



**WEEKLY PRICE UPDATE**

**15-Oct-2022**

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# **INTERNATIONAL FUTURE COAL PRICE**

## API2: Elevated prices

Despite having adequate stock for the upcoming winter in the EU, future prices of European delivered coal contracts show volatility due to the long term speculations of the weaker macroeconomic environment. The spot market in the EU is quiet as there is not much place for further addition in stock. But the fear of the EU's future energy uncertainty still remain high and that is increasing the prices of the EU's future contract by almost \$ 13 with the contract closing at \$ 274.50 for the week. Last week's closing of the contract was \$ 262.

October 2022 contract hit a high of \$ 396 on 22<sup>nd</sup> Aug 2022 and a low of \$ 92 on 31<sup>st</sup> Dec 2021.



Future prices of the EU are elevated in the possible fear of weak macroeconomic factors. The November contract of EU supplied coal correspondingly finished with a correction of \$ 13. The contract closed at \$ 265 compared to last week's closing of \$ 252.50. November 2022 contract hit a high of \$ 387 on 22<sup>nd</sup> Aug 2022 and a low of \$ 92 on 31<sup>st</sup> Dec 2021.



## API4: STABLE PRICES WITH AVAILABILITY OF STOCK

API4 future contract prices inflated as a consequence of the ongoing Transnet strike, but with enough stock of RBCT available at port, prices closed at the stable note. The API4 future contract of October which is the benchmark price of coal exported from the SA's Richards Bay nearly touched \$ 262 on Thursday and with some correction closed at \$ 246.35 on Friday. October 2022 contract touched above \$ 362 on 6<sup>th</sup> Sep 2022 and low at \$ 90 on 31<sup>st</sup> Dec 2021.





# **INTERNATIONAL COAL PRICE**

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## THERMAL COAL

Indonesian coal prices do not show many variation as the Indian market activities are laid-back with the approaching festive season and demand from Chinese players is also low compared to expectations after ending of its Golden week holidays. Russian prices have also declined with weak demand from the market.

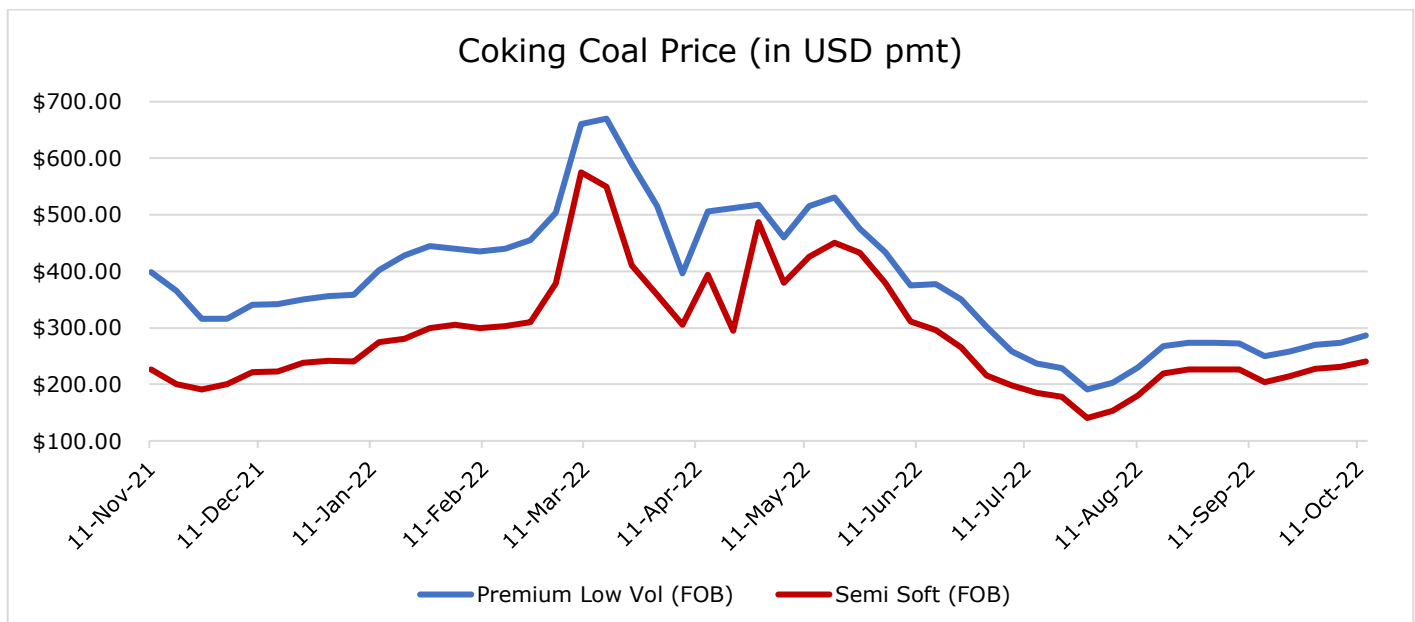
The strike at South Africa's large rail, port and, pipeline company, Transnet SOC Ltd once more elevated the SA coal market. Future prices of SA coal are stable, but spot prices fluctuate due to the striking effect. Spot Australian prices are reduced with a lack of demand from the EU market.

