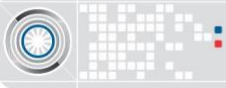


**WEEKLY
PRICE UPDATE**
18-MAR-2023

Coal & Coke

INTERNATIONAL FUTURE COAL PRICE



API2: FUTURE PRICE STABLE AT LAST WEEK'S LEVEL

European coal future delivered price denoted as API2 for the March month stays stable this week at \$ 135 with no WoW change. The API2 Mar 2023 contract has been down to 62% compared to the contract's 52-week high of \$ 351 and a 12% high from the contract's 52-week low of \$ 121.

Europe's electricity demand has reduced this winter due to milder-than-expected weather. The prompt actions taken to secure supply at that time have left the EU with enough stock to run the economy smoothly. Not just this one, the EU's coal demand was the lowest in history last year in 2022. There are no new coal plants proposed in North America or the EU. No new coal plants have started construction across the OECD and EU since 2019. Natural gas prices which coal prices depended on last year have also been stable at lower levels.



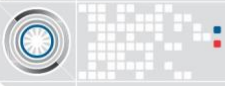
API2 April contract price has again come down to the preceding week of last week's level at \$ 126.50 with a \$ 7 WoW rise. The contract last week closed at \$ 133.35. The API2 Apr 2023 contract has been down to 63% compared to the contract's 52-week high of \$ 342 and a 5% high from the contract's 52-week low of \$ 121.



API4: SA PRICES ARE FURTHER DOWN, DEMAND IS STABLE

South African future export prices of coal API4 further down to \$ 131.15 from \$ 133.65 last week amid lower demand for the seaborne material. The API4 March contract price is down by \$ 3 WoW. The API4 Mar 2023 contract has been down to 60% compared to the contract's 52-week high of \$ 327 and a 6% high from the contract's 52-week low of \$ 124.

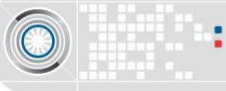
SA with its major importers like India having other competitive options like Russia, Indonesia and Mozambique coal and EU enjoying sufficient stock, has not seen much change in its price level. Other small countries like Pakistan, Bangladesh due to financial reasons are not able to procure coal at this high level.



The April month contract of API4 come down from last week's price level to \$ 130.85 with a \$ 4 WoW decline. The contract last week closed at \$ 135.35. The API4 Apr 2023 contract has been down to 59% compared to the contract's 52-week high of \$ 320 and a 6% high from the contract's 52-week low of \$ 123.



INTERNATIONAL COAL PRICE



THERMAL COAL

The week has seen a bit surge in the seaborne thermal coal prices with anticipation of improvement in demand, however, the spot market of coal is still in a bearish sentiment.

South African futures are down but spot prices improved after increasing demand from the Indian market. However, with India having other options like Russian, Mozambique and Indonesian coal the SA prices are not expected to see much rise even with demand support. EU region is silent enjoying mild weather and sufficient supply at the current. SA FOB 4800 NAR touched a seven-week high at \$ 95.

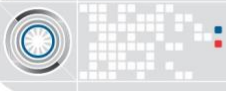
Indian coal demand is anticipated to increase from the current level for summer stocking, however, coal prices are not expected to see such a rise as last year. The Indian government is taking necessary steps to increase domestic coal production. CIL is all set for the summer demand. However, on January 9, the Ministry directed Central and State Gencos, as well as independent power producers (IPPs), to take the necessary steps to import coal for blending at a rate of 6% by weight through transparent competitive procurement in order to have sufficient stock at power plants for smooth operations until September, ensuring that the coal shortage situation of last year did not reoccur. To overcome the local coal supply constraint throughout the season, India's state-run power producer NTPC intends to import 5.4 million metric tonnes (MMT) of coal for its power plans from April to September 2023.

China is also ramping up its domestic coal production. China's coal output increased by 5.8% in the first two months of 2023 compared to the same time the previous year. According to the National Bureau of Statistics statistics, China, the world's largest coal miner and consumer produced 734.23 million tonnes of the fuel in January-February, up from 686.6 million tonnes in the same time in 2022. With Russia's invasion of Ukraine, a dramatic spike in global coal prices and interruption of energy supply chains have forced China to prioritise energy security. Miners increased output in anticipation of improved demand once COVID-19 limits were lifted at the end of last year.

This year, the government approved 260 million tonnes of new coal mining capacity and reactivated seven previously closed mines. Apart from that, in the second half of last year, China advanced plans for new coal power plants, boosting its pipeline by 45% to 250 gigatonnes.

