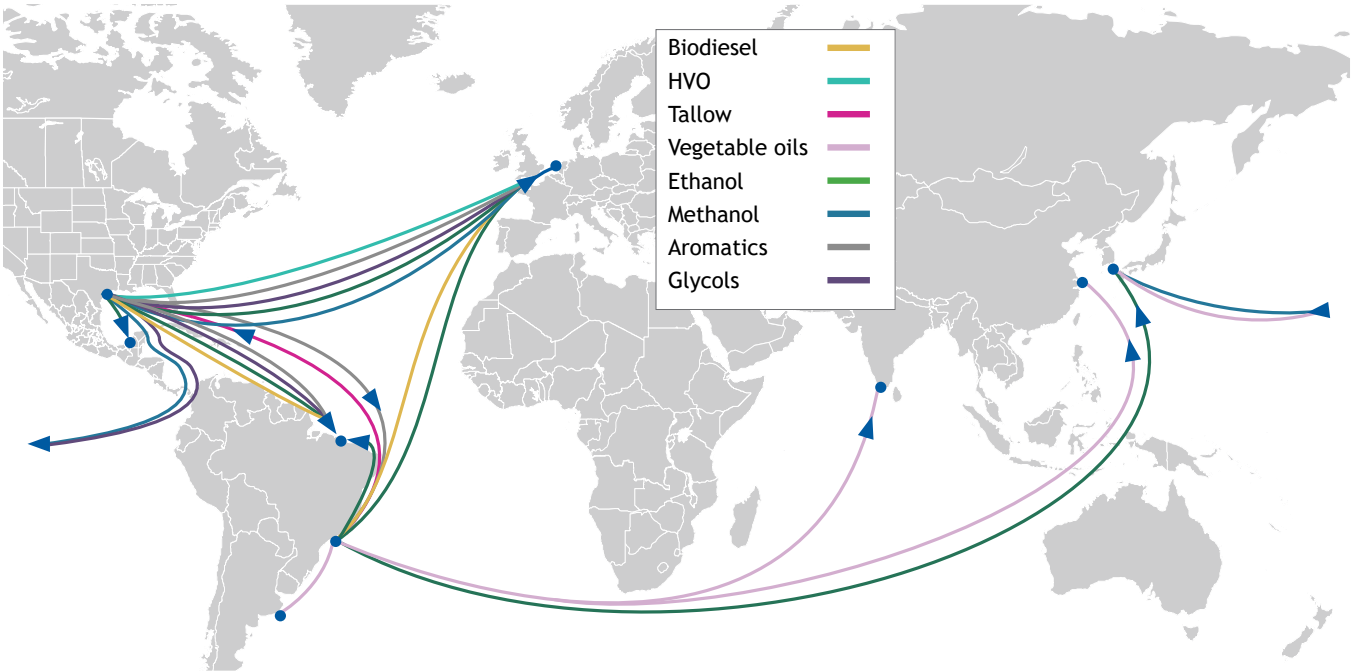
US Gulf methanol exports have surged as reduced supply from the Mideast Gulf and Trinidad and Tobago increased global reliance on US material. Shipments to South Korea rose particularly sharply, increasing tonne-miles and keeping specialised vessels occupied for longer.

The clean tanker market remained a key factor for coated IMO2 vessels. The bellwether US Gulf/Caribbean-to-UK Continent MR rate reached $98.65/t on 29 October, up

Americas rates - full cargo *$/t*

Route	Size '000t	Cargo				
Biofuels/feedstocks		**Biodiesel**	**HVO**	**Tallow**	**Veg oils**	**SAF**
Argentina+S Brazil (2p)-China (2p)	40	-	-	-	96.50	-
Argentina+S Brazil (2p)-WC India (2p)	40	-	-	-	76.50	-
Argentina-WC India (2p)	30	-	-	-	66.50	-
USGC-ARA	40	-	128.60	-	-	144.65
USGC-S Brazil	40	-	122.20	-	-	137.45
USGC-Chile	40	-	132.10	-	-	-
S Brazil-USGC	18.5	-	-	92.00	-	-
USGC-N Brazil	18.5	90.25	-	-	-	-
USGC-ARA	18.5	97.25	99.10	-	-	-
Alcohols/chemicals		**Ethanol**	**Methanol**	**Aromatics**		**Glycols**
USGC-S Brazil	40	115.60	110.10	112.30		-
USGC-ARA	40	121.65	115.85	118.15		-
USGC-S Korea	40	-	115.75	-		122.10
S Brazil-ARA	40	84.00	-	-		-
S Brazil-S Korea	30	94.25	-	-		-
S Brazil-ARA	18.5	87.40	-	-		-
S Brazil-USGC	18.5	89.25	-	-		-
USGC-east coast Mexico	18.5	39.40	-	37.50		36.40
USGC-N Brazil	18.5	88.55	80.10	84.35		81.80
USGC-ARA	18.5	95.45	86.35	92.70		90.90

Americas full-cargo rates assume coated tankers for the 30,000t vegetable oil assessment and the 40,000t specialised assessments, and 22,000dwt stainless steel tankers for the 18,500t assessments. The US Gulf coast 40,000t rates and the south Brazil ethanol 40,000t rate assume 50,000dwt IMO2 coated tankers. The 30,000t south Brazil-South Korea ethanol rate assumes a 33,000dwt stainless steel tanker.



