



# Low Carbon Fuels and Feeds: trade growth and innovation

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Shanghai, July 2019

# PRIMA's Scope

Market leading fundamentals, analytics and pricing for low carbon intensity biomass-based diesel, renewable diesel, feedstocks  
Europe/Americas/worldwide





# PRIMA maps the global complex

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PRIMA Low Carbon Fuels and Feeds Report

2 June 2018

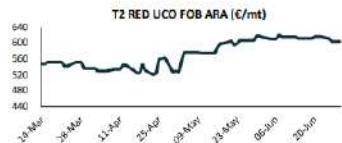
### UCO flat as market liquidity drains

Value in the European UCO market was unchanged from previous day levels after an uneventful session with bid/offer indications remaining flat DoD against a volatile vegoils complex which continues to keep buyers holding fire. Front month Malaysian palm oil was up 2% WoW by Thursday, although prices remain 5% lower than month ago levels, with international demand for the vegoil still weak. The UCO spread to palm oil was therefore at \$132/t on Friday, down 1% DoD and WoW but up 1% MoM.

In Asia 6% FFA UCO with South China origination traded on Thursday on a CIF ARA basis, although price was not disclosed for the deal. Bids for UCO with a 6% FFA continue to reach Asian sellers between \$610t and \$615/t while the range for offers is seen much higher, between \$625/t and \$645/t.

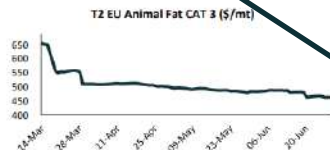
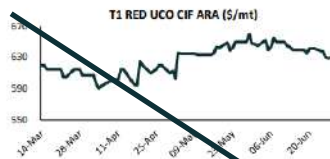
In Europe, UCO prices on the Iberian Peninsula were lower this week in line with ARA levels. UCO DDP North Portugal was talked at €655/t, while the product traded on a CIF Lisbon basis lower than a week ago levels at €575/t. In neighbouring Spain, UCO DDP Spain was reported at €630/t while UCO CIF Valencia was seen at €580/t. In UCDME, no trades, bids or offers were reported in the market on Friday, keeping prices flat.

PRIMA assessed US Midwest corn oil at 24 cents/lb during the most recent week, a quarter-cent rise from the 23.75 cent/lb level observed last Friday. Further East, prices in Ohio settled slightly below levels reported in Iowa and Minnesota, at 23.50 cents/lb.



Europe			
	€/mt	\$/mt	±WoW
T2 RED EU UCO FOB ARA	603.50	703.25	-1.9%
T2 RED EU UCO FOB NWE	616.00	718.00	-1.9%
T1 Non EU UCO CIF ARA	540.26	630.00	-1.8%
UCO CIF Lisbon	575.00	670.51	-2%
T2 EU Animal Fat Cat 3	400.00	462.50	0.0%
Rapeseed Oil	720.00	839.25	2.9%

Asia & Africa			
	RMB/t	\$/mt	±WoW
China UCO Ex-factory	3,900.00		0.0%
UCO FOB North China		590.00	-2.5%
UCO FOB South China		590.00	0.0%
UCO FOB South Korea		615.00	0.0%
UCO FOB Vietnam		565.00	0.0%
UCO FOB North Africa		600.00	0.0%
Palm Oil Futures		565.00	-0.8%
Soybean Oil CFR India		709.25	-1.2%
Palm Oil Mill Effluent (POME) FOB Malaysia		455.00	-1.1%

