



WEEKLY PRICE UPDATE

08-Oct-2022

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INTERNATIONAL FUTURE COAL PRICE

API2: DOWNTURN IN DEMAND WITH SUFFICIENT STOCK

Sufficient stock available at ARA ports and the European market for the winter causing prices to fall significantly. In absence of trade activities, the prices of Oct 2022 future crashed to four month low at \$ 262 with the price corrected by \$ 54 week on week. The lack of activity from China and India resulted in more offers of South African coal being made to the EU market. High supply with no buying interest makes prices go down. The October 2022 contract was closed at \$ 315.50 in last week.

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



Adequate inventory with EU for the coming winter, the November contract of EU supplied coal likewise finished with a negative adjustment of \$ 60 at \$ 252.50 from its prior week closing of \$ 312.65. November 2022 contract hit a high of \$ 387 on 22nd Aug 2022 and a low of \$ 92 on 31st Dec 2021. Autumn has reduced the region's need for electricity. The overall low sentiment of buying and high offering reduced the prices to a great extent.



API4: WEAK DEMAND SUPPORTS THE CORRECTION

Weak buying interest from the European market, South African coal prices also corrected week on week with a sharp drop in October's futures contract of coal exported from South Africa's Richards bay. The contract closed at \$ 247 from the previous closing of \$ 312.65. Prices are reduced by \$ 67 week on week. With this sharp decline prices almost come down to the mid-June level. October 2022 contract touched above \$ 362 on 6th Sep 2022 and low at \$ 90 on 31st Dec 2021.

Leakage in the Nord Stream pipeline supported a price rise in the previous week, but demand drastically reduced from the EU market over a week which corrected the price. Demand from India also did not improve much but inventory at RBCT improved that also supports the decline.



