



WEEKLY PRICE UPDATE

01-Oct-2022

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INTERNATIONAL FUTURE COAL PRICE

API2: ACCELERATING FUTURE PRICES

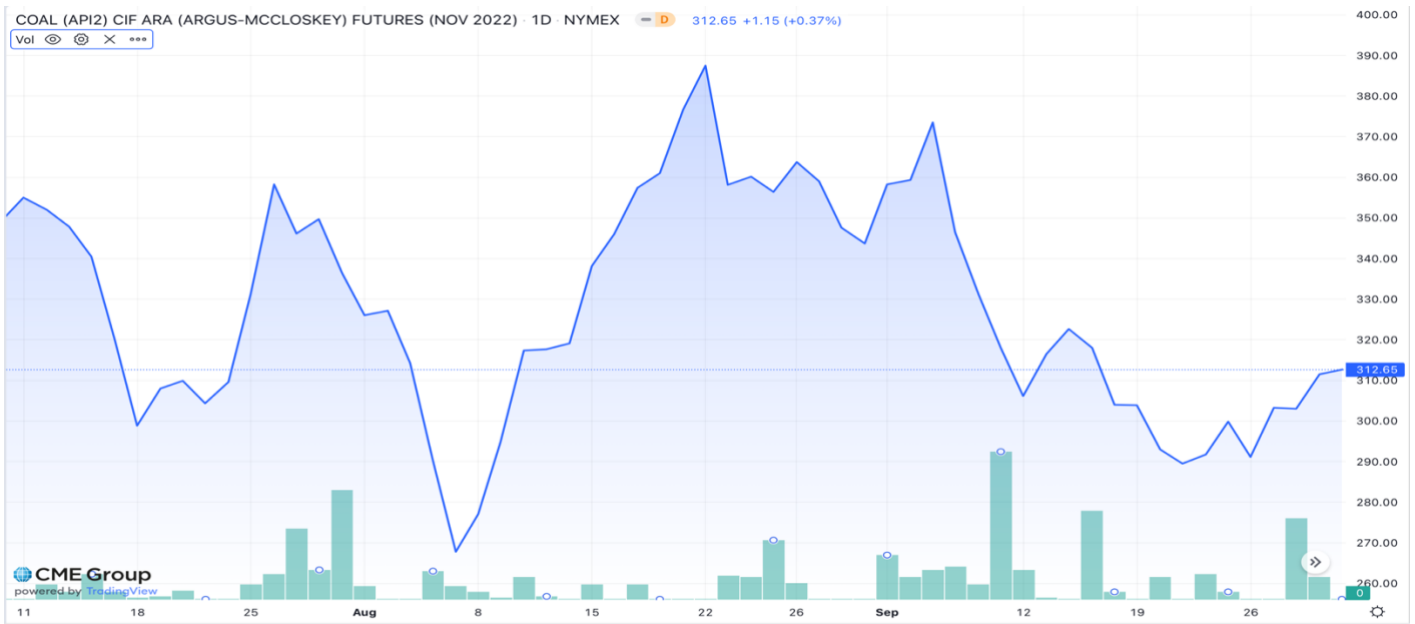
Europe, which was already grappling with an energy crisis due to its sanctions on Russia and less natural gas supply from Russia, got another shock of leakage in the Nord stream pipeline at the start of the week. Before the sanction, Russia was fulfilling 40% of the EU's natural gas need. Russia on the counterpart of sanctions reduces the gas supply to almost 10%. But the leakage put Europe in a big energy crunch as the gas supply is totally disrupted. This led to European delivered coal future prices increasing by almost \$ 17 in just a week. The October contract of API2 was corrected to \$ 315.50 from its last closing of \$ 298.35.

According to some reports, a few old coal-fired power facilities in Germany and other EU countries have reportedly been restarted or with additional capacity that increases the share of coal in its energy mix. The coal procurement from these additions is likely to further expand the overall demand in the European region.

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



Following the same pattern, the November contract of EU delivered coal also closed at a high note at \$ 312.65, corrected by \$ 13 WoW. The contract closed at \$ 300 last week. November 2022 contract hit a high of \$ 387 on 22nd Aug 2022 and a low of \$ 92 on 31st Dec 2021. The high demand from EU for the coal to fulfill its energy crunch is expected in the coming months and with that prices are also anticipated to remain high at a certain level.



API4: IN THE WAKE OF STRONG DEMAND, PRICES ARE HIGH

With the increase in European demand, prices of South African coal start accelerating. October's futures contract of coal exported from South Africa's Richards bay closed with a \$13 week on week rise at \$ 312.65. The contract last closed at \$ 300. October 2022 contract has touched above \$ 362 on 6th Sep 2022 and low at \$ 90 on 31st Dec 2021.



Due to leakage in the Nord stream pipeline and uncertain Natural gas prices, prices of SA coal start increasing. EU is procuring heavily from SA and high EU demand is expected in the near future also.

