



COAL PRICE AND FX MARKET FORECASTS

June/July 2022

Overview

This bulletin provides a summary of coal price forecasts (hard coking coal, PCI, semi-soft coking coal and Newcastle benchmark thermal coal) and AUD:USD exchange rate forecasts as at June/July 2022. These have been sourced from various research databases and broker reports (the Contributors), and are presented on a 31 December year end basis. Where available, we have included the Contributors' long-term price forecasts. We have also included the average and median forecasts presented in our previous bulletin (March/April 2022).

All coal price forecasts, other than long term, are presented in nominal USD per metric tonne, free on board terms. The long term prices are in real current (2022) USD per metric tonne, free on board terms. Where applicable, we have made the following adjustments to certain coal price forecasts:

- Where Contributors have expressed coal price forecasts in real terms over the explicit forecast period, we have converted these into nominal terms using a high level inflation assumption of 2.5 percent per annum.
- Where long term coal price forecasts have been expressed in nominal terms, we have converted these into real current (2022) terms using a high level inflation assumption of 2.5 percent per annum.
- Where coal prices have been expressed in Australian Fiscal Year (1 July to 30 June) terms (FY) we have adjusted the forecast prices to be consistent with calendar year terms (CY), by adding 50 percent of the current FY forecast (1 July to 31 December) and 50 percent of the prior year's FY forecast (1 January to 30 June).
- Where coal prices have been expressed in Japanese Fiscal Year (1 April to 31 March) terms (JFY) we have adjusted the forecast prices to be consistent with CY terms, by adding 75 percent of the current JFY forecast (1 April to 31 December) and 25 percent of the prior year's JFY forecast (1 January to 31 March).

With regards to Newcastle benchmark thermal coal, we note that some of the Contributors forecast spot prices while some forecast contract prices. We have not distinguished between these in the bulletin.

While we recognise there are differing hard coking coal specifications, we note that the Contributors commonly do not differentiate between grades of hard coking coal in their forecasts. Accordingly, we do not distinguish between grades of hard coking coal in the bulletin.

The names of the Contributors have not been provided and have been presented as "Contributor [Number]". We note that not all Contributors have provided AUD:USD rate forecasts or coal price forecasts for each forecast year, and not all Contributors have provided forecasts for each coal type.

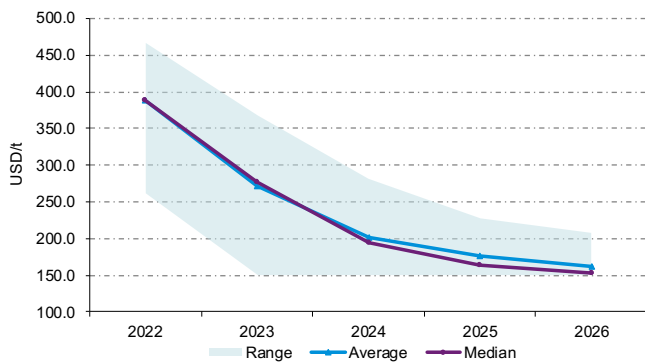
The forecast data presented in this report represents an unbiased summary of commodity price and exchange rate forecasts, based on the views of individual economic commentators and broking houses. It is not necessarily reflective of either KPMG's views on coal price or exchange rate forecasts, or our preferred approach in determining forecast coal prices and forecast exchange rates.

This analysis is provided to you on an information only basis and if you wish to rely on this analysis or any part thereof you do so entirely at your own risk.

This bulletin makes reference to 'KPMG Analysis'. This indicates only that we have (where specified) undertaken certain analytical activities on the underlying data to arrive at the information presented.

Hard coking coal price forecasts

The hard coking coal price forecasts are summarised below:



Hard coking coal (USD/t Nominal)

