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Argus Biofuels Outlook



Overview

August brought renewed momentum to biofuels markets, with demand and prices responding to policy shifts, margin pressure and tightening feedstock supply.

In the US, SAF output climbed to a record high, while RD margins collapsed, prompting run cuts and unit shutdowns. The EPA approved 140 of 175 long-pending SREs, surprising a bearish market, while its reallocation proposal risks delaying 2026 RVO finalisation ahead of enforcement.

Brazil's ethanol and biodiesel demand surged in July, lifted by the rollout of E30 and B15 mandates. Anhydrous ethanol prices hit year-to-date highs, although inventory build-up and regulatory flexibility capped further gains.

SAF prices rebounded sharply in Europe and Asia-Pacific, regaining a widening premium over HVO as prompt supply tightened and buyers looked to secure volumes ahead of fourth-quarter planned maintenance, while Chinese SAF export restrictions amplified the squeeze on supply. The SAF-HVO spread should hold, but production pivots and rising imports could narrow it in 2026.

Germany's proposed stricter biofuel certificate rules and end of double-counting signal a tougher compliance landscape. European demand for advanced HVO is expected to rise in 2026, but limited domestic capacity and rising targets will drive demand for waste-based fuels and maintain the region's reliance on imports of both biofuels and feedstocks.

Key biofuel prices, prompt

	Jul 25	Aug 25	Sep 25e	Oct 25e
Europe				*$/t*
RED FAME 0°C CFPP fob ARA	1,334	1,350	1,350	1,328
RED Rapeseed OME fob ARA	1,363	1,368	1,374	1,363
RED UCOME fob ARA	1,456	1,466	1,486	1,477
RED HVO fob ARA (Class I)	1,858	2,024	2,090	2,089
RED HVO fob ARA (Class II)	2,165	2,245	2,342	2,305
SAF fob ARA (Class II)	2,047	2,372	2,573	2,534
Bionaphtha fob ARA	1,408	1,422	1,423	1,415
UCO cif ARA	1,108	1,129	1,130	1,108
Ethanol Regular fob ARA	894	895	917	877
US (biofuels)				*¢/USG*
Ethanol Chicago	175	179	204	192
Ethanol USGC	184	188	212	200
B100 Chicago	457	433	418	416
R100 (UCO) del California	550	522	510	515
US feedstocks (US Gulf coast del rail)				*¢/lb*
Soybean oil crude degummed	59	56	53	53
Tallow bleached fancy	64	63	58	58
UCO	64	63	58	58
South America				*$/t*
Anhydrous fob Santos	685	705	751	782
Asia-Pacific				*$/t*
RED HVO Class II fob Singapore	2,109	2,191	2,286	2,249
UCO fob China	1,004	1,033	1,039	1,010
RED Ucome fob China	1,152	1,171	1,165	1,158

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EUROPE

Summary

This month

France announced it would delay its transposition of EU RED III legislation by a year, moving the start date to 1 January 2027. Germany proposed tightening its biofuel certificate rules, abolishing the good-faith protection rule for buyers of fraudulent greenhouse gas (GHG) tickets. Biofuel prices firmed in August, with biodiesel and hydrotreated vegetable oil (HVO) prices increasing throughout the month. Sustainable aviation fuel (SAF) prices led the gains as they snapped back to a large premium over HVO, following months of discount-driven HVO maximisation leading to thin SAF supply.

Next month

Early September indications point to continued firmness across grades. Rapeseed methyl ester (RME) prices are set to stay elevated as buyers position themselves for winter demand and rapeseed oil prices are underpinned by a tightening EU oilseed balance. HVO and SAF prices are set to stay firm, as participants prepare for fourth-quarter maintenance outages and year-end compliance deadlines, but will eventually start easing on weakening fundamentals.

3-6 months ahead

The UK's final anti-dumping duties on Chinese biodiesel and HVO imports are due to be implemented by November, after it proposed duties on 22 August. RME prices are forecast to ease in the fourth quarter, led by lower feedstock costs and diesel prices. Used cooking oil methyl ester (Ucome) prices are expected to stay supported by firm UCO values driven by Asian export restrictions and strong HVO and SAF demand. The high Advanced Fame 0 premium over Ucome is expected to ease toward the end of the year as the surge in German advanced biodiesel demand is due to subside as double-counting has been proposed to be phased out in 2026.

6-12 months forward

Beyond the near term, fundamentals for HVO and SAF prices point to a softer trajectory as diesel and natural gas prices and feedstock markets ease. But supply uncertainty, particularly around maintenance duration and import flows, remains the wildcard that could delay or dilute the expected correction. Advanced feedstocks for European biofuels demand is set to jump in 2026, driven by RED III implementations and notably higher German advanced biofuel demand. As palm oil mill effluent (Pome) oil is proposed to be excluded from generating compliance in Germany, much of the increase will fall on industrial wastes, such as soapstock acid oil and food waste oils, but also include forestry residues, such as tall oil.

Regulation

France delays RED III implementation

France has delayed its RED III implementation by a year, with it now expected to come into effect on 1 January 2027 instead of 2026. The proposed legislation will be examined by the parliament in the coming months.

The draft RED transposition was released in May for public consultation, and included a broad series of changes, including the introduction of a GHG savings requirement by fuel sector along with the current energy content-based blending requirement by fuel type, which would also expand to new fuel types. The government updated the official legislation site with a copy of the 2025 mandate with an implementation date of 1 January 2026 before official communication of the delay.

UK to impose AD duties on China-origin biodiesel

The UK Trade Remedies Authority (TRA) has recommended anti-dumping duties of 15.68-54.64pc on China-origin biodiesel and HVO. Duties of 15.68pc would apply to sampled exporter Zhuoyue Group and to non-sampled co-operating exporters Weige Biological Technology, EcoCeres, Jingu Group and Haixin Energy Technology International. Higher duties of 54.64pc would apply to all other exporters. Interested parties will have until 22 September to comment on the decision, and the secretary of state is expected to implement final duties in November.

Germany tightens biofuel certificate rules

The German environment ministry published a draft bill in August to end the good-faith protection rule for buyers of illegitimate GHG quota certificates. If sustainability certification is revoked at any point along the supply chain, it will not be eligible under the biofuel quota. The draft bill also requires certification bodies to analyse product samples in independent laboratories at the expense of the affected supply chain entity if there are justified doubts about the type or origin of the feedstock. Additionally, issuing an invalid certificate under paragraph 17 of the law would now also constitute a regulatory offence in Germany.

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Existing certificates will retain their validity if they were issued up to four weeks after the draft bill comes into force. The draft bill does not allow the retroactive cancelling of invalid certificates. Certification bodies that are already recognised will retain this status until 31 December 2026 at the latest, after which they must be re-accredited. Associations will have until 29 August to comment on the draft. The government aims to implement the change promptly once feedback from the associations has been taken into consideration.

EU says it will not lower US ethanol access barriers

The EU has confirmed it will not lower market access barriers for US ethanol in European markets, countering US statements that ethanol might be included in the EU's pledge to purchase $750bn of US energy products over three years. The commission confirmed again that the proposals do not include ethanol and import tariffs on US-origin ethanol will continue. The EU says it intends to safeguard its renewable ethanol sector because of a fourfold increase in US ethanol exports to the EU and UK in the past four years, despite market oversupply.

Demand

Biodiesel

Advanced biodiesel demand to rise in fourth quarter

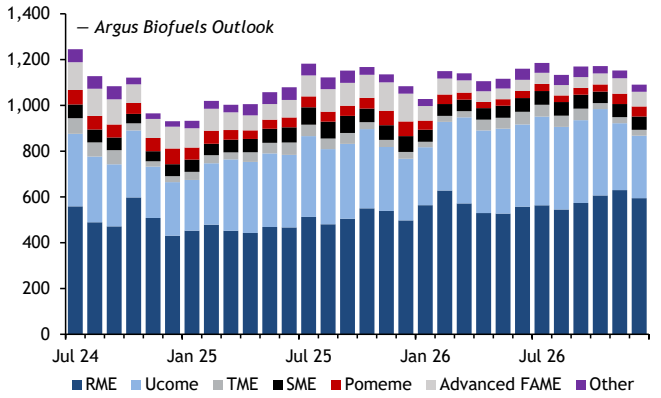
European biodiesel demand is expected to have strengthened 2pc to 1.08bn l in June, with consumption data released for most countries. Demand was buoyed by higher diesel consumption and an expected recovery in German biodiesel demand, after lower consumption figures in May. Biodiesel demand is poised to have strengthened further in July, before easing in August.

Advanced biodiesel demand, previously reported in the "Other" category, is now presented as a standalone category in the report and dataset. We expect to see an uptick in demand for advanced biofuels across the third and fourth quarters, following the German proposal to scrap double-counting from 2026. With a higher relative compliance cost expected in 2027, obligated parties are set to maximise the share of double-counted advanced biodiesel this year, with a view to carry the excess tickets into 2027.

RME, Ucome to step in for advanced biodiesel in 2026

Advanced biodiesel demand is forecast to drop in 2026, as the removal of double-counting mechanisms reduce their relative competitiveness against other grades. This is

European biodiesel demand *mn litres*



expected to support Ucome and RME demand in Germany. Other markets switching to GHG-based systems will also find that waste-based biofuels become less competitive without double-counting.

As a result, we expect RME demand to make up 51pc of biodiesel demand in 2026, up from 45pc in 2025. Ucome demand is poised to take a 30pc share, up from 28pc, with more German Ucome production likely to stay in the domestic market. Poland will also see higher Ucome demand as targets rise beyond the crop cap, meaning the feedstock slate will need to be expanded beyond what has so far been mostly RME. Finally, we expect advanced biodiesel demand to drop from 9pc to 5pc, losing much of the German market share and with advanced biofuel demand forecast to be increasingly met by advanced HVO.

HVO

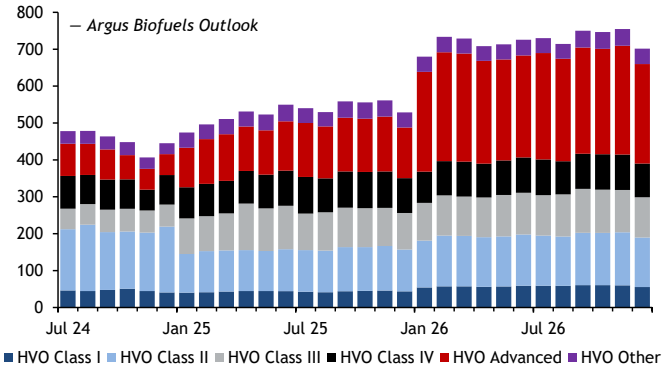
HVO demand strengthens in second half

We expect European HVO consumption to have strengthened during summer, rising 5pc to 550mn l in June. Consumption is forecast to stay elevated in the second half of the year, with compliance typically weighted towards the latter half of the year. Similar to biodiesel grades, advanced HVO is likely to take on an increasing share of the HVO pool in the second half of the year, buoyed by the expected phase-out of double-counting in Germany.

Advanced HVO is now presented as a separate category in the report and the dataset. We expect advanced HVO, excluding HVO Class IV, to already be the largest category in the market in 2025, albeit not far off HVO Class II. But we expect that it will double next year from 1.6bn l to 3.4bn l, with the majority of this jump due to German HVO demand rising from 1.0bn l to 2.5bn l and most of this volume to be stemmed by advanced HVO.

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European HVO demand *mn litres*



Almost 43pc of HVO and SAF demand met by imports

HVO and SAF import data for January-June indicates around 1.6bn l of HVO and SAF were imported from Singapore, the US and China. This is around 43pc of the 3.8bn l of HVO and SAF demand expected in the first half of 2025.

The share of imports of total demand varies from country to country. For example, we expect Spain's HVO and SAF capacity of 860mn l this year to roughly match its 875mn l of demand for the year. As a result, only 70mn l of HVO was imported into Spain on a net basis in the first six months of the year. In contrast, Germany's capacity is limited to co-processing, so it therefore relies almost entirely on imports. Around 450mn l of HVO and SAF has been imported into Germany so far this year, compared with around 600mn l of HVO and SAF demand in the first six months. The trade data captures pure HVO, therefore excluding blended HVO. Furthermore, we understand that although the import code does not capture SAF, some SAF volumes have been imported under the HVO code, which suggests that actual import volumes may be even higher.

Class III demand supported by caps

Palm oil was the largest contributor to European HVO demand in 2021, but as restrictions on the use of palm oil were phased in, we expect animal fats made up the largest share of HVO in 2022. This was largely due to the high Swedish GHG reduction targets, which do not double-count Annex IX biofuels and therefore favour cheaper HVO from animal fats (Class III). The high targets made Sweden by far the biggest HVO market in Europe from 2021 to 2023, boosted by lower Fame demand due to the colder Swedish climate. Demand for HVO Class III collapsed in 2024, falling from 1.2bn l in 2023 to 0.7bn l in 2024, after Sweden slashed its diesel GHG reduction target from 30.5pc to 6pc.

European demand outlook *mn litres*

Product	Jul 25	Aug 25	Sep 25	Oct 25	Nov 25	Dec 25	4Q25	1Q26	2Q26	3Q26	4Q26
Biodiesel											
POMEME	47	44	45	47	63	64	174	112	87	89	120
RME	513	481	505	550	539	498	1,586	1,764	1,615	1,682	1,831
SME	76	74	75	60	64	69	193	155	163	181	165
TME	50	46	47	30	31	30	91	76	150	151	79
UCOME	353	328	327	347	279	269	895	929	1,091	1,110	943
Advanced Fame	92	98	100	101	124	121	346	187	142	141	180
Other	51	51	53	34	35	33	102	94	135	134	97
Total	**1,182**	**1,122**	**1,152**	**1,168**	**1,136**	**1,084**	**3,387**	**3,317**	**3,382**	**3,488**	**3,415**
HVO											
HVO Class I	43	41	44	45	46	44	135	169	172	178	176
HVO Class II	113	113	120	119	121	113	353	401	409	412	419
HVO Class III	99	104	107	105	103	99	308	318	333	343	341
HVO Class IV	99	92	98	98	99	94	291	272	281	282	284
HVO Advanced	146	141	146	144	149	137	430	858	829	854	850
Other	40	39	44	44	44	41	129	124	123	126	133
Total	**540**	**530**	**559**	**556**	**561**	**529**	**1,646**	**2,143**	**2,147**	**2,194**	**2,203**
SAF											
SAF	150	151	149	138	121	122	382	405	455	504	436
Ethanol											
Ethanol 1G	626	612	610	571	568	588	1,727	1,627	1,825	1,834	1,712
Advanced ethanol	159	160	160	152	156	154	462	472	515	504	481
Total	**784**	**772**	**770**	**723**	**724**	**741**	**2,189**	**2,099**	**2,340**	**2,338**	**2,194**
Grand Total	**2,507**	**2,424**	**2,480**	**2,447**	**2,421**	**2,354**	**7,222**	**7,559**	**7,870**	**8,021**	**7,811**

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While Swedish targets did rise back up to 10pc in July 2025, other markets have also been contributing to rising HVO Class III demand. Rising targets amid blend walls and caps on crop and Part B biofuels are shifting rising biofuel demand to HVO made from uncapped feedstocks. On one hand, this is reflected in rising demand for HVO Class IV and advanced HVO in 2025, but HVO Class III demand was also boosted in France and Spain. The French mandate has relatively low sub-targets for Part A and caps for Part B biofuels, with a limit on double-counting for Part A biofuels, which opens the door for HVO Class III. Spain has a low Part B cap and lowered its crop cap to 2.6pc this year, while increasing its overall target, therefore supporting demand for HVO Class III. But Sweden still makes up the majority of HVO Class III demand, boosted by voluntary demand supported by tax breaks.

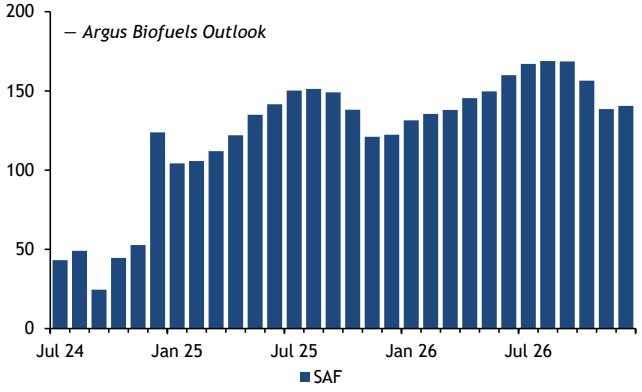
SAF

Demand boost expected in fourth quarter

SAF demand is expected to ramp up over the second half of the year as countries' penalties and compliance frameworks are put forward and parties look to meet their obligations. Accurate Europe-wide SAF consumption data is lacking, making the extent to which demand will be weighed towards the third and fourth quarters uncertain. A boost in demand over the third quarter has already been evidenced by bullish SAF prices, although this was also driven by lower SAF production and imports following a period of higher HVO prices.

