

# Coal Trader

Tuesday, August 1, 2023

## Illinois Basin coals post declines in US OTC market

- Both barge fuels settle at two-year lows
- Bid remains for prompt-month CAPP coal

Illinois Basin barge coals opened the new month with 25-cent declines, the only moves in the US over-the-counter coal market Aug. 1.

Prompt-month ILB 11,500 Btu/lb coal moved to a Platts-assessed \$49.40/st, its lowest settlement since July 30, 2021. The figure was influenced by indications of value at \$49.25/st and \$50/st.

ILB for fourth-quarter delivery finished at \$49.65/st, also a two-year low.

(continued on page 8)

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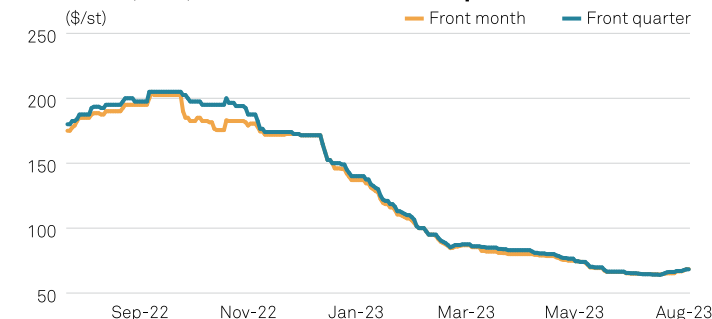
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### Platts final monthly averages (Aug)

Based on Platts daily physical OTC assessments (\$/st)

		Aug-23	Jul-23	Change
CAPP rail (CSX) OTC	CAKOM01	65.09	68.24	-3.15
PRB 8,800 OTC	CTAOM01	14.30	14.39	-0.09
PRB 8,400 OTC	CTBOM01	11.51	11.62	-0.11

### CAPP rail (CSX) front month vs front quarter



Source: S&P Global Commodity Insights

## Platts daily physical OTC assessments, Aug 1

Prompt month price	Symbol	Btu/lb	Mode	\$/st	Change
CAPP rail (CSX) OTC	CAKOM01	12,500	Rail	68.25	0.00
PRB 8,800 OTC	CTAM001	8,800	Rail	14.30	0.00
PRB 8,400 OTC	CTBM001	8,400	Rail	11.50	0.00
IB 11,500* OTC	CISM001	11,500	Barge	49.40	-0.25

\*Maximum 0.35% chlorine. See Platts Methodology and Specifications Guide at Platts.com for details.

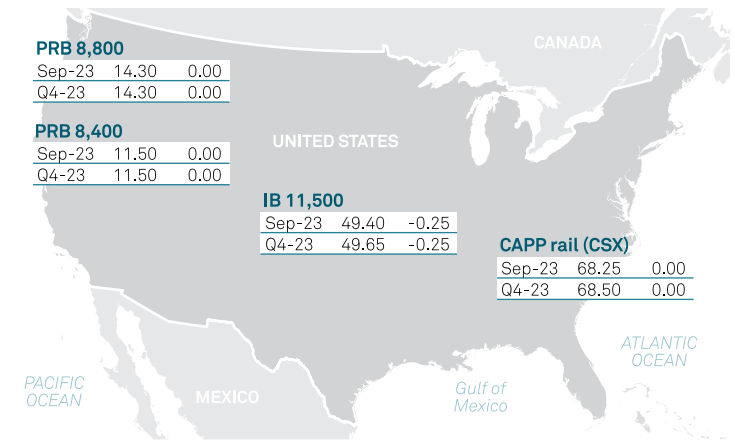
## Platts daily physical assessments, Aug 1

Prompt price	Symbol	Kcal/kg	Basis	\$/mt	Change
CIF ARA	CSARM01	6,000	NAR	111.50	+3.50

## NYMEX Henry Hub natural gas futures, Aug 1

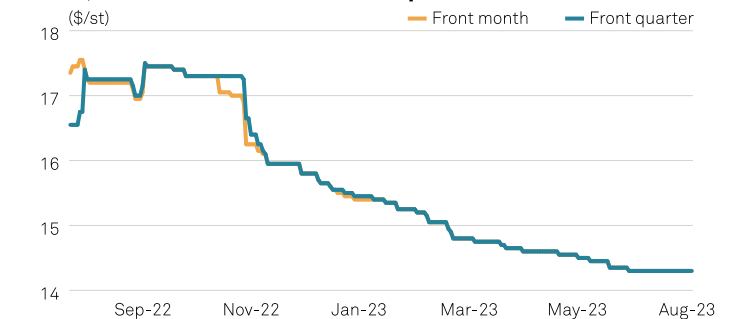
Prompt price	Symbol	\$/MMBtu	Change
Henry Hub	NMNG001	2.560	-0.074

## Platts daily physical OTC assessments (\$/st)



Source: S&P Global Commodity Insights

### PRB 8,800 front month vs front quarter



Source: S&P Global Commodity Insights

## Asia met coal prices climb on improved buying interest

- Mid-Sep Saraji trade reported done Aug. 1 at \$242/mt FOB Australia
- Australia LVHCC cargo heard sold July 28 at \$213-214/mt FOB Asia metallurgical PHCC FOB prices rose Aug. 1 owing to strong buying interest at higher price levels, while delivered CFR China prices also gained strength on firm demand for seaborne coals. Platts, part of S&P Global Commodity Insights, assessed the benchmark Premium Low-Vol Hard Coking Coal up \$5/mt on the day at \$242/mt FOB Australia Aug. 1 and the delivered CFR China price up \$2/mt on the day at \$250/mt CFR China level.

