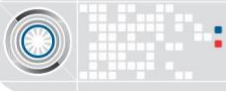


**WEEKLY
PRICE UPDATE**
04-MAR-2023

Coal & Coke

INTERNATIONAL FUTURE COAL PRICE



API2: FUTURE PRICES COME DOWN AFTER THE PAPER TRADE EFFECT NULLIFIES

European delivered future coal prices see-sawed with paper trade effect on prices. API2 March month contract corrected to \$ 131.25 with a \$ 25 week-on-week (WoW) decline. The contract last week closed at \$ 155.50. The API2 Mar 2023 contract has been down to 63% compared to the contract's 52-week high of \$ 351 and an 8% high from the contract's 52-week low of \$ 121.

European region coal delivered prices were stable from starting of the year 2023 with sufficient coal stock at ARA as well as mild weather and continuous flow of LNG in the region. The region is silent for inquiries since the demand for electricity has not risen. Natural gas front month future contract is also touching lows of Euro 44.98.

However, even with the stable situation last week prices saw an upward direction with an effect of paper trade on prices. We have mentioned last week that "the recent paper trades in a coal market have affected the prices of API2 contracts and prices might get down when the market gets stable." As predicted this paper trade effect has been nullified and the price again comes down to a normal level.



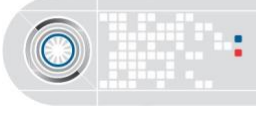
API2 April contract has also come down to \$ 126.40 from \$ 155.65 last week. API2 contract corrected by \$ 30 WoW. The API2 Apr 2023 contract has been down to 63% compared to the contract's 52-week high of \$ 342 and a 5% high from the contract's 52-week low of \$ 121.



API4: SA PRICES COME BACK TO THE LOWEST

The thermal coal market keeps coming back to the red zone due to the overall low sentiment of the market. Export price even for the future is not ready to accelerate. The South African coal prices dispatching from the Richards Bay terminal continued to touch the lowest levels in 52 weeks. The API4 March month contract closed at \$ 133 from \$ 144 last week. The contract was down by \$ 11 WoW. The API4 Mar 2023 contract has been down to 59% compared to the contract's 52-week high of \$ 327 and the contract's 52-week low is \$ 133.

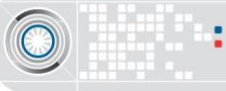
The market is not recovered fully and buyers are not showing up for the seaborne trade especially from India. Indian coal production is continued to rise and that is the reason India's imports are staying at a stable level. While SA was diverting its sources to the EU for the premiums, India also took advantage to diversify its sources. EU region is also silent with sufficient stock at the port.



April month contract of API4 is in line with the March month also touching the lows. API4 hit \$ 132.65 at the end of the week with a \$ 10 WoW decline. The contract closed at \$ 143 last week. The API4 Apr 2023 contract has been down to 59% compared to the contract's 52-week high of \$ 320 and the contract's 52-week low is \$ 133.



INTERNATIONAL COAL PRICE



THERMAL COAL

The thermal coal market did see a rise last week however it continued to be in bearish sentiment. The prices of major exporters again come to the red zone since the demand is not flourishing in the market as per the expectation. There was buying interest from the trader community in the last two weeks but the price high has eaten that interest. The high offer price has again killed the buying interest from the market.

Indonesian coal prices of different grades either see no difference or decline on a WoW basis. Indonesian coal prices last week surged due to the anticipation of Chinese activity in seaborne trade after the accident in a Chinese mine and possible domestic supply disruptions arise. However, the fear has now gone and domestic production in China again starts so the seaborne trade has again come down.

Indian buyers have shown up to the market but the buying activity is slow. South African coal prices are further down since it again has to compete in the Asian market. Europe is more or less silent with its sufficient stock at ARA. Paper trade activity has been noticed in the prices, however, it has been rectified this week.

Russian offers have seen a rise for this week as well to \$ 145 for CFR India. Aus thermal coal prices are more or less stable for the week. China's unofficial ban has been lifted from Aus however the trade has not seen much improvement.

US coal prices further rise to 2-3% WoW with Indian west coast demand surge. Lower inventory in Indian port has risen the demand for imported coal, however, the demand from the end-user of coal have not seen an expected rise.

