

**WEEKLY
PRICE UPDATE**
18-FEB-2023

Coal & Coke

INTERNATIONAL FUTURE COAL PRICE



API2: FUTURES FURTHER CUT OFF WITH WEAKENED DEMAND

API2 future contract for February month gained a few numbers which it lost last week. The API2 prices increased by \$ 5 week-on-week (WoW) and closed at \$ 135.65. The contract last week closed at \$ 131. The API2 Feb 2023 contract has been down to 63% compared to the contract's 52-week high of \$ 362 and a 6% high from the contract's 52-week low of \$ 128.

The warmer winters in Europe play a significant influence in stabilising the region's demand for natural gas. With decreased demand for electricity and natural gas, European governments were able to postpone the use of natural gas reserves built up throughout the summer and Autumn of 2022. A European energy catastrophe is currently considerably less likely than many experts indicated.

By the conclusion of this winter, European natural gas reserves will most likely be 50% full. This will also help the continent prepare for the coming winter.

The situation with coal is identical. In anticipation of a likely winter energy crisis, European utilities stored coal and restarted 26 coal-fired power facilities in 2022. Nonetheless, the continent's coal consumption has only increased by 7% thus far. The prices did see a rise this week, however, it is still in a stable manner.



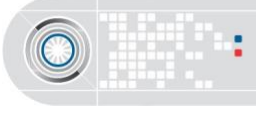
API2 contract of march month has also seen a rise in the price level. The contract closed at \$ 136.50 from \$ 131.75 last week, a \$ 5 WoW increase. The API2 Mar 2023 contract has been down to 61% compared to the contract's 52-week high of \$ 351 and a 13% high from the contract's 52-week low of \$ 121.



API4: SA FUTURES CORRECTED AMIDST SILENT MARKET

South Africa exported future prices contrary to European prices saw a further drop which is the lowest level of the year, with the high competition around the world. The API4 contract for February month reduces to \$ 141 from the \$ 145 last week. The contract closed at a \$ 4 WoW decrease. The API4 Feb 2023 contract has been down to 58% compared to the contract's 52-week high of \$ 334.

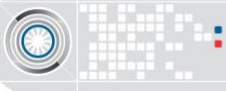
Europe has not looked for a new supply and at the same time, the world's one of the largest market-India is also not aggressive in procurement. The move of other markets such as the USA, and Colombia to Asian markets has also increased the competition in the supply side.



API4 contract of March month touching the lowest of the year for this week as well at \$ 136 from the \$ 143 price level last week. The API4-Mar contract showed a \$ 7 WoW decline. The API4 Mar 2023 contract has been down to 58% compared to the contract's 52-week high of \$ 327.



INTERNATIONAL COAL PRICE



THERMAL COAL

The thermal coal market continued to be in a red zone with silent demand worldwide. The European market has a high stock of coal and not requiring further procurement since the energy demand has not risen much. This has made origins like the USA, Colombia and South Africa move to the Asian market to find buyers.

Asian market's big coal-consuming countries -China and India are also staying silent for the procurement since both countries have significantly risen their coal production and waiting to further move down the prices for summer procurement. Indian imports of thermal coal have seen a rise in January compared to the previous month. The coal imports however stay stable at around 10 MMT for January and are soon expected to increase for the summer stockpile. This has made its largest source Indonesia reduce prices to a great extent this week. The prices of Indo coal have declined to \$ 4 to \$ 15 WoW.

South Africa's major shift to Europe last year benefited them, however now when Europe is silent prices moved back to the pre-war level since they again have to compete in the Asian market. India is currently silent and Pakistan has also stopped import procurement. Pakistan's energy crisis is getting worse with the financial crisis made it vulnerable to procuring imported coal. Pakistan's government is focusing on increasing domestic electricity capacity through solar, wind, domestically mined coal, hydro, and nuclear. Pakistan began importing LNG in order to safeguard its own coal supplies. But Pakistan's government has struggled to secure LNG in the spot market over the last few years because of rising prices and limited supply. The nation has also failed to sign long-term deals to ensure future deliveries, threatening years of shortages. So even after it has suffered frequent electricity blackouts Pakistan has had to ration fuel.