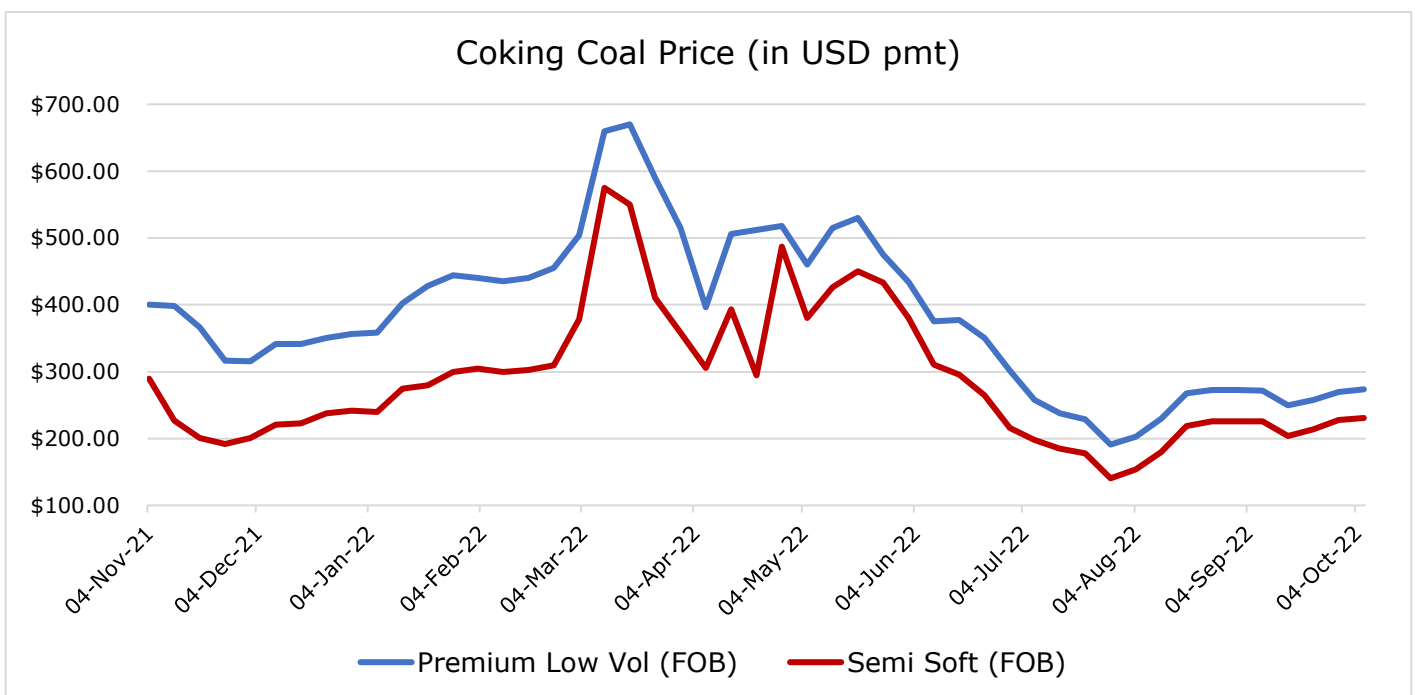


INTERNATIONAL COAL PRICE

COKING COAL

Asian coking coal prices are supported by supply shortages since the overall demand from the steel industry is weak. Demand from China was mute due to the Golden week holidays. The output of the Indian steel industry continue to rise with August month finished steel production showing 4.2% growth. Even after the imposition of duties, the Indian steel industry showed promising signs and is expected to perform better after India's economic activities started at a normal pace.

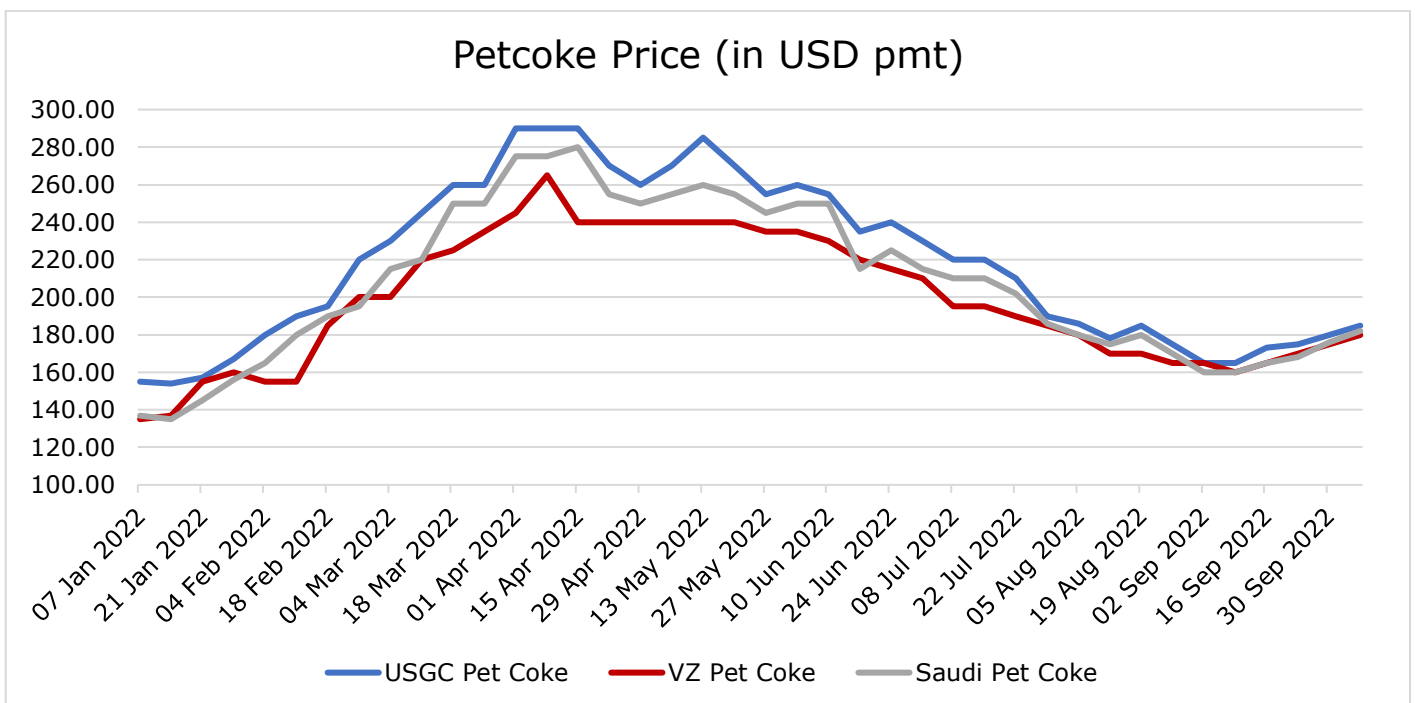
FOB Australia price for premium low vol with a further \$ 8 increase in price, touch \$ 278. Semi soft coking coal of FOB Australia also gain \$ 7 with the price coming to \$ 234 this week compared to last week's price of \$ 227.



