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Argus Biofuels

Daily international market prices and commentary

Issue 24-93 | Friday 10 May 2024

HIGHLIGHTS

- Loss to underlying gasoil pulls NWE spot biodiesel lower
- HVO fob ARA range premiums flat in latter part of week
- HEFA-SPK SAF premiums also level in the region
- Crop-based ethanol hits six-month high in Europe
- Asia-Pacific biofuels: Feedstock prices slide

MARKET COMMENTARY

Gasoil dip weighs on NWE spot biodiesel

A fall in the 7-28 day gasoil price joined lower premiums for Ucome fob ARA range on Friday, though trade supported premiums for Fame 0 and RME.

The underlying gasoil price fell by $9.50/t on the day despite data showing a build up of gasoil stocks in ARA.

Ucome traded once for 17 May-7 June loading at $530/t, where spot value was assessed. The premium lost $8.33/t as the outright price fell by $17.83/t to $1,283.75/t, the lowest since 24 April.

Trade for Fame 0 was initiated eight times at $410-418/t. A deal at $418/t was above a best offer of $415/t in place at the time. Spot value was assessed at $414.38/t, the average of the offer at $415/t and the remaining seven trades. This was up by $3.71/t. Outright Fame 0 fell by $6/t to $1,168/t.

For RME, a single trade was initiated at $428/t, where spot value was assessed. This was firmer by $8/t but did not quite offset the decline in gasoil and outright RME dipped by $1/t to $1,182/t.

In the paper market, reported trade rose by more than 20,000t on the day to 121,500t. Notably three 3Q/4Q RME spreads dealt at +$1-5/t ($399-403/t, $394-402/t) for 4,000t/month in total, two 4Q/1Q RME spreads at +$20/t ($400-402/t, $380-382/t) for 2,000t/month in total and three 3Q RME/Fame 0 spreads at +$66-70/t ($400-410/t, $330-340/t) for 5,000t/month. August Ucome traded at $530/t for 5,000t, with three 3Q Ucome deals at $528-534/t for 4,000t/month

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PRICES

Biofuels spot prices	Bid	Ask	$/t ±
RED biodiesel fob ARA range			
Palm OME	1,138.00	1,148.00	-6.00
Rapeseed OME	1,177.00	1,187.00	-1.00
Soya OME	1,165.00	1,175.00	-6.00
FAME 0°C CFPP	1,163.00	1,173.00	-6.00
FAME -10°C CFPP	1,175.00	1,185.00	-2.00
UCOME	1,278.75	1,288.75	-17.83
Tallow OME	1,228.75	1,238.75	-17.83
POME OME	1,268.75	1,278.75	-17.83
Advanced FAME 0°C CFPP	1,373.75	1,383.75	-17.83
RED marine biodiesel (VLSFO blend)			
B30 (UCOME) dob ARA range	823.00	833.00	+13.00
B24 (UCOME) dob Algeciras-Gibraltar	810.00	820.00	+5.50

	Mid	±
B20 (Advanced Fame 0°C) dob ARA range	706.70	-6.74
B30 (Advanced Fame 0°C) dob ARA range	762.05	-8.12
B100 (Advanced Fame 0°C) dob ARA range	1,134.52	-17.70
RED hydrotreated vegetable oil (HVO) fob ARA range		
HVO (Class I) diff to 7-28 days Ice gasoil* $/m^3$	+590.00	+600.00	nc
HVO (Class I) diff to 7-28 days Ice gasoil*	+756.41	+769.23	nc
HVO (Class I)	1,572.97	1,585.79	-10.29
HVO (Class II) diff to 7-28 days Ice gasoil* $/m^3$	+625.00	+635.00	nc
HVO (Class II) diff to 7-28 days Ice gasoil*	+801.28	+814.10	nc
HVO (Class II)	1,617.84	1,630.66	-10.29
HVO (Class III) diff to 7-28 days Ice gasoil* $/m^3$	+610.00	+620.00	nc
HVO (Class III) diff to 7-28 days Ice gasoil*	+782.05	+794.87	nc
HVO (Class III)	1,598.61	1,611.43	-10.29
HVO (Class IV) diff to 7-28 days Ice gasoil* $/m^3$	+619.00	+629.00	nc
HVO (Class IV) diff to 7-28 days Ice gasoil*	+793.59	+806.41	nc
HVO (Class IV)	1,610.15	1,622.97	-10.29
**HVO-escalated*			
RED Sustainable aviation fuel (SAF)			
HEFA-SPK^ fob ARA range			
SAF diff to 7-28 days Ice gasoil* $/m^3$ (10 May)	+1,000.00	+1,010.00	nc
SAF diff to 7-28 days Ice gasoil* (10 May)	+1,315.79	+1,328.95	nc
SAF	2,153.84	2,167.00	-10.56

	Mid	±
SAF (ex HBE-IXB Netherlands credits)	1,188.02	-10.14
HEFA-SPK^ cif NWE		
SAF diff to 7-28 days Ice gasoil* $/m^3$ (10 May)	+1,045.00	+1,055.00	nc
SAF diff to 7-28 days Ice gasoil* (10 May)	+1,375.00	+1,388.16	nc
SAF	2,213.05	2,226.21	-10.56

^Hydrotreated Esters and Fatty Acids (HEFA-SPK)

**RED SAF-escalated*

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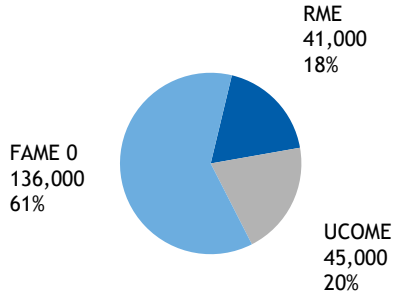
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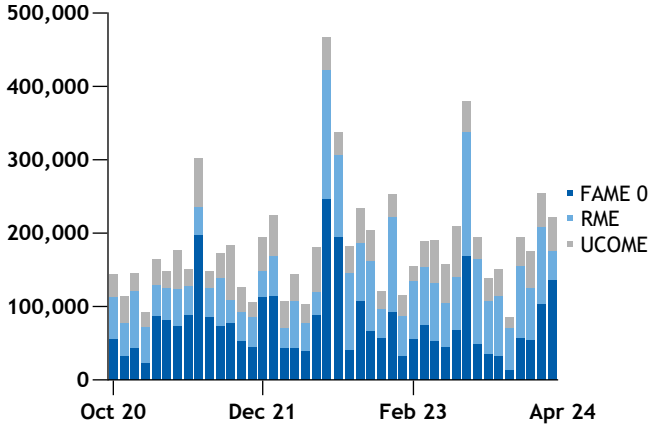
RED biodiesel fob ARA range, premium to Ice gasoil 7-28 day	
Transaction	**Price ($/t)**
FAME 0°C CFPP, loading 17 May 2024 - 07 Jun 2024 (1,000t)	
Gunvor buys from TotalEnergies	+415.00
Astra Bioplant buys from Glencore	+410.00
Astra Bioplant buys from Glencore	+415.00
Gunvor buys from Glencore	+415.00
BP buys from Glencore	+415.00
Astra Bioplant buys from Glencore	+415.00
Astra Bioplant buys from TotalEnergies	+418.00
Gunvor buys from Glencore	+415.00
Rapeseed OME, loading 17 May 2024 - 07 Jun 2024 (1,000t)	
TotalEnergies buys from Saipol	+428.00
UCOME, loading 17 May 2024 - 07 Jun 2024 (1,000t)	
Mercuria sells to Shell	+530.00

in total, and two 3Q Ucome/Fame 0 spreads at +$190-195/t ($525/t, $330-335/t) for 5,000t/month in total.

