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Coal market prices, news and analysis

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NEWS AND ANALYSIS

G7 announces a vaguely phrased coal exit by 2035

Energy ministers from G7 countries today announced a "technical agreement" to shut down their coal-fired power plants and end unabated coal generation "during the first half of (the) 2030s".

The announcement focuses attention on Germany, the US and Japan for charting a concrete coal-exit plan, while France, Italy, Canada, and the UK had set formal targets more than seven years ago.

The communique released by G7 ministers at the close of their meeting in Turin, Italy does not mark any departure from the previous course and instead provides a caveat by stating the coal exit will take place "in a timeline consistent with keeping a limit of 1.5°C temperature rise within reach, in line with countries' net-zero pathways".

The announcement calls for accelerating "efforts towards the phase-out of unabated coal power generation", but does not suggest any individual country's commitment or policy action to achieve a total non-dependence on coal. Further, the ministers call for reducing "as much as possible", providing room for manoeuvre to Germany and Japan where more than 25pc of the total electricity generation is coal-dependent, according to IEA data.

Today's commitments by ministers does not change the course for France, which predominantly uses nuclear power in its generation mix and is scheduled to close its two remaining coal plants by the end of 2024. Similarly, the UK will shut its

DATA & DOWNLOAD UPDATES

- Japan coal imports
- ARA coal stocks
- China coal imports
- Indonesia coal exports
- Argus Seaborne Coal Outlook April 2024

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PRICES

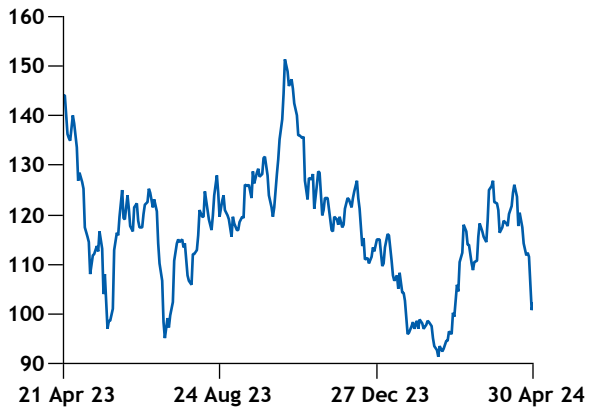
Daily price assessments $/t

Energy	Basis	Timing	Port	Price	±
Europe					
6,000 *kcal*	NAR	2mths	cif ARA	102.15	+1.40
South Africa					
6,000 *kcal*	NAR	2mths	fob Richards Bay	103.91	+4.91

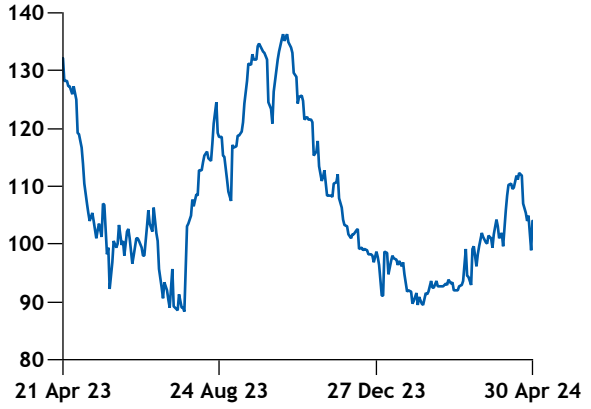
Weekly and monthly averages of daily assessments $/t

Energy	Basis	Timing	Port	Price	Previous
Europe					
6,000 *kcal*	NAR	2mths	cif ARA rolling weekly avg	101.45	113.47
6,000 *kcal*	NAR	2mths	cif ARA rolling monthly avg		114.41
South Africa					
6,000 *kcal*	NAR	2mths	fob RB rolling weekly avg	101.45	106.69
6,000 *kcal*	NAR	2mths	fob RB rolling monthly avg		97.22

Argus cif ARA spot coal assessment $/t



Argus Richards Bay spot coal assessment $/t



last coal-fired plant Ratcliffe in September this year.

Italy has come to an end of its emergency "coal maximisation plan" and has since been less reliant on coal-fired generation, except in Sardinia. Sardinia has two coal-fired power plants that cannot be retired before 2027 because of delayed interconnections with mainland Italy. The country has 6GW of installed coal-fired power capacity, with state-run utility Enel operating 4.7GW of this. Last year, the operator said it wanted to shut all its coal-fired plants by 2027.

As for Canada, the government announced a coal exit by 2030 about eight years ago and currently has 4.7GW of operational coal-fired capacity. In 2021-23, the country imported an average of 5.7mn t of coal each year, mainly from the US.

Germany

Germany has a legal obligation to shut down all its coal plants by 2038, but the country's nuclear fleet retirement in 2023, coupled with LNG shortages after Russia's invasion of Ukraine, spiked coal-use in its energy mix.

Since then, Germany pushed for an informal target to phase out coal by 2030, but the country's grid regulator Bnetza has set out a timeline for statutory reduction of coal burn, which still anticipates the last units going offline in 2038.

While today's agreement to exit coal by 2035 is not a novel push for German utilities, it questions how the country treats its current reliance on coal as a backup fuel.

In 2024 to-date, Germany generated 9.5TWh of electricity from hard-coal fired generation, according to European grid operator association Entso-E. Extending the current rate of generation to the entire year, Germany's theoretical coal burn will be about 8.8mn t this year alone. Even if the country reduces electricity generation from coal, the grid regulator requires "systematically relevant" coal plants to remain available as emergency power sources until the end of March 2031. This means that utilities in the grid reserve will have to maintain minimum coal stocks to be called upon if required.

Germany has significantly reduced its dependence on coal-fired generation, although today's statement does not suggest that the country's rate of renewables installation, along with new hydrogen natural gas capacity, will be able to support the forgone coal capacity post-2035.

Japan

Japan's operational coal capacity has steadily increased since 2022, with over 3GW of new units being connected to the grid, according to the latest analysis by Global Energy Monitor (GEM).

Less than 5pc of Japan's operational coal fleet has a planned retirement year, and these comprise the oldest and least efficient plants. The coal capacity built in the last decade, following the Fukushima disaster, is unlikely to receive a retirement date without a country-wide policy that calls for a coal exit.

Returning nuclear fleet capacity is curtailing any additional coal-fired generation in Japan, but the country will have to build equivalent capacity to replace its 53GW coal fleet, and according to IEA figures will only boost renewables up to 24pc until 2030. The country has already imported 35mn t of thermal coal in January-April this year, Kpler data show.

The US

The US operates the third-largest coal fleet in the world, with 212GW operational capacity.

Only 37pc of this capacity has a known retirement date before 2031. After 2031, the US will have to retire coal-fired capacity at a rate of 33GW/yr for four years to be able to meet the 2035 phase-out deadline.

By Ashima Sharma

WEEKLY PRICES

Off-specification South African prices and differentials for 26 Apr 2024										$/t
Energy	**Basis**	**Timing**	**Port**	**Price**	**±**	**Weekly index**	**May ***	**June ***	**Apr final †**	**Mar final †**
5,700 *kcal*	NAR	2mths	fob Richards Bay	103.78	-5.13	-3.95	-3.75	-4.15	-4.44	-4.50
5,500 *kcal*	NAR	2mths	fob Richards Bay	91.31	-4.49	-8.50	-8.20	-8.75	-8.31	-7.34
4,800 *kcal*	NAR	2mths	fob Richards Bay	71.77	-3.94	-18.00	-17.80	-18.25	-17.34	-15.34

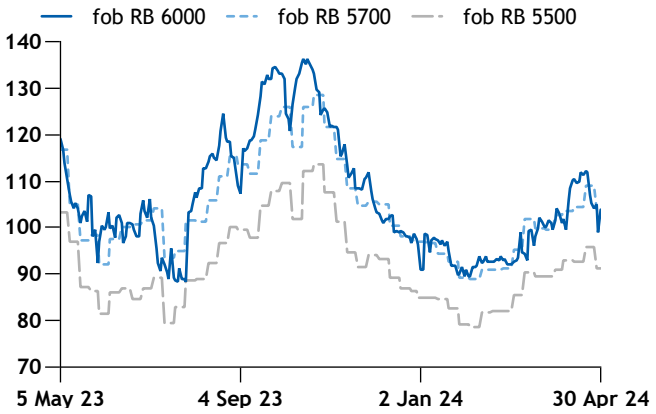
** Differential to API 4 swap for the month based on market survey. † Average of weekly spot price assessments based on deals and market survey.*