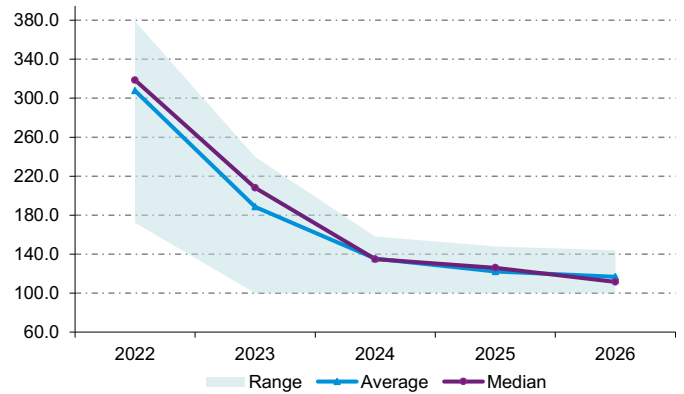
Year ended 31 December	Reporting date	2022	2023	2024	2025	2026	LT (2022)
Contributor 1	20-Jul-22	393.0	318.0	250.0	n/a	n/a	n/a
Contributor 2	19-Jul-22	361.0	301.0	282.0	n/a	n/a	n/a
Contributor 3	19-Jul-22	340.0	160.0	150.0	150.0	155.0	140.0
Contributor 5	13-Jul-22	370.0	275.0	150.0	n/a	n/a	140.0
Contributor 6	8-Jul-22	389.0	269.0	160.0	n/a	n/a	160.0
Contributor 7	1-Jul-22	435.0	273.0	219.0	n/a	n/a	n/a
Contributor 8	30-Jun-22	401.0	281.0	206.0	169.0	154.0	144.0
Contributor 9	27-Jun-22	383.7	250.0	180.0	180.0	n/a	180.0
Contributor 10	26-Jun-22	370.0	220.0	n/a	n/a	n/a	140.0
Contributor 11	26-Jun-22	403.0	193.0	160.0	160.0	150.0	150.0
Contributor 12	25-Jun-22	411.0	319.0	270.0	218.0	n/a	200.0
Contributor 13	24-Jun-22	464.3	361.3	n/a	n/a	n/a	n/a
Contributor 15	21-Jun-22	387.5	368.8	195.0	n/a	n/a	n/a
Contributor 16	16-Jun-22	467.0	300.0	249.0	228.0	208.0	170.0
Contributor 17	13-Jun-22	262.1	150.0	150.0	150.0	150.0	150.0
Contributor 18	10-Jun-22	372.5	297.3	195.5	150.3	151.0	n/a
Contributor 22	30-May-22	428.3	246.3	220.8	224.5	n/a	n/a
Low		262.1	150.0	150.0	150.0	150.0	140.0
High		467.0	368.8	282.0	228.0	208.0	200.0
Average		390.5	269.6	202.5	181.1	161.3	157.4
Median		389.0	275.0	195.5	169.0	152.5	150.0
Previous bulletin (Mar/ Apr22)							
Average		337.9	237.5	188.1	182.0	152.6	165.3
Median		350.0	220.0	177.5	159.5	150.0	144.0

Source: Thomson Research, the Contributors, KPMG Analysis

n/a: forecast not available

Low and ultra-low volatile PCI coal price forecasts

The low and ultra-low volatile PCI coal price forecasts are summarised below:



Low and ultra-low volatile PCI coal (USD/t Nominal)

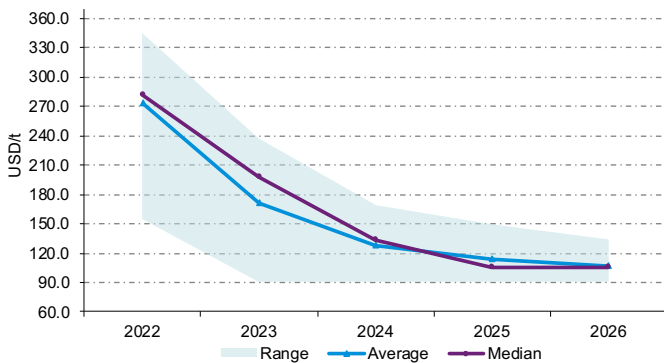
Year ended 31 December	Reporting date	2022	2023	2024	2025	2026	LT (2022)
Contributor 8	30-Jun-22	290.0	220.0	158.0	131.0	117.0	109.5
Contributor 9	27-Jun-22	281.4	175.0	126.0	126.0	n/a	126.0
Contributor 13	24-Jun-22	379.0	n/a	n/a	n/a	n/a	n/a
Contributor 16	16-Jun-22	377.0	208.0	158.0	148.0	144.0	114.0
Contributor 17	13-Jun-22	172.3	100.0	100.0	100.0	100.0	100.0
Contributor 18	10-Jun-22	347.0	239.8	134.8	106.0	106.0	n/a
Low		172.3	100.0	100.0	100.0	100.0	100.0
High		379.0	239.8	158.0	148.0	144.0	126.0
Average		307.8	188.6	135.4	122.2	116.8	112.4
Median		318.5	208.0	134.8	126.0	111.5	111.8
Previous bulletin (Mar/ Apr22)							
Average		242.0	176.3	149.3	140.6	101.0	133.3
Median		239.6	212.0	144.0	131.0	100.0	104.8

