

Argus/IHS McCloskey launch new API coal indexes in Asia-Pacific



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LONDON, April 24, 2012 /PRNewswire/ -- Leading international price reporting organisations Argus Media and IHS McCloskey today announce a major expansion of the API coal indexes in Asia-Pacific.

They will add two API coal price indexes to the Argus/McCloskey's Coal Price Index Report that will cover high-ash coal exports from Australia and deliveries to south China. The companies will also launch a new joint API coking coal index. The new indexes will be launched on 4 May 2012.

The expansion of the API indexes will address demand from market participants for reliable independent benchmarks to use as price references in physical and derivative contracts. Argus and IHS McCloskey already publish three API indexes, which are used for 90pc of the world's internationally traded coal derivatives.

API 5 represents 5,500 kcal/kg NAR (net as received), high-ash coal shipped from Australia, a new market that has emerged over the last few years. This is a lower quality than reflected in the current API 6 fob Newcastle index, which is based on the traditional Newcastle export specification of 6,000 kcal/kg NAR. It is estimated that 50mn t of this lower quality coal was exported from Newcastle last year.

API 8 reflects 5,500 kcal/kg NAR coal delivered to south China*. China consumes about 3.8bn t/yr of coal, but this is expected to double by 2020. China imported 182mn t last year and its increasing reliance on imported seaborne coal in the southern coastal regions has a major influence on prices in the internationally traded seaborne markets. Argus and IHS McCloskey intend to launch an API 9 index for 6,000 kcal/kg NAR coal delivered to south China later in 2012.

Argus and IHS McCloskey are also launching a new API index for fob Australia coking coal, API C1. This index assesses the price of prime hard coking coal exported from a range of east coast Australian ports. This will be published weekly through a new service, the **Argus/IHS McCloskey Coking Coal Price Index Report**.

All the Argus and IHS McCloskey indexes are calculated by averaging the relevant Argus and IHS McCloskey price assessments. The methodologies used to derive these prices are available online at www.argusmedia.com/methodology and www.mccloskeycoal.com.

Argus chairman and chief executive Adrian Binks said: "It is clear that the coal markets in Asia-Pacific are developing rapidly and we are pleased to be able to expand our indexation services in this region to meet the demand for new benchmarks. It makes sense for us to add to the suite of API indexes as these are already used by the vast majority of companies involved in coal markets."

IHS publisher John Howland said: "The Asia-Pacific coal market has developed at an astonishing rate in the last few years — not only in terms of volume, but also in terms of the diversity of benchmark qualities referenced by the market. This suite of new API indexes addresses the need for these qualities to be indexed."

* The IHS McCloskey assessment used in the API 8 is the IHS McCloskey/Xinhua Infolink South China (5,500kc NAR) marker. This is produced in association with Xinhua Infolink, a leading privately-owned, independent Chinese intelligence and insight provider.

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About Argus

Argus Media is a leading provider of price assessments, business intelligence and market data on the global crude, oil products, natural gas, electricity, coal, emissions, bioenergy, fertilizer and transportation industries. It is headquartered in London and has offices in Houston, Washington, New York, Portland, Calgary, Santiago, Bogota, Singapore, Beijing, Tokyo, Sydney, Dubai, Moscow, Astana, Kiev, Porto, Brussels and Johannesburg and other key centres of the energy industry. Argus was founded in 1970 and is a privately held UK-registered company.

About IHS (www.ihs.com)

IHS (NYSE: [IHS](https://www.ihs.com)) is the leading source of information, insight and analytics in critical areas that shape today's business landscape, including energy and power; design and supply chain; defense, risk and security; environmental, health and safety (EHS) and sustainability; country and industry forecasting; and commodities, pricing and cost. Businesses and governments in more than 165 countries around the globe rely on the comprehensive content, expert independent analysis and flexible delivery methods of IHS to make high-impact decisions and develop strategies with speed and confidence. IHS has been in business since 1959 and became a publicly traded company on the New York Stock Exchange in 2005. Headquartered in Englewood, Colorado, USA, IHS employs more than 5,500 people in more than 30 countries around the world.

SOURCE Argus Media/IHS McCloskey