PETCOKE

Petcoke is experiencing good demand from the cement sector especially from India and China and that is bringing prices upward. USGC petcoke CFR basis climbed up \$ 5 week on week to \$ 185 and sees a month on month increase of \$ 20. Saudi Petcoke CFR rose to \$ 182 from the previous week's average price of \$ 176. Saudi Petcoke on a monthly basis jumped by \$ 22 this week. Venezuela origin petcoke prices are also in line with Saudi petcoke at \$ 182.

The monsoon season was halting the construction activity in previous months, which is now peaking pace. Increased cement demand makes cement manufacturers to procure more petcoke. Even though the last week sees price corrections in thermal coal, petcoke prices are still lower than its counterpart, which is making it more relevant to cement manufacturers.





HBA TOUCHES HISTORICAL HIGH

HBA (Harga Batubara Acuan) for October 2022 settled at all time high of USD 330.97 amid high international demand. HBA is up by twofold YoY and 4% MoM for Oct- 22. The index has been settled at \$ 330.97 for Oct 22, against \$ 161.63 in Oct 2021 and \$ 319.22 in Sep 2022.

The HBA continued to weaken from Mar 20 to Sep 20. After falling at a historical Low in Sep to \$49.42/MT, the HBA again strengthened. In the current year it continuously increases and it touches a historical high in this month. As per data available with us, Sep 20 (\$49.42/mt) price is the lowest since Jan 09.

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

The HBA is a monthly average price based on 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 payments on Coal to the Indonesian government.

Indonesian Coal Price Data (HBA)										
Month	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
January	87.55	81.90	63.84	53.20	86.23	95.54	92.41	65.93	75.84	158.50
February	88.35	80.44	62.92	50.92	83.32	100.69	91.80	66.89	87.79	188.38
March	90.09	77.01	67.76	51.62	81.90	101.86	90.57	67.08	84.49	203.69
April	88.56	74.81	64.48	52.32	82.51	94.75	88.85	65.77	86.68	288.40
May	85.33	73.60	61.08	51.20	83.81	89.53	81.86	61.11	89.75	275.64
June	84.87	73.64	59.59	51.87	75.46	96.91	81.48	52.98	100.33	323.91
July	81.69	72.45	59.16	53.00	78.95	104.65	71.92	52.20	115.35	319.00
August	76.70	70.29	59.14	58.37	83.97	107.83	72.67	50.34	130.99	321.59
September	76.89	69.69	58.21	63.93	92.03	104.81	65.79	49.42	150.03	319.22
October	76.61	67.26	57.39	69.07	93.99	100.89	64.80	51.00	161.63	330.97
November	78.13	65.70	54.43	84.89	94.84	97.90	66.27	55.71	215.01	
December	80.31	69.23	53.51	101.69	94.04	92.51	66.30	59.65	159.79	
Average	82.92	73.00	60.13	61.84	85.92	98.99	77.89	58.17	121.47	272.93



