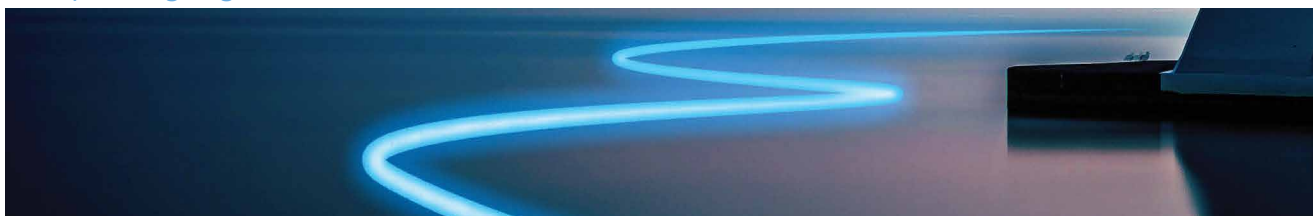


Argus Seaborne Coal Outlook

Incorporating Argus Seaborne Thermal Coal Outlook



Near-term outlook

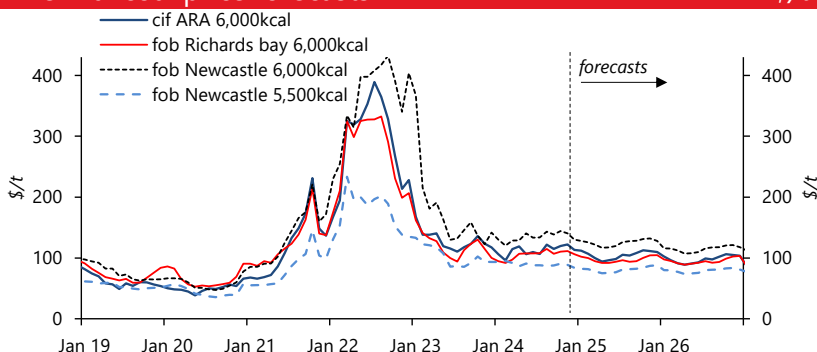
We are bearish on prices of both thermal and metallurgical coal for the next three months.

12-month outlook

We remain bullish on metcoal and bearish on thermal coal prices in the longer term.

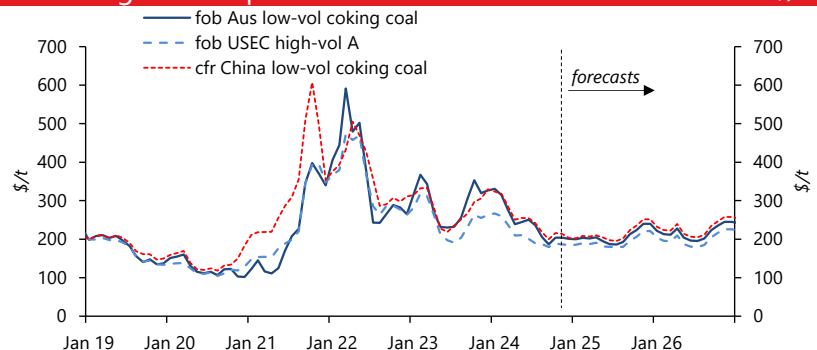
Thermal coal price forecasts

\$/t



Metallurgical coal price forecasts

\$/t



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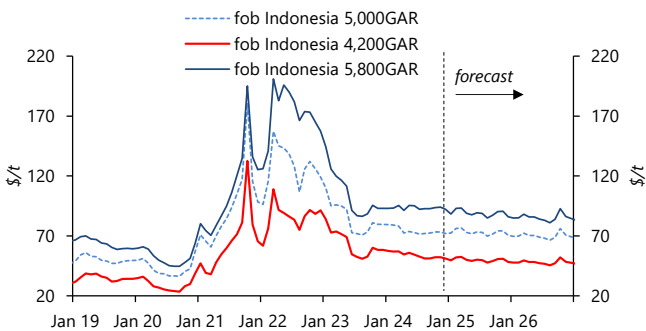
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Coal
illuminating the markets®

Price forecasts																\$/t
	Oct	Nov	±	Dec	Jan	Feb	1Q24	2Q24	3Q24	4Q24	1Q25	2022	2023	2024	2025	2026
Thermal coal																
6,000kcal																
cif ARA	119.6	122.0	2%	113.5	112.0	107.0	105.4	111.5	114.3	118.3	106.3	289.9	129.0	112.4	104.9	98.0
fob Newcastle	144.2	140.2	-3%	130.0	128.0	125.7	126.4	134.3	138.5	138.2	125.2	360.1	173.7	134.3	125.2	115.0
fob Richards Bay	110.4	111.2	1%	106.0	102.0	100.0	94.7	107.4	109.8	109.2	99.0	270.8	120.6	105.3	97.4	95.0
fob Puerto Bolivar	97.1	99.6	3%	94.0	93.0	90.0	90.8	87.9	92.5	96.9	89.7	278.8	113.9	92.0	91.8	88.0
5,500kcal																
fob Newcastle	90.3	88.5	-2%	84.0	81.9	81.7	93.5	88.4	87.5	87.6	80.6	176.1	103.4	89.2	81.1	79.1
fob Richards Bay	89.4	91.0	2%	86.0	84.2	82.5	84.5	93.8	89.8	88.8	81.7	205.4	100.7	89.2	80.3	78.4
cif India	104.4	103.6	-1%	101.0	99.2	97.5	100.6	108.5	104.3	103.0	96.7	203.7	116.1	104.1	95.3	93.4
cfr South China	104.1	102.1	-2%	99.0	96.1	98.3	107.5	102.9	101.5	101.7	97.0	168.5	116.1	103.4	96.0	93.3
fob Indonesia																
5,800 GAR	93.7	93.9	0%	92.0	88.2	92.9	93.9	94.0	92.6	93.2	91.5	171.2	104.4	93.4	89.0	85.4
5,000 GAR	73.3	73.3	0%	72.0	72.4	76.2	78.9	72.9	72.0	72.9	75.0	127.8	84.8	74.2	73.0	70.1
4,200 GAR	52.2	52.2	0%	51.0	49.6	52.2	57.2	55.0	51.7	51.8	51.4	85.9	63.2	53.9	50.0	48.0
Metallurgical coal																
fob Australia																
premium low-vol	203.7	203.9	0%	201.0	200.0	203.5	307.0	244.5	209.7	202.9	201.7	365.6	295.9	241.0	207.3	218.2
mid-vol	164.6	167.9	2%	165.8	170.0	175.0	257.8	209.9	185.2	166.1	174.2	330.1	257.0	204.7	181.6	192.0
PCI spot	165.7	159.5	-4%	156.0	156.0	152.6	171.4	164.7	174.4	160.4	153.3	322.5	227.6	167.7	149.0	152.8
Semi-soft contract	170.0	170.0	0%	170.0	170.0	170.0	200.0	200.0	180.0	170.0	170.0	277.5	216.0	187.5	161.3	162.5
fob USEC																
high-vol A	188.3	186.8	-1%	184.0	186.0	189.2	254.5	207.2	185.6	186.4	187.6	347.9	249.2	208.4	193.2	200.8
high-vol B	178.5	176.8	-1%	175.0	172.0	172.2	218.4	189.4	178.3	176.8	172.3	329.9	230.4	190.7	177.7	182.8
cfr China																
premium low-vol	216.1	213.5	-1%	203.0	202.0	208.6	308.8	253.4	220.1	210.9	205.8	370.9	282.8	248.3	215.8	229.1

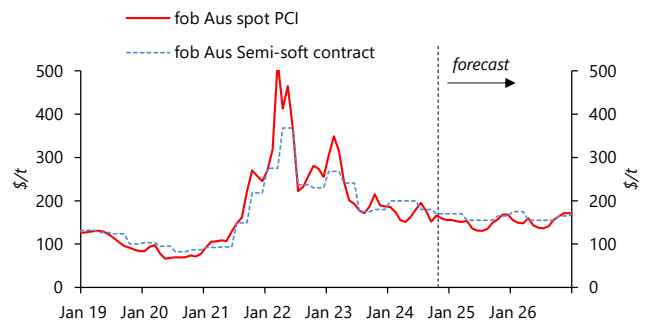
Fob Indonesia price forecasts

\$/t



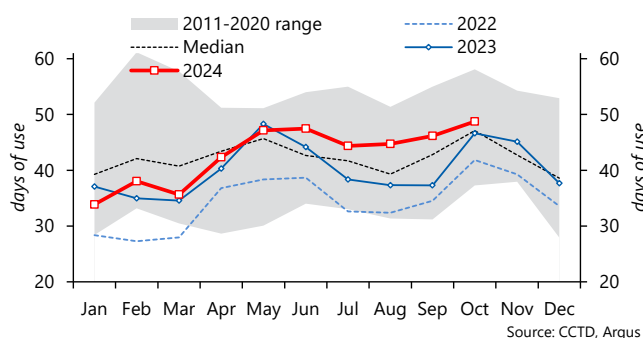
Metallurgical coal price forecasts

\$/t



Thermal coal – Key drivers of price forecasts

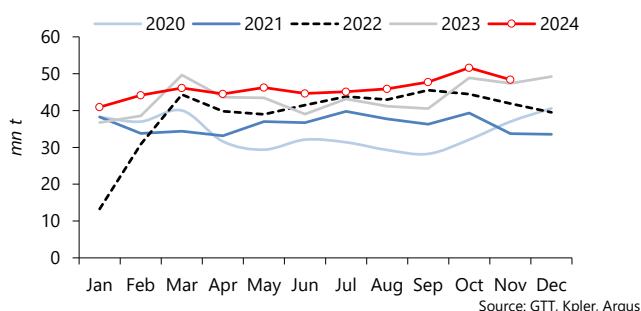
China coal stocks at mines, ports and power plants



Stockpile situation comfortable

Key demand hubs appear well-stocked as we approach the mid-point of the northern hemisphere winter. Inventories in Europe are comfortable in the context of coal burn having limited scope to rise, while stocks in China and India are high by all metrics. Even in Japan and South Korea, where up-to-date stock data is a bit more patchy, sources appear comfortable with the supply picture and outlook. This is despite some upside risks to 1Q 2025 demand in the form of improved gas-to-to-coal fuel switch economics, relatively cold temperature forecasts and Korea's looser-than-expected winter coal burn restrictions.

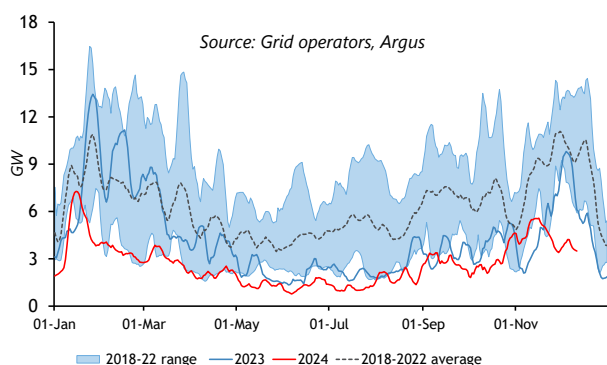
Indonesia thermal coal exports



La Nina downgrade improves supply prospects

Exports are performing well from most markets, and a long-expected La Nina event now looks set to be either weak or non-existent, reducing the chance of rainfall-related disruption in 1Q 2025. Indonesian exporters continue to ramp up volume, availability from South Africa has improved with better TFR performance, while US and Colombian exports are steady. Russia, as ever, is the main wildcard for 1Q '25 supply, and faces the usual weather risks in the form of the unpredictable Russian winter.

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

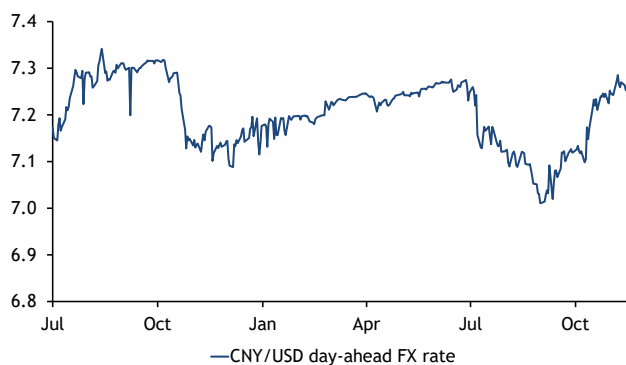


Europe's limited coal demand response

EU hard coal-fired generation has been lacklustre at the start of the heating season, with generation potential capped by plant closures and outages. The limited flex in the system means Europe's coal supply/demand balance looks comfortable, despite gas storages drawing down swiftly at the start of the winter. But a shift in gas-to-coal fuel-switch economics for 1H 2025 means coal burn could rise on the year in 2Q 2025, possibly supporting API 2 prices somewhat in late-1Q 2025.

Metallurgical coal – Key drivers of price forecasts

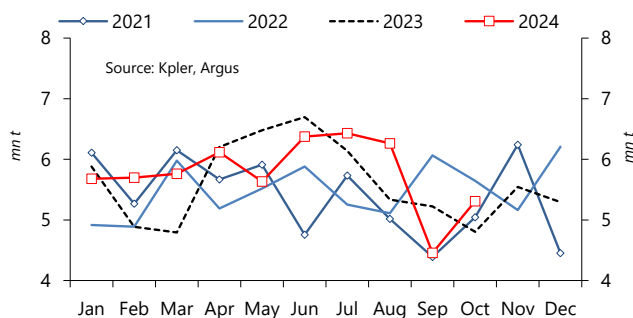
CNY/USD exchange rate



CNY devaluation ahead?

It seems increasingly likely that the Chinese government may allow the devaluation of the Yuan versus the US dollar in order to support exports of Chinese goods if the US government imposes widespread US tariffs. The yuan has already weakened versus a resurgent US dollar, reducing Chinese buyers' purchasing power. A further devaluation would likely be bearish for Chinese demand and negative for metcoal prices in the short- to mid-term.

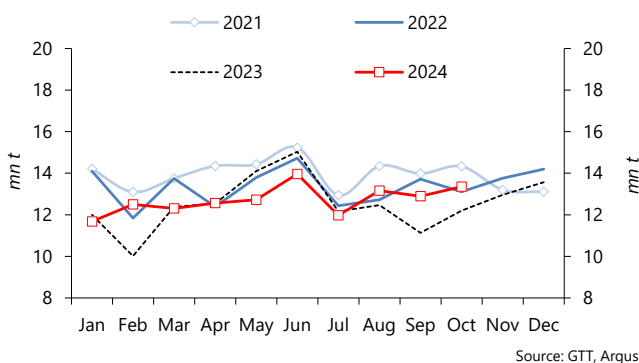
India metallurgical coal imports



Indian demand stubbornly low

India's typical post-Monsoon pick-up in demand in October-December every has yet to materialise because of the extended monsoon, wider steel market worries and the Indian elections. Some sources remain cautiously optimistic about near-term prospects, suggesting India may potentially impose protectionist measures on Chinese steel products, and this could prompt Indian mills to ramp up production as a result. But we think demand may remain sluggish in the short term before picking up later in 2025.

