



**Weekly Price Update**  
**26-Feb-2022**

**IENERGY NATURAL RESOURCES LIMITED**

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# INTERNATIONAL COAL PRICE

## API2

API2 coal price has been touching sky in this week due to Russia-Ukraine tensions. Mar 2022 contract closed at \$ 217, up by \$ 59 WoW basis. Last week it was closed at \$ 158.

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COAL (API2) CIF ARA (ARGUS-MCCLOSKEY) FUTURES (MAR 2022), 1D, NYMEX 217.00 -27.50 (-11.25%)  
Vol 0



TradingView

Apr 2022 contract has corrected a lot during this week because of geopolitical developments in Russia-Ukraine tensions. Last week the contract closed at \$ 153 and this week it was closed at \$ 193.25, up by \$ 40 WoW. Apr 2022 contract has touched above \$ 226 on 24<sup>th</sup> Feb 2022 and low at \$ 103 on 29<sup>th</sup> Nov 2021.

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COAL (API2) CIF ARA (ARGUS-MCCLOSKEY) FUTURES (APR 2022), 1D, NYMEX 193.25 -33.25 (-14.68%)  
Vol 0



TradingView

## South African Coal Prices (API4)

Supply tightness has been observed in South African coal. Export from RBCT has reduced due to non-availability of coal. There is good demand in other Asian market including Pakistan and Bangladesh, SA Prices are holding high from 1<sup>st</sup> day of 2022. Mar 2022 contract closed at \$ 224, up by \$ 49 WoW. Last week it was closed at \$ 175. Mar 2022 contract has touched above \$ 242 on 24<sup>th</sup> Feb 2022 and low at \$ 100 on 2<sup>nd</sup> Nov 2021.

On physical supply discount has reduced a drastically on 5500 NAR coal and some offer there is premium for 5500 NAR supply.

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COAL (API4) FOB RICHARDS BAY (ARGUS-MCCLOSKEY) FUTURES (MAR 2022), 1D, NYMEX 224.00 -18.00 (-7.44%)  
Vol 0



## Australian High Ash

Price of AUS 5500 coal has also followed the same trend. There was heavy demand from Asian market due to high price of SA coal. Due to availability issue from Indonesia and high price of South African coal, Price of AUS 5500 NAR has went further up. After stabilising at 150 Level for few days, price are going further up. Current offer for 5500 NAR coal is at \$ 160 up by \$10 on WoW basis. There are few offers in market for off specs from Australia mainly 5100 GAR at \$ 115 pmt FOB.

## US Coal

US coal Price has been supported by #1 increase in Petcoke Price #2 Demand from European Market #3 Tight supply of coal from USA #4 Upward movement in GAS price and #5 good demand from domestic market in USA. No offers for US coal into Indian market for material loading in Q2 CY 2022. Traders who has the position are expecting price for NAPP at USD \$235 - 240 CFR WCI/ECI based on 6900 NAR.

## Coking Coal

Seaborne metallurgical coal prices were again moved up but CFR China price is down on low demand. Current offers are at 445 USD pmt for PHCC and 400 USD pmt for Second tier coking coal (Both on FOB terms).

## DOMESTIC COAL PRICE (West Coast – India)



Imported coal price in stock and sale has gain a lot due to good demand from SME market and upward movement in international Price during last week. Indonesian price has corrected upward by 200-300 INR and US Coal price was stable during week. Dispatch of coal from port has increased but still remains slow on YoY basis

Current offers are at INR 18,000 for US high CV (NAPP) coal from Tuna port and 7,000 pmt (Taxes Extra) for Indo 3400 GAR coal, 8900 for 4200 GAR & 12000 for 5000 GAR.

Grade	Price pmt / 00-50 MM / Ex-Plot Port				
	27-Feb-22	20-Feb-22	Change	28-Jan-22	Change
<b>US Origin Coal from Tuna / Kandla (WCI)</b>					
NAPP	₹ 18,000.00	₹ 18,000.00	0.00 %	₹ 18,300.00	(1.64)%
ILB	₹ 16,000.00	₹ 16,000.00	0.00 %	₹ 16,000.00	0.00 %
<b>Indonesian Origin Coal from Tuna / Kandla (WCI)</b>					
5000 GAR	₹ 13,000.00	₹ 12,800.00	1.56 %	₹ 11,600.00	12.07 %
4200 GAR	₹ 11,000.00	₹ 10,600.00	3.77 %	₹ 9,200.00	19.57 %
3800 GAR	₹ 8,800.00	₹ 8,800.00	0.00 %	₹ 8,500.00	3.53 %
3400 GAR	₹ 7,100.00	₹ 7,100.00	0.00 %	₹ 7,000.00	1.43 %
<b>Indonesian Origin Coal from Navlakhi (WCI)</b>					
5000 GAR	₹ 13,000.00	₹ 12,600.00	3.17 %	₹ 11,700.00	11.11 %
4200 GAR	₹ 11,100.00	₹ 10,500.00	5.71 %	₹ 9,600.00	15.63 %
3800 GAR	₹ 8,800.00	₹ 8,700.00	1.15 %	₹ 8,700.00	1.15 %
3400 GAR	₹ 7,100.00	₹ 7,000.00	1.43 %	₹ 7,200.00	(1.39)%
<b>South African Origin Semi Anthracite from Kandla (WCI)</b>					
5300 NAR	₹ 13,000.00	₹ 11,500.00	13.04 %	₹ 12,000.00	8.33 %
<b>South African coal from Kandla (WCI)</b>					
5500 NAR	₹ 17,500.00	₹ 15,200.00	15.13 %	₹ 14,600.00	19.86 %
<b>Australian Origin Coal from Tuna / Kandla (WCI)</b>					
5500 NAR	₹ 14,500.00	₹ 13,500.00	7.41 %	₹ 13,000.00	11.54 %
5100 NAR	₹ 13,000.00	₹ 12,500.00	4.00 %	₹ 12,000.00	8.33 %

