



argusmedia.com

Argus Coal Daily

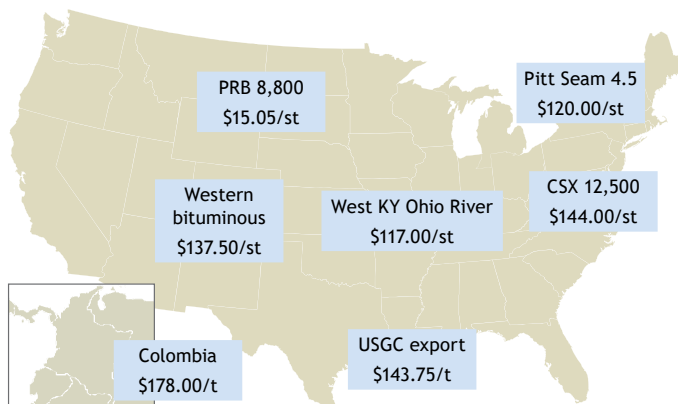
Incorporating the former Argus Coal Daily: Weekly Price Bulletin

Issue 23-4 | Friday 6 January 2023

OVERVIEW

- Coal-fired generation in most of the US fell this week as temperatures climbed above average. Coal also lost ground to natural gas in the PJM Interconnection and the South-west Power Pool as gas prices declined. In the Midcontinent Independent System Operation, all generating sources except for nuclear fell, allowing coal and natural gas to essentially maintain market share.
- Atlantic basin thermal coal prices fell to 10-month lows this week, pressured by price declines for competing generating fuels and limited buyer interest.
- Northern Appalachian thermal coal price curves flattened somewhat this week, with the direction of natural gas and seaborne coal markets weighing on near-term Appalachian coal prices.
- Illinois basin coal prices dropped this week following low buyer interest and expectations of mild weather through mid-January.
- Powder River basin coal markets stabilized this week following two weeks of declines.

Key markets



PHYSICAL MARKET ASSESSMENTS

Key Prices		\$/st	
	Timing	Price	±
Powder River basin fob mine/rail 8,800 0.8	2Q23	15.05	↔
Powder River basin fob mine/rail 8,400 0.8	2Q23	11.75	↔
Illinois basin West KY Ohio River barge 11,500 5.0	2Q23	117.00	↓
Illinois basin West KY Ohio River barge 11,800 4.5	2Q23	119.90	↓
Central Appalachia CSX rail 12,500 1.6	2Q23	144.00	↓
Pittsburgh Seam fob mine 13,000 4.5	2Q23	120.00	↓
Atlantic basin fob New Orleans 6,000 kcal 3%		143.75	↓

Key daily OTC prices		\$/st	
	Timing	Price	±
Powder River basin 8,800 rail	Feb	15.50	↓
Illinois basin 3.15% sulfur 11,500	Feb	121.65	↓
CSX <1pc sulfur rail 12,500	Feb	140.00	↓

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

Contents

Atlantic basin	2
Appalachian coal	3
Illinois basin	4
Western coal	5
International markets	6
Daily markets	7
News	7
Coal solicitations	12

ATLANTIC BASIN

Prices drop to 10-month lows

Atlantic basin thermal coal prices fell to 10-month lows this week, pressured by price declines for competing generating fuels and limited buyer interest.

Prompt two-month shipments of 6,000 kcal/kg Colombian coal fell to \$178/metric tonne fob Puerto Bolivar from \$190.50/t last week. US 6,000 kcal/kg typical 3pc sulfur coal decreased by \$6.75/t to \$143.75/t fob New Orleans.

This is the fourth consecutive week that Colombian and US coal prices have fallen. With this week's declines, both markets have dropped by about 30pc over the last month.

The last time Colombian and US coal export prices were lower was in the week ended on 18 February, just before the Russia-Ukraine dispute started.

EU countries boosted coal purchases in the weeks and months after fighting began, concerned about disruptions to Russian natural gas supply and eventually in preparation for the 10 August ban on Russian coal imports. Thermal coal imports into Amsterdam-Rotterdam-Antwerp (ARA) and German ports reached a five-year high of 55.1mn t in 2022, according to shipping agency data. Imports from the US and Canada more than doubled from a year prior, while Colombian coal deliveries rose by 82pc.

US thermal coal exports to Europe jumped to an eight-month high of 1.44mn short tons (1.31mn t) in November from 871,591st in November 2021, according to data released Thursday by the US Commerce Department. But total US steam coal shipments declined from year-earlier levels, primarily because of lower sub-bituminous coal shipments and decreased buyer interest from India and some other countries.

Overall buyer interest in Atlantic basin coal has trailed off in recent months and remained restrained this week. In addition, milder weather this week curbed electricity demand and consumption, putting additional pressure on most seaborne coal prices.

Prompt two-month deliveries of 6,000 kcal/kg coal to Europe reached a 10-month low of \$177.40/t cif ARA today, and the weekly average dropped to \$181.41/t from \$188.67/t. Delivered prices to South Korea for similar quality coal also declined this week, to \$184.92/t from \$194.39/t.

Prices for coal shipped out of New Orleans were somewhat shielded from the decreases in European and Asian markets thanks to decreases in freight costs. The rate for Panamax shipments between the US Gulf coast and Rotterdam averaged

PHYSICAL MARKET ASSESSMENTS

Atlantic basin		\$/t	
Next 60 days	Price		±
US Gulf coast			
fob New Orleans 6,000 kcal 3%	143.75		-6.75
Colombia (fob Puerto Bolivar) 6,000 kcal <1%	178.00		-12.50
Mid-sulfur discount \$/lb/mmBtu*	0.20		0.07
High-sulfur discount \$/lb/mmBtu*	0.23		0.00
US east coast			
fob Hampton Roads 6,000 kcal <1%	167.56-192.18		-10.76
International			
Northwest Europe (cif ARA) 6,000 kcal <1%	177.40		-18.35
South Africa (fob Richards Bay) 6,000 kcal <1%	170.25		-19.75

*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.

