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API2

The API2 May contract again heading towards the north this week. It escalate to $ 319 from $ 264.25, increased by $ 55/tonne WoW. May 2022 contract has touched above $ 447 on 8th Mar 2022 and low at $ 100 on 29th Dec 2021.

June 2022 contract closed at $ 311.50, up $ 59 WoW from its previous closing of $ 253. June 2022 contract has touched above $ 434 on 8th Mar 2022 and low at $ 97 on 29th Dec 2021.

South African Coal Prices (API4)

The API4 contract is also on the same track. API4 contract which is benchmark price reference for coal exported from South Africa's Richards Bay Coal Terminal is closed at $ 310.50 from $ 258, an increase of $ 53 WoW. May 2022 contract has touched above $ 424 on 8th Mar 2022 and low at $ 97 on 3rd Jan 2022.

Coking Coal

The FOB Australia market had conflicting reactions amid the various traded levels, with one side claiming that there was strong purchasing demand from end-users in the market. Premium Low Vol FOB Australia was assessed at $ 460/mt, down by $ 61 as on 5th may. A trade was heard on May 5 at $ 520/mt FOB Australia for 80,000 mt of globalCOAL HCCLV Peak Downs, with a June laycan.

Following a PMV transaction, greater bids for spot peak downs on screen, Australian seaborne prices rose significantly on May 6th. A 75,000 t June loading PMV Caval Ridge shipment was completed on 6th May, for $516.80/t FOB. Peak Downs received two offers on screen: $520.00/t FOB for 50,000 t in May loading and $500.00/t FOB for 80,000 t in June loading.

DOMESTIC COAL PRICE

(West Coast – India)

i-ENERGY®

Domestic prices for imported coal are still not showing signs of improvement. Power demand in the country has reached all-time highs, owing to an increase in economic activity and abnormally hot summers. However, the supply of coal to power plants has remained limited.

Current offers are at INR 21,000 for US high CV (NAPP) coal from Tuna port and 8,300 pmt (Taxes Extra) for Indo 3400 GAR coal, 10400 for 4200 GAR & 14,400 for 5000 GAR.

Grade	Price pmt / 00-50 MM / Ex-Plot Port				
	07-May-22	**30-Apr-22**	**Change**	**07-Apr-22**	**Change**
US Origin Coal from Tuna / Kandla (WCI)					
NAPP	₹ 21,000.00	₹ 21,000.00	0.00 %	₹ 18,600.00	12.90 %
ILB	₹ 19,800.00	₹ 19,600.00	1.02 %	₹ 17,500.00	13.14 %
Indonesian Origin Coal from Tuna / Kandla (WCI)					
5000 GAR	₹ 14,400.00	₹ 13,200.00	9.09 %	₹ 12,300.00	17.07 %
4200 GAR	₹ 10,400.00	₹ 11,400.00	(8.77)%	₹ 9,700.00	7.22 %
3800 GAR	₹ 9,800.00	₹ 9,800.00	0.00 %	₹ 7,900.00	24.05 %
3400 GAR	₹ 8,300.00	₹ 7,800.00	6.41 %	₹ 7,000.00	18.57 %
Indonesian Origin Coal from Navlakhi (WCI)					
5000 GAR	₹ 14,600.00	₹ 12,500.00	16.80 %	₹ 12,500.00	16.80 %
4200 GAR	₹ 11,000.00	₹ 10,600.00	3.77 %	₹ 9,700.00	13.40 %
3800 GAR	₹ 10,000.00	₹ 9,200.00	8.70 %	₹ 7,900.00	26.58 %
3400 GAR	₹ 8,500.00	₹ 8,000.00	6.25 %	₹ 6,800.00	25.00 %
South African coal from Kandla (WCI)					
5500 NAR	₹ 25,000.00	₹ 25,000.00	0.00 %	₹ 17,000.00	47.06 %

