



WEEKLY PRICE UPDATE

24-Dec-2022

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INTERNATIONAL FUTURE COAL PRICE

API2: STABILITY IN COAL PRICES WITH SOFTNESS IN NATURAL GAS PRICES

The API2 contract for December month which is the benchmark future price index of coal delivered to the European region has been stable with a reduction in Natural gas prices during the week. The price of the API2 contract closed at \$ 229 from last week's closing of \$ 230.35. The December 2022 contract has been down to 40% compared to its calendar year high of \$ 379 on 22nd Aug 2022 and to a twofold high from the calendar year low of \$ 91 on 3rd Jan 2022.

The future natural gas prices have seen a downturn for the week. Last week the LNG storage declined due to the cold weather spread across the region. However, the milder weather during the week which is forecasted to remain the same for the holiday season has made natural gas prices go down. Prices are also being pushed down by plentiful supplies of liquefied natural gas, higher-than-normal stocks, and a customary year-end slowdown in industrial demand. This has also constrained coal prices.

The EU made a significant decision this week. After two months of negotiations, the EU adopted the most contentious price restriction on natural gas on Monday. Under two situations, the mechanism will be activated automatically: If front-month gas contracts on the Dutch TTF hit 180 euros per megawatt hour for three consecutive working days, and the price is 35 euros higher than the worldwide market reference price for liquid natural gas for the same period. Once it activates, it will remain for 20 working days.



The API2 coal index price for January month further saw a \$ 14 WoW downfall and closed at \$ 190.35 for the week. Last week closing price of the contract was \$ 204.35. The contract has been reduced by \$ 76 from the start of the month. The January 2023 contract has been down to 49% compared to its calendar year high of \$ 370 on 22nd Aug 2022 and to a twofold high from the calendar year low of \$ 89 on 3rd Jan 2022.



API4: LOW DEMAND DEEPENING THE FUTURES

API4 December future coal prices were flat for the fourth week, owing mostly to poor demand from the EU continent. The price which is a benchmark of coal exported from the Richards Bay terminal, is down to \$ 207.75 from \$ 211.35 last week. The week has seen a \$ 4 WoW reduction and \$ 45 down from the start of the Dec month.

European demand has been reduced with a stable supply of LNG and milder weather conditions across the region. Indian demand for SA coal has also seen a fall with higher domestic output and preferring other sources for price advantage such as Mozambique-origin coal.

The December 2022 contract has been down to 40% compared to its calendar year high of \$ 349 on 6th Sep 2022 and to a twofold high from the calendar year low of \$ 89 on 3rd Jan 2022.



The future prices of the January contract of API4 decline with a reduction in EU prices. The contract closed at \$ 196.50 this week. Comparing to last week's price of \$ 207.5 the contract has been reduced by \$ 11 WoW. The January 2023 contract has been down to 42% compared to its calendar year high of \$ 341 on 6th Sep 2022 and to a twofold high from the calendar year low of \$ 89 on 3rd Jan 2022.





INTERNATIONAL COAL PRICE

THERMAL COAL

The thermal coal prices have corrected for the week with a mixed sentiment from major buyers around the world.

South African coal has seen the biggest decline with modest demand from the EU region. The low demand from the EU made the SA coal prices down to \$ 10 for FOB RBCT 4800 NAR and \$ 15 down for FOB RBCT 6000 NAR. Indian demand also declining in SA coal.

Indian demand has stable with high domestic production. Indian buyers have also started looking for other sources for example recent increase in procurement from the Mozambique region due to competitive prices. Last month's import data of India noted a shift of SA coal to Mozambique.

Chinese seaborne demand however has lifted after the removal of covid restrictions from the country and also with its Lunar New Year holidays approaching. Indonesian coal inquires have increased from Chinese counterparts, yet prices are not much affected by supply-side shortages prevailing due to the fulfilment of domestic requirements.

