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Argus Specialised Freight

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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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THE PULSE

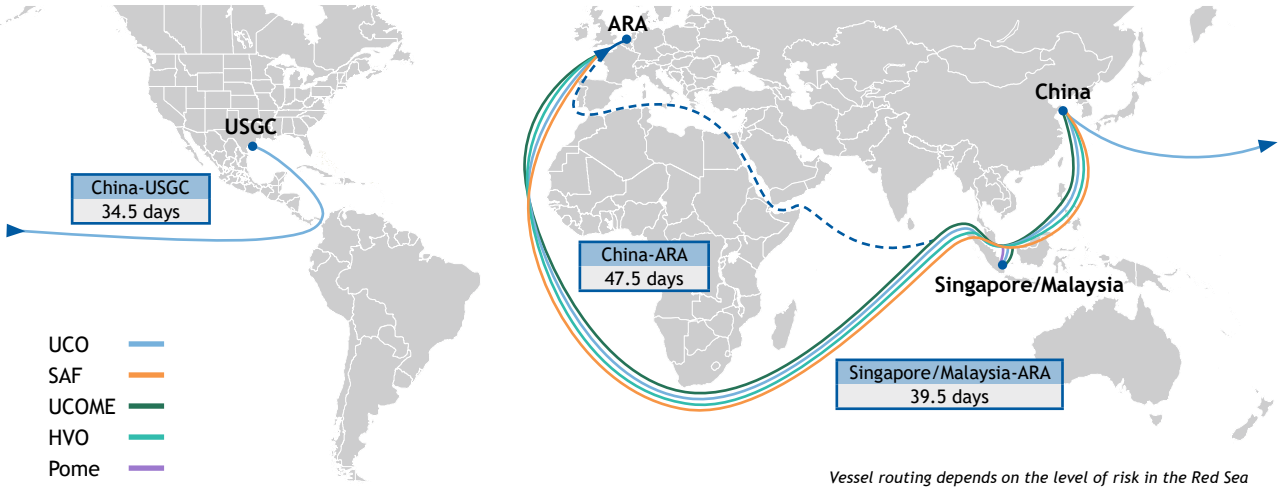
Brazil hikes 2026-27 ethanol outlook

Brazil's energy research bureau EPE raised its gasoline and ethanol demand projections for 2026 and 2027 from its June report, while reducing its diesel consumption estimates.

Combined demand for diesel, gasoline, hydrous ethanol, jet fuel and LPG may rise by 2.2pc year-over-year to 166.8bn liters (2.9mn b/d) this year, stable from June's projections, according to EPE. The 2027 domestic fuel demand projection rose to 170.5bn liters from 169.5bn liters in the previous report, for a 2.2pc rise from 2026. EPE updates its projections every two months.

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	105.55	162.90	✓	✗
China	ARA	IMO2 coated	UCO	50,000	112.40	173.50	✓	✓
China	ARA	Stainless steel	UCO	22,000	146.45	175.90	✓	✓
China	USGC	IMO2 coated	UCO	50,000	92.50	175.70	✓	✗
China	USGC	Stainless steel	UCO	22,000	129.15	179.05	✓	✗
China	ARA	IMO3 coated	HVO	50,000	103.20	166.95*	✓	✓
China	ARA	IMO3 coated	SAF	50,000	105.20	187.35*	✓	✓
China	ARA	Stainless steel	SAF	22,000	158.15	189.90	✓	✓
Singapore/Malaysia	ARA	IMO2 coated	UCOME	50,000	87.70	138.95	✓	✓
Singapore/Malaysia	ARA	IMO2 coated	UCO	50,000	93.40	148.00	✓	✓
Singapore/Malaysia	ARA	Stainless steel	UCO	22,000	130.95	155.75	✓	✓
Singapore/Malaysia	ARA	Stainless steel	Pome	22,000	130.95	155.75	✓	✗
Singapore/Malaysia	ARA	IMO3 coated	HVO	50,000	84.90	142.40*	✓	✓
Singapore/Malaysia	ARA	IMO3 coated	SAF	50,000	86.90	159.80*	✓	✓

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

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ASIA-PACIFIC

Asia-Pacific rates step higher

Specialised tanker rates rose across Asia-Pacific in the week to 28 August as the market started the usually busier autumn period, and stainless steel tanker rates in particular stepped up. European prices rose across both biodiesel and UCO, which will draw more cargoes westwards from Asia-Pacific.

The rate for a 40,000t cargo on a coated IMO2 tanker sailing from China to ARA rose by $4.05/t to $105.55/t week-on-week for biodiesel cargoes. The rate for the same voyage for a SAF cargo rose by $4.70/t to $121.40/t, while HVO increased by $4.15/t to $108.20/t.

The largest moves were in the 18,500t stainless steel tanker segment. The China to ARA SAF rate rose by $11.80/t to $158.15/t, while the Singapore/Malaysia to ARA SAF rate stepped up $13.25/t to $141.40/t. The bigger moves in the stainless market point to tighter availability of smaller specialised vessels as charterers look towards the September loading window.

European biofuels prices have also moved higher, increasing demand for Asian cargoes. FAME prices rose through most of the week. UCO prices appeared to have reached a peak midweek before edging slightly lower, but remained high enough to keep Asian material in demand. Higher European prices should keep Asian HVO, SAF and biodiesel cargoes competitive in European markets.

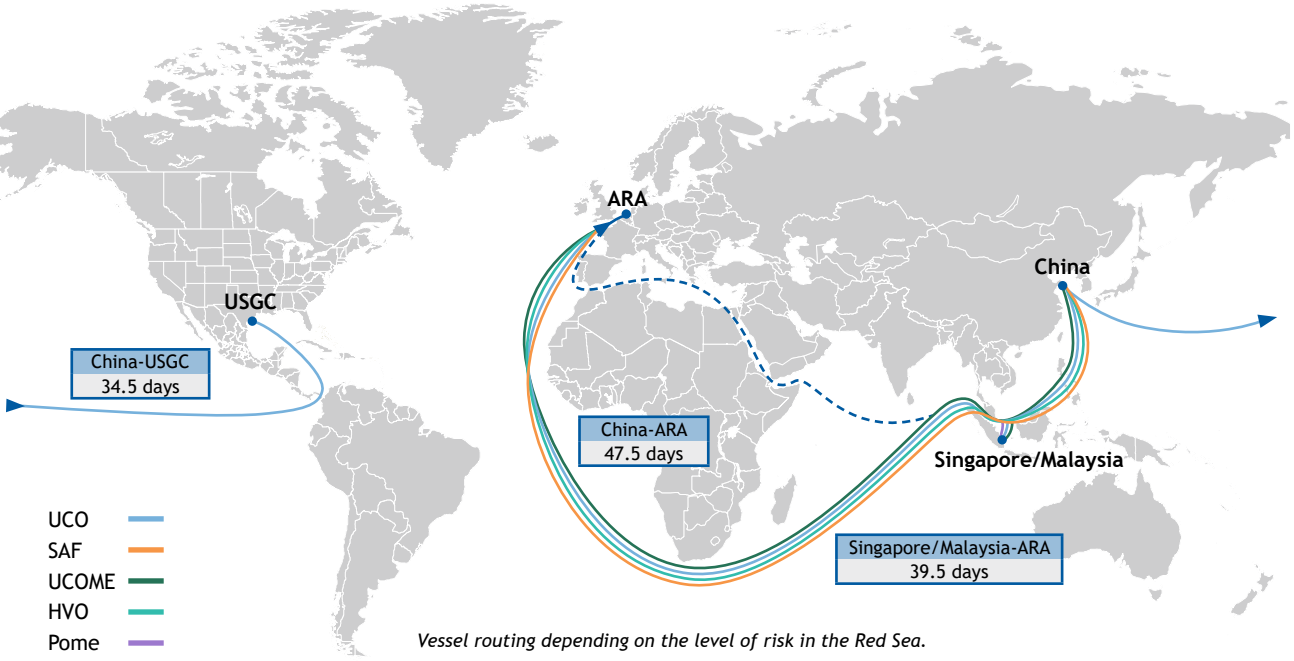
Asia-Pacific IMO2 coated rates - full cargo				$/t
Route	Size '000t	Cargo		
Biofuels		**Biodiesel**	**HVO**	**SAF**
China-ARA	40	105.55	108.20	121.40
China-west Med	40	99.55	102.05	114.50
Singapore/Malaysia-ARA	40	87.70	89.90	100.85
Singapore/Malaysia-west Med	40	81.70	83.75	93.95
Feedstocks		**UCO**	**Veg oils**	**Palm oil**
China-ARA	40	112.40	105.55	-
China-west Med	40	106.00	99.55	-
China-USGC	40	92.50	-	-
Singapore/Malaysia-ARA	40	93.40	87.70	92.95
Singapore/Malaysia-west Med	40	87.00	81.70	86.60

