



**WEEKLY PRICE UPDATE**

**26-Nov-2022**

**IENERGY NATURAL RESOURCES LIMITED**

210, Royal Square, Near Shilp Tower, Tagore Road, Rajkot – 360002, India

[care@inrl.in](mailto:care@inrl.in) +91 281 2465640 +91 93282 24488



# **INTERNATIONAL FUTURE COAL PRICE**

## API2: DECEMBER FUTURES TOUCHED ONE MONTH HIGH

The API2 December contract was more volatile as the November contract settled this week. The API2 future December contract further increases by \$ 22 and closed at \$ 240. The contract was closed at \$ 218 last week. The December contract got relief during the November month as the demand for coal was low. The prices did smoothen but the EU's energy crisis is yet not ended.

Cold temperatures are set to put the region's frail energy infrastructure under strain, exacerbated by a dramatic decline in Russian gas shipments and extended nuclear outages. Governments from France to Finland have issued warnings about power shortages and rolling blackouts as demand is expected to surge in the coming months. On Tuesday, Gazprom threatened to shut down its final operational gas pipeline to Europe, which passes via Ukraine in next week. The European Commission suggested a temporary cap on natural gas prices on Tuesday, to lower energy costs and ensuring supply ahead of winter.

Prices have been impacted by the SA coal supply shortage last week, and now uncertainty over Colombian supplies and if a train stopped by ex-Cerrejon employees would restart. Stock levels are crucial, and there has been an increase in reports of force majeure declarations for November shipments at Puerto Bolivar, as well as ships being diverted to other ports. Cerrejon has said that the blockade is no longer in effect, but there is no evidence of the conflict resolution because discussions have stalled. Following the war and sanctions imposed on Russia, the EU's energy market has been severely impacted by other exporters, since they must now rely on worldwide sources other than Russia.

The December 2022 contract hit a high of \$ 379 on 22<sup>nd</sup> Aug 2022 and a low of \$ 91 on 3<sup>rd</sup> Jan 2022.



The January contract of API2 also at the same path of December contract closed with \$ 22 upward revision at \$ 240.65. The last week closing of the contract was at \$ 206. The January 2023 contract has been down to 35% compared to its all-time high of \$ 370 on 22<sup>nd</sup> Aug 2022 and by threefold low from the all-time low of \$ 89 on 3<sup>rd</sup> Jan 2022.



## API4: SA FUTURES UP WITH DEMAND FLOW

The API4 December futures contract gained ground with the November contract's close. The contract with a \$ 24 week on week upward revision closed at \$ 230. The previous week's closing of the contract was \$ 206. With the prospect of colder weather in the EU, demand for SA coal has risen across the area. India is moving to South African coal. The supply crisis that had been in effect for two weeks has also ended. Transnet, South Africa's state logistics company, announced on Friday that it has withdrawn a force majeure declaration on its coal line, after reinstating the commodity's major export route following a derailment over two weeks ago.

The December 2022 contract touched above \$ 349 on 6<sup>th</sup> Sep 2022 and low at \$ 89 on 3<sup>rd</sup> Jan 2022.



The January contract of API4 has also closed on a same note at \$ 230 this week, with \$ 24 rise. The last week closing of the contract was \$ 206. The January 2023 contract has been down to 33% compared to its all-time high of \$ 341 on 6<sup>th</sup> Sep 2022 and twofold low from the all-time low of \$ 89 on 3<sup>rd</sup> Jan 2022.





# **INTERNATIONAL COAL PRICE**

---

## **THERMAL COAL**

---

Thermal coal prices in key exporters such as South Africa and Australia continue to rise as demand from the EU and Indian markets improves.

The EU is once again trapped in the grip of chilly weather. With an unpredictable winter, demand has begun to rise. The SA coal which is currently most preferred by the EU buyers has gained \$ 22-27 (FOB) with improved demand. Indian inquiries have also increased for SA coal specially for 4800 NAR.

Australian prices have also seen premium week on week. Aus 5500 NAR FOB has gained \$ 5 and 6000 NAR FOB has surged by \$ 40 WoW. Russian coal prices increase by \$ 5-15 for different grade.

Only Indonesian coal prices have been in a downward trend. Indonesian prices are reducing especially for a higher grades of coal. The rain is still disrupting the production and producers have obligation to first transfer coal to domestic use. But the supply disruption has been overshadowed by the low demand from the Chinese buyers.