Australian metallurgical coal exports



Australian supply risk

Australian metcoal supply ticked lower in November on bad weather, and the Bureau of Meteorology has forecast a relatively active cyclone season for the months ahead. Australian supply makes up a larger share of global metcoal trade (52pc) versus thermal (19pc), theoretically making the metcoal market more responsive to heavy rains in Queensland/NSW. But with La Nina now set to be weak or non-existent, and because global metcoal demand is facing significant headwinds, we think the market should be able to cope with all but a severe disruption.

Forecast review

Thermal coal prices have fallen in recent weeks, while metallurgical prices have mostly trended sideways. We are negative on the short-term outlook for both thermal and metallurgical coal for similar reasons, centring around tariff war fallout and lacklustre Chinese demand. Winter weather and geopolitical surprises are the main upside risk to prices in the short term but we think supply risks have lessened due to the non- or weak formation of La Nina. Longer term (into late 2025 and 2026) we are still bullish on metallurgical coal demand and prices, and bearish on thermal coal prospects.

Thermal Coal

- Prices fall and further downside possible
- High China stocks to test demand sustainability
- India demand projections lowered, JKT raised
- Poland 2025/2026 demand outlook downgraded

Key price/S&D forecast changes

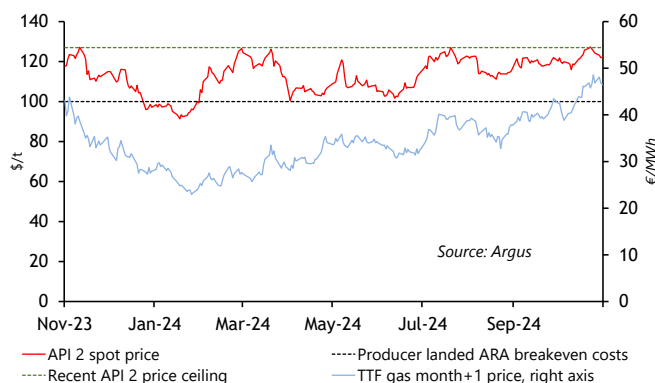
Most thermal coal prices have fallen sharply in early December, taking their cue from Asian demand and price weakness, limited European coal burn and a stronger US dollar.

Key demand hubs appear well-stocked as we approach the mid-point of the northern hemisphere winter. Inventories in Europe are comfortable in the context of coal burn having limited scope to rise, while stocks in China and India are high by all metrics. Even in Japan and South Korea, where up-to-date stock data is a bit more patchy, sources appear comfortable with the supply picture and outlook. This is despite some upside risks to 1Q 2025 demand in the form of improved gas-to-coal fuel switch economics, relatively cold temperature forecasts and Korea's looser-than-expected winter coal burn restrictions.

Supply is performing well from most markets, and a long-expected La Nina event now looks set to be either weak or non-existent, reducing the chance of rainfall-related disruption in 1Q 2025. Indonesian exporters continue to ramp up volume, availability from South Africa has improved with better TFR performance, while US and Colombian exports are steady. Russia, as ever, is the main wildcard for 1Q '25 supply, and faces the usual weather risks in the form of the unpredictable Russian winter.

We think thermal coal markets globally appear balanced in

API 2 coal and TTF gas spot prices



favour of supply over demand for 1H 2025, which is helping to inform our view of lower prices into early next year. We are increasingly cognisant of the impact of China's economic slowdown on demand and sentiment, which could be exacerbated by tariffs. We think a particularly severe slowdown in Chinese demand is possible in the near future, and because of the country's burgeoning coal storage levels, foresee a scenario whereby prices undershoot our forecasts in 1Q 2025. On the flip side, geopolitical escalations in Russia/Ukraine and the Middle East, and weather-driven demand-side surprises pose the main upside risk to prices in 1Q 2025. There is also the potential for price volatility once Mr. Trump assumes the US President's office in January, and the extent of his tariff agenda and other policies becomes known.

Most of our API 2 price forecasts are unchanged from our November update. But we have raised our API 2 March '25 and April '25 price forecasts on anticipated higher coal burn in northwest Europe during 2Q 2025 and 3Q 2025, driven by favourable gas-to-coal switching economics. We think this may spur some utility restocking demand towards the end of 1Q 2025. Technical charting tools suggest API 2 prices could find support at \$110/t, but we continue to believe prices are likely to fall through this threshold in the coming months. We view \$100/t as the key psychological support level, as this is the breakeven cost for key Atlantic basin suppliers into ARA.

The soft short term outlook for metallurgical coal demand also poses some downside price risk for API 6 and other high-CV price benchmarks, as the poor returns on offer from semi-soft/PCI sales may encourage some producers to re-allocate supply to the high-CV thermal market, improving supply further.

Forecast review

Chinese bears

Sentiment in the Chinese market has turned increasingly bearish. Weekly API 8 prices have dropped below \$100/t for the first time since August, while the fob Qinhuangdao spot price hit a 3.5-year low \$113.79/t. Macro concerns - exacerbated by the prospect of targeted US imports tariffs and a possible devaluation of the Yuan reducing buyers' purchasing power - have helped drive the market lower. Sources expect fresh stimulus from the government once the level of Trump's tariff policies become clear, but we doubt any "reserve bazooka" will be sufficient to arrest the structural issues plaguing the Chinese economy. This is helping to inform our view of lower API 8 prices into 2025.

At the fundamentals level, stocks at ports and power plants are high, while growth in thermal power generation has slowed and domestic production continues to rise. Government-controlled power plant stocks are 230mn t, 20mn t higher on the year, according to the National Energy Administration. Imports remain at record levels, with seaborne imports in November likely having hit a fresh peak of around 35mn t, supplemented by steady overland imports of around 4mn t combined from Mongolia and Russia.

As we explained in the 12 November *Seaborne Coal Outlook*, we expect China's imports to remain at a high level in 2025 and 2026 but to drop slowly from the 2024 mark as stock-building requirements ease and the share of thermal generation in China's power generation mix is increasingly squeezed by alternatives. But we think the NDRC's 20 November decision to impose looser term contract requirements on Chinese buyers in 2025 versus 2024 is bearish for the import outlook in 2025. This is because it should enable coal ports,

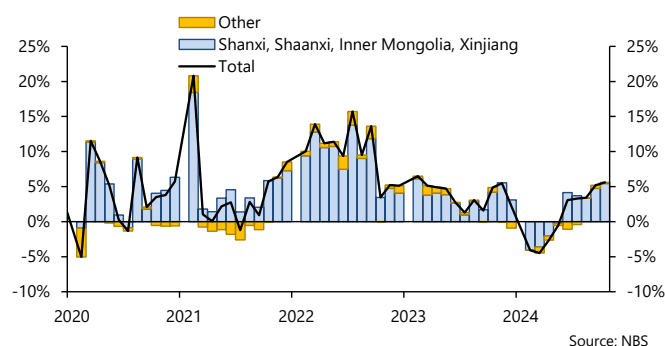
utilities and heat suppliers to better manage inventories and have more flexibility to reduce their procurement volumes in case demand falters. As a result, we have lowered our 2025 demand forecast for China by 4.6mn t to 340mn t.

Indian demand falters

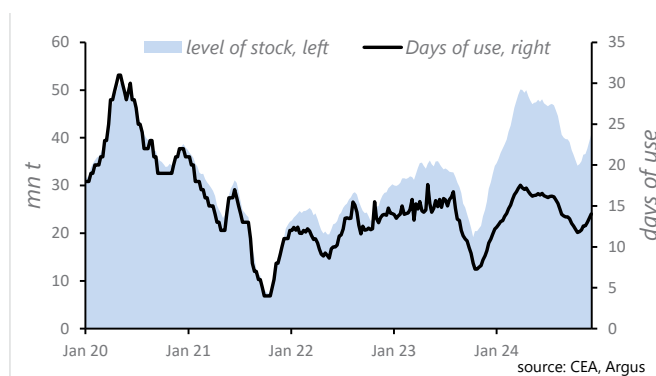
We have revised our Indian demand projection for 2024 down to 167mn t, 5mn t lower than 2023 imports, to reflect recent slow imports. Cement sector buying has slowed with buyers switching to petcoke, domestic coal and alternative fuels where possible. Because of the headwinds to demand in 1H 2025 for both the industrial and power sectors we have also revised down our 2025 import projection by 4mn t to 178mn t. We think industrial demand should recover at some stage in 2025 as coal prices drift lower and given robust domestic infrastructure spending by the Modi government. But we think headwinds will remain during 1Q 2025 because of China's wider macro issues, which are seeing large volumes of Chinese steel being dumped in Indian markets. We are bullish on imported coal demand from India's industrial sector in the longer term because of cement sector consolidation and expected growth in cement and DRI production capacities in 2025-2030.

Power sector demand is tepid as utilities continue to sit on high stocks and the government's directives to mandate coal imports for blending expired in October, and another directive expired this month. As we have laid out in recent editions of the *Seaborne Coal Outlook* report, we think steady growth in India's domestic production - which has regularly met targets this year - should slowly eat into imported coal demand from the power sector in 2025 and 2026. India's coal

YoY change in China coal production

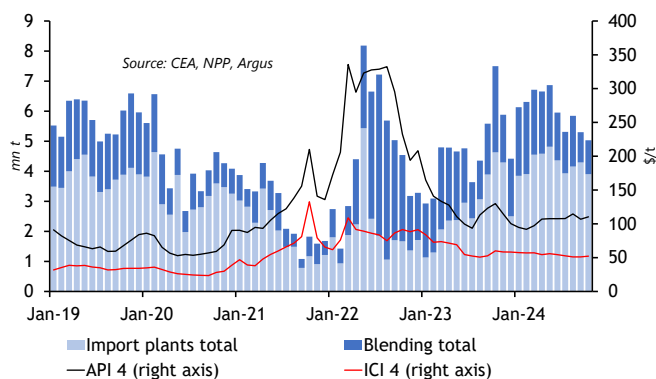


India power plant coal stocks



Forecast review

India power-sector coal imports



production rose by 7.4pc on the year in November, versus a 0.8pc rise in coal-fired generation and a 4.8pc increase in imported-coal-fired generation. Growth in hydro, renewables and nuclear output have squeezed the share of coal in India's power mix since bumper Monsoon rains eased heatwave conditions in 2Q 2024. We think this trend should persist in 2025 as the 0.7GW RAPP-7 nuclear unit comes online and renewables capacity continues to be built out. But we have revised down our hydro generation projections for 2Q and 3Q 2025 this month, since meteorological agency consensus appears to be that a La Nina event may not now form in the months ahead. And if it does form, then it appears likely to be a weak event. A prevailing La Nina in April-September is typically associated with strong Monsoon rains in India, supportive of hydro output.

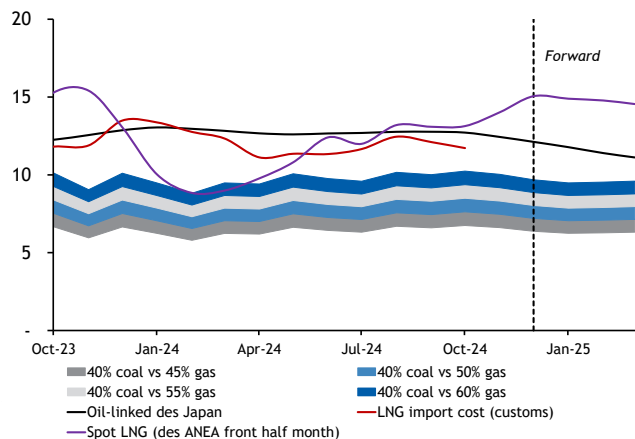
Japan, Korea demand a bright spot

South Korea's winter 2024/25 coal plant restrictions were announced in early December and are slightly less stringent than we had been anticipating, potentially allowing for increased coal-fired generation in the months ahead. South Korea will cap output at up to 46 coal-fired units and turn off a maximum 15 units over December-February, the government announced, adding that plans for March will be released in February. The curbs will be enforced on 53 state-controlled units, including two running on anthracite. This will be similar to a year ago when the country restricted the output at 47 units and shut down as many as 15 units. But the degree of restrictions will be "flexibly managed [by the KPX]", considering the country's LNG procurement.

Despite the less-stringent-than-expected curbs, which

Japan generation costs

\$/mn Btu

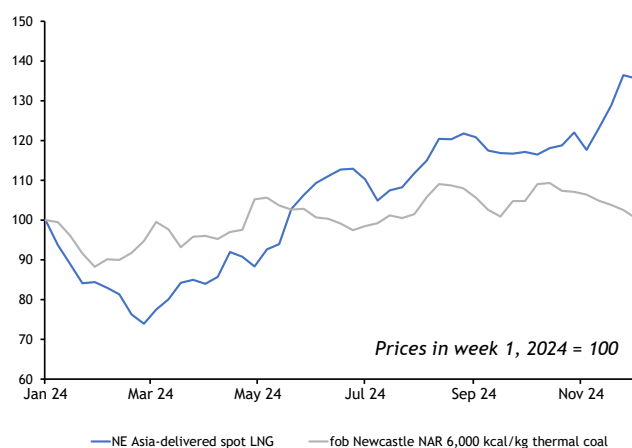


We have also not adjusted our forecasts in the wake of South Korea's sudden, short-lived declaration of martial law on 3 December. But the incident significantly depreciated the South Korean won's value against the US dollar, which will increase fuel costs.

We have revised our 2024 Japan coal import projection up to 117mn t, flat on the year, given strong projected cargo arrivals for December. Utilities have been rebuilding stocks after a stock-draw over the summer, but we understand that buyers are not worried about the supply situation since in-house inventories are comfortable and some buyers are also holding volume at Chinese ports.

Japan's power-sector coal burn stepped high year-on-year

Asia-Pacific coal and LNG prices



Forecast review

in July-October, supported by firm power demand amid hot temperatures and a switch towards burning more coal versus gas. But coal-fired generation fell back in November in line with lower overall power demand and firmer nuclear generation. The share of coal in Japan's coal-gas mix was 49-50pc in August-November. We expect this share to remain stable over the rest of the winter based on prevailing fuel-switch economics. Temperature forecasts continue to indicate below-average temperatures in Japan in January and normal temperatures in February.

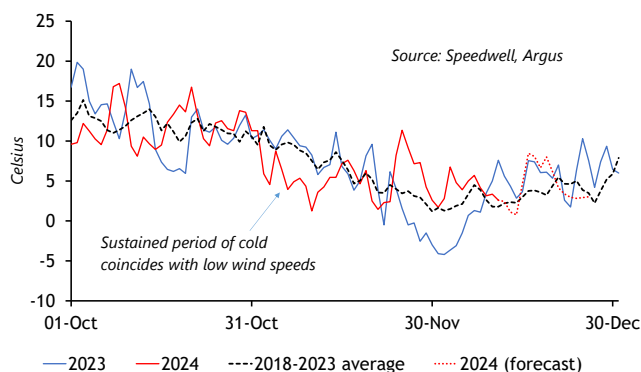
We have also raised our Japan demand projection for 2025 up by 2mn t to 109mn t, to reflect a stronger gas-to-coal fuel switch incentive for 1H 2025 as a result of the recent drop in Asia-Pacific coal prices relative to LNG (see chart on previous page).