Total trade RME, Fame 0, UCOME (Apr 24) *t*



Total trade volumes RME, Fame 0, UCOME *t*



Biofuels spot prices			$/t
	Bid	**Ask**	**±**
Bionaphtha fob ARA range	1,710.00	1,720.00	nc
Biopropane fca ARA range	1,570.00	1,580.00	nc

Hydrotreated biofuels prices (volume)			$/m³
	Bid	**Ask**	**±**
HVO fob ARA range (Class II)*	1,261.92	1,271.91	-8.03
SAF fob ARA range*	1,636.92	1,646.92	-8.03
SAF cif NWE*	1,681.92	1,691.92	-8.03
Bionaphtha fob ARA range*	1,179.90	1,186.80	nc
Biopropane fca ARA range*	819.54	824.76	nc

**HVO, SAF, bionaphtha and biopropane have assumed densities of 0.78kg/l, 0.76kg/l, 0.69kg/l and 0.522kg/l respectively.*

Ice gasoil		$/t
Contract	**Value**	**±**
7 to 28 days forward	753.75	-9.50
7 to 28 days forward (HVO-escalated)	816.56	-10.29
7 to 28 days forward (SAF-escalated)	838.05	-10.56
Settle		
Jun	753.75	-9.50
Jul	757.00	-8.25
Aug	759.25	-7.50

Gasoil spreads			$/t
	Month	**Value**	**±**
Palm oil-gasoil spread (Pogo)	Jul	46.25	+0.25
Bean oil-gasoil spread (Bogo)	Jul	214.25	+33.25

Biofuels spot prices			$/t
	Bid	**Ask**	**±**
RED ethanol fob ARA range			
Double-counting ethanol inc duty €/m³	865.00	875.00	nc
Double-counting ethanol inc duty	1,180.75	1,194.40	-0.51
T2 premium ethanol inc duty €/m³	701.50	711.50	+12.17
T2 premium ethanol inc duty	957.57	971.22	+16.21
T2 ethanol inc duty €/m³	686.50	696.50	+12.17
T2 ethanol inc duty	937.09	950.74	+16.21
T2 ethanol diff to Eurobob non-oxy	+63.09	+76.24	
RED biomethanol			
Biomethanol fob ARA range netback	1,041.00	1,049.00	nc
Biomethanol fob ARA range netback €/t	966.57	974.00	+0.42
Biomethanol fob ARA range diff to methanol	+716.90	+726.90	+0.14
Biomethanol cif UK	1,075.00	1,085.00	nc
ETBE			
ETBE fob Rotterdam (9 May)	1,189.75	1,190.25	+8.25
Diff to MTBE (9 May)		+175.00	

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European bio-bunkers

In the ARA trading hub, market participants reported lacklustre marine biodiesel demand at the week's close. Spot activity for the blends was thin throughout the week.

In Sweden, participants reported firm buying interest for marine biodiesel blends comprising marine gasoil (MGO) and hydrotreated vegetable oil (HVO). They added that trading activity for these blends is expected to firm in the coming weeks ahead of the summer season, with much of the demand originating from ferry lines and shipowners looking to test these blends ahead of the implementation of FuelEU Maritime regulation at the start of next year.

EU emissions trading system (ETS) prices retraced its five-month high in the previous session, slipping to $75.10/t from $77.18/t. But, premiums held by marine biodiesel blends against their conventional counterparts were mostly lower at the close.

B24 dob Algeciras-Gibraltar prices climbed higher by $5.50/t to $815/t, but its ETS-inclusive premium against very-low sulphur fuel oil (VLSFO) slipped by $1.37/t to $179.53/t. Calculated B30 Advanced Fame 0°C CFPP dob ARA prices — which include a deduction of the value of Dutch HBE-Gs — decreased by $8.12/t to about $762/t. And B30's premium against VLSFO dob ARA narrowed by $3.33/t to $170.15/t when ETS costs were accounted for.

Calculated B100 Advanced Fame 0 dob ARA values were lower by $17.70/t to $1,134.52/t, and its ETS-inclusive premium against marine gasoil (MGO) dob ARA lost $10.53/t to $306.21/t. The price of B30 Ucome dob ARA rose by $13/t to $828/t, and the blend's ETS-incorporated premium against VLSFO gained $17.79/t to $236.10/t.

Hydrotreated vegetable oil

Premiums for hydrotreated vegetable oil (HVO) in northwest Europe held steady for a second consecutive session on Friday, while outright prices edged lower with declines to underlying gasoil.

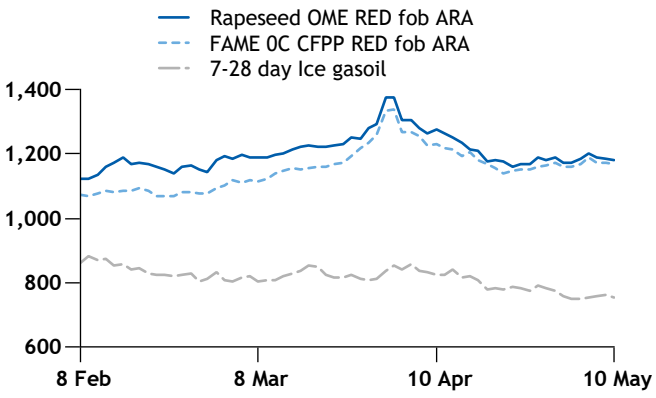
Slow demand, coupled with a large wave of imports from the US, has weighed on spot diesel prices in northwest Europe, with the market moving to a contango structure in late April. Imports from the US and India look set to fall, but with regional refineries due to start returning from seasonal maintenance, any tightening of the European diesel market may be limited.

Prompt Class IV bids and offers for 17 May-7 June loading closed in a $565-630/m³ range on *Argus* Open Markets (AOM), from $550-640/m³ at the open. The premium held steady at $624/m³ but was lower by $16/m³ on the week.

Buying and selling interest for Class II was absent in Friday's assessment period, and the premium was flat on the

RED swaps and forward physical prices						$/t
Contract	Jun	Jul	Aug	3Q 24	4Q 24	1Q 25
RME swap						
Mid	1,171.00	1,168.00	1,170.00	1,171.00	1,160.00	1,130.00
±	+3.00	+4.00	na	+15.00	+14.00	+10.00
Fame 0°C CFPP swap						
Mid	1,141.00	1,118.00	1,100.00	1,101.00	1,025.00	995.00
±	+3.00	-1.00	na	+5.00	+9.00	+5.00
UCOME swap						
Mid	1,296.00	1,293.00	1,290.00	1,291.00	1,255.00	1,225.00
±	+3.00	+4.00	na	nc	+4.00	+5.00
PME forward physical						
Mid	1,116.00	1,093.00	1,075.00	1,076.00	990.00	960.00
±	+3.00	-1.00	na	+5.00	+9.00	+5.00
SME forward physical						
Mid	1,141.00	1,123.00	1,105.00	1,111.00	1,045.00	1,015.00
±	+3.00	-1.00	na	+5.00	+9.00	+5.00
Fame -10°C CFPP forward physical						
Mid	1,168.00	1,163.00	1,163.00	1,164.00	1,147.00	1,117.00
±	+3.00	+3.00	na	+14.00	+14.00	+10.00
HVO (Class II) swap						
Mid	1,601.00	1,598.00	1,590.00	1,591.00	1,575.00	1,545.00
±	-52.00	-36.00	na	-25.00	-16.00	-15.00
Ethanol NWE T2 swap €/m³						
Mid	696.00	699.00	694.00	694.00	666.00	652.00
±	+13.00	+11.00	na	+10.00	+6.00	+2.00

Biodiesel fob ARA vs 7-28 day Ice gasoil $/t



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day but lower by $30/m³ on the week, at $630/m³. In the paper market, a Class II contract for July traded at $840/t for 1,000t on Friday, as premium to front-month gasoil. Bids an offers increased in numbers along the curve.

In the Netherlands, blending Class II is marginally more expensive than like-for-like purchases of renewable fuels tickets (HBE-IXBs), while blending Class IV is slightly cheaper than the corresponding cost of purchasing HBE-Gs.

Spot interest for Class I and III was absent from *Argus* Open Markets (AOM) and no fresh trade or indications emerged elsewhere. The premiums were unchanged on the day at $595/m³ and $615/m³, respectively, but lower on the week by $10/m³ and $20/m³.

