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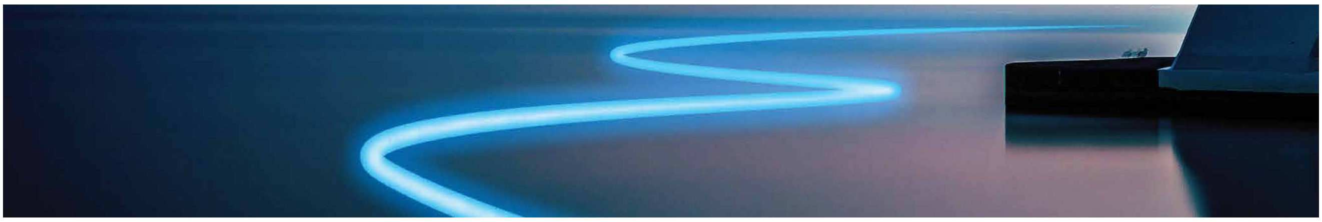
Argus Seaborne Coal Outlook

Incorporating Argus Seaborne Thermal Coal Outlook



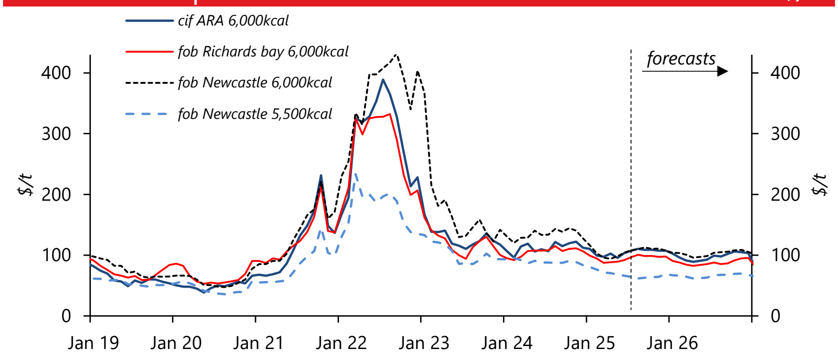
Near-term outlook

We expect high-CV thermal coal prices to remain elevated, but for low/mid-CV grades, and for metcoal prices to come under more pressure

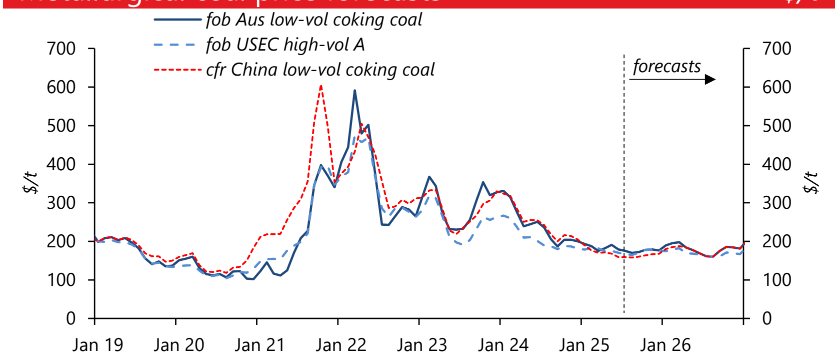
12-month outlook

We expect modest declines in steam coal and rises in metcoal pricing

Thermal coal price forecasts $/t



Metallurgical coal price forecasts $/t

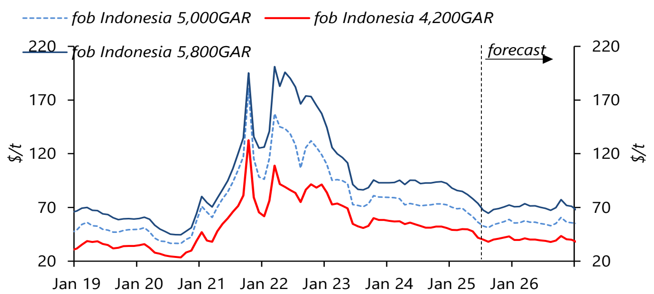


Contents

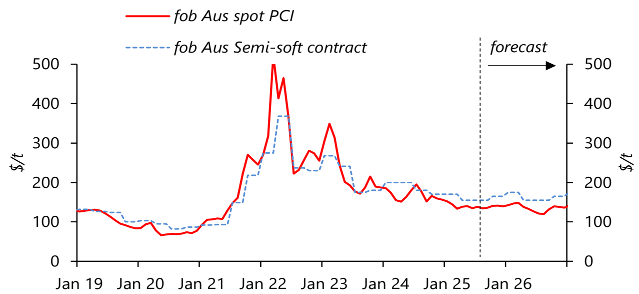
Coal
illuminating the markets®

Price forecasts																$/t
	May	Jun	±	Jul	Aug	Sep	4Q24	1Q25	2Q25	3Q 25	4Q 25	2022	2023	2024	2025	2026
Thermal coal																
6,000kcal																
cif ARA	95.6	103.6	8%	107.2	110.5	108.6	117.9	102.4	100.5	108.8	107.9	289.9	129.0	112.3	104.9	98.0
fob Newcastle	98.2	104.3	6%	108.0	110.0	112.5	137.5	105.0	98.9	110.2	109.6	360.1	173.7	134.2	105.9	103.0
fob Richards Bay	89.3	92.0	3%	96.8	100.5	98.6	109.3	93.7	89.9	98.6	97.9	270.8	120.6	105.3	95.0	88.0
fob Puerto Bolivar	84.0	85.3	2%	85.2	88.5	86.6	96.3	88.0	85.0	86.8	85.9	278.8	113.9	91.9	86.4	84.4
5,500kcal																
fob Newcastle	68.2	66.1	-3%	64.4	61.5	62.9	87.5	76.0	68.3	62.9	65.6	176.1	103.4	89.2	68.2	66.1
fob Richards Bay	74.0	70.1	-5%	68.0	66.4	65.1	88.6	77.7	73.0	66.5	64.9	205.4	100.7	89.2	70.5	64.4
cif India	85.4	81.6	-4%	80.0	78.4	77.1	102.5	91.0	84.4	78.5	76.9	203.7	116.1	104.0	82.7	76.4
cfr South China	79.6	77.0	-3%	76.0	75.0	74.0	100.7	87.8	79.6	75.0	76.6	168.5	116.1	103.1	79.7	77.1
fob Indonesia																
5,800 GAR	78.3	73.9	-6%	67.6	64.6	68.0	93.4	86.3	78.0	66.7	70.6	171.2	104.4	93.5	75.4	71.2
5,000 GAR	61.4	56.2	-8%	52.8	51.3	54.0	73.0	69.4	60.9	52.7	57.0	127.8	84.8	74.2	60.0	56.0
4,200 GAR	47.8	41.9	-12%	40.0	38.0	40.0	51.8	49.3	46.4	39.3	42.0	85.9	63.2	53.9	44.3	40.0
Metallurgical coal																
fob Australia																
premium low-vol	191.1	178.7	-7%	175.0	170.0	172.0	202.6	185.2	183.8	172.3	177.7	365.6	295.9	240.9	179.7	180.0
mid-vol	147.9	138.8	-6%	133.0	129.2	132.4	165.1	147.3	143.5	131.5	143.3	330.1	257.0	204.5	141.4	153.8
PCI spot	140.0	134.7	-4%	138.3	134.3	135.9	160.5	143.3	137.7	136.1	140.4	322.5	227.6	167.7	139.4	135.0
Semi-soft contract	155.0	155.0	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	175.0	170.4	-3%	166.3	164.9	170.3	185.2	181.1	173.1	167.1	177.7	347.9	249.2	208.1	174.7	169.0
high-vol B	162.5	158.2	-3%	156.3	155.0	153.3	175.3	169.4	160.7	154.8	159.9	329.9	230.4	190.3	161.2	154.0
cfr China																
premium low-vol	168.0	158.9	-5%	159.3	158.1	160.0	211.4	178.6	165.9	159.1	165.8	370.9	282.8	248.4	167.4	177.6

Fob Indonesia price forecasts $/t

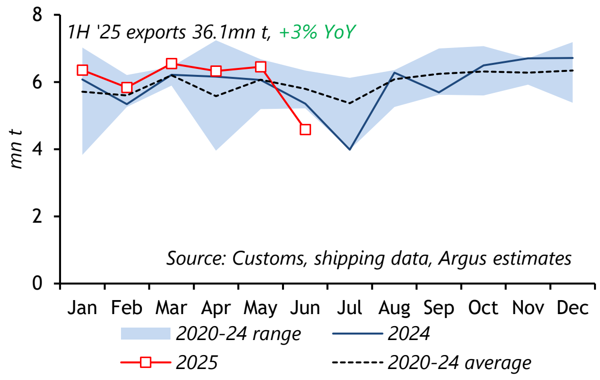


Metallurgical coal price forecasts $/t



Thermal coal – Key drivers of price forecasts

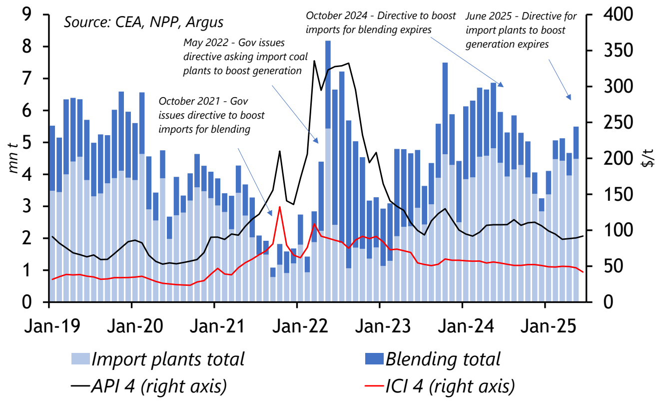
S Africa steam coal exports



TFR derailment tightens July/August SCoTA balance

A train derailment on the line to the RBCT cut some 500,000t of export supply in late June/early July. This came at an inopportune moment for the industry, given TFR's looming shutdown on the line into RBCT, scheduled for 15-26 July. We think that the derailment tightens the overall balance for South African material and high-CV coal generally for July and August, and this has contributed to us raising our API 4 and API 2 price forecasts for the balance of 3Q '25.

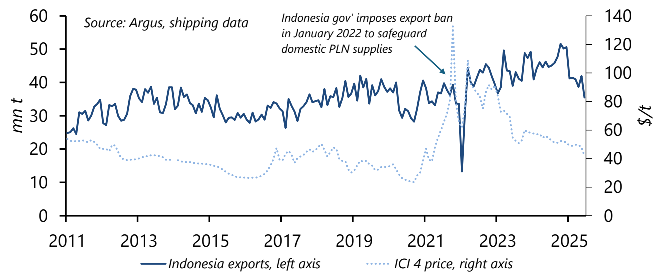
India power-sector imports vs prices



Policy change dents Indian demand

India's power ministry has not extended its directive requiring imported coal-fired utilities to boost generation, after its last order expired on 30 June. The directive was first issued in May 2022 to imported coal-fired plants with a combined capacity of 17.5GW and subsequently extended over the past three years. And it appears unlikely that this mandate will be reinstated in the near future, given both power-sector and mine-mouth stocks are at record highs of 62mn t and 115mn t respectively, while hydro, nuclear and renewables generation continue to grow. As such, we have revised down our expectation for 2025 power-sector imports by 5mn t to 55mn t, against 67.4mn t in 2024.

Indonesia coal exports v ICI 4 prices

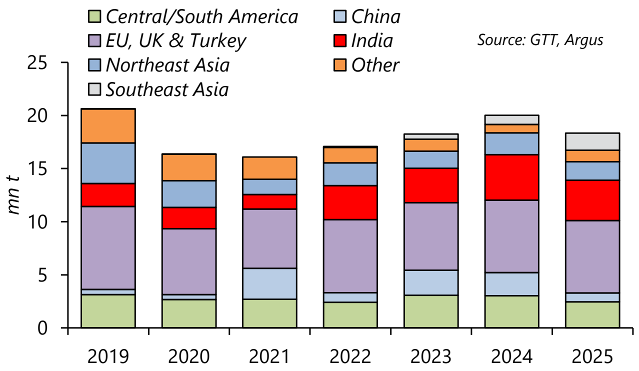


Indonesia supply undergoes sharp slow-down

Indonesian exports have slowed sharply, with June outflows hitting the lowest since February 2022, when a partial export ban was in force. Exports to China likely fell to below 10mn t last month, as buyers looked to cut ultra-CV imports in the face of domestic oversupply. A ramp up in ICI-3 type material from Russia's Sakhalin island into China has also eaten into Chinese appetite for Indonesian coal. Our export projection for Indonesia for 2025 is flat to last month at 485mn t, which would imply 2H 2025 exports of 245mn t against 240mn t in 1H 2025 and 291mn t in 2H 2024. We have not adjusted our projections in light of a bridge collapse in Indonesia's South Sumatra province on 29 June, which has disrupted coal hauling operations.

Metallurgical coal – Key drivers of price forecasts

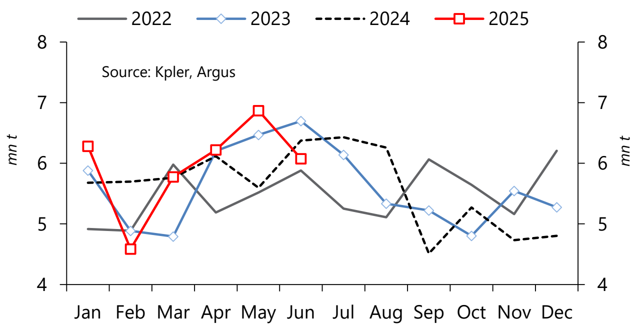
US Jan-May metcoal exports



Leer South restart delayed until 4Q '25

We have lowered our 2025 export projection for US miner Core Natural Resources to 6.7mn t, after the firm extended an outage at the 3.5mn t Leer South mine for another "several months." The recovery team pulled out of the West Virginia mine and resealed the affected area on 26 June, and said its restoration works could last until November. Core had previously targeted a mid-year restart for the asset, which has been offline for six months already. The delayed restart tightens US high-vol A supply for 2H 2025, but given tepid demand for US metcoal from international markets, and with Warrior Met Coal on track to raise output, Peabody's Shoal Creek performing well and Allegheny Met also looking to restart, it is unlikely to tip the balance into undersupply.

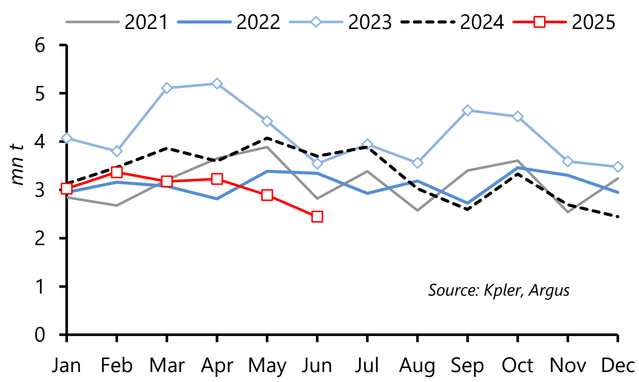
India metallurgical coal imports



India QR extension will not boost demand

The monsoon season continues to drag on Indian demand, with steel mills well covered for the next couple of months. The big development in the market is India's directorate general of foreign trade extending quantitative restrictions on low-ash metallurgical coke imports for another six months, from 1 July to 31 December 2025. But as this was largely anticipated and India's imports continue to perform in line with our expectations, being flat on the year in 1H '25, we have left our seaborne import projections for 2025 and 2026 unchanged this month at 66mn t and 70mn t, respectively, against 66.5mn t in 2024.

Russia metallurgical coal exports



Russian metcoal exports slow

We have lowered our 2025 and 2026 export projections for Russia's Mechel to 5.5mn t and 6.2mn t respectively, following a sharp slowdown in the firm's exports in 2Q '25. But there is some positive news for Mechel, as it is receiving targeted government support because of the crisis affecting the country's coal industry. Mechel's May exports plunged on the back of falling coking coal prices, low demand from Asia and the stoppage of its washing plant in Yakutia. Exports of coking coal from Kuzbass are currently loss-making, but sales of coking coal from Yakutia still appear profitable. In January-May, Mechel's coal output decreased by 1.1mn t, or 24pc, on the year to 3.3mn t, data from market sources show.

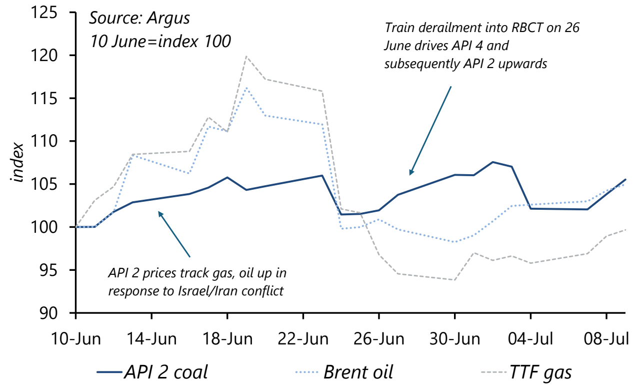
Forecast review – thermal coal

High-grade coal prices continue to diverge from lower grade equivalents, a trend we think has longer to run. Supply trouble in South Africa, coupled with stronger power-sector demand from Europe and JKT, have tightened the 3Q balance for high-CV coal. But strong domestic production in China and an abundant Monsoon in India mean it could take some time to work through the global oversupply of lower-grade coal.