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AMERICAS

by 30.9pc on the month from $75.35/t on 29 September. The rally in the clean market continued to pull swing tonnage away from the specialised market, which supported specialised freight rates.

The cost of shipping 40,000t of methanol from the US Gulf to ARA on a coated IMO2 tanker rose by $4.20/t to $115.85/t, while the equivalent ethanol and aromatics rates increased by $4.40/t to $121.65/t and $4.25/t to $118.15/t, respectively.

Despite a late-week retreat in clean tanker demand, vessel supply remained tight and CPP revenues continued to provide owners with a strong alternative to specialised markets.

Bunker fuel prices were volatile during the week but ended broadly unchanged. Vessel supply and cargo demand were therefore the main drivers of clean and specialised tanker freight rates, rather than fuel costs, typically the largest voyage expense.

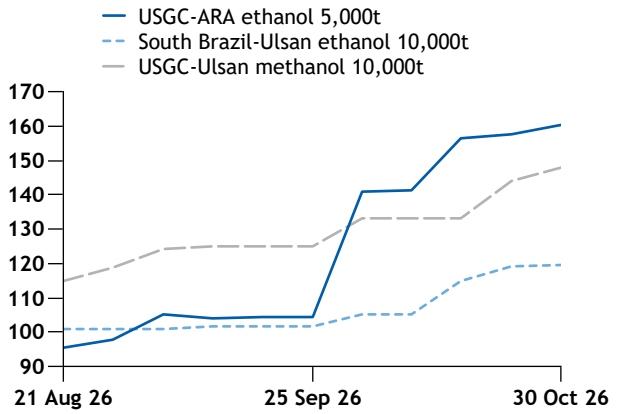
Americas coated MR rates - part cargo *$/t*

Route	Size '000t	Cargo				
Biofuels/feedstocks		**Biodiesel**	**HVO**	**Tallow**	**SAF**	**Veg oils**
USGC-ARA	5	-	169.30	-	190.45	-
USGC-Chile	5	-	177.00	-	-	-
USGC-S Brazil	5	-	160.25	-	180.30	-
Alcohols/chemicals		**Ethanol**	**Methanol**	**Aromatics**		**Glycols**
S Brazil-ARA	5	119.25	-	-		-
USGC-S Brazil	5	151.60	144.40	147.25		-
USGC-ARA	5	160.15	152.50	155.55		-
USGC-S Korea	5	-	148.00	-		156.15

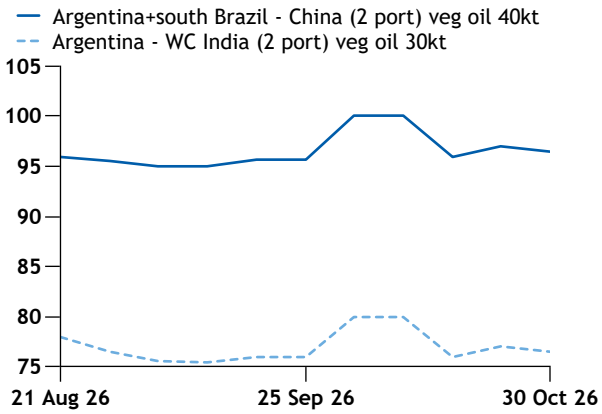
Americas stainless steel rates - part cargo *$/t*

Route	Size '000t	Cargo			
Biofuels and feedstocks		**Biodiesel**	**HVO**	**Tallow**	**Veg oils**
South Brazil-ARA	5	101.25	-	-	-
South Brazil-USGC	5	-	-	105.00	-
USGC-north Brazil	5	102.10	-	-	-
USGC-ARA	5	109.55	111.65	-	-
Alcohols and chemicals		**Ethanol**	**Methanol**	**Aromatics**	**Glycols**
South Brazil-ARA	5	99.25	-	-	-
South Brazil-South Korea	5	119.50	-	-	-
South Brazil-USGC	5	101.85	-	-	-
USGC-east coast Mexico	5	53.05	-	50.50	49.00
USGC-north Brazil	5	100.20	90.65	95.40	92.55
USGC-ARA	5	107.55	97.30	104.45	102.40

