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Argus Coal Daily

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LATEST NEWS

West Canada coal exports set for 1Q dip

Western Canadian export terminals have handled less coal so far this year than they did in early 2024 amid challenges for North American thermal and metallurgical coal in seaborne markets.

About 8.51mn metric tonnes of thermal and metallurgical coal have been loaded onto vessels at Pacific coast terminals in Canada since the start of this year, compared with 8.73mn t in the same period of 2024, a combination of vessel tracking data and individual terminal reports show.

In all of the first quarter of 2024, 10.4mn t of coal was shipped out of the west coast of Canada, according to reports from Westshore Terminals, the Prince Rupert Port Authority and vessel tracking data from analytics firm Kpler. The vessel tracking data shows 1.32mn t of coal is scheduled to be loaded

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Atlantic basin		$/t
Next 60 days	**Price**	**±**
US Gulf coast		
fob New Orleans 6,000 kcal 3%	63.55	+0.55
Mid-sulfur discount *$/lb/mmBtu**	0.25	-0.03
High-sulfur discount *$/lb/mmBtu**	0.08	0.00
US east coast		
fob Hampton Roads 6,000 kcal <1%	86.05-120.59	-0.39
Latin America		
Colombia (fob Puerto Bolivar) 6,000 kcal <1%	85.25	-1.25

**The mid-sulfur spread is the discount for 3% typical sulfur coal fob New Orleans to coal with less than 1pc sulfur. The high-sulfur spread is between petroleum coke with 4.5% and 6.5% sulfur.*

FORWARD MARKET ASSESSMENTS

OTC prices			$/st
		Price	**±**
CSX <1% sulfur rail 12,000	Apr	73.75	0.00
	May	73.75	0.00
	2Q25	73.75	0.00
	3Q25	73.75	0.00
	4Q25	74.00	0.00
	2026	74.50	0.00
	2027	75.75	0.00
	2028	76.75	0.00
CSX <1% sulfur rail 12,500	Apr	77.50	0.00
	May	77.50	0.00
	2Q25	77.50	0.00
	3Q25	77.50	0.00
	4Q25	77.75	0.00
	2026	78.25	0.00
	2027	79.50	0.00
	2028	80.50	0.00
IL basin 3.15% sulfur 11,500	Apr	44.00	0.00
	May	44.00	0.00
	2Q25	44.00	0.00
	3Q25	44.20	0.00
	4Q25	44.20	0.00
	2026	44.50	0.00
	2027	45.25	0.00
	2028	46.25	0.00
PRB 8,800 rail	Apr	14.25	0.00
	May	14.25	0.00
	2Q25	14.25	0.00
	3Q25	14.25	0.00
	4Q25	14.25	0.00
	2026	14.30	0.00
	2027	14.70	0.00
	2028	14.90	0.00

**Tables include hyperlinks to those values maintained in the Argus database.*

onto vessels at western Canada coal terminals today through 31 March. Shippers would have to schedule another 600,000t of coal to be loaded by the end of this month for first quarter 2025 exports to be in line with the first quarter of 2024.

Most of the coal is or was headed to South Korea, China and Japan, which is typical for coal shipped out of the west coast of Canada.

Market conditions are not as supportive of exports as they had been in early 2024, with demand and prices in the Asia-Pacific region being lower.

Argus has assessed prompt two-month shipments of 6,000 kcal/kg coal out of Newcastle, Australia – a benchmark for western North America bituminous thermal coal – at an average $108.92/t fob this quarter, compared with $126.94/t in the first three months of last year and the average price for 4,200 kcal/kg Indonesian coal – a reference for sub-bituminous US coal exports – has fallen to $48.49/t fob from $56.91/t. Over the same time period, the average price for Australian premium low-volatile hard coking coal has dropped to $187.61/t from $307.79/t.

Westshore Terminals, the biggest coal terminal on the west coast of Canada, said on 14 March it expects to handle 26.5mn t of product this year, down from 26.8mn t in 2024. Nearly all of the volumes handled by Westshore are coal. Less than 1pc of loadings in recent years have been petroleum coke.

In the quarter through 18 March, Westshore loaded about 4.63mn t of coal and another 780,296t is scheduled to be loaded by the end of this quarter, shipping data show. The terminal operator reported handling 6.01mn t of coal and petroleum coke in the first quarter of 2024.

Roughly two-thirds of the coal shipped from Westshore is thermal coal from mines in Montana, Wyoming and Alberta, Canada. The rest is metallurgical coal from mines in Alberta and British Columbia.

Westshore had a fire at one of its four stacker-reclaimers in December 2024 and said last week it expected to complete repairs and have the stacker-reclaimer be fully operational by the end of this month. But the company had said that the fire and repair would not have much effect on operations.

Coal loadings at the Port of Prince Rupert are on track to be slightly higher this quarter than in the first three months of 2025. Vessels were loaded with 901,554t of coal in January and February, up from 818,764t a year earlier, according to data from the Prince Rupert Port Authority. Shipping data from Kpler show 339,475t loaded 1-18 March and 358,778t scheduled for the rest of the month. Coal exports out of the port totaled 588,847t in March 2024.