Overall the buying activities in the spot market were lukewarm.

## COKING COAL

Asian coking coal prices see a surge due to supply shortages in the Australian market. With heavy rains in Australia cargo are limited, creating a disturbance in supply. PLV FOB Australia prices come to \$ 286 with an increment of \$ 8 from last week. Semi soft coking coal of FOB Australia surges by \$ 14 compared to last week's average price. This week's price of semi-soft FOB averaged \$ 241.

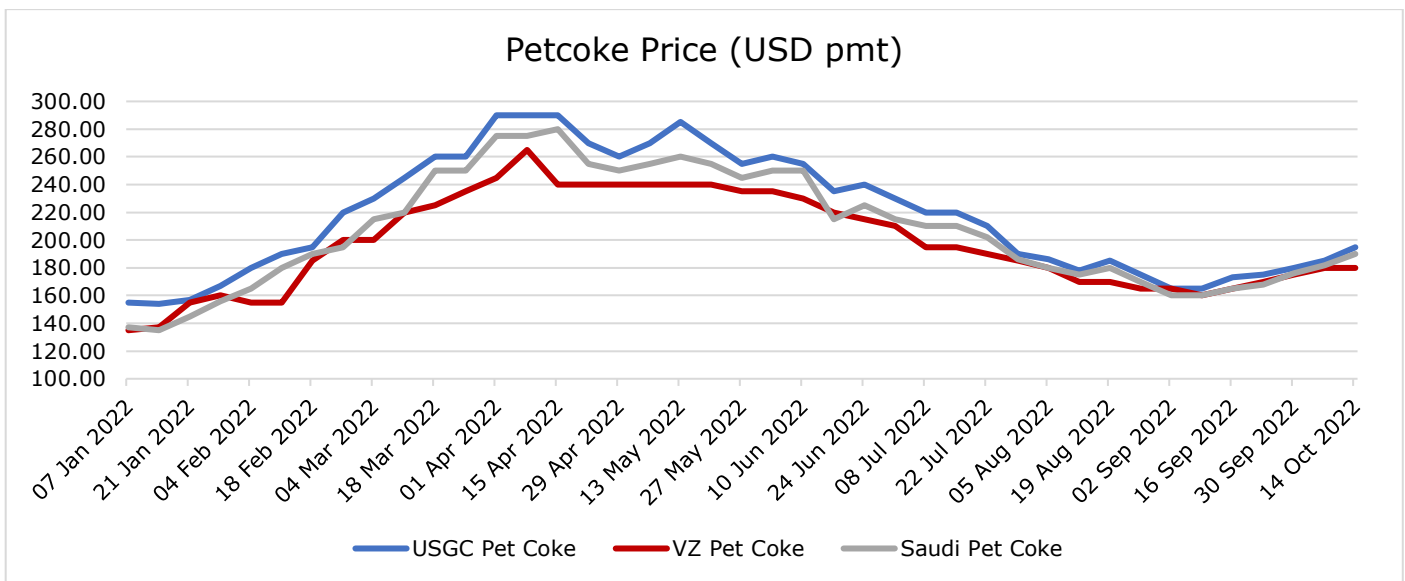
US High Vol coking coal prices with weak demand from China and EU decline. US coking coal of High Vol's average prices of the week declined by USD 6 to 7. Whereas average prices of Low Vol HCC gain \$ 10 week on week.