Thermal coal

- ***TFR derailment tightens 3Q supply, boosts price outlook***
- ***Monsoon, policy changes further dent India demand***
- ***De, Jp coal demand projection raised, Taiwan down***

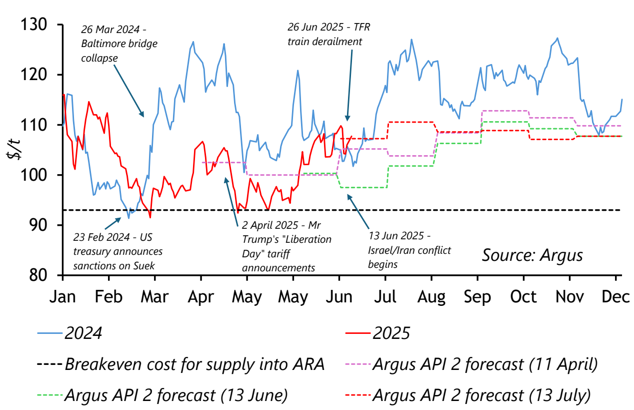
Key coal, gas oil price moves



Key changes to price forecasts

API 2 spot prices have held above $100/t over the past month, driven higher first by the Israel/Iran conflict, and then by a train derailment on the rail line into South Africa's Richards Bay Coal Terminal (RBCT). The risk premium associated with Israel/Iran has since leaked out of coal, oil and gas prices, but the derailment into RBCT tightens the balance for already scarce SCoTA-specification material for the balance of 3Q 2025. This has caused us to revise higher many of our high-CV price forecasts for the next three months. Additional drivers are a draw-down in stocks at the ARA port hub and strong US domestic coal demand threatening some export supply. The prospect of greater seasonal restocking demand in 3Q from high-CV buyers in Japan, South Korea and Taiwan is another consideration, as hot temperatures and lower nuclear availability are shaping the short-term outlook. Given the severe cuts to Colombian high-CV supply seen during the past few months, we think the price of RB1 material will continue to drive the price of the API 2 market in the short term. As such, API 2 prices are likely to remain highly responsive to any further supply issues in South Africa, Colombia or the US, as well as to news around Mr Trump's tariff brinkmanship.

API 2 spot prices/forecast



We think the outlook for low and mid-CV coal prices remains soft, with demand from India flagging, Chinese appetite still subdued and production and inventories exceptionally high across both key consumers. We think this, coupled with prolonged macro headwinds, should provide a ceiling to high-CV prices over the coming months and stop them pressing too much higher than current spot levels. We continue to expect low and mid-CV coal prices to trend lower during 2H 2025 and into 2026, driven by soft fundamentals for lower grade material. Most of our price forecasts for 2026 and 2027 are unchanged this month, and we continue to anticipate lower seaborne demand going forwards, as well as a lower seaborne cost curve and reduced marginal costs, in part because of a lower gas and oil price environment.

Key changes to supply/demand projections

Following requests from readers, we have this month begun to publish annual trade matrixes for global seaborne steam coal. The idea of these grids, which are published on pages 18-19, is to demonstrate our view of how trade flows will evolve during the next few years. We plan on refining the process behind deriving these grids going forward but hope they will prove a useful resource.

Forecast review – thermal coal

China prices stabilise but demand outlook still negative

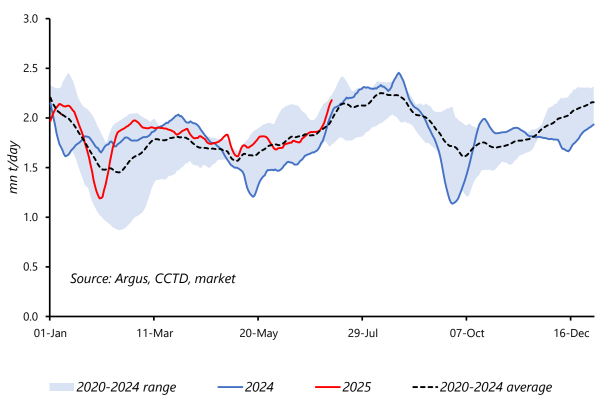
Domestic coal prices in China have stabilised in the past few weeks, with NAR 5,500 kcal/kg spot prices holding in the low 600sYn/t fob Qinhuangdao. Hot temperatures and an associated rise in electricity consumption in provinces around the Yangtze river has supported coal burn and prices (see chart below). And with hot weather expected to persist for the rest of July, there could be scope for a partial recovery in imports in the near term given a more favourable arbitrage for imported versus domestic coal. But coal production remains strong, with output growth continuing to outstrip growth in coal-fired power generation. This means stockpiles at ports, power plants and mines remain high, and should limit scope for a sizeable recovery in imports. China's coal production rose by 5.1pc on the year in May, an on-year rise for the eleventh straight month. Additionally, heavy rains should support a recovery in spluttering hydro generation, which fell by 15pc year-on-year in May, with this deficit largely responsible for a 1.2pc increase in thermal power generation that month. We have left our seaborne coal import projections for 2025, 2026 and 2027 mostly unchanged this month at 280mn t, 265mn t and 251mn t, respectively.

India policy changes, Monsoon dampen demand prospects

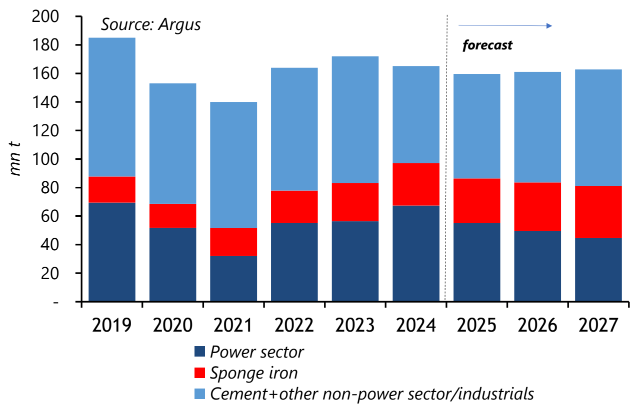
The short-term outlook for Indian coal imports remains soft, given heavy Monsoon rains, abundant domestic coal availability and policy changes that should dent power-sector imports. India's power ministry has not extended its directive requiring imported coal-fired utilities to boost generation, after its last order expired on 30 June. The directive was first issued in May 2022 to imported coal-fired plants with a combined capacity of 17.5GW and subsequently extended over the past three years. And it appears unlikely that this mandate will be reinstated in the short term, given both power-sector and mine-mouth stocks are at record highs of 62mn t and 115mn t respectively, while hydro, nuclear and renewables generation continue to grow.

The Monsoon covered the whole of India by 29 June, nine days ahead of normal. This supported a 17pc on-year rise in large-scale hydro generation in June, enabling an 8.9pc fall in power-sector coal burn. India's power-sector imported 24.5mn t of steam coal in January-May, down by 8.1mn t year-on-year, government data show. So far, this decline has been driven by a drop in imports for blending purposes following the expiry of the government's blending import mandate in October 2024. But following the expiry of the

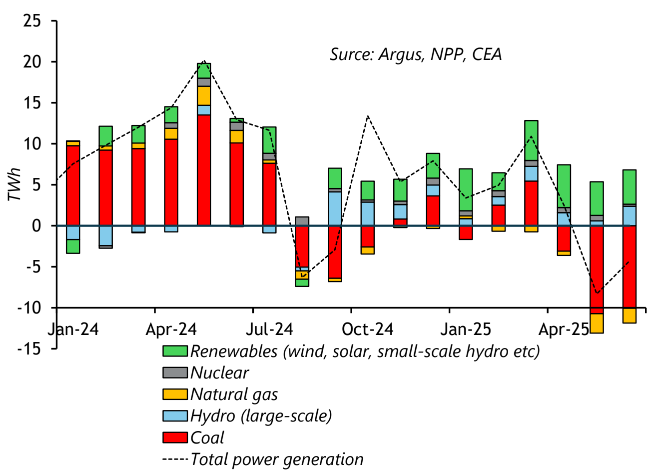
Coal consumption at China's coastal power plants



India steam coal imports by sector

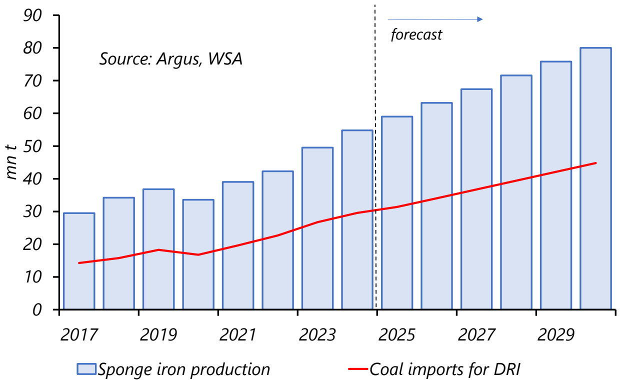


YoY change in India electricity generation

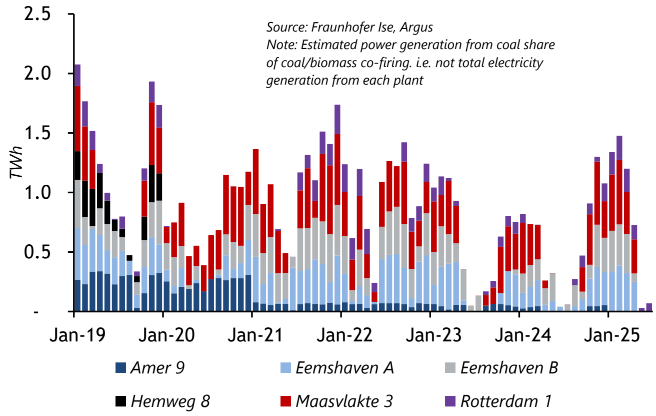


Forecast review – thermal coal

India sponge iron production/DRI sector coal imports



Netherlands imported coal-fired power generation



government's directive to boost import coal plant generation on 30 June, we expect imports for non-blending purposes to fall off faster than we were previously anticipating. As such, we have revised down our expectation for 2025 power-sector imports by 5mn t to 55mn t, and for 2026 by a similar amount to 50mn t. In the long run, we expect power sector imports to continue to be squeezed out by domestic coal, but for industrial imports to grow, driven by strong sponge iron and cement-sector demand. We anticipate sponge iron coal imports to rise from 29.6mn t in 2024 to 36.7mn t by 2027. We have downgraded most of our Indian import projections for 2025-2027 by a couple of million tonnes each to reflect the more negative power-sector demand outlook.

Germany demand outlook raised but Rhine drought a risk

Import coal-fired power generation in western Europe (De, Nl, UK, Ire, Fr, mainland Es, It) edged up by 1pc year-on-year from a low base in June, supported by favourable gas-to-coal fuel switch economics. Hard coal burn in Germany rose by 12pc despite strong wind and solar output. Hard coal took a 13pc share in the country's combined hard coal, gas and lignite mix, up from 10pc in May and 9pc in June 2024. We anticipate imported coal burn to remain above the year-1 level during the balance of 3Q given prevailing fuel-switch economics, although demand upside will be limited by coal plant closures and remain inversely correlated to wind output. We anticipate 2H 2025 German power-sector hard coal burn at 4.9mn t (basis NAR 5,800 kcal/kg at 40pc efficiency), up by 300,000t from 2H 2024. We have raised our German demand projection for 2025 by 500,000t to 11.5mn t to reflect the robust recent coal burn, but left our 2026 and 2027 forecasts at 8.3mn t and 7.8mn t, respectively. We have also raised our 2025 and 2026 demand projections for the Netherlands to 3.4mn t and 2.5mn t, respectively, as Onyx's Rotterdam plant has been generating more power than we expected and forward dark spreads look favourable. We anticipate that generation from RWE's Eemshaven and Uniper's Maasvlakte plants will pick up again following the seasonal summer slowdown.

A prolonged drought on the Rhine river would represent a downside risk to our 2025 import projections, as it may hamper barge transit from ARA ports to end-users. Water levels at the Kaub measuring point are currently around 100cm, well below the 180cm required for unrestricted barging. But unless the situation deteriorates or lasts for several months (as in 2018 or in 3Q 2022), we think German power plants should be able to cope with any minor disruptions given they likely have sufficient inventories at power stations.

In the wider EU, Polish coal burn continues to lag, squashed by bumper solar and gas output. While Ireland shuttered its last remaining coal-fired power plant, the 915MW Moneypoint facility, on 20 June. The unit historically imported most of its coal from Russia before switching to predominantly Cerrejon or South African coal following EU sanctions in 2022. We anticipate small volumes of steam coal will continue to be imported into Ireland for industrial usage. Separately, real-time generation data suggests the 217MW Plomin plant remains offline as of early July following a six-month outage. We have not yet adjusted our import projections for Croatia as a result of the delayed return of this unit and

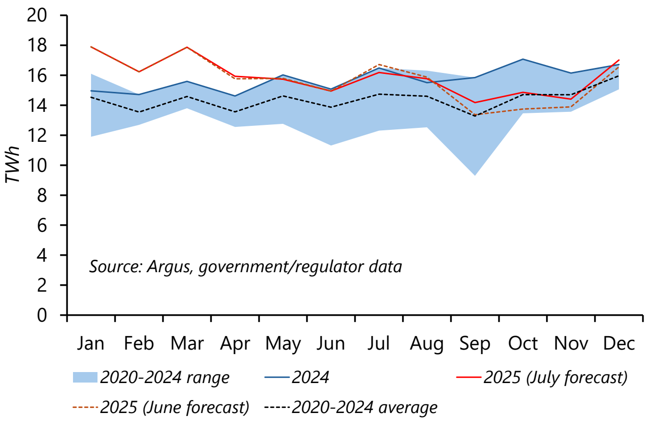
Forecast review – thermal coal

despite not having official confirmation we anticipate it to be back and running in the next few weeks.

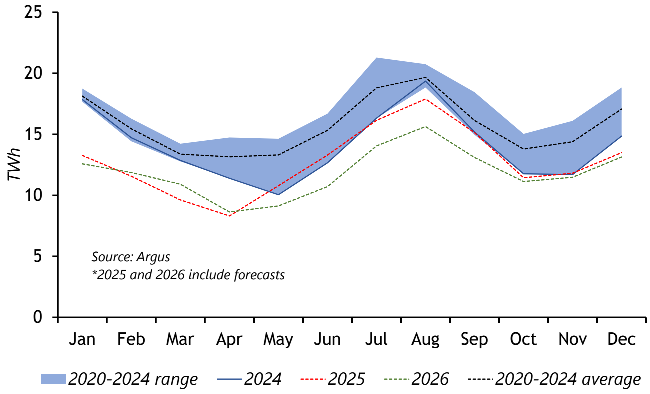
Korea nuclear changes bullish 3Q, bearish 4Q

We have left our 2025 import projection for South Korea flat this month at 78.1mn t, against 85.8mn t in 2024. Some adjustments to the Korean nuclear outage schedule mean we are now anticipating less nuclear output in July versus our previous expectation but greater availability in 4Q '25. But on balance, and with some other adjustments to our forward view on renewables and power demand factored in, we are still expecting Korean coal-fired generation to fall by 9.5pc on the year in 2025 to 153TWh, equivalent to 60mn t of NAR 5,800 kcal/kg coal burnt at 38pc efficiency. We estimate that Korean coal burn rose on the year in both May and June, supported by higher overall power demand and lower nuclear generation, and with the solid fuel taking some share back from gas following the end to seasonal curbs on coal-fired generation. Separately, Korea's long standing fuel consumption tax discount for coal was ultimately extended until the end of 2025, following much speculation that it would expire at the end of June. This extension should support the proportion of high-CV coals in Korea's import mix. Additionally, Korea's energy ministry has re-issued guidance to the country's big five state-owned utilities asking them to cap their imports of Russian coal at 10pc of their import mix. In theory, this could weigh on intake of Russian material at the expense of alternative origins during 2H 2025. But in our view, we see this measure having little impact on the proportion of Russian material in Korea's fuel mix, since Russian

South Korea nuclear generation/availability



South Korea coal-fired generation/forecast

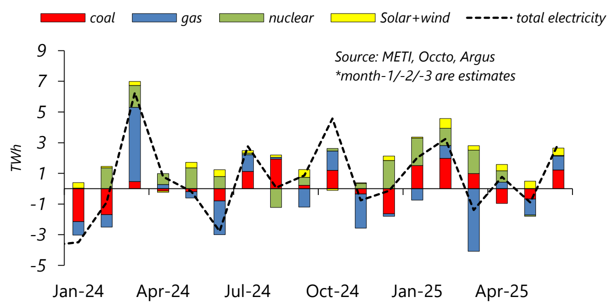


coal formed 19pc of Korea's import mix in 2024, when this 10pc guidance was also in force. We understand that Korean independent power producers and cement sector buyers are still buying Russian material.

Higher power demand expectations support Japan outlook

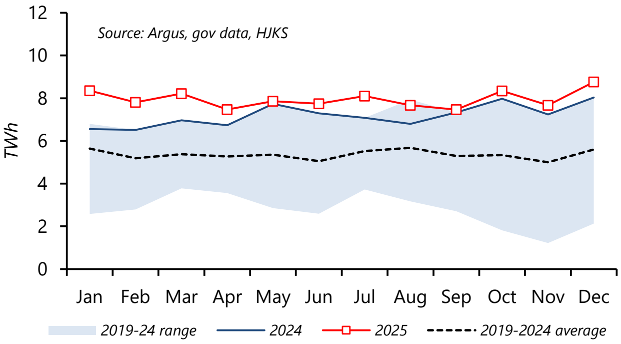
We have revised our 2026 and 2027 import projections for Japan up by around 2mn t each to 109.3mn t and 103mn t, on the back of upward revisions to electricity demand expectations for the next two years. Total Japanese power demand was on an overall down-trend in 2018 to 2023 but rose year-on-year in 2024 and by around 1.7pc in 1H 2025. We have left our 2025 import projection flat this month at 115mn t. Hot temperatures should continue to support cooling demand in July-September, while the nuclear availability outlook is broadly flat to a month ago, except that the 1.2GW Genkai 3 nuclear unit returned to service on 15 June following an 11-day outage. This return was around two weeks earlier than we anticipated in our last report. Our nuclear assumptions

YoY change in Japan electricity generation



Forecast review – thermal coal

Japan nuclear generation/availability



assume that Tepco's Kashiwazaki-Kariwa nuclear units 6 and 7 remain offline for the duration of our 18-month time horizon. The utility said last month that it will focus on restarting the No. 6 reactor rather than No. 7 but there are still several regulatory hurdles to overcome before the units - which have been shuttered since 2012 - resume operations. We have not adjusted our forecasts on the basis of Hokuriku Electric Power shuttering its 250MW Toyama-Shinko No. 2 coal-fired power unit on 7 July, as we expect this unplanned outage to be short-lived.