Sustainable aviation fuel

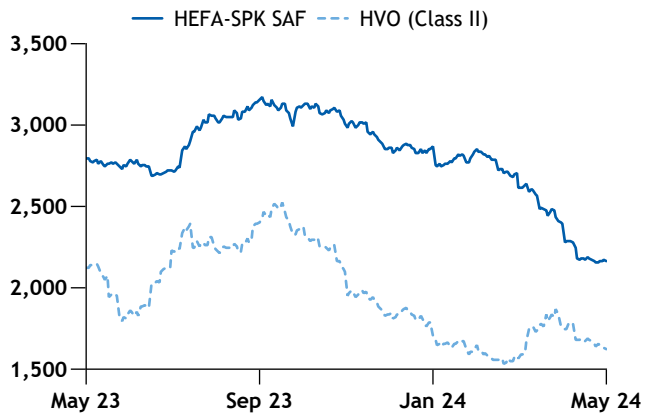
Hydrotreated esters and fatty acids synthesised paraffinic kerosene (HEFA-SPK) premiums were unchanged in northwest Europe after a quiet week.

Buying and selling interest on *Argus* Open Markets (AOM) was absent on Friday and otherwise wide during the week, with the bid-offer range closing at $825-1,225/m³ on Thursday and $900-1,200/m³ on Wednesday. Bids rose from $850/m³ to $900/m³ during Tuesday's assessment period, but failed to attract offers.

In the wider market, participants continued to report subdued spot buying interest, with offers in a wide range above the $1,100/m³ mark for both prompt and deferred positions. Wide interest failed to give the market a clear direction, and no prompt trades were heard done in the fob ARA market during the week.

The fob ARA premium to the underlying gasoil price was unchanged on the day and the week, at $1,005/m³ on Friday, while the cif NWE premium held steady at $1,050/m³. The fob ARA range outright price was set at $2,160.42/t, equating to a $1,339.80/t premium to weekly cif NWE jet fuel, while the cif NWE outright was set at $2,219.63/t. The

HEFA-SPK SAF vs HVO (Class II) fob ARA $/t



Feedstock prices

		Bid	Ask	±
Rapeseed oil (RSO)				*€/t*
	Contract			
RSO fob Dutch mill	prompt	979.00	989.00	+2.50
RSO fob Dutch mill	ASO	950.00	960.00	-2.50
RSO fob Dutch mill	NDJ	960.00	969.00	-5.50
RSO fob Dutch mill	FMA	962.00	966.00	-2.00
Sunflower oil (SFO)				*$/t*
SFO fob northwest Europe 6 ports	JAS	980.00	990.00	-2.50
Used cooking oil (UCO)				*$/t*
UCO fob ARA range		1,100.00	1,110.00	nc
UCO cif ARA		965.00	975.00	nc
UCO ex-works ARA range *€/t*		1,010.00	1,020.00	-5.00
UCO ex-works ARA range		1,087.78	1,098.55	-5.86
Tallow fca northwest Europe				*$/t*
Tallow categories 1 and 2 *€/t*		675.00	685.00	nc
Tallow categories 1 and 2		726.98	737.75	-0.32
Tallow category 3 *€/t*		955.00	965.00	nc
Tallow category 3		1,028.54	1,039.31	-0.45
Palm oil mill effluent (POME)				*$/t*
POME oil cif ARA		1,000.00	1,010.00	nc

RED biomethane (9 May) *€/MWh*

	Bid	Ask
Germany VTP (THE)		
2024	65	75
Premium Germany VTP (THE)		
2024	110	130

Renewable gas guarantees of origin (9 May)

	Unit	Bid	Ask	Mid	±
Denmark					
2023 crop	€/MWh	11.00	12.00	11.50	nc
2024 crop	€/MWh	12.50	13.50	13.00	nc
2025 crop	€/MWh	14.00	17.50	15.75	nc
2023 waste	€/MWh	15.00	19.00	17.00	-1.00
2024 waste	€/MWh	19.00	23.00	21.00	+1.00
2025 waste	€/MWh	29.00	33.00	31.00	+1.00
Netherlands					
2023 crop	€/MWh	11.00	12.00	11.50	nc
2024 crop	€/MWh	12.50	13.50	13.00	nc
2025 crop	€/MWh	14.00	17.50	15.75	nc
2023 waste	€/MWh	15.00	19.00	17.00	-1.00
2024 waste	€/MWh	19.00	23.00	21.00	+1.00
2025 waste	€/MWh	29.00	33.00	31.00	+1.00
UK					
2023 crop	£/MWh	4.50	5.50	5.00	-1.00
2024 crop	£/MWh	6.25	7.25	6.75	-0.25
2025 crop	£/MWh	7.00	10.50	8.75	-0.25
2023 waste	£/MWh	7.00	8.00	7.50	nc
2024 waste	£/MWh	8.00	10.00	9.00	nc
2025 waste	£/MWh	9.00	11.50	10.25	nc

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outright fob ARA range SAF price averaged $2,164.80/t this week, or $1,344.17/t over the jet average.

Volumes of a total of 138mn litres of SAF were supplied in the UK market in 2023, according to the government's fourth provisional report, nearly tripling the 48mn l supplied in 2022. This despite London's Heathrow airport decision to extend its 2023 SAF scheme, which helps airlines cover the extra cost of using biojet, to September 2024 to ensure that every airline that opted in could benefit from the initiative as more SAF supply chains developed. The airport originally aimed to triple the share of SAF to 1.5pc last year, with the target set at 2.5pc — or around 155,000t — this year.

European ethanol

Spot single-counting ethanol prices firmed to a six-month high on Friday as participants reported strained production margins due to firming feedstock and gas prices.

Two barges of single-counting ethanol changed hands on Friday, one at €690/m³ and one at €693/m³, both for 18-22 May loading. Seven bids between €674-688/m³ and two offers at €695/m³ stood unmatched for 15-25 May loading.

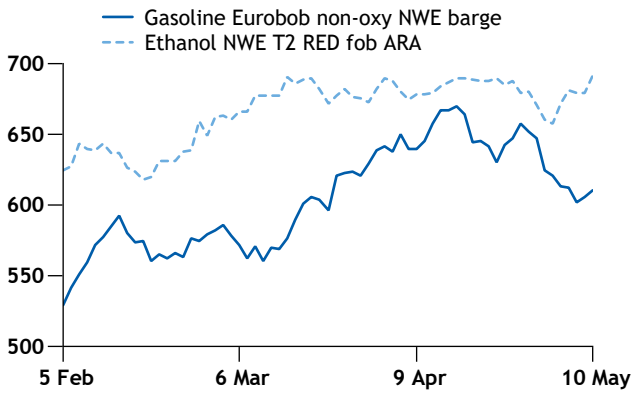
Argus assessed the T2 ethanol fob ARA range spot price at the €691.50/m³ traded average, which was firmer by €12.17/m³ on the day and the highest level since early November. The weekly average lower GHG ethanol price was €682.83/m³, up by around €15/m³ on the week.

Trade on the lower GHG ethanol paper market reported to *Argus* was focused on 4Q, which traded at €663/m³. Trade also comprised June/3Q around +€2/m³ (€686/m³, €684/m³) and October/December at +€15/m³ (€667/m³, €652/m³).

Spot minimum 90pc GHG savings single-counting ethanol fob ARA range was at a premium of €15/m³ over product with lower GHG savings. Spot UK and Netherlands double-counting ethanol was assessed at €870/m³, flat on the day.

The spot corn (Ukraine) cpt Pivdennyi/Odesa/Chornomorsk (POC) and front year corn (Romania-Bulgaria) fob CVB

T2 ethanol RED vs Eurobob non-oxy €/m³



prices have risen to the highest level since mid-January, because of slow farmer selling.

European Rapeseed oil

Spot fob Dutch mill rapeseed oil (RSO) values climbed higher on Friday while the three-month strips edged down, with most traders still away from their desks due to this week's public holidays across Europe.

The prompt RSO assessment increased by €2.50/t to €984/t, based on May and June interest at €985-995/t and €973-983/t, weighted across the 5-40 day loading period.

The August-September-October (ASO) strip was bid-offered and assessed at €950-960/t, decreasing by €2.50/t to €955/t. November-December-January (NDJ) interest emerged at €960-969/t, weighing down the assessment by €5.50/t to €964.50/t. February-March-April (FMA) dealt at €964, marking the assessment lower by €2/t on the day at €962-966/t.