Asia-Pacific IMO3 rates - full cargo			$/t
Route	Size '000t	HVO	SAF
China-ARA	40	103.20	105.20
China-west Med	40	97.05	99.05
Singapore/Malaysia-ARA	40	84.90	86.90
Singapore/Malaysia-west Med	40	78.75	80.75

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

Announcement

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



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

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ASIA-PACIFIC

Several September fixtures show firm demand for long haul biofuels. Ecoceres fixed a 35,000t cargo of HVO and SAF from China or southeast Asia to ARA on a Maersk vessel for around $3.5mn. Kolmar also booked the Hafnia Cheetah for 35,000t of HVO and SAF from north China to north west Europe at $3.7mn.

UCO cargoes have also continued to move from Asia. One charterer fixed a 20,000t UCO cargo from Lianyungang to the UK Continent on the Champion Tern.

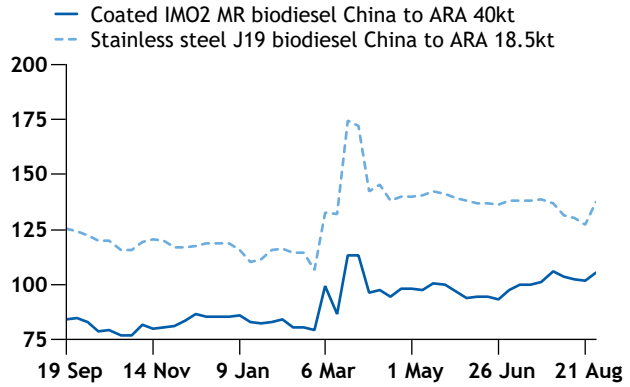
Palm oil has provided another source of demand in southeast Asia. Felda fixed an 18,500t cargo from southeast Asia to the Mediterranean at $139/t, while another booked a vessel for a 18,500t cargo from southeast Asia to Paranagua.

Rates had fallen during the first half of August as more ships became available and falling clean tanker rates pushed swing tonnage into the specialised market. September specialised cargo numbers have ramped up, which has depleted some of this tonnage and nudged rates up.

In addition, the Singapore to Botany Bay 37,000t time charter equivalent (TCE) rate rose sharply to $28,230/d over the week, potentially pulling swing tonnage back from specialised trades, which could buoy rates further next week.

The market could face more pressure later in September as palm oil exports from Indonesia and Malaysia normally fall after the summer peak. Ships delayed by recent typhoon-related port disruption in northeast Asia are also returning to the market, adding to vessel availability.

China-ARA biodiesel freight $/t



Asia-Pacific IMO2 coated rates - part cargo				$/t
Route	Size '000t	Cargo		
Biofuels		**Biodiesel**	**HVO**	**SAF**
China-ARA	5	162.90	166.95	187.35
China-west Med	5	156.90	160.80	180.45
Singapore/Malaysia-ARA	5	138.95	142.40	159.80
Singapore/Malaysia-west Med	5	132.95	136.25	152.90
Feedstocks		**UCO**	**Veg oils**	**Palm oil**
China-ARA	5	173.50	162.90	-
China-west Med	5	167.10	156.90	-
China-USGC	5	175.70	-	-
Singapore/Malaysia-ARA	5	148.00	138.95	154.95
Singapore/Malaysia-west Med	5	141.60	132.95	148.25

Asia-Pacific stainless steel rates - part cargo				$/t
Route	Size '000t	Cargo		
Biofuels		**Biodiesel**	**HVO**	**SAF**
China-ARA	5	165.15	169.30	189.90
China-west Med	5	154.15	158.00	177.25
Singapore/Malaysia-ARA	5	146.25	149.90	168.20
Singapore/Malaysia-west Med	5	135.25	138.65	155.55
Feedstocks		**UCO/Pome**	**Veg oils**	**Palm oil**
China-ARA	5	175.90	165.15	-
China-west Med	5	164.15	154.15	-
China-USGC*	5	179.05	-	-
Singapore/Malaysia-ARA	5	155.75	146.25	163.05
Singapore/Malaysia-west Med	5	144.05	135.25	150.80

**excludes Pome*

Asia-Pacific stainless steel rates - full cargo				$/t
Route	Size '000t	Cargo		
Biofuels		**Biodiesel**	**HVO**	**SAF**
China-ARA	18.5	137.50	140.95	158.15
China-west Med	18.5	126.50	129.65	145.45
Singapore/Malaysia-ARA	18.5	122.95	126.00	141.40
Singapore/Malaysia-west Med	18.5	111.95	114.75	128.75
Feedstocks		**UCO/Pome**	**Veg oils**	**Palm oil**
China-ARA	18.5	146.45	137.50	-
China-west Med	18.5	134.70	126.50	-
China-USGC*	18.5	129.15	-	-
Singapore/Malaysia-ARA	18.5	130.95	122.95	130.35
Singapore/Malaysia-west Med	18.5	119.25	111.95	118.65

**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

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EUROPE

Europe awakens from summer lull

The European specialised coaster market picked up in the week to 27 August. This follows a month of inactivity during the typical summer lull in trading. Some participants suggested this as the beginning of the busier autumn period.

The jump in trade in northwest Europe and the Mediterranean buoyed vessel demand and lifted freight rates in both regions. In northwest Europe charterers brought a flurry of ethanol, fame, HVO and MTBE cargoes to the spot market. Many of these shipments were heading to Spain or France.

Charterers secured several ships for cargoes of biodiesel and feedstocks. A charterer secured the Mut Ozt for a 7,100t cargo of FAME from Rouen to Stanlow to load from 29 August-1 September. A charterer secured the Esteem Sango for a 5,000t cargo of FAME from Tees to Amsterdam to load from 26-29 August.

Charterers also secured vessels for chemical shipments. SACOR secured the Densa Derya for a 5,000t cargo of MTBE from Antwerp to Sines to load from 26-28 August at $285,000 lump sum. A charterer secured the Bomar Mars for a 2,000t cargo of benzene from Donges to Gonfreville to load from 28-30 August.

