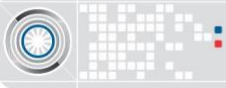


**WEEKLY
PRICE UPDATE**
04-FEB-2023

Coal & Coke

INTERNATIONAL FUTURE COAL PRICE



API2: COAL FUTURES STABLE AT A LOWER PRICE LEVEL

API2 future coal prices for February month have seen a further reduction from last week's level of \$ 138, a \$ 2 WoW decline. Last week's closing of the contract was \$ 140.25. The API2 Feb 2023 contract has been down to 62% compared to the contract's 52-week high of \$ 362 and to a 1% high from the contract's 52-week low of \$ 137.

The low prices are already a sign that the EU is in a stable position currently and is not aggressive to have any deal at higher prices. The stable supply of natural gas with existing ample storage has provided the region with enough time to fill it firmly. With this situation, the EU will certainly finish this year's winter at good storage, which in future give support to the region to not fall short of supply.

Natural gas future prices trading even lower than the pre-war level (at the Dec-22 level) at Euro 58 for the March-23 contract.



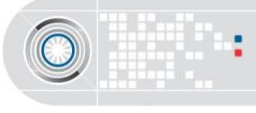
API2 contract of march month declined by \$ 3 WoW to \$ 137.35 for the week ending on Friday from \$ 140 last week. The API2 Mar 2023 contract has been down to 61% compared to the contract's 52-week high of \$ 351 and to a 2% high from the contract's 52-week low of \$ 135.



API4: SA FUTURES ARE UP A BIT WITH AN ANTICIPATION FOR THE FUTURE DEMAND

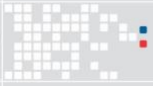
South African coal delivered future prices-API4 for Feb month, in an anticipation of future demand up by \$ 2 WoW at \$ 149.15. The API4 last week closed at \$ 146.75. The API4 Feb 2023 contract has been down to 55% compared to the contract's 52-week high of \$ 334 and to a 2% high from the contract's 52-week low of \$ 147.

The SA coal stock has risen and at the same time the spot demand for the material is very low, this has reduced the spot prices for the week. However, the anticipation of demand coming from the major importing countries and especially India for its summer stock has given support to future prices. The coal procurement might start in India from mid to end Feb which can increase the demand in the market. The increasing demand can lift the prices but is not expected to have a major effect on current levels as the market has stabilized for now.

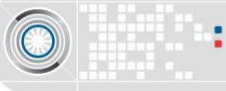


API4 contract of March month edged a bit at \$ 148.85 for the week from \$ 147.25 last week. The contract has been up by \$ 2 WoW. The API4 Mar 2023 contract has been down to 54% compared to the contract's 52-week high of \$ 327 and to a 1% high from the contract's 52-week low of \$ 147.





INTERNATIONAL COAL PRICE



THERMAL COAL

The thermal coal prices continue to ease off with weaker demand and higher offerings to the market.

South African coal stock as well as offering for the week has risen, however, it is not getting demand support currently. The high cv coal prices of SA come down to pre-war levels with a \$ 140 average price range for the week. Low cv 4800 NAR has also slid to \$ 91. Europe is mute so does India for the coal procurement. The higher offerings from all the major exporting countries have also increased pressure on prices.

Coal procurement activity from China is also not turned up as expected after the holidays of the new year. Indian coal procurement activities will pick pace after 2-3 weeks for summer stock. In the silent market and in the competitive supply side to find a demand exporting countries are reducing their offering to attract buyers. Indonesian prices have a cool-off for the week for all grades of coal. Australia and Russia are fighting for the prices, ready to lower their offering to boot.

The USA and Colombian coal whose largest market is Europe are also finding new markets since demand from the EU has reduced currently. Increased supply from these regions in the market has also decreased coal prices globally.

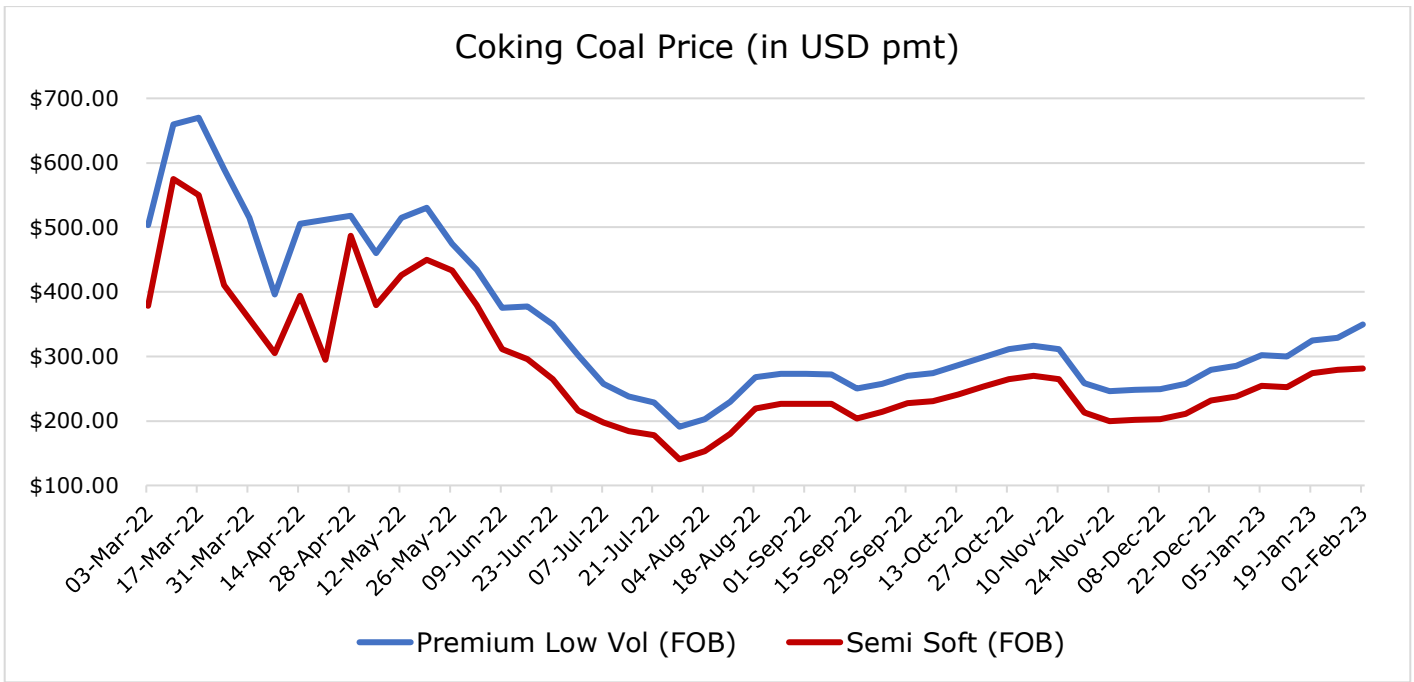
China's domestic production again sees a new high of 4.4 BT for the 2022 year and has further higher targets for the CY 2023 at around 4.6 BT. India is also expected to grow its coal production to 920 MT for CY 2023. This production level is still not expected to meet these countries increasing electricity demand. The increasing demand can put pressure on coal prices. However, the higher production targets by the major exporting countries like Indonesia, Australia, USA, and SA are accepted to add coal to the seaborne market which will eventually stabilize the prices.