WEEKLY AVG INTERNATIONAL PRICE

Grade	Price pmt								
	08-Oct-22	01-Oct-22	WoW Change	07-Sep-22	MoM Change	08-Oct-21	YoY Change	52 Week High	52 Week Low
FOB Richards Bay									
4800 NAR	\$ 85.00	\$ 112.00	(24.11)%	\$ 100.00	(15.00)%	\$ 154.00	(44.81)%	\$ 320.00	\$ 73.00
5500 NAR	\$ 150.00	\$ 199.00	(24.62)%	\$ 210.00	(28.57)%	\$ 190.00	(21.05)%	\$ 385.00	\$ 100.00
6000 NAR	\$ 250.00	\$ 295.00	(15.25)%	\$ 300.00	(16.67)%	\$ 230.00	8.70 %	\$ 420.00	\$ 124.00
FOB Newcastle									
5500 NAR	\$ 155.00	\$ 170.00	(8.82)%	\$ 195.00	(20.51)%	\$ 140.00	10.71 %	\$ 280.00	\$ 93.00
6000 NAR	\$ 395.00	\$ 410.00	(3.66)%	\$ 440.00	(10.23)%	\$ 230.00	71.74 %	\$ 440.00	\$ 152.00
FOB Indonesia									
6500 GAR	\$ 255.00	\$ 265.00	(3.77)%	\$ 260.00	(1.92)%	\$ 200.00	27.50 %	\$ 308.00	\$ 145.00
5800 GAR	\$ 175.00	\$ 182.00	(3.85)%	\$ 172.00	1.74 %	\$ 190.00	(7.89)%	\$ 220.00	\$ 120.00
5000 GAR	\$ 130.00	\$ 136.00	(4.41)%	\$ 120.00	8.33 %	\$ 165.00	(21.21)%	\$ 210.00	\$ 93.00
4200 GAR	\$ 88.00	\$ 95.00	(7.37)%	\$ 83.00	6.02 %	\$ 125.00	(29.60)%	\$ 155.00	\$ 58.00
CFR (SA Coal)									
4800 NAR	\$ 106.50	\$ 133.00	(19.92)%	\$ 121.00	(11.98)%	\$ 183.00	(41.80)%	\$ 343.00	\$ 99.00
5500 NAR	\$ 171.50	\$ 220.00	(22.05)%	\$ 231.00	(25.76)%	\$ 219.00	(21.69)%	\$ 408.00	\$ 122.00
6000 NAR	\$ 271.50	\$ 316.00	(14.08)%	\$ 321.00	(15.42)%	\$ 259.00	4.83 %	\$ 443.00	\$ 146.00
CFR (Aus Coal)									
5500 NAR	\$ 175.50	\$ 190.00	(7.63)%	\$ 215.00	(18.37)%	\$ 172.50	1.74 %	\$ 302.50	\$ 116.00
6000 NAR	\$ 415.50	\$ 430.00	(3.37)%	\$ 460.00	(9.67)%	\$ 262.50	58.29 %	\$ 460.00	\$ 172.00
CFR (Indonesia Coal)									
6500 GAR	\$ 272.50	\$ 282.00	(3.37)%	\$ 277.50	(1.80)%	\$ 225.00	21.11 %	\$ 333.00	\$ 165.00
5800 GAR	\$ 192.50	\$ 199.00	(3.27)%	\$ 189.50	1.58 %	\$ 215.00	(10.47)%	\$ 245.00	\$ 138.00
5000 GAR	\$ 147.50	\$ 153.00	(3.59)%	\$ 137.50	7.27 %	\$ 190.00	(22.37)%	\$ 235.00	\$ 111.00
4200 GAR	\$ 105.50	\$ 112.00	(5.80)%	\$ 100.50	4.98 %	\$ 150.00	(29.67)%	\$ 180.00	\$ 75.00
CFR (Rus Coal)									
5500 NAR	\$ 160.00	\$ 162.00	(1.23)%	\$ 155.00	3.23 %			\$ 250.00	\$ 155.00
6000 NAR	\$ 185.00	\$ 188.00	(1.60)%	\$ 175.00	5.71 %			\$ 300.00	\$ 175.00
CFR (USA Coal)									
6900 NAR	\$ 250.00	\$ 260.00	(3.85)%	\$ 270.00	(7.41)%	\$ 260.00	(3.85)%	\$ 310.00	\$ 170.00
Petcoke (CFR - India)									
US Origin (6.5% TS)	\$ 185.00	\$ 180.00	2.78 %	\$ 165.00	12.12 %	\$ 209.00	(11.48)%	\$ 290.00	\$ 154.00
VZ Origin (5.0% TS)	\$ 180.00	\$ 175.00	2.86 %	\$ 160.00	12.50 %			\$ 265.00	\$ 135.00
Saudi Origin (8.5% TS)	\$ 182.00	\$ 176.00	3.41 %	\$ 160.00	13.75 %	\$ 200.00	(9.00)%	\$ 280.00	\$ 135.00



DOMESTIC COAL PRICE

DOMESTIC COAL PRICE (West Coast – India)



Domestic prices of imported coal of Indonesian origin going down amid weak demand. The wet season is holding down the demand, but is anticipated to take up in a few days for the winter stocking and the festive season approaching in the near time.

