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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

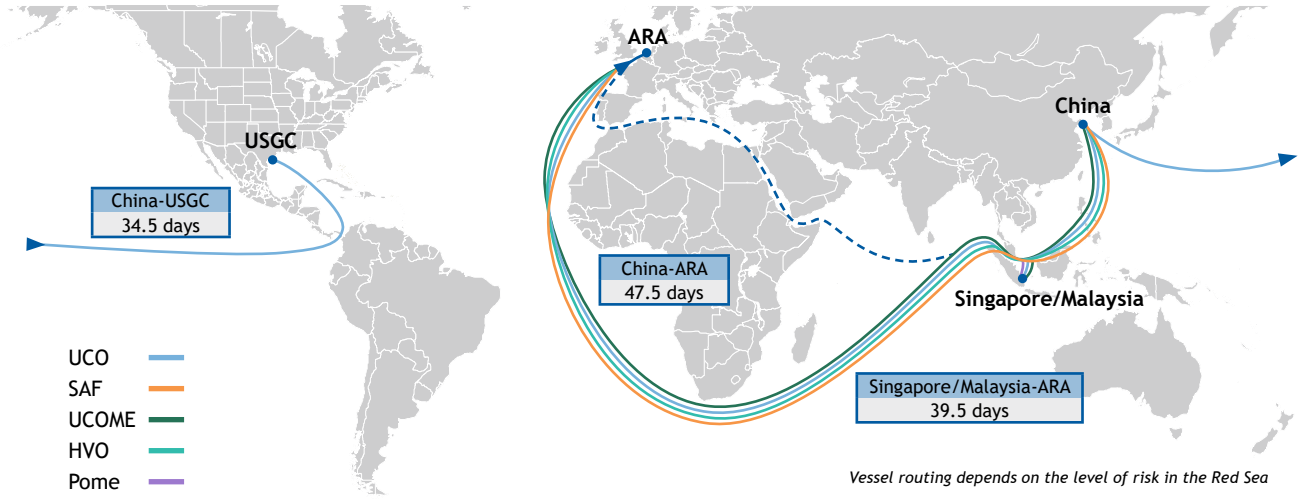
Asia spec cargo numbers drop

The outbreak of the US-Israel war with Iran has created shortages of oil products in Asia-Pacific. This has slashed the number of clean product and petrochemical cargoes available to specialised tankers.

The 'critical' security threat in the Mideast Gulf has stopped most ships passing the strait of Hormuz with exports of crude oil, clean products, and petrochemicals from the Mideast Gulf to Asia-Pacific. This has led to shortages of these products in Asia-Pacific and slowed production at refineries and petrochemical plants.

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	86.25	142.75	✗	✗
China	ARA	IMO2 coated	UCO	50,000	91.85	152.05	✗	✗
China	ARA	Stainless steel	UCO	22,000	140.30	181.05	✗	✗
China	USGC	IMO2 coated	UCO	50,000	70.00	134.10	✗	✗
China	USGC	Stainless steel	UCO	22,000	115.05	145.00	✗	✗
China	ARA	IMO3 coated	HVO	50,000	83.40	146.30*	✓	✓
China	ARA	IMO3 coated	SAF	50,000	85.40	164.15*	✓	✓
China	ARA	Stainless steel	SAF	22,000	151.50	195.50	✓	✓
Singapore/Malaysia	ARA	IMO2 coated	UCOME	50,000	68.75	121.75	✓	✗
Singapore/Malaysia	ARA	IMO2 coated	UCO	50,000	73.20	129.65	✗	✗
Singapore/Malaysia	ARA	Stainless steel	UCO	22,000	118.55	159.75	✗	✗
Singapore/Malaysia	ARA	Stainless steel	Pome	22,000	118.55	159.75	✗	✗

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

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ASIA-PACIFIC

Pressure rises on sliding petchem and CPP rates

Falling numbers of petrochemicals and clean petroleum product (CPP) cargoes across Asia-Pacific weighed on freight rates in the week to 13 March.

The US-Israel war with Iran limited vessels transiting via the strait of Hormuz for the second week running. This has slashed exports of crude oil, CPP and petrochemicals from the Mideast Gulf to Asia-Pacific.

A drop in crude supplies has weighed on run rates in Asian refineries, capping the number of CPP cargoes in the spot market. China's top regulator, the National Development and Reform Commission verbally informed to halt new oil product sales contracts and cancel shipments that have been sold but not yet loaded as of 4 March. Thailand has formally suspended all CPP exports. Japanese refiners have cancelled three or four gasoil cargoes. South Korea's government has considered imposing a CPP export ban. The loss of CPP flows to Asia-Pacific has contributed further to the supply-crunch and further limited CPP cargoes available to tankers.

This has weighed on CPP freight rates with the bellwether Singapore to Port Botany MR time charter equivalent (TCE) rate dropping week-on-week to $13,175/d on 13 March down about 41.8pc from $22,623/d on 5 March. The rapid drop in revenues in the CPP freight market has pushed more 'swing tonnage' ships away from the CPP market, instead competing for biofuels and chemicals, weighing on specialised tanker rates.

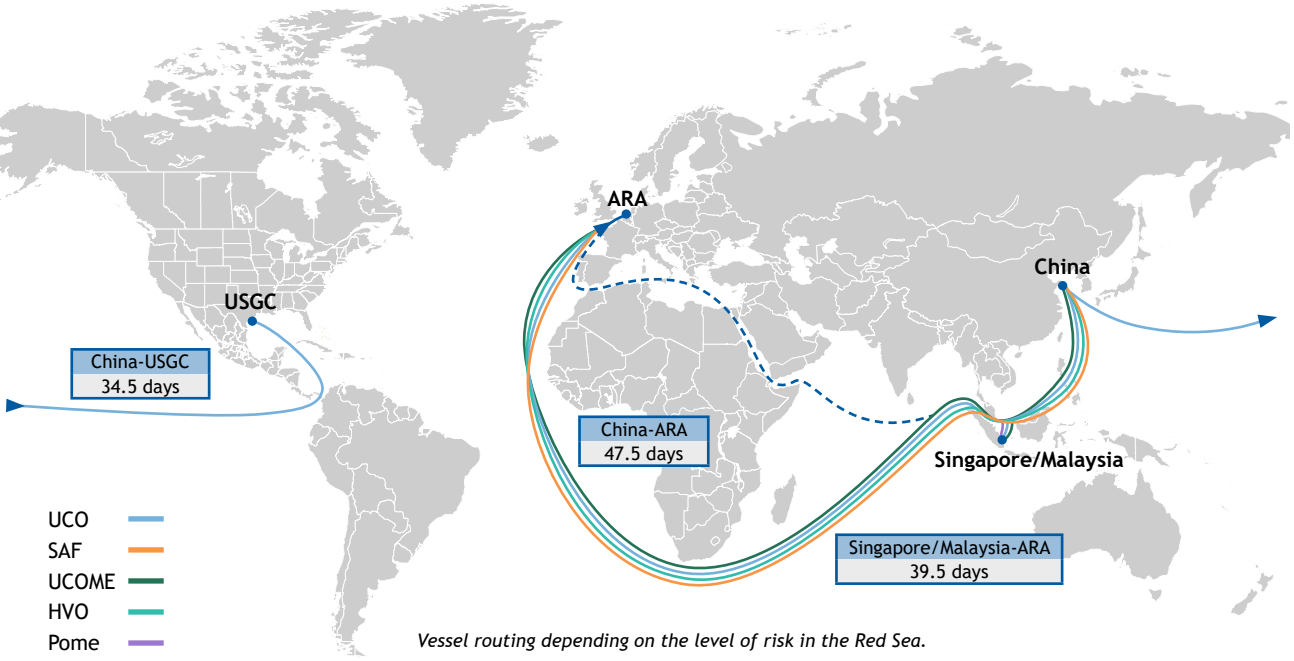
Asia-Pacific IMO2 coated rates - full cargo				$/t
Route	Size '000t	Cargo		
Biofuels		**Biodiesel**	**HVO**	**SAF**
China-ARA	40	86.25	88.40	99.20
China-west Med	40	80.25	82.25	92.30
Singapore/Malaysia-ARA	40	68.75	70.45	79.05
Singapore/Malaysia-west Med	40	62.75	64.30	72.15
Feedstocks		**UCO**	**Veg oils**	**Palm oil**
China-ARA	40	91.85	86.25	-
China-west Med	40	85.45	80.25	-
China-USGC	40	70.00	-	-
Singapore/Malaysia-ARA	40	73.20	68.75	72.90
Singapore/Malaysia-west Med	40	66.85	62.75	66.50