COKING COAL

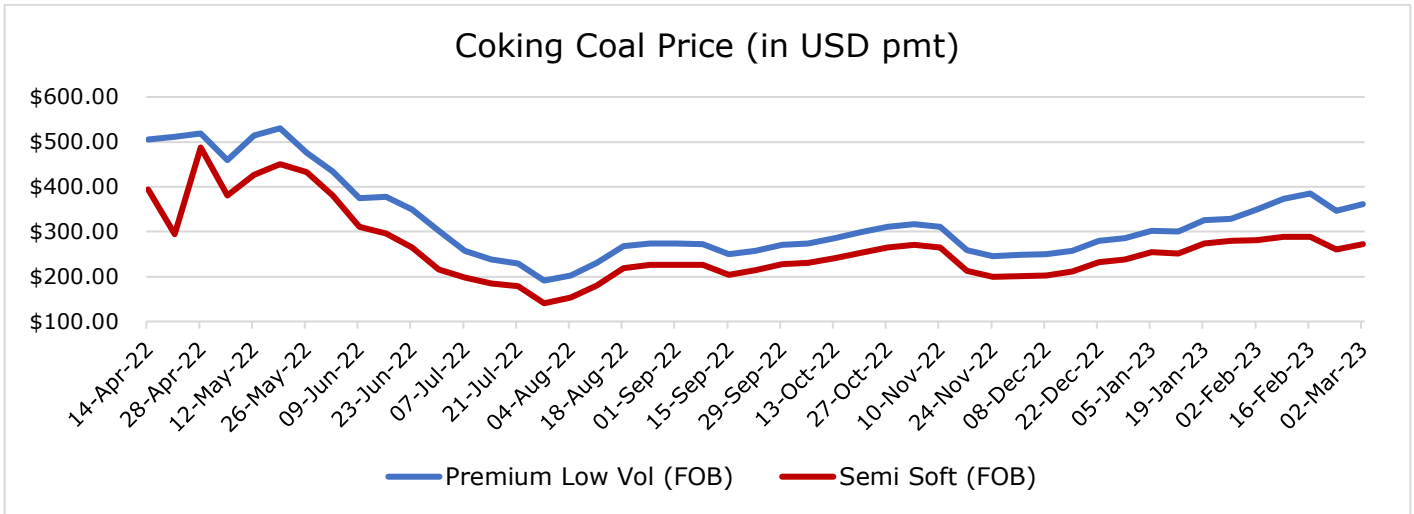
Asian coking coal prices increased with the improvement in demand side and few trades are done at a higher rate this week. Australia PLV FOB prices edged up to \$ 362 from \$ 347 last week. The semi-soft price surged to \$ 272, a \$ 12 WoW rise. On the contrary to coking coal prices, metcoke CFR prices for CSR 62 have come down to \$ 448 from \$ 467 last week.

The Indian market has some appetite for coking coal material supporting the prices. The absence of availability and usability of domestic coking coal in Indian steel mills has prompted the seaborne trade. Whereas on the other hand, the Chinese market is staying quiet for seaborne procurement of coking coal. Domestic Chinese coking coal has been lower than seaborne prices and Chinese steel mill's margins have also not seen an increase.

The spread between coking coal and metcoke prices has lowered during the week. This might indicate the two scenarios that metcoke seaborne trade will see a rise or coking coal prices will come down to support the trade.



USA coking coal prices also get support from AUS edging up to \$ 325 for its Low Vol HCC material. High Vol B is stable for the week at \$ 285 and High Vol A increases by \$ 16 WoW to \$ 320 for the week.