Taiwan demand forecast cut on weak burn

We have revised down our 2025 to 2027 annual import projections for Taiwan by 0.5mn t each, as coal-fired power generation remains weak, despite the closure of the country's final nuclear facility, the 951MW Maanshan unit 2, in May. We estimate 1H '25 coal-fired generation at around 38.8TWh, 11.5pc lower year-on-year, as a decline in overall power demand, fuel switching toward gas and strong renewables generation has squeezed the share of the solid fuel in the power mix. For 2025 as a whole, we estimate annual power-sector coal burn to drop by 6pc on the year, with an additional 3pc annual decline in 2026. Key utility Taipower had to bring back the decommissioned Talin gas-fired unit 5 on 12 June to make up for lost output from gas-fired units under maintenance and higher power demand than expected. The island is expected to add 4.8GW of new gas-fired capacity to its grid this year, to make up for its nuclear deficit and accelerate the coal to gas pivot.

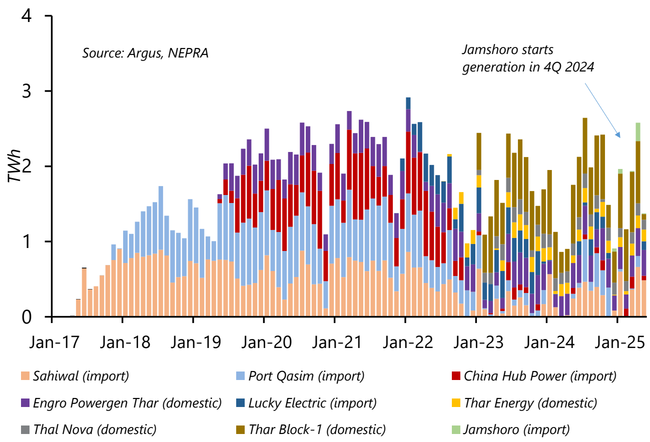
Philippines, Thailand demand prospects lowered, Viet flat

We have lowered our 2025 import projections for the Philippines and Thailand to reflect soft recent imports. Wet weather capped power demand growth and weighed on coal-fired generation in the Philippines in May, as most parts of the country faced higher-than-usual rainfall. The Philippines' coal-fired power generation declined to 6.4TWh in May from 6.86TWh a year earlier, according to data from operator IEMOP. We have left our 2025 and 2026 import projections for Vietnam flat this month at 55mn t and 60mn t respectively. Firm hydro generation continues to limit recourse to coal-fired power in the country but we remain constructive on longer-term demand because of strong economic growth and coal-fired power plant constructions.

Pakistan coal demand undergoing anticipated bounce

We have left our 2025 and 2026 import projections for Pakistan unchanged this month at 7.2mn t and 9.3mn t, respectively. Seaborne imports in 1H 2025 were broadly flat year-on-year but we expect inflows to pick up in 2H '25, supported by stronger electricity generation from power plants that run on imported coal. The Sahiwal, Port Qasim and Jamshoro power plants all awarded tenders in May/June to South African coal, while import coal generation rose on the year in both April and May, albeit from a low base. Cross-border overland flows into Pakistan remain suspended as of early July, which could support seaborne intake from the cement sector in 2H '25. January-June flows from Afghanistan to Pakistan totalled 0.7mn t, according to customs data, but June imports slipped to 99,000t from 178,000t in May. The resumption of flows will hinge on shippers procuring an origin certificate for their cargo. At this stage, we assume that

Pakistan coal-fired power generation



Forecast review – thermal coal

flows will resume in earnest later in 3Q '25 and are predicting full-year Afghanistan-Pakistan imports at 1.3mn t, up from 0.9mn t in 2024.

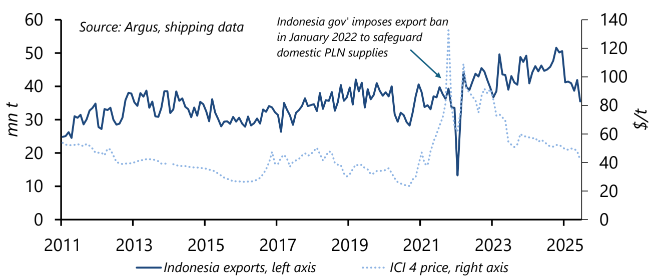
Indonesia coal supply lowest since 1Q 2022

Indonesian coal exports have slowed sharply, with June outflows hitting the lowest since February 2022, when a partial export ban was in force. Exports to China likely fell to below 10mn t last month, as buyers looked to cut ultra-CV imports in the face of domestic oversupply. A ramp up in ICI-3 type material from Russia's Sakhalin island into China has also eaten into Chinese appetite for Indonesian material. Our export projection for Indonesia for 2025 is flat to last month at 485mn t, which would imply 2H 2025 exports of 245mn t against 240mn t in 1H 2025 and 291mn t in 2H 2024. We have not adjusted our projections in light of a bridge collapse in Indonesia's South Sumatra province on 29 June, which has disrupted coal hauling operations. The bridge was primarily used by smaller producers shipping ultra-low to mid-calorific value coal from the Lahat area and we think the overall impact on the market is limited because of subdued international demand. As we have been flagging in recent reports, the supply response from Indonesia to falling demand and ICI prices remains a mixed bag, with some producers cutting back production/exports, but others looking to maintain output in order to lower unit costs. Suppliers generally appear to be successfully lowering cash costs (se chart), a trend which should persist in the coming years. This is feeding into our view that annual average ICI prices are likely to fall year-on-year in 2026 and 2027 versus 2025.

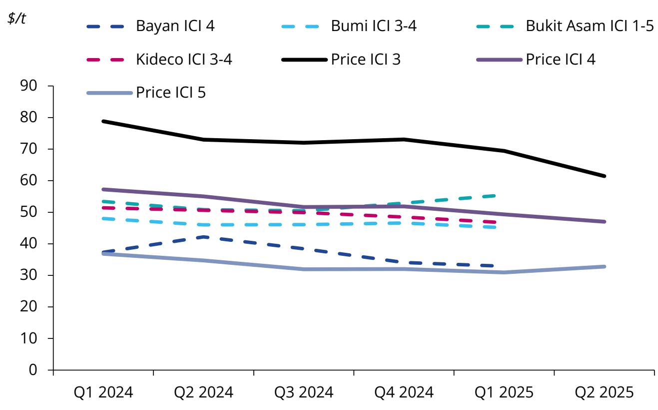
Australia exports recover, S Af hit by derailment

Australian exports recovered in June having fallen sharply in May because of wet weather. We have left our 2025 export projection flat this month at 196mn t, which implies 2H

Indonesia coal exports v ICI 4 prices



Indonesia fob cash costs vs ICI prices



2025 exports of 101.5mn t against 94.8mn t in 1H 2025 and 110.7mn t in 2H 2024. We are monitoring labour disputes at Glencore's Ulan thermal coal and Peabody's Metropolitan mines, which produce thermal coal and a mix of thermal, PCI and hard coking coal, respectively. But we have not yet adjusted our thermal coal export projections because of this. Our projections were already factoring in a cut to Australian exports, driven by lower demand and prices, while Glencore signalled it would rationalise Australian thermal coal exports in its investor call earlier in the year.

A train derailment on the line to the Richards Bay Coal Terminal RBCT (RBCT) cut some 500,000t of export supply in late June/early July. This came at an inopportune moment for the industry, given Transnet Freight Rail (TFR)'s looming shutdown on the line into RBCT, scheduled for 15-26 July. But stockpiles at RBCT are just shy of 4mn t, meaning we think producers should be able to catch up on lost shipments in the coming weeks, given relatively modest overall coal demand. As a result, we have left our 2025 export projection for South Africa at 71mn t against 71.4mn t in 2024. But we do think that the derailment tightens the overall balance for South African high-CV material for July and August, and this has contributed to us raising our API 4 and API 2 price forecasts for this time horizon.

High US domestic demand may squeeze exports, prices

Our US export projections covering the 2025 to 2027 period are unchanged against last month, and we continue to anticipate lower international demand and prices to drive a reduction in exports across the period of our time horizon.

Forecast review – thermal coal

As evidenced in the trade grids outlined on pages 18-19 of this report, we are envisaging US exports to decline into most markets except India and Pakistan, where we think robust cement sector consumption will maintain flows. We continue to note rising US domestic coal demand as a downside risk to our US export projection, and an upside risk to our API 2 price forecasts, for the period of our time horizon. US domestic coal power will increase by 8.4pc from 2024 to a three-year high of 702.6bn kWh in 2025 before sliding to 657.9bn kWh next year, the US Energy Information Agency (EIA) said in its latest Short-Term Energy Outlook released on 8 July. The more robust outlook for coal-fired generation and overall electricity generation stems in part from a hotter-than-normal June. The agency also predicts that US power generation and consumption will soar to all-time highs in 2025 and 2026 because of increased demand from data centres and manufacturing, shattering records set in 2024.

We have made some adjustments to the historical Russian export numbers published in our annual balances as a result of customs data revisions and some tweaks to methodology. But out seaborne export projections for 2025, 2026 and 2027 are mostly unchanged this month at 109mn t, 107mn t and 104.5mn t, respectively.

Forecast review – metallurgical coal

Metallurgical Coal

- ***3Q '25 price outlook still bearish***
- ***US Leer South, Russia's Mechel supply cut***
- ***Most import/export projections flat to July report***

Key changes to price forecasts

The price outlook for the next three months across the metallurgical coal space still appears mostly bearish. Demand from key Asia-Pacific buyers India and China is undergoing its seasonal slow-down. And while the extension to Indian quantitative restrictions on low-ash metcoke may stimulate some additional demand in 2H 2025, we do not think this will be sufficient to drive prices higher in the short term. Particularly as supply has improved from Australia following weather-related disruptions in 1H 2025, and availability from the US is also good, despite a stoppage at US supplier Core Natural Resources' Leer South mine being extended until approximately November. Canadian and Chinese metcoal is still being offered into the Asia-Pacific markets, a symptom of oversupply, while the Atlantic basin demand outlook is poor outside of some rays of light from Brazil.

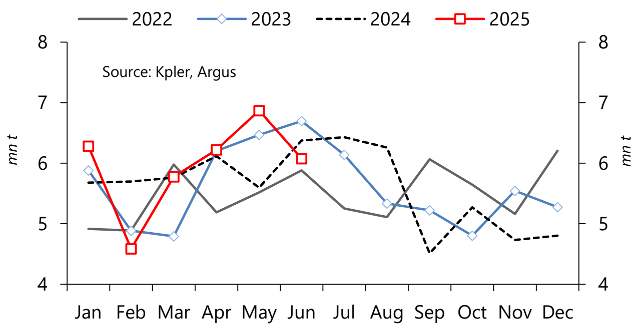
Soft demand from China and India, and ample availability from Russia, is pressuring Australian PCI prices. But we have raised our PCI spot price forecasts for 2H 2025 relative to Australian premium low-vol equivalents, given the prospect of greater demand from Brazil, relatively tight supply from Australia since most volumes from suppliers are contracted on a term basis, and since European interest in PCI might remain relatively healthy in as mills look to maintain flagging steel margins with lower-cost imports.

Key changes to supply/demand projections

India, China demand remains slow

The ongoing monsoon season continues to drag on Indian demand, with steel mills heard to be well covered for the next couple of months. The big new development in the market is that India's directorate general of foreign trade has extended quantitative restrictions on low-ash metallurgical coke imports for another six months, from 1 July to 31 December 2025. Although this is not a major surprise and was largely anticipated, the continued restriction on low-ash coke imports could lead to increased demand for coking coal as the monsoon gradually eases. India's imports continue to

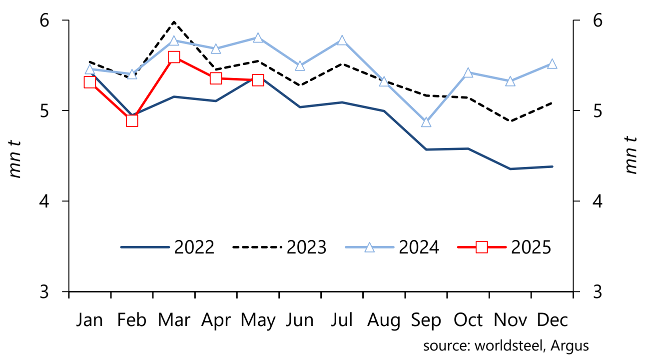
India metallurgical coal imports



perform in line with our expectations, being flat on the year in 1H '25, and we have left our seaborne import projections for 2025 and 206 unchanged this month at 66mn t and 70mn t, respectively, against 66.5mn t in 2024.

China's demand for seaborne metcoal also remains subdued. Most steel mills are hesitant to build up material inventories as they are still struggling with weak steel consumption amid the seasonal lull, while persistent scorching and rainy weather across much of China, especially in the south, is likely to weigh on steel demand during the summer months. China's crude steel output fell by 6.9pc on the year in May to 86.55mn t, data from the National Bureau of Statistics show. Demand for tier-two coal continues to be mostly fulfilled by Mongolian supply, which is readily available on stock even if the pace of overland imports has slowed. Some upside to domestic Chinese paper prices arrived from coal output cuts in Shanxi and Inner Mongolia, primarily driven by safety inspections and environmental checks. But we understand that some mines are resuming production, so do not anticipate this to provide much support to seaborne import prices

Europe iron production



Forecast review – metallurgical coal

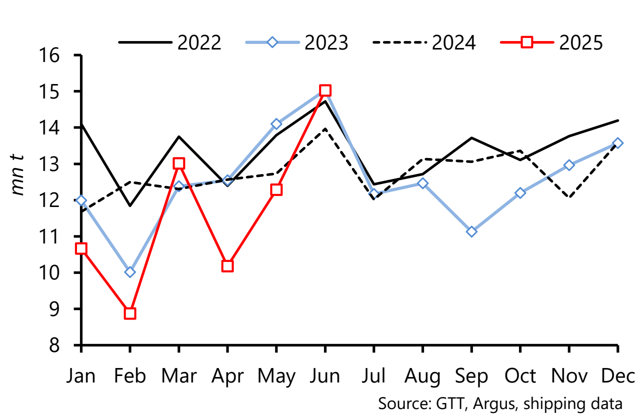
in the near term. We have left our 2025 and 2026 seaborne import projections for China at 50mn t and 46mn t, against 65.5mn t in 2024.

Most of our other import projections for 2025 and 2026 are also flat versus last month, as flows perform in line with our expectations. Demand from Europe remain slow, with most buyers understood to be well covered under long-term contracts, leaving little room for incremental spot demand. But demand from Brazil might pick up in response to a possible scarcity of petroleum coke, which often makes up a third of the Brazilian steelmakers' blast furnace blends. We expect EU, UK and Turkey metallurgical coal imports at 38mn t in 2025, down from 39.5mn t in 2024, with aggregate Latin American imports at 14.5mn t, 600,000t lower year-on-year.

Core Natural Resources, Mechel supply cuts

Australian exports have recovered after weather-related disruption earlier in the year. But full-year exports are still likely to drop versus 2024, given a slew of accidents across various mines in 1H 2025, and we are still projecting 2025 shipments to drop by 5mn t year-on-year to 148mn t. We have not adjusted our forecasts on the basis of an incident at GM3's Appin mine in mid-June, or labour-related strikes at Peabody's Metropolitan mine in New South Wales. We also continue to assume that Bowen Coking Coal (BCC) will provide around 1.2mn t of coking coal to the export market this year, despite the firm warning last month it may need to temporarily pause or cut production at its 5.5mn t/yr Burton complex if it does not secure additional cash.

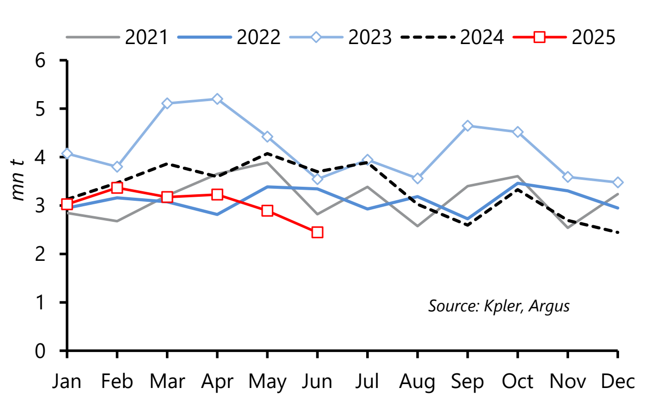
Australia metallurgical coal exports



We have lowered our 2025 export projection for US miner Core Natural Resources to 6.7mn t, after the firm extended an outage at the 3.5mn t Leer South mine for another "several months". The recovery team pulled out of the West Virginia mine and resealed the affected area on 26 June, and said its restoration works could last until November. Core had previously targeted a mid-year restart before the incident for the asset, which has been offline for the past six months. The delayed restart tightens US high-vol A supply for 2H 2025, but given tepid demand for US metcoal from international markets, and with Warrior Met Coal still on track to raise output, Peabody's Shoal Creek mine understood to be performing well and Allegheny Met also looking to restart, it is unlikely to tip the balance into undersupply.

We have lowered our 2025 and 2026 export projections for Russia's Mechel to 5.5mn t and 6.2mn t respectively, following a sharp slowdown in the firm's exports in 2Q '25. But there is some positive news for Mechel, as it is receiving targeted government support because of the crisis affecting the country's coal industry. The company's exports in May plunged to a multi-year low of 93,000t, rail data show. Outflows fell on the back of falling coking coal prices, low demand from Asia and the stoppage of its washing plant in Yakutia. Exports of coking coal from Kuzbass are currently loss-making as prices for Russian coal are discounted against falling global indexes. Sales of coking coal from Yakutia, however, still appear profitable, particularly at high volumes, although even these flows are coming under pressure from soft Chinese demand. In January-May, Mechel's coal output decreased by 1.1mn t, or 24pc, on the year to 3.3mn t, data from market sources show.