Asia-Pacific IMO3 rates - full cargo			$/t
Route	Size '000t	HVO	SAF
China-ARA	40	83.40	85.40
China-west Med	40	77.25	79.25
Singapore/Malaysia-ARA	40	65.45	67.45
Singapore/Malaysia-west Med	40	59.30	61.30

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

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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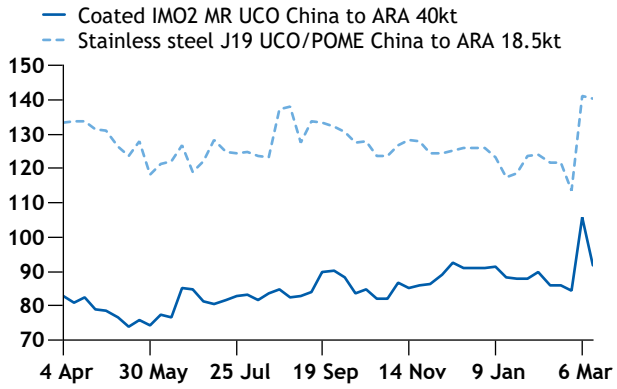
ASIA-PACIFIC

The loss of CPP and other petrochemicals has also throttled the feedstocks required by Asian petrochemicals producers. At least 14 producers have issued Force Majeures on exports since 28 February when the conflict began in the Mideast Gulf. This has slashed the number of petrochemicals cargoes requiring IMO2 tankers in Asia-Pacific.

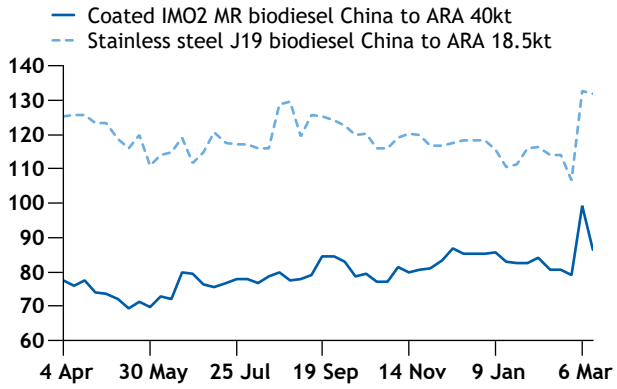
The loss of crude and clean exports from the Mideast Gulf have driven up global crude prices and bunker costs. *Argus* Fuel oil bunker 0.5pc S 380cst Singapore dob jumped to a five year high of $1191.23/t on 9 March, up 131pc from $515.52/t on 27 February before the disruption in the Mid-east Gulf. This rate has settled slightly to $1002.55/t on 13 March but is still very high. The higher price of fuel pushed up shipowners' costs to move cargoes and offset some of the downward pressure on freight rates stemming from declining cargo numbers.

Higher palm oil prices and a disrupted freight markets have held charterers back in southeast Asia in recent weeks, further limiting cargo numbers in this region.

China-ARA UCO freight $/t



China-ARA biodiesel freight $/t



Asia-Pacific IMO2 coated rates - part cargo				$/t
Route	Size '000t	Cargo		
Biofuels		**Biodiesel**	**HVO**	**SAF**
China-ARA	5	142.75	146.30	164.15
China-west Med	5	136.75	140.15	157.25
Singapore/Malaysia-ARA	5	121.75	124.80	140.00
Singapore/Malaysia-west Med	5	115.75	118.65	133.10
Feedstocks		**UCO**	**Veg oils**	**Palm oil**
China-ARA	5	152.05	142.75	-
China-west Med	5	145.65	136.75	-
China-USGC	5	134.10	-	-
Singapore/Malaysia-ARA	5	129.65	121.75	135.75
Singapore/Malaysia-west Med	5	123.25	115.75	129.05

Asia-Pacific stainless steel rates - part cargo				$/t
Route	Size '000t	Cargo		
Biofuels		**Biodiesel**	**HVO**	**SAF**
China-ARA	5	170.00	174.25	195.50
China-west Med	5	159.00	162.95	182.85
Singapore/Malaysia-ARA	5	150.00	153.75	172.50
Singapore/Malaysia-west Med	5	139.00	142.45	159.85
Feedstocks		**UCO/Pome**	**Veg oils**	**Palm oil**
China-ARA	5	181.05	170.00	-
China-west Med	5	169.35	159.00	-
China-USGC*	5	145.00	-	-
Singapore/Malaysia-ARA	5	159.75	150.00	167.25
Singapore/Malaysia-west Med	5	148.05	139.00	155.00

**excludes Pome*

Asia-Pacific stainless steel rates - full cargo				$/t
Route	Size '000t	Cargo		
Biofuels		**Biodiesel**	**HVO**	**SAF**
China-ARA	18.5	131.75	135.05	151.50
China-west Med	18.5	120.75	123.75	138.85
Singapore/Malaysia-ARA	18.5	111.30	114.10	128.00
Singapore/Malaysia-west Med	18.5	100.30	102.80	115.35
Feedstocks		**UCO/Pome**	**Veg oils**	**Palm oil**
China-ARA	18.5	140.30	131.75	-
China-west Med	18.5	128.60	120.75	-
China-USGC*	18.5	115.05	-	-
Singapore/Malaysia-ARA	18.5	118.55	111.30	118.00
Singapore/Malaysia-west Med	18.5	106.80	100.30	106.30

**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

Announcement

All data change announcements can be viewed online at www.argusmedia.com/announcements.
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EUROPE

Mideast Gulf disruption bumps up coasters

The US-Israel war with Iran throttled supplies of diesel from the Mideast Gulf to Europe again in the week to 13 March. This pushed up the number of small clean petroleum product (CPP) cargoes in Europe and lifted bunker prices, both of which supporting specialised tanker rates in the region.

The conflict in the Mideast Gulf has left very few ships voyaging through the strait of Hormuz over the past two weeks, and shows no sign of slowing yet. There were several strikes on commercial vessels in recent days. The critical security threat has stopped most vessels passing through the strait of Hormuz and stopped shipments of diesel heading to Europe.

The possibility of a CPP supply crunch in Europe has prompted participants to secure small, prompt shipments where possible, driving up demand for specialised tankers to deliver CPP cargoes. This has thinned the supply of intermediate tankers in the region, bumped up freight rates for this vessel class and specialised coasters.

The loss of crude and clean exports from the Mideast Gulf have driven up global crude prices and bunker costs. The *Argus* assessed fuel oil bunker 0.5pc sulphur 380cst ARA rate rose above $770/t on 12 March, up 60pc from around $470/t on 27 February before the Mideast Gulf disruption began. This is the highest level in over three years. The higher price of fuel pushed up shipowners' costs to move cargoes and lifted their offers in the spot market.