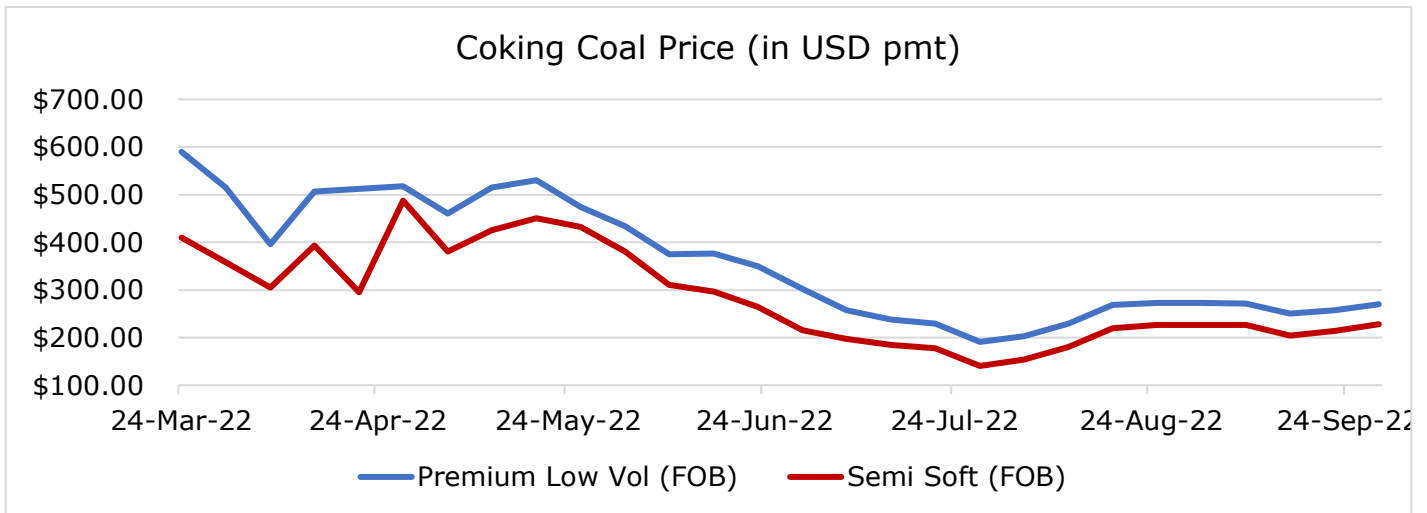


INTERNATIONAL COAL PRICE

COKING COAL

Coking coal prices are gaining ground with strong buying activity. FOB Australia price for premium low vol further increases to \$ 270 with a \$ 11 upward price revision. Australia's reduced supply due to the weather conditions also supports price rises.

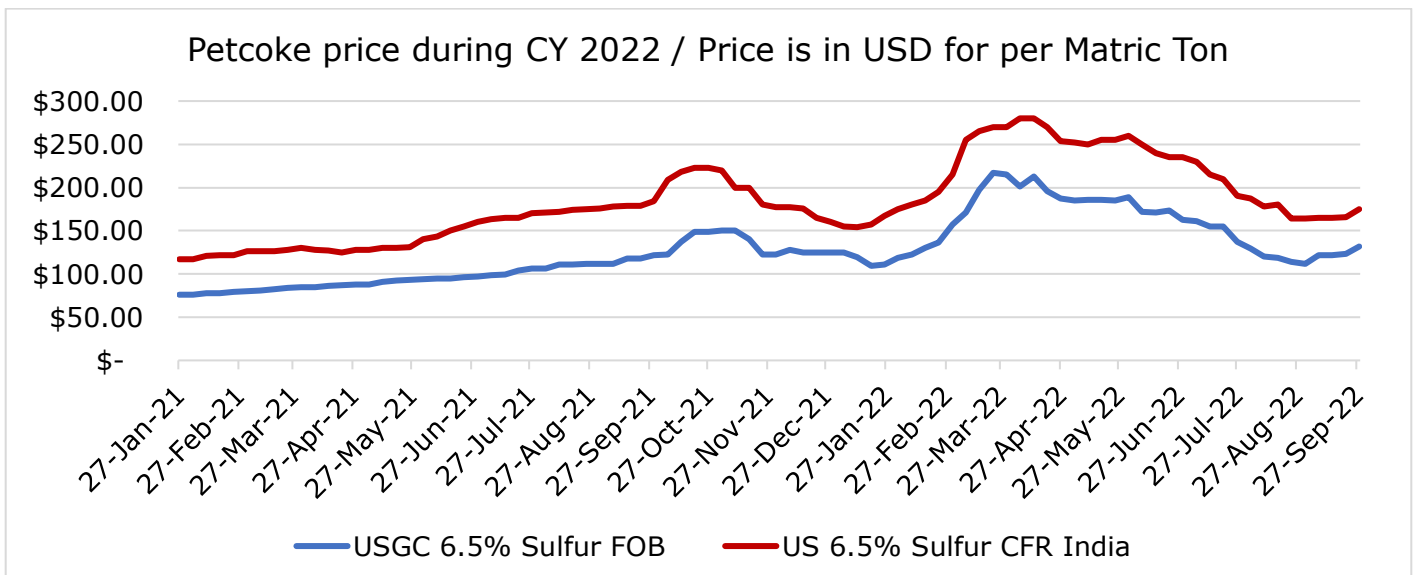
Supported by strong demand Semi soft coking coal of FOB Australia gain \$ 13 with a closing price of \$ 227.



PETCOKE

The petcoke prices over the week saw an upward trend with the price of CFR India touching \$ 175/mt. Petcoke price corrected upward by \$ 9 week on week. USGC petcoke prices of high sulphur also gained \$ 9 with increased demand from Chinese buyers.

The week ended on 30th September, seeing good demand from cement manufacturers for petcoke. Monsoon is almost over in India and construction activities are anticipated to restart at a normal pace. The elevated thermal coal price is another reason cement manufacturers stick to petcoke. The robust demand is pulling prices upward.



