

Argus Seaborne Coal Outlook

Incorporating Argus Seaborne Thermal Coal Outlook



Near-term outlook

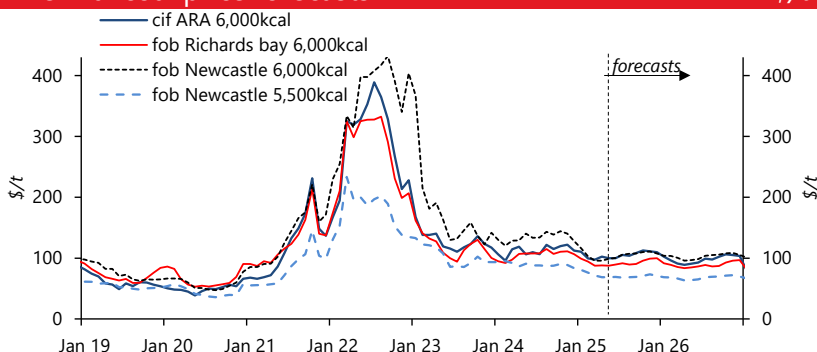
High grade thermal prices are showing signs of stabilising in the upper part of the seaborne cost curve. The demand outlook for metcoal remains bleak.

12-month outlook

We anticipate lower thermal prices on balance in 2026 versus 2025, but broadly higher metcoal prices.

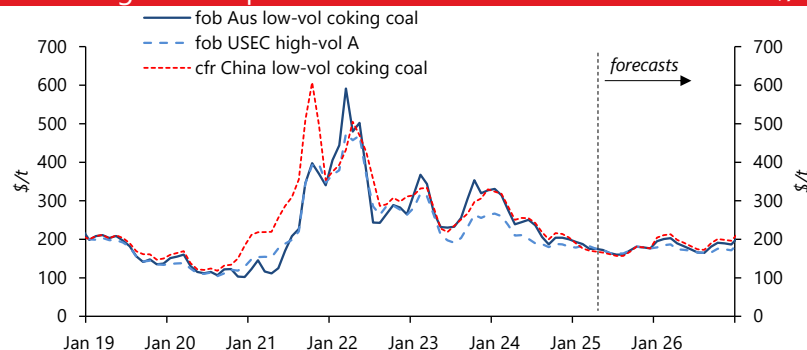
Thermal coal price forecasts

\$/t



Metallurgical coal price forecasts

\$/t



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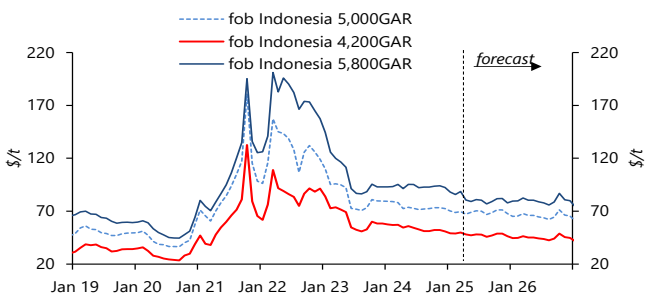
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Coal
illuminating the markets®

Price forecasts																\$/t
	Feb	Mar	±	Apr	May	Jun	4Q24	1Q25	2Q25	3Q 25	4Q 25	2022	2023	2024	2025	2026
Thermal coal																
6,000kcal																
cif ARA	99.4	97.4	-2%	102.5	100.0	100.0	117.9	102.4	100.8	105.8	111.3	289.9	129.0	112.3	105.1	98.0
fob Newcastle	103.0	95.9	-7%	96.0	98.7	100.3	137.5	105.0	98.3	106.9	109.5	360.1	173.7	134.2	104.9	103.0
fob Richards Bay	94.6	87.4	-8%	88.0	87.5	89.2	109.3	93.7	88.2	90.5	98.3	270.8	120.6	105.3	92.7	89.0
fob Puerto Bolivar	87.0	85.2	-2%	85.5	83.0	85.0	96.3	87.5	84.5	91.5	96.3	278.8	113.9	91.9	89.9	85.0
5,500kcal																
fob Newcastle	76.1	71.5	-6%	68.6	68.8	69.0	87.5	76.0	68.8	68.6	71.6	176.1	103.4	89.2	71.2	68.0
fob Richards Bay	77.1	74.5	-3%	74.2	73.8	75.2	88.6	77.7	74.4	74.6	81.1	205.4	100.7	89.2	77.0	73.4
cif India	90.8	88.2	-3%	87.2	86.8	88.2	102.5	91.0	87.4	87.6	94.1	203.7	116.1	104.0	90.0	88.4
cfr South China	87.7	83.8	-4%	80.0	80.0	82.0	100.7	87.8	80.7	82.3	85.1	168.5	116.1	103.1	84.0	82.5
fob Indonesia																
5,800 GAR	85.8	88.6	3%	80.6	79.3	80.9	93.4	87.5	80.3	78.9	80.6	171.2	104.4	93.5	81.8	80.1
5,000 GAR	68.7	69.7	1%	65.8	64.7	66.0	73.0	69.5	65.5	64.3	65.7	127.8	84.8	74.2	66.2	65.7
4,200 GAR	48.9	49.8	2%	48.0	47.2	48.1	51.8	49.3	47.8	46.9	48.0	85.9	63.2	53.9	48.0	45.0
Metallurgical coal																
fob Australia																
premium low-vol	187.7	174.8	-7%	175.0	172.0	164.3	202.6	185.2	170.4	163.6	178.6	365.6	295.9	240.9	174.4	185.0
mid-vol	146.6	141.4	-4%	141.8	137.6	131.5	165.1	147.3	136.9	130.8	145.2	330.1	257.0	204.5	140.1	162.8
PCI spot	144.6	133.3	-8%	131.3	129.0	123.2	160.5	143.3	127.8	121.0	125.0	322.5	227.6	167.7	129.3	129.5
Semi-soft contract	170.0	170.0	0%	155.0	155.0	155.0	170.0	170.0	155.0	155.0	165.0	277.5	216.0	187.5	161.3	162.5
fob USEC																
high-vol A	183.2	181.6	-1%	175.0	172.0	164.3	185.2	181.1	170.4	165.7	178.6	347.9	249.2	208.1	173.9	173.7
high-vol B	171.1	168.8	-1%	161.0	158.3	156.1	175.3	169.4	158.5	154.6	160.7	329.9	230.4	190.3	160.8	158.3
cfr China																
premium low-vol	176.2	170.4	-3%	168.0	165.1	161.0	211.4	178.6	164.7	160.3	178.6	370.9	282.8	248.4	170.6	194.3

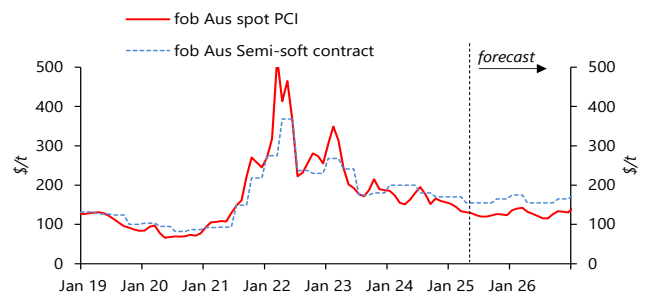
Fob Indonesia price forecasts

\$/t



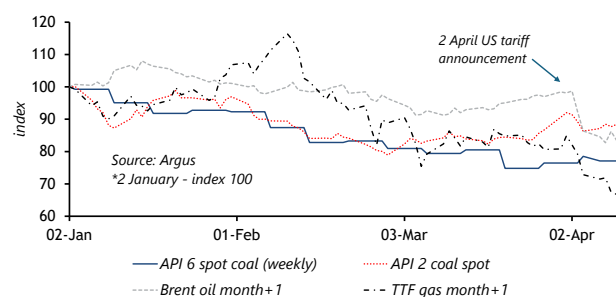
Metallurgical coal price forecasts

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Thermal coal – Key drivers of price forecasts

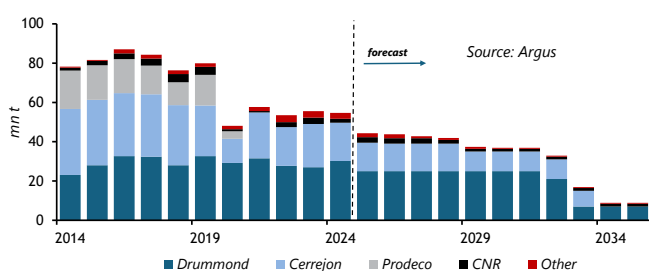
Changes in energy prices from 2 Jan



Liberation Day's muted coal price impact

Thermal coal prices have been resilient in the face of crashing global equities and other commodity prices including crude oil, sparked by Mr Trump's 2 April tariff announcement. We think this is because the worsening macro-economic growth picture and associated slow-down in Chinese demand was already mostly priced into the coal market by the steep price falls seen in 1Q 2025. China, India and South Korea's spot coal demand has been soft for several months now, and stockpiles remain elevated, which has driven coal prices down towards producers' costs.

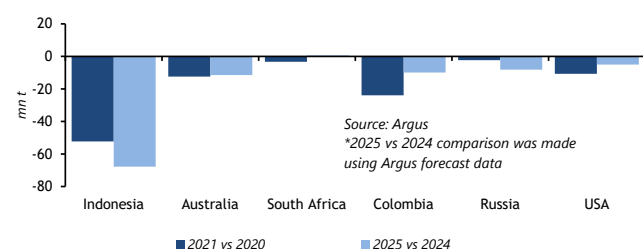
Colombia thermal coal exports/outlook



Colombian suppliers signal cuts

We have lowered our 2025 and 2026 export projections for Colombia to 44.3mn t and 43.8mn t, respectively, versus 54.2mn t in 2024. Glencore-owned Cerrejon said it would cut annual production by 5-10mn t on "unsustainable prices for thermal coal transported by sea". It is estimating 2025 production at 11-16mn t. We assume Cerrejon will export 14.5mn t this year, Drummond 25mn t and other Colombian suppliers 4.8mn t. Drummond is likely facing similar cost and demand pressures to Cerrejon and has said it will adjust its production plan beginning 1 April but is yet to publicly signal extensive production cuts. However, the firm did schedule extensive maintenance in January because of low prices.

YoY change in seaborne thermal coal supply

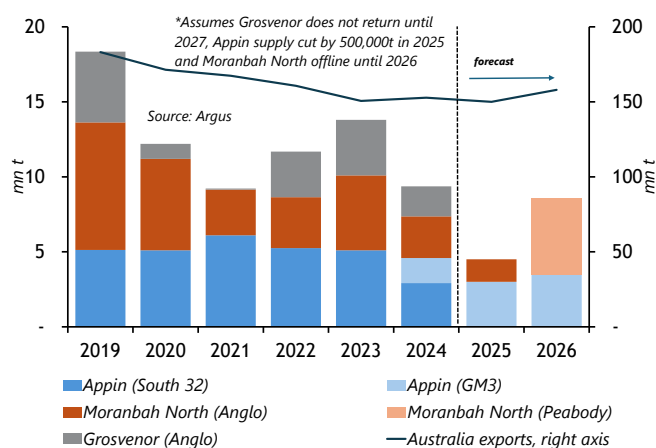


Echoes of downturns past

The last major coal market downturn (demand and price) in 2020 can provide some learnings for how the market might evolve in 2025. Some aspects of the market in 2025 are fundamentally different than in 2020, notably with sanctions on Russian coal now in place from several key buyers. But as the shape of the seaborne cost curve is broadly similar to five years ago, we expect the global supply response this year to be similar, with higher-cost high-grade supply from Colombia, Australia, the US and Russia leaving the market. We expect more Indonesian coal to leave the market in 2025 versus 2024 as Indonesian coal exports have expanded rapidly since 2020 and since the epicentre of this year's demand woes are centred upon China.

Metallurgical coal – Key drivers of price forecasts

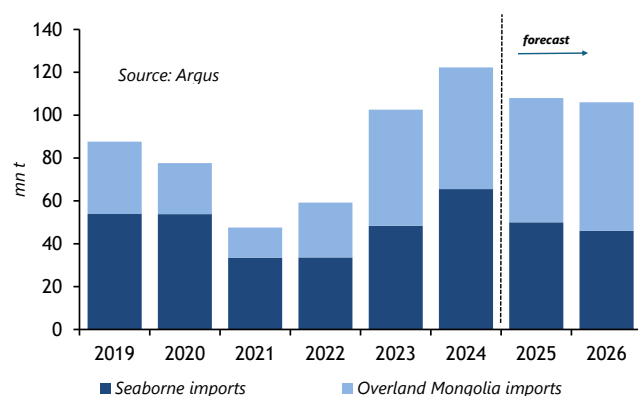
Australia metallurgical coal supply



Fires hit Australian supply outlook

Fires at Anglo-American's 5.5m t/yr Moranbah North and GM3's 3.5mn t/yr Appin operations have tightened metallurgical supply and caused Australian PLV prices to bounce off the four-year low \$166/t fob hit in late-March. Accordingly, we have cut our 2025 Australian export projection by 3mn t to 150mn t. Anglo's 3.5mn t/yr Grosvenor mine was already offline since June 2024 because of another fire, and there are now question marks over the sale of Anglo's assets to Peabody. At this stage it is unclear how long Moranbah, Appin and Grosvenor will remain offline for but for the purposes of our projections, we assume that Grosvenor will remain offline for the duration of 2025, that Moranbah North will produce just 1.5mn t this year, and that Appin output will be cut by 500,000t.

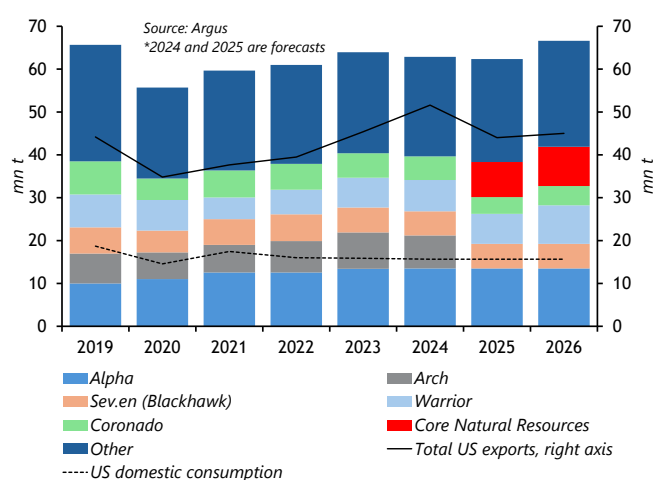
China metallurgical coal imports



China demand prospects hit further

We have lowered our 2025 and 2026 China seaborne demand projections by 2mn t each to 50mn t and 46mn t, from 65.5mn t in 2024, to reflect the worse demand outlook for imported material. The weaker yuan should cause buyers to turn more to domestic production, while we expect buyers to continue to prioritise overland imports from Mongolia. China is likely to introduce more stimulus policies to boost economic activity in the wake of Trump's tariffs and the imposition of more anti-dumping barriers against its steel exports from numerous other nations. But we continue to hold a negative opinion about how successful any stimulus will be in arresting the negative sentiment gripping the steel sector.

US metallurgical coal supply



Additional headwinds to US exports

We have lowered our 2025 and 2026 US supply projections by 2mn t each to 44mn t and 45mn t, respectively, on a tougher demand outlook. Higher Chinese tariffs on US coal will make it impossible for US metcoal to be sold into China going forwards and are likely to intensify supply-side contraction. US supply was also hit by bad weather in January/February, while Core Natural Resources' Leer South mine remains offline following a fire in January. We are expecting Leer South operations to resume later this quarter, and anticipate the mine will produce 1.8mn t of high-vol A this year, ramping up to 2.7mn t in 2026. Separately, Corsa Coal's subsidiary Wilson Energy Creek has filed a Worker Adjustment and Retraining Notification for laying off 425 workers in Pennsylvania and Maryland on 28 March, further putting the future of the mine in question.

Forecast review – thermal coal

High grade thermal coal prices are showing signs of stabilising in the upper part of the seaborne cost curve. Tariff-related turmoil is likely to keep prices volatile at lower levels in the short-term while supply is responding to the 1Q '25 drop in prices, creating conditions for a seasonal rally in prices later in the year. Low-grade coal prices continue to move sideways, supported by Indonesian government action, but we see severe headwinds to low-grade coal demand in the form of China's accelerating import slowdown. We continue to anticipate lower prices on balance in 2026 versus 2025, driven by demand contraction, expectations of a lower seaborne cost curve and anticipated lower gas prices.