International coal assessments for 26 Apr 2024					$/t
Energy	**Basis**	**Timing**	**Port**	**Price**	**±**
Europe					
5,700 *kcal*	NAR	2mths	cif ARA	104.22	-10.64
Black Sea and Mediterranean					
6,000 *kcal*	NAR	1mth	cif Turkey mini bulk plus	104.40	+0.07
6,000 *kcal*	NAR	2mths	cif Turkey supra plus	97.80	-0.37
Russia					
6,000 *kcal*	NAR	2mths	fob Baltic ports	73.70	+1.53
6,000 *kcal*	NAR	2mths	fob Vostochny	94.17	-6.08
5,500 *kcal*	NAR	2mths	fob Vostochny	82.05	-3.45
6,000 *kcal*	NAR	2mths	fob Black Sea	68.60	+0.30
6,000 *kcal*	NAR	2mths	fob Taman	78.38	+0.13
Australia					
6,000 *kcal*	NAR	2mths	fob Newcastle	130.03	+0.71
5,500 *kcal*	NAR	2mths	fob Newcastle	87.55	+0.48
5,800 *kcal*	NAR	3mths	fob Newcastle	107.17	-0.39
5,800 *kcal*	NAR	3mths	fob Newcastle (basis NAR 6,080 kcal)	112.34	-0.41
Northeast Asia					
5,500 *kcal*	NAR	2mths	fob Qinhuangdao domestic	na	na
5,500 *kcal*	NAR	2mths	cfr south China	101.37	+0.51
3,800 *kcal*	NAR	2mths	ddp Shanghai	79.43	+0.29
3,800 *kcal*	NAR	2mths	cfr Shanghai	70.29	+0.25
5,800 *kcal*	NAR	3mths	cfr South Korea	111.44	-1.71
5,800 *kcal*	NAR	3mths	cfr South Korea (basis NAR 6,080 kcal)	116.82	-1.79
India					
5,500 *kcal*	NAR	2mths	cfr east India	107.74	-0.32
5,000 *kcal*	GAR	2mths	cfr east India	83.90	+0.31
4,200 *kcal*	GAR	2mths	cfr east India	68.13	+0.95
5,000 *kcal*	GAR	2mths	cfr west India	83.91	+0.08
4,200 *kcal*	GAR	2mths	cfr west India	68.22	+0.75
Indonesia					
6,500 *kcal*	GAR	2mths	fob Indonesia	117.81	+0.51
5,800 *kcal*	GAR	2mths	fob Indonesia	90.39	+1.32
5,000 *kcal*	GAR	2mths	fob Indonesia	71.79	+1.10
4,200 *kcal*	GAR	2mths	fob Indonesia	54.37	+0.04
3,400 *kcal*	GAR	2mths	fob Indonesia	34.66	+0.53

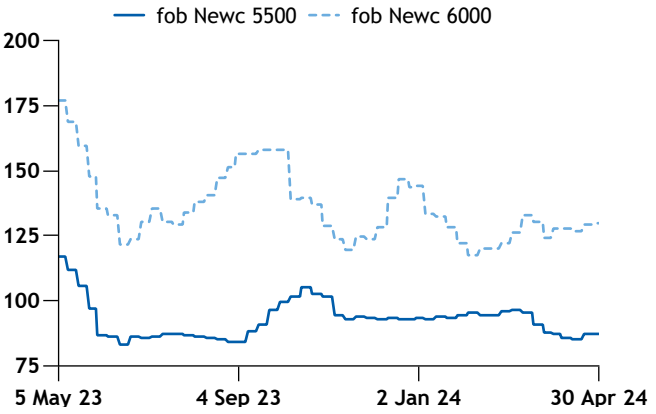
International coal assessments for 26 Apr 2024					$/t
Energy	**Basis**	**Timing**	**Port**	**Price**	**±**
Americas					
6,000 *kcal*	NAR	2mths	fob Puerto Bolivar	91.50	-8.50
6,000 *kcal*	NAR	2mths	fob Hampton Roads	101.93-111.05	-4.16
6,000 *kcal*	NAR	2mths	fob New Orleans	68.00	-7.50

International coal assessments for 26 Apr 2024					RMB/t
Energy	**Basis**	**Timing**	**Port**	**Price**	**±**
China					
5,500 *kcal*	NAR	2mths	fob Qinhuangdao domestic	na	na
3,800 *kcal*	NAR	2mths	ddp Shanghai	564.40	+2.15
3,800 *kcal*	NAR	2mths	cfr Shanghai	499.47	+1.90

Argus fob Richards Bay spot coal assessments $/t



Argus fob Newcastle spot coal assessments $/t



COMMENTARY

Forward prices				$/t
Timing	**Buy**	**Sell**	**Average**	**±**
cif ARA (Rotterdam) API 2				
May	102.90	103.40	103.15	+1.75
June	105.25	105.75	105.50	+2.20
July	106.20	106.70	106.45	+1.75
2Q24	107.80	108.30	108.05	+2.00
3Q24	106.60	107.10	106.85	+1.80
4Q24	107.85	108.35	108.10	+1.80
1Q25	108.75	109.25	109.00	+1.60
2Q25	109.00	109.50	109.25	+1.35
2025	110.00	110.50	110.25	+1.35
2026	112.10	112.60	112.35	+1.35
2027	112.25	112.75	112.50	+1.25
fob Richards Bay South Africa API 4				
May	103.50	104.00	103.75	+1.70
June	104.75	105.25	105.00	+1.60
July	106.35	106.85	106.60	+1.95
2Q24	105.05	105.55	105.30	+1.65
3Q24	107.75	108.25	108.00	+1.95
4Q24	109.35	109.85	109.60	+1.75
1Q25	109.55	110.05	109.80	+1.35
2Q25	109.10	109.60	109.35	+1.85
2025	108.40	108.90	108.65	+1.40
2026	107.25	107.75	107.50	+1.35
2027	104.50	105.00	104.75	+0.75
API 2 premium to API 4				
Prompt	-0.85	-0.35	-0.60	+0.05
South Africa to Europe, implied freight rate				
2Q24	2.70	2.80	2.75	+0.35
3Q24	-1.20	-1.10	-1.15	-0.15
4Q24	-1.55	-1.45	-1.50	+0.05
1Q25	-0.85	-0.75	-0.80	+0.25
2Q25	-0.15	-0.05	-0.10	-0.50
2025	1.55	1.65	1.60	-0.05
2026	4.80	4.90	4.85	nc
2027	7.70	7.80	7.75	+0.50

Forward prices			$/t
Timing		**Midpoint**	**±**
fob Newcastle 5,500 API 5			
May		95.25	+3.25
June		96.10	+3.00
2Q24		93.95	+3.10
3Q24		97.15	+2.55
4Q24		98.05	+2.00
1Q25		99.55	+1.90
2025		98.85	+1.90

Paper coal prices post small gains

The European paper coal market rose today, rebounding from Monday's collapse with a firmer physical market and strength in the wider energy complex.

European API 2 swaps rose across the curve with the June swap posting the largest gain, rising by $2.20/t to $103.30/t.

After the sharp declines yesterday, a slight rebound today did not surprise market sources.

Underlying fundamentals remained weak with sources expecting low European prices to persist for the coming months before picking up again toward the end of the summer, which is typical for the market.

The physical des Amsterdam-Rotterdam-Antwerp (ARA) market also posted modest gains. Argus' daily NAR 6,000kcal/kg index was assessed up by $1.40/t to $102.15/t.

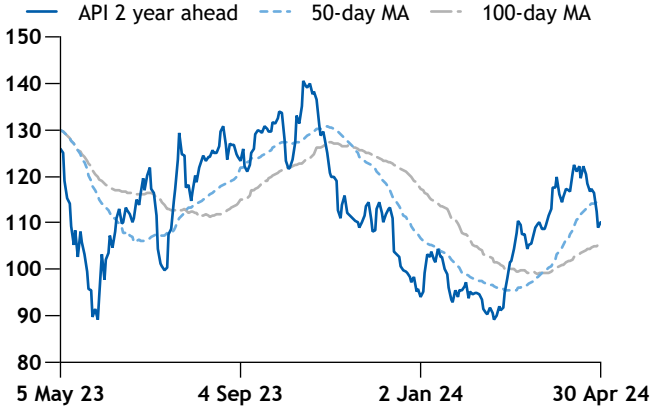
Other European energy markets also rose today. Dutch TTF gas swaps for June rose by €1.19/MWh to €29.35/MWh, and German baseload power for June rose by €2.60/MWh to 67.05/MWh.