Grade	Price pmt / 00-50 MM / Ex-Plot Port				
	08-Oct-22	01-Oct-22	Change	08-Sep-22	Change
US Origin Coal from Tuna / Kandla (WCI)					
NAPP	₹ 20,800.00	₹ 21,450.00	(3.03)%	₹ 21,100.00	(1.42)%
ILB	₹ 19,000.00	₹ 19,300.00	(1.55)%	₹ 19,000.00	0.00 %
Indonesian Origin Coal from Tuna / Kandla (WCI)					
5000 GAR	₹ 11,300.00	₹ 11,500.00	(1.74)%	₹ 11,200.00	0.89 %
4200 GAR	₹ 9,000.00	₹ 9,400.00	(4.26)%	₹ 9,000.00	0.00 %
3800 GAR	₹ 8,000.00	₹ 8,400.00	(4.76)%	₹ 7,700.00	3.90 %
3400 GAR	₹ 7,000.00	₹ 7,100.00	(1.41)%	₹ 6,700.00	4.48 %
Indonesian Origin Coal from Navlakhi (WCI)					
5000 GAR	₹ 10,200.00	₹ 11,400.00	(10.53)%	₹ 11,500.00	(11.30)%
4200 GAR	₹ 9,000.00	₹ 9,400.00	(4.26)%	₹ 9,100.00	(1.10)%
3800 GAR	₹ 8,100.00	₹ 8,400.00	(3.57)%	₹ 7,600.00	6.58 %
3400 GAR	₹ 7,100.00	₹ 7,100.00	0.00 %	₹ 6,800.00	4.41 %
South African coal from Kandla (WCI)					
5500 NAR	₹ 16,500.00	₹ 18,200.00	(9.34)%	₹ 18,000.00	(8.33)%
Russian coal from Kandla (WCI)					
6000 NAR	₹ 16,000.00	₹ 16,650.00	(3.90)%	₹ 15,500.00	3.23 %
Price pmt / Screened Plant / Ex-Plot Screening Plant					
Grade / Sized	08-Oct-22	01-Oct-22	Change	08-Sep-22	Change
3400 GAR					
00 - 06 MM	₹ 6,800.00	₹ 6,800.00	0.00 %	₹ 6,500.00	4.62 %
06 - 20 MM	₹ 8,400.00	₹ 8,700.00	(3.45)%	₹ 8,200.00	2.44 %
20 - 50 MM	₹ 8,400.00	₹ 8,800.00	(4.55)%	₹ 8,900.00	(5.62)%
4200 GAR					
00 - 06 MM	₹ 8,500.00	₹ 8,500.00	0.00 %	₹ 8,500.00	0.00 %
06 - 20 MM	₹ 10,000.00	₹ 10,300.00	(2.91)%	₹ 9,800.00	2.04 %
20 - 50 MM	₹ 10,200.00	₹ 10,400.00	(1.92)%	₹ 10,200.00	0.00 %
5000 GAR					
00 - 06 MM	₹ 8,800.00	₹ 9,000.00	(2.22)%	₹ 8,600.00	2.33 %
06 - 20 MM	₹ 14,300.00	₹ 14,700.00	(2.72)%	₹ 14,500.00	(1.38)%
20 - 50 MM	₹ 14,400.00	₹ 14,800.00	(2.70)%	₹ 14,700.00	(2.04)%



