



**Weekly Price Update**  
**06-Aug-2022**

**IENERGY NATURAL RESOURCES LIMITED**

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# INTERNATIONAL COAL PRICE

## API2

European delivered future prices crashed in the beginning of the month. API2 August contract closed with a steep decline of \$ 57 week on week, to \$ 313.65 from \$ 370.35 last week. August 2022 contract hit a high of \$ 410 on 8<sup>th</sup> Mar 2022 and a low at \$ 94 on 3<sup>rd</sup> Jan 2022.

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COAL (API2) CIF ARA (ARGUS-MCCLOSKEY) FUTURES (AUG 2022), 1D, NYMEX 313.65 -13.70 (-4.19%)  
Vol 0



API2 September contract prices are also on the same path of reduction. The contract closed at \$ 286 from \$ 358.65 last week. The prices reduces by \$ 73 week on week. September 2022 contract hit a high of \$ 401 on 2<sup>nd</sup> Mar 2022 and a low at \$ 93 on 31<sup>st</sup> Dec 2022.

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COAL (API2) CIF ARA (ARGUS-MCCLOSKEY) FUTURES (SEP 2022), 1D, NYMEX 286.00 -23.00 (-7.44%)  
Vol 0



## South African Coal Prices (API4)

API4 August contract prices closed at \$ 295, with \$ 27 discount WoW. Last week the contract was closed at \$ 322. August 2022 contract has touched above \$ 384 on 8<sup>th</sup> Mar 2022 and low at \$ 93 on 3<sup>rd</sup> Jan 2022.

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## Coking Coal

Australian PLV prices has been improved this week by \$12 from \$191 last week to \$203. Platts reported three trades, one at \$205/mt FOB Australia for 75,000 mt of an Australian PLV, for a Sept 21-30 laycan. Second trade was reported at \$201/mt FOB Australia for 75,000 mt of an Australian Premium mid-vol Goonyella, with a Sept 1- 10 laycan and third at \$199.50/mt FOB Australia for 75,000 mt of Australian premium mid-vol Goonyella C, with a Sept 16-25 laycan.