SAF consumption was supported in the first half of the year by stronger demand in the Netherlands, where SAF can generate HBE tickets that count against the current road mandate. As SAF spent much of the year at a discount to HVO, obligated parties in the Netherlands were encouraged to blend SAF instead of HVO. With SAF prices at a steep premium now, this is unlikely to continue.

European SAF demand *mn litres*



Ethanol

Demand to fall following summer peak

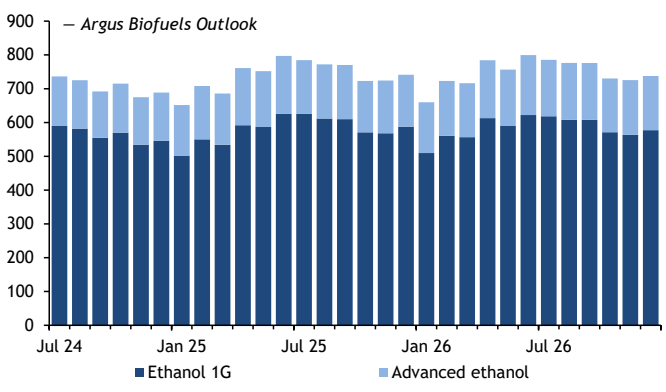
European ethanol demand strengthened 6pc to 797mn l in June, supported by rising motor gasoline consumption. Ethanol consumption typically peaks in the summer, tracking higher gasoline consumption. As a result, we expect demand to have stayed high throughout the third quarter, averaging 770mn l/month. Falling gasoline demand in the fourth quarter will weigh on ethanol consumption, which we expect to average 730mn l/month for the final three months of the year. This dip continues into the first quarter as gasoline demand finds a low in January, before slowly ramping back up. As a result, ethanol demand is forecast at 700mn l/month in the first quarter next year, before spring and summer gasoline demand restarts the cycle of ethanol demand seasonality.

Rise in advanced ethanol's share of demand to be capped

Advanced biofuels will have to take on a more prominent role in coming years as rising mandates are kept in check by caps on biofuels from crops and Part B feedstocks. Advanced ethanol is expected to make up around 21pc of ethanol demand in 2025, rising to 22pc in 2026. But this increase is very subdued compared with the rising advanced share in HVO.

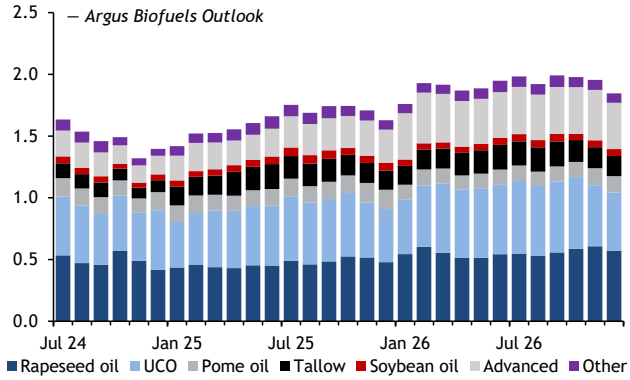
This boils down to the opportunity cost of replacing crop ethanol with advanced ethanol within a blend wall of 10pc. Crop ethanol prices have averaged just over $200/t over gasoline this year, making crop ethanol the cheapest compliance option in most markets. Increasing waste-based ethanol blending would therefore limit how much of the cheapest compliance option can be blended. Therefore, we expect that this will keep a lid on the contribution of advanced ethanol and expect most of the growth to be stemmed by HVO.

European ethanol demand *mn litres*

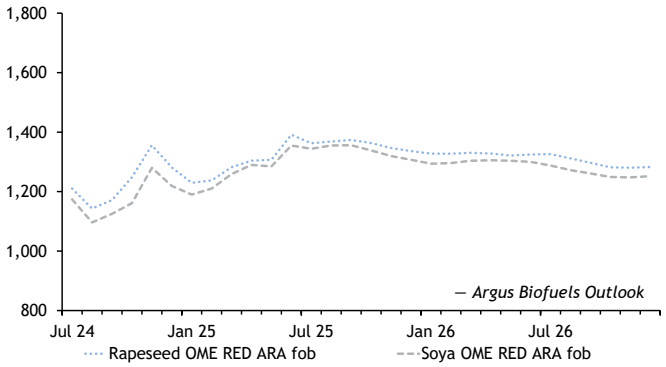


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Biodiesel and HVO feedstock demand *mn t*



European crop-based biodiesel prices *$/t*



Feedstocks

Conventional waste overtakes crop

Crops have traditionally been the primary feedstock for biofuels in Europe and other regions. Europe's refocussing on waste feedstocks meant that waste-derived biofuels overtook crop-derived biofuels in 2022. Crop biofuels remained the primary biofuel category when splitting waste feedstocks into conventional waste, including UCO and animal fats, and advanced waste, including Annex IX Part A feedstocks. But stronger UCO and rising animal fats demand has lifted conventional waste demand to 7.7mn t in 2025, overtaking the 6.5mn t of crop demand for biofuels. Some of the boost is driven by SAF demand following the introduction of new mandates, but also supported by higher HVO demand.

Advanced feedstock reshuffle

Advanced feedstock demand is set to jump 34pc to 6.1mn t in 2026, driven by RED III implementations and higher advanced biofuel demand in Germany following the proposed removal of double-counting. But the draft also suggests excluding Pome oil from contributing to the GHG targets, while export restrictions in southeast Asia are limiting flows. Therefore, we expect Pome oil demand to ease and other advanced feedstocks to take on most of the increased demand. These feedstocks are mainly industrial wastes, such as soapstock acid oil and food waste oils, but also forestry residues, such as tall oil.

Prices

Biodiesel

RME leads gains as buyers pivot ahead of 4Q

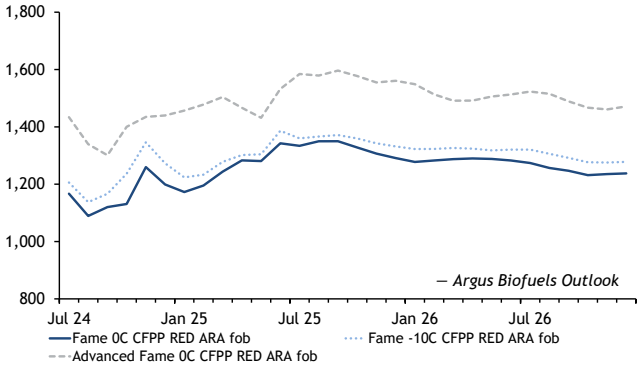
European biodiesel markets firmed in August, led by RME, as buyers positioned for winter demand. RME climbed to $1,436/t in early September, extending a steady rally from July. Soybean oil methyl ester (SME) averaged $1,355/t in August, up $11/t from July, while Fame 0 averaged $1,350/t before ending the month at $1,378/t. The RME-Fame 0 spread widened from $15/t in early August to $52/t by 2 September, signalling a shift in buying patterns to intermediate and winter diesel grades.

Vegetable oil fundamentals remain pivotal. Rapeseed oil prices are underpinned by a tightening EU oilseed balance, with sunflower shortfalls and rising food sector demand adding bullishness. Rumours of Canadian rapeseed purchases, unrestricted for biofuels despite concerns over use of genetically modified organisms (GMOs) in food, have tempered fears of extreme tightness. Meanwhile, elevated SME prices have brought the market closer to open arbitrage with Argentina, which could ease pressure in the coming months.

Advanced Fame sustains strong premium over Ucome

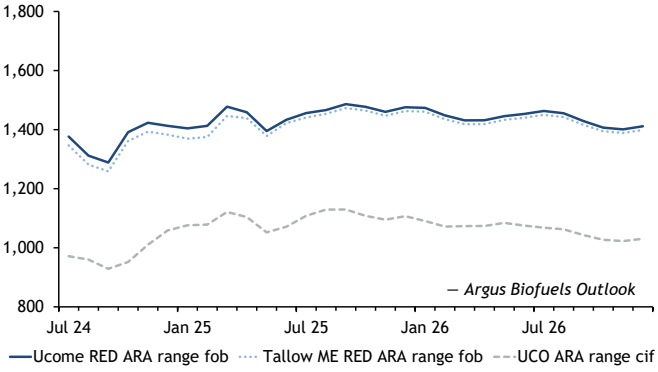
Waste-based grades maintained a steady premium to crop grades. Ucome rose to $1,466/t in August, supported by Dutch demand as high HBE prices and stronger blending economics favoured waste-based options. Tallow-based biodiesel followed a similar trajectory, rising to $1,453/t.

European FAME prices *$/t*

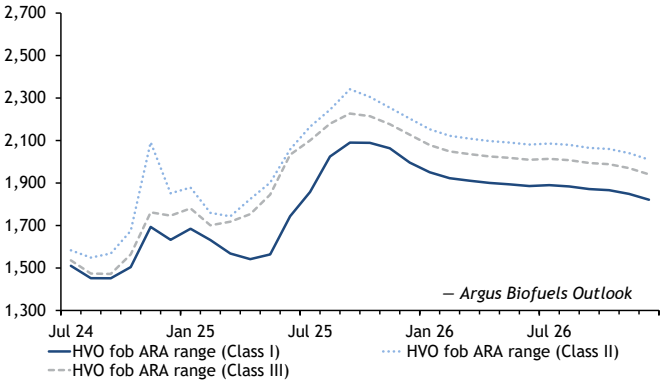


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European waste-based biodiesel prices *$/t*



European HVO prices *$/t*



The Advanced Fame 0 premium over Ucome stayed above $100/t for the second month running. Strong German demand, prior to the expected removal of double-counting, helped the premium surpass this level in July for the first time since March 2022.

Biodiesel prices to soften

Early September indications point to continued firmness, with RME holding near $1,374/t and Ucome around $1,486/t. The outlook softens beyond the fourth quarter. RME is set to ease towards $1,328/t by early 2026, reflecting lower feedstock costs and a seasonal demand drop. Ucome and tallow methyl ester (TME) will retain structural premiums, with UCO prices — pressured by demand from HVO and SAF producers — limiting downside. UCO reached $1,155/t in early September and is expected to average $1,130/t over the rest of the month. Premiums of Advanced Fame 0 over Ucome are expected to erode going into the new compliance year. The key downside risk remains diesel weakness, which could accelerate price declines next year, while upside risks hinge on feedstock supply disruptions amid higher mandates.

HVO

Prices surge on buying ahead of maintenance

HVO prices accelerated to multi-month highs in late August, with Class II leading gains as participants positioned for fourth-quarter maintenance outages and year-end compliance deadlines. Class II rallied from $2,147/t on 23 July to $2,431/t on 8 September, while Class I gained about $200/t over the same period. Class III lagged, ending the month at $2,224/t, amid soft French demand.

The upswing was reinforced by active spot bidding, rumoured to be from parties fulfilling contractual obligations ahead of planned outages. High renewable ticket costs supported blending economics, offsetting late-month diesel weakness.

Momentum is holding, with Class II still trading above $2,400/t and Class I near $2,100/t. Prices are expected to remain tight in the near term, but flexibility between HVO and SAF production, and whether Chinese SAF exports materialise, will be decisive. September Class II prices are projected to average $2,342/t, before falling to $2,255/t in the fourth quarter. Prices at current levels are unlikely to be sustained, as it would open the arbitrage for the Chinese producers that face 21.7pc and 23.4pc anti-dumping duties. Higher imports could increase supply and weigh on values to close the arbitrage. Beyond the near term, fundamentals point to a softer trajectory as diesel and natural gas prices and feedstock markets ease, reducing cost pressures and seeing Class II prices ease to $2,109/t. But supply uncertainty, particularly around maintenance duration and import flows, remains the key factor that could delay or dilute the expected correction.

SAF

Premium rebuilds as supply tightens

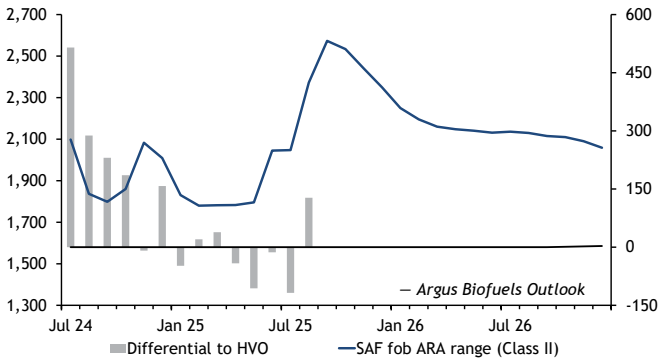
SAF prices snapped back to a large premium over HVO in late August and early September as the market flipped from months of discount-driven HVO maximisation to thin prompt SAF supply. Prices averaged $2,019/t on 23 July before climbing to a peak of $2,707/t on 9 September. European and Asian producers had pivoted toward HVO earlier in the summer when SAF traded at a discount.

Chinese export constraints amplified the squeeze. Despite new capacity, only one Chinese producer currently holds an export licence, limiting flows that many buyers had anticipated. European maintenance outages and a lack of prompt cargoes further dampened liquidity, shifting most trading interest to fourth-quarter loadings.

The correction underscores SAF's structural cost premium. Additional processing steps and hydrogen requirements

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European SAF prices $/t



make SAF inherently more expensive than HVO, a dynamic that should, in theory, maintain a positive spread over the long term. But the market remains cyclical. The sharp premium now in place is likely to incentivise production pivots and attract Asian exports, which typically land in Europe with a 5-6 week lag, eroding the differential and restarting the recent SAF–HVO "see-saw".

For now, SAF prices are expected to remain elevated through September, supported by thin supply and compliance buying. Beyond the near term, fundamentals point to a gradual easing to around $2,350/t by December and are forecast at $2,171/t over the first half of 2026, while retaining a modest premium over HVO. But in practice, volatility will persist as imports, production flexibility and policy signals continue to drive short-term swings. If supply shocks re-emerge and the lag between decision-making and shipment arrivals continues to amplify market volatility, we could expect the SAF premium to narrow again, or even switch to a discount.

Bionaphtha

Premium firms on petrochemical demand

The premium for bionaphtha over fossil-derived naphtha strengthened in early September, with indications rising to around $900/t on 5 September. Chemical sector buyers increased interest in renewable naphtha even as the fossil market softened.

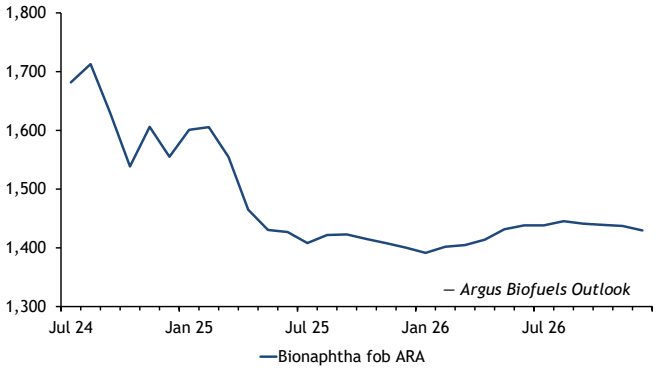
European naphtha prices came under pressure from ample cargo availability, lower Ice Brent futures and seasonal shifts reducing gasoline blending demand. Naphtha cracks in northwest Europe fell, while independently held stocks in the Amsterdam-Rotterdam-Antwerp (ARA) hub climbed to 578,000t, adding to bearish sentiment.

