

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	507	▼ -2	▼ -86	▼ -17,0%	484	736	543
EUR / USD		1,102	▲ 0,001	▼ -0,011	▼ -1,0%	1,091	1,177	1,108
FAME 0°C M+1	USD per ton	865	▼ -13	▼ -60	▼ -6,9%	723	946	900
RME M+1	USD per ton	1007	▲ 18	▼ -112	▼ -11,1%	868	1495	1040
CFPP Value M+1	USD per °C	10,92	▲ 2,38	▼ -4,00	▼ -36,6%	2,77	56,92	11
UCOME Th. M+1	USD per ton	1391	▼ -4	▼ -73	▼ -5,2%	1343	1492	1413
UCOME Producer M+1	EUR per ton	1215	▬ 0	▼ -55	▼ -4,5%	760	1270	1233
TME Producer M+1	EUR per ton	1200	▲ 10	▲ 15	▲ 1,3%	775	1240	1209
UCO DDP NWE M+1	EUR per ton	860	▲ 5	▲ 20	▲ 2,3%	580	865	859
UCO CIF ARA Flexi M+1 (bid)	USD per ton	850	▬ 0	▬ 0	▬ 0,0%	560	850	850

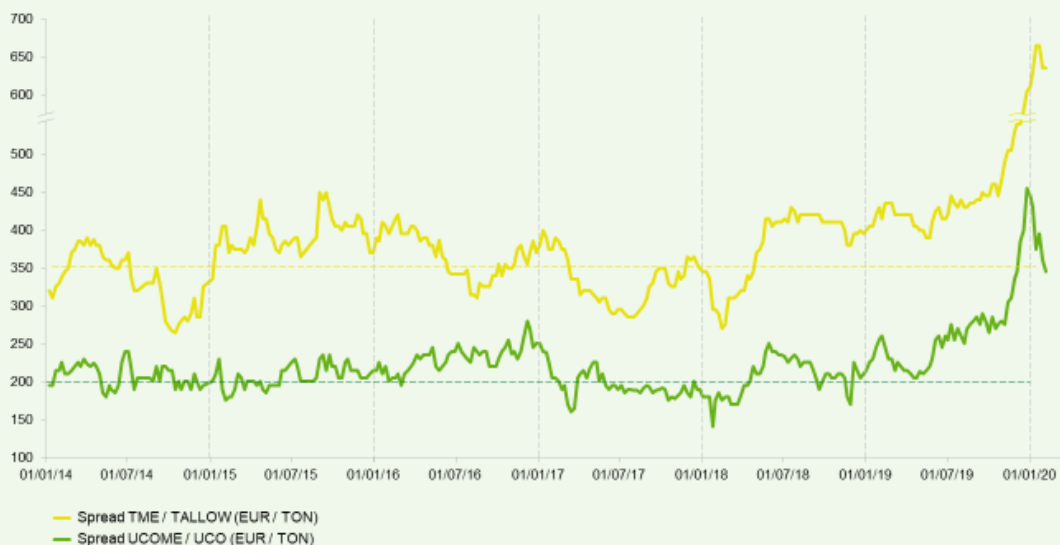


BIODIESEL – MULTIPLE FACES MONTH?

January, a month with multiple trends. Until mid-January, the movement was strongly bullish, with very strong liquidity and a relatively calm end of the month. Indeed, the **UCOME went from 1250 / 1270 EUR per tonne at the beginning of January to 1190 / 1200 EUR now**. Same scenario on UCOME over FAME premium: we note a very significant drop from USD 550 per tonne to USD 490 per tonne, especially in a context where FAME has gone **from USD 930 per tonne (02/01) to USD 850 per tonne (03/02) FOB ARA**. Volatility is less sensitive on the TME, a market is already very well sold until April, therefore less subject to the intra-day movement of biodiesel prices. We can thus note trades around EUR 1210 per tonne (just before the market drop) and the price stay around this price level.

Following the recent market downturn, TME producers do not have the need to sell and drive prices down, given their already very well established coverage over the next few months. Even if a downward movement has been underway since the end of January, the margin level on UCOME and TME remains historically high, penalizing biodiesel producers to a lesser extent. The major difficulty today is the high volatility of the markets, both for oil and vegetable oils, which are currently awaiting the slightest piece of information concerning the health crisis in China. The resumption of activities next week, on 10 February, will be decisive for trading activity in China and will determine, or not, the activity of UCOME's production plants and could impact the global market of UCOME.

End of the miracle months or just a small correction ?



Source: Greenea



UCO – LOST IN THE FOG

The market is like a train looking for itself, waiting for visibility in February. After a 50€ gain between the end of December and the current prices, the trend on the UCO market is rather downward, following the strong downward movements of the last few days, with the impact of the coronavirus on oil and veg-oils markets. Now, after this rapid and crude reaction of the markets, the question is more about the outlook for February and March. On the one hand, the question arises as to whether the UCO collect in China might not be impacted, which should certainly be the case, given the situation and the very sharp drop in attendance at restaurants and public places. On the other hand, the price of UCOME has lost EUR 50 since the beginning of January and vegetable oils continue their downward trend. **Thus, in these first days of February, there has been very little change in the price of UCO, a slight fall of 10 to 20 USD, which is still less brutal than the fall in UCOME.** The sales of Chinese UCOs had been largely made before the national holidays. Now the question is more about whether there will be delays in

shipments or whether suppliers will use force majeure to cancel / postpone contracts... Even though UCOME has started a faster downtrend than UCO, **the UCOME / UCO spread is still very comfortable: €160 above the average 2018 spread and €100 above 2019.** So we may find a scissor effect on UCOME/UCO prices in the coming months due to an altered Chinese supply and a bullish UCO market in February (scenario 1). Chinese exports are going to be closely observed. If little impact is noted on the Chinese supply, we can expect a significant drop in UCO prices (scenario 2). We will know in a few days... With so much uncertainty, several import trades have been noted between 840 to 855 USD per ton (IV 75, FFA 5, Sulfur 50ppm), very little premium difference between flexi and ISO at this time. There are some producers worried about a lack of supply and subject to tougher competition up to USD 880 per ton CIF. Intra-European prices are still between €850 and €870 per ton DDP (truck), the highest prices being on Spanish and Portuguese markets.

End of the bubble or calm before the new rally?



Source: Greenea



ANIMAL FAT – FAT YEAR AHEAD

The CAT 1 and 3 fat market is rather quiet, with contracts closing in the quarter. We already note some producers ready to sell on Q2 or even Q3 given the attractive prices. The competition on CAT 3 fats (for FFA below 5%), is relatively strong, even tense in Spain.

The African swine fever continues to develop in Asia and creep through European Union. 2020 will see prices for pork, lamb and beef continuing to be impacted to varying degrees by changing global trading pattern.



ONCOMING EVENTS: FEBRUARY AND MARCH

11th International Conference on Biofuel and Bioenergy 2020

19 – 20 February
Dubai, UAE

Lignofuels 2020

26 – 27 February
Helsinki, Finland

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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