

## GLOBAL SNAPSHOT

Equities (% Change)	13-11-2017	1 Day	1 Week	1Mth	Currencies (% Change)	13-11-2017	1 Day	1 Week	1Mth
SENSEX	33,033.56	-0.84	-1.19	1.67	INR	65.43	0.40	-0.62	-1.09
NIFTY	10,224.95	-0.94	-1.47	0.30	EUR	1.17	0.02	0.74	-1.04
DOW JONES	23,439.70	0.07	-0.46	2.48	JPY	113.62	0.08	0.32	-1.28
NASDAQ	6,757.60	0.10	-0.42	2.30	AUD	0.76	-0.50	-0.16	-2.78
NIKKEI	22,380.99	-1.32	-2.05	6.20	GBP	1.31	-0.61	-0.37	-1.01
TOKYO	1,783.49	-0.94	-1.65	4.38	Indo Rupiah	13552.00	0.07	-0.16	-0.44
HANG SANG	29,182.18	0.21	0.70	2.53	RAND	14.47	0.64	-1.74	-8.10
SHANGHAI	3,447.84	0.44	0.55	1.24	YUAN	6.64	-0.01	0.00	-0.77
KOSPI	2,530.35	-0.50	-0.84	2.04					
Energy (% Change)	13-11-2017	1 Day	1 Week	1Mth	Freight (% Change)	13-11-2017	1 Day	1 Week	1Mth
WTI (\$/bbl)	56.76	0.04	-1.00	10.07	BDI	1,445.00	-1.00	-1.90	-2.69
BRENT (\$/bbl)	63.16	-0.57	-1.15	10.13	CAPESIZE	3,351.00	-0.27	10.09	16.72
N.Gas (\$/mmbtu)	3.17	-1.43	-0.79	-1.04	PANAMAX	1,387.00	-2.00	-11.49	-13.64
Gold (\$/ounce)	1278.31	0.25	0.10	-1.48	HANDYSIZE	642.00	0.00	-2.87	-1.08
Silver (\$/ounce)	17.06	1.02	0.35	-1.28					
IRON ORE (62% Fe)	62.19	-0.65	-0.11	-0.54					

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
31-07-2017	36.64	44.33
31-08-2017	37.63	43.75
30-09-2017	38.77	43.58
31-10-2017	46.14	48.28

## INVENTORY – PORTS; POWER PLANTS

### China Total Thermal Coal inventory at ports increased by 1.1% (w/w) to 15.93mn MT

China total thermal coal inventory at major ports increased by 1.1% (w/w) to 15.93mn MT as on 10<sup>th</sup> Nov.17 from 15.76mn MT as on 3<sup>rd</sup> Nov.17. While Inventory at QHD port declined by 2.4% (w/w) to 6.91mn MT from 7.08mn MT during same period.

### Coal Stocks at Indian Power plants rose 4.1% (w/w) to 8.14mn MT

Total Coal stocks at Indian thermal power plants rose 4.1% (w/w) to 8.14mn MT as on 12<sup>th</sup> Nov.17 from 7.82mn MT as on 8<sup>th</sup> Nov.17. While No. of power plants with less than 4 days of inventory stood at 11 (critical stock levels) and with less than 7 days of inventory stood 11 as on 12<sup>th</sup> Nov.17.

### China Inventory at six major power plants rose 12% on weekly basis to 122.5mn MT

China's inventory at six major power plants increased 12% (w/w) to 122.5mn MT as on 3<sup>rd</sup> Nov.17 from 111.6mn MT as on 27<sup>th</sup> Oct.17. Thermal coal price remains boosted given the strong restocking demand by Chinese power plants.

## POLICY & MAJOR UPDATES

### China's Domestic Coal Production decline 5% (m/m)

China's domestic coal production declined 5% (m/m) to 283.54mn MT in Oct.17 from 298.12mn MT in Sep.17. Production for first 10 months totalled 2.85bn MT – rise of 4.8% (y/y). Decline in production was mainly due to ongoing environmental inspection to control rising pollution and shutting down of coal mines. While, monthly total coal imports also declined by 21.2% (m/m) to 21.28mn MT in Oct.17 from 27.08mn MT in Sep.17.