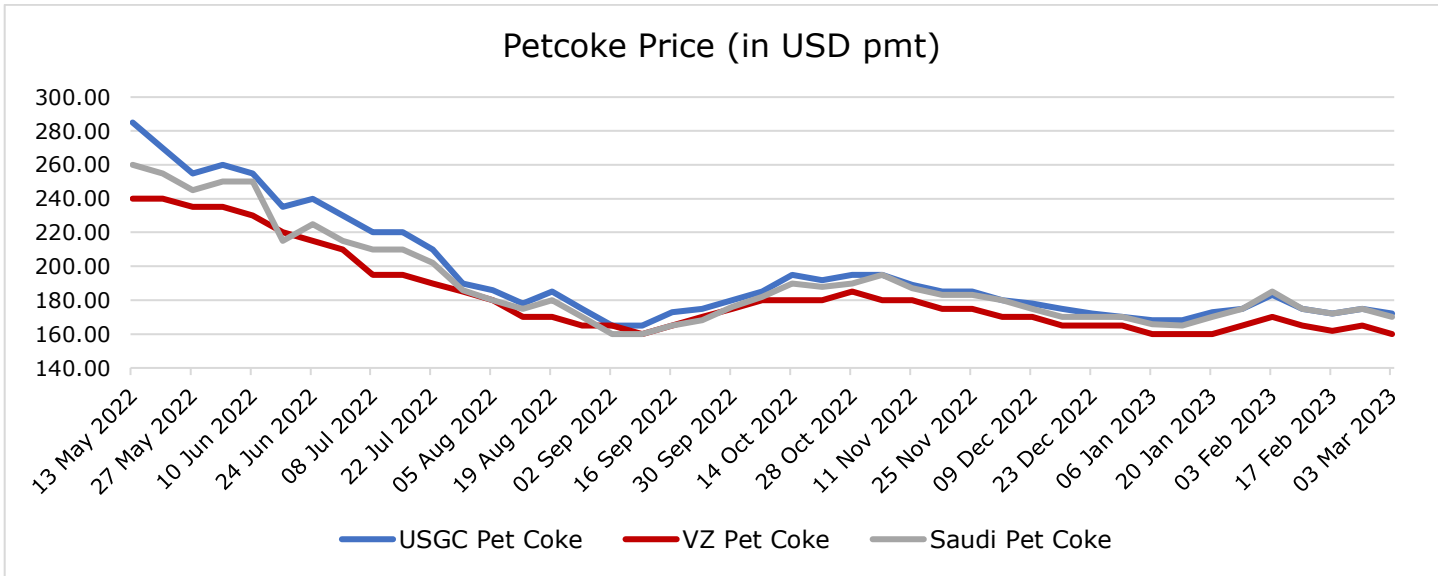


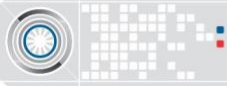
PETCOKE

International petcoke prices keep fluctuating. Last week saw an upward direction and this week saw a downward one. The USGC-origin petcoke was down to \$ 172 from \$ 175 last week. Saudi petcoke was down to \$ 170, a \$ 5 WoW decline. Venezuela-origin petcoke prices have lowered to \$ 160 this week from \$ 165 last week. Venezuela and Saudi petcoke prices are down to a six-week low

Petcoke prices are not coming down at the pace of thermal coal prices. The scenario is likely to end with cement manufacturers who are the largest user of fuel-grade petcoke shifting to thermal coal. Last month only we saw more thermal coal imports from the cement sector compared to petcoke.

Domestic petcoke prices are contrary for different companies. RIL has reduced its prices to INR 17,654 whereas CPCL increases prices to INR 18,010.

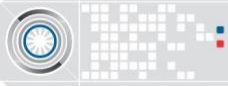




WEEKLY AVG INTERNATIONAL PRICE

Grade	Price pmt								
	04-Mar-23	25-Feb-23	WoW Change	04-Feb-23	MoM Change	04-Mar-22	YoY Change	52 Week High	52 Week Low
FOB Richards Bay									
4800 NAR	\$ 94.00	\$ 92.00	2.17 %	\$ 91.00	3.30 %	\$ 270.00	(65.19)%	\$ 320.00	\$ 85.00
5500 NAR	\$ 114.00	\$ 115.00	(0.87)%	\$ 115.00	(0.87)%	\$ 330.00	(65.45)%	\$ 385.00	\$ 113.00
6000 NAR	\$ 135.00	\$ 137.00	(1.46)%	\$ 140.00	(3.57)%	\$ 360.00	(62.50)%	\$ 420.00	\$ 135.00
FOB Newcastle									
5500 NAR	\$ 117.00	\$ 115.00	1.74 %	\$ 117.00	0.00 %	\$ 230.00	(49.13)%	\$ 280.00	\$ 114.00
6000 NAR	\$ 185.00	\$ 185.00	0.00 %	\$ 245.00	(24.49)%	\$ 365.00	(49.32)%	\$ 440.00	\$ 185.00
FOB Indonesia									
6500 GAR	\$ 190.00	\$ 190.00	0.00 %	\$ 210.00	(9.52)%	\$ 240.00	(20.83)%	\$ 308.00	\$ 175.00
5800 GAR	\$ 122.00	\$ 125.00	(2.40)%	\$ 135.00	(9.63)%	\$ 180.00	(32.22)%	\$ 220.00	\$ 120.00
5000 GAR	\$ 94.00	\$ 95.00	(1.05)%	\$ 100.00	(6.00)%	\$ 136.00	(30.88)%	\$ 170.00	\$ 90.00
4200 GAR	\$ 72.00	\$ 72.00	0.00 %	\$ 78.00	(7.69)%	\$ 95.00	(24.21)%	\$ 120.00	\$ 68.00
3400 GAR	\$ 48.50	\$ 49.00	(1.02)%	\$ 49.50	(2.02)%	\$ 63.00	(23.02)%	\$ 75.00	\$ 47.00
CFR (SA Coal)									
4800 NAR	\$ 109.50	\$ 105.50	3.79 %	\$ 104.50	4.78 %	\$ 293.00	(62.63)%	\$ 343.00	\$ 101.00
5500 NAR	\$ 129.50	\$ 128.50	0.78 %	\$ 128.50	0.78 %	\$ 353.00	(63.31)%	\$ 408.00	\$ 125.75
6000 NAR	\$ 150.50	\$ 150.50	0.00 %	\$ 153.50	(1.95)%	\$ 383.00	(60.70)%	\$ 443.00	\$ 148.75
CFR (Aus Coal)									
5500 NAR	\$ 133.50	\$ 129.00	3.49 %	\$ 130.75	2.10 %	\$ 253.00	(47.23)%	\$ 302.50	\$ 126.50
6000 NAR	\$ 201.50	\$ 199.00	1.26 %	\$ 258.75	(22.13)%	\$ 388.00	(48.07)%	\$ 460.00	\$ 199.00
CFR (Indonesia Coal)									
6500 GAR	\$ 202.00	\$ 201.50	0.25 %	\$ 220.50	(8.39)%	\$ 266.00	(24.06)%	\$ 333.00	\$ 194.00
5800 GAR	\$ 134.00	\$ 136.50	(1.83)%	\$ 145.50	(7.90)%	\$ 206.00	(34.95)%	\$ 245.00	\$ 130.00
5000 GAR	\$ 106.00	\$ 106.50	(0.47)%	\$ 110.50	(4.07)%	\$ 162.00	(34.57)%	\$ 195.00	\$ 100.00
4200 GAR	\$ 84.00	\$ 83.50	0.60 %	\$ 88.50	(5.08)%	\$ 121.00	(30.58)%	\$ 145.00	\$ 78.00
3400 GAR	\$ 60.50	\$ 60.50	0.00 %	\$ 60.00	0.83 %	\$ 89.00	(32.02)%	\$ 102.00	\$ 57.00
CFR (Rus Coal)									
5500 NAR	\$ 135.00	\$ 130.00	3.85 %	\$ 135.00	0.00 %	\$ 215.00	(37.21)%	\$ 250.00	\$ 126.00
6000 NAR	\$ 145.00	\$ 142.00	2.11 %	\$ 150.00	(3.33)%	\$ 290.00	(50.00)%	\$ 300.00	\$ 142.00
CFR (USA Coal)									
6900 NAR	\$ 195.00	\$ 190.00	2.63 %	\$ 162.00	20.37 %	\$ 245.00	(20.41)%	\$ 310.00	\$ 157.00
Petcoke (CFR - India)									
US Origin (6.5% TS)	\$ 172.00	\$ 175.00	(1.71)%	\$ 183.00	(6.01)%	\$ 230.00	(25.22)%	\$ 290.00	\$ 165.00
VZ Origin (5.0% TS)	\$ 160.00	\$ 165.00	(3.03)%	\$ 170.00	(5.88)%	\$ 200.00	(20.00)%	\$ 265.00	\$ 155.00
Saudi Origin (8.5% TS)	\$ 170.00	\$ 175.00	(2.86)%	\$ 185.00	(8.11)%	\$ 215.00	(20.93)%	\$ 280.00	\$ 160.00