Europe rates $/t

Route	Size '000t	Cargo			
Biofuels		**Biodiesel**	**HVO**	**SAF**	**Ethanol**
ARA-east coast UK	5	31.00	31.75	33.15	31.00
ARA-west Med	5	71.00	72.75	75.95	71.00
Cross Med	5	49.50	50.75	52.95	49.50
West Med-ARA	5	67.15	68.85	71.85	67.15
ARA-USGC	10	40.00	41.00	-	-
Feedstocks		**UCO/Tallow/Pome**	**Veg oils**	**Palm oil**	**-**
ARA-east coast UK	5	33.00	31.00	32.85	-
ARA-west Med	5	75.60	71.00	75.25	-
Cross Med	5	52.70	49.50	52.45	-
West Med-ARA	5	71.50	67.15	71.20	-

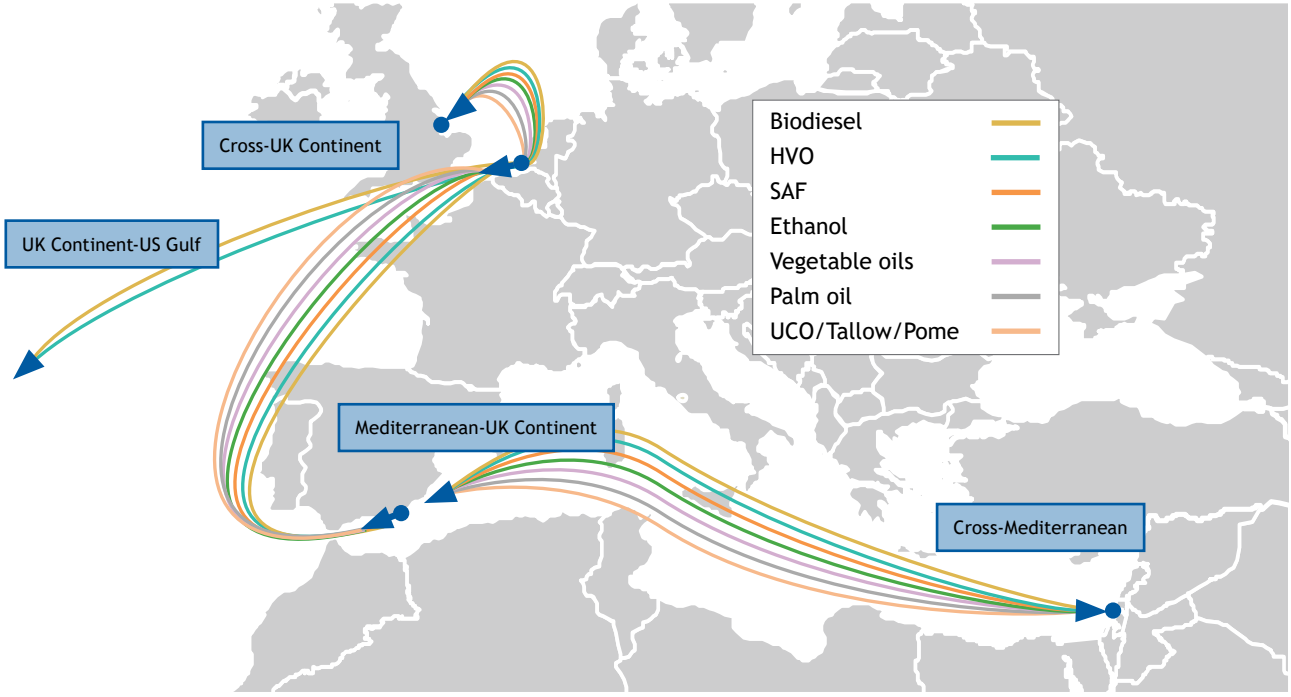
Europe rates assume full cargoes loaded onto 5,000-15,000dwt specialised IMO2 coaster vessels, except for the ARA-USGC assessment, which assumes part cargoes loaded onto 22,000dwt stainless steel tankers

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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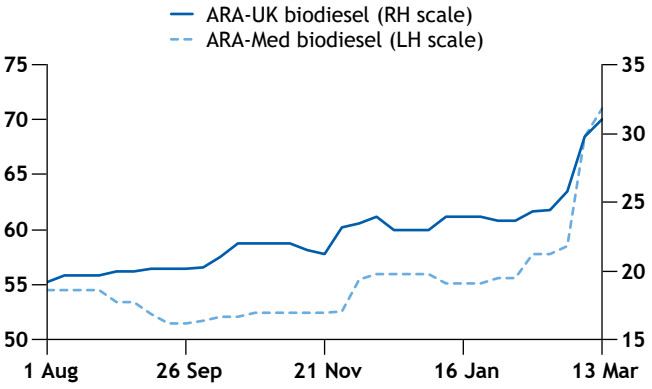
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EUROPE

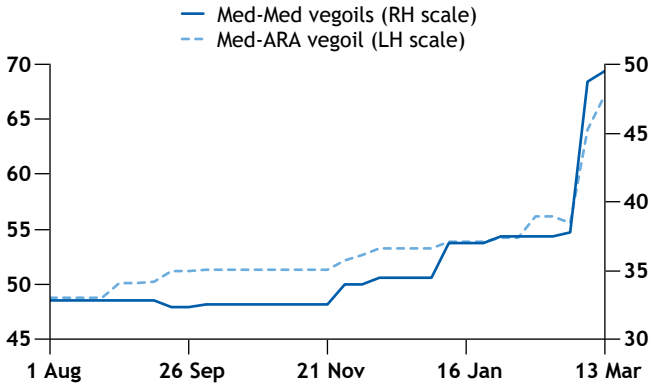
Biofuels cargoes kept up demand for ships in northwest Europe with several shipments of FAME at ARA ports heading to east coast UK and the west Mediterranean.

Chartering in the Mediterranean was very slow again as charterers held back from fixing vessels while bunker costs were high. Charterers secured a ship for a 5,000t cargo of FAME from Valencia to Lavera to load from 15-17 March at $140,000 lump sum. While other ships were secured in the region for a modest number of biodiesel and palm oil cargoes.

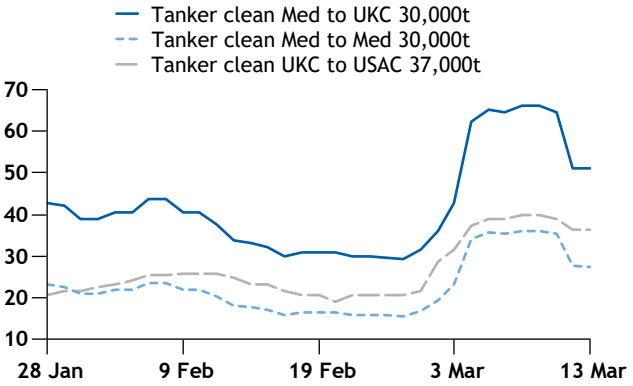
European biodiesel freight $/t



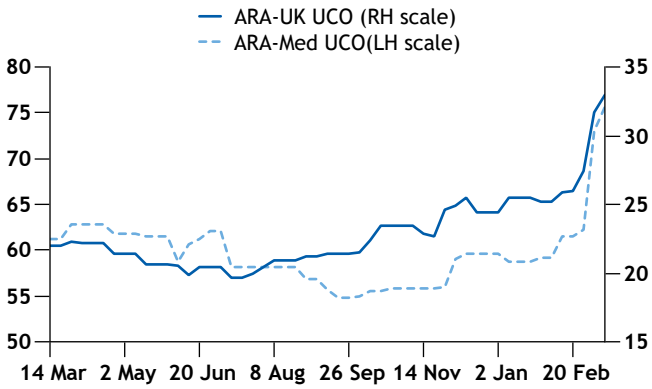
Med vegoils freight $/t



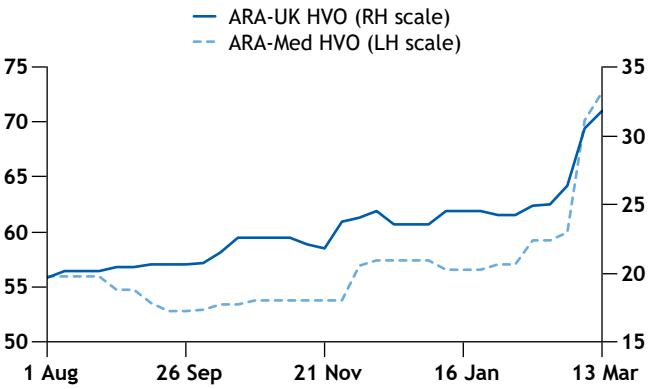
Med clean freight $/t



European UCO freight $/t



European HVO freight $/t



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AMERICAS

Market runs hot in US Gulf coast

Freight rates soared in the week to 13 March in the US Gulf coast while Mideast Gulf disruption bumped up demand, bunker prices climbed, and vessel availability was low.