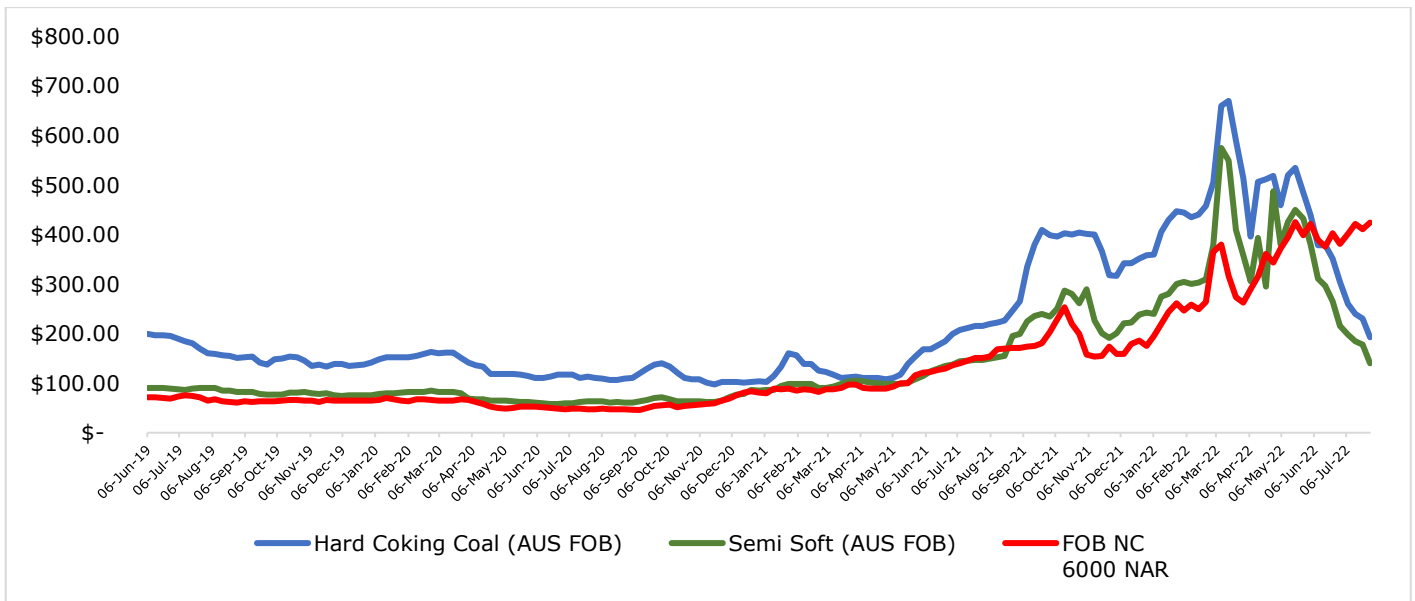


## WEEKLY AVG INTERNATIONAL PRICE

Grade	Price pmt								
	06-Aug-22	30-Jul-22	Change	06-Jul-22	Change	06-Aug-21	Change	52 Week High	52 Week Low
<b>FOB Richards Bay</b>									
4800 NAR	\$ 114.00	\$ 140.00	(18.57)%	\$ 138.00	(17.39)%	\$ 78.00	46.15 %	\$ 320.00	\$ 73.00
5500 NAR	\$ 201.00	\$ 238.00	(15.55)%	\$ 250.00	(19.60)%	\$ 104.00	93.27 %	\$ 385.00	\$ 100.00
6000 NAR	\$ 290.00	\$ 320.00	(9.38)%	\$ 330.00	(12.12)%	\$ 135.00	114.81 %	\$ 420.00	\$ 124.00
<b>FOB Newcastle</b>									
5500 NAR	\$ 185.00	\$ 210.00	(11.90)%	\$ 181.00	2.21 %	\$ 95.00	94.74 %	\$ 280.00	\$ 93.00
6000 NAR	\$ 390.00	\$ 424.00	(8.02)%	\$ 380.00	2.63 %	\$ 155.00	151.61 %	\$ 425.00	\$ 152.00
<b>FOB Indonesia</b>									
6500 GAR	\$ 250.00	\$ 257.00	(2.72)%	\$ 260.00	(3.85)%	\$ 128.00	95.31 %	\$ 308.00	\$ 128.00
5800 GAR	\$ 170.00	\$ 174.00	(2.30)%	\$ 183.00	(7.10)%	\$ 117.00	45.30 %	\$ 220.00	\$ 117.00
5000 GAR	\$ 111.00	\$ 117.00	(5.13)%	\$ 134.00	(17.16)%	\$ 101.00	9.90 %	\$ 210.00	\$ 93.00
4200 GAR	\$ 77.00	\$ 81.00	(4.94)%	\$ 84.50	(8.88)%	\$ 71.00	8.45 %	\$ 155.00	\$ 58.00
<b>CFR (SA Coal)</b>									
4800 NAR	\$ 135.00	\$ 163.00	(17.18)%	\$ 160.00	(15.63)%	\$ 107.00	26.17 %	\$ 343.00	\$ 99.00
5500 NAR	\$ 222.00	\$ 261.00	(14.94)%	\$ 272.00	(18.38)%	\$ 133.00	66.92 %	\$ 408.00	\$ 122.00
6000 NAR	\$ 311.00	\$ 343.00	(9.33)%	\$ 352.00	(11.65)%	\$ 164.00	89.63 %	\$ 443.00	\$ 146.00
<b>CFR (Aus Coal)</b>									
5500 NAR	\$ 208.00	\$ 235.00	(11.49)%	\$ 207.00	0.48 %	\$ 124.00	67.74 %	\$ 302.50	\$ 116.00
6000 NAR	\$ 413.00	\$ 449.00	(8.02)%	\$ 406.00	1.72 %	\$ 184.00	124.46 %	\$ 449.00	\$ 172.00
<b>CFR (Indonesia Coal)</b>									
6500 GAR	\$ 269.00	\$ 278.00	(3.24)%	\$ 277.00	(2.89)%	\$ 149.00	80.54 %	\$ 333.00	\$ 149.00
5800 GAR	\$ 189.00	\$ 195.00	(3.08)%	\$ 200.00	(5.50)%	\$ 138.00	36.96 %	\$ 245.00	\$ 138.00
5000 GAR	\$ 130.00	\$ 138.00	(5.80)%	\$ 151.00	(13.91)%	\$ 122.00	6.56 %	\$ 235.00	\$ 111.00
4200 GAR	\$ 96.00	\$ 102.00	(5.88)%	\$ 101.50	(5.42)%	\$ 92.00	4.35 %	\$ 180.00	\$ 75.00
<b>CFR (Rus Coal)</b>									
5500 NAR	\$ 155.00	\$ 160.00	(3.13)%	\$ 160.00	(3.13)%			\$ 250.00	\$ 155.00
6000 NAR	\$ 183.00	\$ 185.00	(1.08)%	\$ 180.00	1.67 %			\$ 300.00	\$ 180.00
<b>CFR (USA Coal)</b>									
6900 NAR	\$ 260.00	\$ 270.00	(3.70)%	\$ 280.00	(7.14)%	\$ 155.00	67.74 %	\$ 290.00	\$ 155.00
<b>USGC Petcoke</b>									
	\$ 186.00	\$ 190.00	(2.11)%	\$ 220.00	(15.45)%	\$ 171.00	8.77 %	\$ 290.00	\$ 154.00
<b>Saudi Petcoke</b>									
	\$ 180.00	\$ 186.00	(3.23)%	\$ 210.00	(14.29)%	\$ 167.00	7.78 %	\$ 280.00	\$ 135.00

