

NEWS AND ANALYSIS

Richards Bay prices supported by possible China sales

South African and European physical coal prices moved in opposite directions this week, as strong trading activity supported Richards Bay products while fresh lockdown measures weighed on European contracts.

A Chinese firm was heard to have booked at least one, possibly two, Richards Bay NAR 5,500 kcal/kg December Capesize cargoes this week, although this could not be confirmed with the counterparties involved.

Some participants were surprised at the rumoured deals, considering South African coal has essentially been unable to enter the Chinese market in recent years because of authorities imposing strict limits on trace element contents such as fluorine, [effective 1 January 2015](#).

No Richards Bay coal has been exported to China since June 2014, according to port data. In the first half of that year, 2.5mn t of South African coal was shipped to China, representing 8pc of total exports.

One trading firm said Chinese buying supported the Richards Bay market this week. Argus' NAR 6,000 kcal/kg daily assessment climbed to a four-week high \$61.75/t on 5 November, with prices also buoyed by the higher-priced January market replacing November in the prompt two-month loading window.

Four 50,000t index-relevant NAR 6,000 kcal/kg deals were concluded this week, with a January cargo changing hands at \$61.25/t and three December trades taking place at \$61.10/t, \$61.50/t and \$61.75/t.

In the off-specification market, a 50,000t NAR 5,500 kcal/kg December cargo traded at a discount of \$11/t to the API 4 index, and a 50,000t NAR 4,800 kcal/kg December deal was concluded at a discount of \$17.75/t.

Buying interest from Pakistan was heard for NAR 5,700 kcal/kg December shipments at about \$66/t cfr Port Qasim, which would equate to about \$55/t on a fob price basis, a trading firm said.

Demand for South African coal from Pakistan has

DATA & DOWNLOAD UPDATES

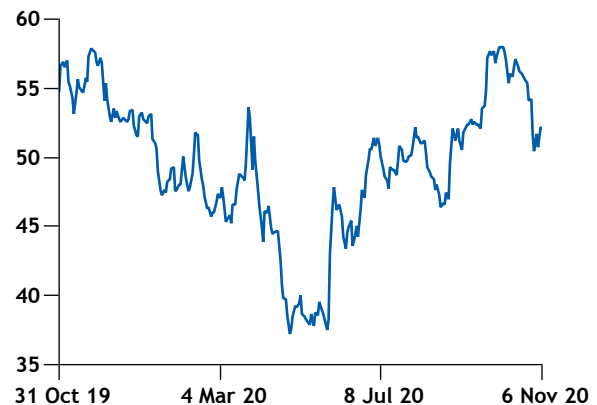
- [South Korea nuclear availability](#)
- [South Korea power generation mix](#)
- [Japan power generation by fuel and utility](#)
- [Japan coal imports](#)
- [India coal receipts and stocks](#)

PRICES

Daily price assessments					\$/t
Energy	Basis	Timing	Port	Price	±
Europe					
6,000 kcal	NAR	2mths	cif ARA	52.07	-0.10
South Africa					
6,000 kcal	NAR	2mths	fob Richards Bay	61.88	+0.13

Argus cif ARA spot coal assessment

\$/t



Argus Richards Bay spot coal assessment

\$/t



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remained steady over the past couple of months, owing to a recovery in cement-sector activity and robust power-sector demand. But [competition from Australian coal has intensified](#), given more competitive fob Newcastle pricing. More than a quarter of Pakistan's coal imports were sourced from Australia last month, while South African arrivals fell by 37.9pc on the year to 616,000t, according to Federal Board of Revenue data.

The flurry of Richards Bay trading activity this week, coupled with firms looking to take long positions in the paper market in anticipation of future price rises, resulted in a surge in API 4 liquidity. A total of 390,000t of API 4 swaps traded on 5 November, up from an average of 61,000 t/d in October and 113,000 t/d so far in 2020, based on exchange platform data compiled by Argus. This is the highest daily volume since 13 May.

The bulk of the liquidity was on the near curve monthly contracts, with 155,000t of December 2020 and 104,000t of January 2021 volume changing hands.

Coal stocks at the Richards Bay Coal Terminal rose by 160,000t on the week to a four-and-a-half-month high of 4.6mn t.

Lockdowns threaten European coal demand

Europe-delivered prices dropped this week, pressured by tighter restrictions designed to curb growing numbers of Covid-19 infections across the region.

One index-relevant NAR 6,000 kcal/kg cif Amsterdam-Rotterdam-Antwerp (ARA) 50,000t deal was concluded for December delivery at \$50/t on 2 November, flat to the previous December deal on 30 October.

Governments have imposed new national restrictions in Germany, France and the UK in the past 10 days, leading to speculation about what this will mean for energy demand in

the coming weeks and months.

The exact impact of the new measures on regional power and coal demand remains unclear, but governments have made efforts to ensure that the industry is not as severely affected as after the first round of measures were introduced in the spring.

“Although current restrictions try to keep many businesses and schools open, we expect electricity demand to be lower than normal in the coming weeks and, potentially, months,” Andy Sommer of Switzerland-headquartered Axpo Trading said in a research note.

“Nevertheless, it remains to be seen if the widespread home office policy actually leads to some offset, given that people working from home might turn up their heating and employ more electronic devices than usual during the day.”

Overall electricity generation in France, Germany, Spain and the UK fell by 16pc on the year in March and by 15pc in April, according to grid operator data collated by Argus. And power output had recovered to just 1pc below that of a year earlier in October.

Coal-fired generation was hit particularly hard in the spring owing to stiff competition from gas, and it was the first fuel to be pushed out of the power mix. But the current scenario is more positive, with gas and coal competing on a more even footing, suggesting coal burn may be more resilient in the coming weeks.

Coal's share of thermal generation in the aforementioned four countries more than doubled to 18pc in September and 19pc in October, from just 8pc in June and July.

Atlantic basin coal supply remains constrained by strike action in Colombia, with the government [stepping in this week to mediate a dispute](#) between producer Cerrejon and its largest workers' union, Sintracarbon.

Trades - South Africa (fob Richards Bay)						
Date	Volume	Price	Delivery	EFP	Source	Index
3-Nov-20	50000	61.25	Jan 2021	Yes	GlobalCoal	Yes
5-Nov-20	50000	61.50	Dec 2020	No	GlobalCoal	Yes
6-Nov-20	50000	61.75	Dec 2020	No	GlobalCoal	Yes
6-Nov-20	50000	61.10	Dec 2020	No	MySteel	Yes

Trades - Europe (cif ARA)						
Date	Volume	Price	Delivery	EFP	Source	Index
2-Nov-20	50000	50.00	Dec 2020	Yes	Braemar	Yes

WEEKLY PRICES

Off-specification South African prices and differentials for 6 Nov 2020											\$/t
Energy	Basis	Timing	Port	Price	±	Weekly index	December *	January *	Nov MTD †	Oct final †	
5,700 kcal	NAR	2mths	fob Richards Bay	56.76	+1.15	-6.35	-6.50	-6.25	-6.35	-5.87	
5,500 kcal	NAR	2mths	fob Richards Bay	47.56	+1.13	-11.05	-11.10	-11.20	-11.05	-10.60	
4,800 kcal	NAR	2mths	fob Richards Bay	36.13	+1.02	-17.80	-17.75	-17.90	-17.80	-18.23	

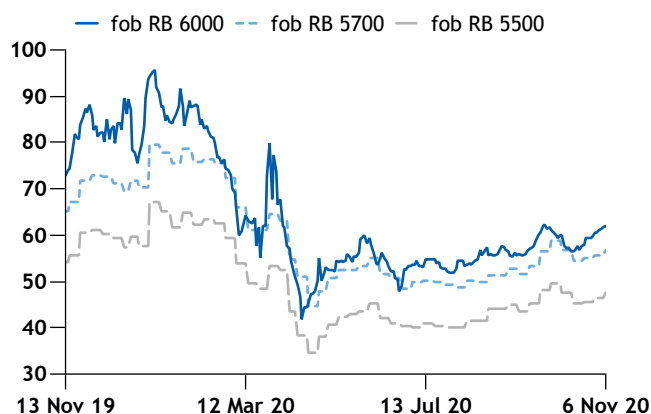
* Differential to API 4 swap for the month based on market survey. † Average of weekly spot price assessments based on deals and market survey.

International coal assessments for 6 Nov 2020						\$/t
Energy	Basis	Timing	Port	Price	±	
Europe						
5,700 kcal	NAR	2mths	cif ARA	50.67	-2.70	
Black Sea and Mediterranean						
6,000 kcal	NAR	1mth	cif Turkey mini bulk plus	63.75	-0.25	
6,000 kcal	NAR	2mths	cif Turkey supra plus	60.63	-1.20	
Russia						
6,000 kcal	NAR	2mths	fob Baltic ports	48.08	+0.38	
6,000 kcal	NAR	2mths	fob Vostochny	61.69	+2.19	
5,500 kcal	NAR	2mths	fob Vostochny	58.00	+1.25	
6,000 kcal	NAR	2mths	fob Black Sea	51.00	-1.50	
Asia-Pacific						
6,000 kcal	NAR	2mths	fob Newcastle	57.61	+1.74	
5,500 kcal	NAR	2mths	fob Newcastle	39.18	-0.38	
5,800 kcal	NAR	3mths	fob Newcastle	49.51	+2.55	
5,800 kcal	NAR	3mths	fob Newcastle (basis NAR 6,080 kcal)	51.90	+2.67	
5,500 kcal	NAR	2mths	fob Qinhuangdao domestic	92.14	+2.06	
5,500 kcal	NAR	2mths	cfr south China	49.14	+0.08	
5,500 kcal	NAR	2mths	cfr east India	57.65	+1.17	
5,000 kcal	GAR	2mths	cfr east India	49.31	-0.03	
4,200 kcal	GAR	2mths	cfr east India	36.50	-0.84	
5,000 kcal	GAR	2mths	cfr west India	49.68	-0.27	
4,200 kcal	GAR	2mths	cfr west India	36.89	-1.09	
6,500 kcal	GAR	2mths	fob Indonesia	58.38	+0.36	
5,800 kcal	GAR	2mths	fob Indonesia	50.20	+1.34	
5,000 kcal	GAR	2mths	fob Indonesia	41.01	-0.20	
4,200 kcal	GAR	2mths	fob Indonesia	28.57	-0.34	
3,400 kcal	GAR	2mths	fob Indonesia	19.19	-0.19	
5,800 kcal	NAR	3mths	cfr South Korea	59.42	+1.86	
5,800 kcal	NAR	3mths	cfr South Korea (basis NAR 6,080 kcal)	62.29	+1.95	