Low wind forecasts for the coming week boosted outlook for gas demand which lifted the wider markets, sources said.

South African API 4 coal swaps rose today, tracking the physical market higher. The API 4 swap for July rose by $1.95/t to $104.65/t.

Bids for physical NAR 6,000 kcal/kg cargoes were notably higher. A June-loading 50,000t cargo was bid at $102/t fob Richards Bay, up from $96/t yesterday. A July-loading 50,000t cargo was also bid at $103/t and offered at $106/t.

API 2 year-ahead $/t



COMMENTARY

Indonesian low-CV coal market activity rises

Activity in the low calorific-value (CV) Indonesian coal market saw an uptick on the back of Chinese utility tenders, but this demand could be short-lived because of upcoming holidays.

Chinese utilities are actively seeking seaborne cargoes with May-July loading laycans before the upcoming 1-5 May Labour Day holiday. Chinese utility Datang received offers for June-July delivery Panamax cargoes of NAR 4,600 kcal/kg (GAR 5,000 kcal/kg) and NAR 5,500 kcal/kg (GAR 5,800 kcal/kg) coal at delivered prices that net backs to $69.75/t and $92.50-93/t fob Kalimantan, respectively. The utility also received offer for May-June delivery Panamax cargo of NAR 3,800 kcal/kg (GAR 5,800 kcal/kg) coal at cfr price that net backs to $ 56.75/t fob Kalimantan.

Chinese utility Yudean probably awarded a May-delivery and three June-delivery Panamax cargoes of Indonesian NAR 3,800 kcal/kg coal at delivered prices that net back to around $57.25/t fob Kalimantan, and cargoes of the same coal at net back prices of $57.25-58.50/t fob Kalimantan. The utility likely also awarded two June-delivery Panamax cargoes of NAR 4,700 kcal/kg coal at delivered prices that net back of around $75.50/t fob Kalimantan.

In the low-CV Indonesian coal market, Chinese buyers' interest centered around Panamax vessels due to a widening freight rate differential between Supramax vessels. Freight rates for Supramaxes were anticipated to stay elevated due to rising coal demand in Southeast Asia, including from Vietnam and Philippines, market participants said.

Several May loading Panamax cargoes of this coal likely traded t $57-57.75/t fob Kalimantan, although these could not be confirmed immediately. A June-July loading Panamax cargo of GAR 4,200 kcal/kg coal was offered at $59/t fob Kalimantan, with an indicative bid at $57/t.

A May loading Supramax cargo of GAR 4,200 kcal/kg coal changed hands at $53.20/t fob Kalimantan. A May loading Supramax cargo of this coal was offered at $55/t fob Kalimantan.

May-loading cargoes fall outside the current Argus assessment window of June-July. Argus only assesses the GAR 4,200 kcal/kg market for Supramax cargoes, and this was last assessed at $54.37/t fob Kalimantan on 26 April.

Argus assessed ICI 4 forward prices for May and June at $55.75/t and $56/t respectively on 29 April.

Meanwhile, a May loading Panamax cargo of high sulphur NAR 5,200 kcal/kg coal likely traded at $87-87.50/t fob Kalimantan, although this could not be confirmed immediately. Argus only assesses higher-grade GAR 5,800 kcal/kg (NAR 5,500 kcal/kg) coal with maximum 1pc sulphur, which was at $90.39/t fob Kalimantan on 26 April.

In ultra-low CV space, a May loading Panamax cargo of GAR 3,400 kcal/kg coal was offered at $39/t fob Kalimantan. Argus only assesses Supramax cargoes for this grade, which was $34.66/t fob Kalimantan.

Offers for Chinese domestic NAR 5,500 kcal/kg coal kept at 825-835 yuan/t ($113.85-115.23/t) fob north China ports on 30 April, unchanged since 23 April. China's state-owned utility CEI raised its purchase price by Yn13/t to Yn633/t on a free-on-train Inner Mongolia basis for NAR 5,500 kcal/kg coal on 30 April.

In Australian high-ash NAR 5,500 kcal/kg coal, a May loading Capesize cargo was offered at 93.5/t fob Newcastle. June loading Capesize and Panamax cargoes of this coal were offered at $91/t fob Newcastle, or at a premium of $2/t to API 5 index. The market was last assessed at $87.55/t fob Newcastle on 26 April.

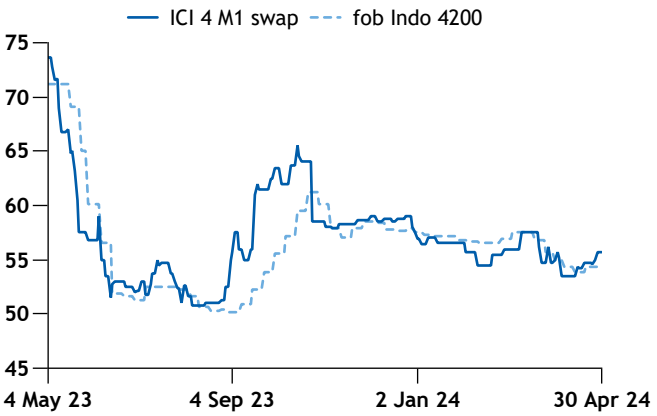
In the Australian high-CV space, a 25,000t July-loading clip of NAR 6,000 kcal/kg coal traded on screen at $137.50/t fob Newcastle. This market was last assessed by Argus at $130.03/t fob Newcastle on 26 April.

Forward prices		$/t
Timing	**Midpoint**	**±**
fob Indo 4,200 GAR, ICI 4		
May	55.75	nc
June	56.00	nc
2Q24	55.50	nc
3Q24	57.00	nc
2025	56.45	nc

China carbon emission allowance (CEA) price				
30 Apr 2024	**CNY/t**	**±**	**USD/t**	**±**
CEA Closing Price	103.00	-0.47	14.49	-0.07
Open Trade Volumes, t	104950.00	-477090.00		

Data source: Shanghai Environment and Energy Exchange

ICI 4 front month swap vs physical spot $/t



COAL MARKET NEWS

Glencore's thermal coal output rises in 1Q

Switzerland-based mining and trading firm Glencore's thermal coal production rose by 3pc on the year during the January-March quarter, led by increased Australian output, although total supply for the seaborne market slipped by 1pc.

Glencore, the world's largest thermal coal supplier for the seaborne market, produced overall 26.6mn t of thermal, coking and semi-coking coal in the first quarter, down by around 300,000t from a year earlier, according to the company's production report released today. The bulk of lost output was from its Australian coking coal assets which dropped by 600,000t on the year largely because of the permanent closure of Newlands mine in February 2023, Glencore said.

Combined thermal coal production from Glencore's portfolio in Australia, Colombia, and South Africa stood at 24.4mn t in the first quarter, up from 23.8mn t a year earlier. This was owing to a 5pc increase from the company's Australian mining assets which produced 15.1mn t during January-March.

Glencore's South African thermal coal output was flat on the year at 4mn t, while production from the Cerrejon mine in Colombia slipped to 5.3mn t, from 5.4mn t a year earlier.

But the Swiss company's aggregate thermal coal output for export fell to 21.2mn t in the first quarter compared with 21.5mn t a year ago, because more South African production was sent to the domestic market over seaborne exports. Glencore produced just 2.8mn t of South African thermal coal for export during January-March, down by 400,000t on the year, while its output for the South African market gained by 400,000t to 1.2mn t in the same period.

Glencore's thermal coal production for Australia's domestic market rose by 500,000t on the year to 2mn t in the first quarter. The company allocated 13.1mn t of Australian thermal coal for the seaborne market during January-March, 200,000t more than a year earlier, but this was not enough to offset reduced output from Colombia and South Africa. Glencore made 87pc of its global thermal coal output available for the export market in the first quarter, lower than 90pc a year ago.

Glencore maintained its production guidance for all types of coal at 105mn-115mn t for 2024, evenly distributed for the first and second halves of the year. This excludes coking coal assets of Elk Valley Resources, in which the Swiss company acquired a 77pc stake from Canadian miner Teck Resources in last November. The deal has not been concluded, despite the European Commission approving it on 4 April, as it needs the clearance from the Canadian government as well.
By Ronald Kim

Japan's Chugoku delays Shimane No.2 reactor restart

Japanese utility Chugoku Electric Power has postponed the restart of its 820MW Shimane No.2 nuclear reactor in western Japan's Shimane prefecture from August to December, as reinforcement works are taking longer than expected.