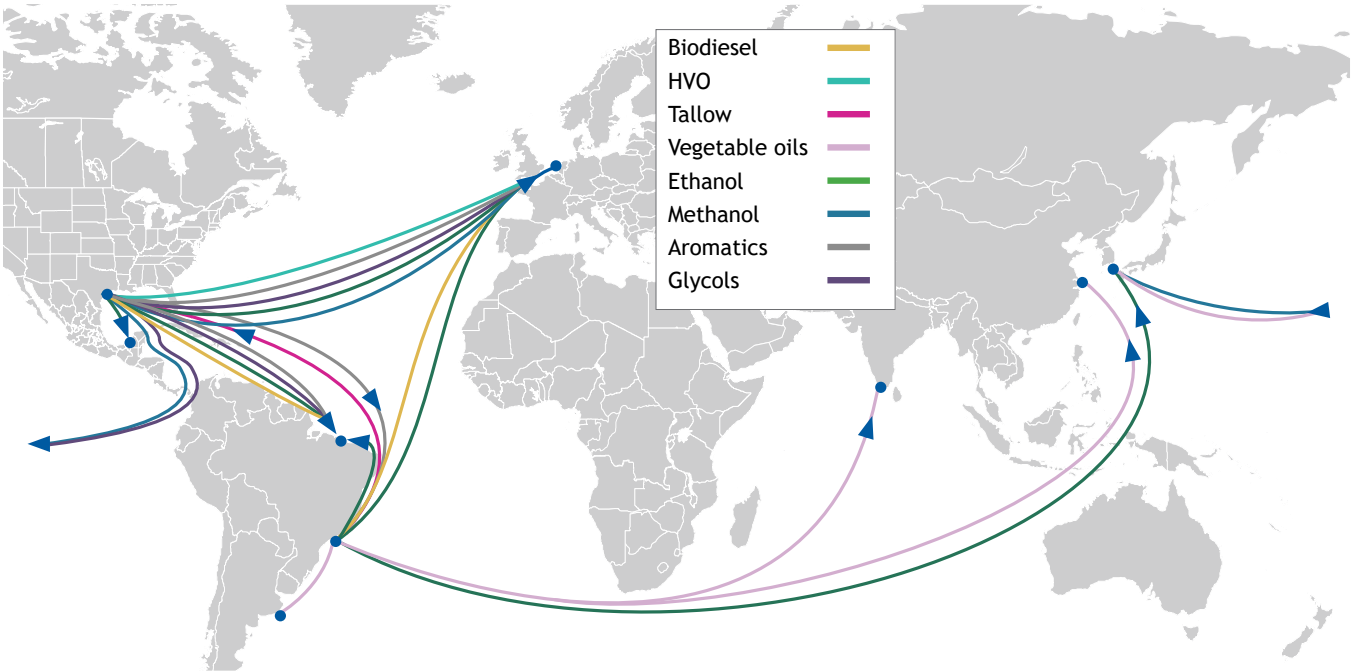
Vessel availability in the US Gulf coast was already very tight ahead of the Mideast Gulf disruption, but strong revenues in the clean petroleum product (CPP) freight market, and high numbers of Contracts of Affreightment for specialised tankers have left even fewer available ships in the region. Charterers have faced high competition for a limited number of vessels in the region, sending several specialised tanker rates surging.

The US-Israel war with Iran has kept the threat level at 'critical' in the Mideast Gulf and stopped almost all ships from passing through the strait of Hormuz for the second week running. This has almost entirely stopped shipments of diesel from the Mideast Gulf to Europe and prompted European buyers to rush to the US Gulf coast to secure Medium Range (MR) tankers with CPP cargoes. This has buoyed CPP tankers rates in the US Gulf coast. The bellwether US Gulf coast to Chile CPP MR rates came down week-on-week to $105.26/t on 12 March, falling 9pc from multi-year highs of $115.79/t on 5 March. But the rate was still much higher than $73.68/t on 27 February before disruptions in the Mideast Gulf began. CPP freight rates remained high enough to keep

Americas rates - full cargo $/t

Route	Size '000t	Cargo				
Biofuels/feedstocks		**Biodiesel**	**HVO**	**Tallow**	**Veg oils**	**SAF**
Argentina+S Brazil (2p)-China (2p)	40	-	-	-	140.00	-
Argentina+S Brazil (2p)-WC India (2p)	40	-	-	-	120.00	-
Argentina-WC India (2p)	30	-	-	-	110.00	-
USGC-ARA	40	-	84.35	-	-	94.90
USGC-S Brazil	40	-	93.25	-	-	104.90
USGC-Chile	40	-	92.00	-	-	-
S Brazil-USGC	18.5	-	-	115.00	-	-
USGC-N Brazil	18.5	87.75	-	-	-	-
USGC-ARA	18.5	80.25	81.75	-	-	-
Alcohols/chemicals		**Ethanol**	**Methanol**	**Aromatics**		**Glycols**
USGC-S Brazil	40	88.20	84.00	85.70		-
USGC-ARA	40	79.80	76.00	77.50		-
USGC-S Korea	40	-	125.00	-		131.90
S Brazil-ARA	40	100.00	-	-		-
S Brazil-S Korea	30	120.00	-	-		-
S Brazil-ARA	18.5	105.00	-	-		-
S Brazil-USGC	18.5	111.55	-	-		-
USGC-east coast Mexico	18.5	25.20	-	24.00		23.30
USGC-N Brazil	18.5	86.10	77.90	82.00		79.55
USGC-ARA	18.5	78.75	71.25	76.50		75.00

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

most IMO2/3 'swing tonnage' ships away from the biofuels and petrochemicals cargoes, supporting specialised tanker rates.

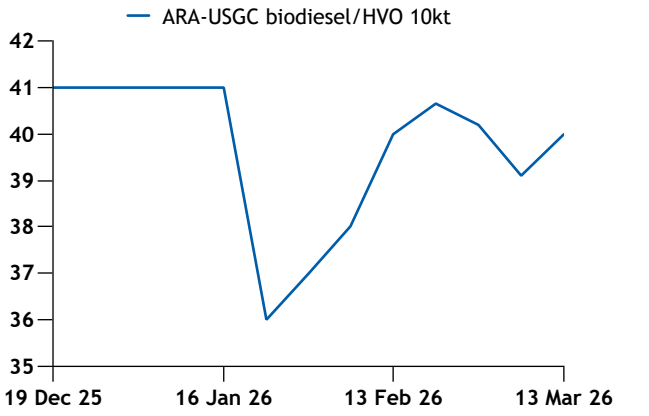
The loss of crude and clean exports from the Mideast Gulf have driven up global crude prices and bunker costs. *Argus* Fuel oil bunker 0.5pc S 380cst Houston dob jumped to a three year high more than $750/t on 9 March, up 45pc from around $500/t on 27 February before the disruption in the Mideast Gulf began. This rate has settled to around $650/t on 13 March but is still high. The higher price of fuel in March has pushed up shipowners' costs to move cargoes and further supported higher freight rates.

The conflict in the Mideast Gulf has slashed flows of methanol, glycols, and aromatics from the Mideast Gulf to Asia-Pacific, alongside flows of aromatics to Europe. This could support higher cargo numbers in the US Gulf coast while buyers look to secure replacement supplies.