Russia metallurgical coal exports

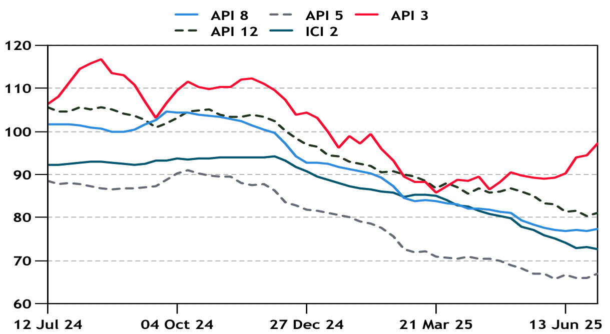


Swaps and spreads

Mid-CV downtrend persists

NAR 5,500 kcal/kg coal prices continue to slid on soft China and India demand. The exception has been South African RB3 product, whose price has been lifted by a train derailment and a rallying API 4 paper market.

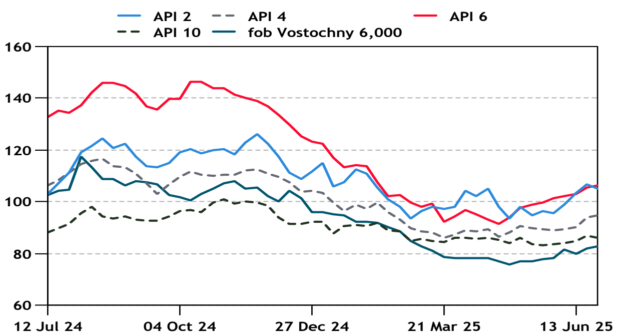
5,500kcal/kg NAR thermal prices $/t



High-CV prices edge up

NAR 6,000 kcal/kg prices have been supported by supply trouble in South Africa and the conflict in Israel/Iran. Fob Newcastle and API 2 prices are close to parity.

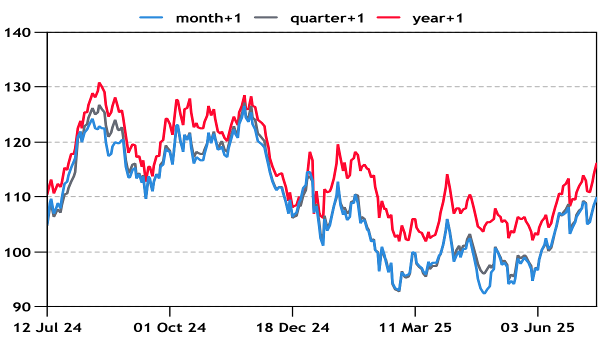
High-CV thermal prices $/t



API 2 swaps volumes soar

The Israel/Iran conflict drove thermal coal futures and options volumes traded through the Intercontinental Exchange (Ice) in June to 54.4mn t, the highest monthly contracts cleared since September. The API 2 curve remains in a modest contango.

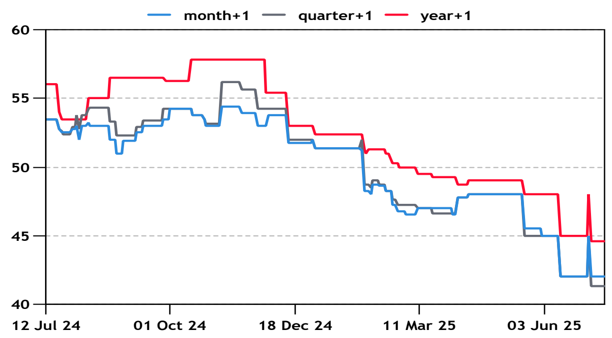
API 2 financial swaps prices $/t



Liquidity tepid

Softer demand for Indonesian coal and dissatisfaction with Indonesian coal pricing has further dried up already thin hedging activity in the ICI paper markets. The financial curve - for what it is worth - remains in modest contango.

ICI 4 financial swaps $/t

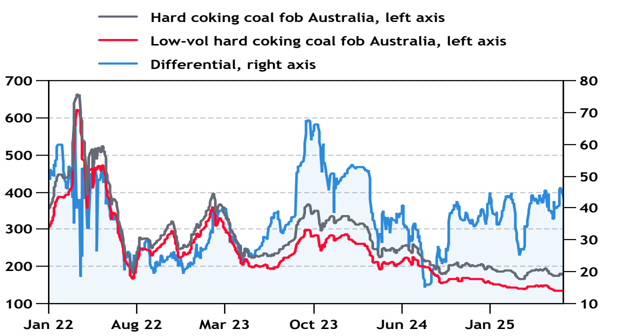


Swaps and spreads

Sideways moves

Prices have generally been rangebound over the past month.

Low-vol vs mid-vol coking coal $/t



Futures track physical

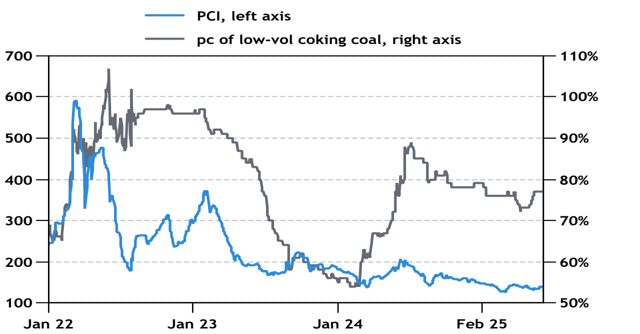
Paper prices have mirrored moves in the underlying physical market, with prices trending sideways. The curve remains in contango.

Australian coking coal financial swaps $/t

Positive shoots for PCI demand

We have raised our PCI spot price forecasts for 2H 2025 relative to Australian premium low-vol equivalents, given the prospect of greater demand from Brazil, relatively tight supply from Australia since most volumes from suppliers are contracted on a term basis, and since European interest in PCI might remain relatively healthy in as mills look to maintain flagging steel margins with lower-cost imports.

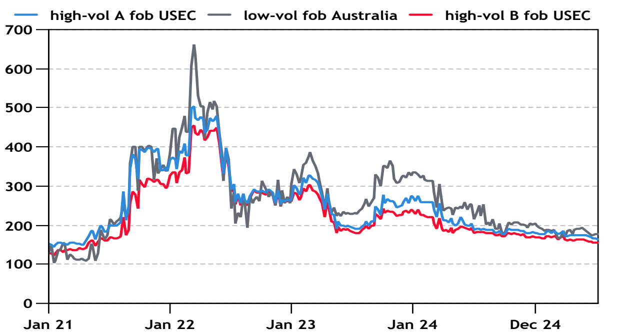
PCI prices $/t



US prices soften

US HVA and HBA prices have fallen despite Core extending an outage at the Leer South mine until 4Q '25. Demand for US metcoals from international markets is thin.

USEC high-vol A and B $/t



Thermal coal demand and supply

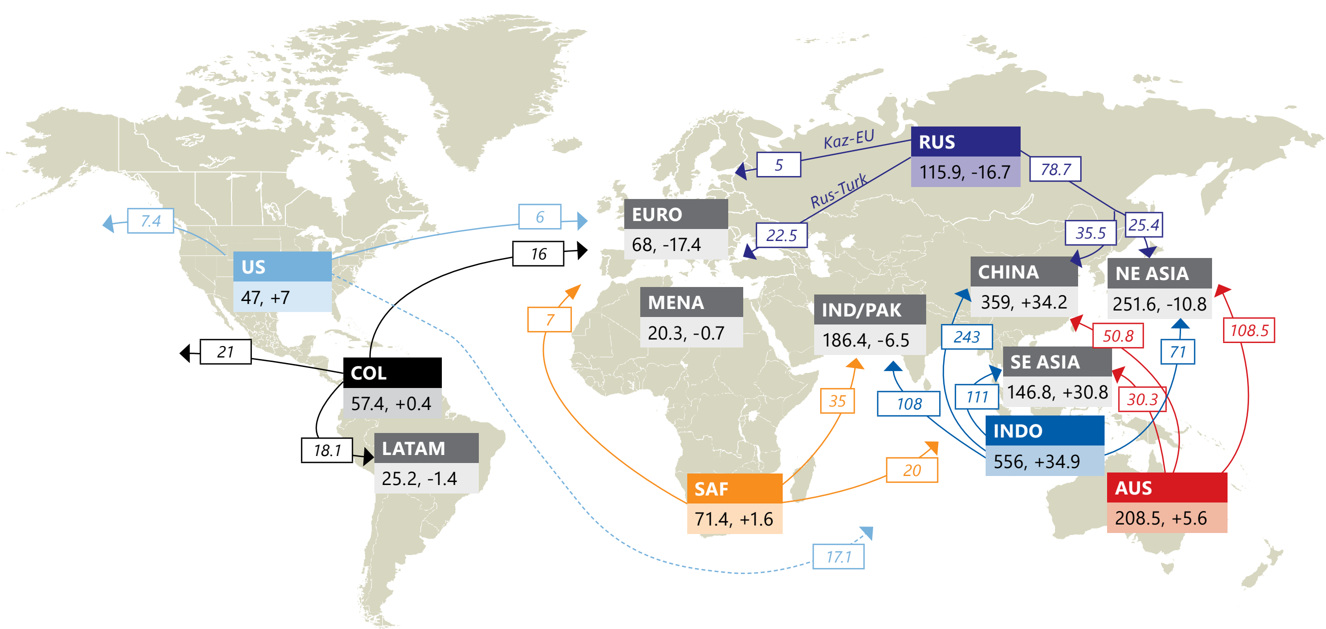
Seaborne thermal coal demand and supply *mn t*

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Import Demand	**1023.5**	**1045.1**	**936.8**	**980.4**	**972.4**	**1065.8**	**1076.6**	**977.5**	**958.8**	**947.8**
Europe	137.3	109.1	84.0	95.0	117.5	84.2	62.7	62.9	58.5	57.2
Middle East and North Africa	24.2	24.6	21.3	22.2	21.7	20.7	20.3	21.2	21.7	18.1
Americas	37.9	40.1	26.9	31.8	29.5	26.6	25.2	24.5	23.7	23.4
China	210.0	221.0	212.3	251.6	205.9	325.4	363.5	280.0	265.0	251.8
Northeast Asia	312.2	303.1	273.0	286.2	287.2	264.2	256.8	242.6	230.3	222.5
South Asia	190.0	209.8	178.7	166.1	184.9	192.9	186.6	180.7	186.4	195.3
Southeast Asia	106.0	133.1	137.5	122.5	117.8	144.4	156.2	160.3	167.8	174.2
Africa	5.9	4.2	3.2	5.0	7.9	7.4	5.4	5.4	5.4	5.4
Export Supply	**1015.7**	**1042.1**	**930.4**	**979.6**	**989.3**	**1071.3**	**1083.6**	**979.3**	**960.8**	**947.8**
Indonesia	429.1	459.1	406.9	433.7	466.7	521.1	557.8	485.0	470.0	460.0
Australia	207.7	213.2	200.8	200.2	179.6	202.9	208.5	196.0	195.0	195.0
South Africa	78.9	76.9	73.6	64.9	70.4	73.0	71.4	71.0	72.0	73.0
Colombia	75.0	70.7	46.8	53.6	54.3	55.1	54.2	42.8	42.8	42.8
Russia	150.7	154.1	151.8	159.4	148.1	132.6	111.0	109.0	107.0	104.5
Kazakhstan	5.6	5.9	5.9	6.7	8.6	9.4	9.1	9.0	9.0	9.0
USA	48.1	37.1	24.6	36.6	35.9	44.6	46.1	42.0	40.0	38.0
China	2.8	2.5	0.9	0.3	1.4	1.6	1.0	1.0	1.0	1.0
Mozambique	8.9	8.0	7.0	8.0	9.0	11.0	8.5	8.5	9.0	9.5
Canada	2.0	3.5	4.8	5.5	8.2	8.0	7.0	5.0	5.0	5.0
Other	7.0	11.1	7.3	10.8	7.0	12.0	9.0	10.0	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	18.0	20.0
Mongolia-China	8.5	2.3	4.8	2.4	5.4	15.9	25.0	26.0	27.0	28.0
Kazakh rail exports		0.4	-	2.1	2.8	3.6	2.5	2.5	2.5	2.5
Afghanistan-Pakistan	1.1	1.2	0.5	1.3	3.7	1.7	0.9	1.3	1.0	1.0

Thermal coal trade flows 2024



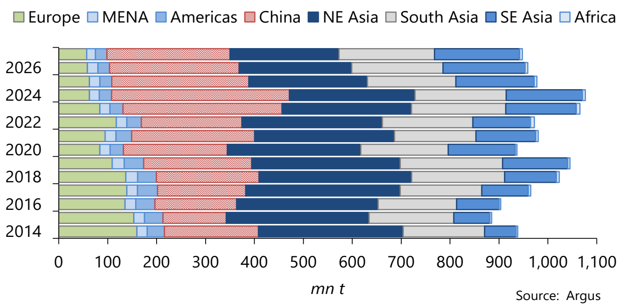
Demand breakdown

mn t

	2023	2024	2025	2026	2027
Europe	**84.2**	**62.7**	**62.9**	**58.5**	**57.2**
Germany	16.1	10.0	11.5	8.6	8.2
UK	1.5	0.6	0.4	0.4	0.4
Netherlands	3.0	2.6	3.4	2.5	1.5
Finland	1.0	1.0	0.5	0.2	0.2
France	2.4	1.5	1.5	1.5	1.5
Spain	4.3	2.0	1.0	0.8	0.8
Poland	13.2	5.9	5.3	4.9	4.5
Italy	4.6	1.4	1.5	1.5	1.5
Turkey	33.8	33.6	34.0	35.0	36.0
Other	4.3	4.2	3.8	3.1	2.6
MENA	**20.7**	**20.3**	**21.2**	**21.7**	**18.1**
Israel	4.3	3.3	3.6	3.5	0.0
Morocco	9.8	9.5	10.0	10.5	10.5
Egypt	4.1	5.2	5.2	5.2	5.0
UAE	1.9	1.7	1.8	1.9	2.0
Other	0.6	0.6	0.6	0.6	0.6
Americas	**26.6**	**25.2**	**24.5**	**23.7**	**23.4**
Mexico	3.8	4.5	4.5	4.0	4.0
US	3.5	1.0	1.0	1.0	1.0
Chile	5.5	5.0	4.5	4.5	4.5
Brazil	4.0	5.1	5.0	5.0	5.0
Other	9.8	9.6	9.5	9.2	8.9

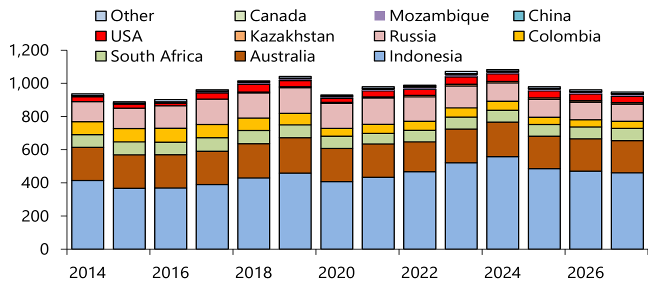
	2023	2024	2025	2026	2027
Northeast Asia	**264.2**	**256.8**	**242.6**	**230.3**	**222.5**
Japan	114.4	118.7	115.0	109.3	103.0
Korea	92.6	85.8	78.1	72.0	71.0
Taiwan	51.6	47.3	44.5	44.0	43.5
Hong Kong	5.6	5.0	5.0	5.0	5.0
Southeast Asia	**144.4**	**156.2**	**160.3**	**167.8**	**174.2**
Malaysia	37.7	37.5	38.0	38.0	38.0
Thailand	17.9	18.4	18.5	18.0	17.0
Philippines	36.4	39.3	40.0	43.0	45.0
Vietnam	44.6	52.8	55.0	60.0	65.0
Other	7.8	8.2	8.8	8.8	9.2
South Asia	**192.9**	**186.6**	**180.7**	**186.4**	**195.3**
India	172.0	165.2	158.0	161.1	162.7
Pakistan	5.8	6.9	7.2	9.3	15.1
Sri Lanka	2.5	2.0	2.5	2.5	2.5
Bangladesh	12.6	12.5	13.0	13.5	15.0
China					
Domestic coastal	813	815	820	825	825.0
Seaborne thermal	162.3	192.5	133.0	130.0	115.8
Lignite	163.1	171.0	147.0	135.0	136.0
Total seaborne+overland	355.1	405.2	323.5	310.0	299.8