But this import projection remains 8mn t lower year-on-year. Improved nuclear availability in 2025 versus 2024 is a key assumption underpinning our forecast of declining Japanese coal demand. The 820MW Shimane 2 and 825MW Onagawa 2 nuclear reactors are expected to restart operations in late December after over a decade's hiatus. And the 1.4GW Kashiwazaki-Kariwa unit 7 poised to start operations in 2Q 2025, pending approvals from relevant local authorities.

Germany, Poland demand outlook

Coal burn in Europe has risen in line with the seasonal increase in heating demand, low wind generation and improved gas-to-coal switching incentives. Generation in the Netherlands has stepped up more than in Germany, where plant retirements and the outage at Uniper's Datteln plant have limited the demand response to more favourable dark

Berlin temperatures

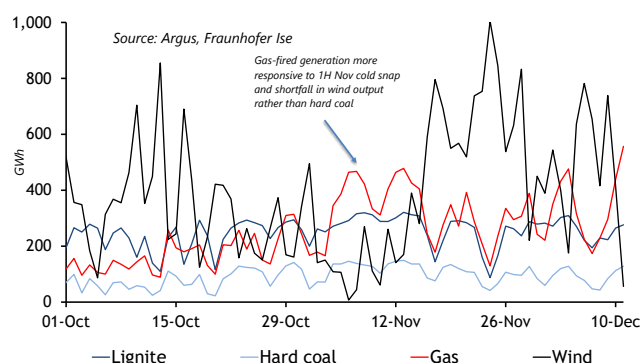


spreads. Coal burn in Italy - where there is scope for a significant on-year rise for one final winter - continues to flatline.

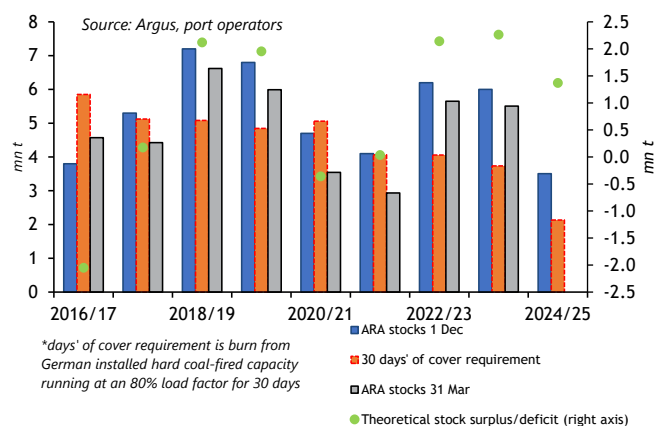
EU+UK hard coal-fired power generation fell by 11.1pc on the year to 11.5TWh in November, compared with an average on-year deficit of 28.8pc in January-October.

Gas-fired generation in Germany was more responsive than hard coal to the early November cold, windless spell (see chart), demonstrating the lack of flex in the EU's coal demand. It also supports our conviction that API 2 prices are unlikely to move above \$125-130/t for a sustained period, unless we see a simultaneous supply shock in Colombia and/or South Africa, that necessitates a pull on Australian spot supply. Stocks at ARA are hovering at around 3.5mn t, but we think supply appears healthy given coal burn expectations (see chart on previous page).

Germany electricity generation by source

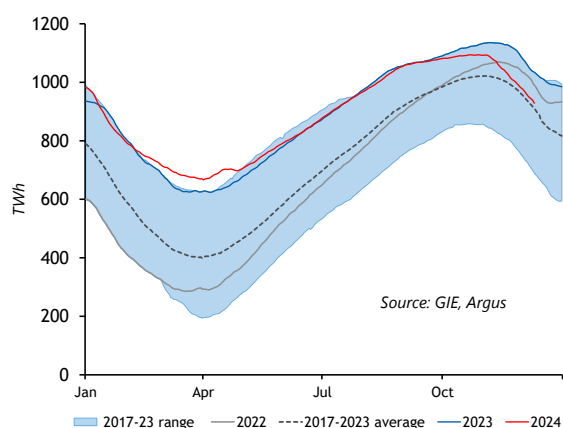


ARA coal stocks and surplus



Forecast review

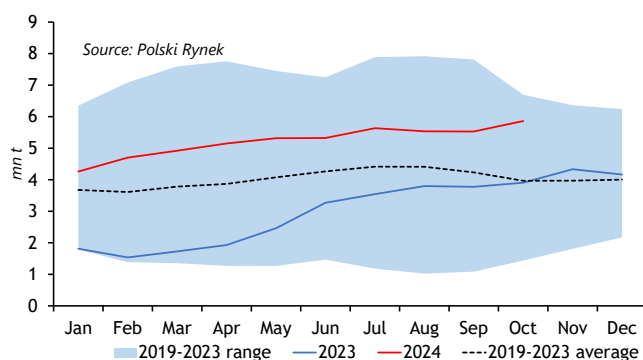
EU underground gas stocks



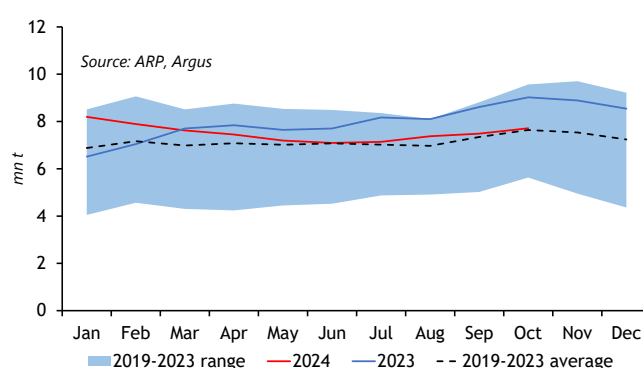
The early-winter gas storage draw in Germany (see chart) increases gas restocking risks for 1H 2025, and has improved the outlook for EU coal burn in 1H 2025 compared to our 11 November report. But the level of coal burn will be heavily contingent on how temperatures out-turn during the rest of the winter, and to what extent gas storages need to refill ahead of winter 2025/2026. As our base case for EU coal demand in 2025 we expect a 3.8mn t on-year contraction to 31.2mn t, as the improved economics for coal burn are insufficient to offset the continued ramp up of renewables capacity regionally and the continued contraction in installed hard coal-fired generation capacity.

The improved fuel-switch economics mean we think there is scope for German coal burn to rise by around 20pc year-on-year (from a low base) during 2Q 2025, albeit this is contingent on the smooth return of the Datteln plant in February. But we anticipate a 15pc on-year decline in German hard coal-fired generation during 1Q 2025.

Poland coal mine stocks



Poland power plant coal stocks



We have revised lower our 2025 and 2026 import projections for Poland by 1mn t and 1.5mn t respectively to 9mn t and 8.5mn t, as the oversupply in the Polish power-sector "fines" market, which has been apparent for the whole of this year, is taking longer to work through than we anticipated. Polish mine stocks continue to hold above 5mn t and well above recent norms. And although power plant stocks are around 2mn t lower year-on-year, they also continue to hold above the 2019-2023 average (see chart). We expect demand from the 3mn t/year sized coal market to hold steady in the years ahead.

Vietnam slows but Pakistan on the up

We have made minor adjustments to our 2024 coal import forecasts for Vietnam and the Philippines to reflect recent slow and quick imports, respectively. Vietnam's coal-fired generation has been capped lately by strong hydro generation. But we envisage structural demand growth from the country in the coming years because of coal-fired power plant capacity additions and strong industrial demand expectations. The Vietnamese government expects coal-fired power plants will operate for 6,400-6,500 hours next year, or 74pc utilisation, with power consumption expected to rise by 11-14pc on account of rapid industrial growth.

We have revised our Thailand 2024 import projection down by 1mn t to 19mn t to reflect recent slow imports. Thailand's coal and lignite-fired generation increased by 6pc on the year to 24.6TWh in January-September, government data show.

We have left our Pakistan import projections for 2024, 2025 and 2026 flat at 7.5mn t, 9.4mn t and 11.9mn t respectively. Cement sales and imported coal-fired power generation continue to recover from last year's lows, although the recovery

Forecast review

in demand we are anticipating in the years ahead will hinge on buyers being able to afford cargoes given the country's forex crisis. US high sulphur coal continues to make inroads into the cement sector, where it is competing with Afghan product. For a deep dive into the Pakistan coal outlook, please see the in focus section of the September edition of the *Seaborne Coal Outlook* report (pp19-22).

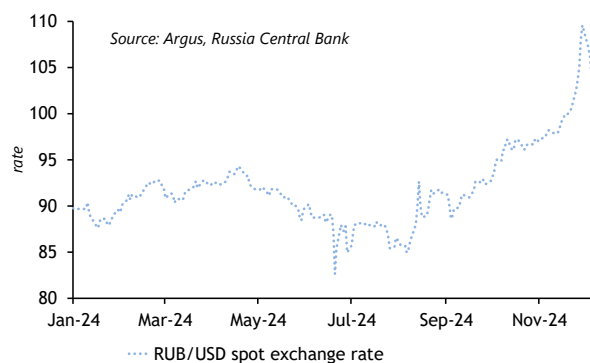
Supply-side projections

We have left our supply projections for 2024-2026 mostly unchanged this month, with year-to-date flows performing in line with our expectations. We think the weak or non-development of La Nina should be supportive of good supply during the remainder of the northern hemisphere winter, and lessens the risk of rainfall-related disruptions in the months ahead. Australian and Indonesian supply continues to perform strongly, although we note that Indonesian exports are particularly exposed to any downturn in Chinese demand. Some sources have cautioned that a slow-down in Chinese demand could result in a "bloodbath" for Indonesian prices in 1H 2025 as Indonesian exporters continue to expand production and exports. ICI 4 prices have held in the low \$50/t since July.

In South Africa, Transnet performance continues to improve, with railings to RBCT since mid-November steady at 1.2mn t/week, equivalent to an annualised pace of around 60mn t factoring in annual maintenance. We remain cautious that sustaining this pace of railings will be achievable for the duration of 2025, and we are building in TFR railings to RBCT of 52mn t/yr in 2025 and 55mn t/yr in 2026 into our projections. Smoother rail performance in 2025 and 2026 should enable South African suppliers to face less pressure on logistics costs and absorb slightly API 4 prices. It may even allow some producers to re-open mines which were idled because of logistic constraints.

In Russia, logistics costs are also front of mind. Suppliers have been looking to cut costs by renegotiating lower fees for port handling and services such as cleaning, crushing, sorting and washing. Our view remains that the impact of these cost-saving efforts, coupled with a weaker Rouble versus the US Dollar, should allow exporters to more-than-offset the impact of rail operator RZD's 13.8pc rail tariff hike, which was introduced on 1 December.

Ruble vs USD exchange rate



Overland Russian sales to China remain more profitable than seaborne sales, and we think Russian flows to China via overland crossings will continue to grow in 2025 and 2026, taking some share away from seaborne flows.

Metallurgical Coal

- Short term price outlook increasingly negative
- Australian weather risk lessens as La Nina dissipates
- ST China, India demand outlook under pressure

Key price/S&D forecast changes

High-grade metallurgical coal prices have been rangebound over the past month, as tepid demand from most markets competes with prices flirting with the top-end of the seaborne cost curve.

We think prices are likely to continue to move sideways in the short term, with fob Australia premium low-vol (PLV) prices hovering around \$200/t fob. We see more downside risk than upside to prices over the next three months. We think demand from key markets India and China is likely to remain subdued in the short term given oversupplied international steel markets. And we see the distinct possibility of a downside Chinese demand shock - and associated impact on prices - if the incoming US government imposes high tariffs and retaliatory Chinese stimulus is ineffective.

The key upside risk to prices in the short term looks to be from bad weather in Australia, as exports ticked lower in November and the country's Bureau of Meteorology has forecast an active cyclone season. But as we laid out in the thermal coal section of this report, a weak or non-existent La Nina event is now anticipated, which in theory should allevi-

Forecast review

ate some of these concerns.

Because of tight supply of premium mid-volatile (PMV) from Australia, we have tightened the price relativity between PMB and premium low-volatile material in our forecasts for early 2025. Most available PMV cargoes in the market have already been absorbed by traders and end-users.

In the long-term we remain constructive on global metallurgical coal demand, and think this should lift prices later on in 2025 and into 2026.

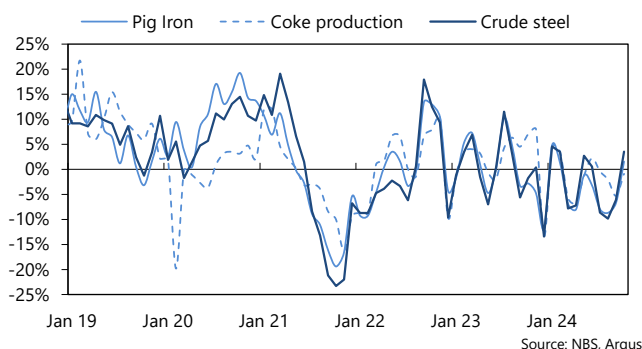
China, India demand outlook

Coal inventories in China are high, stimulating little restocking interest. Demand for imported coal is suppressed and there are wider concerns about a depreciation of China's yuan against the US dollar, which will make coal procurement more costly for Chinese buyers. Overland Mongolian coal remains competitively priced versus seaborne imports, undercutting the seaborne market.

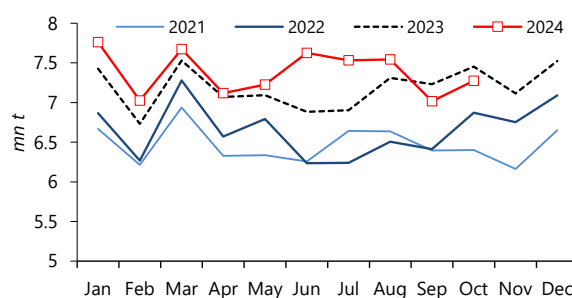
Economic signals including PMI and other measures of industrial activity are generally slightly improved from earlier months. But significant headwinds to the outlook are ahead in the form of possible tariffs, and the structural problems affecting China's domestic economy. This reinforces our conviction that prices may remain lower for longer, and face some renewed downside pressure in the very short term.

We have raised our 2024 and 2025 seaborne import projections for China by 2mn t each to 62mn t and 52mn t respectively, to reflect strong recent inflows. China imported 6.2mn

China crude steel and iron production



India iron production



t of seaborne coking coal in October, flat to September and up from 4.3mn t in October 2023. We continue to believe rising overland imports from Mongolia and the headwinds to the Chinese economy should lower seaborne imports into 2025 and 2026 versus 2024.