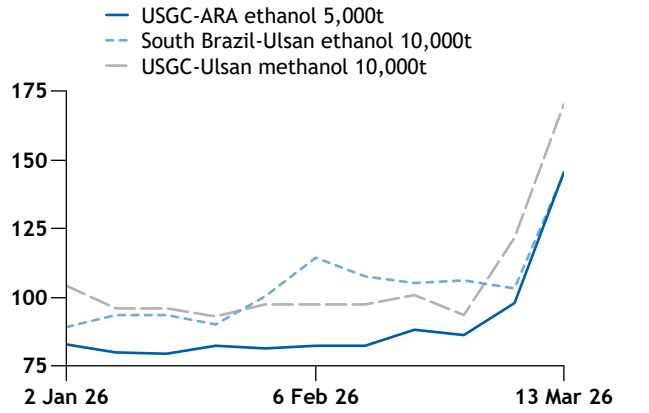
Americas coated MR rates - part cargo						$/t
Route	Size '000t	Cargo				
Biofuels/feedstocks		**Biodiesel**	**HVO**	**Tallow**	**SAF**	**Veg oils**
USGC-ARA	5	-	153.90	-	173.15	-
USGC-Chile	5	-	137.86	-	-	-
USGC-S Brazil	5	-	126.55	-	142.35	-
Alcohols/chemicals		**Ethanol**	**Methanol**	**Aromatics**		**Glycols**
S Brazil-ARA	5	135.00	-	-		-
USGC-S Brazil	5	119.70	114.00	116.30		-
USGC-ARA	5	145.60	138.65	141.45		-
USGC-S Korea	5	-	170.00	-		179.35

Americas stainless steel rates - part cargo					$/t
Route	Size '000t	Cargo			
Biofuels and feedstocks		**Biodiesel**	**HVO**	**Tallow**	**Veg oils**
South Brazil-ARA	5	120.35	-	-	-
South Brazil-USGC	5	-	-	128.00	-
USGC-north Brazil	5	105.95	-	-	-
USGC-ARA	5	140.15	142.80	-	-
Alcohols and chemicals		**Ethanol**	**Methanol**	**Aromatics**	**Glycols**
South Brazil-ARA	5	118.00	-	-	-
South Brazil-South Korea	5	145.00	-	-	-
South Brazil-USGC	5	124.15	-	-	-
USGC-east coast Mexico	5	38.85	-	37.00	35.90
USGC-north Brazil	5	103.95	94.05	99.00	96.05
USGC-ARA	5	137.55	124.45	133.60	131.00

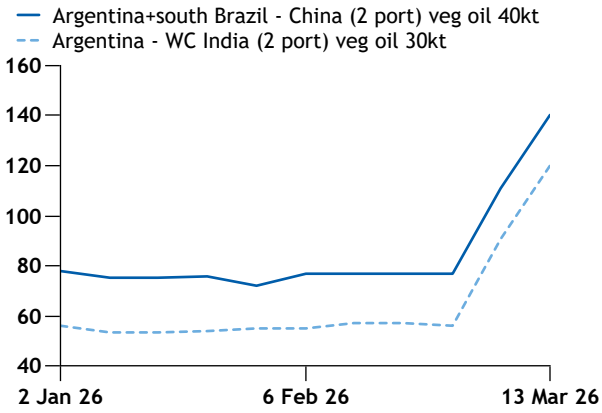
ARA-USGC biodiesel freight $/t



Americas specialised freight $/t



Americas veg oils freight $/t

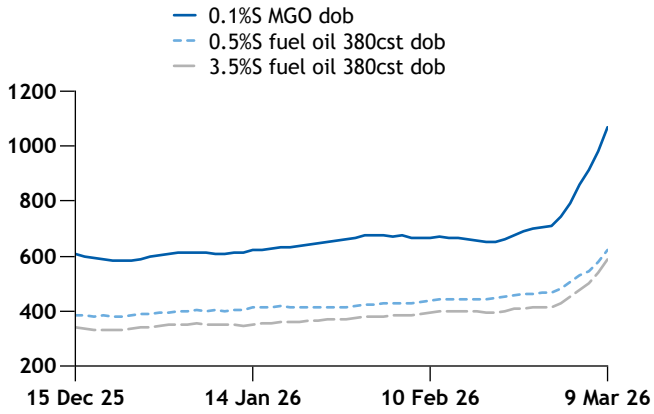


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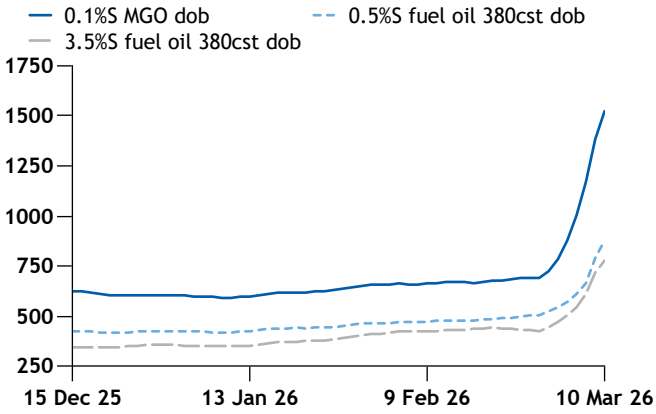
BUNKERS

Conventional

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

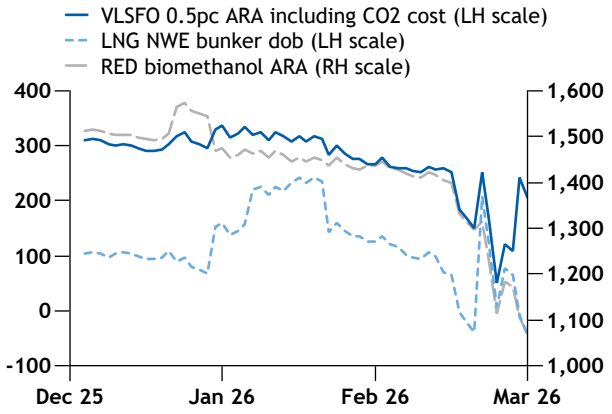


Singapore bunker prices (0.5%S, 3.5%S, MGO) $/t

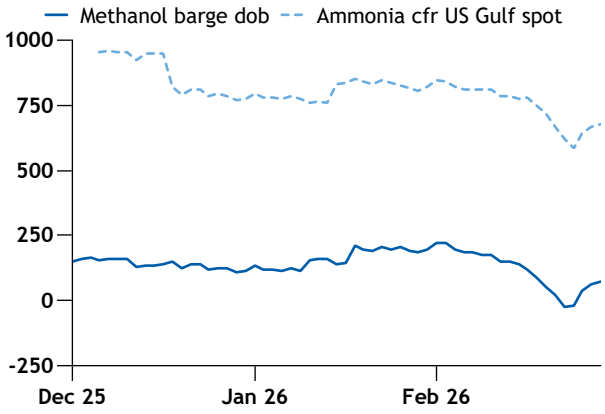


Alternative

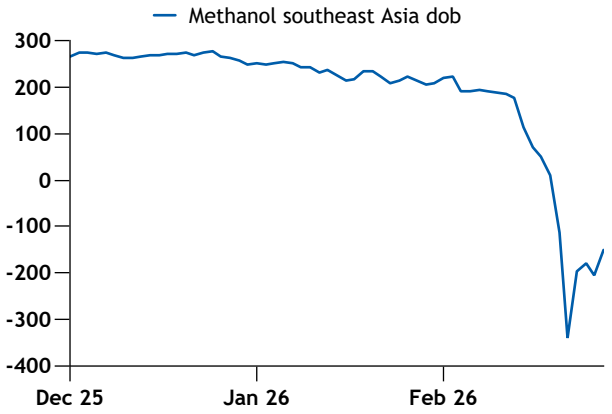
Rotterdam - LNG, others as premiums to VLSFO $/t



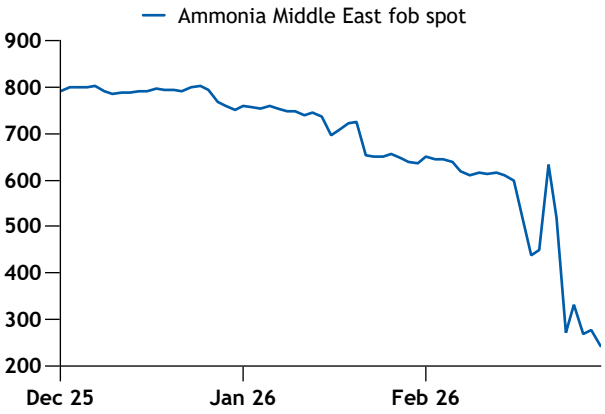
USGC - Methanol, ammonia as premiums to VLSFO $/t



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

Asia spec cargo numbers drop

The outbreak of the US-Israel war with Iran has created shortages of oil products in Asia-Pacific. This has slashed the number of clean product and petrochemical cargoes available to specialised tankers.