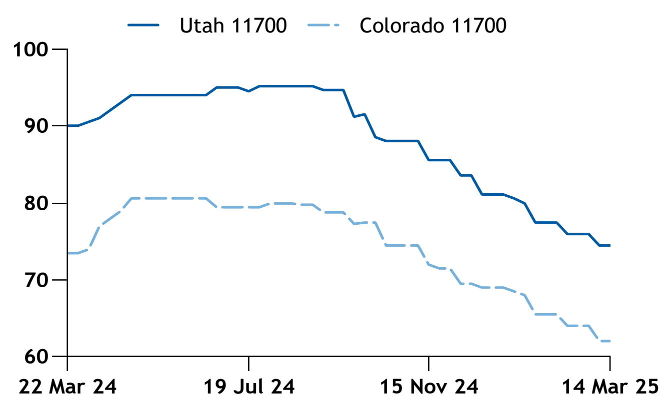
Argus daily spark spreads				$/MWh
	Timing	Gas	Coal, peak 10,000	Coal, off-peak 10,000
Indiana	Daily	12.35	7.87	0.14
	Apr	20.88	17.29	6.49
	Summer	46.34	52.43	20.43
PJM	Daily	28.70	20.95	2.84
	Apr	27.53	21.62	8.57
	Summer	55.43	57.32	18.22
Southern Co.	Daily	2.17	-0.31	-5.00
N. Illinois	Daily	6.34	10.96	-14.94
	Apr	8.96	15.80	0.70
	Summer	39.80	49.99	17.74
Palo Verde	Daily	5.39	2.23	20.51
	Apr	21.21	-4.43	11.82
	Q2	22.40	62.75	29.80
Mid-Columbia	Daily	25.68	8.86	8.86
	Apr	16.50	17.16	15.66
	Q2	7.73	54.51	21.86

Metallurgical coal loadings at the Port of Prince Rupert are on track to be higher this quarter than a year earlier, with about 1.3mn t either loaded or scheduled to load by 31 March compared with 1.04mn t exported in the first quarter of 2024. Thermal coal loadings at the port appear on track to be flat with January-March 2024's 265,552t.

Loadings at Neptune Terminals, which handles only metallurgical coal, totaled 2.76mn t in the quarter through 18 March, compared with 2.43mn t in the same period of 2024. There are no loadings scheduled for Neptune for the rest of this month. In all of the first quarter of 2024, 3.08mn t of coking coal was loaded at Neptune.

By Courtney Schlisserman

Prompt-quarter Uinta basin *$/st*



MARKET SUMMARY

Price unchanged again

US thermal coal prices held steady in the over-the-counter trading market on Wednesday despite gains in other energy commodity markets.

Prompt month through calendar year 2028 shipments of Central Appalachian CSX rail-originated coal with 12,500 Btu/lb were assessed again at $77.50-$80.50/short ton.

Illinois basin coal with 11,500 Btu/lb was unchanged at $44-$46.25/st and Powder River basin 8,800 Btu/lb coal held at $14.25-$14.90/st.

No bids, offers or deals were confirmed on Wednesday.

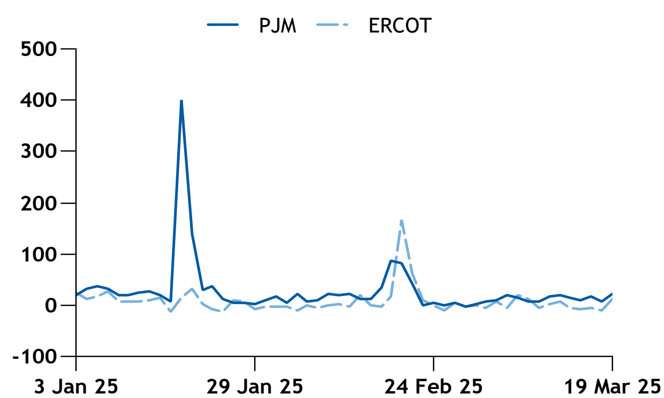
US natural gas futures were up from Tuesday, with Nymex gas for April delivery at the Henry Hub increasing by 19.5¢/mmBtu, or 4.8pc, to settle at $4.247/mmBtu. The 12-month strip rose by 3.6pc to $4.798/mmBtu.

Heating demand over the next two weeks is expected to be more robust than previously thought. A cold front is expected in most of the Midwest from 24-28 March, according to private forecaster Commodity Weather Group. Above-average temperatures are forecast to cover most of the western US during that time, while the rest of the country has normal weather for this time of year. Warmer-than-normal weather is then projected in the southern half of the US from 29 March-2 April.

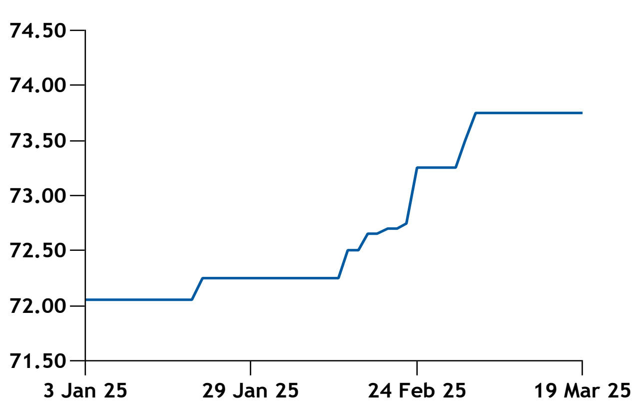
Elsewhere, European-delivered coal markets recovered on Wednesday after hving multiple days of declines. Prompt two-month deliveries of 6,000 kcal/kg coal rose by $1.78/metric tonne to $97.20/t cif Amsterdam-Rotterdam-Antwerp. And European coal swaps rose for the first time in eight trading sessons.