Seaborne import demand



Source: Argus

Seaborne export supply



Source: Argus

Seaborne steam coal annual trade grids *mn t*

	EU+UK	Turkey	MENA	Americas	China	Japan	S Korea	Taiwan	India	Pakistan	Vietnam	Malaysia, Philip-pines, Thailand	Other	Total exports
2023														
USA	9.2	0.2	6.7	3.5	1.2	4.2	4.4	0.1	14.4	-	0.1	0.1	0.5	44.6
Colombia	15.3	6.0	1.5	19.0	5.1	1.5	5.5	0.9	0.5	-	-	0.1	-	55.1
Russia	0.1	26.7	2.9	0.7	45.7	3.2	25.0	7.6	15.7	-	1.6	2.5	0.9	132.6
S Africa	9.9	0.1	3.1	0.8	1.2	3.1	6.2	4.3	29.8	1.8	2.0	1.0	9.8	73.0
Australia	0.8	0.6	0.5	1.8	50.9	70.6	15.9	21.6	7.1	-	14.4	9.2	9.5	202.9
Indonesia	3.2	0.1	0.1	-	217.9	25.3	26.9	15.2	109.1	3.3	19.9	76.5	23.5	521.1
Other	12.0	0.1	5.9	0.8	3.4	6.4	8.8	0	0	0.7	6.6	2.7		42.0
Total imports	50.4	33.8	20.7	26.6	325.4	114.4	92.6	47.3	172.0	5.8	44.6	92.0	40.2	1,065.8
2024														
USA	5.0	0.2	9.7	4.8	3.1	4.4	3.3	0.0	13.3	0.7	0.1	0.1	1.4	46.1
Colombia	8.7	6.7	0.5	18.1	6.7	1.1	9.8	1.6	1.7	-	-	-	-	54.2
Russia	-	23.4	1.5	1.0	34.0	1.2	17.2	8.1	15.0	-	1.5	2.1	5.9	111.0
S Africa	6.6	0.2	4.0	0.3	0.5	3.7	5.7	2.2	32.3	3.4	5.1	0.7	6.6	71.4
Australia	0.9	-	0.1	0.3	74.4	74.6	11.9	15.4	3.8	-	11.5	11.0	4.6	208.5
Indonesia	0.5	-	-	-	236.9	24.2	25.9	16.5	103.7	2.8	24.7	80.2	42.3	557.8
Other	7.5	3.1	4.4	0.7	7.8	9.5	11.9	3.5	0	0.1	9.8	1.1		34.6
Total imports	29.1	33.6	20.3	25.2	363.5	118.7	85.8	47.3	165.2	6.9	52.8	95.2	33.1	1,076.6
2025														
USA	4.5	-	11.0	3.2	0.1	3.0	3.0	0.0	13.5	1.5	0.1	0.1	2.0	42.0
Colombia	8.0	3.0	1.5	18.4	0.5	1.0	6.0	2.6	2.0	-	-	-	-	42.8
Russia	-	28.0	1.2	-	32.0	0.9	11.4	3.5	12.0	-	2.0	2.2	15.8	109.0
S Africa	8.0	1.8	4.0	0.3	0.1	4.0	5.0	4.0	34.0	2.1	5.0	0.8	1.9	71.0
Australia	0.9	-	0.1	0.3	60.0	71.3	15.6	15.4	4.5	0.6	14.0	13.0	0.3	196.0
Indonesia	0.2	-	-	-	171.8	23.0	25.5	16.6	84.6	3.0	26.0	81.4	52.8	485.0
Other	7.3	1.2	3.3	2.3	15.5	11.8	11.5	2.4	7.4	-	7.9	-		33.5
Total imports	28.9	34.0	21.2	24.5	280.0	115.0	78.1	44.5	158.0	7.2	55.0	96.5	34.7	977.5
2026														
USA	4.1	-	11.0	3.1	-	2.0	2.9	-	13.9	1.5	-	0.1	1.5	40.0
Colombia	8.0	2.6	1.5	17.8	0.5	1.0	5.0	2.0	2.0	-	-	-	2.4	42.8
Russia	-	29.8	1.0	-	39.8	0.5	11.5	4.4	14.5	-	2.4	2.5	0.7	107.0
S Africa	7.1	1.0	5.0	0.2	0.1	5.5	4.3	3.3	35.0	3.5	5.5	1.0	0.5	72.0
Australia	0.5	-	-	0.3	55.7	71.0	14.4	16.3	5.4	0.6	19.0	10.9	1.0	195.0
Indonesia	0.2	-	-	-	156.4	20.8	24.5	15.4	84.0	3.7	27.5	84.2	53.5	470.0
Other	3.8	1.6	3.2	2.3	12.7	8.5	9.4	2.6	6.3	-	0.6	0.4		34.0
Total imports	23.5	35.0	21.7	23.7	265.0	109.3	72.0	44.0	161.1	9.3	55.0	99.0	40.2	958.8
2027														
USA	3.4	-	9.9	3.0	-	2.0	2.8	-	14.6	1.5	-	0.1	0.6	38.0
Colombia	7.2	2.7	0.8	17.6	0.5	1.0	4.3	1.0	3.0	-	-	-	4.8	42.8
Russia	-	30.6	1.0	-	34.0	0.5	12.1	4.4	16.3	-	2.9	2.5	0.4	104.5
S Africa	5.9	1.0	4.5	0.2	0.1	5.2	4.3	3.3	36.8	6.5	4.0	1.0	0.4	73.0
Australia	0.5	-	-	0.3	57.9	67.0	14.2	16.5	6.5	0.6	19.0	11.0	1.5	195.0
Indonesia	0.2	-	-	-	138.5	19.6	23.4	15.7	81.5	6.5	31.2	85.0	58.4	460.0
Other	3.9	1.7	1.9	2.3	20.8	7.8	9.9	2.7	4.1	-	2.9	0.4		34.5
Total imports	21.2	36.0	18.1	23.4	251.8	103.0	71.0	43.5	162.7	15.1	60.0	100.0	42.1	947.8

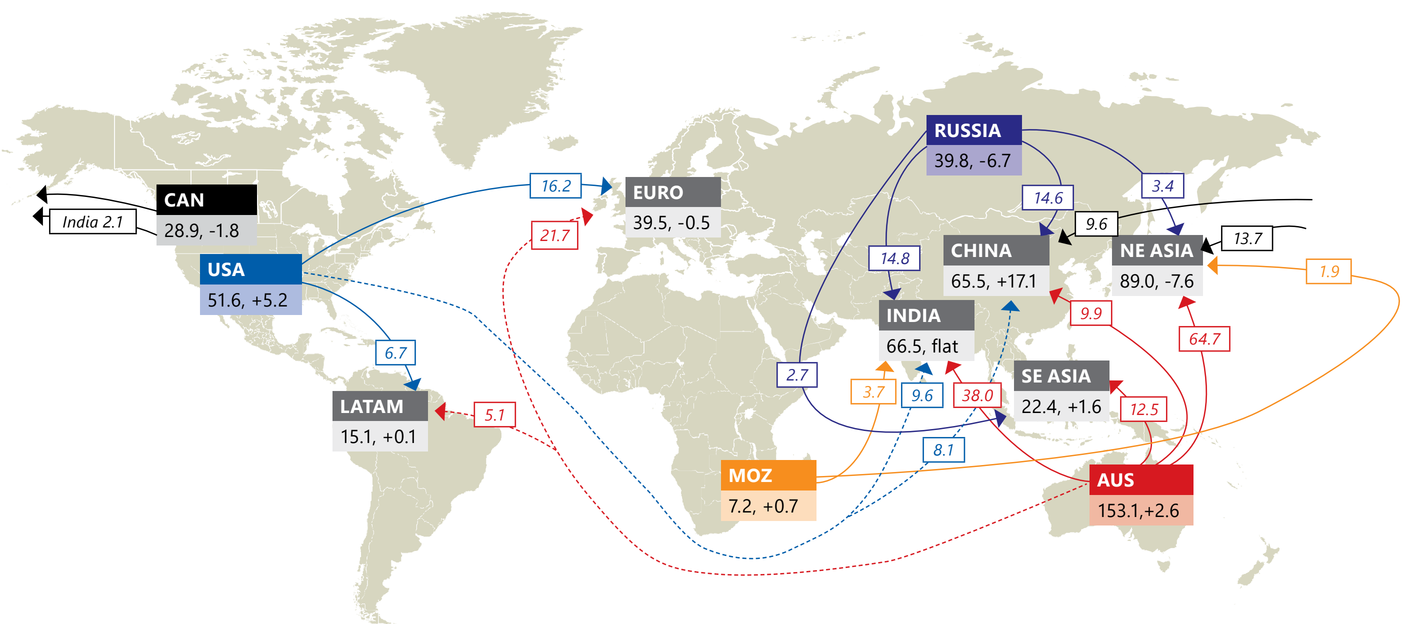
Seaborne steam coal annual trade grids, year-on-year change *mn t*

	EU+UK	Turkey	MENA	Americas	China	Japan	S Korea	Taiwan	India	Pakistan	Vietnam	Malaysia, Philip-pines, Thailand	Other	Total exports
2023														
USA	-3.2	-0.2	2.2	-0.4	1.0	0.5	0.8	0.1	7.3	-0.1	0.1	0.1	0.3	8.6
Colombia	-2.9	-3.4	1.3	-1.5	4.3	0.4	3.2	0.5	0.0	-	-0.1	0.1	-1.0	0.7
Russia	-21.0	7.3	-4.3	-1.1	16.1	-4.9	-0.2	0.4	2.4	-	1.0	-0.0	-11.2	-15.4
S Africa	-10.2	-0.2	-0.6	-0.1	0.3	1.9	-0.3	2.1	9.3	-1.8	1.9	-0.0	0.2	2.6
Australia	-4.6	-0.1	0.4	-0.5	50.9	-15.8	-7.8	-2.0	-2.5	-0.1	4.8	-2.0	2.6	23.3
Indonesia	-3.1	0.1	-0.0	-0.1	45.1	-1.1	-0.1	-3.1	-1.4	-1.5	9.2	4.9	5.5	54.4
Other	8.4	-0.3	0.0	0.8	1.7	4.7	-0.5	-5.6	-7.2	-1.9	2.2	2.1		7.8
Total imports	-36.5	3.2	-1.0	-2.9	119.5	-14.2	-4.9	-7.6	8.0	-5.5	19.1	5.1	21.1	103.4
2024														
USA	-4.3	0.1	3.0	1.3	2.0	0.1	-1.1	-0.1	-1.1	0.7	0.0	-0.0	0.9	1.5
Colombia	-6.6	0.6	-1.0	-1.0	1.6	-0.4	4.3	0.8	1.2	-	-	-0.1	-	-0.8
Russia	-0.1	-3.3	-1.3	0.3	-11.7	-2.0	-7.7	0.4	-0.8	-	-0.1	-0.4	5.1	-21.6
S Africa	-3.3	0.1	1.0	-0.5	-0.7	0.5	-0.4	-2.0	2.5	1.6	3.1	-0.3	-3.2	-1.6
Australia	0.0	-0.6	-0.4	-1.5	23.5	4.0	-4.0	-6.2	-3.4	-	-2.9	1.8	-4.9	5.6
Indonesia	-2.7	-0.1	-0.1	-	19.0	-1.1	-1.0	1.3	-5.4	-0.5	4.8	3.7	18.8	36.7
Other	-4.4	2.9	-1.5	-0.1	4.4	3.1	3.2	5.8	0.2	-0.6	3.3	-1.6		-7.4
Total imports	-21.3	-0.2	-0.4	-1.4	38.1	4.3	-6.8	-	-6.8	1.1	8.2	3.2	-7.1	10.8
2025														
USA	-0.5	-0.2	1.3	-1.6	-3.1	-1.4	-0.3	-	0.2	0.8	-0.0	0.0	0.6	-4.1
Colombia	-0.7	-3.7	1.0	0.3	-6.2	-0.1	-3.8	1.0	0.3	-	-	-	-	-11.4
Russia	-	4.6	-0.3	-1.0	-2.0	-0.3	-5.8	-4.6	-3.0	-	0.5	0.1	9.8	-2.0
S Africa	1.4	1.6	-0.0	-0.0	-0.4	0.3	-0.7	1.8	1.7	-1.3	-0.1	0.1	-4.7	-0.4
Australia	-	-	-	-	-14.4	-3.3	3.7	-	0.7	0.6	2.5	2.0	-4.4	-12.5
Indonesia	-0.4	-	-	-	-65.1	-1.2	-0.4	0.1	-19.1	0.2	1.3	1.2	10.6	-72.8
Other	-0.2	-1.9	-1.1	1.6	7.7	2.3	-0.4	-1.1	11.9	-0.1	-1.9	-1.1		-1.1
Total imports	-0.2	0.4	0.9	-0.7	-83.5	-3.7	-7.7	-2.8	-7.2	0.3	2.2	1.3	1.6	-99.1
2026														
USA	-0.5	-	-	-0.1	-0.1	-1.0	-0.1	-0.0	0.4	-	-0.1	-	-0.6	-2.0
Colombia	-	-0.4	-	-0.6	-	-	-1.0	-0.6	-	-	-	-	2.4	-
Russia	-	1.8	-0.2	-	7.8	-0.4	0.1	0.9	2.5	-	0.4	0.3	-15.1	-2.0
S Africa	-0.9	-0.8	1.0	-0.1	-	1.5	-0.7	-0.7	1.0	1.4	0.5	0.2	-1.4	1.0
Australia	-0.4	-	-0.1	-	-4.4	-0.3	-1.2	0.9	0.9	-	5.0	-2.1	0.7	-1.0
Indonesia	-0.0	-	-	-	-15.5	-2.2	-1.0	-1.2	-0.6	0.7	1.5	2.8	0.7	-15.0
Other	-3.6	0.4	-0.2	0.0	-2.8	-3.3	-2.1	0.2	-1.1	-	-7.3	0.4		0.5
Total imports	-5.3	1.0	0.5	-0.8	-15.0	-5.8	-6.1	-0.5	3.1	2.1	-	2.5	5.5	-18.7
2027														
USA	-0.6	-	-1.1	-0.0	-	-	-0.0	-	0.7	-	-	-	-0.9	-2.0
Colombia	-0.8	0.1	-0.8	-0.2	-	-	-0.8	-1.0	1.0	-	-	-	2.5	-
Russia	-	0.8	-	-	-5.8	-	0.5	-0.0	1.8	-	0.5	0.0	-0.3	-2.5
S Africa	-1.1	-	-0.5	-	-	-0.3	-0.1	-0.0	1.8	3.0	-1.5	0.0	-0.2	1.0
Australia	-	-	-	-	2.3	-4.1	-0.2	0.3	1.1	-	-	0.1	0.6	-
Indonesia	0.1	-	-	-	-17.8	-1.2	-1.1	0.3	-2.5	2.8	3.7	0.9	4.9	-10.0
Other	0.1	0.1	-1.3	-0.0	8.2	-0.7	0.6	0.1	-2.2	-	2.3	0.0		0.5
Total imports	-2.4	1.0	-3.6	-0.3	-13.2	-6.3	-1.0	-0.5	1.6	5.8	5.0	1.0	1.9	-11.0

Metallurgical coal demand and supply

Seaborne Metallurgical coal demand and supply										mn t
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Iron Production growth										
China	6.6%	6.4%	10.6%	-4.3%	0.5%	-0.1%	-2.1%	0.4%	-1.0%	-1.4%
India	8.9%	2.6%	-7.8%	14.5%	2.9%	8.0%	2.6%	5.0%	5.0%	5.0%
Europe	-2.3%	-4.7%	-15.0%	-10.9%	-10.2%	-9.6%	1.9%	-8.0%	-1.0%	-1.0%
Latam	1.1%	-8.3%	-5.2%	15.3%	-6.1%	-3.7%	0.8%	-3.9%	1.0%	1.0%
JKT	-0.7%	-1.5%	-11.9%	9.2%	-9.0%	0.2%	-0.3%	-6.8%	-1.0%	-1.0%
Import demand	**288.7**	**290.9**	**266.2**	**275.2**	**274.8**	**292.3**	**303.0**	**281.5**	**293.4**	**296.0**
India	58.6	61.1	57.8	68.0	64.5	66.5	66.5	66.0	70.0	74.2
China	49.0	53.9	53.8	33.5	33.6	48.4	65.5	50.0	46.0	44.5
Asean	9.1	11.7	13.4	16.1	18.0	20.8	22.4	28.0	42.0	45.0
JKT	98.0	98.1	86.3	97.7	98.0	96.6	89.0	80.0	78.4	76.8
Latam	16.7	13.4	12.5	14.9	14.0	15.0	15.1	14.5	14.5	14.5
Europe	48.7	44.5	36.0	39.5	42.0	40.0	39.5	38.0	37.5	36.0
Other	8.6	8.2	6.4	5.5	4.7	5.0	5.0	5.0	5.0	5.0
Export supply	**287.2**	**292.5**	**269.4**	**272.2**	**275.0**	**289.1**	**300.7**	**282.5**	**293.0**	**299.0**
Australia	178.9	184.4	171.8	167.0	160.5	150.6	153.0	148.0	153.0	157.0
US	50.1	44.2	34.8	37.6	39.5	45.4	51.6	42.0	44.0	44.0
Canada	30.3	31.1	27.3	26.6	27.1	30.7	28.9	29.0	31.0	32.0
Russia	18.1	22.4	24.9	26.8	33.0	46.5	45.0	41.0	42.0	42.0
Mozambique	4.6	5.5	4.5	5.5	5.5	6.5	7.2	7.5	8.0	9.0
Other	5.3	5.0	6.0	8.7	9.4	9.4	15.0	15.0	15.0	15.0
Overland flows										
Mongolia-China	27.1	33.8	23.8	14.1	25.6	54.2	56.8	50.0	55.0	58.0

Metallurgical coal trade flows 2024



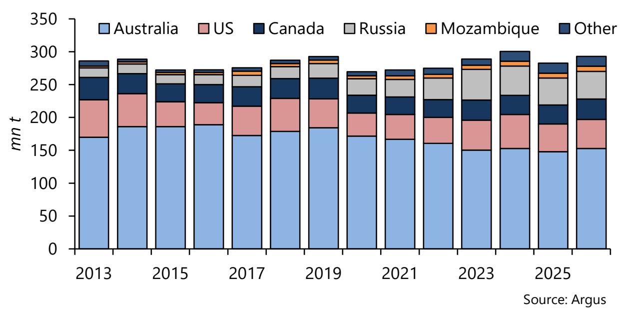
Key suppliers

mn t

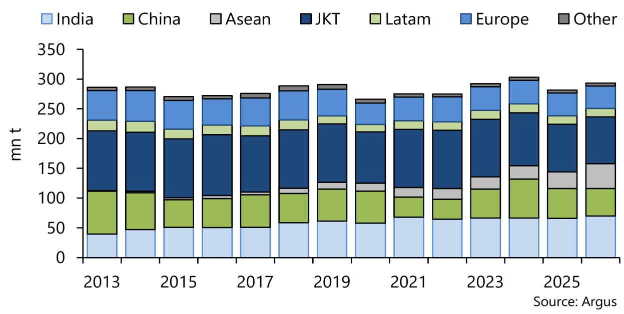
	2023	2024	2025	2026
Australia	**150.6**	**153.0**	**148.0**	**153.0**
BMA	50.3	40.4	35.0	36.0
Whitehaven	2.2	13.4	17.4	19.2
Stanmore	12.8	14.1	14.3	14.3
Jellinbah	13.1	12.3	12.5	12.5
Anglo American	16.0	14.8	8.2	0.0
Glencore	11.6	8.5	9.0	9.0
Coronado	8.0	7.7	8.6	9.6
Peabody	6.0	6.3	6.8	21.2
Yancoal	5.7	7.5	6.0	6.0
Kestrel	5.5	5.7	5.7	5.7
GM3	0.0	1.7	3.2	3.5
Qcoal	4.7	4.7	4.7	4.7
Pembroke	0.0	2.8	4.5	6.0
Fitzroy	2.0	2.5	3.0	3.0
Realm Resources	2.7	2.7	2.7	2.7
Sojitz	1.5	1.5	1.5	1.5
South 32	5.1	2.9	0.0	0.0
Tahmoor	1.6	1.6	1.0	1.0
Baralaba	0.9	1.0	1.0	1.0