The 'critical' security threat in the Mideast Gulf has stopped most ships passing the strait of Hormuz with exports of crude oil, clean products, and petrochemicals from the Mideast Gulf to Asia-Pacific. This has led to shortages of these products in Asia-Pacific and slowed production at refineries and petrochemical plants.

The sharp drop in Mideast Gulf crude and clean petroleum product (CPP) exports have curbed supplies of clean products across Asia-Pacific. China's top regulator, the National Development and Reform Commission verbally informed to halt new oil product sales contracts and cancel shipments that have been sold but not yet loaded as of 4 March. Thailand has formally suspended all CPP exports. Japanese refiners have cancelled three or four gasoil cargoes. South Korea's government has considered imposing a CPP export ban. The stunted trade of CPP in Asia-Pacific has dragged down the number of cargoes available to standard clean tankers. This has driven up the number of IMO2/3 'swing tonnage' ships competing for specialised cargoes like biofuels and chemicals.

The drop in CPP and petrochemical shipments to Asia-Pacific have also capped feedstocks required by petrochemical producers. This has prompted many regional producers to cancel shipments or slow production. The following producers have issues Force Majeures since the outbreak of war in the Mideast Gulf: TPC, PCS, Aster, and Sumitomo Chemical Asia in Singapore. Sulfindo and Chandra Asri in Indonesia. Siam Cement in Thailand. Formosa and Formosa Plastics Corporation in Taiwan. Yisheng Petrochemical, Wanhua Chemical and Longhua New Material in China. YNCC and Hanwha in South Korea. While several other participants in Japan, South Korea and China have cut production levels. This has slashed the number of petrochemicals cargoes which require IMO2 and IMO3 tankers in Asia-Pacific and substantially, weighing on demand for these ships.

The rapid drop in CPP and petrochemicals cargoes will drive the specialised tanker fleet to depend on shipments of palm oil and biofuels instead. But these industries are not large enough to absorb the extra vessel capacity which means there will likely be sharp competition for cargoes in the coming weeks and substantial pressure on freight rates.

Disruption to exports from the Mideast Gulf have sent bunker prices skyrocketing globally. *Argus* Fuel oil bunker 0.5pc S 380cst Singapore dob jumped to a five year high of $1191.23/t on 9 March, up 131pc from $515.52/t on 27 February before the disruption in the Mideast Gulf. This rate has settled slightly to $1002.55/t on 13 March but is still very high. High bunker prices have pushed up the cost to deliver cargoes on specialised tankers and supported higher freight rates. This will likely offset some of the drag on freight rates from struggling petrochemical and CPP markets in Asia-Pacific.

Specialised tanker rates are surging in the Americas as a result of a firm CPP freight market, low vessel availability, and as Asian buyers look to secure petrochemicals from other markets in lieu of Mideast Gulf flows. This could prompt more of the global specialised tanker fleet to head to this region and potentially even drive some owners in Asia-Pacific to ballast vessels to areas like the US Gulf coast while the market is firm.

By Leonard Fisher-Matthews

NEWS

UK will not impose duties on US-origin HVO

The UK Trade Remedies Authority (TRA) said today it will not impose countervailing duties on US hydrotreated vegetable oil (HVO) imports.

The TRA said in November it planned to recommend duties of £257.80-303.56/t but has reversed its position after reviewing additional information.

The anti-subsidy investigation, launched in March 2025 for an injury period of 1 January 2021 to 31 December 2024, followed an application from the UK Renewable Transport Fuel Association (RTFA) and several UK-based biofuels producers.

The investigation covered "biodiesel (or paraffinic diesel fuel/gasoil) obtained from synthesis or hydrotreatment of oils and fats of non-fossil origin, in pure form or as included

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in a blend, originating in the US," the TRA said. "This biodiesel is commonly known as hydrotreated (hydrogenated) vegetable oil diesel (HVO), renewable diesel or green diesel." Sustainable aviation fuel (SAF) was explicitly excluded from the scope of the duties.

One primary US subsidy, the blender's tax credit (BTC), was deemed countervailable. The BTC expired on 1 January 2025. The TRA verified data from three US exporters — Diamond Green Diesel, Phillips 66 and St Bernard Renewables — showing they submitted their final BTC claims in January 2025 for volumes up to 31 December 2024. All benefits were settled within programme deadlines, and the TRA found no evidence of any benefits received beyond this period.

The BTC has since been replaced by the Clean Fuel Production Credit (CFPC), also known as 45Z. While the BTC was a fixed tax credit, the CFPC varies with the carbon intensity of the fuel, and has been subject to a large amount of political confusion. From 2026, 45Z will apply only to biofuels made from North American feedstocks, effectively excluding foreign products.

"The TRA's decision is hugely disappointing," said the RTFA. "It has completely reversed its previous recommendations, based on a technicality... Our members will continue to face imports of subsidised goods that have already brought them to their knees. If the UK government wants a domestic biodiesel production industry, it needs to act swiftly to ensure its survival. We are calling for a minimum blend rate of Fame in B7 as well as an increase to the RTFO."

Anti-dumping investigation

The TRA has also terminated its parallel anti-dumping investigation into Diamond Green Diesel, St Bernard Renewables and Phillips 66.

All three exporters showed a negative dumping margin, meaning the TRA could not prove dumping took place during the investigation period. To meet the standard for dumping, the export price would have had to be below the normal value of the goods. The benefit from subsidies is removed from this calculation to prevent double duties.

By Evelina Lungu

US court punts on weighing biofuel reallocation

A federal court declined today to say whether US regulators must compensate for past exemptions when setting new biofuel quotas, teeing up the hotly contested issue for future litigation.

The Environmental Protection Agency (EPA) in a 2020 regulation setting biofuel blend quotas declined to require more blending to offset prior-year exemptions that it granted to some small refineries. The US Court of Appeals for the District of Columbia Circuit has since reviewed newer EPA policies implementing the program, but biofuel groups last year revived the long-dormant case about the 2020 rule and pushed the court say clearly that EPA must offset exemptions in the future.

A three-judge panel on the DC Circuit was unconvinced, issuing a narrow ruling Friday dismissing the dispute without weighing whether the biofuel groups were correct. The issue is certain now to feature in future cases, with President Donald Trump's administration potentially just days away from finalizing new mandates.

Biofuel groups wanted the court to "opine" on EPA policy when "it is not clear the agency even adheres to the same policy petitioners initially challenged", judge Bradley Garcia wrote for the court, noting the pending rulemaking.

EPA last year granted generous exemptions to small oil refineries and floated options that would require other oil companies to make up for all, some or none of the lost biofuel demand. Oil majors have balked at the prospect of having to spend more on biofuels than their smaller rivals and have lobbied lawmakers for changes to the program as a result.