COKING COAL

Asian coking coal prices rise for this week as well as continued supply disruptions from the major supplier-Australia, supporting the price level. Australian coking coal prices for PLV FOB touched thirty-two weeks high at \$ 350 for the week seeing a \$ 21 WoW rise. Semi-soft stayed stable at \$ 281.

Following a derailment on the evening of Sunday, January 29, Queensland's Blackwater rail system, which connects a number of Bowen Basin coal mines to the Port of Gladstone, shut down all rail traffic. The Central Queensland Coal Network of Aurizon's Rail Corridor between Gladstone and Rockhampton is where the accident took place. This week, JSW Steel Global Trade Pte. Ltd. issued a tender for GOONYELLA C for which they got five offers reaching \$ 350 from purchasers. Despite this, they did not award any tenders, but the coking coal index increased as a result.

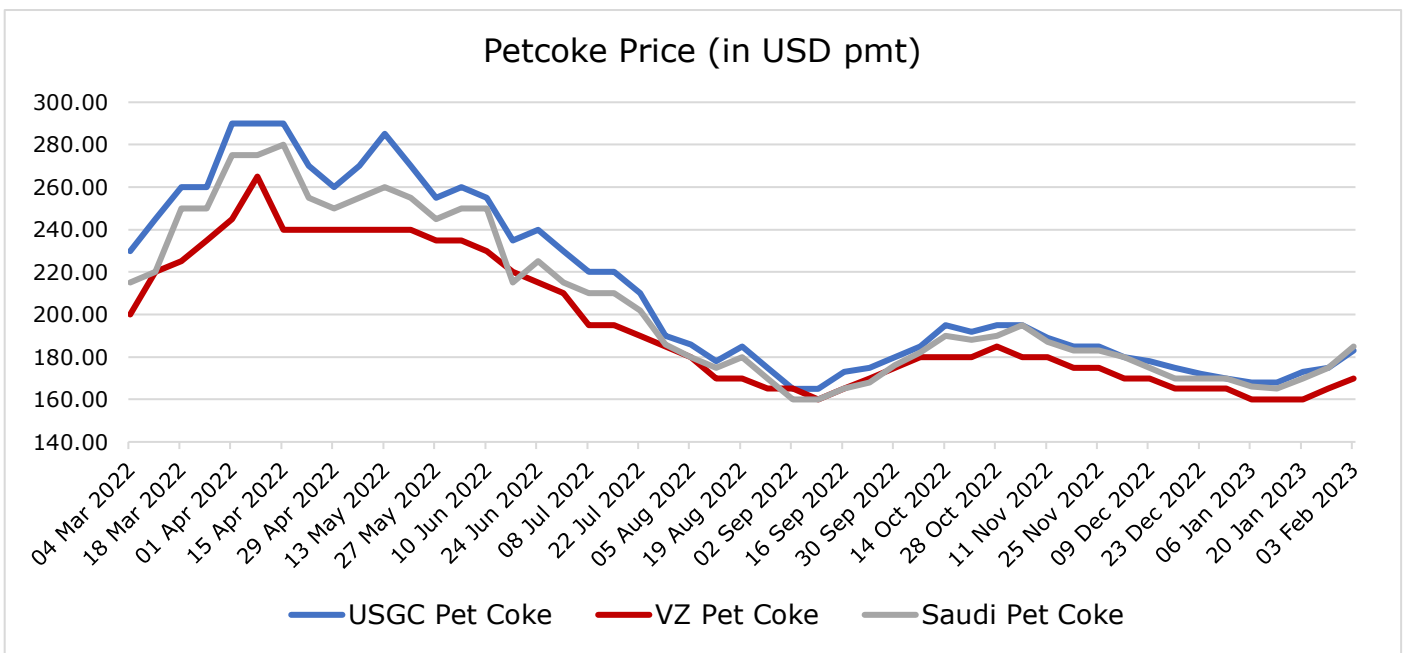
A limited supply of Asian coal opens options from other suppliers like US coal. Low Vol HCC surged by \$ 15 WoW at \$ 315. High Vol A and High Vol B rise by \$ 4-5 WoW.

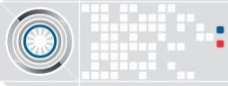


PETCOKE

Petcoke prices further increase with Indian buyers going global for procurement since domestic supply reduces. USGC petcoke rises to \$ 183 (\$ 8 WoW up), Saudi-origin petcoke averages at \$ 185 (\$ 10 WoW up) and Venezuela-origin petcoke prices increase to \$ 170 (\$ 5 WoW up).

As we stated last week, the domestic supply has been disrupted with India’s major refinery limiting supply for cement manufacturers. The domestic production of thermal coal is also not accessible for cement manufacturers as due to these reasons for the time being the prices will be elevated.