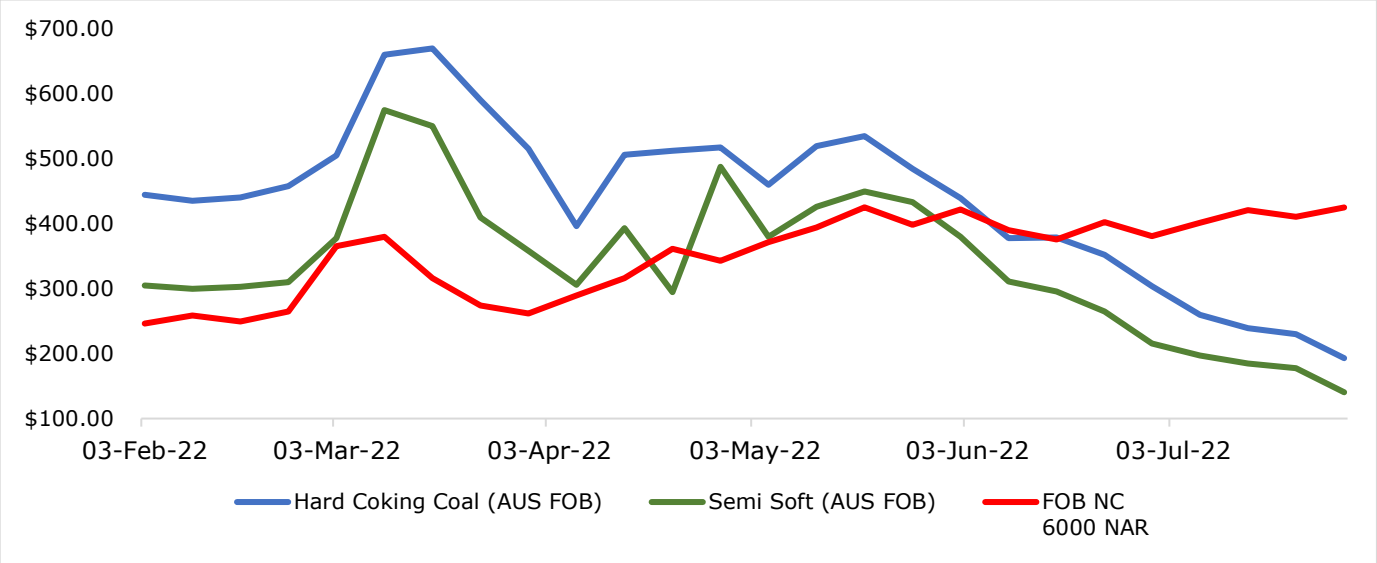
## GOLD IS AVAILABLE AT PRICE OF BRASS

The Australian coking coal (HCC and semi soft) and thermal coal(6000 NAR) prices which were almost showing a similar pattern of positive correlation over the years are now showing negative relation. The pattern was simple both coking and non-coking coal prices increase or decrease simultaneously. Whereas, from the mid-April of 2022, both coal prices have started experiencing opposite pattern, where coking coal prices have been contracting and on the other hand non-coking coal prices are heading north. For years, the prices of coking coal were higher than non-coking, but that is changed and now non-coking coal prices are much higher than its counterpart.



Thermal coal prices are on top as electricity demand is increasing globally, especially in China and India and the supply side shortages occurred because of Russia's invasion on Ukraine. Europe increases its demand for coal and restarts the coal-fired power facilities as a backup plan to offset the decline in Russian gas supplies.