In the FOB Australia market, a deal was reported done Aug. 1 at \$242/mt FOB Australia for 75,000 mt of Australian premium low vol Saraji coal with the Sept. 11-20 loading laycan.

“The Australian miner was heard to have been in discussion for the cargo since the week before at around \$240s/mt FOB Australia levels, an international trader said, attributing this to “the rally in the Chinese market.” The trader added that “it was expected for the trade to be concluded at higher levels, especially for the PLV coal, a preferred coal brand in China.”

Another trader also echoed the consensus that pockets of demand, amounting to approximately 1-2 Panamax of Australian PMV coal, was seen in the Indian market, providing further support for coking coal prices to rise.

For the weaker grades of coal, a deal was heard done July 28 at \$213-\$214/mt FOB Australia for 35,000-40,000 mt of Australian Low Vol HCC Lake Vermont coal, with an end-Aug-early September loading laycan. It was heard sold to an Indian end-user.

“Availability of Australian-origin second tier materials with either August/September loading period remains ample, at attractive discounts to either the PLV or Low Vol HCC prices on an index-linked basis, hence the deal level is higher than what the market expected,” an international steel mill said.

Meanwhile, the CFR China market entered the new month with firm demand observed among end-users despite recent market talks about crude steel production control for the rest of 2023.

“Chinese mills have been adopting low inventory procurement strategy since last year, therefore spot domestic coal prices have significantly increased to around \$260-\$263/mt CFR China equivalent levels,” a Chinese trader said. With “widening seaborne import arbitrage, this provided some inclination for mills to procure Australian PLV coals.”

The trader also added that with China inherently lacking high

## US FOB coal assessments, Aug 01

	Kcal/kg NAR	Sulfur	Code	\$/mt	Change
FOB Baltimore	6900	3.00%	CUATB04	79.75	0.00
FOB New Orleans	6000	2.90%	CUAFA04	77.00	0.00
FOB Hampton Roads*	6000	1.00%	CUAEA04	114.85	0.00
FOB Long Beach*	6000	0.50%	CTLBA00	139.15	0.00
FOB Oakland*	6000	0.50%	CTOKA00	130.60	0.00
FOB Vancouver*	5000	0.50%	CTVCA00	55.65	+0.05

### Normalized

FOB Baltimore	6000	3.00%	CUADA04	69.35	0.00
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\*In the absence of transactional data, these assessments represent theoretical value for export.

Note: Loading 15-60 day basis.

## US FOB coal assessment inputs, Aug 01

	Heat content	Sulfur	Code	\$/st
<b>FOB Hampton Roads</b>				
CAPP Rail (CSX) (Btu/lb)	12,500	1.00%	CAEQ001	66.75
Native (Kcal/kg)	6,688			
Normalized (Kcal/kg)	6,000		CTCAP00	59.89
Rail freight cost			CTCCA00	39.32
Transloading			CTLN000	5.00
<b>FOB Long Beach</b>				
Colorado (Btu/lb)	11,300	0.50%	CURQ001	74.75
Native (Kcal/kg)	6,021			
Normalized (Kcal/kg)	6,000		CTCOL00	74.49
Rail freight cost			CTCC000	46.75
Transloading			CTLLB00	5.00
<b>FOB Oakland</b>				
Utah (Btu/lb)	11,500	0.50%	CUDQ001	76.75
Native (Kcal/kg)	6,132			
Normalized (Kcal/kg)	6,000		CTUTA00	75.10
Rail freight cost			CTCUT00	29.37
Transloading			CTLOK00	14.00
<b>FOB Vancouver</b>				
PRB (Btu/lb)	9,400	0.50%	CRPQ001	15.30
Native (Kcal/kg)	4,964			
Normalized (Kcal/kg)	5,000		CTPRB00	15.41
Rail freight cost			CTCM000	26.15
Transloading*			CTLVC00	9.83

\*FOB Vancouver transloading is in \$/mt.

Note: Btu/lb values GAR, and Kcal/kg values NAR.

Rail prices provided by Escalation Consultants. See [spglobal.com/commodityinsights](http://spglobal.com/commodityinsights) for methodology.

CSR, low sulfur PHCC, the current seaborne import arbitrage of around \$10-\$15/mt CFR China remains attractive for some mills to procure, even though sentiments might have been slightly dampened on talks of production control targets.

However, domestic coking coal prices could peak in the near term following the recent rally, even as the prices remain relatively sticky at the current levels, lending support to both FOB and CFR China markets, a Chinese trader source said.

Platts is part of S&P Global Commodity Insights.

— Staff

## Platts daily physical coal assessments, Aug 1 (\$/st)

Coal product specifications	Aug final monthly av.	Sep daily assessment	Sep average	Daily av. change	Q3 final average	Q4 daily assessment	Q4 average	Daily av. change
CAPP rail (CSX) (12,500 Btu/lb) OTC	CTJBM01 65.09	CTJM001 68.25	CTNA003 67.65	+0.15	CTJB001 75.51	CTJQ001 68.50	CTNA005 67.60	+0.22
PRB 8,800 Btu/lb OTC	CTKBM01 14.30	CTKM001 14.30	CTNAP03 14.30	0.00	CTKBQ01 14.55	CTKQ001 14.30	CTNAP05 14.30	0.00
PRB 8,400 Btu/lb OTC	CTLBM01 11.51	CTLM001 11.50	CTNAR03 11.50	0.00	CTLBQ01 11.77	CTLQ001 11.50	CTNAR05 11.50	0.00

Note: The daily prompt month price is identical to the Daily Physical OTC assessments table on Page 1.

