SBB STEEL MARKETS DAILY

SE News Stories; Coking coal market

HD **Met coal closes week firmer in dealmaking flurry**

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WC 721 words
PD 18 July 2014
SN Platts SBB Steel Markets Daily
SC STEELDLY
VOL ISSN: 1935-7354, Volume 8, Issue 140
LA English

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The Asia-Pacific metallurgical coal spot market saw good activity to end the week, with a series of spot deals done in the last two days, sources said Friday.

Platts observed at least nine deals for premium, non-prime hard coking, and pulverized coal injection (PCI) material in India and China.

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Premium low-vol hard coking coal was assessed 25 cents higher day on day to $122.75/mt CFR China, equating to $110.25/mt FOB Australia netting back with Panamax freight and $113.80/mt FOB using a Capesize calculation.

Prices for non-prime material were steady at $105/mt CFR China.

There also appeared to be greater interest from buyers in northern China — the Hebei and Tangshan regions — particularly for second-tier hard coking coals.

Jitters about further domestic coal price cuts in China have seen buyers ask for bigger discounts from foreign miners, a Beijing trader said.

"It is a bad time to enter the market now when you do not know when prices will fall, and by how much," the trader said.

"Most end-users say they expect prices to continue to slide, and are in no rush to bid for anything," a mining source said.

Commenting on resilient steel prices, a met coal trader said that while producers might have been seeing better profit margins, it had not changed their buying habits.

Spot HRC prices in Shanghai were assessed at Yuan 3,410/mt ex-stock Friday, up Yuan 25/mt since the start of the month, Platts data showed.

Robust liquidity to end the week

In the premium coal category, there was a slight firming of price expectations for the best regarded Australian premium low-vol.

Bid indications from Chinese steelmakers, traders and miners pointed to a tradeable value of $123-123.50/mt CFR China.

An index-linked transaction was reported done Thursday for an Australian 69-71% CSR blended premium mid-to-low vol, 100,000 mt, August-mid laycan cargo. The purchase price would be fixed at a 3% discount to the August monthly average price of Platts and Argus combined premium low-vol CFR China indices.

A second prime-hard deal was completed Friday in India for Australian unblended premium 68-70% CSR, 22-25% VM and 9-11% ash HCC at $117-118/mt FOB Australia. This was an August-mid laycan, 45,000 mt shipment.

In the second-tier HCC segment, Canadian 67-72% CSR, 22-24% VM, 9-10% ash and 7-8 CSN was traded Thursday at $113/mt CFR **China**. This was an 80,000 mt shipment discharging in two **Chinese** ports, with a mid- to end-July laycan.

An Australian HCC with 57% CSR, 21.5% VM, 7.5% ash, 0.4% sulfur, 0.05% phosphorous, 11% total moisture and 7 CSN was also transacted at parity with the average August price of Platts HCC 64 Mid Vol index. The deal involved 50,000 mt of material in a Capesize vessel, with mid-August laycan.

On PCI, a low-vol, 12% ash **coal** was reported done Friday at $82.50/mt FOB Australia for a 75,000 mt, September 1-10 laycan cargo.

A deal was also done Thursday for Australian PCI with 18-20% VM, 11-12% ash and around 80 HGI at around $91-93/mt CFR **China**. This was for an end-August, Panamax-size cargo. A 20,000 mt, July-end laycan, Russian 3-4% VM and 13% ash anthracite fines vessel was also reported traded at $88/mt CFR **China**.

Elsewhere, despite **Chinese** authorities' call to streamline the domestic coke market, output only edged marginally lower in the first six months of this year.

Coke production in **China** in June fell 0.5% year on year to 4.1 **million** mt, customs data showed. That meant first-half volumes slipped 1.1% to 23.4 **million** mt.

In the paper market, the September coking **coal** contract on the Dalian Commodity Exchange, the most liquid, fell Yuan 10/mt ($1.62/mt) to the last-traded price of Yuan 754/mt, while the September coke contract slipped Yuan 4/mt to Yuan 1,081/mt.

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