WEEKLY AVG INTERNATIONAL PRICE

Grade	Price pmt								
	01-Oct-22	24-Sep-22	WoW Change	31-Aug-22	MoM Change	01-Oct-21	YoY Change	52 Week High	52 Week Low
FOB Richards Bay									
4800 NAR	\$ 112.00	\$ 91.00	23.08 %	\$ 115.00	(2.61)%	\$ 124.00	(9.68)%	\$ 320.00	\$ 73.00
5500 NAR	\$ 199.00	\$ 172.00	15.70 %	\$ 225.00	(11.56)%	\$ 155.00	28.39 %	\$ 385.00	\$ 100.00
6000 NAR	\$ 295.00	\$ 270.00	9.26 %	\$ 330.00	(10.61)%	\$ 190.00	55.26 %	\$ 420.00	\$ 124.00
FOB Newcastle									
5500 NAR	\$ 170.00	\$ 185.00	(8.11)%	\$ 200.00	(15.00)%	\$ 120.00	41.67 %	\$ 280.00	\$ 93.00
6000 NAR	\$ 410.00	\$ 425.00	(3.53)%	\$ 430.00	(4.65)%	\$ 205.00	100.00 %	\$ 440.00	\$ 152.00
FOB Indonesia									
6500 GAR	\$ 265.00	\$ 265.00	0.00 %	\$ 260.00	1.92 %	\$ 182.00	45.60 %	\$ 308.00	\$ 145.00
5800 GAR	\$ 182.00	\$ 180.00	1.11 %	\$ 170.00	7.06 %	\$ 170.00	7.06 %	\$ 220.00	\$ 120.00
5000 GAR	\$ 136.00	\$ 135.00	0.74 %	\$ 115.00	18.26 %	\$ 155.00	(12.26)%	\$ 210.00	\$ 93.00
4200 GAR	\$ 95.00	\$ 92.00	3.26 %	\$ 80.00	18.75 %	\$ 110.00	(13.64)%	\$ 155.00	\$ 58.00
CFR (SA Coal)									
4800 NAR	\$ 133.00	\$ 112.00	18.75 %	\$ 135.00	(1.48)%	\$ 155.00	(14.19)%	\$ 343.00	\$ 99.00
5500 NAR	\$ 220.00	\$ 193.00	13.99 %	\$ 245.00	(10.20)%	\$ 186.00	18.28 %	\$ 408.00	\$ 122.00
6000 NAR	\$ 316.00	\$ 291.00	8.59 %	\$ 350.00	(9.71)%	\$ 221.00	42.99 %	\$ 443.00	\$ 146.00
CFR (Aus Coal)									
5500 NAR	\$ 190.00	\$ 206.00	(7.77)%	\$ 218.50	(13.04)%	\$ 153.00	24.18 %	\$ 302.50	\$ 116.00
6000 NAR	\$ 430.00	\$ 446.00	(3.59)%	\$ 448.50	(4.12)%	\$ 238.00	80.67 %	\$ 460.00	\$ 172.00
CFR (Indonesia Coal)									
6500 GAR	\$ 282.00	\$ 283.00	(0.35)%	\$ 277.00	1.81 %	\$ 208.00	35.58 %	\$ 333.00	\$ 165.00
5800 GAR	\$ 199.00	\$ 198.00	0.51 %	\$ 187.00	6.42 %	\$ 196.00	1.53 %	\$ 245.00	\$ 138.00
5000 GAR	\$ 153.00	\$ 153.00	0.00 %	\$ 132.00	15.91 %	\$ 181.00	(15.47)%	\$ 235.00	\$ 111.00
4200 GAR	\$ 112.00	\$ 110.00	1.82 %	\$ 97.00	15.46 %	\$ 136.00	(17.65)%	\$ 180.00	\$ 75.00
CFR (Rus Coal)									
5500 NAR	\$ 162.00	\$ 165.00	(1.82)%	\$ 160.00	1.25 %			\$ 250.00	\$ 155.00
6000 NAR	\$ 188.00	\$ 185.00	1.62 %	\$ 180.00	4.44 %			\$ 300.00	\$ 175.00
CFR (USA Coal)									
6900 NAR	\$ 260.00	\$ 270.00	(3.70)%	\$ 300.00	(13.33)%	\$ 225.00	15.56 %	\$ 310.00	\$ 170.00
USGC Petcoke									
	\$ 180.00	\$ 175.00	2.86 %	\$ 165.00	9.09 %	\$ 184.00	(2.17)%	\$ 290.00	\$ 154.00
Saudi Petcoke									
	\$ 176.00	\$ 168.00	4.76 %	\$ 160.00	10.00 %	\$ 180.00	(2.22)%	\$ 280.00	\$ 135.00

*Please note that week ended on 24th Sep prices were not updated in previous report. Please refer that in this table.



DOMESTIC COAL PRICE

DOMESTIC COAL PRICE (West Coast – India)



International prices of Indonesian coal are rising, yet the domestic prices in the country are weak. The wet season is slowing down the demand but is expected to pick up in a few days for the winter stocking and the festive season approaching in near time.