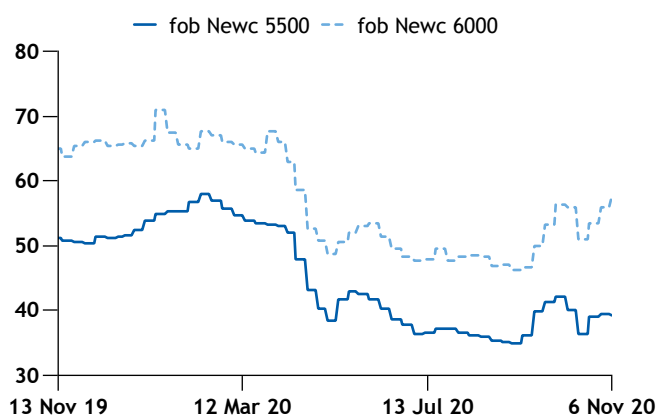
International coal assessments for 6 Nov 2020						\$/t
Energy	Basis	Timing	Port	Price	±	
Americas						
11,300 Btu	GAR	2mths	fob Puerto Bolivar	53.25	-0.50	
6,000 kcal	NAR	2mths	fob Hampton Roads	41.67-78.08	-0.71	
11,300 Btu	GAR	2mths	fob New Orleans	42.15	-0.35	

Weekly and monthly averages of daily assessments						\$/t
Energy	Basis	Timing	Port	Price	Previous	
Europe						
6,000 kcal	NAR	2mths	cif ARA rolling weekly avg	51.42	54.19	
6,000 kcal	NAR	2mths	cif ARA rolling monthly avg	51.42	56.37	
South Africa						
6,000 kcal	NAR	2mths	fob RB rolling weekly avg	61.35	59.71	
6,000 kcal	NAR	2mths	fob RB rolling monthly avg	61.35	59.15	

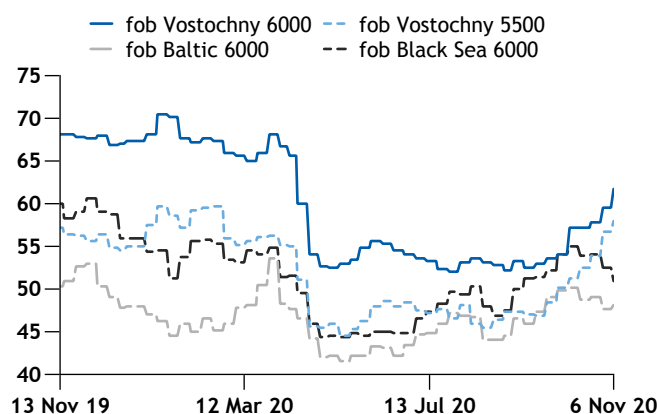
Argus fob Richards Bay spot coal assessments \$/t



Argus fob Newcastle spot coal assessments \$/t



Argus Russian spot coal assessments \$/t



SOUTH KOREA NET FORWARDS

Seasonal demand recovery supports prices

South Korea-delivered coal prices increased for a third consecutive week as colder weather and an extended nuclear outage supported the near-term demand outlook.

Argus assessed NAR 5,800 kcal/kg coal with a maximum 1pc sulphur at \$49.51/t fob Newcastle and \$59.42/t cfr South Korea this week, up by \$2.55/t and \$1.86/t on the week, respectively.

Australian high-ash coal prices edged lower amid ongoing import restrictions in China, but prices for higher grades strengthened on rising seasonal demand elsewhere in northeast Asia. Argus' NAR 5,800 kcal/kg fob Newcastle assessment – heavily influenced by the South Korean market – continued to increase this week, taking its cue from recovering tender activity as utilities replenish stocks ahead of the peak winter heating season.

One independent power producer GSDEP closed spot tenders seeking a combined total of 232,000t of both high- and low-CV coal on 6 November. GSDEP reportedly awarded a maximum 116,000t of NAR 5,400 kcal/kg coal to its sister trading company GS Global at around \$49.50/t fob Rolleston on a NAR 6,080 kcal/kg basis. Two cargoes are to be delivered between the first half of December and the end of January, with one shipment being delivered in each month.

A different South Korean trading company won GSDEP's low-CV tender, and will deliver up to 116,000t of NAR 5,390 kcal/kg Indonesian coal from the Tarakan mine at around \$56/t fob on a NAR 6,080 kcal/kg basis between the end of November and the first half of January.

State-owned utility Korea South-East Power (Koen) on 5 November closed a tender for a three-year term contract. The first 260,000-300,000t tranche of Australian coal for the first contractual year was won by a European trader at around \$53/t fob Gladstone on a NAR 6,080 kcal/kg basis for January and February loading.

Fellow utility Korea Western Power (Kowepo) was scheduled to close a long-term tender seeking 1.05mn t of mid-to-high-CV thermal coal on 6 November, but the result was not confirmed at time of publication.

South Korean tender activity increased this week despite the [government planning](#) to suspend as many coal-fired power units as possible over December-March while imposing an 80pc output cap on the remaining operational units. The government will decide how many coal-fired units will be suspended by the end of the month, when clearer weather and power demand forecasts are available.

Unseasonably cool weather and an extended nuclear out-

cfr South Korea for 6 Nov 2020				\$/t
Energy	Basis	Port	Price	±
5,800 kcal	NAR	cfr South Korea	59.42	+1.86
5,800 kcal	NAR	cfr South Korea (basis NAR 6,080 kcal)	62.29	+1.95

age have bolstered the near-term demand outlook for fossil fuels. Temperatures in Seoul were below the historic norm by an average of around 3.1°C during Monday-Thursday and will remain unseasonably low until 11 November, Speedwell weather data show.

And South Korean scheduled nuclear availability continued to edge lower this week amid an unplanned outage at the Hanbit nuclear plant run by Korea Hydro and Nuclear Power (KHNP). The 1GW Hanbit 3 and 5 were previously scheduled to return from planned maintenance by the end of October, but are now expected to return on 13 and 16 November, KHNP's latest maintenance schedule shows.

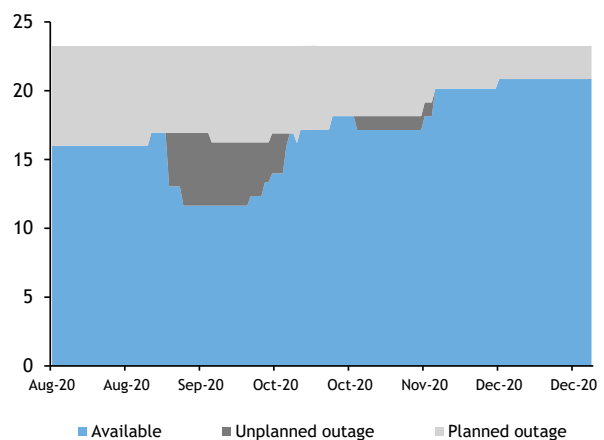
Nuclear availability is scheduled to average 19.2GW this month, compared with a previous 20.2GW expectation last week, but this would still be up significantly from 14.2GW last year.

Increasingly competitive gas prices for power generation also remain a headwind to coal demand, and September data published today show further signs of coal-to-gas switching at the end of the third quarter. Coal-fired power generation fell by 3.2GW on the year to 25.63GW in September, while output from gas increased by 2.8GW on the year to 16.7GW, according to the latest Kepco data.

This was also despite Kepco's total power output edging higher by 170MW on the year to 61.9GW in September and nuclear generation falling because of outages following two typhoons.

South Korean nuclear availability

GW



COMMENTARY

Forward prices				\$/t
Timing	Buy	Sell	Average	±
cif ARA (Rotterdam) API 2				
December	51.30	51.80	51.55	-1.10
January	52.10	52.60	52.35	-1.20
February	52.60	53.10	52.85	-1.15
1Q21	52.60	53.10	52.85	-1.25
2Q21	52.95	53.45	53.20	-1.30
3Q21	54.40	54.90	54.65	-1.45
4Q21	55.65	56.15	55.90	-1.45
1Q22	55.90	56.40	56.15	-1.75
2021	53.90	54.40	54.15	-1.35
2022	55.75	56.25	56.00	-1.60
2023	59.00	59.50	59.25	-1.75
fob Richards Bay South Africa API 4				
December	63.55	64.05	63.80	+0.25
January	64.15	64.65	64.40	+0.05
February	64.65	65.15	64.90	-0.15
1Q21	64.55	65.05	64.80	-0.20
2Q21	64.65	65.15	64.90	-0.35
3Q21	64.80	65.30	65.05	-0.60
4Q21	64.55	65.05	64.80	-1.30
1Q22	65.80	66.30	66.05	-1.70
2021	64.65	65.15	64.90	-0.60
2022	66.25	66.75	66.50	-0.35
2023	67.85	68.35	68.10	-1.10
API 2 premium to API 4				
Prompt	-12.50	-12.00	-12.25	-1.35
South Africa to Europe, implied freight rate				
1Q21	-12.00	-11.90	-11.95	-1.05
2Q21	-11.75	-11.65	-11.70	-0.95
3Q21	-10.45	-10.35	-10.40	-0.85
4Q21	-8.95	-8.85	-8.90	-0.15
1Q22	-9.95	-9.85	-9.90	-0.05
2021	-10.80	-10.70	-10.75	-0.75
2022	-10.55	-10.45	-10.50	-1.25
2023	-8.90	-8.80	-8.85	-0.65

API 2 retreats with oil market weakness

Europe-delivered coal swaps retreated sharply along the curve today in tandem with oil, as new lockdown measures in the region continues to weigh on the demand outlook.

All API 2 swaps contracts fell by more than a dollar, with the first-quarter 2022 contract shedding more than 3pc of its value from the previous close.

Crude futures slumped today as more lockdown measures were implemented across the region amid surging Covid-19 cases. An expected slump in demand for power and commodities drove significant volatility in the European energy complex. Ice Brent front-month crude futures reached an intra-day high of \$40.63/t during the morning session, before closing at \$39.52/bl at 17:00 GMT, down by more than 3.4pc on the day.