ECONOMIC UPDATE

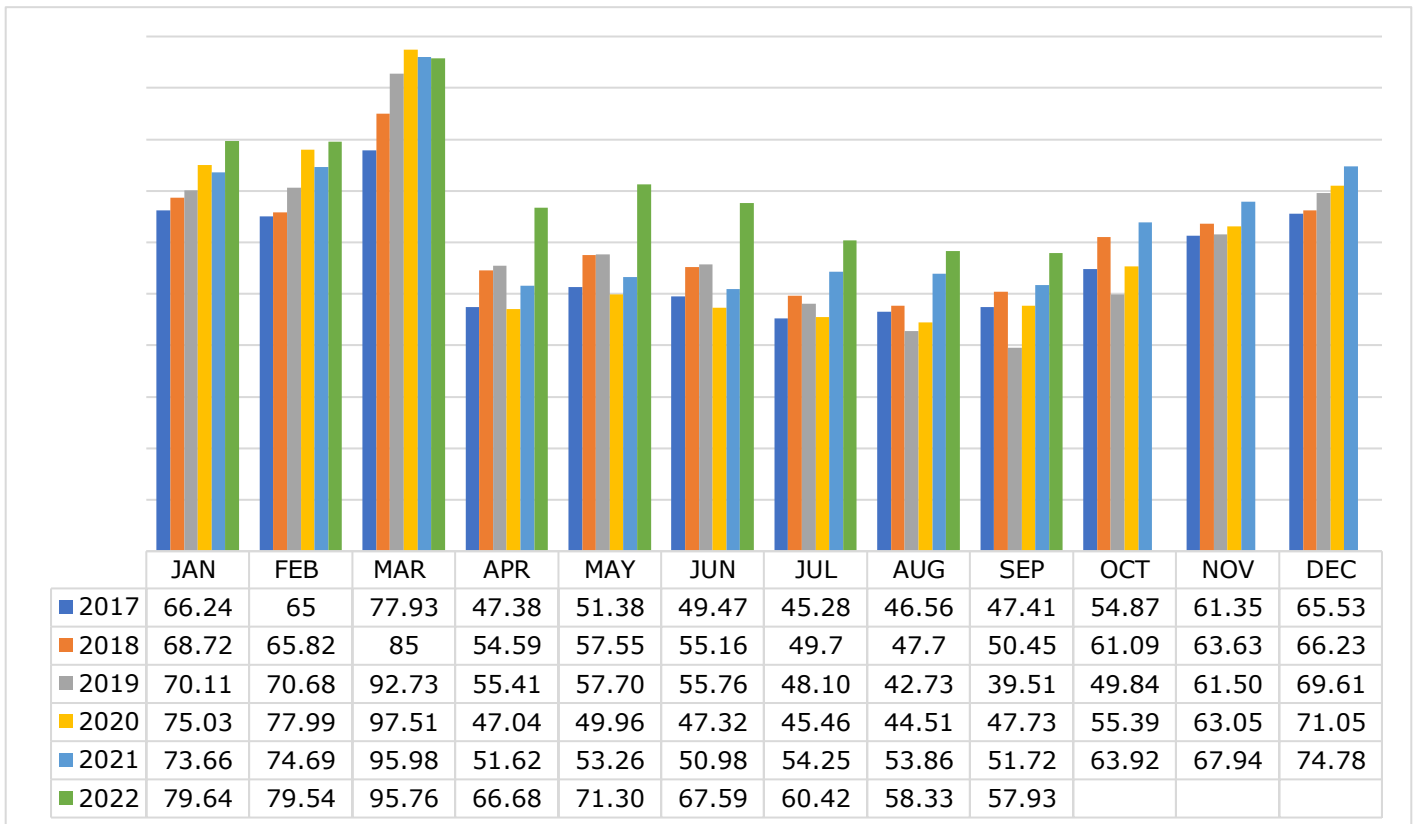
COAL PRODUCTION

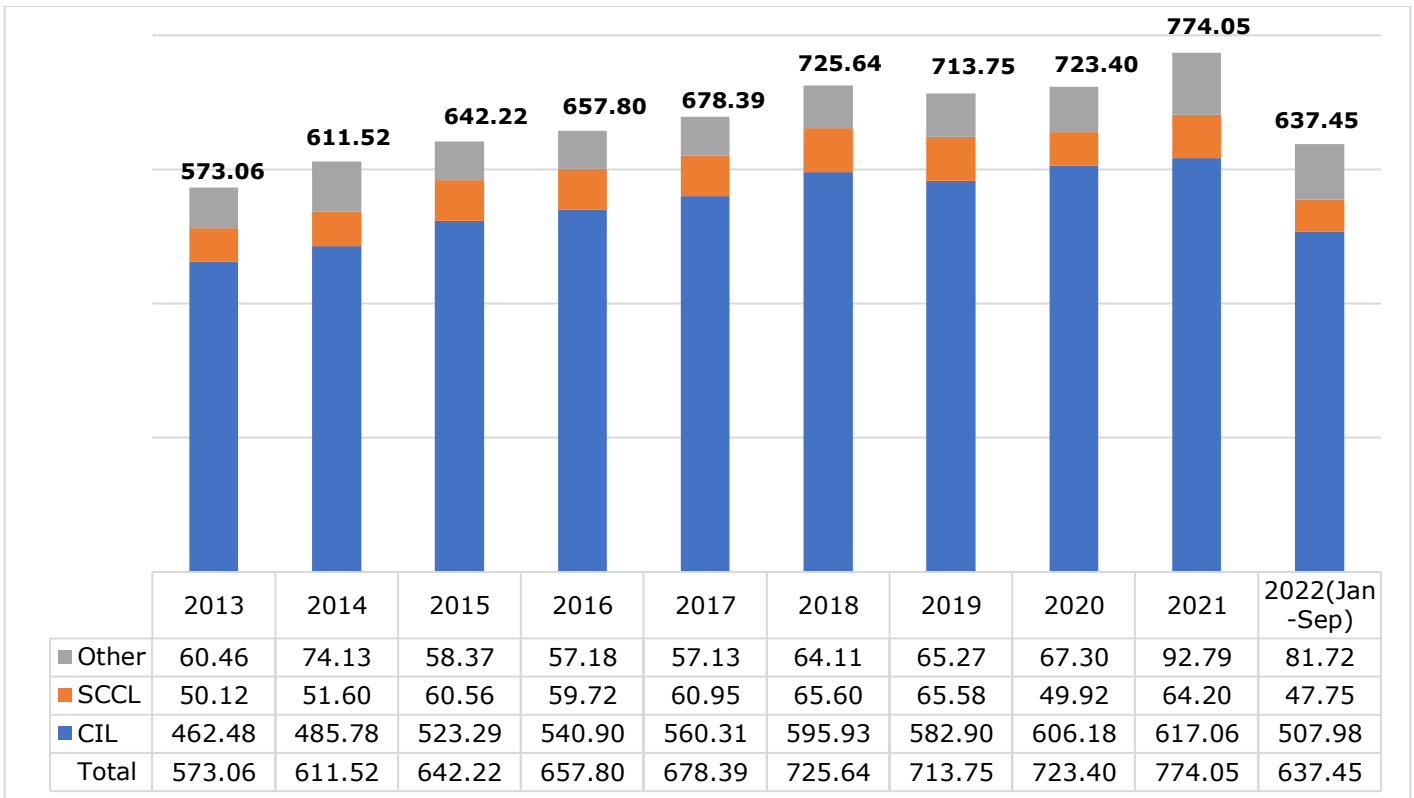
India's production continue to increase and touch 57.93 MMT on Sep 22 from 51.72 MMT last year, 12% year on year growth. India's total production from Jan-Sep 2022 reaches 637.45 MMT, an increase of 14% compared to the corresponding period of last year.