DOMESTIC COAL PRICE

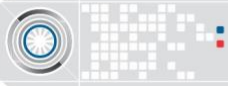


DOMESTIC COAL PRICE

(West Coast – India)

The demand for coal imports has seen a rise due to the low inventory at the port, however, the domestic coal prices have been on a downward trend since the demand from the end user has not picked up yet. For the WoW basis, all the origins of coal like the US, Indo, SA and Russia have declined by 1-3%.

Grade	Price pmt / 00-50 MM / Ex-Plot Port				
	04-Mar-23	25-Feb-23	Change	02-Feb-23	Change
US Origin Coal from Tuna / Kandla (WCI)					
NAPP	₹ 18,400.00	₹ 19,000.00	(3.16)%	₹ 15,300.00	20.26 %
ILB	N/A	N/A		₹ 14,500.00	
Indonesian Origin Coal from Tuna / Kandla (WCI)					
5000 GAR	₹ 9,700.00	₹ 9,700.00	0.00 %	₹ 9,700.00	0.00 %
4200 GAR	₹ 7,700.00	₹ 7,700.00	0.00 %	₹ 7,800.00	(1.28)%
3800 GAR	₹ 7,275.00	₹ 7,400.00	(1.69)%	₹ 7,400.00	(1.69)%
3400 GAR	₹ 5,950.00	₹ 6,000.00	(0.83)%	₹ 6,060.00	(1.82)%
Indonesian Origin Coal from Navlakhi (WCI)					
5000 GAR	₹ 9,850.00	₹ 9,900.00	(0.51)%	₹ 9,700.00	1.55 %
4200 GAR	₹ 7,725.00	₹ 7,900.00	(2.22)%	₹ 7,900.00	(2.22)%
3800 GAR	₹ 7,350.00	₹ 7,500.00	(2.00)%	₹ 7,500.00	(2.00)%
3400 GAR	₹ 5,900.00	₹ 6,100.00	(3.28)%	₹ 6,050.00	(2.48)%
South African coal from Kandla (WCI)					
5500 NAR	₹ 11,300.00	₹ 11,500.00	(1.74)%	₹ 11,000.00	2.73 %
Russian coal from Kandla (WCI)					
6000 NAR	₹ 14,800.00	₹ 15,000.00	(1.33)%	₹ 13,600.00	8.82 %
Price pmt / Screened Plant / Ex-Plot Screening Plant					
Grade / Sized	04-Mar-23	25-Feb-23	Change	02-Feb-23	Change
3400 GAR					
00 - 06 MM	₹ 5,900.00	₹ 6,000.00	(1.67)%	₹ 5,800.00	1.72 %
06 - 20 MM	₹ 7,100.00	₹ 7,200.00	(1.39)%	₹ 7,100.00	0.00 %
20 - 50 MM	₹ 7,500.00	₹ 7,500.00	0.00 %	₹ 7,600.00	(1.32)%
4200 GAR					
00 - 06 MM	₹ 7,200.00	₹ 7,200.00	0.00 %	₹ 7,400.00	(2.70)%
06 - 20 MM	₹ 9,100.00	₹ 9,100.00	0.00 %	₹ 8,900.00	2.25 %
20 - 50 MM	₹ 9,300.00	₹ 9,300.00	0.00 %	₹ 9,000.00	3.33 %
5000 GAR					
00 - 06 MM	₹ 8,600.00	₹ 8,600.00	0.00 %	₹ 8,400.00	2.38 %
06 - 20 MM	₹ 12,600.00	₹ 12,600.00	0.00 %	₹ 12,100.00	4.13 %
20 - 50 MM	₹ 12,800.00	₹ 12,800.00	0.00 %	₹ 12,300.00	4.07 %
* Above prices are Basic Per Metric Ton. GST, Cess, TCS & Other applicable taxes are extra.					