But the European spot coal market remained relatively flat on the day, helping the API 2 December swaps to post the smallest daily change. The mid-point of the best bid and offer prices reported for January-delivery remained unchanged at \$52.50/t, and Argus assessed the daily cif Amsterdam-Rotterdam-Antwerp index only 10¢/t lower on the day.

The expectation of low wind generation in Germany may have supported the near-term coal demand outlook, despite weakness in the paper market. Load factors for German wind units were expected at 9pc today and are forecast to remain below 18pc until 12 November, according to Spot renewables data.

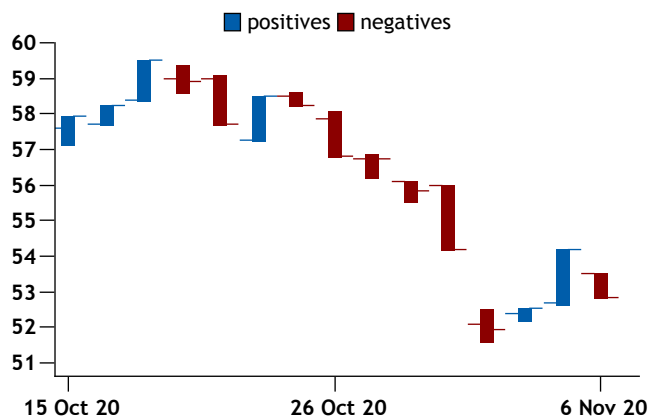
Meanwhile, South African coal swaps diverged along the curve today amid a rise in physical market activity. Two index-relevant deals were concluded today at an average price of \$61.43/t fob Richards Bay for December-loading.

Argus' fob Richards Bay assessment edged higher by 13¢/t on the day and the API 4 December contract recorded a daily increase of 25¢/t.

This widened the API 4 December swap's premium against the API 2 counterpart to \$12.25/t, compared with \$10.90/t yesterday and \$9.40/t on last Friday.

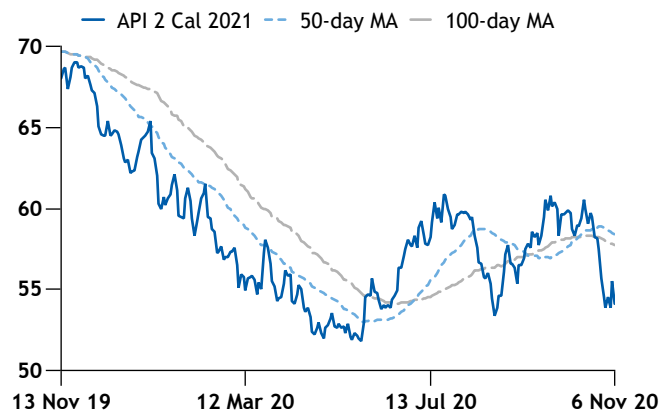
API 2 swaps quarter-ahead intraday moves

\$/t



API 2 year-ahead

\$/t



COMMENTARY

Indonesia coal: Most prices edge lower

Most fob Indonesia physical coal prices declined again this week as the market moved into the new December and January assessment window, although the outlook appears firmer heading further into December.

Demand from China and India for prompt cargoes remains relatively weak, while news that a Chinese utility awarded a tender at a price below recent spot transactions also weighed on sentiment. A state-controlled utility in east China is understood to have awarded a tender for a December-loading geared Supramax cargo of GAR 4,200 kcal/kg (NAR 3,800 kcal/kg) coal at a price that would net back to around \$27.25-27.50/t fob Kalimantan, although the overall outlook remains relatively firm ahead of the winter demand period and domestic supply shortages in China.

In the low-calorific value (CV) Indonesian market, a cross-month late November/December-loading geared Supramax GAR 4,200 kcal/kg cargo traded at \$28/t fob Kalimantan, while an early December-loading shipment changed hands at the same price. But underscoring the firmer outlook heading further into December, another trade concluded at \$29/t while a late December-loading shipment changed hands at \$29.50/t. December-loading shipments of this coal were bid at \$28.50/t and offered as high as \$30/t, while the fob Indonesia GAR 4,200 kcal/kg market was assessed 34¢/t lower on the week at \$28.57/t fob Kalimantan.

Trade was muted in the ICI 4 futures market. December derivatives were bid today at \$29.60/t against no corresponding offers. December ICI 4 futures were last assessed by Argus yesterday at \$29.65/t, up by 15¢/t from Wednesday.

Mid-CV Indonesian prices also declined, with the GAR 5,000 kcal/kg (NAR 4,600 kcal/kg) market edging 20¢/t lower to \$41.01/t. Fob Indonesia GAR 5,800 kcal/kg (NAR 5,500 kcal/kg) prices were supported by increased demand for this type of coal from Chinese utilities that still have 2020 import quotas on tighter Chinese import restrictions on Australian material. A December-loading GAR 5,800 kcal/kg Panamax cargo traded at \$51.50/t, while prices were assessed \$1.34/t higher on the week at \$50.20/t fob Kalimantan.

Most delivered India prices soften

Most cfr India prices also declined following the trend in the low and mid-CV Indonesia markets, with ample domestic supply also weighing on demand for seaborne cargoes.

Indian coal-fired generation rose for the second straight month in October from a year earlier, underscoring a recovery in industrial and economic activity. Coal-fired generation rose to 82.62TWh in October, up from 72.11TWh in the same month a year earlier, according to preliminary data from India's Central Electricity Authority. The bulk of

Forward prices		\$/t
Timing	Midpoint	±
fob Indo 4,200 GAR, ICI 4		
December	29.70	+0.05
January	30.65	+0.05
1Q21	30.65	+0.05
2Q21	31.00	nc
2021	31.20	nc

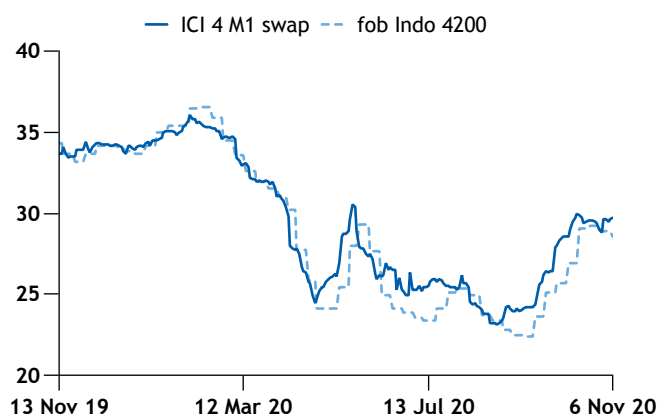
this increased consumption is being met by domestic coal, with state-controlled producer Coal India (CIL) raising its output and supplies for the third straight month in October from a year earlier.

Some Indian consumers such as cement makers have increased their purchases of Australian coal, which had become competitively priced given Chinese import restrictions and elevated petroleum coke price levels, although sponge iron manufactures remains interested in South African coal. This was reflected in the cfr India NAR 5,500 kcal/kg price this week, which rose by \$1.17/t to \$57.65/t on an uptick in Richard Bay prices.

Indian interest in Indonesian coal remained under pressured by government efforts to discourage imports. These efforts have reduced CIL's coal stocks, which stood at 53.18mn at the end of October from highs of around 78mn t earlier this year. But current stock levels are still considered high and CIL is making efforts to boost sales via electronic-auctions.

The cfr east coast India GAR 4,200 kcal/kg price was assessed at \$36.50/t, down by 84¢/t on the week, while the cfr east coast India price for GAR 5,000 kcal/kg coal eased by 3¢/t to \$49.31/t. The delivered west coast India price for GAR 4,200 kcal/kg coal fell by \$1.09/t to \$36.89/t, while the cfr west coast price for GAR 5,000 kcal/kg coal was assessed 27¢/t lower at \$49.68/t.

ICI 4 front month swap vs physical spot \$/t



COAL MARKET NEWS

Asia-Pacific coal: Australian high-ash slips

Australian high-ash coal prices softened slightly after two consecutive weeks of gains, reaching a new equilibrium, with demand from India partly offsetting a steep drop in Chinese enquiries.

Australian NAR 5,500 kcal/kg coal was assessed at \$39.18/t fob Newcastle, down by 38¢/t on the week. A string of December-loading cargoes of 90,000-130,000t changed hands this week largely in the \$38.50-41.00/t range, mostly headed for India. One of the cargoes that traded at around \$41/t was possibly for blending purposes and was bought early in the week when the market was stronger.

The price gains for Australian high-ash coal in recent weeks were largely attributed to some Australian producers holding back from making firm offers as they observed bidding levels from non-China alternate markets such as India. Bids earlier in the week were around \$39.00-39.50/t fob Newcastle but gradually softened to around \$38/t or less by today. This convinced some sellers to compromise in the face of an informal ban on Australian coal from their traditional key market, China. There were two firm bids today at \$38/t fob Newcastle for December-loading Capesize cargoes of NAR 5,500 kcal/kg and softer offers at \$38.35/t-\$38.50/t. A cargo of similar quality also offered at \$39/t fob Gladstone for December.

Some Chinese coal consumers attending an import fair in Shanghai this week told *Argus* that they have received repeated verbal warnings from Beijing not to buy Australian material, and will likely turn to Russian or South African coal for their term contracts. Beijing should theoretically reset import quotas nearer to 2021, and some Australian producers have said that they expect better access to that market again. But many other market participants are not confident that Australian seaborne coal will benefit from the fresh 2021 quotas until China-Australia trade and diplomatic tensions ease.

The NAR 5,500 kcal/kg delivered market to south China was assessed at \$49.14/t, up by just 8¢/t on the week. Freight rates for Capesize vessels operating on the Newcastle-South China route softened to around \$10.50/t from last week's \$11/t, but activity was minimal due to uncertainty surrounding China's import policies.

The NAR 6,000 kcal/kg high calorific-value (CV) was assessed at \$57.61/t, up by \$1.74/t on the week. Some utilities from key market Japan are showing interest in spot cargoes loading in December or early next year, as lower temperatures increase heating demand for power. At least one southern mainland Japanese utility is thought to be seeking a December-loading 75,000t cargo of Australian NAR 6,000 kcal/kg coal. A utility in the Chugoku region has also

issued a closed tender for fob Newcastle NAR 6,000 kcal/kg coal to approved suppliers, market participants said.