Thermal coal

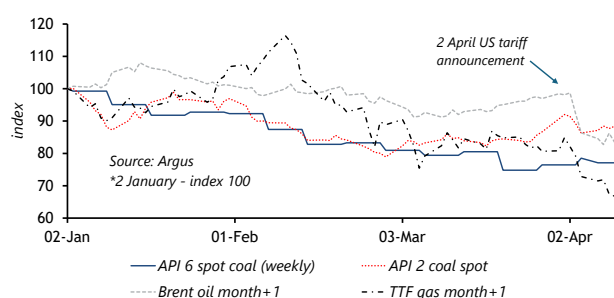
- **Coal prices largely resilient to tariff asset price crash**
- **China, Taiwan, Korea, India, EU import forecasts cut**
- **Colombia, Indonesia supply projections lowered**

Key changes to price forecasts

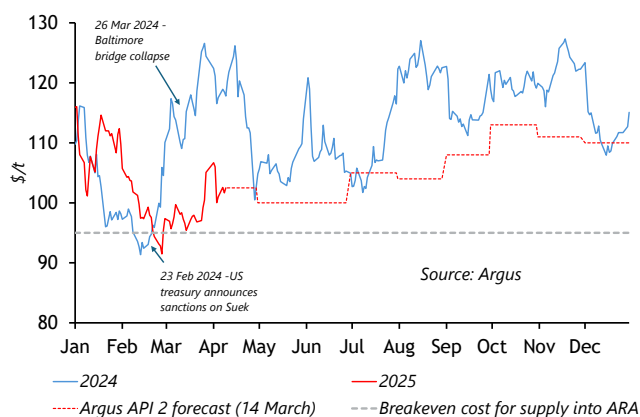
Thermal coal prices have been resilient in the face of crashing global equities and other commodity prices including crude oil (see chart), sparked by Mr Trump's 2 April tariff announcement. We think this is because the worsening macro-economic growth picture and associated slow-down in Chinese demand was already mostly priced into the coal market by the steep price falls seen in 1Q 2025. China, India and South Korea's spot coal demand has been soft for several months now, and stockpiles remain elevated, which has driven coal prices down towards producers' costs.

Global coal prices remain in the top part of the seaborne cost curve and are beginning to price out more supply. The most notable signal yet that producers are feeling the pinch is in Colombia, where Cerrejon and Drummond have lowered

Changes in energy prices from 2 Jan



API 2 coal prices/forecast



production plans for this year.

The shape of our price forecasts is mostly unchanged this month. We think prices should generally be rangebound at the top of the seaborne cost curve during 2Q 2025. But that producer action to rationalise output (as seen in Colombia, Australia and elsewhere), should help to balance the market for high-CV coal and sow the seeds for a seasonal recovery in prices later in the year. We envisage price peaks in 3Q/4Q 2025 to be lower than in 2024 because of the on-year contraction in seaborne demand and the worse macro situation.

This thesis can be seen in our latest API 2 price forecasts (see chart). A key upside risk to this API 2 price forecast would be if US proposals to introduce charges on China-affiliated vessels calling at US ports are introduced. The proposals have caused US-to-ARA coal loadings to grind to a halt in recent weeks, as shippers fear being slapped with higher costs. The uncertainty has also driven freight prices upwards, and consequently daily spot API 2 prices back above \$100/t. A sustained cut to US-to-ARA supply would mean European buyers needing to call on scarcer Colombian, South African or far-flung Australian supply, raising costs.

We have lowered our API 6 price forecasts for 2025 and 2026 to reflect the slow-down in demand from China and South Korea, as well as a depreciation in the Australian dollar, which should enable producers to lower operating costs and absorb lower fob prices. But because spot prices are now well into the seaborne cost curve we struggle to see how fob prices can fall much further for a sustained period, and think

Forecast review – thermal coal

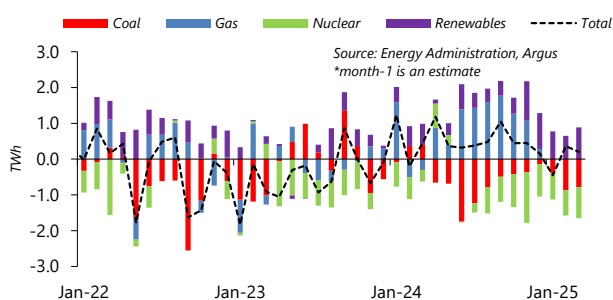
the market should rebalance at a higher price level later in the year.

Taiwan, Korea import outlooks cut, Japan flat

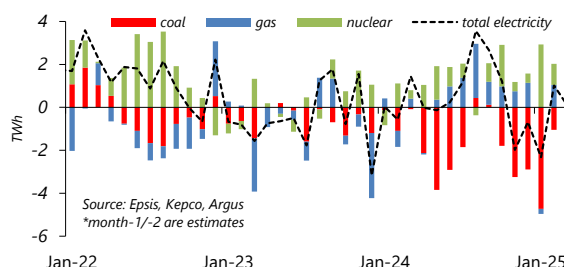
We have lowered our 2025 import projection for Taiwan by 2mn t this month to 45mn t, down from 47.3mn t in 2024, reflecting a slow start to the year for coal burn. Renewables generation has also been strong in recent months, which leads us to believe Taiwan may get closer to meeting its renewables generation targets than we previously expected. But Taiwan's final nuclear plant is expected to go offline in May which should be supportive of coal burn later in 2025 and prevent a particularly large fall in the country's coal imports. Coal's share in the thermal mix has been squeezed by gas lately (see chart), but LNG import constraints may cap further upside for gas-fired generation in 2025, particularly during the peak June-September cooling season.

We have reduced our 2025 import projection for South Korea by 3mn t to 79mn t, down by 7mn t from 2024. Power-sector coal burn in South Korea likely fell by 14pc in 1Q 2025 and has been even worse in early April, based on real-time generation data. Burn has been squashed by tepid overall power demand, and firm nuclear and solar output, while power grid constraints have more negatively penalised coal despatch than gas. Seoul has directed coal-fired plants to operate at minimum load since 1 March, as part of a springtime countermeasure, according to energy ministry Motie. The measure was also implemented over 23 March-2 June 2024, but was extended by 21 days this year — 1 March-1 June — because of expectations for lower power demand this spring. However, a slew of maintenance at nuclear plants should drive availability lower year-on-year in 2Q 2025, providing some silver lining for the coal burn outlook.

YoY change in Taiwan electricity generation



YoY change in S Korea electricity generation



We have left our Japan 2025 import projection flat this month at 115mn t and 82mn t, 3.7mn t lower year-on-year. Japanese coal burn rose by 6pc on the year in 1Q as coal took share from gas in the power mix and overall electricity demand ticked up. But firm nuclear availability should cap thermal power generation in the months ahead, while the recent drop in oil prices could encourage more gas burn at the expense of coal in Japan's power sector, as a large chunk of Japan's LNG imports are indexed to oil. Our view is factoring in above-average temperatures for the peak July-September cooling season, which should support coal burn across the JKT.

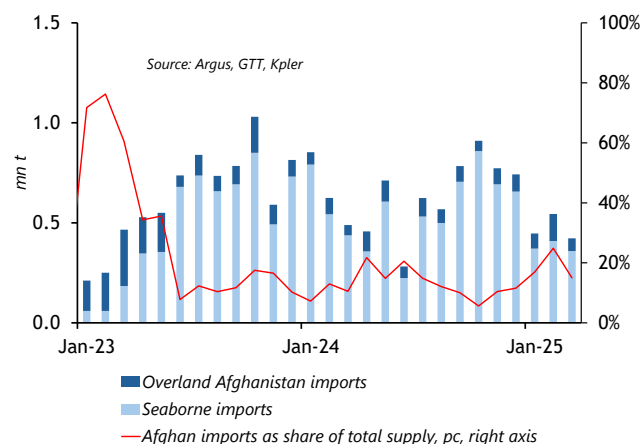
US tariffs are a downside risk to the power generation outlook across JKT, as a slowdown in industrial activity would likely weigh on electricity demand. Before Mr Trump's climbdown on higher tariff rates, Japan and South Korea were initially hit by US tariff rates of 24pc and 25pc respectively, but indicated they would not respond in kind. The US accounted for almost 19pc of South Korea's total exports in 2024, including passenger cars, auto parts and lithium-ion batteries. Seoul is considering measures to support its automobile industry in the wake of the tariffs, the trade and industry ministry said.

Vietnam demand outlook upgraded

We have raised our 2025 import forecast for Vietnam by 3mn t to 58mn t, up from 52.8mn t in 2024. This reflects a strong year-to-date import pace; Vietnam's seaborne thermal coal imports rose by 19pc on the year in 1Q '25, according to Kpler data. Imports from Indonesia and Australia were particularly strong in January-March, possibly reflecting buyers taking advantage of lower seaborne coal prices to lock in purchases. This was a trend observed during the last major coal price downturn in 2020.

Forecast review – thermal coal

Pakistan coal imports



We have lowered our Pakistan seaborne import forecasts for 2025 and 2026 to 7.2mn t and 9.3mn t, respectively, versus 6.9mn t in 2024. Cement sales faltered in March, while imported coal-fired generation continues to splutter. The Pakistan rupee also continues to weaken versus the US Dollar, eroding buyers' purchasing power. Overland imports from Afghanistan – which compete with seaborne supply and typically serve northern cement mills – have also ticked higher (see chart).

India's US coal imports in spotlight

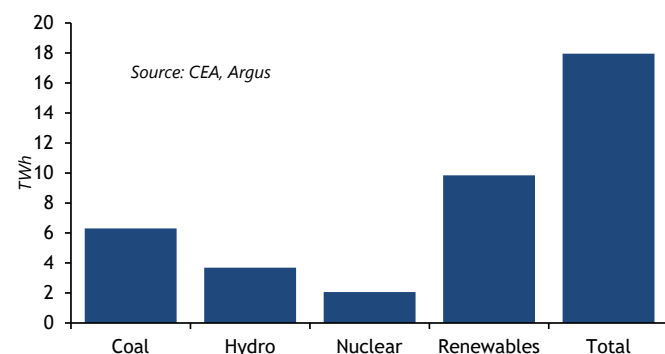
We have lowered our Indian import projections for 2025 and 2026 to 160mn t and 163mn t, respectively, on downside risks to industrial-sector coal demand associated with the escalating trade war. Stocks at mines and power plants remain high, while strong hydro, nuclear and renewables generation have capped coal-fired power generation growth in India so far

this year (see chart). Hot temperatures are forecast across India in the coming months, which could provoke some spikes in coal burn. But the Monsoon during June-September is expected to be broadly in line with the long-period average, according to forecasts from private meteorologist Skymet. This should enable strong hydro generation to persist, capping upside in coal-fired generation. We expect the Delhi to again extend its directive to coal-fired utilities to boost imports beyond its planned expiry at the end of April.

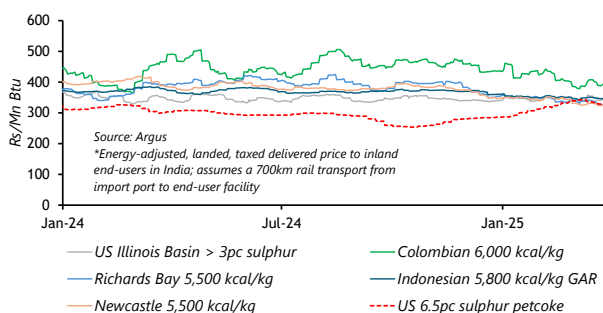
At the time of writing, there is little indication that the Indian government is considering additional counter-tariffs on US coal, so our projections assume that US coal flows to India will continue. US coal accounted for around 11mn t of India's thermal coal imports in 2024 (7pc of total imports), with US high-sulphur material predominantly used in India's brick kiln and cement industries, where it competes with petroleum coke. Coal prices have become more competitive versus pet-coke in recent months (see chart), boosting the short-term outlook for cement-sector coal demand. But if the Indian government does introduce any policies to restrict US coal imports, we think US coal could be replaced relatively easily by alternative supply (most likely Russian, Australian or domestic coal), particularly as Indian stocks at mines and power plants are healthy.

We think the most likely scenario is that US coal flows to India will continue and that Indian buyers may be the beneficiaries of any distressed US cargoes which are shut out of other markets as a result of counter-tariffs. When China imposed its first round of retaliatory tariffs on US coal in early February, several cargoes of US coal that were originally destined for

YoY chance in India's 1Q electricity generation



India end-user delivered costs for coal/petcoke



Forecast review – thermal coal

China were diverted to India. Indian buyers have also opportunisticly picked up a flurry of Colombian cargoes lately, demonstrating India's role as a sink for surplus supply.

China coal import projections lowered

We have lowered our China seaborne coal import projections for 2025 and 2026 by 20mn t and 15mn t to 280mn t and 270mn t respectively, versus 364mn t in 2024. The worsening trade war between China and the US is clearly a major downside risk to China's export-dependent economy and to seaborne coal imports. But we have been factoring in a slowdown in China's seaborne import appetite and a shift towards prioritising domestic production for some time, and we do not think the escalating tariff war fundamentally alters this outlook. There are increasing signs that China is willing to devalue the Yuan versus the US Dollar, which would also be bearish for the competitiveness of imported coal versus domestic material. We continue to believe there is a good chance that China will impose more substantive restrictions on coal imports to support domestic producers, either in the form of an outright ban, or quotas on, particular origins or grades of coal.

The fundamental situation in China remains one of oversupply and sentiment still bearish. Domestic NAR 5,500 kcal/kg spot coal prices are in the high 600RMB/t fob Qinhuangdao, pressuring breakeven costs for producers. China's coal inventories at ports, power plants and mines remain elevated (see chart), and National Bureau of Statistics data for January/February shows higher on-year domestic coal production and softer thermal power generation. Coal burn this year has

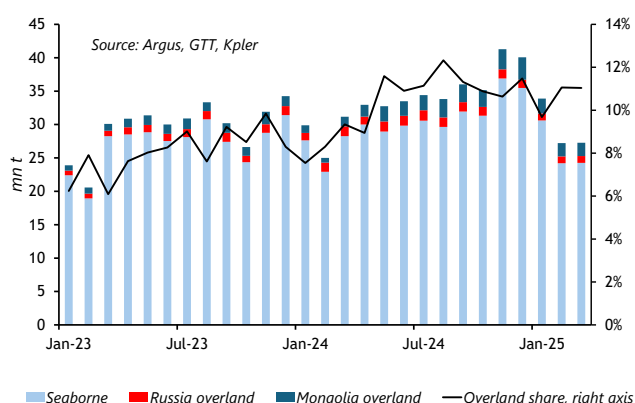
been squashed by a contraction in overall power demand, and firmer wind, solar, nuclear and hydro generation. Overland imports from Russian and Mongolia have held up better than seaborne coal imports this year (see chart), a situation we expect to continue because of better cost economics for overland imports versus seaborne supply.

Poland, Finland demand projections lowered

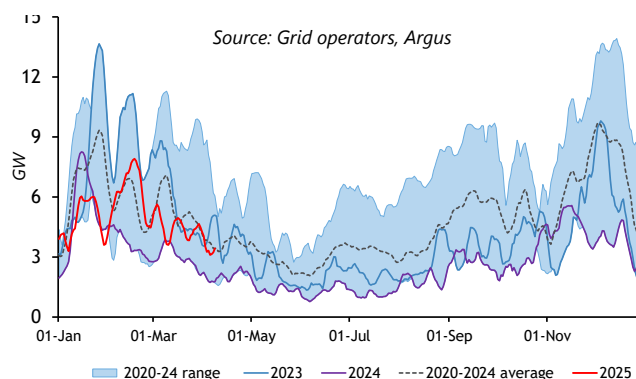
We have revised our 2025 and 2026 seaborne import projections for Poland down to 5.3mn t and 4.9mn t, respectively, versus 5.9mn t in 2024. Polish hard coal-fired generation rose by 2pc on the year in 1Q 2024, but most of this was supplied by domestic coal. For a deep dive into the Polish coal market and the thesis underpinning our demand forecasts, please see this month's in focus article on page 20.

Our 2025 import projection for Germany is flat to last month at 12mn t, 2mn t higher year-on-year. German imported coal burn continues to hold above the 2024 level, supported by favourable gas-to-coal fuel-switch economics. German burn rose by 32pc on the year in March, with Dutch coal burn similarly jumping by 62pc on the year. Falling gas prices during the past month have eroded some of coal's advantage over gas for balance of 2025 generation. But given particularly soft coal burn during 2Q and 3Q 2024, we expect German burn to remain above the year-1 level for the summer period. Low Rhine river levels, which have fallen below the 180mm needed for unrestricted barging from ARA ports to power plants, are a downside risk to this outlook. Elsewhere in the EU, hard coal generation remains generally weak, with the Plomin plant in Croatia still on outage.

China thermal coal imports

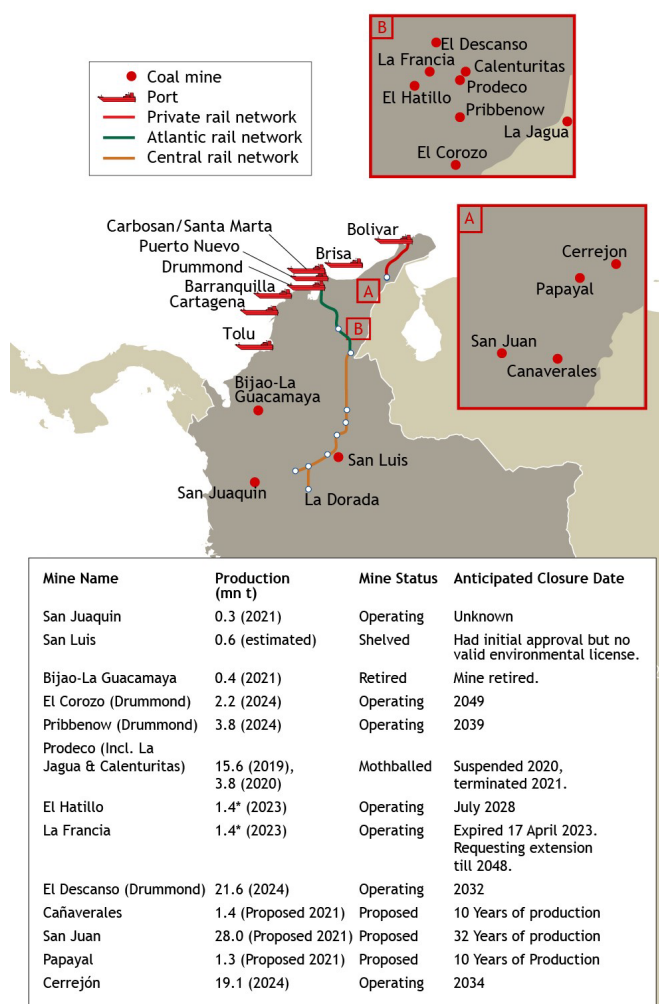


German hard coal-fired generation (rolling 7-day ave.)