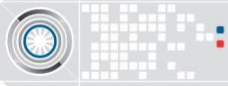




WEEKLY AVG INTERNATIONAL PRICE

Grade	Price pmt								
	04-Feb-23	28-Jan-23	WoW Change	04-Jan-23	MoM Change	04-Feb-22	YoY Change	52 Week High	52 Week Low
FOB Richards Bay									
4800 NAR	\$ 91.00	\$ 95.00	(4.21)%	\$ 95.00	(4.21)%	\$ 135.00	(32.59)%	\$ 320.00	\$ 85.00
5500 NAR	\$ 115.00	\$ 120.00	(4.17)%	\$ 122.00	(5.74)%	\$ 163.00	(29.45)%	\$ 385.00	\$ 115.00
6000 NAR	\$ 140.00	\$ 145.00	(3.45)%	\$ 174.00	(19.54)%	\$ 185.00	(24.32)%	\$ 420.00	\$ 140.00
FOB Newcastle									
5500 NAR	\$ 117.00	\$ 120.00	(2.50)%	\$ 130.00	(10.00)%	\$ 148.00	(20.95)%	\$ 280.00	\$ 117.00
6000 NAR	\$ 245.00	\$ 275.00	(10.91)%	\$ 400.00	(38.75)%	\$ 245.00	0.00 %	\$ 440.00	\$ 245.00
FOB Indonesia									
6500 GAR	\$ 210.00	\$ 220.00	(4.55)%	\$ 227.00	(7.49)%	\$ 170.00	23.53 %	\$ 308.00	\$ 170.00
5800 GAR	\$ 135.00	\$ 140.00	(3.57)%	\$ 150.00	(10.00)%	\$ 136.00	(0.74)%	\$ 220.00	\$ 135.00
5000 GAR	\$ 100.00	\$ 106.00	(5.66)%	\$ 112.00	(10.71)%	\$ 111.00	(9.91)%	\$ 170.00	\$ 110.00
4200 GAR	\$ 78.00	\$ 81.00	(3.70)%	\$ 87.00	(10.34)%	\$ 73.00	6.85 %	\$ 120.00	\$ 73.00
3400 GAR	\$ 49.50	\$ 50.50	(1.98)%	\$ 51.00	(2.94)%	\$ 50.50	(1.98)%	\$ 75.00	\$ 49.00
CFR (SA Coal)									
4800 NAR	\$ 104.50	\$ 107.50	(2.79)%	\$ 110.00	(5.00)%	\$ 153.00	(31.70)%	\$ 343.00	\$ 101.00
5500 NAR	\$ 128.50	\$ 132.50	(3.02)%	\$ 137.00	(6.20)%	\$ 181.00	(29.01)%	\$ 408.00	\$ 128.50
6000 NAR	\$ 153.50	\$ 157.50	(2.54)%	\$ 189.00	(18.78)%	\$ 203.00	(24.38)%	\$ 443.00	\$ 153.50
CFR (Aus Coal)									
5500 NAR	\$ 130.75	\$ 133.00	(1.69)%	\$ 144.70	(9.64)%	\$ 165.00	(20.76)%	\$ 302.50	\$ 130.75
6000 NAR	\$ 258.75	\$ 288.00	(10.16)%	\$ 414.70	(37.61)%	\$ 262.00	(1.24)%	\$ 460.00	\$ 258.75
CFR (Indonesia Coal)									
6500 GAR	\$ 220.50	\$ 229.50	(3.92)%	\$ 240.00	(8.13)%	\$ 184.00	19.84 %	\$ 333.00	\$ 184.00
5800 GAR	\$ 145.50	\$ 149.50	(2.68)%	\$ 163.00	(10.74)%	\$ 150.00	(3.00)%	\$ 245.00	\$ 145.50
5000 GAR	\$ 110.50	\$ 115.50	(4.33)%	\$ 125.00	(11.60)%	\$ 125.00	(11.60)%	\$ 195.00	\$ 110.50
4200 GAR	\$ 88.50	\$ 90.50	(2.21)%	\$ 100.00	(11.50)%	\$ 87.00	1.72 %	\$ 145.00	\$ 87.00
3400 GAR	\$ 60.00	\$ 60.00	0.00 %	\$ 64.00	(6.25)%	\$ 64.50	(6.98)%	\$ 102.00	\$ 60.00
CFR (Rus Coal)									
5500 NAR	\$ 135.00	\$ 145.00	(6.90)%	\$ 150.00	(10.00)%	\$ 175.00	(22.86)%	\$ 250.00	\$ 135.00
6000 NAR	\$ 150.00	\$ 155.00	(3.23)%	\$ 170.00	(11.76)%	\$ 200.00	(25.00)%	\$ 300.00	\$ 150.00
CFR (USA Coal)									
6900 NAR	\$ 162.00	\$ 165.00	(1.82)%	\$ 185.00	(12.43)%	\$ 210.00	(22.86)%	\$ 310.00	\$ 162.00
Petcoke (CFR - India)									
US Origin (6.5% TS)	\$ 183.00	\$ 175.00	4.57 %	\$ 168.00	8.93 %	\$ 180.00	1.67 %	\$ 290.00	\$ 165.00
VZ Origin (5.0% TS)	\$ 170.00	\$ 165.00	3.03 %	\$ 160.00	6.25 %	\$ 155.00	9.68 %	\$ 265.00	\$ 155.00
Saudi Origin (8.5% TS)	\$ 185.00	\$ 175.00	5.71 %	\$ 166.00	11.45 %	\$ 165.00	12.12 %	\$ 280.00	\$ 160.00

DOMESTIC COAL PRICE

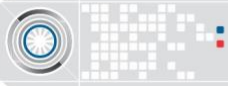


DOMESTIC COAL PRICE

(West Coast – India)

Domestic coal prices for imported coal were stable last week with not much support from demand in India. Domestic coal production for January month further saw new highs with a 13% YoY increment at 89.96 million metric tons (MMT) of coal output. USA coal has seen a further decline of 2-3% WoW and 10-13% MoM.

