



WEEKLY PRICE UPDATE
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INTERNATIONAL FUTURE COAL PRICE

API2: NATURAL GAS PRICES SPIKE UP WITH AN ANNOUNCEMENT OF A PRICE CAP, COAL PRICES EIGHT MONTHS LOW

The complete storage of natural gas and coal at ARA caused European future coal prices to drop to their lowest level in eight months. Europe is in a good position with absolutely no room left to store more supply and a switch to natural gas for a shorter length of time. EU buyers aren't making any further inquiries for November laycan. The benchmark coal index API2, which measures the price of coal imported into Europe, dropped further this week, from \$ 215.65 to \$ 193. Weekly discount of \$ 23 is reflected in the API2 future November contract. The November 2022 contract hit a high of \$ 387 on 22nd Aug 2022 and a low of \$ 92 on 31st Dec 2021.

The European Union is adopting more measures to regulate the complicated overall energy situation. In order to rein in the region's skyrocketing energy prices, the EU intends to temporarily regulate import prices through a price cap on imports. However, given the increase in natural gas future prices following the announcement of a price cap, it is doubtful if this action will have a positive outcome. In order to reduce its reliance on imported coal, Poland has delayed the closing of one mine that were due to close by the following year.

Nonetheless, the risk of European demand picking up in coming months is still there with fear of weather uncertainty.



With a further decline in API2 future contract of December month, prices touch eight month low this week. API2 Dec contract closed at \$ 183.30. Last week the contract was closed at \$ 215.65, a sharp reduction of \$ 32 week on week. There is no further room to store coal at ARA and natural gas storage is also full. Thus with sufficient storage buyers are silent for the time being. The December 2022 contract hit a high of \$ 379 on 22nd Aug 2022 and a low of \$ 91 on 31st Dec 2021.



API4: EDGED DOWN TO EIGHT MONTHS LOW

API4 futures which is price index of coal exported from South Africa's Richards bay losing ground with the low buying interest from its major importers. API4 futures contract edged down to \$ 183 from \$ 209.50 last week, a downfall of \$ 27 week on week. The demand for SA coal in the EU is numb and other markets are also not showing much interest as they are waiting for the prices to decline further. A supply crunch is also noted with logistics issues in SA. This has led to API4 hitting eight month low this week.

The November 2022 contract touched above \$ 357 on 6th Sep 2022 and low at \$ 90 on 31st Dec 2021.





INTERNATIONAL COAL PRICE



THERMAL COAL

International thermal coal prices keep the downturn trend on the verge of muted demand. All the major global suppliers are experiencing price reductions.

Indonesia, the largest coal exporter in the world, is having production problems as a result of the recent heavy rains. The suppliers only have a smaller supply because of poor output and commitments to first meet domestic demand. Due to its new Covid regulations, China is not present on the demand side of the market. India is likewise watching Chinese purchases in anticipation of more price reductions. Prices in Indonesia are falling week over week by \$ 4 to 8 for all grades.

The EU market's lack of interest in purchasing coal has had the most impact on South African coal prices. FOB RBCT 6000 NAR fall to nine months low at \$ 175 from \$ 200 last week. Along with the European Union other markets such as India, Pakistan too remained silent in the prospect of additional price deduction.

With FOB NC 6000 NAR decreasing by \$ 50 week over week from an average price of \$ 360 last week to \$ 310 this week, the Australian thermal coal market is also seeing a decline.