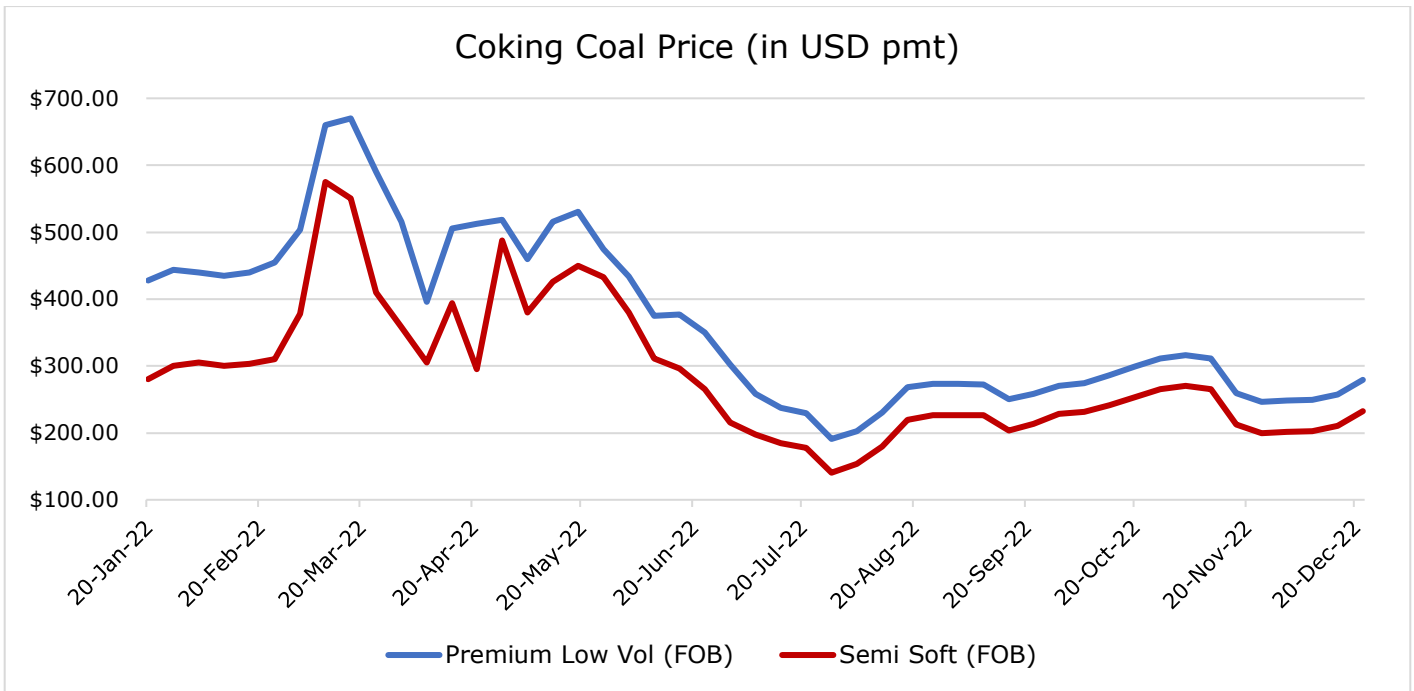
Australian coal prices were stable during the week with AUS 6000 NAR FOB averages of \$ 400 for the week. Russian coal prices have fallen to \$ 5 for its different grades for CFR India.

COKING COAL

Coking coal prices again climbed up with anticipation of relief in China's ban on Australia. The Australian PLV FOB prices for the week ended at \$ 279 from \$ 257.75 last week. The price has been increased to \$ 21 in just a week. Semi-soft coal has also seen a \$ 21 rise from its last week's prices and stands at \$ 232 this week.

Coking coal prices have risen in response to the potential favourable conclusion of the China-Australia meeting in Beijing. The import prohibition on Australian coal will be abolished if the meeting is successful. The removal of the ban is still unclear, but the meeting has steered bilateral ties between the two countries in a good path. With increasing coking coal prices and limited coke inventories, there is also an expectation of the fourth wave of price increases in Chinese domestic coke. Indian coking coal imports were down last month at 3.81 million metric tons (MMT) and are expected to be modest this month due to a slowdown in the steel sector.