## PETCOKE

Prices of USGC petcoke gain \$ 10 week on week with average prices of the week remain at \$ 195. Venezuela origin petcoke prices were stable during the week at \$ 180 and with an \$ 8 rise in the price, Saudi petcoke touch \$ 190 this week.

Compared to thermal coal petcoke prices are still reasonable. Currently, construction activities are restarting which is giving support to the cement industry and cement industry for further production prioritizing petcoke over thermal coal due to the price factor. But with the increasing demand for petcoke its prices are also gaining ground. The US and Saudi petcoke prices almost touch three months high prices with high demand from the market of India and China.



## WEEKLY AVG INTERNATIONAL PRICE

Grade	Price pmt								
	15-Oct-22	08-Oct-22	WoW Change	14-Sep-22	MoM Change	15-Oct-21	YoY Change	52 Week High	52 Week Low
<b>FOB Richards Bay</b>									
4800 NAR	\$ 120.00	\$ 85.00	41.18 %	\$ 100.00	20.00 %	\$ 162.00	(25.93)%	\$ 320.00	\$ 73.00
5500 NAR	\$ 165.00	\$ 150.00	10.00 %	\$ 200.00	(17.50)%	\$ 200.00	(17.50)%	\$ 385.00	\$ 100.00
6000 NAR	\$ 250.00	\$ 250.00	0.00 %	\$ 275.00	(9.09)%	\$ 240.00	4.17 %	\$ 420.00	\$ 124.00
<b>FOB Newcastle</b>									
5500 NAR	\$ 155.00	\$ 155.00	0.00 %	\$ 185.00	(16.22)%	\$ 155.00	0.00 %	\$ 280.00	\$ 93.00
6000 NAR	\$ 385.00	\$ 395.00	(2.53)%	\$ 435.00	(11.49)%	\$ 250.00	54.00 %	\$ 440.00	\$ 152.00
<b>FOB Indonesia</b>									
6500 GAR	\$ 255.00	\$ 255.00	0.00 %	\$ 265.00	(3.77)%	\$ 220.00	15.91 %	\$ 308.00	\$ 145.00
5800 GAR	\$ 175.00	\$ 175.00	0.00 %	\$ 175.00	0.00 %	\$ 205.00	(14.63)%	\$ 220.00	\$ 120.00
5000 GAR	\$ 132.00	\$ 130.00	1.54 %	\$ 126.00	4.76 %	\$ 200.00	(34.00)%	\$ 210.00	\$ 93.00
4200 GAR	\$ 90.00	\$ 88.00	2.27 %	\$ 89.00	1.12 %	\$ 145.00	(37.93)%	\$ 155.00	\$ 58.00
<b>CFR (SA Coal)</b>									
4800 NAR	\$ 141.00	\$ 106.50	32.39 %	\$ 120.00	17.50 %	\$ 190.00	(25.79)%	\$ 343.00	\$ 99.00
5500 NAR	\$ 186.00	\$ 171.50	8.45 %	\$ 220.00	(15.45)%	\$ 228.00	(18.42)%	\$ 408.00	\$ 122.00
6000 NAR	\$ 271.00	\$ 271.50	(0.18)%	\$ 295.00	(8.14)%	\$ 268.00	1.12 %	\$ 443.00	\$ 146.00
<b>CFR (Aus Coal)</b>									
5500 NAR	\$ 175.50	\$ 175.50	0.00 %	\$ 205.00	(14.39)%	\$ 186.00	(5.65)%	\$ 302.50	\$ 116.00
6000 NAR	\$ 405.50	\$ 415.50	(2.41)%	\$ 455.00	(10.88)%	\$ 281.00	44.31 %	\$ 460.00	\$ 172.00
<b>CFR (Indonesia Coal)</b>									
6500 GAR	\$ 273.00	\$ 272.50	0.18 %	\$ 282.00	(3.19)%	\$ 244.00	11.89 %	\$ 333.00	\$ 165.00
5800 GAR	\$ 193.00	\$ 192.50	0.26 %	\$ 192.00	0.52 %	\$ 229.00	(15.72)%	\$ 245.00	\$ 138.00
5000 GAR	\$ 150.00	\$ 147.50	1.69 %	\$ 143.00	4.90 %	\$ 224.00	(33.04)%	\$ 235.00	\$ 111.00
4200 GAR	\$ 108.00	\$ 105.50	2.37 %	\$ 106.00	1.89 %	\$ 169.00	(36.09)%	\$ 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	\$ 180.00	\$ 185.00	(2.70)%	\$ 182.00	(1.10)%			\$ 300.00	\$ 175.00
<b>CFR (USA Coal)</b>									
6900 NAR	\$ 240.00	\$ 250.00	(4.00)%	\$ 270.00	(11.11)%	\$ 270.00	(11.11)%	\$ 310.00	\$ 170.00
<b>Petcoke (CFR - India)</b>									
US Origin (6.5% TS)	\$ 195.00	\$ 185.00	5.41 %	\$ 173.00	12.72 %	\$ 218.00	(10.55)%	\$ 290.00	\$ 154.00
VZ Origin (5.0% TS)	\$ 180.00	\$ 180.00	0.00 %	\$ 160.00	12.50 %			\$ 265.00	\$ 135.00
Saudi Origin (8.5% TS)	\$ 190.00	\$ 182.00	4.40 %	\$ 165.00	15.15 %	\$ 210.00	(9.52)%	\$ 280.00	\$ 135.00