COKING COAL

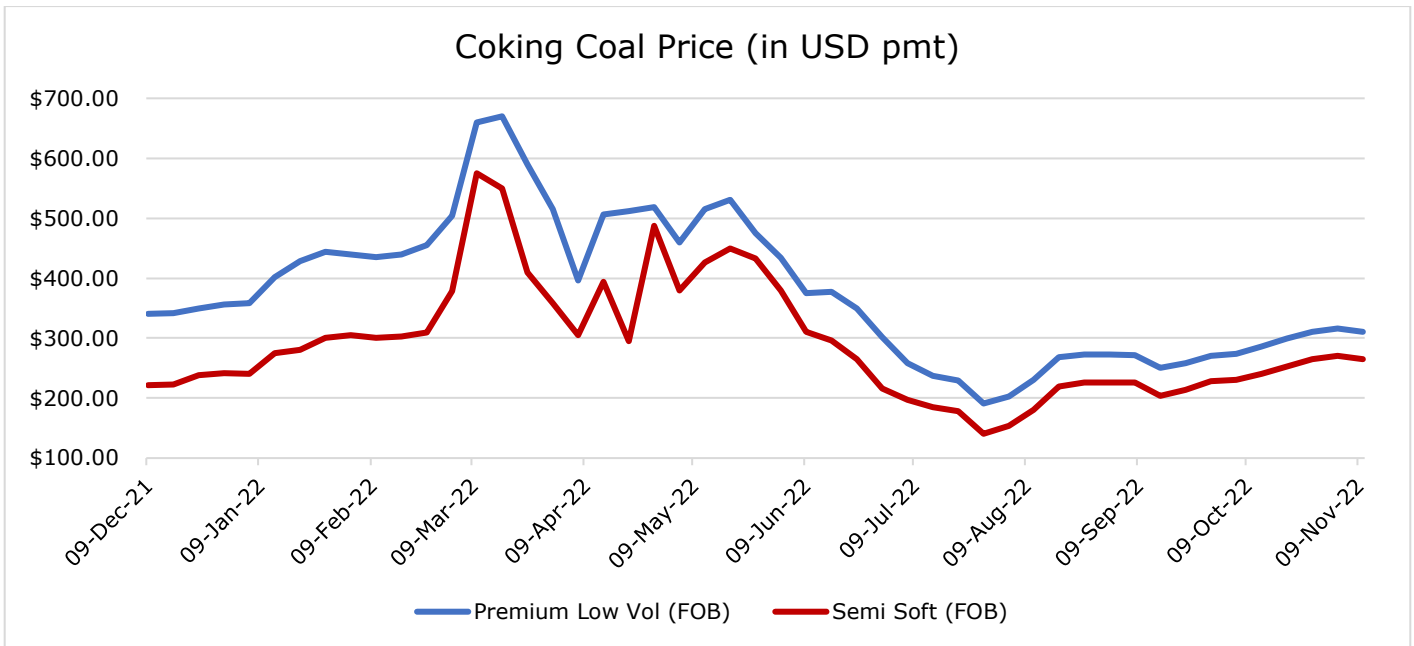
The average price of international coking coal decreased somewhat from the previous week, although it is still at a high level. The price is still being supported by the Australian weather-related production setback. Prices for Aus Premium Low Vol averaged \$ 311, down from \$ 316 on a weekly basis. Aus semi-soft price is \$ 265 for this week also.

On the other hand, metcoke prices are falling globally. Metcoke for CFR India cost \$ 431 this week compared to \$ 461 the previous week. The EU intends to move some metcoke production to Asia-specially to India due to its declining steel demand. It is believed that a sizable Indian steel mill is active in the market.

India has managed to boost its steel output despite the rising cost of coking coal, one of its key raw materials. October saw an increase in India's crude steel output of 4% in the month and 1% on the year. Finished steel production increased 2% month over month in October to 9.85 mt, although it remained constant year over year.

Due to the new Covid criteria and limitations, the China coking coal market is on hold. Prices for domestic metcoke in China are also falling.

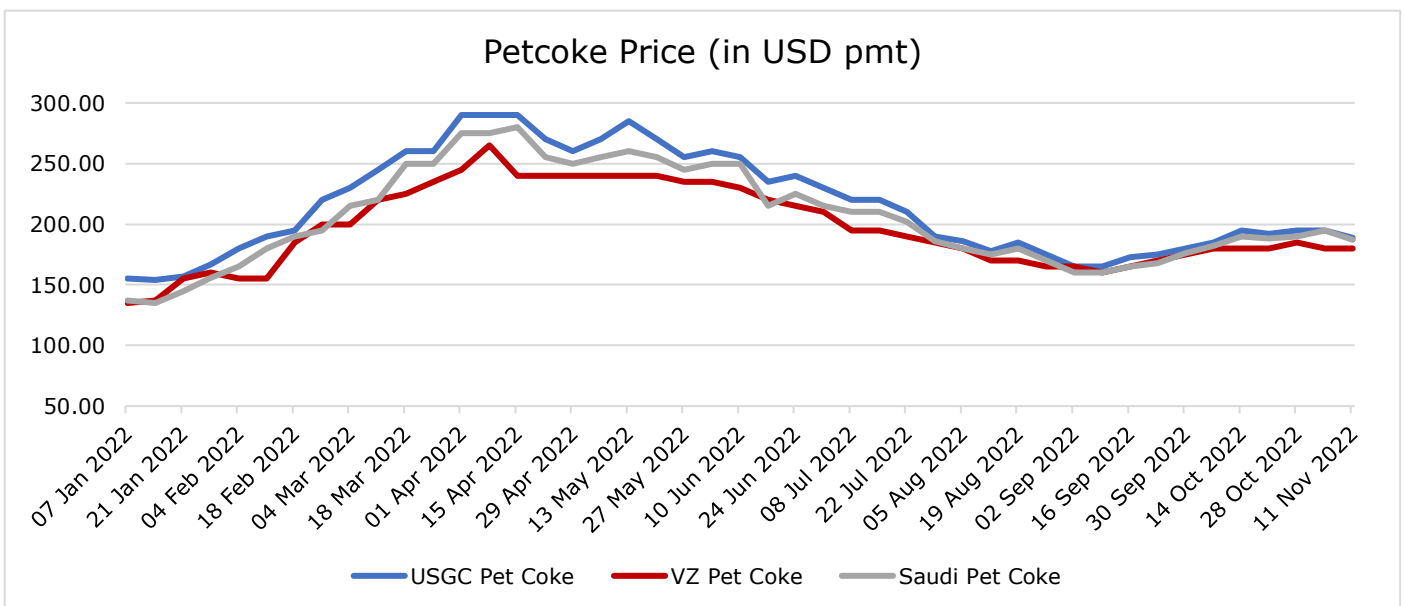
The cost of US coking coal is rising. Prices for US High Vol coking coal increased by \$ 6 over the previous week. Low Vol HCC costs are steady with a slight \$ 1 increase.