Taiwanese power plant Hoping is understood to have bought an unspecified quantity of GAR 6,322kcal/kg coal, which would roughly equate to NAR 6,000 kcal/kg, for December loading from Australia at around \$56/t. This has provided some price guidance to the high-CV market, although Taiwanese tenders are often awarded at a discount to index levels.

Korean tenders

A tender award by South Korean state-owned utility helped lift the *Argus* fob Newcastle assessment for NAR 5,800 kcal/kg coal with a minimum CV of NAR 5,700 kcal/kg, a quality that is mostly sold to South Korea.

The *Argus* assessment for NAR 5,800 kcal/kg coal was up by \$2.55/t this week to \$49.51/t. This equates to \$51.90/t on a NAR 6,080 kcal/kg basis.

State-owned utility Korea South-East Power (Koen) awarded a three-year term tender to buy coal with a minimum CV of NAR 5,600 kcal/kg, possibly from a European trader, in the low \$53s/t on a fob Gladstone NAR 6,080 kcal/kg basis, which could equate to roughly \$51.50-52.00/t basis NAR 6,080 from Newcastle once adjusted for freight. The tender in the first contractual year is for the first Capesize cargo to be shipped in January 2021, with the second Capesize cargo to be shipped in February 2021. The delivery periods for the second and third contract years are from March 2021-February 2023 and the price will be reached by mutual agreement.

South Korean state-owned utilities exhibited stepped-up demand for high-CV coal from state-owned utilities this week, with Korea Western Power (Kowepo) issuing two five-year tenders to buy minimum NAR 5,500 kcal/kg and minimum NAR 5,600 kcal/kg closing on 10 November. Koen also issued a three-year term tender, closing on 12 November, to buy Australian coal with a minimum CV of NAR 5,600 kcal/kg.

China coal: Prices rise on tight supply

China's domestic spot coal prices rose this week on tight supply even though stocks at northern ports steadied after the completion of maintenance work on the main coal transportation Daqin railway on 31 October.

Supply from Inner Mongolia remains particularly tight, despite the improvement in rail transportation capacity on the Daqin line, providing some support to market prices. The rise in thermal coal futures prices over the week also provided positive sentiment in the physical market.

Argus assessed NAR 5,500 kcal/kg coal at 610.78 yuan/t

COAL MARKET NEWS

fob Qinhuangdao today, up by Yn5.18/t on the week. In dollar terms, the price gained \$2.06/t to \$92.14/t on the back of a stronger yuan against the US dollar.

Coal stocks at Qinhuangdao port were pegged at 5.03mn t as of 5 November, according to data published by industry association the CCTD. This was fairly close to last week's 5.02mn t when the Daqin railway, which brings coal into this key transshipment port from the producing province of Shanxi in the north, was still undergoing maintenance. The maintenance started on 7 October and finished on 31 October.

But trading activity was limited as power plant buyers proved resistant to rising prices and hung back in the expectation that the government would step in to put a cap on prices.

The heating season across the whole of north China will start from 15 November and stocks at some heating and power plants are still low as the plants expect the government to release more imported cargoes to meet their needs.

Curbs on imported Australian coal are still being strictly enforced and no long-term supply contracts were heard signed at the China International Import Expo in Shanghai this week. Chinese buyers mainly signed memorandums of understanding with Indonesian and Russian coal producers at the event.

Most of the available seaborne Russian NAR 5,500 kcal/kg cargoes for November and December loading have been sold and are headed mostly for northeast China. Talks are now taking place to secure January 2021 loading cargoes and a major Russian coal miner was heard to have sold several NAR 5,500 kcal/kg cargoes to China at around \$59/t fob Vanino. Panamax freight for the route from Russia's east coast port of Vanino to north China was at around \$6/t. This indicated delivered prices of around \$65/t cfr north China or an equivalent of around Yn558/t after taxes and port fees.

November thermal coal futures on the Zhengzhou commodity exchange expired today and the contract closed at Yn625/t. The actively traded January 2021 contract closed at Yn602.4/t, indicating a backwardated market.

Market participants expect more imported cargoes to clear in January 2021 when China's new import quotas become available and this is likely to put some pressure on prices.

Russian coal prices firm in Asia-Pacific

Strong demand from China and limited supply availability supported Russian coal prices in Asia-Pacific in the first week of November.

Market participants say Chinese buyers have stopped importing coal from Australia and have almost exhausted

quotas for Indonesian coal, opening the door for more Russian sales in November-December.

Russian NAR 5,500 kcal/kg prices increased by \$1.25/t on the week to \$58/t fob Vostochny. No assessment-relevant trades were reported.

Chinese buyers said they expect the market to move above \$60/t, as large Russian producers have reportedly sold-out for December-loading cargoes and are not rushing to offer January cargoes.

Meanwhile, stockpiles at Qinhuangdao and Caofeidian ports were around 1mn-2mn t lower than typical levels, reflecting an unusually tight Chinese domestic market compared with seasonal norms. And cold winds are expected to push down temperatures in many parts of north China, intensifying coal demand for heating.

A cargo of Russian NAR 5,500 kcal/kg coal was offered for overland delivery to China at around \$65/t dap Grodekovo-Suifenhe border crossing. Another supplier offered Russian NAR 5,700-5,800 kcal/kg coal fines at \$64/t dap. As throughput capacities at overland border crossings are limited, Chinese buyers are ready to accept lower calorific valued coal, market participants say. Russian NAR 6,000 kcal/kg prices for consumers in Asia-Pacific rose by \$2.19/t to \$61.69/t fob Vostochny.

A large Russian exporter sold a Panamax coal cargo to Taiwanese utility Ho-Ping Power at around \$67/t cif NAR 6,000 kcal/kg basis. This should be equal to around \$62.50/t fob with a freight rate at \$4.50/t, according to one market participant.

The same seller negotiated a trade with a South Korean cement plant at \$65/t cif, according to one international trader. The buyer is seeking around 400,000t of coal to be supplied in March-December 2021 at both index-linked and fixed prices.

Meanwhile, Russia faces strong competition in Taiwan from Australian and Indonesian suppliers, which have ample spot availability and are ready to discount prices to secure trades.

Taiwanese conglomerate Formosa Plastics Group (FPG) awarded Australian and Indonesian origin coal in tenders recently, while some Russian exporters were unable to offer coal according to tough term and quality requirements, market participants said. FPG was seeking an 80,000t cargo of high-calorific value (CV) coal for supplies to Taiwan's industrial ports in Panamax, Handysize or Supramax vessels over 16-25 December 2020.

A cargo of Russian NAR 6,000 kcal/kg coal was offered for overland delivery to China at around \$71/t dap Grodekovo-Suifenhe border crossing.

European demand low

Prices for Russian NAR 6,000 kcal/kg cargoes in the Baltic Sea rose by 38¢/t on the week to \$48.08/t fob.

COAL MARKET NEWS

Strong spot availability in early November is creating some price resistance, with large exporters keeping prices at \$47-48/t fob, according to some market participants. But several small and medium Russian coal miners were understood to keep prices at around \$49/t fob.

The price of Russian high-CV coal shipped from Black Sea ports was down by \$1.50/t on the week at \$51/t fob. No assessment-relevant trades were reported.

Turkish coal prices soften

Turkey-delivered coal prices moved lower this week, tracking weakness in the European market.

Prices for NAR 6,000 kcal/kg coal delivered to Turkey on vessels of 50,000-75,000t fell by \$1.20/t on the week to \$60.63/t cif Turkey supra plus.

Market activity was limited this week, after cement plants concluded their tenders to source Russian coal last week. Buying interest for Russian coal is set to increase in the coming months as cement plants are increasing coal's share in their fuel mix amid uncompetitive petroleum coke pricing.

There are still a few cement plants that continue to use petroleum coke, but the majority of these plants are also planning to switch to coal once they exhaust their existing coke stocks. This would leave only a few plants that do not have the flexibility to use coal as the remaining coke consumers in the country.

Coal prices also eased in the mini bulk market, but not as sharply as in the market for supra-plus cargoes. The bid-offer spread remains wide in the mini bulk market as trading firms are able to offer only high \$60s/t into Turkey as a

result of firming freight rates in the Black Sea, while buyers are expecting prices to ease to the low \$60s/t. Some market participants said busier grain traffic is pushing freight rates higher in the region, and prices might start to firm in the coming weeks.

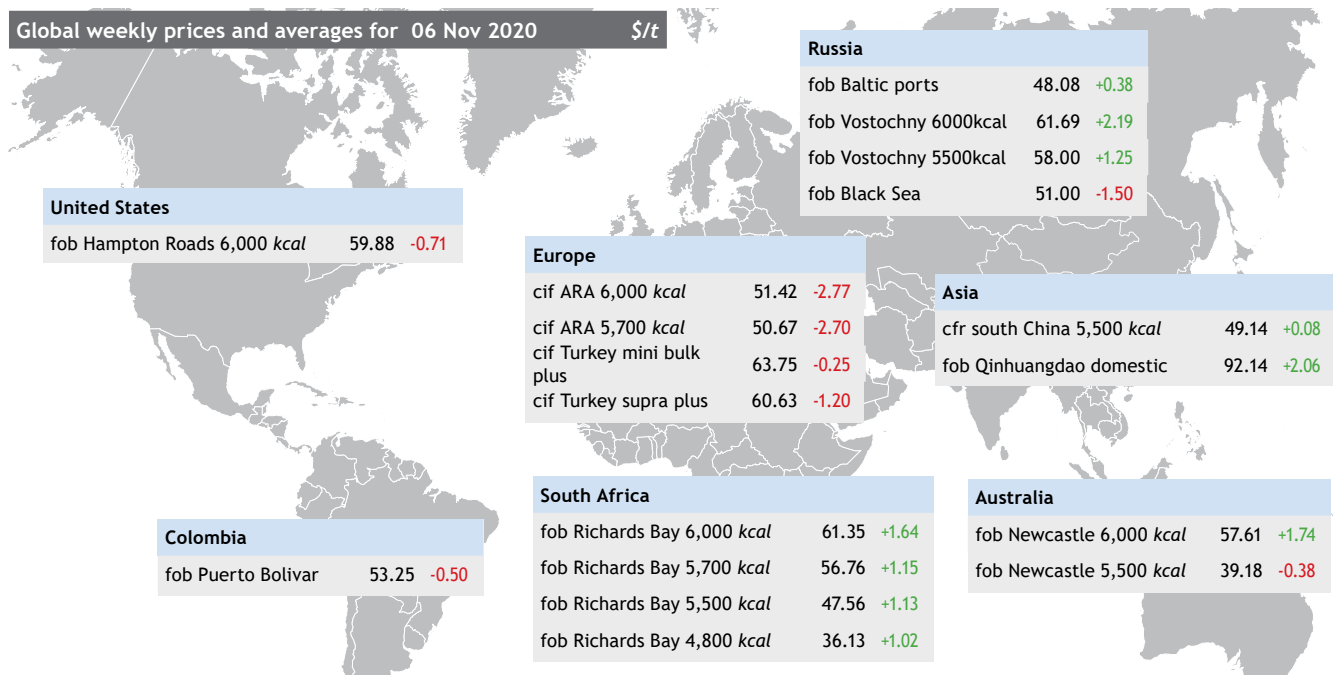
In the power sector, the country's coal-fired fleet ran at almost full capacity as their generation costs are still lower compared with gas-fired utilities. But coal's competitive edge continues to deteriorate as lira weakness weighs on their margins.