By the numbers	Last	±	±%
Nymex natural gas ($/mmBtu)	4.25	+0.20	+4.81
Argus Indiana hub power ($/MWh)	49.60	+1.00	+2.06
Argus fuel oil 1% New York (bl)	69.86	+0.22	+0.31
Nymex WTI crude (bl)	67.16	+0.26	+0.39
US$ vs. Aus$	1.58	+0.01	+0.59
US$ vs. Can$	1.43	+0.00	+0.24
US$ vs. euro	0.92	+0.01	+0.77

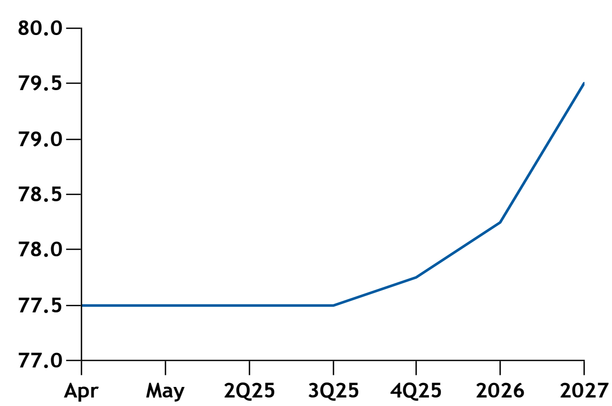
Day-ahead coal spark spreads $/MWh



Prompt CSX 12,000 OTC $/st

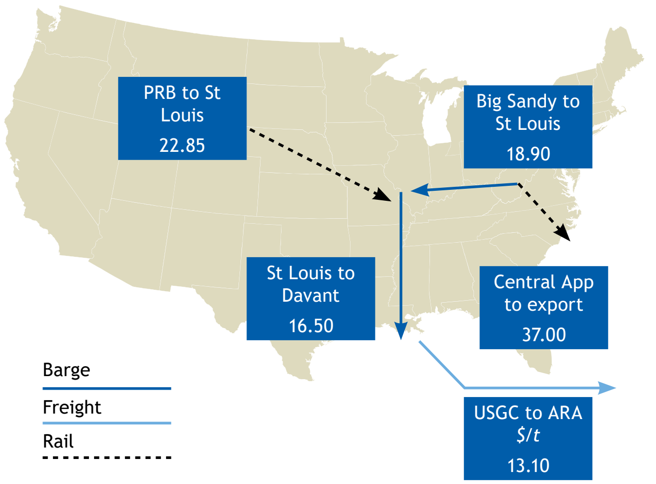


CSX <1% sulfur forward curve $/st



TRANSPORTATION

Coal freight rates *$/st*



Eastern US rail rates, Mar	Rate	±	± $/st
Central Appalachia to:			
East Coast Export Terminals	37.00	-0.10	-0.3%
Carolinas	31.25	+0.05	+0.2%
Southwest Ohio	22.00	+0.05	+0.2%
Florida	35.30	+0.05	+0.1%
New York	29.20	+0.05	+0.2%
US southeast	29.50	+0.05	+0.2%
TVA	26.40	+0.05	+0.2%
Pittsburgh Seam:			
Florida	35.45	+0.05	+0.1%
New York	23.35	+0.05	+0.2%
East coast export terminals	31.00	-0.10	-0.3%
Illinois basin:			
Southwest Ohio	13.10	+0.05	+0.4%
Illinois basin	11.30	+0.05	+0.4%
US southeast	32.55	+0.05	+0.2%
Florida	35.40	+0.05	+0.1%

Eastern US rail rates plus fuel surcharges, Apr	Rate	Mar	± $/st
Central Appalachia to:			
East Coast Export Terminals	38.60	38.66	-0.16%
Carolinas	32.85	32.76	+0.27%
Southwest Ohio	23.04	22.97	+0.30%
Florida	39.70	39.55	+0.38%
New York	31.26	31.16	+0.32%
US southeast	32.70	32.57	+0.40%
TVA	29.70	29.57	+0.44%
Pittsburgh Seam:			
Florida	40.25	40.09	+0.40%
New York	25.27	25.17	+0.40%
East coast export terminals	32.20	32.27	-0.22%
Illinois basin:			
Southwest Ohio	14.30	14.22	+0.56%
Illinois basin	11.66	11.60	+0.52%
US southeast	35.15	35.04	+0.31%
Florida	39.80	39.65	+0.38%

based on CSX fuel surcharge; estimated 105st/car

Barge rates mixed

Coal barge rates were mixed this month, as export activity paused following a US proposal to impose fees on Chinese ships that dock in the US.

The rate for barges loading on the lower Ohio River at Louisville, Kentucky, for delivery to Davant, Louisiana, fell by 40¢/short ton to $16-$18/st. The rate from St Louis, Missouri, to Davant dropped by the same among to $16-$17/st.

Rates to domestic destinations rose despite scant demand. The rate to ship coal from Port Amherst, West Virginia, on the Kanawha River to Cincinnati, Ohio, rose by 20¢/st to $9.35-$12.35/st. The rate from the Big Sandy River to Pittsburgh, Pennsylvania, rose by the same amount to $9.10-$11.60/st.

Demand for chartering barges to go down to export coal terminals has dropped, in part because of lower international coal prices that make it hard for US sellers to compete.

Western US rail rates plus fuel surcharges, Apr	BNSF	±	UP*	±	UP†	± $/st
PRB to:						
ERCOT	34.47	0.00%	33.65	+0.30%	34.47	0.00%
St Louis region	26.41	0.00%	25.70	+0.35%	26.41	0.00%
US southeast	38.49	0.00%	37.42	+0.35%	38.49	0.00%
Southwest Ohio	32.02	0.00%	31.15	+0.35%	32.02	0.00%
TVA	35.56	0.00%	34.41	+0.41%	35.56	0.00%
Superior Terminal	22.36	0.00%	21.82	+0.32%	22.36	0.00%
Colorado to:						
TVA	37.92	-0.26%	37.10	0.00%	na	na
St. Louis region	33.27	-0.30%	32.61	-0.03%	na	na

**for coal trains originating in Colorado, Utah, Illinois, other states or certain contracts †for coal trains originating in Wyoming, estimated 118st/car*