Ukraine exported a record 134,091t of rapeseed in April, a significant increase from 8,594t in April 2023, the most recent customs data show, ensuring steady flows of rapeseed to Europe. The country harvested a bumper 4.7mn t in 2023-24, compared to 3.6mn t in 2022-23. But Ukraine is expected to produce about 4.1mn t in the 2024-25 marketing year because of lower acreages and yields than this year.

Waste and advanced feedstocks

European waste feedstocks markets were mostly quiet during the second half of the week.

Prices softened for used cooking oil (UCO) inland on Friday. The most competitive buying interest for UCO ex-works ARA with 5pc free fatty acids (FFA), 2pc moisture and impurities (MIU), iodine value of 70g/hg and sulphur content of 50ppm (5/2/70/50) was reported at €1,010/t.

The assessment lost €5/t on the day to €1,010-1,020/t, propped up by the bid as indications reported in the wider market were between €990-1,010/t.

In the delivered-duty-paid (DDP) market, an offer for an unspecified volume of UCO DDP Netherlands with 5/2/100/30 was reported at €1,040/t.

The UCO fob ARA range assessment was steady at $1,105/t on Thursday and Friday.

On Friday, an offer on *Argus* Open Markets (AOM) emerged for 500t for 24 May-7 June loading, at $1,205/t, lower compared with the previous day when an offer was at $1,220/t, with no corresponding bids.

Limited activity on the import market left the UCO cif ARA assessment stable at $965-975/t in the latter part of the week. An offer for 500t of UCO cif ARA with Eur1 status and 5/2/85/30 specifications was reported at $990/t from Egypt. In the previous session, a trade for 100t of UCO cif ARA with

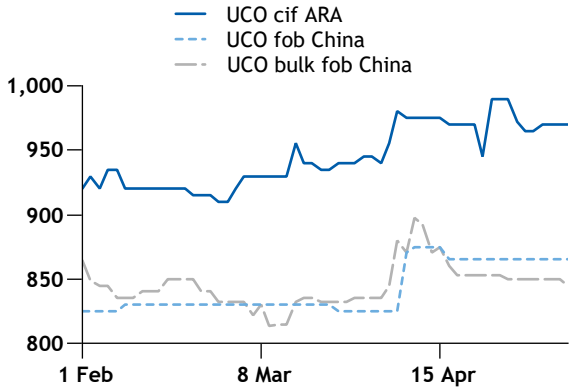
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T1 status and 5/2/65/50 was done at $975/t from the Middle East in flexitanks. Another deal for 250t of UCO cif Ireland with 1pc FFA was at $1,025/t, originating from Japan.

Tallow categories 1 and 2 and category 3 fca northwest Europe prices were stable at €675-685/t and €960/t respectively, matched by indications.

And palm oil mill effluent (Pome) oil cif ARA held flat at $1,000-1,010/t.

UCO cif ARA vs fob China $/t



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Renewable gas

Dutch and Danish waste renewable gas guarantee of origin (RGGO) prices diverged this week, with values for 2023 vintage softer on the week, while current year and 2025 prices firmed.

Danish 2023 waste RGGOs dealt at €15/MWh this week, marking the assessment in a €15-19/MWh range, lower by €1/MWh on the week. In contrast, the 2024 and 2025 waste vintages were assessed at €21/MWh and €31/MWh, respectively, on the back of firmer buying interest for both vintages.

A deal was also closed for Danish 2023 manure-based RGGOs at €15.50/MWh, closely in line with other 2023 waste-based certificates. Manure-based RGGOs are typically priced at a premium to other waste-based RGGOs due to its high greenhouse gas (GHG) savings. Sellers are beginning to close 2023 portfolios for the year, and are keen to offload high residual volumes, participants said.

Values in the Dutch waste RGGO market were at parity with Danish prices.

Activity has been muted for EU crop certificates for several weeks, and prices were stable on the week with Dutch and Danish RGGOs at €11.50/MWh, €13/MWh and €15.75/MWh for the 2023, 2024 and 2025 vintages, respectively.

UK 2023 crop RGGOs were traded and assessed at £5/MWh this week, down by £1/MWh. An offer for UK 2024 crop at £7.25/MWh marked the assessment at £6.75/MWh, marginally lower by £0.25/MWh on the week. The 2025 vintage was lowered with 2024 to £8.75/MWh.

Interest for UK waste RGGOs was muted during the week and price held steady at £7.50/MWh, £9/MWh and £10.25/MWh for 2023, 2024 and 2025, respectively.

In Germany, unsubsidised, advanced biomethane with domestic origin, a carbon intensity (CI) of minus 100grCO2/MJ and for delivery in 2024 declined by €10/MWh on the week to €110-130/MWh. Participants said that declines in German greenhouse gas emission reduction certificates as well as imports of cheaper biomethane from other EU countries weighed on prices. Unsubsidised biomethane with a CI of minus 100grCO2e/MJ from Belgium and the Netherlands was at around €60/MWh. Though the German Customs has confirmed that imported biomethane from within the EU can be counted towards the national mandate, legislators have yet to clarify some requirements for imported biomethane.

The price for biomethane with a CI of 10gr CO2e/MJ was steady at €65-75/MWh, in the absence of trade.

Finland's transmission network operator Gasgrid has confirmed to *Argus* that it plans to issue renewable gas guarantees of origin (RGGOs) from syngas and e-methane injected into the gas grid under upcoming projects being developed by Nordic Ren-Gas.

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Renewable fuel tickets

Trading activity was subdued in key European renewable fuel ticket markets this week and prices diverged.

In the Netherlands, one trade for 2024 HBE-Gs at €8.75/GJ on Tuesday held prices held steady during the week at €8.50-9/GJ. Any impact of declines in Class IV hydrotreated vegetable oil (HVO) premiums, which caused the price of blending Class IV to fall below the corresponding HBE-G ticket value, on HBEs was minimal so far but could weigh on ticket prices in the near term.

2024 HBE-O and HBE-IXBs were also flat compared with a week earlier, at €8.45-8.95/GJ and €8.30-8.80/GJ, respectively. HBE-Cs moved sideways at €5-6/GJ.

In the UK, trade and softer biodiesel levels pressured the 2024 Other RTFC value on the week. Other RTFCs fell marginally by 0.12p/RTFC at the start of the week on lower bids, to 17.75-18.50p/RTFC and remained there for the rest of the week. Trade for transfer and payment in May 2024 had emerged at 17.50p/RTFC on Wednesday. Crop kept a 0.50p/RTFC discount to Other, at 17.25-18p/RTFC.

No trading activity was reported for 2023 RTFCs and prices edged lower on the week, still holding a premium over 2024. Interest for Other tickets settled at 18-19.50p/RTFC by Friday, softer by 0.38p/RTFC on the week. Crop was assessed at 17.50-19p/RTFC

In Germany, greenhouse gas (GHG) emission reduction certificate prices firmed slightly. Many participants have finalised GHG mandates for 2023, although the GHG reduction balance does not have to be submitted to customs until mid-June. Consequently, trading in 2023 certificates is subdued. Companies obligated to reduce emissions are also well-prepared for 2024, reducing the need for extensive trading.

Bids and offers for 2024 Other GHG credits held at €115-130/t CO2e for most of the week. A deal for 3,000t CO2e of Other GHG 2024 credits was at the higher end of that range. Other GHG credits were at €115-130/t CO2e, higher by €2.5/t CO2e on the week. Advanced double-counting certificates for 2024 were steady at €230-255/t CO2e, while conventional GHG 2024 and Annex IX part B certificates were flat at €110-125/t CO2e. Single-counting advanced 2024 credits were at €2.20-2.50/t CO2e, and upstream emission reduction (UER) certificates were at €100-110/t CO2e.