The US' biofuels blending mandates have jumped sharply this year, which has boosted demand for feedstocks so much that European shipments are competitive, rather than just the common exporters in Latin America and Asia-Pacific. Diamond Green Diesel secured the Bow Star for a 5,500t cargo

Europe rates					$/t
Route	Size '000t	Cargo			
Biofuels		**Biodiesel**	**HVO**	**SAF**	**Ethanol**
ARA-east coast UK	5	33.65	34.50	36.00	33.65
ARA-west Med	5	78.45	80.40	83.95	78.45
Cross Med	5	59.65	61.15	63.85	59.65
West Med-ARA	5	72.40	74.20	77.45	72.40
ARA-USGC	10	52.25	53.55	-	-
Feedstocks		**UCO/Tallow/Pome**	**Veg oils**	**Palm oil**	**-**
ARA-east coast UK	5	35.85	33.65	35.65	-
ARA-west Med	5	83.55	78.45	83.15	-
Cross Med	5	63.55	59.65	63.25	-
West Med-ARA	5	77.10	72.40	76.75	-

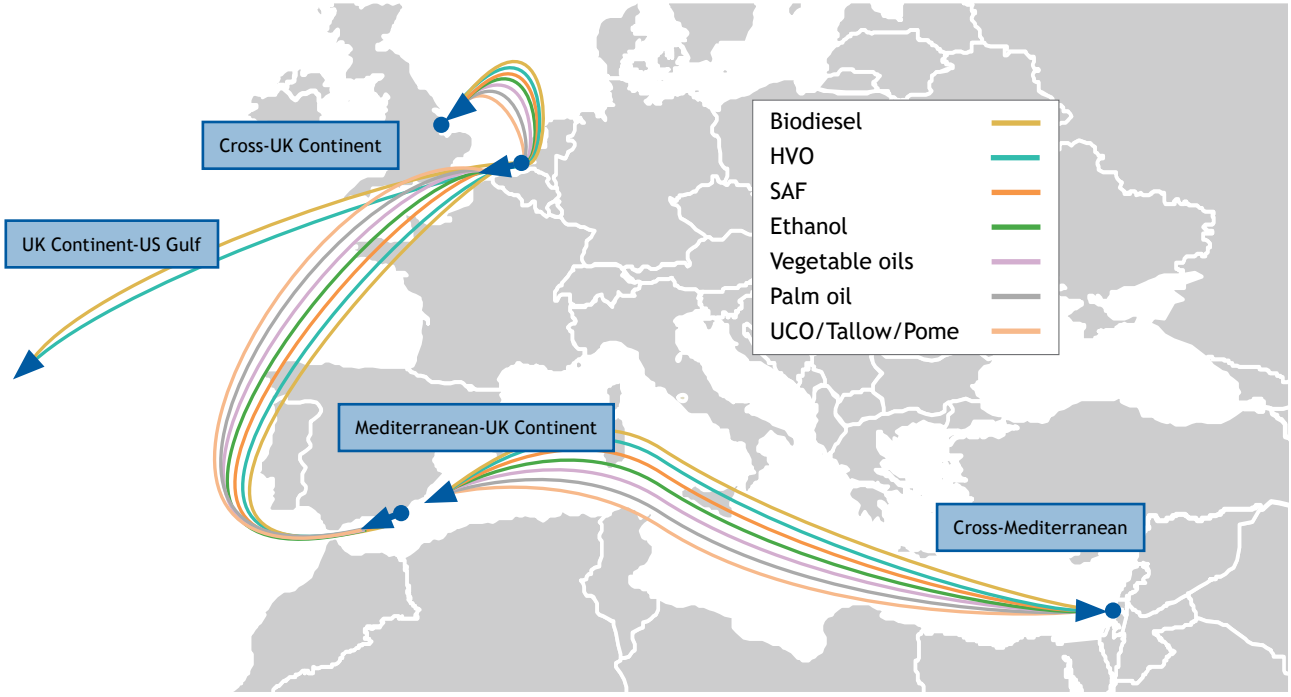
Europe rates assume full cargoes loaded onto 5,000-15,000dwt specialised IMO2 coaster vessels, except for the ARA-USGC assessment, which assumes part cargoes loaded onto 22,000dwt stainless steel tankers

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

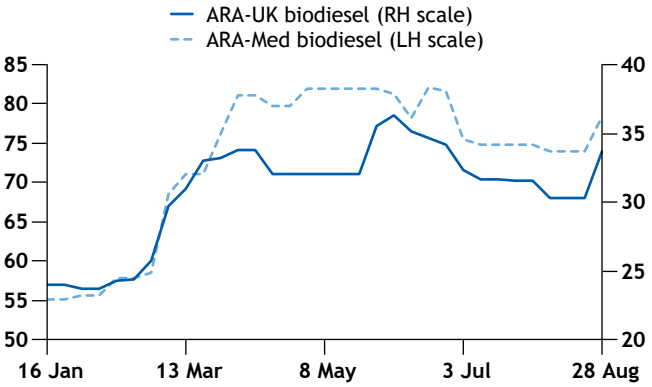
of tallow from Rotterdam to New Orleans to load from 26-29 August. The Bow Star was also fixed for 24,000t of tallow on the same voyage with a similar loading window, suggesting it has co-loaded several cargoes of tallow. The ship has been fully loaded with 48,178t according to Kpler data.

Biofuels have also started to flow to the US from Europe on rising US prices. Charterers sought three ships from Europe to the US east coast to US Gulf coast region. Charterers sought a ship for a 10,000t cargo of fame from Ravenna to load from 4-10 October 2026, and a ship for a 10,000t cargo of FAME from Bilbao to load from 21-26 September 2026. Trader Trafigura sought a ship for a 14,000-15,000t cargo of FAME from ARA to the US east coast to US Gulf coast region to load from 1-10 September.

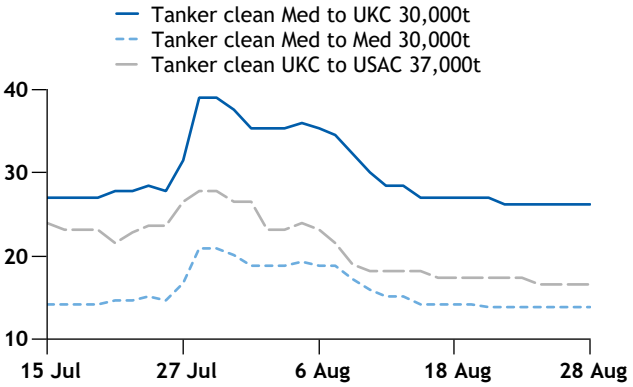
Chartering in the Mediterranean was comparatively slow but still marked higher activity than previous weeks. Charters brought several chemical, vegetable oils and ethanol cargoes to the spot market, broadly from Spanish and French ports.

Charterers secured several ships for petrochemical cargoes. Charterers secured the Ievoli Gold for a 9,000t cargo of benzene from Augusta to Rotterdam to load from 27-31 August. Charterers secured the Hayrettin Vardal for a 4,500t cargo of MTBE from Lavera to Rijeka to load from 27-30 August. Charterers secured the Lila Antwerp for a 20,000t cargo of sulphuric acid from Bandirma to Santos to load from 1-30 September at $75/t.

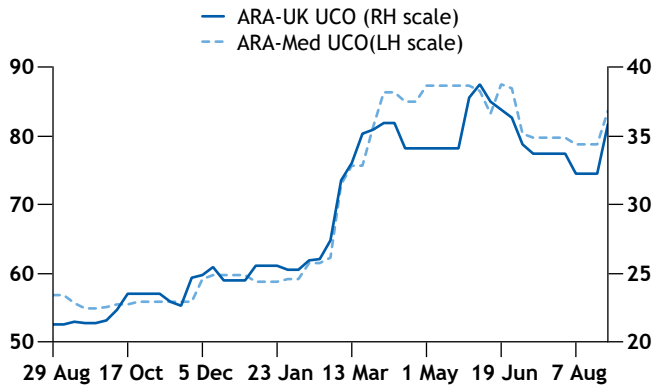
European biodiesel freight $/t



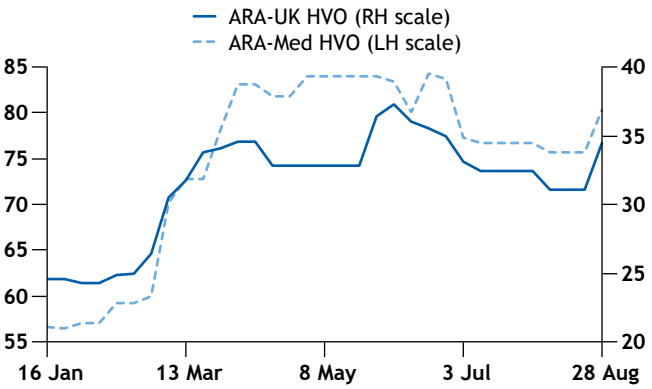
Med clean freight $/t



European UCO freight $/t



European HVO freight $/t



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AMERICAS

US Gulf to Mediterranean trade picks up

Cargoes of chemicals from the US Gulf coast to the Mediterranean and west coast India climbed in the week to 28 August. A busier market lifted some part-cargo rates in the US Gulf and kept others firm across varying trade lanes, and could signal the end of the summer lull in trading activity.