### Atlantic met coal spot interest continues to be limited

- US HCC prices support competitive offers to Asia
- Stronger prompt contract demand heard for US coals
- Derivatives see September prices lower vs physical

Atlantic met coal prices were stable overall Aug. 1 as contract buyers faced higher Australian benchmark prices and low regional spot demand kept a lid on US prices.

Stronger contract-based volume sales in US high-vol B were said to limit spot availability completely in one case, while another supplier during July maintained that contract demand through the third quarter was steady.

This jars with some earlier reports of weaker seaborne contract performance and nominations, as global steel mills manage restocking needs with lower productivity and forward operating plans.

Sales under contracts may also indicate suppliers could see difficulties securing stronger pricing terms available in independent spot sales. Catching up with earlier weaker volume nominations under long-term contracts may also be a factor, while stronger demand for additional tonnage was described as positive nonetheless.

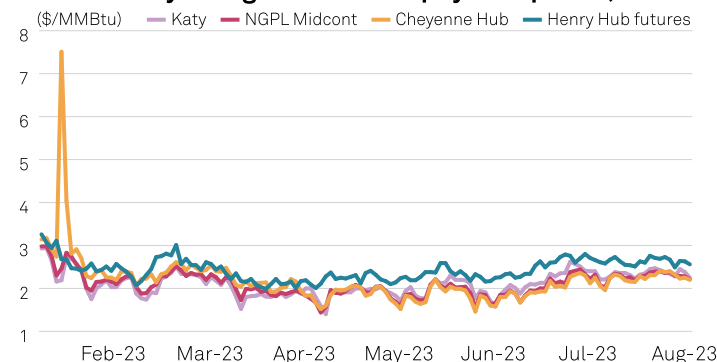
With an absence of FOB spot deals, US spot prices continued to take into account competitive levels needed for sales to emerging Asia growth markets, and account for higher freight costs. Australian FOB prices rose with premium low-vol assessed at \$242/mt FOB, as spreads with PCI widened.

The Platts US East Coast Low Vol HCC benchmark assessment remained at \$215/mt FOB Hampton Roads. Platts US Low Vol HCC is based on 58% CSR, 19.25% volatile matter, 8.25% ash, and 0.95% sulfur.

Platts assessed US low-vol HCC at a \$27/mt discount to the Australian Premium Low-Vol Index on FOB terms.

The Platts US High Vol A price was stable at \$210/mt FOB US East Coast, based on 32.25% volatile matter, 1.05% reflectance, 220% dilatation, 7.5% ash, 0.95% sulfur, 30,000 ddpm, and CSR typically in the low-60s.

### NYMEX Henry Hub gas futures vs physical prices, West

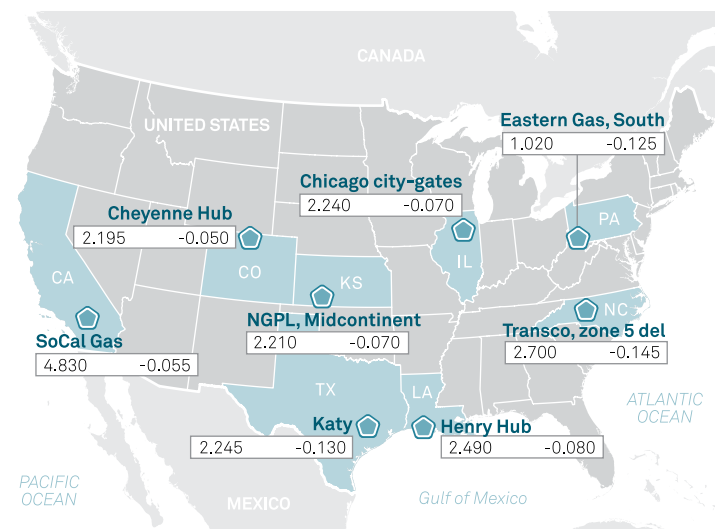


Note: Trade dates  
Source: S&P Global Commodity Insights

### NYMEX Henry Hub gas futures contract, Aug 1

	Settlement	High	Low	+/-	Volume
Sep 2023	2.560	2.675	2.531	-0.074	61976
Oct 2023	2.672	2.778	2.644	-0.069	10752
Nov 2023	3.075	3.168	3.046	-0.068	4761
Dec 2023	3.507	3.584	3.471	-0.056	3489
Jan 2024	3.725	3.807	3.703	-0.058	2208
Feb 2024	3.659	3.731	3.637	-0.052	663
Mar 2024	3.393	3.456	3.367	-0.048	1527
Apr 2024	3.112	3.166	3.079	-0.040	1545
May 2024	3.099	3.153	3.065	-0.038	904
Jun 2024	3.189	3.241	3.155	-0.040	319
Jul 2024	3.291	3.344	3.258	-0.042	457
Aug 2024	3.338	3.388	3.306	-0.041	139
Sep 2024	3.313	3.363	3.280	-0.042	206
Oct 2024	3.398	3.452	3.368	-0.043	334
Nov 2024	3.754	3.805	3.727	-0.043	133
Dec 2024	4.179	4.232	4.159	-0.041	57
Jan 2025	4.459	4.508	4.452	-0.036	50
Feb 2025	4.363	4.379	4.359	-0.034	10
Mar 2025	3.975	4.006	3.972	-0.024	7
Apr 2025	3.540	3.561	3.526	-0.021	19
May 2025	3.517	3.535	3.514	-0.020	6
Jun 2025	3.636	3.651	3.620	-0.019	6
Jul 2025	3.761	3.777	3.745	-0.019	2
Aug 2025	3.809	3.838	3.800	-0.017	2
Sep 2025	3.774	3.774	3.774	-0.016	0
Oct 2025	3.843	3.843	3.843	-0.016	0
Nov 2025	4.183	4.183	4.183	-0.016	0
Dec 2025	4.561	4.561	4.561	-0.015	0
Jan 2026	4.794	4.794	4.794	-0.015	0
Feb 2026	4.584	4.584	4.584	-0.013	0
Mar 2026	4.107	4.107	4.107	-0.015	0
Apr 2026	3.586	3.586	3.586	-0.016	0
May 2026	3.536	3.536	3.536	-0.016	0
Jun 2026	3.637	3.637	3.637	-0.019	0
Jul 2026	3.745	4.584	4.584	-0.020	0
Aug 2026	3.784	3.784	3.784	-0.021	0