Forecast review – thermal coal

Colombia coal infrastructure



We have lowered our 2025 and 2026 import projections for Finland to 0.5mn t and 0.2mn t respectively, as the country's coal phaseout is progressing quicker than we were anticipating. Utility Helen closed its last 175MW coal-fired power plant on 1 April ahead of further closures by Vantaan Energy in May, removing most coal-fired production from the generation mix four years ahead of the legislated deadline. Beyond 1 May, Finnish producer Vassan Voima will operate Finland's last regular market-participating coal-burning plant, the 230MW Vaskiluoto unit. This is a mixed-fuel power plant, with coal comprising 30pc of its total fuel mix.

Colombia, Indonesia supply forecast changes

We have lowered our 2025 and 2026 export projections for Colombia to 44.3mn t and 43.8mn t respectively, versus 54.2mn t in 2024. Glencore-owned Cerrejon said it would cut annual production by 5-10mn t on "unsustainable prices for thermal coal transported by sea". It is estimating 2025 production at 11-16mn t. Colombia's largest miner Drummond also said it has adjusted its mine plan starting on 1 April as a significant portion of its production for the rest of 2025 remains unsold. Drummond declined to specify whether the plan seeks to reduce coal output and by how much, but is likely facing similar cost and demand pressures to Cerrejon. Drummond also scheduled extensive maintenance in January because of low prices. We assume Cerrejon will export 14.5mn t this year, Drummond 25mn t and other Colombian suppliers 4.8mn t. Colombia has lost market share to Russian coal in Turkey in recent years, while its core markets in the Americas and Europe are in structural decline. Cerrejon and Drummond are relatively low-cost suppliers on the global seaborne fob cost curve, but long shipping distances and freight costs make it challenging to compete into Asian markets.

Indonesian coal exports have slowed sharply in early April (see chart). This is driven in part by the Eid holidays, but could also reflect the slow-down in demand from Asian markets because of changes to Indonesian pricing rules, and the uncertain global tariff situation. Indonesia is likely to be hit particularly hard by a slow-down in Chinese import demand, particularly with China looking to cut lower-grade imports. Some of this supply will likely be absorbed by price-sensitive buyers such as Vietnam but we struggle to see how Indonesian exports can match the 2024 level. Consequently, we have lowered our Indonesian coal export projections for 2025 and

Indonesia steam coal exports (rolling 10-day ave)



Forecast review – thermal coal

2026 to 490mn t and 475mn t, versus 558mn t in 2024. Indonesia has approved a work plan, RKAB, for 2025 at 917mn t, slightly lower than the 922mn t accepted in the 2024 work plan. But actual coal output is typically below RKAB approval levels. The country's output reached 834mn t in 2024.

Australian exports have also started the year slowly because of bad weather, falling by 5pc on the year in 1Q '25. There are some signs that some producers are rationalising output also, and accordingly we have lowered our 2025 and 2026 export forecasts to 195mn t apiece, from 208.5mn t in 2024. We see limited further downside to our forecasts, however, since Australian mining firms are largely locked into take or pay contracts for rail and port facilities, which makes it hard

for them to curtail unprofitable production.

Our other supply projections are unchanged this month. We have left our 2025 US export forecasts at 42mn t, down by 5mn t year-on-year, but note that US proposals to impose fees on China-affiliated ships and shipowners calling at US ports are a major downside risk to this forecast. US coal loadings for ARA have ground to a halt in the past few weeks, with stakeholders unwilling to take the risk of loading US coal because they fear being hit with hefty charges. It is unclear when the US Trade Representative will provide clarity on the rules, but there are some suggestions it could make a final decision by 17 April, with penalties to start anywhere from a few days to six months later.

Forecast review – metallurgical coal

Metallurgical Coal

- **Fires cut Australia supply outlook**
- **US supply faces challenges**
- **China demand forecast lowered**

Key changes to price forecasts

The demand outlook for metallurgical coal remains bleak, with the escalating global trade war zero-ing in on key steel producer and metallurgical coal buyer China, further hitting its already negative demand prospects. Beijing's willingness to allow a devaluation of the Yuan versus the US Dollar should also be bearish for China's seaborne metallurgical coal imports, and we have revised down most of our metallurgical coal price forecasts for 2025-2026 this month to reflect the more negative outlook.

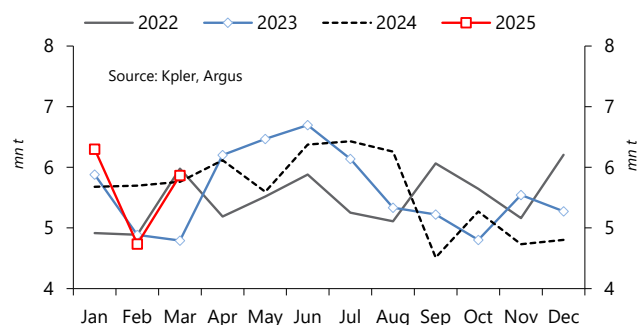
But fires at two Australian metallurgical coal mines, Anglo-American's 5.5mtpa Moranbah North and GM3's 3.5mtpa Appin operations, have tightened metallurgical coal supply and caused Australian premium low-vol (PLV) to bounce off of the four-year low \$166/t fob hit in late-March. We think these supply issues should continue to provide some price support in the very short term, but that they are unlikely to drive prices much higher, given the slowdown in Chinese demand and tepid demand from fellow key buyer India, where pre-Monsoon purchases are confined to small pockets.

China demand outlook cut, India flat

We have lowered our 2025 and 2026 China seaborne demand projections by 2mn t each to 50mn t and 46mn t this month, down from 65.5mn t in 2024, to reflect the worse demand outlook for imported material. The weaker Yuan should cause buyers to turn more to domestic production, while we expect buyers to continue to prioritise overland imports from Mongolia. China's 1Q 2025 seaborne metcoal imports fell by 7pc on the year, according to Kpler.

China is likely to introduce more stimulus policies to boost economic activity in the wake of Mr Trump's tariffs and the imposition of more anti-dumping barriers against its steel exports from numerous other nations. But we continue to hold a negative opinion about how successful any stimulus will be in arresting the negative sentiment gripping the steel sector. Steel mills are likely to slow production further on weak demand outlooks and squeezed margins, with the Na-

India metcoal imports



tional Development and Reform Commission likely to impose mandatory cuts. But it is difficult to see how China can revive domestic consumption to an extent that it drives steel and coking coal prices much higher in the short term.

We have left our 2025 Indian import forecast unchanged this month at 66mn t, broadly flat from 2024, and we continue to expect an uptick in demand to 70mn t in 2026. India's seaborne imports dropped by 2pc on the year to 16.9mn t in 1Q '25, according to Kpler. Indian demand remains limited to small pockets and domestic stocks continue to meet a large share of requirements. Steel margins in India have improved slightly over the past month, bringing producers some marginal relief. But Indian participants continue to see strong margins in coke, with many prioritising coke sales over steel production. A major steel producer in India has even reduced output at one blast furnace in the east of the country to focus on coke sales, taking advantage of favourable conditions while quantitative restrictions (QR) on met coke imports remains in place.

Vietnam metcoal imports surge

We have left our 2025 import projection for the Asean region at 28mn t this month, up from 20.8mn t in 2024. Vietnam's metallurgical coal imports are on the up, rising by 16pc on the year in 1Q, according to Kpler. Higher coking coal imports to Vietnam were driven by stronger crude steel output, which increased by 2.7pc on the year to 2.5mn t in January-February, according to non-governmental organisation the Vietnam Steel Association (VSA). Vietnamese steel production rose by 14.9pc on the year to 22.1mn t last year, according to industry body the World Steel Association. Growth in Vietnam's steel industry depends on higher domestic

Forecast review – metallurgical coal

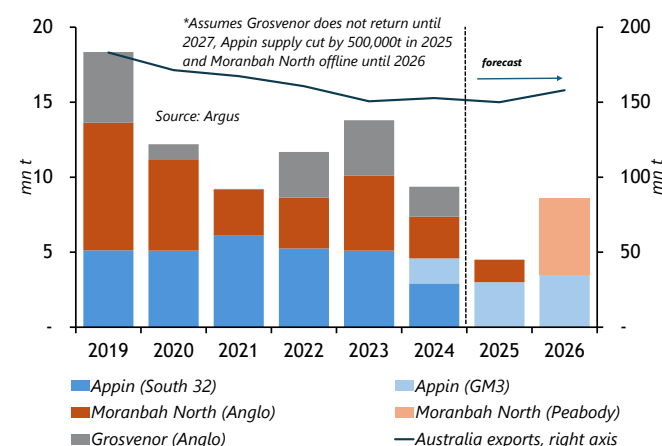
consumption, which is driven by infrastructure construction — meaning Vietnamese coking coal import demand should be resilient in the face of global market turmoil. Vietnam has set a GDP growth target of more than 8pc for 2025, up from the 7.09pc it achieved last year.

But more than a quarter of Vietnam's finished steel output is exported. Finished steel production in Vietnam rose by 10.4pc on the year to almost 29.1mn t in 2024. Vietnam's overseas sales of finished steel products decreased by 0.6pc to 8mn t last year, according to data from Vietnam's largest steel producer, Hoa Phat. Finished steel exports tumbled by almost 40pc on the year to 930,000t in January-February, according to the VSA. Exports may drop further from March, as the US — the largest importer of Vietnamese steel — imposed a 25pc duty on imported steel last month. The US and EU began anti-dumping and countervailing duty investigations on Vietnamese steelmakers in January, meaning trade between Vietnam and these markets has stalled as a result. Mexico also plans to launch an investigation into Vietnamese hot-rolled coil import dumping.

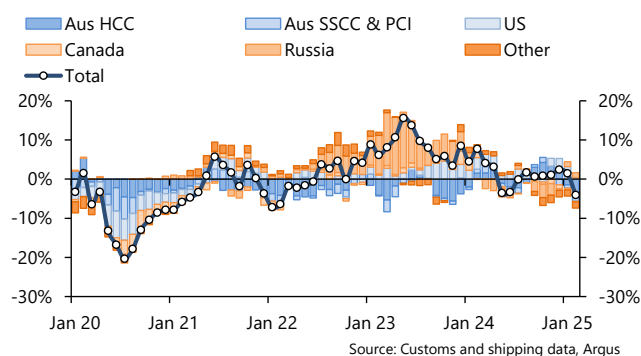
Australian supply hit by fires

Twin fires at Anglo-American's 5.5mtpa Moranbah North and GM3's 3.5mn t/yr Appin mines have cut the export outlook for Australian coal, causing us to lower our 2025 export projection by 3mn t to 150mn t. Anglo – which has agreed to sell Moranbah along with its other Australian coal mines to US producer Peabody – declared force majeure because of a fire

Australia metallurgical coal supply



Contribution to seaborne metcoal supply growth



on 31 March. Anglo's 3.5mtpa Grosvenor mine was already offline since June 2024 because of another fire. At this stage it is unclear how long Moranbah, Appin and Grosvenor will remain offline for. But for the purposes of our projections, we assume that Grosvenor will remain offline for the duration of 2025, and that Moranbah North will produce just 1.5mn t this year, a steep drop from 2.8mn t in 2024, when a longwall move impacted output and from typical production levels of around 5.5mn t. We are also factoring in a 500,000t cut to Appin production in 2025 because of the incident. Please see page 19 for our latest Australian by company export metallurgical coal supply balances. Even before the fires, Australian supply was dented by bad weather in 1Q, with exports over the period dropping by 19pc on the year. But short-range rainfall forecast suggest the weather should improve in the coming weeks, enabling a catch up in the supply picture.

US supply projections downgraded

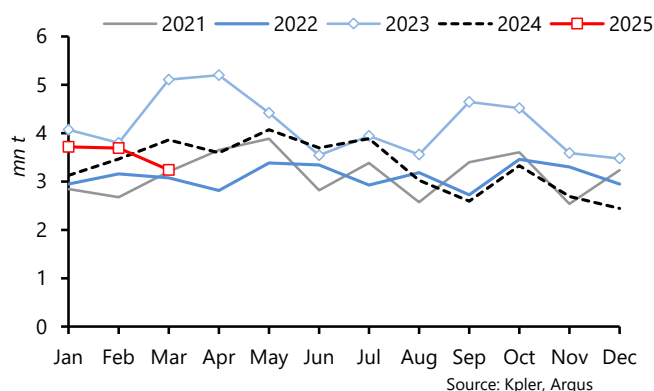
We have lowered our 2025 and 2026 US supply projections by 2mn t each to 44mn t and 45mn t, respectively on a tougher demand outlook. Higher Chinese tariffs on US coal will make it impossible for US metcoal to be sold into China going forwards and are likely to intensify supply-side contraction. US supply was also hit by bad weather in January/February, while Core Natural Resources' Leer South mine remains offline following a fire in January. We are expecting Leer South operations to resume later this quarter, and anticipate the mine will produce 1.8mn t of high-vol A this year, ramping up to 2.7mn t in 2026. Separately, Corsa Coal's subsidiary Wilson Energy Creek has filed a Worker Adjustment and Retraining Notification for laying off 425 workers in Pennsylvania and Maryland on 28 March, further putting the future of the mine in question, after the company filed

Forecast review – metallurgical coal

for Chapter 11 bankruptcy protection in January. For the time being, we continue to assume Corsa will produce 1.1mn t in 2025 and 2026 (see page 19).

Our other supply projections are unchanged this month and we continue to expect an on-year contraction of 2mn t in 2025 Russian supply, which is being borne out by year-to-date export data. Russia's major coking coal producer in the far eastern Yakutia region, Elgaugol (Elga), has now started operations at all 11 of its new coal washing facilities. Commissioning of the new facilities increases the Elginsky coal processing complex's capacity to 38.5mn t/yr from 31.5mn t in 2024. The near-term potential for Elga increasing its coal exports will primarily depend on demand in China. Elga exports most of its coal through the far eastern Vera, Vanino, Vostochny, Vladivostok and Nakhodka ports, with smaller volumes delivered through overland border crossings into China. We expect Elga's seaborne exports to rise from 16.3mn t in 2024, to 18mn t this year and 20mn t in 2026 (see page 19).

Russia metcoal exports



Swaps and spreads

Prices show signs of stabilising

High-CV prices look to be stabilising in the upper end of the seaborne cost curve. Stocks generally remain ample, while coal burn in key high-CV buyers Korea and Taiwan is soft. But burn in Japan and Europe has been better.

API 2 futures rally from February low

API 2 futures have rallied in conjunction with the physical market. Daily traded volumes on the Ice were around 2mn t from 2-8 April. The swaps curve remains in contango.

Steady Eddy

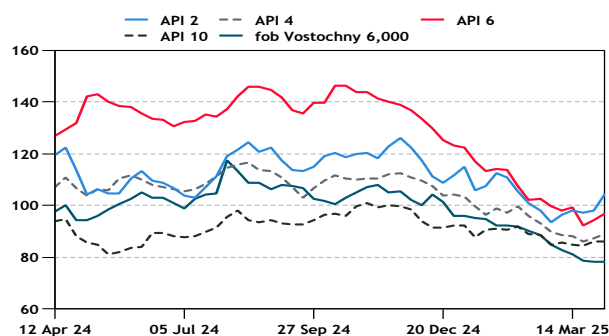
Energy-adjusted discounts have generally remained stable this month. The sustained low Australian NAR 6,000 kcal/kg fob prices might encourage suppliers to wash less coal and sell more lower grade/high ash coal (around 5,500kcal/kg) coal and less high grade (6,000kcal/kg). This reduces costs and can lead to better margins particularly when the premium for high grade coal is suppressed.

Swaps move sideways

Prices across the swaps curve have stabilised as the Indonesian government looks to support prices by changing sales pricing mechanisms.