Western US rail rates, Mar	Rate	±	± $/st
PRB to:			
ERCOT	30.40	0.00	0.00%
St Louis region	22.85	0.00	0.00%
US southeast	33.15	0.00	0.00%
Southwest Ohio	27.65	0.00	0.00%
TVA	29.80	0.00	0.00%
Superior Terminal	19.65	0.00	0.00%
Colorado to:			
TVA	33.85	-0.10	-0.29%
St. Louis region	29.95	-0.10	-0.33%

TRANSPORTATION

Spot US barge rates, Mar				$/st
	Bid	Ask	Mid	±
Domestic movements				
Big Sandy to Pittsburgh	9.10	11.60	10.35	+0.20
Port Amherst to Cincinnati	9.35	12.35	10.85	+0.20
Port Amherst to Pittsburgh	9.85	12.85	11.35	+0.20
Big Sandy to St Louis	17.90	19.90	18.90	+0.20
Movements to export terminals				
Big Sandy to Davant	20.40	21.90	21.15	+0.25
Birmingham to Mobile	12.45	13.70	13.08	-0.05
Louisville to Davant	16.00	18.00	17.00	-0.40
Port Amherst to Davant	22.65	24.65	23.65	+0.75
St Louis to Davant	16.00	17.00	16.50	-0.40
Northbound backhauls				
Davant to Chicago	24.00	25.00	24.50	0.00
Davant to Cincinnati	23.00	24.00	23.50	0.00
Davant to Huntington	32.00	36.00	34.00	0.00
Davant to Pittsburgh	34.00	38.00	36.00	0.00
Davant to St Louis	15.00	16.00	15.50	0.00

Weak international demand and a somewhat bearish outlook have kept API 2 prices below $100/metric tonne for the last four weeks. The API 2 price rose during the last two weeks, with the benchmark assessed at $98.21/t on Friday.

It is not profitable for most US coal producers to export when API 2 prices are below $115-$120/t, according to market sources.

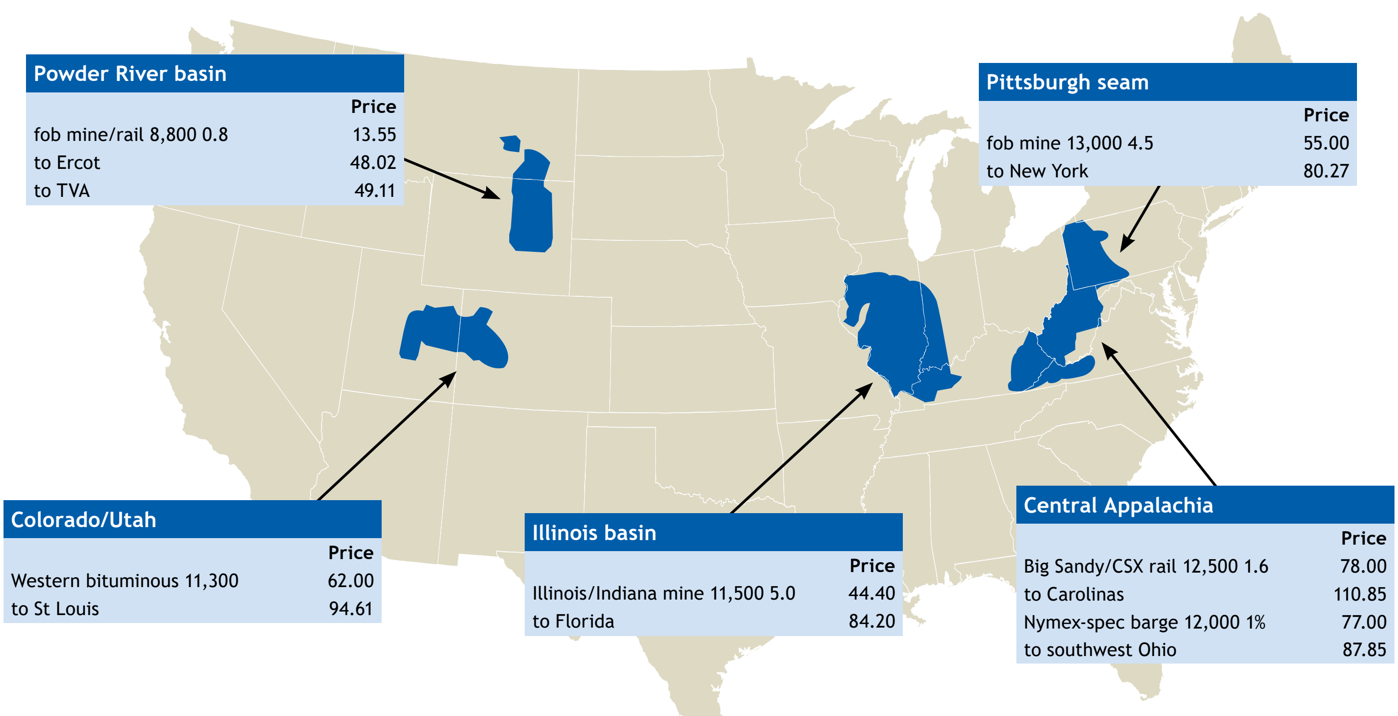
Exports are also being limited by a US government proposal to impose fees on Chinese built-vessels, Chinese operators and shipowners with newbuild orders in Chinese yards calling at US ports. Fees would range from $500,000 to $1.5mn per port call, depending on the percentage of Chinese-built vessels in an operator's fleet.

The result is that coal buyers are turning to other origins for coal, balking at the possibility they will have to pay significantly more for coal. Some recent solicitations from Moroccan buyers were filled by South African producers rather than traditional US suppliers.

Domestic demand remains low as some utilities continue to evaluate whether they will need to make spot purchases for summer.

Many generators burned more coal than expected over the summer. In a few cases, inventory fell below target levels.

