

GLOBAL SNAPSHOT

Equities (% Change)	31-07-2017	1 Day	1 Week	1Mth	Currencies (% Change)	31-07-2017	1 Day	1 Week	1Mth
SENSEX	32,514.94	0.63	0.97	5.24	INR	64.19	0.05	0.42	1.19
NIFTY	10,077.10	0.63	1.26	5.98	EUR	1.18	0.77	1.58	4.11
DOW JONES	21,891.12	0.28	1.76	2.54	JPY	110.26	-0.38	1.53	2.89
NASDAQ	6,348.12	-0.42	-0.98	3.38	AUD	0.80	0.20	1.20	4.84
NIKKEI	19,925.18	-0.17	0.12	-0.27	GBP	1.32	0.60	1.50	2.16
TOKYO	1,618.61	-0.16	0.56	0.89	Indo Rupiah	13325.00	0.01	0.11	0.41
HANG SANG	27,323.99	1.28	2.50	6.83	RAND	13.19	1.23	-0.61	0.37
SHANGHAI	3,273.03	0.61	1.31	2.94	YUAN	6.73	-0.15	0.48	1.21
KOSPI	2,402.71	0.07	-0.55	1.45					
Energy (% Change)	31-07-2017	1 Day	1 Week	1Mth	Freight (% Change)	31-07-2017	1 Day	1 Week	1Mth
WTI (\$/bbl)	50.17	0.93	5.01	9.23	BDI	946.00	1.00	-3.17	4.99
BRENT (\$/bbl)	52.65	0.25	5.20	10.20	CAPEXSIZE	1,225.00	7.55	4.61	12.80
N.Gas (\$/mmbtu)	2.79	-5.00	-3.65	-6.83	PANAMAX	1,095.00	-1.00	-12.26	0.37
Gold (\$/ounce)	1269.44	-0.02	1.64	4.13	HANDYSIZE	496.00	0.00	-0.80	6.21
Silver (\$/ounce)	16.83	0.42	2.15	4.45					
IRON ORE (62% Fe)	73.70	7.23	4.64	13.47					

COAL PRICES

Port Stocks (mn MT)	Latest	Net Change	1 Week (% Change)	1Mth (% Change)	^Fuel Oil 380cst Singapore	INDO SUB-BIT FOB SWAP
QHD	5.70	-0.30	-0.05	0.06	25-07-2017	24-07-2017
GHZ	2.11	0.09	0.04	0.16	26-07-2017	26-07-2017
India - Power Plants	17.30	-0.21	-0.01	0.03	27-07-2017	27-07-2017
RBCT	2.94	-0.13	-4.17	-40.51	28-07-2017	28-07-2017
					31-07-2017	31-07-2017

^3.5 Sulphur FO
Source: SGX; 4900KC NAR

CIL Monthly Production & Offtake (in mn MT)		
Date	Production	Offtake
31-01-2017	55.99	51.35
28-02-2017	54.30	47.70
31-03-2017	66.07	52.30
30-04-2017	38.44	45.29
31-05-2017	40.74	46.41
30-06-2017	39.66	45.67

INVENTORY – PORTS; POWER PLANTS

China Thermal Coal inventory at major ports declined by 2.9% (w/w) to 13.6mn MT

China thermal coal inventory at major ports declined by 2.9% (w/w) to 13.6mn MT as on 28th Jul.17 from 14mn MT as on 21st Jul. While, Inventory at QHD port declined by 6.2% (w/w) to 5.41mn MT from 5.77mn MT in last one week.

Coal Stocks at Indian Power plants decreased 1.2% on weekly basis at 17.3mn MT

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Total Coal stocks at Indian thermal power plants declined by 1.2% (w/w) to 17.3mn MT as on 27th Jul.17 from 17.45mn MT as on 23rd Jul.17. While No. of power plants with less than 4 days of inventory stood at Zero (critical stock levels) and with less than 7 days of inventory stood zero after reaching 13 as on 12th Jun.17

POLICY & MAJOR UPDATES

LNG imports soar in first half

China significantly ramped up imports of liquefied natural gas in the first half of the year, as part of broader efforts to clean up its coal-dominated energy mix. LNG channeled into the country totalled 15.89 million metric tons in the Jan-June period, an increase of 38.3% (y/y). The rise was boosted by the easing of barriers for LNG from the United States to enter the Chinese market. China is unlikely to sign long-term LNG contracts with the US soon, but it is already importing American gas from the spot market. The country imported 400,000 tons of US gas in the first five months, in sharp contrast to zero imports a year ago. Private companies such as Guanghai Energy and ENN Group have joined State-owned CNOOC Group, PetroChina and Sinopec in China's LNG receiving terminals business, increasing the channels for spot US LNG imports. China has also committed to expanding its gas pipeline networks, with natural gas pipelines reaching 163,000 kilometers by 2025. The country's natural gas pipeline network in 2015 reached 64,000 kilometers.