COAL DAILY MONTHLY INDEXES

Physical indexes, Dec		\$/st	
Location	Price		±
Central Appalachia			
Nymex-spec Barge 12,000 <1%	165.60		-8.65
Big Sandy/CSX Rail 12,500 <1%	165.60		-8.65
Illinois basin			
West KY Ohio River Barge 11,500 5.0lb	140.90		-11.60
Illinois/Indiana Mine 11,500 5.0lb	138.40		-11.60
Pittsburgh Seam			
fob Mine 13,000 4.5lb	148.20		-5.55
Atlantic basin			
Colombia (fob Puerto Bolivar) 6,000 kcal <1% \$/t	229.28		+13.48
USGC fob New Orleans 6,000 kcal 3%	184.23		+1.05
Western bituminous			
UP-served CO, UT, WY 11,300 <1%	141.20		-3.05
Powder River basin			
fob mine/rail 8,800 0.8lb	15.30		-0.08

All prices are prompt quarter except for the Atlantic basin assessments, which are prompt 90 days

\$16.33/t Tuesday-Thursday, down from \$16.90/t last week.

Most global markets were closed on Monday for the New Year's holiday.

Freight rates for other US and Colombian coal routes also declined. But the diminished trading activity and coal market participants' dimmer views on demand outweighed any support fob prices might have gotten from lower shipping rates.

The mid-point of the high-low range for 6,000 kcal/kg coal out of Hampton Roads, Virginia fell by almost \$11/t to \$179.87/t fob.

APPALACHIAN COAL

Some prices fall, while others rise

Northern Appalachian thermal coal price curves flattened somewhat this week, with the direction of natural gas and seaborne coal markets weighing on near-term Appalachian coal prices.

The second quarter Pittsburgh Seam 13,000 Btu/lb 4.5lb SO₂/mmBtu coal assessment dropped by \$11/short ton from last week, to \$120/st in its first week as the prompt quarter. The third quarter of 2023 fell by \$6/st to \$115/st and the fourth quarter was assessed for the first time at \$110/st.

But forward the calendar year 2024 prices increased by \$4/st to \$100/st, while calendar 2025 made its debut at \$95/st.

Other Northern Appalachian prices moved in similar directions as the Pittsburgh Seam 13,000 Btu/lb 4.5lb SO₂/mmBtu market.

Central Appalachian coal prices were flat to lower than the week prior. The second quarter for CSX rail-originated coal with 12,500 Btu/lb slipped by \$1/st

to \$144/st. Calendar year 2024 also declined, by \$5/st, to \$125/st.

Appalachian coal prices are significantly lower than the levels they were a month earlier, tracking some of the declines in seaborne coal markets.

The weekly average for prompt two-month 6,000 kcal/kg coal deliveries to northwest Europe fell for the fourth week in a row to \$182.75/metric tonne cif Amsterdam-Rotterdam-Antwerp from Monday-Thursday. This is down from \$188.67/t last week.

In the US, domestic trading activity remained restrained.

Electric heating demand in the eastern US dropped this week amid milder weather. Generation in the PJM Interconnection was nearly 18pc lower Sunday-Thursday than it had been a week earlier.

Coal-fired power in PJM had a much larger drop than overall generation dispatch in the grid. Generators dispatched 277,003 MW/d of coal power in to PJM Sunday-Thursday, down from 650,768 MW/d a week earlier.

Coal power covered an average 13.3pc of PJM's fuel mix in the first five days of this week, which is almost half of its portion a week earlier.

Natural gas power widened its competitive advantage over coal in some parts of PJM. The day-ahead Columbia Gas Appalachia index averaged \$2.833/mmBtu Monday through Thursday, down from \$3.988/mmBtu last week and on track for

PHYSICAL MARKET ASSESSMENTS

Central Appalachia			\$/st
	Timing	Price	±
Nymex-spec barge 12,000 <1%			
2Q23	Prompt quarter	144.00	-1.00
3Q23	Prompt quarter +1	139.00	0.00
4Q23	Prompt quarter +2	135.00	na
2024	Prompt year	125.00	-5.00
2025	Prompt year +1	115.00	na
CSX rail 12,000 <1%			
2Q23	Prompt quarter	139.00	-1.00
3Q23	Prompt quarter +1	134.00	0.00
4Q23	Prompt quarter +2	129.00	na
2024	Prompt year	120.00	-5.00
2025	Prompt year +1	110.00	na
CSX rail 12,500 1.6			
2Q23	Prompt quarter	144.00	-1.00
3Q23	Prompt quarter +1	139.00	0.00
4Q23	Prompt quarter +2	135.00	na
2024	Prompt year	125.00	-5.00
2025	Prompt year +1	115.00	na

Pittsburgh Seam			\$/st
	Timing	Price	±
fob mine 13,000 3.5			
2Q23	Prompt quarter	123.00	-11.00
3Q23	Prompt quarter +1	118.00	-6.00
4Q23	Prompt quarter +2	113.00	na
2024	Prompt year	103.00	4.00
2025	Prompt year +1	98.00	na
fob mine 13,000 4.5			
2Q23	Prompt quarter	120.00	-11.00
3Q23	Prompt quarter +1	115.00	-6.00
4Q23	Prompt quarter +2	110.00	na
2024	Prompt year	100.00	4.00
2025	Prompt year +1	95.00	na
fob mine 12,500 6.0			
2Q23	Prompt quarter	115.00	-11.00
3Q23	Prompt quarter +1	110.00	-6.00
4Q23	Prompt quarter +2	105.00	na
2024	Prompt year	95.00	4.00
2025	Prompt year +1	90.00	na

a third consecutive week of declines.

Gas-fired generation in PJM rose by 3.3pc to 827,370 MW/d.

Nuclear power in PJM also inched higher, and renewable generation declined.

ILLINOIS BASIN

Prices fall on warmer weather

Illinois basin coal prices dropped this week following low buyer interest and expectations of mild weather through mid-January.

The second quarter price for 11,500 Btu/lb 5lb SO₂/mmBtu coal dropped to \$117/short ton fob barge as it rolled to be the prompt quarter contract from \$126/st last week. Calendar year 2024 moved \$2/st lower to \$100/st, while Argus assessed 2025 for the first time at \$98/st fob barge.

Prices for the 11,800 Btu/lb 4.5lb SO₂/mmBtu also fell.

For the lower heat content 11,000 Btu/lb 6lb SO₂/mmBtu coal, only the prompt quarter declined, falling to \$112/st fob barge from \$113/st. The third and fourth quarters were assessed at \$108.85/st and \$107/st, respectively.