Grade / Sized	Price pmt / Screened Plant / Ex-Plot Screening Plant				
	07-May-22	**30-Apr-22**	**Change**	**07-Apr-22**	**Change**
3400 GAR					
00 - 06 MM	₹ 8,900.00	₹ 8,800.00	1.14 %	₹ 8,400.00	5.95 %
06 - 20 MM	₹ 10,600.00	₹ 9,400.00	12.77 %	₹ 8,800.00	20.45 %
20 - 50 MM	₹ 10,000.00	₹ 9,800.00	2.04 %	₹ 9,400.00	6.38 %
4200 GAR					
00 - 06 MM	₹ 10,000.00	₹ 10,000.00	0.00 %	₹ 9,400.00	6.38 %
06 - 20 MM	₹ 11,700.00	₹ 11,500.00	1.74 %	₹ 11,800.00	(0.85)%
20 - 50 MM	₹ 12,000.00	₹ 12,000.00	0.00 %	₹ 12,400.00	(3.23)%
5000 GAR					
00 - 06 MM	₹ 10,600.00	₹ 10,600.00	0.00 %	₹ 10,400.00	1.92 %
06 - 20 MM	₹ 14,800.00	₹ 14,500.00	2.07 %	₹ 15,000.00	(1.33)%
20 - 50 MM	₹ 15,100.00	₹ 15,000.00	0.67 %	₹ 15,400.00	(1.95)%

CORE SECTOR GROWTH

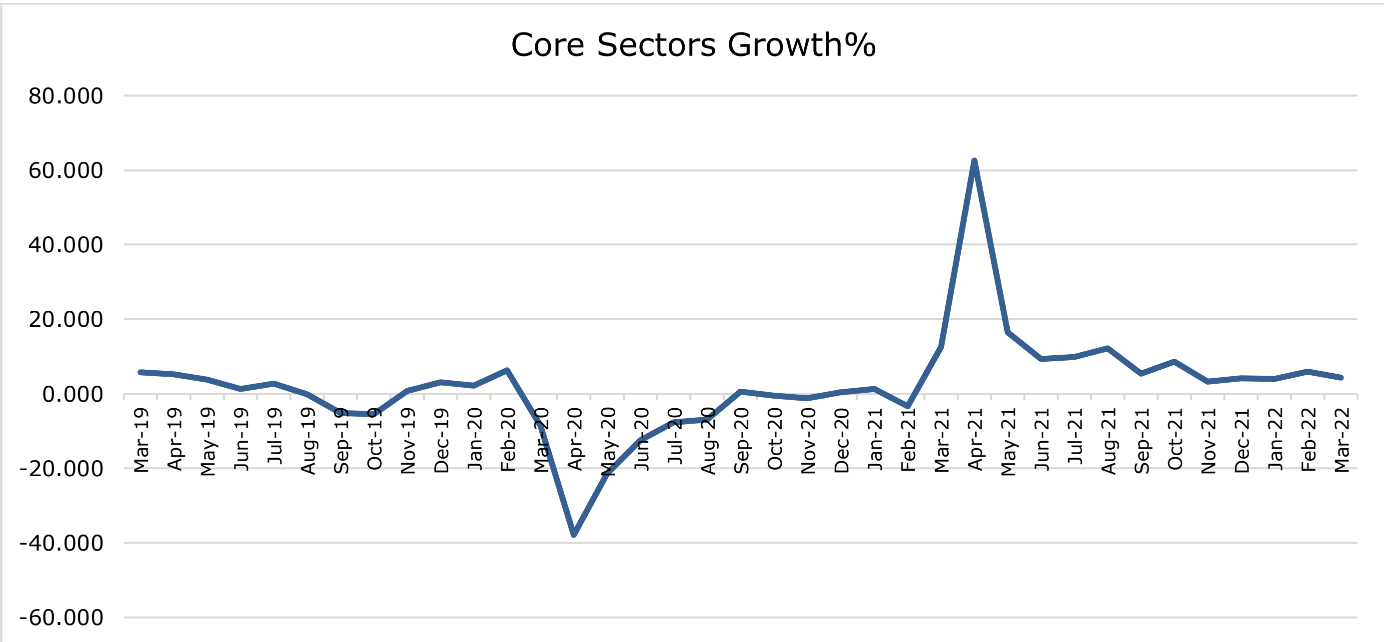
The combined Index of Eight Core Industries stood at 157.3 in March 2022, which increased by 4.3 per cent (provisional) as compared to the Index of March 2021. The production of Natural Gas, Refinery Products, Fertilizers, Steel, Cement and Electricity industries increased in March 2022 over the corresponding period of last year.

