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TELF AG Issues Update on Atlantic and Pacific Thermal Coal Markets

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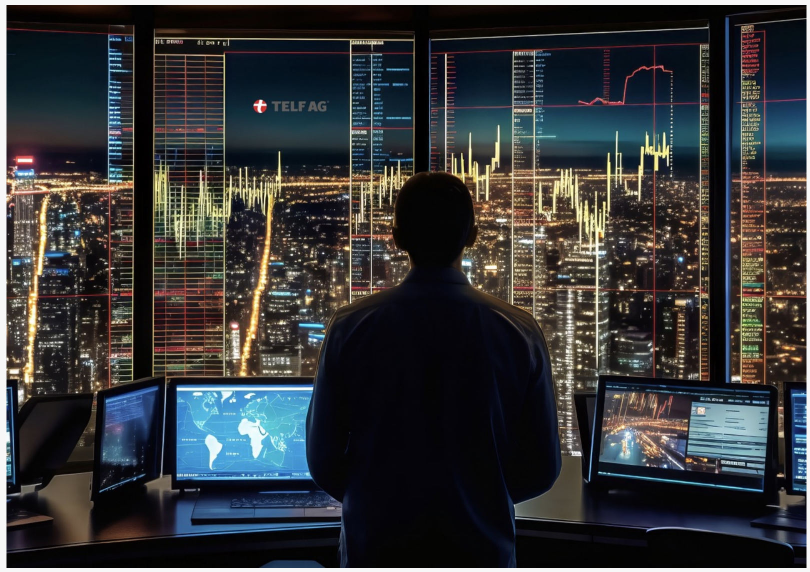

LUGANO, TICINO, SWITZERLAND, August 16, 2023 /EINPresswire.com/ -- In the ever-shifting landscape of global energy markets, TELF AG, a leading international physical commodities trader with 30 years of experience, provides insights into the recent developments that have once again thrust the thermal coal industry into a whirlwind of volatility. According to TELF AG's latest article, the Atlantic and Pacific thermal coal markets have been grappling with a series of factors, ranging from geopolitical uncertainties to supply-demand dynamics, causing prices to surge and react volatilely.

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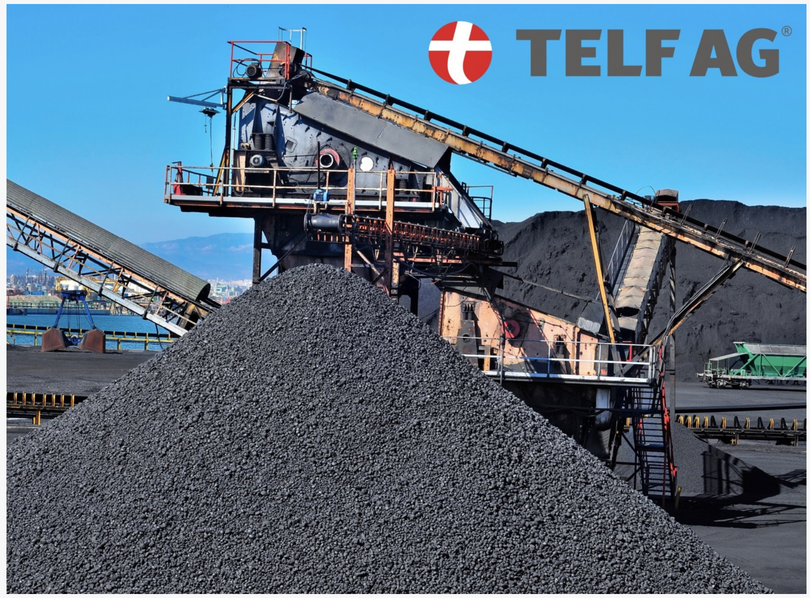
>
> *TELF AG*

As per TELF AG, The Atlantic thermal coal market witnessed a noteworthy uptick, with prices rising by $9 per ton to $117.85 per ton. This surge was driven mainly by a sharp increment in gas prices. The market’s response was intensified by the market’s anticipation of potential strikes at three major LNG export facilities. Notably, Chevron https://www.chevron.com/ and Woodside’s https://www.woodside.com/ facilities located in Western Australia, contributing roughly 10% of the global LNG supply, faced the possibility of labor strikes. While the physical impact would primarily affect Asian nations such as Japan, China, Taiwan, and South Korea, the repercussions could extend to other parts of the world. The tightening of global supplies has sparked potential competition for fuel in both European and Asian markets.

