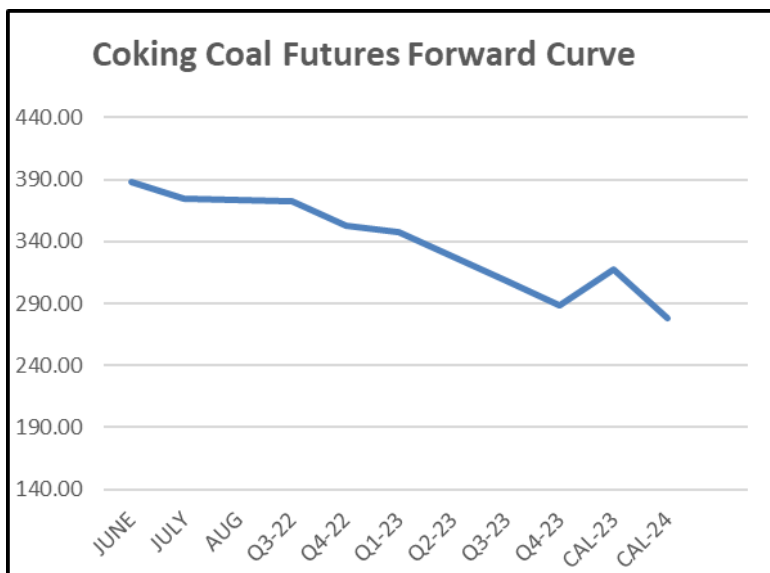


FIS Coking Coal Report

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DCE
Sep: 2884 down 46
Coking Coal Index
TSI PLV FOB down 15 at 375.0; mtd 410.79
CFR China up 15 at 426; mtd 409.86



TSI PLV FOB AUS Indicative Curve			
	BID	OFFER	VALUE
JUNE	383.00	393.00	388.00
JULY	370.00	380.00	375.00
AUG	368.00	378.00	373.00
SEP	363.00	373.00	368.00
Q3-22	367.00	377.00	372.00
Q4-22	348.00	358.00	353.00
Q1-23	343.00	353.00	348.00
CAL-23	308.00	328.00	318.00
CAL-24	268.00	288.00	278.00

Today's Trades
Jun/July at 17 in 2kT/mth
June/Q3 at +20 in 9 vs 3kT/mth
Q3/Q4 at +19 in 1kT/mth
July at 375 in 1kT

Commentary

Further declines in the index but a strong energy complex kept sellers on the futres curve at bay. There's no denying that the demand destruction of late on CC has brought some much needed correction on spot prices but the recent moves down are yet to (fully) filter along the curve. There is still good potential so lock in forward sales to Q4 by hedging the futures market, especially when today the best bid for prompt cargos was only at 350. Because of this situation we continue to see the curve start to flatten out. Given the exceptionally high spot market though, it's unlikely we will see a contango market develop. The other scenario could simply be that once 1 or 2 prompt cargos find homes we will be set for a bounce. We do probably need to see an improvement is steel margins though for this to take place