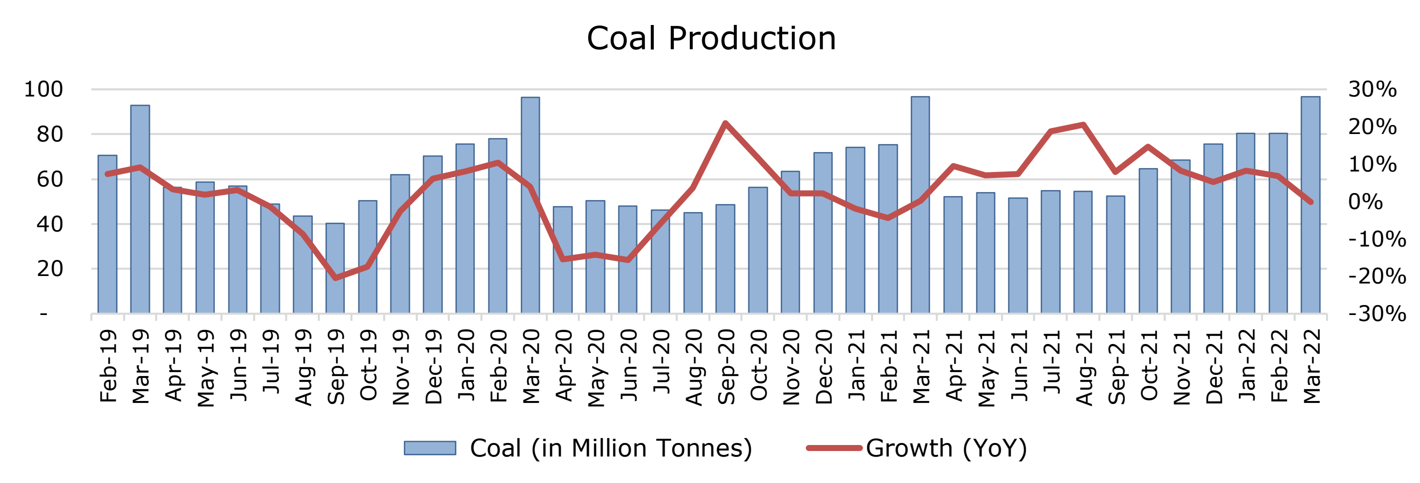
For the month of March, only three of the eight key sectors grew faster than they did in February, compared to six in February. Fertilizer, cement, and electricity were the three industries.

In March, Fertiliser output (weight: 2.63 per cent) increased by 15.3% year on year, while cement (weight: 5.37 per cent) and Electricity output (weight: 19.85 per cent) increased by 8.8% and 4.9 percent, respectively.

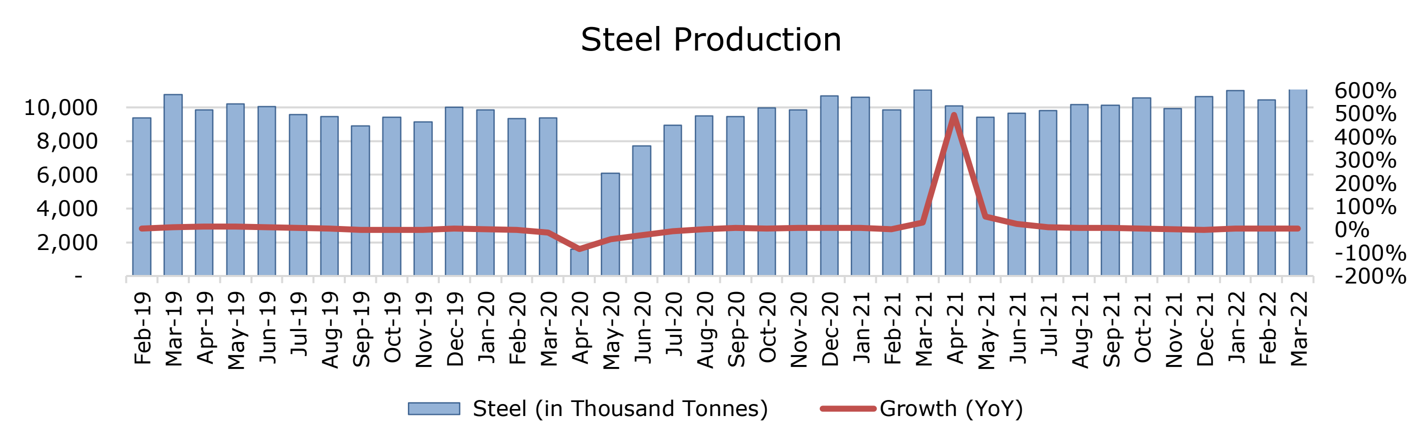
Coal and Crude Oil were among the slowest-growing energy sources. In comparison to the same month last year, coal production (weight: 10.33 per cent) fell by 0.1 percent in March. On a year-over-year basis, however, crude oil production (weight: 8.98 per cent) dropped by 3.4 percent.