Americas specialised freight *$/t*



Americas veg oils freight *$/t*

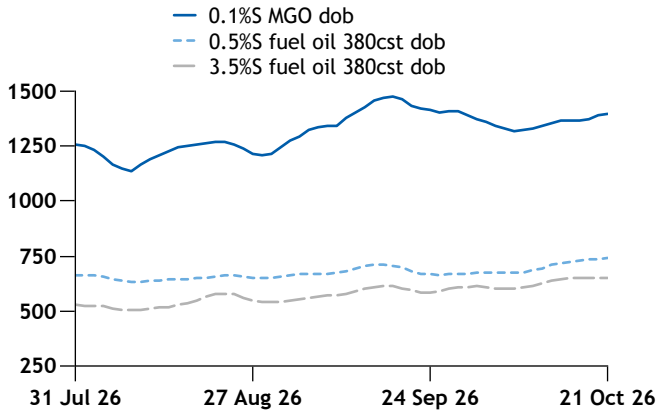


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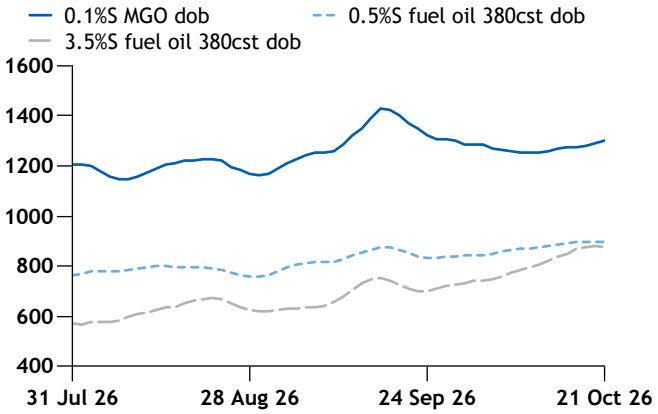
BUNKERS

Conventional

Rotterdam bunker prices (0.5%S, 3.5%S, MGO) $/t

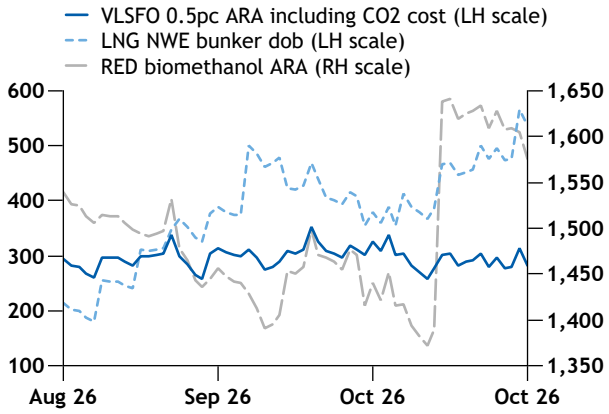


Singapore bunker prices (0.5%S, 3.5%S, MGO) $/t

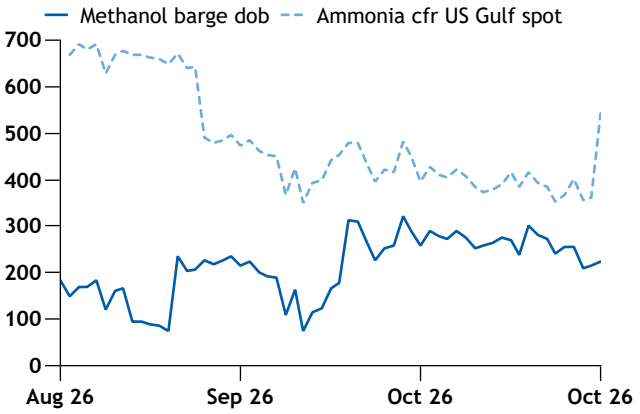


Alternative

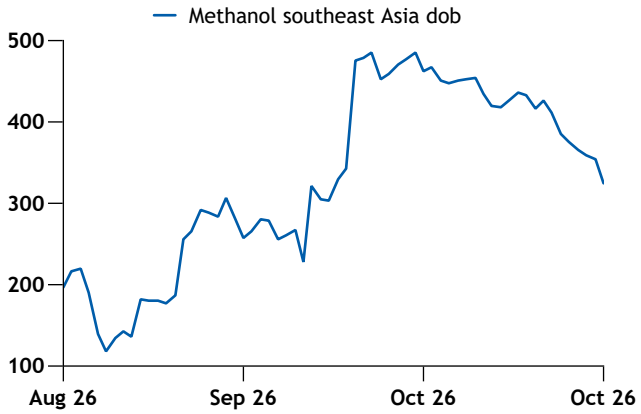
Rotterdam - LNG, others as premiums to VLSFO $/t



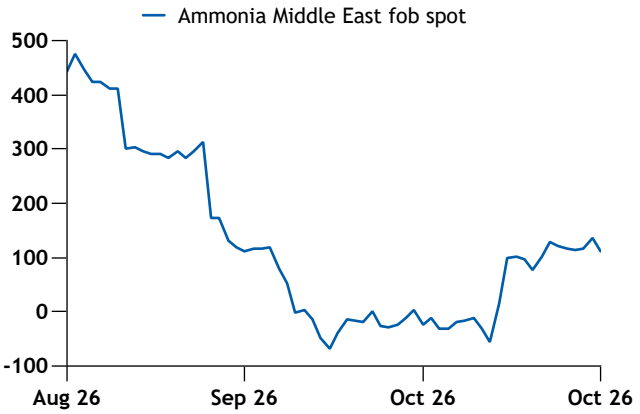
USGC - Methanol, ammonia as premiums to VLSFO $/t



Singapore - Methanol premium to VLSFO $/t



Middle East - Ammonia premium to VLSFO $/t



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THE PULSE

USGC methanol exports buoy specialised

Exports of methanol from the US Gulf on specialised tankers have surged in recent months, pushing several specialised tanker freight rates to multi-month highs.