## **COKING COAL**

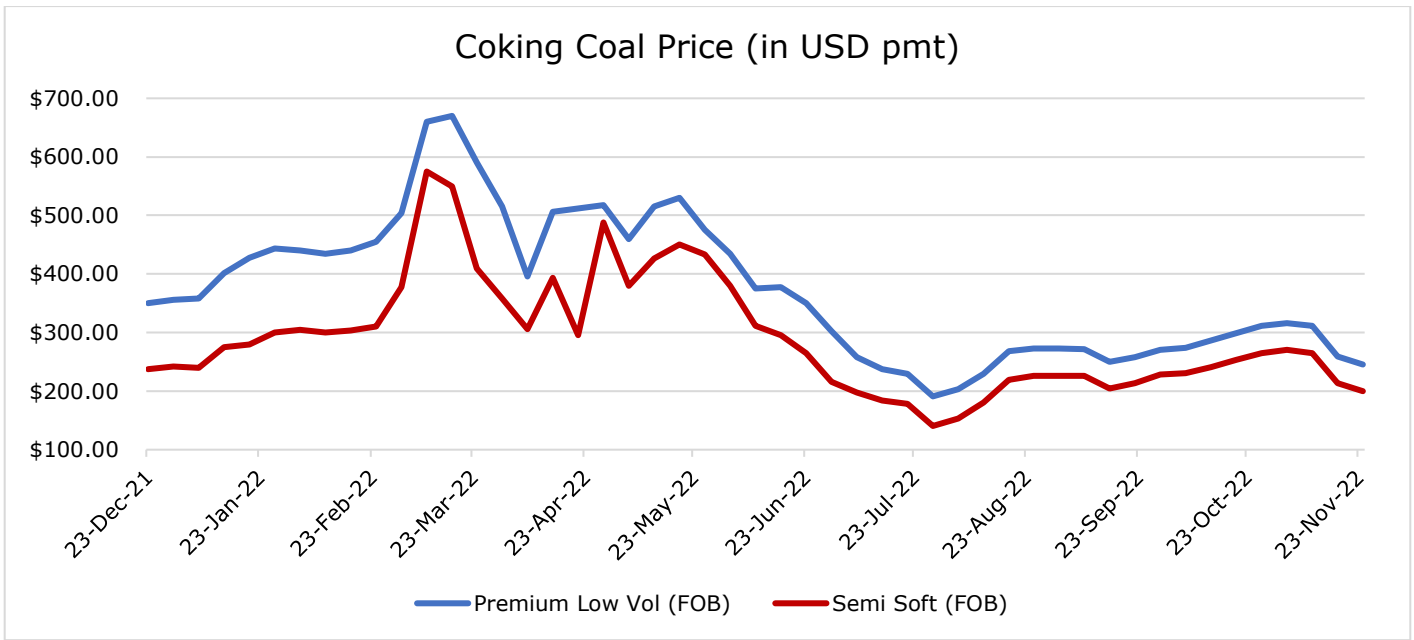
---

Coking coal price further reduces to \$ 246 for Australian PLV FOB and semi-soft edged down to \$ 200. The prices have been a decline by \$ 13 week on week for both grade of coking coal. Metcoke CFR India however gain \$ 6 and averaged \$ 427 this week.

The global steel sector is continuing to slow, as seen by the latest world steel figures, which show that global steel output has decreased by 6% month on month. Steel demand is inextricably linked to coking coal trading since it is the main user of coking coal. The slump in the steel industry is also cutting worldwide demand for coking coal. Prices rose in the previous month and at the start of the current month due to a supply shortage in Australia. However, even as supply-side issues are alleviating, demand is still not showing signs of improvement, causing prices to fall. Australian coking coal was absent from Chinese met coal imports, which is another reason Australia has to find another market, and for that need to reduce the prices.

Australian products will gain a foothold in India at competitive costs, thanks to the two nations' Free Trade Agreement, which was signed on November 22. The FTA states that India would pay no import charge on Australian coking coal. Chinese metcoke prices, on the other hand, are rising due to limited stocks in Chinese steel plants. China may lose the Indian market as Australian coking coal costs fall and Chinese metcoke prices rise.

