

MARKET COMMENTARY

New terminals in Ust-Luga drive coal exports

Russian coal exports to northwestern ports will decrease by the end of this year, compared with the previous year. At the same time, Russian coal sellers sharply increased exports through new terminals at the Baltic Ust-Luga port, market participants said.

Overall rail coal shipments to northwestern ports are expected to fall by 2.7mn t to below 56mn t from last year, according to market participants. At the beginning of this year, exporters experienced some supply disruption on the routes to Ust-Luga and Murmansk. In mid-August, sellers faced a limited supply of available tonnage in the region after the EU's embargo on Russian coal imports came into full effect, including a ban on financial and insurance services for shipping coal from Russia. But shipments to northwestern ports started to recover in October, as the EU clarified that restrictions were not applied to coal deliveries to non-European countries. In December, supplies toward northwestern ports are expected to be up by 1.5mn t on the year to 5.7mn t, according to market participants.

The new terminals in Ust-Luga – Ultamar and Lugaport – aim to provide 44pc of the total coal handling increase in the port in December. [Multi-purpose dry bulk terminal Ultamar started handling coal in February](#). Ultamar continues to increase coal transshipments and may reach 523,000t in December, according to market participants. Total coal exports through the terminal amounted to 3.23mn t in January-November.

[Lugaport loaded its first trial coal cargo at the end of August](#). In November, deliveries to Lugaport, owned by railcar operator Novotrans, were at 146,600t and could remain at the same level in December, according to market participants.

The two new terminals may this year account for almost 9pc of total exports via Russian northwestern ports.

Announcement

Due to public holidays in Russia next issue of *Argus Russian Coal* will be published on 10 January 2023.

PRICES

Russian coal prices				\$/t	
Delivery basis	NAR kcal/kg	Delivery period	23 Dec	± 16 Dec	
fob Baltic ports	6,000	Jan - Feb	121.25	-3.75	
fob Black Sea ports	6,000	Jan - Feb	93.00	-6.33	
fob Taman	6,000	Jan - Feb	129.13	-2.87	
cif Turkey mini bulk*	6,000	Jan	165.75	1.08	
fob Vostochny	6,000	Jan - Feb	165.79	0.29	
fob Vostochny^	5,500	Jan - Feb	149.25	1.35	

*assessment of Russian and non-Russian coal; ^coal with average maximum ash content 17pc

Russian coal price range, 23 December				\$/t	
Delivery basis	NAR kcal/kg	Delivery period	Low	High	
fob Baltic ports	6,000	Jan - Feb	120.00	122.50	
fob Black Sea ports	6,000	Jan - Feb	90.00	95.00	
fob Taman	6,000	Jan - Feb	125.50	136.00	
fob Vostochny	6,000	Jan - Feb	159.00	172.50	
fob Vostochny*	5,500	Jan - Feb	145.00	155.00	

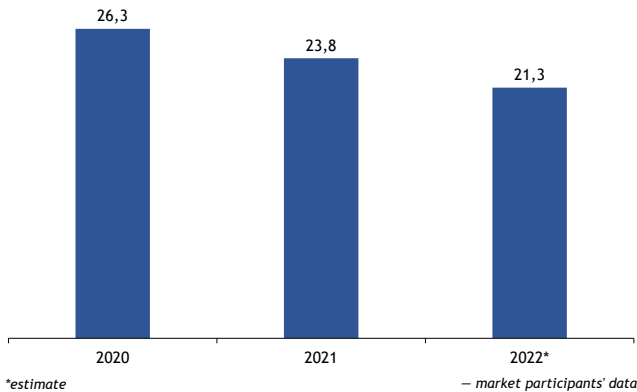
*coal with average maximum ash content 17pc

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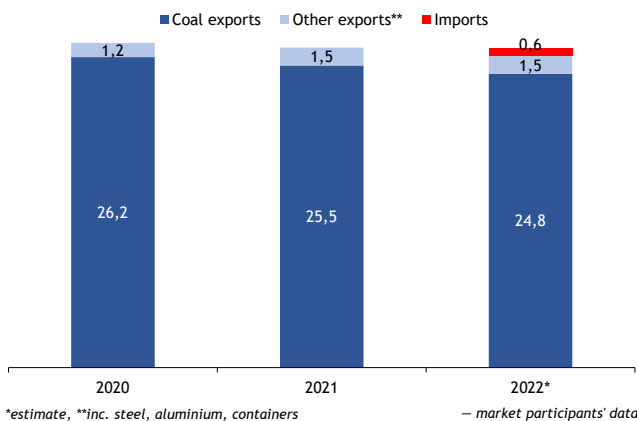
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Coal deliveries to the largest sea terminal in Ust-Luga – Rosterminalugol – owned by Kuzbassrazrezugol (Kru), may increase by 340,000t this month, compared with last December. But annual coal transshipments to the terminal are expected to be down by 2.57mn t to 21.3mn t by the end of this year. Kru remained the main coal exporter to the terminal, with a 75pc share, rail data show.

Coal deliveries to Rosterminalugol mn t



Coal deliveries to and from Vostochny mn t



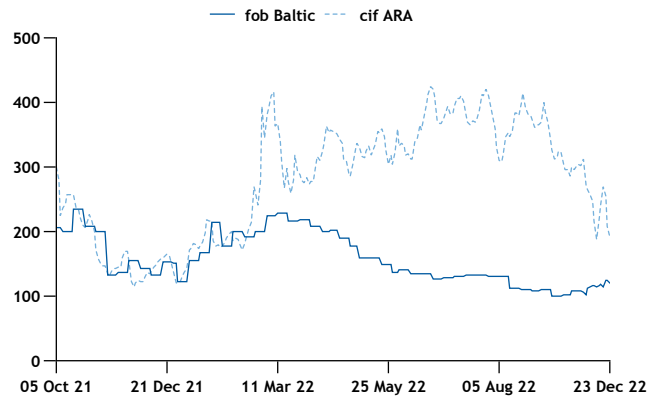
Global coal demand to increase

Global demand for coal may increase by 42mn t to almost 1,320mn t by 2030, because of the energy crisis and rising gas and renewable energy prices, according to market participants' estimations. The increase will be driven by countries in Asia-Pacific, where demand may increase by 62mn t to 1,118mn t, while Europe plans to decrease coal consumption by 34mn t over the same period of time.

