



London Coking Coal Market Report

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

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Indicative Curve

		BID	OFFER	VALUE
DCE Level	MAY	124.00	126.00	125.00
Sep: 1794 up 6.5	JUN	155.50	157.50	156.50
Coking Coal Index	JUL	155.50	157.50	156.50
Platts TSI FOB PLV up 2.0 at 153; mtd 123.26	AUG	153.50	155.50	154.50
Trades	SEP	151.50	153.50	152.50
Q4 at 151 in 1kT/mth	Q3-21	153.50	155.50	154.50
Q3/Q4/Q1 at 10.25 in 2k/4k/2k per mth	Q4-21	149.75	151.75	150.75
Dec-21 at 151 in 3kT	Q1-22	157.00	159.00	158.00
July at 157 in 1kT	Q2-22	157.75	159.75	158.75
July at 156.50 in 1kT	CAL-22	157.00	161.00	159.00
Q3/Q4 at 3.75 in 3kT/mth	CAL-23	160.00	164.00	162.00

Market Commentary

A strong week although we're off the highs on futures with Q3 closing at 154.50, gaining 3.50 week on week. Indeed, the main question a week ago was whether the index would be able to respond to the futures move and the answer was a resounding yes. The index is up \$15 and June gained a further \$10 on the back of this. But gains further out have been muted. Sell hedging interest has emerged and although we have seen good buying interest in Q3 and Q4, the premium already priced into the market has led to Q4 finishing the week unchanged. At this stage it does seem logical for the long-term price to be in the \$150 area, although Cal 21 is still closer to 160. Fundamentally at it doesn't make much sense for the back of the curve to be at a premium to Q4, but it's simply a function of sellers yet to be looking to target Cal 22. At least for now. Q3/Q4 has moved positive. Trading at more than a \$10 contango a month ago, today traded at 3.75 backwardation. The index continued to tick up today with stronger branded bids in the market. It's still unclear as to how much low vol coal needs to find a home for July and August, but demand outside of China is looking positive and so we could easily see further gains in the short term.

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