Gas utilities are not affected by lira volatility as they procure their fuel from state-owned utility Botas through a lira-denominated tariff that is usually revised monthly. But the Turkish lira's recent depreciation against the US dollar brought the gas tariff below Botas' import costs calculated by Argus, and any further depreciation of the lira might place gas ahead of coal in the country's merit order.

But some market participants think Botas would adjust its tariff to reflect its actual import costs to gas-fired utilities, otherwise the company's cash flow would start to deteriorate.

The recent downward movement in the seaborne coal prices has provided an opportunity for coal-fired units to consider alternative origins at a time when Colombia, their main coal supplier, is facing supply disruptions. A utility was heard to be securing at least one Capesize vessel of high-ash Australian NAR 5,500kcal/kg coal in recent weeks, at a discount to the API 2 index. This supply was heard being offered to Turkey at \$1-2/t discounts against the API 2 index in recent weeks.

Power-sector buying activity is expected to be limited



COAL MARKET NEWS

for the remainder of this year, as utilities have already secured their needs for the rest of 2020. But some spot activity might still emerge if coal continues to be marketed at competitive rates into the country.

Elsewhere in the Mediterranean, a Moroccan utility launched a tender this week for three 38,000t shipments for December-February delivery, with submissions due on 20 November. Another Moroccan utility is also looking to secure three 75,000t shipments for January-March.

Colder weather boosts Japan's wholesale power prices

Wholesale electricity prices on the Japan electric power exchange (Jepx) rebounded over the past week, as seasonal falls in temperatures created additional demand for heating purposes. This helped improve theoretical generation economics of the country's thermal power plants, especially gas-fired units that use spot LNG.

The spark spread for a 58pc-efficient plant using spot LNG averaged ¥1,126/MWh (\$10.88/MWh) from 30 October to 5 November compared with just ¥481/MWh a week earlier. The ANEA price, the Argus assessment for spot deliveries to northeast Asia, fell by 12.4pc on the week to \$6.50/mn Btu on 5 November, pressured by weaker European gas hub prices. But the margin was still smaller than ¥1,572/MWh for a 58pc-efficient oil-linked LNG-fed plant.

Spot coal remains price competitive with spot LNG for power generation, with a highly efficient 44pc coal-fired plant more profitable to run than any type of thermal power unit. The dark spread for a 44pc-efficient coal-fired plant averaged ¥2,722/MWh during the week to 5 November.

Day-ahead base-load Jepx prices in Japan's nine service areas, excluding Okinawa, averaged ¥5.50/kWh from 30 October to 5 November, up by 9.5pc from a week earlier. The system-wide prices were cleared at ¥6.34/kWh for today and ¥5.42/kWh for tomorrow.

The higher prices were despite a 1.4pc week-on-week increase in supplies on the exchange to 6,925GWh. Buying demand edged up by 0.5pc to 6,923GWh, resulting in a 0.2pc drop in transacted volumes to 5,589GWh during the period. This suggests that sellers' asking prices were too high to attract more buyers.

The higher supplies reflected abundant solar power output from usual sunlight hours, except in Japan's northeastern and Hokkaido areas, and an increase in thermal power generation capacity. Supplies were ample despite the closure of the 1,180MW No.4 reactor at the Ohi nuclear power plant for regular maintenance on 3 November.

Japan's thermal power capacity was set to **increase by 568MW** in the week to 8 November with a net gain of 648MW in the six western areas, where the grid runs at 60 hertz

(Hz), and 24MW in the three eastern regions that run at 50 Hz, outstripping a net loss of 103MW in Okinawa.

Around 3.39GW of coal-fired, 1.42GW of gas-fired and 500MW of oil-fired capacity were supposed to return from regular maintenance, while about 3.43GW of gas-fired, 950MW of oil-fired and 362MW of coal-fired capacity were scheduled to shut during the week.

Power demand in all of Japan's 10 service areas, including Okinawa, averaged 90GW from 30 October to 5 November, up by 1.7pc from a week and year earlier, according to power agency the organisation for cross-regional co-ordination of transmission operators.

Large parts of Japan experienced cold weather over the past week, requiring more electricity to meet heating demand. Temperatures at the country's 10 major cities – Hokkaido, Sendai, Tokyo, Nagoya, Kanazawa, Osaka, Takamatsu, Hiroshima, Fukuoka and Naha – averaged 14.55°C during the week to 5 November, down by 3.4°C compared with the seasonal norm.

Liquidity of electricity futures contracts on the Tokyo commodity exchange (Tocom) fell this week, with transacted volumes dropping to 696MWh over 30 October to 5 November compared with 30,276MWh in the previous week. All deals focused on peak-load hours for eastern Japan at off-floor trading, with contract prices for December, January and February 2021 each settled at ¥8.2/kWh.

Deals cleared by the German-based European Energy Exchange (EEX) also fell sharply to 13,800MWh over the past week, down from 56,064MWh on 23-29 October.

Tokyo base-load contracts transacted through EEX at ¥6.95-7/kWh for December, while Tokyo peak-load traded at ¥8.25/kWh for December.

Traded prices for December and January were below levels at which Jepx delivered last year, at ¥9.75/kWh for Tokyo peak-load December, ¥8.71/kWh for Tokyo base-load December and ¥9.27/kWh for Tokyo peak-load January. But prices for February 2021 peak-load delivery were above the ¥8.05/kWh settled on the Jepex platform in February 2020.

Forward prices for oil-linked LNG and coal for the upcoming winter were lower from a year earlier. The most recent oil-linked Japan LNG prices averaged \$6.52/mn Btu for December 2020 to February 2021, down by 33.8pc on the year. The Argus Newcastle coal 6,000 kcal/kg forward curve is currently averaging \$57.77/t for December 2020 to February 2021, while prompt prices for the same period in 2019-20 averaged \$66.46/t.

But ANEA LNG delivered prices for December 2020 to February 2021 averaged \$6.15/mn Btu, up by 12.6pc from a year earlier.

By Motoko Hasegawa

COAL MARKET NEWS

Indonesia slips into recession

Indonesia slipped into an economic recession in the July-September quarter, for the first time since the 1998 Asian financial crisis, as the impact of the Covid-19 pandemic continued to take its toll on southeast Asia's largest economy.

The country's economy contracted by 3.49pc from a year earlier for the third quarter, following a contraction of 5.32pc in the April-June quarter, according to Indonesia's statistics agency BPS.

Indonesia's most populous region of Java saw its economy contract by 4pc during July-September. Indonesia's capital Jakarta, which is in Java, started a second Covid-19 lockdown in the middle of September. Bali-Nusa Tenggara, which relies heavily on the tourism sector that has been decimated by Covid-19, saw the deepest contraction at 6.8pc.

Economic forecasters had predicted the impact of Covid-19 to hit developing economies hard in Asia-Pacific, with the Asia Development Bank expecting them to **shrink for the first time in almost 60 years**.

Indonesia is the world's largest thermal coal exporter, shipping 456.4mn t last year. It planned to **export 435mn t this year**. But its exports hit a three-year low of 29.3mn t in August, customs data show, because of Covid-19 disruptions and reduced demand. They may have **dropped below 25mn t in September**, according to Argus estimates based on shipping data.

Indonesia is also Asia-Pacific's largest gasoline buyer but its demand has slowed considerably this year because of reduced driving activity with Covid-19 lockdowns. It bought around 277,000 b/d of gasoline during January-September according to GTT customs data, down from 341,000 b/d for the same period last year. But September imports of 307,000 b/d **rebounded to their highest level** since April this year as volumes moved closer to pre-pandemic levels.

By Richard Davies

Australia's Gladstone coal exports rise in October

Combined exports of coking and thermal coal in October from Gladstone in east Australia's Queensland rose by 13pc from a year earlier, largely because of shipments to South Korea rising to their highest level since January 2016 and shipments to China rebounding off the more than nine-year low in September.

Gladstone's total exports rose to 5.82mn t in October from 5.13mn t in October 2019 and above the 5.27mn t in September. They were the highest monthly shipments since the 5.95mn t shipped in July, according to the October trade data from the Gladstone Ports Corporation (GPC).

The largest contribution to the rise was increased shipments to South Korea to 1.52mn t in October from 1.17mn t in October 2019 and double the 754,000t shipped in September. They were the highest monthly shipments to South Korea since the 1.56mn t shipped in January 2016.

But total coal shipments from Gladstone were 2.6pc weaker to 58.22mn t during January-October compared with 59.77mn t for the same period in 2019.

By Kevin Morrison

S Korea's Kowepo, Koen seek long-term supplies

South Korean state-owned utilities Korea Western Power (Kowepo) and Korea South-East Power (Koen) have issued term tenders seeking high-calorific value (CV) coal.

Kowepo has issued two five-year term tenders. The first is for coal with a minimum CV of NAR 5,500 kcal/kg, with total sulphur content not exceeding 0.55pc on an as-received basis. Total moisture should be capped at 25pc on an as-received basis, while ash should not exceed 17pc on an air-dried basis and volatile matter should be in a 22-36pc range on an air-dried basis.