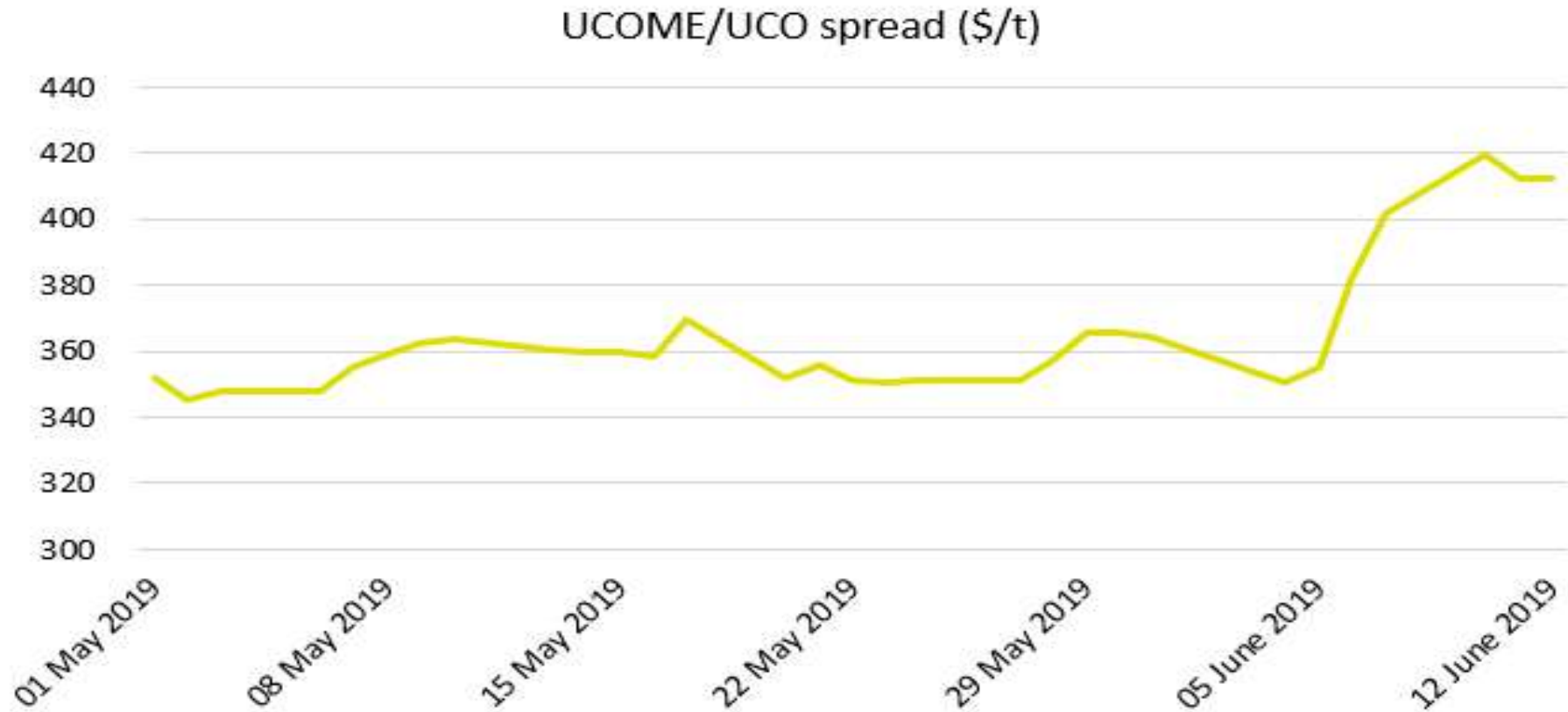


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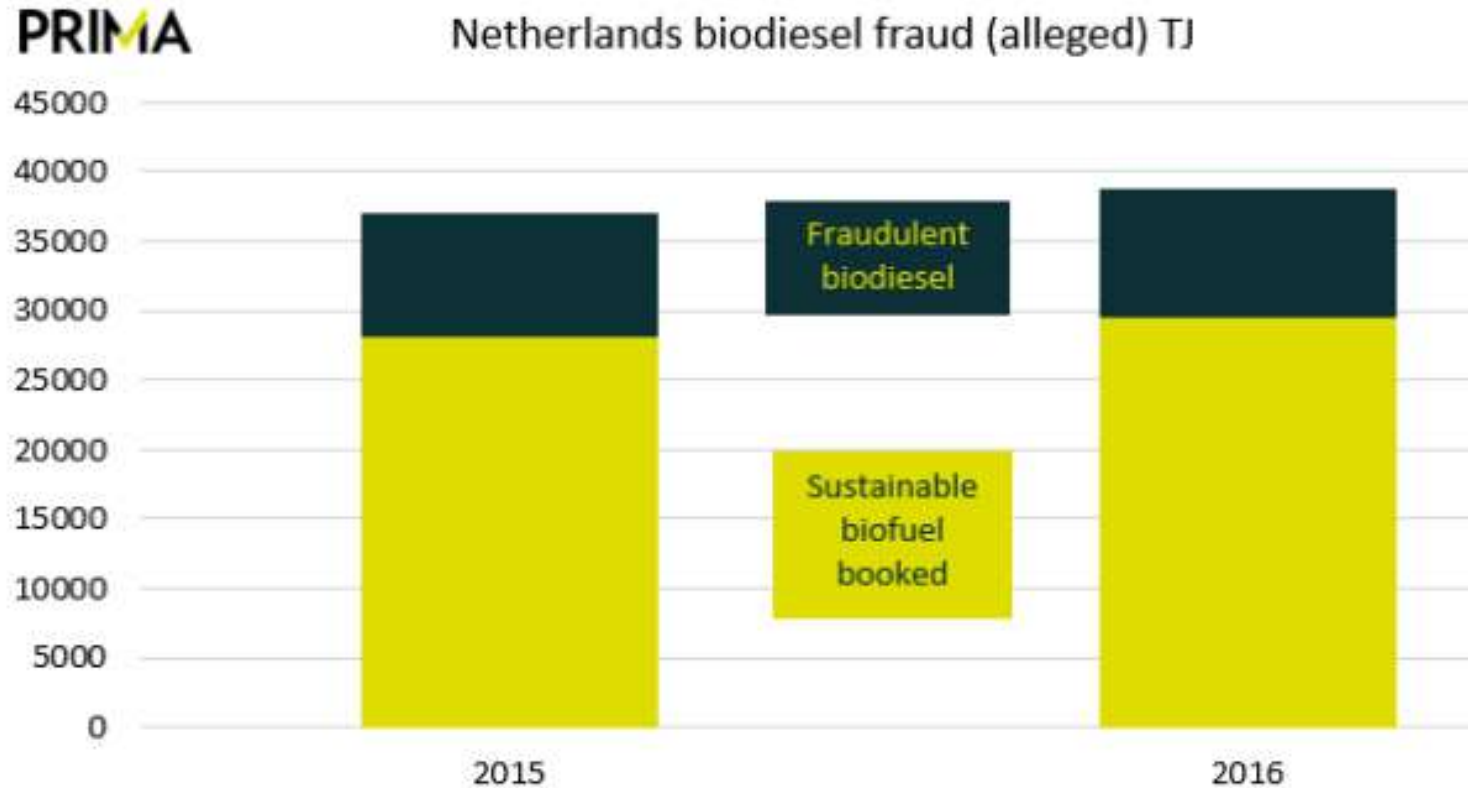
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# UCOME price boom has arrived



## Fraud threatens Dutch, UK balances





Authorities expect industry action

“

**You should know your duties. You should know your market**

”