Australian high CV coal prices further experienced a large drop of \$ 30 WoW and averages around \$ 190 this week from the \$ 220 price level of last week. Russia has also lowered its prices to \$ 142 for its high CV 6000 NAR coal for CFR India.

COKING COAL

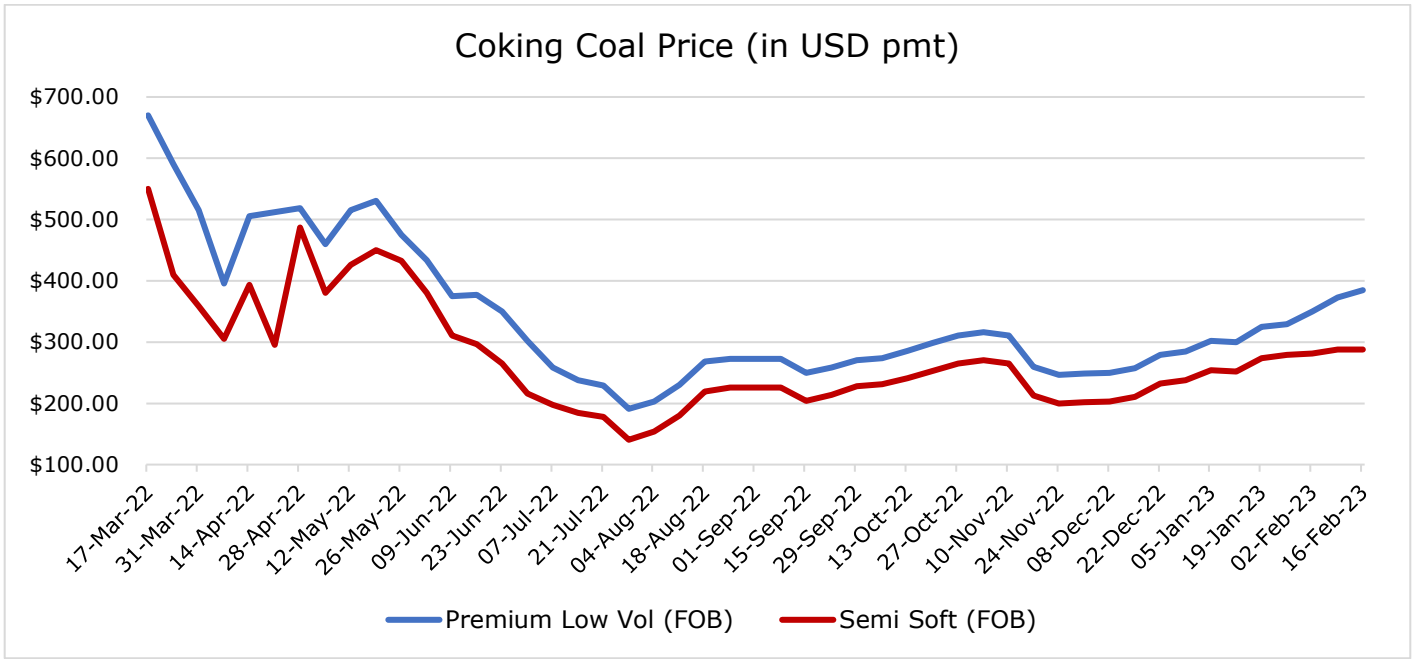
With the last few weeks' supply crunch situations and an increase in buying interest for coking coal, Asia metcoal prices further gained ground. Australia PLV FOB averages \$ 385 from the week from \$ 373 last week. The semi-soft price stayed stable at \$288. Increasing coking coal prices provides support to the metcoke prices as well. The Metcoke CFR prices for CSR 62 edged up to \$ 465.

Indian steel mills are looking for the material however current price level is not acceptable. China is still not increasing its procurement of Aus coal. Only four of its state-owned entities got permission to procure Aus coal. However, the current supply shortages from the Aus region support the prices.

Chinese metcoke's expected third-round price cut has not taken place for the week. The metcoke price in the international market is higher and Indian suppliers of metcoke are also waiting for the price increase for domestic material.