Charterers brought a flurry of cargoes to the spot market headed for the Mediterranean and west coast India which buoyed demand for specialised tankers in the region and lifted some freight rates. Long waiting times and rising fees at the Panama Canal pushed up rates from the Americas to Asia-Pacific.

Charterers sought ships for more cargoes of caustic soda, EDC, and acetic acid destined for the Mediterranean, and methanol, glycols and EDC to west coast India.

There was more vessel space for the US Gulf to ARA trade which halted the rise in freight rates on these voyages.

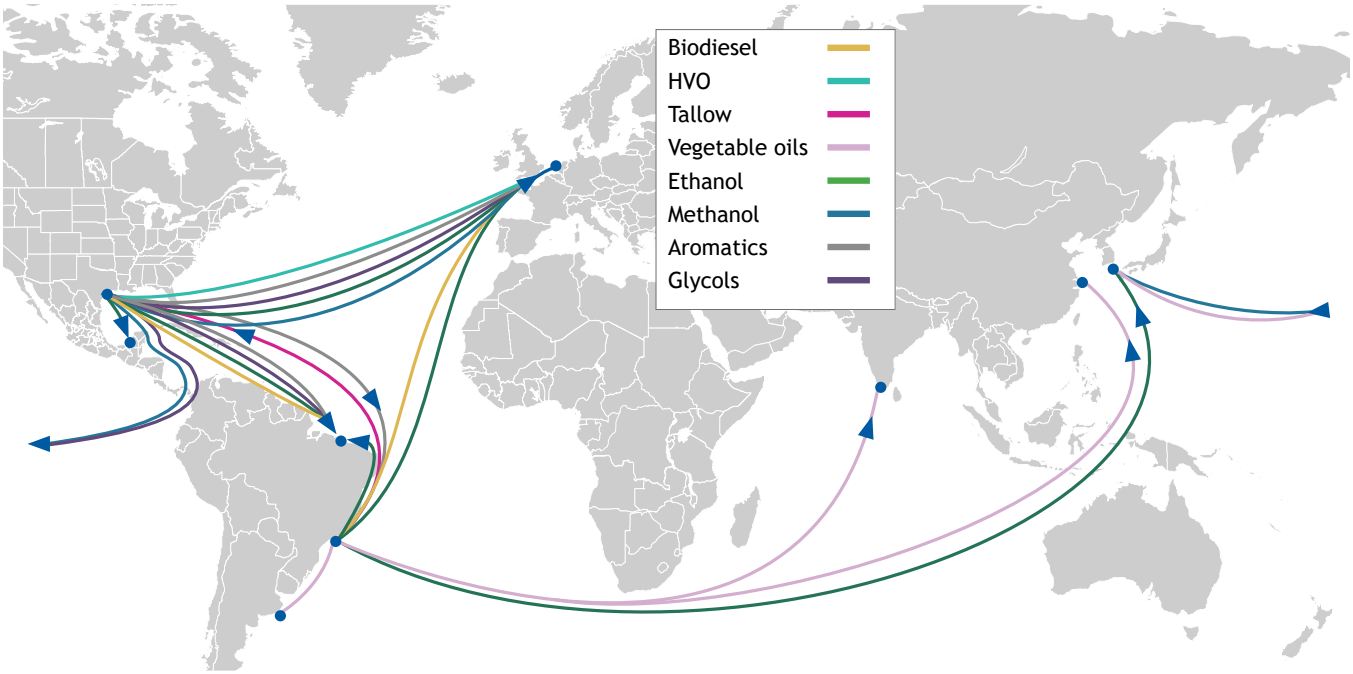
A charterer secured the Lila Gela for an 18,000t cargo of methanol from the US Gulf coast to west coast India to load from 1-10 September near $90/t, and the Octonaut for a 16,500t cargo of HVO from Galveston to Port Everglades to load from 7-17 September.

Basf secured the Bonita Ana for a 1,000t cargo of 2-Ethyl Hexanol from Pasadena to Cartagena to load from 26 September-10 October at $90/t.

Sasol secured the Chem Selenium for a 2,000t cargo of Alfol 10 from Houston to Antwerp to load from 1-10 September at $132/t, and the Stolt Sneland for a 950t cargo of Alfol

Americas rates - full cargo						$/t
Route	Size '000t	Cargo				
Biofuels/feedstocks		**Biodiesel**	**HVO**	**Tallow**	**Veg oils**	**SAF**
Argentina+S Brazil (2p)-China (2p)	40	-	-	-	95.50	-
Argentina+S Brazil (2p)-WC India (2p)	40	-	-	-	76.50	-
Argentina-WC India (2p)	30	-	-	-	67.25	-
USGC-ARA	40	-	66.45	-	-	74.75
USGC-S Brazil	40	-	69.85	-	-	78.60
USGC-Chile	40	-	76.60	-	-	-
S Brazil-USGC	18.5	-	-	87.90	-	-
USGC-N Brazil	18.5	72.90	-	-	-	-
USGC-ARA	18.5	68.20	69.50	-	-	-
Alcohols/chemicals		**Ethanol**	**Methanol**	**Aromatics**		**Glycols**
USGC-S Brazil	40	66.10	62.95	64.20		-
USGC-ARA	40	62.85	59.90	61.05		-
USGC-S Korea	40	-	86.90	-		91.65
S Brazil-ARA	40	67.20	-	-		-
S Brazil-S Korea	30	76.25	-	-		-
S Brazil-ARA	18.5	72.65	-	-		-
S Brazil-USGC	18.5	85.25	-	-		-
USGC-east coast Mexico	18.5	23.00	-	21.90		21.25
USGC-N Brazil	18.5	71.55	64.70	68.15		66.10
USGC-ARA	18.5	66.95	60.55	65.05		63.75

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

8 from Houston to Ulsan to load from 31 August-10 September at $250/t.

A charterer secured the Altum Sidus for a 34,000t cargo of HVO from Come By Chance Bay to UKC to load from 26 August-6 September.

The clean tanker market in the America was relatively stable through the week. The bellwether US Gulf coast to Chile clean Medium Range (MR) tanker rate was at $76.97/ton 26 August, the same as on 19 August. This has kept rates steady for full cargoes on specialised MRs for charterers seeking to move 30,000-40,000t cargoes of ethanol, methanol or caustic soda.

Higher transit costs, longer waiting times and fewer available slots at the Panama Canal have supported US Gulf to Asia-Pacific rates. The Panama Canal Authority (ACP) plans to reduce the number of booking slots available for vessels transiting the canal, with the first reduction scheduled for 4 September and an additional cut to follow on 15 September. These restrictions are pushing transit costs higher and even making it more economical for some owners to voyage via the Cape of Good Hope.

Brazilian exports of tallow, a primary source of demand for specialised tankers, dropped substantially this month. The US administration imposed a new 12.5pc duty on Brazilian tallow on 24 July which added to an existing 25pc tariff on Brazilian imports effective since 22 July, bringing the total up to 37.5pc. Exports of Brazilian tallow to the US dropped to 7,000t to date in August, down 88.7pc from 62,000t in July, Kpler data show. But Brazilian and US representatives were set to meet this week to discuss US tariffs on Brazilian imports imposed in July. Brazilian president Lula told US President Trump that the US' 25pc tariffs on Brazilian products were "unfounded" during a phone call last week.

