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Argus Coal Daily International

Coal market prices, news and analysis

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NEWS AND ANALYSIS

European coal on standby as dark spreads surge

Surging generation margins for coal-fired power generation in Europe have created a bullish outlook for the European coal market this winter. A backdrop of rising natural gas prices and ongoing storage concerns also begs the question of whether coal-fired units will be returned from reserve status.

Clean-dark spreads for German coal plants have risen considerably since late June. *Argus'* baseload clean-dark spreads for 40pc-efficient coal units in Germany stood at €40.14/MWh for prompt-month (October) delivery and at €48.217/MWh for prompt-quarter (fourth quarter-2026) as of 2 September, the highest values seen since January 2023 and the aftermath of the Russia-Ukraine energy crisis.

This is a sharp increase in a relatively short timeframe as the two spreads were not even in positive territory as recently as late June, and demand for coal will be higher this winter, compared with the last one, sources said.

This could see some utilities burning as much as one Capesize cargo each week, which was reported last winter, while sources also said utilities were starting to stockbuild, which could add an additional 300,000-400,000t of physical demand in the coming weeks.

At least one utility was heard to be running coal-fired power plants to fulfil baseload demand this winter. Reduced coal-fired capacity across Europe has pushed coal to be seen a peak-load fuel.

The driver behind current dynamics is unsurprisingly linked to the US-Iran war and natural gas pricing. The Dutch TTF front-month price jumped to €72/MWh earlier this week and has increased sharply since it stood at €31-32/MWh before the war started.

Meanwhile, benchmark API 2 European coal prices have risen to around $136/t this week, up by $20/t on the month and approaching the $139.93/t level assessed on 1 June, which was the highest value seen since the tail-end of the Russia-Ukraine energy crisis.

Traded API 2 futures volumes have also risen, with daily

PRICES

Daily price assessments $/t

Energy	Basis	Timing	Port	Price	±
Europe					
6,000 *kcal*	NAR	2mths	cif ARA	135.61	-0.60
5,700 *kcal*	NAR	2mths	cif ARA	128.63	-1.54
South Africa					
6,000 *kcal*	NAR	2mths	fob Richards Bay	121.38	-1.12
5,700 *kcal*	NAR	2mths	fob Richards Bay	117.50	-1.00

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	135.85	131.20
6,000 *kcal*	NAR	2mths	cif ARA rolling monthly avg		124.91
South Africa					
6,000 *kcal*	NAR	2mths	fob RB rolling weekly avg	121.29	114.20
6,000 *kcal*	NAR	2mths	fob RB rolling monthly avg		109.44

Argus cif ARA spot coal assessment $/t

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- Turkey power generation
- Indonesia coal exports
- India power generation data
- India domestic coal production and despatch
- ARA coal stocks

volumes touching 2.3mn t and 3mn t on 1 and 2 September, respectively, from a quiet August where the daily volume was regularly under 1mn t.

The rising prices and increased hedging activity from utilities brought further Commodity Trading Advisor (CTA) momentum-based liquidity to the market, sources said, while the wide dark spreads encouraged further speculative trade.

Utilities would keep coal-fired power plants running at full-tilt if it were not for reduced capacities, sources said, but coal traders remained more bullish than bearish for this winter because comparable margins for gas generation were still less profitable than coal.

Argus' baseload clean-spark spreads for 55pc-efficient gas units in Germany were at -€12.416/MWh for the prompt-month and -€4.123/MWh for the prompt-quarter on 2 September, and have not been in consistently positive territory all year.

No movement on reserve coal units

With Europe edging closer to a full-blown gas crisis, market sources have speculated that coal units currently on reserve in Germany or Italy could be returned to the market, as they did during the 2022 energy crisis.

Italian environment and energy minister Pichetto Fratin said last year that should Italian PSV natural gas prices exceed €70/MWh, then the 1.8GW Cerano and 1.8GW Torrevaldaliga Bord coal plants could act as a "safety valve" for Italy's energy costs. *Argus*' September PSV assessment passed this mark already this week, which could bring the retired plants into consideration.

But these plants were marked for closure in late July, which has led to speculation that Italy will not bring any additional coal on line, although official communication on the matter has so far been lacking.

The energy ministry did not respond when asked for a comment, although a source close to the matter said there had not been concrete discussions between the ministry and plant owners Enel since the initial statements in April. The reserve plants could take as long as six months to return to full operation, other market sources said.

Germany has around 6.7GW of coal-fired capacity in reserve status, but the current system is not designed to tackle high energy prices, but instead offer system stability.

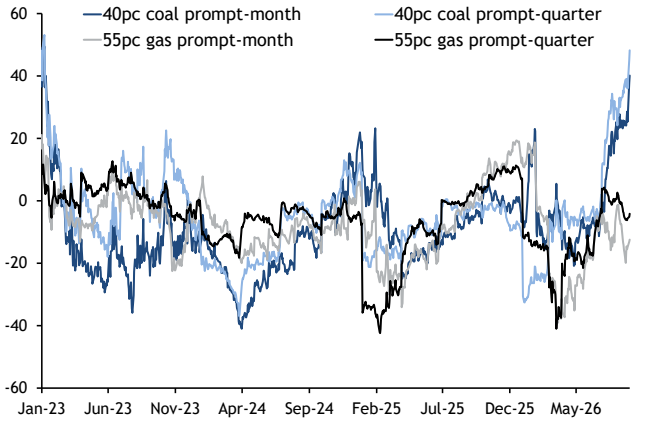
"A change in the legal framework would be necessary to return power plants of the grid reserve to the electricity market. Determining specific details such as conditions and triggers would then be within the responsibility of the legislator," a spokesperson for grid regulator Bnetza said.

A spokesman for German utility Steag, which owns several reserve plants, said "the use of around 6.7GW of hard coal-fired reserve power plants could not only curb electricity price spikes, but also significantly reduce gas consumption", citing a figure of 24TWh of gas per winter half-year, which could be reduced by utilising the reserve plants.

The company's six reserve plants, with capacity of around 3GW, are ready to connect to the grid within 12 hours of the grid operator's request, the spokesman said, adding this would allow for "lower electricity prices, lower gas consumption, higher security of supply".

By Shreyashi Sanyal and Joseph Clarke

German baseload generation margins €/MWh



ANNOUNCEMENTS

January 2028 change to API 2® and API 4® indexes

Following consultation, *Argus* Media and McCloskey by OPIS, a Dow Jones company, publishers of the *Argus*/McCloskey's Coal Price Index Report, will change the calculation of the daily and weekly API 2® and API 4® indexes.

Beginning on 4 January 2028, the API 2® index will be an average of the Argus cif ARA NAR 5,700 kcal/kg assessment and the McCloskey Northwest Europe 5,700 kc NAR min marker.

Beginning on 4 January 2028, the API 4® index will be an average of the Argus fob Richards Bay NAR 5,700 kcal/kg assessment and the McCloskey Richards Bay FOB 5,700 kc NAR min marker.

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WEEKLY PRICES

Off-specification South African prices and differentials for 28 Aug 2026 $/t

Energy	Basis	Timing	Port	Price	±	Weekly index	September *	October *	Sep MTD †	Aug final †
5,700 *kcal*	NAR	2mths	fob Richards Bay	111.59	+4.49	-5.76	-5.77	-5.76	na	-4.81
5,500 *kcal*	NAR	2mths	fob Richards Bay	99.58	+4.94	-8.70	-8.85	-8.60	na	-9.41
4,800 *kcal*	NAR	2mths	fob Richards Bay	80.28	+4.35	-17.00	-17.10	-16.90	na	-18.60

** 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 28 Aug 2026 $/t

Energy	Basis	Timing	Port	Price	±
Black Sea and Mediterranean					
6,000 *kcal*	NAR	1mth	cif Turkey mini bulk plus	128.00	-0.75
6,000 *kcal*	NAR	2mths	cif Turkey supra plus	119.13	+3.63
Russia					
6,000 *kcal*	NAR	2mths	fob Baltic ports	85.19	+1.98
6,000 *kcal*	NAR	2mths	fob Vostochny	107.83	-1.77
5,500 *kcal*	NAR	2mths	fob Vostochny	97.60	+1.20
6,000 *kcal*	NAR	2mths	fob Black Sea	85.50	-2.50
6,000 *kcal*	NAR	2mths	fob Taman	92.79	+11.54
Australia					
6,000 *kcal*	NAR	2mths	fob Newcastle	135.68	+3.00
5,500 *kcal*	NAR	2mths	fob Newcastle	99.56	+2.54
5,800 *kcal*	NAR	3mths	fob Newcastle	116.32	+0.97
5,800 *kcal*	NAR	3mths	fob Newcastle (basis NAR 6,080 kcal)	121.94	+1.02
Northeast Asia					
5,500 *kcal*	NAR	2mths	fob Qinhuangdao domestic	129.29	+2.88
5,500 *kcal*	NAR	2mths	cfr South China	121.03	+3.89
5,500 *kcal*	NAR	2mths	cfr China (Russia origin)	109.86	+2.14
5,500 *kcal*	NAR	2mths	ddp South China	134.22	+2.49
4,700 *kcal*	NAR	2mths	ddp South China	113.10	+3.67
3,800 *kcal*	NAR	2mths	ddp South China	89.78	+2.02
3,800 *kcal*	NAR	2mths	ddp Shanghai	93.27	+2.76
3,800 *kcal*	NAR	2mths	cfr Shanghai	82.54	+2.44
5,800 *kcal*	NAR	3mths	cfr South Korea	126.29	+2.89
5,800 *kcal*	NAR	3mths	cfr South Korea (basis NAR 6,080 kcal)	132.39	+3.03
India					
5,500 *kcal*	NAR	2mths	cfr east India	116.90	+3.19
5,000 *kcal*	GAR	2mths	cfr east India	100.44	+2.45
4,200 *kcal*	GAR	2mths	cfr east India	83.19	+2.85
5,000 *kcal*	GAR	2mths	cfr west India	99.63	+1.68
4,200 *kcal*	GAR	2mths	cfr west India	82.00	+1.51
Indonesia					
6,500 *kcal*	GAR	2mths	fob Indonesia	128.11	+1.83
5,800 *kcal*	GAR	2mths	fob Indonesia	104.00	+1.33
5,000 *kcal*	GAR	2mths	fob Indonesia	85.29	+1.36
4,200 *kcal*	GAR	2mths	fob Indonesia	68.37	+3.24
4,200 *kcal* Panamax	GAR	2mths	fob Indonesia	70.23	+2.61
3,400 *kcal*	GAR	2mths	fob Indonesia	41.43	+0.74
Indonesia Panamax differential to Supramax					
4,200 *kcal*	GAR	2mths	fob Indonesia	1.86	-0.63

Note: the Argus fob Indonesia GAR 6,500, 5,800, 5,000, 4,200 and 3,400 assessments as published in Argus Coal Daily International are the same as the Argus ICI 1, 2, 3, 4 and 5 Assessments as published in the Argus/CoalIndo Indonesian Coal Index Report

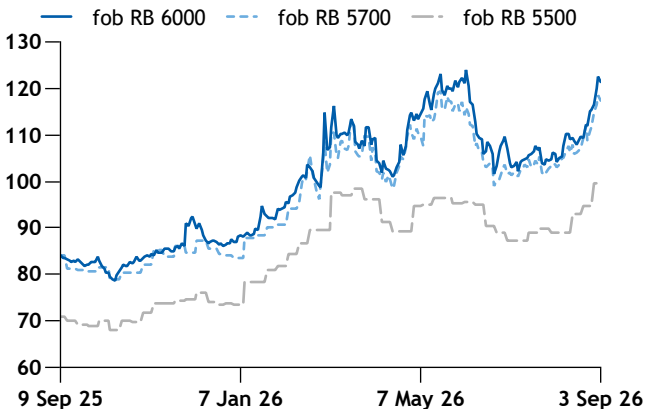
International coal assessments for 28 Aug 2026 $/t