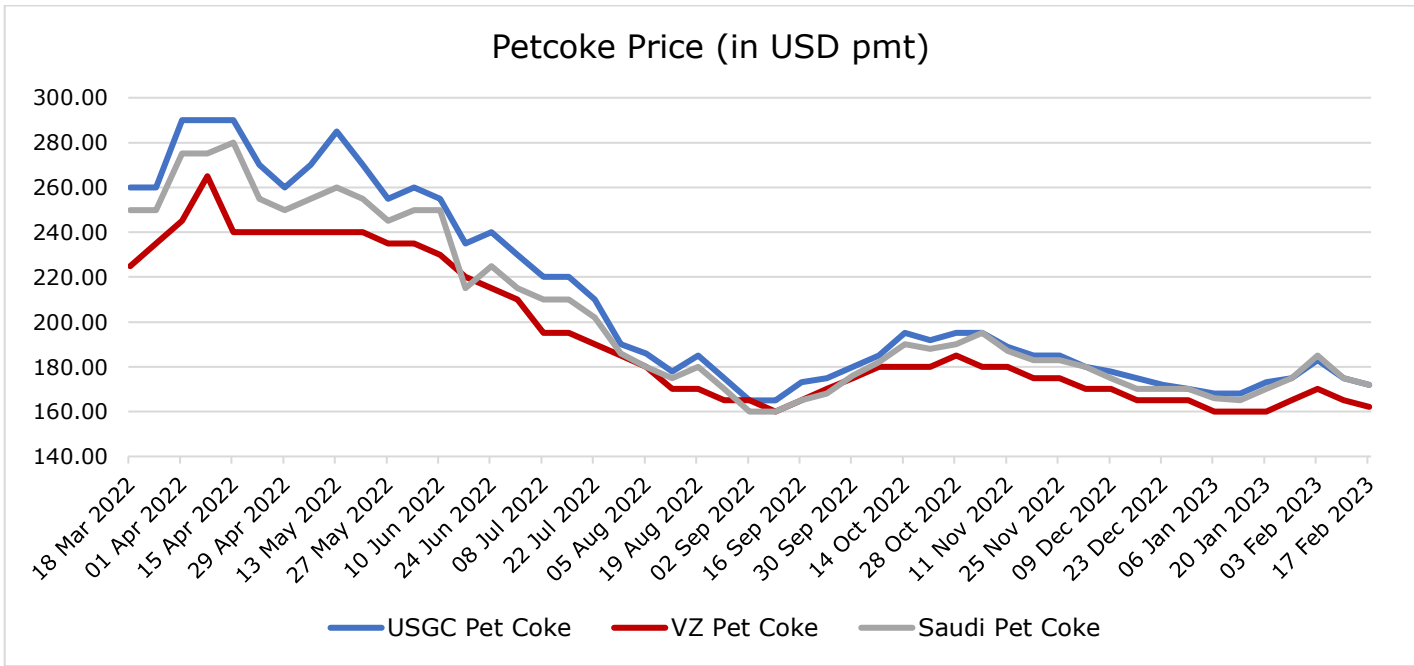
USA coking coal market is also seen a support for prices. Low Vol HCC increases to \$ 342 for \$ 325 last week. High Vol A rises by \$ 15 WoW to \$ 325 this week and High Vol B increases by \$ 10 WoW to \$ 310.

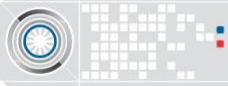


PETCOKE

Petcoke prices further seen a decline in for the CFR India basis. The USGC and Saudi offeres matched this week as well at \$ 175 with \$ 3 WoW down in price level. Venezuela-origin petcoke prices have also come down ot \$ 162 this week from \$ 165 last week.

Petcoke prices have again stabilized at last month's levels. Since the cement manufacturers closly monitor thermal coal prices as well, which currently showing downgrowth every week, the petcoke prices also decreses to be competitive.