Except for China, all global areas had a decrease or stagnation in the amount of new coal under consideration in the second half of 2022. Outside of China, just seven coal projects were proposed: six restarted projects in India and one new project in Indonesia. Since 2015, this is the least amount of new projects submitted in any half-year period.

The second half of 2022 witnessed China's biggest growth in new coal plant permitting, supported by strong increases in new project proposals and building commencement. China currently accounts for 72% of worldwide pre-construction capacity, up from 66% in July 2022. But, China's demand has not arrived in the market as projected, and demand from Chinese customers for seaborne goods is low. Cement makers, from whom traders expected larger purchases earlier this week, were collectively quiet, with the willingness to accept bargain purchasing in expectation of a price decrease.



The most important news this week is that China has resumed trade with Australia. China lifted its unofficial embargo on Australia at the beginning of this year, but just four entities were permitted to import from Australia. Notwithstanding the restoration of trade, we do not anticipate an increase in Australian imports because inexpensive Russian coal and easily accessible Indonesian coal remain viable options for China. As a result, the world's largest coal importer may not return to Australia for thermal coal right away. Even after the news of trade resumed, AUS coal prices for the 6000 NAR FOB fell to \$ 175 from \$ 180 the previous week.

When it comes to Indonesian coal prices, high-CV coal prices have fallen while mid and low-CV coal prices have risen due to trading from the Chinese market. Indonesian thermal coal prices are rising as Chinese utilities issue active bidding invites to minimise potential supply disruptions caused by the fasting season in Indonesia, which begins on March 22. The approaching fasting month of Ramadan has boosted the market mood, leading utilities to increase coal purchases. Indonesian 3,400 Kcal/kg GAR thermal coal was valued at \$ 49.50/t FOB, up from \$ 48 last week. Indonesian 4,200 Kcal/kg GAR was valued at \$ 73.50/t FOB, up from \$ 72 the previous week.

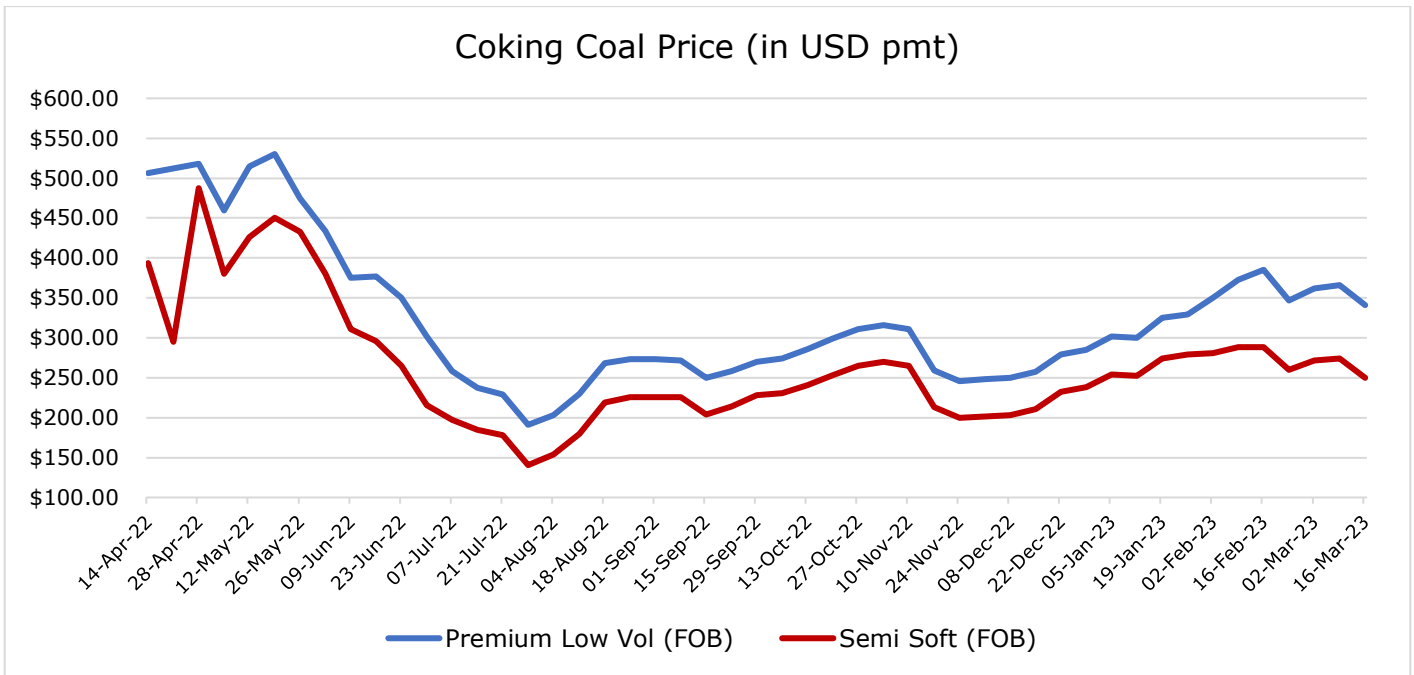
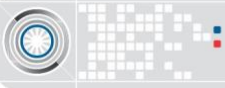
Russian prices for the Indian-delivered coal have been increased this week to \$ 130 for 5500 NAR and \$ 140 for 6000 NAR. On the contrary, USA-origin coal prices for CFR India down by \$ 5 WoW to \$ 175.