### Physical natural gas prices (\$/MMBtu)



Source: S&P Global Commodity Insights

The Platts US High Vol B benchmark remained at \$193/mt FOB US East Coast, based on 36% VM unblended product with 0.95% MMR, 160% dilatation, 8% ash, 1% sulfur, and 25,000 ddpm fluidity.

The US high-vol A and high-vol B spread was stable at \$17/mt.

US low-vol coking coal spot prices tracked second-tier pricing in Asia, along with weaker pulverized coal injection markets.

Spot export demand may be stronger in Asia, as regional mills manage contract volumes and qualities of mainly higher CSR coals.

US coking coal prices also reflected qualities and value in use in relation to high CSR premium HCC, and current market needs, which may be limiting blending stock.

Low-vol PCI relativities weakened to 67.4% of PLV on a FOB Australia basis Aug. 1, as values continue to fall from an 80% relativity July 5.

China import pricing for PLV quality rose to \$250/mt CFR China, potentially facilitating more US trade, depending on grades and price adjustments.

PLV import pricing in China netback to Australia using Panamax rates reverted to a discount over PLV FOB Australia, assessed at a \$2.55/mt spread Aug. 1. For second-tier low-vol HCC, import pricing in China was \$206/mt CFR, compared with \$212/mt FOB Australia, indicating there was a greater market pricing variation in weaker CSR grades.

Derivatives prices were little changed, with physical indexes moving above prompt September derivatives.

The Platts September assessment rose 0.42% to \$237.50/mt FOB, with October up to \$238.50/mt and Q4 2023 rising back to \$241/mt at the close in Singapore.

The SGX exchange said 59,000 mt in futures traded Aug. 1 at the Asian close, including 40,000 mt in after-hours trade July 31. The SGX said 931,300 mt of coking coal futures were cleared in July, as volumes rose sharply from June, and open interest expanded.

Platts is part of S&P Global Commodity Insights.

— Hector Forster

## News

### SunCoke Q2 logistics volumes drop on milder weather, softer markets

- Terminals handle a combined 5.2 million st in second quarter
- Long-term agreements adjust to higher pricing as volumes drop with demand
- FOB New Orleans 6,000 kcal/kg NAR coal closes at \$77/mt; Platts

US-based coal logistics and handling company SunCoke Energy Partners said that its second-quarter logistics volumes decreased across all terminals amid softer market fundamentals, according to the company's Aug. 1 earnings presentation.

## Platts daily metallurgical coal assessments, Aug 1

### Atlantic coking coal (\$/mt)

	Symbol	FOB US East Coast	Change	VM	Ash	S
Low Vol HCC	AAWNR00	215.00	0.00	19.25%	8.25%	0.95%
High Vol A	AAWS00	210.00	0.00	32.25%	7.5%	0.95%
High Vol B	AAWT00	193.00	0.00	36%	8%	1%

		CFR NW Europe	Change	VM	Ash	S
PLV NetForward	PLVHE00	255.35	+5.30	21.5%	9.3%	0.50%

### Asia-Pacific coking coal (\$/mt)

		FOB Australia	Change	VM	Ash	S
Premium Low Vol	PLVHA00	242.00	+5.00	21.50%	9.3%	0.5%
Low Vol HCC	HCCAU00	212.00	+7.00	25.50%	9.0%	0.6%

### US low-vol HCC Penalties & Premia; Differentials (\$/mt)

	Within Min-Max	% of US low-vol HCC FOB USEC assessment price	Net value (\$/mt)
Per 1% CSR	50-64%	0.30%	0.65
	40-49%	0.50%	1.08
Per 0.1% S	0.70-1.05%	0.85%	1.83
	1.06-1.25%	1.80%	3.87
Per 1% TM (as received)	6-11%	1.00%	2.15
Per 1% Ash	5-10%	1.75%	3.76

Detailed methodology and specifications are found here: <http://platts.com/IM.Platts.Content/MethodologyReferences/MethodologySpecs/metcoalmethod.pdf>

## Spot dry bulk freight assessments, Aug 1

Capesize	Platts symbol	\$/mt	Chg
Australia-China	CDANC00	9.95	+0.30
Queensland-Japan	CIGAJ00	11.10	+0.35
New South Wales-Korea	CINAK00	12.00	+0.40
Bolivar-Rotterdam	CIBCR00	12.10	+0.20
Roberts Bank-Japan	CDRKJ00	11.15	+0.25
<b>Panamax</b>			
Richards Bay-India West	CSAKL00	13.00	+1.20
Kalimantan-India West	CSAKP00	6.80	+0.05
Richards Bay-India East	CSAKN00	13.15	+1.30
Kalimantan-India East	CSAKR00	5.55	+0.10
Ventspils-Rotterdam	CILTNO0	7.75	0.00
USEC-India	CDBUI00	30.00	+0.25
USEC-Rotterdam	CDBUR00	12.00	0.00
Mobile-Rotterdam	CDMAR00	15.25	0.00
Roberts Bank-Japan	CDRBK00	12.95	+0.10
Australia-China	CDBFA00	10.55	+0.10
Australia-India	CDBFAI0	12.00	+0.10
<b>Supramax</b>			
Richards Bay-Port Qasim	CRBPB00	12.80	+0.15
South Kalimantan-Krishnapatnam	CISKK00	11.30	+0.10