Energy	Basis	Timing	Port	Price	±
Americas					
6,000 *kcal*	NAR	2mths	fob Puerto Bolivar	101.00	+2.25
6,000 *kcal*	NAR	2mths	fob Hampton Roads	108.60-130.54	+2.88
6,000 *kcal*	NAR	2mths	fob New Orleans	79.00	+1.25

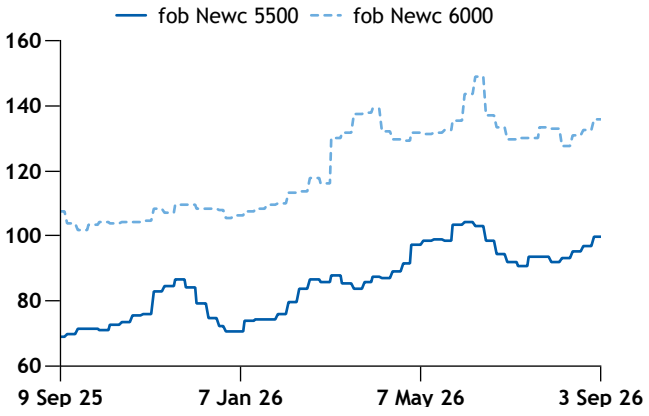
International coal assessments for 28 Aug 2026 RMB/t

Energy	Basis	Timing	Port	Price	±
China					
5,500 *kcal*	NAR	2mths	fob Qinhuangdao domestic	876.70	+19.40
5,500 *kcal*	NAR	2mths	ddp South China	910.18	+16.85
4,700 *kcal*	NAR	2mths	ddp South China	766.91	+24.82
3,800 *kcal*	NAR	2mths	ddp South China	608.83	+13.68
3,800 *kcal*	NAR	2mths	ddp Shanghai	632.50	+18.67
3,800 *kcal*	NAR	2mths	cfr Shanghai	559.73	+16.52

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				
October	136.60	137.10	136.85	+0.60
November	137.00	137.50	137.25	+1.10
December	136.95	137.45	137.20	+1.10
4Q26	136.85	137.35	137.10	+0.95
1Q27	136.25	136.75	136.50	+0.65
2Q27	133.25	133.75	133.50	+0.30
3Q27	131.95	132.45	132.20	+0.25
4Q27	130.70	131.20	130.95	+0.40
2027	133.05	133.55	133.30	+0.40
2028	122.20	122.70	122.45	+0.55
2029	121.85	122.35	122.10	+0.45
fob Richards Bay South Africa API 4				
October	125.40	125.90	125.65	+1.65
November	125.45	125.95	125.70	+1.85
December	125.55	126.05	125.80	+1.80
4Q26	125.45	125.95	125.70	+1.75
1Q27	124.25	124.75	124.50	+1.20
2Q27	123.25	123.75	123.50	+1.20
3Q27	123.10	123.60	123.35	+1.20
4Q27	122.85	123.35	123.10	+1.40
2027	123.35	123.85	123.60	+1.25
2028	120.30	120.80	120.55	+2.00
2029	122.10	122.60	122.35	+2.50
API 2 premium to API 4				
Prompt	10.95	11.45	11.20	-1.05
South Africa to Europe, implied freight rate				
4Q26	11.35	11.45	11.40	-0.80
1Q27	11.95	12.05	12.00	-0.55
2Q27	9.95	10.05	10.00	-0.90
3Q27	8.80	8.90	8.85	-0.95
4Q27	7.80	7.90	7.85	-1.00
2027	9.65	9.75	9.70	-0.85
2028	1.85	1.95	1.90	-1.45
2029	-0.30	-0.20	-0.25	-2.05

Forward prices		$/t
Timing	**Midpoint**	**±**
fob Newcastle 5,500 API 5		
October	109.80	+0.95
November	110.55	+0.85
4Q26	110.45	+0.75
1Q27	110.10	+0.30
2Q27	108.00	-0.20
3Q27	107.15	-0.25
2027	107.95	-0.10

Coal futures rise as liquidity rebounds

Atlantic thermal coal futures rose today as the US-Iran standoff prompted traders to further position for higher coal burn as gas prices continue to rise. Diplomatic efforts have failed to ease tensions after US and Iran exchanged a fresh round of strikes.

European API 2 futures increased by 61¢/t on average today, relatively evenly across the curve. The October and November contracts rose by 60¢/t and $1.10/t on the day to $136.85/t and $137.25/t, respectively, even with physical values falling slightly.

API 2 volumes via the Intercontinental Exchange reached 1.97mn t at the time of reporting, down from 2.97mn t yesterday. War-driven volatility had weighed on trading activity for weeks, keeping volumes subdued. But the latest escalation between the US and Iran has raised concerns over a sharp increase in gas prices ahead of the European winter, prompting renewed positioning in the coal market.

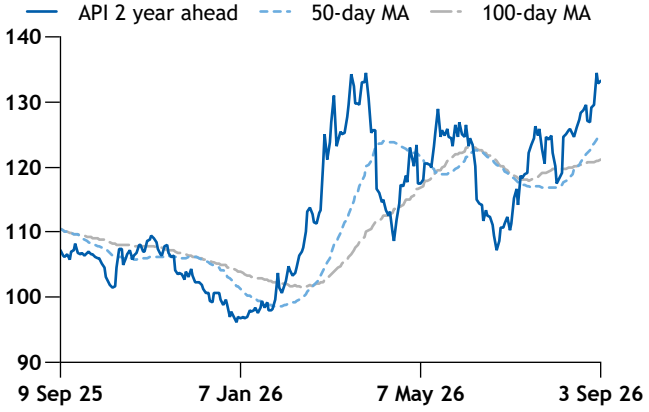
The October and November contracts were the most liquid today with 454,000t and 325,000t traded. A further 360,000t traded for December and Q4-26 contracts.

Underground gas storage in EU is 65.64pc full at present, according to AGSI data. But soaring gas prices could complicate spot purchases and increase competition for cargoes between Europe and Asia.

In the physical NAR 6,000 kcal/kg cif Amsterdam-Rotterdam-Antwerp (ARA) market, an October arrival multi-optionality cargo was bid at $135/t des AR, against an offered at $135.25/t des AR. November-arrival cargo of the same specification was bid-offered at $136-136.25/t des AR.

Elsewhere, South African API 4 futures averaged $1.62/t higher across the curve, with October contract gaining by $1.65/t to $125.65/t on the day. The prices remain elevated on supply-side concerns after a 29-wagon derailment disrupted railed deliveries to the Richards Bay Coal Terminal for two consecutive weeks, leaving stockpiles at an 11-month low as of 31 August.

API 2 year-ahead $/t



COMMENTARY

Indonesian coal activity steady on Chinese demand

Chinese demand and trader short-covering supported activity in Indonesia's low-calorific value (CV) coal market, although elevated offer prices capped buying interest to an extent.

Chinese demand for seaborne coal is being boosted by a recent rally in domestic coal prices, which is widening the arbitrage window between local and imported coal.

China's largest integrated coal and power producer Shenhua raised prices twice this week. Shenhua increased its NAR 5,500 kcal/kg truck-loading price in Inner Mongolia by Yn40/t to Yn729/t ($108.48/t) on 3 September, after a Yn20/t increase on 1 September.

Domestic coal prices in China continue to rise following enhanced mine safety inspections, which also led to a drawdown in port inventories. Combined coal stocks at the Bohai Rim ports of Qinhuangdao, Caofeidian, Huanghua and Jingtang fell to 23.80mn t on 1 September from 25.71mn t a week earlier.

Coal offer prices have inched higher so far this week along with an increase in seaborne freight, which typically tends to pressure fob prices. *Argus* assessed Panamax freight rates for vessels operating between Indonesia and south China at $10.55/t over 31 August-2 September, up from $10.08/t over 24-28 August.

Chinese utilities maintained a cautious approach to procurement, despite rising domestic coal prices. Offers for September- and October-loading Panamax cargoes of Indonesian NAR 3,800 kcal/kg coal in utility tenders were heard mostly at an estimated netback of $77-80/t fob Kalimantan. But awards were limited since generators showed some resistance and became selective in making awards.

A Chinese utility possibly bought an October-delivery Panamax of Indonesian GAR 4,200 kcal/kg coal at an estimated netback price of $76.25/t fob Kalimantan via a tender closing on 1 September. Buyers in India were making enquiries but were also reluctant to accept current offer levels.

Forward prices		$/t
Timing	**Midpoint**	**±**
fob Indo 4,200 GAR, ICI 4		
October	68.25	nc
November	68.60	nc
4Q26	68.55	nc
1Q27	68.55	nc
2027	68.25	nc

China carbon emission allowance (CEA) price				
3 Sep 2026	**CNY/t**	**±**	**USD/t**	**±**
CEA Closing Price	94.40	-1.05	13.92	-0.15
Open Trade Volumes, t	782147.00	-763309.00		

Data source: Shanghai Environment and Energy Exchange

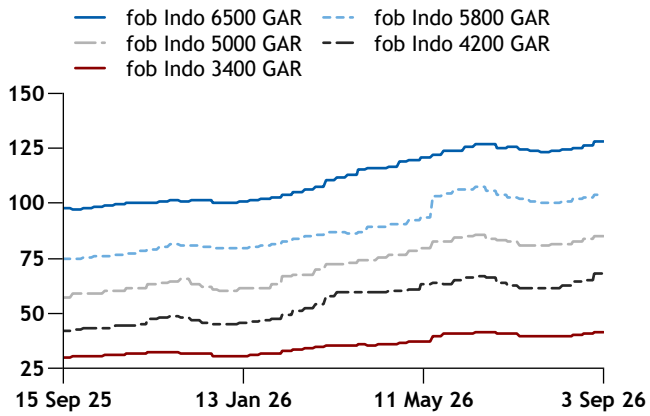
On the supply side, a reduction in 2026 output quotas (RKABs) for some prominent Indonesian producers coincided with a seasonal drop in water levels in the country's Barito and Mahakam rivers, hindering coal movement via barges from inland mines to export terminals in key producing regions of central and east Kalimantan, respectively. These factors have supported the recent increase in offers.

In the Indonesian low-CV market, an end-September loading Supramax of GAR 4,200 kcal/kg coal traded at $75/t fob Kalimantan. October- and September-loading Panamaxes of GAR 4,200 kcal/kg coal were heard to have changed hands at $80/t fob Kalimantan, but these could not be immediately confirmed. A mid-September loading Panamax was offered at $78/t fob Kalimantan. September-loading cargoes are outside the current *Argus* October-November assessment window.

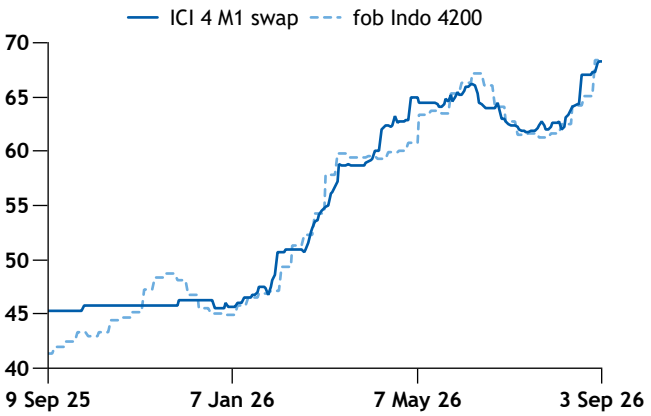
An October-loading Panamax of GAR 4,200 kcal/kg coal loading from Kalimantan was offered at a premium of $7/t to the ICI 4 index and bid at $5/t premium.

Argus last assessed GAR 4,200 kcal/kg coal for geared Supramax cargoes at $68.37/t fob Kalimantan on 28 August,

fob Indonesian prices $/t



ICI 4 front month swap vs physical spot $/t



COAL MARKET NEWS

while Panamax cargoes were marked at $70.23/t fob Kalimantan.

In the Indonesian mid-CV market, an end-September Panamax of GAR 5,000 kcal/kg coal traded at $97/t fob Kalimantan. This market was last marked at $85.29/t fob Kalimantan on 28 August.