Grade / Sized	Price pmt / Screened Plant / Ex-Plot Screening Plant				
	27-Feb-22	20-Feb-22	Change	28-Jan-22	Change
<b>3400 GAR</b>					
00 - 06 MM	₹ 7,100.00	₹ 7,000.00	1.43 %	₹ 7,200.00	(1.39)%
06 - 20 MM	₹ 8,800.00	₹ 8,600.00	2.33 %	₹ 8,200.00	7.32 %
20 - 50 MM	₹ 9,000.00	₹ 9,000.00	0.00 %	₹ 8,600.00	4.65 %
<b>4200 GAR</b>					
00 - 06 MM	₹ 8,500.00	₹ 8,500.00	0.00 %	₹ 8,700.00	(2.30)%
06 - 20 MM	₹ 11,600.00	₹ 11,600.00	0.00 %	₹ 10,400.00	11.54 %
20 - 50 MM	₹ 12,000.00	₹ 12,000.00	0.00 %	₹ 10,900.00	10.09 %
<b>5000 GAR</b>					
00 - 06 MM	₹ 8,800.00	₹ 8,600.00	2.33 %	₹ 9,000.00	(2.22)%
06 - 20 MM	₹ 14,800.00	₹ 14,800.00	0.00 %	₹ 14,200.00	4.23 %
20 - 50 MM	₹ 15,200.00	₹ 15,200.00	0.00 %	₹ 15,000.00	1.33 %
<b>South African Origin Semi Anthracite / Jamnagar</b>					
00 - 03 MM	₹ 12,500.00	₹ 12,000.00	4.17 %	₹ 10,500.00	19.05 %
03 - 08 MM	₹ 25,500.00	₹ 21,000.00	21.43 %	₹ 19,000.00	34.21 %

## INDEX OF INDUSTRIAL PRODUCTION (IIP)

Industrial output slumped to a 10-month low of 0.4 per cent in December, dragged down by manufacturing, capital goods and consumer durables output along with an unfavourable base, according to data released by the National Statistical Office (NSO).

In absolute terms, the general index level of the Index of Industrial Production (IIP) was higher than pre-pandemic levels seen in December 2019, but experts cautioned that the full impact of the restrictions in view of the Omicron variant of the Covid-19 pandemic may get reflected in the industrial output data next month.

The IIP had registered a growth of 1.3 per cent a month ago and 2.2 per cent in December 2020.

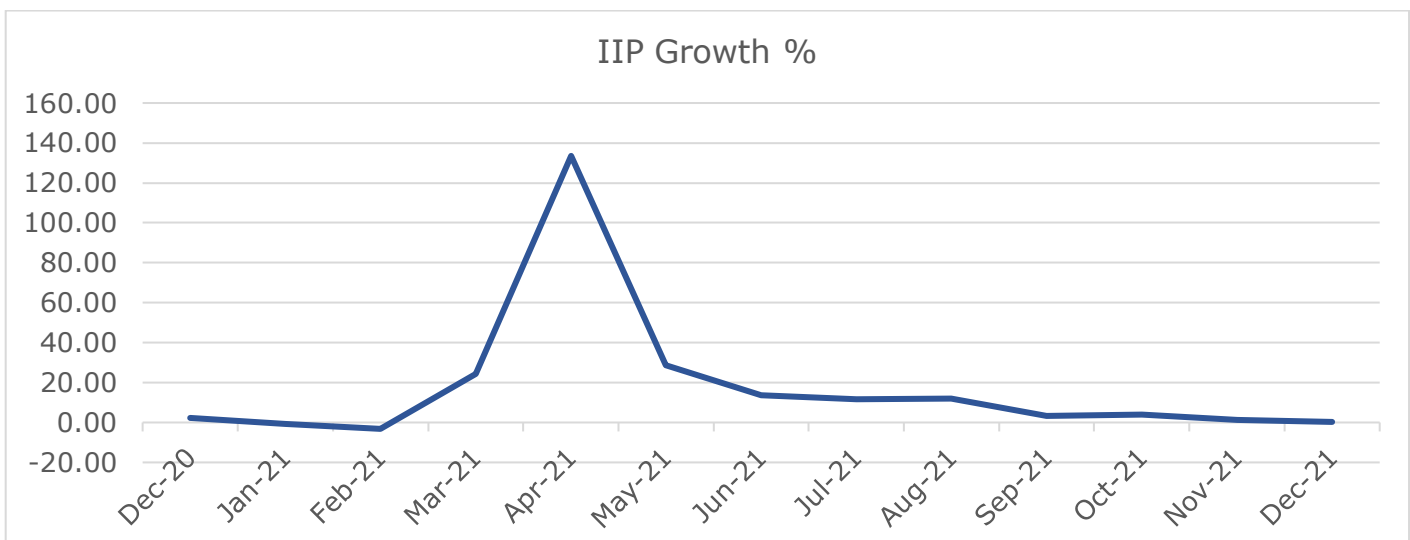
The biggest drag for the industrial output in December came from the 0.1 per cent contraction in manufacturing output, which accounts for 77.6 per cent of the weight of the IIP. Manufacturing output had grown 0.8 per cent in the previous month and 2.7 per cent a year ago.