## Platts physical thermal coal netbacks, Aug 1

Coal (\$/mt)	Code	CV (kcal/kg)	Basis	Sulfur	\$/mt	Chg
CIF ARA	CSARM01	6,000	NAR	1.0%	111.50	+3.50
Platts NEAT	JKTCA00	5,750	NAR	1.0%	108.61	+0.10
CFR India West	CIWCI00	5,500	NAR	0.8%	101.20	+0.30
<b>Panamax Freight (\$/mt)</b>						
USEC-Rotterdam	CDBUR00				12.00	0.00
Mobile-Rotterdam	CDMAR00				15.25	0.00
Roberts Bank-Japan	CDRBK00				12.95	+0.10
Richards Bay-India West	CSAKL00				13.00	+1.20
<b>Penalties &amp; Premia (\$/mt)</b>						
Per 0.1% Sulfur (USGC)	COPAP00				1.00	+0.16
Total S discount (USGC)	COPBP00				19.00	+3.04
<b>Netbacks (\$/mt)</b>						
FOB Vancouver	CTVCB00	5,750	NAR max 1%		95.65	0.00
<b>Netbacks (\$/st)</b>						
FOB US East Coast*	COUSC00	12,500	GAR	1.0%	100.30	+3.53
FOB US Gulf Coast*	COUGU00	11,500	GAR	2.9%	71.70	+0.48
FOB Vancouver*	COVCU00	8,800	GAR	0.8%	69.52	+0.15

\* CV = Btu/lb

“Our logistics terminals were impacted by weaker commodity market conditions but still delivered solid results,” SunCoke President Katherine Gates said during the Aug. 1 earnings call.

SunCoke, which owns and operates the Convent Marine Terminal in Louisiana, handles coke, coal, steel, power and other bulk cargo through its logistics terminals, which can mix and transload over 40 million st per year. SunCoke’s logistics business also includes the Lake Terminal in Indiana and the Kanawha River Terminals in West Virginia. SunCoke serves domestic and international customers.

The company said that its logistics segment contributed \$11.7 million to adjusted earnings before income, taxes, depreciation and amortization in the second quarter, down from \$12.5 million in the second quarter of 2022.

SunCoke handles much of its volume through the Gulf Coast CMT terminal. In the spot market, Gulf Coast coal pricing has significantly dropped on the year amid lower demand and higher natural gas and coal stocks.

Platts, part of S&P Global Commodity Insights, assessed FOB New Orleans 6,000 kcal/kg NAR coal unchanged on the session at \$77/mt Aug. 1, down from \$268/mt in the year-ago session.

“Thermal coal pricing continued to decline, but CMT benefited from the full API2 price adjustment during the second quarter,” SunCoke Senior Vice President Mark Marinko said. “While we anticipate continued volatile commodity market conditions, we expect to deliver Logistics full year adjusted EBITDA within our guidance range of \$47 million to \$50 million.”

All SunCoke terminals handled 5.2 million st in the second quarter, down from 5.8 million st in the second quarter of 2022. Of the 5.2 million st handled in the most recent quarter, Convent Marine Terminal processed 2.4 million st, down from 2.6 million st in the second quarter of 2022.

Logistics revenues fell to \$19.7 million, down from \$19.8 million in the second quarter of 2022. SunCoke coal inventories totaled \$128.2 million at the end of the most recent quarter.

SunCoke consolidated second-quarter 2023 revenues rose \$32.5 million on the year to \$534.4 million, mostly due to more coke sales volumes and the pass-through of escalating coal prices on long-term and take-or-pay agreements.

— Morgan Snook

## Transportation

### US coal ship departures rise 9.7% on week: cFlow

- Gibraltar is top destination
- Norfolk loads highest volume
- FOB Baltimore 6,900 kcal/kg NAR coal unchanged at \$79.75/mt: Platts

Driven by higher Gulf and Atlantic coast activity, US coal ship departures rose 9.7% on the week to 34 coal ships in the week ended July 30, Platts cFlow ship and commodity tracking software from S&P Global Commodity Insights data

## Heating/cooling degree day outlook

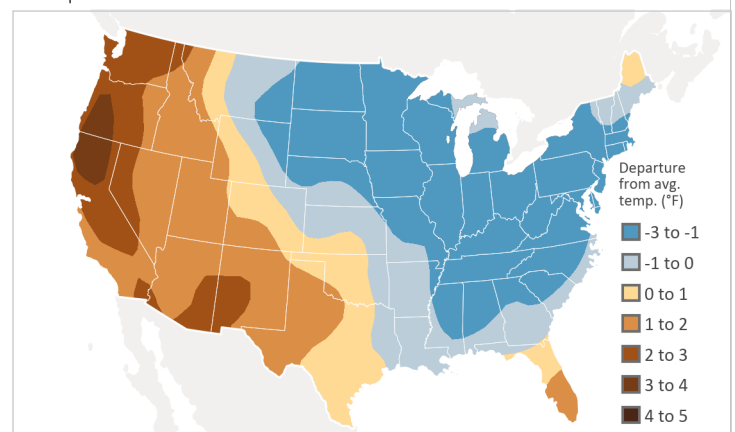
NERC Region	Sep-23	Departure from normal	Oct-23	Departure from normal
WECC	246	+21%	117	+48%
SPP	302	+20%	33	+85%
SERC	348	+14%	107	+53%
RFC	134	+40%	2	0%
NPCC	152	+27%	3	0%
MRO	142	+55%	6	+534%
FRCC	538	+4%	409	+7%
ERCOT	489	+7%	214	+16%

Note: Heating Degree Days run September 1 to April 30, Cooling Degree Days run May 1 to August 31

Source: CustomWeather

## Month-ahead temperature deviation forecast

September forecast



Source: S&P Global Commodity Insights, CustomWeather

showed Aug. 1.

