



NEWSLETTER

OCTOBER 2022



PT. INTERNASIONAL TOTAL SERVICE & LOGISTICS
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COAL GETTING • TRUCKING • STOCKPILE • BARGING • FLOATING CRANE • SHIPPING

Logistic Information

1,838

BDI
(Per 17st Oct)

Bunker Price

Bunker Price	Singapore <i>per 17st Oct</i>
FO380	397.50
MGO	1,163.00

** Inclusive VAT, Income tax & PBBKB.*

Currency exchange Rate (USD)

Buy	: IDR 15.313	Sell	: IDR 15.466
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Weather Forecast



Area	Weather	Winds	Swell
Samarinda	Chance of Storm 32°/23°C	6-12 km/h	0.1 – 0.2 m
Banjarmasin	Chance of Rain 32°/33°C	18 - 13 km/h	0.1 – 0.4 m
Balikpapan	Chance of Storm 30°/24°C	7 - 15 km/h	0.1 – 0.4 m
Tarakan	Chance of Rain 31°/26°C	7 - 13 km/h	0.1 – 0.2 m
Muara Satui	Chance of Rain 31°/23°C	8 - 13 km/h	0.1 – 0.4 m

Congestion Information *(September-October)*

PORT	PORT STAY	TOTAL STAY
ADANG BAY	1.32	4.3
ASAM-ASAM	4.6	11.2
BALIKPAPAN	2.14	4.91
BCT	1.95	2.55
BUNATI	4.13	9
IBT	2.2	4.8
KALIORANG	0.63	4.79
KOTA BARU	2.33	8.33
MUARA PANTAI	2.11	6.80
M SANGKULIRANG	0.75	4.1
M SATUI	1	6
PALEMBANG	2.9	9.5
SAMARINDA	1.56	5.38
TABONEO	2.02	5.94
TARAHAN	2.94	4.53
TARAKAN	1.17	5.75
TBCT	4.5	5
TG BARA	4	5
TG. PEMANCINGAN	1.09	5.45
TG. SABAU	2	7

Indonesia and Global Coal News

Indonesian Government's Benchmark Thermal Coal Price (HBA)

Month	2017	2018	2019	2020	2021	2022
January	86.23	95.54	92.41	65.93	75.84	158.50
February	86.23	95.54	91.80	66.89	87.79	188.38
March	83.32	100.69	90.57	67.08	84.49	203.69
April	82.51	94.75	88.85	65.77	86.68	288.40
May	83.81	89.53	81.86	61.11	89.74	275.64
June	75.46	96.61	81.48	52.98	100.33	323.91
July	78.95	104.65	71.92	52.16	115.35	319.00
August	83.97	107.83	72.67	50.34	130.99	321.59
September	92.03	104.81	65.79	49.42	150.03	319.22
October	93.99	100.89	64.80	51.00	161.63	330.97
November	94.8	97.90	66.27	55.71	215.01	
December	94.04	92.51	66.30	59.65	159.79	

in USD/ton

Source: Ministry of Energy and Mineral Resources



China is in full swing to guarantee winter heating, with national railways ramping up capacity to ensure coal supply

Source: [globaltimes.cn](https://www.globaltimes.cn)



A view of the coal yard at the Rizhao Port, East China's Shandong Province on August 18, 2022. Red reclaimers are rumbling, with trains full of goods ready to be exported. In July, China exported 230,000 tons of coal and lignite, a year-on-year increase of 171.6 percent, customs data showed. Photo: VCG

As winter heating season approaches in China, government departments are ramping up measures to ensure smooth coal supplies. Industry sources said the efforts will help guarantee winter heating, and it is very unlikely that there will be a repeat of the power outage seen in 2021.

To cope with a cold wave, heating enterprises in Hohhot, North China's Inner Mongolia Autonomous Region, have already turned on the heat, the city government said on Monday.

Hohhot predicted the city will use 2.1 million tons of coal during the current heating season, with sufficient coal purchase agreements having been signed to ensure supplies.

Hohhot is not alone. Hegang city in Northeast China's Heilongjiang Province said that eight local coal mines were approved for emergency coal supply, and the mines' production capacity is expected to rise by 1.14 million tons annually.

China Railway is also striving to ensure fast transport of coal. Normally, China has two key routes to transport coal, one from the country's west to east and the other from north to south.

Responding to rising market demand for Xinjiang-based coal, Shen Hongnan, a senior engineer of China Railway, said that 12 pairs of trains have been added on the lines from Linhe to Hami, and Urumqi to Lanzhou, which can increase freight capacity by 47,000 tons per day, according to the official WeChat account of China Railway on Tuesday.