	2023	2024	2025	2026
US	**45.4**	**51.6**	**42.0**	**44.0**
Alpha	13.4	13.5	13.5	13.5
Arch	8.5	7.7	0.0	0.0
Sev.en (Blackhawk)	5.8	5.6	5.7	5.7
Warrior	6.9	7.3	7.0	9.0
Coronado	5.7	5.5	3.9	4.5
Core Natural Resources	0.0	0.0	6.7	8.5
Ramaco	3.5	2.6	2.8	2.8
Peabody	0.6	1.9	1.9	1.9
Corsa	1.1	1.1	1.1	1.1
United Coal (Metinvest)	2.3	1.9	1.9	1.9
Itochu (Longview)	0.5	0.2	0.2	0.5
Other	15.6	15.6	16.0	16.4
Domestic consumption	15.9	15.7	15.7	15.7
Exports to canada	3.3	2.5	1.0	0.5
Canada	**30.7**	**28.9**	**29.0**	**31.0**
Teck	23.7	12.3	0.0	0.0
Conuma Coal	5.1	3.5	4.8	6.1
CST Canada	0.8	0.8	0.8	0.8
Glencore	0.0	12.5	25.0	26.0
Russia	**46.5**	**45.0**	**41.0**	**42.0**
Mechel	7.4	6.7	5.5	6.2
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



Thermal coal – Exports

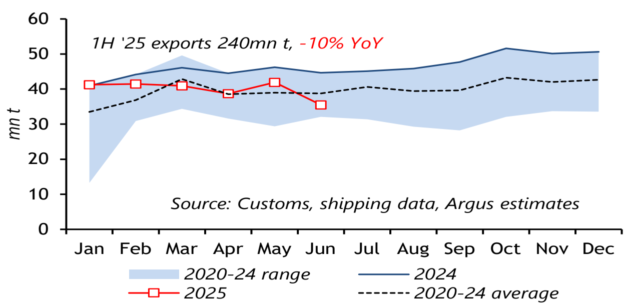
Indonesia, S Af exports slow

Australian exports recovered in June having fallen sharply in May because of wet weather but a train derailment on the line to the Richards Bay Coal Terminal cut some 500,000t of export supply in late June/early July. Indonesian coal exports have slowed sharply, with June outflows hitting the lowest since February 2022, when a partial export ban was in force.

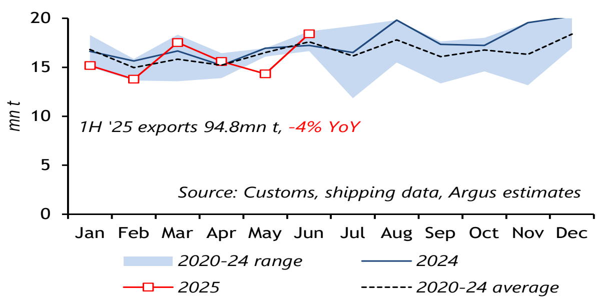
Thermal coal exports

Country	mn t	mth	YTD ±	Outlook
Indo	35.6	Jun	-10	Exports slow sharply
Aus	18.4	Jun	-4	Exports recover after wet weather
Rus	9.7	Jun	+1	Gov. approves support measures for producers
Col	3.8	Jun	-32	Cerrejon/Drummond cut output
Saf	4.6	Jun	+3	Tfr shutdown longer than usual
US	4.3	Jun	-2	Tariffs, domestic prices cloud outlook

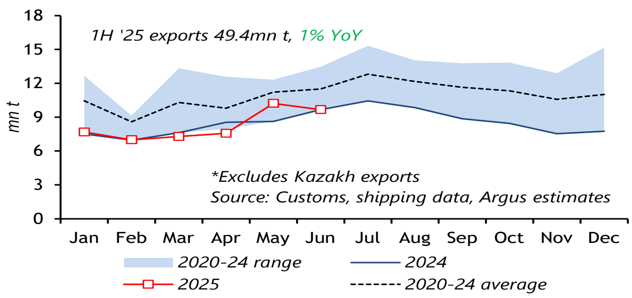
Indonesian exports



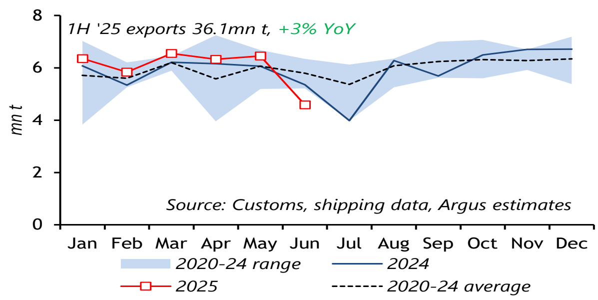
Australian exports



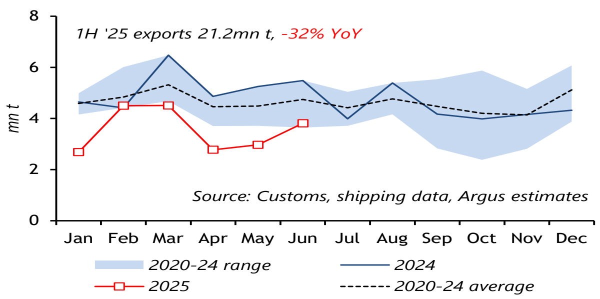
Russian exports



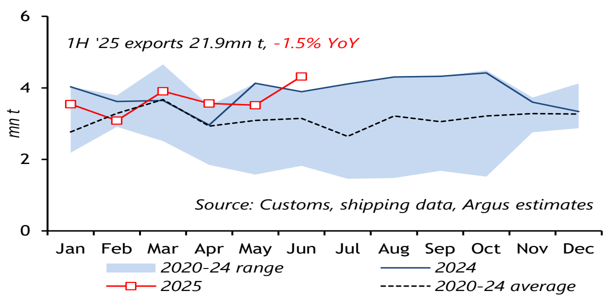
South African exports



Colombian exports



US exports



Thermal coal – China fundamentals

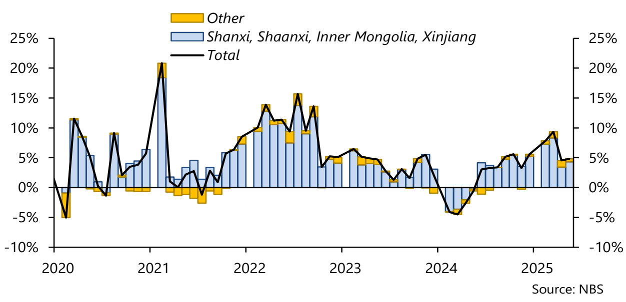
Uptick in coal burn

Domestic coal prices in China have stabilised in the past few weeks, as hot temperatures and an associated rise in electricity consumption has supported coal burn. And with hot weather expected to persist for the rest of July, there could be scope for a partial recovery in imports in the near term. But coal production remains strong, with output growth continuing to outstrip growth in coal-fired power generation.

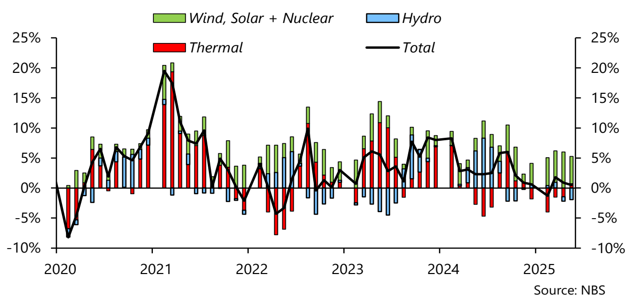
China fundamentals

Indicator	chg	mth	Outlook
Thermal gen	1.2pc	May	Softer hydro supports coal
Coal output	+5.1pc	May	Production growth remains high
Cement output	-8.1	May	Weaker output persists
Stock - key plants, port, mines, *days*	+3	Jun	Stocks still comfortable
Imports - steam, *mn t*	11.2	May	YTD imports down 27pc YoY
Imports - lignite, *mn t*	13	May	YTD imports up 4pc YoY

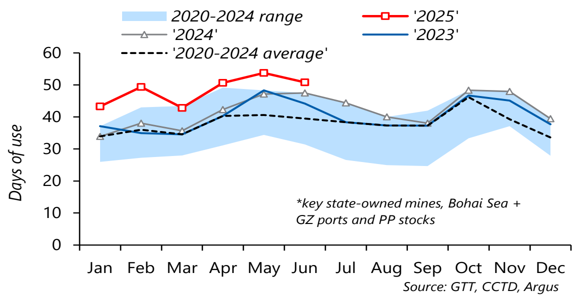
China coal supply growth



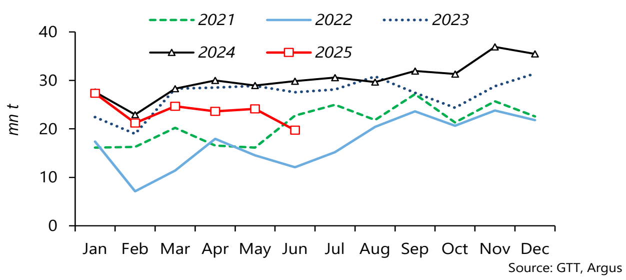
Power Generation growth and composition



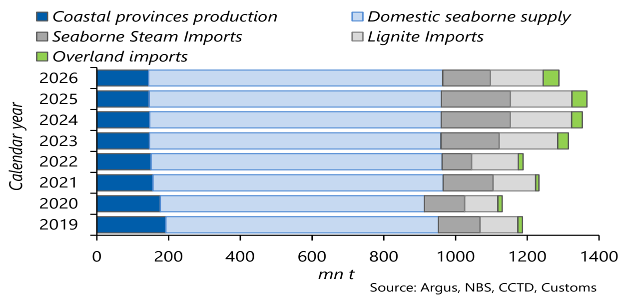
China Inventory



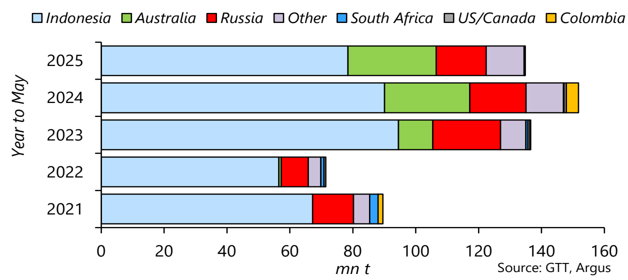
China seaborne steam coal imports



China coastal supply



China thermal imports (seaborne+overland)



Thermal coal – India fundamentals

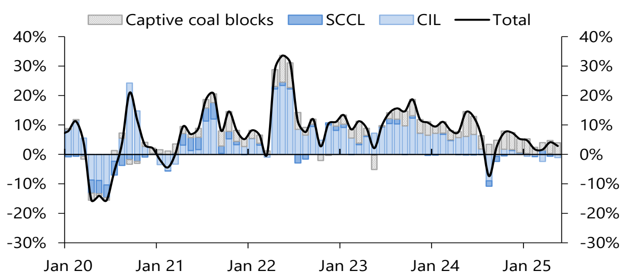
Power-sector coal burn soft

The short-term outlook for Indian coal imports remains soft, given heavy Monsoon rains, abundant domestic coal availability and policy changes that should dent power-sector imports. India's power ministry has not extended its directive requiring imported coal-fired utilities to boost generation, after its last order expired on 30 June.

India fundamentals

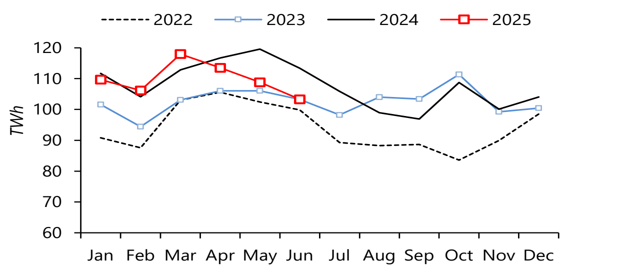
Indicator	chg	mth	Outlook
Coal generation	-8.9pc	Jun	Early Monsoon dampens coal burn
Import-coal gen	-3.6pc	Jun	Import gen directive expires
Cement output	+6.7pc	Apr	Production grows continues
Coal production	+2.9pc	May	Growth rate steady
Power plant stocks, *days*	20.6	Jul	Import plant stocks grow, domestic flat
Imports, *mn t*	14	Jun	1H imports down 3pc

India coal production growth



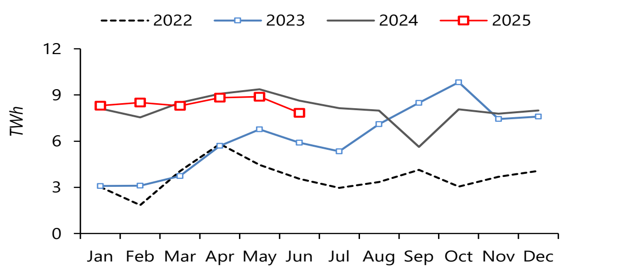
Source: CIL, Argus

India coal generation



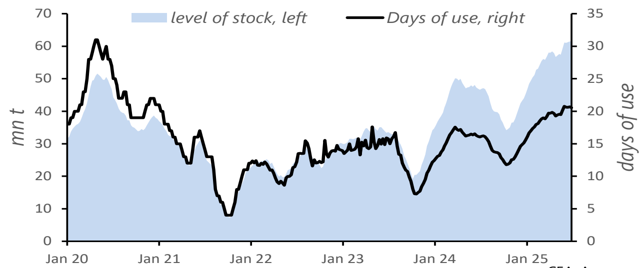
Source: CEA

India coal-fired generation by import plants



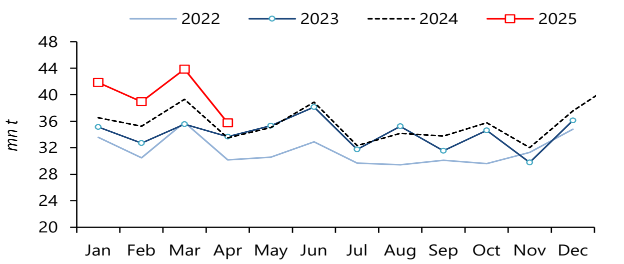
Source: CEA

India power plant stocks



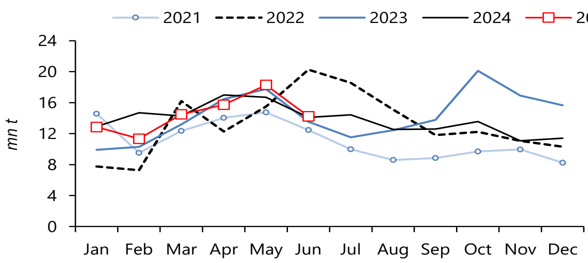
source: CEA, Argus

India cement production



Source: DIPP, Argus

India thermal coal imports



Source: Argus, GTT, Interocean, Kpler

Thermal coal – Europe fundamentals

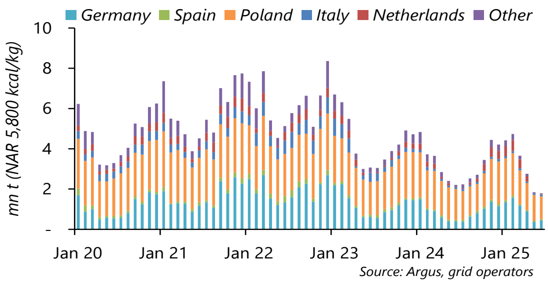
NW Europe coal burn strong

Import coal-fired power generation in western Europe (De, Nl, UK, Ire, Fr, mainland Es, It) edged up by 1pc year-on-year from a low base in June, supported by favourable gas-to-coal fuel switch economics. But Polish coal burn continues to lag, squashed by bumper solar and gas output. A prolonged drought on the Rhine river would represent a downside risk to our 2025 import projections

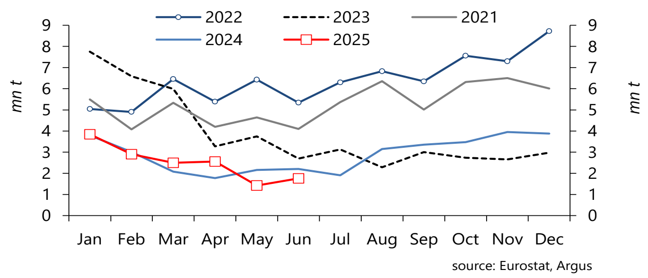
Europe fundamentals

Indicator	chg	mth	Outlook
Est coal burn	-19pc	Jun	De, Nl burn up, rest down
Imports, *mn t*	-20pc	Jun	1H imports flat YoY
ARA stocks, *mn t*	2.8	Jul	Stocks hit 3 year low
EU ETS CO2	€ 73	Jul	Prices tick lower
TTF (year ahead), MWh	€ 33.90	Jul	Prices recede
Nat gas storage	-23	Jul	Stockbuild tracks 5-yr ave