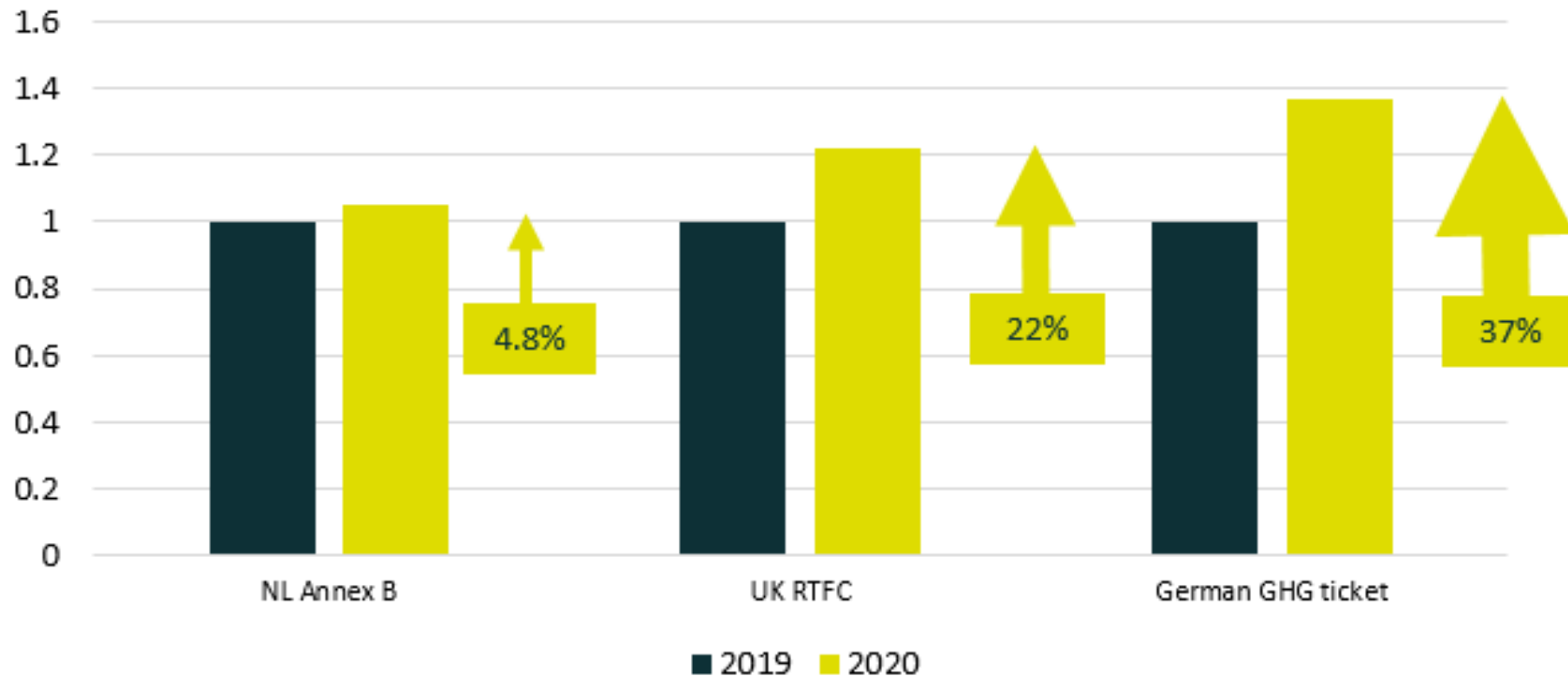
“

**Depending on the outcome this may or may not have an outcome on RTFC prices**

”



Major EU FQD ticket contangos (% increase in price)