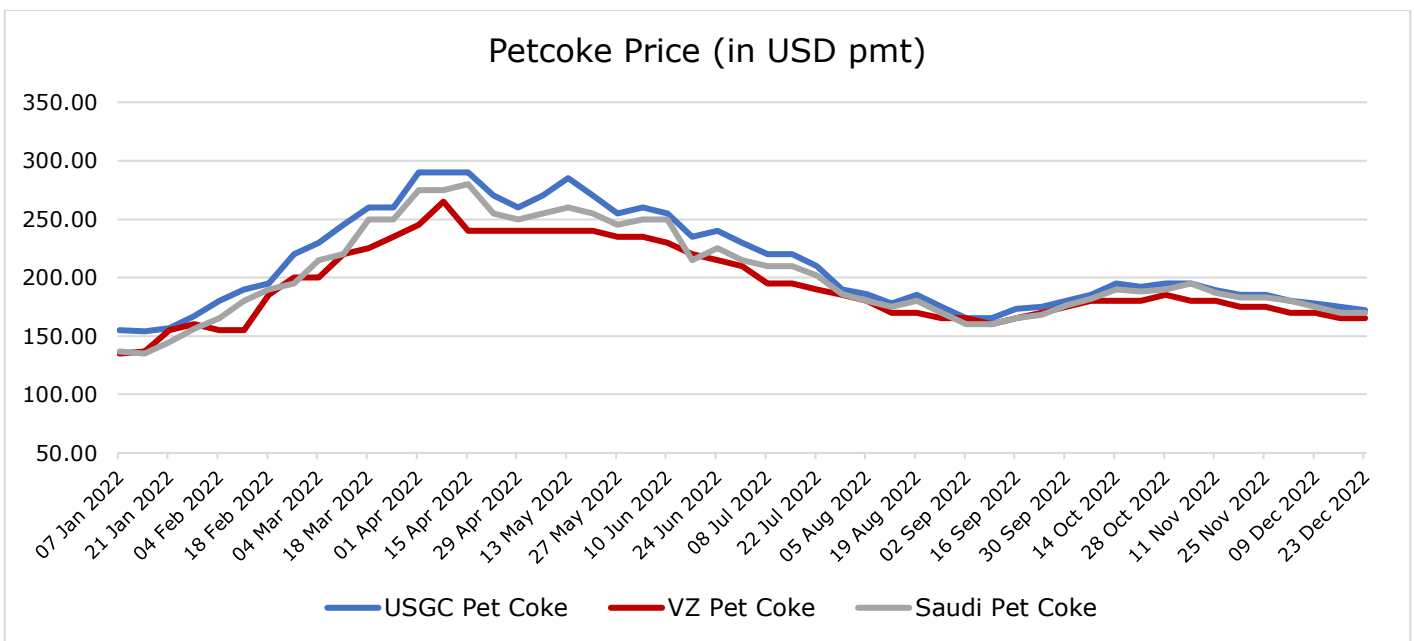
The price of US coking coal also edged up with Australian prices seeing a rise and support from the Chinese market. Low Vol HCC is up by \$ 10 to \$ 268 this week. High Vol A and B also rose to \$ 10 each to \$ 270 and \$ 268 respectively.



PETCOKE

Petcoke prices were stable during the week with modest demand for the material. Venezuela and Saudi petcoke prices are stable for two weeks at \$ 165 and \$ 170 respectively. USGC petcoke prices have further reduced by \$ 3 WoW to \$ 172.

Since demand from the cement industry is less, and discount on thermal coal is also not competitive, the cement industry's users of thermal coal are also shifting to petcoke. Thus, petcoke prices are still stable.