# **DOMESTIC COAL PRICE**

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## DOMESTIC COAL PRICE (West Coast – India)



Procurement from ports is low for the imported coal of Indonesian origin. The power plants are already well-stocked for the coming festive season. The market is expected to be quiet due to the holidays.

Grade	Price pmt / 00-50 MM / Ex-Plot Port				
	15-Oct-22	08-Oct-22	WoW Change	15-Sep-22	MoM Change
<b>US Origin Coal from Tuna / Kandla (WCI)</b>					
NAPP	₹ 20,400.00	₹ 20,800.00	(1.92)%	₹ 21,000.00	(2.86)%
ILB	₹ 19,000.00	₹ 19,000.00	0.00 %	₹ 19,000.00	0.00 %
<b>Indonesian Origin Coal from Tuna / Kandla (WCI)</b>					
5000 GAR	₹ 11,000.00	₹ 11,300.00	(2.65)%	₹ 11,400.00	(3.51)%
4200 GAR	₹ 9,000.00	₹ 9,000.00	0.00 %	₹ 9,100.00	(1.10)%
3800 GAR	₹ 8,000.00	₹ 8,000.00	0.00 %	₹ 8,300.00	(3.61)%
3400 GAR	₹ 6,900.00	₹ 7,000.00	(1.43)%	₹ 6,900.00	0.00 %
<b>Indonesian Origin Coal from Navlakhi (WCI)</b>					
5000 GAR	₹ 10,800.00	₹ 10,200.00	5.88 %	₹ 11,500.00	(6.09)%
4200 GAR	₹ 9,000.00	₹ 9,000.00	0.00 %	₹ 9,200.00	(2.17)%
3800 GAR	₹ 8,000.00	₹ 8,100.00	(1.23)%	₹ 8,300.00	(3.61)%
3400 GAR	₹ 7,100.00	₹ 7,100.00	0.00 %	₹ 7,000.00	1.43 %
<b>South African coal from Kandla (WCI)</b>					
5500 NAR	₹ 17,000.00	₹ 16,500.00	3.03 %	₹ 17,500.00	(2.86)%
<b>Russian coal from Kandla (WCI)</b>					
6000 NAR	₹ 15,800.00	₹ 16,000.00	(1.25)%	₹ 15,700.00	0.64 %
<b>Price pmt / Screened Plant / Ex-Plot Screening Plant</b>					
Grade / Sized	15-Oct-22	08-Oct-22	Change	15-Sep-22	Change
<b>3400 GAR</b>					
00 - 06 MM	₹ 6,800.00	₹ 6,800.00	0.00 %	₹ 6,500.00	4.62 %
06 - 20 MM	₹ 8,600.00	₹ 8,400.00	2.38 %	₹ 8,500.00	1.18 %
20 - 50 MM	₹ 8,200.00	₹ 8,400.00	(2.38)%	₹ 9,000.00	(8.89)%
<b>4200 GAR</b>					
00 - 06 MM	₹ 8,500.00	₹ 8,500.00	0.00 %	₹ 8,500.00	0.00 %
06 - 20 MM	₹ 10,000.00	₹ 10,000.00	0.00 %	₹ 10,000.00	0.00 %
20 - 50 MM	₹ 10,200.00	₹ 10,200.00	0.00 %	₹ 10,300.00	(0.97)%
<b>5000 GAR</b>					
00 - 06 MM	₹ 9,000.00	₹ 8,800.00	2.27 %	₹ 8,800.00	2.27 %
06 - 20 MM	₹ 14,300.00	₹ 14,300.00	0.00 %	₹ 14,500.00	(1.38)%
20 - 50 MM	₹ 14,400.00	₹ 14,400.00	0.00 %	₹ 14,800.00	(2.70)%