PETCOKE PRICE UPDATE

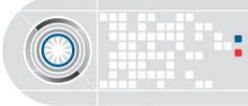
The domestic Petcoke company Reliance Industries Limited (RIL) has set its March loading prices slightly lower than the previous month. RIL prices decreased to INR 17,654 17,734 with effect from 1st, March 2023. The prices reduce by INR 80 month-on-month (MoM) and INR 326 year-on-year (YoY).

RIL has set its prices down 2% YoY and 0.45% MoM for material loading in March 2023, from INR 17,980 pmt in March 2022 and INR 17,734 pmt in February 2023.

CPCL has set its prices to INR 18,010 for March month. The prices of CPCL have been up by INR 1,710 YoY from INR 16,300 in March 2022 and INR 150 MoM from INR 17,860 in February 2023. The prices have surged by 10% YoY and 1% MoM.

Loading Period	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23
RIL	17,980	21,816	22,257	22,473	20,144	18,716	15,699	18,112	18,949	17,811	17,645	17,734	17,654
Essar	18,000	21,820	22,262	22,500	20,150	18,725	15,725	18,125	18,990	17,681	17,911		
CPCL	16,300	22,110	22,070	21,950	21,270	19,020	15,990	17,230	18,860	17,850	17,680	17,860	18,010
IOCL - Koyali (Rake)	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)	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)	19,738	22,450	22,450	22,540	22,540	17,910	17,910	17,360	17,950	16,950	17,650		
MRPL (Rake)	13,130	16,200	20,340	19,440		16,810	15,010	16,560	17,650				
BPCL - Bina (Rake)	16,935	17,651	23,156	23,290	23,860	22,108	20,884	18,669	19,185				
BPCL - Kochi (Rake)	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

Comparing January 2023 to January 2022, the combined Index of Eight Core Industries (ICI) grew by a preliminary 7.8%. In January 2023 compared to the same month the previous year, more fertilisers, coal, electricity, steel, natural gas, cement, and refinery products were produced.

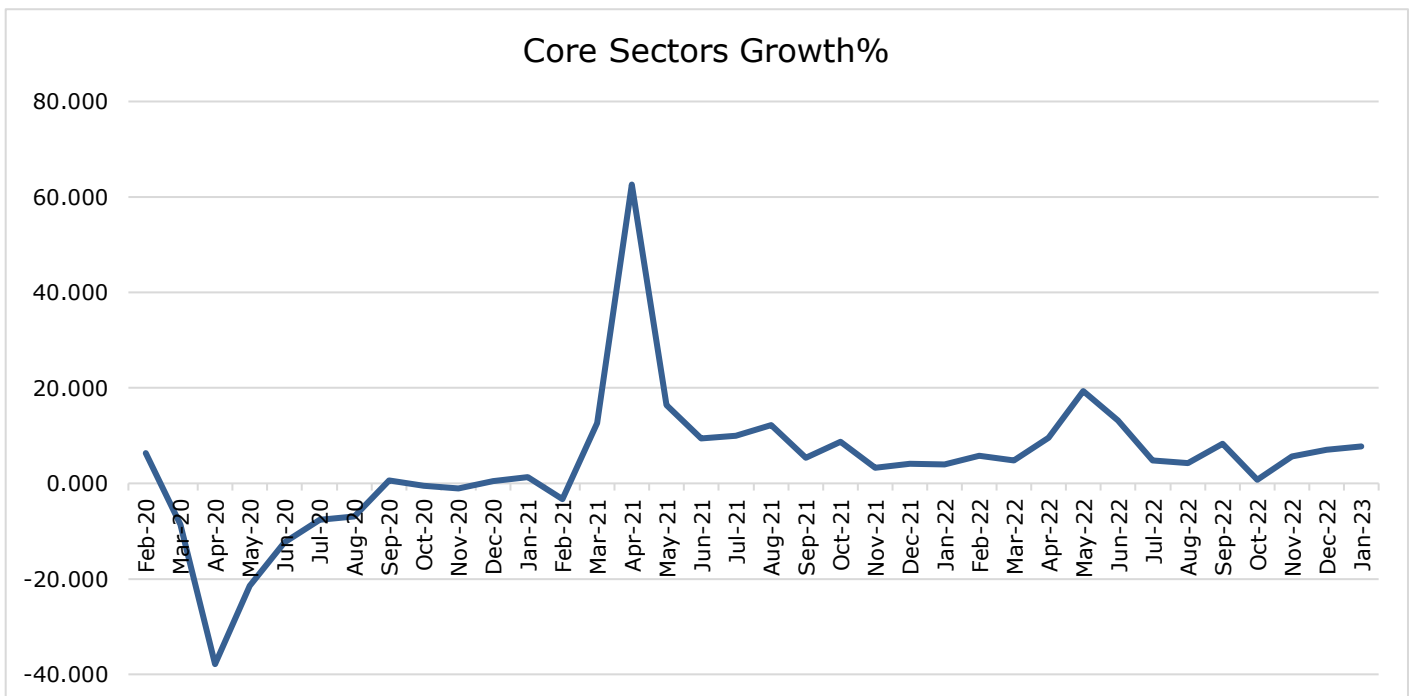
Production of coal (weight: 10.33%) rose 13.4% in January 2023 compared to January 2022. Its cumulative index climbed by 16.1% from April to January 2022-23 compared to the same period the previous year.