According to TELF AG, the pricing dynamics were also visible in the TTF (Title Transfer Facility) market, where prices surged by an astounding 28% on a single Wednesday, only to stabilize somewhat over the remaining days. Such dramatic fluctuations underscore the extreme volatility inherent in the market. This scenario isn't novel; similar episodes occurred in the past, notably in June. It's worth acknowledging that these price shifts are likely not the last ones, given the intricate interplay of factors influencing the industry.



TALF AG's article further explains that negotiations with unions have been underway, reflecting the unease that currently envelopes the market. On the coal front, stocks in the ARA (Amsterdam-Rotterdam-Antwerp) region have been slowly declining, despite relatively low consumption from European countries. Fresh demand signals emerged from the Middle East and North Africa (MENA) region, adding a new dimension to the supply-demand balance. Additionally, stocks at the Richards Bay Coal Terminal (RBCT) in South Africa have recovered to 2 million tons, an improvement from the record-low levels observed merely two weeks ago.

One notable trend has been narrowing the spread between RB1 and API2 prices, according to TELF AG. This shift has been driven by the accelerated increase in RB1 prices compared to API2 prices, indicating a rebalancing of price dynamics between these two benchmarks. Shifting our focus to the Pacific thermal coal market, the gCNewc index recorded a $6.7 per ton increase, reaching

$145.77 per ton. This upward movement was fueled by heightened buying interest for October loading parcels of high calorific value (CV) coals. However, the Australian high-ash material segment remained within a range of around $86 per ton.

TELF AG's article also discusses Indonesian thermal coal prices, on the other hand, exhibited relative stability at the low 50s range for IC4 (4200 GAR), despite reported challenges in trans-shipment activities due to standard drafts in critical waterways. Meanwhile, China's coal import figures for July revealed a robust month, with imports amounting to 39.3 million tons. This brings the year-on-year increment for January to July to an impressive 89%—however, concerns regarding potential deceleration loom in light of healthy stocks and recent weak economic data. The possibility of a robust economic stimulus is now being closely monitored.

Looking at the Indian market, TELF AG explains that post-monsoon supply interests spanned various consuming sectors. Yet, the upward momentum in South African coal prices resulted in scattered inquiries, as some buyers awaited a potential downward correction amid relatively stable domestic availability.

TELF AG concludes its update by discussing the Atlantic and Pacific thermal coal markets, which have again showcased their susceptibility to rapid and often unpredictable changes. Geopolitical uncertainties, supply-demand dynamics, labor negotiations, and economic indicators drive the volatility that has defined this industry. As per TELF AG's article, these markets navigate a complex web of factors, market participants must remain vigilant and adaptive to weather the storm and capitalize on opportunities amidst turbulence.

For further insights, please read the full article by TELF AG here: https://telf.ch/telf-ag-update-on-atlantic-and-pacific-thermal-coal-markets-august-15-2023/

[About TELF AG]

TELF AG is a full-service international physical commodities trader with 30 years of experience in the industry. Headquartered in Lugano, Switzerland, the company operates globally, serving customers and providing solutions for commodities producers worldwide. TELF AG works in close partnership with producers to provide effective marketing, as well as financing and logistics solutions, which enable suppliers to focus on their core activities and to access far-reaching markets wherever they may be. Its flexible, customer-focused approach allows TELF AG to create tailor-made solutions for each producer, thereby facilitating long-term partnerships. Additionally, consumers widely recognize them for their operational excellence and reliability.

Rick De Oliveira
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