The first and second shipments for the first term tender must be shipped over 23 December 2020-11 January 2021 if the coal is from Indonesia, over 1-20 January 2021 if the coal is from Australia and Canada, over 8-27 January 2021 if the coal is from South Africa and over 1-29 February 2021 if the coal is from Colombia. The utility seeks two 80,000t cargoes to be shipped during the first contractual year and 240,000 t/yr in the second through to the fifth calendar years, which run from 1 February 2021 to 31 January 2025.

The second term tender is for a minimum CV of NAR 5,600 kcal/kg coal with total sulphur content not exceeding 0.5pc on an as-received basis and total moisture not exceeding 25pc on an as-received basis. Ash content should be no higher than 17pc on an air-dried basis, while volatile matter should be in a 22-36pc range on an air-dried basis.

The first 110,000t for the tender must be shipped from 4-23 January 2021 and the second 110,000t must be shipped from 8-27 January 2021 if the coal is from Indonesia. Coal from Australia and Canada should be shipped from 11-30 January 2021 for the first 110,000t and from 16 January-4 February 2021 for the second 110,000t. Coal from South Africa should be shipped from 20 January-9 February 2021 for the first 110,000t and from 24 January-12 February 2021 for the second 110,000t. Coal from Colombia should be shipped from 16 February-5 March 2021 for the first 110,000t and from 18 February-8 March 2021 for the second 110,000t. The utility seeks 660,000 t/yr in the second through to the fifth calendar years, which run from 1 March 2021 to 28 February 2025.

COAL MARKET NEWS

Bidders are requested to offer a single fixed price on a fob trimmed basis for the first contractual year. The price for the second to fifth contractual years should be determined by mutual agreement by both parties. Coal from eastern Russia and China are not allowed in this tender.

All bidders must have a record of supplying over 300,000t of coal to power generation companies or to steel mills in South Korea, Taiwan, Japan, the EU or North America in the past three years.

All bids must be submitted via email to bidding@iwest.co.kr by 10am Korean Standard Time (01:00 GMT) on 10 November.

Koen issued a three-year term tender. It is seeking Australian coal with a minimum CV of NAR 5,600 kcal/kg. Sulphur content should not exceed 0.6pc on an as-received basis, total moisture content should not exceed 28pc on an as-received basis, volatile matter should be in a 22-38pc range on an air-dried basis, while maximum ash content is set at 17pc on an air-dried basis.

The first mini Capesize cargo of 110,000t is to be shipped in January 2021, with the second mini Capesize cargo of 110,000t to be shipped in February 2021. The second and third contract years are from March 2021-February 2023.

Bidders are requested to offer two mini Capesize vessels on a fixed price, fob trimmed basis for the first contract year. The price for the second and third contractual years should be determined by mutual agreement by both parties. The coal must be supplied from single mines.

Bidders must have a record of supplying at least at least 300,000t of coal within the last three years to any of the main power and steel producing companies in South Korea, Taiwan, Japan, the EU and North America.

Bids must be submitted no later than 10:30 Korean Standard Time on 12 November.

By Sam Hong

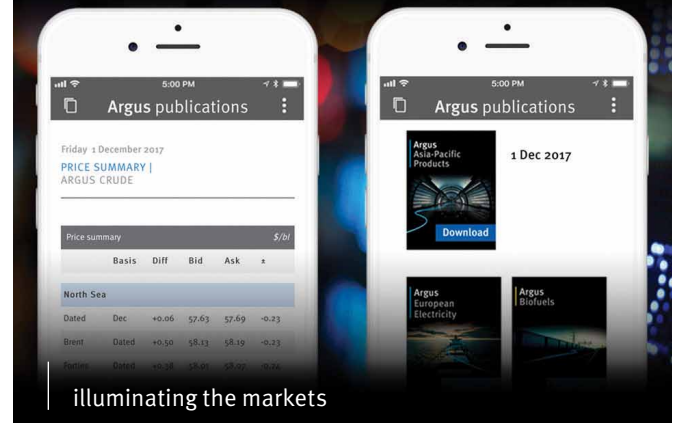
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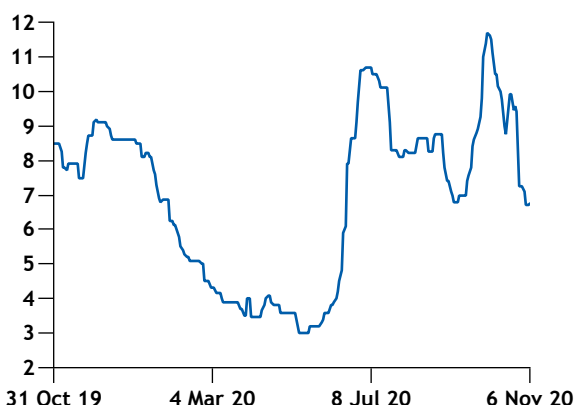
SHIPPING COSTS

Dry bulk freight rates			
Route	Size '000t	\$/t	±
Panamax			
Murmansk-Rotterdam	70	6.80	nc
Richards Bay-Rotterdam	70	13.50	nc
Puerto Bolivar-Rotterdam	70	11.30	nc
EC Australia-Japan	70	9.65	nc
EC Australia-S Korea	70	9.10	nc
EC Australia-S China	70	10.70	nc
EC Australia-EC India	70	11.40	nc
Indonesia-S China	70	7.15	nc
Indonesia-EC India	70	6.75	nc
Indonesia-Japan	70	6.75	nc
Indonesia-South Korea	70	5.65	nc
Capesize			
Richards Bay-Rotterdam	150	6.75	+0.05
Puerto Bolivar-Rotterdam	150	8.45	nc
Newcastle-Zhoushan	150	9.95	+0.05
Newcastle-Fangcheng	150	9.65	+0.05
Richards Bay-S China	150	10.20	nc
Richards Bay-Krishnapatnam	150	8.95	nc

Asia-Pacific freight analysis						
Route	Basis	Energy kcal/kg	Size '000t	Freight \$/t	Coal \$/t fob landed	±
EC Australia-Japan	NAR	6,000	70	9.65	57.61	67.26 +1.74
EC Australia-S Korea	NAR	6,000	70	9.10	57.61	66.71 +1.74
EC Australia-S China	NAR	5,500	70	10.70	39.18	49.88 -0.38
EC Australia-EC India	NAR	5,500	70	11.40	39.18	50.58 -0.38
Indonesia-Japan	GAR	6,500	70	6.75	58.38	65.13 +0.36
Indonesia-Japan	GAR	5,800	70	6.75	50.20	56.95 +1.34
Indonesia-S Korea	GAR	5,800	70	5.65	50.20	55.85 +1.34
Indonesia-S Korea	GAR	5,000	70	5.65	41.01	46.66 -0.20
Indonesia-S China	GAR	5,800	70	7.15	50.20	57.35 +1.34
Indonesia-S China	GAR	5,000	70	7.15	41.01	48.16 -0.20
Indonesia-S China	GAR	4,200	70	7.15	28.57	35.72 -0.34
Indonesia-EC India	GAR	4,200	70	6.75	28.57	35.32 -0.34
Indonesia-EC India	GAR	3,400	70	6.75	19.19	25.94 -0.19

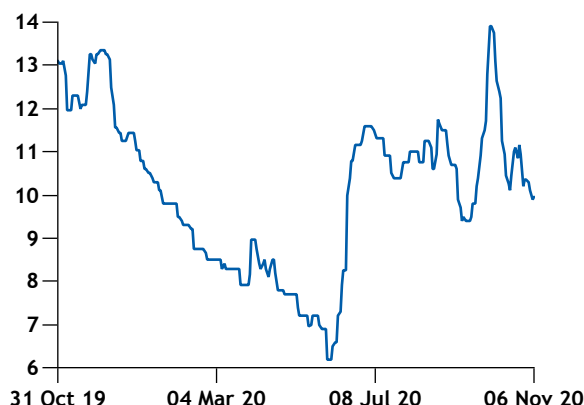
Richards Bay-Rotterdam, Capesize

\$/t



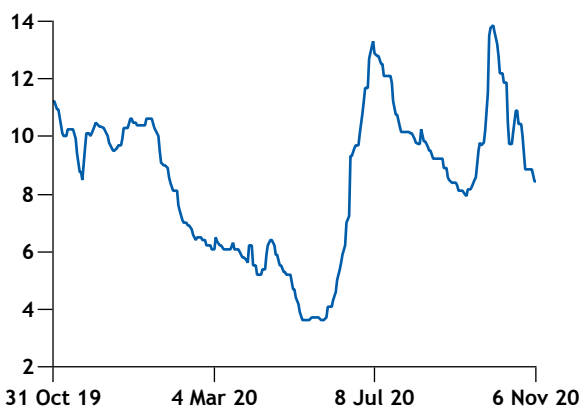
Australia to south China, Capesize

\$/t



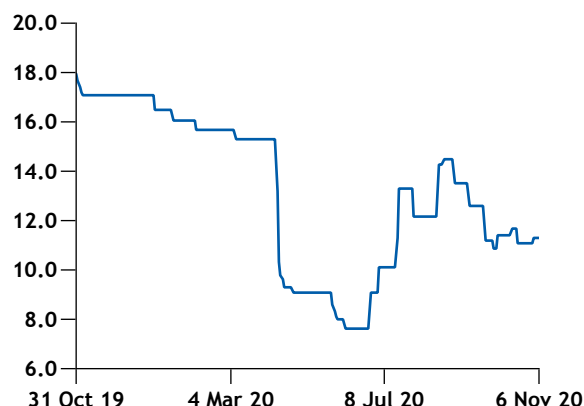
Puerto Bolivar to Rotterdam, Capesize

\$/t



Puerto Bolivar to Rotterdam, Panamax

\$/t



SPARK SPREADS

Spark spread calculations

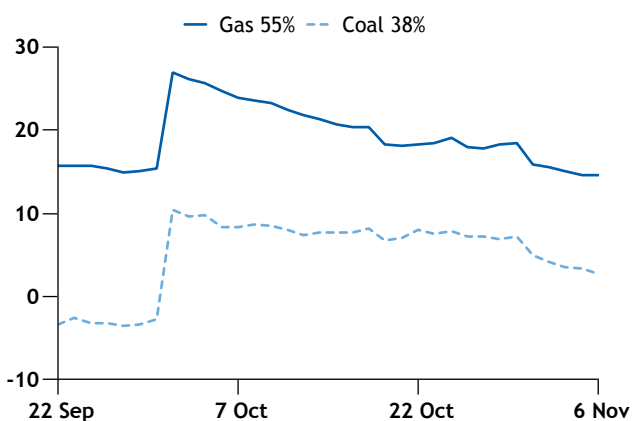
Spark spreads for various thermal efficiencies are calculated from Argus outright fuel, CO₂ emissions and electricity prices, and are not assessments based on actual spark-spread trades. Fuel, emissions and electricity prices are taken from the Argus European Electricity, Argus European Natural Gas, Argus Coal Daily International, Argus European Products and Argus European Emissions Markets daily reports.