In the Australian high-ash market, an October-loading Panamax of NAR 5,500 kcal/kg coal was sold at $105/t fob Newcastle early this week. A second-half September Panamax of this coal was offered at $109/t fob Newcastle. *Argus* last assessed the NAR 5,500 kcal/kg coal market at $99.56 /t fob Newcastle on 28 August.

Tight supplies boost Chinese demand for Australian coal

Chinese buyers have been seeking more Australian high-ash coal over the past two weeks because of tight supplies of Indonesian prompt-loading cargoes, while domestic mines in China have reduced output because of stringent safety checks.

Traders and producers have received several enquiries from Chinese buyers since early this week. Australian producers offered September-October loading Panamax cargoes of NAR 5,500 kcal/kg coal at $105-110/t fob Newcastle this week. A mining company sold an October-loading Panamax cargo of the same coal at $106.50/t fob Newcastle earlier this week. Another October-loading shipment might have changed hands at $108/t fob Newcastle, but *Argus* could not immediately confirm this trade.

By comparison, *Argus* last assessed the price of NAR 5,500 kcal/kg coal at $99.56/t fob Newcastle on 28 September, rising for four consecutive weeks following sustained momentum from Chinese buyers during the high demand summer season.

Domestic coal mines in China have slowed production because of safety inspections following recent accidents. Production issues may keep demand supported, despite the end of the peak demand summer season.

Argus last assessed the price of Chinese domestic NAR 5,500 kcal/kg coal at 876.70 yuan/t ($129.29/t) fob Qinhuangdao on 28 August. But the cost of delivering domestic coal to northern ports has risen sharply to about Yn1,000/t, which is higher than offers at the ports, according to market participants. This has reduced coal haulage activity from mines to ports to avoid losses.

High domestic coal prices in China could widen the arbitrage window for Australian imports to utilities in coastal regions of south China, which mainly rely on imported thermal coal.

Australian shipments have faced fewer disruptions so far this year, recovering from rain-related interruptions that caused severe congestion at key coal terminals in Newcastle in 2025.

Dry weather in New South Wales (NSW), Australia's largest thermal coal exporting state, has supported shipments in 2026. Exports through Port Waratah Coal Services' (PWCS) Newcastle terminals rose by 21pc on the year in August as the port recovered from the rain and flooding that disrupted ship movements a year earlier.

Congestion at Newcastle port eased significantly in 2026. The number of vessels waiting outside the port fell to three in August from 60 a year earlier, according to ship-tracking firm Kpler. Meanwhile, average vessel turnaround times at PWCS' terminals declined to four days from 21 days. A strong El Nino weather event, which typically brings dry conditions across NSW and limits rain-related disruptions, should continue to support coal supply and exports over the next few months.

Drier weather in Indonesia has caused some disruptions and logistical challenges at key-coal producing regions in Kalimantan. Indonesian producers in east Kalimantan are monitoring river levels along the Mahakam River and lowering barging volumes as river levels fall. Mining companies in central Kalimantan that depend on the northern Barito River barging routes have yet to resume barging as the water levels in those regions are either too shallow or have dried up completely, according to market participants.

Availability of Indonesian prompt-loading shipments was limited, prompting producers in the country to offer spot cargoes at higher prices this week. The outlook for Indonesian cargoes available for export also remains uncertain as the country's energy ministry has yet to announce its reviews to increase production quotas this year.
By Nadhir Mokhtar and Emma Partis

China's Qinhuangdao coal stocks fall as supply tightens

Coal inventories at Qinhuangdao, north China's largest coal transshipment port, fell to 6.1mn t on 2 September from 6.5mn t a week earlier, driven by tighter supply from producing regions.

Rail coal arrivals at Qinhuangdao dropped to 2.48mn t in the week to 2 September from 3.17mn t a week earlier, CCTD data show. Rail deliveries on the Daqin railway — the key transport corridor connecting northern mining areas with coastal markets — edged down to 827,400 t/d from 828,400 t/d over the same period.

Supplies from producing regions remained tight. Heavy rainfall disrupted some surface mine operations, while several underground mines cut output and sales because of safety inspections following a spate of mining accidents. Concerns over potential shortages added to the bullish sentiment, prompting some producers to raise prices. Rising costs and expectations of stronger industrial demand during the traditional September consumption period also encouraged traders to keep offers firm and limit spot sales.

COAL MARKET NEWS

Demand eased modestly as typhoon-related rain and cooler weather reduced power use across parts of southeastern China. Coal burn at utilities across eight import-reliant coastal provinces fell to 2.34mn t/d in the week to 31 August from 2.38mn t/d a week earlier, and was below the 2.36mn t/d recorded a year earlier. Stocks at utilities across the eight provinces dropped to 34.8mn t on 31 August from 35.11mn t a week earlier, but remained above the 33.96mn t a year earlier.

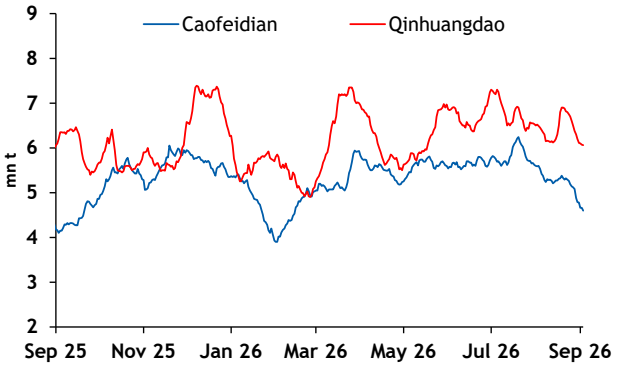
Offtake from Qinhuangdao also slowed, falling to 2.92mn t in the week to 2 September from 3.57mn t a week earlier. The average number of vessels waiting to load was 17.71/d, compared with 20/d a week earlier.

Other major ports also recorded inventory declines. Stocks at nearby Caofeidian fell to 4.6mn t on 2 September from 5.12mn t a week earlier. Rail deliveries there dropped to 1.02mn t from 1.34mn t. Offtake dropped to 1.54mn t from 1.56mn t a week earlier.

Combined coal inventories at the Bohai Rim ports of Qinhuangdao, Caofeidian, Huanghua and Jingtang fell to 23.8mn t on 1 September from 25.71mn t a week earlier, extending the downward trend.

A similar pattern emerged in southern China, where inventories at the Guangzhou-area ports of Xinsha, Yatai and Xingang declined to 2.65mn t on 25 August from 2.82mn t a week earlier.

China's Qinhuangdao and Caofeidian coal stocks *(mn t)*



Turkey July coal imports slump on Black Sea attacks

Turkey's thermal coal imports slumped by 35pc on the year to 2.48mn t in July, during which Ukraine and Russia stepped up attacks on each other's vessels and port infrastructure in the Black Sea region.

Turkey's July imports were 1.32mn t lower compared with 3.8mn t in the same month last year and fell by 122,000t, or 5pc, from 2.6mn t in June, customs data compiled by Global Trade Tracker show.

Thermal coal flows to Turkey typically show a pronounced increase in July compared with June, when spot demand from Turkish power utilities returns following the country's peak April-June hydropower season.

But supply disruption created by the Black Sea attacks caused Turkish coal prices to spike in July, prompting several power utilities to adopt a wait-and-see approach, further delaying their purchases of discretionary spot volumes and weighing on the country's imports.

Imports from Russia were 984,000t, or 32pc, lower on the year at 2.1mn t in July, with volumes also falling by 249,000t on the month. Coal loadings at Black Sea ports plummeted in the latter half of July as Ukraine's escalating campaign against Russian "shadow fleet" vessels operating in the region drove shipowners away. A Turkey-flagged Handysize vessel carrying coal from Russia's Taman port to Trabzon in Turkey was struck by an aerial drone off Novorossiysk on 22 July.

As a result, Russian suppliers' share of the Turkish import market declined to 85pc in July, down by five percentage points from June.

Kazakh thermal coal imports rose to 261,000t in July, up by 10,000t on the year and 18,000t compared with June, accounting for 11pc of the Turkish import market. But seaborne exports of coal from landlocked Kazakhstan are reliant on Russian ports, and are likely to begin declining after Russian Railways recently started prioritising cargo allocations to domestic coal, with volumes initially bound for southern Russian ports now being redirected northwest.

Turkey imported no Colombian coal in July for a second straight month, after Colombian producer Cerrejon suspended mining, rail and port operations on 1 June because of a blockade of its 150km railway. Fellow Colombian producer Drummond also did not export any coal to Turkey in May or June.

Turkey received 65,000t of thermal coal from South Africa in July, the first imports from the origin after a four-month hiatus. Turkey also imported about 50,000t of thermal coal from Tajikistan and 2,000t from Iran, the fifth consecutive month in which it received imports from the latter origin.

Turkey thermal coal imports			*mn t*
Country	**Jul 26**	**± Jun 26**	**± Jul 25**
Russia	2.098	-0.249	-0.984
Kazakhstan	0.261	0.018	0.010
Colombia	0.000	0.000	-0.455
Others	0.116	0.110	0.107
Total	2.475	-0.122	-1.322

— Global Trade Tracker

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Nationalised coal creates supply buffer

Shipment disruptions have led to rising prices and additional demand for nationalised volumes sold on a free-on-truck (fot) basis by domestic stock-and-sale traders.

Fot Iskenderun prices have risen in line with seaborne coal prices from $105-106/t at the end of June — before Black Sea loadings were disrupted — to $130-135/t this week, according to market participants.

Traders are understood to have maintained healthy stockpiles at major Turkish coal import hub Iskenderun, from which multiple cement producers source trucked coal, creating a favourable environment for such importers.

Some industrial utilities had looked for 20,000-30,000t of thermal coal via Baltic Sea ports for the supply of Handysize cargoes, but freight rates for these shipments have risen to around $45/t, meaning purchasing nationalised coal was still preferable even with the sharp price increase.

Turkish cement producers are now reportedly prioritising purchases of solid fuel alternative petroleum coke to stave off fixing thermal coal at currently elevated prices, but demand for nationalised thermal coal remains firm because of fuel blending requirements, traders said.

By Bryan Wu

Turkish coal burn up again in Aug on warm weather

Turkish coal-fired generation strengthened further in August as sweltering temperatures across the country lifted overall power output because of increased peak cooling demand.

Imported coal-fired generation averaged 9.2GW last month, edging higher by 400MW compared with July. But output was 600MW lower on the year from a high base in August 2025, when coal burn was elevated because of severely suppressed hydro stocks in the country.

Available capacity for imported coal-fired generation stood at 9.4GW in August, mostly unchanged on the month and still about 1GW shy of the country's total installed capacity of 10.5GW. This implied a load factor of about 97pc for Turkey's imported coal-fired fleet, based on available capacity last month.

Overall power generation averaged 41.9GW last month, up by 1.4GW compared with July but marginally lower from 42GW in August 2025. Heatwaves in June across continental Europe mostly bypassed Turkey in June but reached the country by the second half of July, with hotter weather persisting in major cities across the country last month.

Turkish hydro output declined marginally on the month to 12.6GW in August, but residual hydro stocks from record rainfall earlier this year kept output relatively elevated for summertime levels — hydro output averaged 7.1GW and 6GW in the same months of 2024 and 2025, respectively.

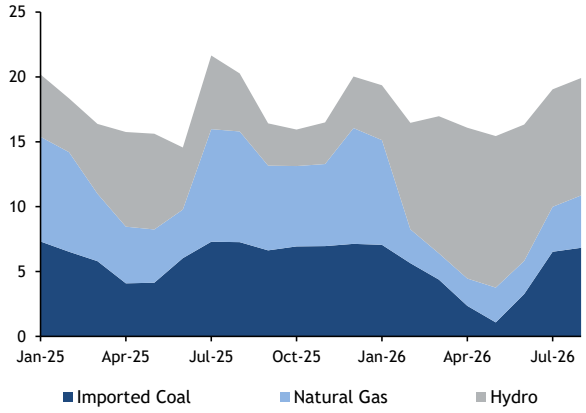
Gas-fired generation in Turkey partly contributed to increased total power output last month, increasing from a low base of 4.7GW in July to 5.4GW in August. Combined-cycle gas power plants in Turkey can alter output with greater flexibility compared with coal-fired power plants, which function as the country's base-load operators and were already running at almost full utilisation last month.