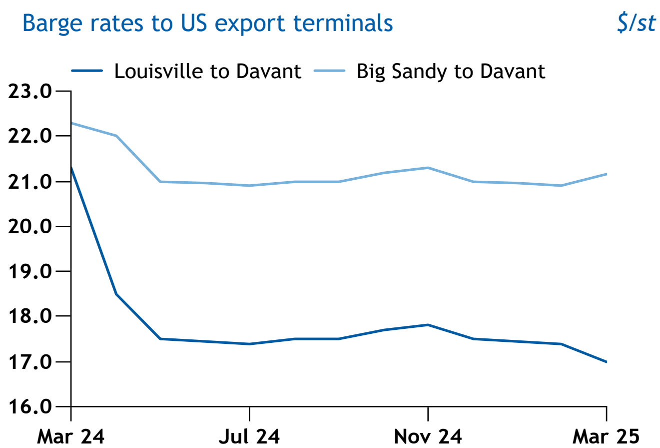
Delivered coal prices $/st

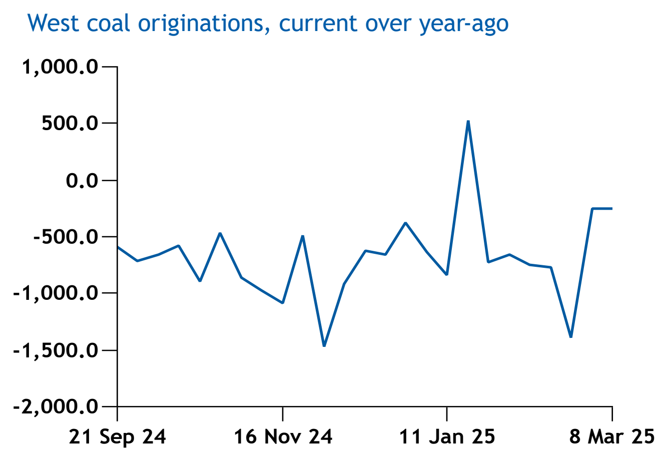


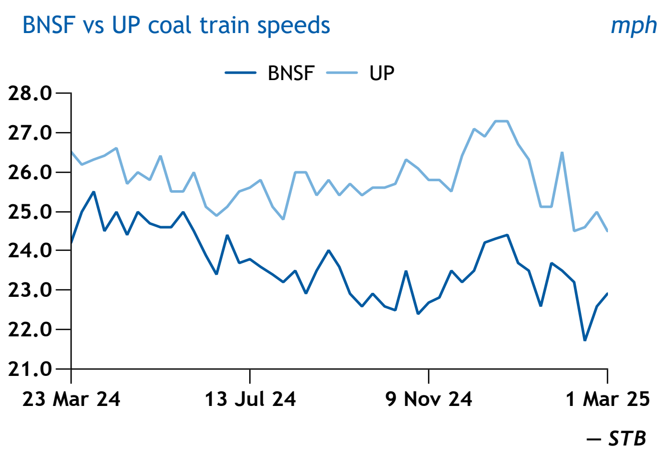
TRANSPORTATION

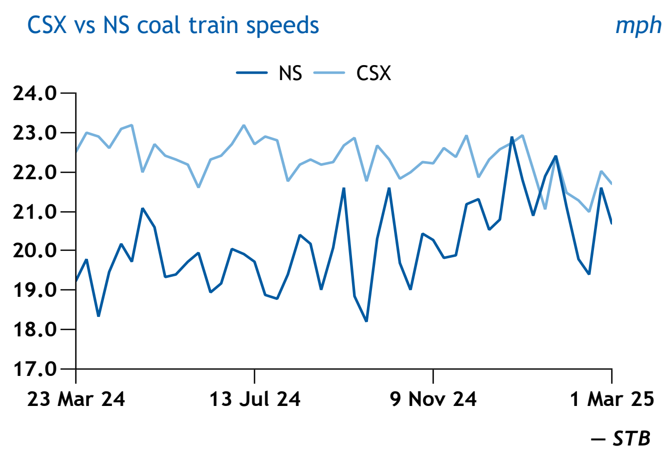
Argus competing fuels analysis									
	PRB coal		Illinois basin		Central Appalachia		Western bituminous		Natural gas
Delivery:	*$/st*	*$/mmBtu*	*$/st*	*$/mmBtu*	*$/st*	*$/mmBtu*	*$/st*	*$/mmBtu*	*$/mmBtu*
Southwest Ohio	45.57	2.59	58.70	2.55	101.04	4.04			3.25
USGC terminal			62.90	2.74	98.15	4.09			
USEC export					116.60	4.31			
TVA	49.11	2.79			107.70	4.43	99.10	4.39	3.64
Southeast	52.04	2.96			110.70	4.39			4.23

Assessed prices are Big Sandy/CSX 12,500 1.6lb to southwest Ohio, USEC, TVA and southeast; Nymex barge to USGC; Illinois 11,500 Btu, 5.0lb; and PRB 8,800 Btu, 0.8lb









But so far most buyers continue to exercise volume flexibility clauses in supply contract to beef up inventories.

Barge deliveries are running smoothly, with little lock and dam maintenance to slow shipments. Any delays have temporarily been eased by a pause on maintenance at the McAlpine lock and dam near Louisville, Kentucky. The lock has been periodically closing during daytime hours, causing a backup of barges. But the Army Corps of Engineers has put a hold on work until 24 March.