The Taiyuan branch of China Railway is also increasing transport of coal, including optimizing operation of freight trains and increasing the frequency of trains.

Daqin Railway, a major coal artery in north China, operates 87 pairs of heavy-haul trains daily, and the line connecting Shijiazhuang and Taiyuan will have 14 additional trains, increasing the annual freight transport by 10 million tons.

On September 28, the Daqin Railway began a 25-day centralized maintenance, laying a solid foundation for the upcoming winter coal transportation.

The 653-kilometer Daqin Railway connects Shanxi, Shaanxi and western Inner Mongolia Autonomous Region with the country's booming east. Coal from the port of Qinhuangdao is sent to southern customs located at the Yangtze River and Pearl River deltas.

Since the national railway launched a special campaign to ensure coal supply in June, the transportation volume of Daqin line has exceeded 120 million tons, a year-on-year increase of 10.2 percent.

"China's coal supply for winter heating is ensured, given government departments' ramped-up efforts to increase coal production and market supply," Lin Boqiang, director of the China Center for Energy Economics Research at Xiamen University, told the Global Times on Wednesday.

China has sought to accelerate coal production capacity by 300 million tons in 2022 by approving higher production capacity, expanding output and putting new projects into operation.

During the coming winter, China is unlikely to see the power outage that hits some localities in 2021, including Central China's Hunan, East China's Jiangxi and Northeast China's Heilongjiang provinces, according to Lin.

"After a tough year in energy production, China has gone all out to ensure coal output and keep prices at a reasonable level," he said.

The government has made detailed plans to safeguard coal production including the signing of medium- and long-term contracts with coal producers, so overall supply is expected to be stable this winter, Wang Yongzhong, head of the Institute of World Economics and Politics under the Chinese Academy of Social Sciences, told the Global Times on Wednesday.

The country's top economic planner has sought to liberalize the on-grid price of electricity generated from coal, curbing irrational power consumption while encouraging firms to improve energy use efficiency. It also reformed the price-formation mechanism for coal to keep prices within a reasonable range.

Some cities have diversified their power supplies. Unit 6 of the Hongyanhe nuclear power plant in Northeast China's Liaoning Province is reportedly operating at 100 percent, which is set to provide heating to local residents over a land area of 242,400 square meters nearby, China Media Group reported in September.

Since the beginning of this year, domestic raw coal output has remained stable. China produced 2.93 billion tons of coal from January to August, an increase of 11 percent year-on-year, and imported 167.98 million tons of coal, a year-on-year decrease of 14.9 percent, according to data from the National Bureau of Statistics

Coal is going to be back again as gas becoming unaffordable: FM Nirmala Sitharaman

Source: [livemint.com](https://www.livemint.com)

Speaking about the global economic crisis, Union Finance Minister Nirmala Sitharaman said that coal is going to be back again as gas has become unaffordable. In an annual meeting of the International Monetary Fund (IMF) and the World Bank, she cited Austria's example and claimed that the western world was moving to coal.

"The Western world has seen countries moving to coal. Austria has already said, and today...they are going back to coal," Sitharaman told the media. Russia has sharply curtailed natural gas shipments to Europe in retaliation for sanctions that the West put in place after it invaded Ukraine.

In late April, Russia cut off gas supplies to Bulgaria and Poland after they refused Moscow's demand to pay for the deliveries in rubles, Russia's currency.

Responding to a question on her remarks earlier, the finance minister referred to another news item about an old thermal power plant in the United Kingdom being refurbished to generate electricity.

"As a matter of fact, it is now reviving itself as a thermal unit. So, it's not just India, many countries have gone back. And coal is now going to be back again because I think gas cannot be afforded. Or it is not available as much as you want," Sitharaman said.

"And Europe, of course, has made a conscious decision that they can't get any more gas from Russia, and they have to look for other sources. It's not just us (India)," Sitharaman said.

Further, Sitharaman said that the government is keeping a watch on the growing trade deficit to check if there is a disproportionate increase in the gap against any one country.

India's trade deficit with China widened in 2021-22 and continues to do so in 2022-23, the Ministry of Commerce data showed. In the financial year 2021-22 (FY22), the trade deficit was recorded at \$72.9 billion, up nearly \$29 billion from FY21's figure of \$44 billion. In 2020-21, the trade deficit was recorded at \$48.6 billion.

The finance minister said that the trade deficit is "growing". "It is growing across the board, meaning we are importing a lot more than exports. And the net is definitely going against us. But, we're also keeping a watch as to if there's a disproportionate increase against any one country," Sitharaman said.