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

Route	Size '000t	Cargo				
Biofuels/feedstocks		**Biodiesel**	**HVO**	**Tallow**	**SAF**	**Veg oils**
USGC-ARA	5	-	103.25	-	116.15	-
USGC-Chile	5	-	117.60	-	-	-
USGC-S Brazil	5	-	105.25	-	118.40	-
Alcohols/chemicals		**Ethanol**	**Methanol**	**Aromatics**		**Glycols**
S Brazil-ARA	5	103.15	-	-		-
USGC-S Brazil	5	99.55	94.80	96.70		-
USGC-ARA	5	97.65	93.00	94.85		-
USGC-S Korea	5	-	118.90	-		125.45

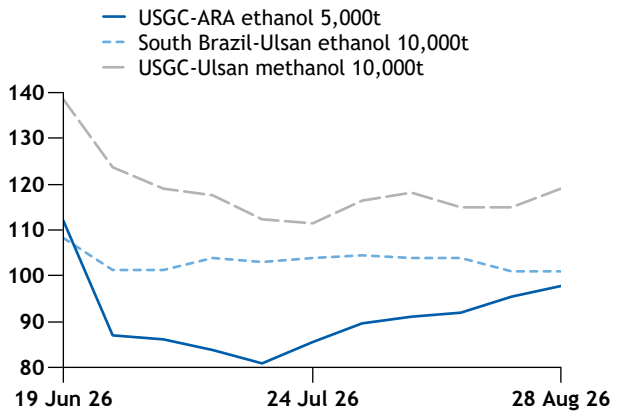
Americas stainless steel rates - part cargo *$/t*

Route	Size '000t	Cargo			
Biofuels and feedstocks		**Biodiesel**	**HVO**	**Tallow**	**Veg oils**
South Brazil-ARA	5	87.70	-	-	-
South Brazil-USGC	5	-	-	101.00	-
USGC-north Brazil	5	89.60	-	-	-
USGC-ARA	5	82.65	84.20	-	-
Alcohols and chemicals		**Ethanol**	**Methanol**	**Aromatics**	**Glycols**
South Brazil-ARA	5	86.00	-	-	-
South Brazil-South Korea	5	101.00	-	-	-
South Brazil-USGC	5	97.95	-	-	-
USGC-east coast Mexico	5	38.35	-	36.50	35.40
USGC-north Brazil	5	87.95	79.55	83.75	81.25
USGC-ARA	5	81.10	73.40	78.80	77.25

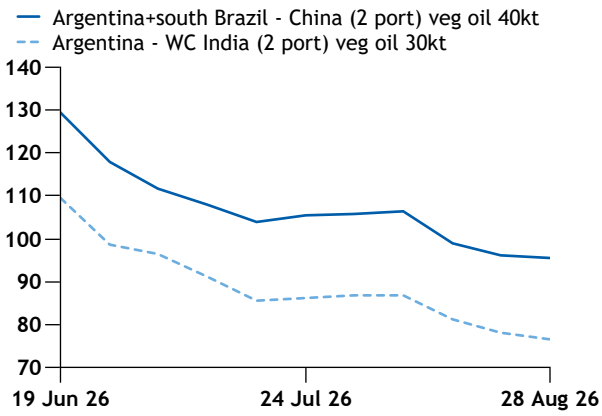
Announcement

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Americas specialised freight *$/t*



Americas veg oils freight *$/t*

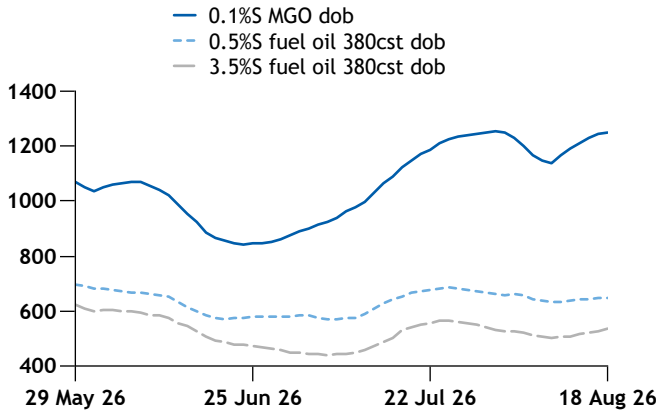


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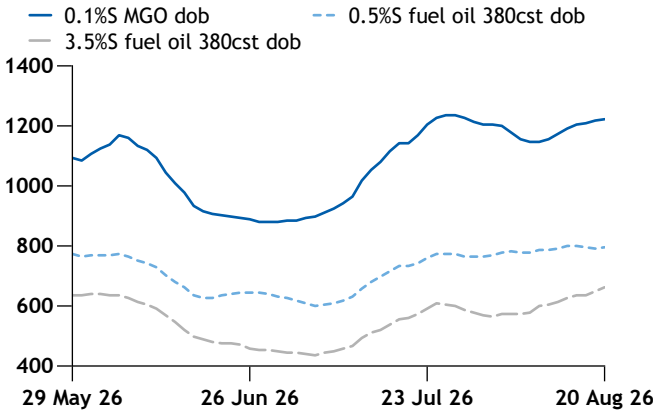
BUNKERS

Conventional

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

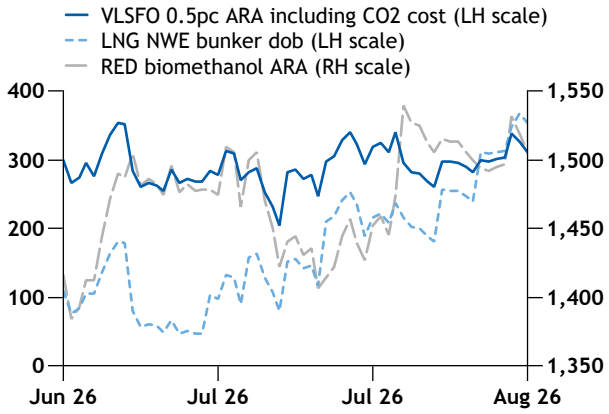


Singapore bunker prices (0.5%S, 3.5%S, MGO) $/t

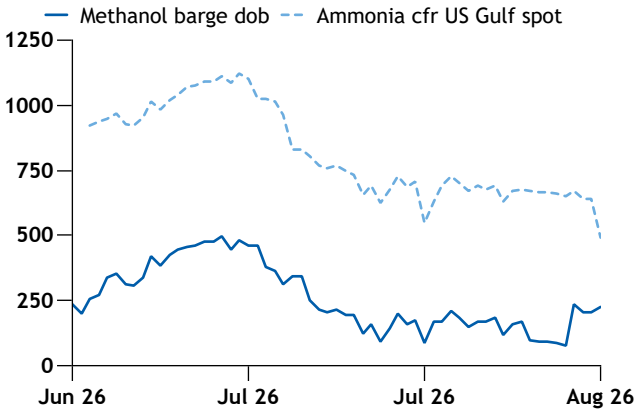


Alternative

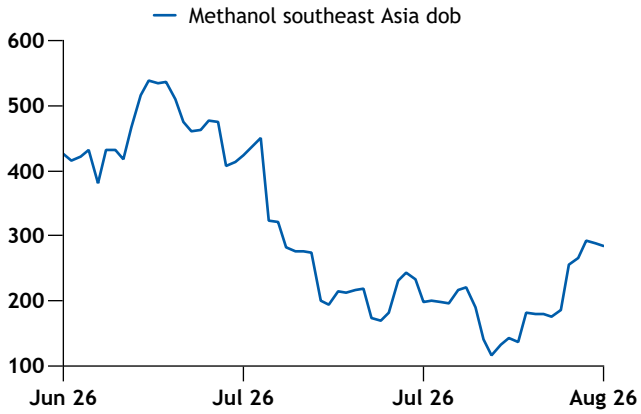
Rotterdam - LNG, others as premiums to VLSFO $/t



