



London Coking Coal Market Report

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| DCE Level | Indicative Curve | | |
|--|------------------|---------------|--------|
| | BID | OFFER | VALUE |
| Jan 2687 market closed | | | |
| Coking Coal Index | SEP | 345.00 351.00 | 348.00 |
| Platts TSI FOB PLV up 5.0 at 391.0; mtd 325.47 | OCT | 385.00 391.00 | 388.00 |
| CFR CHINA 585 up 3 | NOV | 372.00 378.00 | 375.00 |
| Trades | DEC | 359.00 365.00 | 362.00 |
| Q1 at 321 in 1kT/mth | JAN | 337.00 343.00 | 340.00 |
| Nov at 380 in 3.5kT | Q4-21 | 370.00 380.00 | 375.00 |
| Dec at 368 in 3kT | Q1-22 | 314.00 324.00 | 319.00 |
| Jan at 348 in 2kT | Q2-22 | 250.00 260.00 | 255.00 |
| Oct at 391 in 5kT | Q3-22 | 200.00 210.00 | 205.00 |
| Jan/March at +43 in 3kT/mth | Q4-22 | 176.00 186.00 | 181.00 |
| | CAL-22 | 235.00 245.00 | 240.00 |
| | CAL-23 | 175.00 185.00 | 180.00 |

Market Commentary

Yet another higher physical trade today, with 395 trading Nov PLV. The index moved up \$6, and earlier a couple of offers had been paid in the futures from Oct through to Q1. However, the follow on buying interest on futures did not materialise and hedging (selling) interest ended up moving levels lower during the course of the day. Paper has stopped leading the way with physical now trading over futures and backwardation between Oct and Dec widening today to over \$20. This makes sense with a spot market in short supply although the supply outlook is forecast to be tight for some time still. China coal imports for Q4 (thermal and met) are forecast to increase by 60% year on year and so it's a question as to how quickly supply can balance this out. Steel futures continue to move lower but margins remain adequate given the iron ore sell off.