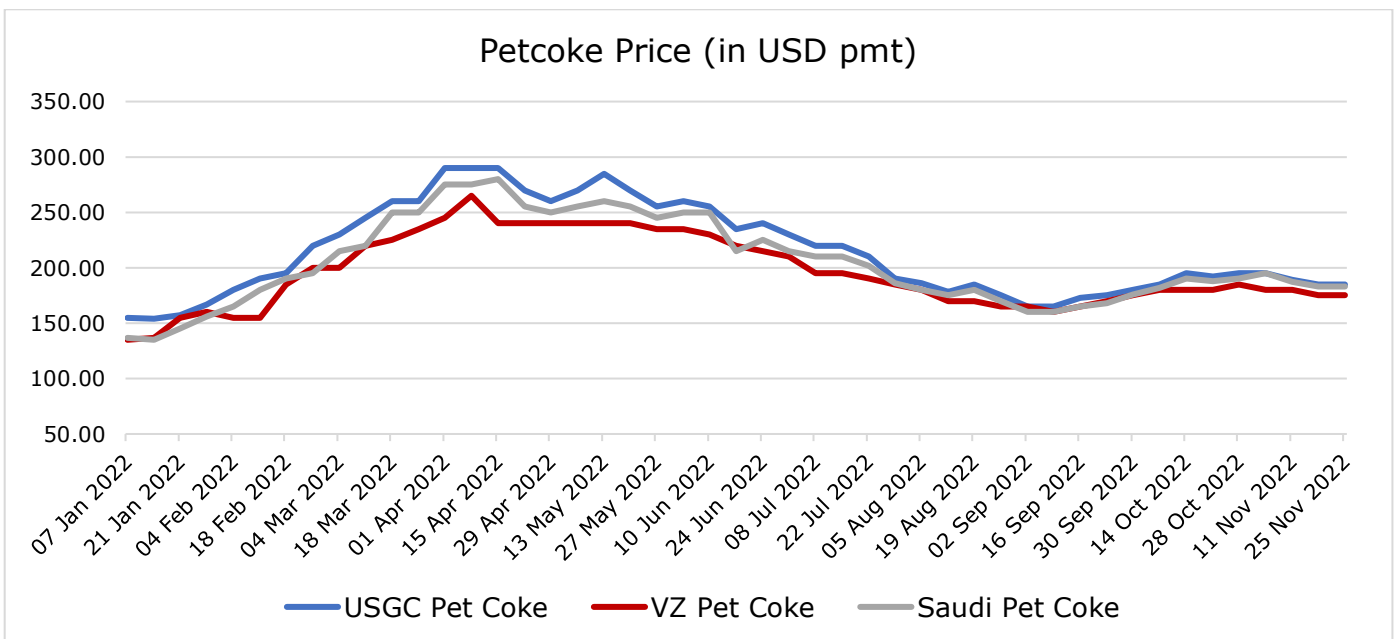
US coking coal prices have also come down with low sentiment from the Asian market. Low Vol HCC reduces by \$ 13 and averaged \$ 246 this week. High vol A and B further narrow down by \$ 12 week on week.



## PETCOKE

Petcoke price for all three origins of coal which is the US, Saudi and Venezuela is stable with increasing thermal coal prices and tight supply in the domestic market. The price of petcoke are as follows: USGD at \$ 185, Saudi at \$ 183, and Venezuela at \$ 175(with no week on week change).

Cement demand in the country has improved in November. After the festive season construction activities have started taking pace, which has increased the demand for end-products. The anticipation of a price reduction in petcoke with a decline in thermal coal prices was there. However, from the last two weeks thermal coal prices are again coming up, which is supporting petcoke prices. The reduced domestic supply due to maintenance of some of the petcoke plants is also somewhat supporting prices.