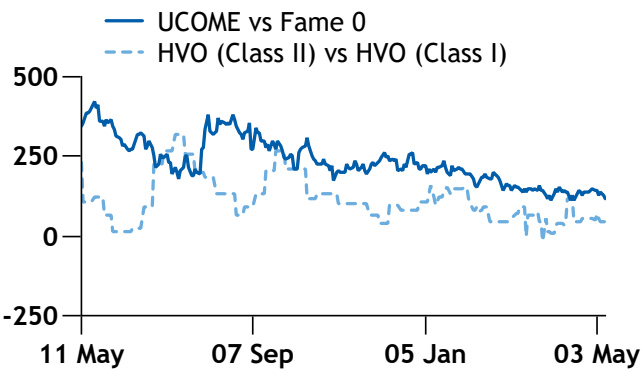
Due to higher offers, the price for other GHG 2023 certificates also increased by €2.5/t CO2e to €105-120/t CO2e. The remaining prices for 2023 were unchanged in the absence of interest. Advanced double-counting certificates for 2023 were between €210-230/t CO2e, single-counting advanced 2023 credits at €2.10-2.40/t CO2e, and both conventional GHG 2023 and Annex IX part B certificates at €100-110/t CO2e. UER 2023 certificates were flat, at €85-95/t CO2e.

Renewable fuel ticket prices

	Bid	Ask	±
German GHG reduction obligation*			*€/t CO2e*
Conventional GHG quota			
2023	100	110	nc
2024	110	125	nc
Single-counting advanced GHG quota €/GJ			
2023	2.10	2.40	nc
2024	2.20	2.50	nc
Double-counting advanced GHG quota			
2023	210	230	nc
2024	230	255	nc
Other GHG quota			
2023	105	120	+2.50
2024	115	130	nc
Annex IX part B GHG quota			
2023	100	110	nc
2024	110	125	nc
Upstream emission reduction (UER) certificates			
2023	85	95	nc
2024	100	110	nc
Netherlands renewable fuel unit**			*€/GJ*
Conventional renewable fuel unit (HBE-C)			
2024	5.00	6.00	nc
Advanced renewable fuel unit (HBE-G)			
2024	8.50	9.00	nc
Other renewable fuel unit (HBE-O)			
2024	8.45	8.95	nc
Annex IX part B renewable fuel unit (HBE-IXB)			
2024	8.30	8.80	nc
UK renewable transport fuel certificate			*p/RTFC*
Crop-based RTFC			
2023	17.50	19.00	nc
2024	17.25	18.00	nc
Other RTFC			
2023	18.00	19.50	nc
2024	17.75	18.50	nc

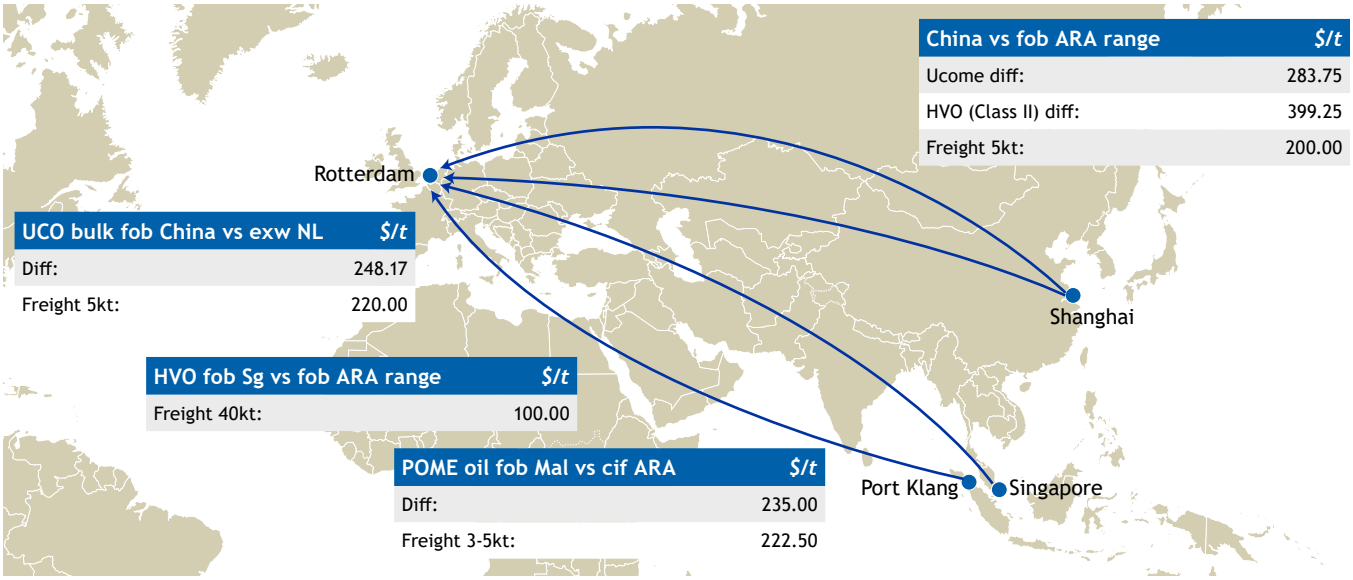
*Treibhausgasminderungsverpflichtung **Hernieuwbare brandstofeenheden

RED crop/waste biodiesel & HVO fob ARA $/t



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International biofuels / feedstock differentials and freight



Asia-Pacific biofuels: Feedstock prices slide

Used cooking oil (UCO) fob China bulk edged down with weaker market sentiment.

Overseas buying interest for bulk UCO with free fatty acid at maximum 7pc was still subdued, except for limited loading demand at a few ports in northern regions, so some sellers reduced offers to prompt sales.

The lowest offer for regular bulk UCO was around $850/t fob China. At least two UCO sellers and one trading firm agreed with this offer level. The best bid for bulk UCO remained at around $840/t fob China.

A 1,000t premium UCO cargo closed at $910/t fob China but some buyers said their highest acceptable level was only $900/t fob. The China premium UCO assessment widened as a result to $900-920/t fob China. The weakening export prices weighed on the Chinese domestic UCO market, with the regular UCO collecting cost softening to 6,650-6,750 yuan/t dap ($920-934/t) dap with value-added tax.

An bid for hydrotreated vegetable oil (HVO) with a cold filter plugging point (CFPP) at +20°C was at around $1,200/t fob China, either for UCO based or palm oil mill effluent (Pome) based. But buyers deemed this high because of the downturn in EU HVO prices and the potential for duties.

Bearish CPO drags Pome oil down

Southeast Pome oil and flexibag UCO prices fell with weak buying interest and falling palm oil values. But UCO methyl ester (Ucome) bids rose slightly, likely supported by demand from the Singapore bio-bunker demand sector.

Crude palm oil (CPO) futures fell to their lowest level in three months by the 4.30pm Singapore close, as monthly

International biofuels spot prices			$/t
	Bid	Ask	±
RED biodiesel			
POME OME fob China	950.00	970.00	nc
BGME fob China	980.00	1,020.00	nc
UCOME fob China	980.00	1,020.00	nc
UCOME fob Strait of Malacca	1,050.00	1,090.00	+10.00
PME fob Malaysia	835.00	1,000.00	-22.50
PME fob Indonesia	735.00	970.00	-7.50
Biodiesel			
PME ex-works Indonesia	839.00	843.00	nc
SME fob Argentina upriver (9 May)	1,048.39	1,074.84	+1.68
Houston fob B100 (9 May)	1,191.54	1,221.44	-4.79
Houston fob B100 (9 May) ¢/USG	398.51	408.51	-1.60
Marine biodiesel			
B24 dob Singapore	734.50	744.50	nc
RED hydrotreated vegetable oil (HVO)			
HVO fob China (Class II)	1,200.00	1,250.00	nc
HVO fob China (Class IV)	1,200.00	1,250.00	nc
HVO fob Singapore (Class I) netback	1,472.97	1,485.79	+2.21
HVO fob Singapore (Class II) netback	1,517.84	1,530.66	+2.21
HVO fob Singapore (Class III) netback	1,498.61	1,511.43	+2.21
HVO fob Singapore (Class IV) netback	1,510.15	1,522.97	+2.21
RED Sustainable aviation fuel (SAF)*			
SAF fob Singapore netback	2,053.84	2,067.00	+1.94
**Hydrotreated Esters and Fatty Acids (HEFA-SPK)*			
Bionaphtha			
Bionaphtha cfr northeast Asia	1,770.00	1,790.00	+15.00
Ethanol			
fob Pakistan	780.00	800.00	nc
fob Pakistan (hydrous)	720.00	730.00	nc
cfr Mumbai	725.00	745.00	+5.00
cfr Philippines $/m^3$	645.00	665.00	+5.00
B-grade cfr northeast Asia $/m^3$	620.00	630.00	-5.00
cfr China	525.00	710.00	+2.50

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data released from the Malaysian Palm Oil Board on 10 May showed the country's stocks of the vegetable oil increased.