Shipments of methanol from the US Gulf coast soared in September and October after suppliers in the Mideast Gulf and the Caribbean were absent from the global market. The three-month moving average for US Gulf coast exports has hit a seven-year high of 479,000t this month, according to Kpler data. This has pushed additional cargoes into the spot market and lifted demand for specialised tankers. October's export total could climb further as the month draws to a close and additional shipment data is aggregated.

The surge in methanol exports has lifted demand for specialised tankers in the US Gulf coast and supported freight rates across key routes to multi-month highs. Methanol is often shipped as full cargoes on specialised Medium Range (MR) ships, but is also moved as smaller part-cargoes on IMO2 MRs and Stainless Steel J19s.

The cost of shipping 40,000t of methanol from the US Gulf Coast to South Korea on a specialised MR hit $114.50/t on 23 October, its highest in five months. The price of shipping 5,000t of methanol from the US Gulf Coast to southern Brazil reached $145/t on 16 October, also a five-month high, before easing by around $1.50/t the following week. The cost of transporting 5,000t of methanol from the US Gulf coast to South Korea on a specialised medium range (MR) tanker climbed to $144/t on 23 October, its highest in four months.

US Gulf exports to South Korea have jumped in October to 199,000t, the highest in seven years and a 76.1pc rise month-on-month, Kpler data show. This is one of the most distant export destinations for US volumes, meaning the sudden jump has lifted tonne-miles and pulled ships out of the market for longer.

US Gulf coast methanol cargoes mostly head to South Korea, Amsterdam-Rotterdam-Antwerp and Brazil, alongside other international destinations. Declines in volumes from the Mideast Gulf and Caribbean have left the global methanol complex increasingly dependant on volumes from the US.

Methanol exports from the Mideast Gulf have tumbled since the outbreak of the US-Iran war. The conflict has severely restricted shipping through the strait of Hormuz and damaged production facilities in the region, slashing volumes that would have typically headed to China, India and east Asia. Military action continues in the region with a diplomatic resolution yet to emerge. Elsewhere, methanol exports from Trinidad and Tobago have collapsed following Methanex's decision to shut its Trinidad plant in July.

High Panama Canal transit costs, rising bunker fuel prices and strong revenues in the clean petroleum product tanker market have also supported specialised tanker freight rates in the US Gulf Coast. Freight rates could climb further in the coming weeks as participants seek to secure shipments before the end of the year.

By Leonard Fisher-Matthews

NEWS

Neste's biofuel margins double on year in 3Q

Finnish refiner Neste's gross margins for renewable fuels more than doubled to $1,068/t in the third quarter, from $480/t in the same period in 2025, on tighter middle distillates markets, it said today.

The margins fell by 13pc in July-September from record high levels in the second quarter. Hydrotreated vegetable oil (HVO) sales prices firmed on the year, while feedstocks prices rose more slowly. The *Argus* used cooking oil-based HVO (Class II) fob Amsterdam-Rotterdam-Antwerp (ARA) outright price averaged around $2,860/t in the third quarter, up around 25.7pc compared with $2,275/t during the same quarter last year (see chart).

The *Argus* used cooking oil (hydrotreating) fob ARA price averaged around $1,390/t in the third quarter, up around 8.6pc compared with $1,280/t in the same period last year.

Biofuel producers also faced rises in energy inputs like natural gas, but many producers mitigated the impact of rising costs through term supply contracts and hedging strategies.

Tighter global middle-distillate markets have been a key driver of HVO in 2026, Neste said. The renewable fuel is typically priced at a premium over its fossil gasoil, which rose sharply following the outbreak of the US-Israel conflict with Iran, lifting outright HVO values with it.

The Finnish company also cited "positive regulatory tailwinds" driving demand for renewable fuels.

European HVO demand rose to around 7mn t in 2026,

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from roughly 5.3mn t in 2025, according to *Argus* Analytics.

The firm focused primarily on HVO production rather than sustainable aviation fuel (SAF), but strong prices for the latter likely also helped Neste's margins.

Neste's HVO production rose by 34pc on the year and by 19pc on the quarter to 1.16mn t. Its SAF production fell 44pc on the year to 170,000t but rose by 26pc from the second.

The firm's total renewable fuels production rose to 1.36mn t in the third quarter of 2026, up from 1.13mn t in the same period of 2025. This was supported by plant utilisation rates rising to 97pc from 79pc a year ago.

Neste's costs for building its Rotterdam biorefinery expansion rose to €3bn, up 20pc from the previous €2.5bn forecast, it said. The project "faced challenges related to construction workforce productivity," and "active measures" to correct the "course and interdependencies in this complex project have led to additional costs," the firm said.