# **ECONOMIC UPDATE**

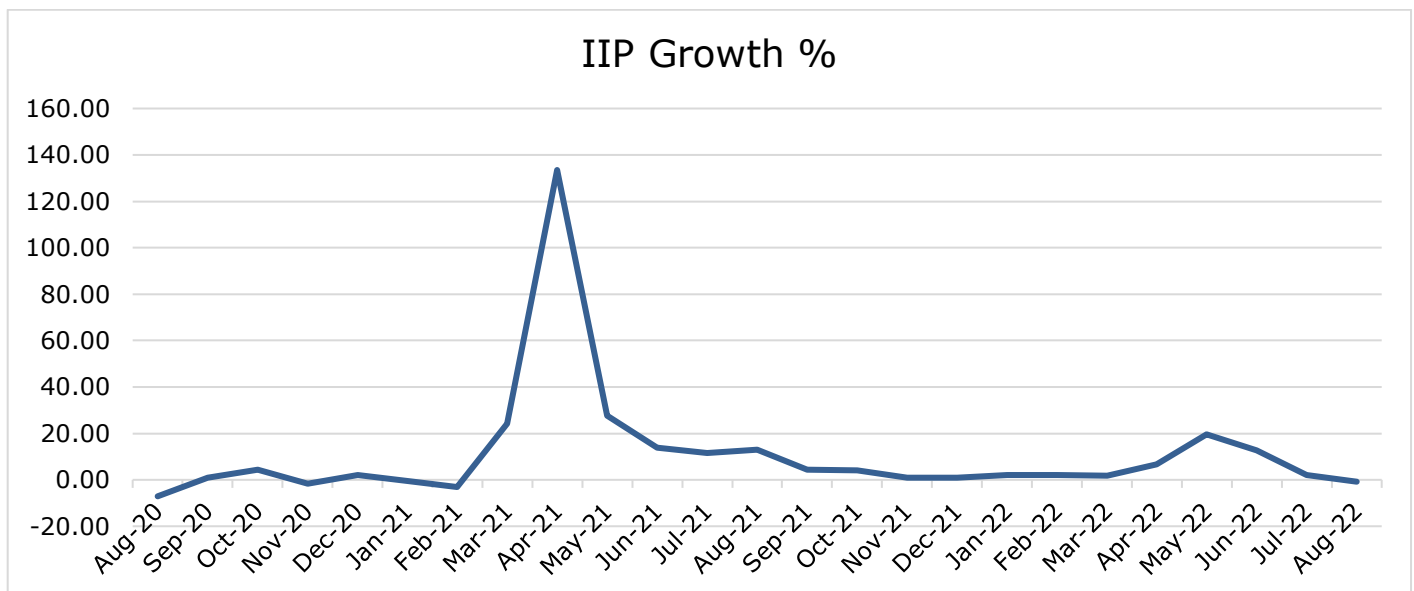
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## INDEX OF INDUSTRIAL PRODUCTION

The first monthly decline since February 2021 and below market expectations of 1.7 percent growth, India's industrial production fell by 0.8 percent in August 2022 compared to a year earlier.