A selection of spark and dark spreads are published in the print report. A full range of spark and dark spreads can be accessed through Argus Direct. Please contact sales@argusmedia.com to arrange access.

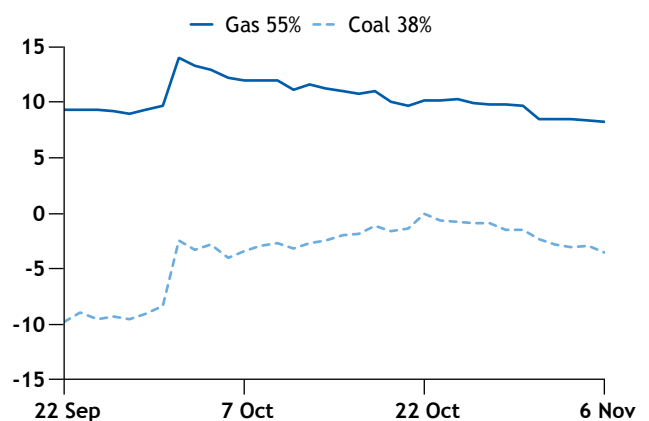
UK ETS and CSP adjusted spark and dark spreads					£/MWh
Contract	NBP 55%		ARA Coal 38%		
	base load	peak load	base load	peak load	
Working day ahead	8.282	13.232	-5.711	-0.761	
December	8.297	14.647	-3.586	2.764	
January	11.390	20.140	0.357	9.107	
February	10.331	18.581	-0.874	7.376	
March	8.479	13.679	-	-	
April	8.287	12.887	-	-	
May	7.805	12.755	-	-	
1Q21	10.117	17.467	-1.624	5.726	
2Q21	7.973	12.723	-7.649	-2.899	
3Q21	8.141	12.341	-8.838	-4.638	
4Q21	8.978	16.328	-4.244	3.106	
Summer 2021	8.082	12.532	-8.220	-3.770	
Winter 2021	9.142	16.342	-	-	
Summer 2022	6.487	11.787	-	-	
Winter 2022	8.356	16.456	-	-	
2021	9.180	15.040	-5.212	0.648	

UK unadjusted spark spreads				£/MWh
Contract	NBP 49.13%			
	base load	peak load		
Working day ahead	19.304	24.254		
December	19.106	25.456		
January	22.101	30.851		
February	21.028	29.278		
March	19.390	24.590		
April	19.370	23.970		
May	19.043	23.993		
1Q21	20.890	28.240		
2Q21	19.209	23.959		
3Q21	19.501	23.701		
4Q21	19.880	27.230		
Summer 2021	19.380	23.830		
Winter 2021	19.924	27.124		
Summer 2022	17.887	23.187		
Winter 2022	19.233	27.333		
2021	20.247	26.107		

UK front-month peak-load spark vs dark €/MWh



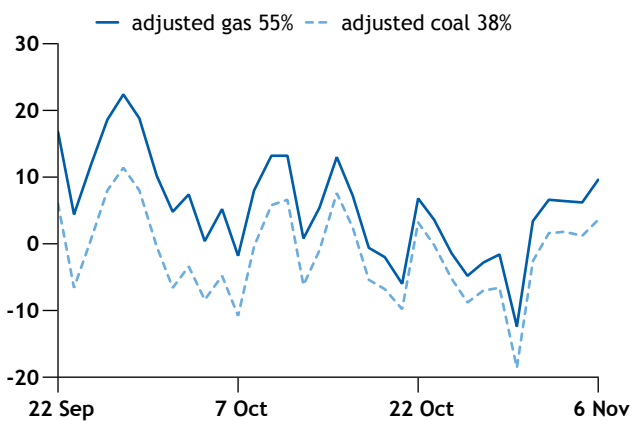
UK front-month base-load spark vs dark £/MWh



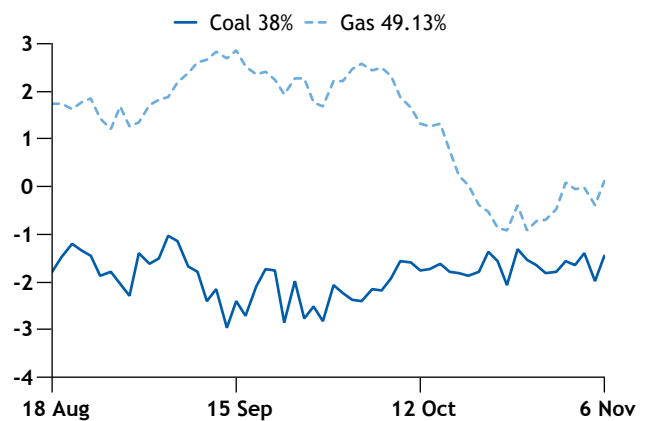
SPARK SPREADS

German ETS adjusted spark and dark spreads							German unadjusted dark spreads		
Contract	NCG 55%		Gaspool 55%		ARA Coal 38%		ARA Coal 38%		
	base load	peak load	base load	peak load	base load	peak load	base load	peak load	
Working day ahead	9.619	15.119	8.800	14.300	3.670	9.170	26.481	31.981	
December	-1.582	8.568	-1.646	8.504	-6.755	3.395	16.191	26.341	
January	2.350	12.800	2.359	12.809	-2.192	8.258	20.754	31.204	
February	5.854	15.954	6.000	16.100	1.212	11.312	24.158	34.258	
March	2.268	8.868	-	-	-	-	1Q21	21.618	30.768
April	1.045	5.845	-	-	-	-	2Q21	17.892	23.692
May	-0.141	4.859	-	-	-	-	3Q21	21.370	27.770
1Q21	3.441	12.591	3.577	12.727	-1.328	7.822	4Q21	25.010	36.410
2Q21	1.127	6.927	1.154	6.954	-5.054	0.746	1Q22	27.187	39.337
3Q21	5.445	11.845	5.527	11.927	-1.576	4.824	2021	21.510	29.710
4Q21	6.528	17.928	6.528	17.928	1.977	13.377	2022	24.550	34.100
1Q22	7.779	19.929	7.779	19.929	3.981	16.131	2023	25.866	36.816
2Q22	4.638	9.788	4.638	9.788	-	-			
2021	4.173	12.373	4.227	12.427	-1.457	6.743			
2022	6.591	16.141	6.591	16.141	1.315	10.865			
2023	7.690	18.640	7.690	18.640	2.319	13.269			

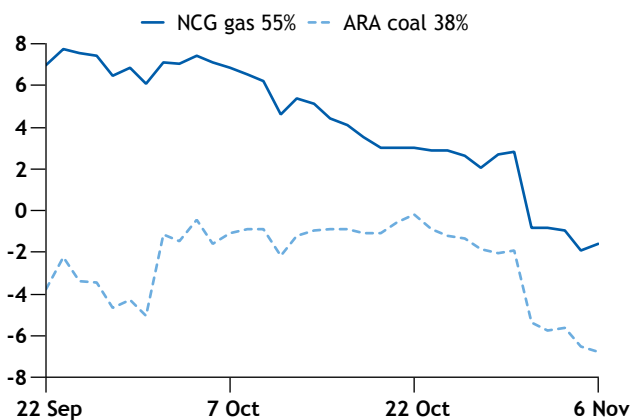
German day-ahead base-load spreads €/MWh



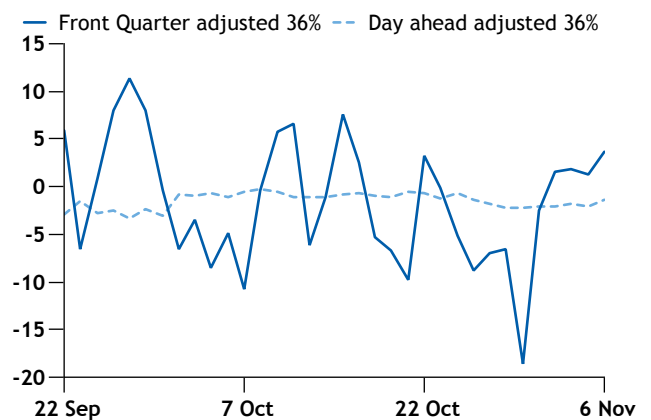
German year-ahead adjusted spark and dark €/MWh



German front-month base-load spreads €/MWh



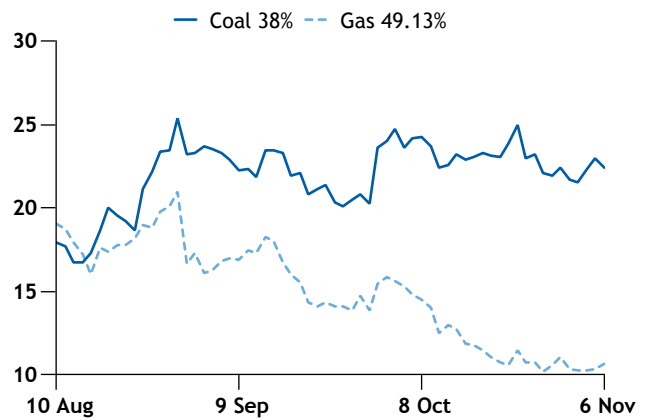
German day- vs quarter-ahead base-load darks €/MWh