Grade	Price pmt / 00-50 MM / Ex-Plot Port				
	04-Feb-23	28-Jan-23	Change	05-Jan-23	Change
US Origin Coal from Tuna / Kandla (WCI)					
NAPP	₹ 15,000.00	₹ 15,300.00	(1.96)%	₹ 16,700.00	(10.18)%
ILB	₹ 14,000.00	₹ 14,500.00	(3.45)%	₹ 16,000.00	(12.50)%
Indonesian Origin Coal from Tuna / Kandla (WCI)					
5000 GAR	₹ 9,700.00	₹ 9,700.00	0.00 %	₹ 10,000.00	(3.00)%
4200 GAR	₹ 7,800.00	₹ 7,800.00	0.00 %	₹ 8,400.00	(7.14)%
3800 GAR	₹ 7,400.00	₹ 7,400.00	0.00 %	₹ 7,900.00	(6.33)%
3400 GAR	₹ 5,975.00	₹ 6,060.00	(1.40)%	₹ 6,500.00	(8.08)%
Indonesian Origin Coal from Navlakhi (WCI)					
5000 GAR	₹ 9,700.00	₹ 9,700.00	0.00 %	₹ 10,100.00	(3.96)%
4200 GAR	₹ 7,900.00	₹ 7,900.00	0.00 %	₹ 8,350.00	(5.39)%
3800 GAR	₹ 7,500.00	₹ 7,500.00	0.00 %	₹ 7,800.00	(3.85)%
3400 GAR	₹ 6,000.00	₹ 6,050.00	(0.83)%	₹ 6,600.00	(9.09)%
South African coal from Kandla (WCI)					
5500 NAR	₹ 11,000.00	₹ 11,000.00	0.00 %	₹ 15,900.00	(30.82)%
Russian coal from Kandla (WCI)					
6000 NAR	₹ 13,600.00	₹ 13,600.00	0.00 %	₹ 14,400.00	(5.56)%
Price pmt / Screened Plant / Ex-Plot Screening Plant					
Grade / Sized	04-Feb-23	28-Jan-23	Change	05-Jan-23	Change
3400 GAR					
00 - 06 MM	₹ 5,800.00	₹ 5,800.00	0.00 %	₹ 6,100.00	(4.92)%
06 - 20 MM	₹ 7,100.00	₹ 7,100.00	0.00 %	₹ 7,700.00	(7.79)%
20 - 50 MM	₹ 7,400.00	₹ 7,600.00	(2.63)%	₹ 8,000.00	(7.50)%
4200 GAR					
00 - 06 MM	₹ 7,200.00	₹ 7,400.00	(2.70)%	₹ 8,500.00	(15.29)%
06 - 20 MM	₹ 8,900.00	₹ 8,900.00	0.00 %	₹ 9,600.00	(7.29)%
20 - 50 MM	₹ 9,000.00	₹ 9,000.00	0.00 %	₹ 9,800.00	(8.16)%
5000 GAR					
00 - 06 MM	₹ 9,000.00	₹ 8,400.00	7.14 %	₹ 8,600.00	4.65 %
06 - 20 MM	₹ 12,300.00	₹ 12,100.00	1.65 %	₹ 12,800.00	(3.91)%
20 - 50 MM	₹ 12,500.00	₹ 12,300.00	1.63 %	₹ 13,000.00	(3.85)%



PETCOKE PRICE UPDATE

(West Coast – India)

The domestic Petcoke price of Reliance Industries Limited (RIL) has been increased to INR 17,734 with effect from 1st, February 2023. The petcoke prices have risen after a two-month continuation reduction by RIL. The prices surge by INR 89 month-on-month (MoM) and INR 3,212 year-on-year (YoY).

RIL has set its prices up by 22% YoY and 1% MoM for material loading in February 2023, from INR 14,522 pmt in February 2022 and INR 17,645 pmt in January 2023.

CPCL has set its prices INR 180 up MoM at INR 17,860 for Feb 2023 loading from INR 17,680 in Jan 2023. The prices have risen by 21% YoY and 1% MoM.

The supply is limited from domestic players to Cement manufacturers, who are the largest user of fuel-grade petcoke since the production currently going to the refinery's captive consumption. This limited supply has pushed prices up for the time period.

Loading Period	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23
RIL	14,522	17,980	21,816	22,257	22,473	20,144	18,716	15,699	18,112	18,949	17,811	17,645	17,734
Essar	14,520	18,000	21,820	22,262	22,500	20,150	18,725	15,725	18,125	18,990	17,681	17,911	
CPCL	14,790	16,300	22,110	22,070	21,950	21,270	19,020	15,990	17,230	18,860	17,850	17,680	17,860
IOCL - Koyali (Rake)	14,322	17,780	21,616	22,260	22,150	22,150	18,750	15,720	17,930	18,550	17,550	17,150	
IOCL - Paradip (Rake)	15,810	19,268	21,980	21,980	22,070	21,770	17,800	17,800	17,250	17,780	16,780	16,080	
IOCL - Haldia (Rake)	16,280	19,738	22,450	22,450	22,540	22,540	17,910	17,910	17,360	17,950	16,950	17,650	
MRPL (Rake)	13,630	13,130	16,200	20,340	19,440		16,810	15,010	16,560	17,650			
BPCL - Bina (Rake)	14,347	16,935	17,651	23,156	23,290	23,860	22,108	20,884	18,669	19,185			
BPCL - Kochi (Rake)	12,861	12,861	15,676	21,569	21,203	21,896	20,044	18,918	16,774	16,602			
HMEL				25,035	23,035				22,650				

ECONOMIC UPDATE



CORE SECTOR UPDATE

As per data released by the Office of Economic Adviser, the core sector edged up to three months high at 7.4% growth in the month of December 2022. The eight infrastructure industries in the index are – coal, crude oil, natural gas, refinery products, fertilizer, steel, cement and electricity.

Coal production (weight: 10.33%) has shown the highest growth among the eight sectors, by 11.5% in Dec 22 over Dec 21.

Electricity generation (weight: 19.85%) registered second highest growth by 10%.

Steel (weight: 17.92%) Production is up by 9.2%

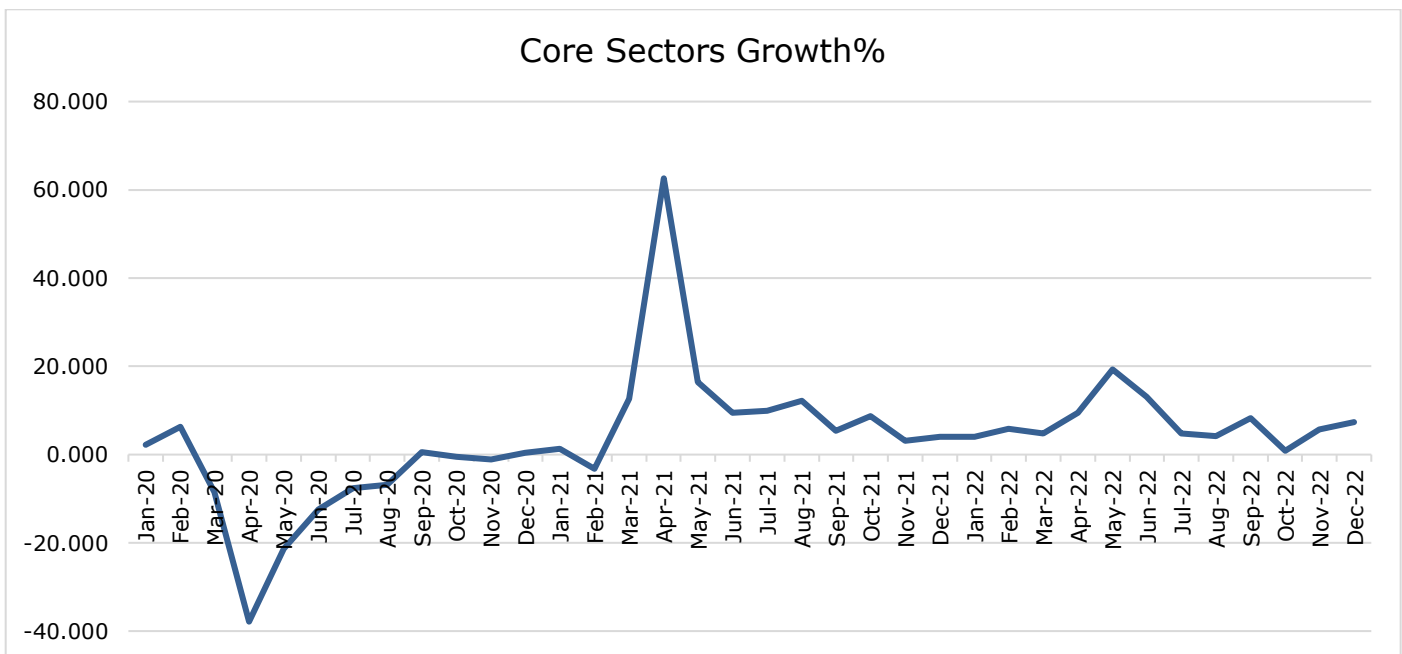
Cement (weight: 05.37 %) production shows a growth of 9.1%.

