



London Coking Coal Market Report

info@freightinvestor.com | www.freightinvestorservices.com | (+44) 207 090 1120

FIS LONDON COKING COAL MARKET REPORT

DCE Level

Jan20: 1362.5 (+6.0)

Coking Coal Index

TSI FOB PHCC down 3.90 at 111.20; mtd 130.35

Trades

Dec at 121 2kT

Nov at 114 3kT

Q1 at 132.50 in 3kT/mnth

Q1 at 133 in 3kT/mth

Q1 at 133 in 3kT/mth

Nov at 112 2kT

Nov at 112 3kT

Dec at 120 in 10kT

Nov/Dec -10 2kT

Indicative Curve

	BID	OFFER	VALUE
OCT	123.00	127.00	125.00
NOV	109.00	113.00	111.00
DEC	117.50	121.50	119.50
JAN	128.00	132.00	130.00
Q4-20	116.50	120.50	118.50
Q1-21	131.00	135.00	133.00
Q2-21	133.25	137.25	135.25
Q3-21	135.00	139.00	137.00
Q4-21	135.75	139.75	137.75
CAL-21	133.75	137.75	135.75
CAL-22	136.00	140.00	138.00
CAL-23	137.50	141.50	139.50

Market Commentary

After being bid on the close yesterday we did pose the question on how well the market would hold up when presented with some selling interest. This did happen for a short period of time today. Dec was mixed with Q1 holding up well but November lost ground very quickly and wasn't helped by a falling index and Dec physical offered in the market with no bid. Nov had traded 114 but quickly moved back to 112, finally trading 111 on legs as Nov/Dec blew out to \$10 contango. This spread had looked well bid at -4 just 1 week ago. Further out Q1 saw some selling resistance at 133 but offers didn't follow on. Dec traded in small clips between 120 and 122, although was offered over late in the day. The December contract is somewhere in no man's land now. It looks expensive versus November. But if the over-supply is merely a short term issue it also looks good value versus Q1.

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