China Qinhuangdao Coal Price rise 1% (w/w) to 605 Yuan/Ton

As of	Average Price	% Change
07/31/2017	608	0.50%
07/24/2017	605	1.00%
07/17/2017	599	1.70%
07/10/2017	589	0.68%
07/03/2017	585	1.04%
06/26/2017	579	1.76%
06/19/2017	569	0.71%
06/12/2017	565	unchanged
06/05/2017	565	-2.75%
05/22/2017	581	-3.97%

China's nuclear power reactor connected to grid

China National Nuclear Corporation successfully connected its No.4 nuclear power reactor to the grid in Fuqing, a city of southern China's Fujian province. This would help quench power thirst in the eastern areas, optimize energy structure and improve environment. Operating nuclear electricity reactors add up to 37 in the mainland of China now, 16.4% of which are in Fujian, the beginning of Maritime Silk Road. So far, the No.1-3 nuclear reactors have been stably running 5.17 years in total. Power generation of these three units amounted to 38 TWh of power, which equals to 12.27 million tonnes of standard coal burning or reducing emission of 40.09 million tonnes of carbon dioxide. The No.5 and No.6 nuclear reactors in Fuqing are now under construction and installation. The No.6 will be into operation in 2021.

Indian coal utilities seek state funds or tariff hike to cut emissions

Indian power companies are seeking billions of dollars of federal funding to retrofit coal-fired plants to cut emissions, saying hefty tariff increases would otherwise be needed to pay for the technology. Private companies such as Reliance Power Ltd; Adani Power Ltd and GMR and state-run NTPC Ltd have also asked for an extension to a December deadline to meet the new pollution standards. The government, which has been pushing a clean energy campaign hard, has given no indication it would be willing to fork out the money for the new technology, which the private companies estimate to cost as much as \$38 billion, potentially setting up a confrontation with the industry. Installing the new technology would raise the cost of production and lead to an increase in tariffs ranging from about 0.50 Indian rupees (\$0.0078) to 1.25 rupees (\$0.0195) per unit. The average power tariff in

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India is around 5 rupees per unit. This increase in the cost of power would have severe impact on the finances of the distribution utilities and collateral impact on the lenders.

Coal India Asks Five Arms to Save 40mn MT for Auction under Shakti Scheme

Coal India has asked five of its seven subsidiaries to keep aside a total of 40 mn MT of coal for auction to independent power producers under the Shakti scheme. South Eastern Coalfields and Central Coalfields will supply 12 mn MT each, while Northern Coalfields will provide 4 mn MT; Mahanadi Coalfields 9 mn MT and Western Coalfields 3 mn MT. The quality of coal, from 31 mines, would vary from G10, or gross calorific value of 4,300-4,600, to G13 that has a range of 3,400-3,700 GCV. These grades are suitable for generating power. Bidders would seek better grades from mines closer to the plant to cut costs. Each power producer will have to bid for discounts on the tariffs mentioned in their power purchase agreements. The winner will sign a 25-year supply contract for a particular category of coal, while the second-ranked bidder can get the next-best quality.

TRADE DEVELOPMENTS & MINING UPDATES

China's switch to clean energy seen powered by policy initiatives

Electricity generated by clean energy resources in China is expected to gradually increase over the next few years, powered by innovative government policies and measures. The country's top economic regulator will accelerate the reform of the national electrical power system, together with related government departments, and develop a priority plan for clean energy power generation. By the end of 2016, the installed power capacity of renewable energy resources was 570 GW, accounting for 35% of the total power generating capacity. In recent years, China's wind power and photovoltaic power production has grown rapidly, although some problems exist, such as high costs, less developed infrastructure and local protectionism. Clean energy accounted for 27.2% of China's total power output in the first half, up 1.8 percentage points year-on-year. Electricity generated in the first half by wind power increased 25.7% year-on-year, solar power jumped 80.3%, and nuclear power grew 20.8% while hydropower production declined. Although hydropower output had seen negative growth in the first five months it would be near record high levels in July, with the onset of the summer rainy season.

INFRASTRUCTURE & TECHNOLOGY UPDATES

Coal Handling Capacity at Kamarajar Port in Tamil Nadu to increase

The Kamarajar Port in Tamil Nadu has decided to construct coal berths for increasing its coal handling capacity. The KPL has approved construction of the following coal berths:-

S.No.	Name of the Coal Berths	Cost of Construction (Rs. In crores)	Capacity (In MMTPA)	Schedule date of completion
1.	Construction of Coal Berth-3.	235.14	9.00	31.10.2017
2.	Construction of Coal Berth 4.	244.51	9.00	31.12.2017
3.	Modification of Iron Ore Terminal to handle Coal.	229.00	12.00	Not Started

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