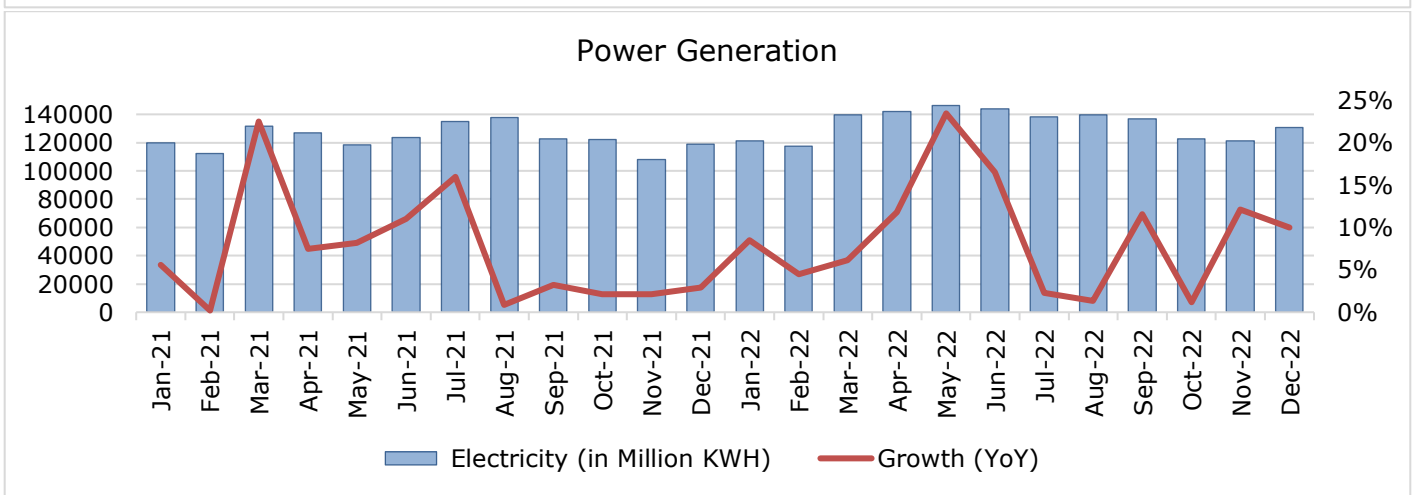
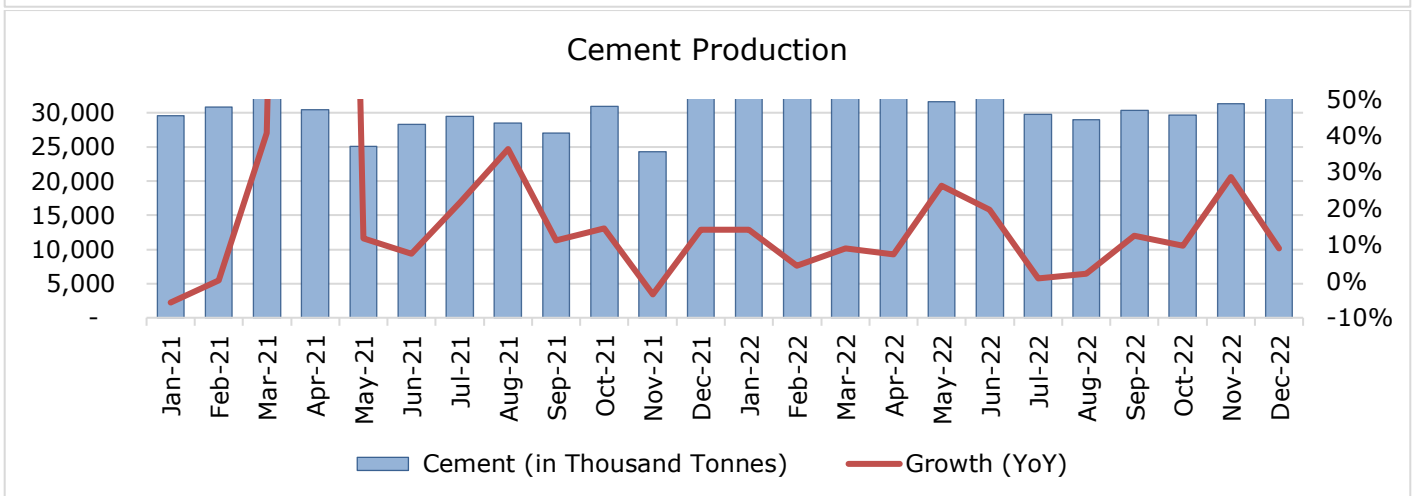
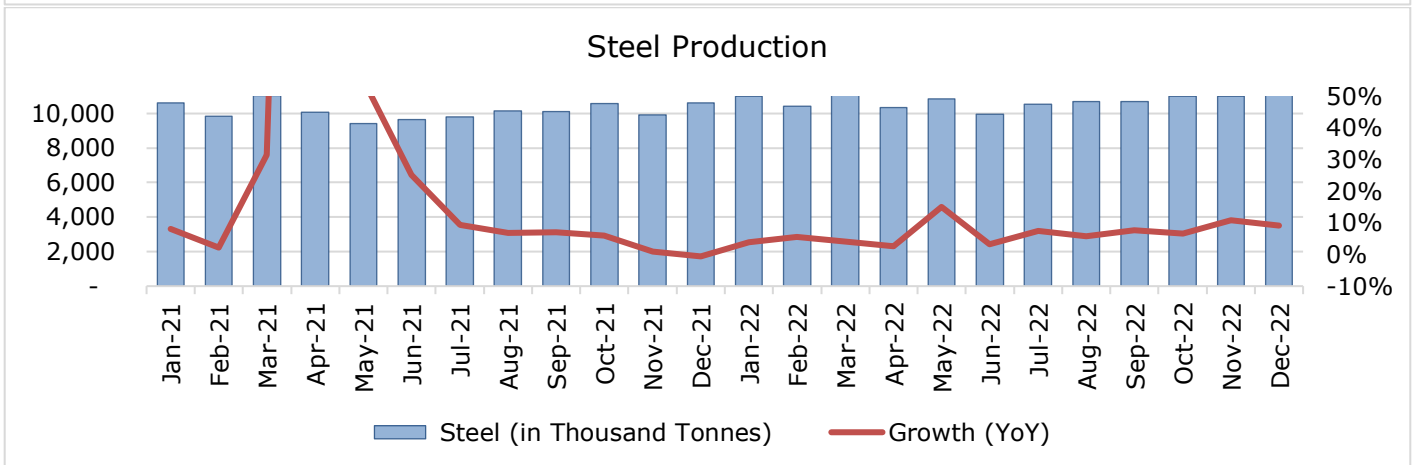
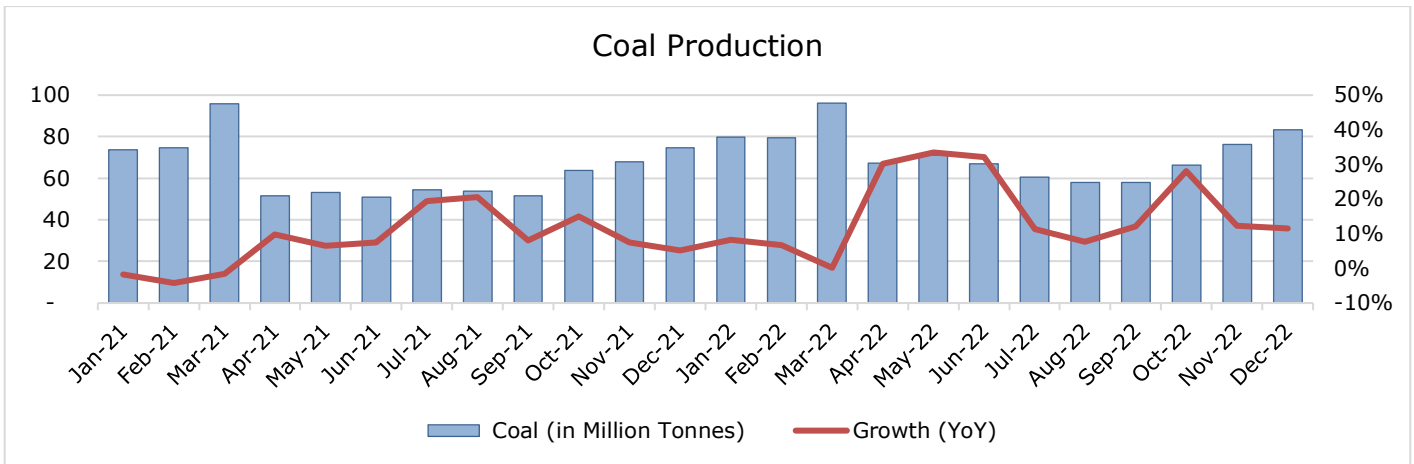
Fertilizer (weight: 02.63%) reported production growth of 7.3% on a YoY basis.