PETCOKE

International prices of petcoke for CFR basis average \$ 189 for USGC petcoke with a \$ 6 WoW decline and \$ 187 for Saudi petcoke with an \$ 8 WoW reduction. Venezuela-origin petcoke prices are stable at \$ 180.

The cement industry is again getting pace after experiencing low demand in October. Due to the festive season construction activity was halted. Now labours have returned to work and cement has favourable demand since the beginning of November. So the demand for raw materials from the cement industry has also expected to pick up in November month. Thermal coal is seeing a downturn and petcoke prices are still at a high level. We haven't heard anything from cement manufacturers but if they get a discount on thermal coal over petcoke they will shift to thermal coal.



WEEKLY AVG INTERNATIONAL PRICE

Grade	Price pmt								
	12-Nov-22	05-Nov-22	WoW Change	12-Oct-22	MoM Change	12-Nov-21	YoY Change	52 Week High	52 Week Low
FOB Richards Bay									
4800 NAR	\$ 85.00	\$ 86.00	(1.16)%	\$ 120.00	(29.17)%	\$ 96.00	(11.46)%	\$ 320.00	\$ 73.00
5500 NAR	\$ 125.00	\$ 138.00	(9.42)%	\$ 165.00	(24.24)%	\$ 128.00	(2.34)%	\$ 385.00	\$ 100.00
6000 NAR	\$ 175.00	\$ 200.00	(12.50)%	\$ 250.00	(30.00)%	\$ 155.00	12.90 %	\$ 420.00	\$ 124.00
FOB Newcastle									
5500 NAR	\$ 135.00	\$ 140.00	(3.57)%	\$ 155.00	(12.90)%	\$ 107.00	26.17 %	\$ 280.00	\$ 93.00
6000 NAR	\$ 310.00	\$ 360.00	(13.89)%	\$ 385.00	(19.48)%	\$ 155.00	100.00 %	\$ 440.00	\$ 152.00
FOB Indonesia									
6500 GAR	\$ 235.00	\$ 240.00	(2.08)%	\$ 255.00	(7.84)%	\$ 150.00	56.67 %	\$ 308.00	\$ 145.00
5800 GAR	\$ 160.00	\$ 168.00	(4.76)%	\$ 175.00	(8.57)%	\$ 137.00	16.79 %	\$ 220.00	\$ 120.00
5000 GAR	\$ 126.00	\$ 130.00	(3.08)%	\$ 132.00	(4.55)%	\$ 120.00	5.00 %	\$ 170.00	\$ 93.00
4200 GAR	\$ 87.00	\$ 92.00	(5.43)%	\$ 90.00	(3.33)%	\$ 85.00	2.35 %	\$ 120.00	\$ 58.00
CFR (SA Coal)									
4800 NAR	\$ 101.00	\$ 103.00	(1.94)%	\$ 141.00	(28.37)%	\$ 117.00	(13.68)%	\$ 343.00	\$ 99.00
5500 NAR	\$ 141.00	\$ 155.00	(9.03)%	\$ 186.00	(24.19)%	\$ 149.00	(5.37)%	\$ 408.00	\$ 122.00
6000 NAR	\$ 191.00	\$ 217.00	(11.98)%	\$ 271.00	(29.52)%	\$ 176.00	8.52 %	\$ 443.00	\$ 146.00
CFR (Aus Coal)									
5500 NAR	\$ 152.00	\$ 158.00	(3.80)%	\$ 175.50	(13.39)%	\$ 126.00	20.63 %	\$ 302.50	\$ 116.00
6000 NAR	\$ 327.00	\$ 378.00	(13.49)%	\$ 405.50	(19.36)%	\$ 174.00	87.93 %	\$ 460.00	\$ 172.00
CFR (Indonesia Coal)									
6500 GAR	\$ 249.50	\$ 257.00	(2.92)%	\$ 273.00	(8.61)%	\$ 168.00	48.51 %	\$ 333.00	\$ 165.00
5800 GAR	\$ 174.50	\$ 185.00	(5.68)%	\$ 193.00	(9.59)%	\$ 155.00	12.58 %	\$ 245.00	\$ 138.00
5000 GAR	\$ 140.50	\$ 147.00	(4.42)%	\$ 150.00	(6.33)%	\$ 138.00	1.81 %	\$ 195.00	\$ 111.00
4200 GAR	\$ 101.50	\$ 109.00	(6.88)%	\$ 108.00	(6.02)%	\$ 103.00	(1.46)%	\$ 145.00	\$ 75.00
CFR (Rus Coal)									
5500 NAR	\$ 155.00	\$ 155.00	0.00 %	\$ 155.00	0.00 %			\$ 250.00	\$ 155.00
6000 NAR	\$ 190.00	\$ 195.00	(2.56)%	\$ 180.00	5.56 %			\$ 300.00	\$ 175.00
CFR (USA Coal)									
6900 NAR	\$ 201.00	\$ 205.00	(1.95)%	\$ 240.00	(16.25)%	\$ 260.00	(22.69)%	\$ 310.00	\$ 170.00
Petcoke (CFR - India)									
US Origin (6.5% TS)	\$ 189.00	\$ 195.00	(3.08)%	\$ 195.00	(3.08)%	\$ 200.00	(5.50)%	\$ 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)	\$ 187.00	\$ 195.00	(4.10)%	\$ 190.00	(1.58)%	\$ 190.00	(1.58)%	\$ 280.00	\$ 135.00