Coal India Limited ([CIL](#)) has achieved 12.35% growth in production and 1% in offtake on YoY. CIL produced 45.67 MMT and dispatched 48.88 MT during Sep 2022. Reforms in in coal sector helps CIL to grow at pace of double digit. CIL's production has reached to 299 MMT during 1H of FY 2022-23 up by 19.7% compare to same period of FY 2021-22.

The Singareni Collieries Company Limited ([SCCL](#)) registered a growth of 8.43% in Coal production and dispatch up by 4.13%. SCCL produced 4.93 MMT and dispatched 4.77 MT during Sep 2022.

Other's (Private & Captive Miners) coal production stands at 7.33 MT in Sep, a 12.37% year on year increase. Recent rounds of auction has improved production from private sector. Additional to reforms, there is Global Coal price who boost the interest of private players. We are expecting production from others will reach to 120-125 MMT in Current Financial Year.





Source: Ministry of Coal

SERVICE PMI

The S&P Global India Services PMI dropped from 57.2 in August to 54.3 in September 2022, which was below the market estimate of 57.

Regarding prices, input price inflation decreased to its lowest level in 11 months, while output cost inflation slowed to its lowest level in 6 months. Regarding marketing initiatives and sales projections, sentiment has been stronger over the next seven and a half years.

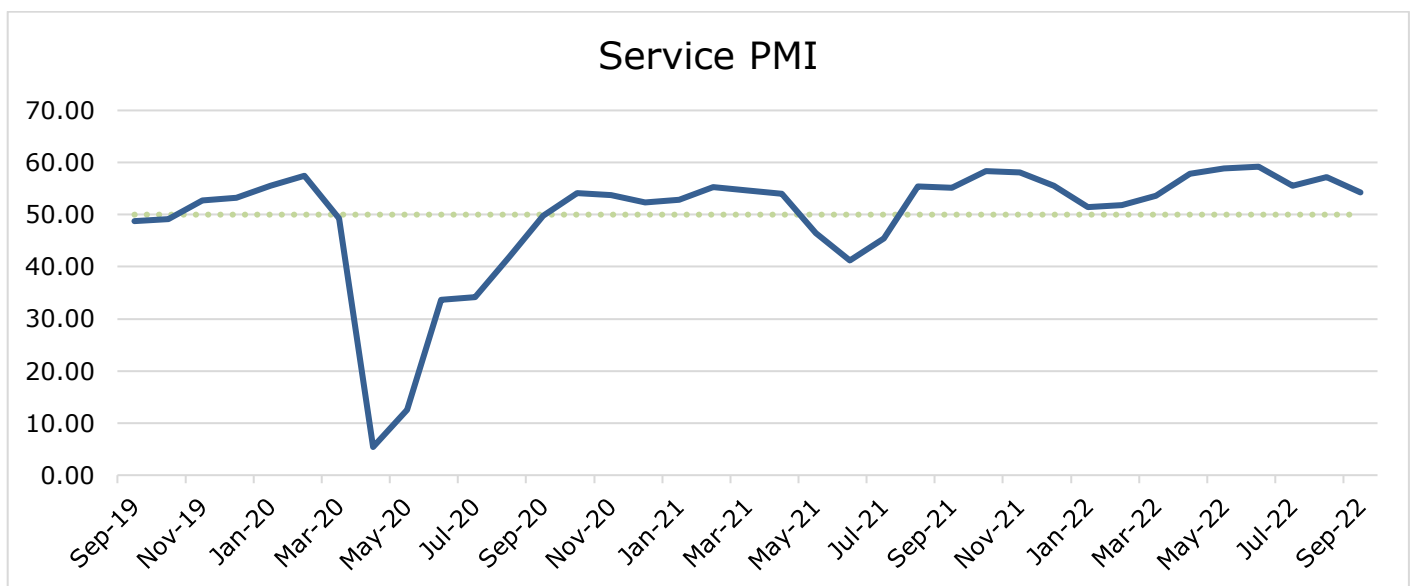
Due to inflationary pressures and competitive conditions, both new business inflows and output increased at the weakest rates since March, which in turn slowed down employment growth. The increase in the month was constrained by pricing pressures, an environment of increased competition, and unfavourable governmental policies. Despite the decline, the figures indicated an increase in September for the fourteenth straight month.

