

Platts Asia UCO/UCOME Market on Close FAQ

On August 1, 2022, Platts, part of S&P Global Commodity Insights, launched new spot assessments for Used Cooking Oil (UCO) FOB Straits (UCFCC00), as well as Used Cooking Oil Methyl Ester (UCOME) FOB China (UCFCA00), and its related UCOME CFR Singapore (net forward) (UCFCB00). This follows extensive consultation of producers, consumers, traders and others in the oil, biofuel, and renewable fuel markets as the demand for UCO and UCOME produced and loaded out of China and the Straits of Singapore grow in consumption and supply, with market participants expressing keen interest in greater price transparency in these markets. A subscriber note announcing the launch can be accessed here: [Platts launches Asian UCO, UCOME assessments | S&P Global Commodity Insights \(spglobal.com\)](#)

Why has Platts launched these assessments?

Platts has observed growing demand for Asian origin UCO that originates in or transits from Singapore, and the adjacent Malaysian ports of Port Klang and Pasir Gudang on their way to demand centers in Europe.

In addition, UCOME originating from China is increasingly finding its way to European markets. The new assessments complement the existing suite of Platts global UCO/UCOME coverage, which include UCO North Asia (AUCOC00), UCO CIF ARA (AUCOA00), and UCOME FOB ARA RED (AUMEA00).

Where are these new assessments published?

Publications

- Platts Biofuelscan
- Platts Weekly Biomass-Based Diesel Report

What specifications of UCO are reflected in Platts assessments?

The new UCO FOB Straits assessment reflects ISCC-Certified, non-origin specific product matching the following quality criteria: FFA 5% maximum, minimum of 50 g iodine per 100 g of used cooking oil, M&I 2% maximum, Sulfur 40 ppm maximum, Wax content 300 ppm maximum. In addition, the assessment reflects product that holds proof of sustainability obtained in the framework of voluntary schemes approved by the EU Commission. Proof of Sustainability, Annex VII and Right to Audit needs to be provided by the seller. Platts is also changing the Free Fatty

Acids (FFA) maximum from 5-6% to 7%, for its existing FOB North China UCO specifications following feedback from the market.

What specifications of UCOME are reflected in Platts assessments?

The new UCOME FOB China assessment reflects product meeting the EN14214 specification excluding oxidation stability, and allows for Sulphur content of maximum 15 ppm, a maximum CFPP of 8 degrees Celsius, a maximum water content of 350 ppm with minimum GHG savings of 87%. The assessment would also reflect RED and German mandate compliant material eligible for UK and Dutch double-counting. All material needs to be traceable and have Right to Audit provided by the seller.

What cargo sizes and laycans do the assessments reflect?

Volumes of 1-5 kmt UCO are considered and normalized for assessment purposes to 1 kmt for cargoes loading 20 to 40 days ahead of the publication date. The minimum loading rate will be 150 mt per hour for breakbulk cargoes. Volumes of 2.5-10 kmt UCOME are considered and normalized for assessment purposes to 2.5 kmt for cargoes loading 20 to 40 days ahead of the publication date.

Platts has also started calculating a CFR Singapore UCOME net forward using its new UCOME FOB China assessment and the Clean South Korea-Singapore 30kt MR \$/mt freight rate (TCADK00).

What is the Platts UCO/UCOME assessment methodology?

Platts' UCO/UCOME assessments are underpinned by its established Market on Close assessment methodology that's also used to assess major benchmarks including Platts Dated Brent, Platts FOB Singapore Gasoil Cargo, Platts JKM (LNG) and Platts Ethanol T2 FOB Rotterdam. As part of the assessment process, Platts editors publish UCO/UCOME market information throughout the day and approved market participants can submit their firm bids, offers and interest to trade to Platts for publication. Platts regularly reviews performance of trades executed during the MOC process to maintain the integrity of its assessment process. More information on Platts methodology can be found in the Platts

Assessment Methodology Guide available here: https://www.spglobal.com/commodityinsights/PlattsContent/_assets/_files/en/our-methodology/methodology-specifications/global_biofuels.pdf

How can a company register to participate in the MOC process?

Entities that wish to participate in the UCO/UCOME MOC should complete the following form: [spglobal.com/platts/en/our-methodology/participation-review](https://www.spglobal.com/platts/en/our-methodology/participation-review)

The Platts Price Group then conducts a participation review to establish that the company is credible, creditworthy and an active participant in the broader market for that commodity. The entities can also request more information on how MOC works and Platts guidelines governing the process. Entities must be reviewed for each specific market and evaluated against the editorial criteria for that market. Therefore, each entity must undergo the participation review process for UCO/UCOME, regardless of an established participation level in another Platts MOC process. For more information on the participation review process, please contact: pricegroup@spglobal.com

How do companies submit their bids/offers or interest to trade to Platts?

Market participants can submit their firm bids and offers to the Platts editorial team for publication each working day prior to the deadline for submission of fresh bids and offers at 1730 Singapore time. Any expressions of interest to trade a published bid or offer must be clearly communicated to the Platts editorial team before 1800 SGT. All outstanding bids and offers at 1800SGT close are considered withdrawn.

What trade information is published and where?

Platts will publish all valid bids, offers and trade information from approved participants transparently on Platts Renewable Fuels Alert page 13 (PBF2013). Initially, this information would be published as manual headlines by Platts editors until the products are available on the editorial reporting tool eWindow, a date for which would be announced in a timely manner. Participants must provide full information related to their bids, offers or trades to Platts editors for publication before 1730 SGT. This includes full company name, volume, laycan, cargo size, price and pricing basis (if any), location details and any other required terms & conditions as per standard market norms.

What does typical trade information look like in the MOC?

A typical bid or offer would be published as follows:

Platts Biodiesel MOC: FOB China: Bulk UCO: Company A bids \$XXX/mt, October load, 1,000 mt, Standard Chinese Spec, ISCC-cert

Platts Biodiesel MOC: FOB China: Bulk UCOME: Company B offers \$XXX/mt, October load, 1,000 mt, Standard Chinese Spec, 90% GHG, ISCC-cert

Market participants that have submitted their bids and offers to Platts editors for publication must be reachable at all times as long as their bids and offers are live. After 1730 SGT participants can raise or lower their bids/offers price levels, but no other changes to the bids/offers would be allowed. Companies can withdraw their bids/offers at any time by communicating the same to Platts editors.

S&P Global Platts

Contact Platts support:

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The timing and increment guidelines for the Platts Asia Biofuels MOC process would be applicable to all bids and offers published in the Asia UCO/UCOME MOC. More details on these guidelines are available here:

https://www.spglobal.com/commodityinsights/PlattsContent/_assets/_files/en/our-methodology/methodology-specifications/biofuels-timing.pdf

Which pricing basis are acceptable for bids, offers, and trades in the MOC?

Companies may submit bids, offers and trade information to Platts on an outright USD/mt basis or as a differential (premium or discount) to any price benchmarks if deemed to be in line with wider market acceptance.

Will Platts publish UCO/UCOME derivative assessments?

Platts has received suggestions from market participants to assess calendar month derivatives that would settle on the monthly average of Platts UCO/UCOME assessments. Platts continues to engage with all stakeholders in this regard and any such launch would be communicated to market participants in a timely manner.

For more information on the recently launched spot assessments for Used Cooking Oil (UCO) FOB Straits, as well as Used Cooking Oil Methyl Ester (UCOME) FOB China, and the Platts Market On Close process underpinning these assessments, please email Asia_ags@spglobal.com, with a cc to pricegroup@spglobal.com