



COAL PRICE AND FX MARKET FORECASTS

September/October 2021

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 September/October 2021. 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 (June/July 2021).

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 (2021) 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 (2021) 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.

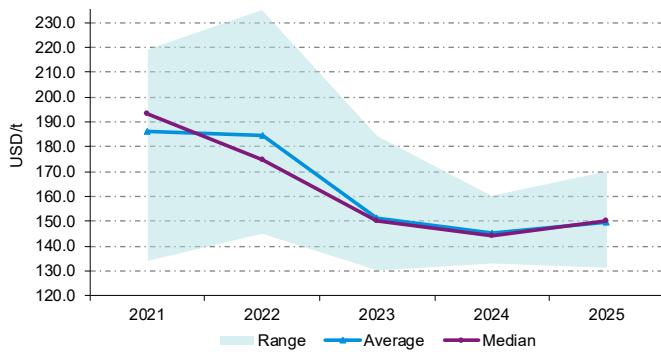
The forecast data presented in this report represents an unbiased summary of commodity price and exchange rate forecasts, based on the views of individual economic commentators and broking houses. It is not necessarily reflective of either KPMG's views on coal price or exchange rate forecasts, or our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

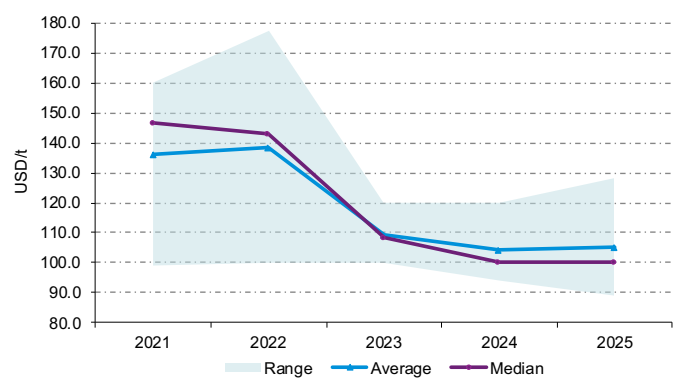
Hard coking coal price forecasts

The hard coking coal price forecasts are summarised below:



Low and ultra-low volatile PCI coal price forecasts

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



Hard coking coal (USD/t Nominal)

Year ended 31 December	Reporting date	2021	2022	2023	2024	2025	LT (2021)
Contributor 4	12-Oct-21	175.8	n/a	n/a	n/a	n/a	n/a
Contributor 5	12-Oct-21	197.8	215.0	145.0	140.0	150.0	150.0
Contributor 6	12-Oct-21	193.3	229.8	133.8	138.3	n/a	n/a
Contributor 7	8-Oct-21	207.0	174.0	150.0	n/a	n/a	150.0
Contributor 8	6-Oct-21	197.0	155.0	130.0	n/a	n/a	140.0
Contributor 9	5-Oct-21	216.0	175.0	136.0	133.0	131.0	112.0
Contributor 10	5-Oct-21	214.0	225.0	154.0	150.0	150.0	135.0
Contributor 11	3-Oct-21	189.0	205.0	140.0	n/a	n/a	120.0
Contributor 12	1-Oct-21	193.0	153.0	n/a	n/a	n/a	n/a
Contributor 13	1-Oct-21	153.0	145.0	n/a	n/a	n/a	130.0
Contributor 14	30-Sep-21	207.0	187.5	n/a	n/a	n/a	140.0
Contributor 15	29-Sep-21	159.0	165.0	160.0	160.0	170.0	160.0
Contributor 16	28-Sep-21	199.1	235.0	181.3	n/a	n/a	n/a
Contributor 18	28-Sep-21	219.0	210.0	151.0	144.0	145.0	131.1
Contributor 19	28-Sep-21	159.7	150.0	150.0	150.0	150.0	150.0
Contributor 20	21-Sep-21	149.5	165.5	n/a	n/a	n/a	n/a
Contributor 21	20-Sep-21	134.3	145.0	145.0	140.0	n/a	140.0
Contributor 22	16-Sep-21	204.0	220.0	184.0	n/a	n/a	140.0
Contributor 23	11-Sep-21	173.7	165.0	155.0	150.0	150.0	150.0
Low		134.3	145.0	130.0	133.0	131.0	112.0
High		219.0	235.0	184.0	160.0	170.0	160.0
Average		186.4	184.4	151.1	145.0	149.4	139.1
Median		193.3	174.5	150.0	144.0	150.0	140.0
Previous bulletin (Jun/Jul21)							
Average		137.3	146.1	145.6	146.1	150.4	140.6
Median		139.7	148.1	150.0	150.0	150.0	140.0