DELIVERED COAL

Delivered coal prices			$/st
	Hubs		
Powder River basin		fob mine/rail 8,800 0.8	fob mine/rail 8,400 0.8
Coal		13.55	10.40
Ercot		48.02	44.87
St Louis region		39.96	36.81
US southeast		52.04	48.89
Southwest Ohio		45.57	42.42
TVA		49.11	45.96
Superior Terminal		35.91	32.76
Illinois basin		Illinois/Indiana mine 11,500 5.0	Illinois/Indiana mine 11,000 >6.0
Coal		44.40	40.70
Southwest Ohio		58.70	55.00
Illinois basin		56.06	52.36
Gulf coast export		62.90	60.20
US southeast		79.55	75.85
Florida		84.20	80.50
Pittsburgh seam	fob mine 13,000 3.5	fob mine 13,000 4.5	fob mine 12,500 6.0
Coal	56.25	55.00	53.00
Florida	96.50	95.25	93.25
New York	81.52	80.27	78.27
Central Appalachia rail			Big Sandy/CSX rail 12,500 1.6
Coal			78.00
East Coast export			116.60
Carolinas			110.85
Southwest Ohio			101.04
Florida			117.70
New York			109.26
US southeast			110.70
TVA			107.70
Central Appalachia barge			Nymex-spec barge 12,000 1%
Coal			77.00
Pittsburgh			88.35
Southwest Ohio			87.85
St. Louis			95.90
Colorado/Utah		Green River basin 11,300	Uinta basin, Utah 11,700
Coal		62.00	74.50
TVA		99.10	111.60
St Louis		94.61	107.11

Delivered coal prices			$/mmBtu
	Hubs		
Powder River basin		fob mine/rail 8,800 0.8	fob mine/rail 8,400 0.8
Coal		0.77	0.62
Ercot		2.73	2.67
St Louis region		2.27	2.19
US southeast		2.96	2.91
Southwest Ohio		2.59	2.53
TVA		2.79	2.74
Superior Terminal		2.04	1.95
Illinois basin		Illinois/Indiana mine 11,500 5.0	Illinois/Indiana mine 11,000 >6.0
Coal		1.93	1.85
Southwest Ohio		2.55	2.50
Illinois basin		2.44	2.38
Gulf coast export		2.74	2.74
US southeast		3.46	3.45
Florida		3.66	3.66
Pittsburgh seam	fob mine 13,000 3.5	fob mine 13,000 4.5	fob mine 12,500 6.0
Coal	2.16	2.12	2.12
Florida	3.71	3.66	3.73
New York	3.14	3.09	3.13
Central Appalachia rail			Big Sandy/CSX rail 12,500 1.6
Coal			3.12
East Coast export			4.66
Carolinas			4.43
Southwest Ohio			4.04
Florida			4.71
New York			4.37
US southeast			4.43
TVA			4.31
Central Appalachia barge			Nymex-spec barge 12,000 1%
Coal			3.21
Pittsburgh			3.68
Southwest Ohio			3.66
St. Louis			4.00
Colorado/Utah		Green River basin 11,300	Uinta basin, Utah 11,700
Coal		2.74	3.18
TVA		4.39	4.77
St Louis		4.19	4.58

NEWS

WV governor eyes fossil-powered data centers

West Virginia governor Patrick Morrisey (R) has urged the state legislature to pass a bill that aims to expand data center development in the state and run the facilities on coal- and natural gas-fired generation.

West Virginia House Speaker Roger Hanshaw (R) on Tuesday introduced House Bill 2014, which would allow companies in the state to develop independent energy microgrids using natural resources, including coal and natural gas. The current law only allows renewable generating resources to power microgrids in West Virginia.

"This is a once-in-a-generation opportunity for West Virginia to power the future of data, drive economic growth, and bring manufacturing and high-skilled jobs to West Virginia," Morrisey said on Tuesday. He had requested the legislature draft the bill.

Data centers have historically obtained power from regional electric grids, but some developers have reportedly been seeking to use microgrids to provide the primary and backup electricity at their incoming data center facilities. The bill introduced on Tuesday, which Morrisey called the Power Generation and Consumption Act, says that West Virginia is "strategically positioned as the best location in the US" for these new data center projects because of its "abundant" supply of energy and natural resources as well as its close proximity to the federal government in Washington.

The bill was referred to the state's Energy and Public Works Committee on Tuesday.

If enacted, HB 2014 also would require electric utilities to "maximize" generation from their power plants when it is economically advantageous for West Virginia ratepayers. To do so, operators must maintain their power plant units and keep enough fuel on site to be able to self generate and run units at a minimum 69pc capacity factor, the bill says.

The West Virginia Public Service Commission (PSC) on Monday reached a proposed settlement with ratepayers and environmental groups that would make the 69pc capacity factor for coal-fired power plants a target and not a requirement for American Electric Power (AEP)'s coal-fired plants in West Virginia.

The West Virginia PSC and AEP did not respond to requests for comment on the bill.

The bill also would expand the amount of coal that power plants have to hold in inventory to a minimum of 45 days of supply from the current requirement of 30 days.

In addition, the West Virginia PSC would issue an order by 1 July 2025 requiring all utilities in the state revise their existing integrated resource plans to include a detailed plant upgrade and maintenance plan, improvement compliance schedule and cost estimate to ensure that each generating unit will operate through the end of 2040. The plan must also include an analysis of any necessary actions to extend the life of utilities' generating units beyond their planned retirement dates.

A number of energy and education organizations also joined Morrisey in backing HB 2014 because of its support for the fossil fuel industry and economic development.

"We are thankful to secure necessary protections so existing electrical systems and coal supplies are not compromised," said Chris Hamilton, president of the West Virginia Coal Association.

West Virginia is the second-largest coal producing state in the US and the fifth-largest gas producing state, according to the US Energy Information Administration. An estimated 79.3mn short tons (71.9mn metric tonnes) of coal and 3.42mn

cubic feet of marketed gas was produced from West Virginia in 2024. The natural gas marketed production was a record for West Virginia, but coal output was at a three-year low.
By Anna Harmon

Lira crash puts Turkey coal, coke trades on pause

The sharp depreciation of Turkey's lira today has seen ongoing coal and petcoke trades put on hold with some banks heard to have halted credit lines.

