

NEWS IN BRIEF

An industrial action on Tuesday is likely to impact operations at French ports, according to shipping sources Monday. A number of French labor unions have called for industrial action on Tuesday against the labor law which was passed in 2017, and new pension plans. The labor law has provoked industrial action several times.

The Bureau of International Recycling has formed a Global Recycling Foundation to promote recycling's "vital" role in preserving the future of the planet, BIR President Ranjit Baxi announced Saturday at the bureau's conference in London. The aim is to promote recycling of materials including metals, plastics and textiles around the globe and establish the concept of recyclables as the "Seventh Resource," after the six major resources of: water, air, coal, oil, natural gas and minerals, said Baxi, the foundation's founding president. The foundation, which has a partnership with the United Nations Industrial Development Organization (UNIDO) to focus on inclusive sustainability and the UN's 2030 development goals, will work together with BIR but be run independently. It will be financed by donors, partners and sponsors, including governments, and specific recycling projects will be put forward for consideration by the foundation's board. The initiative is a "365-day version" of the UN-supported Global Recycling Day which falls every year on March 18, recently sponsored by Sims Metal Management, outdoor equipment manufacturer Fjallraven and the Institute of Scrap Recycling Industries.

Mid Vol coking coal," a seller source said.

Concerns over queues at Dalrymple Bay Coal Terminal continued with 37 vessels waiting at anchor Monday evening.

A firm bid was seen at \$212.50/mt FOB Australia for a 75,000 mt cargo of Australian Premium Mid-Vol Goonyella with a mid-November laycan.

Metallurgical coke futures traded on the Dalian Commodity Exchange were higher Monday, with the most liquid January 2019 contract settling at Yuan 2,331.50/mt, up Yuan 94.50/mt from the last trading day September 28.

Market sources said this could be a bullish signal for domestic coke prices.

The most competitive offer indicated Monday was at \$375/mt FOB China for Chinese 65% coke with a mid-November laycan.

— *Kate Zhou and Weng Yi Le*

COKING COAL

METALLURGICAL COKE

Seaborne

| | %CSR | \$/mt | Change | % Chg |
|-----------------|-------|--------|--------|-------|
| FOB North China | 66/65 | 364.00 | 0.00 | 0.00 |
| CFR India | 66/65 | 381.50 | 0.00 | 0.00 |
| FOB North China | 62 | 355.00 | 0.00 | 0.00 |
| CFR India | 62 | 372.50 | 0.00 | 0.00 |

Domestic

| | | Yuan/mt | | |
|---|----|---------|-------|-------|
| DDP North China (weekly) | 62 | 2400.00 | 0.00 | 0.00 |
| | | \$/mt | | |
| FOB North China equivalent (DDP weekly) | 62 | 356.12 | -0.79 | -0.22 |

PLATTS CHINA PLV, MET COKE PRICE DIFFERENTIALS

| Price spreads | \$/mt |
|--|-------|
| Import-Shanxi Premium Low Vol CFR China | 0.44 |
| Import-port stock Premium Low Vol CFR China | 9.99 |
| 62% CSR coke export-domestic FOB North China | -1.12 |

COKING COAL SWAPS ASSESSMENT, OCTOBER 8

| | \$/mt | Change | % Chg |
|--|---------|--------|-------|
| TSI Premium Hard Coking Coal Australia Export FOB East Coast Port | | | |
| Nov 18 | 210.580 | 0.08 | 0.04 |
| Dec 18 | 209.170 | -0.21 | -0.10 |
| Jan 19 | 206.380 | -0.25 | -0.12 |
| Q1 2019 | 204.500 | 0.14 | 0.07 |
| Q2 2019 | 195.580 | 0.70 | 0.36 |
| Q3 2019 | 189.170 | -0.08 | -0.04 |
| 2019 | 193.720 | 0.45 | 0.23 |

PENALTIES & PREMIA: DIFFERENTIALS (\$/mt)

| | Within Min-Max | % of Premium Low Vol FOB Australia assessment price | Net value (\$/mt) |
|-------------------------|----------------|---|-------------------|
| Per 1% CSR | 60-71% | 0.50% | 1.08 |
| Per 1% VM (air dried) | 18-27% | 0.50% | 1.08 |
| Per 1% TM (as received) | 8-11% | 1.00% | 2.16 |
| Per 1% Ash (air dried) | 7-10.5% | 1.50% | 3.24 |
| Per 0.1%S (air dried) | 0.3-1% | 1.00% | 2.16 |

US low-vol HCC Penalties & Premia; Differentials (\$/mt)

| | Within Min-Max | % of US low-vol HCC FOB USEC assessment price | Net value (\$/mt) |
|-------------------------|----------------|---|-------------------|
| Per 1% CSR | 50-64% | 0.50% | 1.01 |
| | 40-49% | 0.35% | 0.70 |
| Per 0.1% S | 0.70-1.05% | 0.75% | 1.51 |
| | 1.06-1.25% | 1.10% | 2.21 |
| Per 1% TM (as received) | 6.0-11.0% | 1.00% | 2.01 |
| Per 1% Ash | 5.0-10.0% | 1.75% | 3.52 |

FOB NETBACKS PER ROUTE

Basis IODEX 62% Fe

| Route | Vessel Type | Freight rate (\$/wmt) | Moisture (%) | IODEX (\$/dmt) |
|-----------------|-------------|-----------------------|--------------|----------------|
| Australia | Capesize | 8.65 | 8.03 | 59.99 |
| India West | Panamax | 12.00 | 8.11 | 56.34 |
| Brazil | Capesize | 20.75 | 9.00 | 46.60 |
| NW Europe (CFR) | Capesize | 8.30 | 9.00 | 55.72 |
| South Africa | Capesize | 15.75 | 3.00 | 53.16 |

Basis 58%-Fe CFR Qingdao

| Route | Vessel Type | Freight rate (\$/wmt) | Moisture (%) | FOB 58%-Fe (\$/dmt) |
|------------|-------------|-----------------------|--------------|---------------------|
| India West | Supramax | 13.30 | 11.00 | 25.31 |

Reference ports are Port Hedland, Mormugao, Haldia/Paradip, Tubarao, Rotterdam (CFR), Saldanha Bay. NW Europe IODEX netback is calculated by adding Tubarao to Rotterdam Capesize freight to IODEX Brazil netback.