DOMESTIC COAL PRICE

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(West Coast – India)



The domestic coal prices of imported coal in India are declining as international prices of coal are reducing and domestic production is increasing. Currently, end-users are sticking to domestic coal since it is a more affordable option. The starting of the winter season has reduced the overall electricity demand, which has also impacted procurement.

Grade	Price pmt / 00-50 MM / Ex-Plot Port				
	12-Nov-22	05-Nov-22	Change	13-Oct-22	Change
US Origin Coal from Tuna / Kandla (WCI)					
NAPP	₹ 18,500.00	₹ 19,000.00	(2.63)%	₹ 20,800.00	(11.06)%
ILB	₹ 17,500.00	₹ 18,000.00	(2.78)%	₹ 19,000.00	(7.89)%
Indonesian Origin Coal from Tuna / Kandla (WCI)					
5000 GAR	₹ 10,300.00	₹ 10,600.00	(2.83)%	₹ 11,300.00	(8.85)%
4200 GAR	₹ 8,600.00	₹ 8,600.00	0.00 %	₹ 9,000.00	(4.44)%
3800 GAR	₹ 7,900.00	₹ 8,000.00	(1.25)%	₹ 8,000.00	(1.25)%
3400 GAR	₹ 6,800.00	₹ 7,000.00	(2.86)%	₹ 7,000.00	(2.86)%
Indonesian Origin Coal from Navlakhi (WCI)					
5000 GAR	₹ 10,450.00	₹ 10,750.00	(2.79)%	₹ 10,200.00	2.45 %
4200 GAR	₹ 8,600.00	₹ 8,750.00	(1.71)%	₹ 9,000.00	(4.44)%
3800 GAR	₹ 8,000.00	₹ 8,100.00	(1.23)%	₹ 8,100.00	(1.23)%
3400 GAR	₹ 6,900.00	₹ 7,100.00	(2.82)%	₹ 7,100.00	(2.82)%
South African coal from Kandla (WCI)					
5500 NAR	₹ 15,000.00	₹ 15,800.00	(5.06)%	₹ 16,500.00	(9.09)%
Russian coal from Kandla (WCI)					
6000 NAR	₹ 15,600.00	₹ 15,600.00	0.00 %	₹ 16,000.00	(2.50)%
Price pmt / Screened Plant / Ex-Plot Screening Plant					
Grade / Sized	12-Nov-22	05-Nov-22	Change	13-Oct-22	Change
3400 GAR					
00 - 06 MM	₹ 6,900.00	₹ 7,000.00	(1.43)%	₹ 6,800.00	1.47 %
06 - 20 MM	₹ 8,100.00	₹ 8,300.00	(2.41)%	₹ 8,400.00	(3.57)%
20 - 50 MM	₹ 8,400.00	₹ 8,600.00	(2.33)%	₹ 8,400.00	0.00 %
4200 GAR					
00 - 06 MM	₹ 8,500.00	₹ 8,600.00	(1.16)%	₹ 8,500.00	0.00 %
06 - 20 MM	₹ 9,900.00	₹ 10,000.00	(1.00)%	₹ 10,000.00	(1.00)%
20 - 50 MM	₹ 10,100.00	₹ 10,100.00	0.00 %	₹ 10,200.00	(0.98)%
5000 GAR					
00 - 06 MM	₹ 9,000.00	₹ 9,100.00	(1.10)%	₹ 8,800.00	2.27 %
06 - 20 MM	₹ 14,000.00	₹ 14,200.00	(1.41)%	₹ 14,300.00	(2.10)%
20 - 50 MM	₹ 14,000.00	₹ 14,400.00	(2.78)%	₹ 14,400.00	(2.78)%