## WEEKLY AVG INTERNATIONAL PRICE

Grade	Price pmt								
	26-Nov-22	19-Nov-22	WoW Change	26-Oct-22	MoM Change	26-Nov-21	YoY Change	52 Week High	52 Week Low
<b>FOB Richards Bay</b>									
4800 NAR	\$ 132.00	\$ 105.00	25.71 %	\$ 98.00	34.69 %	\$ 100.00	32.00 %	\$ 320.00	\$ 73.00
5500 NAR	\$ 162.00	\$ 140.00	15.71 %	\$ 143.00	13.29 %	\$ 130.00	24.62 %	\$ 385.00	\$ 100.00
6000 NAR	\$ 215.00	\$ 192.00	11.98 %	\$ 220.00	(2.27)%	\$ 155.00	38.71 %	\$ 420.00	\$ 124.00
<b>FOB Newcastle</b>									
5500 NAR	\$ 135.00	\$ 130.00	3.85 %	\$ 146.00	(7.53)%	\$ 100.00	35.00 %	\$ 280.00	\$ 93.00
6000 NAR	\$ 340.00	\$ 300.00	13.33 %	\$ 370.00	(8.11)%	\$ 170.00	100.00 %	\$ 440.00	\$ 160.00
<b>FOB Indonesia</b>									
6500 GAR	\$ 230.00	\$ 237.00	(2.95)%	\$ 245.00	(6.12)%	\$ 150.00	53.33 %	\$ 308.00	\$ 145.00
5800 GAR	\$ 155.00	\$ 160.00	(3.13)%	\$ 170.00	(8.82)%	\$ 131.00	18.32 %	\$ 220.00	\$ 120.00
5000 GAR	\$ 121.00	\$ 124.00	(2.42)%	\$ 130.00	(6.92)%	\$ 110.00	10.00 %	\$ 170.00	\$ 93.00
4200 GAR	\$ 85.00	\$ 86.00	(1.16)%	\$ 92.50	(8.11)%	\$ 75.00	13.33 %	\$ 120.00	\$ 58.00
<b>CFR (SA Coal)</b>									
4800 NAR	\$ 147.00	\$ 121.00	21.49 %	\$ 119.40	23.12 %	\$ 122.00	20.49 %	\$ 343.00	\$ 99.00
5500 NAR	\$ 177.00	\$ 156.00	13.46 %	\$ 164.40	7.66 %	\$ 152.00	16.45 %	\$ 408.00	\$ 122.00
6000 NAR	\$ 230.00	\$ 208.00	10.58 %	\$ 241.40	(4.72)%	\$ 177.00	29.94 %	\$ 443.00	\$ 146.00
<b>CFR (Aus Coal)</b>									
5500 NAR	\$ 149.50	\$ 146.50	2.05 %	\$ 166.50	(10.21)%	\$ 121.00	23.55 %	\$ 302.50	\$ 116.00
6000 NAR	\$ 354.50	\$ 316.50	12.01 %	\$ 390.50	(9.22)%	\$ 191.00	85.60 %	\$ 460.00	\$ 183.00
<b>CFR (Indonesia Coal)</b>									
6500 GAR	\$ 242.00	\$ 250.00	(3.20)%	\$ 263.50	(8.16)%	\$ 169.00	43.20 %	\$ 333.00	\$ 165.00
5800 GAR	\$ 167.00	\$ 173.00	(3.47)%	\$ 188.50	(11.41)%	\$ 150.00	11.33 %	\$ 245.00	\$ 138.00
5000 GAR	\$ 133.00	\$ 137.00	(2.92)%	\$ 148.50	(10.44)%	\$ 129.00	3.10 %	\$ 195.00	\$ 111.00
4200 GAR	\$ 97.00	\$ 99.00	(2.02)%	\$ 111.00	(12.61)%	\$ 94.00	3.19 %	\$ 145.00	\$ 75.00
<b>CFR (Rus Coal)</b>									
5500 NAR	\$ 165.00	\$ 160.00	3.13 %	\$ 160.00	3.13 %			\$ 250.00	\$ 155.00
6000 NAR	\$ 195.00	\$ 192.00	1.56 %	\$ 190.00	2.63 %			\$ 300.00	\$ 175.00
<b>CFR (USA Coal)</b>									
6900 NAR	\$ 220.00	\$ 205.00	7.32 %	\$ 220.00	0.00 %	\$ 250.00	(12.00)%	\$ 310.00	\$ 170.00
<b>Petcoke (CFR - India)</b>									
US Origin (6.5% TS)	\$ 185.00	\$ 185.00	0.00 %	\$ 195.00	(5.13)%	\$ 180.00	2.78 %	\$ 290.00	\$ 154.00
VZ Origin (5.0% TS)	\$ 175.00	\$ 175.00	0.00 %	\$ 185.00	(5.41)%			\$ 265.00	\$ 135.00
Saudi Origin (8.5% TS)	\$ 183.00	\$ 183.00	0.00 %	\$ 190.00	(3.68)%	\$ 177.00	3.39 %	\$ 280.00	\$ 135.00



# **DOMESTIC COAL PRICE**

---

## DOMESTIC COAL PRICE (West Coast – India)



The domestic prices of imported coal from Indonesia is continue to fall amid low procurement from Indian power sector. The average prices decline by 50 to 100 INR this week.