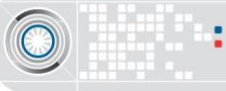
Natural gas output (weight: 6.88%) grew by 5.3% in January 2023. In January 2023, petroleum refinery production (weight: 28.04%) grew by 4.5%.

Fertilizer output (weight: 2.63%) grew by 17.9% in January 2023. Steel output (weight: 17.92%) grew by 6.2% in January 2023.

Cement output (weight: 5.37%) grew by 4.6% in January 2023. In January 2023, electricity generation (weighted at 19.85%) grew by 12.0 percent.

In January 2023, only crude oil output (weighted at 8.98%) fell by 1.1%.





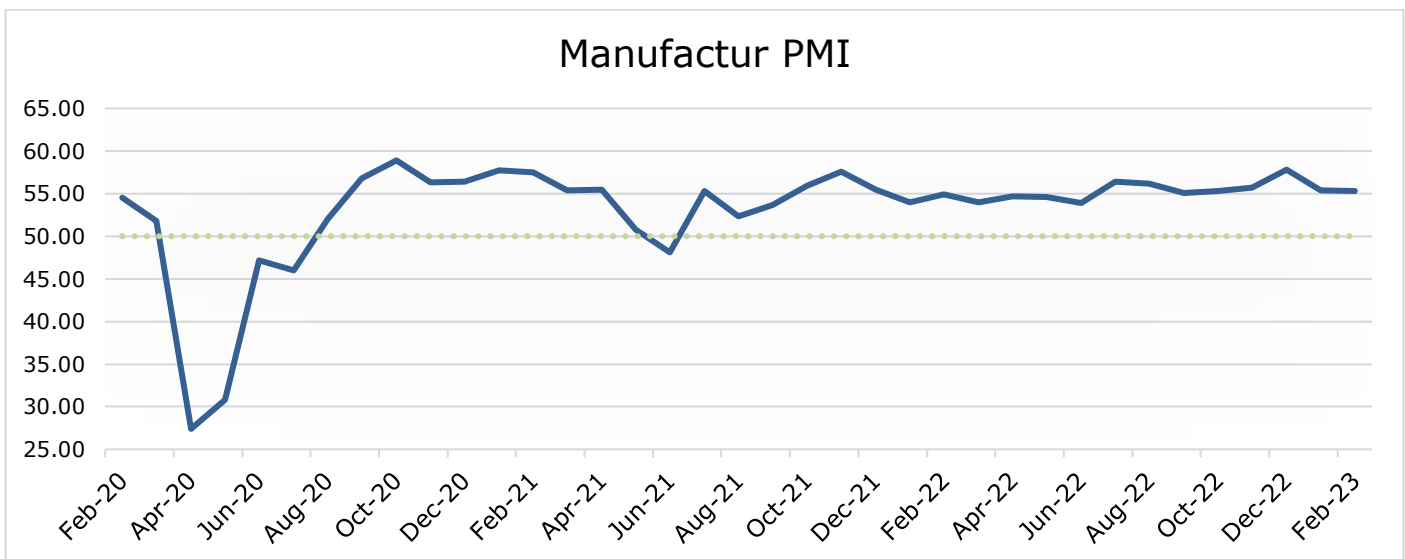
PURCHASING MANAGER'S INDEX

Manufacturing PMI

In February, India's manufacturing sector grew more slowly than it had in the previous four months. The seasonally adjusted S&P Global India Manufacturing Purchasing Managers' Index (PMI), which measures the health of the industry, was 55.3 in February, barely changing from 55.4 in January. The headline figure was also higher than its 53.7-year average.