Lower offers emerged for ISCC-certified bulk Pome oil at $770-800/t fob Indonesia/Malaysia, while INS-certified feedstock was asking $795/t for June loading.

At least one buyer saw $770/t a workable level also for ISCC Pome oil and the price fell to $765-775/t. ISCC-certified empty fruit bunch oil traded overnight at $915/t fob Malaysia's Port Klang for 2,000t loading mid-June to mid-July.

Offers for fob Malaysia bulk UCO were in a $880-900/t range. Indicative bid levels were around $850/t fob, keeping the assessment stable. A deal was done 9 May for 2,000t of premium UCO at $930/t fob Malaysia loading June-July.

Vietnamese UCO closed at $870/t fob in flexibags with around 65 g/hg iodine value but for prompt loading in May. A seller and a trader deemed these levels high. Offers inclusive of pre-payment terms were around $840-860/t fob Vietnam, which are typically $20-30/t below market level, a seller said, and equivalent to $860-$890/t offers. The assessment fell accordingly with no firm bids.

Indicative and firm offers for fob Indonesia UCO in flexibags were around $875-890/t. The high offers despite falling palm prices are because of domestic UCO collection costs remaining high around 12,000 rupiah/kg with high logistics costs and competition among sellers, said two suppliers. But bids were only around $810/t, dropping the assessment to $830-850/t around an approximate $840/t mid-point.

The bulk fob strait of Malacca Ucome bid rose to $1,050/t with firm bids on 9 May. Ucome offers remained stable with just one producer maintaining its offer at $1,100/t fob Malaysia.

Malaysian palm methyl ester offers also fell as a result into a $1,000-1,010/t fob range without bids.

Bullish US pushes up Asia ethanol prices

Higher US values pushed delivered prices in Asia-Pacific up, although demand remained weak. But this did not stop ethanol values extending gains after the EIA posted US ethanol inventories at their lowest since December at 24.2mn bl in the week ending 3 May.

B-grade offers edged lower to around $630-640/t cfr northeast Asia but buyers remain covered and did not expect to start bidding in earnest until the end of May.

Minimal production capacity and some emerging South Korean demand pushed pyrolysis-based circular naphtha indications slightly above the $1,300-1,500/t premium over fossil fuel naphtha last week in northeast Asia. A buyer said it had heard selling indications just below $2,000/t cfr northeast Asia over naphtha but this was considered far too high. Bio-naphtha was still around $1,100/t over naphtha.

International feedstock spot prices			$/t
	Bid	Ask	±
RED feedstocks			
Brown grease dap China *CNY/t*	6,100.00	6,200.00	nc
Brown grease dap China	844.82	858.67	+0.70
UCO dap China *CNY/t*	6,650.00	6,750.00	-25.00
UCO dap China	920.99	934.84	-2.70
Premium UCO bulk fob China	900.00	920.00	-5.00
UCO bulk fob China	840.00	850.00	-5.00
Premium UCO diff to UCO bulk fob China		+65.00	
UCO fob China	860.00	870.00	nc
UCO fob Indonesia	830.00	850.00	-20.00
UCO bulk fob Strait of Malacca	850.00	880.00	nc
UCO fob Vietnam	840.00	860.00	-12.50
POME oil fob Malaysia/Indonesia	765.00	775.00	-27.50
Feedstocks			
Palm olein Malaysia/Indonesia fob			
Prompt	835.00	845.00	-10.00
Jun	830.00	840.00	-10.00
Jul	830.00	835.00	-10.00
Aug	825.00	835.00	-12.50
Arg SBO diff to CBOT 1st mth (9 May) ¢/lb	-3.70	-2.50	

Freight (10 May)				$/t
	Size '000t	Bid	Ask	±
Malaysia - ARA				
Palm oil	15-30	134.00	180.00	-3.00
PME	3-5	195.00	200.00	+2.50
UCO/POME oil	3-5	220.00	225.00	+2.50
Malaysia - West Med				
Palm oil	15-30	130.00	170.00	nc
PME	3-5	185.00	190.00	+2.50
UCO/POME oil	3-5	210.00	215.00	+2.50
Singapore - ARA				
HVO	40	90.00	110.00	-12.50
China - ARA				
UCO	5	205.00	235.00	+10.00
Ucome/HVO	5	190.00	210.00	+5.00
US - China				
Ethanol	40-50	66.00	83.00	nc

Reference prices			$/t
	Month	Settle	±
CBOT soybean oil futures (16:30 London time)			
	May	934.54	+0.66
	Jul	971.14	+24.92
	Aug	976.43	+24.03
Malaysia palm oil futures			
	May	814.38	-10.25
	Jun	808.68	-7.72
	Jul	803.20	-7.93
	Bid	Ask	±
Glycerine fob SE Asia	**280.00**	**310.00**	**nc**

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US biofuels

D4 and D6 credits trended higher on Friday morning, supporting the Argus Renewable Volume Obligation (RVO).

The RVO gained 0.20¢/USG and was last measured at 7.38¢/USG. 2024 ethanol D6 RIN credits were last dealt at 45.5¢/RIN, boosting their value by 1.75¢/RIN. Biomass-based diesel D4 RINs with the same vintage were bid flat to concurrent D6 credits. Current year cellulosic biofuel D3 credits fell by 3¢/RIN in value as trade materialised at 312¢/RIN.

Ethanol values in Chicago posted modest gains in the first half of the session while overall market activity was tepid. Chicago Rule 11 railcars shipping this week traded at 181¢/USG early in the session. Latest bids and offers were seen at 180¢/USG and 181¢/USG, respectively. Prompt in-tank transfers at Kinder Morgan's Argo terminal were bid at 179¢/USG and offered at 182¢/USG, firming by 1¢/USG.

Renewable feedstocks: Prices up despite CBOT losses

Prices for some renewable feedstocks trended higher on Thursday despite the downward move in soybean oil futures.

Used cooking oil (UCO) prices at the US Gulf coast rose by 1.38¢/lb after bids and deals were discussed in the 41-42.5¢/lb range. Bleached fancy tallow (BFT) prices in Chicago moved up by 1.5¢/lb after four railcars of packer tallow traded at 41.5¢/lb, with renderer valued a cent premium. Trades for BFT into the US Gulf coast were reported at 43¢/lb, lifting values by 0.25¢/lb from the previous session. Most recent bids for yellow grease into the US Gulf coast were heard at 39¢/lb, pushing prices 2¢/lb higher.

Trades for distillers corn oil (DCO) fob truck volumes in Iowa were heard as low as 40¢/lb and as high as 41.15¢/lb, moving midpoint 0.58¢/lb higher. Deals in Ohio/Indiana were reported as low as 39.5¢/lb and as high as 40.5¢/lb. Prices for DCO into California nudged 1.88¢/lb lower.

Americas

Differentials for Argentinian soybean oil cargoes firmed through the week as oilseed workers have been on strike since 29 April.

Buying interest picked up for product to be delivered in the upcoming moths, with 3,000t of soyoil changing hands at CBOT -5¢/lb on 8 May and another 6,000t trading at CBOT -6¢/lb for June and July timing. Prompt discounts narrowed 3.3¢/lb between 6-9 May to settle at CBOT -3.1¢/lb.

In Chicago, the paper market lost 1.2¢/lb to 42.64¢/lb in the same period as investor are anticipating an increase in the US Department of Agriculture's (USDA) estimate, set to be published on Friday, of soyoil stockpiles in the US.

RED-certified biodiesel was largely stable at $1,062/t on a fob Rosario basis.