Manufacturing, which accounts for 77% of the index, contracted 0.7% in August after expanding by 2.98% in July. In contrast to the previous month's fall of 3.35%, mining shrank by 3.9%.

In August, the capital goods sector expanded by 5% as opposed to 5.74% in July. Consumer durables, which indicate elastic demand, saw a growth fall of 2.5% in August as opposed to a gain of 2.27% the month prior. On the other hand, compared to a 2.8% contraction in July, the consumer non-durables sector shrank by 9.9% in August.



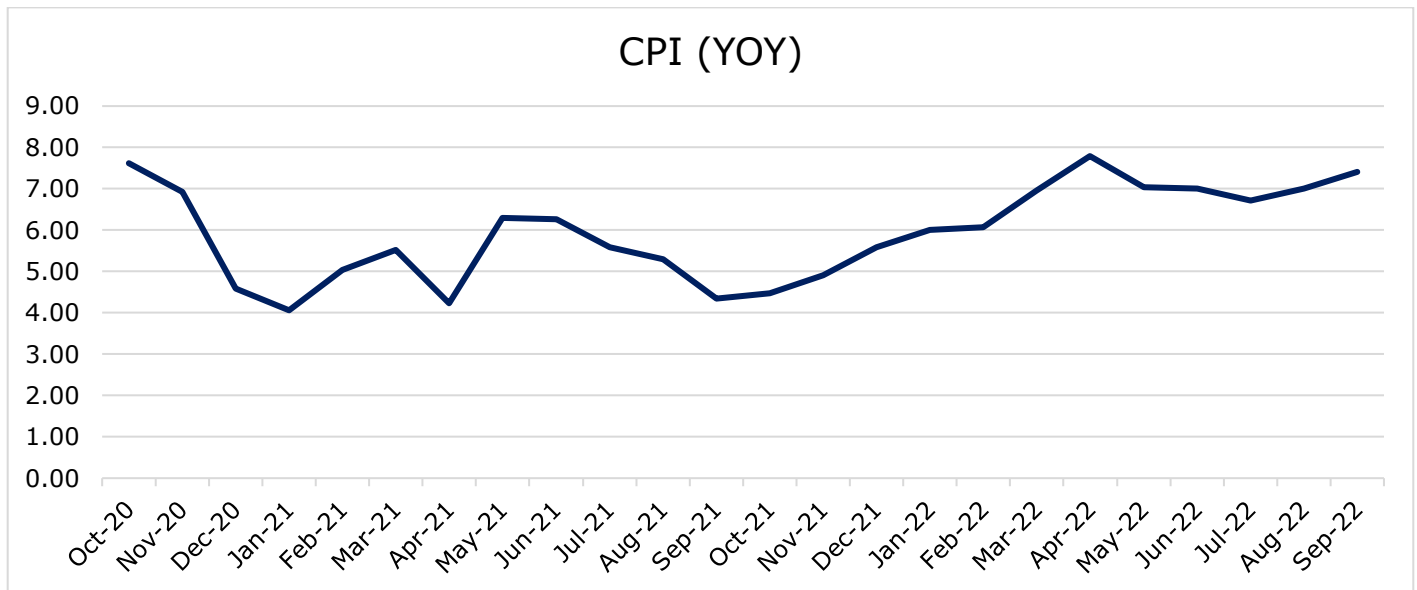
Source: <https://tradingeconomics.com/india/industrial-production>

## INFLATION

### Consumer Price Index

India's consumer price index released by the S&P Global indicated inflation to be five month high of 7.41% in September 2022.