COKING COAL

International coking coal prices finally cool off with an improvement in supply and an unofficial ban lifted from China on AUS coal. Australia PLV FOB price averages around \$ 341 for the week from \$ 366 last week, a \$ 25 WoW rise. Semi-soft has also come down to \$ 250 from the \$ 274 price level last week. With the reduction in coking coal prices Indian delivered metcoke CFR prices for CSR 62 have also relived to \$ 450 from \$ 467 last week.

Chinese coking coal production has risen. In the January-February period, China produced 77.63 million tonnes of coke, up 3.2% from a year earlier, the NBS data showed. China even after lifting the ban fully, is not expected to increase procurement from AUS with these much higher prices and Chinese steel sector margins are also low. China's domestic prices are also low with low demand. Mecoke production cuts also observe in China due to low margins. India is still observing supply tightness and demand is there for AUS material.

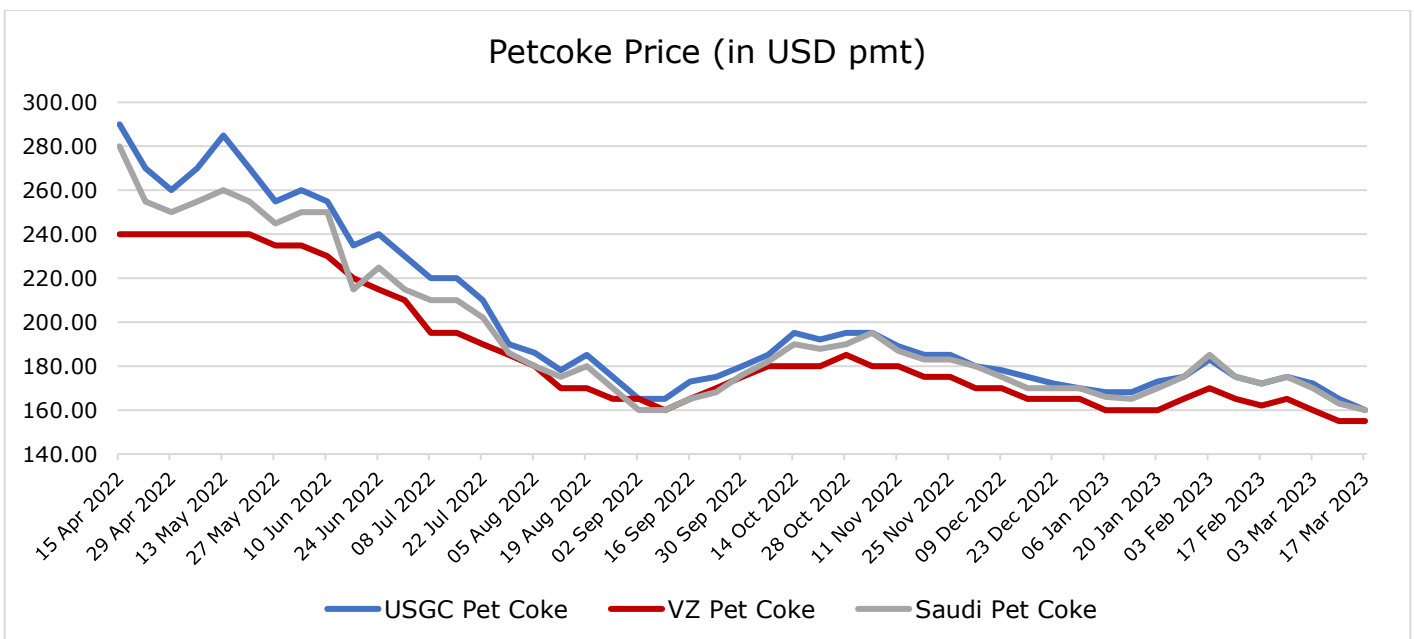
The USA coking coal prices have also lowered to \$ 15 for the different grades of coal. Low Vol HCC come down to \$ 316 this week. High Vol A and High Vol B average around \$ 310 and \$ 275 respectively for the week.

