Coking Coal Report

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DCE Jan: 2223.5 down 150				Coking Coal Futures Forward Curve	
Coking Coal Index				350.00	
TSI FOB up 0.50 at 403.00; mtd 403 CFR down 1.0 at 613.00; mtd 613				300.00	
70.0				200.00	
TSI PI	BID	OFFER	Curve VALUE	150.00	
				$\frac{100.00}{N^{O^{V}}} \xrightarrow{D^{E^{C}}} N^{N^{V}} \in \mathbb{R}^{B^{V}} N^{N^{V}} O^{2^{2}} O^{2^$	
NOV	369.00	375.00	372.00		
DEC	342.00	348.00	345.00		
JAN FEB	318.00 293.00	324.00 299.00	321.00 296.00	Today's Trades	
MAR	268.00	274.00	271.00		
Q4-21	268.00	274.00	271.00	Nov at 373 in 5kT	
Q1-22	291.00	301.00	296.00		
Q2-22	233.00	243.00	238.00	Feb at 296 in 5kT Q1 at 295.50 in 5kT/mth	
Q3-22	197.00	207.00	202.00		
Q4-22	171.00	181.00	176.00		
CAL-22	223.00	233.00	228.00		
CAL-23	170.00	180.00	175.00		

Commentary

The week began with news of a fresh physical deal albeit for a smaller parcel than usual. Half a panamax of premium mid vol changed hands at 406, for an early Dec laycan. This nudged the index higher and there was some buying interest on futures at Friday's closing levels for Nov and Dec although these were sold fairly quick-ly. Similar story for Q1 with buyers cautious but ecnouraged by the ongoing supply tightness and the heavily discounted forward curve. Q1 futures trading more than \$100 below spot, emphasising the potential for huge swings in the index moving forward. More of a surprise if the continued big discounts between deferred periods. Jan/March just over \$50 on today's marks (although this can move around), although the cyclone risk tends to fall towards the end of Q1.

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