But gas-fired generation remains significantly less profitable than burning imported coal. Month-ahead Turkish clean spark spreads (CSS) for 55pc-efficient gas-fired units, based on industrial regulated gas tariffs, averaged -€7.073/MWh on 1-2 September, while CSS for gas-fired units of the same efficiency based on Turkey-delivered LNG prices averaged -€81.934/MWh over the same period.

Increasing Turkey-delivered coal prices because of ongoing supply disruptions could partially erode their advantageous generation margins over the coming weeks. Month-ahead Turkish base-load clean dark spreads for 40pc-efficient coal-fired units averaged €11.007/MWh on 1-2 September, down from €20.76/MWh on 24-28 August.

By Bryan Wu

Turkey power generation *TWh*



Weak demand weighs on Indonesia's Jul coal exports

Indonesia's coal exports declined in July as weaker shipments to China and India outweighed strong demand from southeast Asia.

The world's largest coal exporter shipped 38.94mn t of all types of coal in July, down by 6.6pc from 41.7mn t a year earlier and by 2.8pc from 40.07mn t in June, according to Indonesian customs data compiled by Global Trade Tracker (GTT). The decline reversed the year-on-year increase recorded in June and brought cumulative exports in January-July to 270.6mn t, down by 3.7pc from a year earlier. Thermal coal accounted for about 96pc of total shipments.

The July decline highlights a broader shift in Indonesian

COAL MARKET NEWS

coal trade flows this year. China's ample domestic supply and comfortable utility inventories ahead of the peak summer season tempered import demand, while record domestic coal production in India continued to curb seaborne purchases. Southeast Asian markets, led by Vietnam and the Philippines, are absorbing a growing share of Indonesian coal exports, but remain too small to fully offset weakness in the country's two largest destinations.

Exports to China fell to 14.17mn t in July, down by 14pc from 16.53mn t a year earlier and accounting for most of the overall decline. Chinese buyers pulled back from the spot market after ramping up purchases in June ahead of summer demand peaks, with high domestic coal production and adequate inventories limiting the need for additional imports. In northeast Asia, shipments to South Korea fell by 30pc on the year to 1.93mn t, while deliveries to Taiwan dropped by 42pc to 1.08mn t.

Exports to India, Indonesia's second-largest market, fell to 6.42mn t in July from 6.91mn t a year earlier. But cumulative shipments in January-July remained about 16pc lower on the year as high domestic coal output and elevated inventories continued to curb seaborne buying.

Demand from southeast Asia remained robust. Exports to Vietnam surged by 74pc on the year to 3.09mn t, making it Indonesia's third-largest export destination in July. Shipments to the Philippines rose by 17pc to 3.39mn t, while deliveries to Bangladesh climbed by 57pc to 1.56mn t.

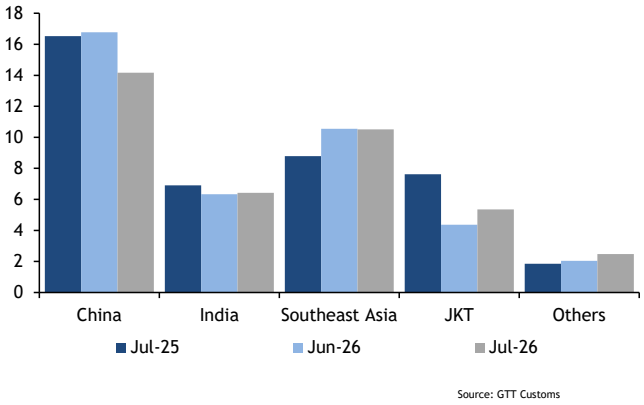
Vietnam continued to underpin regional demand as strong coal-fired generation supported import requirements. Vietnam's coal-fired power generation rose by about 29pc on the year in July to 13.12TWh, according to *Argus* analysis of National Power System and Market Operator data shared by state utility EVN.

Argus assessed GAR 4,200 kcal/kg coal at $61.68/t fob Kalimantan on 31 July, as prices eased from the year-to-date high of $67.12/t reached in June. The market has since strengthened, with *Argus* assessing GAR 4,200 kcal/kg coal for geared Supramax cargoes at $68.37/t fob Kalimantan on 28 August, the highest level since $69.10/t fob Kalimantan on 19 May 2023.

Demand prospects for Indonesian coal have recently shown signs of improvement. China's thermal coal imports rose on the year for a second consecutive month in July, while tighter domestic supply and falling port inventories have supported seaborne coal prices in recent weeks. In India, thermal coal imports increased on the year in July for the first time in eight months, while utility stockpiles have continued to decline. Strong demand from Vietnam is also expected to underpin regional buying, although Chinese import requirements will remain the key determinant of Indonesian export volumes.

By Saurabh Chaturvedi

Indonesia's July coal exports *mn t*



Source: GTT Customs

Indonesia's Bayan lifts coal output, sales in Apr-June

Indonesian coal producer Bayan Resources raised production and sales on the year in April-June, and higher prices boosted the company's revenue and profit.

Bayan sold 15.8mn t of coal in the second quarter, up by about 5pc on the year from 15mn t in the year earlier.

The company produced 18.2mn t of coal during the quarter, up by 30pc or 4.2mn t from a year earlier. The increase came from its largest mine, Tabang, which produced 16.9mn t in April-June, up from 13.2mn t in the year earlier. The increase was facilitated by additional equipment mobilisation, the company said on 31 August.

The company's April-June profit grew by 65pc on the year to $221mn because of higher coal prices. Revenue for the quarter rose by about 25pc on the year to $918.5mn.

Bayan's realised coal price was $58.10/t during the quarter, up by more than 19pc from $48.70/t in April-June 2025. Its production costs increased by about 3pc to $37/t from $35.80/t in the previous year, primarily due to higher fuel prices.

Coal output over January-June grew by almost 19pc on the year to 32.9mn t, while sales were unchanged on the year at 32.2mn t. Revenue for the first half of the year stood at $1.74bn, up by over 7pc from 2025, while profit increased by 17pc on the year to $416.6mn. Its realised coal price was $54/t in the first half, up from $50.30/t last year. Production costs increased to $35/t from $34.20/t last year.

The company has committed and contracted sales of 67.2mn t of coal for 2026 as of July, it said. China was Bayan's largest overseas buyer accounting for 36pc of the January-June sales while its home market Indonesia accounted for 19pc. Philippines accounted for 20pc of sales, while 10pc came from India.

By Ajay Modi

COAL MARKET NEWS

Indonesia's PLN seeks to diversify coal supplies

PLN Energy Primer Indonesia (PLN EPI), the fuel procurement arm of state-owned utility PLN, is seeking alternative coal supplies as El Niño-driven logistics disruptions threaten deliveries to Indonesia's coal-fired power plants, a company official told *Argus* today.

Indonesian coal market participants are monitoring growing supply disruptions in central and east Kalimantan, where low water levels on the Barito and Mahakam rivers have disrupted coal barging operations, forcing some producers to delay shipments and even declare force majeure on shipments. This is raising concerns over supply for the domestic and export markets as a strong El Niño threatens to prolong dry conditions.

The Indonesian government has tightened oversight on coal deliveries to domestic power plants following weeks-long rotational brownouts on the Java grid last July, which were triggered by tight supplies of domestic mid-calorific (CV) coal. An inter-agency taskforce was formed to ensure ample coal supplies will be delivered through new supply contracts, additional letters of allocations, and stricter monitoring of deliveries to prevent shortfalls.

PLN EPI said that while there have been recent instances of late deliveries to PLN's power plants, these have been sporadic and coal stockpiles remain at a healthy level of above 15 days' worth of plant operations. But the company is already in talks with producers from other regions whose shipments have not been impacted, to ensure that transportation constraints will not result in a power crisis due to a fuel shortage. PLN EPI is eyeing additional coal deliveries from mining companies operating in south Sumatra and south Kalimantan, which are closer to sea ports, the PLN EPI official said.

El Niño typically brings drier-than-normal conditions across much of Indonesia, reducing rainfall and lowering river levels. Coal market participants are closely monitoring weather forecasts as prolonged dry conditions could further restrict navigation along the key coal barging rivers and other key waterways used by mining firms in Kalimantan.

Some coal barges traveling along the Barito River have been forced to reduce their carrying capacity because of reduced draft. Some 7,500-10,000t standard barges have been forced to reduce volumes to 3,000-4,000t in order to avoid running aground as water depths on parts of the river have already fallen to around 3-4m, drastically lower than the typical depths of 8-18m. Parts of the upper reaches have already been deemed impassable, with some mining firms declaring force majeure on shipments, an Indonesian energy ministry (ESDM) official told *Argus*.

But these options incur higher costs on a dollar per mile basis. Reducing volumes on 7,500-10,000t capacity barges to 3,000t to account for the reduced draft can effectively double the cost in some cases, market participants said.

Indonesia's weather bureau, the Meteorology, Climatology, and Geophysics Agency (BMKG), has already predicted that this year's El Niño phenomenon's peak intensity will exceed the strong category and is expected to last until the beginning of 2027. Because of this, the ESDM expects coal deliveries from central Kalimantan to decline over the remainder of the year, with south Kalimantan also possibly being affected towards the end of the year.

The weather-related logistics constraints are being exacerbated by tight supplies because a number of producers have faced delays in receiving additional RKAB output quotas for the rest of the year. This, in addition to a surge in demand from China, where domestic output is being curbed by stringent safety checks at mines following a spate of fatal accidents, has triggered a rally in low-CV Indonesian coal prices, pushing some grades to multi-year highs.

The price of GAR 4,200 kcal/kg coal for geared Supramax cargoes was last assessed by *Argus* at $68.37/t fob Kalimantan, up by $3.24/t on the week. This was the highest since the price was at $69.10/t fob Kalimantan on 19 May 2023.

PLN's search for alternative supplies underscores concerns that prolonged El Niño-related supply disruptions could tighten coal availability and raise logistics costs. If dry conditions persist, competition for unaffected coal could intensify, lending further support to Indonesian coal prices while challenging efforts to ensure reliable fuel supplies for domestic power generation.

PLN is expected to consume around 150mn t of coal this year. It is unclear how much supply will be lost through prolonged weather-related logistics constraints, an ESDM official told *Argus*.

By Antonio delos Reyes and Andrew Jones

Middle East tensions bolster Japan's coal stance: Meti

Coal remains an important fuel for power generation in Japan, particularly as concerns over disruptions to Middle East energy supply have highlighted the need for secure and reliable sources of electricity, according to Japan's economy, trade and industry ministry Meti.

"Coal is a very important asset and fuel mix for a stable supply [of electricity] as coal is not dependent on the Middle East," Hajime Wakuda, director-general of the natural resources and fuel department under Meti, said in the opening address at the 35th Clean Coal Day International Symposium held in Tokyo on 3 September.

"The importance of this asset is increasing day by day and we'd like to put together different policies based on this assumption," he added.

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Coal has proven to be an alternative fuel to natural gas in many Asian countries when the de facto closure of the strait of Hormuz caused a sudden and unexpected disruption to LNG supply, Yoshikazu Kobayashi, chief economist and director for research strategy and energy security at the Institute of Energy Economics, Japan (IEEJ) said in his speech at the symposium. Among these countries, Japan has relaxed its regulations on inefficient coal-fired power plants, he added.

Japan aims to promote the fade-out of inefficient coal-fired power plants while maintaining a stable electricity supply as a fundamental prerequisite towards achieving carbon neutrality by 2050, but the fade-out has not progressed sufficiently due to the emergence of supply capacity shortages, according to the country's 7th Strategic Energy Plan published in February 2025.

Carbon storage

The Japanese government is committed to investing in carbon capture, utilisation and storage (CCUS) technology to reduce carbon emissions while the country continues to rely on coal for power generation.

Wakuda highlighted two feasibility studies sanctioned by Meti — the Tomakomai and Kujukuri CCS projects — as part of the government's decarbonisation efforts.

