



Exclusive

Global coal roundup: HSBC, Generali to end coal investments

Julie Silvederio

728 words

23 April 2018

SNL Financial Extra

SNLFE

English

Copyright 2018. SNL Financial LC

A roundup of international coal news from April 16 to April 23.

Europe

United Kingdom: HSBC Holdings PLC said it will stop financing new coal-fired power plants globally, except in three countries, to support the transition to a low-carbon economy. The three exempt countries are Indonesia, Bangladesh and Vietnam.

Italy: Generali Chairman Gabriele Galateri di Genola pledged that the Italian insurer will off-load its investments in the coal sector in the next six to 12 months, Reuters reported. The announcement came amid protests from Greenpeace activists during Generali's annual general meeting in the city of Trieste, the newswire reported.

Asia

China: China's March coal production dropped to 290 million tonnes, its lowest level since October 2017, as miners cut back operations amid declining coal prices, Reuters reported April 16, citing data from the National Statistics Bureau. Warmer weather resulted in lower demand from utilities and led a 20% plunge in coal prices from records hit in January, the report said.

China's crude steel output for March rose 4.5% year over year to 74.0 million tonnes, and aluminum production was up 4.0% to 2.8 million tonnes, according to data from the country's National Bureau of Statistics released April 17. Raw coal production was up 1.3% to 290.2 million tonnes in the month, and iron ore output dropped 1.1% to 60.5 million tonnes.

China's most active thermal coal futures inched up 2.9% to 570 yuan per tonne April 16 amid concerns of a wider ban on coal imports, Reuters reported. "Our company received instructions that Chuanshan anchorage under Ningbo port has banned docking by any vessel, which carries foreign coal supplies," a manager with a coal trading company in Hangzhou, Zhejiang, was quoted as saying. He added that a port near Shanghai only allowed two to three coal ships to dock.

India: Coal India Ltd. will offer over 45 million tonnes of coal in a special forward auction to allow for power producers, particularly independent power producers, to plan for their coal requirements for fiscal year 2019, Mint reported April 20, citing a company statement. "The power producers, particularly the independent power producers, can now plan much in advance their coal requirement source-wise, grade-wise, size-wise, quantity-wise and mode-wise as the company has indicated the availability right in the beginning of the fiscal itself," a company official said in the statement.

Australia

Liberty House affiliate GFG Alliance completed the previously announced acquisition of Glencore PLC's Tahmoor coking coal mine in New South Wales, Australia, Metal Bulletin reported April 20. A Financial Times report in early January suggested the sale price for the asset was under US\$100 million.

South32 Ltd. said April 19 that its metallurgical coal output slumped to 794,000 tonnes from 1.43 million tonnes in the year-ago period, while energy coal production rose to 7.10 million tonnes from 6.86 million tonnes. The BHP Billiton Group spinoff lowered its fiscal 2018 guidance at the Illawarra metallurgical coal

mine to 4.1 million tonnes from 4.5 million tonnes as it prioritized coal clearance and ground rehabilitation work in the March quarter ahead of the Appin colliery restart.

BHP Billiton produced 6.12 million tonnes of thermal coal in the January-March quarter, falling 18% year on year and 16% from the October-December quarter, the company said. The volume of thermal coal produced at its Australian operations in New South Wales declined following unfavorable weather and a significant build in raw coal inventory late in the quarter, BHP said.

Whitehaven Coal Ltd. said April 17 that its total coal sales in the third quarter of its fiscal 2018 rose 10% to 5.4 million tonnes, from the 4.9 million tonnes sold in the same period of its fiscal 2017, on the back of stronger demand for thermal coal. According to the company, production at its 75%-owned Maules Creek mine in New South Wales, Australia, hit new quarterly records, with output reaching 2.9 million tonnes of run-of-mine coal and 2.7 million tonnes of salable coal.

This feature was updated as of 12:04 p.m. ET on April 23. Some external links may require a subscription.

Document SNLFE00020180424ee4n00133