Grade	Price pmt / 00-50 MM / Ex-Plot Port				
	01-Oct-22	24-Sep-22	Change	01-Sep-22	Change
US Origin Coal from Tuna / Kandla (WCI)					
NAPP	₹ 21,450.00	₹ 21,700.00	(1.15)%	₹ 20,900.00	2.63 %
ILB	₹ 19,300.00	₹ 19,400.00	(0.52)%	₹ 19,000.00	1.58 %
Indonesian Origin Coal from Tuna / Kandla (WCI)					
5000 GAR	₹ 11,500.00	₹ 11,550.00	(0.43)%	₹ 11,100.00	3.60 %
4200 GAR	₹ 9,400.00	₹ 9,400.00	0.00 %	₹ 9,000.00	4.44 %
3800 GAR	₹ 8,400.00	₹ 8,500.00	(1.18)%	₹ 7,500.00	12.00 %
3400 GAR	₹ 7,100.00	₹ 7,100.00	0.00 %	₹ 6,600.00	7.58 %
Indonesian Origin Coal from Navlakhi (WCI)					
5000 GAR	₹ 11,400.00	₹ 11,500.00	(0.87)%	₹ 11,400.00	0.00 %
4200 GAR	₹ 9,400.00	₹ 9,400.00	0.00 %	₹ 9,000.00	4.44 %
3800 GAR	₹ 8,400.00	₹ 8,500.00	(1.18)%	₹ 7,500.00	12.00 %
3400 GAR	₹ 7,100.00	₹ 7,100.00	0.00 %	₹ 6,700.00	5.97 %
South African coal from Kandla (WCI)					
5500 NAR	₹ 18,200.00	₹ 17,500.00	4.00 %	₹ 18,500.00	(1.62)%
Russian coal from Kandla (WCI)					
6000 NAR	₹ 16,650.00	₹ 16,800.00	(0.89)%	₹ 15,700.00	6.05 %
Price pmt / Screened Plant / Ex-Plot Screening Plant					
Grade / Sized	01-Oct-22	24-Sep-22	Change	01-Sep-22	Change
3400 GAR					
00 - 06 MM	₹ 6,800.00	₹ 6,800.00	0.00 %	₹ 6,500.00	4.62 %
06 - 20 MM	₹ 8,700.00	₹ 8,800.00	(1.14)%	₹ 8,100.00	7.41 %
20 - 50 MM	₹ 8,800.00	₹ 9,000.00	(2.22)%	₹ 8,900.00	(1.12)%
4200 GAR					
00 - 06 MM	₹ 8,500.00	₹ 8,500.00	0.00 %	₹ 8,500.00	0.00 %
06 - 20 MM	₹ 10,300.00	₹ 10,300.00	0.00 %	₹ 9,800.00	5.10 %
20 - 50 MM	₹ 10,400.00	₹ 10,400.00	0.00 %	₹ 10,200.00	1.96 %
5000 GAR					
00 - 06 MM	₹ 9,000.00	₹ 9,000.00	0.00 %	₹ 8,600.00	4.65 %
06 - 20 MM	₹ 14,700.00	₹ 14,700.00	0.00 %	₹ 14,500.00	1.38 %
20 - 50 MM	₹ 14,800.00	₹ 15,000.00	(1.33)%	₹ 14,700.00	0.68 %

PETCOKE PRICE UPDATE

Reliance Industries Limited (RIL) increases the price of petcoke after the three consecutive price reductions. The company revised the domestic petcoke price to INR 18,112/MT, with effect from 1st, October 2022. It is up by INR 2,413 compare to Sep, 2022 price. It is increased by INR 1,752 compare to Oct 2021 price.

The Petcoke prices of the company have increased by 11% on YoY and by 15% on MoM for material loading in Oct 2022, from INR 16,360 pmt in Oct, 2021 and INR 15,699 pmt for Sep, 2022.

CPCL has set its petcoke prices at INR 17,230, with effect from 1st Oct, 2022. It is up by INR 1,240 compare to Sep, 2022 price. The Pet coke prices of the company have been increased by 13% on YoY and by 8% on MoM for material loading in Oct 2022, from INR 15,290 pmt in Oct, 2021 and INR 15,990 pmt for Sep, 2022.

HMEL revised its price to INR 22,650 with the price increase of INR 2,459. The prices has been increased by 12% month on month.

Loading Period	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22
RIL	16,360	20,781	15,680	13,984	14,522	17,980	21,816	22,257	22,473	20,144	18,716	15,699	18,112
Essar	16,400	20,790	16,640	13,975	14,520	18,000	21,820	22,262	22,500	20,150	18,725	15,725	
CPCL	15,290	18,720	17,950	14,790	14,790	16,300	22,110	22,070	21,950	21,270	19,020	15,990	17,230
IOCL - Koyali (Rake)	17,900	20,450	17,730	13,785	14,322	17,780	21,616	22,260	22,150	22,150	18,750	15,720	
IOCL - Paradip (Rake)	17,100	19,650	16,930	15,010	15,810	19,268	21,980	21,980	22,070	21,770	17,800	17,800	
IOCL - Haldia (Rake)	17,270	19,820	17,100	15,480	16,280	19,738	22,450	22,450	22,540	22,540	17,910	17,910	
MRPL (Rake)		15,610	14,980	13,910	13,630	13,130	16,200	20,340	19,440		16,810	15,010	
BPCL - Bina (Rake)		20,484	20,657	16,979	14,347	16,935	17,651	23,156	23,290	23,860	22,108	20,884	
BPCL - Kochi (Rake)		14,726	19,439	16,767	12,861	12,861	15,676	21,569	21,203	21,896	20,044	18,918	
HMEL								25,035	23,035			20,200	22650