European price outlook $/t

Product	Jul 25	Aug 25	Sep 25	Oct 25	Nov 25	Dec 25	4Q25	1Q26	2Q26	3Q26	4Q26
Biodiesel											
FAME 0 fob ARA	1,334	1,350	1,350	1,328	1,307	1,350	1,309	1,283	1,287	1,259	1,235
FAME -10 fob ARA	1,360	1,366	1,371	1,360	1,343	1,371	1,345	1,324	1,321	1,306	1,277
Advanced FAME 0 fob ARA	1,584	1,579	1,596	1,577	1,555	1,596	1,564	1,518	1,503	1,509	1,466
Crop-based biodiesel											
RME fob ARA	1,363	1,368	1,374	1,363	1,347	1,336	1,349	1,329	1,325	1,311	1,281
SME fob ARA	1,344	1,355	1,356	1,338	1,320	1,307	1,322	1,298	1,303	1,274	1,250
Waste-based biodiesel											
UCOME fob ARA	1,456	1,466	1,486	1,477	1,460	1,476	1,471	1,451	1,443	1,449	1,406
TME fob ARA	1,441	1,453	1,473	1,464	1,447	1,463	1,458	1,438	1,431	1,436	1,394
UCO cif ARA	1,108	1,129	1,130	1,108	1,095	1,107	1,103	1,079	1,078	1,058	1,027
HVO											
HVO Class I fob ARA	1,858	2,024	2,090	2,089	2,063	1,996	2,050	1,928	1,893	1,882	1,845
HVO Class II fob ARA	2,165	2,245	2,342	2,305	2,255	2,204	2,255	2,128	2,090	2,077	2,037
HVO Class III fob ARA	2,101	2,179	2,227	2,215	2,177	2,127	2,173	2,055	2,017	2,005	1,967
SAF											
SAF fob ARA	2,047	2,372	2,573	2,534	2,441	2,350	2,441	2,202	2,140	2,127	2,086
Bionaphtha											
Bionaphtha fob ARA	1,408	1,422	1,423	1,415	1,408	1,400	1,408	1,399	1,428	1,442	1,435
Ethanol											
Ethanol Regular fob ARA	894	895	917	877	866	841	861	892	984	994	886
Ethanol Premium fob ARA	923	924	946	906	894	870	890	921	1,013	1,023	914
ETBE fob Rotterdam	1,115	1,041	998	955	946	923	941	966	1,049	1,069	946

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European bionaphtha prices *$/t*



In contrast, renewable feedstock costs have moved higher. UCO fob ARA prices edged up to $1,290-1,300/t, the highest since *Argus* launched the assessment, buoyed by sharp gains in HVO and SAF spot prices. This divergence widened the bionaphtha premium. Looking ahead, premiums are likely to remain elevated in the near term, supported by strong petrochemical pull and tight renewable feedstock supply, although any easing in HVO and SAF prices could temper upward momentum later in the quarter.

Ethanol and ETBE

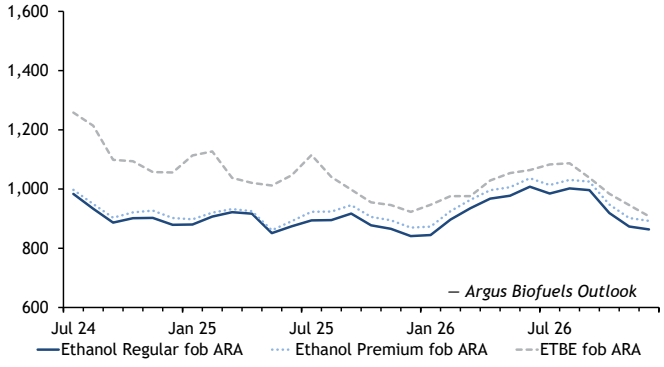
Ethanol rallies to multi-month highs, ETBE premiums hold

European ethanol prices strengthened in early September, supported by tighter supply and robust blending. Regular ethanol prices climbed to $942/t on 5 September, its highest since April, while the premium grade hit $974/t. Global fundamentals reinforced the bullish tone — US ethanol values rose on strong domestic demand and tight supply ahead of autumn maintenance, while Brazilian ethanol values have reached year highs on crop concerns. Asian delivered prices tracked these gains, amplifying upward pressure in Europe.

ETBE activity, by contrast, remained muted, with no fresh spot trades reported. The ETBE premium to MTBE barges held at $213/t on 4 September, while MTBE values rallied on refinery maintenance and strong blending demand.

Ethanol prices are expected to remain supported through September, before easing to an average of $861/t in the fourth quarter as seasonal blending slows and supply normalises. ETBE premiums are likely to track MTBE fundamentals, with volatility tied to refinery outages and gasoline blending economics rather than bio-component availability. ETBE prices are projected to average $941/t in the fourth quarter, rising to $1,083/t over the first half of 2026.

European ethanol and ETBE prices *$/t*



Fundamentals

Agricultural prices

Biofuel demand tightens EU oilseed balance

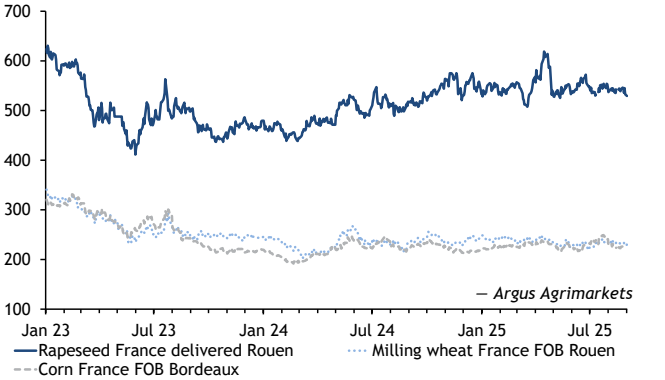
European agricultural markets are being shaped by a widening divergence — oilseed fundamentals are tightening under biofuels demand growth, while global grain supplies remain comfortable.

Sunflower output has fallen short, with Romania and Bulgaria reporting notable shortfalls. These shortfalls are tightening the EU oilseed balance, increasing reliance on imports at a time when global oilseed availability is constrained by rising biofuels mandates.

Despite record Brazilian soybean crushing, exportable vegetable oil supplies are shrinking as domestic biodiesel consumption absorbs a growing share of output. This structural shift is underpinning higher vegetable oil prices globally, even as overall oilseed production expands.

Grain markets tell a different story. Global wheat and corn supplies are ample, but regional quality concerns and trade policy uncertainty are creating price dislocations. Black Sea

Biofuel agricultural feedstock prices *$/t*



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wheat prices have softened amid sluggish early-season Russian exports and buyer expectations of further declines. Russia's decision to reinstate sunflower oil export duties in September has reinforced bullish sentiment in vegetable oil markets, adding to the upward pressure on oilseed prices.

Euronext contracts remain broadly stable. French corn is projected to bottom at $194/t in July 2026 before rising to $215/t in March 2026, while wheat is expected to peak at $220/t in February 2026. Rapeseed futures are rangebound, with a forecasted high of $565/t in February 2026, reflecting balanced supply expectation despite regional shortfalls.

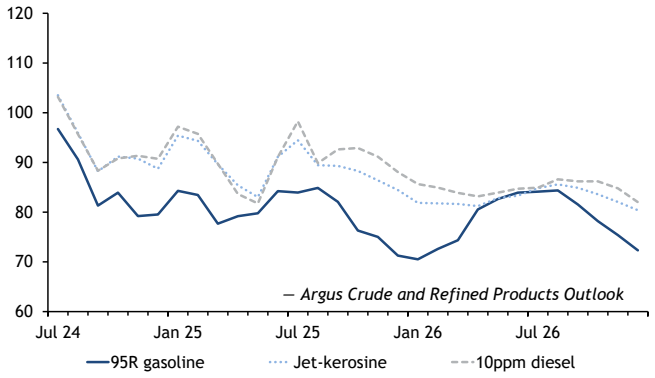
Fossil fuel demand and prices

Gasoline cracks strengthen as maintenance looms

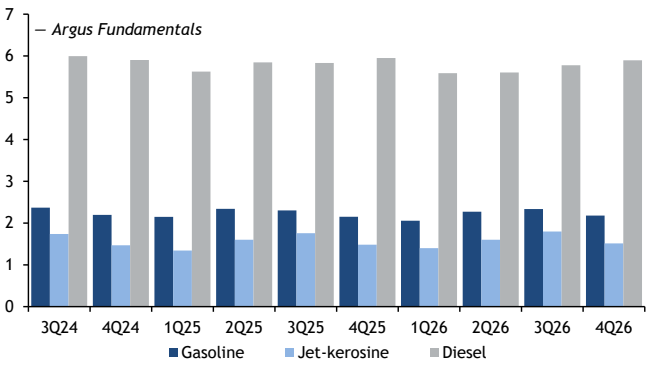
Northwest European gasoline cracks rose by $2.16/bl on the month to $14.56/bl in August, supported by weaker crude and steady gasoline values. North Sea Dated fell by 4pc in August, while outright gasoline prices slipped by just 1pc, underpinning margins. Regional demand remained firm through the summer driving season, but exports from northwest Europe fell by 26pc on the year to 643,000 b/d, reflecting a structural decline in outbound flows.

Refinery maintenance this autumn is expected to tighten supply and support margins, particularly in northwest Europe, drawing additional exports from the region. Market participants report that the residual fluid catalytic cracker at Nigeria's Dangote refinery was shut in early September, despite company denials, suggesting higher import requirements for west Africa. Heavy maintenance in the Middle East will further constrain supply, reinforcing demand for European gasoline into the fourth quarter.

European fuel prices *$/bl*



European fuel demand *mn b/d*



Upcoming EU embargo underscores import reliance

The forthcoming EU ban on refined products made from Russian crude could trigger stockpiling similar to pre-embargo dynamics in early 2023, potentially lifting diesel prices after a year of limited inventory building. The restriction will primarily affect Turkish and Indian refiners.

Northwest European jet fuel cracks eased by $1.86/bl to $20.10/bl in August as the region received record-high imports, pushing ARA stocks up by 21pc on the month to 7.8mn bl — a four-year high. China and South Korea drove these flows, supported by arbitrage opportunities as the Europe-Asia jet premium held above $8/bl for a month from mid-June, up from $5/bl a year earlier.

Elevated European prices following the Israel-Iran conflict improved arbitrage economics, prompting an influx of east-of-Suez cargoes. But this supply boost is likely temporary as underlying tightness persists and inventories remain below historical norms. Europe's shift toward lighter, sweeter crude and reduced refining capacity continues to underpin reliance on trans-regional flows to bridge structural deficits.

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NORTH AMERICA

Summary

This month

US renewable diesel (RD) production retreated from six-month highs in July as margins compressed under stronger feedstock prices, pushing utilisation rates under 70pc. In contrast, sustainable aviation fuel (SAF) output rose to a fresh record high, up eightfold on year-ago levels, as producers capitalise on the final year of the $1.75/USG 45Z multiplier.

The Environmental Protection Agency (EPA) cleared a backlog of 175 small refinery exemptions (SREs) dating back to 2016, granting full or partial approvals to 140 petitions — an effective approval rating of 58pc. The renewable identification number (RIN) markets had been particularly bearish ahead of the action, pricing in approvals of 80pc or higher. The bulk of the RINs pre-dating 2023 were rendered effectively worthless, while the EPA underscored its commitment to reallocated waived volumes to future obligations, blunting the bearish impact. But uncertainty around reallocation continues to pressure RIN prices relative to feedstock values. August RD margins fell 42pc from July, prompting further run cuts and unit shutdowns. The EPA submitted its reallocation proposal to the White House for review on 22 August.

Next month

The EPA's reallocation proposal is expected to be made public in September, initiating a 30-45-day public comment period — a timeline that risks delaying finalisation of 2026 renewable volume obligations (RVOs) beyond the 31 October deadline. The proposal is understood to contain multiple options, suggesting the agency may be considering alternatives to full reallocation. Any compromise would be bearish for RIN, with the biofuels and refining industries divided on the issue.

3-6 months ahead

The outlook for US biofuel demand hinges on resolution of two key issues — reallocation of waived SRE volumes, and the EPA's proposed foreign RIN provision, which would halve the credit value for fuels and feedstocks sourced abroad. The latter drew widespread opposition during the public consultation, with stakeholders advocating for a narrower scope — either limited to fuels or restricted to countries not party to the US-Mexico-Canada (USMCA) free trade agreement.

Should the EPA abandon the provision, it would need to raise biomass-based diesel (BBD) volume obligations, as the equivalence value would increase to 1.6 from an estimated 1.27 — reducing the BBD mandate to just 4.45bn USG. Reallocation is expected to take the form of a supplemental standard, spreading over 2bn RINs across 2026-27. This would drive demand for surplus credits and spur new biofuel production. Any dilution of reallocation would be bearish, releasing surplus credits into an already margin-constrained market. The complexity of the issue and required comment period are likely to delay finalisation of RVOs.

6-12 months ahead

The BBD industry is bracing for another reconfiguration in 2026, as it aligns higher RVO obligations with new 45Z tax credit guidelines and potential RIN reforms. The policies are designed to support US agriculture by favouring domestic crop-based feedstocks over foreign waste-based alternatives.

The shift is expected to underpin a recovery in the biodiesel sector, with producers earning higher 45Z value from soybean oil from next year. The outcome of SRE reallocation and the final treatment of foreign RIN provisions will be pivotal in shaping the production landscape for advanced biofuels.

Regulation

EPA reconsiders biofuel mandates amid refinery waivers

The US EPA is preparing a regulatory proposal to rebalance biofuel blending obligations under the Renewable Fuel Standard (RFS), following the approval of 140 SRE petitions. Biofuel groups welcomed the EPA's commitment to reallocate exempted volumes from 2023 and 2024, while larger refiners argued that the retroactive adjustments are legally questionable and could unfairly increase compliance costs.

The forthcoming EPA proposal, now under White House review, is expected to outline how exempt volumes will be redistributed. It will not address exemptions prior to 2023, but will factor in anticipated waivers for 2025, and adjust the final quotas for 2026 and 2027. The move aims to preserve demand for renewable fuels and stabilise RIN credits.

But the process faces legal and logistical hurdles. Some refiners may file additional retroactive petitions, while others denied relief could challenge the EPA's waiver methodology in court. And the agency's timeline to finalise new mandates before November may slip if public consultation is required.

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EPA's biofuel mandate faces demand estimate shift

The EPA has announced plans to adopt updated motor fuel demand estimates from the EIA ahead of finalising its previously proposed record-high biofuel blending mandates for 2026 and 2027. The initial proposals had been set using 2023 motor fuel demand estimates from the EIA, but the agency's latest figures raised its gasoline and diesel demand forecasts by 6pc in 2026 and by 7pc in 2027. Once adopted, this could potentially lower the percentage of biofuels individual refiners must blend under the RFS.

The shift could particularly reduce demand for biomass-based diesel, as higher ethanol use, projected to increase by 560mn USG in 2026 and 620mn USG in 2027, may fulfil conventional biofuel quotas and reduce the need for other biofuels.

Biofuel groups, including Clean Fuels Alliance America and the American Soybean Association, have urged the EPA to increase its advanced biofuel mandate to offset any potential losses. Meanwhile, the American Fuel and Petrochemical Manufacturers trade association argues the updated estimates should lower blending percentages.

US ethanol groups urge action on Brazil trade

Growth Energy and the Renewable Fuels Association have called on the US Trade Representative to address Brazil's restrictive ethanol import policies, citing unfair treatment under a Section 301 investigation. Brazil currently imposes an 18pc tariff on ethanol imports from the US, and the groups are pushing for tariff parity and equal recognition of US corn ethanol in emissions models.

Despite the recent approval for the use of US ethanol in Brazil's Renovabio programme, US producers remain concerned about limited access to the Brazilian market.

California approves E15 sale

California lawmakers have voted to permit the sale of the E15 ethanol gasoline blend in the state. Once signed into law by the governor, the measure will take immediate effect, ending California's status as the only US state prohibiting the blend.

The E15 bill, named AB 30, had been approved in the state assembly and passed unanimously in the state senate. The move is expected to support biofuel and corn producers by expanding market access in the nation's largest auto market. Senator Laura Richardson cited a University of California study estimating that E15 availability could reduce gasoline prices by 20¢/USG.

Demand

Ethanol

Blending stagnates as exports underpin demand

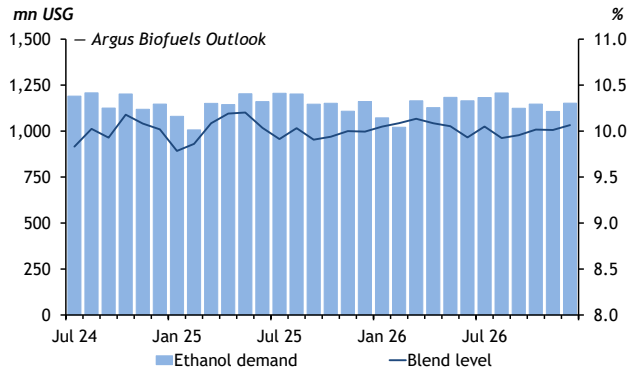
US ethanol demand is forecast to average 895,000 b/d this year, a marginal downward revision from last month's 898,000 b/d outlook. The average blend rate was trimmed to 9.99pc, down from 10.03pc, as infrastructure constraints and consumer inertia continue to hinder the adoption of higher ethanol blends. Regulatory waivers allowing E15 sales during summer months have failed to materially shift consumption patterns, with no discernible uptick in blend rates or volumes during waiver periods over the past three years.

Ethanol demand is projected at 13.72bn USG in 2024, 8.5pc below the 15bn USG volumetric blend mandate, and revised slightly lower to 13.65bn USG in 2026. With domestic blending capped by structural barriers, US producers are increasingly reliant on export markets to absorb surplus volumes.