"Growth momentum in India's manufacturing industry was maintained in February, with new orders and output increasing at similar rates to January. Companies were confident in the resiliency of demand and continued to add to their inventories by purchasing additional inputs," said Pollyanna De Lima, Economics Associate Director at S&P Global Market Intelligence.

"After slipping to a 26-month low last November, input cost inflation surged in every month since. The latest rise was historically subdued, however, and among the weakest in around two years. The survey showed some reluctance among manufacturers to pass on cost increases to clients, with output charge inflation easing since January," said De Lima.



Overall, factory gate charges increased at a moderate rate that was below the long-run series average and the slowest in three months. According to the data, new business growth was mostly driven by the home market, while new orders from outside only slightly grew. The current 11-month expansion period has seen the smallest increase in overseas sales.

Service PMI

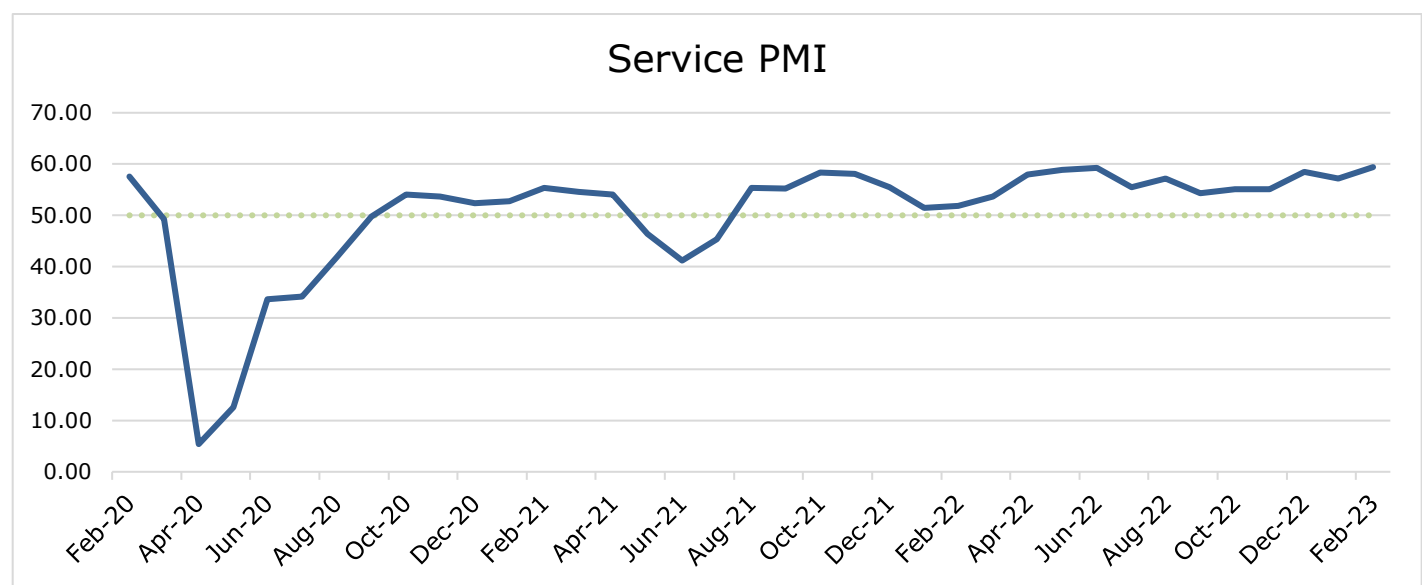
According to a private company survey released on Friday, activity in India's dominant services sector grew at its quickest rate in 12 years in February as a result of robust demand and easing price pressures.



The S&P Global India Services Purchasing Managers' Index increased from 57.2 in January to 59.4 in February, marking a significant increase. This is the index's highest level since February 2011.

For the 19th consecutive month, it was above the 50-point threshold distinguishing growth from contraction, marking the longest run of expansion since June 2013.

Despite the fastest growth in new business in eight months, businesses only slightly boosted hiring, and business confidence dropped to its lowest level in seven months.



"The service sector more than regained the growth momentum lost in January...as demand resilience and competitive pricing policies underpinned the joint-best upturn in sales over the same period," noted Pollyanna De Lima, economics associate director at S&P Global.

"It seems that hiring growth was also dampened by a lack of confidence in the business environment. The degree of optimism recorded in February was...below the historical trend as some companies doubted demand would remain this resilient," De Lima added.

The smallest rate of input cost growth since September 2020 allowed businesses to hike prices charged at the lowest rate in a year.