On contradictory the coking coal prices are reducing because of the low demand from the steel industry and as production remains more or less the same, supply is strong. Figures from worldsteel show that global crude steel output came to 158.1 million tonnes in June – down 5.9% compared with the same month in 2021. The restrictions associated with tackling Covid-19 severely affected the Chinese economy in the first half of 2022. Steelmaking in that period declined by 6.5%, year-on-year, to 526.9 million tonnes. Except for India all the other top ten steel producing nations in world have experience a decline in steel production. The demand for coking coal largely came from the steel industry, coking coal prices have reduced with the reduction in steel output.



## DOMESTIC COAL PRICE (West Coast – India)



The international prices has been reduced and with low procurements of coal from Indian port, stock is increasing. This has led to domestic price reduction of Indonesian coal.

Current offers are at INR 21,000 for US high CV (NAPP) coal from Tuna port and 6,600 pmt (Taxes Extra) for Indo 3400 GAR coal, 9000 for 4200 GAR & 11,400 for 5000 GAR.

Grade	Price pmt / 00-50 MM / Ex-Plot Port				
	30-Jul-22	23-Jul-22	Change	30-Jun-22	Change
<b>US Origin Coal from Tuna / Kandla (WCI)</b>					
NAPP	₹ 21,000.00	₹ 21,400.00	(1.87)%	₹ 21,700.00	(3.23)%
ILB	₹ 19,000.00	₹ 19,000.00	0.00 %	₹ 20,000.00	(5.00)%
<b>Indonesian Origin Coal from Tuna / Kandla (WCI)</b>					
5000 GAR	₹ 11,400.00	₹ 11,500.00	(0.87)%	₹ 12,100.00	(5.79)%
4200 GAR	₹ 9,000.00	₹ 9,200.00	(2.17)%	₹ 9,400.00	(4.26)%
3800 GAR	₹ 7,700.00	₹ 8,500.00	(9.41)%	₹ 8,800.00	(12.50)%
3400 GAR	₹ 6,600.00	₹ 7,000.00	(5.71)%	₹ 7,700.00	(14.29)%
<b>Indonesian Origin Coal from Navlakhi (WCI)</b>					
5000 GAR	₹ 11,200.00	₹ 11,500.00	(2.61)%	₹ 12,100.00	(7.44)%
4200 GAR	₹ 9,000.00	₹ 9,200.00	(2.17)%	₹ 9,400.00	(4.26)%
3800 GAR	₹ 7,800.00	₹ 8,500.00	(8.24)%	₹ 8,800.00	(11.36)%
3400 GAR	₹ 6,800.00	₹ 7,000.00	(2.86)%	₹ 7,800.00	(12.82)%
<b>South African coal from Kandla (WCI)</b>					
5500 NAR	₹ 18,500.00	₹ 19,000.00	(2.63)%	₹ 22,500.00	(17.78)%
<b>Russian coal from Kandla (WCI)</b>					
6200 NAR	₹ 16,100.00	₹ 16,300.00	(1.23)%	₹ 17,200.00	(6.40)%
<b>Price pmt / Screened Plant / Ex-Plot Screening Plant</b>					
Grade / Sized	30-Jul-22	23-Jul-22	Change	30-Jun-22	Change
<b>3400 GAR</b>					
00 - 06 MM	₹ 7,100.00	₹ 7,800.00	(8.97)%	₹ 8,000.00	(11.25)%
06 - 20 MM	₹ 8,600.00	₹ 8,900.00	(3.37)%	₹ 9,100.00	(5.49)%
20 - 50 MM	₹ 8,800.00	₹ 9,300.00	(5.38)%	₹ 9,500.00	(7.37)%
<b>4200 GAR</b>					
00 - 06 MM	₹ 9,500.00	₹ 9,600.00	(1.04)%	₹ 9,600.00	(1.04)%
06 - 20 MM	₹ 10,100.00	₹ 10,900.00	(7.34)%	₹ 11,100.00	(9.01)%
20 - 50 MM	₹ 10,300.00	₹ 11,000.00	(6.36)%	₹ 11,400.00	(9.65)%
<b>5000 GAR</b>					
00 - 06 MM	₹ 9,000.00	₹ 9,800.00	(8.16)%	₹ 10,000.00	(10.00)%
06 - 20 MM	₹ 14,400.00	₹ 14,500.00	(0.69)%	₹ 14,500.00	(0.69)%
20 - 50 MM	₹ 14,700.00	₹ 14,900.00	(1.34)%	₹ 14,900.00	(1.34)%



## HBA UPDATE

HBA (Harga Batubara Acuan) is set to USD 321.59 per ton in Aug 2022, up by \$ 2.59 from July, 2022. HBA is up by 146% on YoY and by 1% on MoM for Aug - 22. Index has been settled at \$ 321.59 for Aug 22, against \$ 130.99 in Aug 2021 and \$ 319 in July 2022.