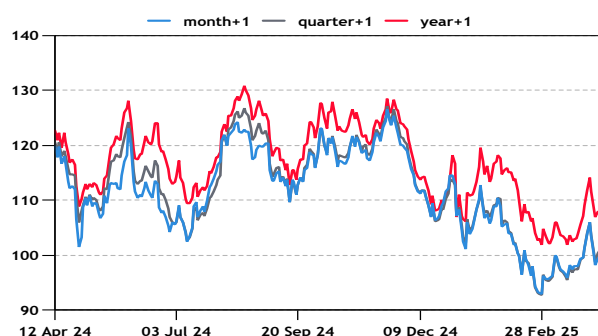
High-CV thermal prices

\$/t



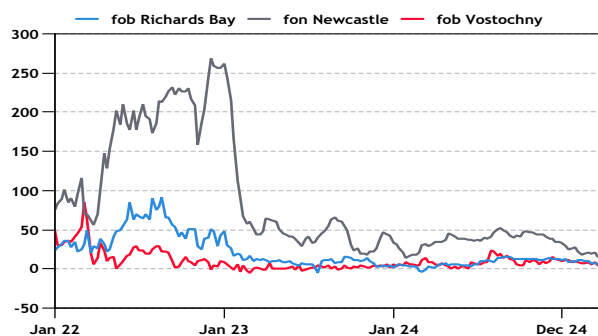
API 2 financial swaps prices

\$/t



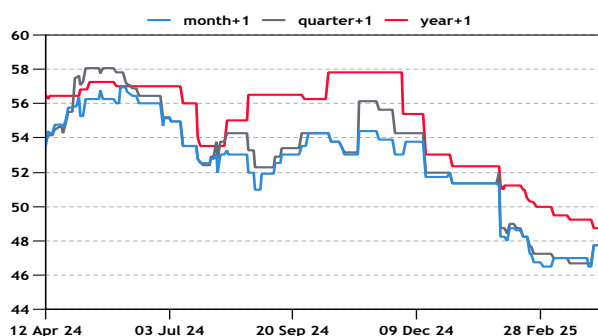
Energy-adjusted discounts

\$/t



ICI 4 financial swaps

\$/t



Swaps and spreads

PLV prices bounce off 4-year low

Fires at Anglo-American's 5.5mtpa Moranbah North and GM3's 3.5mtpa Appin operations have tightened metallurgical coal supply and caused Australian premium low-vol (PLV) to bounce off the four-year low \$166/t fob hit in late-March.

Futures track physical

Metcoal derivative prices have followed the spot market higher in the past couple of weeks. The curve remains in contango.

Relativities stable

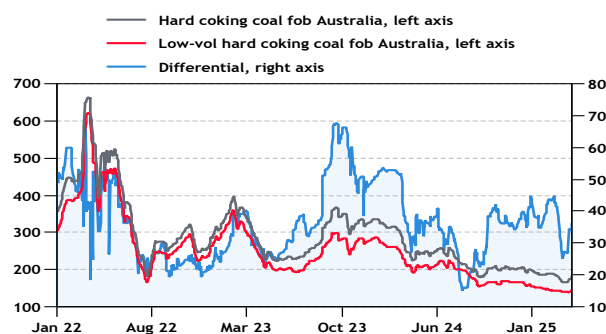
PCI relativities have stabilised somewhat after a recent downtrend, with PCI spot prices tracking the PLV market upward. Rains in Australia have tightened PCI supply.

Narrow spreads

There is a narrow spread between Australian and US fob prices at present.

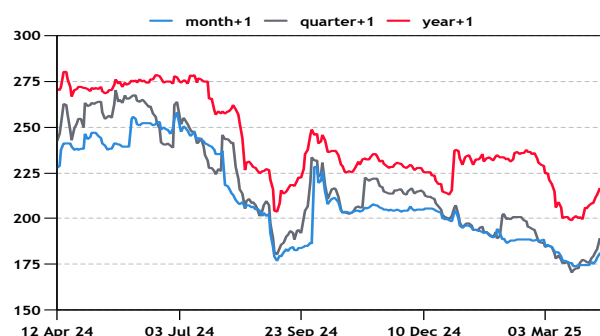
Low-vol vs mid-vol coking coal

\$/t



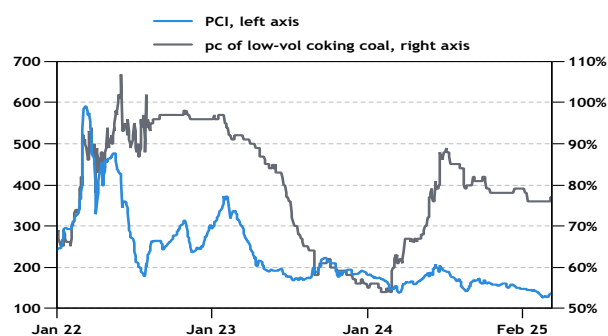
Australian coking coal financial swaps

\$/t



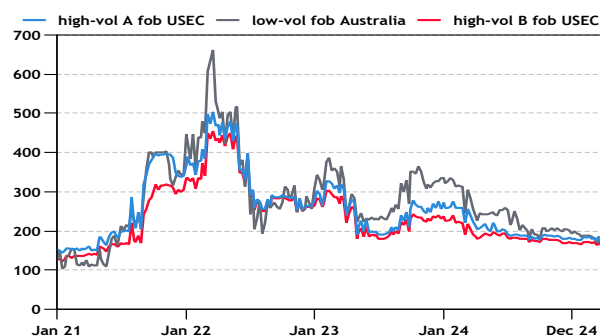
PCI prices

\$/t



USEC high-vol A and B

\$/t



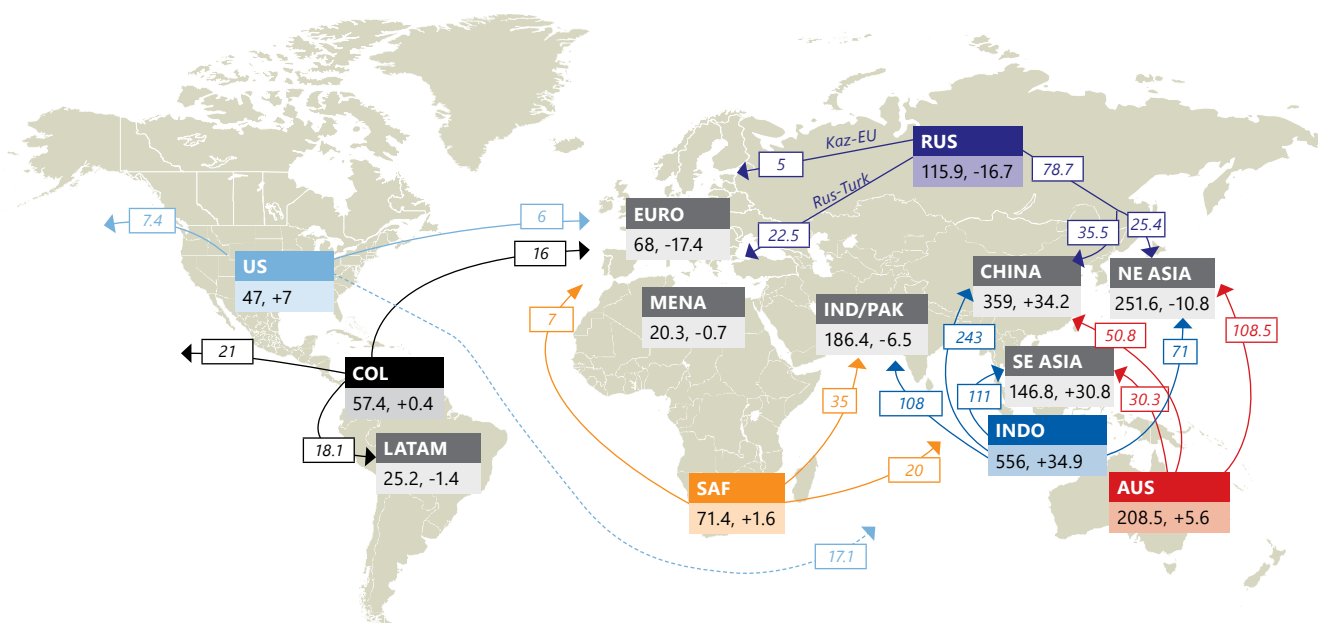
Thermal coal demand and supply

Seaborne thermal coal demand and supply										mn t
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Import Demand	965.3	1023.5	1046.5	937.4	979.4	965.2	1066.2	1076.6	982.7	962.0
Europe	139.3	137.3	109.1	82.5	90.0	107.5	84.2	62.7	62.8	57.8
Middle East and North Africa	21.8	24.2	26.0	23.4	26.2	24.5	21.0	20.3	21.0	21.5
Americas	40.7	37.9	40.1	26.9	31.8	29.5	26.6	25.2	24.5	21.2
China	180.6	210.0	221.0	212.3	251.6	205.9	325.4	363.5	280.0	270.0
Northeast Asia	315.6	312.2	303.1	273.0	286.2	287.2	264.2	256.8	244.6	229.1
South Asia	166.7	190.0	209.8	178.7	166.1	184.9	192.9	186.6	182.7	188.3
Southeast Asia	95.3	106.0	133.1	137.5	122.5	117.8	144.4	156.2	161.8	168.8
Africa	5.1	5.9	4.2	3.2	5.0	7.9	7.4	5.4	5.4	5.4
Export Supply	961.6	1015.7	1038.3	928.4	978.1	996.7	1069.3	1089.4	986.6	966.5
Indonesia	389.5	429.1	459.1	406.9	433.7	466.7	521.1	557.8	490.0	475.0
Australia	200.3	207.7	213.2	200.8	200.2	179.6	202.9	208.5	197.0	195.0
South Africa	82.1	78.9	76.9	73.6	64.9	70.4	73.0	71.4	72.0	73.0
Colombia	80.2	75.0	70.7	46.8	53.6	54.3	55.1	54.2	44.3	43.8
Russia	153.0	150.7	154.1	151.8	159.4	158.1	132.6	115.9	107.8	105.7
Kazakhstan		5.6	5.9	5.9	6.7	8.6	9.4	9.1	9.0	9.0
USA	37.0	48.1	33.3	22.6	35.0	33.3	42.6	47.0	42.0	40.0
China	3.8	2.8	2.5	0.9	0.3	1.4	1.6	1.0	1.0	1.0
Mozambique	5.0	8.9	8.0	7.0	8.0	9.0	11.0	8.5	8.5	9.0
Canada	2.0	2.0	3.5	4.8	5.5	8.2	8.0	7.0	5.0	5.0
Other	8.7	7.0	11.1	7.3	10.8	7.0	12.0	9.0	10.0	10.0

NB: Russia export data pre 2018 includes both Russian and Kazakh exports

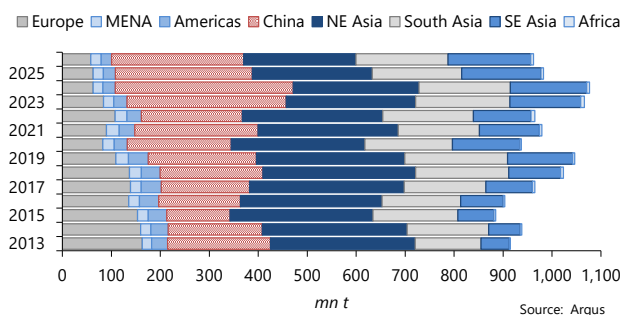
Overland flows									
Russia-China			10.4	7.9	6.6	7.9	13.8	16.7	17.5
Mongolia-China	7.7	8.5	2.3	4.8	2.4	5.4	15.9	25.0	26.0
Kazakh rail exports			0.4	-	2.1	2.8	3.6	2.5	2.5
Afghanistan-Pakistan	0.7	1.1	1.2	0.5	1.3	3.7	1.7	0.9	0.8

Thermal coal trade flows 2024

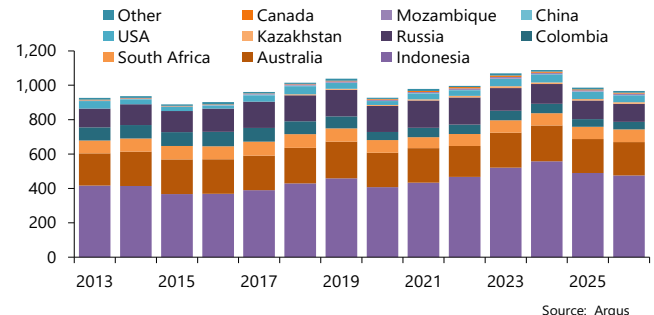


Demand breakdown						mn t					
	2022	2023	2024	2025	2026		2022	2023	2024	2025	2026
Europe	107.5	84.2	62.7	62.8	57.8	Northeast Asia	287.2	264.2	256.8	244.6	229.1
Germany	25.3	16.1	10.0	12.0	9.0	Japan	128.6	114.4	118.7	115.0	103.0
UK	4.0	1.5	0.6	0.4	0.4	Korea	97.5	92.6	85.8	79.0	76.0
Netherlands	4.8	3.0	2.6	2.8	1.5	Taiwan	54.9	51.6	47.3	45.0	44.5
Finland	2.5	1.0	1.0	0.5	0.2	Hong Kong	6.2	5.6	5.0	5.6	5.6
France	4.0	2.4	1.5	1.5	1.5						
Spain	6.5	4.3	2.0	1.0	0.8	Southeast Asia	117.8	144.4	156.2	161.8	168.8
Poland	14.2	13.2	5.9	5.3	4.9	Malaysia	34.0	37.7	37.5	38.0	38.0
Italy	9.2	4.6	1.4	1.5	1.5	Thailand	21.4	17.9	18.4	19.0	18.0
Turkey	30.5	33.8	33.6	34.0	35.0	Philippines	31.5	36.4	39.3	41.0	44.0
Other	6.5	4.3	4.2	3.8	3.0	Vietnam	25.5	44.6	52.8	55.0	60.0
						Other	5.4	7.8	8.2	8.8	8.8
MENA	24.5	21.0	20.3	21.0	21.5						
Israel	7.5	4.3	3.3	3.6	3.5	South Asia	184.9	192.9	186.6	182.7	188.3
Morocco	10.8	10.2	9.5	10.0	10.5	India	164.0	172.0	165.2	160.0	163.0
Egypt	3.8	4.1	5.2	5.0	5.0	Pakistan	11.3	5.8	6.9	7.2	9.3
UAE	1.9	1.9	1.7	1.8	1.9	Sri Lanka	1.9	2.5	2.0	2.5	2.5
Other	0.6	0.6	0.6	0.6	0.6	Bangladesh	7.7	12.6	12.5	13.0	13.5
Americas	29.5	26.6	25.2	24.5	21.2	China					
Mexico	1.7	3.8	4.5	4.5	4.0	Domestic coastal	811.0	813.0	815.0	820.0	825.0
US	4.0	3.5	1.0	1.0	1.0	Seaborne thermal	82.6	162.3	192.5	133.0	135.0
Chile	7.5	5.5	5.0	4.5	2.0	Lignite	130.0	163.1	171.0	147.0	135.0
Brazil	5.6	4.0	5.1	5.0	5.0	Total seaborne+overland	219.2	355.1	405.2	323.5	315.0
Other	10.6	9.8	9.6	9.5	9.2						