The composite index increased from 57.5 in January to 59.0 in February thanks to strong growth in the services sector, despite manufacturing growth falling to a four-month low.

Source: <https://tradingeconomics.com/india/manufacturing-pmi>
<https://tradingeconomics.com/india/services-pmi>
<https://www.livemint.com/economy/india-february-services-pmi-at-12-year-high-11677820148904.html>
<https://www.livemint.com/>



BALTIC DRY INDEX HIT TWO MONTH LOW AMID IMPROVEMENTS IN VESSEL DEMAND

The Baltic Dry Index (BDI) reached two month high amid increasing demand for the vessel in the industry. The BDI leap 11% on Wednesday 1st march 2023 to 1099 points compared to the previous day, registering its highest point and crossing the 1000 threshold for the first time since early January. The overall index which factors in rates for capsizes, Panamax and supramax shipping vessels reach its highest since Jan 3, rising by 6%.

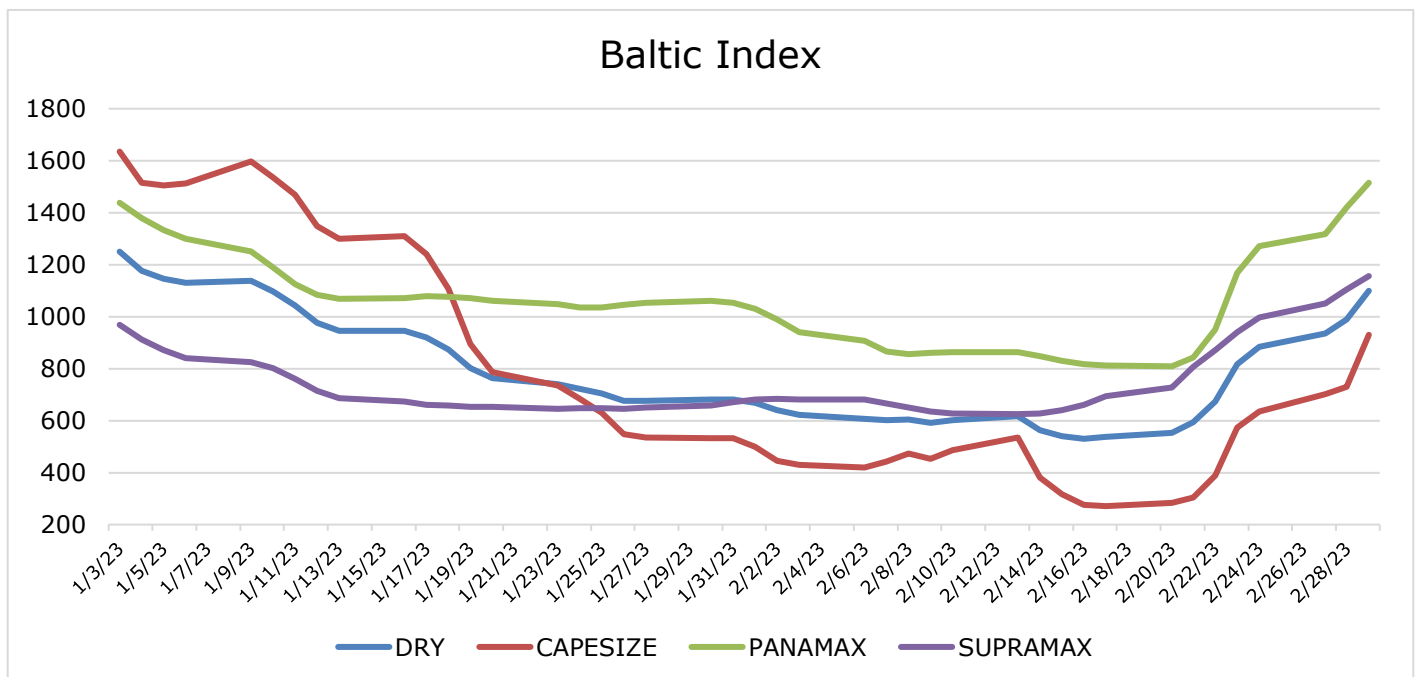
China's manufacturing activity increases at the fastest pace in a decade. The manufacturing purchasing managers' index (PMI) shot up to 52.6 from 50.1 in January, according to China's National Bureau of Statistics. This has boosted the Baltic index to new levels.

The dry bulk market barometer received the biggest boost from the capsize sector which typically transports 1,50,000 tons of cargo such as iron ore and coal, which rose by 27% to 929 points.

Up for the seven straight sessions, the panamax index which usually carries coal or grain cargos of about 60,000 to 70,000 tonnes gained 94 points at 1515 points. It was up about 7% compared to the previous day.

Among relatively smaller vessels, the supramax rose by 51 points or 5% to 1156 points on 1st March 2023.

The major increase in the Capesize and Panamax index, which generally uses in the seaborne trade of coal can have a high impact on seaborne prices of tradable material.





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