The reinforcement works are taking longer, as the utility is also conducting facility inspections to prepare to reactivate the reactor after an extended closure since January 2012 for stricter nuclear safety inspections, said Chugoku on 30 April.

Chugoku previously planned to complete the reinforcement works in May, but has now postponed this to October. The utility had aimed to begin normal operations at the reactor in September, but has now delayed it to January 2025. Chugoku had previously modified the restart schedule multiple times.

The return of the Shimane No.2 reactor could have helped Chugoku reduce its reliance on thermal generation fuels including oil, LNG and coal, especially during the peak power demand season of summer.

Chugoku is currently building the 1,373MW No.3 reactor at Shimane, aiming to complete its safety-enhanced construction sometime during April-September 2025. The company has filed an application with the Nuclear Regulation Authority for a safety screening of the No.3 reactor. Its 460MW Shimane No.1 reactor was scrapped in April 2015.
By Nanami Oki

Japan's Jera cuts LNG imports in 2023-24

Japan's largest power producer by capacity Jera cut its LNG imports in the April 2023-March 2024 fiscal year, despite higher gas-fired output in the fourth quarter following an unexpected shutdown at a coal-fired unit.

Jera used 23.01mn t of LNG in 2023-24, down by 2.6pc from a year earlier. The company met its LNG demand through 4.5mn t in spot purchases, which fell by 36pc on the year. The company was forced to buy more spot LNG in 2022-23, because of the extended closure of the US' 15mn t/yr Freeport LNG export project.

But Jera boosted gas-fired generation in January-March, up by 3.7pc on the year to 47.5TWh. This increased LNG burn by 3.8pc to 6.29mn t during the period. Higher LNG use came partly on the back of an unscheduled closure at the fire-hit 1,070MW Taketoyo No.5 coal- and biomass-fired unit on 31 January. It is still unclear when the unit will be brought back on line.

The company estimates the impact of the shutdown will cost the company over ¥10bn ($63.7mn) in the 2024-25 fiscal year, with around half of it being replacement cost for the lost capacity, which are mainly LNG procurement costs, the company said.

COAL MARKET NEWS

Jera cut coal consumption in 2023-24, down by 6.7pc on the year to 20.03mn t. Coal use in January-March fell by 6pc from a year earlier to 5.12mn t.

Jera boosted fuel oil burn to 207,000 kilolitres (1.3mn bl) in 2023-24, compared with 29,000kl a year earlier, as the company restarted the 600MW Hirono No.2 oil-fired unit in June 2023 to help meet electricity demand in the Tokyo metropolitan area.

Jera's power sales totalled 236.2TWh in 2023-24, down by 7.4pc from a year earlier, pressured by procurement diversification by power retailers and power-saving efforts by its customers, said the company.

By Motoko Hasegawa

China's Huaneng seeks imported thermal coal for June

Chinese state-controlled utility Huaneng is seeking up to 691,000t of imported thermal coal for June delivery through a tender closing on 6 May.

Huaneng is seeking 11 cargoes of seaborne coal with a calorific value (CV) of NAR 3,100-5,500 kcal/kg (GAR 3,400-5,800 kcal/kg). As many as five cargoes should be of Indonesian origin, while the rest can come from Indonesia, Russia, Australia, the Philippines, Malaysia and South Africa. There is one cargo with no origin specified.

Bids should be submitted in yuan on a delivered duty paid (ddp) basis. The tender closes at 2pm Beijing time (06:00 GMT) on 6 May.

Huaneng's previous tender that closed on 25 April saw it buy one June-delivery Panamax cargo of Indonesian NAR 4,800 kcal/kg coal at Yn707/t ddp Haimen, with an estimated netback of $77/t fob Kalimantan, according to market participants. Argus only assesses the GAR 4,200 kcal/kg coal market for geared Supramax cargoes. This grade was last assessed at $54.37/t fob Kalimantan on 26 April.

The high-CV market saw it possibly buy one June-delivery Panamax cargo of NAR 5,400 kcal/kg Indonesian coal at Yn814.50/t ddp Yuhuan, with an estimated netback of $90/t fob Kalimantan. It might also have purchased one June-delivery Panamax cargo of NAR 5,200 kcal/kg Indonesian coal at Yn785/t ddp Dongfang, netting back to around $86.5/t fob Kalimantan. Argus last assessed the Indonesian GAR 5,800 kcal/kg coal market for gearless Panamax cargoes at $90.39/t fob Kalimantan on 26 April.

Huaneng in the ultra-low CV market probably bought one early-June delivery Panamax cargo of NAR 2,900 kcal/kg Indonesian coal at Yn365/t ddp Haikou, with an estimated netback of $35.50/t fob Kalimantan, through the same tender.

Argus only assesses the GAR 3,400 kcal/kg coal market for geared Supramax cargoes. This grade was last assessed at $34.66/t fob Kalimantan on 26 April.

Huaneng tender to buy coal

Delivery port	CV (kcal/kg)	Weight (t)	Delivery period	Country of origin	Max sul, ad (%)
Shidongkou 1	3,600	53,000	5-15 Jun	Indonesia	0.4
Shidongkou 2	3,600	53,000	11-17 Jun	Indonesia	0.4
Taichang	5,000	50,000	10-20 Jun	Russia, Australia, Indonesia, Colombia, Malaysia and South Africa	0.6
Chaohu	5,000	70,000	15-25 Jun	Indonesia, Russia, Australia and the Phillipines	1.8
Changxing	3,400	50,000	10-20 Jun	Indonesia	0.4
Yuhuan	5,500	70,000	10-20 Jun	Russia, Australia, Indonesia, Colombia and South Africa	1.0
Yuhuan	3,400	70,000	10-20 Jun	Indonesia	0.4
Haimen	5,000	70,000	1-10 Jun	Indonesia, Russia, the Philippines and Malaysia	1.3
Haimen	3,400	70,000	5-15 Jun	Indonesia	0.4
Shantou	5,300	70,000	1-10 Jun	Indonesia, Russia and Australia	1.5
Dongfang	3,100	65,000	11-20 Jun	Unpecified	0.4

— Huaneng

Taiwan's FPG seeks thermal coal for Vietnam operations

Taiwanese conglomerate Formosa Plastic Group (FPG) has issued two tenders seeking thermal coal to be shipped between May-June for its operations in Vietnam.

In the first tender, the coal should be shipped to Phu My port in southern Vietnam between 19 May-9 June on Handymax vessels.

The supply should have a minimum calorific value of GAR 5,900 kcal/kg or NAR 5,650 kcal/kg. Total moisture content should be no more than 16pc on an as-received basis. Sulphur and ash content should not exceed 1pc and 15pc, respectively, and volatile matter should be 26-42pc, all on an air-dried basis (ADB).

The second tender seeks coal shipped to Son Duong port in northern Vietnam between 10-19 June on Handymax or Supramax vessels.

The cargo should have a minimum calorific value of GAR 5,700 kcal/kg or NAR 5,318 kcal/kg. Total moisture content should be at most 18pc on an as-received basis. Sulphur and ash content should be capped at 1pc and 17pc, respectively, and volatile matter should be 26-42pc, all ADB.

Offers should be quoted on both fixed and index-linked prices for the first tender and only on index-linked prices for the second tender.

All bids are to be submitted by 23:59 Taiwan time (15:59 GMT) on 6 May on FPG's online platform.

By Jinhe Tan

COAL MARKET NEWS

South Africa's MC coal output rises 14pc in Jan-Mar

South Africa's MC Mining produced 115,909t of coal in January-March, up by 14pc on the year.

But it highlighted the "continued poor performance" of South Africa's national rail carrier Transnet as hampering operations.

"Continued poor performance of the state utility responsible for rail and port logistics impacted [colliery] Uitkomst's revenue generation. The lack of reliable domestic rail transport has resulted in higher quality coal that would normally be exported being sold in the domestic market," the company said.

MC also highlighted lower export prices during the period, when the average API 4 export coal price dropped to $97/t from $146/t a year earlier.

All of MC's production was from Uitkomst. Total sales from the colliery were 75,590t, down by 3pc on the year.

The company completed the downscaling of its operations at the Vele colliery in January, after exercising a "hardship clause" in December 2023. MC is working with its outsource contractor to develop a production optimisation strategy for Vele, given high logistical costs and lower coal prices.

The company received a takeover offer from Goldway for all of the shares in MC not already owned by Goldway associates during the quarter.

This led to the suspension of the company's funding and development of the Makhado project. Activities at Makhado are expected to resume when the takeover is completed on 30 April.