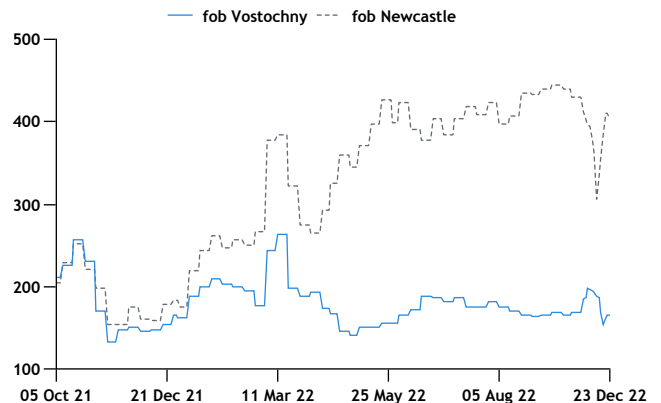
Asia remains the main market for Russian coal exports and has the potential for additional export growth. But exports to Asia-Pacific consumers are limited by railway capacity toward far east ports.

As a result, Russian far east terminals remain underloaded with coal. Deliveries to the port of Vostochny have been decreasing for the third year in a row – the total coal handling capacity of the terminal is 50mn-55mn t/yr. Coal shipments to Vostochny may fall by 700,000t on the year to 24.8mn t in 2022, according to market participants. Terminal owner Kru was the main coal exporter to Vostochny. The company aims to increase coal deliveries to the port and to use all approved port quotas for its own coal handling, market participants said. This year the terminal started to receive imported cargoes, including alumina and containerized cargoes.

Argus fob Baltic ports spot coal assessment \$/t



Argus fob Vostochny spot coal assessment \$/t



Coal handling costs at Russian ports, monthly indexes \$/t			
	Dec 22	Nov 22	± Avg Dec 22/Nov 22
Vostochny	20.75	21.00	-0.25
Ust-Luga	30.07	28.30	1.77
Taman	36.00	39.00	-3.00

Fob Taman netback prices* \$/t			
Delivery basis	NAR kcal/kg	23 Dec	± 16 Dec
cif Turkey supra plus	6,000.00	148.49	0.43
cif ARA	6,000.00	171.84	-17.11
cfr South Korea	6,080.00	144.28	-10.08
cfr East India	5,500.00	125.15	1.07

*see Argus Russian Coal methodology for reference

South Korea increases imports from Russia

South Korean imports of Russian thermal coal increased by 1.63mn t on the month to 2.62mn t in November, while imports of Australian thermal coal kept decreasing. South Korean coal consumers plan to keep importing Russian-origin product actively next year, market participants said.

South Korean buyers started to increase coal imports from Russia since the middle of 2022, importing more than 2mn t of Russian thermal coal each month, while coal imports from Australia – the main South Korean supplier – decreased over the same period. In January-November, thermal coal imports from Australia decreased by 13.05mn t on the year to 29.92mn t, while coal imports from Russia were up by 5.25mn t on the year to 20.12mn t, with overall Russian volumes for 2022 may reach multi year high, South Korean customs data show.

Demand for Russian thermal coal remains strong from South Korean private-sector utilities and industrial companies, as Russian coal suppliers offer discounted prices for high-calorific value (CV) coal, a market participant said. Russian coal of NAR 6,000 kcal/kg was being offered to South Korean consumers at more than \$244/t cheaper than high-CV Australian coal on a fob loading port basis last week. Russian NAR 6,000 kcal/kg coal was assessed by Argus at \$165.5/t fob Vostochny, while Australian NAR 6,000 kcal/kg was assessed at \$409.52/t fob Newcastle on 19 December.

Last week, a cargo of Russian-origin high-CV coal was offered to South Korea at \$170-172/t cif for loading in January from a Russian far east port.

Russian coal producers continue to offer high-CV coal to South Korean consumers, as they are ready to start covering purchasing plans for the second quarter of 2023. “Main South Korean coal consumers plan to buy Russian-origin during next year as long as Russian prices are at discount compared to other origins,” a market participant said.

South Korean buyers import coal from Russian far east ports because of the short delivery period. Additionally,

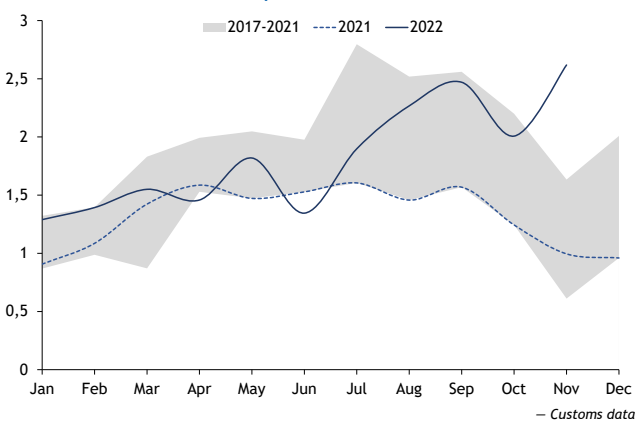
freight rates remain low on this route, a Russian mining firm said. Last week, the freight rate for a Capesize vessel from Vanino to South Korea was at around \$4/t, \$5.4/t for a Panamax vessel, and \$9.4/t for a Handysize vessel, according to market participants.