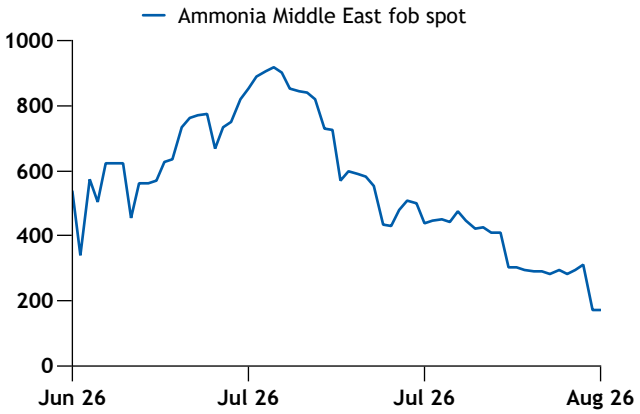
USGC - Methanol, ammonia as premiums to VLSFO $/t



Singapore - Methanol premium to VLSFO $/t



Middle East - Ammonia premium to VLSFO $/t



Daily marine fuels prices and market intelligence are available in the Argus Marine Fuels service

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THE PULSE

Brazil raises gasoline, ethanol demand outlook

Brazil's energy research bureau EPE raised its gasoline and ethanol demand projections for 2026 and 2027 from its June report, while reducing its diesel consumption estimates.

Combined demand for diesel, gasoline, hydrous ethanol, jet fuel and LPG may rise by 2.2pc year-over-year to 166.8bn liters (2.9mn b/d) this year, stable from June's projections, according to EPE. The 2027 domestic fuel demand projection rose to 170.5bn liters from 169.5bn liters in the previous report, for a 2.2pc rise from 2026. EPE updates its projections every two months.

Brazil's gasoline demand will rise by 1.3pc from a year before to 48.3bn liters in 2026, above the 48.2bn liters projection in June, EPE said.

EPE points to a 1.1pc rise to 48.8bn liters in gasoline consumption in 2027, above its previous projections of 48.3bn liters. The estimate considers a 32pc (E32) anhydrous ethanol blend mandate in gasoline from August 2026-January 2027, decreasing to 30pc (E30) afterwards.

The bureau expects hydrous ethanol consumption in 2026 to rise by 3.5pc from last year to 24bn liters, above its previous projection of 23.6bn liters.

EPE expects increased ethanol supply thanks to a strong 2026-27 sugarcane crop, mills favoring ethanol production over sugar, and corn-based ethanol plants starting operations. Ethanol-gasoline price parity has been favorable to the biofuel since April 2026, which could drive ethanol demand close to its highest levels, EPE said.

In Brazil, hydrous ethanol is used as the standalone biofuel E100, which competes with gasoline at the pump.

Hydrous ethanol consumption may reach a record high level in 2027, rising by 5.1pc to 25.3bn liters, EPE said, above its previous projections of 24.4bn liters.

Diesel projections down

The bureau reduced its expectations for 10ppm diesel consumption growth to 51bn liters, a 4.4pc increase from 2025 but below its previous 51.3bn liters forecast. EPE also expects diesel demand to grow by 5.1pc to 53.5bn liters in 2027, down from the previous 53.8bn liters projection.

Biodiesel demand will grow by 10.1pc to 10.6bn liters this year, unchanged from the June forecast, followed by a 2pc gain to 10.8bn liters in 2027, below the 10.9bn liter June forecast.

Jet fuel consumption will grow to 7.6bn liters in 2026, a 2.3pc increase from 2025 and slightly above its June 7.5bn liters forecast. EPE also expects jet fuel demand to increase by 2pc to 7.7bn liters in 2027, unchanged from the previous report.

By Lucas Lignon

Biofuel groups ask Trump to limit SREs

A dozen biofuel and agriculture groups have asked President Donald Trump to limit small refinery exemptions (SRE) from biofuel blending mandates as the Environmental Protection Agency (EPA) is expected make decisions on ones from 2025 by the end of the month.

The groups sent a letter to the White House on Thursday urging the administration to consider biofuel infrastructure investments, such as $7bn in crush capacity expansions that followed the EPA's Set 2 stage of the federal Renewable Fuel Standard (RFS).

The latest RFS targets finalized by the EPA earlier this year mandated record amounts of biofuel blended with conventional road fuels, serving as a bullish indicator to the biofuels and agriculture industries.

The RFS requires refiners to blend various types of biofuels each year on an increasing scale or meet their obligations by buying credits, known as renewable identification numbers (RINs).

The lobbying organizations fear that a wave of SREs would "decimate" demand for biofuels that the RFS would normally stimulate and in turn depress corn, soybean oil, canola and other renewable feedstock demand.

Individual refining facilities with a nameplate capacity of 75,000 b/d or less can petition the EPA for an SRE. If approved, the agency then grants total or partial relief.

"SREs were intended by Congress to provide targeted relief in cases of genuine disproportionate economic hardship as a result of the RFS — not to provide a pathway for a select group of refiners to secure regulatory arbitrage," the groups wrote.

Signatories included the Clean Fuels Alliance, Growth Energy, Renewable Fuels Association, the National Oilseed Processors Association and eight other groups and businesses active in the renewable fuels sector.

By Thom Dwyer

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Hormuz traffic Thursday flat from day earlier

Commercial vessel traffic through the strait of Hormuz on Thursday remained constrained despite assertions by US officials that the waterway was open to commercial traffic and free of mines.

A total of 12 vessels transited the strait of Hormuz on 27 August, the same number as a day before, according to data from maritime security firm Windward. The traffic was equally split between inbound and outbound movements, including four tankers inbound on the northern Iranian lane, three outbound tankers on the southern lane and one outbound on the northern lane.

This puts commercial vessel traffic through the waterway just under 10pc of the normal traffic levels prior to the 28 February US-Israel attack on Iran that prompted Iran to declare the strait closed.

Admiral Brad Cooper, commander of the US Central Command (Centcom), which oversees US forces in the Mideast, said in a video post late on 27 August that internationally recognized transit lanes in the center of the strait are free of Iranian mines and that "today, international shipping lanes are open and momentum is building". No vessels were detected by Windward as transiting via the center lane on that day.

Traffic since the start of the US-Iran war has been largely bifurcated between the northern and southern lanes. Prior to the war, ships transited the strait through the centermost lane via an established Transit Separation Scheme (TSS) route. The TSS was proposed by Oman and Iran and adopted by the IMO in 1968, designating shipping lanes for maritime traffic to reduce collisions and improve safety. Following the outbreak of the US-Iran war, the middle TSS lanes were reportedly mined by Iranian forces, rendering traffic through them highly dangerous.

A combination of factors are likely to make vessels easier to target if they are transiting in the center of the strait compared with transits closer to the coastline, said Joshua Tallis, research program director at the Center for Naval Analyses (CNA). This includes a more complicated sensor environment closer to the coast and proximity to missile defense systems.

US officials continue to double down on claims that the US had been supporting significant flows of oil through the waterway. Centcom's Cooper said US forces have assisted nearly 1,500 commercial vessels through the strait by providing coordinated protection, with a total of 750mn bl of crude oil destined for global markets "over the past several months". In the three months before the war started crude flows averaged 700mn bl a month, Vortexa data show.

In a late Thursday social media post US Treasury secretary Scott Bessent echoed claims by other US officials that in the last 14 days the US has guided 130mn bl out of the strait of Hormuz. That figure, which approximates to 9.3mn b/d, is in line with the 9mn-10mn b/d claimed by other US officials including US president Donald Trump, but far below the 3.5mn-3.7mn b/d average that can be corroborated by available satellite imagery and vessel tracking information.

By Charlotte Bawol

Biofuel groups ask Trump to limit SREs

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By Thom Dwyer

Singapore to buy aviation fuel JV Cafhi stake

Singapore energy and chemicals firm Aster will buy a stake in Changi Airport's fuel storage and infrastructure joint venture Changi Airport Fuel Hydrant Installation (Cafhi), it

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said today.