The company expects to receive the mining rights for the Chapudi mine in the Soutpansberg field by the end of June.
By Bryan Wu

Cerrejon railway blocked by indigenous groups

Colombian indigenous groups in the northern La Guajira province have resumed blockades along coal producer Cerrejon's railway, delaying shipments between the mining complex and Puerto Bolivar.

Indigenous Wayuu groups blocked the 44km mark of the railway from 25-28 April and started it again today. Groups also intermittently blocked the railway earlier this month. The Wayuu are requesting security for the roads, transportation for children, and traffic fines be removed.

Cerrejon, Colombia's second-largest miner, has recorded more than 100 blockades so far this year, compared with the 230 blockades reported in all of 2023, the company said.

The latest obstructions have slowed vessel loadings and departures at Puerto Bolivar, according to maritime authority Dimar. The last vessel to depart Puerto Bolivar was the *Western Marine*, a baby Capesize vessel that left on 28 April, according to data analytics firm Kpler.

The port was expected to start loading one vessel later today with coal that arrived in the afternoon and evening of 28 April, but the new blockade today is preventing additional coal supply from arriving at the port, the captain of Puerto Bolivar said.

There are currently five vessels anchored outside of Puerto Bolivar, according to Dimar.

Cerrejon called on authorities to carry out procedures to prevent further blockades.

"Although the company respects the right to social protest and has always shown its commitment to dialogue and open and peaceful collaboration with communities, it rejects de facto actions because they put at risk the stability of the company, its workers and the normal economic and social performance of the department," Cerrejon said.
By Diana Delgado

Australia eyes update for coal mining methane emissions

Australia's federal government is proposing to phase out a controversial method used to estimate fugitive methane emissions in open-cut coal mines, which could lead to higher greenhouse gas (GHG) emissions reported under the country's safeguard mechanism.

The proposal is part of updates to the National Greenhouse and Energy Reporting (NGER) Act released for consultation on 30 April by the Department of Climate Change, Energy, the Environment and Water (DCCEEW), which wants to phase out the first and simplest of the four methods currently available to estimate fugitive methane emissions. This will begin from 1 July 2025 for safeguard mechanism facilities that produced more than 10mn t of coal in the 2022-23 fiscal year to 30 June, followed by other facilities from 1 July 2026.

This follows a recommendation late last year from Australia's Climate Change Authority, which noted that developments in satellite technology and inverse modelling techniques in recent years "raised questions about the

COAL MARKET NEWS

accuracy" of the method. The so-called method 1 generally uses default emissions factors by state, while methods 2 and 3 involve greater use of facility-specific data. Method 4 requires direct measurement of emissions.

Initial results released separately on 30 April by non-profit Superpower Institute's satellite monitoring programme Open Methane indicated methane emissions in some cases could be more than twice as reported officially. "This finding not only casts doubt on the accuracy of Australia's self-reported methane estimates but also underscores the potential for significant under-reporting of emissions," the Superpower Institute said.

Safeguard facilities

A total of 36 facilities, including 22 covered by the safeguard mechanism, used method 1 to estimate fugitive methane emissions from open-cut mines in 2022-23, according to the DCCEEW. Method 2 was used by 39 facilities, including 29 under the safeguard mechanism. No open-cut mining facilities currently use method 3 or 4.

The safeguard mechanism currently 219 facilities that emit more than 100,000t of carbon dioxide equivalent (CO_2e) in a fiscal year, with 138.7mn t of CO_2e reported in 2022-23.

The DCCEEW is also inviting feedback on the costs and benefits of extending the phase-out of method 1 to non-safeguard mechanism facilities.

Several other updates are part of the proposal, including a requirement that the Clean Energy Regulator (CER) start publishing the methods used by safeguard mechanism facilities to estimate fugitive methane emissions not only from coal mining but also from oil and natural gas sources.

Emissions reported under the NGER are used for the safeguard mechanism, and include CO_2, methane and nitrous oxide. Companies reporting under the safeguard scheme will need to disclose a breakdown of these emissions types from 2024-25 onwards, which will be published for the first time by the CER by 15 April 2025.

By Juan Weik

Australia needs 'post-coal' carbon signal: Grattan

The Australian federal government will need to co-ordinate and introduce a "clear and enduring" carbon signal in the energy sector to adapt the National Electricity Market (NEM) to a "post-coal era" where gas could be a low-cost way to balance a net zero electricity system, domestic think-tank Grattan Institute said.

The lack of a clear embedded carbon signal, combined with narrow policies and changes to market rules in recent years, mean the 25-year-old NEM may no longer be able to maintain resource adequacy and sufficient reliability as coal-fired power plants close and the share of renewable energy in the mix increases, the institute said in a report.

"Safety margins have been eroded, the market operator is using emergency reserves and back-up tools more often, coal plants are suffering more frequent outages and ministers are responding with greater urgency and concern by directly intervening in the market," the think tank warned.

Introducing a carbon price signal in the energy sector would help guiding investment decisions on flexible and peak capacity, as well as on gas-fired plant closures, according to the report. One approach the government could take is to include the electricity sector in the safeguard mechanism, with power generators treated as individual facilities facing emissions baselines. The electricity sector, Australia's largest emitter, is currently excluded from the mechanism as the emissions reduction policy for the segment has been focused on renewable electricity targets.

The government could alternatively impose a direct carbon obligation levy that could be acquitted through offsets such as Australian Carbon Credit Units, the institute said.

"The sooner this is done, the more certainty there will be for gas generators, and the more certainty market operators and governments will have about the role of gas in maintaining resource adequacy," it noted.

LRET, CIS limitations

Ensuring the role of gas as a transitional, dispatchable technology would be important as the existing design of renewables targets makes it difficult for the NEM to deliver resource adequacy at lowest cost, the Grattan Institute said. Coal will cease to be a material contributor to the NEM by around 2032, slipping to an annual share below 10pc, and gas could be crucial to balance the system. Storage will also be a key part of the electricity mix.

But the existing Large-scale Renewable Energy Target (LRET) scheme makes gas as uncompetitive as coal, despite gas being lower emitting, the think tank said. Under the scheme, only renewable plants have access to a source of revenue outside the wholesale market as they can issue and sell large-scale generation certificates.

"Storage that can displace carbon-intensive generation is also not encouraged by the LRET because it is excluded from receiving LGCs," the institute said. The scheme should be ideally targeting emissions abated, which is different at different times of day, depending on what generation source a renewable generator is displacing, it noted.

While the expanded Capacity Investment Scheme (CIS) scheme and new state programmes will help deliver more renewables, including support to storage, the absence of

COAL MARKET NEWS

co-ordination with coal plant closures raises concerns of inadequate system resources, the think-tank noted.

"Between the large-scale RET and the CIS and state schemes, the majority of generation in the NEM in 2030 will be underwritten by subsidies, risking a return to the inefficient and costly circumstances that led governments to create the NEM in the first place," it warned, adding that it is the federal government's responsibility to adopt effective policies and co-ordinate implementation with the states and territories.

By Juan Weik

FREIGHT SNAPSHOT (FULL VIEW IN ARGUS DRY FREIGHT)

Dry bulk freight rates

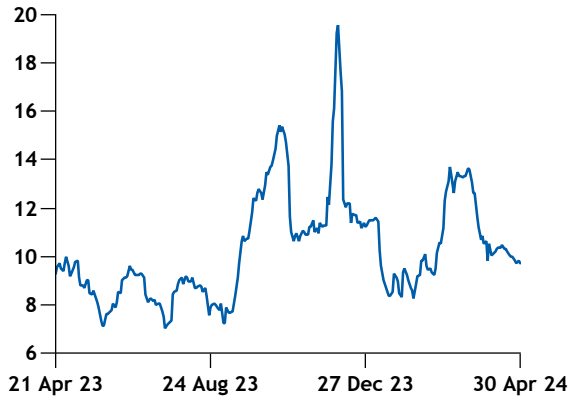
Route	Size '000t	$/t	±
Murmansk-Rotterdam	75	na	na
Richards Bay-Krishnapatnam	150	15.30	nc
Puerto Bolivar-Rotterdam	160	9.40	-0.35
EC Australia-Japan	75	15.70	-0.05
Newcastle-Zhoushan	130	15.55	+0.45
Indonesia-S China	75	8.70	nc

Additional dry freight assessments, including TCE rates, and news and analysis of developments in the dry freight market are available in Argus Dry Freight. Please email FreightTeam@argusmedia.com for more details.