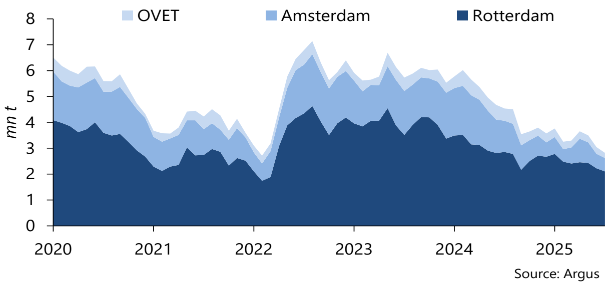
EU+UK power-sector coal burn



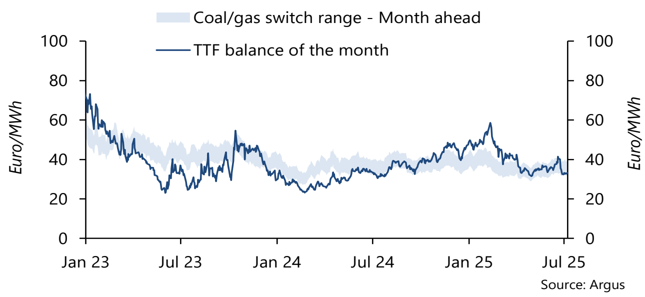
EU 27+UK thermal coal imports



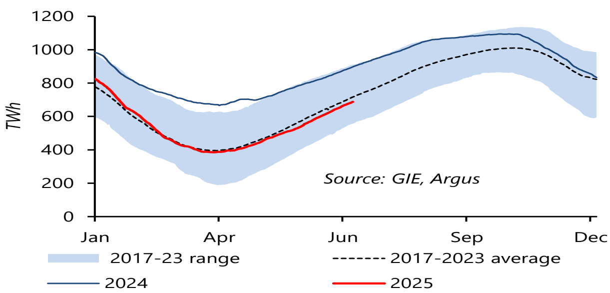
ARA Stocks



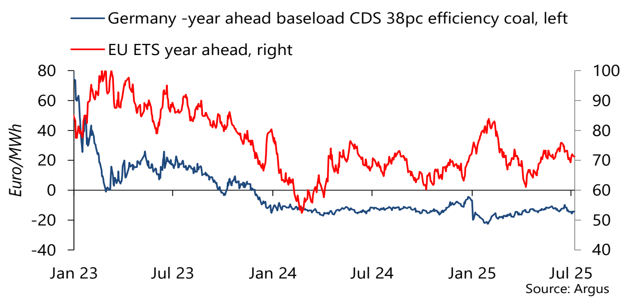
TTF natural gas and fuel switching price



European natural gas in storage



Germany clean dark spread and EU ETS prices



Thermal coal – Northeast Asia fundamentals

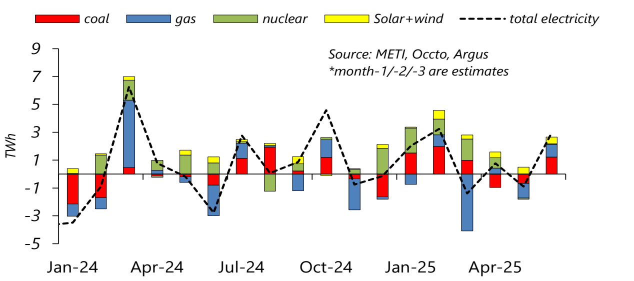
Nucelar shifts, hot temps

Hot temperatures should continue to support cooling demand regionally in July-September, while Japan's nuclear availability outlook is broadly flat to a month ago. But some adjustments to the Korean nuclear outage schedule mean we are now anticipating less nuclear output in July versus our previous expectation but greater availability in 4Q '25.

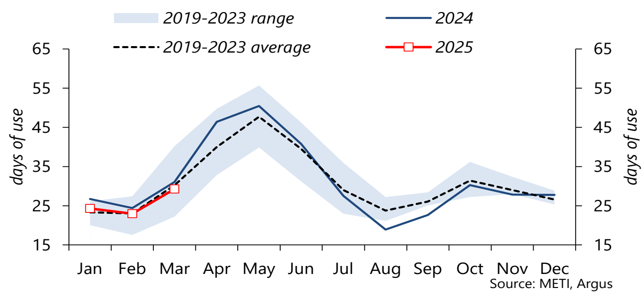
Northeast Asia fundamentals

Indicator	mn t	mth	Outlook
JKT Coal burn	15.8	Jun	Coal burn down 3pc YoY in 1H
Japan	7	Jun	Coal burn up 3pc in 1H
Korea	5.2	Jun	Nuclear works/end of seasnal curbs support outlook
Taiwan	3.6	Jun	Coal burn falls 12pc in 1H
JKT imports	16	Jun	Imports slip
Asean imports	14	Mar	Lagged data shows comfortable stocks

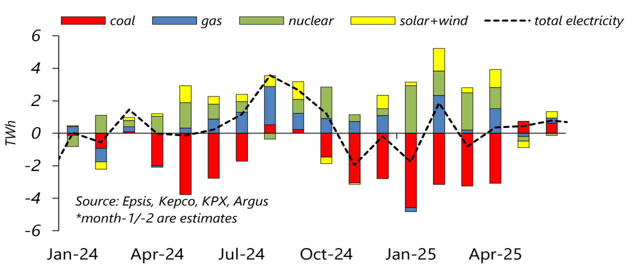
YoY change in Japan power generation by source



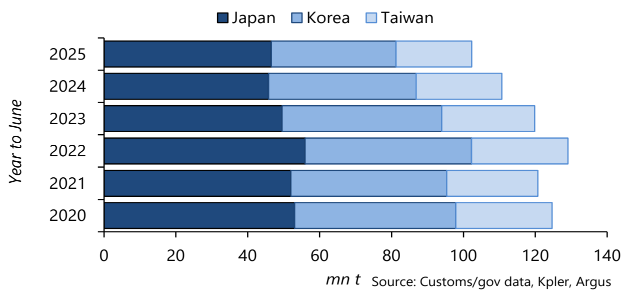
Japan generator stocks



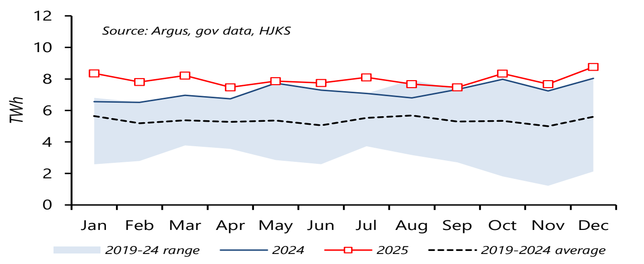
YoY change in Korea power generation by source



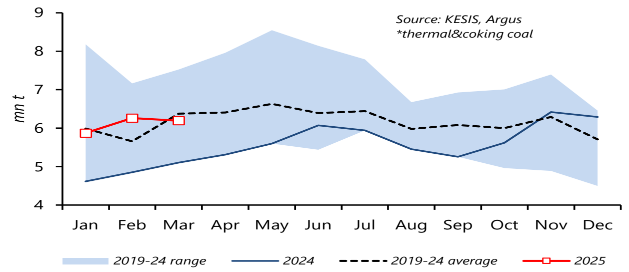
Japan, Korea, Taiwan thermal coal imports



Japan nuclear availability



Korean coal stocks



Thermal coal – South and Southeast Asia fundamentals

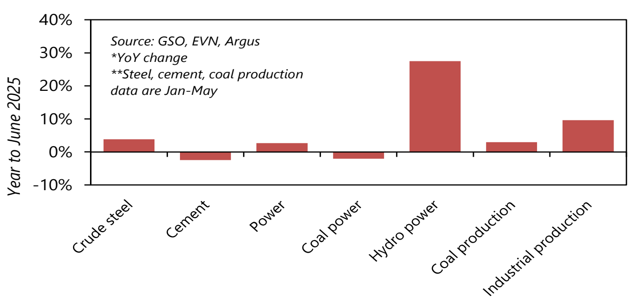
Pakistan demand on the up

Firm hydro generation continues to limit recourse to coal-fired power in Vietnam. But we expect inflows to Pakistan to pick up in 2H '25, supported by stronger electricity generation from power plants that run on imported coal. The Sahiwal, Port Qasim and Jamshoro power plants all awarded tenders in May/June to South African coal, while import coal generation rose on the year in both April and May, albeit from a low base.

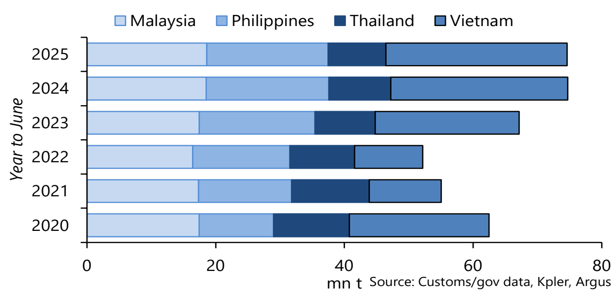
Asia Ex fundamentals

Indicator	mn t	mth	Outlook
Asean imports	12.5	Jun	Imports slow after quick 1Q
Viet coal generation	-8pc	May	Hydro growth squashes coal burn
Viet coal production	+6pc	May	Coal production higher YoY
Pakistan imports	0.7	Jun	1H imports flat YoY
Pakistan imported coal gen.	+108pc	May	Burn up from a low base
Pakistan cement sales	-2.7pc	Jun	Sales growth stalls

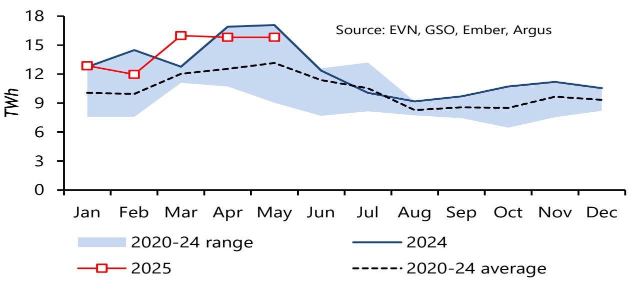
Vietnam power and industrial output



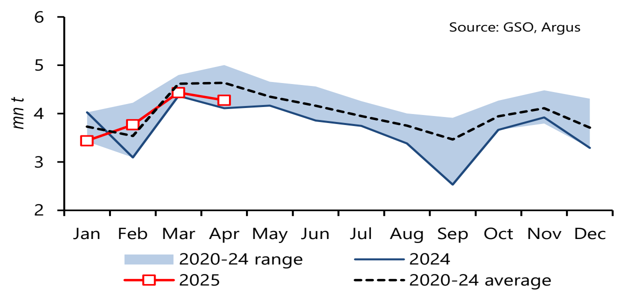
Asean imports



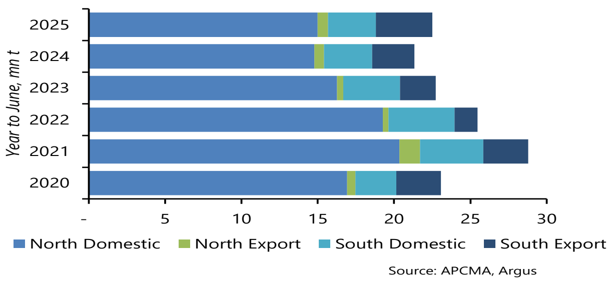
Vietnam coal-fired generation



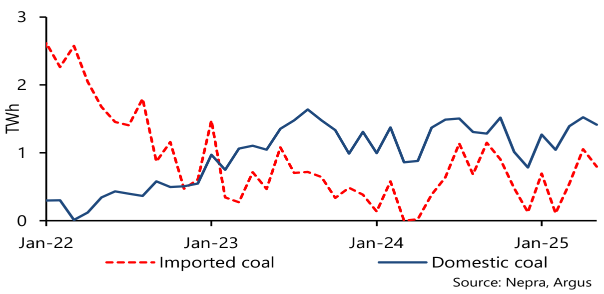
Vietnam coal production



Pakistan cement sales



Pakistan coal-fired generation



Metallurgical coal – Exports

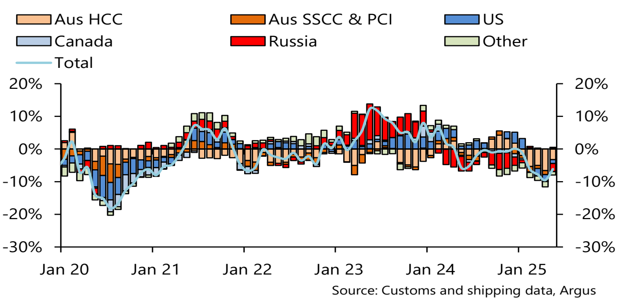
General downtrend

Australian exports have recovered after weather-related disruption earlier in the year. But in the US, Core Natural Resources has extended an outage at the 3.5mn t Leer South mine for another "several months". Russian exports of coking coal from Kuzbass are currently loss-making but sales from Yakutia still appear profitable, particularly at high volumes, although even these flows are coming under pressure from soft Chinese demand.

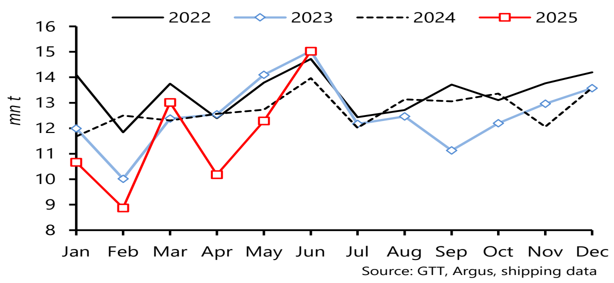
Metallurgical coal exports

Country	mn t	mth	YTD ±	Outlook
Aus	15	Jun	-8	Exports recover
US	3.2	Jun	-16	Exports tick lower again
Can	2.1	Jun	-3	Exports dip
Rus	2.4	Jun	-10	Exports continue to slow
CHN coke	0.9	May	-25	Chinese metcoke exports fall

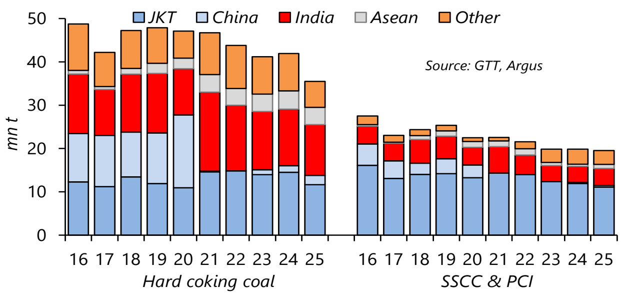
Contribution to seaborne supply growth



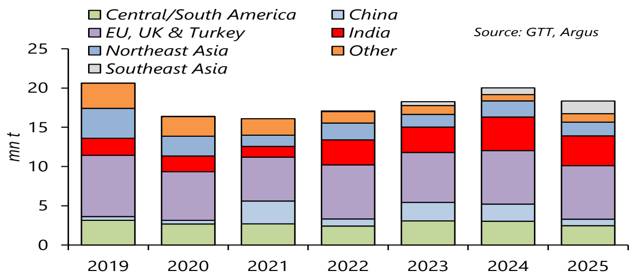
Australian met coal exports



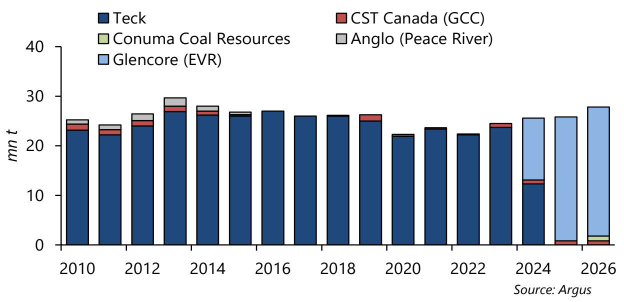
Australia met coal exports year to May



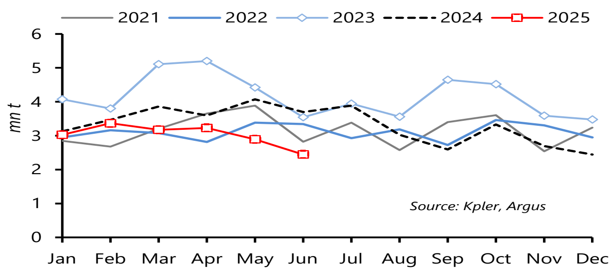
US met coal exports year to May



Canada exports



Russian seaborne coking coal exports



Metallurgical coal – China fundamentals

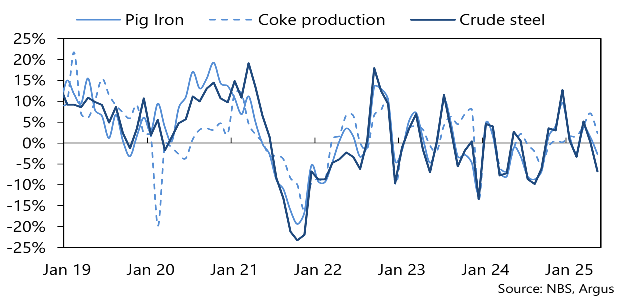
Soft picture

Most steel mills are hesitant to build up material inventories as they are still struggling with weak steel consumption amid the seasonal lull, while persistent scorching and rainy weather across much of China, especially in the south, is likely to weigh on steel demand during the summer months. Demand for tier-two coal continues to be mostly fulfilled by Mongolian supply, which is readily available on stock even if overland imports have slowed.

