

Argus White Paper: Increasing price transparency and facilitating liquidity in EU biodiesel markets



Argus launched its open markets platform – AOM – for biofuels in April 2016. We have since seen northwest European producers, traders, brokers and blenders congregate to trade increasing volumes of biodiesel spot product daily and in a transparent fashion

RME and Fame o fob ARA range on AOM

Liquidity for these biodiesel products is on a steady and strong upward trend in northwest Europe, with record volumes traded in April at close to 220,000t. This is a remarkable share of regional prompt demand, considering biodiesel EU demand stands at little over 900,000 t/month.

Over time, far fewer deals reported to Argus for the purpose of assessment have been done outside the platform. Technical upgrades and methodology changes have ensured that the majority of fob ARA spot trade is now visible on the platform.

Fame o and RME open interest

Open interest for RED Fame o and RME, which extends into 2020, has increased significantly on the Ice exchange. This aligns with record spot liquidity.

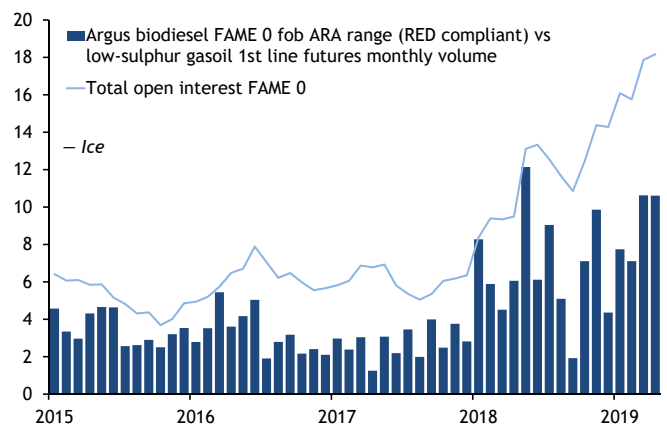
*Note that the contract size for Fame o and RME cash-settled futures is 100t.

Ucome 90pc GHG savings on AOM

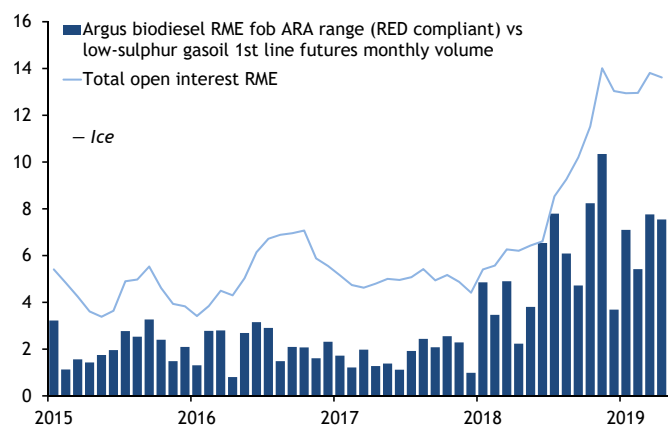
Waste-based Ucome 90pc greenhouse gas (GHG) savings was added to AOM in September 2018, after the conclusion of methodology proposals that lasted several months. The message from the market was clear – to establish a standard in an expansive market in terms of specifications traded.

While spot Ucome volumes pale in comparison to those for the benchmark grades in 2019, they continue to grow at a healthy pace, which is expected to increase in the coming months. And the likely introduction of a Ucome 90pc GHG savings swap in the coming year will further support market liquidity and a transparent price assessment.

Argus biodiesel FAME zero vs LS gasoil '000 lots



Argus biodiesel RME zero vs LS gasoil '000 lots

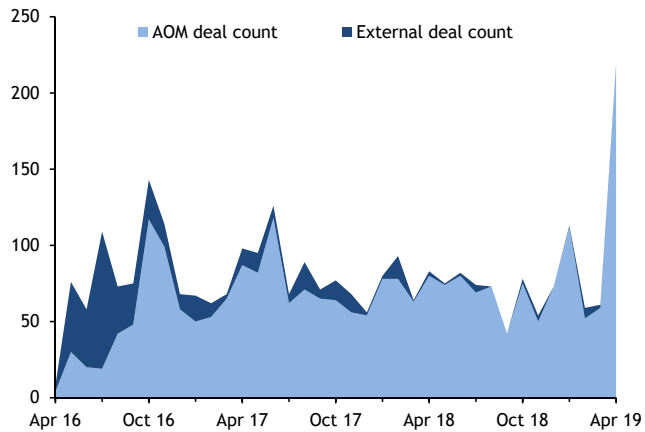


Why chose Argus Open Markets?

The web-based electronic AOM® platform enables registered market participants to post bids and offers, and initiate commodity deals in real time on the spot market.

- More transparent price discovery
- Facilitate market participation
- Centralises the biofuels market in one place
- Easier to follow market movements
- Satisfy regulatory requirements and oversight

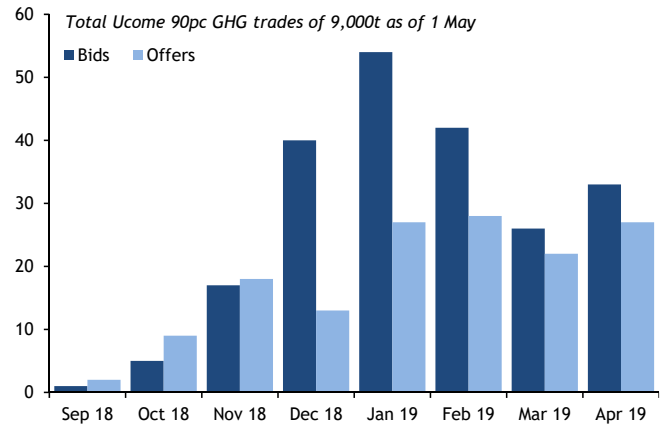
AOM and external deal counts



To request more information about the AOM platform, please email aomsupport@argusmedia.com.

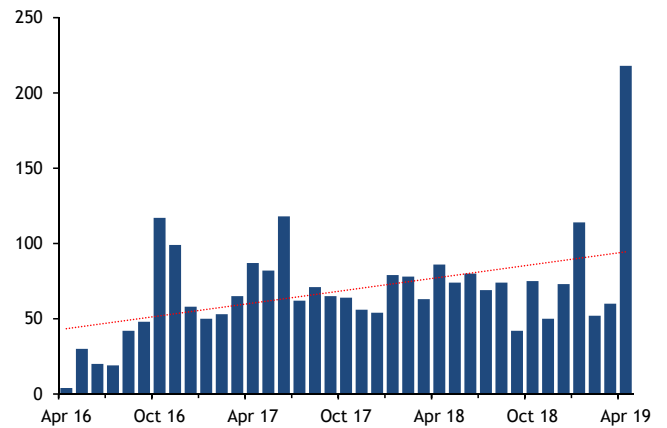
Ucome 90pc GHG savings bids and offers

Orders



AOM deal volume

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