But some South Korean buyers also purchased Russian-origin coal from the northwestern ports of Ust-Luga, Vysotsk and Murmansk, and the southern ports of Taman during the year, shipping data show. “The coal supply at Russian far east ports may be limited, as Russian coal suppliers face difficulties on the railway to deliver coal to far east. So we delivered several cargos of Russian origin from the port of Taman this year,” a Russian coal trader said. The freight rate for Capesize vessels from Taman port to South Korea

Time charter dry bulk freight rates*		\$/t
Size / Route/ Region	23 Dec	± 16 Dec
Panamax		
Europe and Mediterranean		
Ust-Luga – Rotterdam	9.96	-0.06
Ust-Luga – Iskenderun	20.74	0.06
Ventspils – Rotterdam	9.28	-0.02
Taman – Rotterdam	20.66	0.61
Taman – Isdemir/Iskenderun	12.26	0.65
Asia-Pacific		
Vostochny’s Specialised coal terminal (PPK-3) – South Korea	4.71	-0.03
Vostochny’s Specialised coal terminal (PPK-3) – China	7.39	-0.04
Vostochny’s Specialised coal terminal (PPK-3) – Taiwan	8.79	-0.05
Vostochny’s Specialised coal terminal (PPK-3) – Japan	5.50	-0.03
Vostochny’s Specialised coal terminal (PPK-3) – Vietnam	13.56	-0.07
Taman – WC India	32.81	0.39
Taman – EC India	36.92	0.34
Taman – Vietnam	41.65	0.57
Taman – South Korea	45.86	0.61
Capesize		
Black Sea and Mediterranean		
Taman – Eren/Zonguldak	3.33	0.01
Taman – Iskenderun	7.33	0.28
Asia-Pacific		
Taman – WC India	17.84	0.12
Taman – EC India	21.24	0.08
Taman – South Korea	25.00	0.26
Vostochny’s Specialised coal terminal (PPK-3) – South Korea	4.70	-0.02
Vostochny’s Specialised coal terminal (PPK-3) – China	4.58	-0.02
Vostochny’s Specialised coal terminal (PPK-3) – Taiwan	5.00	-0.02
Vanino – South Korea	5.77	-0.02
Vanino – China	5.65	-0.02
Vanino – Taiwan	6.11	-0.02
Vanino – EC India	14.56	-0.20

*1 year t/c rate

Russian thermal coal imports to South Korea mn t



was estimated at \$46-50/t last week, according to coal exporters.

Suek, Kuzbassrazrezugol, SDS-Ugol and StroyService were key Russian coal suppliers to South Korea in November, customs data show.

Total thermal coal imports to South Korea decreased by 576,000t on the year to 87.19mn t in January-November. South Africa, Indonesia and the US also increased coal exports to South Korea during the year.

Freight rates move up

The freight rates for coal shipments from Russian far east ports started to increase last week, bouncing back from lows reached in November. The freight cost may grow further on higher demand for coal transportation, market participants said.

The freight rate for Panamax vessels from Russian far east ports to China increased by 16pc compared with mid-November to \$9-10/t last week, and the freight rate for Handysize vessels climbed by 15pc to \$13/t over the same period, according to market participants.

The freight rate for Capesize vessels from the port of Vanino to South Korea was up by 16pc compared with mid-November to \$5-6/t, the freight rate for Panamax vessels increased by 15pc to \$6-7/t, while the freight rate for Handysize vessels rose by 10.5pc to \$9.5-11/t over the same period, according to market participants. They noted increased demand for dry bulk shipping in Asia-Pacific as China lifted Covid-19 restrictions at the beginning of December.

The freight rate for Panamax vessels from Russian far east to India was estimated at \$18/t, up from \$15/t in mid-November. "Most available coal cargoes from far east ports are shipped to China, while suppliers to India prefer to use northwestern ports," a market participant commented.

The freight rate for coal shipments from Russian northwestern ports also rose last week, as demand for coal

loading from the ports of Ust-Luga and Murmansk increased from Russian coal exporters. The freight cost of a Panamax vessel for coal delivery from Ust-Luga to India increased by about 7.5pc compared with the beginning of December to \$42-34/t last week, market participants said. The freight rates from Ust-Luga may rise further in the coming weeks as the port plans to start its ice campaign in January, which may add \$4-5/t to the freight costs, according to market participants.

"Access to the railway capacities on the routes to the northwestern ports is easier than towards the far eastern ports, and so many Russian coal sellers aim to increase westward export deliveries," a source at a coal mining company said. In November, Russian coal exporters increased coal deliveries to northwestern ports by 7.5pc on the month and by 10.4pc on the year to 5.1mn t, according to rail data.

The freight rate for Panamax vessels from Taman to India were estimated at \$36-37/t, up from \$34-35/t in mid-November, while the freight rate for the same size vessels from Taman to China were also up by \$2-3/t to \$43-44/t, market participants said.

"Stormy weather at Taman has increased the risk of demurrage," a Russian mining firm said. "Some Asian buyers may reconsider booking vessels from Taman as the period of delivery may increase."

The freight rate for small vessels on the routes from Russian ports to Turkish ports in the Black Sea region remained in the range of \$55-60/t last week. "The railway coal deliveries almost do not go to the small southern ports," a Russian coal producer noted. "Coal demand from Turkish consumers remains low, so coal handling at ports decreases." Additionally, shallow water ports at the Black and Azov seas plan to increase handling rates at the beginning of next year. But persistently high seasonal demand for grain shipments supports freight rates at the spot market, market participants noted.

Russian coal prices in Asia-Pacific edge higher

Russian coal prices edged up in Asia-Pacific last week on higher offers from producers and limited supply at ports. But demand is expected to start falling in the coming weeks ahead of the Lunar New Year, market participants said.

Russian NAR 6,000 kcal/kg prices rose by \$0.29/t on the week to \$165.79/t fob Vostochny.