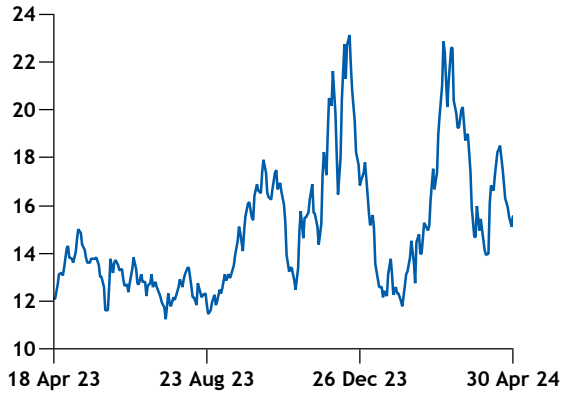
Asia-Pacific freight analysis

Route	Basis	Energy kcal/kg	Size '000t	Coal $/t fob	Coal $/t landed	±
EC Australia-Japan	NAR	6,000	75	130.03	145.73	-0.05
EC Australia-S Korea	NAR	6,000	75	130.03	144.83	nc
EC Australia-S China	NAR	5,500	75	87.55	102.70	nc
EC Australia-EC India	NAR	5,500	75	87.55	104.85	nc
Indonesia-Japan	GAR	6,500	75	117.81	128.51	-0.05
Indonesia-Japan	GAR	5,800	75	90.39	101.09	-0.05
Indonesia-S Korea	GAR	5,800	75	90.39	99.74	-0.05
Indonesia-S Korea	GAR	5,000	75	71.79	81.14	-0.05
Indonesia-S China	GAR	5,800	75	90.39	99.09	nc
Indonesia-S China	GAR	5,000	75	71.79	80.49	nc
Indonesia-S China	GAR	4,200	75	54.37	63.07	nc
Indonesia-EC India	GAR	4,200	75	54.37	65.72	nc
Indonesia-EC India	GAR	3,400	75	34.66	46.01	nc

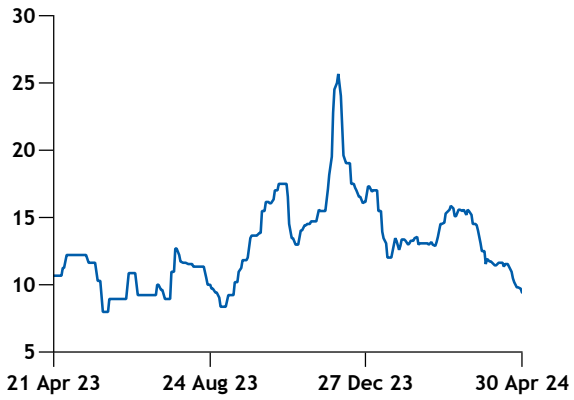
Richards Bay-Rotterdam, Capesize $/t



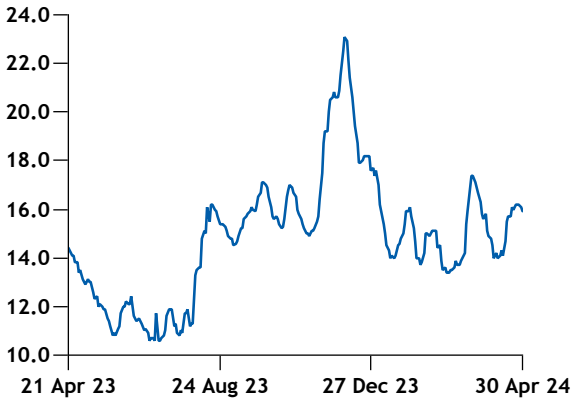
Australia to south China, Capesize $/t



Puerto Bolivar to Rotterdam, Capesize $/t



Puerto Bolivar to Rotterdam, Panamax $/t



SPARK SPREADS

Spark spread calculations

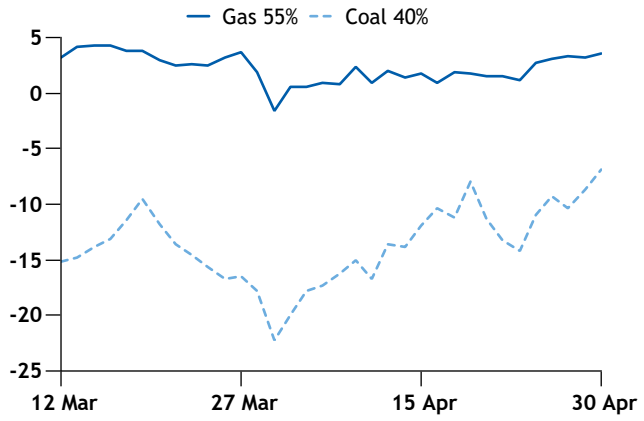
Spark spreads for various thermal efficiencies are calculated from Argus outright fuel, CO_2 emissions and electricity prices, and are not assessments based on actual spark-spread trades. Fuel, emissions and electricity prices are taken from the Argus European Electricity, Argus European Natural Gas, Argus Coal Daily International, Argus European Products and Argus European Emissions Markets daily reports.

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

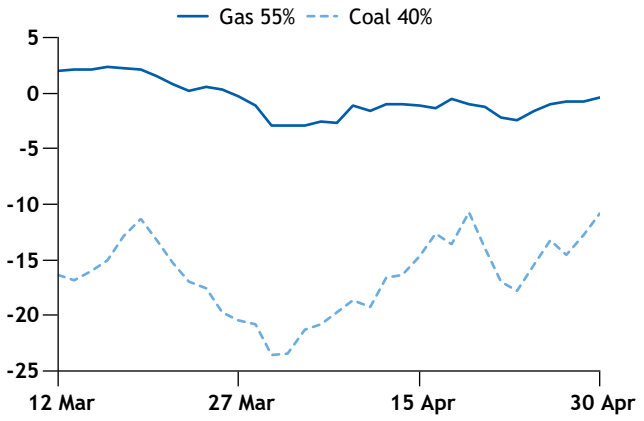
UK ETS and CSP adjusted spark and dark spreads					£/MWh
	NBP 55%		ARA Coal 40%	
Contract	base load	peak load	base load	peak load
Working day ahead	6.010	9.010	-3.360	-0.360
May	-0.457	3.543	-10.853	-6.853
June	-0.647	3.453	-11.350	-7.250
July	2.101	5.851	-10.546	-6.796
August	-0.057	3.443	-	-
September	4.411	9.611	-	-
October	6.625	16.825	-	-
3Q24	2.101	6.301	-8.982	-4.782
4Q24	4.439	15.139	0.706	11.406
1Q25	5.745	18.845	5.221	18.321
2Q25	1.427	6.677	-4.929	0.321
Winter 2024	5.092	16.992	2.962	14.862
Summer 2025	1.161	6.511	-	-
Winter 2025	5.019	18.019	-	-
Summer 2026	0.212	5.362	-	-
2025	3.630	12.830	-1.010	8.190

UK unadjusted spark spreads			£/MWh
	NBP 49.13%	
Contract	base load	peak load
Working day ahead	18.162	21.162
May	12.148	16.148
June	11.995	16.095
July	14.773	18.523
August	12.548	16.048
September	16.720	21.920
October	18.815	29.015
3Q24	14.629	18.829
4Q24	16.242	26.942
1Q25	17.523	30.623
2Q25	13.896	19.146
3Q25	13.480	18.930
Winter 2024	16.883	28.783
Summer 2025	13.688	19.038
Winter 2025	17.372	30.372
Summer 2026	14.433	19.583
2025	15.907	25.107

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



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



Announcement

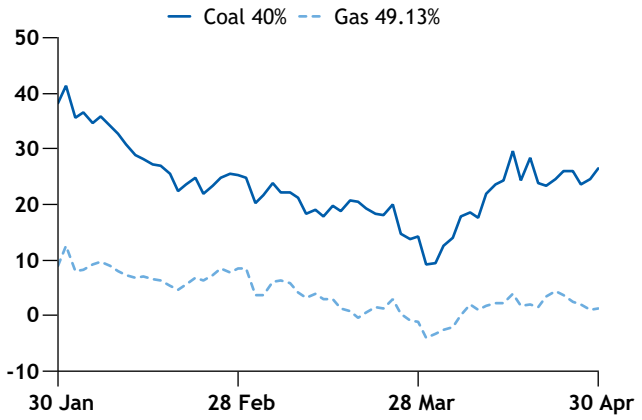
To allow for the continued publication of UK power plant generating margins from 1 January 2021, Argus will calculate UK emissions-adjusted dark and spark spreads using EU ETS prices as the cost of carbon until the prices of UK allowances diverge.