Exports softened to a five-month low in July, falling 8.4pc from June to 125,919 b/d, as Indian demand collapsed under a 50pc effective tariff. But year-on-year volumes rose 21pc, with Canada, the Netherlands and the UK offsetting the decline. Dutch purchases surged 51pc on the month, buoyed by the US deferral of reciprocal tariffs, while UK imports climbed 85pc. August exports are on track to rise 4pc, supported by renewed Indian buying and sustained European demand.

Inventories drew by 1.3mn bl in August, leaving stockpiles 3pc below year-ago levels. Inventory cover fell to 24.7 days of domestic demand, down from 26.1 days in July. Production slipped 1pc to 1.08mn b/d, but remained 8.4pc above the five-year average, supported by export strength and favourable corn margins. Seasonal maintenance is expected to further curtail output through November, coinciding with the end of the summer driving season and the start of the US harvest.

US ethanol demand and blend level



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Renewable diesel

Production slips as margins falter

US RD production retreated 4.3pc in July as margins declined 2pc from June and facilities ran at an estimated 69.8pc of capacity, down from 70.9pc and above the 2024 average of 67.6pc. Output reached and eight-month high in June at 6.24mn bl, but remained 10pc below year-ago levels. Regional dynamics were mixed — west coast output rose 2.3pc to account for 43pc of the total, while Gulf coast volumes fell 2pc to 40pc. Midwest production declined 5pc, offsetting a 4.6pc rise in Rocky Mountain output.

The operating environment remains tenuous, with average margins tumbling 42pc in August from July. Major producers are responding with curtailed runs. P66 plans to operate its 52,000 b/d facility at reduced rates through the third quarter, while Diamond Green Diesel has idled one unit at Norco, Louisiana, and may not restart its sustainable aviation fuel (SAF) unit at Port Arthur, Texas. In contrast, PBF aims to boost output by 21pc at its Chalmette, Louisiana, facility and CVR targets full utilisation of its 4,100-5,200 b/d plant at Wynnewood, Oklahoma.

SAF production surged 39.5pc in July to a record 25mn USG, with imports accounting for 21pc of supply, the highest since January at 6.7mn USG. SAF represented 9pc of total RD/SAF output, up from 6.4pc in June and more than eight times higher than 2024 levels.

RD exports fall as European purchases slow

RD exports accounted for 16pc of US domestic production during the first half of 2025, rising to 26pc in June as Canada, the Netherlands and the UK re-entered the market. Dutch demand rose to 16pc of total exports, while Canadian purchases climbed 56pc. Preliminary July data shows exports slowing, with weaker European demand offsetting heavier Canadian buying. August volumes are expected to be lower as poor margins weigh on output.

SAF exports slowed in July, accounting for 34pc of year-to-date production compared with 42pc during the first half of 2025. Mandate-driven demand from the UK and EU continues to support foreign sales, with duty drawback mechanisms enabling US producers to capture arbitrage opportunities on exported SAF.

Imports of RD and SAF have collapsed, falling 79pc as they lack 45Z tax credit eligibility. RD imports are down 82pc year on year, representing less than 2pc of demand compared with 17pc in 2024. SAF imports fell 22pc, with the US on track to rely on imports for just 25pc of demand in 2025, down from 65pc last year.

Demand outlook slashed as recovery hopes fade

The third-quarter RD demand outlook has been revised sharply lower to 660mn USG as producers throttle back amid margin pressure and regulatory uncertainty. Fourth-quarter demand was cut by 19pc to 758mn USG, with total 2025 demand now projected at 2.68bn USG, 27pc below 2024 levels. Blend rates are expected to average 4.36pc during the second half of the year, down from 6.27pc a year earlier.

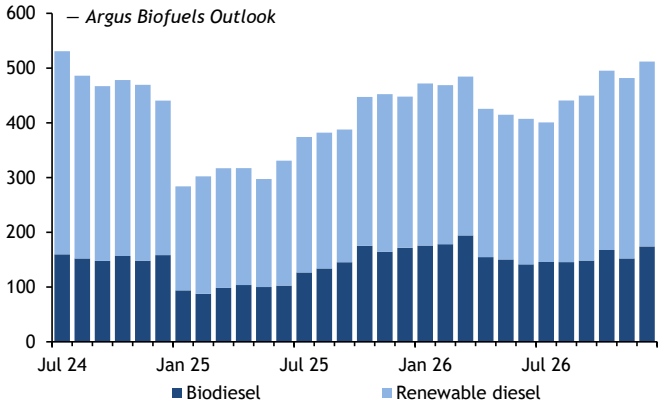
The 2026 outlook was also trimmed, with domestic feedstock reliance to weigh on supply. First-half demand is forecast at 1.68bn USG, up 33pc on 2025 levels, with blend rates averaging 5.16pc. Total 2026 demand is projected at 3.52bn USG, a 31pc rise on 2025, although still well below peak levels.

US biofuel demand outlook

Product	Jul 25	Aug 25	Sep 25	Oct 25	Nov 25	Dec 25	4Q25	1Q26	2Q26	3Q26	4Q26
Biofuel											*mn USG*
Ethanol	1,206	1,202	1,146	1,152	1,108	1,161	3,420	3,258	3,476	3,514	3,406
Biodiesel	127	134	145	175	164	172	511	549	447	440	494
Renewable Diesel	248	248	242	272	288	276	837	877	801	852	995
Total	**1,580**	**1,584**	**1,534**	**1,599**	**1,560**	**1,609**	**4,768**	**4,683**	**4,724**	**4,806**	**4,895**
Biodiesel and renewable diesel feedstocks											*mn lbs*
Canola oil	271	245	186	312	306	342	961	578	451	804	966
Corn oil	292	319	389	487	497	439	1,423	1,629	1,362	1,152	1,453
Soybean oil	1,024	1,228	1,260	1,541	1,612	1,579	4,732	3,674	3,784	3,896	4,788
Tallow	826	529	611	537	501	527	1,565	2,436	2,004	1,576	1,732
Yellow grease	462	611	519	555	540	514	1,609	2,303	1,741	2,241	2,325
Other	82	85	93	93	113	131	337	617	505	530	500
Total	**2,956**	**3,017**	**3,058**	**3,526**	**3,569**	**3,532**	**10,627**	**11,237**	**9,847**	**10,199**	**11,764**

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US biodiesel and RD consumption *mn USG*



Biodiesel

Output rises as US margins remain positive

US biodiesel production rose 8pc in July to nearly 106mn USG, marking the third consecutive monthly increase as margins held in positive territory at $0.18/USG — the highest return for soybean oil-produced biodiesel this year. Despite the recent recovery, year-to-date output remains 46pc below 2024 levels at 652mn USG, underscoring the depth of the sector's contraction.

Soybean oil strength outpaced gains in diesel prices, widening the bean oil-heating oil (BOHO) spread by 14pc to average $1.73/USG, briefly peaking at $1.85/USG — the highest in nearly two years. D4 RIN premiums were little changed at $0.10/USG, while firmer glycerol values supported margins. Spot B99 premiums to conventional diesel averaged 8.8pc lower, raising concerns over demand destruction from cost-sensitive blenders. Biodiesel, stripped of its environmental attributes, typically trades at a discount to diesel, but elevated spot premiums risk undermining discretionary blending.

Margins slipped to $0.14/USG in August as diesel and RIN prices fell faster than feedstock costs. The BOHO spread narrowed slightly to $1.71/USG, while the D4 RIN premium to BOHO fell to just $0.05/USG. Spot premiums narrowed 5pc to below $0.20/USG as increased production weighed on values. Seasonal heating oil demand and harvest activity are expected to lift BD consumption in September, with margins projected to remain positive through October.

The improved margin environment has prompted operational restarts and expansions. The US' largest biodiesel facility in Port Neches, Texas, resumed operations in June while Kolmar expanded capacity by 50pc to 3,200 b/d at its New Haven, Connecticut, plant in July.

Exports recover on Canadian demand

US biodiesel exports rose for a fourth consecutive month to a seven-month high, totalling 986,000 bl in the first half of 2025 — 6.5pc of domestic production, down from 11pc in 2024. Canada dominated June exports, with a 79pc share, while Peru accounted for 20pc. Imports have collapsed to a 12-year low, with the US purchasing just 14,000 bl a month from Canada.

Industry rationalisation continues apace, with at least 10 facilities closed or idled amid uncertainty over federal blending policy. Rationalisation has reached 35pc — more than triple the 10pc seen in the RD sector — reflecting the lack of incentives for crop-based feedstocks under the 45Z credit. Despite these headwinds, producers have shown resilience, leveraging higher spot premiums and increasing use of waste-based feedstock to support margins. A recent pullback in soybean oil prices has enabled producers to ease biodiesel premiums, helping maintain competitiveness against conventional diesel.

Demand revised higher as margins support recovery

The 2025 biodiesel demand outlook has been raised by 5pc to 1.46bn USG, supported by positive margins and improved production prospects. The average blend rate was lifted to 2.33pc from 2.30pc, with fourth-quarter blending expected to recover to 2.99pc — up from 1.92pc in the first half of 2025, although still below the 3.12pc average in 2024.

A more material recovery is not expected until early 2026, when new guidelines enhancing incentives for domestically sourced, crop-based fuels take effect. Biodiesel demand is forecast to reach 1.93bn USG in 2026, up 5.5pc from last month's projection. The annual blend rate was lifted to 3.03pc from 3.01pc, although still below the 2024 average of 3.21pc.

Feedstocks

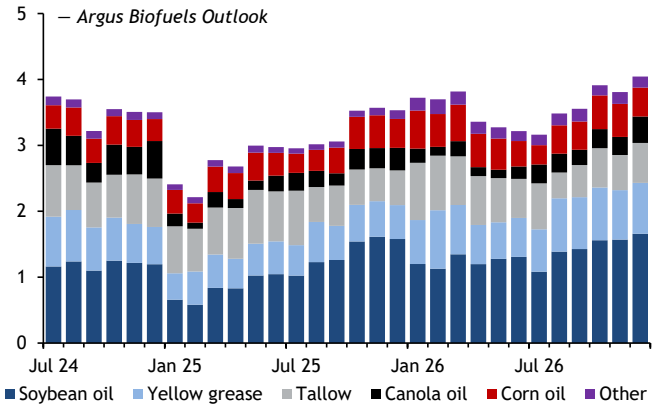
Demand softens as producers optimise

US feedstock consumption is forecast to decline to 2.98bn lbs in July, reflecting a near 9pc drop in RD/SAF production, even as BD output climbs 23pc from June. The shift underscores diverging utilisation rates. The full-year 2025 feedstock demand outlook was cut by 3pc to 35.7bn lbs, driven by lower RD demand, although sustained momentum in SAF output offers a partial offset.

August feedstock demand is expected to rise 2pc to 3.08bn lbs, supported by stronger biodiesel production and exports. The feedstock slate continues to evolve, with producers shifting away from distillers corn oil (DCO) in favour of increased

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US biodiesel and RD feedstocks demand ***mn lbs***



used cooking oil (UCO) and soybean oil (SBO), reflecting both cost optimisation and regulatory positioning.

The 2026 feedstock outlook was trimmed 9pc to 43.05bn lbs as increased reliance on domestically sourced feedstocks is expected to reduce overall biomass-based diesel demand, driven by limitations on crediting for foreign volumes.

Tallow and SBO diverge as trade dynamics shift

Tallow consumption in the US fell from successive records to 756mn lbs in June as tallow margins declined and Brazilian imports slowed. Full-year 2025 demand is forecast to average 663mn lbs, down 9pc from last month's projection, with second-half usage revised down to 589mn lbs. US producers are increasingly turning to SBO and discounted canola oil imports to fill the gap.

Estimates suggest that imports from the US' next six largest tallow trade partners could replace around 64pc of the lost Brazilian supply, although longer voyage times and higher logistics costs may weigh on margins. Tallow is now expected to account for 23pc of total feedstock use in 2025, down from 24pc previously. The 2026 outlook was revised to 646mn lbs, with SBO and UCO expected to take a greater share.

SBO consumption reached a six-month high in June, accounting for 35pc of the feedstock slate, up from 34pc in May. RD producers increased SBO usage by 13pc month on month, while biodiesel demand fell 9pc. First-half 2025 SBO usage was 21pc below year-ago levels at 4.97bn lbs, but a strong second-half outlook lifts full-year usage to 8.24bn lbs — nearly 42pc of the slate.

SBO demand is forecast at 16.14bn lbs in 2026, down 9pc from the previous outlook and 22pc above estimated 2025 levels. A sharp reduction in exports and redirection of imports to the food sector could free up as much as 3bn lbs for biofuels use. Meanwhile, heavy Chinese tariffs on Canadian canola have led to discounted canola oil entering the US biofuels sector. Canola oil is expected to play a growing role in 2026, qualifying for a 45Z credit value of $0.20-0.30/USG. Further clarity on the EPA's proposed foreign RIN provision will determine the extent of its uptake.

UCO and DCO shift as producers rebalance

UCO demand rose 5pc in June to 490mn lbs as producers shifted away from higher-cost tallow and DCO. UCO's share of the feedstock slate is estimated to reach 17pc this year, down from 20pc in 2024. Imports totalled 227mn lbs in June, representing 46pc of total yellow grease consumption, and are projected to rise to 256mn lbs in July and 269mn lbs in August.

Full-year 2025 yellow grease consumption was trimmed by 1.8pc to 6.04bn lbs, with RD sector demand expected to remain subdued. The 2026 UCO outlook was revised down to 8.61bn lbs, as increased use of domestically sourced SBO is expected to reduce overall feedstock requirements.

DCO consumption fell 18pc from a record 423mn lbs, as elevated prices eroded margins and prompted a shift to UCO, SBO and discounted canola oil. Despite offering the highest 45Z value among feedstocks, DCO's high acidity and pretreatment requirements — along with its impact on catalyst longevity — limits its appeal. Increased use of grain sorghum in ethanol production may further reduce DCO availability, with first-half 2025 sorghum use nearly doubling 2024 totals amid six-year price lows. The 2025 DCO outlook was revised down by 6.3pc to 4.62bn lbs, with 2026 demand forecast at 5.6bn lbs, maintaining a 13pc share of the feedstock slate.

Credits

RINs/RVO

RIN balance loosens on biodiesel rebounds

July RIN generation fell 4.1pc from June, driven by a sharp drop in yet-unrevised D3 output. Accounting for lagged upward revisions, total RIN generation edged up 0.88pc on the month. D4 generation rose 0.84pc, buoyed by recovering biodiesel output and record SAF production, although declining RD production provided headwinds. Year-to-date D4 RIN generation remains 24pc below 2024 levels, with non-cellulosic advanced RIN supply running 12.6pc below compliance thresholds — an improvement from 14.5pc the previous month.

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RD margins collapsed heading into August, with gross margins tumbling 42pc to average $0.27/USG — the weakest level this year — as losses in RINs and diesel outpaced falling feedstock costs. Margins are forecast to recover 35pc by September, supported by lower feedstock prices and firmer diesel and RIN values. Biodiesel margins peaked in July at $0.18/USG, before slipping 22pc in August to $0.14/USG. Biodiesel margins are expected to remain positive through October, although diesel weakness and insufficient RIN strength could erode returns thereafter.

D4 RIN generation is expected to tighten in August as RD margins bottom out and output remains subdued through September and October. Rising biodiesel and SAF production should offset some of the shortfall in RD volumes.

D6 generation rose 0.62pc in July to 1.26bn credits, down 5pc on the year and marking the lowest seasonal level in two years. Seasonal gasoline demand typically drives D6 RIN generation to peak in July, but domestic blending has faltered, with producers increasingly turning to export markets. D6 generation is forecast to fall to around 1.28bn RINs, or 8.5pc short of the 15bn RIN mandate for conventional ethanol.

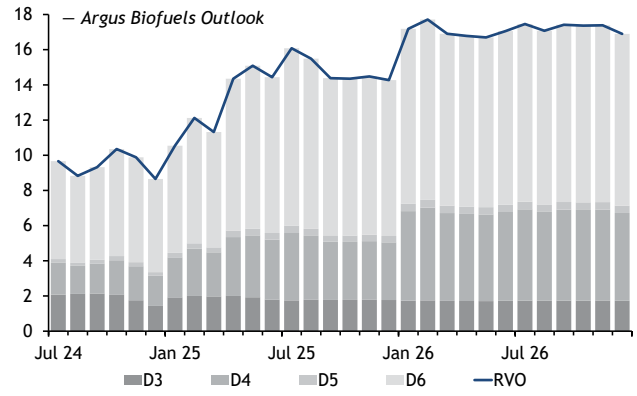
D4 prices slump as BOHO sags under SBO weakness

D4 RIN prices declined 5pc in August as the BOHO spread retreated 14pc from a 22-month high reached in late July. Soybean oil prices fell 10pc from the highest levels since September 2023, while diesel markets proved volatile, with the BOHO ranging $1.57-1.80/USG over five sessions. The spread stabilised near $1.51/USG in early September, although attendant RIN strength remains muted. A further 14pc narrowing of the BOHO is forecast for September, which could pressure RIN values all else equal.