# PRIMA Trading the FQD

Implied GHG demand growth similar across the EU

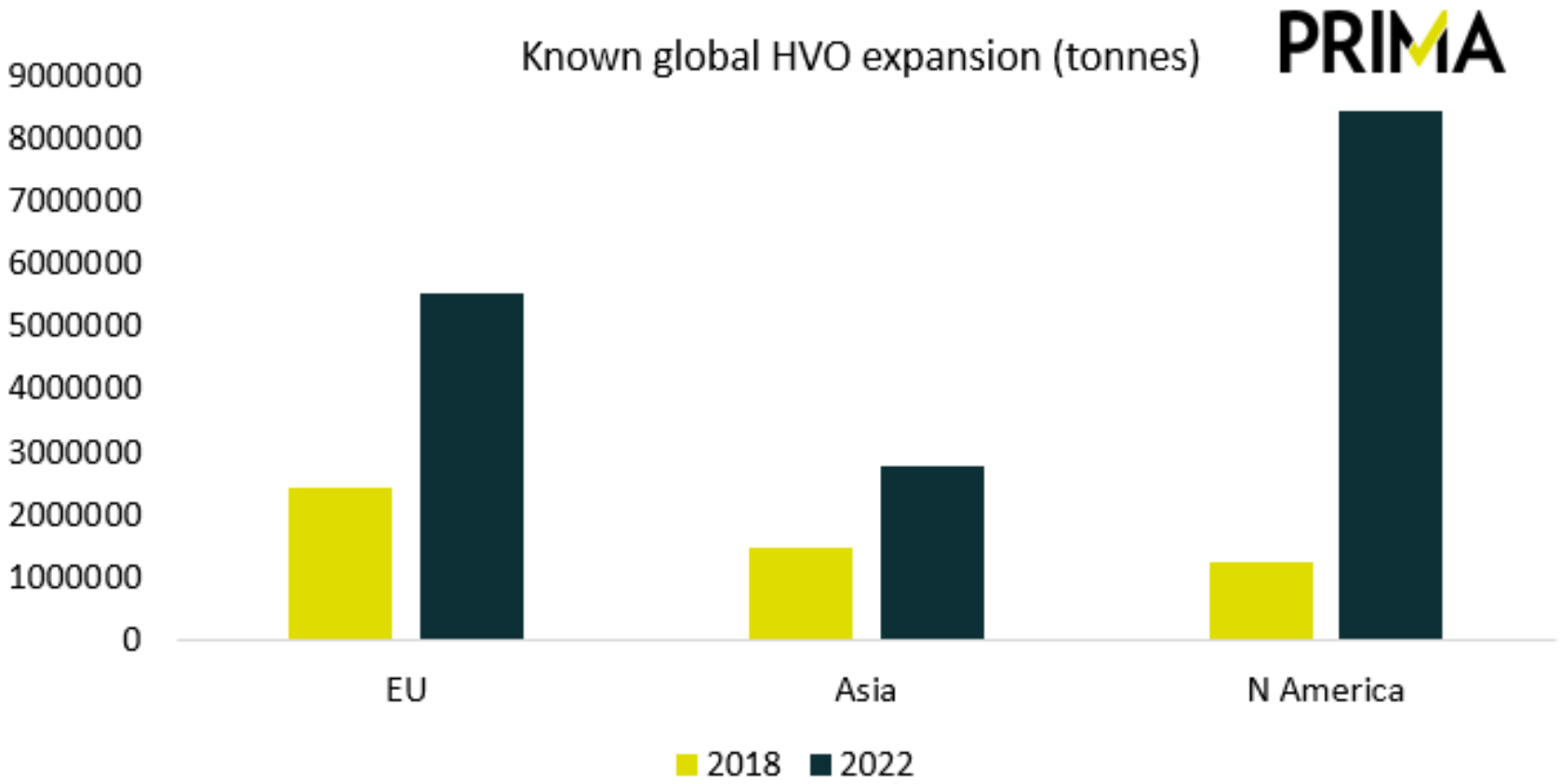
High-GHG will be in demand

There could be huge price spreads between EU member states





From late 2019 onwards, growth in international HVO throughput will be exponential to challenge biodiesel feedstock streams