Cost inflation could potentially raise the costs Neste will have to recover when it later sells fuel. It may also worry other biofuel project developers and financiers investing in projects.

The firm expects to start operations by the end of 2027 at the enlarged plant. The project will raise the site's renewable fuels production capacity to 2.7mn t/yr from 1.4mn t/yr.

By Evelina Lungu and Aidan Lea

Tanker hit by explosives in strait of Hormuz

A tanker transiting outbound through the strait of Hormuz was attacked 25 nautical miles (46 km) northeast of Khasab, Oman, in the late hours of 29 October, according to security agency UK Maritime Trade Operations (UKMTO).

UKMTO said it received a verified report that the vessel was approached on its port side by a small boat, which attached two explosive devices to the hull above the waterline. The devices subsequently detonated, resulting in a fire in the engine room that temporarily disabled the vessel.

All crew members were safe and that there was no environmental impact, UKMTO said. The fire has since been extinguished, and the tanker is continuing to its next port of call.

Authorities are investigating the attack. UKMTO advised vessels in the area to transit with caution and to report any suspicious activity.

The latest incident follows a series of maritime security events in and around the strait of Hormuz. UKMTO reported a fire on an unidentified vessel off Khasab earlier on 29 October, while a tanker was attacked while transiting the strait on 23 October. Another vessel fire was reported near Iraq's Al-Faw on 26 October.

Separately, Iran's Islamic Revolutionary Guard Corps on 29 October claimed that three oil tankers caught fire after striking naval mines in the strait of Hormuz, although the claims have not been independently verified.

The threat level in the strait of Hormuz remains "severe", according to a 29 October advisory issued by the Joint Maritime Information Centre (JMIC).

By Jared Bateman and Sureka Elangovan

China consults on SAF feedstock quality rules

The Civil Aviation Administration of China (CAAC), China's civil aviation regulator, has opened consultation on proposed quality requirements for industrial-grade mixed oil used as a sustainable aviation fuel (SAF) feedstock.

The draft will be open to comments until 23 November. It follows a separate draft on UCO chain-of-custody requirements that the CAAC released on 7 September.

The proposed requirements are broadly in line with specifications already used in the market and are unlikely to affect future feedstock procurement, several Chinese market participants said today. Some participants said their existing procurement specifications are even stricter for certain parameters.

The CAAC defines industrial-grade mixed oil broadly, as produced from waste animal and vegetable oils and oil-containing waste liquids. They may be generated from household cooking, catering, food processing and manufacturing, food storage, leather processing and manufacturing, chemical manufacturing and other activities. The draft's definition appears broad enough to encompass feedstocks that market participants would generally categorise under both UCO and food-waste-derived oils in ISCC-certified supply chains. It also extends beyond these categories by expressly including waste oils and fats originating from leather and chemical manufacturing processes.

The proposed standard sets out quality specifications and testing requirements for the feedstock when used in SAF production.

The draft caps sulphur and nitrogen content at 150 mg/kg each and chlorine at 50 mg/kg, while phosphorus must be below 25 mg/kg. Moisture and volatile matter combined must not exceed 1pc, insoluble impurities are capped at 0.5pc and unsaponifiable matter at 1pc. The combined content of 21 specified elements must not exceed 50 mg/kg. The sulphur, nitrogen, chlorine, phosphorous and metals limits appear aimed at protecting hydrotreating catalysts and downstream processing units used in hydrotreated esters and fatty acids (HEFA) SAF production.

Argus assessed RED-certified hydrotreating-grade UCO at 7,900-8,000 yuan/t ($1,187-1,201/t) dap China including

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value-added tax (VAT) on 29 October. Prices have been on a downtrend for the past five weeks after reaching a peak of Yn8,075/t on 21-24 September, pressured mainly by losses of $450/t to China HEFA-SPK prices over the same period.

Bunge eyes RFS gains in 2027

US-based agribusiness Bunge expects global biofuel production, particularly in the US, to keep demand high for its feedstocks into 2027.

Bunge expects long-term demand to remain steady, particularly for fuel producers looking to supply renewable diesel to meet the US Renewable Fuel Standard (RFS) mandates.

"Occasionally [soybean] tightness can affect us at times, but I think we feel like, going forward, we're going to be in a pretty good position to ramp up the utilization rates and stay at a pretty high rate going into next year," said John Neppl, Bunge chief financial officer, said in a call with investors on Thursday.

The company does not anticipate energy prices returning to normal levels if global conflicts are resolved to greatly affect demand for feedstocks such as soybean oil (SBO).

Uncertainty and market disruption from the US-Iran and Black Sea conflicts kept buyers, sellers and consumers, including renewable diesel producers, focused on spot activity in the quarter ended 30 September, Bunge said.

Plant downtime for maintenance and other factors also reduced feedstock demand during the quarter, Bunge said.

Uncertainty over where the US Environmental Protection Agency (EPA) would set the 2026 and 2027 RFS targets kept SBO prices largely in step with shifts in crude earlier in the year, the company said.

The EPA set the targets at record highs in March. The advancing regulatory progress subsequently uncoupled vegetable oil prices from shifts in energy prices, Bunge said.