Since July last year, HBA has consistently been above the level of US\$100 per tonne. The highest HBA occurred last to last month in June as well as the highest HBA of all time.

The HBA continued to weaken from Mar 20 to Sep 20. After falling at Historical Low in Sep to \$49.42/MT, the HBA again strengthened. After few up and down, it touches Historical high in June 22. As per data available with us, Sep 20 (\$49.42/mt) price is lowest since Jan 09.

HBA is being set by Indonesia's Ministry of Energy and Mineral Resources as reference price of thermal coal for Indonesian coal.

The HBA is a monthly average price based 25% each on Platts Kalimantan 5900 GAR assessments, Argus-ICI1 (6500 GAR), Newcastle Export Index (6322 GAR) and globalCoal Newcastle (6000 NAR). It is based on 6,322 GAR coal with 8% total moisture content, 15% ash as received and 0.8% sulfur as received. HBA is also applicable for royalty payment on Coal to Indonesian government.

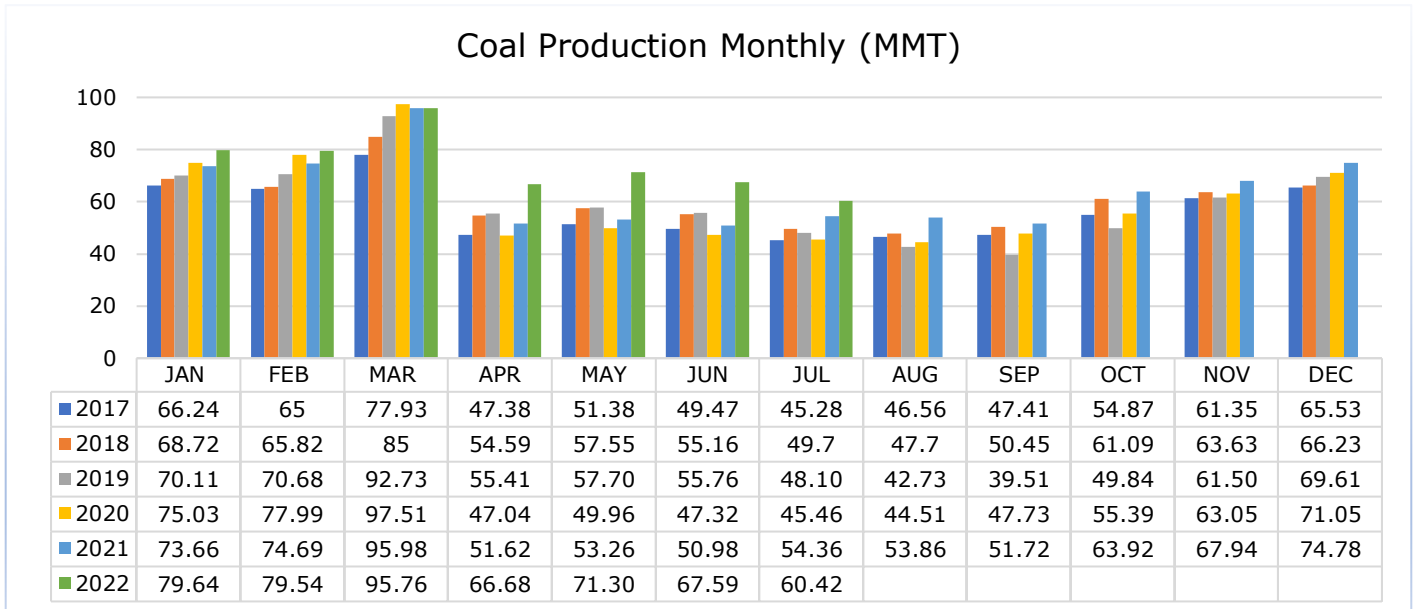
Indonesian Coal Price Data (HBA)											
Month	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
January	109.29	87.55	81.90	63.84	53.20	86.23	95.54	92.41	65.93	75.84	158.50
February	111.58	88.35	80.44	62.92	50.92	83.32	100.69	91.80	66.89	87.79	188.38
March	112.87	90.09	77.01	67.76	51.62	81.90	101.86	90.57	67.08	84.49	203.69
April	105.61	88.56	74.81	64.48	52.32	82.51	94.75	88.85	65.77	86.68	288.40
May	102.12	85.33	73.60	61.08	51.20	83.81	89.53	81.86	61.11	89.75	275.64
June	96.65	84.87	73.64	59.59	51.87	75.46	96.91	81.48	52.98	100.33	323.91
July	87.56	81.69	72.45	59.16	53.00	78.95	104.65	71.92	52.20	115.35	319.00
August	84.65	76.70	70.29	59.14	58.37	83.97	107.83	72.67	50.34	130.99	321.59
September	86.21	76.89	69.69	58.21	63.93	92.03	104.81	65.79	49.42	150.03	
October	86.04	76.61	67.26	57.39	69.07	93.99	100.89	64.80	51.00	161.63	
November	81.44	78.13	65.70	54.43	84.89	94.84	97.90	66.27	55.71	215.01	
December	81.75	80.31	69.23	53.51	101.69	94.04	92.51	66.30	59.65	159.79	
<b>Average</b>	<b>95.48</b>	<b>82.92</b>	<b>73.00</b>	<b>60.13</b>	<b>61.84</b>	<b>85.92</b>	<b>98.99</b>	<b>77.89</b>	<b>58.17</b>	<b>121.47</b>	<b>259.89</b>