WEEKLY AVG INTERNATIONAL PRICE

Grade	Price pmt								
	24-Dec-22	17-Dec-22	WoW Change	23-Nov-22	MoM Change	24-Dec-21	YoY Change	52 Week High	52 Week Low
FOB Richards Bay									
4800 NAR	\$ 105.00	\$ 115.00	(8.70)%	\$ 132.00	(20.45)%	\$ 103.00	1.94 %	\$ 320.00	\$ 82.00
5500 NAR	\$ 135.00	\$ 145.00	(6.90)%	\$ 162.00	(16.67)%	\$ 127.00	6.30 %	\$ 385.00	\$ 100.00
6000 NAR	\$ 185.00	\$ 200.00	(7.50)%	\$ 215.00	(13.95)%	\$ 157.00	17.83 %	\$ 420.00	\$ 124.00
FOB Newcastle									
5500 NAR	\$ 135.00	\$ 140.00	(3.57)%	\$ 135.00	0.00 %	\$ 103.00	31.07 %	\$ 280.00	\$ 102.00
6000 NAR	\$ 400.00	\$ 400.00	0.00 %	\$ 340.00	17.65 %	\$ 185.00	116.22 %	\$ 440.00	\$ 175.00
FOB Indonesia									
6500 GAR	\$ 235.00	\$ 238.00	(1.26)%	\$ 230.00	2.17 %	\$ 154.00	52.60 %	\$ 308.00	\$ 150.00
5800 GAR	\$ 155.00	\$ 158.00	(1.90)%	\$ 155.00	0.00 %	\$ 125.00	24.00 %	\$ 220.00	\$ 120.00
5000 GAR	\$ 120.00	\$ 122.00	(1.64)%	\$ 121.00	(0.83)%	\$ 96.00	25.00 %	\$ 170.00	\$ 93.00
4200 GAR	\$ 94.00	\$ 94.00	0.00 %	\$ 85.00	10.59 %	\$ 65.00	44.62 %	\$ 120.00	\$ 58.00
CFR (SA Coal)									
4800 NAR	\$ 118.00	\$ 129.50	(8.88)%	\$ 147.00	(19.73)%	\$ 126.00	(6.35)%	\$ 343.00	\$ 101.00
5500 NAR	\$ 148.00	\$ 159.50	(7.21)%	\$ 177.00	(16.38)%	\$ 150.00	(1.33)%	\$ 408.00	\$ 122.00
6000 NAR	\$ 198.00	\$ 214.50	(7.69)%	\$ 230.00	(13.91)%	\$ 180.00	10.00 %	\$ 443.00	\$ 146.00
CFR (Aus Coal)									
5500 NAR	\$ 148.50	\$ 154.00	(3.57)%	\$ 149.50	(0.67)%	\$ 126.50	17.39 %	\$ 302.50	\$ 125.00
6000 NAR	\$ 413.50	\$ 414.00	(0.12)%	\$ 354.50	16.64 %	\$ 208.50	98.32 %	\$ 460.00	\$ 198.00
CFR (Indonesia Coal)									
6500 GAR	\$ 247.00	\$ 250.50	(1.40)%	\$ 242.00	2.07 %	\$ 174.50	41.55 %	\$ 333.00	\$ 171.00
5800 GAR	\$ 167.00	\$ 170.50	(2.05)%	\$ 167.00	0.00 %	\$ 145.50	14.78 %	\$ 245.00	\$ 138.00
5000 GAR	\$ 132.00	\$ 134.50	(1.86)%	\$ 133.00	(0.75)%	\$ 116.50	13.30 %	\$ 195.00	\$ 111.00
4200 GAR	\$ 106.00	\$ 106.50	(0.47)%	\$ 97.00	9.28 %	\$ 85.50	23.98 %	\$ 145.00	\$ 75.00
CFR (Rus Coal)									
5500 NAR	\$ 155.00	\$ 160.00	(3.13)%	\$ 165.00	(6.06)%			\$ 250.00	\$ 155.00
6000 NAR	\$ 175.00	\$ 180.00	(2.78)%	\$ 195.00	(10.26)%			\$ 300.00	\$ 175.00
CFR (USA Coal)									
6900 NAR	\$ 205.00	\$ 210.00	(2.38)%	\$ 220.00	(6.82)%	\$ 190.00	7.89 %	\$ 310.00	\$ 170.00
Petcoke (CFR - India)									
US Origin (6.5% TS)	\$ 172.00	\$ 175.00	(1.71)%	\$ 185.00	(7.03)%	\$ 165.00	4.24 %	\$ 290.00	\$ 154.00
VZ Origin (5.0% TS)	\$ 165.00	\$ 165.00	0.00 %	\$ 160.00	3.13 %			\$ 265.00	\$ 135.00
Saudi Origin (8.5% TS)	\$ 170.00	\$ 170.00	0.00 %	\$ 183.00	(7.10)%	\$ 140.00	21.43 %	\$ 280.00	\$ 135.00