More recently, uncertainty over whether the EPA would reallocate 100pc of exempted 2025 renewable fuel volumes under the RFS added some market volatility, but was not the main driver for Bunge in the third quarter, the company said.

Bunge expects the EPA's final decision on reallocating these 2025 RFS biofuel blending volumes would support the company into 2027.

The EPA decided earlier this month to pursue 100pc reallocation of biofuel blending volumes equal to 770mn renewable identification credits (RINs), proposing to move them into either the 2026 and 2027 RFS obligations or just the latter.

The agency is still taking public comment on an approach from stakeholders and is unlikely to make a final decision until December at the earliest.

Bunge said it is also watching whether Brazil would also raise its mandated biodiesel blend from the current requirement of 15pc biodiesel blend (B15).

Brazilian biodiesel primarily uses soybean oil and beef tallow as feedstocks, and Bunge believes it has a strong footprint around feedstocks origination, crushing and exporting systems in the country.

The re-election of President Luiz Inacio Lula da Silva on 25 October has fed expectations that the country will continue its decarbonization efforts, but regulators have not formally confirmed a change in the biodiesel blending mandate.

North America contributed most to improved performance in soybean processing and refining operations over the third quarter, with stronger processing results in line with the previous year, partly offset by lower refining.

South American soybean processing performance primarily reflected better processing results in Argentina and Brazil, partly offset by lower fertilizer and refining results in both.

Bunge globally crushed 11.7mn t of soybeans in the third quarter, 3.2pc lower than in the same period last year at 12.1mnt.

The company also crushed 3.6mn t of oilseeds, an increase of 15pc compared with 3.1mnt over the same period in 2025.

Bunge reported an additional cost of $10mn for its softseed processing and refining segment, with losses primarily from inventory damage caused by the Black Sea conflict.

Bunge said it is commissioning its project to boost processing at its Destrehan, Louisiana plant, a "switch" plant that it owns with Chevron and which can also crush softseeds. The project will "hit the ground running next year" after the final steps are completed in the fourth quarter, Bunge said.

The company also completed its target to expand capacity for the barge-unloader at the facility, which recently started operations, Bunge said.

By Denise Cathey

Japan's UCO exports rise in September

Japan exported 11,794t of used cooking oil (UCO) in September, up by 11pc on the year, according to preliminary data released by the finance ministry today.

- South Korea remained the top destination of Japanese UCO for the fifth month in a row since May, with shipments at 6,725t in September, up by 78pc on the year.
- Singapore was the second-largest destination in September, with shipments at 2,006t. The volume rebounded significantly from 169t in August, but was lower than 3,902t in September 2025.

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- The US and China are expanding UCO imports from Japan. Japan exported 1,034t to China in September, exceeding full-year exports to the country of 376t in 2025. Exports to the US rose significantly on the year to 578t in September, and cumulative shipments totalled 5,980t in January-September, up from 1,347t in the same period in 2025.
- Japanese UCO export values averaged $1,084/t in September on a fob Japan basis.
- Japan imported 703t of UCO in September. Taiwan was the top supplier at 239t, while Malaysia and the US also supplied 200t and 140t.

By Kohei Yamamoto

China's Zunchuang eyes Indonesian HVO/SAF

Chinese hydrotreated vegetable oil (HVO) producer Jiangxi Zunchuang New Energy, subsidiary Jiangxi Hongtai New Energy and Indonesia's National Energy Council (DEN) have signed a memorandum of understanding (MoU) to develop a 1mn t/yr HVO and sustainable aviation fuel (SAF) project in Indonesia.

The agreement was signed on 27 October on the sidelines of the fourth Sustainable Vegetable Oil Conference in Shanghai, the company announced on 29 October.

The planned project will also include a 2mn t/yr feedstock pretreatment plant, alongside hydrogen production and waste-to-energy units. The companies did not disclose the planned production split between HVO and SAF.

Under the MoU, Jiangxi Zunchuang will be responsible for technology licencing, project management and operations, while Jiangxi Hongtai will handle financing, overall project co-ordination and resource allocation. The DEN will support the project's development and oversee domestic permitting, site selection, policy support and co-ordination with Indonesian stakeholders.

Indonesia increased its SAF mandate in April, requiring 1pc SAF use for flights departing Jakarta's Soekarno-Hatta airport and Bali's I Gusti Ngurah Rai airport from 2027, rising to 5pc in 2029-30, above previously announced targets.

The companies did not disclose the project's investment cost, location or start-up timeline.

Jiangxi Zunchuang, founded in 2017, operates a 200,000 t/yr hydrotreating plant in Dexing, Jiangxi province, in China. The plant started production on 27 January and shipped its first 10,000t HVO cargo to Europe in early April.

Total targets year-end Grandpuits startup

TotalEnergies plans to start its delayed Grandpuits biorefinery in France by the end of this year, chief executive Patrick Pouyanne said today.

"We will start up the Grandpuits biorefinery in this quarter," Pouyanne told the company's third-quarter results call.