Weather in much of the midwest and eastern US was unusually warm this week and is expected to stay that way in coming days. Above-normal temperatures are expected to blanket most of the US on 11-15 January and the eastern two-thirds of the country on 16-20 January, according to the private forecaster Commodity Weather Group.

The weather has cut into the need for coal-fired generation. Average daily generation in Midcontinent Independent System Operator (MISO) from 1-5 January was 17pc lower than it had been on 25-29 December.

Generators in MISO dispatched 542,266 MW/d of coal-fired power between 1-5 January, down by 19pc from a week earlier. Gas generation fell by 20pc during the same period.

Total generation in PJM Interconnection from 1-5 January was nearly 18pc lower than 25-29 December. Coal had one of the steepest declines in the grid, falling to 277,033 MW/d from 1-5 January, down by 57pc compared with the week earlier. Gas power rose by 3.3pc to 827,370 MW/d.

Gas prices largely declined this week, adding to competitive pressure on coal dispatch.

US natural gas futures ended today at a fresh 12-month low, on expectations of above-average temperatures. The price for Nymex gas for February delivery at the Henry Hub settled at \$3.71/mmBtu, the lowest since 30 December 2021.

Gas futures prices this week averaged \$3.898/mmBtu, down by 18pc compared with the week earlier.

The milder weather and lower gas prices could be boosting power plant coal stockpiles. Inventories already had started to increase from the very tight levels seen in early and mid-2022, but were still below target levels for some generators. Utilities

PHYSICAL MARKET ASSESSMENTS

Illinois basin			\$/st
	Timing	Price	±
West KY Ohio River barge 11,500 5.0			
2Q23	Prompt quarter	117.00	-9.00
3Q23	Prompt quarter +1	115.00	-6.85
4Q23	Prompt quarter +2	112.00	na
2024	Prompt year	100.00	-2.00
2025	Prompt year +1	98.00	na
Illinois/Indiana mine 11,500 5.0			
2Q23	Prompt quarter	114.50	-9.00
3Q23	Prompt quarter +1	112.50	-6.85
4Q23	Prompt quarter +2	109.50	na
2024	Prompt year	97.50	-2.00
2025	Prompt year +1	95.50	na
West KY Ohio River barge 11,800 4.5			
2Q23	Prompt quarter	119.90	-8.60
3Q23	Prompt quarter +1	117.00	-7.00
4Q23	Prompt quarter +2	114.00	na
2024	Prompt year	102.00	-2.00
2025	Prompt year +1	98.00	na
Illinois/Indiana mine 11,000 6.0			
2Q23	Prompt quarter	109.00	-1.50
3Q23	Prompt quarter +1	106.00	0.00
4Q23	Prompt quarter +2	104.00	na
2024	Prompt year	93.00	0.00
2025	Prompt year +1	91.00	na
West KY Ohio River barge 11,000 6.0			
2Q23	Prompt quarter	112.00	-1.00
3Q23	Prompt quarter +1	108.85	0.00
4Q23	Prompt quarter +2	107.00	na
2024	Prompt year	96.00	0.00
2025	Prompt year +1	94.00	na

were hesitant to enter new purchase agreements as railroad delays continued and coal prices remained elevated.

In addition, seaborne coal prices extended declines. NAR 6,000 kcal/kg typical 3pc sulfur US coal dropped to its lowest level since mid-February. So did the lower sulfur prompt two-month European-delivered coal price.

Illinois basin market participants are entering this year with greater supply.

Coal production in the basin increased by 5.3pc in 2022, according to US Energy Information Administration (EIA) estimates. Combined basin output during the 52 weeks ended on 31 December 2022 was 76.5mn st (69.4mn metric tonnes), up compared with 72.6mn st in 2021.

WESTERN COAL

PRB prices stabilize from recent falls

Powder River basin (PRB) coal markets stabilized this week following two weeks of declines.

PRB direct-delivered coal prices were unchanged across the board. That left the second quarter 2023 at \$15.05/short ton for 8,800 Btu/lb coal. The fourth quarter and calendar year 2025 debuted on *Argus'* price curve at \$14.85/st and \$15.25/st, respectively.

The 8,400 Btu/lb PRB market was also unchanged, keeping second and third quarter contracts at \$11.75/st and calendar year 2024 at \$11.95/st.

Trading activity remained limited. Over-the-counter markets for PRB coal shipments through 2026 have been unchanged since 30 December.

In the western bituminous market, prices for Utah coal with 11,700 Btu/lb held at \$162.50-\$112/st for shipments through 2025. Colorado 11,300 Btu/lb coal were \$137.50-\$87/st.

Natural gas prices were mixed this week. The day-ahead price for gas at the Katy hub in Texas averaged \$2.883/mmBtu Tuesday-Thursday, compared with \$2.234/mmBtu last week. On the other hand, the average day-ahead price for natural gas at the Chicago Citygates fell by 16.5pc to \$3.383/mmBtu and the price at the Henry Hub averaged \$3.720/mmBtu, down by 31.6¢/st from last week.

Profit margins for spring coal-fired generation decreased this week in some regions that burn PRB coal. The peak season spark spread for 10,000 Btu/kWh coal units at the Indiana power hub averaged -\$11.38/MWh from Tuesday-Thursday, down from \$7.28/MWh last week. The margin for 8,000 Btu/kWh gas units also declined but maintained a premium over coal, averaging \$33.16/MWh Tuesday-Thursday.

Power demand across the US midcontinent fell as milder weather curbed electric heating needs.

In the Southwest Power Pool (SPP), generation dispatch was 708,627 MWh/d from Sunday-Thursday, down by 8.9pc from a week earlier. Coal-fired generation in the grid fell by 9.2pc, to 207,714 MWh/d and natural gas-fired power climbed by 18.5pc 163,013 MWh/d.

Renewable generation dispatch in SPP fell by 20pc on the week prior to 310,697 MWh/d.