DOMESTIC COAL PRICE

DOMESTIC COAL PRICE

(West Coast – India)



With Indian domestic coal achieving a milestone in output, power producers opting for more cost-competitive domestic coal over imported coal. Due to this domestic prices of Indonesian coal have remained unchanged. US-origin coal-NAPP have been a decline to 11% month-on-month.

Grade	Price pmt / 00-50 MM / Ex-Plot Port				
	24-Dec-22	17-Dec-22	Change	24-Nov-22	Change
US Origin Coal from Tuna / Kandla (WCI)					
NAPP	₹ 16,800.00	₹ 17,000.00	(1.18)%	₹ 18,800.00	(10.64)%
ILB	₹ 16,000.00	₹ 16,500.00	(3.03)%	₹ 17,700.00	(9.60)%
Indonesian Origin Coal from Tuna / Kandla (WCI)					
5000 GAR	₹ 10,100.00	₹ 10,100.00	0.00 %	₹ 10,250.00	(1.46)%
4200 GAR	₹ 8,400.00	₹ 8,400.00	0.00 %	₹ 8,500.00	(1.18)%
3800 GAR	₹ 7,900.00	₹ 7,900.00	0.00 %	₹ 7,900.00	0.00 %
3400 GAR	₹ 6,500.00	₹ 6,500.00	0.00 %	₹ 6,700.00	(2.99)%
Indonesian Origin Coal from Navlakhi (WCI)					
5000 GAR	₹ 10,200.00	₹ 10,200.00	0.00 %	₹ 10,300.00	(0.97)%
4200 GAR	₹ 8,500.00	₹ 8,500.00	0.00 %	₹ 8,500.00	0.00 %
3800 GAR	₹ 7,800.00	₹ 7,800.00	0.00 %	₹ 7,900.00	(1.27)%
3400 GAR	₹ 6,600.00	₹ 6,600.00	0.00 %	₹ 6,900.00	(4.35)%
South African coal from Kandla (WCI)					
5500 NAR	₹ 15,900.00	₹ 16,900.00	(5.92)%	₹ 15,500.00	2.58 %
Russian coal from Kandla (WCI)					
6000 NAR	₹ 14,400.00	₹ 14,500.00	(0.69)%	₹ 15,500.00	(7.10)%
Price pmt / Screened Plant / Ex-Plot Screening Plant					
Grade / Sized	24-Dec-22	17-Dec-22	Change	24-Nov-22	Change
3400 GAR					
00 - 06 MM	₹ 6,100.00	₹ 6,200.00	(1.61)%	₹ 6,900.00	(11.59)%
06 - 20 MM	₹ 7,900.00	₹ 8,000.00	(1.25)%	₹ 8,000.00	(1.25)%
20 - 50 MM	₹ 8,100.00	₹ 8,200.00	(1.22)%	₹ 8,400.00	(3.57)%
4200 GAR					
00 - 06 MM	₹ 8,500.00	₹ 8,500.00	0.00 %	₹ 8,500.00	0.00 %
06 - 20 MM	₹ 9,700.00	₹ 9,900.00	(2.02)%	₹ 9,900.00	(2.02)%
20 - 50 MM	₹ 10,000.00	₹ 10,000.00	0.00 %	₹ 10,100.00	(0.99)%
5000 GAR					
00 - 06 MM	₹ 8,300.00	₹ 8,200.00	1.22 %	₹ 9,000.00	(7.78)%
06 - 20 MM	₹ 12,900.00	₹ 13,200.00	(2.27)%	₹ 13,900.00	(7.19)%
20 - 50 MM	₹ 13,100.00	₹ 13,300.00	(1.50)%	₹ 14,000.00	(6.43)%



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