Biodiesel spot price averages May to date		$/t
	Bid	Ask
RED		
Palm OME fob ARA range	1,139.57	1,149.57
Rapeseed OME fob ARA range	1,178.71	1,188.71
Soya OME fob ARA range	1,166.57	1,176.57
FAME 0°C CFPP fob ARA range	1,164.57	1,174.57
FAME -10°C CFPP fob ARA range	1,177.00	1,187.00
UCOME fob ARA range	1,298.66	1,308.66
Tallow OME fob ARA range	1,248.66	1,258.66
POME OME fob ARA range	1,288.66	1,298.66
Advanced FAME 0°C CFPP fob ARA range	1,393.66	1,403.66
International		
RED POME OME fob China	950.00	970.00
RED UCOME fob China	980.00	1,020.00
RED UCOME fob Straits of Malacca	1,065.71	1,097.14
RED PME fob Malaysia	834.29	1,030.00
RED PME fob Indonesia	736.43	976.43
SME fob Argentina (to 9 May)	1,049.78	1,070.72

HVO spot price averages May to date		$/t
	Bid	Ask
RED		
HVO fob ARA range (Class I)	1,580.55	1,593.37
HVO fob ARA range (Class II)	1,633.66	1,646.48
HVO fob ARA range (Class III)	1,611.69	1,624.51
HVO fob ARA range (Class IV)	1,621.21	1,634.03
International		
RED HVO fob China (Class II)	1,200.00	1,250.00
RED HVO fob China (Class IV)	1,200.00	1,250.00
RED HVO fob Singapore (Class I)	1,471.70	1,484.52
RED HVO fob Singapore (Class II)	1,524.81	1,537.63
RED HVO fob Singapore (Class III)	1,502.83	1,515.65
RED HVO fob Singapore (Class IV)	1,512.35	1,525.17

RED SAF* spot price averages May to date		$/t
	Bid	Ask
SAF fob ARA range	2,155.04	2,168.20
SAF cif NWE	2,214.25	2,227.41
SAF fob Singapore	2,046.18	2,059.34

**Hydrotreated Esters and Fatty Acids (HEFA-SPK)*

Bionaphtha spot price averages May to date		$/t
	Bid	Ask
Bionaphtha fob ARA range	1,715.00	1,725.00
Bionaphtha cfr northeast Asia range	1,774.29	1,794.29

Biopropane spot price average May to date		$/t
	Bid	Ask
Biopropane fca ARA range	1,567.86	1,577.86

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NEWS

Groupe Avril yet to fix Sete restart date

Leading French biodiesel (RME) producer Groupe Avril has yet to pinpoint a restart date for its 200,000 t/yr plant at Sete, halted by a fire during planned works earlier this month.

The company said today that some of its planned maintenance was going ahead, but as yet no date is slated for resumption of operations. A fire on 10 April injured a worker and the local Herault prefecture is undertaking an investigation into the incident. The unit is operated by the firm's Saipol subsidiary.

Sete is the most active biodiesel plant in France and its stoppage appears to be supporting imports from ARA and Spain. *Argus* tracking, Kpler and port data show regular cargoes moving from ARA, Barcelona and Huelva to French Atlantic and Mediterranean destinations since the accident, with more scheduled. The plant shipped out around 155,000t of seaborne biodiesel last year — around 65,000t went to Fos-Lavera and Marseille. An equal amount went to Barcelona. The remainder was exported to ARA. Sete also supplies local demand by truck.

According to customs data, French biodiesel imports were 145,000t in February, flat on the month and down from 165,000t on the year.

France has three main suppliers — Belgium is currently the largest, sending 65,000t in February, ahead of the Netherlands and Spain, each with 40,000t *(see chart)*.

Imports of 290,000t in January-February were lower than 345,000t in the same period last year. Imports were a little over 1.8mn t last year, a new record, up by 1.3pc from 2022.

Apparent French biodiesel and HVO production in January-February — assessed using import, export, demand and stocks data — was 235,000t, down by 1pc year on year.

There is likely to be some competition in diesel blending as TotalEnergies' 500,000 t/yr hydrotreated vegetable oil (HVO) at La Mede restarted this month, following lengthy planned works.

The plant should now run solely on waste feedstock, allowing more of its output to be used domestically. Waste feedstock cargoes arrived this month, along with some rapeseed oil.

France banned the use of palm oil in biofuels from 2020, which meant TotalEnergies had to export La Mede's production made from palm, mainly to ARA and Germany. When it switched to running a larger amount of waste oils (UCO) and animal fats, La Mede ran short of capacity. The unit was also plagued by minor unplanned works.

By Adam Porter

Ethanol spot price averages May to date		$/t
	Bid	Ask
RED		
Double-counting ethanol fob ARA range inc duty €/m³	870.00	880.00
Double-counting ethanol fob ARA range inc duty	1,184.89	1,198.51
T2 premium ethanol fob ARA range inc duty €/m³	684.34	694.34
T2 premium ethanol fob ARA range inc duty	932.11	945.73
T2 ethanol fob ARA range inc duty €/m³	669.34	679.34
T2 ethanol fob ARA range inc duty	911.68	925.30
T2 ethanol diff to Eurobob non-oxy	+36.22	+49.34
International		
fob Pakistan	780.00	800.00

Feedstocks spot price averages May to date		$/t
	Bid	Ask
RED		
RSO fob Dutch mill prompt €/t	976.21	986.21
UCO fob ARA range	1,100.00	1,110.00
UCO cif ARA	961.43	971.43
UCO ex-works ARA range	1,089.95	1,100.70
Tallow (categories 1 and 2) fca northwest Europe	723.83	734.58
Tallow (category 3) fca northwest Europe	1,026.25	1,036.99
POME oil cif ARA	1,005.00	1,015.00
International		
RED premium bulk UCO fob China	908.00	920.00
RED bulk UCO fob Straits of Malacca	844.29	870.00
RED UCO fob China	860.00	870.00
RED UCO fob Indonesia	838.57	858.57
RED UCO fob Vietnam	848.57	869.29
RED bulk UCO fob China	842.00	856.00
RED POME oil fob Malaysia/Indonesia	778.57	792.14

Industry, NGOs push on aviation's non-CO2 emissions

UK-based airline Easyjet has teamed up with Transport & Environment (T&E) and other non-governmental organisations to oppose limiting the monitoring, reporting and verification (MRV) framework of non-CO2 emissions from aviation to just intra-EU flights.

They fear a lobbying push to exclude non-EU aviation as the European Commission works on detailed legislation for aviation MRV as required by the bloc's revised emissions trading system (ETS).

The group of 10 organisations and airlines has warned the commission and EU states about any limitation to the scope of the proposed non-CO2 monitoring framework. The group

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points to negative effects on mitigating aviation's climate impact. In their joint letter they say that "full geographic scope" of MRV reporting is consistent with the general scope of the EU ETS Directive for other transport modes and their non-CO2 emissions.

The group said shipping firms are required, as of 2024, to monitor maritime non-CO2 emissions, such as nitrous oxide and methane, for voyages within, to and from the EU.

Retaining full MRV geographic scope from 31 August 2024 is critical as "the only scientifically sound basis to understand the impact of aircraft types and geographies, and allow a better understanding of the impacts of long-haul flights", it said.

The commission favours future obligatory non-CO2 MRV reports using CO2 equivalents. And the commission estimates the overall climate impact at 2-4 times that of CO2, also noting the importance of full MRV scope.

Officials refer to the commission's legal obligation, as laid out in the revised ETS, to submit a legislative proposal containing mitigation measures for non-CO2 effects by 1 January 2028, if appropriate.

By Dafydd ab Iago

Japan Airport Terminal, Euglena eye SAF supply chain

Japan's biofuel producer Euglena and airport operator Japan Airport Terminal (JAT) plan to explore commercial delivery of sustainable aviation fuel (SAF) to aircrafts at Haneda airport in Tokyo.

Euglena and Japan Airport Terminal signed an initial agreement on 8 May to build a commercial SAF supply chain at Haneda airport, aiming to ship up to 50,000 kilolitre (kl)/yr. This will account for 23pc of the 220,000 kl/yr SAF that Haneda airport will require in the future to attain Japan's 2030 SAF supply goal.