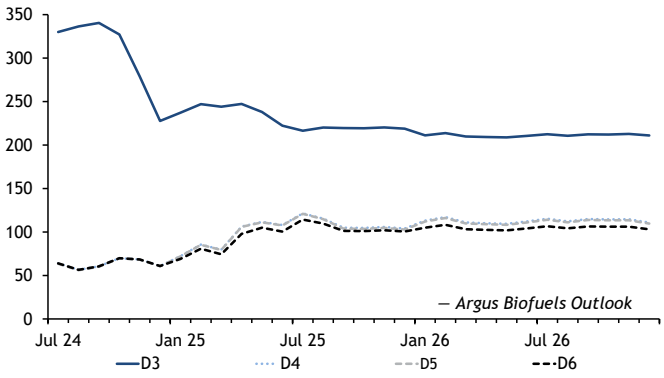
SRE concerns continue to weigh on D4 prices. The EPA's 22 August action on 175 outstanding SREs — spanning 2016-24 — cleared a decade-long backlog using a mix of full and partial approvals. The move freed up 1.39bn RINs across 2023 and 2024, with an estimated 740mn RINs potentially waived in 2025. The EPA has signalled it intends to reallocate these volumes to future obligations, though any dilution or abandonment of this commitment would suppress RIN prices.

The D4/D6 spread narrowed to under $0.03/USG in August, down from more than $0.06/USG at the start of the month, as the market priced in reallocation following the SRE action. A supplemental standard would drive demand for cheaper

Argus RVO breakdown by RIN category *¢/USG*



RIN prices *¢/RIN*



US RIN & LCFS price outlook

Credit	Jul 25	Aug 25	Sep 25	Oct 25	Nov 25	Dec 25	4Q25	1Q26	2Q26	3Q26	4Q26
RIN											*¢/RIN*
D3	216	220	220	219	220	219	219	212	210	212	212
D4	121	115	105	105	106	104	105	114	111	114	113
D5	121	115	104	104	105	103	104	113	109	113	112
D6	114	110	101	101	102	101	101	105	103	106	105
RVO ¢/USG	16	15	14	14	14	14	14	17	17	17	17
LCFS											*$/t*
California LCFS	50	57	56	60	62	67	63	73	74	85	96

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D6 credits before turning to more expensive D4s. Vintage spreads also narrowed, with 2026 D4s trading at under $0.067/RIN above 2025 vintages, down from $0.077/RIN earlier in the month.

D4 outlook softens on feedstock downturn

The D4 RIN forecast has been revised lower, reflecting weaker feedstock pricing and an increased supply of advanced credits. D4 prices are expected to average $1.02/RIN in 2025, down 3.8pc from last month. The second-half-2025 forecast was cut to $1.09/RIN, down 8.4pc, while first-half 2026 was revised 11pc lower to $1.12/RIN. The full-year 2026 D4 forecast stands at $1.13/RIN, although full reallocation of SREs would support a firmer outlook.

D3s recover despite bearish policy signals

D3 RINs recovered 1.6pc to $2.20/RIN in August despite bearish sentiment following the EPA's SRE action. The approvals are expected to reduce the deficit carryover in the D3 category, although the EPA's proposal to cut the 2025 cellulosic obligation by 14pc to 1.19bn USG and issue cellulosic waiver credits (CWCs) is particularly bearish. D3 generation is on pace to reach 1.32bn RINs — 11pc above the proposed mandate and just 4.3pc below the original target of 1.38bn USG.

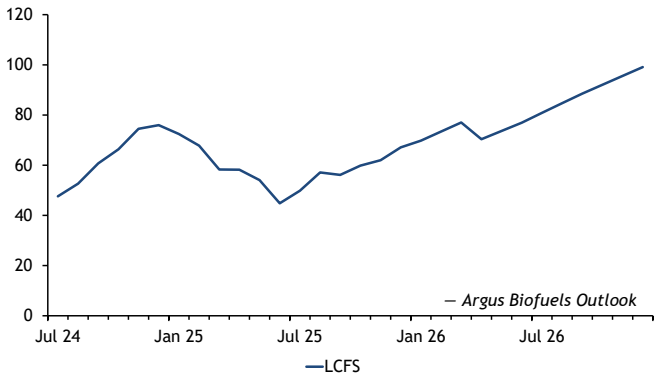
D3 prices are forecast to average $2.20/RIN in the second half of 2026, down marginally from last month's outlook. Greater clarity on the impact of recent SRE decisions could weigh further on forecasts. D3s continued to trade at discounts to the theoretical alternative price of compliance (APC), with July discounts reaching 27pc and at least 24pc expected through year-end. The first-half-2026 forecast remains unchanged at $2.13/RIN, with the full-year-2026 forecast at $2.11/RIN — reflecting an average 37pc discount to the APC (CWC + D4/D5).

LCFS

Prices slump as market lacks catalyst

Low carbon fuel standard (LCFS) prices fell 3.4pc over the course of August, as the market remained structurally oversupplied and lacked a clear catalyst for price recovery. A record 40.2mn credits now cover more than 1.7 times deficits generated in all of 2024, reinforcing bearish sentiment. Large utility auctions and lingering concerns over California's ability to extend its cap-and-trade programme added further pressure, while pronounced RIN market activity in August diverted attention from what is typically a quieter month for LCFS transfers.

California LCFS prices *$/t*



Price strength is expected to remain muted until year-end, with September prices forecast at $56/t, down from $58/t in last month's outlook. The second-half-2025 price was revised 1.7pc higher to $60/t, reflecting tighter targets and a bleaker outlook for RD production, which could slow credit generation. We foresee the credit bank growing by 1.65mn credits to 41.87mn credits in the second quarter of 2025, marking the slowest rate of growth since the second quarter of 2023.

Looking ahead, the first-half-2026 outlook was raised 1.4pc to $75/t, supported by expectations of reduced RD output. By the third quarter of next year, LCFS prices are projected to average $88/t, assuming a gradual erosion of surplus credits. The full-year-2026 forecast stands at $82/t, as federal policy changes are expected to spur higher-carbon intensity biomass-based diesel production, tightening credit supply and supporting prices.

Prices

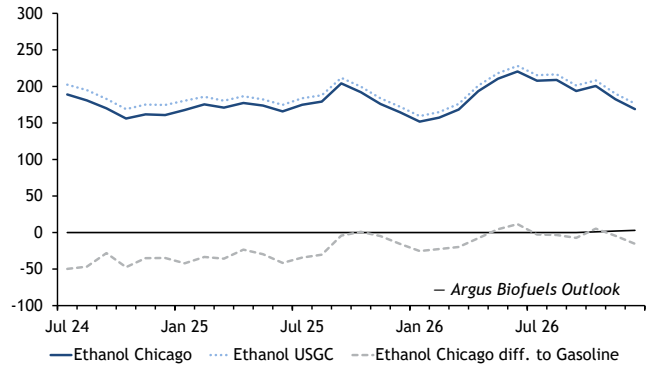
Ethanol

Outlook firms on stronger corn, robust export demand

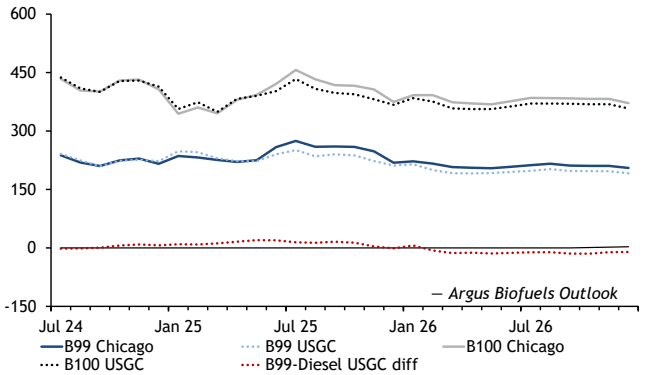
Ethanol prices at the Chicago Argo hub are forecast to average $2.04/USG in September as tighter inventories, lower production and higher gasoline and corn prices support US values. September gasoline prices were revised 9pc higher from last month's outlook, while second-half-2025 prices are poised to average 3.4pc higher. The upcoming autumn maintenance period is also increasingly priced into September values, while exports are expected to remain robust well into early 2026. Argo ethanol is expected to average $1.82/USG during the second half of 2025 and $1.78/USG during the fourth quarter as demand wanes and inventories build to close out the year at 24.58mn bl, up 1pc on year-ago levels.

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US ethanol prices ¢/USG



US biodiesel prices ¢/USG



The first-half 2026 Argo outlook was raised to $1.84/USG, reflecting a stronger corn outlook. Flagging domestic demand is expected to continue to be countered by robust exports as US ethanol will gain further global competitiveness as many volumes will be eligible for 45Z tax credit value starting in 2026.

Biodiesel

B99 prices gain lift from diesel values

B99 US Gulf coast prices are forecast to firm to $2.40/USG in September, up 2pc from August as diesel prices are expected to firm by 1pc to $703/t, while soybean oil prices are set to fall by 5.2pc. Positive margins have seen biodiesel supply rise over the course of June and July, while weaker margins in August likely drove producers toward waste-based feedstocks and cheap canola oil imports. The second-half forecast was revised down to $2.33/USG, from $2.36/USG, as rising biodiesel supply drives lower premiums to conventional diesel. Biodiesel premiums are expected to averaged $0.12/USG over the second half of the year, down from $0.14/USG in the previous month's outlook.

Biodiesel margins fell to $0.14/USG in August as softer diesel and RIN pricing failed to offset a drop in soybean oil pricing, while rising values for by-products such as glycerol underpinned returns. Margins are poised to recover to $0.16/USG in September due to weaker soybean oil prices. Rising margins have weighed on premiums to conventional diesel, which fell under $0.20/USG on average, the lowest since May. Biodiesel margins are expected to turn negative during the fourth quarter, which may necessitate stronger B99 premiums should RIN markets not recalibrate higher.

B99 US Gulf coast prices are forecast to average $1.97/USG during the first half of 2026, up from $1.91/USG in our previous forecast. Our full-year-2026 B99 outlook stands at $1.97/USG, with B99 pricing expected to return to discounts to conventional diesel as the value of the 45Z credit doubles to $0.60/USG for soybean oil biodiesel production.

B100 prices see weak 4Q on diesel losses

US Gulf coast B100 prices are forecast to average $4.14/USG in the second half of 2025, unchanged from last month's forecast as weaker RIN values offset stronger diesel prices. Third-quarter prices were revised higher to $4.47/USG, while fourth-quarter prices were revised lower to $3.81/USG on material diesel weakness. US Gulf coast B100 prices are forecast to average $3.66/USG during the first half of 2026, down 3.4pc from the last outlook, while our full-year-2026 view stands at $3.67/USG.

Renewable diesel

R100 prices sink on diesel and RIN weakness

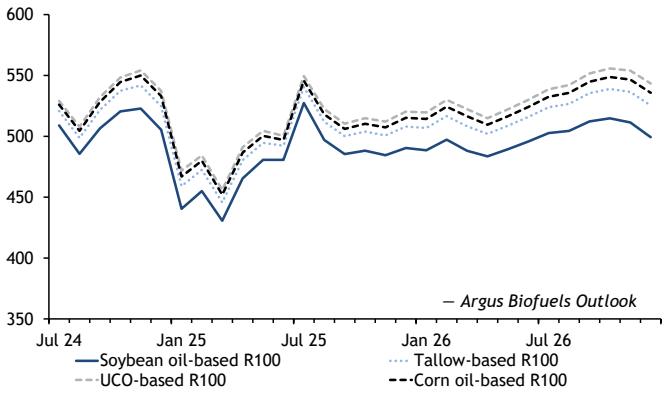
R100 prices fell 5.4pc in August, averaging $5.12/USG, reflecting a 9.5pc drop in the California diesel basis to $2.38/USG, softer RIN values and a 2pc drop in feedstock costs. RD margins tumbled 42pc month on month as diesel and RIN losses outweighed any benefit from lower input costs.

For September, margins are poised to recover 53pc on lower feedstock costs and recovering diesel prices. The premium for RD-generated RINs to the BOHO spread rebounded to $0.30/USG in the opening week of September, up from $0.24/USG on average in July, indicating an improving margin environment.

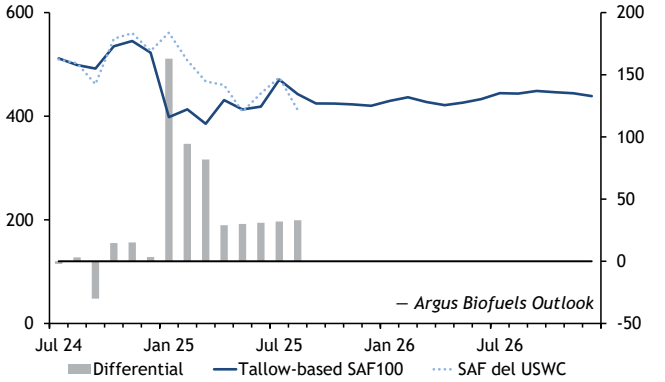
But the severe downturn in margins in August left many producers cutting runs further or taking units off line. It is unclear if margins have recovered sufficiently to bring this lost production back on line. Feedstock demand has been

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US renewable diesel prices ¢/USG



US SAF prices ¢/USG



particularly thin in recent weeks and production is expected to remain curtailed through October. The increased use of soybean oil and canola oil and declining tallow consumption indicate a stronger D4 is required to shore up margins given reduced 45Z value. D4 RINs would need to reach at least $1.35/RIN to support a return to 80pc utilisation rates, up from $1.31/RIN last month.

Weaker RINs, feedstock prices to pressure R100

R100 prices are forecast to average $5.01/USG in September, down by 2pc from August. R100 prices are projected to average $5.18/USG during the third quarter, down 1.7pc from last month's forecast, while our second-half-2025 forecast was revised to $5.11/USG from $5.23/USG, reflecting downward revisions to RIN prices. In the first quarter of 2026, R100 prices are set to average $5.10/USG, down from $5.16/USG as weaker RIN values drag on prices, while a boost in diesel values limits losses. Our full-year-2026 outlook is forecast to average $5.21/USG, up from an estimated $4.91/USG for full-year 2025.

SAF

Prices soften on RIN outlook, 1H26 revised lower

SAF prices are forecast to decline 4pc in September to $4.25/USG as the RIN value declines by 8.6pc, while California conventional jet pricing increases by 1.8pc to $2.26/USG. Conventional jet prices are expected to average $2.26/USG during the second half of 2025, up by 8.7pc from $2.08/USG in last month's forecast. RIN pricing is expected to weigh on SAF pricing as feedstock prices trend lower, averaging $1.09/RIN during the second half, equivalent to $1.75/USG on a SAF basis, down from $1.89/USG in our prior forecast.

SAF prices are forecast to average $4.20/USG in 2025, down from $4.27/USG in last month's outlook, as a lower credit stack outweighs firmer jet fuel prices. The first-half-2026 outlook has been revised down to $4.29/USG, a 3.8pc decrease, reflecting a downward revision to our RINs outlook alongside an increased forecast for the underlying conventional jet basis. Our full-year-2026 SAF100 outlook stands at $4.37/USG.

SAF output up eightfold ahead of 45Z premium reduction

Domestic SAF production in July surged 39pc to a record 25mn USG, up eightfold on year-ago levels. We continue to anticipate growing SAF production throughout 2025 as the current 45Z guidance affords 73pc greater credit value for tallow relative to RD, while export outlets offer lucrative alternatives for roughly 40pc of US production.

SAF margins failed to outperform RD margins in August as conventional diesel prices exceeded conventional jet, although SAF margins have outperformed RD margins by 18pc during the first half of 2025. On average, SAF earns an additional $0.46/USG in 45Z credit value across waste feedstocks, 82pc higher than RD.

SAF is set to lose its advantaged 45Z position. From 2026, the maximum SAF credit will be cut to $1.00/USG from $1.75/USG, a move expected to greatly disadvantage SAF given its higher production costs and more challenging voluntary domestic market, leaving US producers to increasingly rely

Feedstock

Soybean oil prices shift lower as demand stalls

US feedstock prices retreated 2pc from 22-month highs in September as a sharp downturn in RD margins slashed demand. Soybean oil led the decline, retreating 4.3pc month on- onth and outpacing losses in waste-based feeds as successive months of record crush activity, waning export

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demand and increased demand for attractively priced canola oil weighed on US soybean oil markets.

