

Annual Coke Market Survey

A Research Proposal by Resource-Net

Introduction

The next update of the “Coke Market Survey” will be available in November 2018. For companies that subscribed to the 2017 report, the cost will be €3000 (or US\$3700); for new subscribers, the cost will be €500 (US\$4300). These rates are unchanged in Euro terms from last year.

As well as updated market data and price forecasts, this report will include detailed information on the coke and coking coal industries. The report will be approximately 250 pages in length.

The report will focus on blast furnace coke as well as coking coal. In general, there will be additional focus on coking coal supply and demand, as this has become a major factor in setting the coke price.

Since it was first produced 15 years ago, the “*Coke Market Survey*” has been of value to the following:

- Producers & traders of coke & coking coal;
- Consumers of coke in the metallurgical and other industries;
- Equipment & technology suppliers to the coking industry;
- Financial institutions with an interest in coke and coking coal.

The removal of export restraints on Chinese coke from 2013 has led to an increase in volumes and price collapse. Exports were 8.1m tonnes last year, 2m tonnes lower than in 2016. Trade is mostly to countries in Asia, but Chinese supply plays a major role in pricing worldwide.

Due to erratic prices, environmental issues and falling demand, further investment in coke capacity is being discouraged. In Europe and elsewhere, capacity closures have occurred and more can be expected. We therefore expect coke shortages to occur again in the future. Investment in coal capacity is also becoming politically unacceptable in many parts of the world, leading to a greater likelihood of future shortages.

Recent price spikes in coke have largely been due to the coking coal market. Adding to the uncertainty is the shift in pricing methodology in 2017, with the negotiated coking coal benchmark largely replaced by index-based pricing. The impact has been more market volatility, as indices are driven primarily by demand from China where purchasing can be erratic.

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Outline Coverage

The “Coke Market Survey” will include the following:

Metallurgical Coke Supply (*see comment at bottom of page*)

- Effective capacity data by major coke plant, plus comments on status and future developments;
- Historical coke production data by country 2009-17, estimates for 2018;
- Coke capacity forecast by country to 2028;
- Discussion of expansions and upgrades to coke-making capacity, permanent battery shutdowns in the past three years;
- Coke export availability, historical and forecast – China, Japan, Poland, Colombia, Russia, Ukraine, other exporters, plus available export statistics;
- Discussion of Chinese coke production & policies, impact on its export potential.

Demand for Metallurgical Coke

- Historical coke consumption (all grades combined) by country 2009-2017, estimates for 2018;
- Forecast coke demand by country to 2028, developed by statistical modelling techniques.

Metallurgical Coal Markets

- Export volumes from major suppliers i.e. Australia, Canada, Russia, United States;
- Current supply developments for coking coal;
- Estimated coking coal production by country - historical development and future availability;
- Demand outlook for coking coal;
- Pricing methodologies by region;
- Historical pricing for coking coal, plus forecast development.

Price Analysis & Forecasts

- Price forecasts for blast furnace coke and coking coal;
- Balance of likely coke import demand versus potential export capacity (five years ahead);
- Comparison of future coke demand versus available capacity (6-10 years ahead);
- Analysis of long-term coke and coking coal price development.

There will be some changes to the report content of previous years:

- *One, individual coke plant production will no longer be reported in the same way as before, i.e. for the previous two years and the current year. It is clear that there is industry resistance to me showing data on this basis. Primarily, we will report production data on national basis only. For some countries, it will be possible to give some indication of individual plant data.*
- *Two, we will not report the nominal plant capacity and battery age data. Much of this data was originally sourced almost 20 years and is now out-of-date. Instead, we will report effective capacity for each plant.*

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Methodology

The approach to sourcing information for the “*Coke Market Survey*” is primarily by communications and interviews with participants in the coke market, i.e. consumers, traders and producers in all parts of the world.

Sources of information will include:

- Statistical data on production and demand from industry associations and producers;
- Conference papers and company information;
- Trade data when available;
- Interviews and communications with industry participants.

Costs, Conditions & Timing

The “Coke Market Survey” will be completed by the end of November 2018. The completed document will be sent along with key data in “Excel”. Companies subscribing are required to restrict access to the research to their own personnel, as according to Resource-Net’s standard conditions of supply.

The subscription costs for this report remain on a moderate level:

Summary of charges:

<i>For subscribers to the 2017 Survey:</i>	€3000 / US\$3700
<i>New subscribers:</i>	€3500 / US\$4300

Invoices for the full amount will be issued from August. Companies wishing to subscribe should confirm by contacting Resource-Net via email without delay. Full payment will be required in all cases before the report is dispatched.

Please note that no discounts arise on the basis of a subscription to the monthly report.

Background

Andrew Jones has more than twenty years' experience of analysing the global commodities sector as well as an extensive knowledge of the steelmaking and non-ferrous metals industries. Prior to establishing “Resource-Net” in 1999, he had been employed in commodities research and equity analysis in several countries.

He has an Honours Degree in Metallurgy from the University of Sheffield (UK) and an MSc in Multinational Commerce from Boston University.

Any questions or expressions of interest in this proposal should be addressed to ***andrew@resource-net.com***.

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