ECONOMIC UPDATE

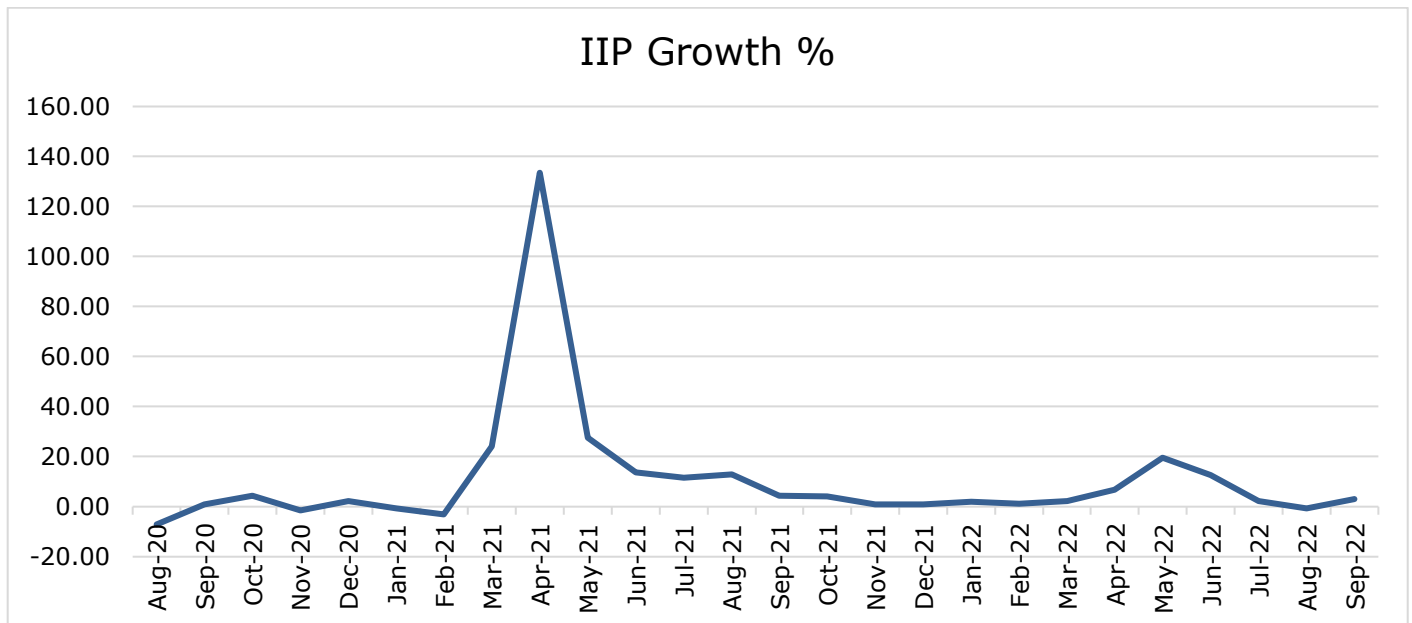
INDEX OF INDUSTRIAL PRODUCTION

In September 2022, India's industrial production increased by 3.1 percent from a year earlier, reversing the previous month's revised 0.7 percent loss.

The National Statistical Office's most recent figures show that the manufacturing sector's production increased 1.8% in September 2022 compared to 4.3% growth in the same month a year earlier (NSO).

The growth in mining production was 4.6%. On the other side, power generation increased by 11.6% in that same month.

The output of used-based items increased by 9.3% in September of this year, while the production of capital goods increased by 10.3%. Infrastructure/construction goods output increased 7.4 percent, while intermediate goods output increased by 2.0%.



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



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