FIS London Coking Coal Market Report

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DCE Level

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Sep: 1715 down 70

Coking Coal Index

TSI FOB PLV up 10 at 135.0; mtd 115.04

CFR China (PLV) unch at 275.0

Trades

July at 145 in 2kT
Q3 at 148 in 1kT/mth
July at 147 in 2kT
Q3/Q4 at -1 in 1kT/mth
Aug at 150 in 2kT
July at 152 in 2kT
Q3 at 152 in 1kT/mth
Q122 vs Cal 22 at -1.25 in 4/1 kT/mth

Indicative Curve (FOB)

	BID	OFFER	VALUE
MAY	120.00	122.00	121.00
JUN	145.00	147.00	146.00
JUL	151.00	153.00	152.00
AUG	151.00	153.00	152.00
Q3-21	151.00	153.00	152.00
Q4-21	151.00	153.00	152.00
Q1-22	159.00	161.00	160.00
Q2-22	160.00	162.00	161.00
CAL-22	159.00	163.00	161.00
CAL-23	161.00	165.00	163.00
CFR			
MAY	250.00	270.00	260.00
JUN	260.00	280.00	270.00
JUL	245.00	265.00	255.00

Market Commentary

The rebound on futures was heavily backed up by a physical trade today. Peak Downs low vol for early July loading trading at 136. This is $20 higher than the previous reported low vol trade. The market has seen several mid vol trades over the past 2 weeks which have been both a result of soaring CFR China prices combined with a small amount of restocking in other Asia, Europe and South American destinations. There still begs the question as to where all the low vol has gone, although there is a strong possibility that production cuts in this area have taken effect. Its worth noting than even before today, this physical print would have been $5 below paper for this period and by the end of the morning it was already $15 under the paper for July. Liquidity on the offer side was thin today (unlike yday) and Q3 traded up $8 day on day. Despite this it's taken some time for the shape of the curve to change. Q3/Q4 still trading in a small contango this morning at -1. This of course all happening as the domestic futures continue to crash off, losing a further 80 RMB today on the Sep contract