Natural Gas (weight: 6.88 per cent), Petroleum Refinery (weight: 28.04 per cent) and Steel production (weight: 17.92 per cent) grew at decent pace. The production has been increased by 7.6%, 6.2% and 3.7% respectively.

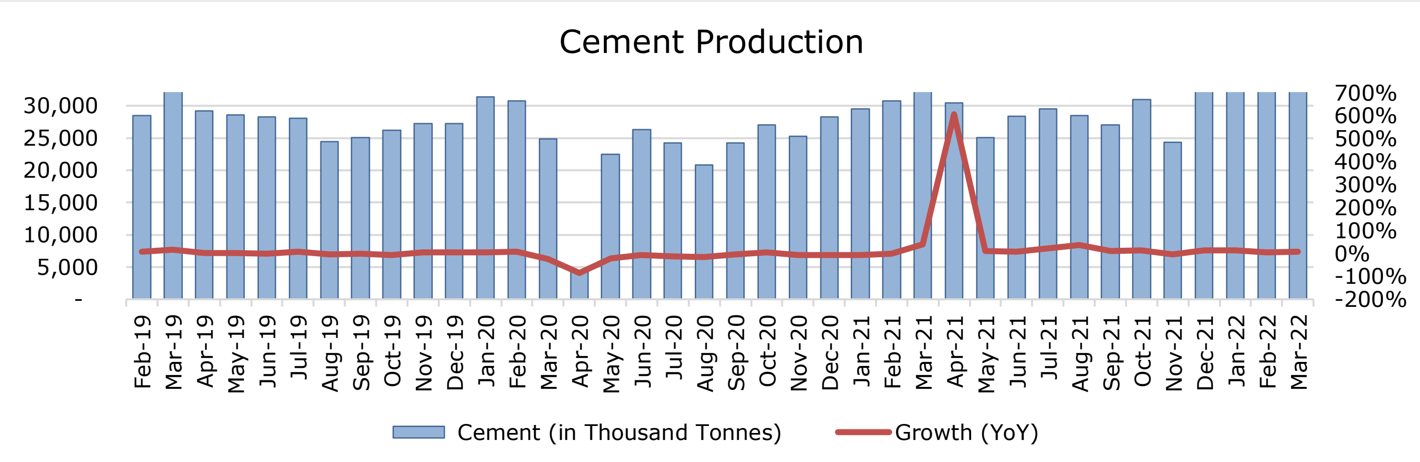




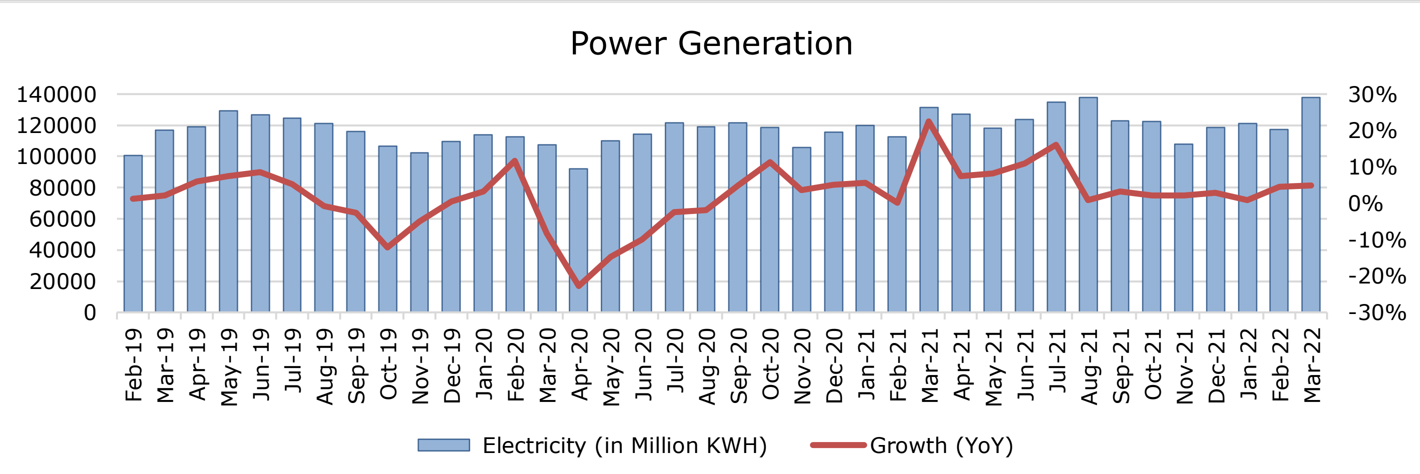
Coal Production
Coal (in Million Tonnes)
Growth (YoY)