Russian producers increased offers to \$170-178/t fob last week, up from \$169-170/t fob on the previous week. But Chinese bids were at \$160-175/t cfr China, so trading was limited, market participants said.

A Panamax cargo of Russian NAR 6,000 kcal/kg was offered at \$176/t cfr China for delivery at the end of December or in January, while 35,000t of Russian high-CV was offered at \$178/t cfr, market participants said.

No trades of Russian high-CV coal were reported to South Korean consumers last week, as producers offered at \$172-173/t cif for April-June delivery, while buyers bid at \$165-166/t cif South Korea. And a large Chinese utility received an offer of bituminous low-volatile T-grade coal at around \$190/t fob.

Russian exporters offered high-CV cargoes in a tender

held by Taiwan's Formosa Plastics (FPG) that closed on 19 December. But FPG awarded two Handysize cargoes of Indonesian GAR 5,900 kcal/kg at \$165/t cfr, market participants said.

FPG was seeking an undisclosed amount of thermal coal with a minimum CV of NAR 5,650 kcal/kg to be shipped to Vietnam's Phu My port on 15 February-31 March 2023 on Handysizes. The coal should have a moisture content not exceeding 16pc on an as-received basis. The maximum sulphur and ash contents are 1pc and 15pc, respectively, while volatile matter should be in a 26-42pc range, all on an air-dried basis.

Russian NAR 5,500 kcal/kg prices were up by \$1.35/t on the week to \$149.25/t fob Vostochny.

A 40,000t cargo of Russian NAR 5,500 kcal/kg was sold at \$155/t cfr China for January loading, a trader said. Another cargo of Russian NAR 5,500 kcal/kg coal sold at Yn1260/t cfr China last week, while a 40,000t cargo was offered at \$160/t cfr from one of Russia's far-east ports for early-January delivery, according to market participants.

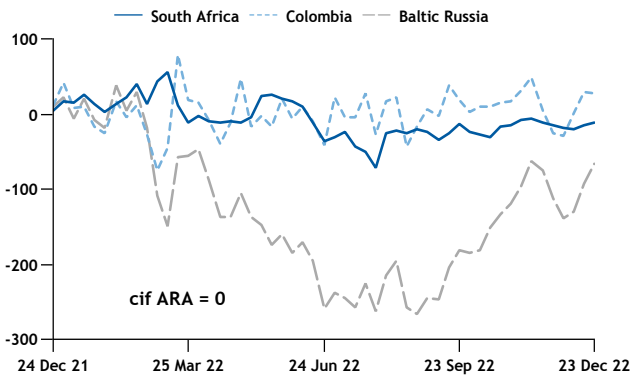
Russian exporters continue to face restrictions on rail routes to the far east, especially border-crossings with China. "[Rail operator] RZD extended the limitations to the Grodekovo-Suifenhe check point until 27 December. Railcars with our coal bound for Grodekovo-Suifenhe got stuck and there is no chance of the deliveries reaching our Chinese client in the near future", a Russian trader said.

The price of Russian mid-CV coal was estimated at \$130-135/t dap Grodekovo-Suifenhe border crossing, market participants said.

Demand for Russian PCI remains strong in China. Russian sellers offered PCI at \$250-260/t cfr, depending on the delivery period. The price for Russian PCI for prompt delivery could be over \$260/t cfr China, a producer noted.

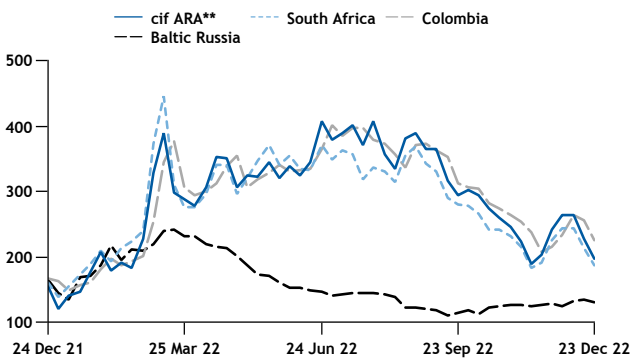
One Russian producer offered coking semi-hard GZh-grade coal at \$250/t fob far east last week, and Russian

Differentials to cif ARA* \$/t



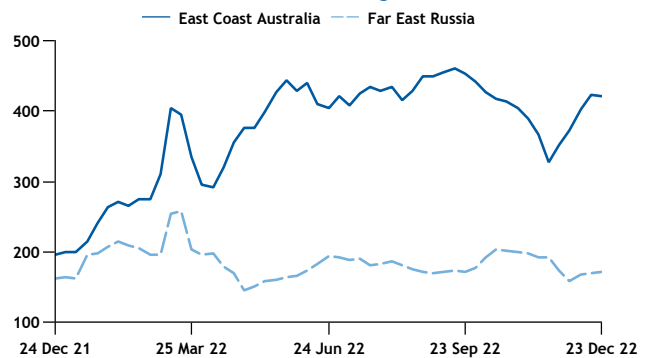
*weekly average coal price on a fob basis plus freight to ARA, calorific value NAR 6,000 kcal/kg

Coal landed cost in ARA* \$/t



*weekly average coal price on a fob basis plus freight to ARA, calorific value NAR 6,000 kcal/kg; **weekly average coal price index on a cif basis

Coal landed cost in Asia-Pacific region* \$/t



*weekly average coal price on a fob basis plus freight to South Korea, calorific value NAR 6,000 kcal/kg

anthracite was offered at \$250/t fob to South Korea, market participants said.

Last week, an Indonesian firm bought 55,000t of Russian NAR 6,700 kcal/kg bituminous coal in a tender at \$270/t cfr, market participants said.

Demand in Turkey on pause

Market participants have noted low demand in Turkey, reflecting unusually warm weather and high stocks. "Turkish consumers are booked until the end of February," a Russian producer said.