Similar to company activity, new orders increased for the 14th consecutive month but at the weakest rate since March.

The RBI increased the repo rate by 50 basis points to 5.90% in the monetary policy that was released last week in an effort to control inflation, which is still over its 2–6% target range. The RBI has essentially raised the repo rate by 190 basis points as a result (bps).

Service providers reported higher operating costs throughout the month as a result of higher expenditures for electricity, food, labour, and materials.

As a result, the nation's Composite PMI Output Index slowed to 55.1 in September from 58.2 in August, signalling the slowest rate of increase since March.



Source: <https://tradingeconomics.com/india/services-pmi>
<https://indianexpress.com/article/business/economy/india-services-growth-slumped-to-6-month-low-in-september-on-cooling-demand-pmi-8192574/>

COAL & COKE IMPORTS IMPROVED YEAR ON YEAR

India's total coal & coke imports continue to be on a positive path with 39 percent growth over the last year in September 2022. Total coal & coke imports in the month of September touched 19.62 million metric tons (MMT) compared to the previous year's imports of 14 MMT. Except for Anthracite, other coal and coke registered positive growth in a year.

Owing to the seasonal factors monthly imports did reduce by 18%. The negative growth has been registered by each type of coal and coke.

Thermal coal, which contributes the most to India's total imports, stood at 12.73MMT with a 46% year on year increase and a 23% month on month decrease. Coking coal with total of 4.68MMT imports marks 22% yearly growth and 2% monthly contraction. With the cement industry showing a good sign of growth in demand, petcoke registered a 90% rise in imports over a year.

Other types of coal such as Anthracite record a 39% year on year growth and 21% month on month decline in imports. PCI with 49% yearly growth and a 5% monthly decrease in imports, and Metcoke imports increase by 22% y/y whereas decreased by 11% monthly.

India's Coal & Coke Import (Million Metric Tons)										
	Sep-22	YoY		MoM		YTD (Jan - Sep)				
		Sep-21	% Change	Aug-22	% Change	CY 2022	CY 2021	% Change	CY 2019 (Pre-Covid Level)	% Change
COKING COAL	4.676	3.824	22.27 %	4.782	(2.22)%	40.333	41.211	(2.13)%	37.670	7.07 %
THERMAL COAL	12.732	8.711	46.16 %	16.618	(23.38)%	126.871	108.134	17.33 %	134.686	(5.80)%
ANTHRACITE	0.134	0.220	(39.01)%	0.171	(21.41)%	1.901	1.558	21.96 %	1.570	21.05 %
PCI COAL	1.202	0.805	49.32 %	1.259	(4.55)%	10.821	10.782	0.36 %	9.851	9.84 %
MET COKE	0.180	0.148	21.68 %	0.202	(10.88)%	2.014	1.697	18.68 %	2.537	(20.64)%
PET COKE	0.693	0.365	89.77 %	0.783	(11.49)%	6.884	2.890	138.17 %	8.916	(22.80)%
TOTAL	19.62	14.07	39.39 %	23.81	(17.63)%	188.82	166.27	13.56 %	195.23	(3.28)%



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