Seaborne import demand



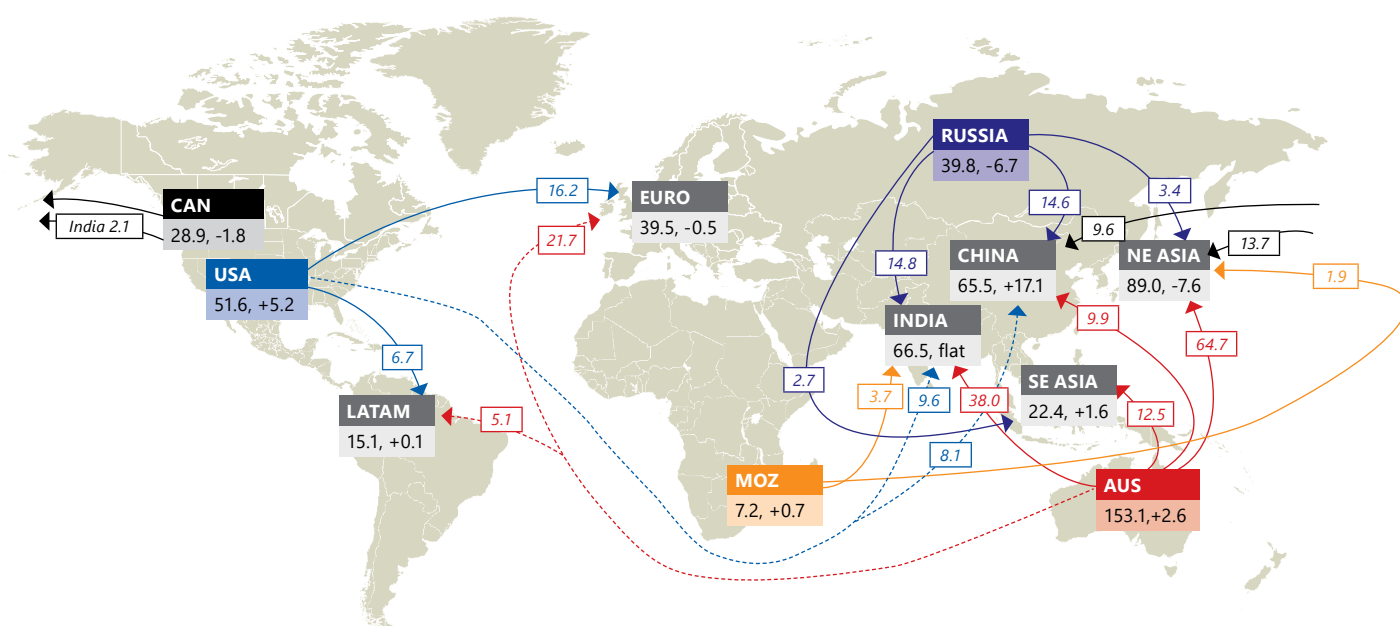
Seaborne export supply



Metallurgical coal demand and supply

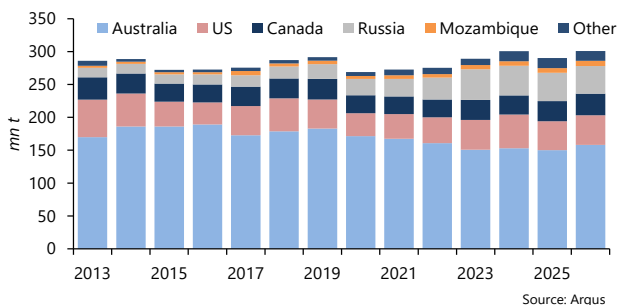
Seaborne Metallurgical coal demand and supply											mn t
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Iron Production growth											
China	0.6%	3.0%	6.6%	6.4%	10.6%	-4.3%	0.5%	-0.1%	-1.1%	-0.6%	-1.5%
India	9.9%	4.4%	8.9%	2.6%	-7.8%	14.5%	2.9%	8.0%	2.6%	5.0%	5.0%
Europe	-1.8%	2.3%	-2.3%	-4.7%	-15.0%	-10.9%	-10.2%	-9.6%	3.4%	3.0%	1.0%
Latam	-7.3%	7.1%	1.1%	-8.3%	-5.2%	15.3%	-6.1%	-3.7%	0.6%	4.0%	2.0%
JKT	-0.4%	-0.8%	-0.7%	-1.5%	-11.9%	9.2%	-9.0%	0.2%	-2.4%	-2.2%	-1.0%
Import demand	272.1	276.6	289.2	291.4	266.2	275.2	274.8	292.3	303.0	289.0	300.2
India	50.4	51.5	59.1	61.6	57.8	68.0	64.5	66.5	66.5	66.0	70.0
China	48.8	54.8	49.0	53.9	53.8	33.5	33.6	48.4	65.5	50.0	46.0
Asean	5.1	4.8	9.1	11.7	13.4	16.1	18.0	20.8	22.4	28.0	42.0
JKT	102.2	94.3	98.0	98.1	86.3	97.7	98.0	96.6	89.0	87.0	85.3
Latam	16.2	16.7	16.7	13.4	12.5	14.9	14.0	15.0	15.1	15.0	14.5
Europe	44.2	46.7	48.7	44.5	36.0	39.5	42.0	40.0	39.5	38.0	37.5
Other	5.2	7.8	8.6	8.2	6.4	5.5	4.7	5.0	5.0	5.0	5.0
Export supply	272.5	275.6	287.2	291.3	268.9	272.6	275.2	289.1	300.5	290.1	300.9
Australia	189.2	172.8	178.8	183.1	171.4	167.4	160.7	150.6	152.8	150.0	158.0
US	33.4	44.4	50.1	44.2	34.8	37.6	39.5	45.4	51.6	44.0	45.0
Canada	27.3	29.5	30.3	31.1	27.3	26.6	27.1	30.7	28.9	30.6	32.9
Russia	15.2	17.2	18.1	22.4	24.9	26.8	33.0	46.5	45.0	43.0	42.0
Mozambique	3.5	6.4	4.6	5.5	4.5	5.5	5.5	6.5	7.2	7.5	8.0
Other	3.9	5.2	5.3	5.0	6.0	8.7	9.4	9.4	15.0	15.0	15.0

Metallurgical coal trade flows 2024

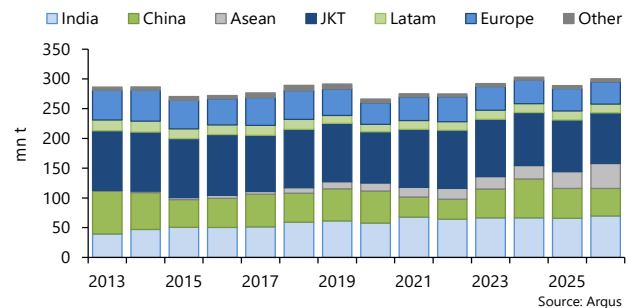


Key suppliers					mn t				
	2023	2024	2025	2026		2023	2024	2025	2026
Australia	150.6	152.8	150.0	158.0	US	45.4	51.6	44.0	45.0
BMA	50.3	40.4	40.0	40.0	Alpha	13.4	13.5	13.5	13.5
Whitehaven	2.2	13.4	17.9	19.2	Arch	8.5	7.7	0.0	0.0
Stanmore	12.8	14.1	14.3	14.3	Sev.en (Blackhawk)	5.8	5.6	5.7	5.7
Jellinbah	13.1	12.3	12.5	12.5	Warrior	6.9	7.3	7.0	9.0
Anglo American	16.0	14.8	8.2	0.0	Coronado	5.7	5.5	3.9	4.5
Glencore	11.6	10.7	9.0	9.0	Core Natural Resources	0.0	0.0	8.2	9.2
Coronado	8.0	7.7	8.6	9.6	Ramaco	3.5	2.6	3.0	3.0
Peabody	6.0	6.3	6.8	21.2	Peabody	0.6	1.9	1.9	1.9
Yancoal	5.7	7.5	6.0	6.0	Corsa	1.1	1.1	1.1	1.1
Kestrel	5.5	5.7	5.7	5.7	United Coal (Metinvest)	2.3	1.9	1.9	1.9
GM3	0.0	1.7	3.0	3.5	Itochu (Longview)	0.5	0.2	0.2	0.5
Qcoal	4.7	4.7	4.7	4.7	Other	15.6	15.6	16.0	16.4
Pembroke	0.0	2.8	4.5	6.0	Domestic consumption	15.9	15.7	15.7	15.7
Fitzroy	2.0	2.5	3.0	3.0	Exports to canada	3.3	2.5	1.0	0.5
Realm Resources	2.7	2.7	2.7	2.7	Canada	30.7	28.9	30.6	32.9
Sojitz	1.5	1.5	1.5	1.5	Teck	23.7	12.3	0.0	0.0
South 32	5.1	2.9	0.0	0.0	Conuma Coal	5.1	3.5	4.8	6.1
Tahmoor	1.6	1.6	1.0	1.0	CST Canada	0.8	0.8	0.8	0.8
Baralaba	0.9	1.0	1.0	1.0	Glencore	0.0	12.5	25.0	26.0
					Russia	46.5	45.0	43.0	42.0
					Mechel	7.4	6.7	6.5	6.5
					Evraz	1.5	1.3	1.5	1.5
					New Mining Management/ Sibuglemet	5.2	4.3	3.0	3.0
					Kolmar	4.3	4.5	5.0	5.0
					A-Property Elga	16.5	16.3	18.0	20.0

Seaborne met coal supply



Seaborne met coal demand



in focus

Poland coal import demand – an extended calm after the storm

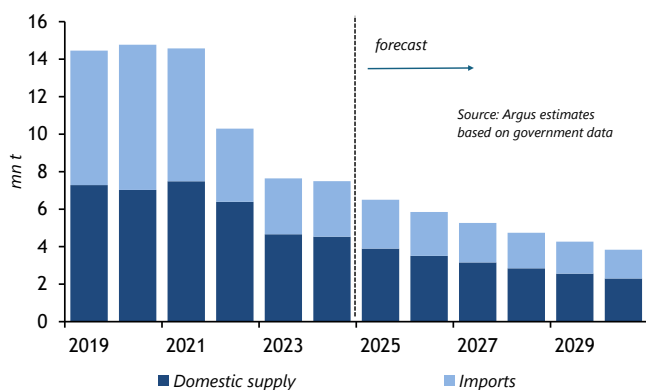
Poland's seaborne coal imports – much like the rest of Europe – have come crashing back down to earth after the bonanza of activity in 2022 and 2023. Imports are likely to remain subdued during the next 18 months, as coal inventories – both at mines and power plants – are still elevated and likely to take some time to work through. In the long run, seaborne imports should play a relatively marginal role in Poland's energy balance, although the speed of domestic coal mine closures, the shift away from using coal for household heating, and renewables/gas substitution in the country's electricity sector will determine how seaborne imports evolve.

Poland's seaborne coal import market can be split into two: a sized coal market of around 3mn t/year and a non-sized coal market of 2-6mn t/year under "normal" conditions.

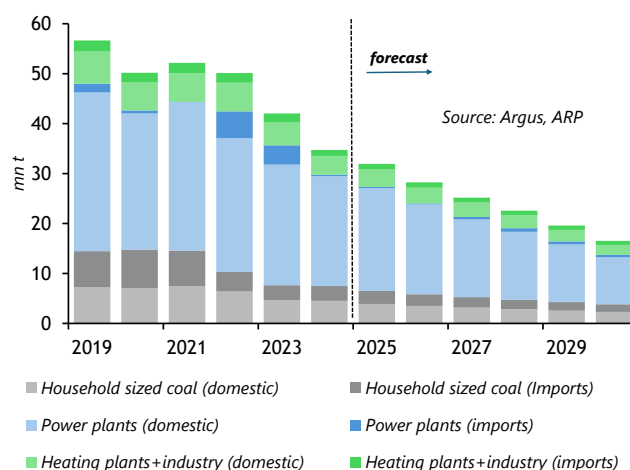
Household sized coal demand

The sized coal market entails larger fractions of coal (typically 10-300mm lumps) used in households for domestic heating. We estimate this market size at around 6.5mn t/year, of which imports comprise 2.5-3mn t, down from nearly 15mn t/yr total and 7mn t/yr imports in the early 2020s (see chart). Historically, this market was supplied by Russian imports (both overland and seaborne). But since the 2022 embargo on Russian material, imports into the sized coal market have been catered for by Kazakh and to a lesser extent Colombian material, whose properties are suitable for household oven consumption. We expect sized coal import demand to shrink

Poland sized coal consumption

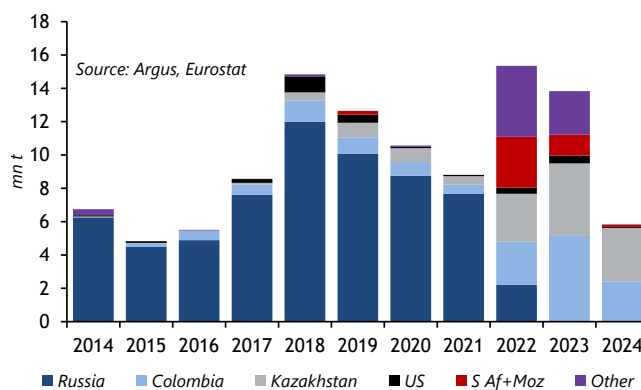


Poland coal consumption

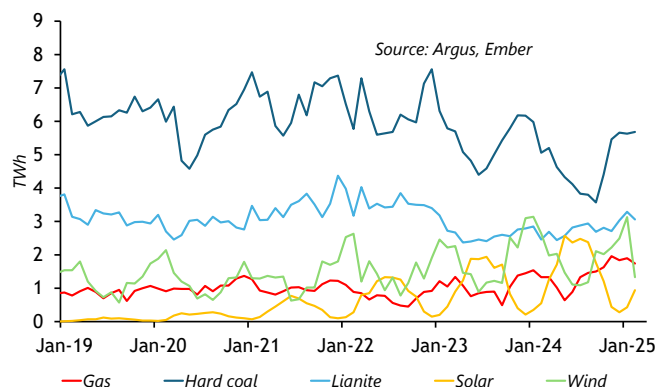


slowly through 2030, as initiatives to move away from burning coal for household heating continue. Several Polish cities including Krakow, Warsaw and Wroclaw have already banned coal-fired furnaces, but it may take longer to decarbonise Poland's poorly-connected rural areas which house 40pc of the population. Poland's government is aiming to phase out coal use in city households by 2030 and in rural areas by 2040. The key upside risk to sized coal import demand in the next few years would be if Russian coal becomes accepted again in Poland, and improved availability of this nearby, high quality product displaces some domestic supply.

Poland coal imports (seaborne&overland)



Poland electricity generation

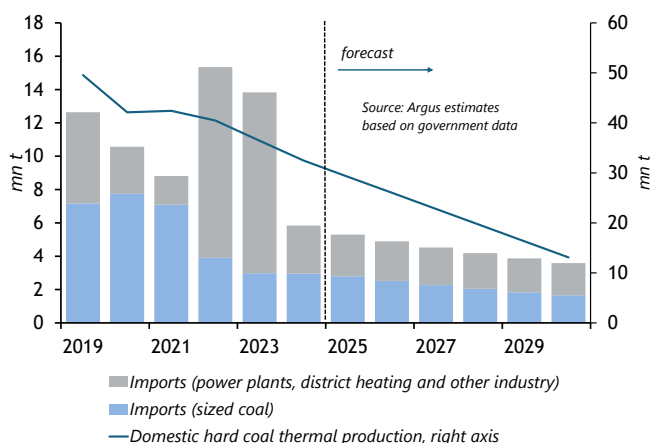


Imported coal is also consumed by district heating plants and various industrial users (such as chemicals and agriculture producers). The addressable market for this sector is around 5mn t/year based on 2024 government data, of which imported coal is less than 2mn t. We assume the import market will contract to around 1mn t/year through 2030 as more buildings transition to low-emissions district heating.

Power-sector import outlook

Coal imports, typically in the form of 0-10mm fines, are sometimes used in the power-generation sector to supplement domestic coal supply. The largest coal-fired power plants are operated by government-controlled entities who have a preference to buy Polish coal. And the ratio of domestic versus imported coal in the power sector will vary year by year and hinge on several factors such as price and non-performance by domestic suppliers. Typically, around 90-

Poland hard coal imports vs production



Power-sector coal phase-out plan

The Polish climate ministry has proposed an ambitious shift to renewable energy, entailing a quicker exit from coal and a transitional role for gas in its draft of the revised 2030 national energy and climate plan (NECP) put out for public consultation.

Under the draft NECP, Polish gas consumption climbs to a 23bn m³/yr peak in 2030 from 16.6bn m³ in 2022, and then gradually falls as renewable alternatives become available.

Placing a stronger emphasis on decarbonisation, the Polish climate ministry has proposed that renewables account for 32.6pc of gross final energy consumption in 2030, well up from the 23pc target in the previous NECP approved in 2019. In 2022, renewable energy accounted for 16.8pc of gross final energy consumption in Poland.

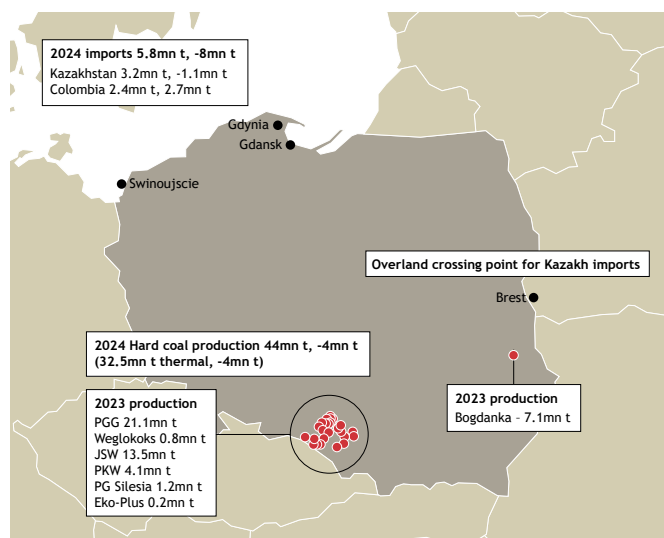
The draft NECP also envisages renewable electricity generation capacity rising sharply to 57GW in 2030 and 93GW in 2040 from 28.8GW in 2023, with renewables providing 59pc and 68pc of the Polish generation mix in 2030 and 2040, respectively, from 23pc in 2023.

Coal-fired generation would be reduced more quickly than previously planned, paving the way for renewables. The latest draft plan sees coal-fired capacity falling to 20GW in 2030 and 5.6GW in 2040 from 31.5GW in 2023, while coal-fired output falls to 22pc of the generation mix in 2030 and just 1pc in 2040 from 60pc in 2023.

The NECP also proposes that all Polish homes stop heating with coal by 2030, and estimates that total Polish consumption of thermal coal could fall to 22.5mn t in 2030 from approximately 55mn t in 2023. In the draft document, the ministry envisions that Polish coal production will meet most domestic demand for the fuel, with imports playing only a "supplementary role".

The Polish climate ministry has opened a consultation on the draft NECP and invites feedback until 15 November. Traditionally, the Polish climate ministry has more ambitious views on renewables, and the final approved targets are watered down by other lobbies in the government.

Poland coal infrastructure



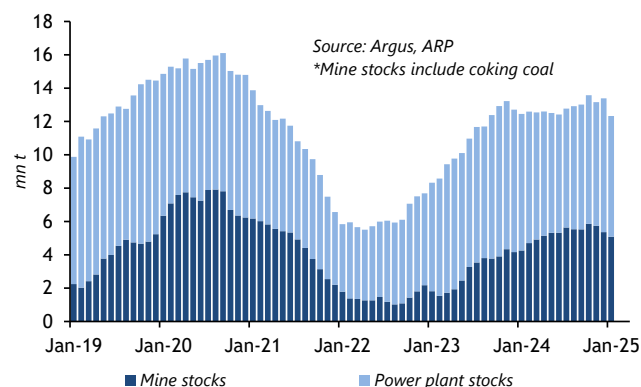
95pc of hard coal based power generation is catered for by domestic supply, with around 5-10pc left for imports. During times of tight supply this import share can rise, for example in 2021/2022 the share of imported coal in the mix was likely up to 30pc. This came as the government mandated state-owned importers PGE Paliwa and Weglokoks to raise imports in the wake of lost Russian supply.