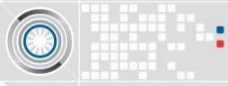


PETCOKE

Seaborne Petcoke prices have further come down with the downgrade of thermal coal prices. USA-origin fourteen months and Saudi-origin thirteen months down at CFR India \$ 160 each. The two origin prices decline by \$ 5 and \$ 3 WoW respectively. Venezuela-origin petcoke prices have stayed stable for the week and are the lowest in thirteen months. Petcoke from Venezuela was offered at around \$ 155 this week.

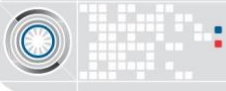
The low thermal coal prices in the international market are supporting the low petcoke prices. Infrastructural development is also moderate that limiting the demand for the cement sector. With low demand, the cement sector is procuring the material on a need base.





WEEKLY AVG INTERNATIONAL PRICE

| Grade | Price pmt | | | | | | | | |
|------------------------------|-----------|-----------|------------|-----------|------------|-----------|------------|--------------|-------------|
| | 18-Mar-23 | 11-Mar-23 | WoW Change | 18-Feb-23 | MoM Change | 18-Mar-22 | YoY Change | 52 Week High | 52 Week Low |
| FOB Richards Bay | | | | | | | | | |
| 4800 NAR | \$ 95.00 | \$ 90.00 | 5.56 % | \$ 89.00 | 6.74 % | \$ 216.00 | (56.02)% | \$ 235.00 | \$ 85.00 |
| 5500 NAR | \$ 111.00 | \$ 108.00 | 2.78 % | \$ 113.00 | (1.77)% | \$ 255.00 | (56.47)% | \$ 295.00 | \$ 108.00 |
| 6000 NAR | \$ 130.00 | \$ 125.00 | 4.00 % | \$ 136.00 | (4.41)% | \$ 290.00 | (55.17)% | \$ 360.00 | \$ 125.00 |
| FOB Newcastle | | | | | | | | | |
| 5500 NAR | \$ 122.00 | \$ 117.00 | 4.27 % | \$ 114.00 | 7.02 % | \$ 220.00 | (44.55)% | \$ 220.00 | \$ 114.00 |
| 6000 NAR | \$ 175.00 | \$ 180.00 | (2.78)% | \$ 195.00 | (10.26)% | \$ 315.00 | (44.44)% | \$ 440.00 | \$ 175.00 |
| FOB Indonesia | | | | | | | | | |
| 6500 GAR | \$ 180.00 | \$ 185.00 | (2.70)% | \$ 185.00 | (2.70)% | \$ 275.00 | (34.55)% | \$ 280.00 | \$ 180.00 |
| 5800 GAR | \$ 118.00 | \$ 120.00 | (1.67)% | \$ 120.00 | (1.67)% | \$ 205.00 | (42.44)% | \$ 205.00 | \$ 118.00 |
| 5000 GAR | \$ 96.00 | \$ 95.00 | 1.05 % | \$ 90.00 | 6.67 % | \$ 160.00 | (40.00)% | \$ 160.00 | \$ 90.00 |
| 4200 GAR | \$ 73.50 | \$ 72.00 | 2.08 % | \$ 68.00 | 8.09 % | \$ 110.00 | (33.18)% | \$ 110.00 | \$ 68.00 |
| 3400 GAR | \$ 49.50 | \$ 48.00 | 3.13 % | \$ 47.00 | 5.32 % | \$ 68.70 | (27.95)% | \$ 75.00 | \$ 47.00 |
| CFR (SA Coal) | | | | | | | | | |
| 4800 NAR | \$ 111.50 | \$ 107.00 | 4.21 % | \$ 101.75 | 9.58 % | \$ 242.00 | (53.93)% | \$ 256.00 | \$ 101.00 |
| 5500 NAR | \$ 127.50 | \$ 125.00 | 2.00 % | \$ 125.75 | 1.39 % | \$ 281.00 | (54.63)% | \$ 316.00 | \$ 125.00 |
| 6000 NAR | \$ 146.50 | \$ 142.00 | 3.17 % | \$ 148.75 | (1.51)% | \$ 316.00 | (53.64)% | \$ 382.00 | \$ 142.00 |
| CFR (Aus Coal) | | | | | | | | | |
| 5500 NAR | \$ 138.50 | \$ 134.50 | 2.97 % | \$ 126.50 | 9.49 % | \$ 248.00 | (44.15)% | \$ 248.00 | \$ 126.50 |