Weak consumption and investment also weighed on the industrial output. Capital goods, an indicator of investment, contracted 4.6 per cent in December as against a contraction of 2.0 per cent a month ago and 2.2 per cent growth a year ago.

Consumer durables output contracted 2.7 per cent in December as against 5.4 per cent contraction a month ago and 6.5 per cent growth a year ago, while consumer non-durables output contracted 0.6 per cent compared with 0.5 per cent growth a month ago and 1.9 per cent growth a year ago.

Mining output grew 2.6 per cent in December as against a growth of 4.9 per cent a month ago and 3 per cent contraction a year ago. Electricity output recorded a growth of 2.8 per cent in December compared with 2.1 per cent a month ago and 5.1 per cent a year ago.

During April-December this fiscal, the IIP grew 15.2 per cent against a 13.3 per cent contraction in the same period last year.



## **IMPACT OF RUSSIA-UKRAINE CONFLICT ON COAL**

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Since Russia launched a full-scale military invasion into Ukraine on February 24, 2022, fighting has caused over one hundred civilian casualties and pushed tens of thousands of Ukrainians to flee to neighbouring countries.

India currently has a neutral stand on the Russia-Ukraine dispute and has appealed to both countries to exercise restraint.

However, it is clear this will negatively impact India and its economy. This is because India has trade relations with both of the countries.

If the geopolitical situation deteriorates further, the Indian economy is expected to get another blow after the Covid-19 pandemic.

The Russia-Ukraine military conflict will hamper coal supply further and hurt power plants and industries in India.

In 2021, India's thermal coal imports to Russia fell from 1.6 percent to 1.3 percent. It now seems likely to decrease further.

This (Russia-Ukraine) crisis has increased energy prices globally and that reduces the propensity to import coal and coke. And it will further complicate the matter and it is going to hamper supplies to both CPPs and industries from Coal India.

From the last six-seven months CPPs have been getting a very low supply of coal. Because of this crisis, power plants will have lower propensity to import and hence they will pressurise the system to give more and more coal to them by rail mode. That will stop or delay operationalisation of normalcy in rake supply to CPPs and industries.

The industries like aluminium, cement, steel, sponge-iron, paper, fertiliser, chemical, rayon and their captive power plants (CPPs) are mostly dependent on domestic coal. The non-power sector is already reeling under fuel shortages and the crisis has worsened the situation.

Energy-intensive and continuous process plants along with their captive power plants are highly dependent on coal as a primary source of fuel. Therefore, interruption in the fuel supply chain is forcing many plants to run at a lower capacity and adversely affecting their cost of production.

Higher cost of production will ultimately affect every section of the society, industry associations had recently said in joint representation.

The conflict in Ukraine has cast a shadow on India's coking coal imports from Russia with the West looking to impose further economic sanctions on countries pursuing economic ties with Russia.

If the Ukraine crisis affects the pact with Russia for collaboration in mining and steel, with a special focus on coking coal, it will deal a jolt to India's goal of diversifying its supplies.

## Meet Our Team



### Riya Vyas– Business Analyst

An MBA graduate, Ms Riya Vyas has joined iEnergy Natural Resources Limited in Nov 2021 as a Business Analyst. She has done MBA with finance specialization from SPUMBA.

She is responsible for the analysis & monitoring of coal market internationally and guide management for trade positions. She is also responsible generate various reports & MIS on Indian coal market.

Prior to iEnergy, She has worked with Lavi Coal Info (opc) Pvt Ltd as an Executive-New Product Development from May 2021 to October 2021.

She has worked in Sharekhan Limited and Iman Resources as an Intern. She has done many research work on stock market and commodity market.

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