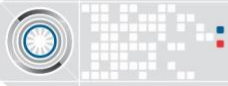




WEEKLY AVG INTERNATIONAL PRICE

Grade	Price pmt								
	18-Feb-23	11-Feb-23	WoW Change	18-Jan-23	MoM Change	18-Feb-22	YoY Change	52 Week High	52 Week Low
FOB Richards Bay									
4800 NAR	\$ 89.00	\$ 90.00	(1.11)%	\$ 100.00	(11.00)%	\$ 164.00	(45.73)%	\$ 320.00	\$ 85.00
5500 NAR	\$ 113.00	\$ 114.00	(0.88)%	\$ 124.00	(8.87)%	\$ 202.00	(44.06)%	\$ 385.00	\$ 113.00
6000 NAR	\$ 136.00	\$ 138.50	(1.81)%	\$ 167.00	(18.56)%	\$ 220.00	(38.18)%	\$ 420.00	\$ 136.00
FOB Newcastle									
5500 NAR	\$ 114.00	\$ 116.00	(1.72)%	\$ 132.00	(13.64)%	\$ 155.00	(26.45)%	\$ 280.00	\$ 114.00
6000 NAR	\$ 195.00	\$ 220.00	(11.36)%	\$ 355.00	(45.07)%	\$ 250.00	(22.00)%	\$ 440.00	\$ 195.00
FOB Indonesia									
6500 GAR	\$ 185.00	\$ 200.00	(7.50)%	\$ 220.00	(15.91)%	\$ 175.00	5.71 %	\$ 308.00	\$ 175.00
5800 GAR	\$ 120.00	\$ 128.00	(6.25)%	\$ 142.00	(15.49)%	\$ 142.00	(15.49)%	\$ 220.00	\$ 120.00
5000 GAR	\$ 90.00	\$ 95.00	(5.26)%	\$ 109.00	(17.43)%	\$ 118.00	(23.73)%	\$ 170.00	\$ 90.00
4200 GAR	\$ 68.00	\$ 72.00	(5.56)%	\$ 83.00	(18.07)%	\$ 77.00	(11.69)%	\$ 120.00	\$ 68.00
3400 GAR	\$ 47.00	\$ 48.00	(2.08)%	\$ 51.00	(7.84)%	\$ 52.50	(10.48)%	\$ 75.00	\$ 47.00
CFR (SA Coal)									
4800 NAR	\$ 101.75	\$ 103.00	(1.21)%	\$ 113.50	(10.35)%	\$ 185.00	(45.00)%	\$ 343.00	\$ 101.00
5500 NAR	\$ 125.75	\$ 127.00	(0.98)%	\$ 137.50	(8.55)%	\$ 223.00	(43.61)%	\$ 408.00	\$ 125.75
6000 NAR	\$ 148.75	\$ 151.50	(1.82)%	\$ 180.50	(17.59)%	\$ 241.00	(38.28)%	\$ 443.00	\$ 148.75
CFR (Aus Coal)									
5500 NAR	\$ 126.50	\$ 129.00	(1.94)%	\$ 145.00	(12.76)%	\$ 175.00	(27.71)%	\$ 302.50	\$ 126.50
6000 NAR	\$ 202.50	\$ 233.00	(13.09)%	\$ 368.00	(44.97)%	\$ 275.00	(26.36)%	\$ 460.00	\$ 202.50
CFR (Indonesia Coal)									
6500 GAR	\$ 195.00	\$ 210.00	(7.14)%	\$ 231.00	(15.58)%	\$ 199.00	(2.01)%	\$ 333.00	\$ 194.00
5800 GAR	\$ 130.00	\$ 138.00	(5.80)%	\$ 153.00	(15.03)%	\$ 166.00	(21.69)%	\$ 245.00	\$ 130.00
5000 GAR	\$ 100.00	\$ 105.00	(4.76)%	\$ 120.00	(16.67)%	\$ 142.00	(29.58)%	\$ 195.00	\$ 100.00
4200 GAR	\$ 78.00	\$ 82.00	(4.88)%	\$ 94.00	(17.02)%	\$ 101.00	(22.77)%	\$ 145.00	\$ 78.00
3400 GAR	\$ 57.00	\$ 58.00	(1.72)%	\$ 62.00	(8.06)%	\$ 76.50	(25.49)%	\$ 102.00	\$ 57.00
CFR (Rus Coal)									
5500 NAR	\$ 126.00	\$ 130.00	(3.08)%	\$ 150.00	(16.00)%	\$ 195.00	(35.38)%	\$ 250.00	\$ 126.00
6000 NAR	\$ 142.00	\$ 150.00	(5.33)%	\$ 165.00	(13.94)%	\$ 215.00	(33.95)%	\$ 300.00	\$ 142.00
CFR (USA Coal)									
6900 NAR	\$ 160.00	\$ 157.00	1.91 %	\$ 185.00	(13.51)%	\$ 210.00	(23.81)%	\$ 310.00	\$ 157.00
Petcoke (CFR - India)									
US Origin (6.5% TS)	\$ 172.00	\$ 175.00	(1.71)%	\$ 173.00	(0.58)%	\$ 195.00	(11.79)%	\$ 290.00	\$ 165.00
VZ Origin (5.0% TS)	\$ 162.00	\$ 165.00	(1.82)%	\$ 160.00	1.25 %	\$ 185.00	(12.43)%	\$ 265.00	\$ 155.00
Saudi Origin (8.5% TS)	\$ 172.00	\$ 175.00	(1.71)%	\$ 170.00	1.18 %	\$ 190.00	(9.47)%	\$ 280.00	\$ 160.00

