



London Coking Coal Market Report

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

FIS LONDON COKING COAL MARKET REPORT

DCE Level

Jan20: 1347 (-10.0)

Coking Coal Index

TSI FOB down 4.2 at 103.1; mtd 127.39

Trades

Nov at 108 in 5kT

Nov at 109 in 5kT

Dec at 118 in 2kT

Nov at 109 in 20kT

Nov/Dec at -9 in 5kT/mth

Nov/Dec at -9 in 3kT/mth

Cal 21/23 at -4.25 in 5kT/mth

Indicative Curve

OCT	120.00	124.00	122.00
NOV	105.50	109.50	107.50
DEC	116.00	120.00	118.00
JAN	127.50	131.50	129.50
FEB	134.50	138.50	136.50
MAR	137.00	141.00	139.00
Q4-20	113.83	117.83	115.83
Q1-21	133.00	137.00	135.00
Q2-21	135.50	139.50	137.50
Q3-21	137.25	141.25	139.25
Q4-21	137.25	141.25	139.25
CAL-21	135.75	139.75	137.75
CAL-22	138.00	142.00	140.00
CAL-23	140.00	144.00	142.00

Market Commentary

Another week with high volumes cleared on coking coal futures, although flat price activity outside of the front months/quarters has been limited. The main story of the week is certainly the continued slide of the TSI FOB index. Despite no physical deals reported, offers have moved lower and CFR prices have been transacting sub 120 into India. The other main story is the dramatic move out in time spreads in the futures curve. Nov/Dec has moved from \$4 wide a week ago to a \$10 contango today. Further out with some back end hedging interest (to buy) the whole curve now sits in a contango. Earlier in the week Q2/Q3 broke through flat for the first time in a few months to trade -2, likewise 1H/2H traded -4. Cal 21/23 has widened out to 4.25 carry. And then we have Q1, which has been pulled around depending on where the driving interest is. As we close today Dec/Q1 is -\$17 value. Certainly, this is more than the cost of carry would suggest it should be, but then we have to factor both the current political factors as well as potential supply weather risks. But with less deals being reported, is it inevitable that this overhang of supply will just roll into Q1?