Source: Thomson Research, the Contributors, KPMG Analysis

n/a: forecast not available

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

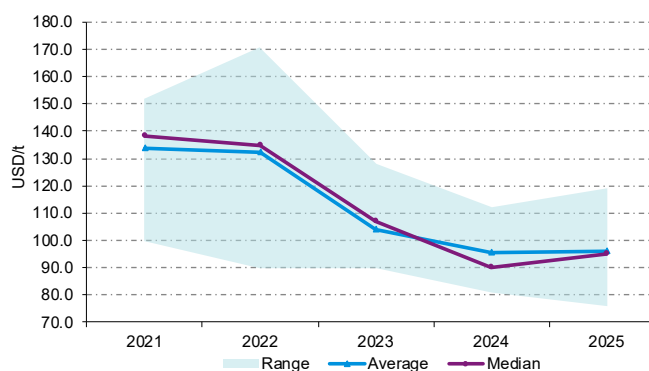
Year ended 31 December	Reporting date	2021	2022	2023	2024	2025	LT (2021)
Contributor 6	12-Oct-21	145.3	177.3	114.8	110.5	n/a	n/a
Contributor 9	5-Oct-21	160.0	145.0	105.0	94.0	89.0	73.0
Contributor 10	5-Oct-21	155.0	150.0	103.0	100.0	100.0	95.0
Contributor 14	30-Sep-21	154.0	141.0	112.0	n/a	n/a	n/a
Contributor 15	29-Sep-21	121.0	124.0	120.0	120.0	128.0	120.0
Contributor 18	28-Sep-21	148.0	168.0	117.0	109.0	110.0	98.3
Contributor 19	28-Sep-21	108.5	100.0	100.0	100.0	100.0	100.0
Contributor 21	20-Sep-21	98.8	101.5	101.5	98.0	n/a	98.0
Low		98.8	100.0	100.0	94.0	89.0	73.0
High		160.0	177.3	120.0	120.0	128.0	120.0
Average		136.3	138.3	109.2	104.5	105.4	97.4
Median		146.7	143.0	108.5	100.0	100.0	98.2
Previous bulletin (Jun/Jul21)							
Average		103.7	103.6	103.6	102.0	105.2	95.9
Median		109.0	105.8	103.3	100.0	100.0	98.2