### China Long-Term Contract Coal Prices May Stay at 2017 Level

2018 base price of thermal coal in long-term contracts between producers and users will likely stay at this year's level. Long-term contract may account for 75% of coal supply contracts in 2018. Base price of 5,500-kcal thermal coal in 2017 long-term contract is 535 yuan/ton.

### China Qinhuangdao Coal Price Fall 0.49% W/w to 612 Yuan/Ton

As of	Average Price	% Change
11/13/2017	612	-0.49%
11/06/2017	615	-0.16%
10/30/2017	616	-0.32%
10/23/2017	618	-0.48%
10/16/2017	621	-0.16%
10/09/2017	622	-0.16%
09/25/2017	623	unchanged
09/18/2017	623	2.13%
09/11/2017	610	0.66%
09/04/2017	606	-0.16%

## TRADE DEVELOPMENTS & MINING UPDATES

### Shanxi's active wind power capacity hits new high

Active power generation capacity at wind farms in northern China's Shanxi province hit a new high of 6.63 GW accounting for 33.4% of the province's total on-grid power generation capacity. This has highlighted the pressure of getting wind power into the grid, as thermal power is also in full steam to meet high demand.

### Border jam puts Mongolia's coal lifeline under threat

In Mongolia's Gobi desert, thousands of heavy-duty trucks laden with coal inch along a cluttered highway towards the Chinese border in a journey that can take more than a week. The long delays have been blamed on a surge in traffic driven by the thriving cross-border coal trade. However, Mongolia's inability to stop rampant smuggling across the border has also played a role as China has imposed more stringent checks on incoming deliveries in recent months. The rise in coal prices this year has doubled border traffic, according to local police, putting law enforcement and customs staff under heavy pressure in both China and Mongolia. Mongolia's coal exports to China rose more than four-fold in the first half of the year, but growth has petered out since the delays at the border crossings first arose in July.

## INFRASTRUCTURE & TECHNOLOGY UPDATES

### Australia's Aurizon in talks to buy debt-saddled coal port

## Swiss Singapore – Market Commentary

Overseas Enterprises PTE. Ltd.



Australian coal rail operator Aurizon Holdings is in talks to buy the Wiggins Island Coal Export Terminal (WICET) in Queensland, which urgently needs to restructure \$3 billion in debt. A successful deal would be a huge relief for mining giant Glencore and its four partners who face a September 2018 deadline to start paying down the debt on the world's most expensive coal port. Aurizon is in preliminary discussions with undisclosed parties for a deal that would see it acquire the coal terminal and "other consortium members" acquiring one or more of the coal mines that use the port. The deal could involve Macquarie taking over Glencore's Rolleston mine and Wesfarmers' Curragh mine, both of which use the port and are up for sale. WICET was a boom-time port plan at Gladstone agreed in 2009 to service a consortium of eight coal producers, funded entirely by debt backed by port fees on 27 million tonnes a year, whether that volume was shipped or not. The port is exporting much less than that as three of its original eight users have folded over the past two years, hit by a slump in coal prices and the burden of paying the "take-or-pay" port fees for volumes they were never able to produce. Under the WICET agreement, the remaining five partners -- Glencore, Wesfarmers, New Hope Corp, China's Yancoal Australia Ltd and Baosteel arm Aquila Resources have to shoulder all of the port's debt and port fees. As a result, Glencore and its partners are now paying about \$25/t of coal at WICET, including financing charges, or about five times the \$5/t port fee at the adjacent RG Tanna coal terminal. If the port is not refinanced by September 2018, loan terms require Glencore and its partners to pay off the full \$3 billion over the following decade.

*Published by Swiss Singapore Overseas Enterprises PTE Ltd. The material contained herein has been obtained from sources believed to be reliable but is not necessarily complete and cannot be guaranteed. Any opinion expressed is subject to change without notice. All information is for the private use of the person to whom it is provided without any liability whatsoever on the part of Swiss Singapore Overseas Enterprises PTE Ltd. or any associated company or any employee thereof.*