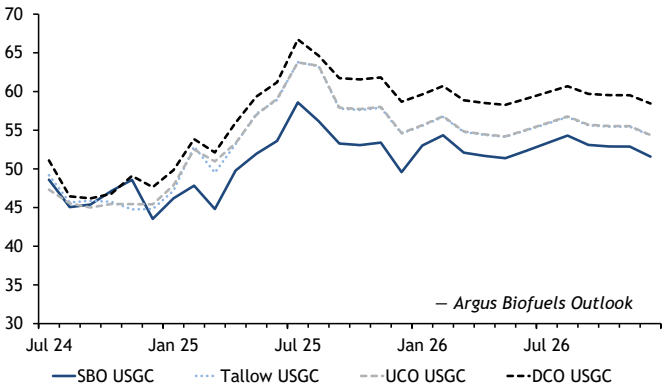
We forecast soybean oil prices to decline to 53¢/lb in September, down 5pc from August. We anticipate continued volatility as shifting trade policy can upend markets, while soybean oil markets are increasingly linked to diesel and wider energy market sentiment.

The second-half-2025 forecast has been lowered to 54¢/lb, down 2.9pc on last month, reflecting softening demand amid lower RD margins and as concerns over traceability guidelines are delaying purchases for the first quarter of 2026. The first-half-2026 outlook was tempered to 52.5¢/lb from 53.1¢/lb, as record crush activity and subdued exports improve supply availability. The removal of the indirect land use change (ILUC) penalty will see soybean oil's 45Z premium more than double next year from $0.27/USG to $0.55/USG.

Tallow prices hit 23-month high

US tallow prices are forecast to retreat 8pc to 57.8¢/lb, as demand from the RD sector wanes and bearish soybean oil fundamentals weigh on the wider feedstock complex.

US biofuel feedstock prices ¢/lb



Imports from Brazil tumbled 78pc in August following the imposition of 50p tariffs on the largest supplier of tallow to the US. The tariffs were broadly expected to lift domestic tallow prices as replacement volumes faced higher transport and logistic costs, although further cuts in RD output and a downturn in soybean oil markets have masked any impact so far. Our second-half-2025 tallow forecast has been revised down to 58¢/lb, a decrease of 3pc, while our first-half-2026 outlook stands at 55¢/lb, down from 57.7¢/lb the previous month. Our full-year-2026 outlook stands at 55.3¢/lb.

US biofuel price outlook

Product	Jul 25	Aug 25	Sep 25	Oct 25	Nov 25	Dec 25	4Q25	1Q26	2Q26	3Q26	4Q26
Ethanol											¢/USG
Ethanol Chicago	175	179	204	192	176	165	178	159	208	203	184
Ethanol USGC	184	188	212	200	184	172	185	167	216	211	192
Biodiesel											¢/USG
B99 Chicago	275	260	260	259	248	219	242	215	206	213	209
B99 USGC	251	235	240	237	223	211	224	202	193	199	195
B100 Chicago	457	433	418	416	407	375	399	386	372	384	379
B100 USGC	433	408	398	394	382	367	381	373	359	370	365
Renewable diesel (del California)											¢/USG
R100 (soybean oil)	527	497	485	488	485	490	488	491	490	506	509
R100 (tallow)	540	512	500	504	501	508	504	511	509	529	534
R100 (UCO)	550	522	510	515	512	520	516	524	522	544	551
R100 (corn oil)	546	518	506	510	507	515	511	518	517	538	544
SAF (del California)											¢/USG
SAF100 (tallow)	471	443	425	424	423	420	422	431	427	446	443
Feedstocks (US Gulf coast del rail)											¢/lb
SBO crude degummed	59	56	53	53	53	50	52	53	52	54	52
Tallow bleached fancy	64	63	58	58	58	55	57	56	55	56	55
UCO	64	63	58	58	58	55	57	56	55	56	55
Distillers corn oil	67	65	62	62	62	59	61	60	59	60	59

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FOGs priced out of market, 2026 revised lower

Compressed RD margins and trade uncertainty saw producers turning away from higher-priced fats, oils and greases (FOGs) to increased use of cheaper soybean oil and attractively priced canola oil imports. Corn oil was eschewed as the highest prices in nearly two years drove heavy losses in margins. Premiums for FOGs are expected to fall to 5.9¢/lb from 7.6¢/lb in August as prices need to fall to attract buyers facing distressed margins.

Corn oil prices retreated 3pc off the highest levels in 22 months in July to average 64.6¢/lb. We foresee further losses to 61.7¢/lb in September as premiums compress under flagging demand. DCO earns more than 3.5 times the 45Z value of soybean oil and commands 16pc more credit value than UCO or tallow, but high acidity can require advanced metallurgy and be damaging to expensive catalysts.

Our second-half-2025 DCO forecast was trimmed 1.8pc to 62.5¢/lb, while our first-half-2026 outlook was revised down 4pc to 59.2¢/lb as we foresee premiums to soybean oil narrowing to 4¢/lb on average amid increased 45Z value for soybean oil.

Curtailed demand from the RD sector and increasing imports are expected to weigh on UCO pricing throughout the remainder of 2025. Our second-half-2025 forecast was revised down to 59.2¢/lb from 60.1¢/lb as premiums to soybean oil compress to 6.3¢/lb. The first-half-2026 UCO forecast was revised down by 4.5pc to 55.2¢/lb, reflecting increased demand for domestic soybean oil and reduced premiums for FOGs as the 45Z value for SBO doubles starting in 2026. Our full-year-2026 UCO forecast stands at 55.4¢/lb.

Fundamentals

Agricultural prices

US corn gains export share as soybeans lag

US corn has leveraged a temporary supply squeeze from Brazil to strengthen its export position, but soybeans remain under pressure as Chinese buyers pivot towards South American origins. Tariff uncertainty persists despite recent political rhetoric calling for stronger US-China trade ties, limiting upside for US soybean exports.

Chicago Mercantile Exchange (CME) price projections reflect these dynamics. Corn is forecast to trade between $4.05/bu and $4.20/bu into March 2026, peaking at $4.37/bu in June 2026. Wheat values have been revised slightly lower, with April 2026 prices expected at $5.50/bu, while soybeans are projected to ease to $10.10/bu in November following recent summer highs.

Domestic fundamentals remain supportive for oilseeds. Structural biofuels demand growth continues to underpin domestic crushing margins, which remain above 50pc profitability for soybean processing. This has sustained elevated production levels despite acreage constraints. Trade flows are also being reshaped by Chinese anti-dumping duties of 75.8pc on Canadian canola, alongside 100pc tariffs on canola oil and canola meal, which have bolstered the competitiveness of the US soybean complex, even as overall export pace lags.

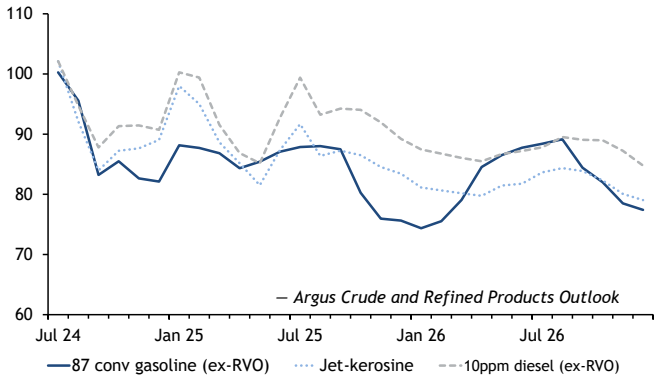
Brazil's record crushing activity signals a structural shift in global oilseed markets. Biodiesel mandates, which moved from B14 in July to B15 in August and are set to rise further to B20 by 2030, are absorbing a growing share of domestic supply, reducing exportable volumes and tightening global availability. This trend is expected to persist, reinforcing the bullish undertone in vegetable oil markets despite expanded production capacity.

Fossil fuel demand and prices

Gasoline cracks increase amid global tightening

US gasoline cracks rose by $4.26/bl to $16.37/bl in August, supported by higher domestic demand and softer crude prices. Although consumption increased on the month, it remained 2pc lower year on year during 1-29 August. Singapore gasoline cracks also strengthened, gaining $2.09/bl to $10.38/bl, as reduced Chinese exports, down by more than 100,000 b/d, tightened supply.

North America (USGC) fuel prices ***$/bl***



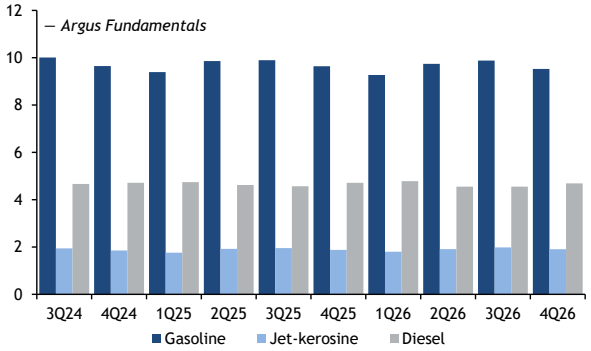
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Naphtha cracks on the US Gulf coast posted the strongest recovery, rising by $3.40/bl in August to narrow the discount to WTI Houston to just $0.60/bl. Gains were driven by firmer gasoline cracks and expectations of naphtha exports to Venezuela. Global naphtha markets also strengthened on the back of concerns over reduced Russian exports following Ukrainian drone strikes in August that damaged two of Novatek's three splitters at Ust-Luga — Russia's largest naphtha export hub. Asia, Novatek's key outlet, faces tighter supply as volumes decline, coinciding with maintenance at several Middle Eastern refineries, which are major suppliers to Asia.

Diesel inventories rise but structural tightness persists

US diesel stocks climbed steadily from early July, reaching a five-month high of around 115mn bl in August as refiners increased runs and prioritised diesel output. Higher inventories and increased east-west arbitrage flows eased prompt tightness in Europe, pressuring diesel cracks.

North America fuel demand *mn b/d*



But the relief is likely temporary. Seasonal maintenance in key refining hubs during September-October, coupled with ongoing geopolitical risks, could keep crack spreads elevated until the end of the year. Mediterranean diesel prices have already strengthened, reflecting growing concerns over supply security amid Ukrainian drone attacks on Russian refining assets and renewed Houthi activity in the Red Sea.

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SOUTH AMERICA

Regulation

Legal uncertainty pressures Brazil's CBio market

The Sao Paulo federal court issued a preliminary ruling suspending sanctions, including fines, licence suspensions and non-compliance lists, imposed by Brazil's hydrocarbons regulator ANP under the Renovabio programme's new CBio law, approved in 2024. The decision cites speculative behaviour, lack of transparency in credit availability, and questionable participation of non-obligated entities in trading.

The court ordered ANP to halt sanctions and directed the Brazilian stock exchange (B3) to provide data on CBio decarbonisation credit transactions involving non-obligated parties. CBio prices, already declining due to oversupply, low distributor demand, and regulatory uncertainty, faced further pressure as some market participants anticipated the ruling.

Legal challenges to the Renovabio biofuel policy have intensified, triggering regulatory uncertainty and driving down Cbio decarbonisation credit prices, which dropped to 32.55 reals ($5.98) in late August, the lowest since September 2021, following multiple injunctions. Although ANP maintains that the programme remains intact, over 180 lawsuits are now in progress, most seeking to suspend individual acquisition targets or challenge penalty mechanisms.

Brazil approves first imported biofuel certificate

ANP on 19 August granted the first biofuel-production certificate to an importer under Renovabio. The certificate, granted to Copersucar for imported corn-based anhydrous ethanol from US-based Plymouth Energy, was the first allowing imported biofuels to generate CBio credits.

The decision follows international scrutiny, with the US Trade Representative (USTR) criticising Renovabio policies as protectionist in a 31 March report. In July, the USTR argued that foreign producers face barriers to issuing CBios and launched an investigation into Brazilian trade practices, including ethanol import restrictions.

Brazil updates E30 specs

The ANP will issue a resolution in the coming days to adjust gasoline octane and mass specifications following the 1 August increase in the anhydrous ethanol blend to 30pc (E30) from 27pc (E27), after approving its proposed changes on 5 September after a fast-tracked five-day public consultation.

The agency proposed raising the Research Octane Number (RON) for blended gasoline from 93 to 94, but to keep the minimum specific mass for unblended gasoline at 688.9 kg/m^3 at 20°C for E30.

ANP allows E27 backlog sales in August

Hydrocarbons regulator ANP permitted transporters, wholesalers, and retailers to sell gasoline with 26-31pc anhydrous ethanol until 30 August in Brazil, provided stocks were purchased by 31 July, to ease the transition to the new 30pc ethanol blend mandate, effective from 1 August.

The ANP enforced the E30 mandate's 29-31pc tolerance range for new gasoline purchases from 1 August, issuing infraction reports for non-compliant products. The temporary flexibility allowed retailers and resellers to clear existing lower-blend inventories.

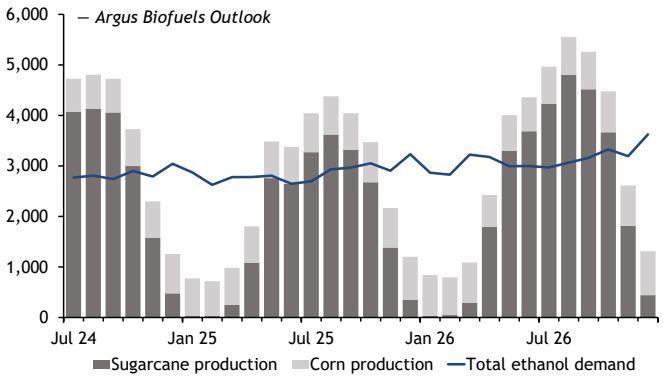
Demand

Ethanol

July sugarcane production up in Brazil

Brazil's sugarcane production in July reached the highest monthly volume of the current crop year, supported by drier weather conditions in the main producing regions. Output totalled 49.9mn t in the first fortnight and rose further to 50.2mn t in the second, marking a 23pc increase compared with June. The dry climate also improved the total recoverable sugar (TRS), a key indicator of feedstock quality. TRS output reached 13.7mn t in July, approaching year-ago levels despite sustained downward pressure since April 2025. As a result of increased sugarcane availability and improved feedstock

Brazilian ethanol production *mn litres*



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quality, ethanol production also reached a year-to-date high of nearly 4.5bn l, a 20pc rise from the previous month. But ethanol output remains below seasonal norms, trending almost 6pc lower than in July 2024.

Despite the July rebound, a growing number of market participants are aligning around a more cautious outlook for ethanol production in 2025-26. According to an *Argus* survey, the median estimate for sugarcane crushing at the end of the crop year now stands at 590mn t, 35pc down from the 611mn t projected in March. The total TRS for the harvest season is also expected to be lower, a decline attributed to fires that affected the central-south region in 2024, and to poorly timed rainfall during the 2025 growing season.

In addition to lower-than-expected crushing volumes, the production mix is likely to continue shifting in favour of sugar over ethanol, reflecting crystallisation capacity investments made over the past three years. A relatively conservative 50:50 split would result in total annual ethanol output of just over 30bn l by year-end 2025. Production could fall further if the price premium of sugar over ethanol widens, which will incentivise sugar output, at the expense of ethanol.

Although sugarcane crushing volumes are expected to remain under pressure, there is a modest possibility for the TRS to improve. Early season rainfall may enhance feedstock quality later in the cycle, potentially supporting higher sugarcane-based ethanol yields.

Ethanol demand steady amid seasonal shifts

Ethanol consumption in Brazil in July reached 2.75bn litres, a 3pc increase from the previous month, and nearly unchanged from July last year. Hydrous ethanol demand rose by 1pc on the month, while anhydrous ethanol consumption increased by 3pc, reflecting month-on-month growth in driving activity. Following a dip in June, hydrous ethanol demand rebounded slightly as the price parity with gasoline C hovered around 66.7pc — its lowest this year. Given that Brazilian flex-fuel vehicles can operate on either hydrous ethanol or gasoline, consumers tend to opt for the more competitively priced fuel. Ethanol typically needs to be priced at 70pc or less relative to gasoline to remain attractive. The start of the second school term is expected to lift travel demand in August and to support further recovery in hydrous ethanol consumption, although rising relative costs may temper this momentum.

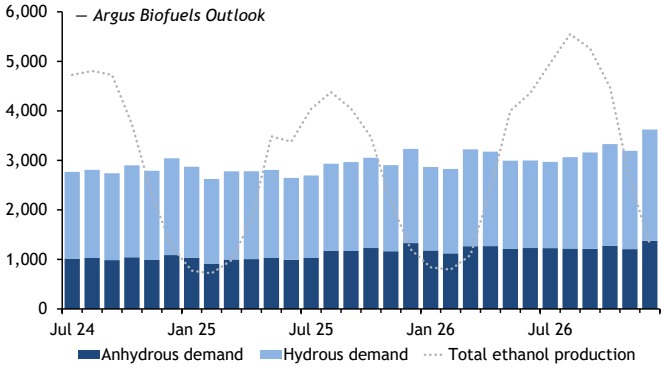
Anhydrous ethanol demand is projected to reach a year-to-date high in August, driven by increased driving activity and the implementation of the mandatory 30pc blend rate. Monthly demand is expected to exceed 1.1bn l, with annual consumption forecast to surpass 13bn l. As the motor gasoline pool incorporates a higher proportion of anhydrous ethanol, cheaper blended gasoline may reduce hydrous ethanol output and incentivise motorists to favour E30 over hydrous ethanol.

