Trade patterns in the coal market

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For today’s discussion...

• Changes in trade flows
• Changes in the derivatives market
• Changing nature of market participants
• Conclusions
Changes in trade flows
Areas of interest

- Europe: Stalling?
- USA: Looking to the Far East
- Colombia: Europe’s supplier
- South Africa: Looking East
- Indonesia: From zero to hero
- Australia: New destinations
Europe stalls...

Atlantic vs Pacific Steam Coal Imports, 2005-2040

Million tonnes

Sources: globalCOAL, Euracoal, IHS McCloskey
South Africa turns to the East

RBCT Thermal Coal Exports by Destination, 2005-2040

Sources: globalCOAL, IHS McCloskey

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South Africa turns to the East

RBCT Thermal Coal Exports to Key Asian Destinations, 2006-2014

*2014 annualised from Aug’14
Sources: globalCOAL, IHS McCloskey

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Australia diversifies

Australian Thermal Coal Exports by Major Asian Destination, 2000-2014

*2014 annualised from Aug’14
Sources: globalCOAL, IHS McCloskey
Where to for Indonesia?

Growth of Total Indonesian Coal Exports, 2000-2040

Sources: globalCOAL, IHS McCloskey
Where to for Indonesia?

Indonesian Coal Exports by Product, 2000-2014

*2014 annualised from Jun’14

Sources: globalCOAL, IHS McCloskey

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Indonesian Coal Exports by destination, 2000-2014

*2014 annualised from Jun’14
Sources: globalCOAL, IHS McCloskey

Where to for Indonesia?
US prospects as a supplier

Total US Coal Exports, 2001-2014

Evolution of US Coal Exports by Destination, 2005-2035

Sources: globalCOAL, IHS

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Colombia

Total Colombian Steam Coal Exports by Destination, 2000-2014

Evolution of Colombian Coal Exports, 2000-2040

Sources: globalCOAL, IHS

*2014 annualised from Sep'14
Changes in the derivatives market
2014 derivatives market snapshot

API#2
2.5Bt

API#4
500Mt

API#8
34Mt

S/B Indo
18Mt

NEWC
278Mt
Significant growth

Growth in Coal Derivatives Volume, 2001-2014

*2014 annualised from Sept’14
Sources: globalCOAL, ICE, CME, SGX, EEX, FSA, LEBA
Growth in clearing vs OTC

Cleared and OTC Derivatives Volumes Growth, 2001-2014

*2014 annualised from Sept’14
Sources: globalCOAL, ICE, CME, SGX, EEX, FSA, LEBA
A maturing market

Cleared Futures vs Options Derivatives Volumes, 2011-2014

*2014 annualised from Sept’14
Sources: globalCOAL, ICE, CME, SGX, LCH
Pacific lag

Atlantic Market

Pacific Market

Sources: globalCOAL, ICE, CME, SGX, LCH, Euracoal
Commodity churn ratios

Various Commodity Churn Ratios

Sources: globalCOAL & others
The changing nature of market participants
Financial institutions withdraw

Percentage of globalCOAL Volume by Participant Type, 2006-2014

- Rise of the commodity trader
- Withdrawal of the Banks
- Utility Traders
- Miners & Others

Source: globalCOAL
More trading in the East

Total Tonnage and Proportion of Volume Traded by Asia-based Participants on the globalCOAL Platform, 2009-2014

- *2014 annualised from Sep’14
- Source: globalCOAL
Some conclusions & your questions?
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