The share of hard coal in Poland's electricity mix dropped to 36pc in 2024 from 52pc in 2019, squeezed primarily by firmer gas, solar and wind generation (**see chart**). This trend is likely to intensify in the coming years, given current government policy envisions aggregate coal and lignite generation declining to a 22pc share of the electricity mix by 2030 versus a 56pc share in 2024 (**see boxout**). The decline in power-sector coal consumption from 22.8mn t in 2024 to 10mn t (NAR 5,300 kcal/kg basis) in 2030 is broadly in line with the expected drop in domestic hard coal production from 32.5mn t to 13.1mn t, as envisioned by Poland's National Energy and Climate Plan. Accordingly, imported coal's share of the total power-sector coal consumption is likely to remain at the lower end (<5pc) of recent ranges. Power-sector imports during 2025 are likely to be particularly subdued because of current high stocks at mines and power plants (see charts).

Elections/sanctions wildcards

Poland's presidential elections are set for May and will be worth watching in the context of Poland's domestic coal

Poland hard coal stocks



production outlook. Our view is that a gradual shut-down in Polish coal mines and production is the most likely outcome in the next few years. Poland's coal mining sector lost around 11bn zlotys (\$2.9bn) in 2024, according to ARP, and lower domestic prices in 2025 could exacerbate these losses. This raises the prospect that the pace of Poland's mine closures will accelerate, which would be supportive of seaborne imports. But given the amount of jobs and royalties linked to the mining sector, we think a swift closure schedule is unlikely. Plus, coal demand headwinds in the form of rising renewables generation and falling sized coal demand make a major spike in import demand in the guise of 2022/2023 unlikely to repeat.

Any rollback in Polish/EU sanctions on Russian coal would also be supportive of imports in the mid-term, as it would enable high quality Russian coal to return to the market. Russian coal was historically favoured by the sized coal sector, in part because a large chunk of it was supplied by rail, whose transport degrades the quality of coal less than by seaborne transit. Additionally, the loss of Russian import volumes is a contributory factor the contraction in Poland's sized coal market in the past five years.

NB. We have added monthly data on Polish coal production and stocks to the "Europe thermal fundamentals" tab of the Argus Seaborne Coal Outlook Datafile. This will be updated on a monthly basis going forwards.

Thermal coal – Exports

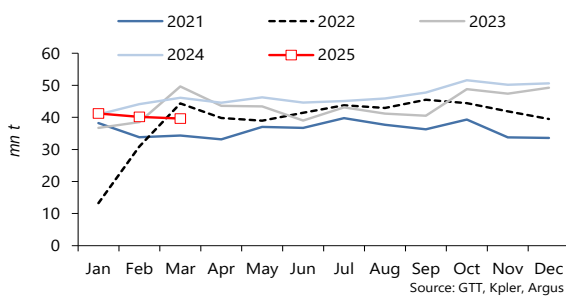
Supply cuts intensify

Indonesian coal exports have slowed sharply in early April. This is driven in part by the Eid holidays, but could also reflect the slow-down in demand from Asian markets because of changes to Indonesian pricing rules, and the uncertain global tariff situation. Australian and US exports have also started the year slowly because of bad weather, while Colombian exporters are cutting production.

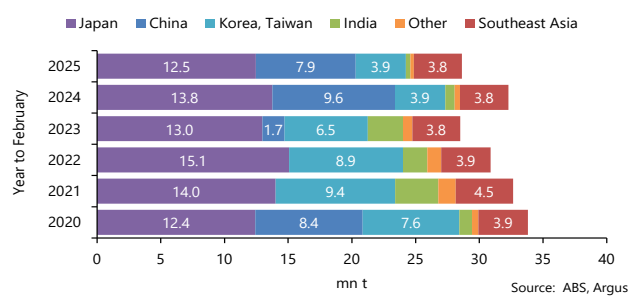
Thermal coal exports

Country	mn t	month	YTD ±	Outlook
Indo	39.6	Mar	-7.8	Policy changes threaten outlook
Aus	18.1	Mar	-4.7	Exports recover after poor Feb
Rus	6.7	Mar	-4.4	Producers' netbacks under pressure
Col	4.6	Mar	-21.8	Cerrejon/Drummond to cut output
Saf	6.4	Mar	+4.1	Exports hold up better than elsewhere
US	3.8	Mar	-7	Tariffs cloud outlook

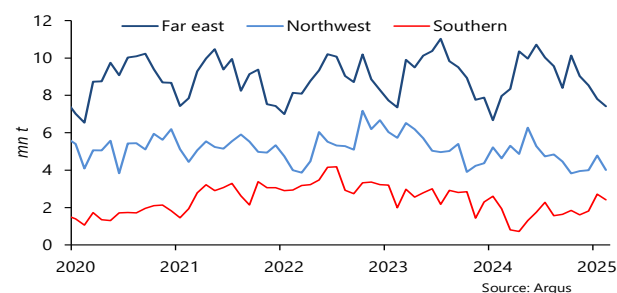
Indonesian exports



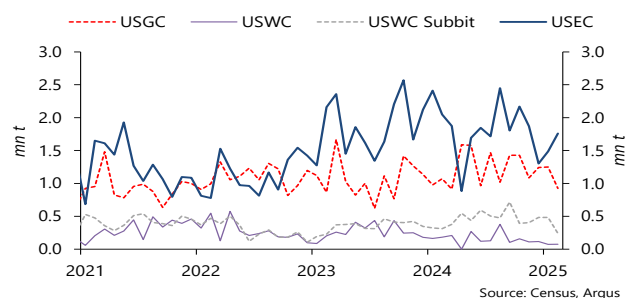
Australian exports



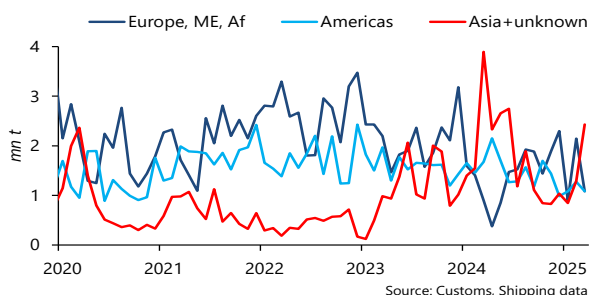
Russian thermal, met coal, coke exports by port



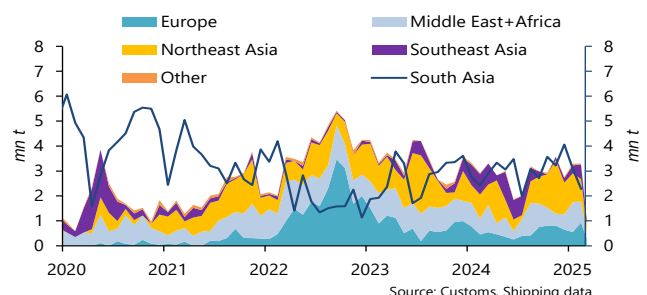
US exports by port region



Colombian exports



South African exports



Thermal coal – China fundamentals

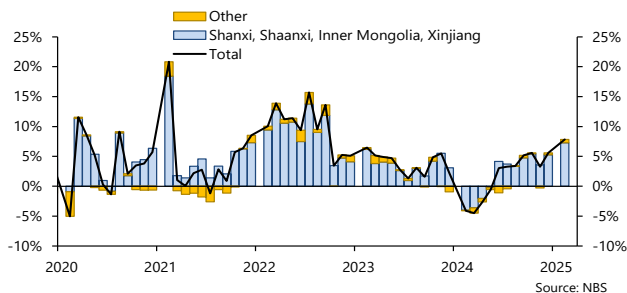
Weak market

The fundamental situation in China remains one of over-supply and sentiment still bearish. Domestic spot prices are pressuring breakeven costs for producers. China's coal inventories at ports, power plants and mines remain elevated, and NBS data for January/February shows higher on-year domestic coal production and softer thermal power generation

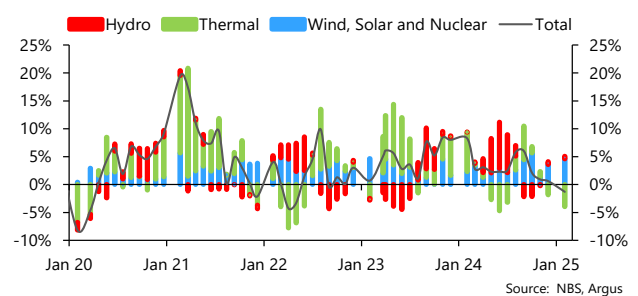
China fundamentals

Indicator	chg	month	Outlook
Thermal gen	-5.8pc	Jan+Feb	More coal squeezed out the mix
Coal output	+8.5pc	Jan+Feb	Production started the year strongly
Cement output	-5.7	Jan+Feb	Negative growth persists
Stock - key plants, port, mines, days	+6	Mar	Stocks still comfortable
Imports - steam, mn t	7.6	Feb	Imports at 2-year low in Feb
Imports - lignite, mn t	13.6	Feb	Low-grade imports may be pressured by policy changes

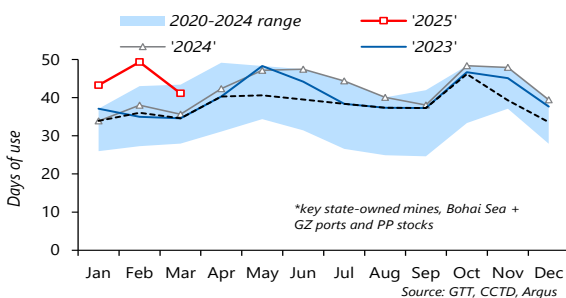
China coal supply growth



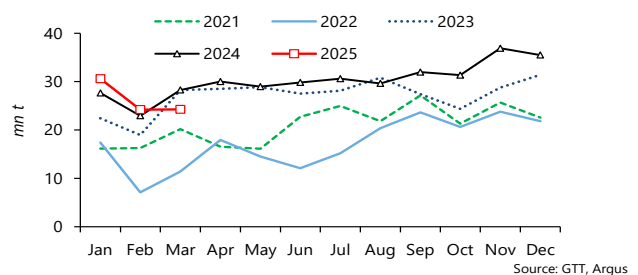
Power Generation growth and composition



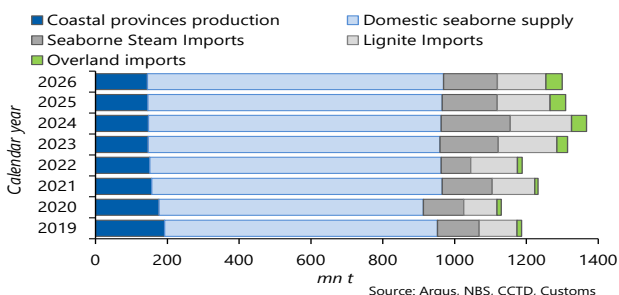
China Inventory



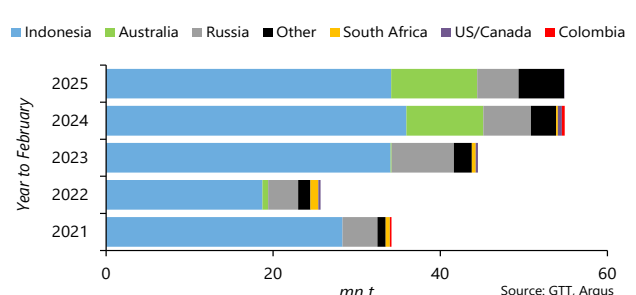
China seaborne steam coal imports



China coastal supply



China thermal imports (seaborne+overland)



Thermal coal – India fundamentals

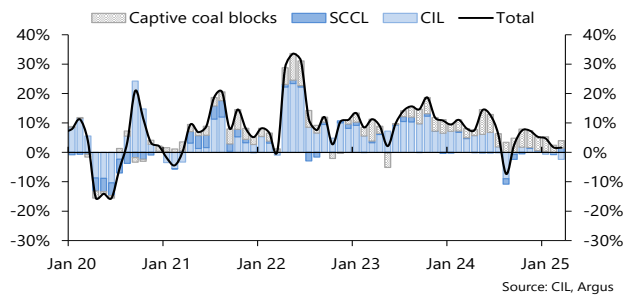
Demand lukewarm

Stocks at mines and power plants remain high, while strong hydro, nuclear and renewables generation have capped coal-fired power generation growth in India so far this year. Hot temperatures are forecast across India in the coming months, which could provoke some spikes in coal burn. But the Monsoon is expected to be broadly in line with the long-period average. This should cap upside in coal-fired generation.

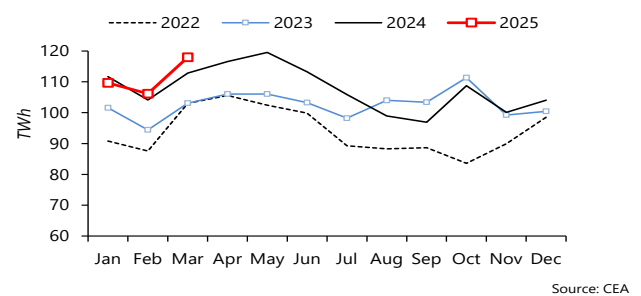
India fundamentals

Indicator	chg	month	Outlook
Coal generation	+4.5pc	Mar	Forecast heatwave supports burn outlook
Import-coal gen	-4.5pc	Mar	Govt extends import mandate again
Cement output	+14.5pc	Jan	Production grows strongly
Coal production	+1.6pc	Mar	Growth rate slows
Power plant stocks, days	19.7	Apr	Stocks build
Imports, mn t	-0.1	Mar	1Q '25 imports down 8pc

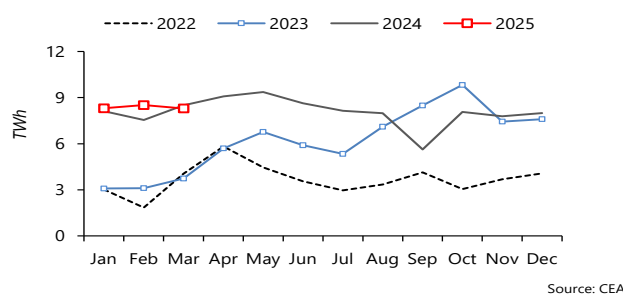
India coal production growth



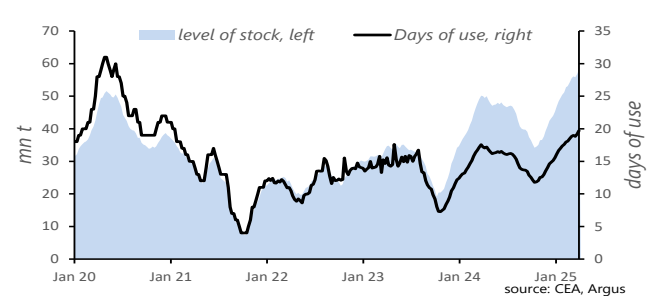
India coal generation



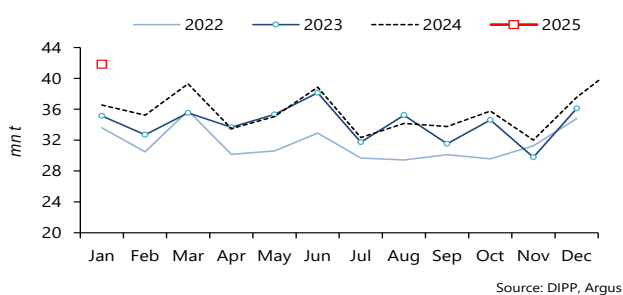
India coal-fired generation by import plants



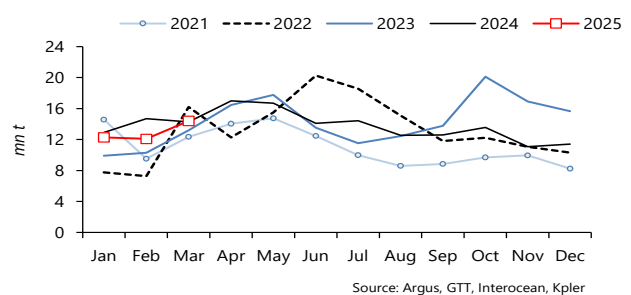
India power plant stocks



India cement production



India thermal coal imports



Thermal coal – Europe fundamentals

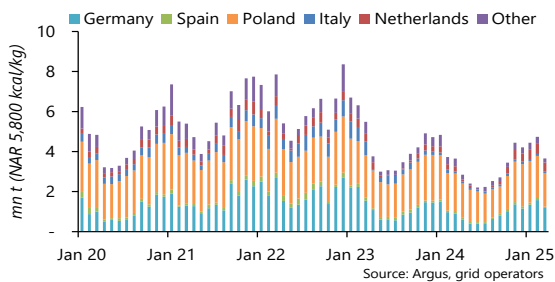
German, NI burn strong

German coal burn continues to hold above the 2024 level, supported by favourable gas-to-coal fuel-switch economics. Low Rhine river levels, which have fallen below the 180mm needed for unrestricted barging from ARA ports to power plants, are a downside risk to the demand outlook. Elsewhere in the EU, hard coal generation remains generally weak, with the Plomin plant in Croatia still on outage.