Above average temperatures may cut into heating needs in the middle of this month. The National Weather Service is forecasting temperatures in much of the US, including the midcontinent, will remain above seasonal norms until at least

PHYSICAL MARKET ASSESSMENTS

Powder River basin			\$/st
	Timing	Price	±
fob mine/rail 8,800 0.8			
2Q23	Prompt quarter	15.05	0.00
3Q23	Prompt quarter +1	14.95	0.00
4Q23	Prompt quarter +2	14.85	na
2024	Prompt year	15.15	0.00
2025	Prompt year +1	15.25	na
fob mine/rail 8,400 0.8			
2Q23	Prompt quarter	11.75	0.00
3Q23	Prompt quarter +1	11.75	0.00
4Q23	Prompt quarter +2	11.65	na
2024	Prompt year	11.95	0.00
2025	Prompt year +1	12.05	na

Colorado/Utah			\$/st
	Timing	Price	±
Western bituminous 11,300 <1%			
2Q23	Prompt quarter	137.50	0.00
3Q23	Prompt quarter +1	136.00	0.00
4Q23	Prompt quarter +2	134.50	na
2024	Prompt year	99.00	0.00
2025	Prompt year +1	87.00	na
Uinta basin, Utah 11,700 <1%			
2Q23	Prompt quarter	162.50	0.00
3Q23	Prompt quarter +1	159.00	0.00
4Q23	Prompt quarter +2	157.50	na
2024	Prompt year	124.00	0.00
2025	Prompt year +1	112.00	na

19 January.

Western coal production maintained recent patterns last week. Output in Montana and Wyoming fell to 4.3mn st (3.9mn metric tonnes) from 4.8mn st a year earlier, production in Utah and Colorado fell to around 390,000st from 454,000st, according to US Energy Information Administration (EIA) estimates.

Still, Montana and Wyoming mines produced an estimated 276.6mn st of coal in all of 2022, up from 267.4mn st in 2021, according to EIA. And output from Utah and Colorado mines rose to around 25mn st from 24.3mn st during the same period of 2021.

INTERNATIONAL MARKETS

European coal prices shed further value

Europe-delivered coal prices continued to trend lower this week, weighed down by warmer-than-usual temperatures, firm wind output and high gas stocks.

Argus' daily cif Amsterdam-Rotterdam-Antwerp (ARA) NAR 6,000 kcal/kg assessment fell to \$177.40/metric tonne today, the lowest level since 17 February.

No assessment-relevant deals were reported in the physical spot market this week, and the best bid and offers for both assessment months edged lower during the week.

Temperatures in Germany are expected to remain above seasonal norms for the next couple of weeks, which should reduce the call for thermal generation. Average temperatures in Berlin are forecast to be 6°C higher than historic norms until next week, and will remain above seasonal levels until 19 February, according to data from Speedwell weather.

EU gas stocks remain at healthy levels, owing to milder-than-usual weather, and stood at 83.35pc of capacity at 932.85TWh today, according to data from transparency platform AGSI.

Firm wind output also continues to weigh on coal demand, with German wind load factors remaining above 20pc over the past three weeks. Wind load factors are forecast at 34-40pc for the remainder of this week, which implies average wind generation of 27.5GW for the week.

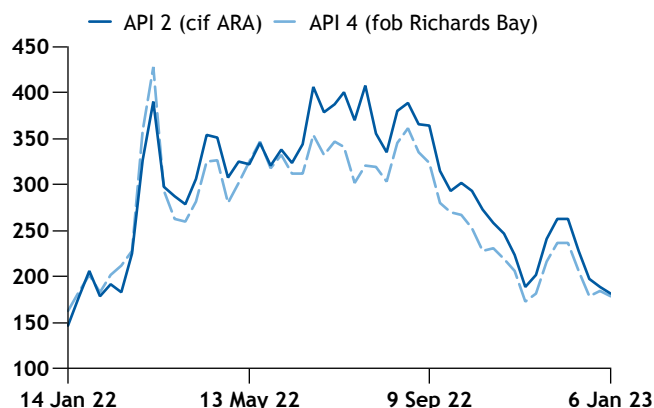
German hard-coal-fired generation averaged 5.3GW on 2-5 January, equivalent to 47pc of available capacity during the period, which was higher than the average output of 3.6GW in the same period a week earlier. Coal stocks at the ARA transshipment hub increased by 2.2pc on the week to 6.4mn t, rising for a fourth consecutive week.

Implied month-ahead margins for coal generation have eased in recent weeks, as the German power market fell more steeply than the coal market. The month-ahead clean-dark spread (CDS) for a 42pc-efficient coal-fired plant stood at €53.41/MWh on 5 January, down from €65.01/MWh a week earlier. The equivalent clean-spark spread for a 55pc-efficient gas-fired unit stood at €17.67/MWh, down from €20.29/MWh.

Day-ahead German power prices were pressured by firm wind generation in recent weeks, falling to €19/MWh on 29 December, the lowest level since 11 March 2021. This pushed day-ahead generation margins for coal and gas into negative territory of below minus €100/MWh, but the day-ahead CDS recovered to minus €6.29/MWh on 5 January, in line with a

API index

\$/t



rebound in power prices.

Elsewhere in the wider Mediterranean, Moroccan buyers are [struggling to discharge their cargoes of Russian coal](#) because of difficulties clearing customs.

The 2.1GW Jorf Lasfar power plant was expected to conclude its tender earlier this week, but it remains unclear whether the tender has been awarded. Another Moroccan utility, the 1.4GW Safi plant, on 5 January launched a prompt tender for January and February delivery cargoes. Participants are expecting Moroccan utilities to award new tenders to non-Russian origins. This could stymie the downwards trend in the European coal market, as it would boost competition for non-Russia-origin cargoes in the Atlantic basin.

South African prices drop

South African coal prices also edged lower this week, in line with rising inventories and soft European demand.

Inventories at the Richards Bay Coal Terminal climbed by 19pc on the week to 2.38mn t. But rail deliveries to the port fell to 851,000t this week, from 1.04mn t a week earlier.

In the physical spot market for high-grade South African coal, two 50,000t February-loading cargoes traded at \$181.75/t and \$185/t.

In the market for off-specification coal, a non-splittable 50,000t NAR 4,800 kcal/kg February-loading cargo traded at \$125/t on a fixed-price basis on 4 January. Based on the API 4 swap's value at the close of 4 January, this equates to a differential to API 4 of minus \$26.95/t. A 75,000t cargo loading in the second half of February was bid and offered at \$105/t and \$115/t fob Richards Bay dry bulk terminal.

DAILY MARKETS

CSX prices dip for a sixth day

Some Central Appalachian and Illinois basin coal prices extended declines Friday, following the direction of seaborne coal prices and US natural gas futures.

Prompt month through fourth quarter 2023 shipments of CSX-origin 12,500 Btu/lb coal decreased by \$2.50/short ton each. That brought February and March shipments down to \$140/st.