Under the Renewable Fuel Standard, EPA requires oil companies to annually blend different types of biofuels while letting smaller refineries request hardship exemptions that can save them tens of millions of dollars. The Trump administration has told a court it expects to finalize new biofuel quotas, proposed at their highest levels ever, this month.

By Cole Martin

India unlikely to raise ethanol blending

India will struggle to increase ethanol blending in gasoline beyond 20pc (E20) because of technical and infrastructure constraints, even if the crude rally triggered by the war in the Middle East improves the relative cost advantage of higher ethanol blends, market participants said.

The US-Israeli conflict with Iran and the resulting disruption to tanker traffic through the strait of Hormuz have raised concerns about crude supply for India, but the war has had little direct impact on the ethanol sector so far.

India originally planned to roll out an E20 mandate in 2030 but brought the target forward by five years after achieving an 18pc blend ratio in early 2025. Last month, the government instructed all states and union territories to sell gasoline with a 20pc ethanol blend and a minimum Research Octane Number (Ron) of 95 from April. A higher Ron helps prevent engine knocking, allowing vehicles to run smoothly with higher ethanol content.

India's ethanol production capacity of 15.28bn litres/yr for blending also exceeds the 10.16bn l/yr required to meet the 20pc road fuel target, according to commerce ministry

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data for 2025.

But raising blending beyond E20 will be difficult because many domestic gasoline vehicles are not compatible with higher blends. Risks include engine knocking and premature combustion, which can cause significant engine damage. The country would also need further upgrades to infrastructure before it could accelerate its blending programme.

Investors say the government has not adequately addressed the emerging demand-supply imbalance, dampening earlier optimism around the sector.

US prices dictating Mumbai values

Industrial-grade ethanol prices in India have risen modestly this month in line with gains in the US ethanol market following the escalation of the Middle East conflict.

Prices for 99pc industrial-grade ethanol cfr Mumbai have increased by $25/t so far in March — a small rise compared with other oil products. For instance, the west coast India naphtha premium has jumped by $68/t, or 166pc, this month and is at its highest level in at least five years.

US Gulf coast ethanol barge/rail fob Houston was up by $10.05/t in March. US ethanol trades at a discount to Mumbai values, supported by large-scale corn and sugarcane feedstock availability. While India prohibits ethanol imports for fuel blending, there are no restrictions on industrial-grade ethanol. This leaves India's surplus ethanol idle in distilleries with limited export prospects.

Dilip Patil, co-chairman of the Indian Federation of Green Energy Sugar Bioenergy Forum, said India's domestic pricing mechanism makes ethanol uncompetitive globally, and that government-backed export incentives are needed. He added that prolonged instability in the Middle East could pose a further threat. Any move towards fuel rationing would cut petrol demand and, in turn, lower ethanol blending, adding pressure to the already cash-strapped sugar industry.

By Nikhil Sharma

China biofuels up, HVO discount to ARA widens

Prices for Chinese biofuels hydrotreated vegetable oil (HVO) and hydrotreated esters and fatty acids (HEFA) synthetic paraffinic kerosene (SPK) have reached multi-year to record highs in recent sessions due to the US-Iran war as well as other policy drivers. But increased transport risks, alongside concerns over continued export viability and European market access have also widened the discount for China spot HVO to European forward prices to a record high this week.

Assessments for HVO fob China have risen sharply since 24 February, reaching their highest levels since mid-November 2023 on 12 March at $1,840/t for Class II and $1,990/t for Class IV, before easing slightly on 13 March.

Volatility in global oil prices has played a role in lifting outright prices for biofuels, as the conflict in the Middle East has disrupted oil supplies.

But the uptrend in China HVO has lagged increases across the curve in Europe. Spot assessments for used cooking oil (UCO)-based Class II HVO fob China fell to a record $969/t below the third month swap assessment for the same product in Amsterdam-Rotterdam-Antwerp (ARA) on 11 March, before closing the gap slightly on 12 March.

This spread had been gradually rising throughout 2025, after the EU imposed definitive anti-dumping duties of between 10-35.6pc on Chinese HVO and biodiesel imports.

The trend has intensified due to the war and other factors since the end of February.

Since the US and Israel attacked Iran on 28 February, sharp volatility in prices for conventional oil and European biofuels products, and uncertainty over the duration of the conflict have kept buyers cautious of entering discussions over cargoes that would only arrive in Europe from May onwards. Risks and costs of shipping cargoes from Asia to Europe have heightened, and securing vessels has become challenging, according to traders. Though rates remain largely untested, shipbrokers and others in the market estimate a 30-40pc increase in rates compared with pre-war, with estimates between $160-200/t for full cargo Medium Range (MR) vessels shipping biofuels from China to ARA.

The Chinese government's instruction to refiners to halt exports of gasoline, diesel or jet fuel on 12 March still does not apply to biofuels, according to sources including HVO and SAF producers in China. But the hardening tone of the directive since earlier in the week has amplified concerns among some in the market that biofuels exports could also be halted to support domestic energy security if the war is prolonged.

And uncertainties over access to the German market for biofuels from China and other countries that Germany's agriculture and food office BLE currently deems inaccessible for on-site audits has hung over the market and reduced discussions over Chinese HVO since the last week in February.

On the European side, a tighter supply outlook has inflated forward prices more sharply. The US is expected to raise domestic biofuel mandates to a level that will consume its entire HVO production capacity under its 2026-2027 renewable volume obligation (RVO), which it is expected to finalise soon. This would reduce volumes available for export to Europe. The EU imported almost 600,000t of HVO from the US over 2025, according to Kpler data.

Class II-IV HVO spread hits new high

The spread between Class II and Class IV HVO fob China has also broadened to a record high of $150/t this week, following a wider spread in spot prices between the two grades in

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ARA.

European demand for HVO from palm oil mill effluent (Pome) oil and other advanced feedstocks has spiked in 2026, as obligated parties attempt to fulfil rising annual biofuel targets while navigating unchanged caps on the use of crop and waste feedstocks like UCO.

But producers in China report a lack of affordable Pome oil feedstock in the market, constraining production of Class IV HVO despite attractive prices for sellers. Sharply higher crude palm oil (CPO) prices since the war and on expectations that Indonesia will raise export duties for palm products in April have buoyed prices for refined Pome oil to a record high of $1,190/t fob Indonesia this week — the dearest since *Argus* began the assessment in October last year.

SAF increases sharply at week's end

Chinese HEFA-SPK spot prices have climbed more sharply than HVO, spiking to a record high of $2,325/t fob on 13 March.

Concerns over future German market access for Chinese biofuels could have a greater impact on availability of HEFA-SPK, which has been the main Chinese product since the EU imposed ADD on other China-origin biofuels and the government awarded its first export quotas for SAF last year. European producers have swung to optimise HVO over SAF output in the first months of this year, as the on-road biofuel has been priced at a persistent, atypical premium to the jet fuel. This has tightened physical supply in Europe, and forced buyers to raise bids when returning to the China market this week to shop for volumes to support compliance with Europe's 2026 SAF mandates.

By Lauren Moffitt

Chevron to pay $1mn for US biofuel credit error

US oil major Chevron will pay a penalty of more than $1mn after double-counting lucrative credits under a federal biofuel blend mandate for renewable diesel it blended.

Chevron had generated Renewable Identification Number or "RIN" credits at a Los Angeles-area refinery by co-processing traditional petroleum feedstocks alongside soybean oil to make lower-carbon diesel. But the company said it inadvertently created more credits from 2022-2023 than allowed after blending the co-processed biofuel with renewable diesel it purchased that had already generated its own RINs.

The error meant Chevron "double-generated" 9.2mn RINs on at least 5.4mn purchased gallons of renewable diesel, of which more than 2.2mn credits were then sold onto the open market, according to US officials. The company disclosed the double-counting error to US officials in 2023 and later retired both the invalid RINs it still owned and 2.2mn additional active RINs to make up for the credits already sold.

