



Biofuels Trading

SCB Group

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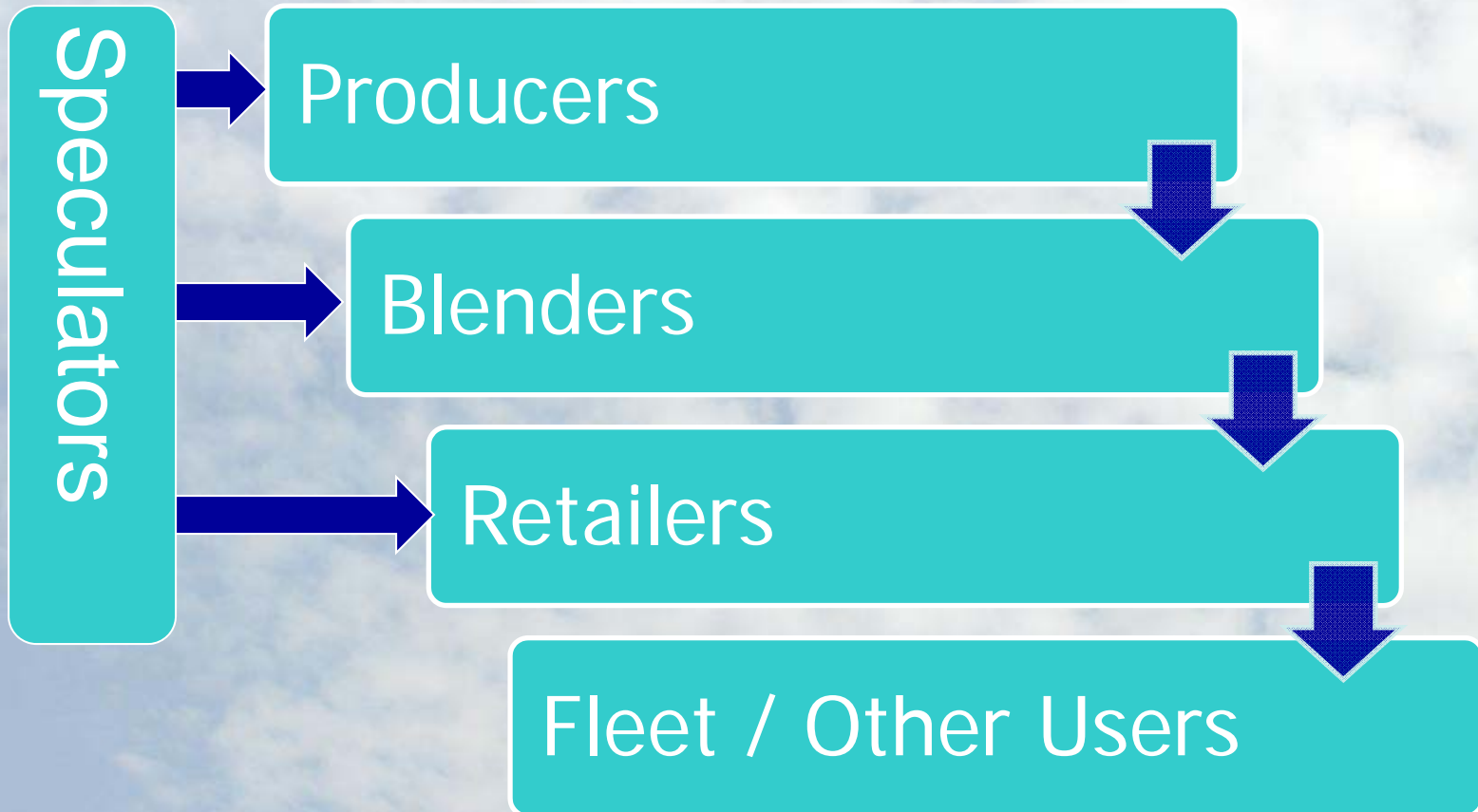
Current Trading Environment in Europe for Bio-fuels

- Trade Multiples in Europe changing
- Emerging Derivative Market
- Mandated Volumes
- Hedging Feedstock Volatility
- Legislative Changes

Trade Multiples in Europe changing

- 2005 -2008 Increase in the trade multiplier
- 2008-2009 Speculative activity diminishing as industry matures, more stable trading conditions
- Reasons for reduced liquidity and volume
 - Credit crunch
 - Reduced margins
 - Reduced use of Bio-fuels (Germany B100)
 - Low mineral oil price
 - Downward trend in prices
 - Few market participants

Market Actors and Trade Flow



RME Producer Margins



Mandated volumes

<u>Country</u>	<u>2008</u>	<u>2009</u>	<u>2010+</u>
Germany	4.8%	5.25%	8% (2015)
UK	2.6%	3.25%	5%
France	6.53%	7%	10%
Spain	1.9%	3.4%	5.83%
Italy	2.5%	3%	3.5%

Emerging Derivative Market

- **Current Environment**
- **Clearing Mechanism**
- **New Players & Market Entrants**
- **Hedging Feedstocks, Bean Oil, Palm Oil, Sugar and Corn**

Whats Next?

- Increasingly diverse trade routes
- Better understanding of sustainability requirements, RSPO, RTRS, RTFO, Green Palm org.
- Easing of the credit situation
- More active hedging of feedstock and moving to floating prices basis ICE
- New players, next generation banks and commodity trading companies
- Domestic US market will evolve

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Global Market Leading Brokerage

- Bio Diesel Physical and Derivatives
- Bio Ethanol Physical and Derivatives
- Agricultural and Soft Derivatives

Offices

- Chicago
- Europe
- Argentina