The coal ships carried a combined 2 million dwt, down from 2.1 million dwt in the previous week. Gibraltar was the top destination for US coal in the latest reported week at 583,124 dwt, followed by Canada at 215,324 mt. The third highest volume was destined for the Netherlands at 178,173 dwt.

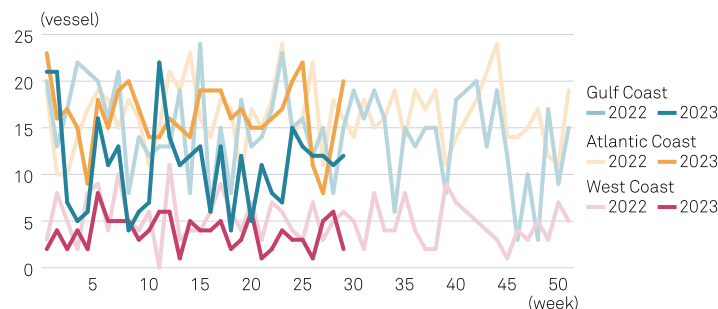
Norfolk loaded the most volume among US coal ports at 401,258 dwt. Lamberts Point followed at 391,260 dwt. The Port of South Louisiana loaded the third highest volume at 224,941 dwt. Usually the top port, Baltimore’s coal volume was the fourth highest at 196,575 dwt.

Atlantic Coast coal ship departures rose 42.9% on the week to 20 coal ships in the latest week. The ships carried 1.2 million dwt, up from one million dwt in Atlantic shipments in the previous week. The top three destinations for Atlantic Coast coal shipments were Gibraltar at 246,887 dwt; Canada, 215,324 dwt; and the Netherlands, 178,173 dwt.

Platts assessed FOB Baltimore 6,900 kcal/kg NAR coal for 15-60 day loading unchanged on the session at \$79.75/mt, based on market fundamentals and broker indications of value at \$73/mt and \$83.97/mt, tested in the market through 11:30 am ET.

Gulf Coast coal ship departures were 9.1% higher than the previous week at 12 coal ships. The ships carried 636,357 dwt, down from 70,947 dwt in the previous week. The top three destinations for Gulf Coast coal shipments were Gibraltar at 336,237 dwt; Panama, 58,912 dwt; and Colombia, 58,109 dwt.

## Weekly US coal vessel departures



Source: S&P Global Commodity Insights cFlow

FOB New Orleans 6,000 kcal/kg NAR coal was unchanged on the session at \$77/mt, based on market fundamentals and broker indications of value at \$71/mt and \$79.47/mt, tested in the market through 11:30 am ET.

West Coast coal ship departures declined 66.7% from the prior week to two coal ships. West Coast coal ships carried a combined 163,210 dwt bound for Japan. In the previous week, West Coast coal ships carried a combined 436,501 dwt bound for Hong Kong, South Korea, Japan and China.

Platts assessed the West Coast export coal FOB Vancouver 5,750 kcal/kg NAR netback unchanged on the session Aug. 1 at \$95.65/mt, based on the Platts NEAT assessment at \$108.61/mt less \$12.95/mt Panamax freight from Roberts Bank, British

## Platts weekly metallurgical coal relativities, July 28, 2023

	FOB \$/mt	Spread vs US LV
Blue Creek No. 7	225.00	
Blue Creek No. 4	208.50	
Beckley	215.75	100.35%
<b>Low Vol FOB USEC</b>	<b>215.00</b>	<b>100.00%</b>
Windber	207.00	96.28%
Buchanan	200.00	93.02%

July 28 Panamax freight rates. Hampton Roads to Rotterdam = \$11.75/mt, Hampton Roads to Brazil = \$12.00/mt, Mobile to Rotterdam = \$15.00/mt.

For further information about this data please contact PL\_CokingCoal@spglobal.com.

Source: S&P Global Commodity Insights

Columbia, to Kashima, Japan.

Platts is part of S&P Global Commodity Insights.

— Morgan Snook

## Export Markets

### India's NTPC aims 34 mil mt coal output in 2023-24

- Targets 47% higher production than previous fiscal
  - NTPC board recently approved coal mining subsidiary
- India's state-run power generator NTPC has targeted to produce 34 million mt coal from its captive coal mines in financial year 2023-24 (April-March), the company said July 31.

If achieved, the output will be 46.55% higher than the coal production recorded by NTPC in the preceding fiscal. Captive mines are coal blocks which are linked with specific end-use power plants.

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Including joint ventures, NTPC currently runs 35 coal-fired power plants with a cumulative capacity of 59.47 GW, constituting 81.45% of its total generation base. Another 9.3 GW of NTPC's coal-based power plants are presently under construction.

On July 29, NTPC's board of directors approved hiving-off its coal mining business to a wholly owned subsidiary, namely, NTPC Mining Ltd.

In its latest presentation to investors, NTPC said that it has eight coal blocks with an estimated annual peak mining capacity of 77 million mt. The currently operational mines of Pakri-Barwadiah and Talaipalli have peak rated capacity of 18 million mt each and are located in the eastern states of Jharkhand and Chhattisgarh, respectively. The Dulanga mine located in the eastern state of Odisha and Chatti-Bariatu block in Jharkhand, with 7 million mt capacity each, are also currently producing coal.