The company said the plant will be able to produce up to 230,000 t/yr of sustainable aviation fuel (SAF), as well as road biofuels and bio-naphtha.

It will process about 420,000 t/yr of waste and residue feedstocks including used cooking oil and animal fats.

The project was originally scheduled to start in 2025 and was subsequently delayed until 2026. TotalEnergies has also revised the planned configuration and capacity of the facility.

By Adam Porter

Vessel ablaze off northern Oman: UKMTO

An unidentified vessel is on fire in the Mideast Gulf on 29 October, according to the UK Maritime Trade Operations (UKMTO).

The UKMTO said it had received third-party reports of a vessel on fire approximately nine nautical miles (17 km) offshore Khasab, northern Oman. The crew status, the extent of any damage and any environmental impact are unknown. Authorities are investigating the incident.

The UKMTO advised vessels transiting the area to exercise caution and report any suspicious activity. No further details on the vessel or the cause of the fire were immediately available. The incident comes after a fire on another unidentified vessel near Al-Faw, Iraq, on 26 October. A tanker was attacked as it transited the strait of Hormuz on 23 October, off the coast of Oman's Musandam peninsula.

The US has warned commercial vessels to plan for additional transit times near the strait of Hormuz and Gulf of Oman as military forces step up the blockade of Iranian ports and coastlines, an advisory released by the Joint Maritime Information Center (JMIC) said on 28 October. The US said the enforcement is in response to "Iran's continued aggression and illegal attempts to control the strait of Hormuz". At least 28 ships have been confirmed as attacked between 1-21 October, the highest level in the strait and nearby waterways since the start of the US-Iran war.

By Charlotte Buchanan

Neste halves SAF output on China rivalry

Finnish refiner Neste halved its sustainable aviation fuel (SAF) output in the first nine months of 2026 compared with the same period in 2025 to prioritise production of hydrotreated vegetable oil (HVO), its results show.

Neste averaged 124,000t SAF per quarter during January-September 2026, down from 247,000t per quarter in 2025. At the same time, it boosted HVO to an average of 970,000t per quarter in 2026, up from 860,000t per quarter in the first nine months of 2025.

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Most HVO and SAF producers, including Neste, operate hydroprocessed esters and fatty acids (HEFA) units that can make both fuels. The exact output split depends on refinery configuration and operating conditions, so producers have some flexibility to adjust the share of HVO and SAF they produce.

Neste raised SAF output to 22pc of its product slate in the first nine months of 2025, probably in response to SAF mandates starting in the EU and the UK. But in the fourth quarter of 2025, Neste trimmed SAF output to 12pc. It has roughly maintained that split in 2026 (*see chart*).

Producers typically need SAF to trade at around a $150/t premium to HVO to justify switching output because of higher production costs and lower feedstock yields compared with HVO. But SAF instead has traded at a $50-100/t discount to HVO Class II through 2026.

Neste attributed the SAF-HVO structure to "robust import flows". This may refer to the influx of Chinese SAF that started mostly in the second half of 2025 and has been strong throughout 2026.

China controls how its companies export SAF via a quota system, which constrained flows in the first half of 2025. China granted its first SAF export licence in May 2025, three more licences in October, and one more in December. In June this year it issued a sixth licence.

China's exports to Europe reached 260,000t in the fourth quarter of 2025, rising from 160,000t in the third quarter, and 120,000t in the second quarter of 2025, data from shiptracking firm Kpler show. Chinese companies have been sending strong SAF volumes throughout 2026, reaching a high of 291,000t in the third quarter.

The EU placed tariffs on Chinese biodiesel and HVO but not on SAF, which steers Chinese producers to maximise SAF production. With SAF trading at a discount to HVO, producers in Europe and southeast Asia have increasingly focused on the latter.

Some European biofuel producers have preferred to focus their own production on HVO and meet their SAF requirements from China, market participants have said.

Pivoting away from SAF has hardly diminished Neste's margins — they more than doubled in the third quarter compared with a year earlier.

By Aidan Lea and Evelina Lungu

Japan's ETBE imports rise in September

Japan's imports of bioethanol-derived gasoline blendstock ETBE rose on the year in September, while the country did not import its feedstock bioethanol for domestic ETBE production in the month.

Japan imported 982,000 bl of bioethanol-derived ETBE in September, up by 2.9pc on the year, preliminary data from the finance ministry released on 29 October show. Japan's ETBE imports totalled 8.48mn bl over January-September, down by 6.4pc from the same period in 2025. All of Japan's ETBE imports have arrived from the US so far in 2026.

Japan did not import bioethanol for domestic ETBE production in September. Japan's bioethanol imports for this purpose totalled 182,000 bl over January-September this year, up by 54pc from the same period in 2025.

Japan's trade and industry ministry Meti currently requires domestic refiners to use 500,000 kilolitres/yr (8,600 b/d) of crude-equivalent bioethanol or ETBE in the five fiscal years to March 2028, aiming to reduce CO2 emissions from the automotive sector.