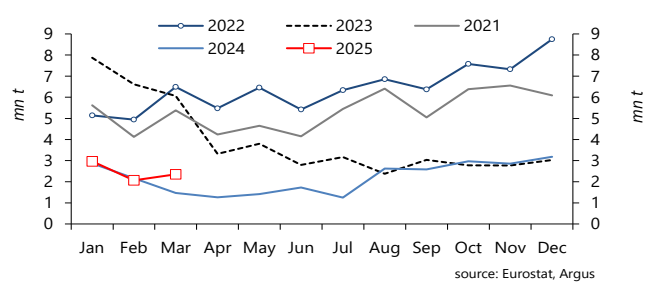
Europe fundamentals

Indicator	chg	month	Outlook
Est coal burn	+0.1pc	Mar	EU+UK coal burn up YoY for 2nd month
Imports, mn t	+60pc	Mar	1Q imports up 14pc YoY
ARA stocks, mn t	3.4	Apr	Stocks up on firmer arrivals
EU ETS CO2	€ 64	Apr	Prices fall sharply
TTF (year ahead), MWh	€ 33.00	Apr	Prices continue to slide
Nat gas storage	-42	Apr	Quick refill needed over summer

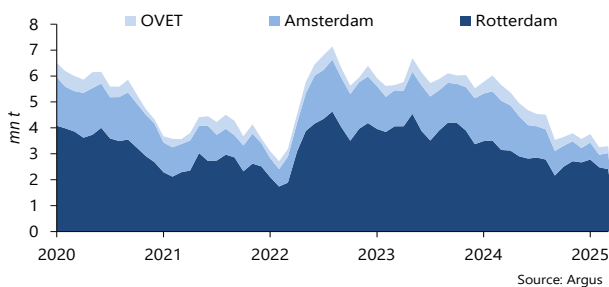
EU+UK power-sector coal burn



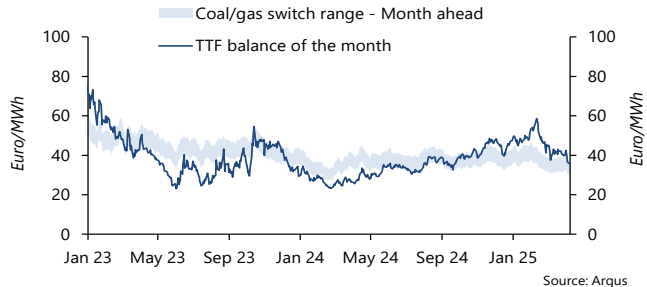
EU 27+UK thermal coal imports



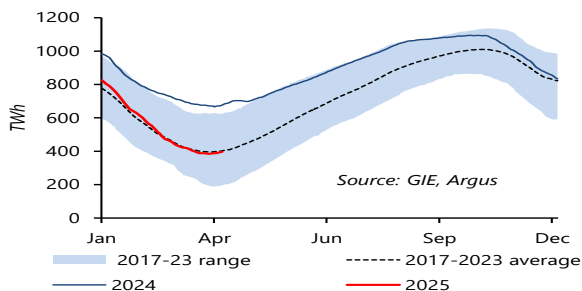
ARA Stocks



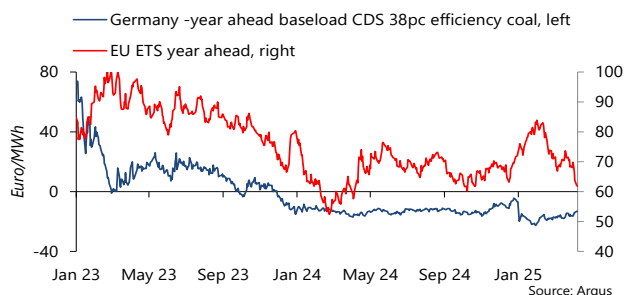
TTF natural gas and fuel switching price



European natural gas in storage



Germany clean dark spread and EU ETS prices



Thermal coal – Northeast Asia fundamentals

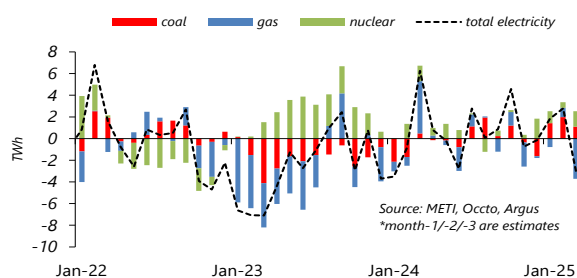
Uneven picture

Power-sector coal burn in South Korea likely fell by 14pc in 1Q 2025 and has been even worse in early April. Burn has been squashed by tepid overall power demand, and firm nuclear and solar output, while power grid constraints have more negatively penalised coal despatch than gas. In Japan, coal burn rose by 6pc on the year in 1Q as coal took share from gas in the power mix and overall electricity demand ticked up.

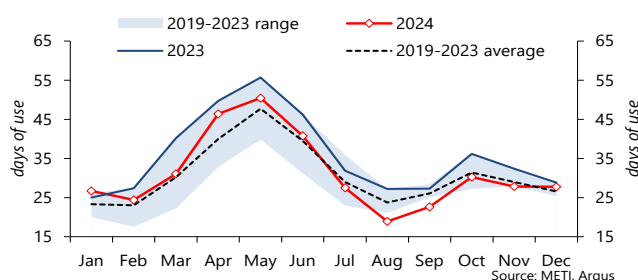
Northeast Asia fundamentals

Indicator	mn t	month	Outlook
JKT PP coal burn	16.5	Mar	Regional coal burn flat YoY
Japan	8.5	Mar	Coal burn up 5pc YoY
Korea	4.7	Mar	Nuclear works in 2Q supports outlook
Taiwan	3.2	Mar	Nuclear phaseout may support 2Q coal
JKT Imports	16.7	Mar	Imports slip
Japan+Korea stocks	15	Dec	Lagged data shows comfortable stocks

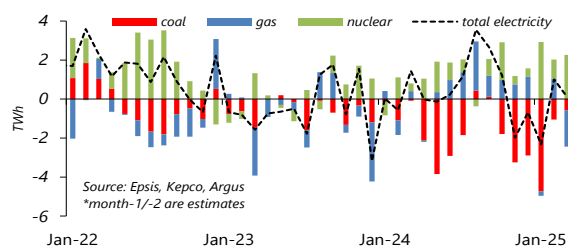
YoY change in Japan power generation by source



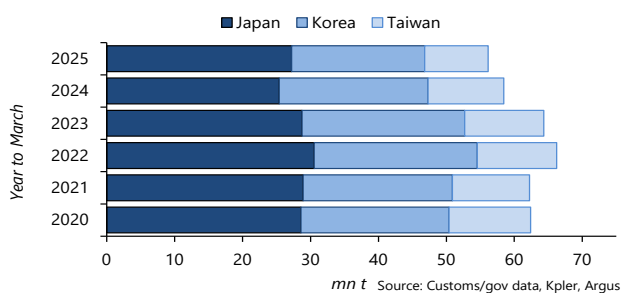
Japan generator stocks



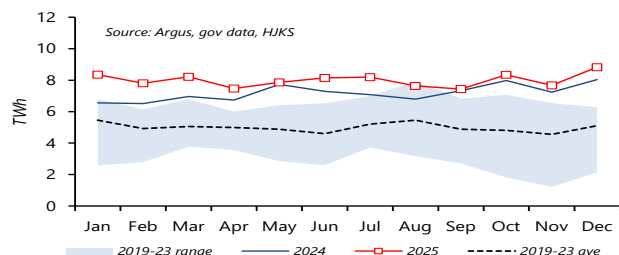
YoY change in Korea power generation by source



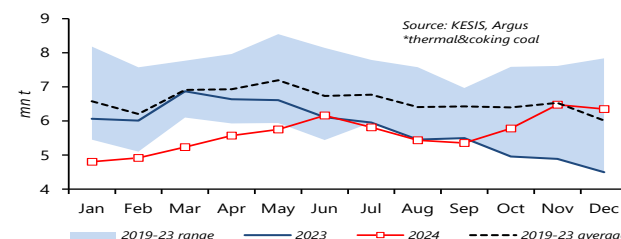
Japan, Korea, Taiwan thermal coal imports



Japan nuclear availability



Korean coal stocks



Thermal coal – South and Southeast Asia fundamentals

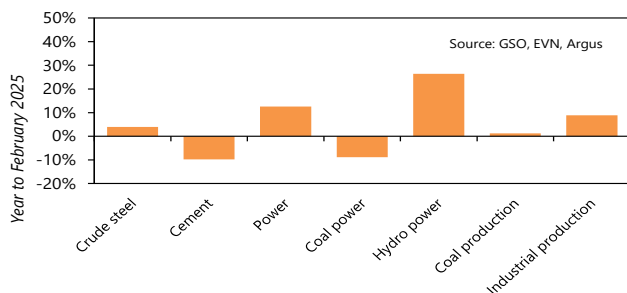
Vietnam up, Pakistan down

Vietnam's seaborne thermal coal imports rose by 19pc on the year in 1Q 25, according to Kpler data. Imports from Indonesia and Australia were particularly strong in January-March, possibly reflecting buyers taking advantage of lower seaborne coal prices to lock in purchases. In Pakistan, cement sales faltered in March, while imported coal-fired generation continues to splutter. The Pakistan rupee also continues to weaken versus the US dollar, eroding buyers' purchasing power.

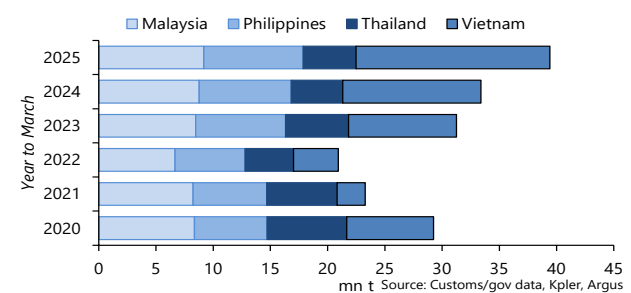
Asia Ex fundamentals

Indicator	mn t	month	Outlook
Asean imports	12.9	Mar	Imports start year strongly
Viet coal generation	-9pc	Jan/Feb	Hydro rebound squashes coal burn
Viet coal production	+1.8pc	Feb	Coal production higher YoY
Pakistan imports	0.4	Mar	1Q imports down 36pc
Pakistan imported coal gen.	+13pc	Feb	Imported coal gen very volatile
Pakistan cement sales	-9.4pc	Mar	Sales falter after strong Jan-Feb

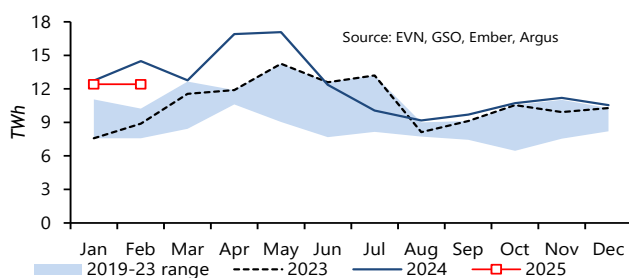
Vietnam power and industrial output



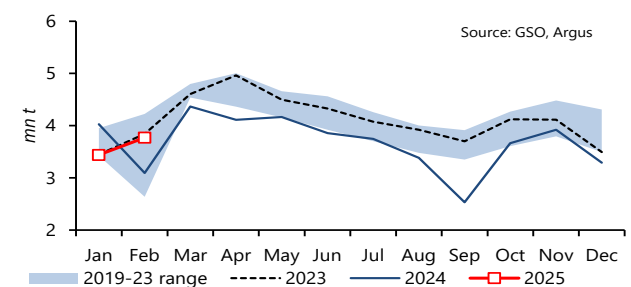
Asean imports



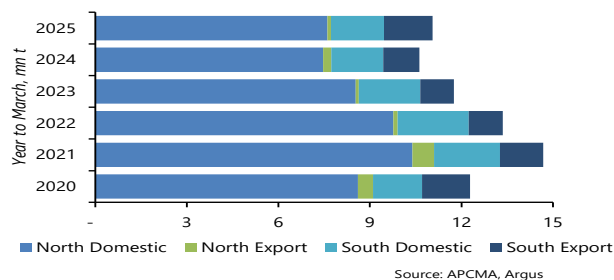
Vietnam coal-fired generation



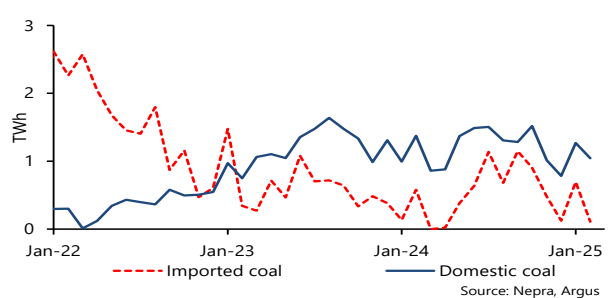
Vietnam coal production



Pakistan cement sales



Pakistan coal-fired generation



Metallurgical coal – Exports

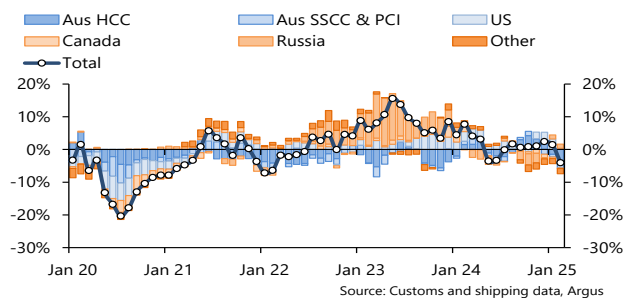
Supply disruptions bite

Fires at Anglo-American's 5.5mn t/yr Moranbah North and GM3's 3.5mn t/yr Appin operations have tightened metallurgical coal supply. US supply was also hit by bad weather in January/February, while Core Natural Resources' Leer South mine remains offline following a fire in January. We are expecting Leer South operations to resume later this quarter.

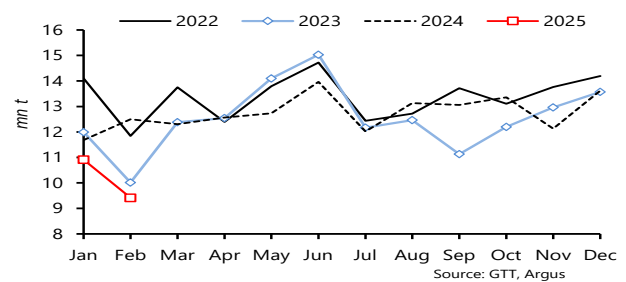
Metallurgical coal exports

Country	mn t	month	YTD ±	Outlook
Aus	9.4	Feb	-16	1Q exports disrupted
US	3.6	Feb	-12	Exports recover after poor Jan+Feb
Can	1.8	Feb	+5	Exports tick up
Rus	3.2	Mar	-2	Exports broadly flat YoY
CHN coke	0.6	Feb	-33	Chinese metcoke exports dip

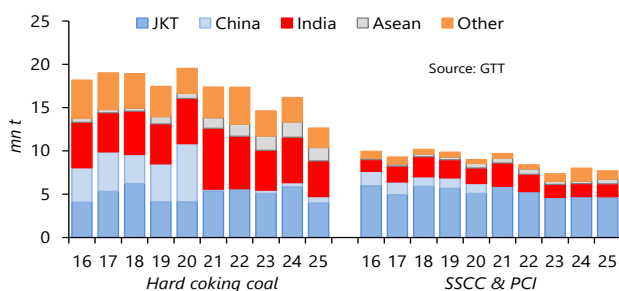
Contribution to seaborne supply growth



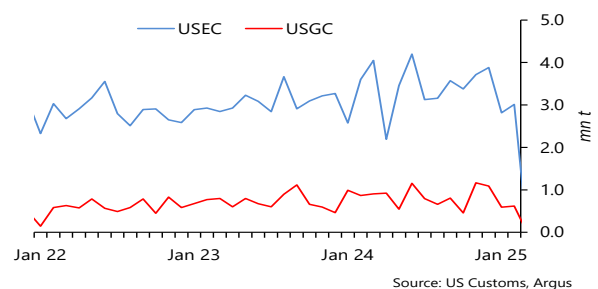
Australian met coal exports



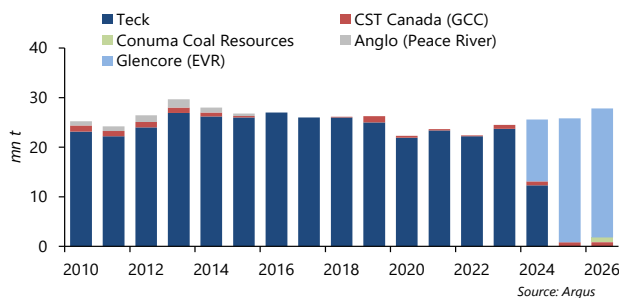
Australia met coal exports year to February



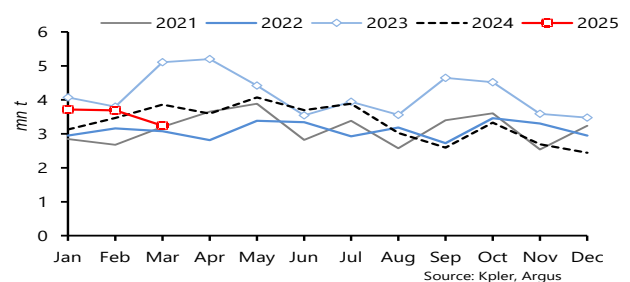
US export by port region



Canada exports



Russian seaborne coking coal exports



Metallurgical coal – China fundamentals

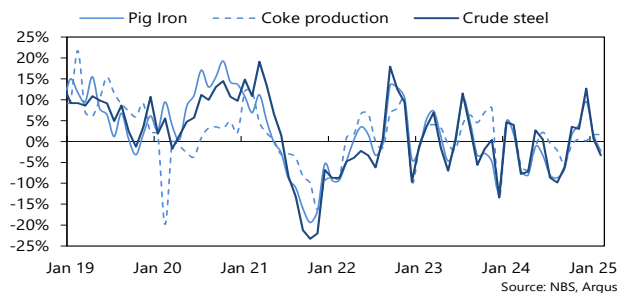
Headwinds intensify

The weaker yuan should cause buyers to turn more to domestic production, while we expect buyers to continue to prioritise overland imports from Mongolia over seaborne purchases. China is likely to introduce more stimulus policies to boost economic activity in the wake of Mr Trump's tariffs and the imposition of more anti-dumping barriers against its steel exports from numerous other nations.