Thermal coal prices retreat as winter supply fears ease

Source: reuters.com

LAUNCESTON, Australia, Oct 11 (Reuters) - The prices of key thermal seaborne coal grades are retreating amid signs that supplies will be sufficient to meet winter demand in both Europe and Asia.

In some cases, the price of coal used mainly in power plants has fallen back to levels close to those that prevailed before Russia's Feb. 24 invasion of Ukraine, which caused a sharp spike as buyers feared a loss of exports from both countries.

Benchmark Australian 6,000 kilocalories per kg (kcal/kg) coal at Newcastle Port was assessed by globalCOAL at \$373.75 a tonne on Monday, down 6.43% from the close on Oct. 7.

The grade, which is mainly used by Japanese utilities, has dropped by about 17.5% from the weekly record high price of \$452.75 a tonne, reached in the seven days to Sept. 9.

The price of 5,500 kcal/kg Australian coal API5DXWKY=ARG, which is more relevant to buyers in countries such as India, has also been falling, with commodity price reporting agency Argus assessing it at \$161.11 a tonne in the week to Oct. 7.

This is down 43.3% from the record \$284.20 a tonne, hit in the week to March 11, and not much above the \$155.30 that prevailed just before the Russian attack on Ukraine.

Indonesian coal with an energy rating of 4,200 kcal/kg IDIDX42GRW1=ARG, which is largely bought by China and India, the world's two biggest coal importers, was at \$89.75 a tonne in the week to Oct. 7, down 25.7% from its post-invasion high of \$120.86, and also not too far above the pre-invasion price of \$79.54.

What is also interesting is that the sharp discount on Russian coal exported from the Pacific port of Vostochny has been reversing, suggesting that Russian producers have been able to find sufficient new buyers as traditional customers such as Japan and South Korea trim imports.

Russian coal with an energy rating of 6,700 kcal/kg CO-FOBVTY-RU, as assessed by McCloskey, was at \$190 a tonne in the fortnight to Oct. 10, gaining 19.9% from its post-invasion low of \$158.50, hit in the 14 days to Aug. 29.

This grade has yet to recover to the price level of \$226.27 a tonne that prevailed prior to the Russian invasion of Ukraine, but its recent recovery shows the steep discounts being offered in the months after the attack are likely a thing of the past.

South African coal from Richards Bay, with an energy rating of 6,000 kcal/kg CO-FORRBY-SA, has also been softening, dropping to \$253.45 a tonne in the week to Oct. 10, down 40.6% from its post-invasion peak of \$426.90, while still above the pre-invasion price of \$210.79.

South Africa is a swing exporter between Europe and Asia, and prior to the invasion the bulk of cargoes had been heading to Asia, with India being a top customer.

However, Europe's demand for energy as Russian pipeline supplies of natural gas were substantially curbed boosted South African coal and saw shipments diverted from Asia.

EUROPE DEMAND

Europe's imports of thermal coal were 7.85 million tonnes in September, according to data compiled by commodity analysts Kpler, which was the third highest this year and up 36.3% on the same month in 2021.

The biggest supplier of Europe in September was Colombia with 2.54 million tonnes, followed by South Africa with 1.42 million and then Russia with 1.48 million.

In September last year Russia was the top supplier with 2.49 million, followed by Colombia with 2.15 million, while South Africa provided a mere 183.093 tonnes.

With Europe expected to ban all imports of coal from Russia, there is still the likelihood

that the continent will have to draw more cargoes away from Asia, but it is also possible that Atlantic basin exporters, such as Colombia, the United States and Canada, can ramp up shipments.

In Asia, major importers are showing mixed trends, with wealthier countries still willing to pay higher prices, but less developed ones importing less of the polluting fuel.

China's imports of thermal coal from the seaborne market were 22.4 million tonnes in September, according to Kpler, with Indonesia providing the lion's share at 19.32 million. China's thermal coal imports were 21.04 million in September last year.

Japan, the third-biggest coal importer, saw thermal coal arrivals of 10.41 million tonnes in September, roughly in line with the 10.82 million from the same month in 2021.

In contrast to the steady picture presented by China and Japan, India's thermal coal imports in September were 12.1 million tonnes, which were the weakest since April, although they above last September's 8.68 million.

Column: India's coal and electricity supplies are more comfortable this autumn

Source : [Reuters.com](https://www.reuters.com)

India's electricity supply appears much more comfortable than a year ago, when coal and generation shortages led to grid instability and widespread blackouts.