ECONOMIC UPDATE

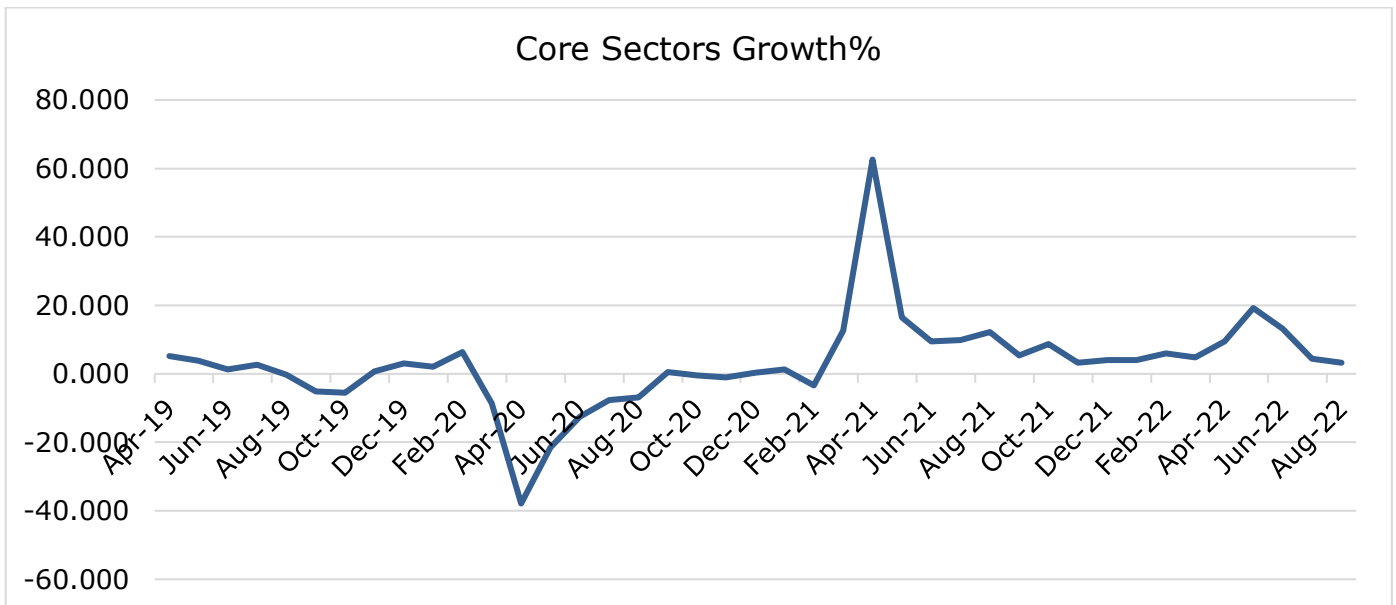
CORE SECTOR GROWTH

India's eight core sectors which are Coal, Crude oil, Natural gas, Petroleum Refinery products, Fertilizers, steel, cement, and Electricity grew by 3.3% in the month of August 2022. This is the weakest performance of the eight sectors combined since last November. Neither sector has registered negative growth, but except for one sector no other sector has managed to register a double digit growth.