Last year, Meti had selected a 9,624.99-hectare site in Tomakomai city, Hokkaido prefecture and a 30,844.74-hectare site in Kujukuri town, Chiba prefecture for test drilling to see if it was safe and economical to develop carbon storage sites for commercial use.

Besides CCS, Wakuda also mentioned ammonia co-firing and coal gasification as abatement strategies. The Hekinan power station in Aichi prefecture has achieved 20pc of ammonia co-firing with coal in 2024 and is now aiming for commercialisation, he said. The Osaki CoolGen power station in Hiroshima prefecture, an integrated coal gasification combined cycle demonstration plant, uses next-generation CO2 separation and capture technology, he added.

"There are going to be many options on the table that will help us in Japan and also our friends all around the world on the decarbonisation journey. We hope to make some contribution to that," Wakuda said.

Japan's power demand is expected to grow over the next decade due to rising artificial intelligence adoption and the construction of data centres. Coal is expected to produce 8.9pc of an estimated 1,009TWh of electricity generated by Japan in 2035 under the best-case scenario with the introduction of policies to address energy security and climate change issues with the utmost penetration of low-carbon technologies, also known as the advanced technologies scenario, according to the latest forecast by the IEEJ published in October 2025.

Japan's thermal coal imports was almost unchanged on the year at 103mn t in 2025, according to the country's customs data. *By Jinhe Tan*

Rising power prices to boost S Korea's coal burn

South Korea's wholesale power prices hit a multi-year high on Wednesday with utilities expected to increase coal burn to reduce reliance on more expensive gas-fired generation.

The country's mainland system marginal prices (SMPs) — the price at which power generators sell power to Kepco — reached averages of 167.91 won/kWh (12¢/kWh) on 2 September — the highest since April 2023, according to Korea Power Exchange data.

Mainland SMPs averaged W147.88/kWh in August, up by W30.49/kWh from a year earlier. The July average was W133.79/kWh, up by W13.40/kWh on the year.

This compares with an average of W112.75/kWh in the first half of the year, down by W6.38/kWh from a year earlier.

Market participants expect SMPs to continue rising in the coming months as higher fuel costs following the Middle East conflict increasingly feed through into power prices. Gas-fired generation typically sets the marginal price and changes in fuel costs can take about six months to be reflected in SMPs, sources familiar with the matter told *Argus*.

Lower SMPs in the first half weighed on earnings of South Korea's state-owned utilities even as coal burn increased. Three of the five utilities posted operating losses during the period, while operating profits at the other two fell sharply from a year earlier, sources told *Argus*.

Coal-fired generation has remained on an upward trend during the first half of the year. But this did not translate into stronger earnings as lower SMPs weighed on electricity selling prices while higher thermal coal prices raised fuel costs, market participants said.

Conditions have turned increasingly favourable for coal-fired generators in the second half of the year. Coal is expected to remain competitive against gas, supporting strong coal burn towards the end of the year, while higher SMPs could help generators recover from some of the earnings weakness seen in the first half, market participants said.

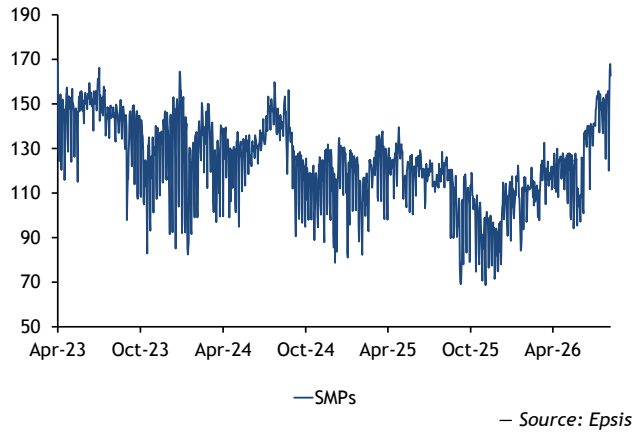
Argus' South Korea dark and spark spreads also continued to show coal retaining a significant cost advantage over LNG. As of Wednesday, theoretical margins for 44pc-efficient coal-fired plants and 58pc-efficient gas-fired plants based on *Argus* northeast Asian LNG prices were at $20.720/mn Btu and -$8.754/mn Btu, respectively.

But rising SMPs could put pressure on Kepco's financial strain. The climate and energy ministry previously said an annual average SMP of about W150/kWh could increase

COAL MARKET NEWS

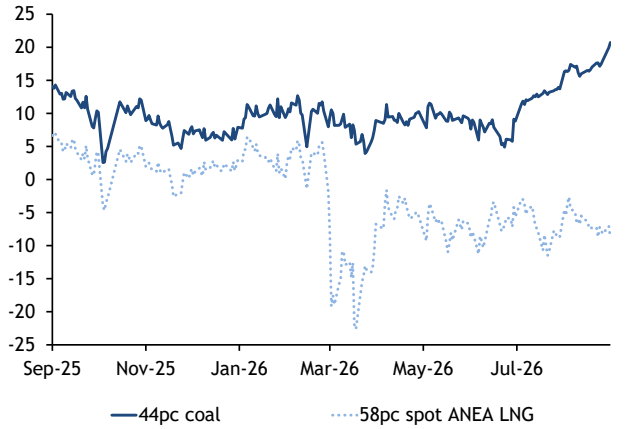
Kepco's financial burden and pressure for higher power tariffs.
By Dayu Park

S Korea's mainland system marginal prices (SMPs) *W/kWh*



— *Source: Epsis*

S Korea dark and spark spreads *$/mn Btu*



South Korea confirms merger of five state-run utilities

Plans to merge South Korea's five state-owned power utilities into a single entity were confirmed by the government today.

The government is targeting July 2027 for the launch of the merged entity, sources previously told *Argus*. The utilities, which have operated separately since they were split from state-owned Kepco in 2001, are preparing for the consolidation through a joint task force.

The consolidation is designed to bring the utilities' workforce and assets together to strengthen their ability to support the country's transition towards renewable energy and manage a just transition away from coal.

The merged entity will provisionally be called Korea Power Generation. It will have a dedicated division to oversee the just transition from coal-fired generation, alongside a renewable energy division.

The government expects the combined structure to increase investment capacity, while joint procurement could improve profitability.

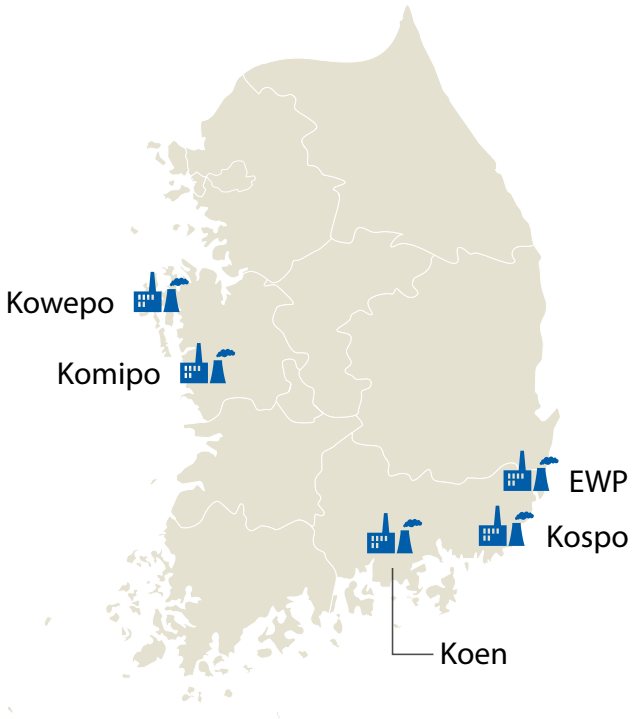
But market participants have previously questioned the potential cost savings from joint coal procurement, as buying larger volumes does not necessarily translate into lower prices in the South Korean coal market. They instead see greater benefits in coal supply management.

Some expected the merger to bring greater transparency to the South Korean coal market, while others questioned whether reduced competition among buyers would benefit the market.

The five utilities currently procure coal individually, with price playing a key role in buying decisions. Following the merger, procurement could put a greater emphasis on supply security and fuel quality, market participants said.

Further discussions on the merger are due to take place on Friday, sources told *Argus*.
By Dayu Park

HQ location of S Korea's state-owned utilities



COAL MARKET NEWS

Australian coal mine extension faces climate scrutiny

Australia's New South Wales (NSW) state planning authorities will decide by the end of September whether to approve an extension of the Hunter Valley Operations (HVO) thermal coal mine complex, in a significant test of whether regulators consider coal mine extensions to be compatible with climate policy aims.

NSW's Independent Planning Commission (IPC) has until 30 September to rule on a proposed 19-year extension of operations at the complex, a joint venture between Chinese-Australian producer Yancoal and Switzerland-headquartered Glencore. The IPC was due to publish its decision on 4 September but was given an extension on 2 September due to the complexity and significant public interest surrounding the case.

The joint venture is seeking approval to extend operations at HVO North until 2045, from its current end date of December 2026. It is also seeking to extend HVO South's life to 2042, from 2030. HVO has argued that stopping operations at HVO North at the end of the year would have significant consequences for the complex's 1,500 employees and the broader regional economy.

HVO currently has approval to produce up to 42mn t/yr of run-of-mine (ROM) coal, but the companies have agreed to reduce this limit to 26mn t/yr as part of their extension application. The complex produced 14.8mn t, 15.3mn t and 11.9mn t of run-of-mine coal in 2024, 2023 and 2022, respectively, on a 100pc basis, according to Yancoal financial reports.

The IPC asked the joint venture in a 27 August letter to outline the minimum operating period that would be required to support an orderly transition for workers, suppliers and the local community.

The full 19-year extension would be required to preserve the project's economic viability, HVO said in a 2 September response.

The joint venture partners estimated that HVO North and South would require investments of A$2.1bn ($1.5bn) and A$800mn, respectively, to continue operating, including on infrastructure assets and fleet replacements with long payback periods.

The IPC's request for information also reflected growing scrutiny of scope 3 emissions in project assessments. Scope 3 accounts for indirect emissions, such as from a company's supply chain or the end-use of its products.

HVO's customers are responsible for managing emissions associated with the use of their coal products, the producer said. The IPC is not responsible for the emissions of coal burned in a country that has signed the 2015 Paris agreement because those countries should be adhering to their own emissions strategies, HVO argued, adding that the emissions reductions policies of other nations fell outside of the IPC's jurisdiction.

The IPC's deliberations come against the backdrop of rising focus on the legal and policy implications of continued fossil fuel production. A United Nations report released on 2 September said current policies place the world on track for warming of 2.6°C above pre-industrial levels by 2100.

Separately, a 2025 judgement from the International Court of Justice (ICJ) found that countries have binding legal obligations to cut emissions, warning that continued fossil fuel production could expose states to legal risk.

The NSW state government said it would stop issuing permits for greenfield thermal coal developments in March under its NSW Coal Industry 2026-50 framework but would continue to assess extensions of existing coal mines.

By Emma Partis

Poland backs 7GW coal-fired capacity for 2027

Poland's capacity market mechanism will support approximately 7GW of coal and lignite-fired units, enabling their operation throughout 2027.

Polish transmission system operator PSE offered one-year capacity payments for next year, with today's auction closing at a strike price of 325.56-372.04 zlotys/kW/yr (€75-86/kW/yr). Generators offered a total of 7.5GW.

Enea reported that 1.6GW of its offered capacity will receive payments. Tauron will receive contracts for 1.4GW and Energa for 505MW — the latter including coal-fired generation demand-side response units.

Power producer Ze Pak reported it will receive payments for 409MW, allowing it to continue operating the 474MW lignite-fired Patnow II plant.

PSE is set to release preliminary auction results within three working days.

Current Polish capacity mechanism rules allow PSE to offer one-year support for older coal plants until 2028, although some higher-efficiency plants — including PGE's 1.8GW Opole, Enea's 1.1GW Kozienice and Tauron's 910MW Jaworzno plants — have secured longer contracts.