SPARK SPREADS

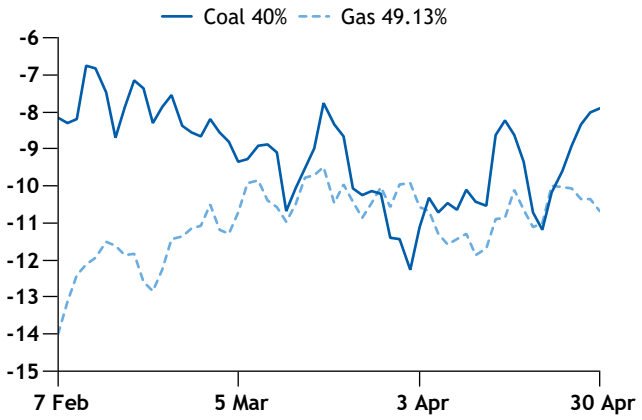
German ETS adjusted spark and dark spreads					€/MWh
	Germany VTP 55%		ARA Coal 40%		
Contract	base load	peak load	base load	peak load	
Working day ahead	-36.785	-47.335	-50.636	-61.186	
May	-17.617	-23.267	-32.136	-37.786	
June	-11.699	-13.249	-25.801	-27.351	
July	-8.390	-11.190	-24.144	-26.944	
August	-8.521	-6.071	-	-	
September	-1.521	1.929	-	-	
October	-2.621	9.329	-	-	
3Q24	-6.194	-5.144	-20.624	-19.574	
4Q24	3.164	21.514	-4.376	13.974	
1Q25	6.910	21.460	1.761	16.311	
2Q25	-9.054	-8.504	-18.171	-17.621	
3Q25	-3.377	3.123	na	na	
4Q25	5.559	23.459	-	-	
2025	0.014	9.864	-7.911	1.939	
2026	-3.858	6.042	-21.286	-11.386	
2027	-8.353	1.897	-32.189	-21.939	

German unadjusted dark spreads			€/MWh
	ARA Coal 40%		
Contract	base load	peak load	
Working day ahead	6.524	-4.026	
May	26.533	20.883	
June	32.868	31.318	
July	34.525	31.725	
3Q24	38.045	39.095	
4Q24	55.088	73.438	
1Q25	62.817	77.367	
2Q25	42.885	43.435	
3Q25	-	-	
2025	53.335	63.185	
2026	42.250	52.150	
2027	33.496	43.746	

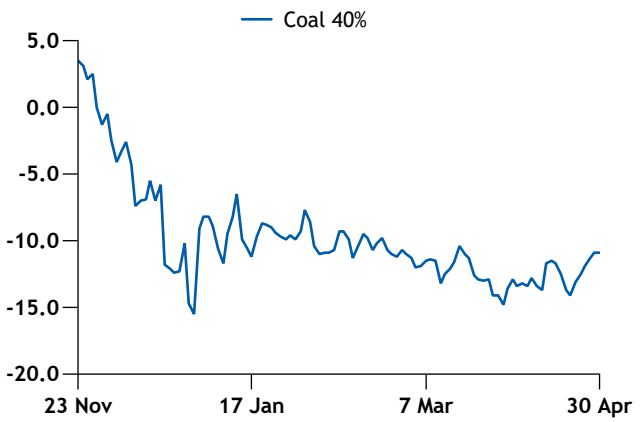
German month-ahead base-load sparks €/MWh



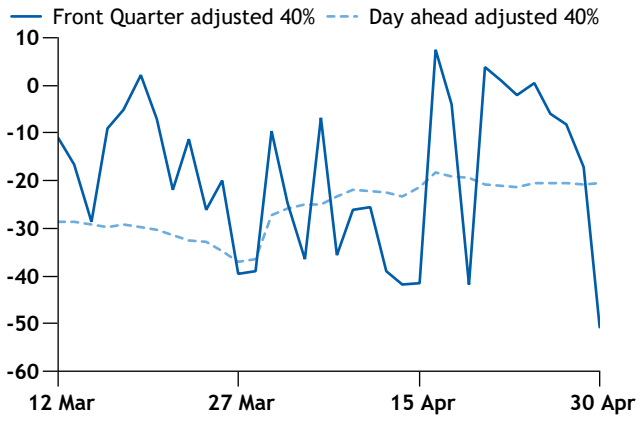
German year-ahead adjusted spark and dark €/MWh



German year-ahead adjusted dark spread €/MWh



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



SPARK SPREADS

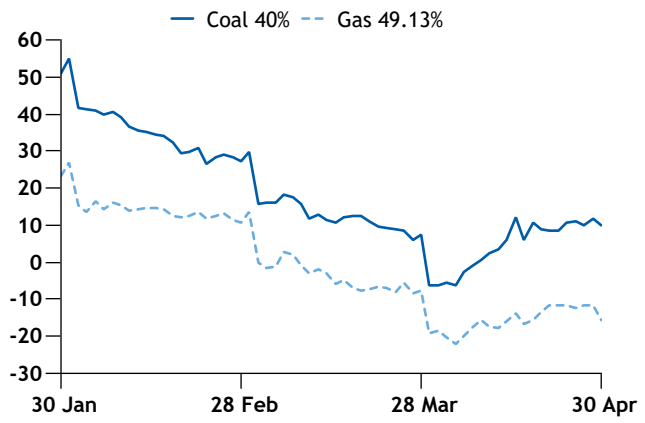
Dutch ETS adjusted spark and dark spreads *€/MWh*

Contract	TTF 55% base load	TTF 55% peak load	ARA Coal 40% base load	ARA Coal 40% peak load
Working day ahead	-48.217	-99.017	-61.886	-112.686
May	-21.567	-34.367	-36.086	-48.886
June	-17.540	-26.490	-31.751	-40.701
July	-14.699	-21.849	-30.544	-37.694
3Q24	-10.849	-15.299	-25.424	-29.874
4Q24	1.205	15.155	-7.326	6.624
1Q25	3.082	16.882	-2.839	10.961
2Q25	-14.399	-13.499	-24.971	-24.071
2025	-4.613	1.987	-13.911	-7.311
2026	-4.477	1.573	-23.586	-17.536
2027	-7.721	-4.921	-33.239	-30.439

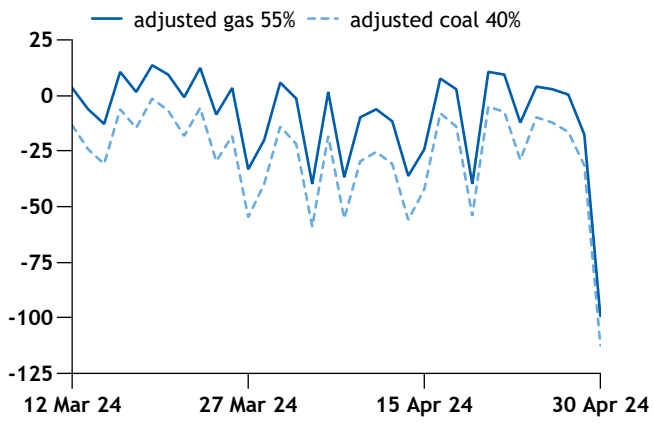
Italian ETS adjusted spark and dark spreads *€/MWh*

Contract	PSV 55% base load	PSV 55% peak load	ARA Coal 40% base load	ARA Coal 40% peak load	ARA Coal 40% (incl. fuel tax) base load	ARA Coal 40% (incl. fuel tax) peak load
Day ahead	6.901	0.001	-5.386	-12.286	-9.613	-16.513
May	3.624	3.624	-8.986	-8.986	-13.214	-13.214
June	7.169	7.169	-4.951	-4.951	-9.179	-9.179
July	16.224	11.324	3.106	-1.794	-1.121	-6.021
3Q24	14.174	15.124	1.826	2.776	-2.401	-1.451
4Q24	20.323	32.223	12.974	24.874	8.746	20.646
1Q25	21.360	31.610	16.711	26.961	12.483	22.733
2Q25	5.987	11.687	-1.721	3.979	-5.948	-0.248
2025	12.714	19.914	5.689	12.889	1.462	8.662
2026	7.705	14.055	-9.086	-2.736	-13.313	-6.963