DOMESTIC COAL PRICE



DOMESTIC COAL PRICE

(West Coast – India)

Domestic prices of import-based coal are not showing any signs of improvement and keep falling WoW to levels not seen in months. The Indonesian coal prices decline by 300-500 month-on-month (MoM) and USA coal offers increased by 2% for NAPP and stays stable for ILB coal. However still down by 9-13% MoM.

Grade	Price pmt / 00-50 MM / Ex-Plot Port				
	18-Feb-23	11-Feb-23	Change	19-Jan-23	Change
US Origin Coal from Tuna / Kandla (WCI)					
NAPP	₹ 14,900.00	₹ 14,600.00	2.05 %	₹ 16,400.00	(9.15)%
ILB	₹ 13,500.00	₹ 13,500.00	0.00 %	₹ 15,500.00	(12.90)%
Indonesian Origin Coal from Tuna / Kandla (WCI)					
5000 GAR	₹ 9,500.00	₹ 9,500.00	0.00 %	₹ 9,800.00	(3.06)%
4200 GAR	₹ 7,575.00	₹ 7,625.00	(0.66)%	₹ 8,000.00	(5.31)%
3800 GAR	₹ 7,175.00	₹ 7,250.00	(1.03)%	₹ 7,500.00	(4.33)%
3400 GAR	₹ 5,650.00	₹ 5,775.00	(2.16)%	₹ 6,200.00	(8.87)%
Indonesian Origin Coal from Navlakhi (WCI)					
5000 GAR	₹ 9,575.00	₹ 9,575.00	0.00 %	₹ 9,800.00	(2.30)%
4200 GAR	₹ 7,600.00	₹ 7,675.00	(0.98)%	₹ 8,100.00	(6.17)%
3800 GAR	₹ 7,200.00	₹ 7,300.00	(1.37)%	₹ 7,600.00	(5.26)%
3400 GAR	₹ 5,675.00	₹ 5,800.00	(2.16)%	₹ 6,350.00	(10.63)%
South African coal from Kandla (WCI)					
5500 NAR	₹ 11,000.00	₹ 11,000.00	0.00 %	₹ 12,500.00	(12.00)%
Russian coal from Kandla (WCI)					
6000 NAR	₹ 13,500.00	₹ 13,600.00	(0.74)%	₹ 14,200.00	(4.93)%
Price pmt / Screened Plant / Ex-Plot Screening Plant					
Grade / Sized	18-Feb-23	11-Feb-23	Change	19-Jan-23	Change
3400 GAR					
00 - 06 MM	₹ 5,600.00	₹ 5,750.00	(2.61)%	₹ 5,900.00	(5.08)%
06 - 20 MM	₹ 6,900.00	₹ 7,000.00	(1.43)%	₹ 7,200.00	(4.17)%
20 - 50 MM	₹ 7,100.00	₹ 7,200.00	(1.39)%	₹ 7,800.00	(8.97)%
4200 GAR					
00 - 06 MM	₹ 6,800.00	₹ 6,900.00	(1.45)%	₹ 8,000.00	(15.00)%
06 - 20 MM	₹ 8,700.00	₹ 8,800.00	(1.14)%	₹ 9,300.00	(6.45)%
20 - 50 MM	₹ 8,800.00	₹ 9,000.00	(2.22)%	₹ 9,600.00	(8.33)%
5000 GAR					
00 - 06 MM	₹ 8,100.00	₹ 8,400.00	(3.57)%	₹ 8,400.00	(3.57)%
06 - 20 MM	₹ 12,200.00	₹ 12,200.00	0.00 %	₹ 12,400.00	(1.61)%
20 - 50 MM	₹ 12,400.00	₹ 12,500.00	(0.80)%	₹ 12,700.00	(2.36)%
* Above prices are Basic Per Metric Ton. GST, Cess, TCS & Other applicable taxes are extra.					