Exports continue to strengthen

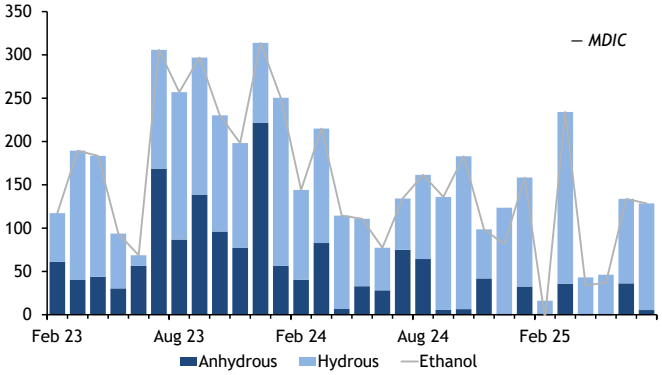
Brazil's total ethanol exports continued to grow in July, with hydrous ethanol shipments totalling 149mn litres, the second-highest monthly export volume on record. Exports to South Korea remained the primary driver, accounting for nearly 70pc of Brazil's hydrous ethanol exports. All volumes sent to South Korea were industrial-grade non-fuel ethanol, used predominantly in the pharmaceutical, beverage and cosmetics sectors. India and the Netherlands ranked as the second and third largest importers, representing 14pc and 6.8pc of Brazil's hydrous ethanol exports, respectively.

Conversely, anhydrous ethanol imports surged in July, on the month and the year, as Brazilian fuel distributors built

Brazilian ethanol demand *mn litres*



Brazilian net ethanol exports *mn litres*



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inventories ahead of the mandatory 30pc blend rate that became effective in August. Imports from the US are expected to resume, particularly at Brazil's northeast ports of Itaqui and Suape, which benefit from lower freight costs. The timing and scale of import flows will depend on price dynamics, with October-November seen as a feasible window for increased volumes, coinciding with seasonal demand softening in the US. US ethanol exports to Brazil have declined over the past four years due to trade barriers and strong domestic output.

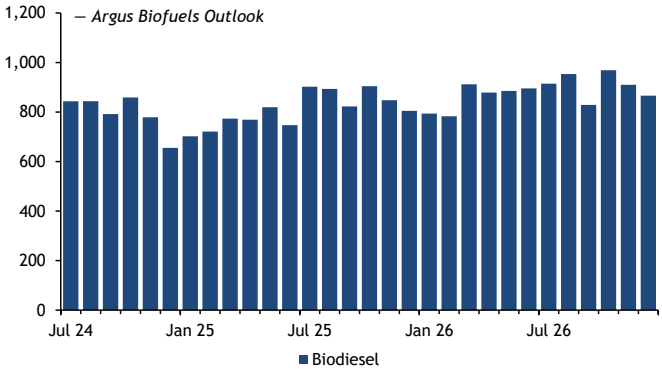
Further support for ethanol exports growth may come from Japan's expanding bioethanol demand. Under a new trade agreement, Japan will purchase $8bn in US agricultural goods, including bioethanol, to meet rising demand for blending with petrol and as feedstock for sustainable aviation fuel (SAF). Japan plans to introduce E10 petrol in select regions from 2028-29 and expand nationwide by 2030-31. With no domestic bioethanol production, Japan relies entirely on imports, primarily from Brazil and the US. The country's ministry of economy, trade and industry is also working to establish default lifecycle greenhouse gas values for Brazilian ethanol derived from corn and Thai cassava, which could further incentivise imports from these regions.

Biodiesel

Demand surges ahead of B15 rollout

Brazil's biodiesel demand reached a year-to-date high in July, totalling 902mn litres, up 20pc from June and 7pc higher year on year, in line with market expectations. This record consumption lifted the average blend rate to 14.75pc, nearing the mandated 15pc rate effective from August. The widening price spread between biodiesel contract prices and soybean oil, its primary feedstock, reflected rising demand and declining soybean crushing margins, which have constrained

Brazilian biodiesel demand *mn litres*



Brazilian biofuel demand outlook

Product	Jul 25	Aug 25	Sep 25	Oct 25	Nov 25	Dec 25	4Q25	1Q26	2Q26	3Q26	4Q26
Ethanol demand											*mn litres*
Anhydrous ethanol	1,028	1,177	1,172	1,229	1,166	1,330	3,725	3,570	3,716	3,660	3,858
Hydrous demand	1,667	1,756	1,794	1,823	1,738	1,902	5,463	5,344	5,453	5,532	6,289
Ethanol demand	2,695	2,934	2,966	3,052	2,904	3,232	9,188	8,914	9,169	9,192	10,147
Ethanol production											*mn litres*
Sugarcane ethanol	3,272	3,622	3,317	2,677	1,385	351	4,412	368	8,780	13,554	5,923
Corn ethanol	771	755	728	795	784	852	2,430	2,353	2,008	2,220	2,479
Ethanol production	4,043	4,377	4,045	3,472	2,169	1,202	6,843	2,721	10,788	15,774	8,402
Biodiesel demand											*mn litres*
Biodiesel	902	893	823	904	848	805	2,557	2,488	2,659	2,696	2,745
Feedstock demand											*'000t*
Soybean oil	601	574	531	578	524	483	1,586	1,525	1,765	1,736	1,677
Tallow	37	42	37	42	48	44	134	134	113	119	127
Palm oil	1	19	17	23	21	30	74	74	44	52	88
UCO	9	13	12	13	14	15	43	40	35	32	35
Other vegetable oils	12	13	17	20	23	22	64	49	29	47	74
Other animal fats	10	23	16	20	24	22	67	65	70	57	58
Other	86	148	137	147	136	133	416	382	373	420	448
Total	**757**	**833**	**767**	**843**	**790**	**750**	**2,383**	**2,270**	**2,429**	**2,464**	**2,509**

Anhydrous ethanol: free of water and at least 99pc pure, and used in gasoline blends, currently set at 27pc. Anhydrous fuel meets all the requirements of the ASTM D4806.
Hydrous ethanol: contains water and has a purity of 96pc. Can be used in Brazil as a 100pc gasoline substitute in flex-fuel vehicles.

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processing profitability. In addition to inventory build-up ahead of the B15 mandate, seasonal agricultural activity also contributed to the surge in demand.

Momentum is expected to continue through the third quarter, supported by peak trucking activity during the maize harvest, and the onset of the B15 blending requirement. Biodiesel consumption is projected to reach 9.7bn l in 2025, marking a 7.5pc increase from 2024. With the mandate set to rise by one percentage point annually, the country should reach a 20pc blend by 2030. This trajectory implies a compound annual growth rate of approximately 5.6pc, assuming full compliance. But fuel distributors may face operational and logistical challenges in meeting higher blending targets, which could constrain realised demand.

Feedstock constraints loom despite stable biodiesel mix

Brazil's biodiesel feedstock profile remained largely unchanged in July, with soybean oil accounting for nearly 80pc of total consumption, while waste oils and animal fats comprised the remainder. Last month's outlook anticipated a gradual shift toward greater use of animal fats and beef tallow due to tightening domestic soybean availability. July's rising soybean oil prices on a Paranagua fob basis confirmed the trend. The increase was driven by global vegetable oil price movements and heightened domestic demand in anticipation of the 15pc blending mandate.

Despite stable feedstock composition, the sector faces mounting constraints in sourcing sufficient soybean oil to meet the growing needs of the biodiesel, food and export markets. Biodiesel production capacity is expected to outpace domestic soybean oil output, creating a structural imbalance. Persistently low crushing margins, reflecting the limited profitability of processing soybeans into oil and meal are prompting producers to weigh the option of exporting whole soybeans.

Prices

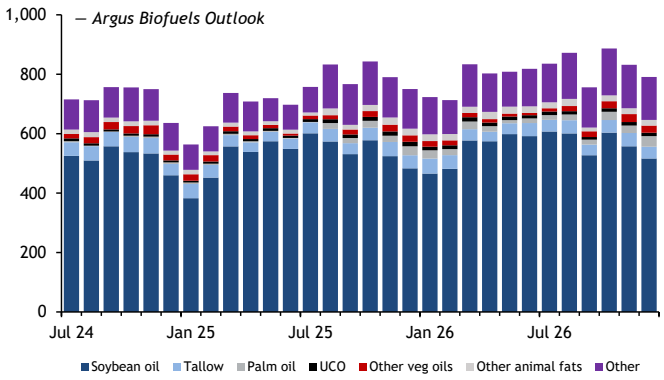
Ethanol

Brazil's E30 rollout fuels anhydrous ethanol price growth

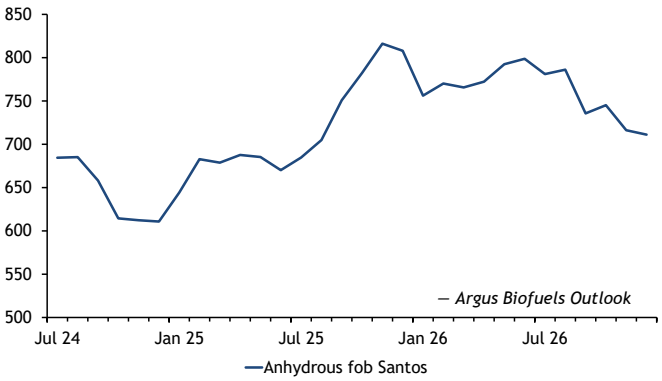
Anhydrous ethanol fob Santos prices reached a year-to-date high in August, averaging $705/t — up 6pc from July — as Brazil's fuel retailers stockpiled ahead of the E30 blend mandate. This projection has been validated by biweekly sales data from early August, which shows consistent growth in anhydrous ethanol consumption. In addition to rising domestic demand, exports to the US totalling just over 72mn litres also contributed to the price surge.

But other market fundamentals tempered further price escalation. Inventories were already bolstered by pre-E30

Brazilian biodiesel feedstock demand *'000t*



Brazilian ethanol prices *$/t*



South American biofuel price outlook

Product	Jul 25	Aug 25	Sep 25	Oct 25	Nov 25	Dec 25	4Q25	1Q26	2Q26	3Q26	4Q26
Brazilian ethanol											*$/t*
Anhydrous fob Santos	685	705	751	782	816	808	802	764	788	768	724
Argentinian biodiesel											*$/t*
SME Argentina fob Upriver	1,248	1,246	1,179	1,177	1,175	1,180	1,177	1,165	1,136	1,135	1,133

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purchases, creating a well-supplied domestic market. ANP then allowed fuel retailers to sell gasoline with 26-31pc anhydrous ethanol until 30 August, provided the product was purchased by 31 July. From 1 August, ANP began enforcing a stricter 29-31pc tolerance range for new purchases, while granting retailers until month-end to clear existing stock. Higher imports and increased ethanol production through August also added to supply, collectively exerting downward pressure on prices.

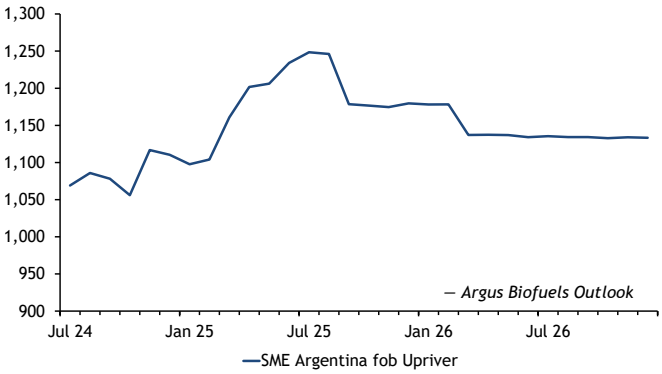
Looking ahead to September, prices are expected to continue rising. Increased driving demand, partly driven by school-related travel, and the full enforcement of E30 will push anhydrous ethanol consumption higher. As feedstock is increasingly diverted to produce the additive, hydrous ethanol output may decline, especially amid a delayed crop and weather-related disruptions to sugarcane crushing. With industry-wide expectations for lower sugarcane yields, hydrous ethanol supply could tighten further. These dynamics are likely to push ethanol-to-gasoline price parity closer to the 70pc threshold, reducing ethanol's competitiveness against fossil fuels in the short term.

Biodiesel

SME prices steady amid EU trade framework

Argentinian soybean oil methyl ester (SME) fob upriver prices averaged $1,246/t in August, remaining virtually unchanged from the previous month. The EU continues to serve as the primary destination for Argentinian biodiesel exports, supported by a price undertaking agreement that permits up to 1.2mn t of biodiesel to enter the bloc annually without anti-dumping duties, provided the designated minimum import price is met.

Argentina biodiesel prices *$/t*



As a result, Argentinian SME prices remain closely aligned with EU SME benchmarks. September's indicative SME price is projected to mirror the June average EU SME price at an 87pc discounted. Looking ahead, Argentinian SME prices are expected to stabilise through the remainder of 2025, as a tightening EU rapeseed oil balance — exacerbated by sunflower shortfalls and rising food-sector demand — supports upward pressure on EU SME values, which may provide room for increased arbitrage.

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ASIA-PACIFIC

Regulation

Australia launches biofuel certification programme

The Australian government has launched its GreenPower biofuel certification scheme, which aims to promote domestic production of low-carbon liquid fuels. The scheme will cover SAF, HVO, biodiesel, renewable LPG and bio-LPG.

A separate renewable gas certification programme was introduced in 2024, allowing companies to report Scope 1 emissions reductions from renewable gas purchases, with effect from July this year.

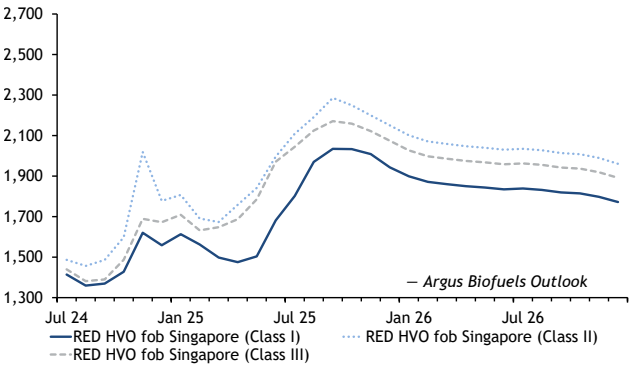
China sets new jet carbon emission standards

The China Civil Aviation Administration has introduced two new industry standards for quantifying carbon emissions across the jet fuel lifecycle, which came into effect on 1 September. The standards outline methodologies for calculating carbon emissions from HEFA-SPK, and include guidance on quantification scope, formulas and result templates. China also plans to launch an independent sustainability certification system aimed at centralising and strengthening carbon management within its aviation industry.

Malaysia raises CPO reference price for second month

Malaysia has increased its crude palm oil (CPO) export duty to 10pc for September, up from 9pc in August, following an increase in exports. The Malaysian Palm Oil Board lifted the CPO reference price used to set the duty to 4,053.43 ringgit/t ($963/t) for this month, compared with 3,864.12 ringgit/t in August. Meanwhile, Indonesia's CPO exports for September will be subject to a $96.30/t levy and a $124/t duty under its current export levy structure.

Asia-Pacific HVO prices *$/t*



Prices

HVO and SAF

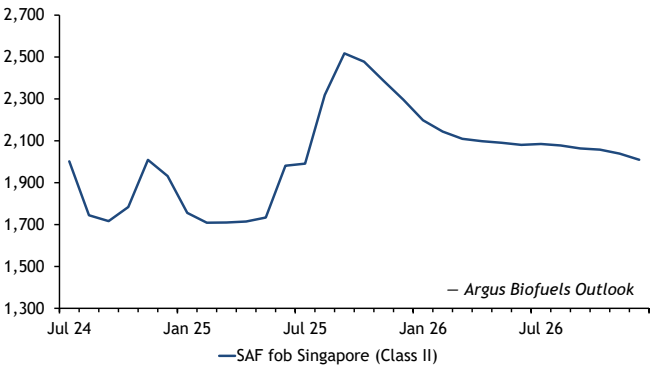
Singapore prices hold firm as supply tightness persists

HVO and SAF prices in Singapore remained elevated through early September, supported by strong demand from European markets and constrained regional supply. SAF values reached an 18-month high of $2,652/t on 9 September, reflecting robust compliance-driven demand and limited export availability in Asia-Pacific. Producers are understood to have prioritised SAF output to capture high margins, because planned maintenance later in the year threatens to curb supply of the fuel.