For the ninth consecutive month, the figure remained significantly above the Reserve Bank of India's (RBI) upper tolerance zone. It is expected that this will put pressure on the RBI, which has increased its benchmark repo rate by 190 basis points in four movements this year, to accelerate those increases.



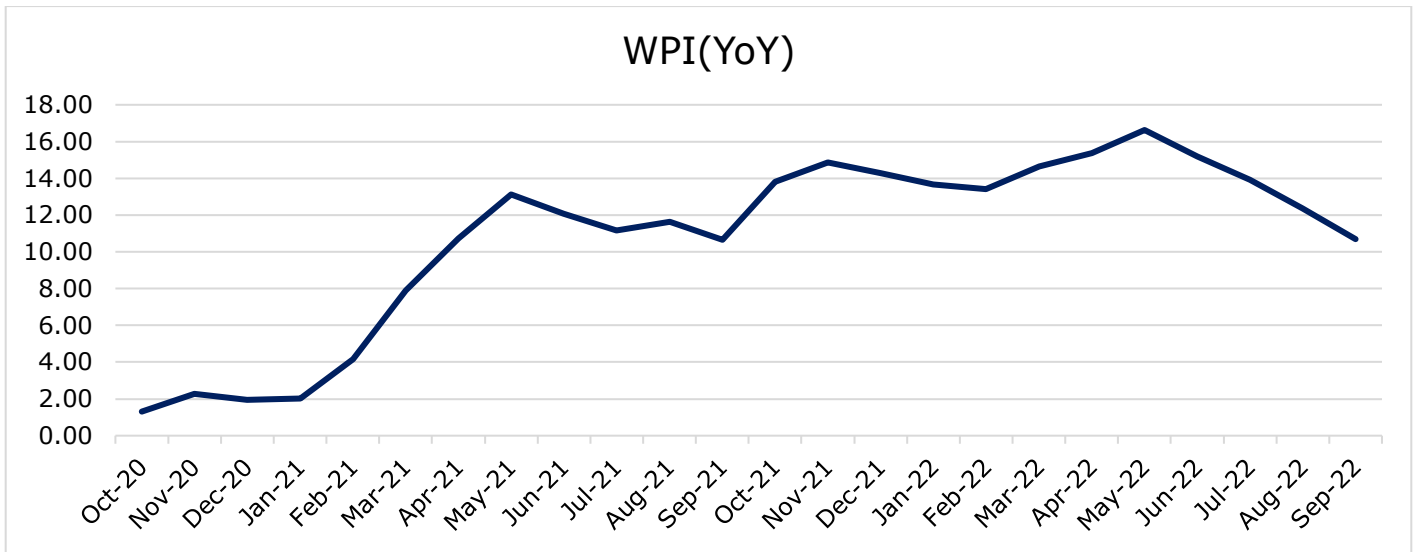
Food prices, which make up over half of the CPI basket, increased by 8.60% in September 2022 compared to 7.62% in August. The price of gasoline and light, on the other hand, increased at a little slower rate (10.39% versus 10.78%). Consumer prices rose by 0.57% from the previous month.

As a result of the rain, prices of vegetables rose by 18.05 percent, spices by 16.88 percent, and grains and other goods by 11.5 percent. Transportation and communication inflation climbed by 5.52%, housing costs by 4.57%, and education inflation increased by 5.68%.

### Wholesale Price Index

According to official statistics issued on Friday, wholesale price index-based inflation in India decreased to 10.7% in September from a previous month's 12.41 percent. The inflation rate based on the Whole Price Index (WPI) has stayed in double digits for the 18th consecutive month notwithstanding the drop.

The price of manufactured goods increased by 6.34%, the price of basic metals slow down to 6.53% from 9.35%, and the price of fuel and electricity increased by 32.61%. This was the lowest figure since September 2021.



In addition, the cost of food decreased to 11.03% from 12.37% last month, while the price of primary goods dropped further to 11.73%. After an August decline that was corrected to a 0.58 percent decline, wholesale prices fell by 0.65 percent on a monthly basis in September.



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