Poland intends to extend the scheme in some format as it wants coal-fired plants to remain available to balance unstable renewable power output when needed and reduce the risk of blackouts. But the European Commission is reluctant to support the mechanism any further, according to a source close to the matter in Poland.

By Tomasz Stepien

S Africa to stay coal-reliant despite plant repurposing

South Africa will remain heavily reliant on coal-fired power generation even as state-owned utility Eskom repurposes retiring coal-fired power stations for renewable energy projects, energy minister Kgosientsho Ramokgopa said today.

The comments came during a visit to Eskom's Research,

COAL MARKET NEWS

Testing and Development Centre in Germiston, where Ramokgopa reviewed technologies aimed at reducing emissions from coal-fired generation.

"I've always made a point before that we don't have a coal problem, we have an emissions problem," the minister said during the visit, noting that countries such as China and Japan are more advanced with carbon capture technology.

The minister also reviewed pilot-scale projects under Eskom's clean coal programme, including the co-firing of ammonia and torrefied biomass with coal, as part of South Africa's draft Integrated Resource Plan 2025.

The visit came two days after Eskom reported a profit of 30.3bn rand ($1.7bn) for the year ending March 2026.

Eskom last year secured exemptions from minimum emissions standards for about 31GW of coal-fired capacity that would otherwise have faced closure. The utility also added a further 800MW of coal-fired generation capacity to the grid.

South Africa secured pledges of more than $12bn under the Just Energy Transition Partnership in 2022 to support its goal of reaching net zero emissions by 2050. But limited alternative generation capacity has already prompted the government to relax or delay some transition targets.

By Ashima Sharma

FREIGHT SNAPSHOT (FULL VIEW IN ARGUS DRY FREIGHT)

Dry bulk freight rates

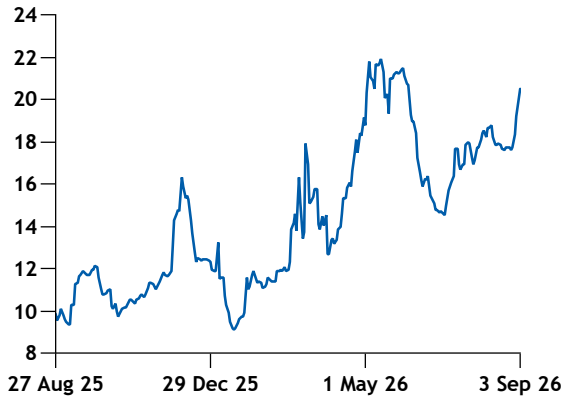
Route	Size '000t	$/t	±
Murmansk-Rotterdam	75	na	na
Richards Bay-Krishnapatnam	150	23.80	+0.60
Puerto Bolivar-Rotterdam	160	24.00	+1.10
EC Australia-Japan	75	20.90	+0.65
Newcastle-Zhoushan	130	28.25	+2.35
Indonesia-S China	75	11.40	+0.45

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.

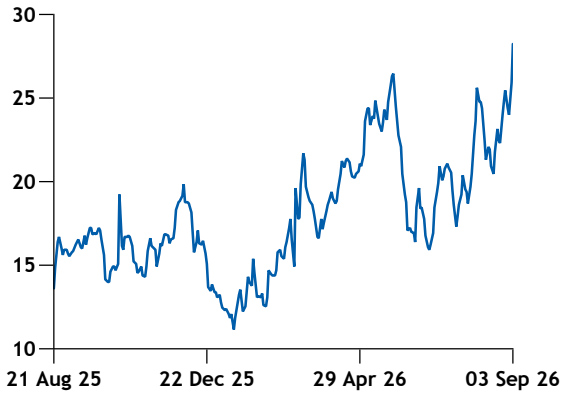
Asia-Pacific freight analysis

Route	Basis	Energy kcal/kg	Size '000t	Coal $/t fob	Coal $/t landed	±
EC Australia-Japan	NAR	6,000	75	135.68	156.58	+0.65
EC Australia-S Korea	NAR	6,000	75	135.68	155.78	+0.65
EC Australia-S China	NAR	5,500	75	99.56	120.16	+0.70
EC Australia-EC India	NAR	5,500	75	99.56	123.51	+0.80
Indonesia-Japan	GAR	6,500	75	128.11	141.91	+0.50
Indonesia-Japan	GAR	5,800	75	104.00	117.80	+0.50
Indonesia-S Korea	GAR	5,800	75	104.00	116.55	+0.50
Indonesia-S Korea	GAR	5,000	75	85.29	97.84	+0.50
Indonesia-S China	GAR	5,800	75	104.00	115.40	+0.45
Indonesia-S China	GAR	5,000	75	85.29	96.69	+0.45
Indonesia-S China	GAR	4,200	75	68.37	79.77	+0.45
Indonesia-EC India	GAR	4,200	75	68.37	82.67	+0.55
Indonesia-EC India	GAR	3,400	75	41.43	55.73	+0.55

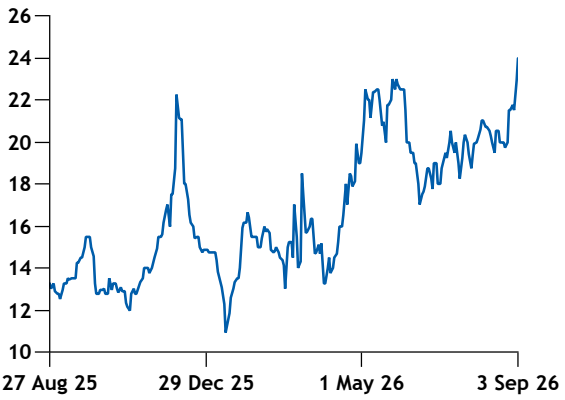
Richards Bay-Rotterdam, Capesize $/t



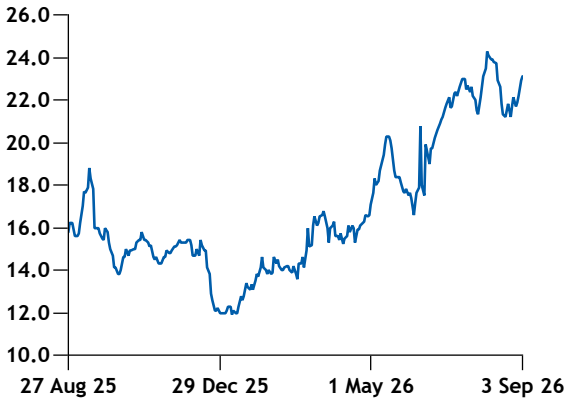
Australia to south China, Capesize $/t



Puerto Bolivar to Rotterdam, Capesize $/t



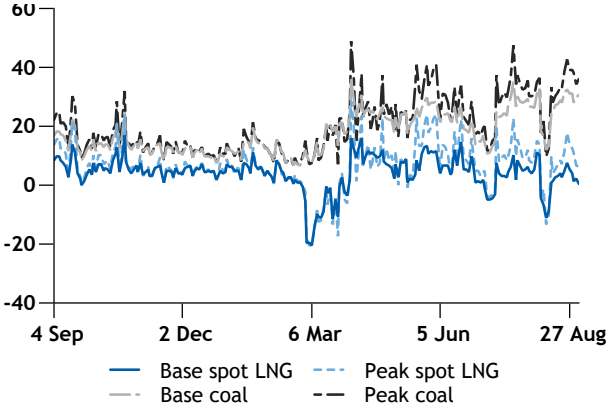
Puerto Bolivar to Rotterdam, Panamax $/t



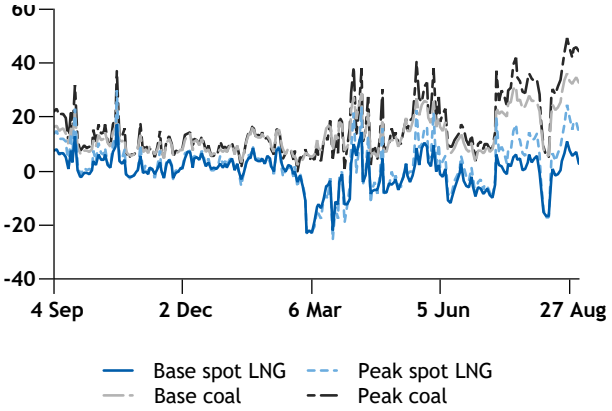
JAPAN DARK AND SPARK SPREADS

Japan dark and spark spreads 3 Sep 2026				$/Mn Btu
Market (day-ahead)	40% coal cfr Japan	40% coal fob Newcastle	58% ANEA LNG	58% oil linked LNG
Tokyo				
Base load	36.023	33.555	6.000	24.776
Peak load	45.484	43.016	15.461	34.237
Kansai				
Base load	31.899	29.431	1.876	20.652
Peak load	46.361	43.893	16.338	35.114
Hokkaido				
Base load	13.014	10.546	-17.009	1.767
Peak load	19.415	16.947	-10.608	8.168
Tohoku				
Base load	30.686	28.218	0.663	19.439
Peak load	34.810	32.342	4.787	23.563
Chubu				
Base load	36.247	33.779	6.224	25.000
Peak load	46.361	43.893	16.338	35.114
Hokuriku				
Base load	31.899	29.431	1.876	20.652
Peak load	46.361	43.893	16.338	35.114
Chugoku				
Base load	34.306	31.838	1.876	20.652
Peak load	44.048	41.579	16.338	35.114
Shikoku				
Base load	31.899	29.431	1.876	20.652
Peak load	46.361	43.893	16.338	35.114
Kyushu				
Base load	31.899	29.431	-3.442	15.334
Peak load	46.361	43.893	12.065	30.841
System price				
Base load	26.581	24.112	4.283	23.059
Peak load	42.088	39.620	14.025	32.800

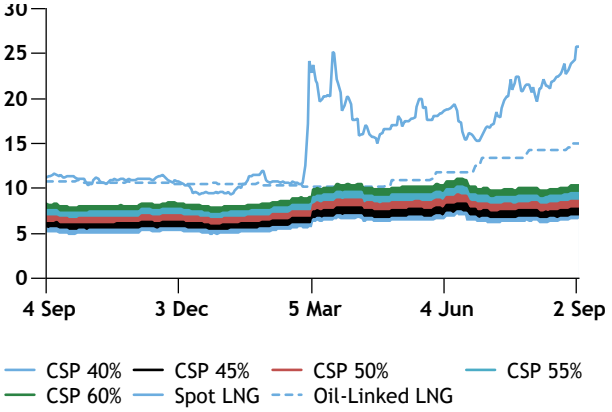
Tokyo 40% Dark Spread, 58% Spark Spread $/Mn Btu



Kansai 40% Dark Spread, 58% Spark Spread $/Mn Btu



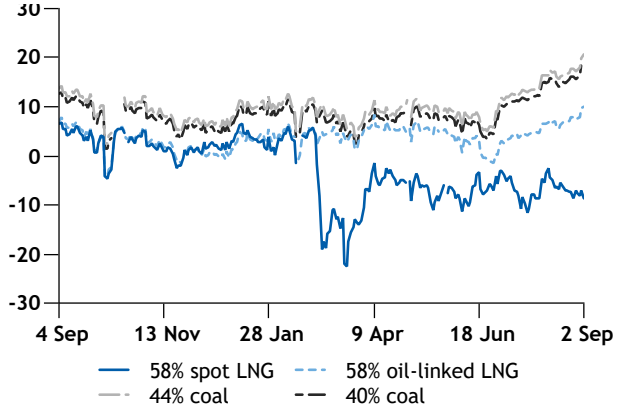
Japan 40% coal switching price $/Mn Btu



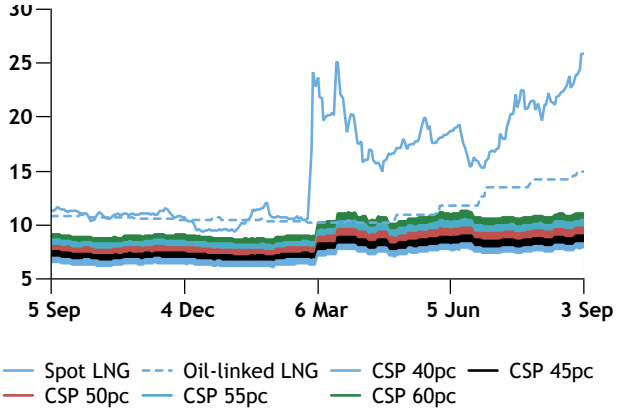
S. KOREA DARK AND SPARK SPREADS

S Korea dark and spark spreads $/Mn Btu, 3 Sep 2026		
Basis	**Dark/Spark spread**	**ETS adjusted**
Higher efficiency		
44% coal cfr S Korea	19.802	-13.817
58% ANEA LNG	-9.656	-35.160
58% oil linked LNG	9.120	-16.384
Medium efficiency		
40% coal cfr S Korea	18.269	-18.712
55% ANEA LNG	-12.099	-38.994
55% oil linked LNG	7.701	-19.194
Lower efficiency		
38% coal cfr S Korea	17.382	-21.545
49% ANEA LNG	-17.882	-48.070
49% oil linked LNG	4.343	-25.845