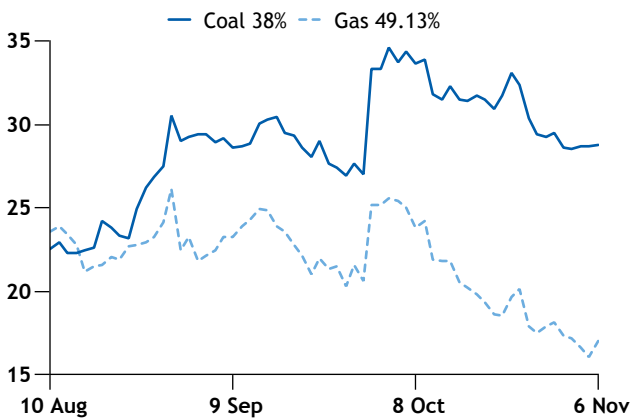
SPARK SPREADS

Dutch ETS adjusted spark and dark spreads					€/MWh
Contract	TTF 55%		ARA Coal 38%		
	base load	peak load	base load	peak load	
Working day ahead	7.596	12.306	1.920	6.630	
December	4.282	10.632	-0.555	5.795	
January	6.673	13.723	2.358	9.408	
February	8.023	17.523	3.462	12.962	
1Q21	6.577	12.027	1.972	7.422	
2Q21	4.614	7.914	-2.004	1.296	
3Q21	6.014	9.314	-1.426	1.874	
4Q21	7.123	15.473	2.227	10.577	
2021	6.027	11.127	0.143	5.243	
2022	5.882	12.532	0.315	6.965	
2023	6.481	14.531	0.619	8.669	

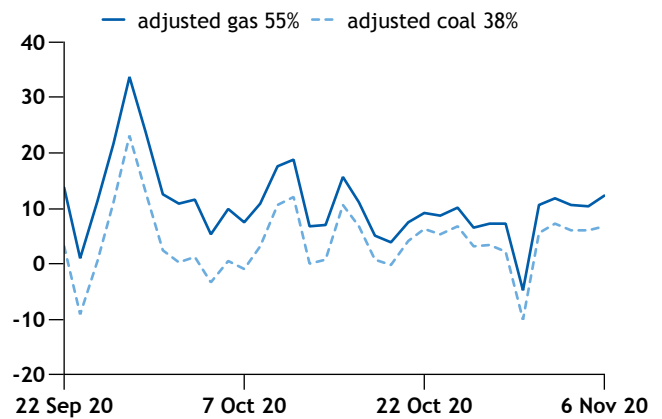
Dutch front-month base-load spreads €/MWh



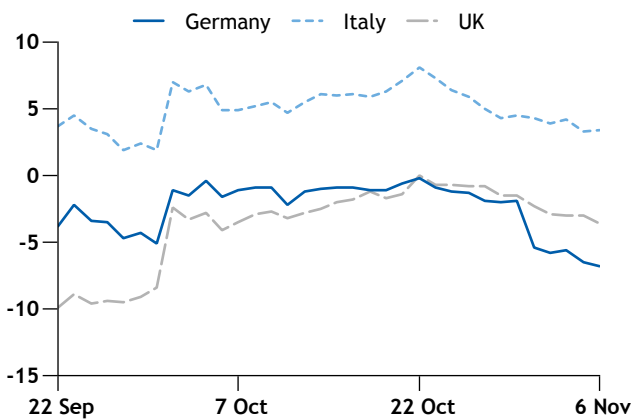
Dutch front-month peak-load spreads €/MWh



Dutch day-ahead peak-load spark vs dark €/MWh



European front-month base-load dark €/MWh



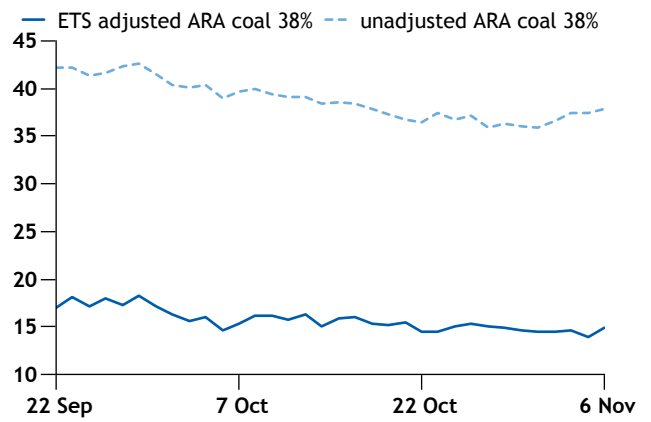
Italian ETS adjusted spark and dark spreads €/MWh

Contract	PSV 55%		ARA Coal 40%		ARA Coal 40% (incl. fuel tax)	
	base load	peak load	base load	peak load	base load	peak load
Day ahead	10.555	15.955	6.936	12.336	2.709	8.109
December	8.873	17.173	5.418	13.718	1.191	9.491
January	11.909	21.159	9.431	18.681	5.204	14.454
February	13.695	20.695	10.852	17.852	6.624	13.624
1Q21	11.404	18.404	8.557	15.557	4.330	11.330
2Q21	8.127	11.327	4.535	7.735	0.307	3.507
3Q21	14.182	18.382	9.534	13.734	5.306	9.506
4Q21	13.050	21.950	10.959	19.859	6.731	15.631
2021	11.636	17.536	8.345	14.245	4.118	10.018
2022	11.786	18.136	9.305	15.655	5.077	11.427

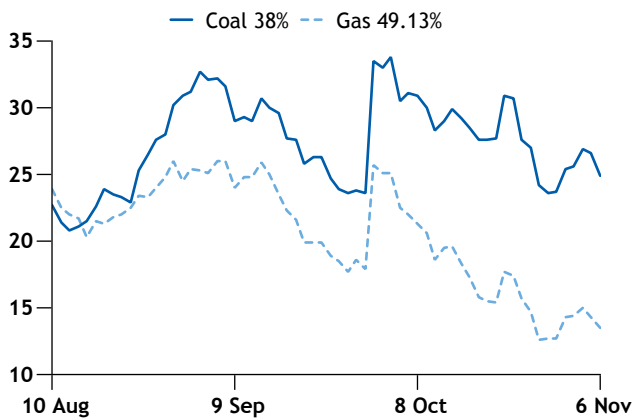
SPARK SPREADS

French ETS adjusted spark and dark spreads					€/MWh
Contract	ARA Coal 38%		Peg 55%		
	base load	peak load	base load	peak load	
Working day ahead	1.670	7.420	7.300	13.050	
December	1.945	12.445	7.054	17.554	
January	8.058	22.658	12.509	27.109	
February	11.912	26.262	16.654	31.004	
1Q21	7.172	22.372	11.959	27.159	
2Q21	-4.654	2.996	2.027	9.677	
3Q21	-3.076	4.574	4.427	12.077	
4Q21	10.127	29.627	-	-	
2021	2.343	14.843	8.227	20.727	
2022	3.615	18.115	-	-	
2023	4.519	20.469	-	-	

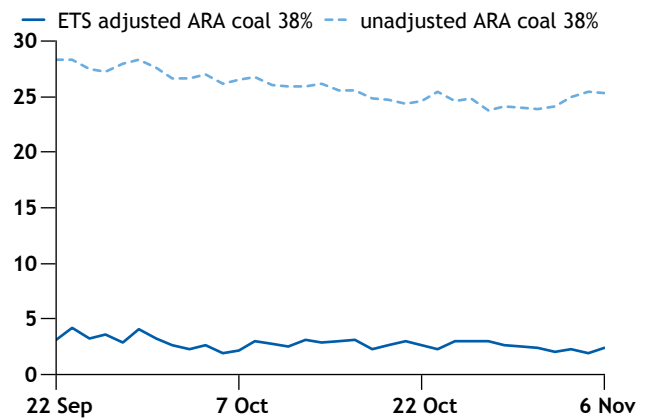
French calendar-year peak-load dark €/MWh



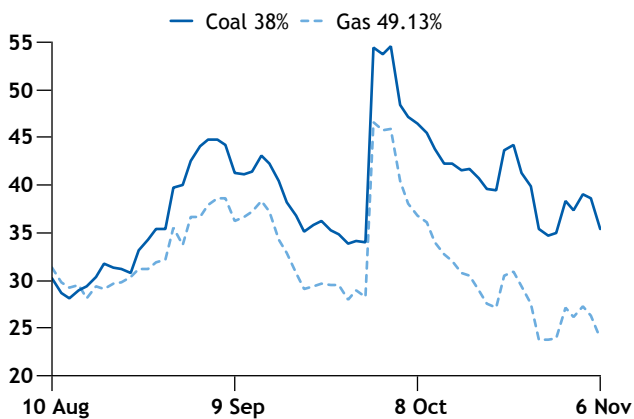
French front-month base-load spreads €/MWh



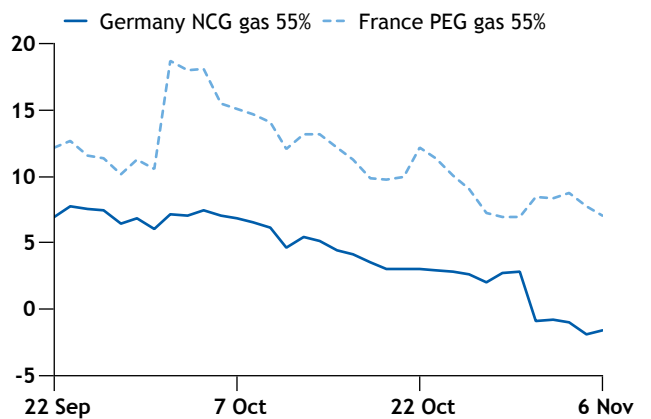
French calendar-year base-load dark €/MWh



French front-month peak-load spreads €/MWh



NGC vs Peg front-month base-load spark €/MWh



Argus successfully completes annual Iosco assurance review

Argus has completed the ninth external assurance review of its price benchmarks covering crude oil, products, LPG, petrochemicals, biofuels, thermal coal, coking coal, iron ore, steel, natural gas and biomass benchmarks. The review was carried out by professional services firm PwC. Annual independent, external reviews of oil benchmarks are required by international regulatory group Iosco's Principles for Oil Price Reporting Agencies, and Iosco encourages extension of the reviews to non-oil benchmarks.

For more information and to download the review visit our website <https://www.argusmedia.com/en/about-us/governance-compliance>

Argus Coal Daily International Methodology

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For a hard copy, please email info@argusmedia.com, but please note that methodologies are updated frequently and for the latest version, you should visit the internet site.



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