Power consumption has grown significantly, but coal stocks are more than double than last year's level and grid frequency is staying closer to the target.

Between June and August, total electricity demand met was up by 22 billion kilowatt-hours (6%) compared with the same period in 2021.

The increase was supplied by extra solar generation (+6 billion kWh) and thermal power plants (+16 billion kWh) mostly burning coal.

India's installed capacity from solar farms and wind turbines had grown 16% by the end of August 2022 compared with August 2021, helping increase the share of output from renewables.

But most of the increase in demand has been met through more intensive and reliable running of coal-fired power stations.

COAL AVAILABILITY

Government policy has encouraged the maximisation of domestic coal and prioritised solid fuel movements on the rail network to ensure generators have enough fuel on hand to run when called:

- Domestic coal production increased by 27 million tonnes (17%) between June and August compared with the same period a year earlier.
- The number of loaded coal trains despatched from the mines to power plants

averaged 253 per day, up from 214 per day in 2021.

- Coal deliveries to power producers totalled 177 million tonnes between June and August up from 150 million tonnes in 2021.

As a result, power producers have more than nine days of coal inventories compared with just four days at the same point last year.

Higher inventories have meant fewer generator outages, more generation availability, and more firm despatchable capacity.

Increased solar generation has helped meet peak load driven by air-conditioning and refrigeration in the mid-afternoon (incidentally conserving coal stocks).

But more coal-fired generation availability has helped meet high loads in the evening as output from solar panels fades rapidly.

GRID RELIABILITY

On the nationwide electricity transmission system, frequency has remained close to the target of 50.0 cycles per second (Hertz) – indicating generation and load have been balanced.

Periods of severe under-frequency (below 49.9 Hertz) have been shorter and less common than in April 2022 and October 2021, when big frequency drops were a symptom of generators unable to meet demand.

In recent years, the grid has usually faced its toughest tests in March-April and September-October, when the seasonal rise and fall in cooling demand is not always synchronised with the rise and fall in renewables output and coal stocks.

Electricity consumption as well as hydro, solar and wind output all rise over the summer months and fall in the winter.

But the pre-monsoon spring and post-monsoon autumn shoulder seasons can be challenging if hot weather arrives earlier or persists longer than normal:

- In October 2021, a late blast of hot weather kept air-conditioning higher than usual, while output from renewables was fading, and coal stocks were still low after the monsoon, causing blackouts.
- In April 2022, very hot weather arrived much earlier than normal, when output from solar, wind and hydro sources was still building from their winter lows, stretching the grid again.

At the moment, India's grid currently appears to be in a more healthy condition because, although coal stocks are low, they are in line with pre-pandemic levels for the time of year.

Current coal stocks should be high enough to keep generators reliably online over the next month until temperatures fall and inventories are rebuilt this winter.

Reliable electricity supplies will support business activity and reduce the need for panicked and expensive purchases of imported coal on the spot market.

ITL Vessel Line Up

Jul	Aug	Sep	Total Vessel
464	541	612	1617

PLEASE NOTE THAT THE ABOVE DATA IS NOT COMPLETED LINE UP OF TBCT, IBT, NPLCT.

COUNTRY WISE			
No	Country	Shipments	Percentage
1	China (Incl. HK)	586	36%
2	India	211	13%
3	Indonesia	180	11%
4	Philippines	119	7%
5	Korea	105	6%
6	Malaysia	89	6%
7	Japan	86	5%
8	Taiwan	61	4%
9	Thailand	48	3%
10	Bangladesh	38	2%
11	Singapore	33	2%
12	Vietnam	24	1%
13	Pakistan	21	1%
14	Others	16	1%

*Others: Myanmar, Sri Lanka, New Zealand, Spain, Russia, Hawaii.

PORT WISE			
No	Port	Shipments	Percentage
1	Taboneo	289	18%
2	Samarinda	196	12%
3	Bunati	167	10%
4	Palembang	140	9%
5	Adang Bay	131	8%
6	BCT	126	8%
7	Muara Pantai	105	6%
8	Tg. Pemancingan	87	5%
9	Tarakan	77	5%
10	Kaliorang	73	5%
11	Muara Sangkulirang	51	3%
12	Balikpapan	42	3%
13	Kota Baru	39	2%
14	Tarahan	33	2%
15	IBT	25	2%
16	Asam - Asam	16	1%
17	NPLCT	13	Below 1%
18	Tg. Sabau	5	Below 1%
19	Muar 2 Satui		Below 1%

PLEASE NOTE THAT THE ABOVE DATA IS NOT COMPLETED
LINE UP OF TBCT, IBT, NPLCT



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