## COAL PRODUCTION

India's production continue to increase and touch 60.42 MT from 54.36 MT during July 22, 11.37% year on year growth.

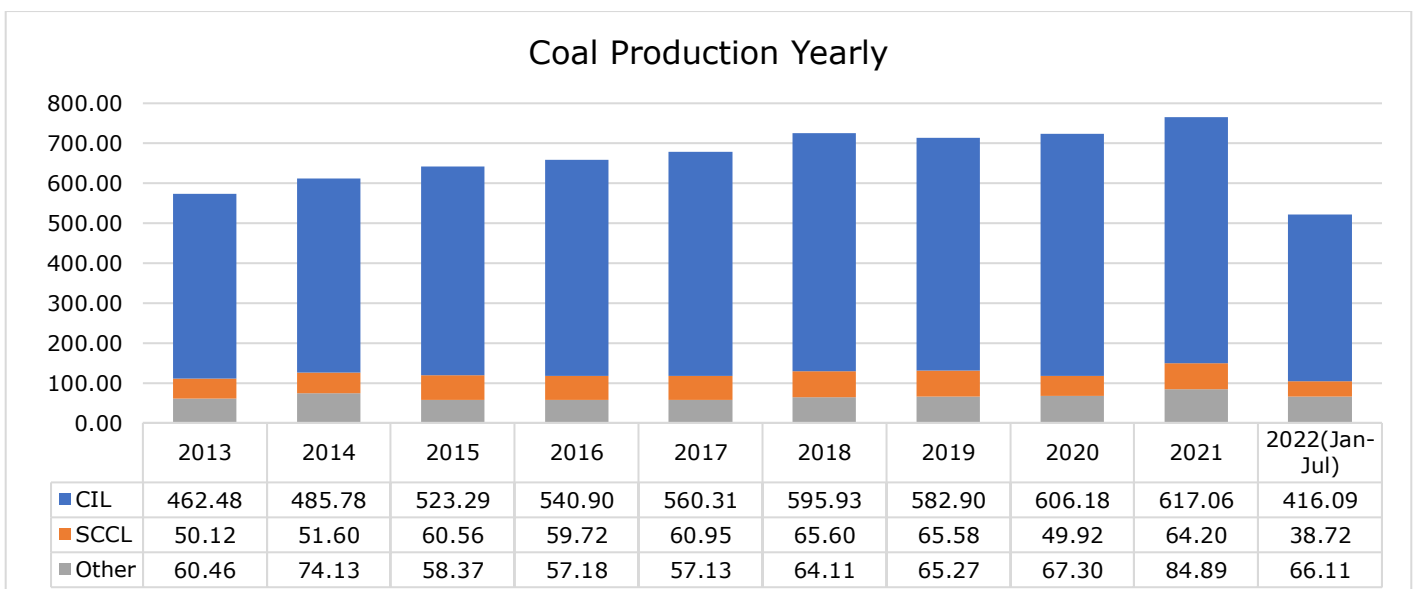
India's total production from Jan-Jul 2022 reaches to 520.92 MMT, an increase of 15% compare to the corresponding period of last year.



Coal India Limited (CIL) has achieved 11% growth in production and 8% in offtake on YoY. CIL produced 47.33 MMT and dispatched 54.54 MMT during July 2022.

