

Market Watch

Every month, **GREENEA** provides our clients and partners with reliable and up-to-date information about feedstock and biodiesel markets. All the information in our monthly Market Watch is based on the latest traded prices.



Used Cooking Oil



Animal fat



Glycerin



Physical
Biodiesel

	UNIT	PRICE	Weekly var	Monthly var	Monthly var (%)	LOWEST*	HIGHEST*	30 DAYS AVG
GASOIL	USD per ton	456	▲ 11	▼ -51	▼ -11,2%	441	731	488
EUR / USD		1,114	▲ 0,027	▲ 0,013	▲ 1,1%	1,080	1,159	1,092
FAME 0°C M+1	USD per ton	840	▲ 23	▼ -25	▼ -3,0%	723	946	846
RME M+1	USD per ton	991	▲ 54	▼ -16	▼ -1,6%	868	1495	977
CFPP Value M+1	USD per °C	11,62	▲ 2,38	▲ 0,69	▲ 6,0%	2,77	56,92	10
UCOME Th. M+1	USD per ton	1331	▲ 10	▼ -60	▼ -4,5%	1295	1474	1360
UCOME Producer M+1	EUR per ton	1190	▲ 10	▼ -25	▼ -2,1%	760	1270	1206
TME Producer M+1	EUR per ton	1170	▬ 0	▼ -30	▼ -2,6%	775	1240	1190
UCO DDP NWE M+1	EUR per ton	880	▲ 10	▲ 20	▲ 2,3%	580	880	868
UCO CIF ARA Flexi M+1 (bid)	USD per ton	870	▬ 0	▲ 20	▲ 2,3%	560	870	862

5 March 2020

* since July



BIODIESEL – THE FALL WAS SHORT-LIVED

A majority of the trades from March to mid-May was done before the last week of February, the “Black Week”, when the commodity markets fell sharply. Fortunately! Thus, most **UCOME producers are sold out for the next few months** (April / May) and have covered their UCO immediately. Before the 25 Feb, trades have thus been oriented around **€1210 to €1230 per tonne FOB ARA for UCOME high GHG (CFPP 2/3°C) FOB producers**, a relatively close gap with the Window prices around €1260/1270 per tonne (CFPP 0°C). **The market has thus lost €25 compared to the January average** and is expected to fall again for current deals. For the moment, many questions remain about the evolution of the biodiesel market following **the sharp drop in veg-oils which is pulling down the FAME which has lost 40 USD since the beginning of February and 100 USD since January!** The RME and FAME 0 markets were affected by a slow January and February in the oil and gas market, as demand was not as strong as expected.

The **RME market lost 10%, from USD 1130/mt to USD 1014/mt**, while the **Fame 0 market lost 7%, from USD 929 to USD 961/mt**. The slowdown in the diesel market must have had an impact on blenders with lower demand for biofuels. Today, the future of single counting is very uncertain as the diesel market remains very volatile. The market says that it is difficult to take a position today because the GO is changing by + or -2 or 3% every day. However, production margins are recovering on one side supported by the violent drop of veg-oils prices for the FAME and on the other side with the RME prices increase since early March due to production cut. Thus, in this context, the price of UCOME and TME starts a bearish movement. The question is whether this trend continues to lead to a market correction. At the beginning of March, **UCOME prices thus returned below the €1200 mark to reach mid-December levels, i.e. around €1160/1180 FOB ARA.**



UCO – A LOT MORE FEAR THAN PAIN IN THE FOG

The UCO market is encountering less tension than expected. UCOME producers are relatively well covered until mid-April and for the past few days there have been several UCO traders in China. Thus, the UCO market does not experience any sharp price movement expected with the crisis of the coronavirus through all commodity market. **Thus, the price of UCO fluctuates between USD 860 and USD 870 per ton CIF Rotterdam (FFA max 5%, IV 75)**, relatively the same trend as before the current crisis. This last week of February was very emotional on the markets with a historic fall of oil and other commodities. UCOME

producers must now move on to purchasing for May/June in a very uncertain context (deep economic crisis to come or just an emotion and fear of markets). In this context, we could expect a small decline in purchasing levels as the downward pressure of the veg-oils and oil complex is dragging with it the other types of waste-based biofuels. Until now, the UCO price remains stable, there is a great deal of uncertainty in this market, and March is likely to be a fairly volatile month, we will see if the UCOME producers will review their margin to secure enough UCO for Q2 at the current price.



ANIMAL FAT – A LITTLE HUSTLE AND BUSTLE

The animal fat market seems to be under greater pressure. In the first week of March, fat producers seeing the palm oil market dropping sharply decided to go on sale. **We note prices of CAT 3 fat in FFA 2 / 3% around 740 - 750 EUR per ton FCA producers**, a little agitation on the market in early March. The CAT 1 fat market is in the full negotiation process for the

renewal of Q2 contracts, **producers are trying to capture a bit of margin from the TME by raising prices above 600€ but buying interests remain around 555 to 570 € per ton.**



ONCOMING EVENTS: MARCH

Biomass PowerOn 2020

04 – 05 March

Stockholm, Sweden

11th Edition of International Conference Biofuels and Bioenergy 2020

23 – 24 March

London, UK

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