Its impact beyond the near-term is expected to be lessened however by seasonally muted demand, currently expensive US petcoke prices and the initial recovery in the lira.

The lira fell to record lows against the US dollar today, after the arrest of Istanbul's mayor Ekrem Imamoglu — also a main rival of Turkish president Tayyip Erdogan — raised concerns over political instability in the country. The arrest came just days before Turkey's main opposition Republican People's Party (CHP) was scheduled to hold its primary election, at which Imamoglu was expected to be chosen as its presidential candidate.

As a result, the lira fell as low at 40/$1 in early trading — from below 37/$1 on 18 March — before easing to around 38/$1 later in the day. The intra-day recovery came after Turkey's central bank sold as much as $10bn in foreign currency to stabilize the lira.

Although some traders have reportedly put ongoing trades on hold as several banks halted issuing new credit lines, market participants do not expect these stoppages to be long-lasting, given the speed with which the lira's initial depreciation had been partially reversed.

Turkey's latest economic shock will hopefully be absorbed within this week, one source said.

But even a longer upset would have a limited impact on demand for imported coal over the coming months because of the approaching peak hydro season in Turkey over April-June, during which demand from coal-fired power utilities will be minimal, market participants said.

Coal-fired plants last week began planned outages for maintenance work scheduled to coincide with peak hydro output in Turkey. Recent demand from Turkish power utilities — the largest consumers of coal in the country — has been muted because short-term inventory requirements for most have already been fulfilled via term contract.

With the latest shock to Turkey's economy anticipated to have subsided well before demand picks up again in the summer, it is not expected to have a "considerable effect" on Turkish power utilities' coal procurement plans, a market participant said.

Meanwhile, cement plants in Turkey which also burn petcoke have already turned away from the fuel alternative because of rising prices this year, compared with growing discounts for Russian coal. Petcoke's premium to coal in Turkey last week rose to a multi-year high.

Inflation to increase

Market participants have, however, expressed concern over longer-term economic ramifications of political instability within Turkey, with most expecting inflation in Turkey to begin rising again in line with the sharper devaluation of the lira.

"The Turkish economy was doing pretty well over the past few months, and now all the efforts and sacrifices people made are gone," one source said.

Turkey's annual inflation rate fell to 39.1pc in February, Turkish Statistical Institute data show, down from 42.1pc in January and dipping below 40pc for the first time in 20 months.

This had been expected to set the stage for Turkey's central bank to lower its key interest rate further, having already lowered it by 2.5 percentage points to 45pc in January and by the same amount in December. This rate had been held flat at 50pc in March-December last year as part of the government's efforts to tame inflation.

But the latest political and economic developments could turn this progress on its head, creating an uncertain outlook for imported coal and petcoke demand in Turkey, should the country ramp up interest rates again to stymie spiraling inflation.

High interest rates in Turkey last year prompted cement end-users seeking smaller volumes of coal to avoid importing fresh tonnes, instead purchasing previously imported material or nationalized coal from domestic stock-and-sale trading firms, to reduce the share of bank financing for their purchases.

These trades could increase if Turkey's economy worsens, said a trader. Purchases of nationalized coal had already returned this month, with a further trade at around $88-89/t fot today.

Domestic traders have in recent weeks reduced offers on a free-on-truck basis to compete with offers from Russia, prompting several cement plants to fix cargoes on this basis. Buying nationalized coal also has the added benefit of avoiding the payment issues and political scrutiny of dealing directly with Russian exporters.

A similar picture is also being reflected in the petcoke market, with buyers focusing on domestically-produced petcoke while seaborne options out of reach, the trader said.

Turkish refiner Tupras is expected to issue a tender for high-sulphur coke towards the end of next month, which market participants expect to be over-subscribed given high seaborne prices and currency uncertainty in Turkey.

By Bryan Wu and Alexander Makhlay

Judge halts EPA push to end $14bn grant program

The US Environmental Protection Agency (EPA) has failed to provide evidence to support its termination last week of $14bn in grants meant to cut greenhouse gas emissions, a federal judge said in a ruling that will keep the grants temporarily intact.

US district court judge Tanya Chutkan on Tuesday said it does not appear the agency took the "legally required steps" to terminate the grants, which former president Joe Biden's administration awarded to three nonprofits last year as part of the Inflation Reduction Act. EPA so far has provided "no evidence" to support its basis for suddenly terminating the contracts, she wrote.

"EPA defendants did not and have not identified a violation of any applicable regulation or any of the grant's terms — only that there are concerns about potential conflicts of interest and their grant agreements," Chutkan said in a ruling that will temporarily block the termination of the contracts from taking effect.

The court ruling marks a setback to an effort by President Donald Trump's administration to dismantle the program, which was meant to provide grants and loans to lower-income communities for solar, transportation electrification, home energy efficiency upgrades and climate resiliency programs. EPA said last week it was terminating $20bn in grants under the program, of which $14bn was the subject of the recent court ruling. EPA administrator Lee Zeldin said he was undeterred by the court's issuance of a temporary restraining order.

"I will not rest until these hard-earned taxpayer dollars are returned to the US Treasury," Zeldin wrote in a social media post.

EPA has said it was terminating the contracts because of an "unacceptable risk" of conflicts of interest and the potential for fraud. But Chutkan, during oral arguments this week, said EPA's attorney could not deliver evidence there had been a violation of the contracts but instead could only cite "media reports" discussing their termination. Chutkan said EPA had the authority to decide to end federal awards but still had to follow established procedures.

The nonprofits funded under the program have said they may have to shutter operations if they are unable to access the $14bn in funds, which are in an account administered by the bank Citibank. Climate United, in a court filing on 17 March, said it was able to postpone furloughing employees last week after finding a source offering an "emergency" charitable grant it would need to repay.