"We received a request for a high-CV cargo from a Turkish consumer last week, but the delivered price was too low for us, as freight rates for coasters remain high in the Black Sea region," a Russian trader said.

The price of Russian NAR 6,000 kcal/kg coal shipped from the Black Sea fell by \$6.33/t to \$93/t, reflecting low regional demand. No new trades were reported last week.

A 6,000t cargo of Russian NAR 6,000 kcal/kg was offered at \$151/t cfr Turkey with freight estimated at \$57/t, a Russian trader said.

The prices of large high-CV cargoes fell by \$2.87/t on the week to \$129.13/t fob Taman. Market participants said Taman is still loading for Chinese and Indian markets.

An international trader received an offer of Russian high-CV coal at \$180/t cfr China loading from Taman, but the price could be too high, as most Chinese consumers will not wait two months for delivery.

The price for Russian high-CV, high-volatile coal was \$163-165/t cfr India, according to a Russian producer. Some exporters have suspended deliveries to India, shipping to China instead.

The price of Russian high-CV coal shipped from Baltic ports fell by \$3.75/t on the week to \$121.25/t fob on higher freight rates. Russian producers are exporting from north-western ports to India, Morocco and China.

NETBACK PRICES

Northwestern ports, coal NAR 6,000 kcal/kg, 23 December					\$/t
	Riga	Ventspils	Murmansk [^]	Ust-Luga	Vysotsk
Price fob Baltic	121.25	121.25	121.25	121.25	121.25
Related expenses	1.29	1.29	1.29	1.29	1.29
Handling cost*	10.62	11.15	26.50	35.00	19.00
Rail tariff in Belarus, loaded run	2.61	2.61	–	–	–
Rail tariff in Belarus, empty return	1.50	1.50	–	–	–
Rail tariff in Belarus, total	4.11	4.11	–	–	–
Rail tariff in Russia, loaded run, Rbs/t**	1,372.83	1,372.83	1,488.46	1,372.83	1,387.67
Rail tariff in Russia, empty return, Rbs/t**	670.64	670.64	750.25	670.64	682.34
Rail tariff in Russia, total, Rbs/t**	2,043.47	2,043.47	2,238.71	2,043.47	2,070.01
Rail tariff in Russia, total**	28.33	28.33	31.04	28.33	28.70
Railcar rate, Rbs/t	1,024.36	1,051.22	977.03	863.46	877.54
Railcar rate	14.20	14.57	13.55	11.97	12.17
Rail delivery cost, total	46.64	47.01	44.59	40.30	40.87
Netback price, fca Kuzbass	62.70	61.80	48.87	44.66	60.09
Netback price, fca Kuzbass, Rbs/t	4,523.00	4,458.00	3,525.00	3,221.00	4,334.00

*handling cost for Riga and Ventspils includes rail tariff in Latvia; **average tariff from several rail stations in the Kemerovo region; [^]for independent companies
exchange rate €=\$1.06, \$=72.1306 Rbs

Northwestern ports, coal NAR 6,000 kcal/kg, 23 December					\$/t
	Riga	Ventspils	Murmansk [^]	Ust-Luga	Vysotsk
Price fob Baltic	121.25	121.25	121.25	121.25	121.25
Related expenses	1.29	1.29	1.29	1.29	1.29
Handling cost*	10.62	11.15	26.50	35.00	19.00
Rail tariff in Belarus, loaded run	2.61	2.61	–	–	–
Rail tariff in Belarus, empty return	1.50	1.50	–	–	–
Rail tariff in Belarus, total	4.11	4.11	–	–	–
Rail tariff in Russia, loaded run, Rbs/t**	1,443.00	1,443.00	1,557.69	1,443.00	1,446.16
Rail tariff in Russia, empty return, Rbs/t**	713.21	713.21	788.21	713.21	721.53
Rail tariff in Russia, total, Rbs/t**	2,156.21	2,156.21	2,345.90	2,156.21	2,167.69
Rail tariff in Russia, total**	29.89	29.89	32.52	29.89	30.05
Railcar rate, Rbs/t	1,088.74	1,115.64	1,041.41	927.68	941.96
Railcar rate	15.09	15.47	14.44	12.86	13.06
Rail delivery cost, total	49.09	49.47	46.96	42.75	43.11
Netback price, fca Khakassia	60.25	59.34	46.50	42.21	57.85
Netback price, fca Khakassia, Rbs/t	4,346.00	4,280.00	3,354.00	3,045.00	4,173.00

*handling cost for Riga and Ventspils includes rail tariff in Latvia; **average tariff from several rail stations in Khakassia; [^]for independent companies
exchange rate €=\$1.06, \$=72.1306 Rbs

download data on [Argus direct](#)

NETBACK PRICES

Far eastern ports, coal NAR 6,000 kcal/kg, 23 December						\$/t
	Vostochny Port	VUT	Evrast NCSP	Astafyeva	Vanino CSP	
Price fob Vostochny Port	165.79	165.79	165.79	165.79	165.79	165.79
Related expenses	1.29	1.29	1.29	1.29	1.29	1.29
Handling cost	22.50	23.00	24.00	22.50	22.00	22.00
Rail tariff, loaded run, Rbs/t*	1,793.74	1,793.74	1,756.34	1,756.34	1,592.74	1,592.74
Rail tariff, empty return, Rbs/t*	881.75	881.75	866.93	866.93	802.10	802.10
Railcar rate, Rbs/t	1,170.14	1,170.14	1,167.14	1,167.14	1,058.00	1,058.00
Rail delivery cost, total, Rbs/t	3,845.63	3,845.63	3,790.41	3,790.41	3,452.84	3,452.84
Rail delivery cost, total	53.31	53.31	52.55	52.55	47.87	47.87
Netback price, fca Kuzbass	88.69	88.19	87.95	89.45	94.63	94.63
Netback price, fca Kuzbass, Rbs/t	6,397.00	6,361.00	6,344.00	6,452.00	6,826.00	6,826.00