Chevron will pay nearly $1.1mn as an additional penalty, according to a proposed settlement announced by the US Department of Justice this week.

The company told *Argus* that the accounting errors were "inadvertent" and that it had "implemented safeguards to ensure that the error is not repeated".

Under the Renewable Fuel Standard, the US requires oil refiners to annually blend different types of biofuels or buy RINs from those that do. President Donald Trump's administration has planned to finalize new mandates under the program this month.

By Cole Martin

Spanish HVO imports challenging biodiesel

The EU's new hydotreated vegetable oil (HVO) code shows Spanish HVO imports posed material competition to biodiesel imports last year.

According to customs data, Spain imported 335,000t of HVO in 2025, including HVO jet fuel (SAF). No year-earlier comparison is available because a new EU HVO import code took effect at the start of 2025. The code gave extra visibility to the scale of HVO import-export trade.

In turn Spain's biodiesel imports amounted to 730,000t last year, up by 27pc from 2024.

HVO is produced by treating vegetable oil with hydrogen, counts against biodiesel blend mandates, but is molecularly separate from biodiesel output by esterification.

Some caveats exist. China was the largest HVO supplier to Spain, shipping close to 85,000t, likely to be SAF, reflecting EU duties on Chinese HVO.

If Chinese cargoes are removed, Spain's HVO imports were around 250,000t and close to 14pc of domestic demand for biofuels blended into diesel.

The Netherlands supplied nearly 85,000t, Belgium 80,000t and France 45,000t. Kpler data shows HVO imports continuing to arrive in Spain from the Netherlands and Belgium in January-March.

Spanish biodiesel firms also face competition from HVO produced domestically. This is likely to increase when refiner Moeve starts up a 500,000 t/yr HVO unit at Huelva in late 2026 or early 2027.

Spanish biodiesel imports increased in 2025, but remain far below volumes in 2018-23 *(see chart)*. Spain imported 50,000t in December, flat on the month, 37pc higher year on year. Imports rose compared with 2024, but were about half the size of 2023, before a sharp decline in arrivals from China and Argentina.

The Netherlands supplied 220,000t last year, up from 150,000t a year earlier, and Belgium 200,000t, up sharply

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from 60,000t.

Spain exported 890,000t of biodiesel last year, 38pc lower year on year and the lowest in a decade. In contrast HVO exports, including SAF, were just 35,000t.

Overall biodiesel traffic through Spain has fallen sharply. Spain previously acted as a hub for biodiesel imports — especially from China and Argentina — re-exporting cargoes to other EU markets, driven by a small number of trading firms. But EU duties on Chinese biodiesel and an EU-Argentina accord reduced the inflows.

By Adam Porter

Southern Energy plans La. SAF, green methanol

Renewable fuels and chemicals developer Southern Energy Renewables plans to make sustainable aviation fuel (SAF) and green methanol from woody biomass at new plant in St Charles, Louisiana.

Southern planst to make final investment decision before October 2027 with commercial operations beginning roughly two years after that.

The company plans to scale up the facility within its first five years of operation. It targets a capacity of 26mn USG/yr of SAF or 220,000 t/yr of green methanol by the end of 2031, then 276mn USG/y of SAF or 2.3mn t/yr of green methanol three years after that.

Earlier this year, Southern signaled its intentions to merge with XCF Global, an existing SAF producer with assets in Reno, Nevada; and DevvStream, a carbon management and environmental attribute marketer.

By Matthew Cope and Maya Porter

Biomarine discounts fails to spur demand gains

Marine biodiesel discounts to fossil bunker fuels have yet to support demand growth as market volatility as a result of the Iran-US war is weighing on marine fuel trading activity.

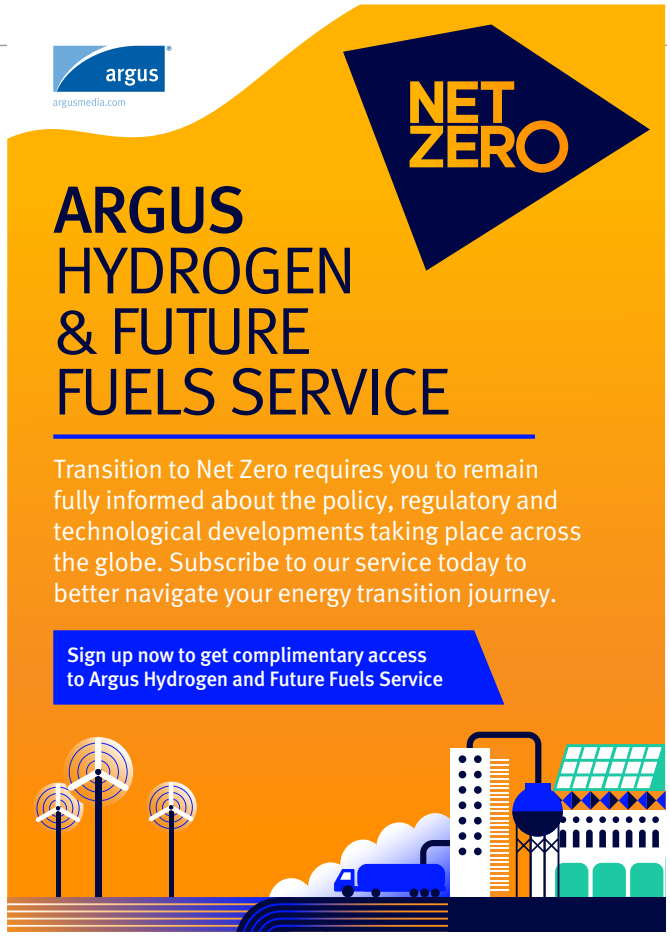
B100 advanced fatty acid methyl ester (Fame) dob Netherlands flipped to a discount to marine gasoil (MGO) dob ARA when accounting for EU emissions trading system (ETS) costs on 2 March, the first trading session after the start of the US-Iran war. The marine biodiesel product has since sustained this discount, reaching $83.66/t on 11 March. And B100 was also marked at an outright price discount to MGO dob ARA on 9 March, not accounting for ETS costs.

Market participants told *Argus* that the new dynamic will have to be sustained for a while longer for significant demand shifts to materialise — with shipowners and buyers hesitant to make significant changes to their procurement strategy based on an acute price spread.

Shipowners are also staying out of the spot market for non-urgent volumes because of bunker fuel price volatility, and many are concerned about pre-agreed contract volumes for near-term voyages.

Some told *Argus* that their focus is on ensuring that those volumes are met as suppliers could call in a force majeure if product shortages emerge from a prolonged war in the Mideast Gulf. Others added there were concerns about engine compatibility as well as the lower energy content of B100 product versus conventional fuels.

Other marine biodiesel blends have also flipped to ETS-inclusive discounts to conventional counterparts in recent sessions. B24 dob Algeciras-Gibraltar achieved an $11.92/t discount to very-low sulphur fuel oil (VLSFO) prices in the west Mediterranean hub on 9 March, once ETS costs were accounted for. And B30 Advanced Fame and MGO dob Netherlands was also at a discount to MGO dob ARA on 4 and 9



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

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March, inclusive of ETS costs.

Beyond consideration of ETS-inclusive price spreads, FuelEU Maritime requirements, which set a 2pc greenhouse gas (GHG) reduction for vessels operating in EU waters this year. FuelEU used cooking oil methyl ester (Ucome)-MGO abatement ex-ETS prices averaged €85.78/tCO2e between 2-11 March. This compares with FuelEU compliance surplus values seen at €170-185/tCO2e for 2026 compliance and €185-200/tCO2e for 2025 compliance during the same period. This means that it is currently cheaper for shipowners to generate FuelEU compliance using marine biodiesel blends instead of MGO volumes, than it is to buy FuelEU compliance surplus.

By Hussein Al-Khalisy

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.

Announcement

All data change announcements can be viewed online at www.argusmedia.com/announcements.
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