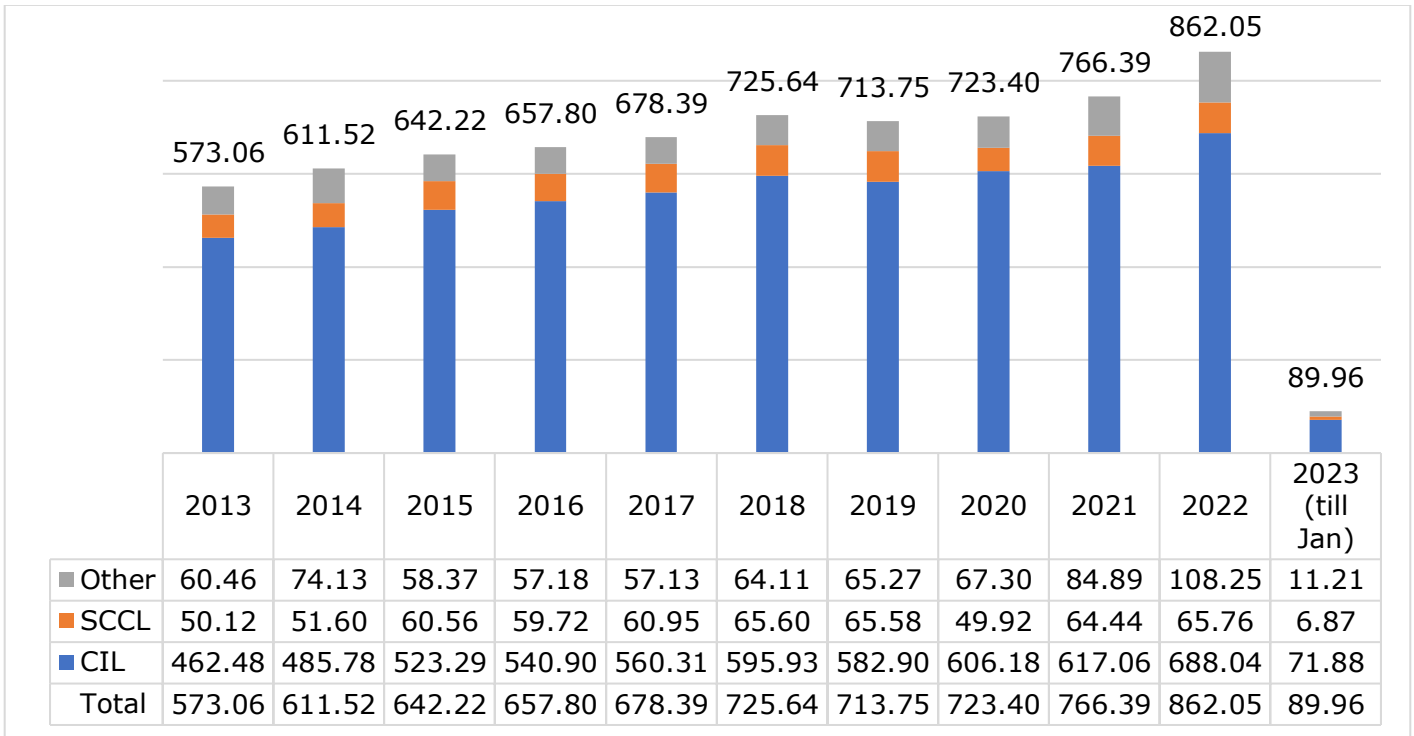
Petroleum Refinery (weight: 28.04%) production output increased to 3.7% in Dec 22

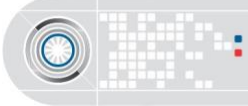
Natural gas (weight: 6.88%) registered minor growth of 2.6%.