*average tariff from several rail stations in the Kemerovo region

exchange rate €=\$1.06, \$=72.1306 Rbs

Far eastern ports, coal NAR 5,500 kcal/kg, 23 December						\$/t
	Vostochny Port	VUT	Evrast NCSP	Astafyeva	Vanino CSP	
Price fob Vostochny Port	149.25	149.25	149.25	149.25	149.25	149.25
Related expenses	1.29	1.29	1.29	1.29	1.29	1.29
Handling cost	22.50	23.00	24.00	22.50	22.00	22.00
Rail tariff, loaded run, Rbs/t*	1,793.74	1,793.74	1,756.34	1,756.34	1,592.74	1,592.74
Rail tariff, empty return, Rbs/t*	881.75	881.75	866.93	866.93	802.10	802.10
Railcar rate, Rbs/t	1,170.14	1,170.14	1,167.14	1,167.14	1,058.00	1,058.00
Rail delivery cost, total, Rbs/t	3,845.63	3,845.63	3,790.41	3,790.41	3,452.84	3,452.84
Rail delivery cost, total	53.31	53.31	52.55	52.55	47.87	47.87
Netback price, fca Kuzbass	72.15	71.65	71.41	72.91	78.09	78.09
Netback price, fca Kuzbass, Rbs/t	5,204.00	5,168.00	5,151.00	5,259.00	5,633.00	5,633.00

*average tariff from several rail stations in the Kemerovo region

exchange rate €=\$1.06, \$=72.1306 Rbs

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NETBACK PRICES

Far eastern ports, coal NAR 6,000 kcal/kg, 23 December						\$/t
	Vostochny Port	VUT	Evrast NCSP	Astafyeva	Vanino CSP	
Price fob Vostochny Port	165.79	165.79	165.79	165.79	165.79	165.79
Related expenses	1.29	1.29	1.29	1.29	1.29	1.29
Handling cost	22.50	23.00	24.00	22.50	22.00	22.00
Rail tariff, loaded run, Rbs/t*	1,662.88	1,662.88	1,662.88	1,662.88	1,507.47	1,507.47
Rail tariff, empty return, Rbs/t*	829.89	829.89	829.89	829.89	757.66	757.66
Railcar rate, Rbs/t	1,102.83	1,102.83	1,099.79	1,099.79	990.66	990.66
Rail delivery cost, total, Rbs/t	3,595.60	3,595.60	3,592.56	3,592.56	3,255.79	3,255.79
Rail delivery cost, total	49.85	49.85	49.81	49.81	45.14	45.14
Netback price, fca Khakassia	92.15	91.65	90.69	92.19	97.36	97.36
Netback price, fca Khakassia, Rbs/t	6,647.00	6,611.00	6,542.00	6,650.00	7,023.00	7,023.00

*average tariff from several rail stations in Khakassia

exchange rate €=\$1.06, \$=72.1306 Rbs

Far eastern ports, coal NAR 5,500 kcal/kg, 23 December						\$/t
	Vostochny Port	VUT	Evrast NCSP	Astafyeva	Vanino CSP	
Price fob Vostochny Port	149.25	149.25	149.25	149.25	149.25	149.25
Related expenses	1.29	1.29	1.29	1.29	1.29	1.29
Handling cost	22.50	23.00	24.00	22.50	22.00	22.00
Rail tariff, loaded run, Rbs/t*	1,662.88	1,662.88	1,662.88	1,662.88	1,507.47	1,507.47
Rail tariff, empty return, Rbs/t*	829.89	829.89	829.89	829.89	757.66	757.66
Railcar rate, Rbs/t	1,102.83	1,102.83	1,099.79	1,099.79	990.66	990.66
Rail delivery cost, total, Rbs/t	3,595.60	3,595.60	3,592.56	3,592.56	3,255.79	3,255.79
Rail delivery cost, total	49.85	49.85	49.81	49.81	45.14	45.14
Netback price, fca Khakassia	75.61	75.11	74.15	75.65	80.82	80.82
Netback price, fca Khakassia, Rbs/t	5,454.00	5,418.00	5,348.00	5,457.00	5,830.00	5,830.00

*average tariff from several rail stations in Khakassia

exchange rate €=\$1.06, \$=72.1306 Rbs

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NETBACK PRICES

Southern ports, coal NAR 6,000 kcal/kg, 23 December					\$/t
	Novorossiysk	Tuapse	Rostov-on-Don	Temryuk	Taman
Price fob Black sea/fob Taman	93.00	93.00	93.00	93.00	129.13
Related expenses	1.29	1.29	1.29	1.29	1.29
Handling cost	15.75	15.00	10.00	10.00	36.00
Rail tariff, loaded run, Rbs/t*	1,423.31	1,444.40	1,372.83	1,423.31	1,423.31
Rail tariff, empty return, Rbs/t*	705.63	716.91	670.64	705.63	705.63
Railcar rate, Rbs/t	911.18	926.70	864.11	919.52	920.70
Rail delivery cost, total, Rbs/t	3,040.12	3,088.01	2,907.58	3,048.46	3,049.64
Rail delivery cost, total	42.15	42.81	40.31	42.26	42.28
Netback price, fca Kuzbass	33.81	33.90	41.40	39.45	49.56
Netback price, fca Kuzbass, Rbs/t	2,439.00	2,445.00	2,986.00	2,846.00	3,575.00