Argus assessed calendar year 2024 shipments at \$119/st, down by \$3/st from Thursday. The rest of the curve was unchanged.

Illinois basin coal price declines were limited to February through the third quarter of 2023. The February and March prices fell by \$3.95/st each to \$121.65/st.

This was the sixth day of decreases for some CSX prices and the third day for the Illinois basin.

Powder River basin (PRB) coal prices, which held unchanged since end of December, fell by 10¢/st each today for shipments through calendar 2024.

No bids, offers or deals were reported.

The weather outlook today showed another drop in expected heating demand during the next two weeks, which could limit coal- and natural gas-fired generation. Private forecaster Commodity Weather Group said above-normal temperatures will blanket most of the US through 15 January.

Natural gas futures fell for a second day today.

Nymex gas for February delivery at the Henry Hub fell by 1¢/mmBtu, or 0.3pc, to settle at \$3.71/mmBtu, the lowest since 30 December 2021. The 12-month strip dropped by 0.9pc to \$3.771/mmBtu.

Some international coal markets also extended declines. Prompt two-month deliveries of 6,000 kcal/kg coal to north-west Europe decreased by \$4.16/metric tonne Friday to \$178.17/t cif Amsterdam-Rotterdam-Antwerp.

NEWS

EPA proposes lower particulate matter limits

The US Environmental Protection Agency (EPA) is proposing to set more stringent air quality standards for particulate matter, a move that could lead to tougher emissions limits for refineries and other industrial sources.

The agency today proposed lowering the primary health-based National Ambient Air Quality Standard (NAAQS) for fine

OTC prices		\$/st	
		Price	±
CSX <1% sulfur rail 12,000	Feb	136.00	-2.50
	Mar	136.00	-2.50
	2Q23	133.00	-2.50
	3Q23	126.00	-2.50
	4Q23	125.00	-2.50
	2024	115.00	-3.00
	2025	105.25	0.00
	2026	104.20	0.00
CSX <1% sulfur rail 12,500	Feb	140.00	-2.50
	Mar	140.00	-2.50
	2Q23	137.00	-2.50
	3Q23	130.00	-2.50
	4Q23	129.00	-2.50
	2024	119.00	-3.00
	2025	109.00	0.00
	2026	108.00	0.00
IL basin 3.15% sulfur 11,500	Feb	121.65	-3.95
	Mar	121.65	-3.95
	2Q23	116.15	-4.85
	3Q23	113.65	-2.50
	4Q23	109.00	0.00
	2024	98.60	0.00
	2025	94.60	0.00
	2026	92.50	0.00
PRB 8,800 rail	Feb	15.50	-0.10
	Mar	15.50	-0.10
	2Q23	15.40	-0.10
	3Q23	15.30	-0.10
	4Q23	15.20	-0.10
	2024	15.45	-0.10
	2025	15.75	0.00
	2026	15.65	0.00

OTC settlement indexes, Dec		\$/st	
		Prompt month, Jan	Prompt quarter, 1Q23
CSX <1% sulfur rail 12,000		164.43	163.85
CSX <1% sulfur rail 12,500		168.15	167.85
PRB 8800 rail		15.82	15.82

particulates (PM2.5) to a level between 9-10 micrograms/m³ from the current 12 micrograms/m³ benchmark.

“This proposal is anchored in the best available science,” EPA administrator Michael Regan said, calling the current standard “no longer protective of public health.”

The agency also plans to gather public feedback on potentially setting the standard as low as 8 micrograms/m³ and as high as 11 micrograms/m³.

A decision by EPA to set new PM limits could lead to a number of additional steps, including tighter regulation of industrial sources of particulates, such as refineries, and potentially lower annual SO₂ and NO_x limits for power plants covered by the Cross-State Air Pollution Rule (CSAPR) emissions-trading program, which is designed to help areas in the eastern US meet previous particulate matter standards.

EPA said a number of other actions it has taken or proposed will help states meet the new standards, including recently adopted emissions standards for heavy-duty trucks and [forthcoming changes](#) to the CSAPR program intended to slash summertime NO_x emissions from power plants in 25 states, along with new NO_x limits for industrial sources.

The agency said a standard of 9 micrograms/m³ would prevent up to 4,200 premature deaths each year and result in as much as \$43bn in net health benefits in 2023.

The proposal is facing push back from industry groups.

The US Chamber of Commerce said it was “disappointed” that EPA did not consider leaving the current standards in place, noting the US already has some of the “best air quality in the world,” thanks to major emissions reductions in recent years.

“While it is important to continue making progress, we are concerned that the proposed regulation would stifle manufacturing and industrial investment and exacerbate permitting challenges that continue to hamper the economy,” said Chad Whiteman, vice president of environment and regulatory af-

Argus daily spark spreads				\$/MWh
	Timing	Gas	Coal, peak 10,000	Coal, off-peak 10,000
Indiana	Daily	18.08	-20.17	-28.09
	Feb	43.63	4.00	-6.00
	Spring	28.39	-13.25	-22.90
PJM	Daily	19.89	-11.83	-21.42
	Feb	11.65	21.99	13.99
	Spring	23.84	-6.62	-15.37
New England	Daily	5.42	-22.77	-32.19
	Feb	9.45	81.12	71.62
	Spring	19.56	6.57	-5.68
New York A	Daily	18.59	-2.78	-14.97
	Feb	31.95	14.14	-5.11
	Spring	9.87	-16.11	-24.91
Southern Co.	Daily	1.47	-21.51	-25.91
	Daily	11.35	11.92	4.68
	Feb	17.81	29.82	20.07
Palo Verde	Spring	15.10	12.93	3.18
	Daily	6.43	121.59	115.94
	Feb	122.14	115.80	110.30
Mid-Columbia	Q2	70.13	29.21	11.86
	Daily	38.37	137.26	140.09
	Feb	36.34	125.09	115.59
	Q2	31.16	30.55	14.60

fairs at the Chamber’s Global Energy Institute.

But many environmental groups said EPA’s proposal falls short of what is needed to protect public health and called on the agency to adopt an 8 micrograms/m³ limit.

“EPA is taking an important step forward to address deadly soot pollution, and we urge EPA to issue more protective final standards so that all people can breathe easier,” Environmental Defense Fund general counsel Vickie Patton said.