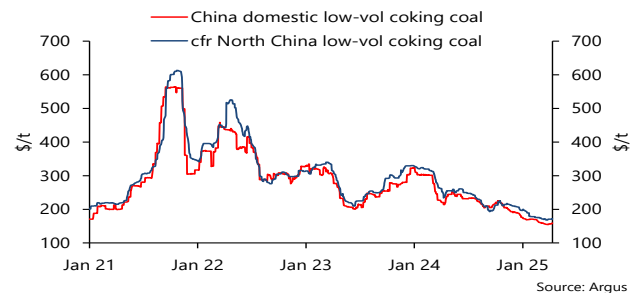
China fundamentals

Indicator	pc	mt	Outlook
Crude steel	-3.3	Feb	Negative growth
Iron production	-2.3	Feb	Negative growth
Coke output	1.6	Jan/Feb	Growth ticks up
Steel exports, mn t	17	Jan+Feb	Exports remain high
Imports - Seaborne, mn t	5.7	Feb	Seaborne imports have dropped in Feb/Mar
Imports - Mongolia, mn t	3.2	Feb	Imports down 25pc YoY in Jan/Feb

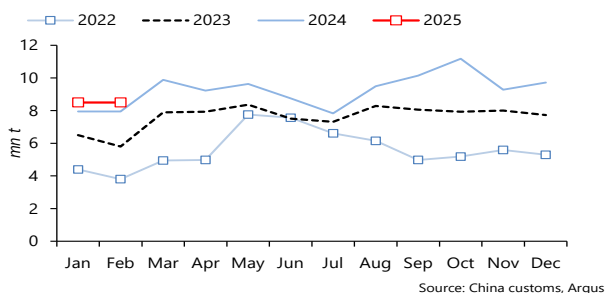
Crude steel and iron production



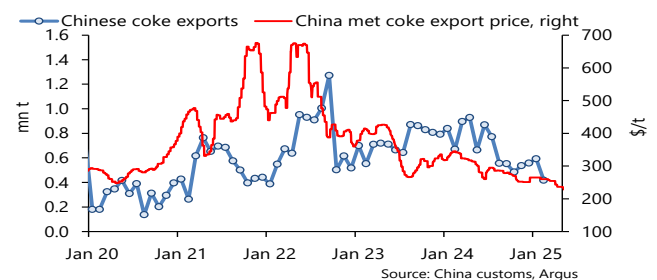
China domestic and import coking coal prices



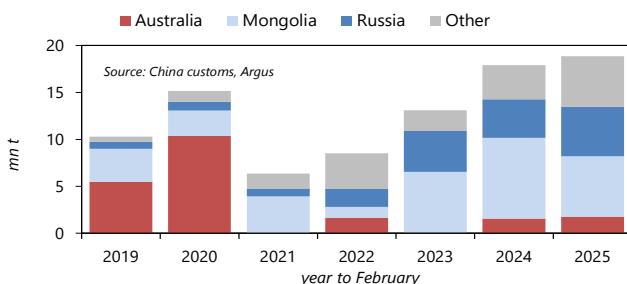
China steel exports



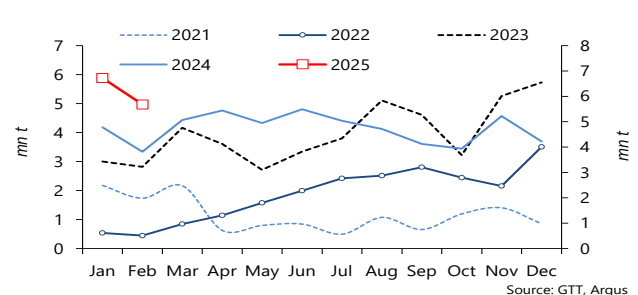
China metcoke exports and prices



China met coal imports



Mongolia exports to China



Metallurgical coal – India fundamentals

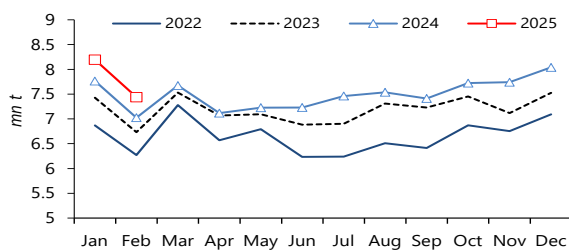
Slim buying

India's seaborne imports dropped by 2pc on the year to 16.9mn t in 1Q25, according to Kpler. Indian demand remains limited to small pockets and domestic stocks continue to meet a large share of requirements. Steel margins in India have improved slightly over the past month, bringing producers some marginal relief. But Indian participants continue to see strong margins in coke, with many prioritising coke sales over steel production.

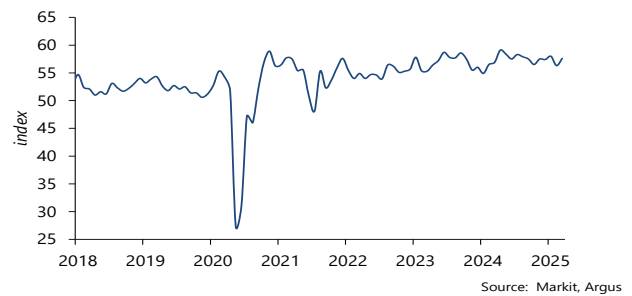
India fundamentals

Indicator	pc	mth	Outlook
Crude steel	+6.3	Feb	Steady growth
Iron production	+5.9	Feb	Steady growth
DRI production	+5.6pc	Feb	Steady growth
Imports, mn t	5.9	Mar	1Q imports down 2pc YoY
Industrial production	+5.6pc	Jan	Growth steady
PMI	57.6	Mar	PMI ticks up

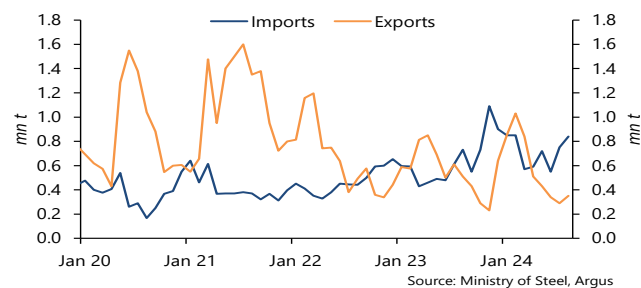
India iron production



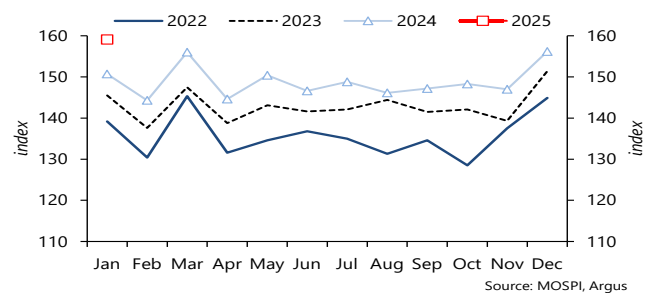
India PMI



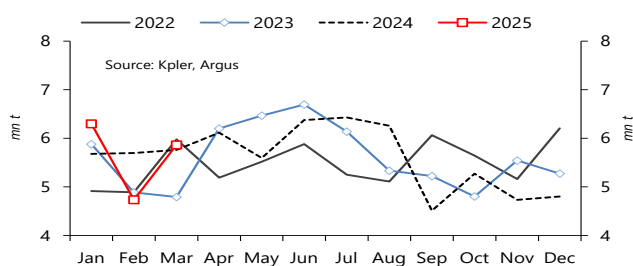
Steel imports and exports



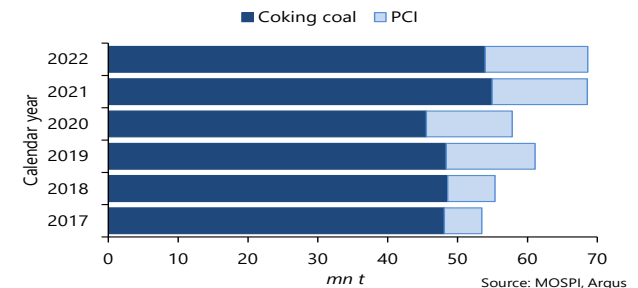
Manufacturing activity



India met coal imports



India PCI and Coking coal



Metallurgical coal – Global steel fundamentals

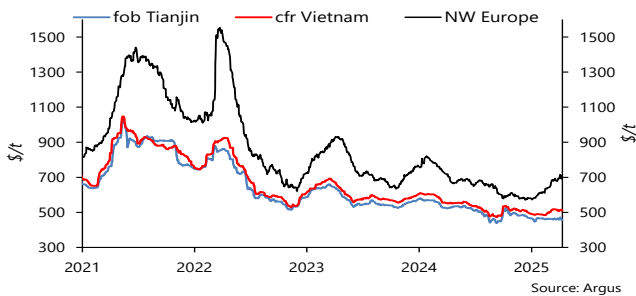
Steel market malaise

China's steel market remains in the doldrums and we continue to hold a negative opinion about how successful any stimulus will be in arresting the negative sentiment. Chinese steel exports continue apace but anti-dumping measures are ramping up. Vietnam's steel production is growing strongly, driving metcoal imports higher.

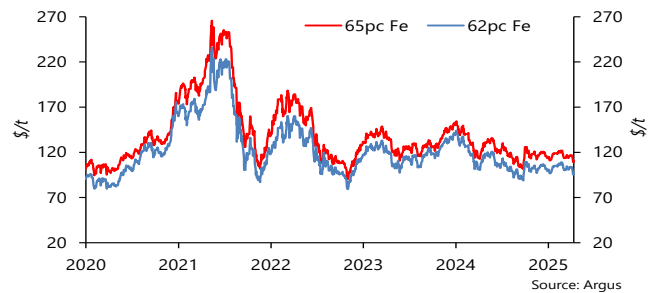
Other fundamentals

	pc	mt	Outlook
Crude steel	-3.4pc	Feb	Output slips
JKT iron	5.2pc	Feb	Contraction intensifies
Europe Iron	-8.2pc	Feb	Production falls
Latam Iron	-2.9pc	Feb	Output declines
Iron ore 62% Fe	98/t	Apr	Prices drop
HRC	\$456/t	Apr	Prices flatline

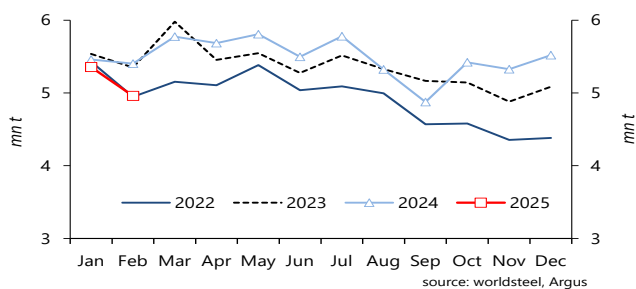
HRC Steel prices



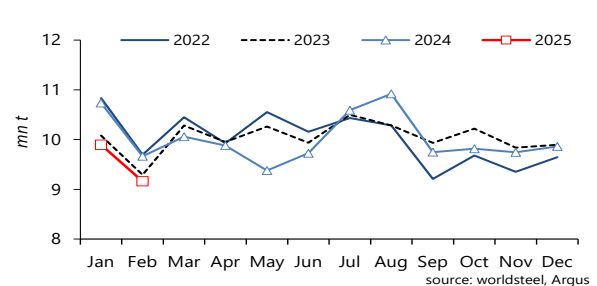
Cfr China iron ore prices



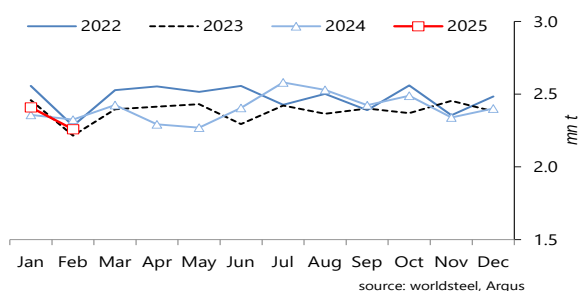
Europe iron production



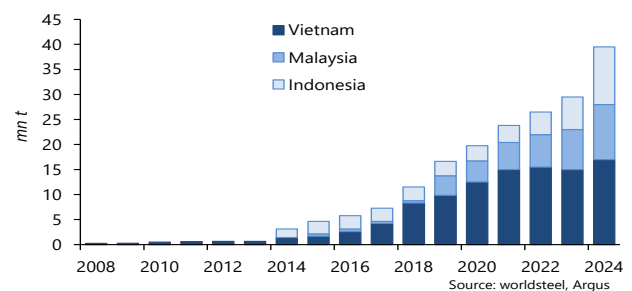
Japan, Korea and Taiwan iron production



Latam iron production



Asean BOF output



Macro indicators

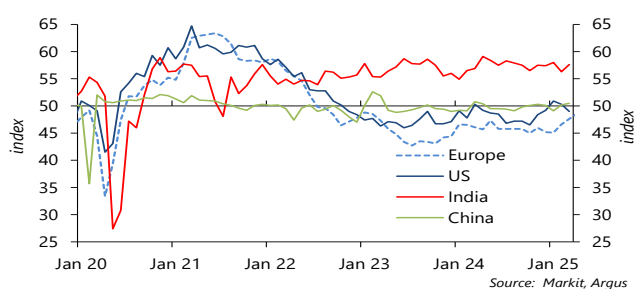
Tariff wars dominate headlines

Many asset prices crashed in the wake of Trump's 2 April tariff announcement which threaten to reshape global trade. He has since put a pause on introducing his higher tariffs, but FX rates and markets remain exceptionally volatile.

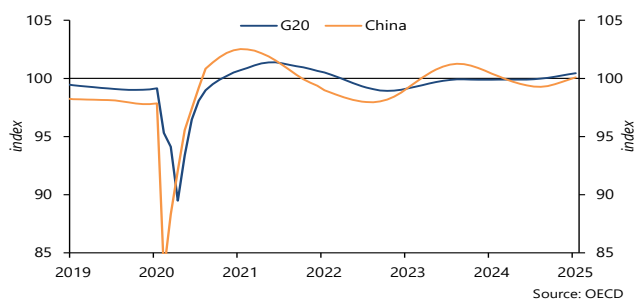
Macro fundamentals

	pc	mt	Outlook
Global PMI	49.6	Mar	Index drops
OECD leading indicators	+0.6	Jan	CLI growth ticks up
Global IP	+1.6	Sep	Growth rate steady
Global trade	+2.4	Sep	Growth rate steady
FX trends			China looks at Yuan devaluation
Monetary policy			Rate cuts uneven depending on geography

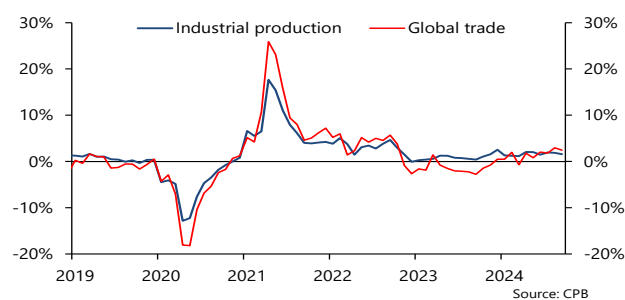
PMI Indices



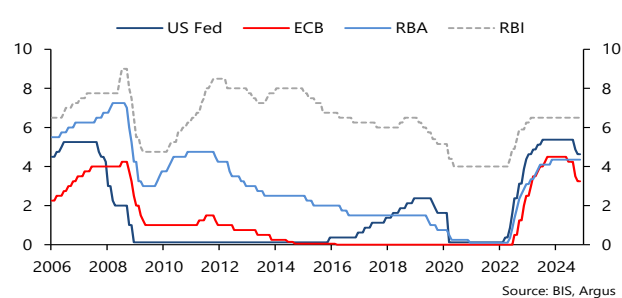
OECD Leading indicators



Global industrial production and trade



Monetary policy rates



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