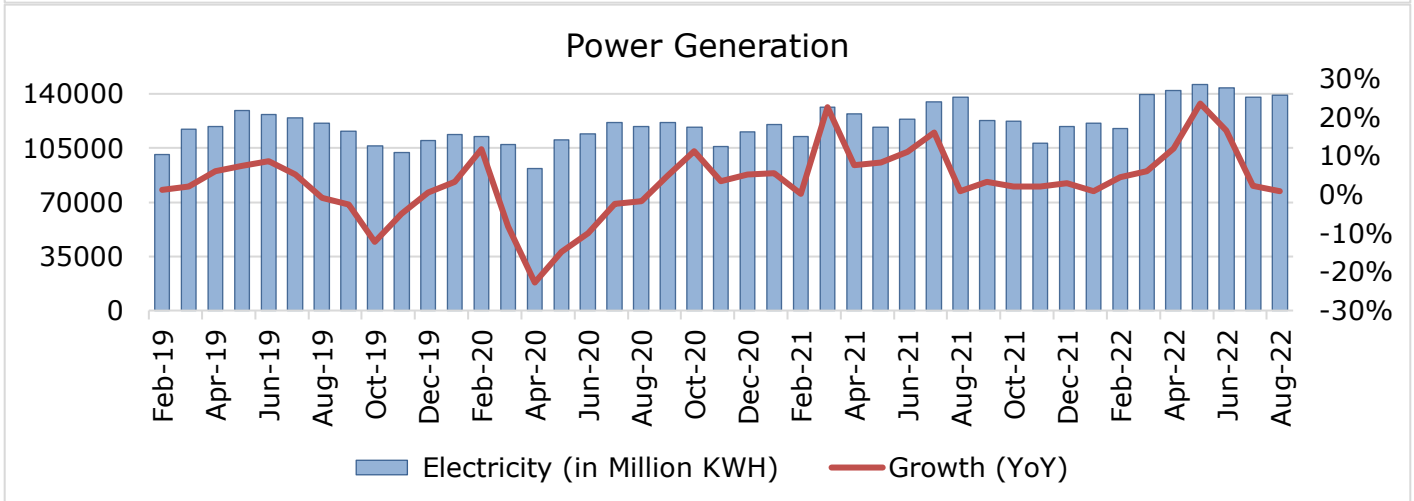
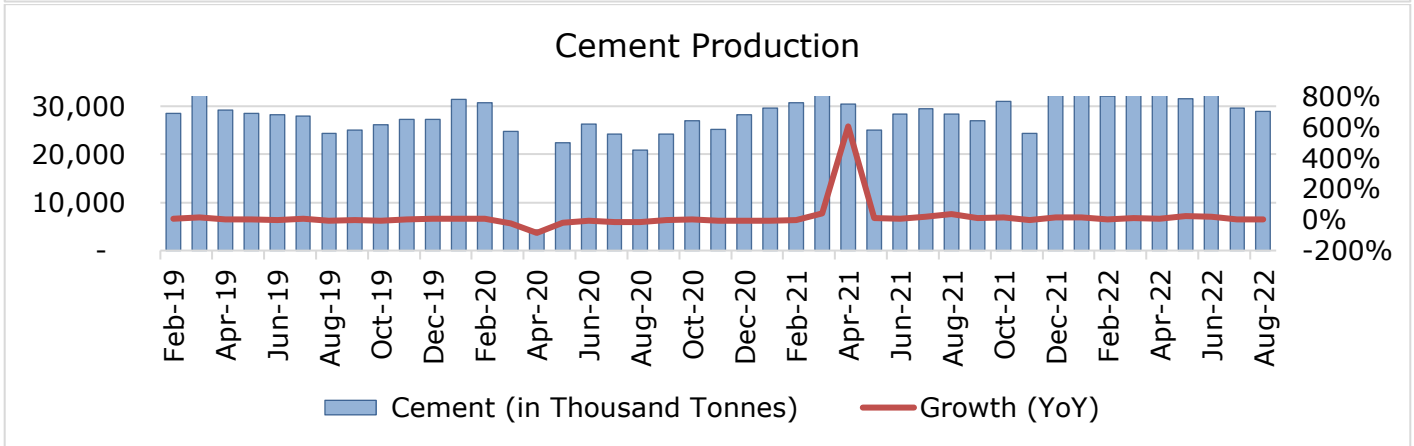
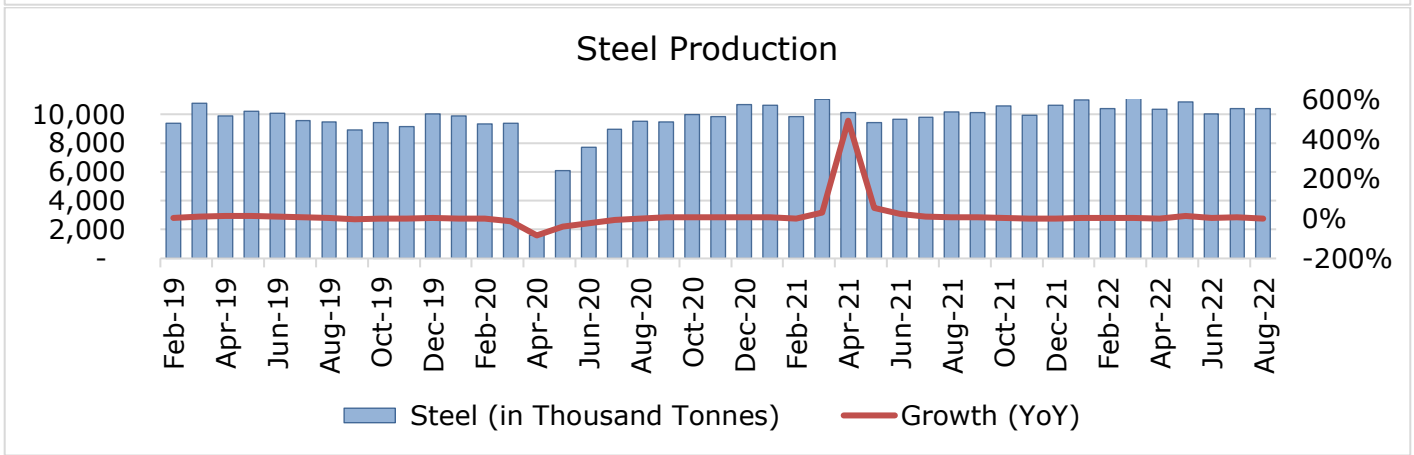
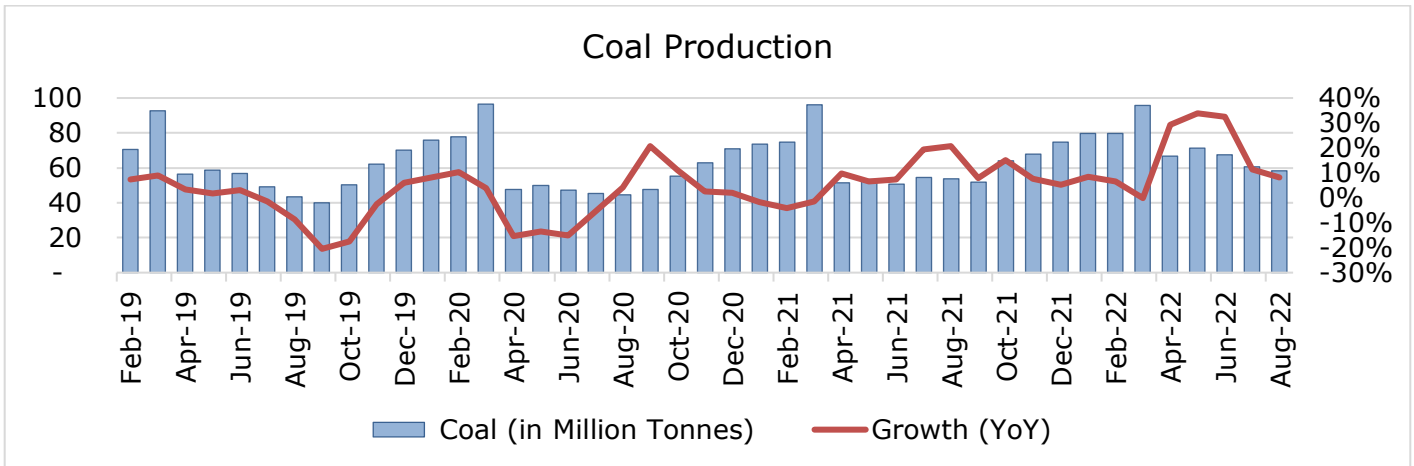
Fertilizer production grew by 11.9% in August. Followed by the good performance of the Coal sector, which registered 7.6% growth, despite the industry facing monsoon uncertainties. The Coal sector's cumulative index increased by 22.7 percent from April to August 2022-23.