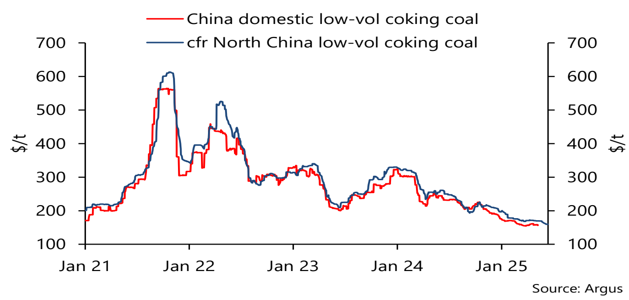
China fundamentals

Indicator	pc	mth	Outlook
Crude steel	-6.8	May	Growth tumbles
Iron production	-2.7	May	Growth rate dips
Coke output	,+2.4	May	Growth slows
Steel exports, *mn t*	10.5	May	No sign of exports slowing
Imports - Seaborne, *mn t*	3	May	Seaborne imports slow
Imports - Mongolia, *mn t*	4.3	May	Jan-May imports down 17pc

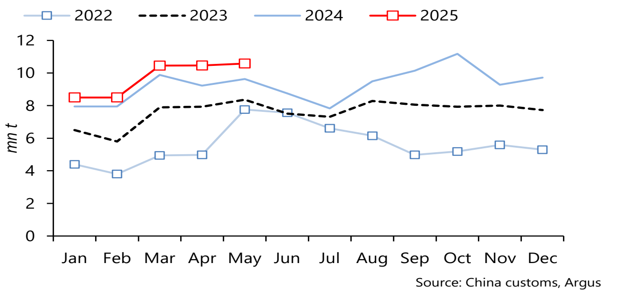
Crude steel and iron production



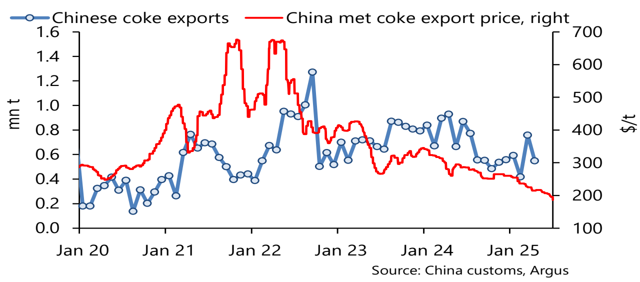
China domestic and import coking coal prices



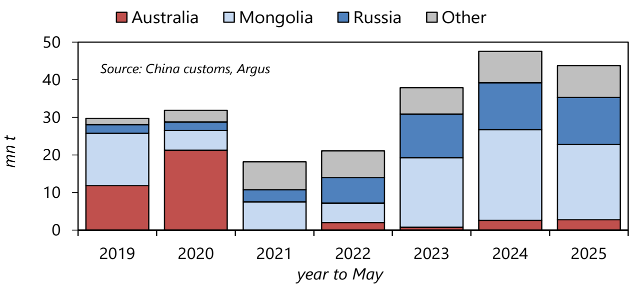
China steel exports



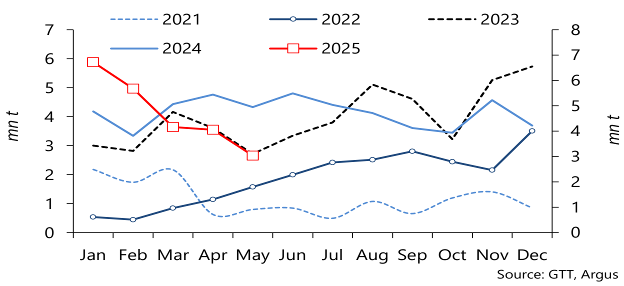
China metcoke exports and prices



China met coal imports



Mongolia exports to China



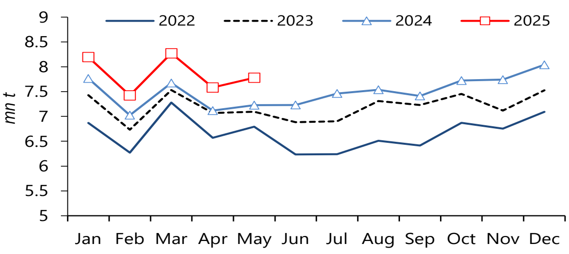
Metallurgical coal – India fundamentals

Monsoon demand drag

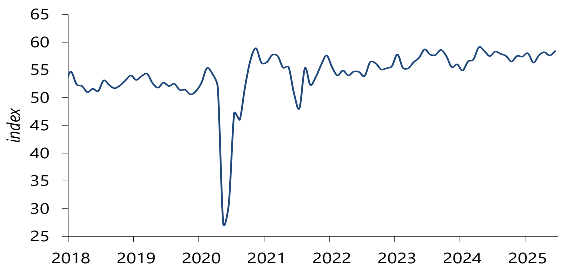
The monsoon continues to drag on Indian demand, with steel mills heard to be well covered for the next couple of months. The big development is that India's directorate general of foreign trade has extended quantitative restrictions on low-ash metallurgical coke imports for another six months, til 31 December 2025. This is not a surprise but could lead to increased demand for coking coal as the monsoon gradually eases.

India fundamentals			
Indicator	**pc**	**mth**	**Outlook**
Crude steel	-2.7	May	Steady growth
Iron production	+9.8	May	Steady growth
DRI production	+10.3pc	May	Steady growth
Imports, *mn t*	6.1	Jun	YTD imports flat YoY
Industrial production	+2.6pc	May	Growth rate slows
PMI	58.4	Jun	PMI ticks up

India iron production

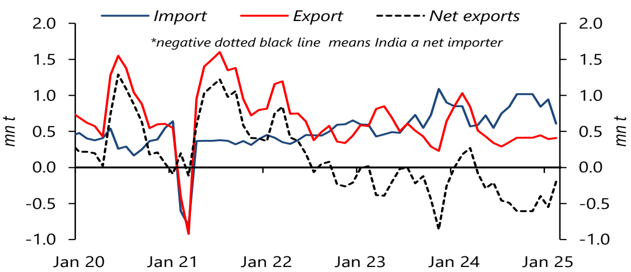


India PMI



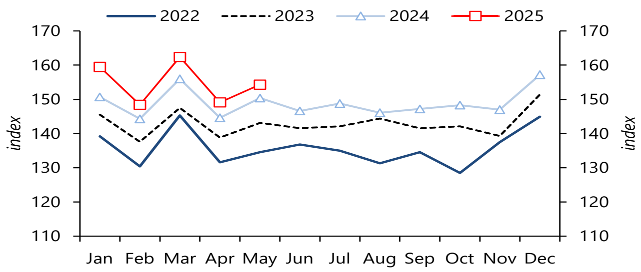
Source: Markit, Argus

Steel imports and exports



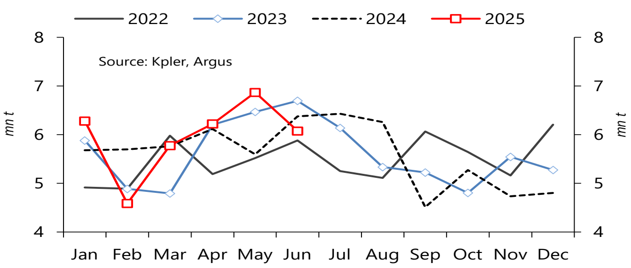
Source: Ministry of Steel, Argus

Manufacturing activity

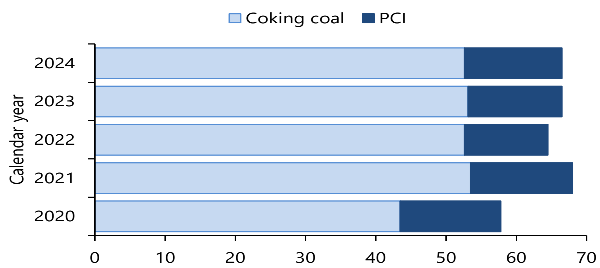


Source: MOSPI, Argus

India met coal imports



India PCI and Coking coal



Source: Customs, Kpler, Argus

Metallurgical coal – Global steel fundamentals

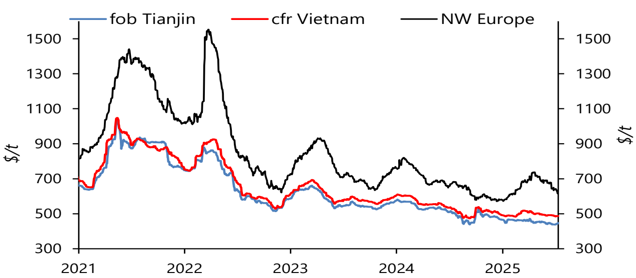
Tepid demand

Chinese mills are hesitant to build up material inventories as they are still struggling with weak steel consumption amid the seasonal lull, while persistent scorching and rainy weather across much of China, especially in the south, is likely to weigh on steel demand during the summer months. China's crude steel output fell by 6.9pc on the year in May to 86.55mn t, data from the National Bureau of Statistics show.

Other fundamentals

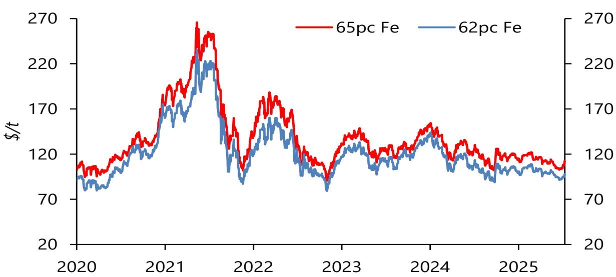
Indicator	pc	mth	Outlook
Asean imports	-4pc	May	Production slips
Viet coal generation	0pc	May	Production steady at low level
Viet coal production	-12pc	May	Production continues to fall
Pakistan imports	+1.1pc	May	Output stable
Pakistan imported coal gen.	$94/t	Jul	Prices stable
Pakistan cement sales	$443/t	Jul	Prices stable

HRC Steel prices



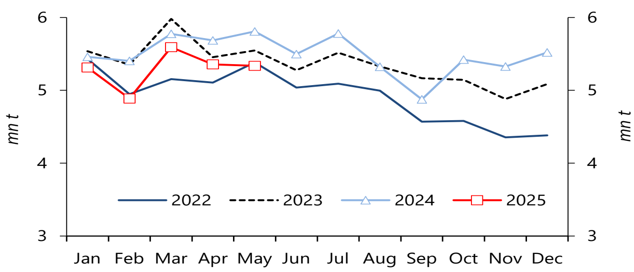
Source: Argus

Cfr China iron ore prices



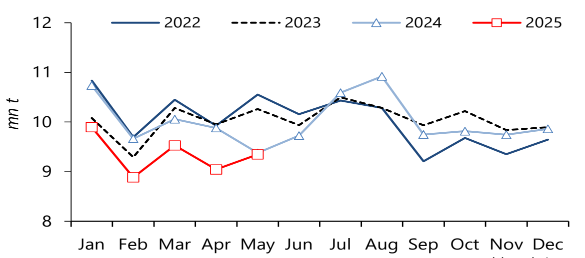
Source: Argus

Europe iron production



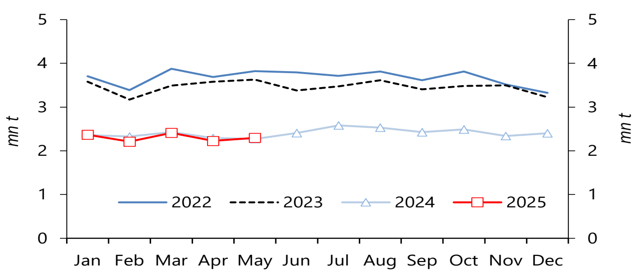
source: worldsteel, Argus

Japan, Korea and Taiwan iron production



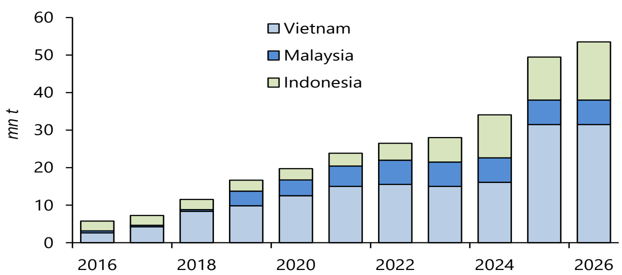
source: worldsteel, Argus

Latam iron production



source: worldsteel, Argus

Asean BOF output



Source: worldsteel, GEM, Argus

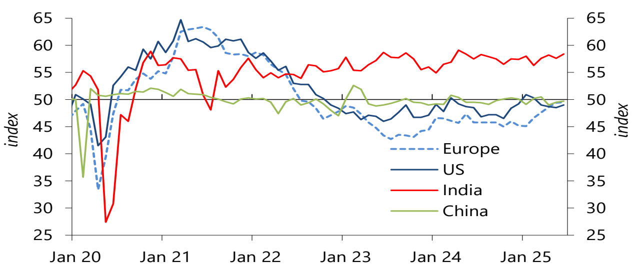
Macro indicators

Tariffs, conflicts at the fore

All eyes in late June were on the conflict between Israel and Iran, which has simmered down for now. Macro indicators are generally worsening, while the market awaits further clarity on Mr Trump's tariffs and possible retaliatory measures

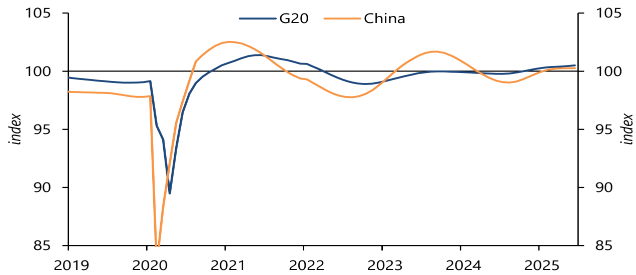
Macro fundamentals			
	pc	mth	Outlook
Global PMI	50.3	Jun	Index rebounds from May
OECD leading indica-tors	+0.7	Jun	CLI growth edges up
Global IP	+3.1	Apr	Growth rate steady
Global trade	,+3.8	Apr	Growth rate dips
FX trends			The dollar continues to weaken
Monetary policy			Rate cuts intensify

PMI Indices



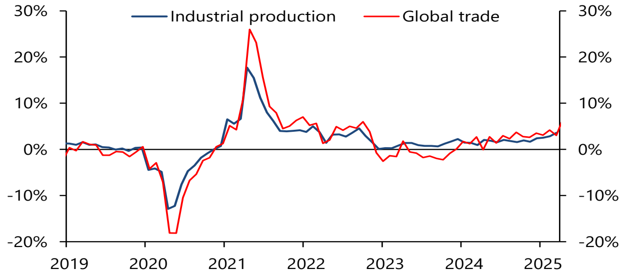
Source: Markit, Argus

OECD Leading indicators



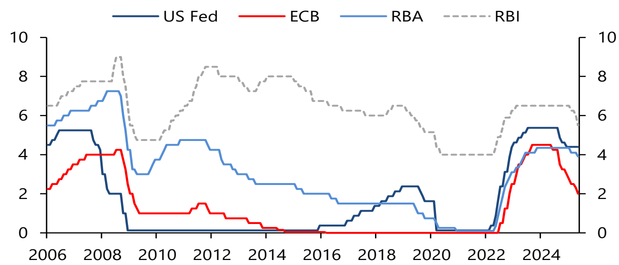
Source: OECD

Global industrial production and trade



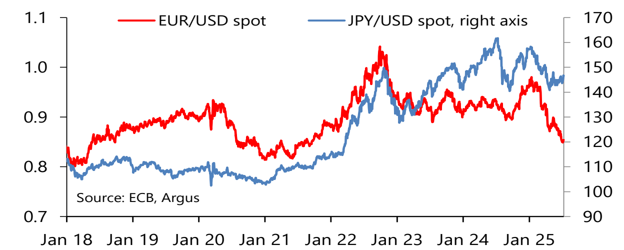
Source: CPB

Monetary policy rates

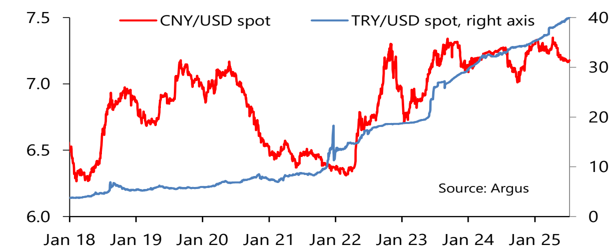


Source: BIS, Argus

EUR/USD & JPY/USD FX rates

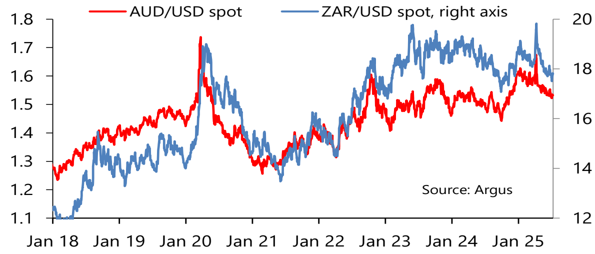


CNY/USD & TRY/USD FX rates

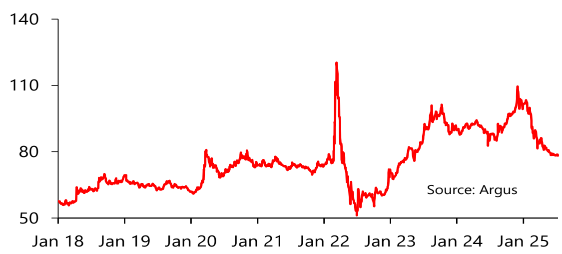


Macro indicators

AUD/USD & ZAR/USD FX rates



RUB/USD FX rate



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Registered office
Lacon House, 84 Theobald's Road, London, WC1X 8NL
Tel: +44 20 7780 4200

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Publisher
Adrian Binks

Global compliance officer
Vladas Stankevicius

Chief commercial officer
Jo Loudiadis

President, Expansion Sectors
Christopher Flook

SVP Consulting Services
Lloyd Thomas

Senior Analyst
Alex Thackrah
Tel: +44 (0) 2045 836543
coaloutlook@argusmedia.com

Customer support and sales:

support@argusmedia.com
sales@argusmedia.com

London, Tel: +44 20 7780 4200
Houston, Tel: +1 713 968 0000
Singapore, Tel: +65 6496 9966