| 6000 NAR | \$ 191.50 | \$ 197.50 | (3.04)% | \$ 202.50 | (5.43)% | \$ 343.00 | (44.17)% | \$ 460.00 | \$ 191.50 |
| CFR (Indonesia Coal) | | | | | | | | | |
| 6500 GAR | \$ 193.00 | \$ 198.50 | (2.77)% | \$ 195.00 | (1.03)% | \$ 300.00 | (35.67)% | \$ 305.00 | \$ 193.00 |
| 5800 GAR | \$ 131.00 | \$ 133.50 | (1.87)% | \$ 130.00 | 0.77 % | \$ 230.00 | (43.04)% | \$ 230.00 | \$ 130.00 |
| 5000 GAR | \$ 109.00 | \$ 108.50 | 0.46 % | \$ 100.00 | 9.00 % | \$ 185.00 | (41.08)% | \$ 188.00 | \$ 100.00 |
| 4200 GAR | \$ 86.50 | \$ 85.50 | 1.17 % | \$ 78.00 | 10.90 % | \$ 135.00 | (35.93)% | \$ 135.00 | \$ 78.00 |
| 3400 GAR | \$ 62.50 | \$ 61.50 | 1.63 % | \$ 57.00 | 9.65 % | \$ 93.70 | (33.30)% | \$ 102.00 | \$ 57.00 |
| CFR (Rus Coal) | | | | | | | | | |
| 5500 NAR | \$ 130.00 | \$ 125.00 | 4.00 % | \$ 126.00 | 3.17 % | \$ 230.00 | (43.48)% | \$ 250.00 | \$ 125.00 |
| 6000 NAR | \$ 140.00 | \$ 137.00 | 2.19 % | \$ 142.00 | (1.41)% | \$ 280.00 | (50.00)% | \$ 280.00 | \$ 137.00 |
| CFR (USA Coal) | | | | | | | | | |
| 6900 NAR | \$ 175.00 | \$ 180.00 | (2.78)% | \$ 160.00 | 9.38 % | \$ 290.00 | (39.66)% | \$ 310.00 | \$ 157.00 |
| Petcoke (CFR - India) | | | | | | | | | |
| US Origin (6.5% TS) | \$ 160.00 | \$ 165.00 | (3.03)% | \$ 172.00 | (6.98)% | \$ 260.00 | (38.46)% | \$ 290.00 | \$ 160.00 |
| VZ Origin (5.0% TS) | \$ 155.00 | \$ 155.00 | 0.00 % | \$ 162.00 | (4.32)% | \$ 225.00 | (31.11)% | \$ 265.00 | \$ 155.00 |
| Saudi Origin (8.5% TS) | \$ 160.00 | \$ 163.00 | (1.84)% | \$ 172.00 | (6.98)% | \$ 250.00 | (36.00)% | \$ 280.00 | \$ 160.00 |



HBA UPDATE

Harga Batubara Acuan formally known as the HBA-thermal coal reference price of Indonesia has been settled at \$ 283.08/mt for March 2023. The coal prices in March are set at a 39% high year-on-year (YoY) and a 2% up month-on-month (MoM). The index has been settled at \$ 283.08 for March 23, against \$ 203.69 in Mar 2022 and \$ 277.05 in Feb 2023. The HBA continued to weaken from Mar 20 to Sep 20. After falling at a historical low in Sep to \$49.42/MT, the HBA again strengthened. In the current year, it continuously increases and it touches a historical high in October 2022. As per data available with us, Sep 20 (\$49.42/mt) price is the lowest since Jan 09.

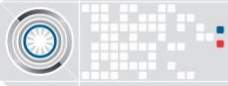
Since Indonesia changed the pricing formula this month onwards, they have for the first time set HBA prices for more than one grade of coal. Apart from the price level of \$ 283.08 which is for 6,322 kcal/kg GAR, the reference prices for 5,200 kcal/kg GAR and 4,200 kcal/kg GAR grades have been set at \$136.70/mt and \$102.26/mt, respectively.

The HBA is the basis for determining prices of Indonesian coal products and calculating the amount of royalty producers must pay for each metric ton of coal sold overseas.