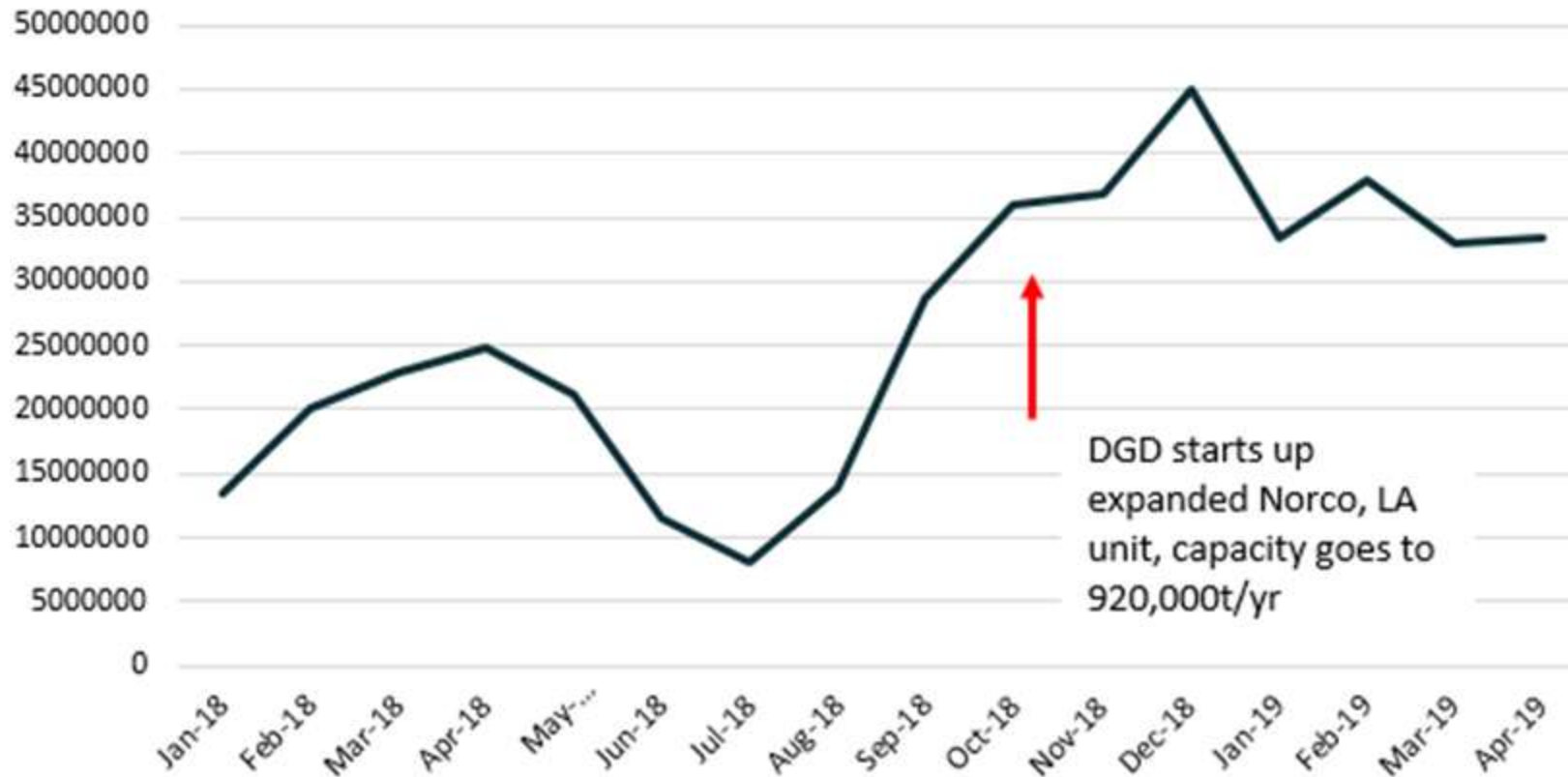




Palm falls out of favour in EU

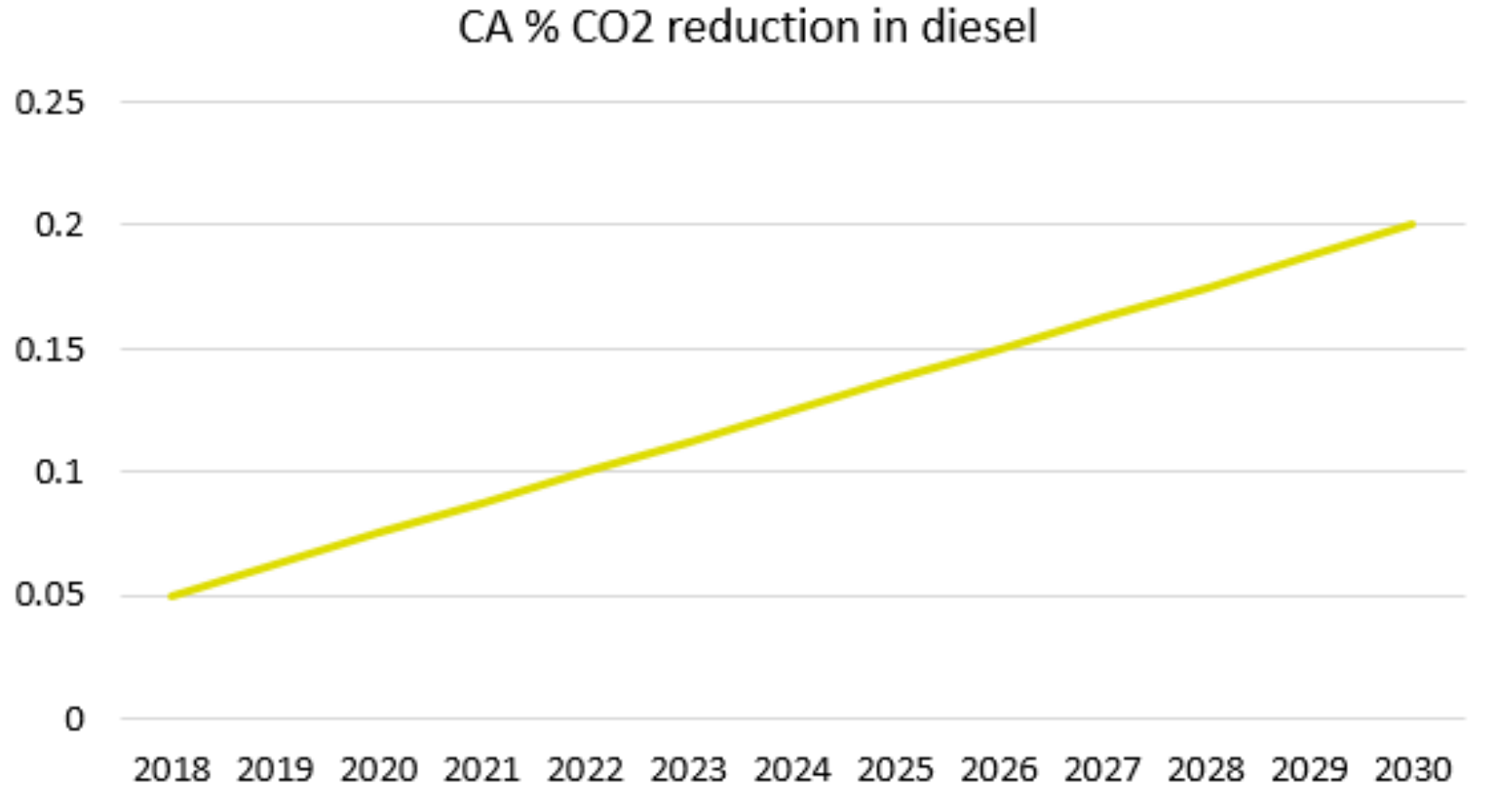
High ILUC will further disadvantage palm, speeding efforts to diversify into other feedstocks