Source: Thomson Research, the Contributors, KPMG Analysis

n/a: forecast not available

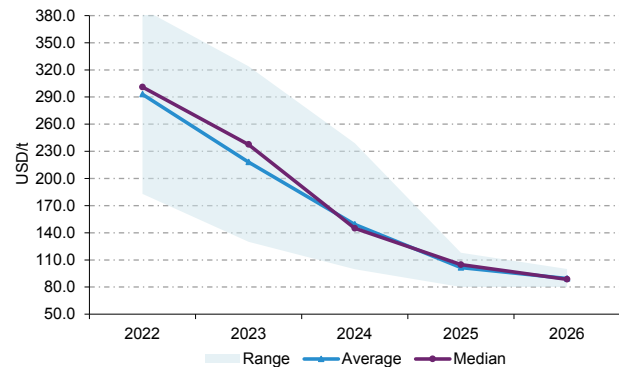
Semi-soft coking coal price forecasts

The semi-soft coking coal price forecasts are summarised below:



Newcastle benchmark thermal coal price forecasts

The Newcastle benchmark thermal coal price forecasts are summarised below:



Semi-soft coking coal (USD/t Nominal)

Year ended 31 December	Reporting date	2022	2023	2024	2025	2026	LT (2022)
Contributor 8	30-Jun-22	273.0	203.0	146.0	121.0	107.0	100.9
Contributor 11	26-Jun-22	282.0	128.0	100.0	100.0	100.0	100.0
Contributor 16	16-Jun-22	345.0	198.0	169.0	149.0	134.0	105.0
Contributor 17	13-Jun-22	155.7	90.0	90.0	90.0	90.0	90.0
Contributor 18	10-Jun-22	312.5	237.3	133.8	105.3	106.0	n/a
Low		155.7	90.0	90.0	90.0	90.0	90.0
High		345.0	237.3	169.0	149.0	134.0	105.0
Average		273.6	171.3	127.8	113.1	107.4	99.0
Median		282.0	198.0	133.8	105.3	106.0	100.4
Previous bulletin (Mar/ Apr22)							
Average		190.8	127.4	107.8	99.3	92.5	90.2
Median		184.0	128.0	100.3	96.4	95.0	98.0

Source: Thomson Research, the Contributors, KPMG Analysis

n/a: forecast not available

Newcastle thermal coal (USD/t Nominal)

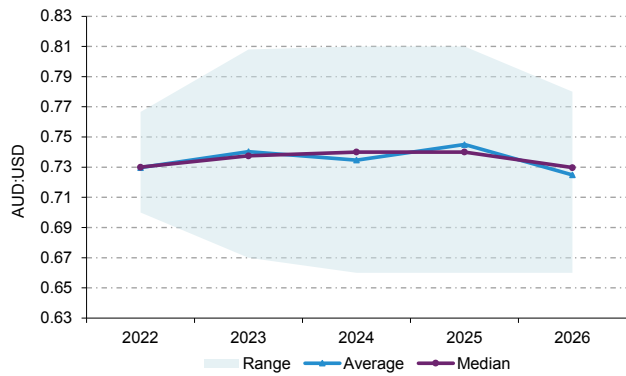
Year ended 31 December	Reporting date	2022	2023	2024	2025	2026	LT (2022)
Contributor 2	19-Jul-22	245.0	324.0	239.0	n/a	n/a	n/a
Contributor 3	19-Jul-22	340.0	250.0	150.0	90.0	92.0	80.0
Contributor 5	13-Jul-22	321.0	250.0	180.0	n/a	n/a	75.0
Contributor 6	8-Jul-22	325.0	231.0	150.0	n/a	n/a	90.0
Contributor 7	1-Jul-22	279.0	163.0	118.0	n/a	n/a	n/a
Contributor 8	30-Jun-22	325.0	244.0	138.0	90.0	85.0	80.2
Contributor 10	26-Jun-22	242.0	150.0	n/a	n/a	n/a	90.0
Contributor 11	26-Jun-22	282.0	254.0	184.0	118.0	85.0	65.0
Contributor 12	25-Jun-22	320.0	255.0	178.0	115.0	n/a	100.0
Contributor 13	24-Jun-22	273.8	250.0	n/a	n/a	n/a	n/a
Contributor 14	23-Jun-22	275.7	130.0	n/a	n/a	n/a	n/a
Contributor 15	21-Jun-22	387.5	318.8	145.0	n/a	n/a	n/a
Contributor 16	16-Jun-22	193.0	152.0	121.0	106.0	95.0	75.0
Contributor 17	13-Jun-22	182.9	130.0	125.0	110.0	100.0	100.0
Contributor 18	10-Jun-22	368.0	213.0	99.8	80.0	80.0	n/a
Contributor 22	30-May-22	330.0	175.0	113.0	103.5	n/a	n/a
Low		182.9	130.0	99.8	80.0	80.0	65.0
High		387.5	324.0	239.0	118.0	100.0	100.0
Average		293.1	218.1	149.3	101.6	89.5	83.9
Median		301.0	237.5	145.0	104.8	88.5	80.2
Previous bulletin (Mar/ Apr22)							
Average		216.6	143.1	94.4	82.2	78.3	75.3
Median		202.9	135.0	89.8	80.0	80.0	76.5

