TBI Holding

Friday, Mar 16, 2018

MARKET NEWS

Coal News

The coal market traded with high volatility again and ended the day higher with Cal 19 APi2 closing at $76.60 (80 cents higher than last night). The market initially opened lower with power, gas and Chinese domestic futures moving lower. However, we witnessed the backwardation pushing wider as the front remained firm. The Q2 v Cal 19 APi2 contract traded out to +5.75, which is 2.75 above the low a few weeks ago. This is in line with stocks at ARA dropping lower due to sustained German coal-fired generation and easing supply disruption on the river Rhine. This also helped the APi2 v Newcastle spreads continue to narrow, as Q2 was paid at -11.00 (6 dollars higher than last week). This is in line with the front api2 support and demand for seaborne Australian coal falling to its lowest in several months amid a sharp fall in demand from Chinese utilities and slower bidding interest from other north Asian buyers (including Japan).

API 2/API 4				API 4			
Bid $	Offer $	Mid $	Chg	Bid $	Offer $	Mid $	Chg
-11.05	-10.55	-10.80	0.00	91.55	92.05	91.80	0.00
-8.95	-8.45	-8.70	0.00	89.20	89.70	89.45	0.00
-8.80	-8.30	-8.55	0.00	88.80	89.30	89.05	0.00
-8.05	-7.55	-7.80	0.00	87.80	88.30	88.05	0.00
-8.60	-8.10	-8.35	0.00	88.60	89.10	88.85	0.00
-6.50	-6.00	-6.25	0.00	86.20	86.70	86.45	0.00
-5.95	-5.45	-5.70	0.00	84.95	85.45	85.20	0.00
-6.00	-5.50	-5.75	0.00	82.90	83.40	83.15	0.00
-5.50	-5.00	-5.25	0.00	80.60	81.10	80.85	0.00
-5.60	-5.10	-5.35	0.00	80.35	80.85	80.60	0.00
-5.05	-4.55	-4.80	0.00	76.35	76.85	76.60	0.00

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Iron Ore News

Market Comment

The DCE slowly ticked up through the first half of this morning's session, reaching 488.5 before slipping back again to close 484.5. A seemingly quiet morning on the swaps with Q2 getting paid on the way up at 68.50 and Q4 traded at 65.25 at the highs which was an aggressive pay but was just in very smalls. Otherwise Apr was trading at 69.60 and then 69.50 as the DCE ticked down just before the close.

Tender

Rio tender 210k PBF for Mar 30 - Apr 8 laycan, closes today at 3 pm.

Port Inventory

According to Custeel's survey of 42 ports in China, the total port inventory stood at 159.37 million tonnes on Friday, 16 Mar 2018, up 742,000 tonnes week-on-week, while daily cargoes evacuation decreased by 555,000 tonnes week-on-week to 2.05 million tonnes.

Technical Report

Commodity Currency Intraday Support and Resistance – upside rejection from Fibonacci resistance has resulted in a push lower on the AUDUSD putting the intraday into a corrective phase. The daily stochastic at 76 supports the intraday analysis with technical support between 0.7803 and 0.7782, technical resistance is at 0.7917.

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Oil Market News

Oil ended higher at close of Asian trading Thursday, as the IEA pegged global oil demand to be higher this year, revising its forecast for 2018 to 99.3 million bpd versus 97.8 millilon bpd in 2017. This is despite supply growing at a faster pace, leading to a rise in inventories in the first quarter of 2018; In OECD nations, commercial oil inventories were up in January for the first time in seven months to 2.871 billion barrels, 53 million barrels above their five-year average. However, the agency said Venezuela, where an economic crisis has cut oil production by 50 percent in two years to lows not seen in more than a decade, could still trigger a renewed drawdown in stocks.

May ICE Brent futures was $0.16 higher at $64.69/bbl, while the rest of the 43-month forward contracts traded between $0.02 and $0.16. Front month April WTI futures was up $0.17 at $60.89/bbl, with the other 44-month forward contracts trading between $0.06 and $0.21. The May Dubai EFS dipped $0.09 at $3.18/bbl, while the June Dubai EFS slid $0.10 at $3.32/bbl. The Cal '18 Brent/Dubai rose $0.07 at $2.86/bbl as the Cal '19 contract posted gains of $0.05 at $3.90/bbl.

Benchmark 180-cst FO was $0.25 higher for March contracts at $365.25/mt; Cal '18 gained $0.33 to $3601/mt while the Cal '19 traded $0.38 higher at $321/mt. March 180-Dubai cracks were down $0.24 at -$3.89/bbl, the Cal '18 contract dipped $0.18 at -$3.96/bbl while the Cal '19 declined $0.06 at -$6.28/bbl.

The 3.5% Rotterdam Barges March crack weakened $0.03 at -$10.46/bbl; the Cal '18 contract advanced $0.04 at -$10.26/bbl and the Cal '19 was up $0.04 at -$15.09/bbl.

The front month April ICE LGO futures contract posted gains of $2.25 at $574.00/mt, while the Cal '18 traded $2.44 higher at $571.97/mt and the Cal '19 contract increased $1.23 at $563.71/mt. The April GO EFS (10ppm) differential narrowed $0.43 at -$1.39/mt while the May contract was up $0.43 at -$3.51/mt.

The March Singapore GO 10ppm contract increased $0.34 at $77.04/bbl and the Cal '18 contract increased $0.31 at $76.18/bbl; Cal '19 advanced $0.26 at $74.40/bbl.

The March CFR-naphtha contracts rose $3.25 at $565.00/mt; Cal '18 was up $0.68 at $551.25/mt and the Cal '19 contract declined $3.75 at $516.94/mt. March CFR naphtha-Brent cracks were $0.21 higher at -$1.19/bbl; Cal '18 dipped $0.02 at -$1.59/bbl while the Cal '19 declined $0.49 at -$2.65/bbl.

GASOIL

Asia Gasoil Weekly: March volumes at 38 mln mt to date

Asian gasoil exports for March are seen at 3.8 million metric tonnes (mt) to date, with full-month volumes projected at around 8.0-8.5 million mt, based on assessments by Thomson Reuters Oil Research.

On-going seasonal refinery turnarounds are expected to tighten gasoil supplies in the weeks ahead. While March outflows are still projected on the high side, April could see a dip in gasoil exports, particularly from North Asian producers.

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