ECONOMIC UPDATE



INFLATION

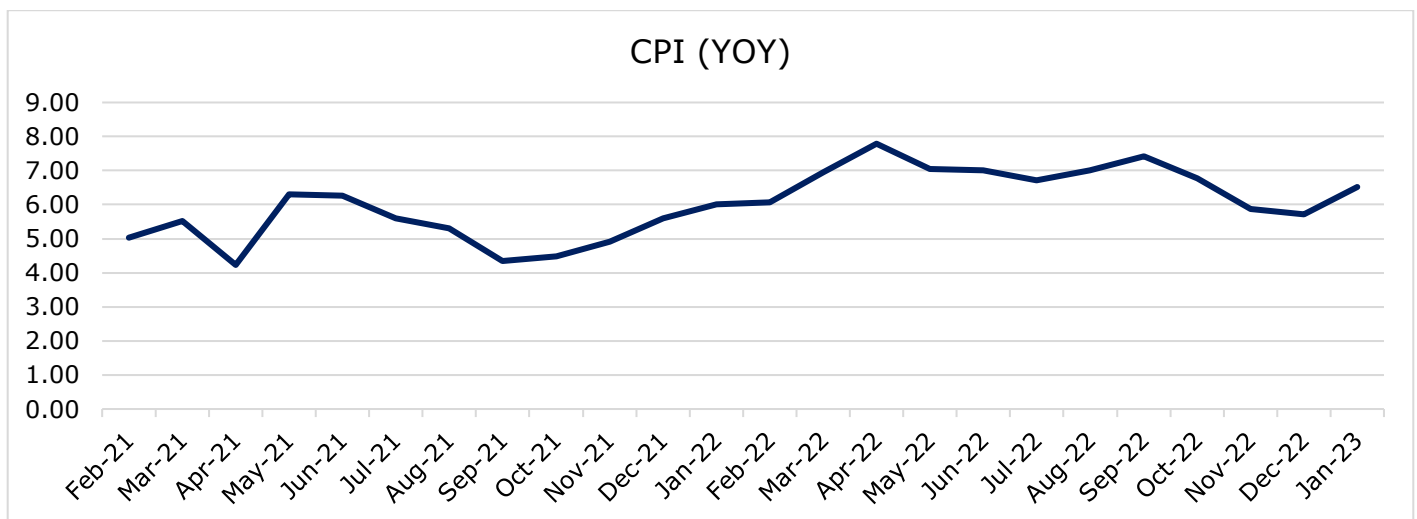
Consumer Price Index

The Consumer Price Index (CPI), or retail inflation, reached a three-month high of 6.52% in January, according to statistics issued by the Ministry of Statistics and Programme Implementation (MoSPI).

Retail inflation has returned to 6%, according to data, after the Reserve Bank of India lifted the benchmark repo rate by 25 basis points to 6.5%.

In January, the food basket inflation rate was 5.94%, up from 4.19% in December. Retail inflation in food and drinks climbed by 6.19%, while inflation in clothes and footwear jumped by 9.08%. Inflation in housing increased by 4.62%, while inflation in fuel and lighting increased by 10.84%. Miscellaneous increased by 6.21%.