Coal production from NTPC's captive mines rose around 65% year on year to 23.2 million mt in financial year 2022-23 (April-March). NTPC said July 1 that output from its captive mines increased 99% on the year to 8.48 million mt in the April-June quarter.

The company received 223.85 million mt coal at its power plants in FY 2021-23, of which 14.56 million mt was imported. The rest of the requirement was met by various domestic sources, including captive mining supplies from state-run Coal India Ltd., or CIL.

India produced 222.93 million mt coal in the quarter ended June 30, up 8.4% on the year, according to government data.

The country has revised its requirements for coal for the power producing entities for financial year 2029-30 to 1.02 billion mt from its earlier proposal of 892 million mt, as per the latest government report published by the Central electricity Authority. India is expected to produce around 1.5 billion mt of coal in financial year 2029-30.

— Anupam Chatterjee

## Indonesia's Harum Energy Jan-June coal sales rises 72% on year

- Company sells 3.6 mil mt in H1
- Sees imports by China dropping

Indonesian miner Harum Energy sold 3.6 million mt of coal over January-June, up 71.8% on the year, it said July 31, aided mainly by a lower base as coal sales were muted in the corresponding period in 2022.

The sales volume was up 20% compared with the second half of 2022.

The average selling price of the company's coal during the period fell 23.4% on the year to \$135.60/mt, mirroring the downward trend in global coal prices since the beginning of the year, the company said.

Harum's mines produce coals with calorific values between 5,400 kcal/kg and 6,400 kcal/kg, with the majority being bituminous coal.

## Weekly coal production totals (thousand st)

	Week ended		Year-to-date	
	07/22/23	07/22/22	07/22/23	07/22/22
Wyoming & Montana	5,061	5,300	146,822	149,644
Central Appalachia	1,413	1,298	42,039	38,842
Northern Appalachia	1,649	1,598	49,360	49,250
Illinois Basin	1,573	1,416	47,008	44,093
US Total	11,211	11,297	329,586	329,299

Source: EIA

## Weekly price survey, traditional physical market, week ending Jul 28

Origin/Product	Btu/lb	SO2 lb	Transport mode		Prompt quarter (\$/st)	Change
<b>Northern Appalachia</b>						
Pittsburgh Seam	13,000	4	Rail	CNDQ001	53.75	0.00
Upper Ohio River	12,500	6+	Barge	CNEQ001	49.50	0.00
<b>Central Appalachia</b>						
CAPP barge physical	12,000	1.67	Barge	CNNQ001	71.00	+1.50
CAPP rail (CSX) physical	12,500	1.6	CSX	CAEQ001	66.75	+1.50
Thacker/Kenova	12,500	1.6	NS	CAGQ001	68.00	+1.50
<b>Illinois Basin</b>						
	11,800	5	Rail	CIAQ001	49.65	0.00
	11,800*	5	Barge	CTPQ001	51.65	0.00
	11,500	5	Barge	CIEQ001	53.15	0.00
	11,000	5	Barge	CICQ001	47.65	0.00
<b>Powder River Basin</b>						
	9,400	0.8	Rail	CRPQ001	15.30	0.00
	8,800	0.8	Rail	CRAQ001	14.30	0.00
	8,400	0.8	Rail	CRBQ001	11.50	0.00
<b>Rocky Mountains</b>						
Colorado	11,300	0.8	Rail	CURQ001	74.75	0.00
Utah	11,500	0.8	Rail	CUDQ001	76.75	0.00

\*High chlorine (max 0.35%)

## Physical bids, offers and trades, Aug 01

Type	Product	Term	Year	Price (\$/st)	Vol/m	Notes	Tons ('000)
I	CSX	Physical	September	69.5			
I	PRB 8800	Physical	September	14.3			
I	PRB 8400	Physical	September	11.6			
I	IB 11500	Physical	September	50			
I	CSX	Physical	Q4	70			
I	PRB 8800	Physical	Q4	14.3			
I	PRB 8400	Physical	Q4	11.6			
I	IB 11500	Physical	Q4	50.5			
B	CSX	Physical	September	68			
I	CSX	Physical	September	67			
I	PRB 8800	Physical	September	14.3			
I	PRB 8400	Physical	September	11.4			
I	IB 11500	Physical	September	49.25			
I	CSX	Physical	Q4	67			
I	PRB 8800	Physical	Q4	14.3			
I	PRB 8400	Physical	Q4	11.4			
I	IB 11500	Physical	Q4	49.25			
B	CSX	Physical	September	68			
I	CSX	Physical	September	69.5			
I	PRB 8800	Physical	September	14.3			
I	PRB 8400	Physical	September	11.6			
I	IB 11500	Physical	September	49.5			
I	CSX	Physical	Q4	70			
I	PRB 8800	Physical	Q4	14.3			
I	PRB 8400	Physical	Q4	11.6			
I	IB 11500	Physical	Q4	50			

According to data from S&P Global Commodity Insights, the price of Indonesian 5,900 kcal/kg grade coal averaged \$120.74/mt in the first six months of 2023, down 32.81% on the year, as suppliers from across the globe flocked to Asia in the quest for buyers, while stockpiles in Europe stayed healthy amid negligible coal burn.

Robust domestic coal output in China and India, coupled with lower industrial consumption in the region and especially in China, also reduced demand for seaborne coal cargoes and lowered prices.

“As we move into the autumn season, it is likely that China will reduce its overall coal consumption which may dampen prices for imported coal,” the company said.

Harum said that many Indonesian miners are expected to reduce production in the third quarter of 2023 should the current price levels persist. The company also pointed out that the current royalty imposition by the government is rendering Indonesian coal relatively uncompetitive.