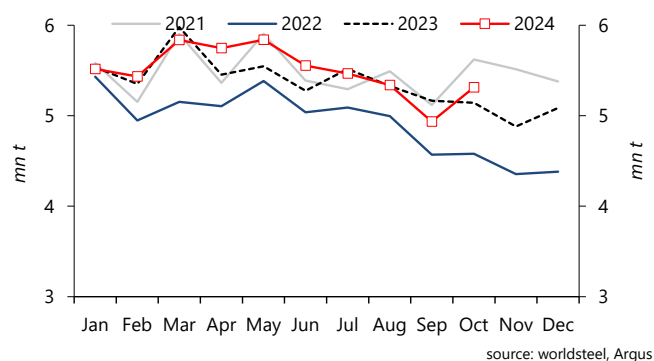
In India, demand is still muted, with some buyers looking to reduce the volume of prime coal in their coke blends, and most only showing appetite for small tonnage cargoes. The recent decline of pig iron prices in India has weighed on the nation's steel industry and this has led coal buyers to be very price sensitive on coal imports. The typical post-Monsoon pick-up in demand in October-December every has yet to materialise this year because of the extended monsoon, wider steel market worries and the Indian elections. Some sources remain cautiously optimistic about near-term prospects, suggesting India may potentially impose protectionist measures on Chinese steel products, and this could prompt Indian mills to ramp up production as a result. But we think demand may remain sluggish in the short term before picking up later in 2025. Several coke plants at major steel mills are set to come on line next year, which should prop up demand.

European demand, US supply

Our view on European coking coal demand and US supply is little changed this month. US sellers continue to bemoan loss-making prices while European procurers face a steel market in a prolonged recession with no clear hope of recovery. Turmoil in Germany's car industry has fed much of the negative sentiment, with several plant closures announced. Any further decline would only intensify the downturn in steel consumption, worsened by the Russian-Ukraine con-

Forecast review

Europe iron production



flict, with 2024 expected to be the fourth annual contraction in the past five years.

Disruptions to US and Canadian coking coal exports from planned US import tariffs remain highly speculative, given a lack of clarity over US tariff policy. But they pose a downside risk to our US coking coal export projections for 2025 and 2026. Mr. Trump has threatened on social media to slap a 25pc tariff on all imports from Canada and Mexico along with an additional 10pc tariff on all imports from China after he takes office on 20 January. US coking coal exports to China are subject to an existing 3pc import tariff imposed in January this year. Trump's planned tariffs are likely to elicit

retaliatory tariffs from China on US imports, including US coking coal. The competitive landscape with strong availability of Russian, Mongolian and Australian alternatives will be likely to mean that US exporters to China will have to cover all or at least part of these tariffs to secure sales to China, according to US producers.

Following China's unofficial ban on Australian coal in late 2020 and over the course of the two years before Australian shipments to China resumed, US producers and suppliers captured a sizeable piece of the Chinese seaborne market. US coking coal exports of 5.9mn t last year accounted for a 12.2pc share of China's total seaborne imports, up from 4.4mn t in 2022.

The fresh tariffs may also see Canadian exports to China rise as Canadian suppliers look to market beyond the US, potentially adding more supply to a currently oversupplied seaborne market amid a weak steel demand environment.

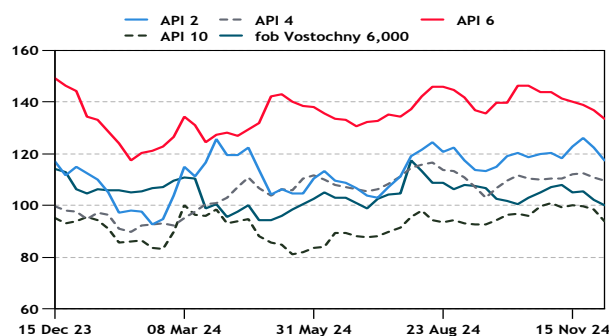
Swaps and spreads

Prices take a nosedive

High-CV coal prices have fallen in the past couple of weeks, with API 6 prices taking a particularly steep move downward.

High-CV thermal prices

\$/t

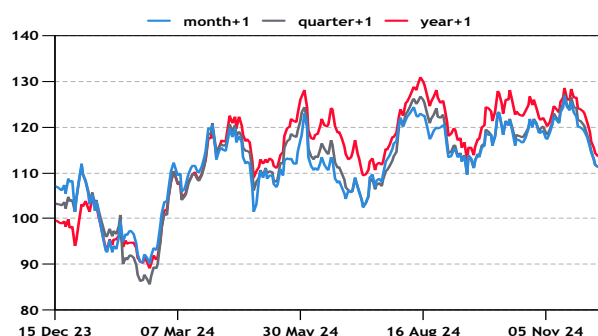


Swaps fall, contango steepens

API 2 paper prices have fallen in line with physical values, with month+1 and month +2 paper currently trading at a discount to the physical spot market. The contango structure of the forward curve has become steeper in the past few weeks.

API 2 financial swaps prices

\$/t

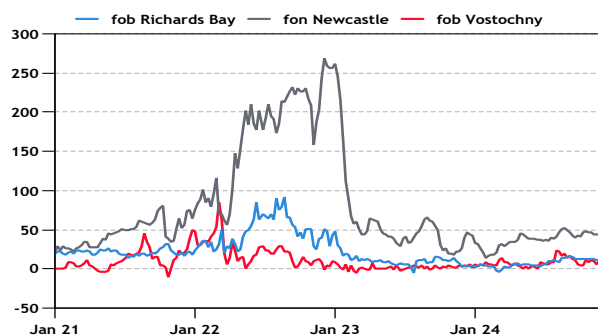


Differentials steady

Energy-adjusted discounts remain similar to last month across the board. But as 6,000 kcal/kg prices decline, spreads to 5,500 kcal/kg markers are likely to come in.

Energy-adjusted discounts

\$/t

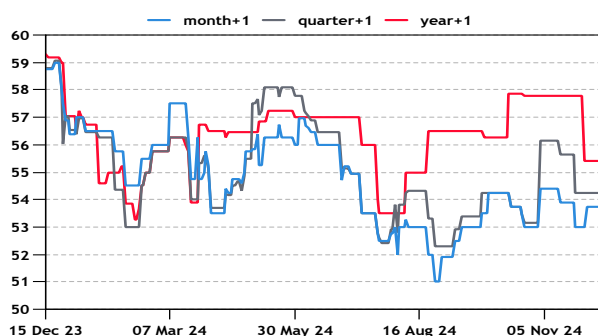


ICI 4 swaps trend lower

The ICI 4 forward curve has stepped lower across the board, while liquidity is still thin.

ICI 4 financial swaps

\$/t



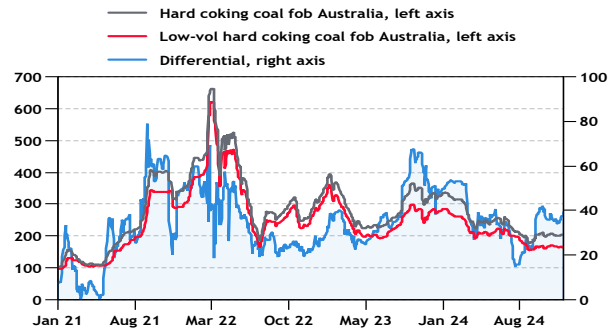
Swaps and spreads

Differential steady

The differential between Australian low-vol fob prices and HCC material remains just shy of \$40/t as PLV and HCC prices again moved in tandem.

Low-vol vs mid-vol coking coal

\$/t

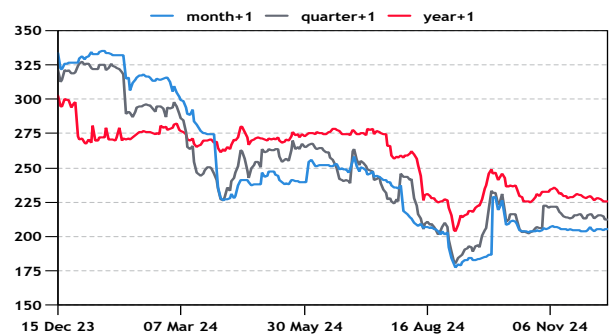


Sideways moves

The structure of the PLV swaps curve is practically flat to a month earlier, retaining its contango structure.

Australian coking coal financial swaps

\$/t

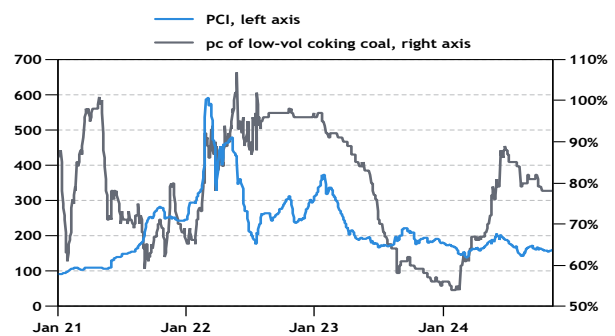


Relativity slips below 80pc

The relativity between PCI and PLV prices has shifted below 80pc.

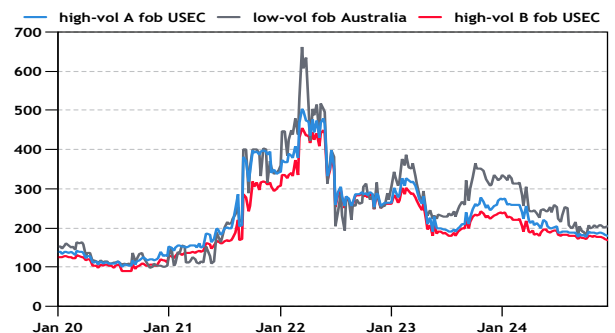
PCI prices

\$/t



USEC high-vol A and B

\$/t



US prices rangebound

US prices continue to mirror movements in Australian PLV values.

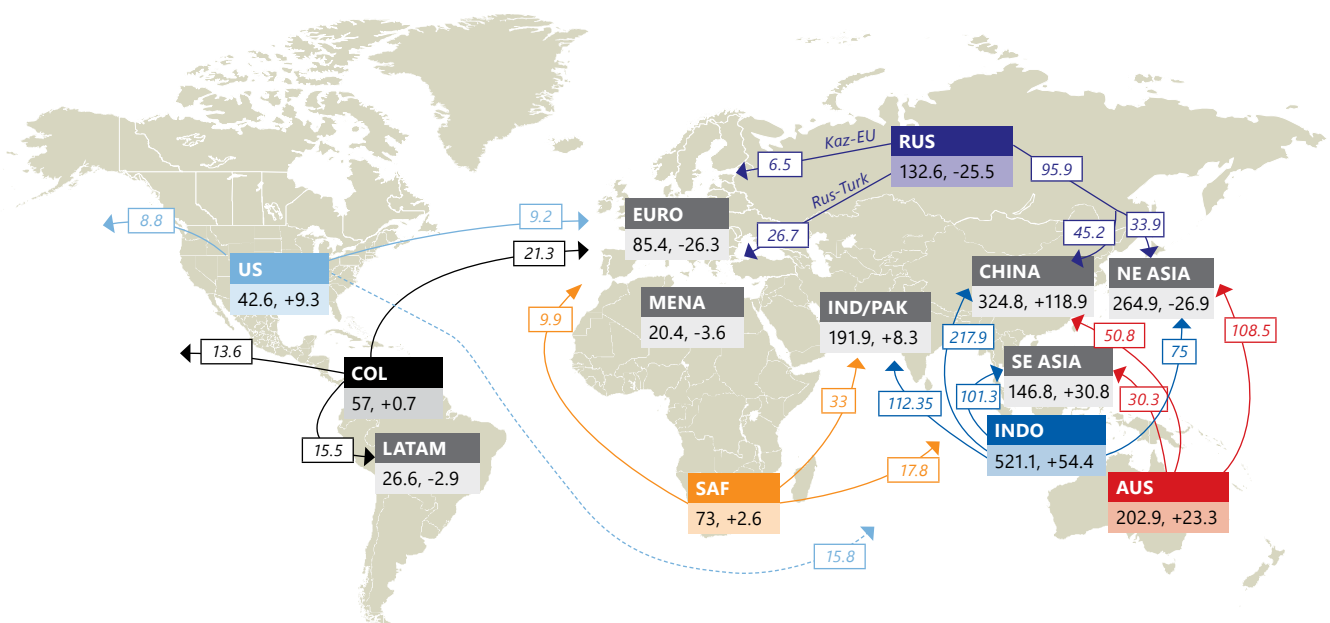
Thermal coal demand and supply

Seaborne thermal coal demand and supply										mn t
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Import Demand	960.7	1014.6	1047.0	943.8	982.7	973.8	1067.4	1079.6	1065.5	1057.9
Europe	139.3	132.0	105.7	80.2	87.8	111.6	85.4	69.0	65.2	61.7
Middle East and North Africa	21.8	24.2	26.0	23.4	26.2	24.5	21.0	20.1	21.0	21.5
Americas	40.7	37.9	40.1	26.9	31.8	29.5	26.6	25.7	25.7	21.4
China	180.6	210.0	221.0	212.3	251.6	205.9	324.8	358.0	340.0	332.8
Northeast Asia	311.1	308.6	307.0	281.7	291.7	291.7	264.9	254.6	243.6	233.6
South Asia	166.7	190.0	209.8	178.7	166.1	184.9	192.9	189.0	202.9	212.9
Southeast Asia	95.3	106.0	133.1	137.5	122.5	117.8	144.4	157.9	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	954.0	1008.5	1040.1	929.5	979.4	998.6	1071.2	1083.1	1068.1	1057.9
Indonesia	380.0	420.0	459.1	406.9	433.7	466.7	521.1	550.0	540.0	530.0
Australia	200.3	207.7	213.2	200.8	200.2	179.6	202.9	204.0	205.0	207.0
South Africa	82.1	78.9	76.9	73.6	64.9	70.4	73.0	68.0	71.0	73.0
Colombia	82.1	76.8	72.5	47.9	55.0	56.3	57.0	58.5	57.0	56.0
Russia	153.0	150.7	154.1	151.8	159.4	158.1	132.6	117.6	116.6	115.9
Kazakhstan		5.6	5.9	5.9	6.7	8.6	9.4	9.0	9.0	9.0
USA	37.0	48.1	33.3	22.6	35.0	33.3	42.6	46.0	40.0	37.0
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	9.0	9.5	10.0
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	13.0	14.0	14.0

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

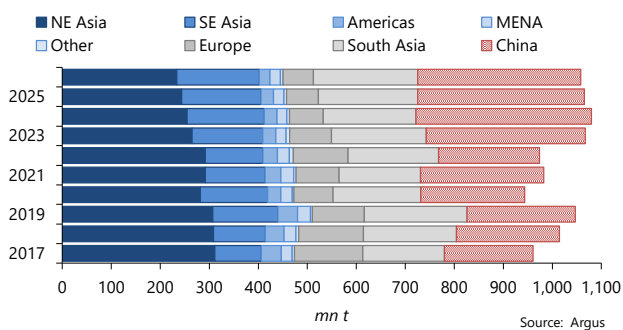
Overland flows									
Russia-China			10.4	7.9	6.6	7.9	13.8	16.7	17.5
Mongolia-China	7.7	8.5	2.3	4.8	2.4	5.4	15.9	22.8	23.0
Kazakh rail exports			0.4	-	2.1	2.8	3.6	2.5	2.5
Afghanistan-Pakistan	0.7	1.1	1.2	0.5	1.3	3.7	1.7	0.9	0.8