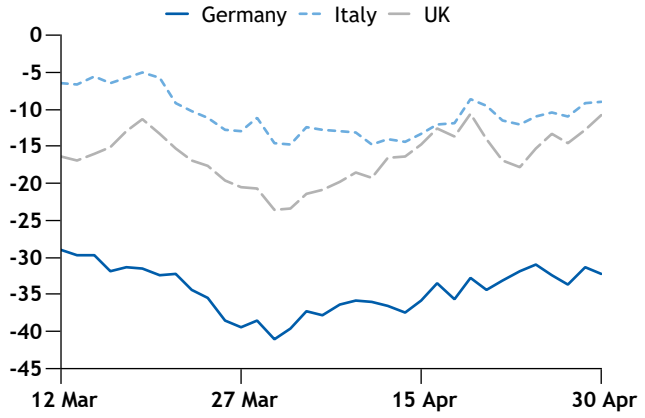
Dutch front-month peak-load spreads *€/MWh*



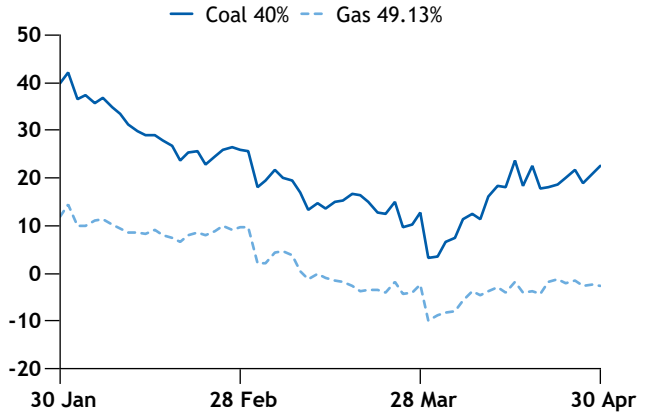
Dutch day-ahead peak-load spark vs dark *€/MWh*



European front-month base-load dark *€/MWh*



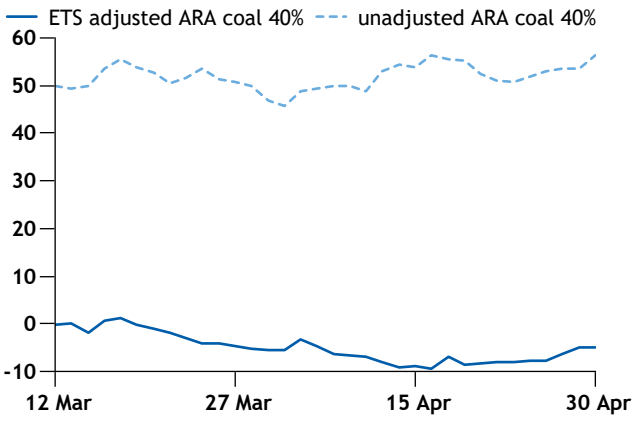
Dutch front-month base-load spreads *€/MWh*



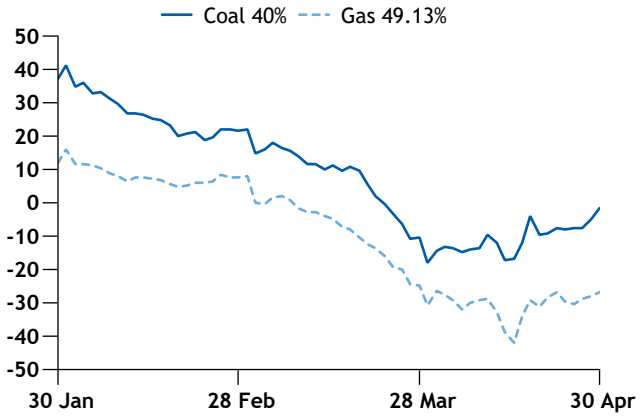
SPARK SPREADS

French ETS adjusted spark and dark spreads				€/MWh
	ARA Coal 40%		Peg 55%	
Contract	base load	peak load	base load	peak load
Working day ahead	-68.886	-70.886	-55.035	-57.035
May	-60.236	-60.186	-45.626	-45.576
June	-52.601	-50.001	-38.162	-35.562
July	-41.894	-33.044	-25.640	-16.790
3Q24	-38.074	-31.074	-23.135	-16.135
4Q24	-5.476	9.124	4.146	18.746
1Q25	3.661	25.461	10.673	32.473
2Q25	-38.321	-33.721	-	-
2025	-17.511	-5.011	-7.122	5.378
2026	-37.136	-21.086	-	-
2027	-41.439	-23.689	-	-

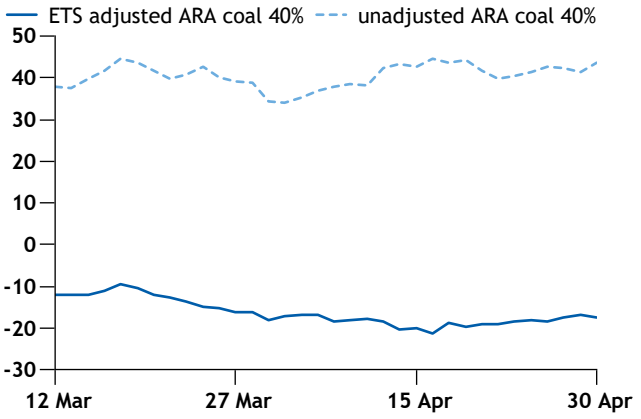
French calendar-year peak-load dark €/MWh



French front-month base-load spreads €/MWh



French calendar-year base-load dark €/MWh



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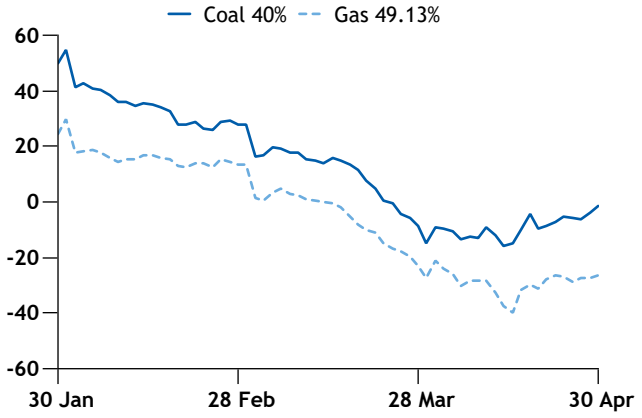
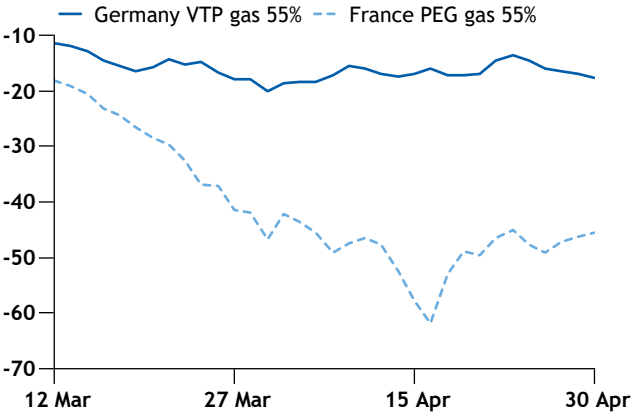


Germany VTP vs Peg front-month base-load spark €/MWh



ANNOUNCEMENTS

Argus successfully completes annual Iosco assurance review

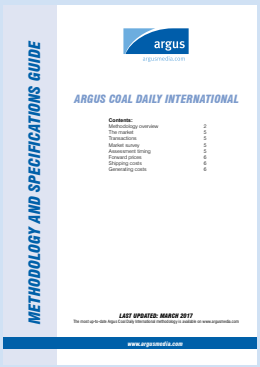
Argus has completed the 12th external assurance review of its price benchmarks covering crude oil, oil products, LPG, chemicals, thermal and coking coal, natural gas, biofuels, biomass, metals, fertilizers and agricultural markets. The review was carried out by professional services firm PwC. Annual independent, external reviews of oil benchmarks are required by international regulatory group Iosco's Principles for Oil Price Reporting Agencies, and Iosco encourages extension of the reviews to non-oil benchmarks. For more information and to download the review visit our website https://www.argusmedia.com/en/about-us/governance-compliance

ANNOUNCEMENT

The holiday calendar showing which *Argus* reports are not published on which days is now available online www.argusmedia.com/en/methodology/publishing-schedule

Argus Coal Daily International Methodology

Argus uses a precise and transparent methodology to assess prices in all the markets it covers.



The latest version of the Argus Coal Daily International Methodology can be found at: www.argusmedia.com/methodology.

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

ANNOUNCEMENT

All data change announcements can be viewed online at www.argusmedia.com/announcements
Alternatively, to be added to the email distribution list for all announcements, please email: datahelp@argusmedia.com

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