Natural gas and electricity registered the lowest growth with 0.9 percent each. Followed by the cement industry marked 1.8% growth due to low demand during the monsoon season.

Petroleum Refinery products production increased with a decent growth of 7% in August month. The Steel sector and Crude oil production noted 2.2 and 3.3 percent growth respectively.

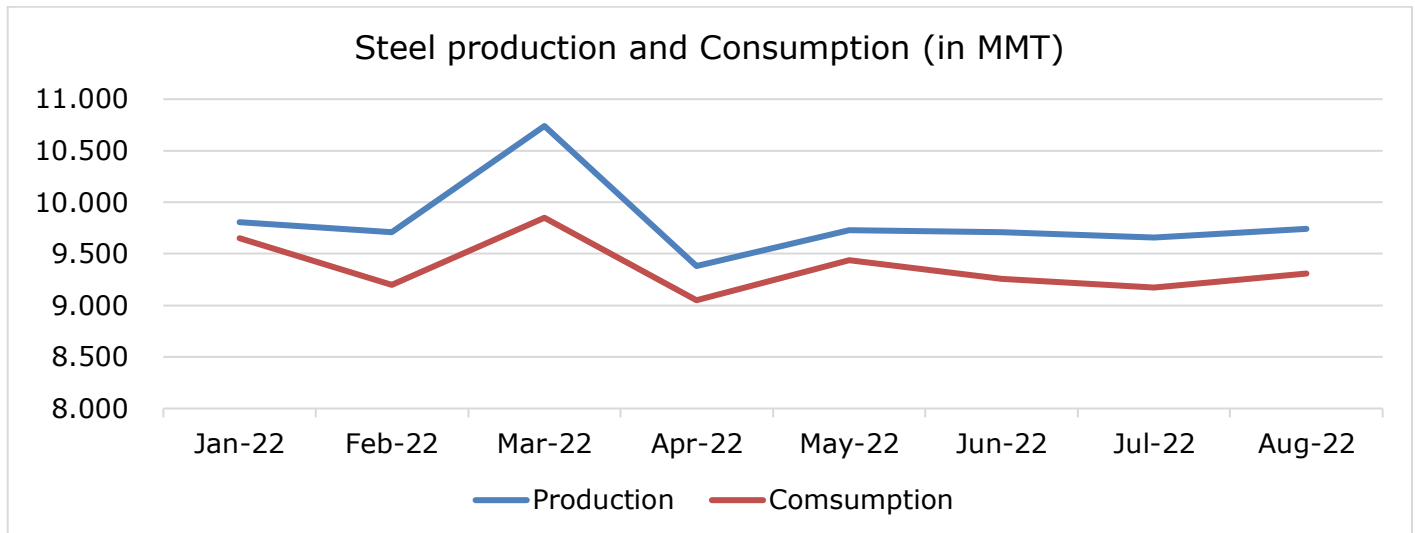


Source: Office of Economic Adviser



STEEL SECTOR UPDATE

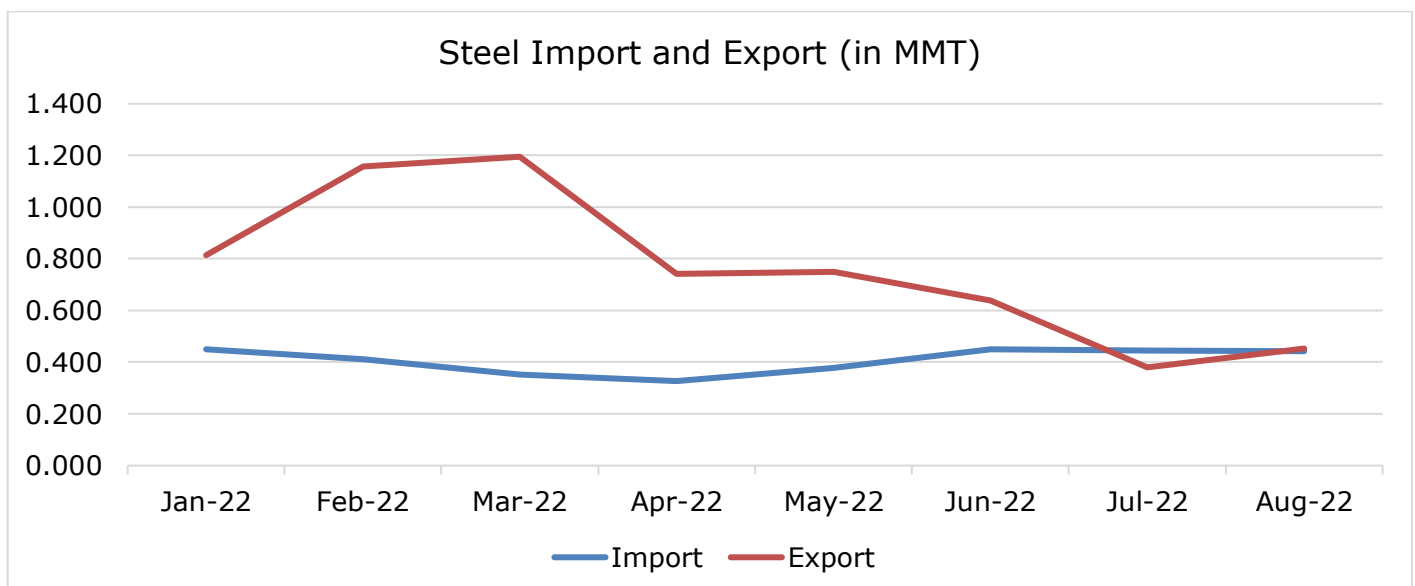
Steel production increases to 9.74 Million tons with 4.2% growth over the corresponding period of last year. Crude steel production stood at 10.26 MMT with 1.7% growth over a year. Consumption of finished steel in August 2022 at 9.31 MMT, increased by 13.1% over last year and by 3.0% monthly basis.