Source: Thomson Research, the Contributors, KPMG Analysis

n/a: forecast not available

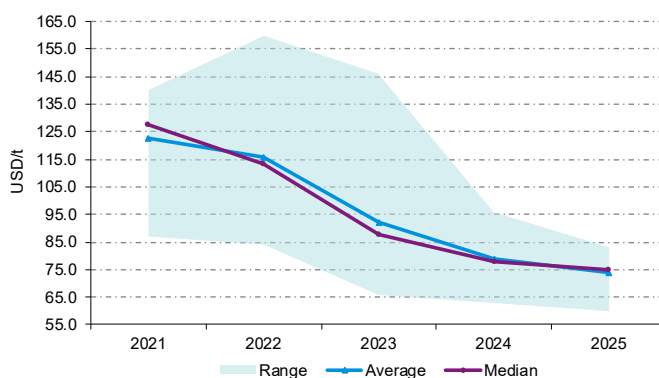
Semi-soft coking coal price forecasts

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	2021	2022	2023	2024	2025	LT (2021)
Contributor 5	12-Oct-21	127.3	149.0	95.0	90.0	100.0	100.0
Contributor 6	12-Oct-21	141.3	170.8	111.3	107.0	n/a	n/a
Contributor 9	5-Oct-21	147.0	127.0	92.0	81.0	76.0	62.0
Contributor 10	5-Oct-21	144.0	133.0	92.0	90.0	90.0	80.0
Contributor 12	1-Oct-21	139.0	91.0	n/a	n/a	n/a	n/a
Contributor 14	30-Sep-21	152.0	137.0	107.0	n/a	n/a	n/a
Contributor 15	29-Sep-21	112.0	116.0	112.0	112.0	119.0	105.0
Contributor 18	28-Sep-21	137.0	156.0	108.0	100.0	102.0	91.4
Contributor 19	28-Sep-21	99.9	90.0	90.0	90.0	90.0	90.0
Contributor 22	16-Sep-21	136.0	154.0	128.0	n/a	n/a	98.0
Low		99.9	90.0	90.0	81.0	76.0	62.0
High		152.0	170.8	128.0	112.0	119.0	105.0
Average		133.5	132.4	103.9	95.7	96.2	89.5
Median		138.0	135.0	107.0	90.0	95.0	91.4
Previous bulletin (Jun/Jul21)							
Average		95.5	94.3	92.2	91.6	95.7	85.4
Median		98.6	100.0	90.0	90.0	95.0	90.3

Source: Thomson Research, the Contributors, KPMG Analysis

n/a: forecast not available

Newcastle thermal coal (USD/t Nominal)

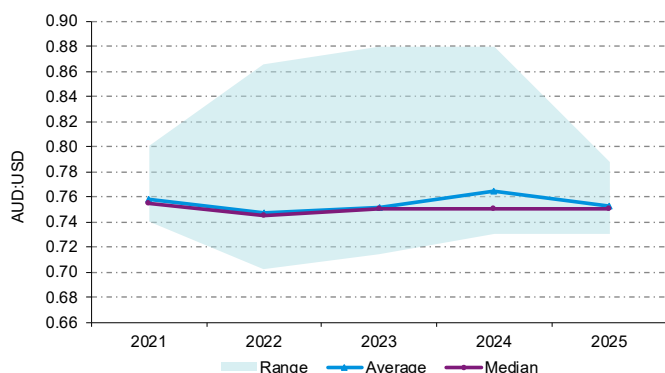
Year ended 31 December	Reporting date	2021	2022	2023	2024	2025	LT (2021)
Contributor 1	25-Oct-21	108.6	83.8	66.0	n/a	n/a	n/a
Contributor 2	19-Oct-21	140.0	120.0	90.0	86.4	82.9	n/a
Contributor 5	12-Oct-21	99.8	114.0	83.0	63.0	60.0	60.0
Contributor 6	12-Oct-21	128.4	152.3	108.3	96.0	n/a	n/a
Contributor 7	8-Oct-21	140.0	130.0	85.0	n/a	n/a	65.0
Contributor 8	6-Oct-21	127.0	100.0	85.0	n/a	n/a	75.0
Contributor 9	5-Oct-21	140.0	121.0	86.0	75.0	70.0	58.0
Contributor 10	5-Oct-21	130.0	129.0	95.0	78.0	78.0	70.0
Contributor 11	3-Oct-21	127.0	110.0	87.0	n/a	n/a	83.0
Contributor 13	1-Oct-21	125.0	95.0	n/a	n/a	n/a	75.0
Contributor 14	30-Sep-21	131.5	112.5	88.0	n/a	n/a	70.0
Contributor 15	29-Sep-21	107.0	95.0	85.0	80.0	75.0	75.0
Contributor 16	28-Sep-21	122.1	160.0	146.3	n/a	n/a	n/a
Contributor 18	28-Sep-21	137.0	143.0	95.0	75.0	76.0	67.3
Contributor 19	28-Sep-21	92.8	90.0	85.0	75.0	75.0	85.0
Contributor 20	21-Sep-21	87.0	87.0	n/a	n/a	n/a	n/a
Contributor 22	16-Sep-21	133.0	130.0	95.0	n/a	n/a	67.0
Contributor 23	11-Sep-21	128.6	110.0	95.0	80.0	75.0	70.0
Low		87.0	83.8	66.0	63.0	60.0	58.0
High		140.0	160.0	146.3	96.0	82.9	85.0
Average		122.5	115.7	92.2	78.7	74.0	70.8
Median		127.7	113.3	87.5	78.0	75.0	70.0
Previous bulletin (Jun/Jul21)							
Average		95.2	85.1	79.8	71.8	72.8	66.1
Median		92.8	83.0	78.4	75.0	75.0	65.0