The proposal comes after EPA [last year said](#) it would re-evaluate the PM NAAQS, which have not been updated since 2012, citing a “strong body of scientific evidence” showing long- and short-term exposure to fine particles can lead to

ANNOUNCEMENT

Argus successfully completes annual losco assurance review

Argus has completed the 11th 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 losco’s Principles for Oil Price Reporting Agencies, and losco 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>

heart attacks, asthma attacks and premature death. That followed a decision by the agency in late 2020 [not to make any changes](#) to the standards, which a group of 17 states led by California challenged in court last year.

The proposal also calls for changes to air monitoring requirements intended to improve data collection in “overburdened and vulnerable” communities that are subject to disproportionate air pollution risk.

The NAAQS also include 24-hour limits for PM2.5 and coarse particulate (PM10), which EPA is proposing to retain, and which have not been updated since 2006 and 1987, respectively. But the agency will seek feedback on whether to lower those standards, which are meant to provide public welfare protections, including against decreased visibility and damage to animals, crops, vegetation and buildings.

Particulate matter includes dust, soot and smoke, which are linked to health problems, including cancer and respiratory ailments. Most particulates form as the result of reactions between emissions of SO₂ and NO_x, which often come from power plants, industrial sources and automobiles.

EPA said it will open a 60-day public comment period on the proposal once it is published in the *Federal Register*. The agency also will hold a virtual public hearing over “several days,” with details to be announced later.

By Michael Ball

US debuts guidance for environmental reviews

Pipelines, federal oil and gas leases, electric transmission lines and other major projects will be subject to more exhaustive climate scrutiny during permitting, the White House said in guidance released today.

The interim guidance offers federal agencies far more explicit instructions on how to analyze greenhouse gas emissions and climate effects when reviewing projects under the National Environmental Policy Act (NEPA). The guidance will take effect on 9 January. The White House intends to make revisions after it receives public comment.

The guidance is part of President Joe Biden’s administration push to make climate considerations an explicit part of how the government reaches decisions, following up on past actions prodding agencies to use renewable energy and buy low-carbon materials. The more specific climate guidance will help “avoid legal setbacks” and allow regulators to make more informed decisions, the White House said.

“These updated guidelines will provide greater certainty and predictability for green infrastructure projects” Council on

Environmental Quality chair Brenda Mallory said.

The guidance seeks to offer a “common approach” to analyze climate change as part of NEPA reviews, following a period of uneven reviews and former president Donald Trump’s administration trying to eliminate climate considerations altogether. Federal regulators have said the lack of explicit guidance in the past have made it hard to decide the level of detail for climate reviews.

The guidance offers best practices for climate reviews, including recommendations to quantify indirect emissions from projects and using a metric named the “social cost of carbon” to provide a dollar estimate of climate effects. The guidance also says federal agencies should the NEPA process to mitigate gas emissions “to the greatest extent possible.”

But the White House wants to avoid requiring exhaustive studies of projects likely to reduce greenhouse gas emissions. The guidance emphasizes a “rule of reason” that says the depth of climate reviews should be proportional to a project’s effects, and it says some renewable projects can have a less detailed climate analysis.

Renewable energy groups applauded the guidance. The American Clean Power Association said the guidance recognizes that agencies should not spend time and resources reviewing “relatively minor and short-term greenhouse gas emissions” of building clean energy projects that will reduce emissions over the long term.

Oil and gas industry groups have opposed past attempts for agencies to consider indirect greenhouse gas emissions and seek emission mitigation during the NEPA process. The US Federal Energy Regulatory Commission last year faced intense backlash from the industry over a similar proposal related to natural gas pipeline permitting.

By Chris Knight

Republicans inch closer to new US House speaker

The US House of Representatives is getting closer to electing a new speaker, with representative Kevin McCarthy (R-California) picking up 15 votes from Republicans who had been opposing him.

McCarthy in the 13th and latest round of balloting received 214 votes, three short of what he needed that round to be elected speaker. Republican leaders were able to flip votes after negotiations with far-right holdouts who wanted more constraints on the speaker and additional influence over the legislative process.

“We’re at a turning point,” representative Scott Perry (R-

Pennsylvania) said after switching his vote to McCarthy. "The framework for an agreement is in place."

The House voted to adjourn until 10pm ET, providing more time for negotiations to continue and for two Republicans who support McCarthy to return to Washington, DC, to cast ballots.

It remains unclear what concessions McCarthy has granted as part of the negotiations. Some of the conservative hold-outs wanted the House to approve rules under which just one Republican member could call for a floor vote to remove the speaker, along with measures to limit government spending and appointments to influential House committees.

Even if McCarthy ends up clinching the speakership vote, the protracted fight could leave him in a far weaker position to manage the 222-212 majority that Republicans now hold in the House, following the death of one Democrat in November.

Far-right conservatives have shown their ability to stick together and get concessions. The House speaker could also have a harder time negotiating if there is a constant threat of being subject to a removal vote.

Democrats have remained united in supporting Hakeem Jeffries (D-New York) as their pick for House speaker, forcing Republicans to rely only on their members to hit the majority vote needed to win. The last time the House failed to elect a speaker on the first ballot was in 1923.

The difficulty for Republicans in electing their own speaker offers a potential preview of upcoming legislative challenges. The US Congress needs to pass a funding bill by 30 September to avoid a government shutdown. Lawmakers also will have to raise the federal debt limit to avoid an economically catastrophic default by the US government.

Far-right conservatives want to use those must-pass bills to pass Republican policy goals, laying the groundwork for a possible showdown with Democrats who control the US Senate. Biden has said he will not cut spending on Social Security and Medicare in exchange for increasing the debt.

"I'm never going to give in," Biden said in October. "It's outrageous."

By Chris Knight

Weekly Fuels and Octane Report

The Argus Fuels and Octane report provides weekly MTBE spot ranges for the US Gulf Coast, Rotterdam, Singapore and domestic China plus daily ranges for each region. The report also includes in-depth analysis of global octane market fundamentals, a large selection of blend calculations, US, Europe and Asia gasoline prices, and prices for feedstocks and associated markets.