*average tariff from several rail stations in the Kemerovo region;

exchange rate €=\$1.06, \$=72.1306 Rbs

Southern ports, coal NAR 6,000 kcal/kg, 23 December					\$/t
	Novorossiysk	Tuapse	Rostov-on-Don	Taman	
Price fob Black sea/fob Taman	93.00	93.00	93.00	93.00	129.13
Related expenses	1.29	1.29	1.29	1.29	1.29
Handling cost	15.75	15.00	10.00	10.00	36.00
Rail tariff, loaded run, Rbs/t*	1,500.34	1,508.33	1,446.16	1,507.47	1,507.47
Rail tariff, empty return, Rbs/t*	754.88	765.98	721.53	757.66	757.66
Railcar rate, Rbs/t	987.33	1,002.98	940.19	996.82	996.82
Rail delivery cost, total, Rbs/t	3,242.55	3,277.29	3,107.88	3,261.95	3,261.95
Rail delivery cost, total	44.95	45.44	43.09	45.22	45.22
Netback price, fca Khakassia	31.01	31.27	38.62	46.62	46.62
Netback price, fca Khakassia, Rbs/t	2,237.00	2,256.00	2,786.00	3,363.00	3,363.00

*average tariff from several rail stations in Khakassia

exchange rate €=\$1.06, \$=72.1306 Rbs

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NETBACK PRICES

Kazakhstan coal NAR 5,700 kcal/kg spot, weekly, 23 December				\$/t
	Ventspils	Ust-Luga	Taman	
cif ARA NAR 6,000 kcal	–	–	–	–
fob Baltic ports/Taman delivered to ARA	130.53	131.21	149.79	
Freight Ventspils/Ust-Luga/Taman – Rotterdam	9.28	9.96	20.66	
fob Baltic ports/Taman NAR 6,000 kcal	121.25	121.25	129.13	
De-escalation	6.06	6.06	6.46	
Quality discount	15.00	15.00	15.00	
Price fob port NAR 5,700 kcal/kg	100.19	100.19	107.67	
Related expenses	1.29	1.29	1.29	
Handling cost*	11.14	35.00	36.00	
Rail tariff in Belarus, loaded run	2.61	–	–	
Rail tariff in Belarus, empty return	1.50	–	–	
Rail tariff in Belarus, total	4.11	–	–	
Rail tariff in Russia, loaded run, Rbs/t	1,708.87	1,112.57	706.06	
Rail tariff in Russia, empty return, Rbs/t	1,112.17	538.39	383.61	
Rail tariff in Russia, total, Rbs/t	2,821.05	1,650.96	1,089.67	
Rail tariff in Russia	41.16	24.13	15.93	
Rail tariff in Kazakhstan loaded run, tenge/t	1,226.35	1,226.35	2,658.60	
Rail tariff in Kazakhstan, empty return, tenge/t	453.93	453.93	1,140.40	
Rail tariff in Kazakhstan, total, tenge/t	1,680.28	1,680.28	3,799.00	
Rail tariff in Kazakhstan, total	3.59	3.59	8.11	
Railcar rate, Rbs/t	1,476.30	1,090.60	1,062.83	
Railcar rate	21.58	15.94	15.53	
Rail delivery cost, total	70.44	43.66	39.57	
Netback price, fca Shubarkol	17.32	20.24	30.81	

*handling cost for Ventspils includes rail tariff in Latvia

Kazakhstan coal NAR 5,700 kcal/kg via Ust-Luga, weekly, forward, 23 December				\$/t
	Ust-Luga (forward month+2)	Ust-Luga (forward year+1)	Ust-Luga (forward Balance of year)	
cif ARA NAR 6,000 kcal	194.46	192.65	197.60	
De-escalation	9.72	9.63	9.88	
Quality/regional discount	81.38	81.38	81.38	
Freight Ust-Luga – Rotterdam	9.96	9.96	9.96	
Price fob port NAR 5,700 kcal/kg	93.40	91.68	96.37	
Related expenses	1.29	1.29	1.29	
Handling cost	35.00	35.00	35.00	
Rail tariff in Russia, loaded run, Rbs/t	1,112.57	1,112.57	1,112.57	
Rail tariff in Russia, empty return, Rbs/t	538.39	538.39	538.39	
Rail tariff in Russia, total, Rbs/t	1,650.96	1,650.96	1,650.96	
Rail tariff in Russia	24.13	24.13	24.13	
Rail tariff in Kazakhstan loaded run, tenge/t	1,226.35	1,226.35	1,226.35	
Rail tariff in Kazakhstan, empty return, tenge/t	453.93	453.93	453.93	
Rail tariff in Kazakhstan, total, tenge/t	1,680.28	1,680.28	1,680.28	
Rail tariff in Kazakhstan, total	3.59	3.59	3.59	
Railcar rate, Rbs/t	1,090.60	1,090.60	1,090.60	
Railcar rate	15.94	15.94	15.94	
Rail delivery cost, total	43.66	43.66	43.66	
Netback price, fca Shubarkol	13.45	11.73	16.43	

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NETBACK PRICES

Kazakhstan coal NAR 5,700 kcal/kg via Ventspils, weekly, forward, 23 December				\$/t
	Ventspils (forward month+2)	Ventspils (forward year+1)	Ventspils (forward Balance of year)	
cif ARA NAR 6,000 kcal	194.46	192.65		197.60
De-escalation	9.72	9.63		9.88
Quality/regional discount	82.06	82.06		82.06
Freight Ventspils – Rotterdam	9.28	9.28		9.28
Price fob port NAR 5,700 kcal/kg	93.39	91.68		96.37
Related expenses	1.29	1.29		1.29
Handling cost	11.14	11.14		11.14
Rail tariff in Belarus, loaded run	2.61	2.61		2.61
Rail tariff in Belarus, empty return	1.50	1.50		1.50
Rail tariff in Belarus, total	4.11	4.11		4.11
Rail tariff in Russia, loaded run, Rbs/t	1,708.87	1,708.87		1,708.87
Rail tariff in Russia, empty return, Rbs/t	1,112.17	1,112.17		1,112.17
Rail tariff in Russia, total, Rbs/t	2,821.05	2,821.05		2,821.05
Rail tariff in Russia	41.16	41.16		41.16
Rail tariff in Kazakhstan loaded run, tenge/t	1,226.35	1,226.35		1,226.35
Rail tariff in Kazakhstan, empty return, tenge/t	453.93	453.93		453.93
Rail tariff in Kazakhstan, total, tenge/t	1,680.28	1,680.28		1,680.28
Rail tariff in Kazakhstan, total	3.59	3.59		3.59
Railcar rate, Rbs/t	1,476.30	1,476.30		1,062.83
Railcar rate	21.58	21.58		15.53
Rail delivery cost, total	70.44	70.44		64.39
Netback price, fca Shubarkol	10.52	8.81		19.55