As much as 46% of the company’s coal sales during the first six months of 2023 were to China, followed by Indonesia (24%), Japan (20%), Bangladesh (6%), India (1%), Thailand (1%), Vietnam (1%) and Taiwan (1%).

— Anupam Chatterjee

## Illinois Basin coals post declines in US OTC market ...from page 1

Platts assessed Central Appalachian 12,500 Btu/lb CSX rail coal for September delivery at \$68.25/st. A broker-reported bid at \$68/st influenced the assessment, which was tested in the market until 4:30 pm ET. The coal also received indications of value at \$67/st and \$69.50/st that informed the figure.

Its prompt-quarter counterpart held its OTC-leading \$68.50/st assessment.

Natural gas provided some additional activity for coal-market interests. The NYMEX Henry Hub natural gas futures contract settled Aug. 1 at \$2.56/MMBtu, a 74-cent decline. That left natural gas at a 17-cent/MMBtu cost advantage against prompt-month CAPP coal.

The holding pattern continued for the Powder River Basin coals. Prompt-month PRB 8800 Btu/lb coal has drawn a \$14.30/st assessment since June 22.

The Western coal received two indications of value Aug. 1 at the \$14.30/st assessment, which was tested in the market until 4:30 pm ET.

High-heat PRB coal for Q4 delivery also received a \$14.30/st assessment. The two PRB 8400 Btu/lb fuels have held \$11.50/st assessments since the last day of June.

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— Michael Fox

## Assessment Rationales

### Platts Coal US PRB 8,800 OTC Daily Rationale

PRB 8,800 OTC:

Platts assessed physical PRB 8,800 Btu/lb coal for September delivery at \$14.30/st on Aug. 1, unchanged from the previous session based on indications of value at \$14.30/st, tested in the market through 4:30 pm ET. The assessment excluded no data.

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This rationale applies to the symbol <CTAM001>.

### Platts Coal US CAPP Rail CSX OTC Daily Rationale

CAPP rail (CSX) OTC:

Platts assessed physical CAPP rail (CSX) coal for September delivery at \$68.25/st on Aug. 1, unchanged from the previous session, based on a bid at \$68/mt, and indications of value at \$69.50/st and \$67/st, tested in the market through 4:30 pm ET. The assessment excluded no data.

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This rationale applies to symbol <CAKM001>.

### Coal EMEA CIF ARA Daily

Platts assessed the 15 to 60-day price of CIF ARA 6,000 kcal/kg NAR coal at \$111.50/mt on Aug. 1, up \$3.50/mt on the day.

Offers were heard at \$105/mt and \$106.75/mt for September-loading cargo on a Supramax basis.

A bid and offer were heard at \$107/mt and \$116/mt, respectively, for October-loading cargo on a Supramax basis.

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The above rationale applies to the CIF ARA 6,000 kcal/kg NAR assessment, with the associated code: CSARM01

## Subscriber Notes

### Platts launches new FOB Vancouver thermal coal price effective June 28, 2023

Platts, part of S&P Global Commodity Insights, has launched a daily thermal coal FOB Vancouver netback price (basis 5,750 kcal/kg NAR, max 1% sulfur) effective June 28, 2023.

The netback reflects the price of North American thermal coal compared to Platts North East Asian thermal coal price assessment - NEAT - minus the Panamax freight rate from Roberts Bank, British Columbia, to Japan, in USD per metric ton, based on loading 15 to 60 days forward from the date of publication. The netback normalizes calorific values from 5,400 kcal/kg NAR to 6,200 kcal/kg NAR and cargo volumes at 75,000 mt +/- 10%. The netback follows the US daily publishing schedule, reflecting the market as of 11:30 am ET. Platts opened a formal proposal on May 9, 2023, in a subscriber note available here: <https://www.spglobal.com/commodityinsights/en/our-methodology/subscriber->



[notes/050923-platts-proposes-to-launch-fob-vancouver-5750-kcalkg-nar-netback](#)

The netback will be published in Platts Coal Trader, Platts Coal Trader International, and on Platts North American Coal Alert page GCN0230.

Platts proposed to discontinue the existing FOB Vancouver 8,800 Btu/lb netback (COVCU00) and 5,000 kcal/kg NAR assessment (CTVCA00) effective August 21, 2023, in a subscriber note May 23, 2023, available here: <https://www.spglobal.com/commodityinsights/en/our-methodology/subscriber-notes/052323-platts-proposes-to-discontinue-fob-vancouver-5000-kcalkg-assessment-and-8800-btulb-netback-effective-aug-21-2023>

Platts invites any questions and feedback to [coal@spglobal.com](mailto:coal@spglobal.com) and [pricegroup@spglobal.com](mailto:pricegroup@spglobal.com). For written comments, please provide a clear indication if comments are not intended for publication by Platts for public viewing. Platts will consider all comments received and will make comments not marked as confidential available upon request.

**Singapore National Day publishing schedule for Platts Asia thermal coal**

S&P Global Commodity Insights office in Singapore will be closed on Wednesday, Aug. 9, for National Day holiday, and there will be no Asian thermal coal assessments published on that day.

Additionally, Platts in Asia will close its Market on Close assessment process early on Tuesday, Aug. 8, and all assessments will be basis 12.30 pm Singapore time (0430 GMT).

The weekly CFR India Petcoke price assessment, usually published on Wednesdays, will be brought forward by a day to Tuesday, Aug. 8.

Normal Singapore publishing schedules will resume on Thursday, Aug. 10, 2023.

For full details of Platts publishing schedule and services affected, refer to <http://www.platts.com/HolidayHome>. For queries, please contact [coal@spglobal.com](mailto:coal@spglobal.com) and [pricegroup@spglobal.com](mailto:pricegroup@spglobal.com).