Email us at petrochemicals@argusmedia.com to request further information or a sample copy

www.argusmedia.com/petrochemicals

Argus Toluene and Xylenes Daily

Argus is pleased to announce the launch of Argus Toluene and Xylenes Daily market report. This new daily service provides key price assessments as well as concise, insightful market commentaries on the toluene, paraxylene and mixed xylenes markets in the Americas, Europe and Asia-Pacific. For more information, please contact petrochemicals@argusmedia.com.

www.argusmedia.com/Petrochemicals

Coal production trends, four weeks ended 31 Dec							st
	Total	Year ago	± year ago	±% year ago	Year to date	± year ago	
Wyoming	17.88	18.91	-1.03	-5.4%	247.39	+3.6	
West Virginia	5.90	6.10	-0.19	-3.2%	83.38	+6.1	
Kentucky	2.06	2.11	-0.05	-2.3%	28.48	+7.8	
Pennsylvania	2.65	3.06	-0.41	-13.4%	38.66	-8.9	
Indiana	1.59	1.51	+0.08	+5.4%	22.60	+16.1	
Montana	2.09	2.27	-0.18	-8.0%	29.19	+2.1	
Illinois	2.38	2.39	-0.01	-0.6%	37.46	+1.7	
Colorado	1.00	1.06	-0.06	-5.7%	13.50	+13.7	
Utah	0.83	0.94	-0.11	-11.4%	11.45	-7.9	
Appalachia	11.13	11.76	-0.63	-5.3%	158.78	+2.1	
Interior	6.67	6.88	-0.21	-3.0%	97.44	+4.3	
Western	24.67	26.03	-1.36	-5.2%	340.95	+3.8	
East	16.49	17.14	-0.65	-3.8%	238.65	+3.2	
West	25.99	27.53	-1.54	-5.6%	358.53	+3.6	
Total	42.48	44.67	-2.19	-4.9%	597.18	+3.4	

East, West and Total figures are for all US, including the top nine producing states above. — EIA

4-week average coal train loadings, 3 Dec 22 to 30 Dec 22					
		Plan	Loadings	% met	
Western coal					
Powder River Basin	BNSF	41	25	61.0%	
	UP	18	11	61.1%	
Uinta Basin	UP	4	3	75.0%	
Illinois Basin	CN	166	144	86.7%	
	CSX	2,758	2,622	95.1%	
	NS	2	2	100.0%	
	UP	na	na	na	
Other	BNSF	3	2	66.7%	
Eastern coal					
Northern Appalachia	CSX	3,516	3,493	99.3%	
	NS	6	5	83.3%	
Central Appalachia	CSX	4,727	4,679	99.0%	
	NS	6	4	66.7%	
Southern Appalachia	CSX	1,025	972	94.8%	
	NS	0	0	na	

* CSX provides cars/week.
CN provides cars/day.

By the numbers			
	Last	±	±%
Nymex natural gas (\$/mmBtu)	3.71	-0.01	-0.27
Argus Indiana hub power (\$/MWh)	69.25	3.00	4.53
Argus fuel oil 1% New York (bl)	68.60	-0.55	-0.80
Nymex WTI crude (bl)	73.77	0.10	0.14
Aus\$ vs. US\$	0.68	0.01	1.49
Can\$ vs. US\$	0.74	0.00	0.00
euro vs. US\$	1.06	0.01	0.95

Average coal rail metrics, 4 Dec 21 to 30 Dec 22						
		Speed mph	Dwell time hours	Trains held short	Loaded cars not moved >48 hrs	Empty cars not moved >48 hrs
BNSF	Last 4 weeks	22.4	8.1	48.1	203.4	1057.2
	Prior year	23.2	5.5	23.0	161.1	729.6
	±%	-3.4%	+47.3%	+109.1%	+26.3%	+44.9%
CN	Last 4 weeks	23.1	3.1	0.3	1.7	10.2
	Prior year	22.5	6.6	0.5	1.9	7.0
	±%	+2.7%	-53.0%	-40.0%	-10.5%	+45.7%
CP	Last 4 weeks	21.0	0.0	0.0	1.5	96.0
	Prior year	24.3	0.0	0.0	1.3	16.0
	±%	-13.6%	nc	nc	+15.4%	+500.0%
CSX	Last 4 weeks	22.2	12.6	1.3	71.9	31.7
	Prior year	21.0	10.2	1.0	70.2	55.8
	±%	+5.7%	+23.5%	+30.0%	+2.4%	-43.2%
KCS	Last 4 weeks	25.4	0.0	1.5	0.8	0.0
	Prior year	24.9	0.0	0.8	0.5	0.0
	±%	+2.0%	nc	+87.5%	+60.0%	nc
NS	Last 4 weeks	17.2	12.1	5.0	781.0	24.3
	Prior year	17.1	20.2	4.8	1092.0	30.9
	±%	+0.6%	-40.1%	+4.2%	-28.5%	-21.4%
UP	Last 4 weeks	24.6	13.4	23.8	338.8	224.0
	Prior year	25.2	9.6	26.8	230.5	177.5
	±%	-2.4%	+39.6%	-11.2%	+47.0%	+26.2%

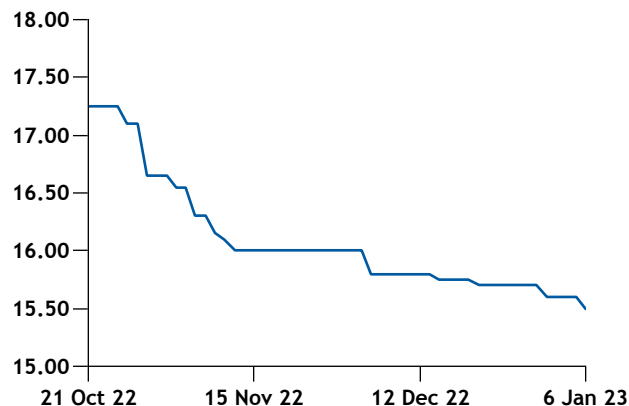
Prompt CSX 12,000 OTC

\$/st



Prompt-month OTC PRB coal

\$/st



Coal solicitations					
Utility	Plant	Quality	Tonnage and terms	Bids due	Status
American Electric Power	various	Nymex-spec or CSX rail-originated coal with contracted half-month 12,000 Btu/lb-12,600 Btu/lb, maximum 1.67lb SO ₂ /mmBtu; Powder River basin coal with 8,600-9,000 Btu/lb; Illinois basin 11,200-12,600 Btu/lb, up to 5.5lb SO ₂ /mmBtu; Northern Appalachia 11,500-13,000 Btu/lb, maximum 7.4lb SO ₂ /mmBtu	Undisclosed amount of coal for 2022-25	09-28-22	Pending
Louisville Gas & Electric and Kentucky Utilities	Mill Creek, EW Brown, Trimble County, Ghent	Bituminous rail and barge-delivered coal with a minimum 11,000 Btu/lb, maximum 6.2lb SO ₂ /mmBtu, 14pc ash and 13pc moisture; Powder River basin coal with a minimum 8,400 Btu/lb, maximum 1.2lb SO ₂ /mmBtu, 7pc ash and 31pc moisture	Undisclosed amount of spot coal for 4Q 2022 rail delivery to Mill Creek and barge delivery to Trimble County, Ghent and Mill Creek. Term deliveries starting in 2023: up to 2 years railed to Brown, 10 years to Mill Creek, Trimble County and Ghent and spot and term PRB coal	09-14-22	Pending