Source: Thomson Research, the Contributors, KPMG Analysis

n/a: forecast not available

Forecast AUD:USD exchange rates

Forecast AUD:USD exchange rates are summarised below:



AUD:USD exchange rate (Nominal)

Year ended 31 December	Reporting date	2022	2023	2024	2025	2026	LT (2022)
Contributor 1	20-Jul-22	0.73	0.69	0.69	n/a	n/a	n/a
Contributor 2	19-Jul-22	0.73	0.69	0.70	n/a	n/a	n/a
Contributor 4	13-Jul-22	0.70	0.67	0.66	0.66	0.66	0.66
Contributor 6	8-Jul-22	0.71	0.70	0.70	n/a	n/a	0.70
Contributor 7	1-Jul-22	0.72	0.76	n/a	n/a	n/a	n/a
Contributor 9	27-Jun-22	0.76	0.81	0.81	0.81	n/a	0.81
Contributor 10	26-Jun-22	0.74	0.75	n/a	n/a	n/a	0.75
Contributor 11	26-Jun-22	0.72	0.72	0.74	0.74	0.74	0.74
Contributor 14	23-Jun-22	0.72	0.73	0.75	0.73	0.72	n/a
Contributor 15	21-Jun-22	0.74	0.76	0.75	n/a	n/a	n/a
Contributor 16	16-Jun-22	0.73	0.73	0.73	n/a	n/a	n/a
Contributor 18	10-Jun-22	0.74	0.79	0.80	0.79	0.78	n/a
Contributor 19	9-Jun-22	0.73	0.73	0.74	n/a	n/a	n/a
Contributor 20	1-Jun-22	0.71	0.75	0.77	n/a	n/a	n/a
Contributor 21	31-May-22	0.73	0.80	n/a	n/a	n/a	n/a
Contributor 22	30-May-22	0.77	0.78	0.72	n/a	n/a	n/a
Low		0.70	0.67	0.66	0.66	0.66	0.66
High		0.77	0.81	0.81	0.81	0.78	0.81
Average		0.73	0.74	0.73	0.74	0.72	0.73
Median		0.73	0.74	0.74	0.74	0.73	0.74
Previous bulletin (Mar/ Apr22)							
Average		0.74	0.76	0.76	0.75	0.74	0.75
Median		0.74	0.76	0.76	0.75	0.74	0.75

Source: Thomson Research, the Contributors, KPMG Analysis

n/a: forecast not available

Recent KPMG thought leadership: a focus on risk



Australian Mining Risk Forecast 2022/2023

Each year, KPMG Australia researchers utilise our close links to the country's leading miners to conduct a survey to reveal the risks that are top-of-mind for the mining sector. This year's survey of Australian mining executives is particularly interesting. So many risk factors will be considered relevant, and all are interconnected, but which one's are top of mind?



A new dawn for human capital – Energy and Natural Resources

CEOs and business leaders have for too long thought in terms of labour cost rather than human capital. Energy and Natural Resources (ENR) companies face a rapidly changing strategic context in which access to the right talent will separate those who thrive from those who survive (or worse).

Contact us

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