The Singareni Collieries Company Limited (SCCL) registered negative growth of 33% both in Coal production and in Dispatch. SCCL produced 3.29 MMT and dispatched 3.36 MMT during July 2022.

Other (Private & Captive Miners) coal production stands at 9.80 MMT in July, 44% year on year increase.



## PURCHASING MANAGER'S INDEX

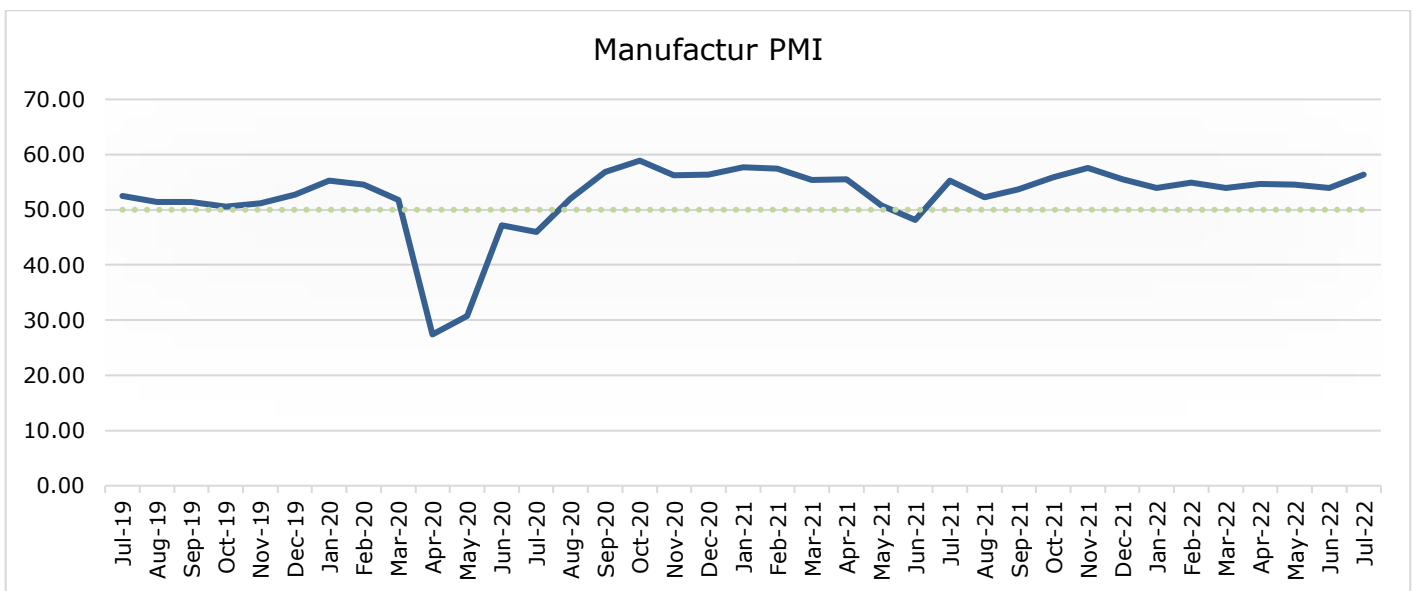
### Manufacturing PMI

The seasonally adjusted S&P Global India Manufacturing Purchasing Managers' Index (PMI) surge to 56.4 in July from 53.9 in June resulted from a significant increase in business orders.

The manufacturing PMI touch the eight month high, reflecting the strongest improvement in the health of the sector.

The survey pointed that companies rise input purchasing and reported solid manufacturing activity, however job creation remained subdued. New orders rose substantially and exports orders increases moderately since November.

On the price side, input cost inflation eased to an 11-month low, while output price inflation slowed to a four-month low.