HBA is being set by Indonesia's Ministry of Energy and Mineral Resources as a reference price of thermal coal for Indonesian coal. This is the first monthly HBA price announced by the Indonesian government after it recently modified the method for calculating the country's benchmark coal prices. The new calculation will be according to this: The monthly HBA price of coal of a particular specification will now be based on the actual selling price of the cargoes in the previous two months. While 70% weightage will be given to the average price of the cargo in the preceding month, the average price of the month before than will carry 30% weightage in the HBA price.

Prior to this modification, the HBA price considered 25% weightage each of Platts Kalimantan 5,900 kcal/kg GAR assessments, the Argus-Indonesia Coal Index 1 (6,500 kcal/kg GAR), the Newcastle Export Index (6,322 kcal/kg GAR), and globalCOAL Newcastle (6,000 kcal/kg NAR) for the preceding month.

DOMESTIC COAL PRICE



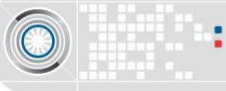
DOMESTIC COAL PRICE

(West Coast – India)

With India's summer season stocking activity taking place, domestic prices have seen some movement. Indo-coal prices gained INR 300 to 400 WoW. Domestic coal production is increasing, however, to avoid any supply shortage during the peak season in India, the imported coal stock has also risen.

| Grade | Price pmt / 00-50 MM / Ex-Plot Port | | | | |
|--|--|-------------|---------|-------------|---------|
| | 18-Mar-23 | 11-Mar-23 | Change | 16-Feb-23 | Change |
| US Origin Coal from Tuna / Kandla (WCI) | | | | | |
| NAPP | ₹ 17,000.00 | ₹ 18,000.00 | (5.56)% | ₹ 14,600.00 | 16.44 % |
| ILB | N/A | N/A | | ₹ 13,500.00 | |
| Indonesian Origin Coal from Tuna / Kandla (WCI) | | | | | |
| 5000 GAR | ₹ 10,500.00 | ₹ 10,500.00 | 0.00 % | ₹ 9,500.00 | 10.53 % |
| 4200 GAR | ₹ 8,300.00 | ₹ 8,000.00 | 3.75 % | ₹ 7,625.00 | 8.85 % |
| 3800 GAR | ₹ 7,700.00 | ₹ 7,200.00 | 6.94 % | ₹ 7,250.00 | 6.21 % |
| 3400 GAR | ₹ 6,200.00 | ₹ 6,000.00 | 3.33 % | ₹ 5,775.00 | 7.36 % |
| Indonesian Origin Coal from Navlakhi (WCI) | | | | | |
| 5000 GAR | ₹ 10,700.00 | ₹ 10,700.00 | 0.00 % | ₹ 9,575.00 | 11.75 % |
| 4200 GAR | ₹ 8,500.00 | ₹ 8,200.00 | 3.66 % | ₹ 7,675.00 | 10.75 % |
| 3800 GAR | ₹ 7,800.00 | ₹ 7,400.00 | 5.41 % | ₹ 7,300.00 | 6.85 % |
| 3400 GAR | ₹ 6,200.00 | ₹ 5,900.00 | 5.08 % | ₹ 5,800.00 | 6.90 % |
| South African coal from Kandla (WCI) | | | | | |
| 5500 NAR | ₹ 11,300.00 | ₹ 11,300.00 | 0.00 % | ₹ 11,000.00 | 2.73 % |
| Russian coal from Kandla (WCI) | | | | | |
| 6000 NAR | ₹ 15,000.00 | ₹ 14,800.00 | 1.35 % | ₹ 13,600.00 | 10.29 % |
| | | | | | |
| Grade / Sized | Price pmt / Screened Plant / Ex-Plot Screening Plant | | | | |
| | 18-Mar-23 | 11-Mar-23 | Change | 16-Feb-23 | Change |
| 3400 GAR | | | | | |
| 00 - 06 MM | ₹ 5,800.00 | ₹ 6,000.00 | (3.33)% | ₹ 5,750.00 | 0.87 % |
| 06 - 20 MM | ₹ 7,100.00 | ₹ 7,100.00 | 0.00 % | ₹ 7,000.00 | 1.43 % |
| 20 - 50 MM | ₹ 7,600.00 | ₹ 7,600.00 | 0.00 % | ₹ 7,200.00 | 5.56 % |
| 4200 GAR | | | | | |
| 00 - 06 MM | ₹ 7,200.00 | ₹ 7,200.00 | 0.00 % | ₹ 6,900.00 | 4.35 % |
| 06 - 20 MM | ₹ 9,600.00 | ₹ 9,400.00 | 2.13 % | ₹ 8,800.00 | 9.09 % |
| 20 - 50 MM | ₹ 9,700.00 | ₹ 9,500.00 | 2.11 % | ₹ 9,000.00 | 7.78 % |
| 5000 GAR | | | | | |
| 00 - 06 MM | ₹ 8,800.00 | ₹ 8,700.00 | 1.15 % | ₹ 8,400.00 | 4.76 % |
| 06 - 20 MM | ₹ 12,600.00 | ₹ 12,600.00 | 0.00 % | ₹ 12,200.00 | 3.28 % |
| 20 - 50 MM | ₹ 13,000.00 | ₹ 13,000.00 | 0.00 % | ₹ 12,500.00 | 4.00 % |
| * Above prices are Basic Per Metric Ton. GST, Cess, TCS & Other applicable taxes are extra. | | | | | |

