



London Coking Coal Market Report

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

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DCE Level

May: 1546 down 34.5

Coking Coal Index

TSI PHCC FOB down 0.30 at 139.50; mtd 150.70

Trades

Q2 at 136 in 1kT/mth
 April at 135 in 1kT
 April at 134.50 in 5kT
 Q2 at 134 in 1kT/mth
 Q2 at 133 in 1kT/mth
 March at 130 in 5kT

Indicative Curve

	BID	OFFER	VALUE
FEB	145.00	148.00	146.50
MAR	128.50	131.50	130.00
APR	130.50	133.50	132.00
MAY	132.50	135.50	134.00
JUN	134.50	137.50	136.00
Q2-21	132.00	136.00	134.00
Q3-21	140.00	144.00	142.00
Q4-21	147.00	151.00	149.00
Q1-22	153.00	157.00	155.00
CAL-22	152.50	156.50	154.50
CAL-23	154.00	158.00	156.00

Market Commentary

The slide in front end futures continued today, despite the index only trickling lower. There are 1-2 March cargoes without homes to go to and this has made longs nervous. Liquidity in in the front month has been poor and forced sellers of March to sell into April and Q2 as well over the last couple of days. Q2 traded 136, 134 and 133 today! A week ago we were already expecting the index to drop to low 130s with Feb trading sub 145, yet Q2 had remained resolute until only yesterday.

Further out and little has changed. What was very recently a flat curve has now pushed out into a steep contango again. This will present some good opportunities but as ever timing will be key going forward.