S Korea 44, 40% DS, 58% SS



S Korea 40% coal switching price



SPARK SPREADS

Spark spread calculations

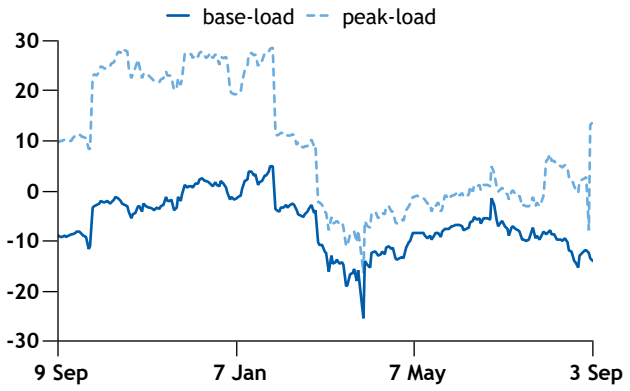
Spark spreads for various thermal efficiencies are calculated from Argus outright fuel, CO_2 emissions and electricity prices, and are not assessments based on actual spark-spread trades. Fuel, emissions and electricity prices are taken from the Argus European Electricity, Argus European Natural Gas,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

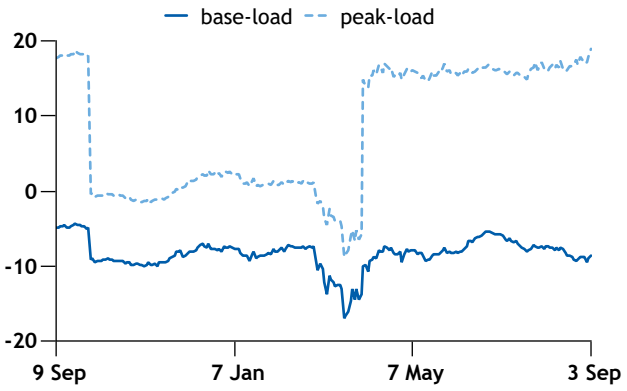
UK ETS and CSP adjusted spark spreads		£/MWh
	NBP 55%	
Contract	base load	peak load
Working day ahead	-41.808	-69.608
October	3.218	23.118
November	11.158	33.408
December	8.596	32.446
January	10.732	30.682
February	6.167	25.617
March	7.611	26.061
4Q26	7.656	29.656
1Q27	8.102	27.452
2Q27	-2.674	-2.824
3Q27	-2.385	-2.335
4Q27	-1.255	14.545
Winter 2026	7.904	28.554
Summer 2027	-2.530	-2.580
Winter 2027	-0.495	15.405
2027	0.574	9.364

UK unadjusted spark spreads		£/MWh
	NBP 49.13%	
Contract	base load	peak load
Working day ahead	-29.165	-56.965
October	16.043	35.943
November	23.738	45.988
December	22.113	45.963
January	24.175	44.125
February	19.842	39.292
March	22.390	40.840
4Q26	20.630	42.630
1Q27	22.068	41.418
2Q27	15.135	14.985
3Q27	16.104	16.154
4Q27	17.405	33.205
Winter 2026	21.374	42.024
Summer 2027	15.620	15.570
Winter 2027	18.603	34.503
Summer 2028	16.296	16.196
2027	17.806	26.596

UK front-month peak vs base sparks £/MWh



UK front-season peak vs base sparks £/MWh



Announcement

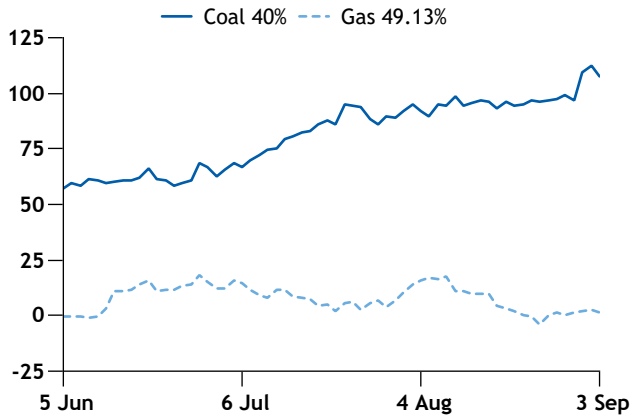
To allow for the continued publication of UK power plant generating margins from 1 January 2021, Argus will calculate UK emissions-adjusted dark and spark spreads using EU ETS prices as the cost of carbon until the prices of UK allowances diverge.

SPARK SPREADS

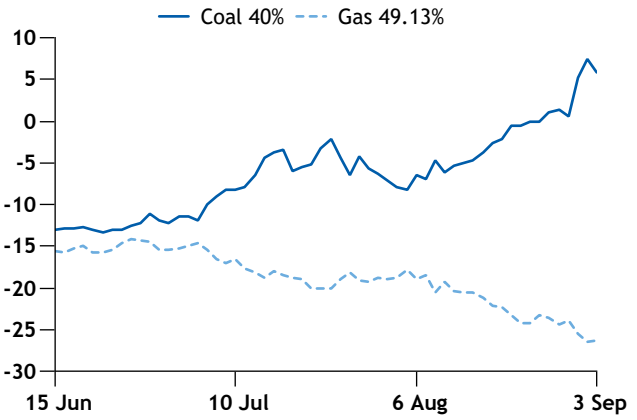
German ETS adjusted spark and dark spreads					€/MWh
	Germany VTP 55%		ARA Coal 40%		
Contract	base load	peak load	base load	peak load	
Working day ahead	-66.143	-102.143	-17.579	-53.579	
October	-13.841	13.009	35.688	62.538	
November	0.750	44.000	50.637	93.887	
December	-4.871	42.029	43.456	90.356	
January	3.415	42.765	-	-	
February	0.393	27.493	-	-	
March	-24.248	-18.998	-	-	
4Q26	-5.990	33.010	42.955	81.955	
1Q27	-6.844	17.056	37.740	61.640	
2Q27	-22.830	-38.280	-12.253	-27.703	
3Q27	-10.312	-19.812	-5.421	-14.921	
4Q27	-2.399	26.951	3.225	32.575	
1Q28	-2.666	17.334	-	-	
2027	-10.726	-3.576	5.772	12.922	
2028	-4.630	3.220	-19.029	-11.179	
2029	-3.506	2.794	-31.698	-25.398	

German unadjusted dark spreads			€/MWh
	ARA Coal 40%		
Contract	base load	peak load	
Working day ahead	52.948	16.948	
October	107.392	134.242	
November	122.341	165.591	
December	117.180	164.080	
4Q26	115.332	154.332	
1Q27	111.464	135.364	
2Q27	61.471	46.021	
3Q27	68.303	58.803	
4Q27	77.881	107.231	
2027	79.729	86.879	
2028	57.745	65.595	
2029	47.857	54.157	

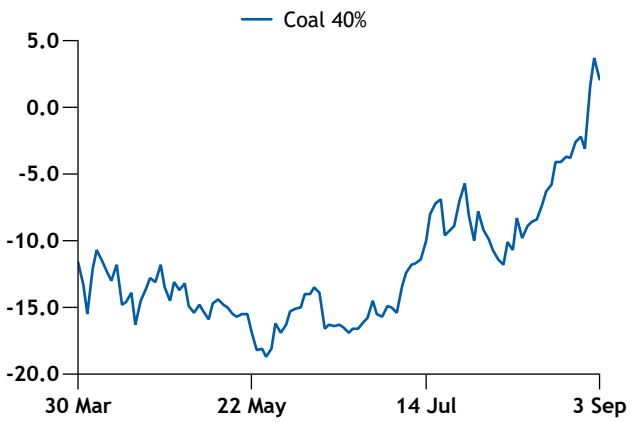
German month-ahead base-load sparks €/MWh



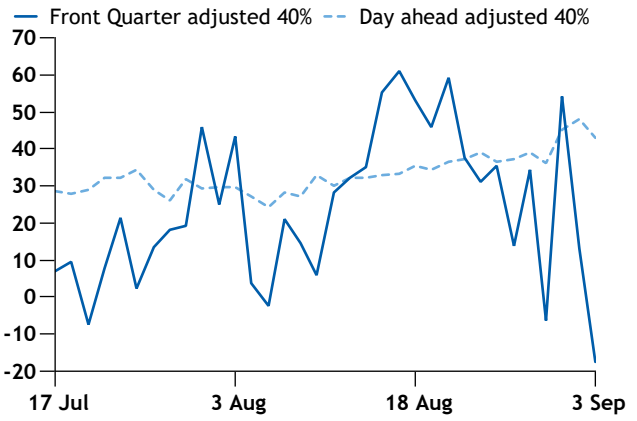
German year-ahead adjusted spark and dark €/MWh



German year-ahead adjusted dark spread €/MWh



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



SPARK SPREADS

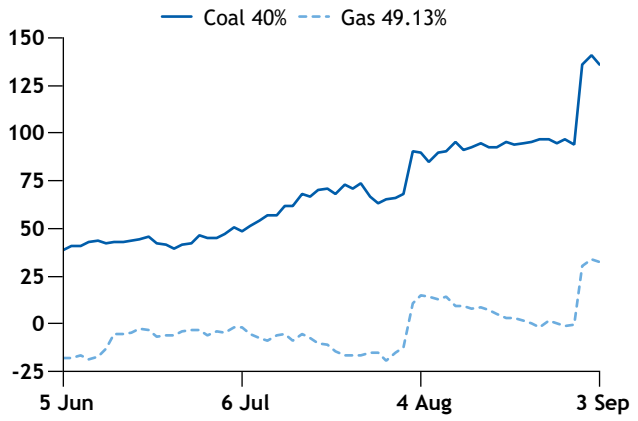
Dutch ETS adjusted spark and dark spreads *€/MWh*

Contract	TTF 55% base load	TTF 55% peak load	ARA Coal 40% base load	ARA Coal 40% peak load
Working day ahead	-39.602	-64.002	7.671	-16.729
October	-8.709	16.691	38.638	64.038
November	6.536	45.336	53.587	92.387
December	1.911	45.911	46.856	90.856
4Q26	-0.090	35.960	46.055	82.105
1Q27	-2.162	20.238	38.840	61.240
2Q27	-23.626	-41.176	-15.403	-32.953
3Q27	-12.957	-16.857	-10.021	-13.921
2027	-10.271	-3.021	3.272	10.522
2028	-4.293	2.057	-21.629	-15.279
2029	-1.419	6.231	-32.548	-24.898

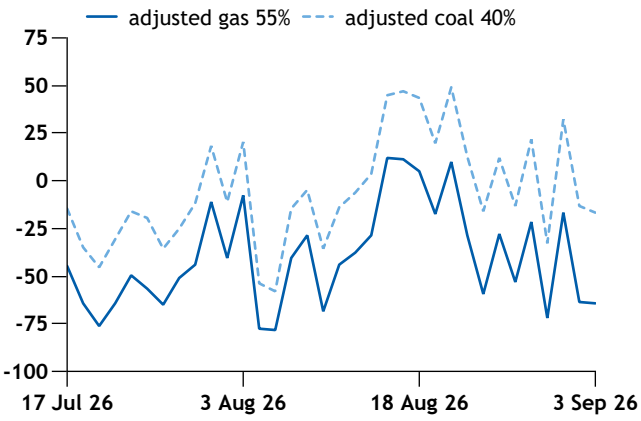
Italian ETS adjusted spark and dark spreads *€/MWh*