This will allow Aster to supply aviation fuel directly to international airlines at Singapore's Changi Airport. The transaction is subject to the requisite approvals and the fulfilment of customary closing conditions, Aster said.

Further details such as the timing of the acquisition will be shared when appropriate, Aster told *Argus* on 28 August. It also declined to comment on the percentage of shares due to commercial sensitivities.

Singapore's Sustainable Aviation Fuel Company (SAFCo) had required participants in its trial SAF tender to be a Cafhi member, or work with a member to supply volumes into the airport.

Other Cafhi members include shareholders ExxonMobil, Shell, BP, TotalEnergies, and Singapore Petroleum Company (SPC), as well as Singapore-based sustainable aviation fuel (SAF) producer Neste, which has a minority stake.

Aster previously partnered with fellow Singaporean firm Keppel in January to build one of Asia's first commercial-scale alcohol-to-jet (AtJ) SAF plants. The facility will be situated on Singapore's Jurong Island and have a planned capacity of 100,000 t/yr.

The project is currently in its front-end engineering design (Feed) phase, which is targeted to be completed in next year's first quarter, a source familiar with the matter told *Argus*.

Aster is also working with US-based climate technology firm Aether Fuels to develop a 2,000 t/yr next-generation SAF facility at its refining and petrochemical complex on Singapore's Pulau Bukom.

The plant, named as Project Beacon, is scheduled to begin construction in 2027 and commercial operations in 2028, a source familiar with the matter told *Argus*. The plant will use Aether's enhanced Fischer-Tropsch (FT) technology to convert industrial waste gas and biomethane into Carbon Offsetting and Reduction Scheme for International Aviation (Corsia)-certified SAF.

By Sarah Giam

Spain was net ethanol exporter in 1H

Spain again imported large amounts of ethanol from the US in June, but was a net exporter in the first half of the year, customs data show.

Imports in June were 32,000t, down from a particularly high 42,000t in May *(see chart)* and above the 22,000t in June 2025. January-June arrivals were 165,000t, up from 150,000t on the year.

Spain received 15,000t from the US in June, at Barcelona and Huelva. The US was Spain's largest supplier in the first half of the year, with 77,000t. Increased US shipments have reshaped Spain's ethanol imports in the past three years, with Spanish terminals serving as hubs for US imports and re-exports to other EU countries. But increasing amounts appear to be destined to supply domestic consumption. Imports at Barcelona in particular appear to be for gasoline blending at the port, according to workers.

Ethanol imports from the US are denatured, blended with additives and unfit for human consumption. Spain will adopt regulations in 2027 permitting only undenatured ethanol in fuel blending. It is unclear if US suppliers will adapt exports to comply, or if this will stimulate Spanish output.

Spain's exports were 34,000t in June, up from 31,000t in May and compared with 35,000t in June 2025. Exports were 215,000t in the first six months of the year, down from 230,000t a year earlier.

Spain's ethanol consumption was 12,700t in June, according to strategic reserve Cores, up from 11,500t in May and lower by 28pc on the year, based on upwardly revised figures. Full-year 2025 demand was revised several times by Cores, ending up at 222,000t.

Apparent Spanish ethanol production — assessed by *Argus* using import, export and demand data — was 15,000t in June, down from 17,000t in May. It was an estimated 120,000t in January-June, down from 190,000t a year earlier.

By Adam Porter

French ethanol demand rises, E85 hits record

Demand for fuel ethanol in France increased in June, as sales of ethanol-rich E85 and E10 grades reached record highs. The 5pc ethanol SP95 grade had its lowest share of domestic gasoline demand in several years.

Industry body Bioethanol France reported E85 consumption, used in flex-fuel vehicles, at 68,000t in June, up by 17pc on the year. E85 also reached 68,000t in April.

It took a 6.2pc share of French gasoline consumption. Higher gasoline prices, caused by the US-Iran war, supported E85 demand. A similar increase occurred in February-March 2022, when Russia invaded Ukraine *(see chart)*. French gasoline prices were above €1.90/litre in June and higher in rural areas, while E85 was around €0.83/l.

Some vehicle owners are installing devices to converts gasoline cars to run on E85, supporting longer-term demand. Others are running E85 either neat or blended with gasoline, which risks engine corrosion and potential insurance invalidation.

Despite this extra E85 demand, it remains marginal compared with domestic gasoline consumption of around 900,000-1mn t/month.

E85 accounted for around 47pc of French fuel ethanol consumption in June. Data from Bioethanol France and *Argus*

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calculations show ethanol demand — including oxygenate ETBE — at 148,000t, up by 6.6pc on the year and the second highest on record behind July 2025.

E10 sales reached a new high in May at 650,000t, up by 4.6pc on the year, representing a 61pc share of total gasoline sales. Sales of premium grade SP98 — which contains 1pc ethanol and up to 15pc oxygenate ETBE, which can contain 47pc ethanol — were 225,000t, flat on the year.

SP95 demand fell by 14pc on the year to 120,000t, giving it a 12pc share of French gasoline demand, the lowest in 16 years.

Overall ethanol consumption equated to an estimated calorific share of 9pc in June, flat on the month and just below April's three-year high of 9.1pc. Energy ministry data suggest France is meeting its 9.9pc blending goal using ethanol made from double-counted feedstock.

By Adam Porter

Botswana Oil seeks bids for biodiesel supply

State-owned Botswana Oil (BOL) has invited suppliers to express interest in supplying B100 biodiesel under a potential three-year agreement.

B100 is 100pc biodiesel. The B7 road fuel grade commonly used in Europe contains up to 7pc biodiesel blended into conventional diesel.

BOL said the exercise is intended to identify suitable suppliers, assess market capacity and available biodiesel products, and inform a possible future procurement process. The indicative scope includes the supply, transportation and delivery of B100, quality assurance, storage and handling support, and sustainability reporting covering feedstock origin and carbon emissions performance.

Botswana's biodiesel procurement effort comes against a backdrop of limited regional production capacity. Africa has an estimated biodiesel production capacity of around 84,000 t/yr, compared with roughly 20mn t/yr in Europe, according to *Argus* data.

BOL is seeking information on suppliers' production capacity, feedstock availability, product origin and sustainability credentials. Participants will be required to demonstrate compliance with Botswana's BOS 626:2016 biodiesel specification or an equivalent internationally recognised standard.

The company said final specifications, volumes, delivery frequency and contract duration would be determined during any subsequent procurement process. Responses are due by 25 September.

By Christian Hotten

Germany adds nations to biofuels check list

Germany has added Nicaragua, Uruguay and Pakistan to a list of countries allowing on-site inspections at biofuel plants.

The list, published by the German Federal Office for Agriculture and Food (BLE), is part of Berlin's transposition plans for the EU's revised Renewable Energy Directive (RED III).

Germany has steadily expanded the audit list as it prepares to implement RED III, and will widen its compliance pathways by expanding the range of feedstocks classified as advanced for hydrotreated vegetable oil (HVO), although notably palm oil mill effluent (Pome) oil will be ineligible. The audit rule links to Germany's greenhouse gas reduction quota, with biofuels from non-listed countries to lose eligibility for mandate compliance from a date to be determined once RED III enters into force — most likely 2027.

Nicaragua and Uruguay have not been significant suppliers of biofuels to the EU this year according to Eurostat data. Nicaragua supplied 17,300t of palm oil and 5,500t of undenatured ethanol between January and June, while Uruguay supplied 1,400t of used cooking oil (UCO). While Germany will make palm oil mill effluent (Pome) oil — a derivative of palm oil — ineligible for compliance under RED III, exporting goods to the EU may become more favourable for Uruguay in the coming years, thanks to the EU-Mercosur deal.

The trade agreement, which came into force this year, enables goods of Mercosur origin — which includes Uruguay — to be imported under a reduced tariff or even tariff-free. The permitted import quotas for several products, like ethanol, are relatively small to start, but grow incrementally year on year until they reach a fixed annual ceiling. This is 650,000t by 2031 for ethanol, 450,000 t/yr for industrial material duty-free and 200,000 t/yr for non-industrial product at a reduced tariff of €34-64/m^3.