Looking at the specifics, grains and goods had a 16.12% increase in inflation, while eggs, milk, meat, and fish saw a 6-9% increase. Conversely, prices fell by 11.7% for veggies but increased by 21.09% for spices.



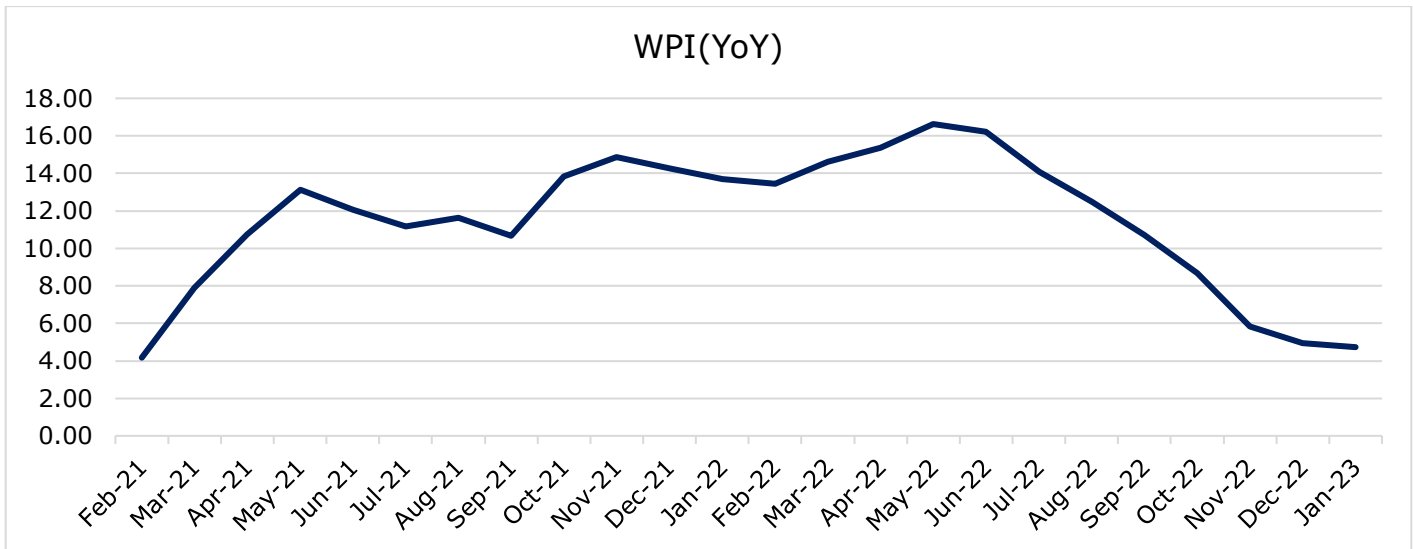
Wholesale Price Index

In January, India's annual Wholesale Price-based Inflation (WPI) fell to 4.73% year on year (YoY), the eighth consecutive month of reduction. This is the lowest level in the last 24 months.

WPI-based inflation was 4.95% in December 2022 and 6.12% in November.

Food inflation, on the other hand, increased to 2.38% in January from (-) 1.25% in December 2022. In pulses, inflation was 2.41%, while in vegetables, it was (-) 26.48%. In January, oil seed inflation was 4.22% down.

Petroleum and electricity basket inflation fell to 15.15% in December 2022, from 18.09% in December 2022. It was 2.99% in manufactured goods, compared to 3.37% in December 2022.



Source: <https://tradingeconomics.com/india/inflation-cpi>
<https://www.livemint.com/economy/cpi-inflation-for-january-stands-at-652-11676289887386.html>
<https://tradingeconomics.com/india/producer-prices-change>
https://www.business-standard.com/article/economy-policy/india-s-wholesale-price-inflation-eases-to-two-year-low-of-4-73-in-january-123021400928_1.html

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US Coal | Indonesian Coal | South African Coal | Anthracite | Coking Coal | Screened Coal | Met Coke

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