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	43.052	35.952	98.471	91.371	94.243	87.143
October	31.618	45.968	81.438	95.788	77.211	91.561
November	34.927	49.577	82.687	97.337	78.460	93.110
December	29.888	44.738	77.106	91.956	72.878	87.728
4Q26	32.142	46.742	80.105	94.705	75.878	90.478
1Q27	17.970	28.220	60.790	71.040	56.563	66.813
2Q27	-5.153	-10.653	6.197	0.697	1.970	-3.530
3Q27	8.770	8.820	15.379	15.429	11.151	11.201
2027	7.911	13.111	24.272	29.472	20.044	25.244
2028	3.961	10.911	-10.329	-3.379	-14.556	-7.606

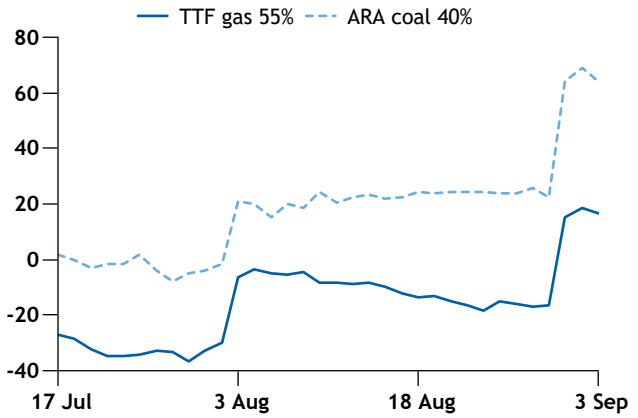
Dutch front-month peak-load spreads *€/MWh*



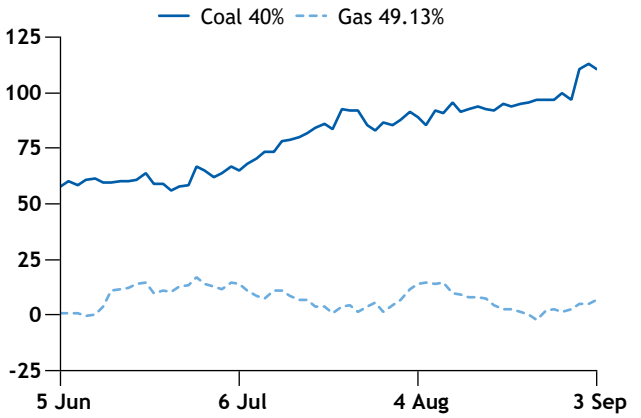
Dutch day-ahead peak-load spark vs dark *€/MWh*



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



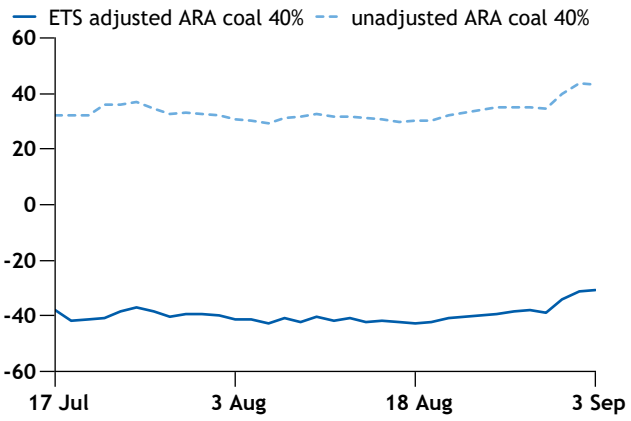
Dutch front-month base-load spreads *€/MWh*



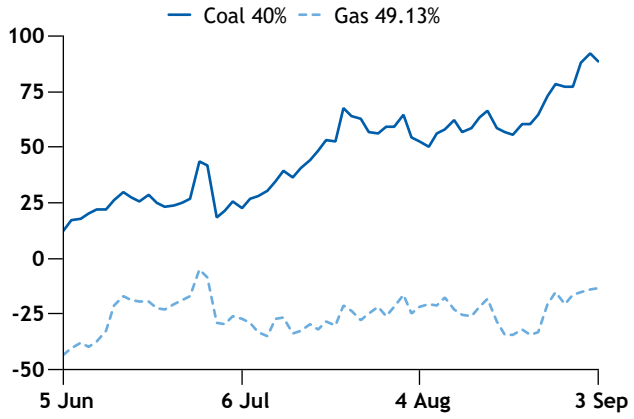
SPARK SPREADS

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	4.671	-26.229	-41.566	-72.466
October	16.788	33.038	-29.150	-12.900
November	33.337	72.237	-11.077	27.823
December	27.456	70.256	-15.480	27.320
4Q26	25.555	58.205	-18.572	14.078
1Q27	18.940	37.440	-20.517	-2.017
2Q27	-71.103	-81.603	-77.444	-87.944
3Q27	-57.971	-68.171	-	-
2027	-35.728	-30.928	-47.644	-42.844
2028	-57.629	-51.479	-	-
2029	-62.748	-54.098	-	-

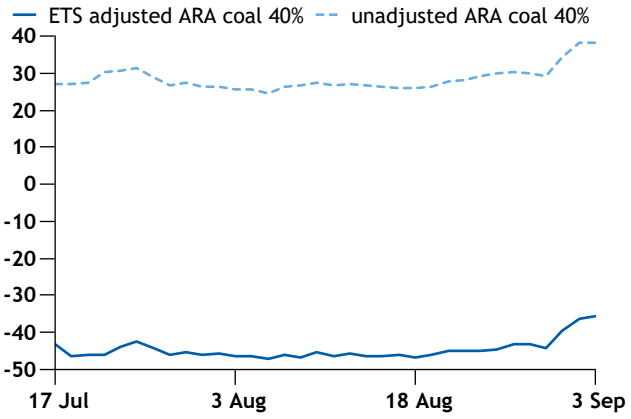
French calendar-year peak-load dark €/MWh



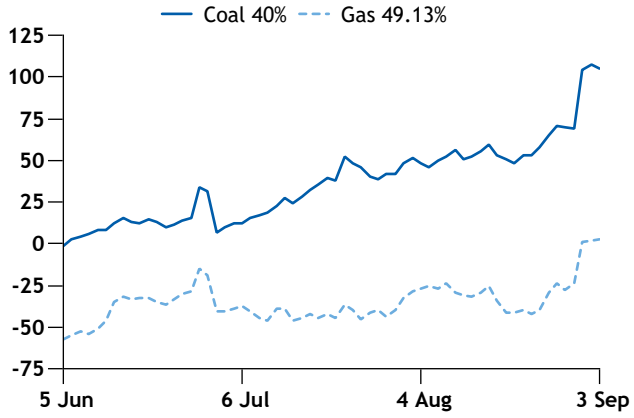
French front-month base-load spreads €/MWh



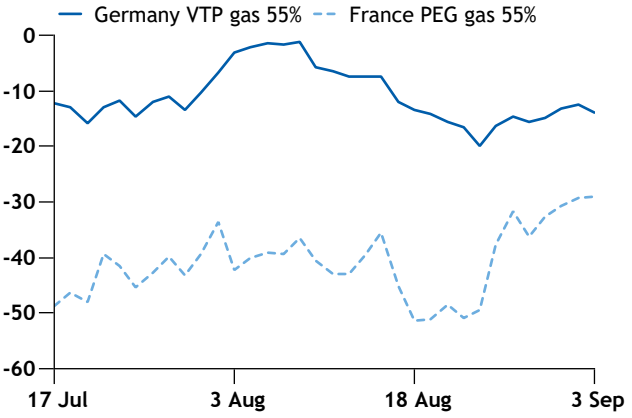
French calendar-year base-load dark €/MWh



French front-month peak-load spreads €/MWh



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



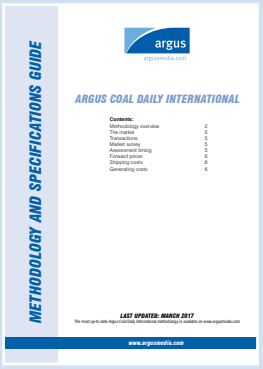
ANNOUNCEMENTS

Argus successfully completes annual Iosco assurance review

Argus has completed the 13th 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

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.

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

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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INVESTORS IN PEOPLE We invest in people Gold

Ask Argus *AI Spotlight*

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Ask Argus is a purpose-built artificial intelligence tool designed specifically for energy and commodity markets and capable of replacing hours of manual research with concise, actionable briefs delivered in seconds. Every response is drawn from decades of Argus' expert journalism and analysis. The ability to query Argus price, forecast, and fundamental datasets is coming soon.

The tool is built into the Argus Direct® platform.

The question below was submitted by the report editor to Ask Argus on Argus Direct®. The response is reproduced in full, exactly as generated.

Give me a summary of factors causing Indonesian coal prices to spike

Indonesian Coal Prices Rise on Multiple Supply and Demand Pressures

Indonesian thermal coal prices have risen substantially through 2026 as production constraints, policy shifts, and Asian demand converge to tighten seaborne supplies.

Indonesian coal prices have climbed to three-year highs amid a confluence of supply-side restrictions and robust regional demand. The primary driver has been Jakarta's deliberate production strategy to constrain output and support pricing.

Production Quota Cuts

Indonesia cut its 2026 coal production target to 600 million tonnes from 817.5 million tonnes in 2025, leading to sharp reductions in annual output quotas (RKABs) for individual producers. Many coal mines received 40-50 per cent quota cuts, with some facing reductions of up to 80 per cent. The reduced production framework has systematically tightened seaborne supply availability. As of April 2026, Indonesia had approved only 580 million tonnes in RKABs despite the 600 million tonne production target, creating ongoing supply-side uncertainty.

Domestic Market Obligation Expansion

Compounding the export constraints, Indonesia raised its domestic market obligation (DMO) to 30 per cent of annual output from 25 per cent, requiring producers to dedicate larger volumes to domestic utility PLN at capped prices. This policy shift systematically reduced exportable volumes available to international markets, further tightening seaborne liquidity. By mid-2026, PLN faced a 13 million tonne coal shortfall, prompting authorities to divert coal shipments earmarked for export to the domestic market. These diversions further squeezed spot cargo availability.

Logistics Disruptions and Weather

Indonesia's dry season and El Niño weather pattern have constrained barge movements through key river systems. Low water levels on the Barito River forced operators to reduce barge loads from 7,000 tonnes to 3,000 tonnes, causing substantial delays. These logistical bottlenecks restricted the pace of coal movement from inland mines to export terminals, reducing market supply.

Strong Chinese Demand and Tight Domestic Supply

China's demand has remained robust amid its own domestic supply constraints. Following mine safety crackdowns launched after accidents in May 2026, Beijing's coal output has tightened considerably. Strong summer power demand — driven by heatwaves across northern and inland China — has accelerated Chinese utility inventory drawdowns. Coal burn at coastal Chinese utilities reached 2.38 million tonnes per day in mid-August, supporting elevated demand for Indonesian cargoes.

Policy Uncertainty and Export Controls

Delays in RKAB approvals throughout early 2026 created operational uncertainty that prompted producers to curb spot offers and prioritise term contract obligations. The introduction of state-owned entity Danantara Sumberdaya Indonesia (DSI) to centralise export oversight added another operational layer, deterring some trading activity.

Market Tightness and Price Response

These factors combined have produced acute supply tightness. Argus assessed GAR 4,200 kcal/kg coal at $66.30/t fob Kalimantan on 5 June, marking the highest level since 19 May 2023. By late August, spot Panamax cargoes were trading at $65.75-68/t fob Kalimantan, with assessments reaching $68.37/t Coal Indonesia 4200kcal GAR fob.