# PRIMA US RD throughput is booming

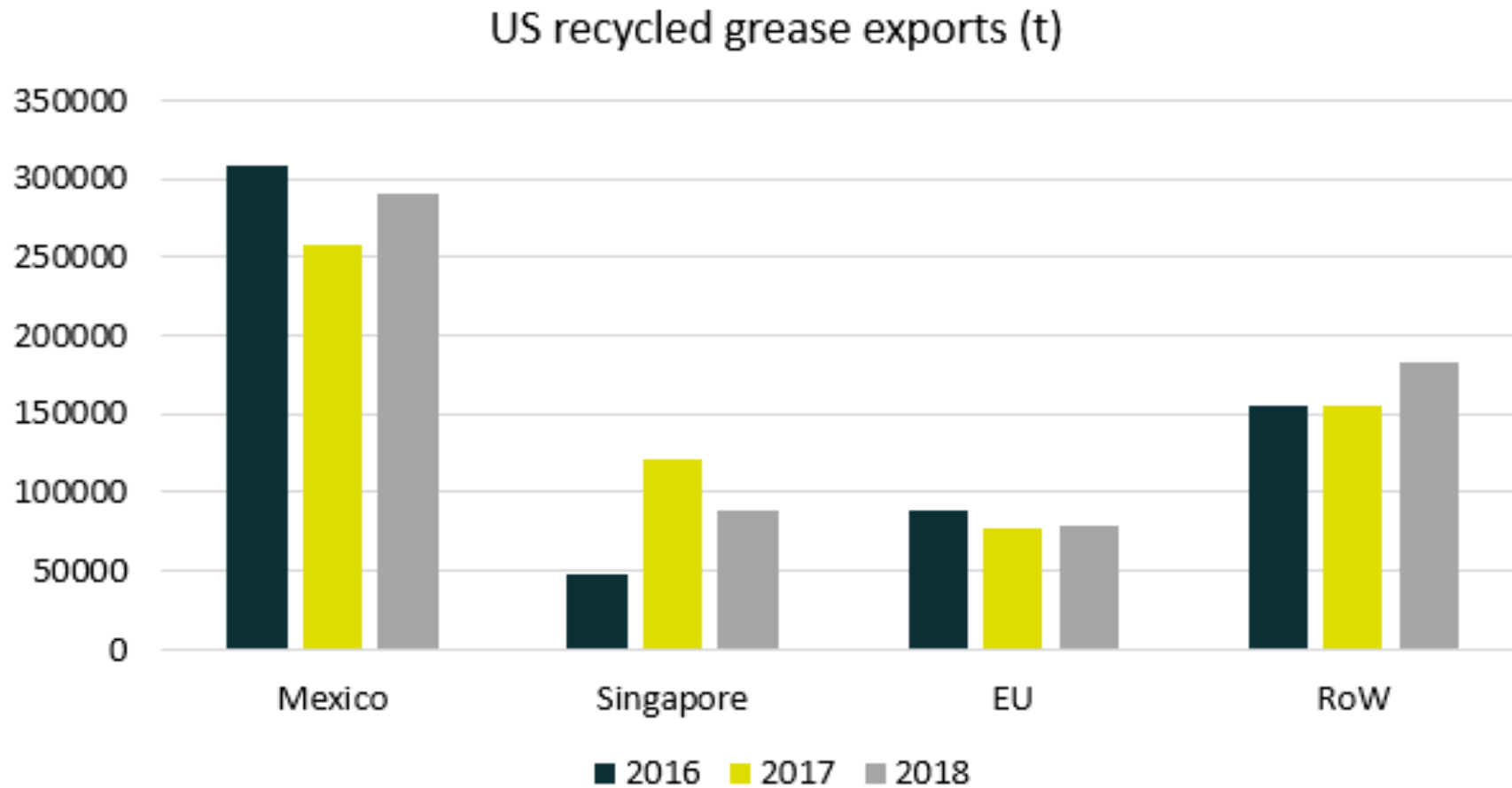




# West coast demand is accelerating



## SG is US' #2 US waste buyer





# EU will need to import more feed

EU UCO imports:

PRIMA	Dec. 2017	Nov. 2018	Dec. 2018	MoM %	YoY %	Jan.-Dec. 2017	Jan.-Dec. 2018	%
China	6,884	33,365	31,968	-4%	364%	56,537	373,429	561%
US	21,434	18,355	11,124	-65%	-48%	247,890	232,838	-6%
UAE	1,547	1,170	1,771	34%	14%	22,574	21,972	-3%
Hong Kong	490	1,308	753	-74%	54%	15,816	12,054	-24%
Indonesia	22,263	17,931	9,046	-98%	-59%	298,244	270,535	-9%
India	13	35	18	-93%	44%	149	177	19%
Jordan	374	383	592	35%	58%	4,664	5,186	11%
Japan	3,386	4,021	5,077	21%	50%	39,297	47,806	22%
Malaysia	15,134	24,792	709	-3395%	-95%	69,671	110,157	58%
Qatar	0	0	0	0%	0%	467	0	-100%
Russia	2,995	5,228	4,315	-21%	44%	28,020	46,904	67%
Saudi Arabia	5,664	8,740	7,927	-10%	40%	68,494	75,128	10%
Taiwan	3,800	901	841	-7%	-78%	42,011	19,536	-53%
Egypt	171	900	955	6%	458%	1,609	9,711	503%
Vietnam	1,215	1,102	217	-407%	-82%	9,124	9,023	-1%

## The global tool for decarbonising transport

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