The Trump administration has attempted to scuttle many programs meant to reduce greenhouse gas emissions, as it focuses on expanding oil, gas and coal production. US interior secretary Doug Burgum, who is leading a council coordinating the administration's push for energy dominance, argues there could be benefits of increasing CO_2 emissions.

"You know, is it a pollutant, or is it a value-added input that we could actually use more of?" Burgum said today during an event held by the news outlet Breitbart News.

The overwhelming majority of climate scientists have found that increasing concentrations of CO_2 are responsible for warming temperatures, more extreme droughts and other adverse effects that outweigh any beneficial effects, such as increased plant growth.

By Chris Knight

Taiwan's FPG seeks coal for Vietnam operations

Taiwanese conglomerate Formosa Plastics (FPG) is looking to buy 80,000t thermal coal for its operations in Vietnam through a tender that closes on 24 March.

The company needs coal with a calorific value of at least GAR 5,500 kcal/kg or NAR 5,113 kcal/kg. Total moisture content should not exceed 20pc 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 on an air-dried basis.

The cargo should be shipped to Son Duong port in northern Vietnam on Supramax vessels between 6-31 May. Offers should be quoted on an index-linked basis only.

FPG did not specify the origin of coal for its tender.

Bids shall be submitted by 23:59 Taiwan time (15:59 GMT) on 24 March on FPG's online platform for coal offers.

By Jinhe Tan

Ice cuts thermal coal margin rates

The Intercontinental Exchange (Ice) cut margin rates for thermal coal futures contracts effective today, a move that could prompt more activity in the paper market.

Ice cut the margin rate for the API 2 Rotterdam coal futures April contract by 8.7pc to $8.47/t and by 9.3pc to $7.80/t for the May contract. The biggest discounts on the API 2 curve were 9.42pc and 11.13pc, for the March 2026-February 2027 and the March 2027 contracts, respectively.

Margins for other API 2 contracts running through June 2025 to September 2025 were cut by between 6.64pc and 8.19pc to a range of $7.56-8.26/t.

Based on the new applied rates, hedging a 50,000t physical cargo using the API 2 front-month paper contract would cost $423,500 — considerably lower than the past two months, which averaged around $469,555.

The cost of a cif Amsterdam-Rotterdam-Antwerp NAR 6,000 kcal/kg 50,000t physical cargo is about $4.78mn at prevailing prices, having been around $5mn for at least the past four months.

Prices of both physical and paper coal have been on a slump since the beginning of the year, with a short-lived attempt at recovery last week from 54-week lows. So far, both physical and futures prices have seemingly found a floor near $95/t levels after falling by nearly $36/t from a high seen in November.

Margin rates for South African API 4 Richards Bay coal futures contracts were also slashed across the curve, with the front-month contract rate cut by nearly 9pc to $5.87/t and for the May contract down by 10.7pc to $6.02/t.

Contracts expiring in June 2025 and March 2027 had the biggest discounts of 12.5pc and 13.6pc, to $5.88/t and $5.76/t. Margin rates for contracts ranging from August 2025-February 2027 were cut in the range of 5.9-9.2pc.

Rates for Australian Newcastle futures were also slashed, with the April contract cut by 3pc to $6.89/t and the May contract cut by 2.5pc to $7.40/t. Margins for contracts ranging through the rest of the year to 2027 were also cut and are now in a range of $6.70-7.14/t.

March sees increase in volumes

Trading volumes on Ice picked up in March as liquidity flowed back into the market along with some small pockets of demand and possibly even reflecting the previous Ice margin cuts from the beginning of the year.

Daily trading volumes averaged 1.8mn t over 3-18 March, higher than average volumes in January and February, which were around 1.5mn t each month. Open interest had also improved, rising from 22.3mn t at the start of the year to 26.8mn t as of 18 March.

The coal futures market looked more bullish than the physical market in Europe, which owing to its mature state has reached a point where demand is mostly limited to smaller quantities during the slower shoulder season and peaks for winter restocking.

Most of the high-volume trading activity in the futures market this month could probably be attributed to commodity trading advisers, which have been heard trading spreads along the relatively flat curve, as well as momentum after the market has experiences several sessions of movement in one direction.

The recent uptick in liquidity also meant that the futures market could continue to be influenced more by volatility in natural gas markets and geopolitical developments, rather than activity in the physical market.

By Shreyashi Sanyal

US Fed keeps rate flat, still eyes 2 cuts this year

Federal Reserve policymakers held their target interest rate unchanged today in their second meeting of 2025, and signaled two quarter-point cuts are still likely this year.

The Fed's Federal Open Market Committee (FOMC) held the federal funds rate unchanged at 4.25-4.50pc. This mirrored the decision made at the last FOMC meeting at the end of January, which followed rate cuts of 100 basis points over the last three meetings of 2024, which were the first cuts since 2020.

"Our current policy stance is well positioned to deal with the risks and uncertainties we are looking at," Fed chair Jerome Powell told journalists after the meeting. "The economy seems to be healthy."

Powell acknowledged some of the negative market sentiment in recent weeks, which he said "... probably has to do with turmoil at the beginning of an administration."

"We kind of know there are going to be tariffs and they tend to bring growth down and they tend to bring inflation up," he said, but long-term inflation expectations are "well anchored."

In December the Fed said it expected 50 basis points worth of cuts for 2025, down from 100 basis points projected in the September median economic projections of Fed board members and Fed bank presidents.

Policymakers and Fed officials Wednesday lowered their estimate for GDP growth this year to 1.7pc from a prior estimate of 2.1pc in the December economic projections. They see inflation rising to 2.7pc for 2025 from the prior estimate of 2.5pc.

By Bob Willis

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