Thermal coal trade flows 2023

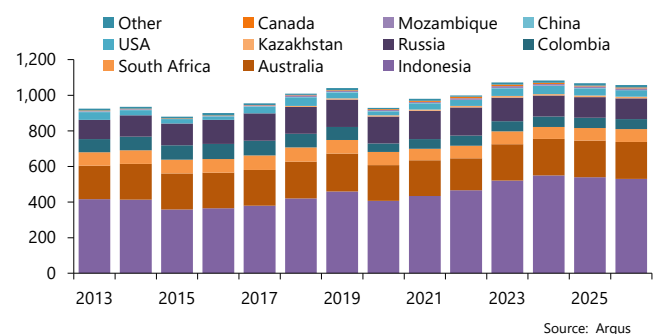


Demand breakdown						mn t					
	2022	2023	2024	2025	2026		2022	2023	2024	2025	2026
Europe	111.6	85.4	69.0	65.2	61.7	Northeast Asia	291.7	264.9	254.6	243.6	233.6
Germany	29.4	18.1	13.4	10.8	9.0	Japan	135.0	116.9	117.0	109.0	103.0
UK	4.0	1.5	0.6	0.4	0.4	Korea	95.6	90.8	84.0	80.0	76.0
Netherlands	4.8	2.2	2.0	1.5	1.5	Taiwan	54.9	51.6	48.0	49.0	49.0
Finland	2.5	1.0	1.0	1.0	0.5	Hong Kong	6.2	5.6	5.6	5.6	5.6
France	4.0	2.4	1.5	1.5	1.5						
Spain	6.5	4.3	1.5	1.0	0.3	Southeast Asia	117.8	144.4	157.9	161.8	168.8
Poland	14.2	13.2	7.0	9.0	8.5	Malaysia	34.0	37.7	37.7	38.0	38.0
Italy	9.2	4.6	3.5	2.0	2.0	Thailand	21.4	17.9	19.0	19.0	18.0
Turkey	30.5	33.8	34.0	34.0	35.0	Philippines	31.5	36.4	40.0	41.0	44.0
Other	6.5	4.3	4.5	4.0	3.0	Vietnam	25.5	44.6	53.0	55.0	60.0
						Other	5.4	7.8	8.2	8.8	8.8
MENA	24.5	21.0	20.1	21.0	21.5						
Israel	7.5	4.3	3.3	3.6	3.5	South Asia	184.9	192.9	189.0	202.9	212.9
Morocco	10.8	10.2	9.5	10.0	10.5	India	164.0	172.0	167.0	178.0	185.0
Egypt	3.8	4.1	4.7	5.0	5.0	Pakistan	11.3	5.8	7.5	9.4	11.9
UAE	1.9	1.9	2.0	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	25.7	25.7	21.4	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	1.5	1.0	1.5	Seaborne thermal	82.6	161.7	187.0	193.0	197.8
Chile	7.5	5.5	5.5	6.0	2.0	Lignite	130.0	163.1	171.0	147.0	135.0
Brazil	5.6	4.0	5.0	5.0	5.0						
Other	10.6	9.8	9.2	9.2	8.9						

Seaborne import demand



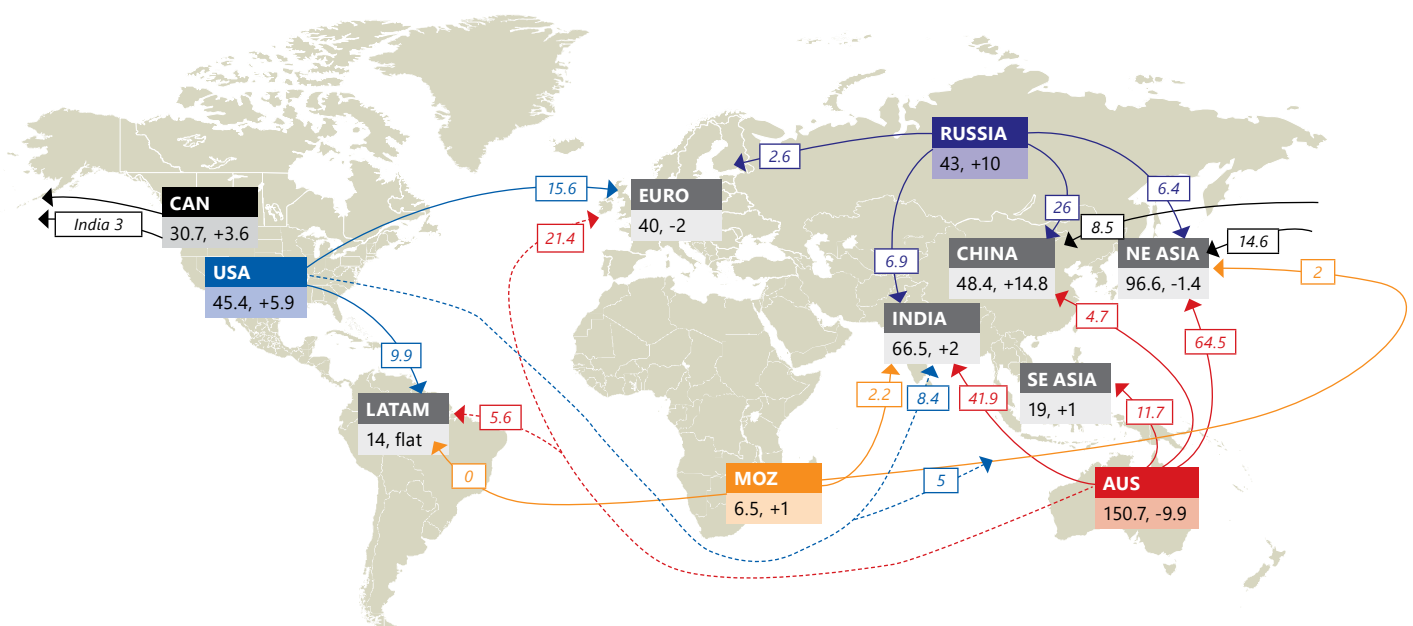
Seaborne export supply



Metallurgical coal demand and supply

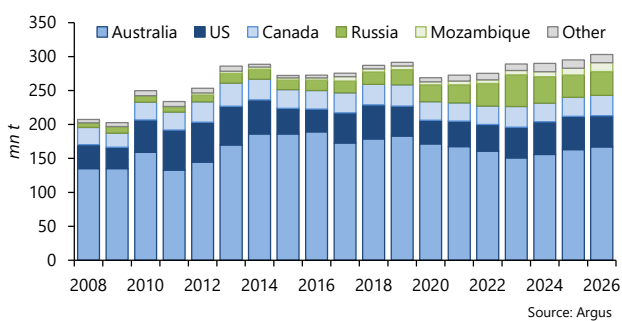
Seaborne Metallurgical coal demand and supply											mn t
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Iron Production growth											
China	0.6%	3.0%	6.6%	6.4%	10.6%	-4.3%	0.5%	-0.1%	-1.1%	-2.0%	-1.5%
India	9.9%	4.4%	8.9%	2.6%	-7.8%	14.5%	2.9%	8.0%	-0.8%	5.0%	5.0%
Europe	-1.8%	2.3%	-2.3%	-4.7%	-15.0%	-10.9%	-10.2%	-9.6%	3.4%	4.0%	1.0%
Latam	-7.3%	7.1%	1.1%	-8.3%	-5.2%	15.3%	-6.1%	-3.7%	0.6%	4.0%	0.0%
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	289.5	295.5	297.5	305.5
India	50.4	51.5	59.1	61.6	57.8	68.0	64.5	66.5	66.5	71.0	75.3
China	48.8	54.8	49.0	53.9	53.8	33.5	33.6	48.4	60.0	50.0	46.0
Asean	5.1	4.8	9.1	11.7	13.4	16.1	18.0	19.0	23.0	31.0	42.0
JKT	102.2	94.3	98.0	98.1	86.3	97.7	98.0	96.6	90.0	89.0	87.2
Latam	16.2	16.7	16.7	13.4	12.5	14.9	14.0	14.0	13.0	14.0	14.0
Europe	44.2	46.7	48.7	44.5	36.0	39.5	42.0	40.0	38.0	37.5	36.0
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	293.5	296.0	304.0
Australia	189.2	172.8	178.8	183.1	171.4	167.4	160.7	150.6	156.0	163.0	168.0
US	33.4	44.4	50.1	44.2	34.8	37.6	39.5	45.4	50.0	48.0	48.0
Canada	27.3	29.5	30.3	31.1	27.3	26.6	27.1	30.7	29.0	28.0	30.0
Russia	15.2	17.2	18.1	22.4	24.9	26.8	33.0	46.5	39.0	35.0	33.0
Mozambique	3.5	6.4	4.6	5.5	4.5	5.5	5.5	6.5	7.5	10.0	13.0
Other	3.9	5.2	5.3	5.0	6.0	8.7	9.4	9.4	12.0	12.0	12.0

Metallurgical coal trade flows 2023

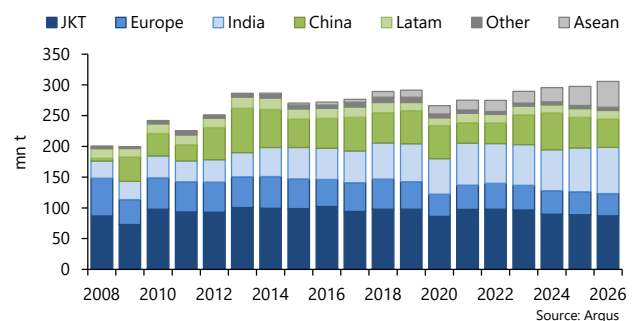


Key suppliers					mn t				
	2019	2020	2021	2022		2019	2020	2021	2022
Australia	183.1	171.4	167.4	160.7	US	44.2	34.8	37.6	39.5
BMA	64.6	61.3	56.6	59.5	Contura	10.0	11.0	12.6	12.6
Stanmore	10.9	10.2	11.4	8.3	Arch	6.0	5.5	6.3	7.1
Anglo American	27.3	20.9	17.4	15.6	Sev.en	7.8	6.5	7.0	7.5
Peabody	11.5	5.1	5.2	5.9	Warrior	7.0	6.5	5.5	5.7
Glencore	14.2	13.2	13.4	11.8	Coronado	7.8	5.1	6.3	6.2
Jellinbah	12.8	12.8	12.5	12.0	Other	28.1	18.1	20.6	20.3
Yancoal	11.7	9.2	10.4	8.2	Domestic consumption	18.7	14.6	17.5	17.2
South 32	5.1	5.1	6.1	5.3	Exports to canada	3.8	3.4	3.2	2.6
Kestrel	5.5	5.5	5.2	5.2					
Sojitz	0.0	1.8	1.5	1.0	Canada	31.1	27.3	26.6	27.1
Realm Resource	2.7	2.7	2.7	2.5	Teck	25.0	21.9	24.0	22.5
Fitzroy	2.0	1.5	1.5	2.2	Conuma Coal	4.6	4.4	4.5	4.5
Coronado	8.5	7.8	7.5	7.0	CST Canada	1.3	0.4	0.3	0.5
Tahmoor	1.6	1.6	1.6	1.6	Exports to US	0.7	0.3	0.6	0.6
Bounty	0.5	0.0	0.0	0.5					
Baralaba	0.4	0.9	0.4	0.9	Russia	20.6	24.9	26.8	33.0
Qcoal	3.6	3.7	4.4	3.7	Mechel	8.9	7.5	5.6	3.0
Whitehaven	4.0	2.5	1.5	1.0	Evrast	7.0	7.8	6.3	5.6
Pembroke	0.0	0.0	0.0	0.0	Sibuglemet	2.2	3.7	2.9	1.8
					Kolmar	2.8	3.2	4.0	5.3
					A-Property Elga	0.0	4.0	7.7	14.6

Seaborne met coal supply



Seaborne met coal demand



Thermal coal – Exports

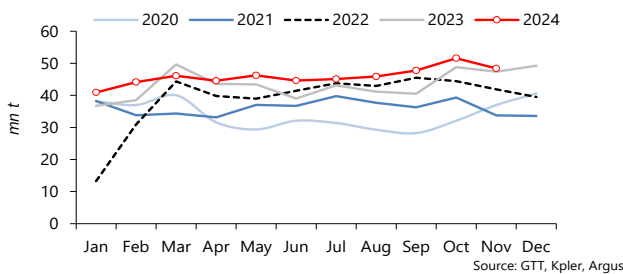
Mostly positive

We think the weak or non-development of La Nina should be supportive of good supply during the remainder of the northern hemisphere winter, and lessens the risk of rainfall-related disruptions in the months ahead. Australian and Indonesian supply continues to perform strongly, although we note that Indonesian exports are particularly exposed to any downturn in Chinese demand.

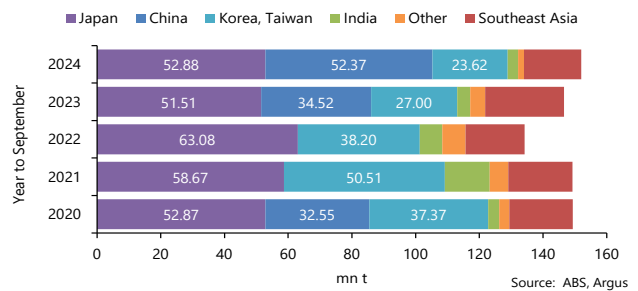
Thermal coal exports

Country	mn t	nth	YTD ±	Outlook
Indo	48.4	Nov	+7.1	Exports continue to perform strongly
Aus	19.8	Nov	+3.2	Exports tick up
Rus	9.4	Nov	-20	Supply continues to lag
Col	4.2	Nov	+0.2	Exports hit by weather, blockades
Saf	7	Nov	-3	TFR performance improves
US	3.7	Nov	+5.9	Exports slow

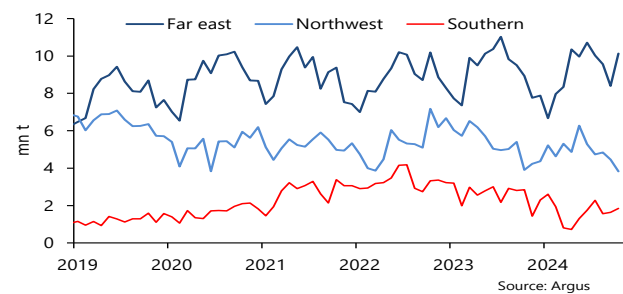
Indonesian exports



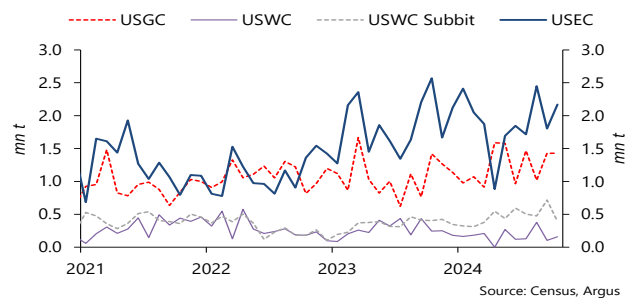
Australian exports



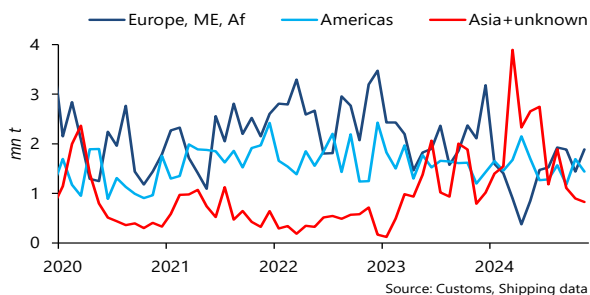
Russian thermal, met coal, coke exports by port



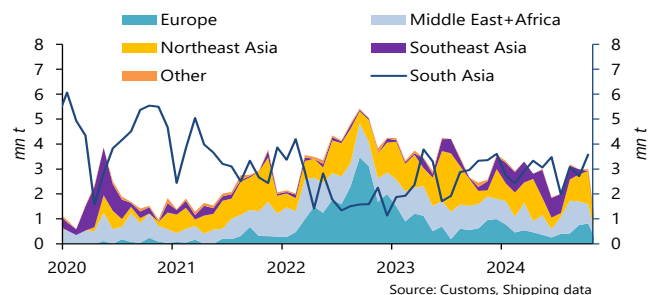
US exports by port region



Colombian exports



South African exports



Thermal coal – China fundamentals

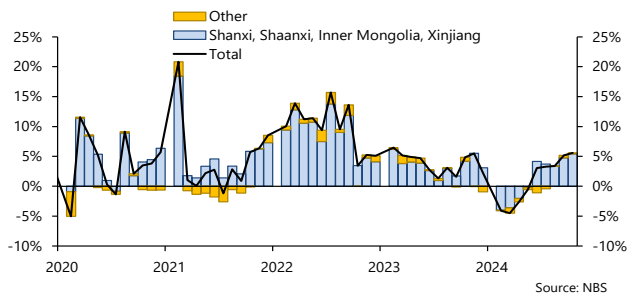
Mounting headwinds

Sentiment in the Chinese market has turned increasingly bearish, while tariffs and a possible further devaluation of the yuan could also hit seaborne demand. Stocks at ports and power plants are high, while growth in thermal power generation has slowed and domestic production continues to rise.