The higher exports trend did affect in July because of the duties, but improved in August with 19.5% growth over month, while imports in the month of August declined by 0.5% monthly. Compared with the corresponding period of last year, exports reduced by 65.9% and imports up by 11.8%.

In number terms, imports stood at 0.442 MMT and exports stood at 0.454 MMT in August month. During April-August 2022 exports at 3.024 MTM declined by 52.7% and imports at 2.058 MMT up by 4.8% over last year.

After being a net importer of finished steel in the previous month, India's exports in August of this year were only slightly greater than its imports, making India once again a net exporter of finished steel.

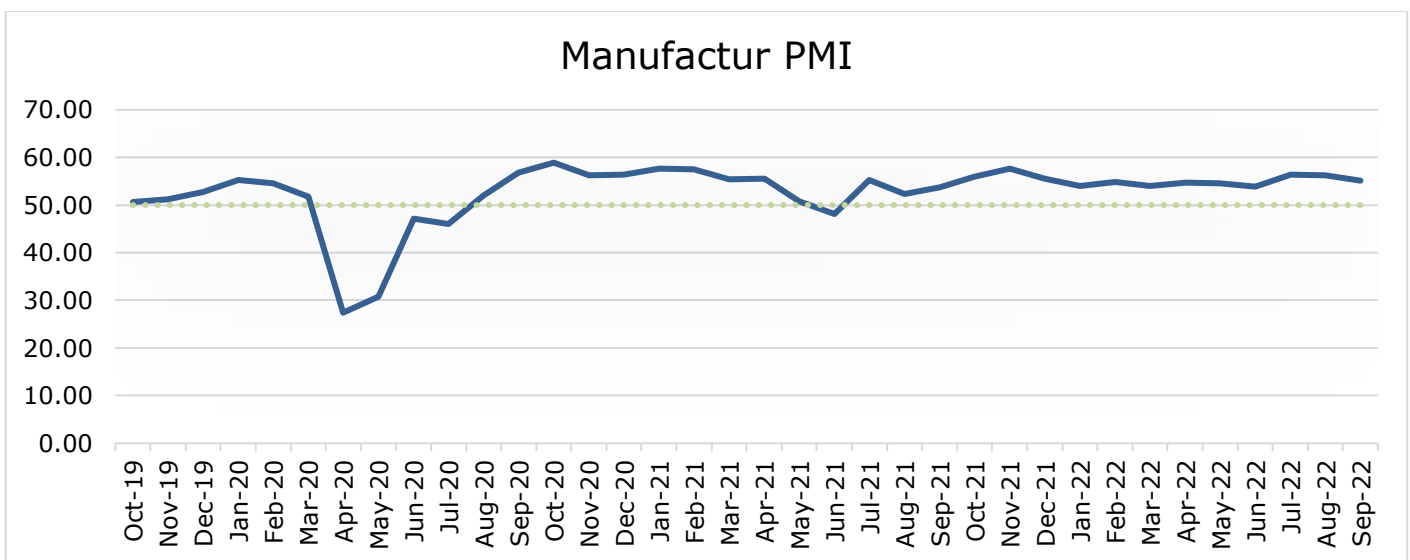


MANUFACTURING PMI

Indian Manufacturing PMI registered a three-month low with a 55.1 basis points in September, according to the data released by S&P Global. Last month's PMI was recorded at a 56.2 level. The manufacturing activity has declined compared to previous months, but still, the performance of Indian industries is in good shape on the verge of global recession risk. The manufacturing industry manages to increase for the 15th straight month.

Exports orders rise for the sixth consecutive month. Production has been increased to fulfill the new orders. Employment registered a three-month high growth. After improving over the previous three months, vendor performance somewhat deteriorated.

In terms of pricing, selling prices increased at the weakest rate in seven months while input costs increased at the slowest rate since October 2020. Finally, because of marketing initiatives, increased customer bases, and higher demand, sentiment rose for the third consecutive month to reach its best level in more than 7-1/2 years.



Source: <https://tradingeconomics.com/india/manufacturing-pmi>

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