Weekly benzene report

The Argus Benzene and Derivatives report provides global pricing and fundamentals analysis for benzene and major derivatives, including cyclohexane, phenol and cumene. The report also includes key feedstocks prices, in-depth spread relationships, arbitrage opportunities, modeling of benzene economics, and detailed information on operational issues affecting the market.

Email us at petrochemicals@argusmedia.com to request further information or a sample copy

www.argusmedia.com/petrochemicals

Argus direct

Web | Mobile | Alerts

Argus Direct is the next generation platform from Argus Media. It is the premium way to access our reports, prices, market insight, fundamentals data and markets.

To learn more, visit our website or contact your account representative.

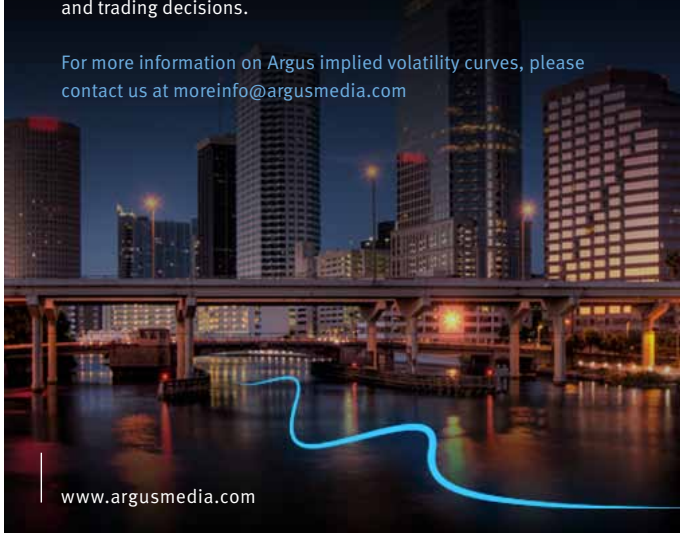
argusmedia.com/direct

Risk Management Data Services Expanded

Introducing Argus North American Natural Gas and Electricity Implied Volatility Curves

Robust, independent market valuation tools to support investment and trading decisions.

For more information on Argus implied volatility curves, please contact us at moreinfo@argusmedia.com



www.argusmedia.com

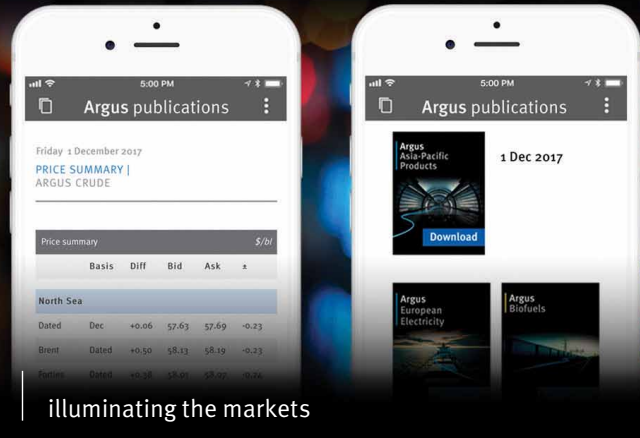
Access on-the-go: Argus Publications app.

Closer to our clients. Closer to the market.

A new option is now available for you to access Argus publications, no matter where your work takes you.

- Optimized for reading on Android or iPhone
- Charts and tables optimized for mobile access
- Jump quickly to sections of interest

Download the app now



illuminating the markets



Argus Coal Daily is published by Argus Media group

Registered office

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

ISSN: 1092-2903

Copyright notice

Copyright © 2023 Argus Media group.
All rights reserved.

All intellectual property rights in this publication and the information published herein are the exclusive property of Argus, and/or its licensors (including exchanges) and may only be used under licence from Argus. Without limiting the foregoing, by accessing this publication you agree that you will not copy or reproduce or use any part of its contents (including, but not limited to, single prices or any other individual items of data) in any form or for any purpose whatsoever except under valid licence from Argus. Further, your access to and use of data from exchanges may be subject to additional fees and/or execution of a separate agreement, whether directly with the exchanges or via Argus.

Trademark notice

ARGUS, ARGUS MEDIA, the ARGUS logo, INTEGER, ARGUS COAL DAILY, other ARGUS publication titles and ARGUS index names are trademarks of Argus Media Limited. Visit www.argusmedia.com/trademarks for more information.

Disclaimer

The data and other information published herein (the "Data") are provided on an "as is" basis. Argus and its licensors (including exchanges) make no warranties, express or implied, as to the accuracy, adequacy, timeliness, or completeness of the Data or fitness for any particular purpose. Argus and its licensors (including exchanges) shall not be liable for any loss, claims or damage arising from any party's reliance on the Data and disclaim any and all liability related to or arising out of use of the Data to the full extent permissible by law.

All personal contact information is held and used in accordance with Argus Media's Privacy Policy <https://www.argusmedia.com/en/privacy-policy>

Publisher
Adrian Binks

Chief operating officer
Matthew Burkley

Global compliance officer
Jeffrey Amos

Chief commercial officer
Jo Loudiadis

President, Expansion Sectors
Christopher Flook

SVP, North America
Matthew Oatway

Global SVP editorial
Neil Fleming

Editor in chief
Jim Washer

Managing editor
Jim Kennett

Editor
Courtney Schlisserman
Tel: +1 202 349 2865
coaldaily@argusmedia.com

Customer support and sales:

support@argusmedia.com
sales@argusmedia.com

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



Coal

illuminating the markets®