Japan also imported 289 bl of biodiesel in September, mainly from China. Japan's biodiesel imports totalled around 15,700 bl in January-September this year, significantly up from 492 bl during the same period in 2025.

By Kohei Yamamoto

Neste biorefinery ramp-up delayed until 2028

Finnish refiner Neste expects commercial production from its expanded Rotterdam biorefinery to begin in early 2028, later than previously planned.

"For your 2027 volumes, you should not plan for the Rotterdam Line Two," chief financial officer Eeva Sipila told analysts.

The company expects a "technical start-up" by the end of 2027, followed by the commercial ramp-up in early 2028, chief executive Heikki Malinen said.

Malinen said lessons from the "patchy" start-up of Neste's Singapore expansion should support a smoother ramp-up in Rotterdam, but gave no production guidance for 2028.

The project will raise the Rotterdam site's renewable products capacity to 2.7mn t/yr from 1.4mn t/yr, including hydrotreated vegetable oil (HVO), sustainable aviation fuel and byproducts.

Project costs have risen by a further 20pc to around €3bn ($3.3bn) from €2.5bn. This is the second increase from the original €1.9bn budget, when Neste targeted start-up in the first half of 2026.

Small construction delays can have "domino effects", Malinen said, citing delayed pipe welding that held up other equipment installation. Neste has added suppliers and qualified staff in an effort to tighten the schedule.

Malinen also pointed to Europe's limited recent experience of megaprojects. "The reality is that we have not had projects of this magnitude in the last decade. They've taken place in the Middle East and Asia," he said.

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He maintained that the expansion "is still the right decision", pointing to rising biofuel mandates. Neste expects the European renewable diesel market to double by the end of the decade, he said.

The EU's sustainable aviation fuel mandate will rise to 6pc in 2030 from 2pc, although Neste is currently favouring HVO. SAF margins have been less attractive, partly because of "more and more volume from China coming in", Malinen said.

Neste is lobbying the EU to impose anti-dumping duties on Chinese SAF imports, he added. Any duties would require an EU investigation and evidence that dumped imports had harmed European producers.

Weaker SAF prices relative to HVO could support the European producers' case, but Neste's overall renewable fuel margins in the second and third quarters were more than double 2025 levels.

By Aidan Lea

PBF boosts renewable diesel production in 3Q

US independent refiner PBF continued to increase renewable diesel production in the third quarter, benefiting from favourable margins.

St Bernard Renewables (SBR), PBF's joint venture with Italy's Eni, produced more than 19,100 b/d of renewable diesel at the "top end" of its throughput guidance for the third quarter ended 30 September, PBF said in a call with investors on Thursday.

SBR is co-located with PBF's Chalmette refinery in Louisiana.

The facility produced roughly 15,100 b/d of renewable diesel during the second quarter of 2026, with the lower output following a catalyst change completed in April.

PBF anticipates renewable diesel production at SBR will average 18,000-20,000 b/d over the final quarter of this year.

Strong renewable fuel margins and higher renewable identification number (RIN) credit prices for the industry helped PBF receive $62mn in equity income before interest, taxes, depreciation and amortization (Ebitda) from its investment in the facility for the quarter, the company said.

SBR primarily used feedstocks with a lower carbon intensity level in the third quarter, which aided margin capture, PBF said.

A tightening BOHO spread and RIN prices that remained at higher levels over the quarter benefited SBR, PBF said.

Renewable diesel produced under the US Renewable Fuel Standard (RFS) generates a D4 RIN credit.

Argus assessed current-year D4 RINs at 255.875¢/RIN on 7 July, their highest price for the quarter. Prices then fell, ending the period at an assessment of 205¢/RIN for the credit on 30 September.

PBF reported an effective RIN basket price of $14.36/b for the third quarter, compared with $6.38/b over the same period in 2025.

The RFS requires US fuel producers to blend increasing amounts of biofuels each year or buy RIN credits from those that do for compliance.

Obligated parties generate these credits when renewable fuels are blended into conventional transportation fuels, or they can buy RINs from other producers.

The US Environmental Protection Agency (EPA) set record-high 2026 and 2027 RFS biofuel blending mandates in March.

The ambitious targets prompted some producers to accelerate restarts and boost output of D4-generating fuels to reach their renewable volume obligations (RVO) under the program.

But EPA could increase one or both of these targets depending on how it chooses to reallocate exempted 2025 biofuel volume obligations.

EPA has proposed to reallocate the 2025 obligations entirely into the 2027 obligations, a 50-50 split between 2026 and 2027 targets, or through another approach depending on stakeholder comment that continues into early December.

By Denise Cathey

ANNOUNCEMENTS

Argus Mideast Gulf freight market coverage

Argus will continue to publish prices, news and analysis related to freight markets in and around the Mideast Gulf and continues to monitor events in the region. *Argus* will announce to its subscribers any changes to its coverage. Please contact freight editorial manager Nick Watt at nicholas.watt@argusmedia.com with any questions.

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The holiday calendar showing which Argus reports are not published on which days is now available online http://www.argusmedia.com/Methodology-and-Reference/Publishing-Schedule

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