Uncertainty around Chinese SAF export quotas continues to underpin bullish sentiment. Only one producer currently holds an export licence, but the possibility of exports under alternative customs codes has not been excluded.

HVO fundamentals remain firm, although price momentum has eased relative to SAF. In Europe, Class II and IV premiums to Class I climbed further in early September, reinforcing arbitrage economics and sustaining export flows from Asia-Pacific. The outlook is less certain — near-term prices are likely to remain supported by tight supply and strong European demand, but volatility looms as arbitrage windows shift and maintenance schedules evolve. Any relaxation of Chinese export restrictions or acceleration of Asia-Pacific SAF shipments could narrow the SAF premium and recalibrate production economics. Elevated HVO prices could also change the shape of the market — at current levels, even producers facing anti-dumping duties of around 21-23pc

Asia-Pacific SAF prices *$/t*



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could find exports to Europe economically viable, which would eventually increase supply and weigh on values. We expect Class II Singapore prices to average $2,200/t in the fourth quarter, before easing to an average of $2,058/t in the first half of 2026.

Biodiesel

Chinese Ucome prices steady on muted marine demand

Chinese Ucome prices held firm early this month at $1,190/t on 5 September, following incremental gains through late August driven by stronger feedstock costs. Buying interest from the marine bunkering sector remained thin, with most demand covered under term contracts and only limited spot enquiries for the fourth quarter.

Competition for feedstock remains intense, despite subdued biodiesel demand, as major HVO producers continue to buy UCO at levels biodiesel producers struggle to match. This structural disadvantage has capped Ucome price upside even as finished product markets remain firm globally. Looking ahead, Ucome prices are expected to stay rangebound through the fourth quarter at around $1,154/t, with any upside capped by weak marine demand and strong feedstock competition.

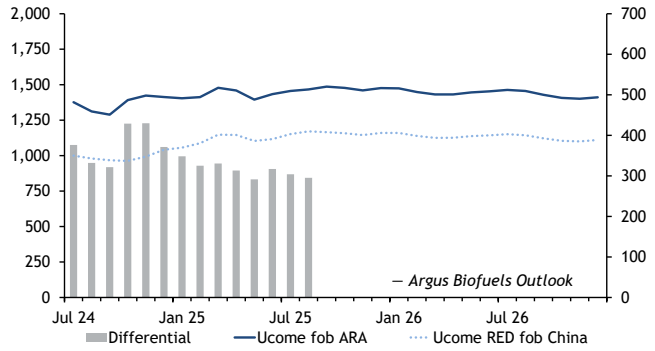
Feedstocks

UCO tightness contrasts with stagnant biodiesel demand

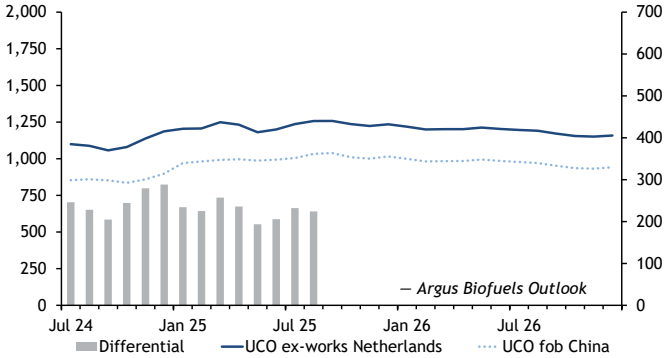
Chinese UCO prices continued to edge up in early September, reaching a 32-month high of $1,060/t on 5 September, underpinned by tight collection volumes, strong domestic demand and policy-driven shifts. The rally has been building since early summer, when UCO prices breached $1,000/t in July, marking a then 28-month high. This reflects a sharp contraction in upstream collection, estimated by market participants to be down by a third from last year, while surging demand from domestic SAF and HVO producers has reinforced the squeeze. China's SAF pilot programme and the cancellation of the 13pc VAT rebate on UCO exports have further tightened export availability, redirecting flows inward and establishing a domestic price floor.

Export dynamics remain subdued following a sharp drop in US demand after policy changes and high tariffs. Some volumes continue to move to southeast Asia and Europe, but the combination of a strong local pull and regulatory barriers has kept export availability constrained. Prices are expected to remain firm in September, averaging $1,039/t, but are forecast to ease modestly to average $986/t in the first half of 2026.

Ucome prices *$/t*



UCO prices *$/t*



Asia-Pacific biofuel price outlook *$/t*

Product	Jul 25	Aug 25	Sep 25	Oct 25	Nov 25	Dec 25	4Q25	1Q26	2Q26	3Q26	4Q26
Biodiesel											
RED Ucome fob China	1,152	1,171	1,165	1,158	1,145	1,160	1,154	1,141	1,135	1,139	1,105
HVO											
HVO Class I fob Singapore	1,802	1,970	2,034	2,033	2,008	1,943	1,995	1,877	1,843	1,830	1,795
HVO Class II fob Singapore	2,109	2,191	2,286	2,249	2,200	2,150	2,200	2,077	2,039	2,025	1,986
HVO Class III fob Singapore	2,044	2,125	2,171	2,159	2,122	2,074	2,118	2,003	1,967	1,953	1,916
SAF											
SAF Class II fob Singapore	1,991	2,318	2,517	2,478	2,386	2,296	2,387	2,151	2,090	2,075	2,035
Feedstock											
UCO fob China	1,004	1,033	1,039	1,010	1,001	1,015	1,009	988	988	967	936

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Trade

Biodiesel

European arbitrage reopens

Chinese biodiesel exports rose by 9.7pc in July to 72,000t, continuing a recovery in June but remaining well below the highs of previous years. July volumes were 29pc lower than the same month in 2024 and less than half the 165,000t shipped in July 2023.

Flows to Europe reached 47,700t, led by a sharp increase in shipments to the Netherlands, which rose from just 193t in June to nearly 42,500t in July. Germany followed with an 81pc month-on-month increase to 5,300t. The two countries accounted for 66pc of total Chinese biodiesel exports in July. The increase was enabled by favourable arbitrage for Pome-based biodiesel, which had a favourable arbitrage even at 21.7-23.4pc duties.

Southeast Asia trade retreats

In contrast, shipments to southeast Asia fell steeply. Singapore imports fell by 62pc on the month to just under 10,000t, while Malaysian imports dropped 85pc to 4,900t. The narrowing discount between Ucome fob China and Ucome fob Strait of Malacca, which fell to $60/t in early July, favoured domestic production and eroded the region's import appetite. Singapore's bio-bunker sector remained the main buyer of Chinese biodiesel, accounting for 14pc of total exports.

UCO

China-US UCO flows stabilise

China's UCO exports decreased by 32pc on the month to 179,000t in July. The decline reflects rising Chinese UCO prices and the impact of the US 45Z tax credit, which excludes foreign UCO from eligibility. But US imports remained stable at 30,500t in July, following a recovery from zero in May. US buyers accounted for 17pc of total Chinese UCO exports, supported by duty drawback mechanisms that allow biofuels producers to offset the 45.5pc tariff if the resulting fuel is exported.

The Netherlands overtook Singapore as the top destination for Chinese UCO, importing 52,000t in July compared with Singapore's 32,000t. This marks the first time since January that Dutch buyers led the market. The Dutch government's June proposal to cancel double-counting for Annex IX feedstocks, including UCO, has prompted pre-emptive buying ahead of the rule's implementation in 2026.

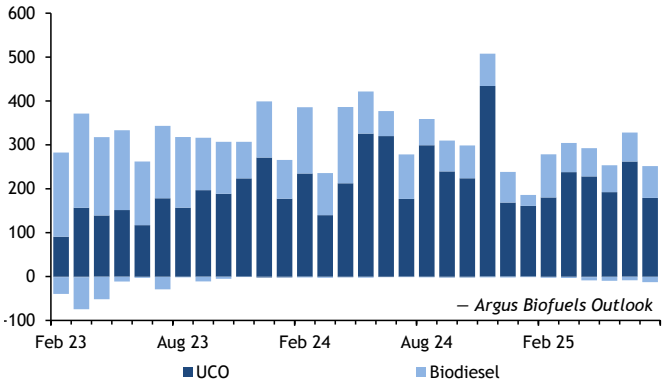
Palm oil

Malaysia stocks climb

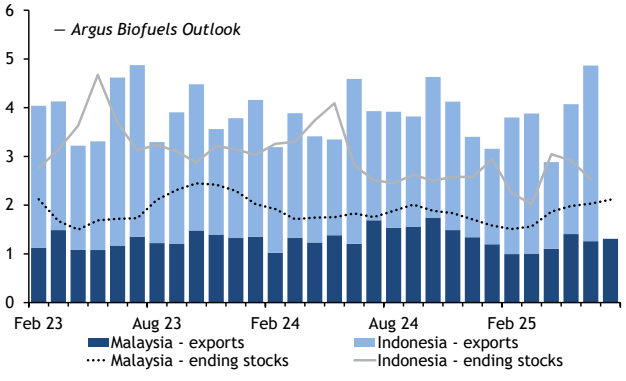
Malaysian palm oil inventories rose for a fifth consecutive month to 2.11mn t in July, a 4pc increase on the month and 21pc rise on the year, reaching a 19-month high. The build was driven by strong production growth, particularly from the peninsula, which outpaced exports. July exports rose by 4pc on the month but fell 23pc from the previous year to 1.31mn t.

In contrast, Indonesia's stocks dropped by 13pc on the month to 2.53mn t in June, as exports surged by 35pc to 3.61mn t, a 12-month high. Indonesia consumed 2mn t of palm oil domestically in June, up by 7pc from June 2024. The country used 20pc more palm oil for biodiesel and 6pc less for food, while oleochemical use was stable from a year earlier. Total palm oil consumption also rose by 7pc on the year during the first half of 2025 to 12.3mn t.

China biofuels and feedstock trade *'000t*



Asia-Pacific palm oil trade *mn t*



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GLOBAL SUPPLY

Europe

Shell has scrapped its plans to restart the construction of its 820,000 t/yr RD and SAF plant in Rotterdam, the Netherlands, after having halted construction in July 2024. The company stated it has reassessed the technical and commercial evaluation, and that the project is economically incompatible with current market dynamics.

Vivergo Fuels has told the UK government that it will begin closure procedures for its 416mn litres/yr ethanol plant, citing the absence of government financial support.

Groupe Avril has permanently halted biodiesel production at its 200,000 t/yr Montoir unit near Saint Nazaire, France. The company said the facility was definitively halted in July.

North America

Chevron has commenced production at its Geismar, Louisiana, plant, increasing capacity from 7,000 b/d to 22,000 b/d. The firm has also partnered with Bunge to secure feedstock from sites in Illinois and Louisiana.

Braya Renewable Fuels resumed renewable diesel production at its 815,000 t/yr plant in Newfoundland and Labrador, Canada, in August. The restart follows a production pause in the first half of 2025 amid policy uncertainty.

Biofuels producer Green Plains is divesting its 120mn USG/yr ethanol facility in Tennessee, US, to Poet for $190mn, with the sale expected to close by quarter end.

US-based Conestoga Energy has acquired low-carbon ethanol developer SAFFiRE Renewables, including its pilot production facility, executives, and all intellectual property.

Canadian renewable fuels developer Provectus Biofuels has signed a letter of intent with the town of Vegreville, Alberta, to develop a SAF facility near Edmonton, converting wheat straw into jet fuel. Project timelines and capacity details are yet to be disclosed.

Latin America

Argentina's state-owned YPF has approved a joint venture with biofuels company Essential Energy to convert its 40,000 b/d San Lorenzo refinery into a biofuel facility. The $400mn investment will include a pre-treatment unit and biorefinery to produce SAF and HVO, although timelines and capacity are undisclosed.

Syzygy Plasmonics has selected Honeywell's FT technology for its NovaSAF-1 demo project in Duranzo, Uruguay. The plant is expected to have capacity of 350,000 USG/yr using electrified biogas to produce SAF, with operations expected to start in 2027.

Brazilian fuel producer and distributor Grupo Potencial will invest R2bn ($363.2) to build a 450mn l/yr corn ethanol plant in its Lapa city complex, in the southern state of Parana. Start up is expected in 2028.

Inpasa Agroindustrial S/A and Brazilian agriculture company Amaggi have formed a joint venture to build three corn ethanol plants in central western Mato Grosso state. Each plant will have 2mn t/yr of processing capacity. The first plant will be built in Rondonopolis city, while the cities of Campo Novo dos Parecis and Querencia are being studied for the other two projects.

Raizen has sold two ethanol mills in Brazil's Mato Grosso do Sul state to sugar and ethanol producer Cocal Agroindustria for R1.54bn ($284mn). The deal comprises the Passa Tempo and Rio Brilhante plants, located in Rio Brilhante city, with a combined sugarcane processing capacity of 6mn t/yr.

Asia-Pacific

LG Chem and Eni have broken ground on a 340,000 t/yr HVO and SAF plant at the Daesan chemical complex in South Korea. The firms have pushed back the start date from 2026 to 2027 as South Korea's 1pc SAF blend mandate comes into effect from 2027.

EcoCeres' 400,000 t/yr HVO plant in Johor, Malaysia, is on track to come on line by the end of this year despite facing legal trouble in July. The construction is expected to wrap up in the fourth quarter.

Indian state-run refinery Indian Oil Corporation has received ISCC Corsia certification for SAF production at its 301,000 b/d Panipat refinery. The firm aims to produce 35,000 t/yr of SAF from UCO by December, as part of a broader 735,000 t/yr plant expected to be operational in March 2026.

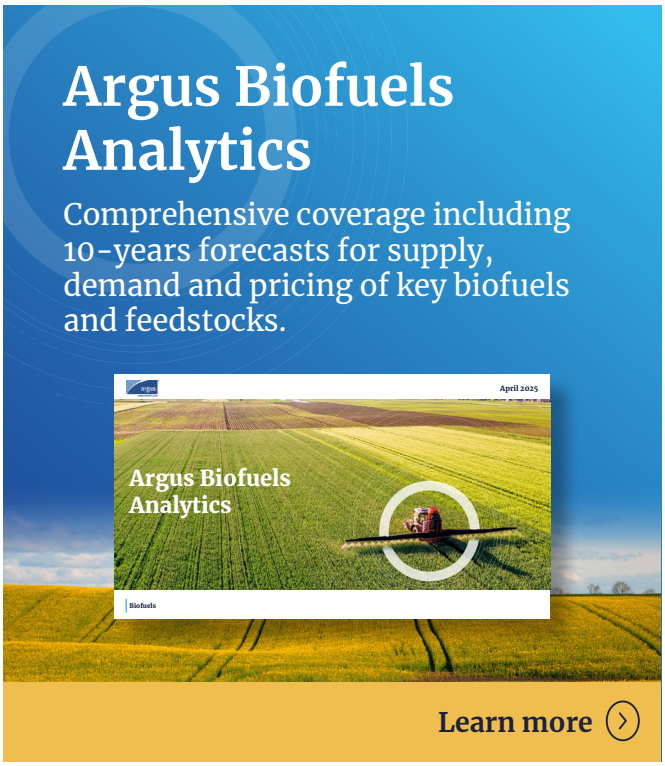
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Velocys will partner with two Japanese firms Sekisui Chemical and Toyo Engineering for SAF production in Japan. Velocys and Sekisui will collaborate to integrate technology that converts CO_2 to carbon monoxide to produce e-SAF. The partnership with Toyo will focus on feedstock diversification for SAF or e-SAF production using the methanol-to-jet pathway. The details on project timeline or capacity for both projects has not been disclosed.

Singaporean energy and infrastructure provider Aster Group and Ather Fuels have signed an agreement to produce SAF at Ather's refinery on Bukom Island in Singapore. The companies will collaborate to scale Ather's proprietary FT technology Aurora that converts waste carbon into drop-in liquid fuels.

China's state-owned aviation fuel supplier CNAF will invest in an expansion at Henan Junheng's SAF plant in Puyang, China. The expansion is expected to boost capacity to 1mn t/yr. The development includes multiple hydro-processing units and a hydrogen production facility, with commissioning expected by June 2026.

Indonesia's state-owned refiner Pertamina's subsidiary Kilang Pertamina Internasional made its first shipment of 32,000 l of SAF made from UCO on 12 August. The SAF will be used by Pertamina-owned airline Pelita Air Services for its flights from Jakarta to Denpasar, which started in mid-August.



DHL Express and Cathay Group have signed a SAF agreement to purchase 2,400t this year for cargo flights under Air Hong Kong, a subsidiary of Cathay group. The SAF will be used on international flights from the airports of Incheon in Seoul, South Korea, Narita in Tokyo, Japan, and Changi in Singapore.

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