Japan aims to replace 10pc of conventional aviation fuel consumption with SAF within the country by 2030.

Euglena plans to procure SAF from its 12,500 b/d bio-refinery in Malaysia that is expected to begin commercial operations in 2025. Euglena has co-operated with Malaysian state-owned energy firm Petronas and Italian energy firm Eni to build the plant. Euglena also issued its first ¥1bn ($6.4mn) green bond to Japan Airport Terminal for building the commercial biofuel manufacturing plant.

Euglena is a producer of biofuel called Susteo, which contains used cooking oil (UCO) as well as euglena oils and fats extracted from microalgae as raw materials.

Susteo generates CO2 during the fuel combustion stage but the plants, which are the raw material for UCO, and euglena microalgae absorb CO2 during photosynthesis as they grow. The company in 2022 provided Susteo to government aircraft.

Japan's SAF demand is estimated to reach 1.7mn kl/yr by 2030, comprising 880,000kl for domestic flights and 830,000kl for international flights, according to the ministry of land, infrastructure and transportation.

By Nanami Oki

Argus Americas Biofuels

For daily North American and South American biofuel price assessments, market commentary, news and analysis, please see Argus Americas Biofuels. Markets covered include renewable diesel, renewable feedstocks, sustainable aviation fuel, biodiesel, ethanol, and federal and state environmental credits for transportation fuels. The report includes news and analysis on regulations impacting the markets.

Methanol-ready ship orders rising: ClassNK

LNG is currently the preferred alternative marine fuel choice for new-build ships, but more vessels capable of using methanol are being ordered within the next two years, according to Japanese classification society ClassNK.

A total of 77 methanol-ready ships are expected to be ordered by 2026, ClassNK said in a recent report on trends in alternative marine fuels. This is up from 27 methanol new builds that will be ordered this year. This year, 199 LNG-ready new builds will be ordered, but will decline by 44pc to 111 LNG ship orders in 2026, ClassNK said.

Orders for ships that use two other types of alternative marine fuels, ammonia and hydrogen, are projected to remain scarce likely because of uncertainty within the maritime industry about its feasibility and availability. There are two hydrogen-ready ships on order this year, with seven hydrogen ship orders next year, according to the report.

There are four ammonia-ready ships on order in 2026 and none before that year, ClassNK said.

The total number of alternative marine fuel ships that will be in operation is expected to reach 1,302 by 2028, an 80pc increase from 2024. LNG-powered ships will make up most of this total, followed by methanol and LPG-fueled vessels.

The data ClassNK compiled for this report are as of the end of December 2023 and only include ships with a gross tonnage of 5,000 and more.

By Luis Gronda

Malaysia's palm oil stocks build in April

Malaysia's palm oil stocks rose in April after a 10-month low in March, supported by higher crude palm (CPO) production and lower exports. Inventories rose to 1.74mn t at the end

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of April, up by 1.9pc or 32,000t from the previous month and by 16.4pc or 245,000t from a year earlier. CPO production also rose by 7.9pc or 109,000t against a month earlier and by 25.7pc or 307,000t from the previous year, likely spurred by better weather conditions following the bi-annual low-harvest season between January-February.

Market participants watch palm oil stocks to gauge supply-demand dynamics, with falling stocks typically supportive of prices.

Malaysia's monthly releases are tracked more closely, as data on its palm oil industry are considered the most reliable despite it being the second-largest palm oil producer globally after Indonesia.

Malaysia's April palm oil exports weakened from the previous month, falling by 7pc or 92,000t to 1.23mn t but rose by 13.5pc or 147,000t from a year earlier. The month-on-month fall was likely a result of weaker price competitiveness in the vegetable oils market, with alternatives trading at a discount to palm oil.

Malaysian palm oil futures hit a 13-month high at the start of April, weighing on demand from price-sensitive buyers such as India.

But palm oil prices have since softened, increasing its price competitiveness that may lend support to May and June exports.

Palm kernel production in April rose by 6.9pc from a month earlier to 367,000t, while output of crude palm kernel oil fell by 7.4pc to 154,000t.

Exports of biodiesel more than doubled in April from the previous month to 35,300t and recovering from a sudden drop in March exports.

External sales of palm kernel oil fell by 2.5pc against a month earlier to 80,300t, while exports of oleochemicals also dipped by 11pc to 233,000t.

By Deborah Sun

SBO futures up on Brazil floods, US planting

CBOT soybean oil (SBO) futures recovered some of their lost value over the week as floods in southern Brazil created logistical issues and US soybean planting lagged behind year-ago levels.

Front month SBO futures rose over the week by 0.86¢/lb to 43.15¢/lb, the highest level since 26 April. Heavy rain began hammering Brazil's state of Rio Grande do Sul on 29 April and lasted for several days, creating logistical obstacles for soybean exporters.

Bean oil exports there were hampered last week, but local port scheduling projections show higher export rates this week. However, more rainfall is expected at the close of the week. Soybean planting in progress in the US for the week ended 5 May was reported at 25pc, five percentage points behind the same week last year.

US biofuels tax compliance needed: Treasury

Stricter protocols for awarding tax credits for biofuel production and blending may be necessary, according to a US Treasury department study.

Analysis from the Treasury Inspector General for Tax Administration (TIGTA) found that 42 out of 124 taxpaying entities that received biofuel tax credits provided inadequate registration and record keeping for getting the credits.

The analysis, released in April, found that the 42 tax credit receivers did not provide either an approved registration number or certification, resulting in $30.3mn of illegitimate claims.

The Internal Revenue Code set up multiple tax credits for production, blending, and use of renewable fuels beginning in 2004. Iterations of these credits have been extended multiple times, with the most recent version in place until the end of 2024, generating a $1/USG incentive for blending biofuels with the equivalent petroleum based product.

TIGTA's report made four recommendations to restructure compliance procedures. These include crafting a legislative proposal in collaboration with the Treasury's Office of Tax Policy, conducting investigations with the entities out of compliance that received tax credits, examining tax forms currently in place for filers, and partnering with the Environmental Protection Agency to examine data pertinent to those claiming biofuel tax credits.

TIGTA conducts independent oversight of Internal Revenue Service as well as Department of Treasury policy and activity.

By Matthew Cope

Extension of 2023 German biofuel quota assessment

Argus will assess prices for the German biofuel quota for the 2023 compliance year until 15 June 2024. This is in line with the extension by two months of the compliance deadline for the German 2023 GHG reduction mandate. The German customs office did not give a reason for the extension.

ANNOUNCEMENT

The holiday calendar showing which Argus reports are not published on which days is now available online https://www.argusmedia.com/en/methodology/publishing-schedule

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Argus successfully completes annual Iosco assurance review

Argus has completed the 12th external assurance review of its price benchmarks covering crude oil, oil products, LPG, chemicals, thermal and coking coal, natural gas, biofuels, biomass, metals, fertilizers and agricultural markets. The review was carried out by professional services firm PwC. Annual independent, external reviews of oil benchmarks are required by international regulatory group Iosco's Principles for Oil Price Reporting Agencies, and Iosco encourages extension of the reviews to non-oil benchmarks. For more information and to download the review visit our website https://www.argusmedia.com/en/about-us/governance-compliance

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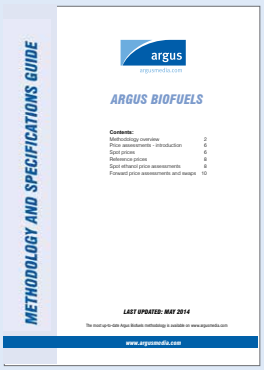
Argus Assessment Rationale Database

For prices used in financial benchmarks, Argus publishes daily explanations of the assessment rationale with supporting data. This information is available to permissioned subscribers and other stakeholders. Subscribers to this report via Argus Direct or My Argus may access the database here. Other subscribers may request access here or contact us by email at sales@argusmedia.com.

Argus Biofuels Methodology

Argus uses a precise and transparent methodology to assess prices in all the markets it covers. The latest version of the Argus Biofuels Methodology can be found at: www.argusmedia.com/methodology.

For a hard copy, please email info@argusmedia.com, but please note that methodologies are updated frequently and for the latest version, you should visit the internet site.



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