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:



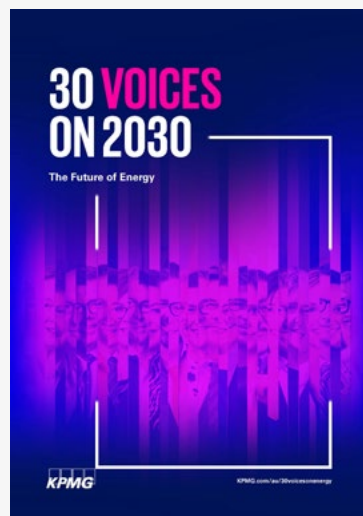
AUD:USD exchange rate (Nominal)

Year ended 31 December	Reporting date	2021	2022	2023	2024	2025	LT (2021)
Contributor 1	25-Oct-21	0.77	0.71	0.71	0.77	0.77	n/a
Contributor 3	14-Oct-21	0.75	0.74	0.75	0.77	0.79	n/a
Contributor 5	12-Oct-21	0.76	0.76	0.76	0.75	0.74	0.74
Contributor 6	12-Oct-21	0.76	0.77	0.79	0.77	n/a	n/a
Contributor 7	8-Oct-21	0.75	0.72	0.72	n/a	n/a	0.72
Contributor 9	5-Oct-21	0.75	0.73	0.73	n/a	n/a	n/a
Contributor 10	5-Oct-21	0.75	0.72	0.72	0.73	0.74	0.75
Contributor 11	3-Oct-21	0.76	0.75	0.75	n/a	n/a	0.75
Contributor 13	24-Sep-21	0.74	0.70	n/a	n/a	n/a	n/a
Contributor 14	30-Sep-21	0.76	0.73	0.73	n/a	n/a	0.74
Contributor 15	29-Sep-21	0.77	0.75	0.75	0.75	0.75	0.75
Contributor 16	28-Sep-21	0.76	0.75	0.75	n/a	n/a	n/a
Contributor 17	28-Sep-21	0.75	0.75	0.75	0.75	0.75	0.75
Contributor 18	28-Sep-21	0.76	0.75	0.75	0.74	0.73	0.72
Contributor 19	28-Sep-21	0.76	0.74	0.74	0.74	0.75	0.75
Contributor 20	21-Sep-21	0.75	0.76	0.75	n/a	n/a	n/a
Contributor 21	20-Sep-21	0.80	0.87	0.88	0.88	n/a	0.88
Contributor 22	16-Sep-21	0.75	0.74	0.74	n/a	n/a	0.74
Low		0.74	0.70	0.71	0.73	0.73	0.72
High		0.80	0.87	0.88	0.88	0.79	0.88
Average		0.76	0.75	0.75	0.76	0.75	0.75
Median		0.76	0.75	0.75	0.75	0.75	0.75
Previous bulletin (Jun/Jul21)							
Average		0.77	0.78	0.78	0.78	0.77	0.76
Median		0.77	0.77	0.77	0.77	0.76	0.75

Source: Thomson Research, the Contributors, KPMG Analysis

n/a: forecast not available

Recent KPMG thought leadership: the future of energy



30 Voices on 2030: The Future of Energy

We spoke to 30 energy executives, experts and disruptors about the state of the Australian energy landscape in 2030

The energy landscape is undergoing unprecedented change. To explore what the energy landscape could look like, KPMG asked 30 Voices to place themselves in 2030 and look back over the last ten years. The 30 Voices in this report cover every facet of the energy industry and beyond – from incumbents to challengers, big tech firms to investors, government ministers to academics and more.

In 2030, many countries and companies are on the way to realising their net zero goals, while the pace of change in the sector has been faster than at any other time in its history. The foundation of this new energy system has shifted from fossil fuels to clean electrification. While climate change concerns have forced stricter decarbonisation and ESG targets for both governments and companies, seeking to stay relevant to consumers has become a priority, meaning getting to net zero is now at the top of most corporate agendas.

[Read the full report here](#)

Contact us

If you require any further information in relation to this bulletin, please contact:

Bill Allen
Partner, Valuation Services,
Deals, Tax & Legal
T: + 61 7 3233 3174
E: billallen@kpmg.com.au

KPMG.com.au

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