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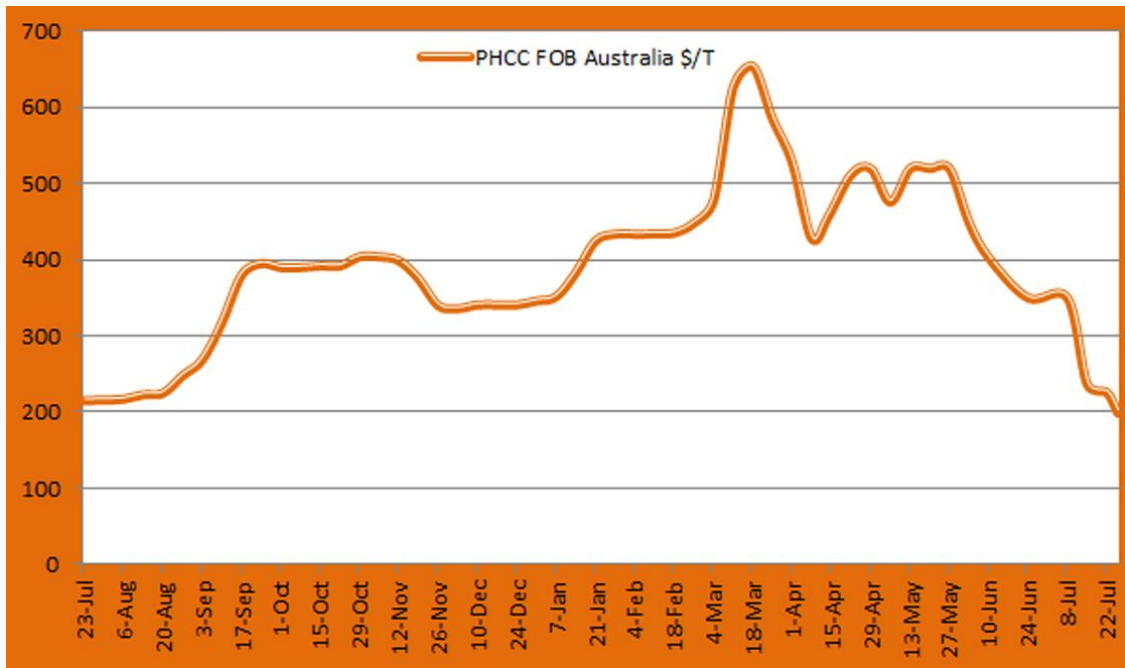
MARKET INTELLIGENCE SERVICES

Coking Coal Slips below USD 200 Mark

Benchmark Australian coking coal prices have crashed further by USD 21 to dip below USD 200 FOB Australia mark on 26 July, almost same a year ago, as the index factored steel mills side tender sale of 80KT cargo at USD 195 FOB reportedly to an Indian merchant coke maker. It is also reported that a bid was placed for a September loading coking coal cargo on at USD 198 FOB, while there was no offer present at the Screen. Reports also suggest that a major Russian miner sold a K10 prompt cargo at USD 191 CFR China

Coking coal demand in China is hit badly as Chinese steel mills have undertaken more measures to minimize losses. The sentiment in Chinese coking coal markets remains weak with almost half of Shanxi's coking coal auction volumes fetching no results. On the other hand, while Australian spot supply from BHP remains scarce, Anglo's reopened mines are expected to keep the spot market well supplied in the near-term, potentially pushing down prices further. Also, many steel mills in other countries are reported to be selling their purchases to minimize losses from earlier high priced deals as they expect further decline in coking coal prices. However, there are expectations that September onwards prices will trend up again.

Voor grafieken, zie hieronder



Impact on Steel Making Cost (700-800 Kg Consumption)

Laycan Period

July 2021 - USD 150-170 per tonne

January 2022 - USD 280-320 per tonne

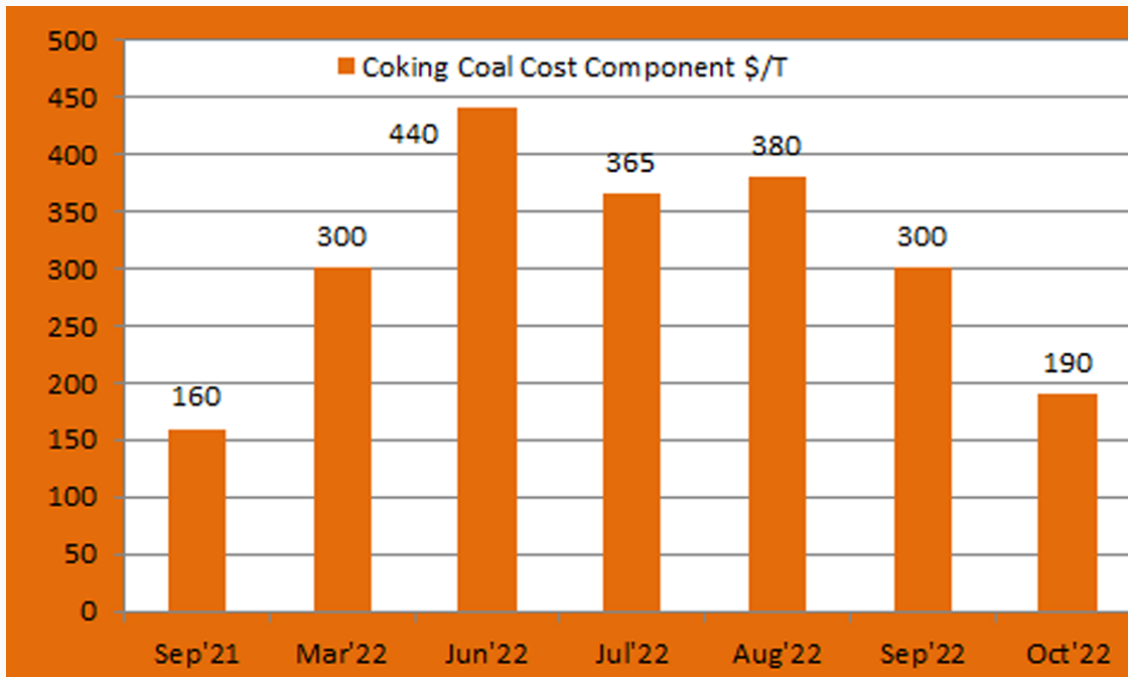
March 2022 - USD 410-470 per tonne

April 2022 - USD 340-390 per tonne

May 2022 - USD 350-410 per tonne

June 2022 - USD 280-320 per tonne

July 2022 - USD 180-200 per tonne



Assumption - Steel mills use the coking coal 2 months after shipment