Grade	Price pmt / 00-50 MM / Ex-Plot Port				
	26-Nov-22	19-Nov-22	Change	27-Oct-22	Change
<b>US Origin Coal from Tuna / Kandla (WCI)</b>					
NAPP	₹ 18,000.00	₹ 18,800.00	(4.26)%	₹ 20,000.00	(10.00)%
ILB	₹ 17,400.00	₹ 17,700.00	(1.69)%	₹ 18,600.00	(6.45)%
<b>Indonesian Origin Coal from Tuna / Kandla (WCI)</b>					
5000 GAR	₹ 10,200.00	₹ 10,250.00	(0.49)%	₹ 10,800.00	(5.56)%
4200 GAR	₹ 8,500.00	₹ 8,500.00	0.00 %	₹ 8,800.00	(3.41)%
3800 GAR	₹ 7,800.00	₹ 7,900.00	(1.27)%	₹ 8,000.00	(2.50)%
3400 GAR	₹ 6,600.00	₹ 6,700.00	(1.49)%	₹ 6,800.00	(2.94)%
<b>Indonesian Origin Coal from Navlakhi (WCI)</b>					
5000 GAR	₹ 10,150.00	₹ 10,300.00	(1.46)%	₹ 10,800.00	(6.02)%
4200 GAR	₹ 8,500.00	₹ 8,500.00	0.00 %	₹ 8,900.00	(4.49)%
3800 GAR	₹ 7,900.00	₹ 7,900.00	0.00 %	₹ 8,000.00	(1.25)%
3400 GAR	₹ 6,900.00	₹ 6,900.00	0.00 %	₹ 7,000.00	(1.43)%
<b>South African coal from Kandla (WCI)</b>					
5500 NAR	₹ 16,500.00	₹ 15,500.00	6.45 %	₹ 16,500.00	0.00 %
<b>Russian coal from Kandla (WCI)</b>					
6000 NAR	₹ 15,300.00	₹ 15,500.00	(1.29)%	₹ 15,600.00	(1.92)%
<b>Price pmt / Screened Plant / Ex-Plot Screening Plant</b>					
Grade / Sized	26-Nov-22	19-Nov-22	Change	27-Oct-22	Change
<b>3400 GAR</b>					
00 - 06 MM	₹ 6,600.00	₹ 6,900.00	(4.35)%	₹ 6,800.00	(2.94)%
06 - 20 MM	₹ 8,000.00	₹ 8,000.00	0.00 %	₹ 8,600.00	(6.98)%
20 - 50 MM	₹ 8,300.00	₹ 8,400.00	(1.19)%	₹ 8,200.00	1.22 %
<b>4200 GAR</b>					
00 - 06 MM	₹ 8,500.00	₹ 8,500.00	0.00 %	₹ 8,500.00	0.00 %
06 - 20 MM	₹ 9,900.00	₹ 9,900.00	0.00 %	₹ 10,000.00	(1.00)%
20 - 50 MM	₹ 10,100.00	₹ 10,100.00	0.00 %	₹ 10,100.00	0.00 %
<b>5000 GAR</b>					
00 - 06 MM	₹ 8,600.00	₹ 9,000.00	(4.44)%	₹ 9,000.00	(4.44)%
06 - 20 MM	₹ 13,400.00	₹ 13,900.00	(3.60)%	₹ 14,100.00	(4.96)%
20 - 50 MM	₹ 13,600.00	₹ 14,000.00	(2.86)%	₹ 14,300.00	(4.90)%



*iEnergy Natural Resources Limited and their employees, contractors and partners has taken due care and caution in compilation of content for this Reports. Information is just for private Circulation and reference only not intended for trading purpose or to address your particular requirement. The content includes facts, views, and opinions are of individuals.*

*We are not giving investment advice, tax advice, legal advice, or other professional advice. We do not guarantee or warrant the accuracy, completeness or timeliness of, or otherwise endorse these views, and opinions. Users/Viewers have to make their own decisions based on their own independent enquiries, appraisals, judgement, wisdom and risks. iEnergy Natural Resources limited and their employees, contractors and partners shall not be liable or responsible for any loss or costs or any action whatsoever arising out of use or relying on the data presented here*

*Data shown and used in this reports are **either** freely available on public domain **or** our in-house primary data. You can write us on [care@inr.in](mailto:care@inr.in) in case you are owner of data and you want credit or removal.*