Pakistan has historically been a major exporter of industrial-grade ethanol to Europe, but not fuel-grade material. Market participants have said that this is due to production facilities in the country lacking the sustainability certifications, such as the International Sustainability and Carbon Certification (ISCC), required for biofuels to qualify under the EU Renewable Energy Directive (RED) targets.

Pakistan's Generalised Scheme of Preferences Plus status (GSP+) for imports of ethanol, was suspended by the European Commission in June 2025, so the country lost the preferential reduced-tariff or tariff-free status granted under the scheme, permitting vulnerable low and lower to middle-income countries access to the EU market. In Pakistan's case, it fully removes custom duties on two-thirds of the bloc's tariff lines.

Even without GSP+ status, Pakistan continues to export large volumes of ethanol to the EU and is the bloc's fifth largest supplier, with 52,949t — 23,468t of undenatured

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material and 29,481t of denatured product — in January to June, according to Eurostat data.

Germany only permits undenatured ethanol, which contains no additives and is safe for human consumption, to be counted towards its national annual renewable energy obligation in transport.

By Toby Shay

Shipowners ramp up LR1 tanker orders

Shipowners have increased orders for new Long Range 1 (LR1) tankers, indicating renewed interest in a previously shrinking segment that offers trading advantages and a firm freight rate outlook.

Owners have placed at least 25 LR1 tanker orders so far in August, aggregated data from shipbrokers' reports show, the highest for any month this year and well above the monthly average of 14.

Danish shipping firm Torm ordered eight scrubber-fitted LR1s from China's Zhoushan Changhong. Greek owners Pantheon Tankers and Evalend Shipping each placed orders for six vessels at Chinese yards, while International Shipping, Yangzijian Maritime and Misheng FL ordered a combined 11 tankers. All vessels will be delivered between 2028 and 2030.

The newbuilding demand is supported by LR1's ability to transit the Panama Canal through the smaller Panamax locks. Larger vessels, such as Aframaxes and Suezmaxes, typically need to use the more expensive Neopanamax locks, which can become congested in busy periods or in hot summers when water levels drop.

International Seaways chief executive Lois Zabrocky recently pointed to this benefit, noting the company's LR1 fleet can be used to transport crude through the canal as well as the more usual product trade. The company operates its LR1s through Panamax International, a tanker pool with Ultranav and EP Flopec, and will have taken delivery of four vessels ordered in 2024 by the end of 2026.

Disruptions through the strait of Hormuz have displaced many larger tankers into east Asia, creating an opportunity for LR1 owners to increase their market share.

Rates for LR1s surged after the start of the US-Iran war. The Mideast Gulf-UK Continent rate averaged more than lump sum $7.5mn ($115/t) in April-June and has remained elevated at lump sum $6.4mn ($98.4/t) in July and $7mn ($108.1/t) to date in August. These are the highest since *Argus* began assessing the route in 2012.

The disruptions are now into a seventh month. The probability of restocking after the war could keep rates at a higher level than before the war.

If the LR1 ordering spree continues, incoming supply could outweigh demand and push respective rates back down in the coming years.

By Erika Tsirikou

VLGC reroutes around S America to avoid canal

A very large gas carrier (VLGC) returning to Houston from the Asia-Pacific region has opted to travel around South America instead of taking the significantly shorter route through the increasingly expensive Panama Canal, vessel tracking data show.

The VLGC *Gas Scorpio* was traveling empty from China toward the Panama Canal initially, and appeared to have entered the anchorage area vessels use prior to transit in mid-August, according to Vortexa data. But the ship began to move south on 21 August along the west coast of South America with its destination still set to Houston, likely adding around 20 days of voyage time to the journey alongside potential strait of Magellan pilotage fees.

When the vessel first arrived at the Panama Canal the *Argus*-assessed average price at auction for the Neopanamax locks that handle larger vessels like VLGCs was at $2.3mn. But on 26 August that price hit an all-time high of $3.1mn on steep competition for transit slots at the increasingly drought-afflicted waterway. At least one buyer paid as high as $5.26mn for a single auction slot.

The Panama Canal Authority added restrictions on transit slots, including reduced Neopanamax daily transits, after El Nino weather conditions led to below-average precipitation during this summer's rainy season, further complicating the flow of cargoes.

The *Gas Scorpio* was scheduled to load another LPG cargo on 25 August in the US Gulf coast after charterer Saudi Arabia ATC fixed the vessel in mid-July for another Houston to Chiba, Japan, voyage at $235/t.The vessel is now scheduled to arrive in the US in the second half of September.

Rerouting could boost VLGC freight

Avoiding the Panama Canal keeps ships off the spot market for extended periods, contributing to a shortfall of available VLGCs and potentially boosting freight rates. The rate for a Houston-Chiba VLGC voyage stood at $274/t on 26 August, *Argus* data show, 20pc below its all-time high of $345/t on 22 May on shifting trade flows after the closure of the strait of Hormuz by Iran.

The Strait of Magellan, which runs for around 350 miles around southern Chile and Argentina can be an undesirable alternative to the Panama Canal for shippers given severe weather conditions.

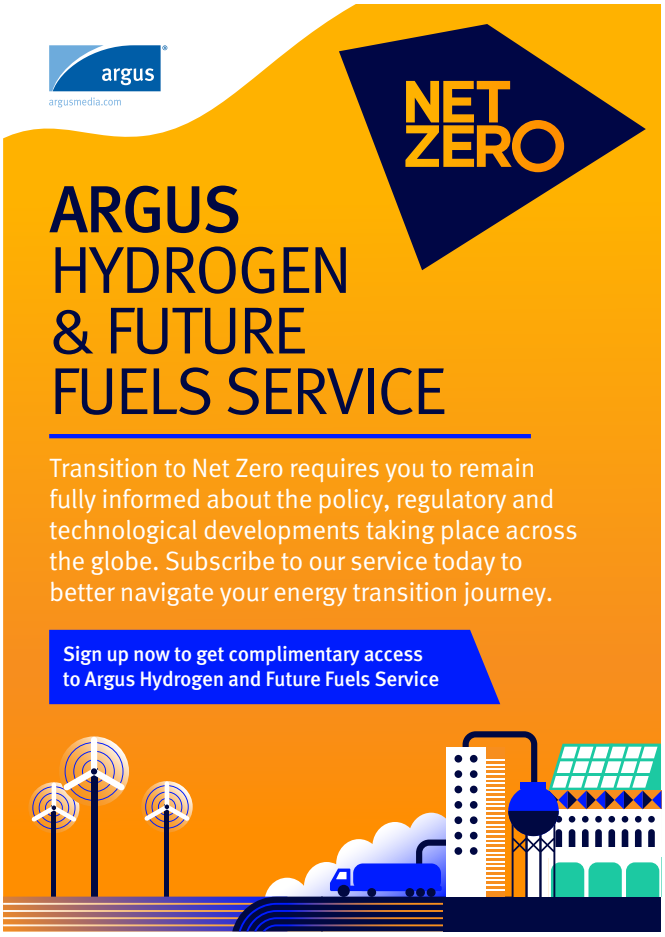
Other vessels sailing round-trip between Asia and the US Gulf coast are increasingly utilizing the Cape of Good Hope route, which also adds around 20 days of voyage time. But

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some charterers are paying premiums for smaller VLGCs specifically designed to fit the older and smaller Panamax locks. The average auction price via these locks hit $690,000 on 24 August, nearly 4.5 times less costly than the Neopanamax locks on the same day.

By Delfina Marchese



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Announcement

All data change announcements can be viewed online at www.argusmedia.com/announcements. Alternatively, to be added to the email distribution list for all announcements, please email: datahelp@argusmedia.com.

Announcement

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

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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