Steel Production
Steel (in Thousand Tonnes)
Growth (YoY)



Cement Production
Cement (in Thousand Tonnes)
Growth (YoY)



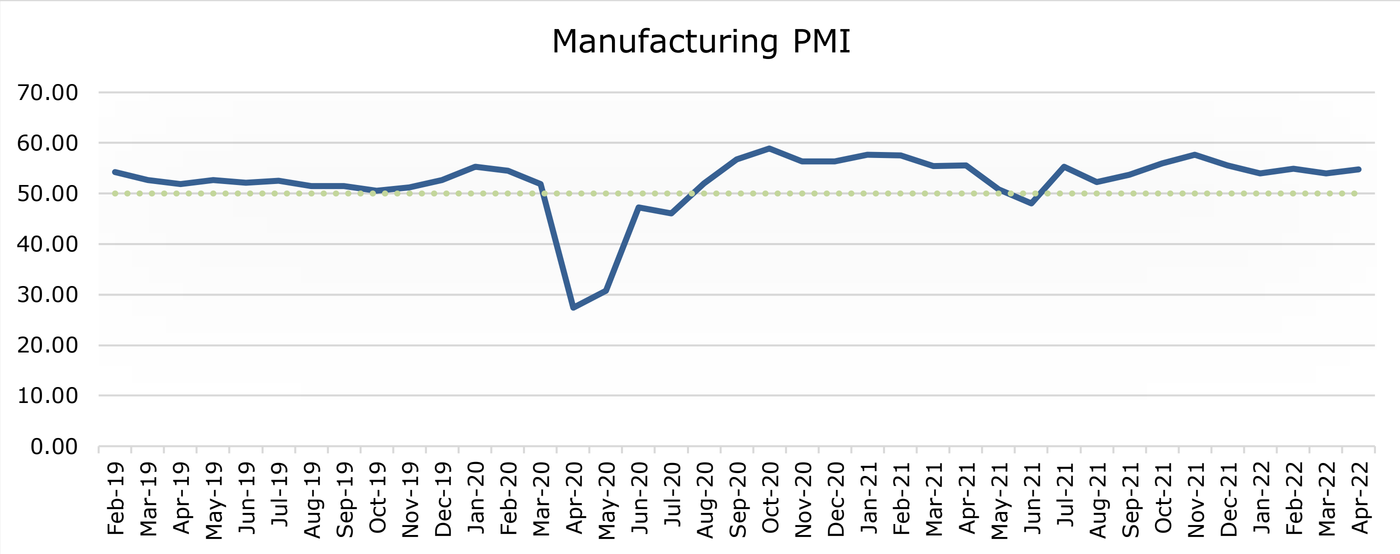
Power Generation
Electricity (in Million KWH)
Growth (YoY)

Manufacturing PMI

S&P Global India Manufacturing PMI rose to 54.7 in April 2022, up from 54.0 in March, exceeding market expectations of 53.8. Due to greater growth in both new orders and output, as well as a loosening of Covid-19 restrictions, the manufacturing sector expanded for the tenth month in a row.

Manufacturers kept stockpiling inputs, with April marking the highest increase since November. Input price inflation accelerated to a five-month high, outpacing the long-term trend. Meanwhile, output prices increased at their fastest rate in a year.

Meanwhile, fresh export orders rose steadily, reaching new highs not seen since July. At the same time, purchasing power surged to its highest level since November, while employment increased little, resulting in marginally higher backlogs of work; and vendor performance continued to deteriorate, but only marginally.



Concerns about prices remained. Chemicals, electronic components, electricity, metals, plastics, and textiles all cost more to manufacturers in April than they did in March. In April, input cost inflation reached a five-month high due to higher transportation prices and the crisis between Russia and Ukraine. Consumers felt the price increase as well, with manufacturers passing some of the higher cost burden on to them.