Kazakhstan coal NAR 5,700 kcal/kg via Taman, weekly, forward, 23 December				\$/t
	Taman (forward month+2)	Taman (forward year+1)	Taman (forward Balance of year)	
cif ARA NAR 6,000 kcal	194.46	192.65		197.60
De-escalation	9.72	9.63		9.88
Quality/regional discount	62.80	62.80		62.80
Freight Taman – Rotterdam	20.66	20.66		20.66
Price fob port NAR 5,700 kcal/kg	101.27	99.56		104.25
Related expenses	1.29	1.29		1.29
Handling cost	36.00	36.00		36.00
Rail tariff in Russia, loaded run, Rbs/t	706.06	706.06		706.06
Rail tariff in Russia, empty return, Rbs/t	383.61	383.61		383.61
Rail tariff in Russia, total, Rbs/t	1,089.67	1,089.67		1,089.67
Rail tariff in Russia	15.93	15.93		15.93
Rail tariff in Kazakhstan loaded run, tenge/t	2,658.60	2,658.60		2,658.60
Rail tariff in Kazakhstan, empty return, tenge/t	1,140.40	1,140.40		1,140.40
Rail tariff in Kazakhstan, total, tenge/t	3,799.00	3,799.00		3,799.00
Rail tariff in Kazakhstan, total	8.11	8.11		8.11
Railcar rate, Rbs/t	1,062.83	1,062.83		1,062.83
Railcar rate	15.53	15.53		15.53
Rail delivery cost, total	39.57	39.57		39.57
Netback price, fca Shubarkol	24.41	22.70		27.39

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NETBACK PRICES

Kazakhstan coal NAR 5,500 kcal/kg via far eastern ports, 23 December		\$/t
	Vostochny Port	Vanino CSP
Price fob port	149.25	149.25
Related expenses	1.29	1.29
Handling cost	22.50	22.00
Rail tariff in Russia, loaded run, Rbs/t	2,031.24	1,854.07
Rail tariff in Russia, empty return, Rbs/t	981.65	911.05
Rail tariff in Russia, total, Rbs/t	3,012.89	2,765.12
Rail tariff in Russia	41.77	38.33
Rail tariff in Kazakhstan loaded run, tenge/t	1,819.10	1,819.10
Rail tariff in Kazakhstan, empty return, tenge/t	734.37	734.37
Rail tariff in Kazakhstan, total, tenge/t	2,553.47	2,553.47
Rail tariff in Kazakhstan, total	5.47	5.47
Railcar rate, Rbs/t	2,131.91	1,985.22
Railcar rate	29.56	27.52
Rail delivery cost, total	76.80	71.32
Netback price, fca Shubarkol	48.66	54.64

Suspension of discounted Kazakh coal netback via Ventspils

Argus will stop publication of Kazakh coal export netback via Ventspils including regional discount on 6 January 2023. Argus will launch the calculation of Kazakh coal export netback via Ventspils without regional discount instead.

For further information, please contact Sergey Sokolov at sergey.sokolov@argusmedia.com, +7 916 670 75 20 or Pavel Shcheglov at pavel.shcheglov@argusmedia.com, +7 916 187 92 11.

Proposal to stop Kazakh coal netbacks via Ust-Luga and Taman

Argus plans to suspend publication of Kazakh coal export netbacks via Ust-Luga and Taman on 6 January 2023. Argus proposes to launch Kazakh coal export netbacks calculated from Russian fob Baltic ports assessment instead on 30 January 2023.

Argus will accept comments on this proposed change until 23 December 2022. To discuss this proposal, please contact Sergey Sokolov at sergey.sokolov@argusmedia.com, +7 916 670 75 20 or Pavel Shcheglov at pavel.shcheglov@argusmedia.com, +7 916 187 92 11. Formal comments should be marked as such. Argus will accept formal comments sent by email and received by 23 December 2022. Please note, formal comments may be published after the consultation period unless confidentiality is specifically requested.

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Russian coal specifications				
Type of coal	Coal grade	Vitrinite reflectance index (Ro) %	Volatile matter %	Plastic layer thickness (Y) mm
Anthracite	A	>2.2	<8	
Brown coal	B	< 0.6	10–48	
Long flame coal	D	0.40–0.79	>30	<6
Long flame gas coal	DG	0.50–0.79	>30	6–9
Gas coal	G	0.50–0.99	>30	6–12
Gas fat semi-lean coal	GZhO	<99	<38	10–16
Gas fat coal	GZh	0.50–0.99	38.00	16–25
Fat coal	Zh	0.80–1.19	28–36	14–26
Semi-lean caking coal	OS	1.30–1.79	<20	6–12
Lean caking coal	TS	1.40–1.99	<20	<6
Weakly caking coal	SS	0.70–1.79	>20	<6
Lean coal	T	1.30–2.59	8–18	none
Coke fat coal	KZh	0.90–1.29	24–30	>18
Coke coal	K	1.00–1.69	24–28	13–17
Coke semi-lean coal	KO	0.80–1.39	24–28	10–12
Coke weakly caking low metamorphic coal	KSN	0.80–1.09	>30	6–9
Coke weakly caking coal	KS	1.10–1.69	<30	6–9



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