Crude oli (weight: 8.98%) registered a degrowth of 1.2%.









PURCHASING MANAGER'S PMI

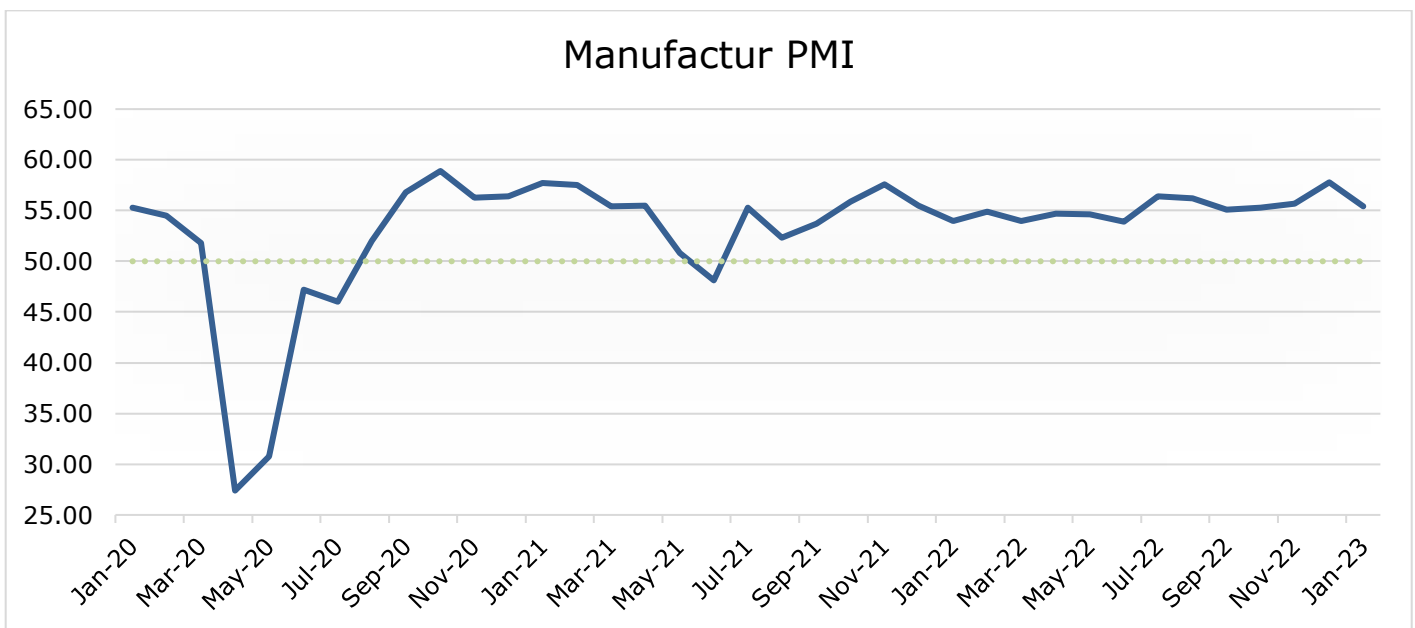
Manufacturing PMI

The seasonally adjusted S&P Global India Manufacturing Purchasing Managers' Index (PMI) stood at 55.4 in January, sliding from December's high of 57.8.

"Despite some loss of growth momentum, the sector looks set to at least remain in expansion mode as the final quarter of the current fiscal year draws to a close," said Pollyanna De Lima, Economics Associate Director at S&P Global Market Intelligence.

"Rising backlogs and the purchasing of additional inputs suggested that companies will continue to lift output in the coming months. Less challenging supply-chain conditions meant that firms were able to secure critical inputs and rebuild their inventories as intended," Lima added.

On the employment front, enterprises attempted to grow inventories, but employment numbers remained essentially stable since capabilities were apparently enough for present demand.