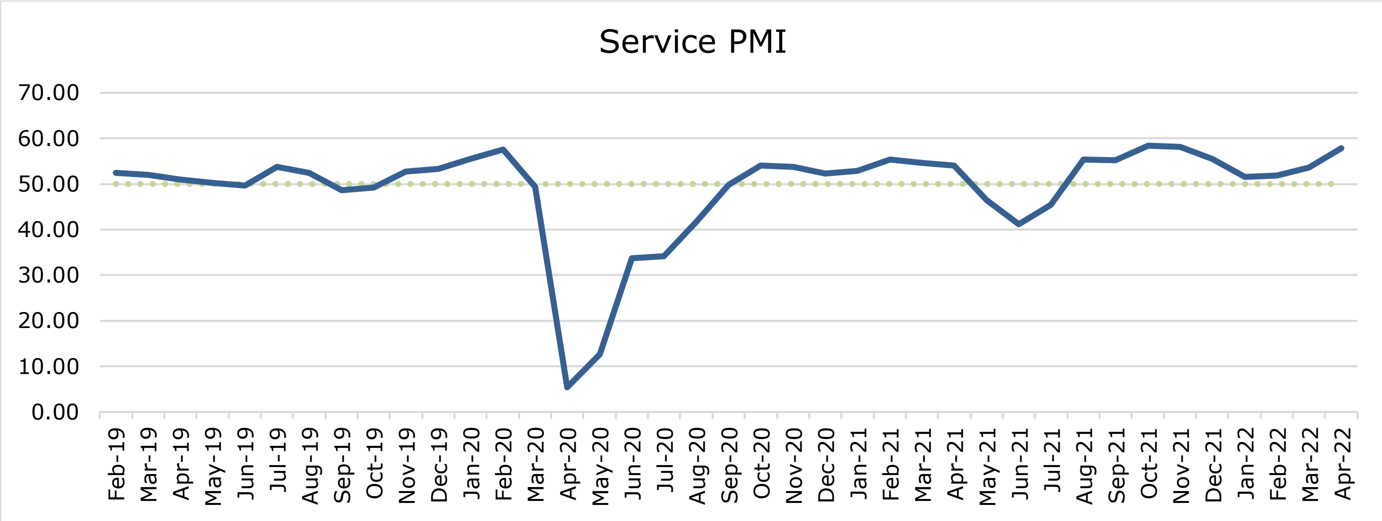
Service PMI

Due to the easing of COVID-19 restrictions, the S&P Global India Services PMI climbed to 57.9 in April 2022 from 53.6 in March, indicating the highest reading since November.

Services activity increased to a five-month high in April, with a surge in incoming new work boosting company activity and supporting a renewed increase in employment, despite a near-record increase in input costs dampening corporate morale. However, with rising global uncertainty from the Ukraine conflict and chronic supply chain challenges, export orders decreased at the fastest rate since September.

Input price inflation surged to its second highest level since data began in December 2005, owing to increasing chemical, gasoline, raw material, and retail costs.

According to April data, operating expenses at Indian service organisations are skyrocketing, with survey participants reporting increasing chemical, food, fuel, labour, material, and retail costs. The total rate of inflation was steep and the second-highest since data gathering began in December 2005, having risen in March. In April, business confidence was hampered by fears about inflation, while overall sentiment remained optimistic, it fell from March and was significantly below than its long-run norm.



According to Pollyanna De Lima, economics associate director at S&P Global, the Indian service economy followed manufacturing in gaining growth momentum at the start of FY23. "The findings indicate a rebound in price pressures." Service providers reported paying more for food, fuel, and supplies, with some mentioning higher payroll costs as well. The total rate of inflation accelerated to the second-highest in survey history, prompting enterprises to raise selling prices to the biggest amount in nearly five years. Consumer services and finance and insurance were the top-performing sectors of the service economy... "The only sub-sector to experience sales and output declines was real estate and business services," she noted.

Source: https://tradingeconomics.com/india/manufacturing-pmi
https://www.moneycontrol.com/news/business/economy/indias-factory-output-looks-up-manufacturing-pmi-rises-to-54-7-in-april-8440851.html
https://www.business-standard.com/article/economy-policy/india-s-pmi-services-at-5-month-high-in-april-on-higher-fresh-orders-122050600022_1.html