### Service PMI

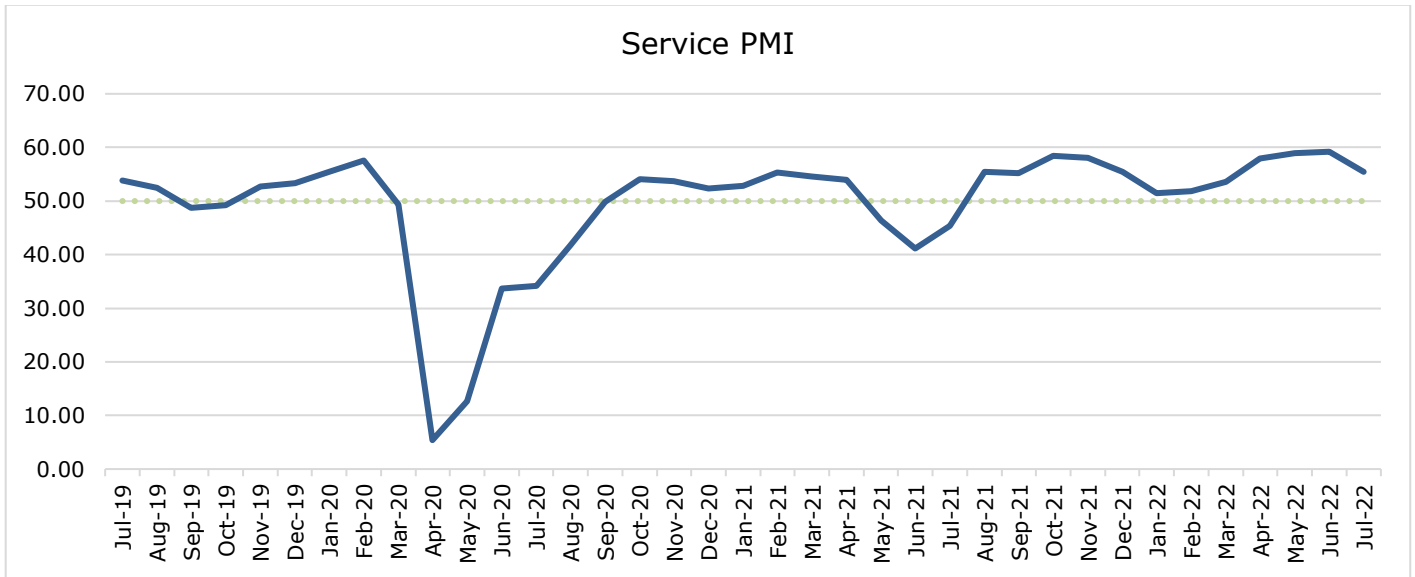
The S&P Global India Services PMI Index, which is seasonally adjusted, increased from 59.2 in June to 55.5 in July, marking the highest reading in more than 11 years. The most recent reading revealed the sluggish growth rate in the previous four months.

Pollyanna De Lima, economics associate director at S&P Global Market Intelligence, said: "There were many positives in the latest results.

"There was, however, a noticeable loss of momentum for the Indian service economy as demand was somewhat curtailed by competitive pressures, elevated inflation and unfavourable weather. Both output and sales increased at the weakest rates for four months.

"In line with concerns that economic growth has weakened as we enter the second fiscal quarter, service providers signalled subdued confidence towards the medium-term business outlook. Only 5% of panellists forecast output growth over the course of the coming 12 months, while 94% predict no change from present levels.

"The subtle easing in cost inflationary pressures to a five-month low was also welcomed by services firms struggling to preserve margins, and contributed to a softer rise in prices charged. Yet, survey participants again reported considerable strain from food, fuel, input, labour, retail and transportation costs."



The S&P Global India Composite PMI Output Index, decreased from 58.2 in June to 56.6, indicating the weakest growth since March. While growth in the services sector slowed to its worst level in four months, manufacturing led the recovery with the fastest increase in production since last November.

Source: [https://www.business-standard.com/article/news-cm/india-services-pmi-at-55-5-in-july-122080300325\\_1.html](https://www.business-standard.com/article/news-cm/india-services-pmi-at-55-5-in-july-122080300325_1.html)  
<https://tradingeconomics.com/india/services-pmi>  
<https://tradingeconomics.com/india/manufacturing-pmi>



## INDIA'S COAL IMPORTS SURGED 52% IN JULY

According to the provisional data with us, India's coal imports in July month has been increased by 52% on yearly basis. Total coal & coke imports stand at 24.47 MMT and in which Thermal coal imports contribute to 18.36 MMT. Thermal coal imports are less than June month's import of 20.13 MMT(down 9% MoM), but 90% higher than last year's 9.65 MMT imports.

Overall imports of all grade of coal except Metcoke is been decrease on a month on month basis, a 13% reduction on total coal & coke imports.

The power ministry of India, again reverse its policy of 10% mandatory imports by gencos and permitted to power producers and the Ministry of Coal, they can decide the blending percentage after assessing the availability of domestic coal supplies. The policy reversal also comes with a precondition that if stocks start depleting at any time, the blending percentage could be reviewed again.

The data mention in the article is provisional. The final detailed report on India's coal imports and exports will be shared on 20<sup>th</sup> August, 2022.

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