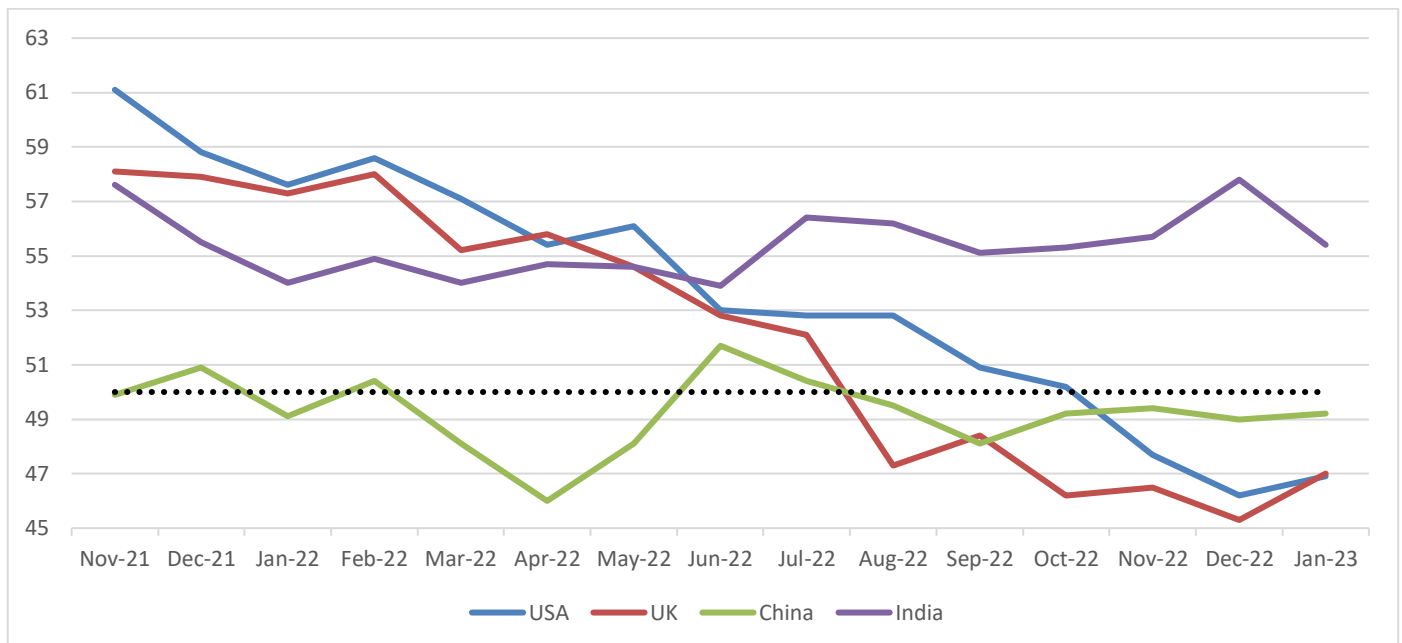


In terms of inflation, there was a faster, but historically moderate, rise in input costs. Charge inflation slowed in January but remained above the long-run series average.

According to the most recent data, the local market was the primary source of new company growth in January, with overseas sales just modestly increasing. Furthermore, the pace of growth was below its long-run trend and the slowest in the current ten-month expansion phase.



Last month saw a further global decline in manufacturing activity, highlighting the precariousness of the global economic recovery. But the Indian industrial sector has once more come out on top.



The Manufacturing PMI of the USA edged up in January compared to last month, however still below the threshold limit for the third consecutive month. A steep decline in new orders, a subsequent decline in output, and continued measures to lower inventory all contributed to the slump. Weak sales in the domestic and international markets were the cause of the weak demand circumstances.

After Beijing removed strict COVID controls late last year, industrial activity in China declined less in January compared to December. The Manufacturing PMI of China stood at 49.2 in January 2023.

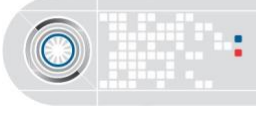
The UK manufacturing sector has gotten off to a slow start in 2023, just as it did at the end of 2022, with additional declines in production, new orders, and employment. The seasonally adjusted PMI for January is 47, which is better than the 45.3 low for December.

Service PMI

The S&P Global India Services PMI Index declined from 58.5 in December to 57.2 in January, according to seasonally adjusted data. According to the underlying statistics, the increase in total new business was centred on the local market, while overseas orders fell. The drop was minor in comparison to December's greatest upturn in over three and a half years.

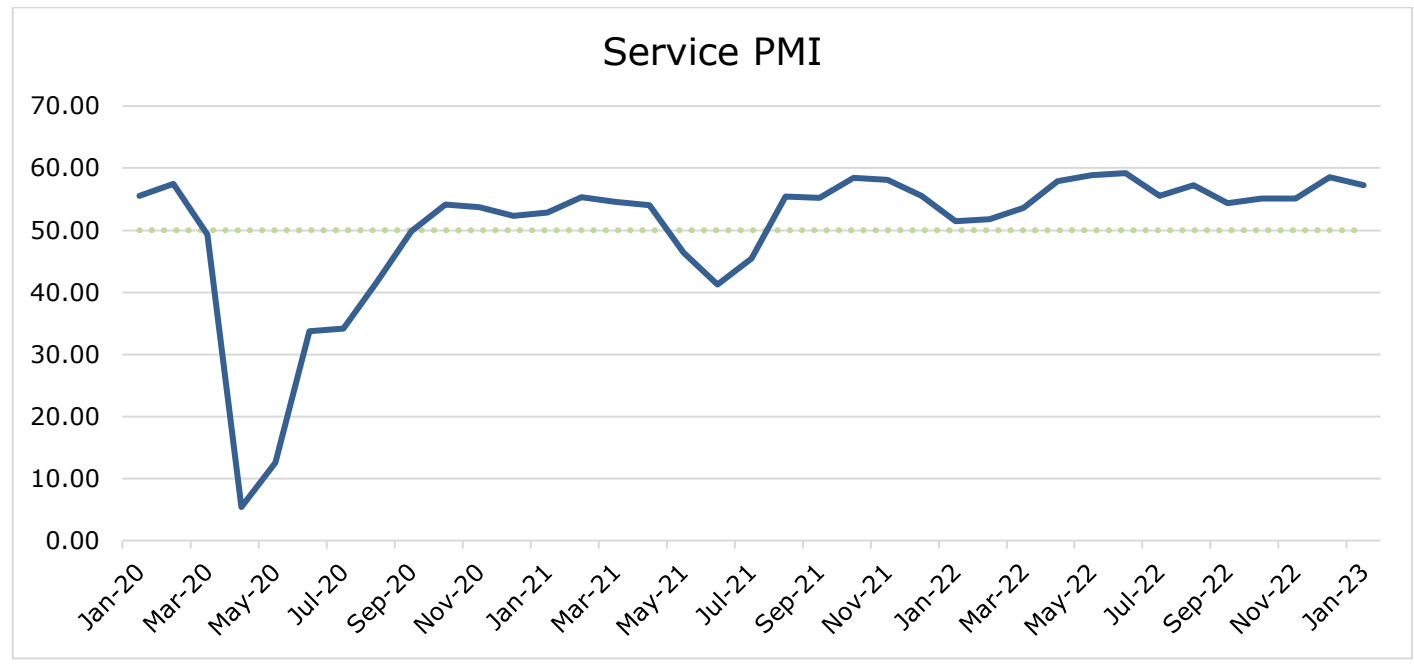
Services firms reported a rise in expenses in January, which they ascribed to higher costs for a variety of goods, food, and labour. While maintaining above its long-run average, inflation has slowed to a two-year low.

Pollyanna De Lima, Economics Associate Director at S&P Global Market Intelligence, said: "As seen earlier in the week from the manufacturing PMI results, growth across



the service sector lost some momentum at the start of the year. Yet, the survey showed us that service providers received high amounts of new business which helped keep the overall rate of growth historically prominent."

After re-accelerating in December, input cost inflation in the service economy retreated to a two-year low in January, aiding a slower and only moderate upturn in selling prices, She added.



"The latest results highlighted some caution among service providers, partly evidenced by the vast majority of firms predicting no change in output from present levels. This somewhat subdued level of confidence towards the outlook appeared to have stymied job creation in January," said De Lima.

Meanwhile, the S&P Global India Composite PMI Output Index decreased from 59.4 in December to 57.5, still above its long-run average of 54.1.



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