ECONOMIC UPDATE



INFLATION

Consumer Price Index (CPI)

According to statistics provided by the Ministry of Statistics and Programme Implementation on Monday, India's retail inflation slightly decreased to 6.44% year-over-year in February from 6.52% in January.

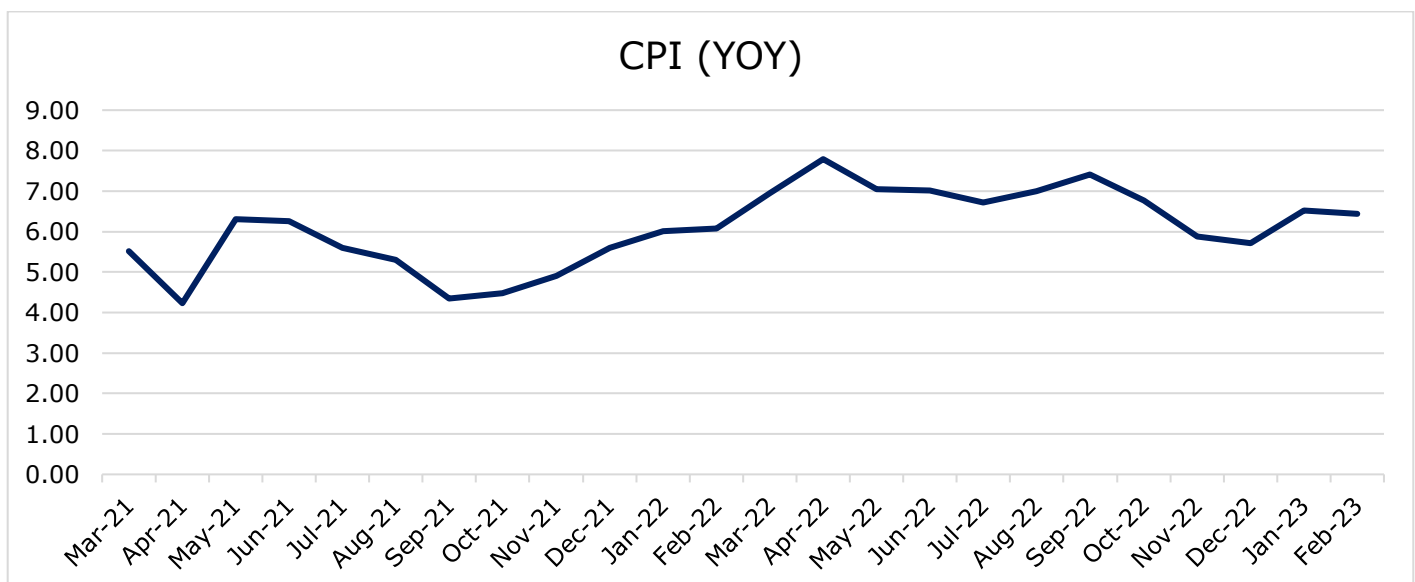
Rising food costs, which account for roughly 40% of the Consumer Price Index (CPI) basket, are to blame for the high inflation rate. In February, food inflation was 5.95%. Compared to the previous month, the inflation rate for vegetables slightly decreased to 11.6% from 11.7%. Fuel and light inflation dropped from 10.84% in January to 9.90% in the intervening period.

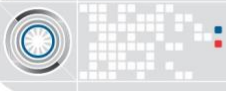
Core inflation — the non-food, non-fuel component — remained over 6% for the fourth consecutive month, raising anticipation of another 25 basis point rate rise by the RBI in its forthcoming policy review in April. In addition, while rural inflation fell to 6.72% in February from 6.85% the previous month, it remained higher than urban inflation, which jumped to 6.10% from 6%.