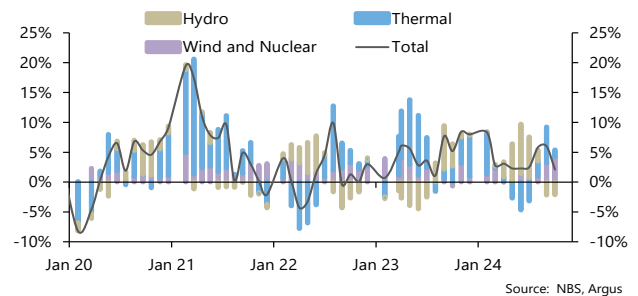
China fundamentals

Indicator	chg	month	Outlook
Thermal gen	+1.8pc	Oct	Growth slows vs Aug+Sep
Coal output	+5.9pc	Oct	Production higher YoY for 5th month
Cement output	-7.9	Oct	Weakness moderates slightly
Stock - key plants, port, mines, days	+2	Nov	Stocks appear healthy
Imports - steam, mn t	13.7	Oct	YTD imports up 7.5pc
Imports - lignite, mn t	17.6	Oct	Imports sustained at higher level

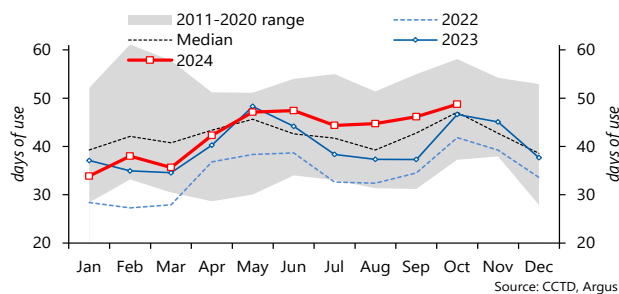
China coal supply growth



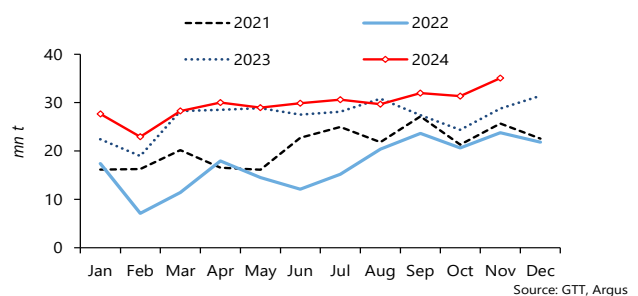
Power Generation growth and composition



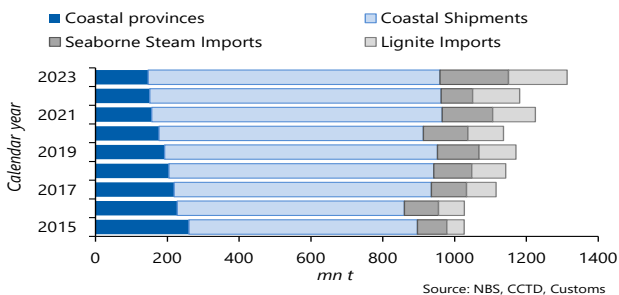
China Inventory



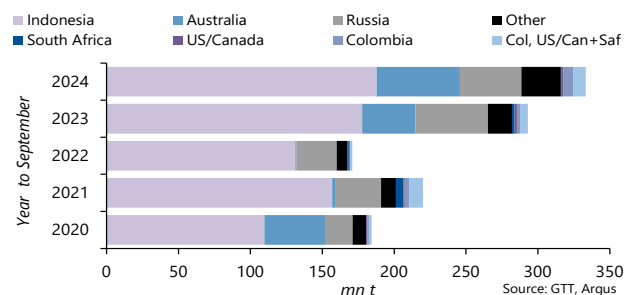
China seaborne steam coal imports



China coastal supply



China thermal imports (seaborne+overland)



Thermal coal – India fundamentals

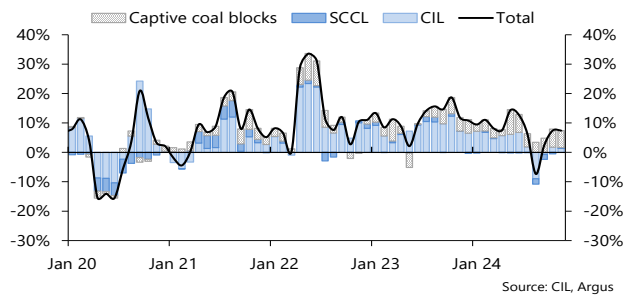
ST demand outlook tepid

Industrial demand is slow, although we think this should recover in mid-2025, especially if steam coal prices continue to drift lower. Power sector stocks are healthy while government-driven imports may slow now mandates are lapsing. Domestic production continues to perform well.

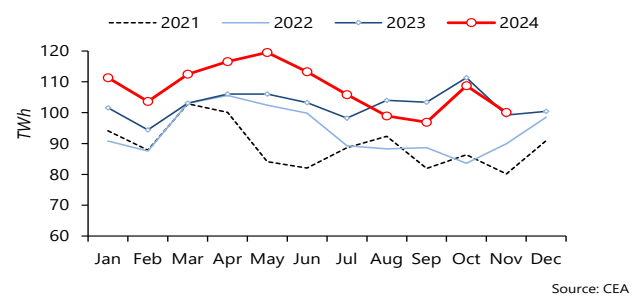
India fundamentals

Indicator	chg	mtb	Outlook
Coal generation	+0.8pc	Nov	Generation tracking year-1
Import-coal gen	+4.8pc	Nov	Generation plateaus at high level
Cement output	+7.1pc	Sep	Strongest growth since March
Coal production	+7.4pc	Nov	YTD production up 7.2pc
Power plant stocks, days	14.0	Dec	Domestic stocks up, import stocks down
Imports, mn t	-6.1	Nov	Imports nosedive

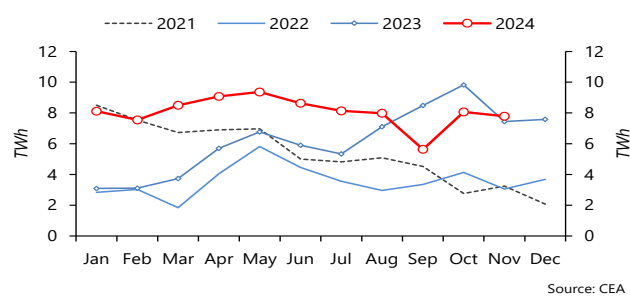
India coal production growth



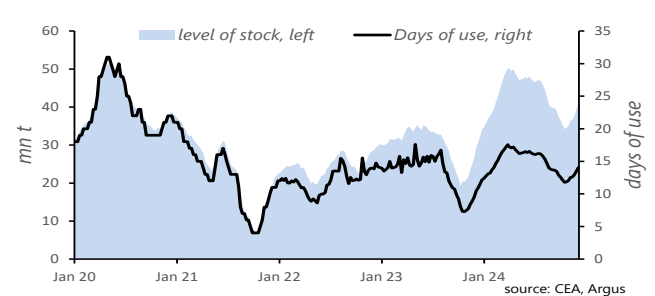
India coal generation



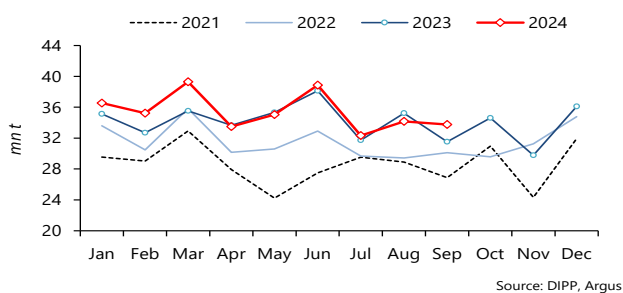
India coal-fired generation by import plants



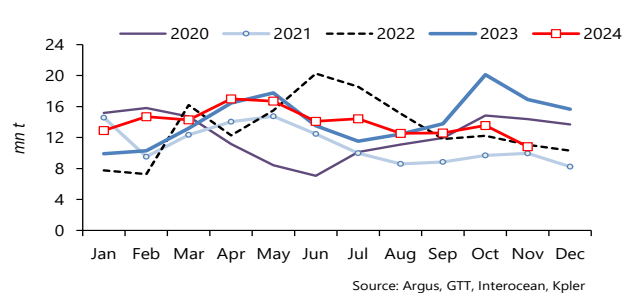
India power plant stocks



India cement production



India thermal coal imports



Thermal coal – Europe fundamentals

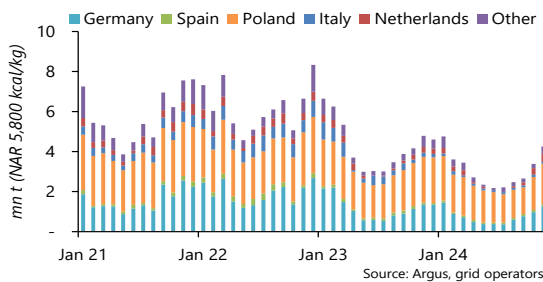
Limited upside

Coal burn in Europe has risen in line with the seasonal increase in heating demand. But there is limited scope for coal burn to be sustained at a high level because of plant closures. Stocks in the region look comfortable although coal-to-gas switching may tighten the balance for 2Q/3Q 2025.

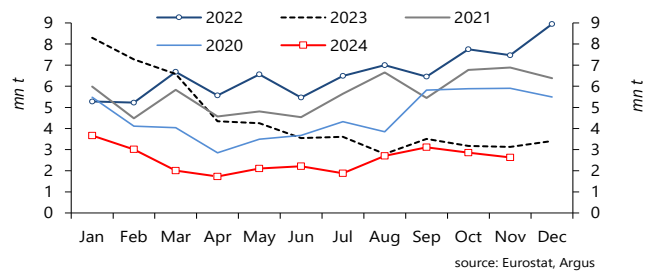
Europe fundamentals

Indicator	chg	month	Outlook
Est coal burn	-11.1pc	Nov	Burn has shown its seasonal uptrend
Imports, <i>mn t</i>	-16pc	Nov	Imports down 45pc YTD
ARA stocks, <i>mn t</i>	3.4	Dec	Stocks tick lower but still comfortable
EU ETS CO2	€ 68	Dec	Carbon prices edge higher
TTF (year ahead), MWh	€ 41.00	Dec	Forward prices rise
Nat gas storage	-9pc	Dec	Storage draw the steepest in several years

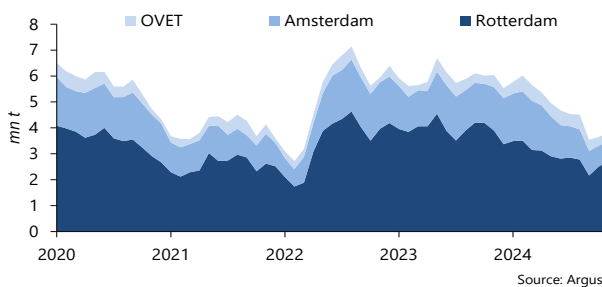
EU+UK power-sector coal burn



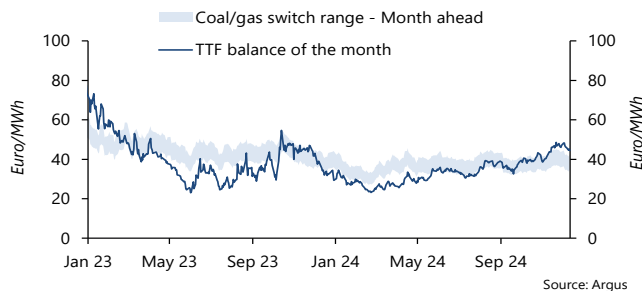
EU 27+UK thermal coal imports



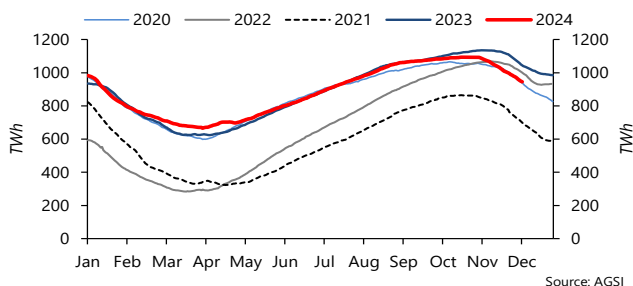
ARA Stocks



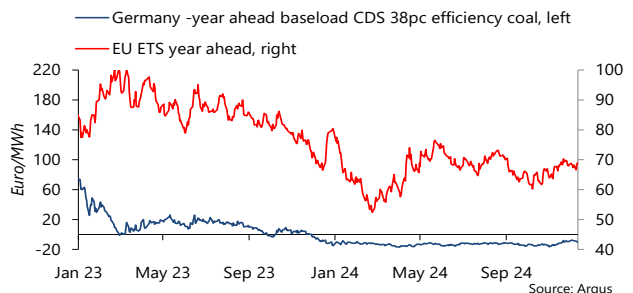
TTF natural gas and fuel switching price



European natural gas in storage



Germany clean dark spread and EU ETS prices



Thermal coal – Northeast Asia fundamentals

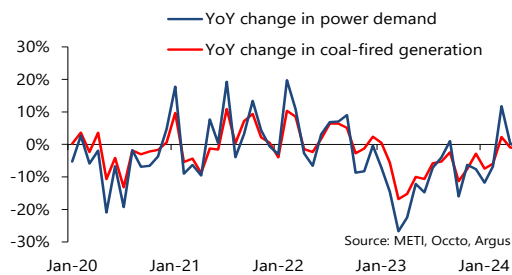
Bullish signals

South Korea's winter 2024/25 coal plant restrictions are slightly less stringent than we had been anticipating, raising the demand ceiling for the coming months. Improved gas-to-coal fuel switch economics may also spur some additional spot demand, especially now Newcastle prices are finally correcting lower.

