



# SCB Fuel Emissions Report

Wednesday, April 14, 2021

- LCFS markets took a bit of a breather Tuesday as value stepped sideways through a subdued session. At the open, bids arrived once again along the curve while offers stepped in just above last traded levels at \$182/MT for Q2 2021 transfer and \$181/MT for Q3 2021 transfer. The Q2 2021 to Q4 2021 spread also drew attention at the open but conversations here quickly fizzled as bids placed only a \$1/MT premium on Q2 21 while offers looked a dollar higher. Outright markets squared up just wide as well before bids showed \$180/MT for July 2021 transfer and were quickly hit here. On the follow, offers looked to repeat last traded levels but bids turned their attention to Q2 2021 transfer. Oregon markets also saw action on the session as \$127/MT for Q2 2021 transfer traded before both sides stepped back a dollar to leave markets a touch wide at close.
- Despite the bean oil contract giving back Monday's losses and as the BOHO spread surged by \$0.105, D4 values were relatively flat on the day yesterday. The 2021 D4s traded for \$1.41 and \$1.40 on domestic and imported generators, with support backing up slightly and layering into the upper-\$1.30s as the day wore on. The 2021 D6s were also rangebound, trading at a \$0.07 discount to the D4s, with refiners buying \$1.335 and \$1.33 with bid interest left just above \$1.32 at the close.

## SCB Fuel Emissions

**Zach Townend**

787-291-0015

zach@starcb.com

ICE Chat: ztownend

**Andrew Todaro**

787-663-3215

andrew.todaro@starcb.com

ICE Chat: atodaro

425 Carr. 693

Plaza Del Mar

Suite 202

Vega Alta, PR

00692

**Access the full forward curves of SCB Fuel Emissions on:**

Bloomberg: this link & type RENW <GO>

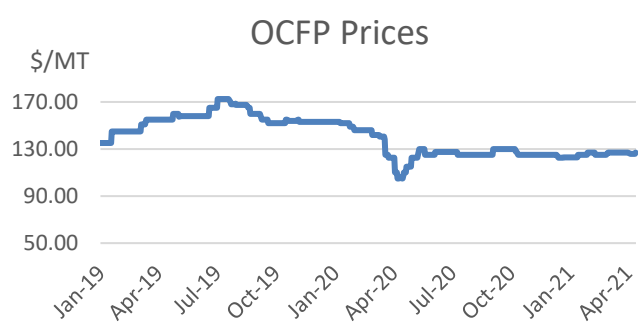
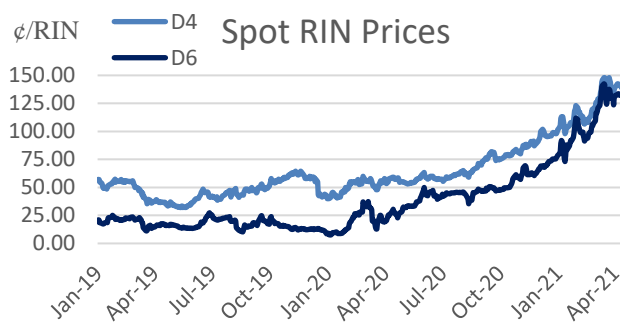
Refinitiv Eikon: this link & type APP SCB

Barchart CmdtyView: this

For questions, contact us at mdc@starcb.com



LCFS Credit Price (\$/MT)						OCFP Credit Price (\$/MT)					
	Bid	Ask	Spread	Bid	Ask		Bid	Ask	Spread	Bid	Ask
<b>Prompt</b>	180.0	182.0	Spot/Q2	-1.00	1.00	<b>Prompt</b>	126.0	128.0	Spot/Q2	-1.00	1.00
<b>Q2 21</b>	180.0	182.0	Q2/Q3	1.00	2.00	<b>Q2 21</b>	126.0	128.0	Q2/Q3	-1.00	1.00
<b>Q3 21</b>	179.0	181.0	Q3/Q4	0.00	1.00	<b>Q3 21</b>	126.0	128.0	Q3/Q4	-1.00	1.00
<b>Q4 21</b>	178.0	180.0	Q4/Q1	-1.00	1.00	<b>Q4 21</b>	126.0	128.0	Q4/Q1	-1.00	1.00
CI Value vs LCFS Target* (\$/MT)						DDP CA <sup>a</sup>	Fair Value <sup>b</sup>		RINs Prices (\$)		
<b>Midwest SME Biodiesel (50.85)</b>						0.960	4.150	4.150		<b>Bid</b>	<b>Ask</b>
<b>Midwest Corn Oil Bio (29.46)</b>						1.449	4.312	4.638	<b>2019 D4</b>	1.3800	1.3900
<b>Imported CME (51.33)</b>						0.949	3.813	4.139	<b>2020 D4</b>	1.3800	1.4000
<b>Imported Renewable Diesel (36.83)<sup>c</sup></b>						1.316	4.137	4.784	<b>2021 D4</b>	1.3900	1.4000
<b>Imported UCOME Bio (25.61)</b>						1.537	4.400	4.726	<b>2019 D5</b>	1.3750	1.3850
<b>\$/USG per point CI (biodiesel)</b>						0.023			<b>2020 D5</b>	1.3800	1.3900
CI Value vs LCFS Target* (\$/MT)						DDP Ca <sup>e</sup>	Fair Value <sup>d</sup>		<b>2021 D5</b>	1.3850	1.3950
<b>Midwest Corn Ethanol (70)<sup>e</sup></b>						0.324	209.75	209.750	<b>2019 D6</b>	1.3200	1.3250
<b>Brazil Sugar Ethanol (45.9)<sup>e</sup></b>						0.680	2.202	210.161	<b>2020 D6</b>	1.3250	1.3350
<b>\$/USG per point CI (ethanol)</b>						0.015			<b>2021 D6</b>	1.3250	1.3350



\*2021 LCFS Target Diesel 91.66, 2021 LCFS Target Gasoline 90.74

<sup>c</sup> RINs multiplier for Renewable Diesel 1.7 vs 1.5 for Biodiesel

<sup>a</sup> Feb arrival, Full Pass B99 and RINs For Buyer

<sup>d</sup> Fair value = MW Corn Ethanol + LCFS + 2019 D5/D6 RINs spread

<sup>b</sup> Fair value = SME + differences from LCFS and RINs

<sup>e</sup> May 2021 arrival

Copyright © 2021 SCB Group, All rights reserved. You are receiving this email because you opted in via our website - starcb.com

This communication is strictly for marketing purposes only. No part of this communication may be internally or externally copied, reproduced, distributed, or transmitted in any form without the express written consent of SCB. No information or data in this communication shall form part of any other purpose including and not limited to risk reporting, P&L reporting, management reporting, benchmarking and market analyses. This communication is not intended as an offer or solicitation for purchase or sale of any financial instrument or as an official confirmation of any transaction. SCB makes no warranties regarding the completeness, accuracy or timeliness of any information or data in this communication. The communication is provided on an "as-is" basis. SCB shall not be held liable for any loss or damage arising from any parties' reliance or use of this communication. If you received this in error, please contact the sender and delete this communication from any computer.