The RBI raised the repo rate by 25 basis points in its most recent monetary policy statement on February 8. It stated that the inflation forecast is mixed, expecting 6.5% in 2022-23 and 5.7% in Q4.

While vegetables remained deflationary for the fourth consecutive month in February, at (-)11.61%, grains inflation jumped to 16.73%, the sixth straight month of double-digit inflation. Milk and product inflation surged to 9.65% in February, up from 8.79% the previous month, while fruit inflation grew to 6.38%, up from 2.93% the previous month.

Meat and fish inflation fell to 3.39% in February from 6.04% the previous month, while egg inflation fell to 4.32% from 8.78%. Apparel and footwear inflation fell to 8.79% in February from 9.08% the previous month, while fuel and light inflation fell to 9.9% from 10.84%.





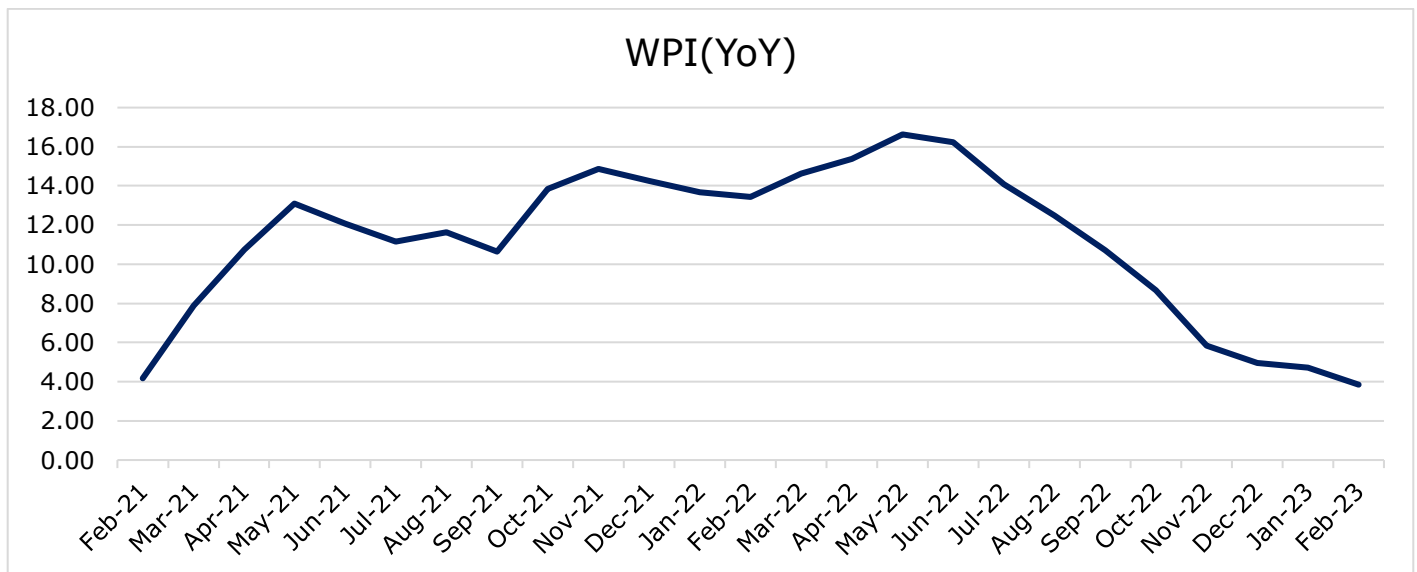
Wholesale Price Index (WPI)

Wholesale price-based inflation (WPI) fell to 3.85% year on year in February, down from 4.73% the previous month.

The annual WPI in India fell to its lowest level in over two years, pulled down by a drop in overall input costs for manufacturers due to favourable commodity prices.

The food index was up 2.76% year on year in February, up from 2.95% in January, while fuel and electricity increased 14.82%, up from 15.15%.

The decrease in the rate of inflation was broad-based, owing mostly to falls in oil, energy, non-food, and food prices, according to the government's statement.





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

CIN - U51909GJ2018PLC103166

IENERGY NATURAL RESOURCES LIMITED

📍 210 Royal Square, Near Shilp Tower
Tagore Road, Rajkot, Gujarat - 360002, India

☎ +91 281 2465640

📞 +91 90999 33816

✉ care@inrl.in

🌐 www.inrl.in