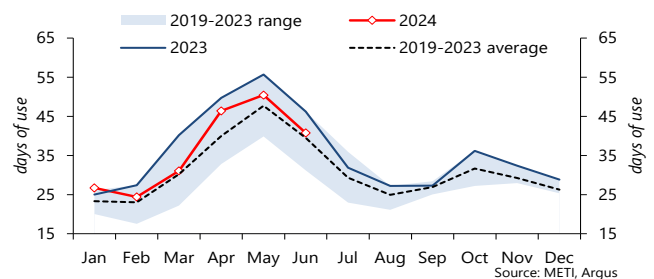
Northeast Asia fundamentals

Indicator	mn t	month	Outlook
JKT Coal burn	20	Sep	Regional coal burn fell 1pc YoY
Japan	8	Nov	Coal burn down 4.5pc YoY last month
Korea	5.3	Sep	Burn up 14pc YoY and winter restrictions looser
Taiwan	4.5	Sep	Taipower looking to prioritise gas despatch
JKT imports	18	Nov	Regional imports down 3pc YoY
Asean imports	14.2	Jun	Korean stocks flat, Japan lower YoY

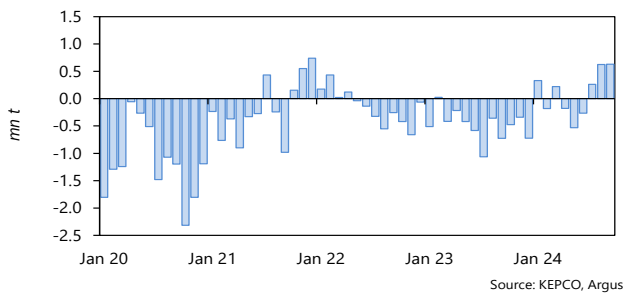
Japan coal-fired generation, power demand growth



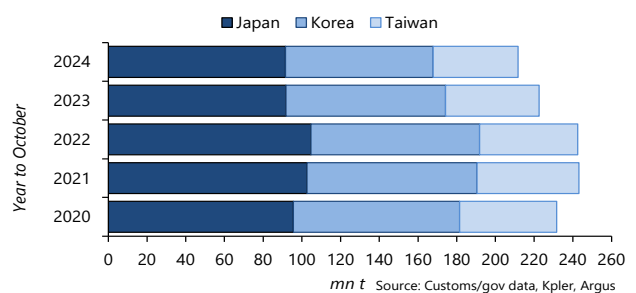
Japan generator stocks



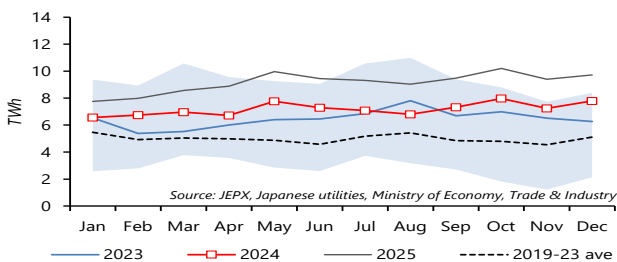
Korea year-on-year change in big 5 utility coal burn



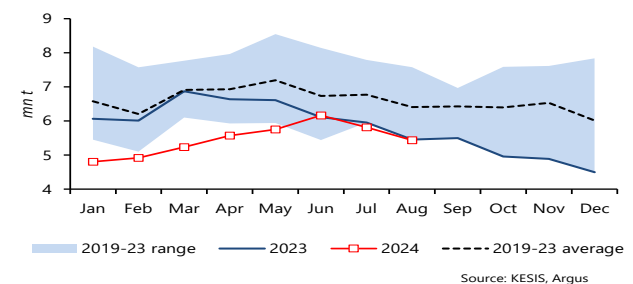
Japan, Korea, Taiwan thermal coal imports



Japan nuclear availability



Korean coal stocks



Thermal coal – South and Southeast Asia fundamentals

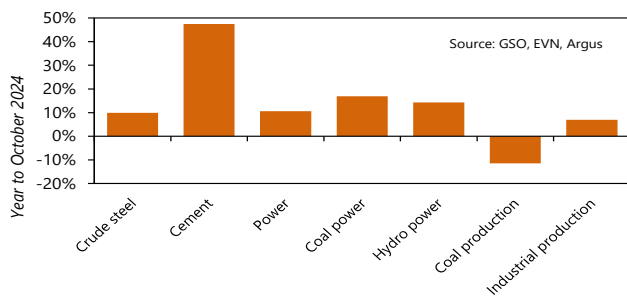
Vietnam soft, Pakistan strengthening

Vietnam's coal-fired generation has been capped lately by strong hydro generation. But in Pakistan, cement sales and imported coal-fired power generation continue to recover from last year's lows, although the recovery in demand we are anticipating in the years ahead will hinge on buyers being able to afford cargoes given the country's forex crisis.

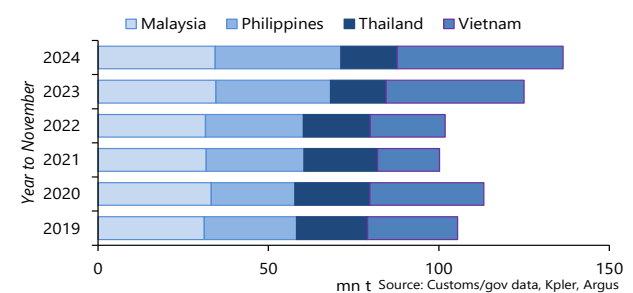
Asia Ex fundamentals

Indicator	mn t	month	Outlook
JKT Coal burn	11.5	Nov	Imports flat YoY and MoM
Japan	+1.7pc	Oct	Hydro rebound caps coal burn
Korea	-4.7pc	Nov	Coal production narrows the on-year deficit
Taiwan	0.7	Nov	YTD imports up 22pc
JKT imports	+168pc	Oct	Generation continues its recovery
Asean imports	+5.66	Nov	Positive growth for second month

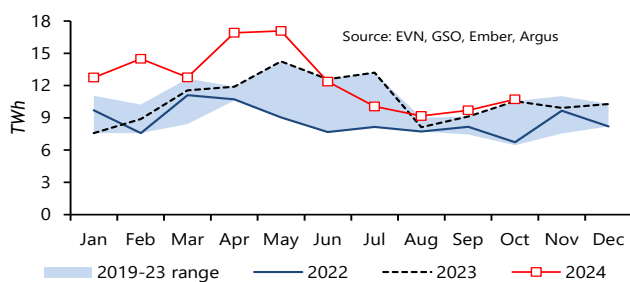
Vietnam power and industrial output



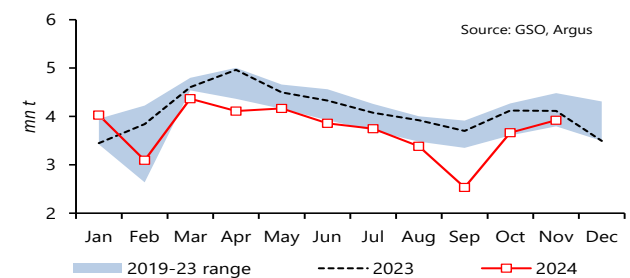
Asean imports



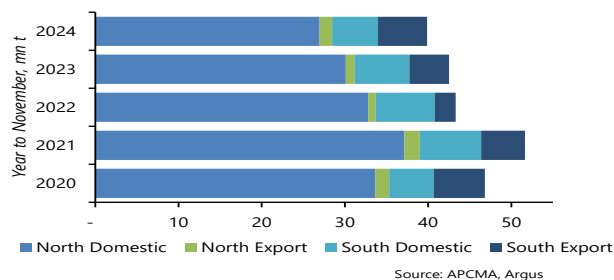
Vietnam coal-fired generation



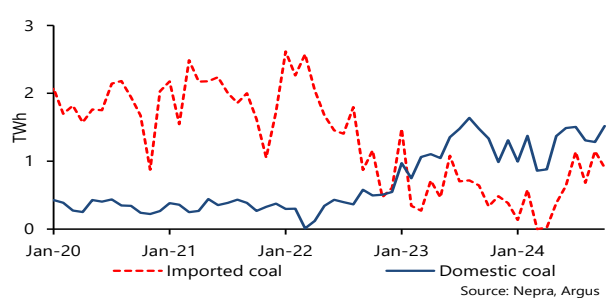
Vietnam coal production



Pakistan cement sales



Pakistan coal-fired generation



Metallurgical coal – Exports

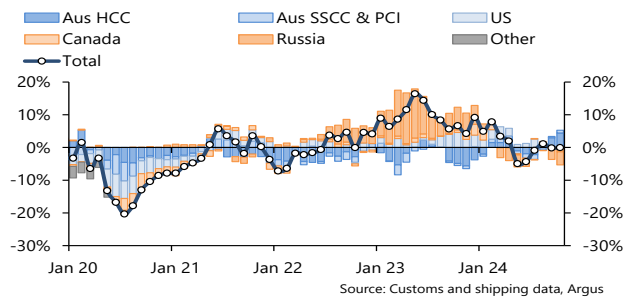
Australia main risk

Australian metcoal supply ticked lower in November on bad weather and the Bureau of Meteorology has forecast a relatively active cyclone season for the months ahead. But with La Nina set to be weak or non-existent, and because global metcoal demand is facing significant headwinds, we think the market should be able to cope with all but a severe disruptions.

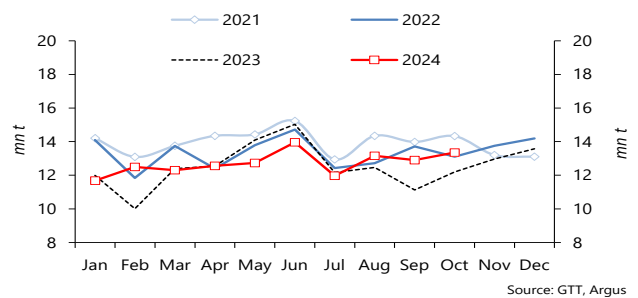
Metallurgical coal exports

Country	mn t	mt	YTD ±	Outlook
Aus	13.4	Oct	+2	Exports tick up
US	3.8	Oct	+8	Exports steady
Can	2.4	Oct	-4	Exports lag
Rus	3.8	Oct	-14	Supply recovers a little
CHN coke	0.7	Oct	0	Chinese metcoke exports dip

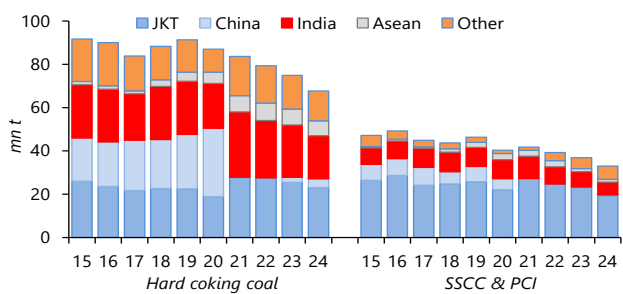
Contribution to seaborne supply growth



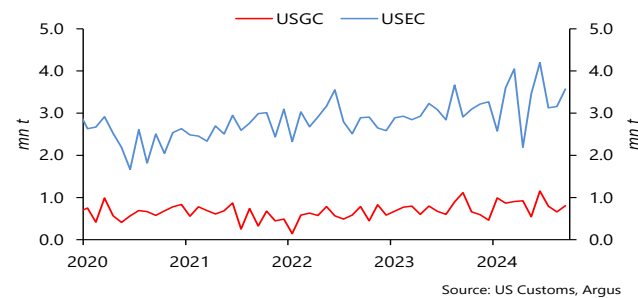
Australian met coal exports



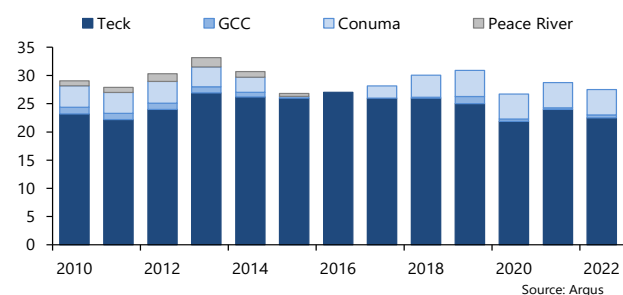
Australia met coal exports year to August



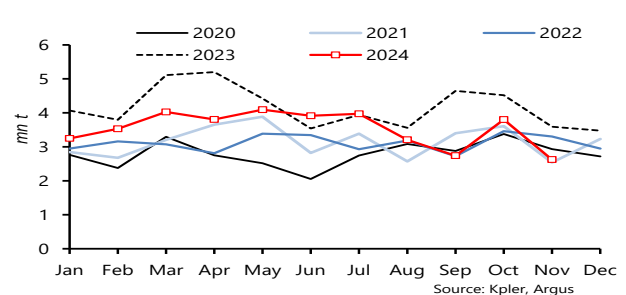
US export by port region



Canada exports



Russian seaborne coking coal exports



Metallurgical coal – China fundamentals

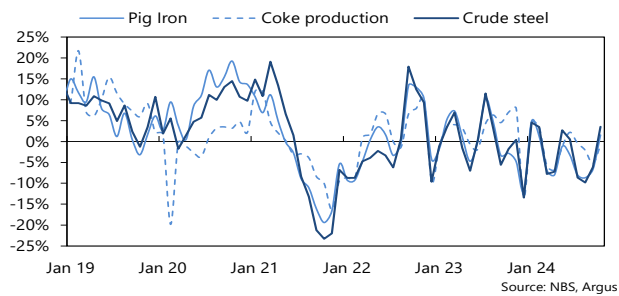
Warning signs

Coal inventories in China are high, stimulating little restocking interest. Demand for imported coal is suppressed and there are wider concerns about the recent depreciation of China's yuan against the US dollar, which makes coal procurement more costly for Chinese buyers. Overland Mongolian coal remains competitively priced versus seaborne imports, undercutting the seaborne market.

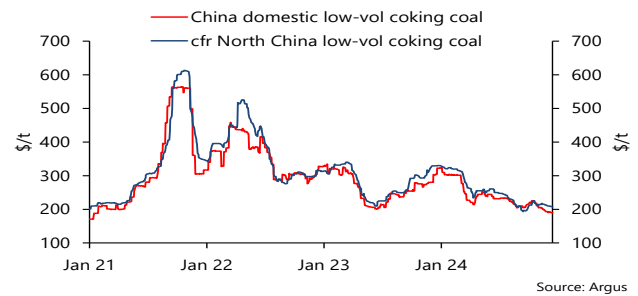
China fundamentals

Indicator	pc	mt	Outlook
Crude steel	+3.53	Oct	Growth turns positive
Iron production	+1.55	Oct	YoY growth for first time in 8 months
Coke output	-0.9	Oct	Downturn continues
Steel exports, mn t	9.28	Nov	Exports dip from 3Q
Imports - Seaborne, mn t	6	Oct	YTD imports up 31pc
Imports - Mongolia, mn t	3.9	Oct	YTD imports up 14pc

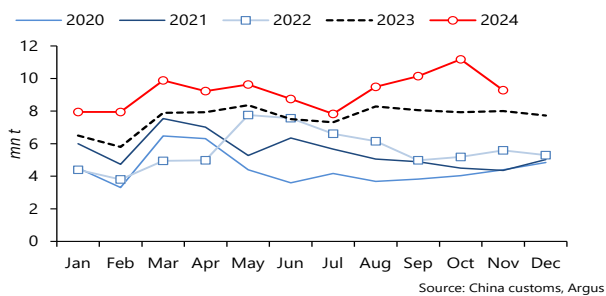
Crude steel and iron production



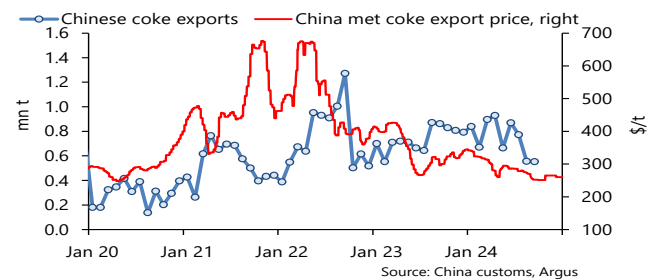
China domestic and import coking coal prices



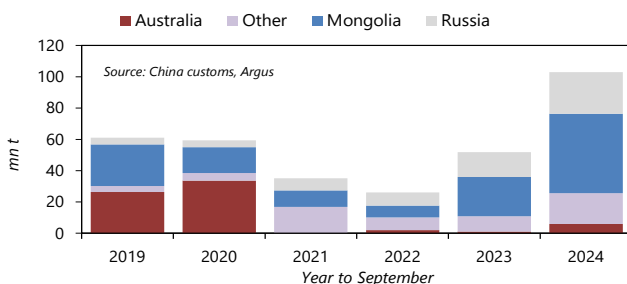
China steel exports



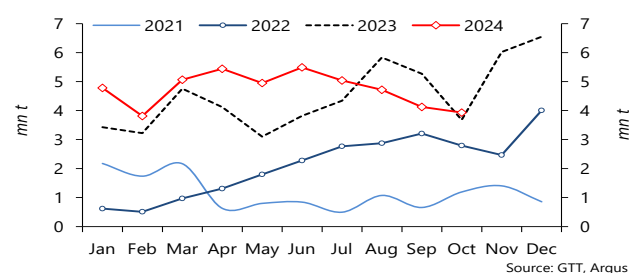
China metcoke exports and prices



China met coal imports



Mongolia exports to China



Metallurgical coal – India fundamentals

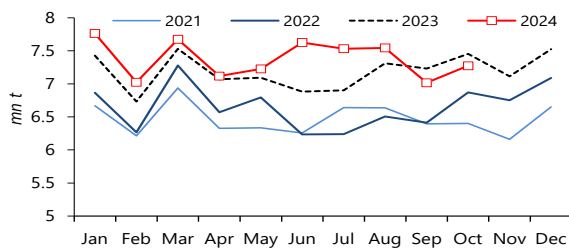
Flat-lining

Demand is still muted, with some buyers looking to reduce the volume of prime coal in their coke blends, and most only showing appetite for small tonnage cargoes. The recent decline of pig iron prices in India has weighed on the nation's steel industry and this has led coal buyers to be very price sensitive on coal imports. The typical post-Monsoon pick-up in demand in October-December every has yet to materialise.

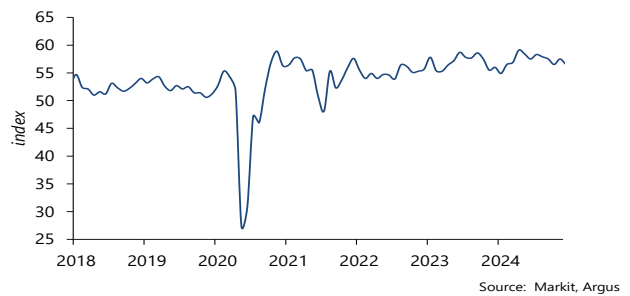
India fundamentals

Indicator	pc	month	Outlook
Crude steel	-2.4pc	Oct	YTD production up 5.4pc
Iron production	+1.75pc	Oct	YTD production up 3pc
DRI production	+11.3pc	Oct	YTD production up 11.4pc
Imports, mn t	4.7	Nov	YTD imports broadly flat YoY
Industrial production	+4.1pc	Oct	Growth improves marginally
PMI	56.5	Dec	PMI ticks lower

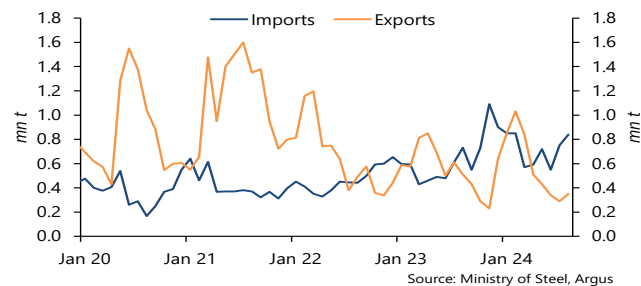
India iron production



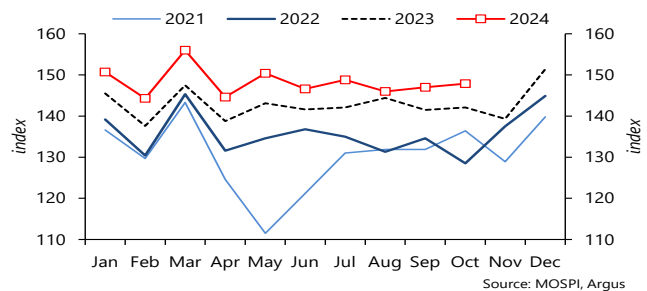
India PMI



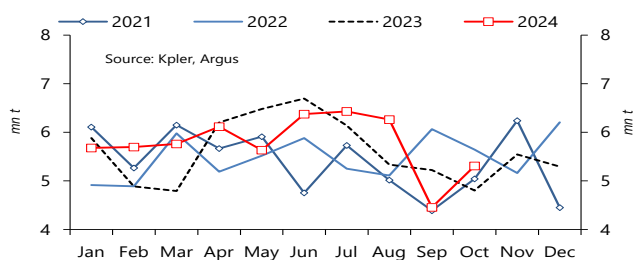
Steel imports and exports



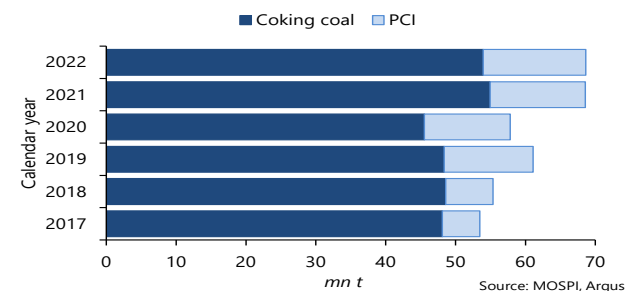
Manufacturing activity



India met coal imports



India PCI and Coking coal



Metallurgical coal – Global steel fundamentals

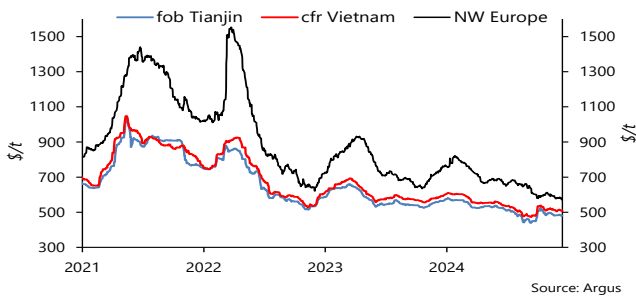
Most indicators negative

The global steel market continues to look oversupplied, with prices under pressure. China is still exporting large volumes into international markets, with clarity over future sanctions to be a key topic in the next month ahead of Mr. Trump taking office.

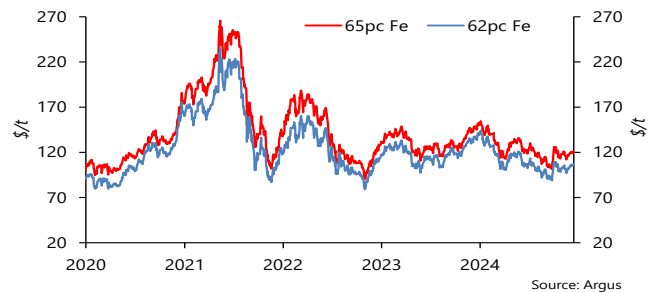
Other fundamentals

	pc	mt	Outlook
Crude steel	+1.2pc	Oct	Production turns positive
JKT iron	-3pc	Oct	Output still contracting
Europe Iron	-1.1pc	Oct	Negative growth persists
Latam Iron	+6.4pc	Oct	Brazil drives growth
Iron ore 62% Fe	\$105/t	Nov	Prices steady
HRC	\$480/t	Nov	Prices tick lower

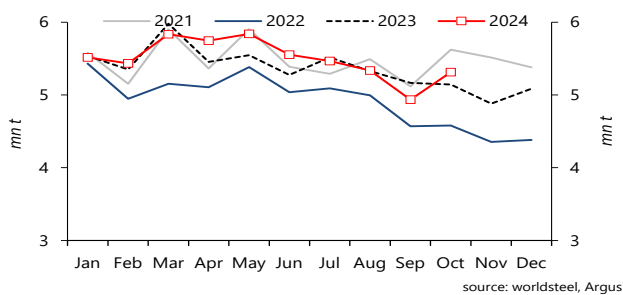
HRC Steel prices



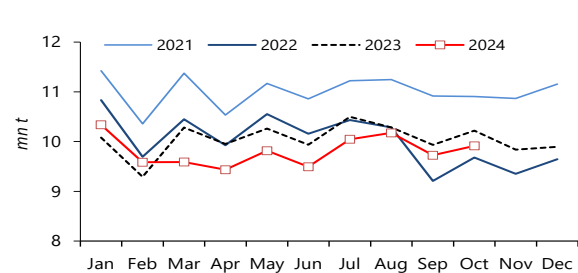
Cfr China iron ore prices



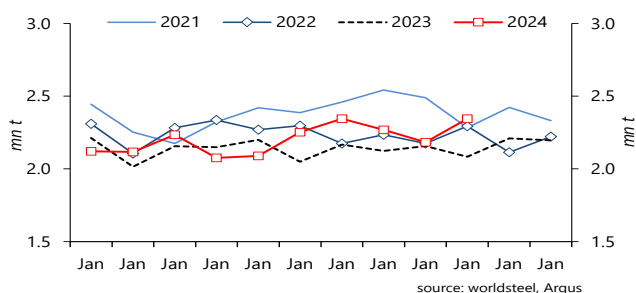
Europe iron production



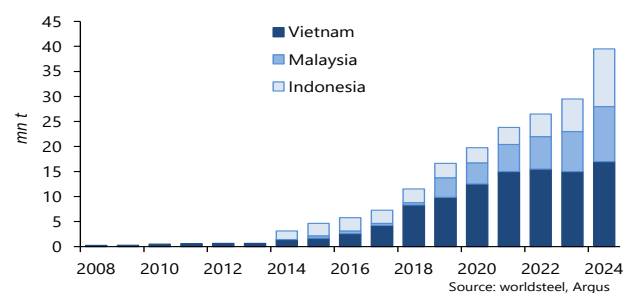
Japan, Korea and Taiwan iron production



Latam iron production



Asean BOF output



Macro indicators

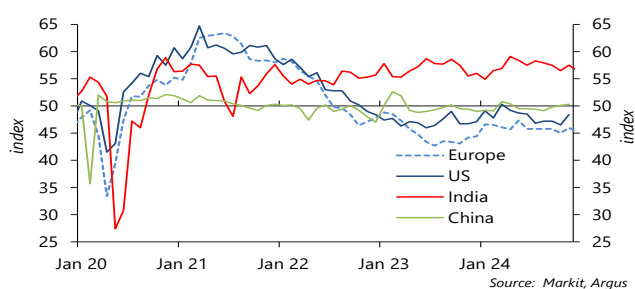
US dollar strength continues

A resurgent US dollar is continuing to inform our forecasts. A volatile month for geopolitics saw a short-lived military coup in South Korea and Syrian rebel forces entering Damascus.

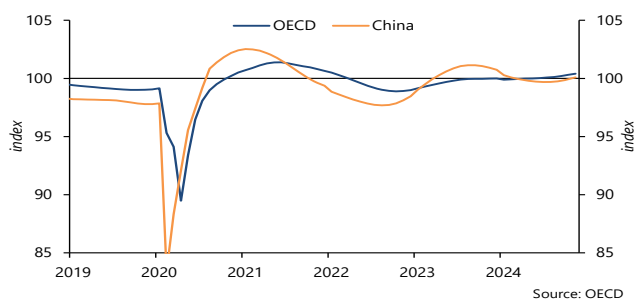
Macro fundamentals

	pc	month	Outlook
Global PMI	49.4	Oct	Index improves but still in contraction
OECD leading indicators	+0.4	Nov	CLI growth flat
Global IP	+1.6	Sep	Growth rate steady
Global trade	+2.4	Sep	Growth rate steady
FX trends			USD strength continues after Trump election
Monetary policy			The ECB has cut rates further

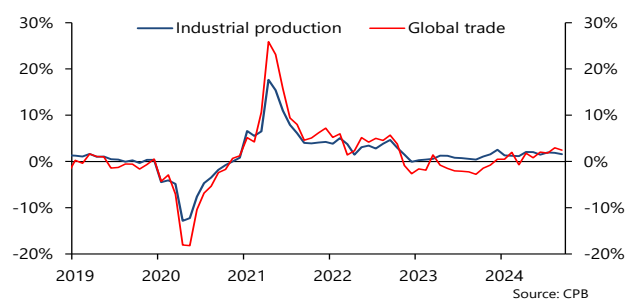
PMI Indices



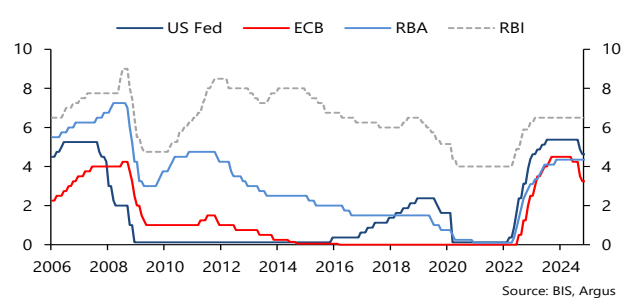
OECD Leading indicators



Global industrial production and trade



Monetary policy rates



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