

McCloskey's (MCC) M-series Indonesian FOB indices

The most reliable and transparent option for pricing Indonesian coal contracts

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McCloskey by OPIS, A Dow Jones Company

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- **McCloskey** is one of the longest-standing Price Reporting Agencies (PRA) in the coal space, producing prices for North West Europe CIF and Richards Bay FOB since 2000. These numbers each account for 50% of the API2 and API4 indices.
- **McCloskey** has a long history of covering Indonesian spot markets, pricing its Indonesian Sub-bituminous FOB marker from January 2002 as a monthly number, taking it weekly in 2007. In November 2010, the *McCloskey Indonesian Sub-Bituminous FOB marker* became the first listed Indonesian coal derivate, when it was launched on SGX.
- In 2012, **McCloskey** widened its coverage of Indonesian FOB markers with 4,200 kc GAR, 3,800 kc GAR, 5,800 kc GAR and 6,300 kc GAR (and later 3,400 kc GAR in January 2018).
- Because of its robust, transparent process and methodology, SGX selected McCloskey in 2018 to launch derivatives based on the *McCloskey Indonesian (4,200 kc GAR) FOB marker*, nicknamed **M42**.
 - To date 25 mt of derivatives have been traded against **M42** as its settlement number.
- **M42**, and other **M-series** numbers such as **M50**, are increasingly being used as the basis of physical business, as the outright index, or part of a basket of indices.

- **M63 Indonesian (6,000 kc NAR) FOB marker**

- Assesses coals exported out of East and South Kalimantan in gearless vessels, c.v. adjusted to 6,000 kc/kg NAR and with load rates of 20,000 t/day. The 6,000 kc/kg NAR price basis typically converts to 6,300 kc/kg GAR.

- **M58 Indonesian (5,500 kc NAR) FOB marker**

- Assesses coals exported out of East and South Kalimantan in gearless vessels, c.v. adjusted to 5,500 kc/kg NAR and with load rates of 20,000 t/day. The 5,500 kc/kg NAR price basis typically converts to 5,800 kc/kg GAR.

- **M50 Indonesian sub-bituminous FOB marker**

- Assesses sub-bituminous coals with a minimum c.v of 4,500 kc/kg NAR exported out of East and South Kalimantan. It is c.v. adjusted to 4,700 kc/kg NAR and with load rates of 15,000 t/day. The loading points are constrained to those that can load Panamax vessels or larger. However, the minimum cargo size is 50,000 t. The 4,700 kc/kg NAR price basis typically converts to 5,000 kc/kg GAR.

- **M42 Indonesian (4,200 kc GAR) FOB marker**

- Assesses the export price of sub-bituminous coals shipped out of East and South Kalimantan in geared vessels and c.v. adjusted to 4,200 kc/kg GAR. The Indonesian 4,200 kc/kg GAR price basis typically converts to 3,800 kc/kg NAR.

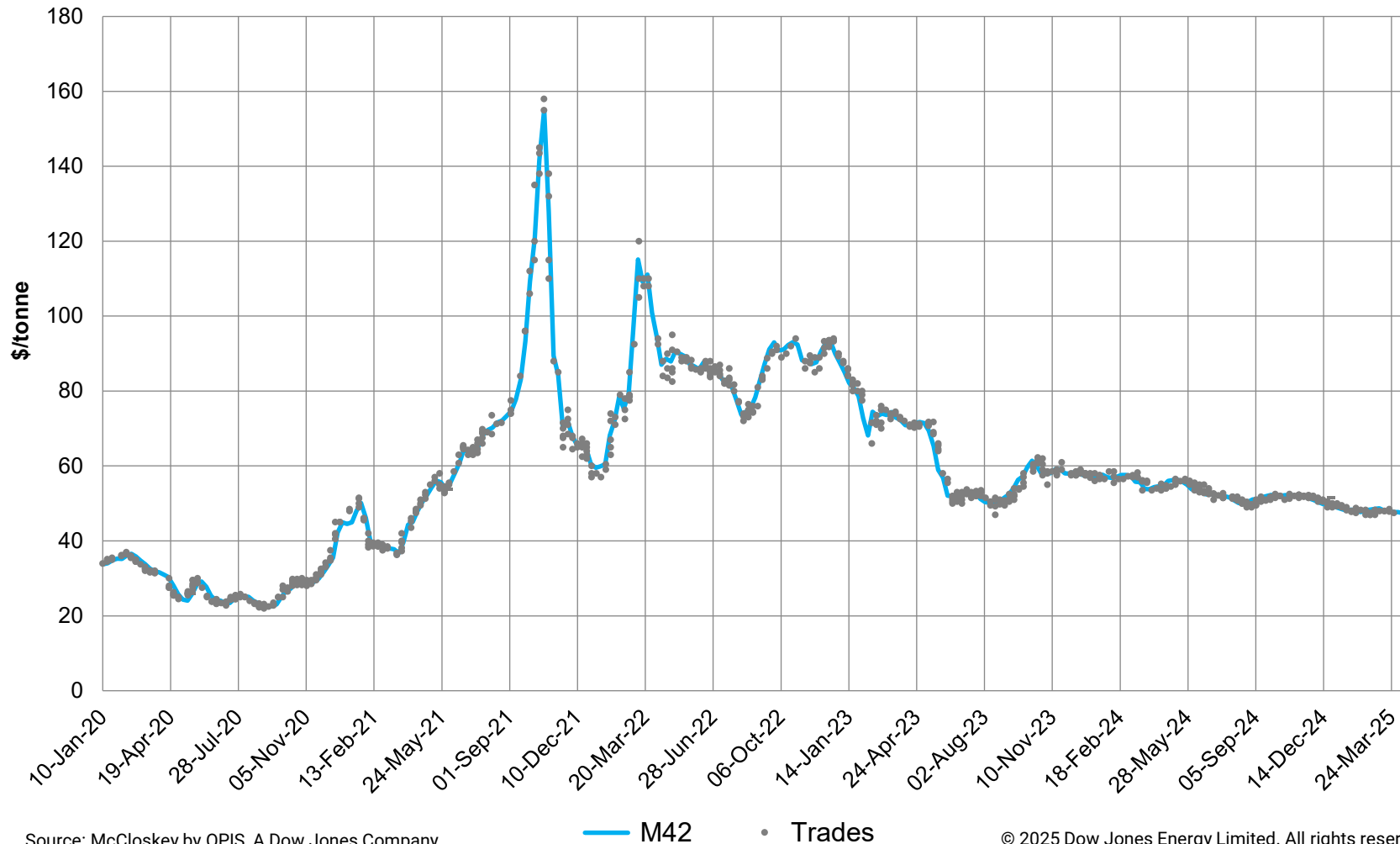
- **M38 Indonesian (3,800 kc GAR) FOB marker**

- Assesses the export price of sub-bituminous coals shipped out of East and South Kalimantan in geared vessels and c.v. adjusted to 3,800 kc/kg GAR. Typically converts to 3,400 kc/kg NAR.

- **M34 Indonesian (3,400 kc GAR) FOB marker**

- The McCloskey Indonesian (3,400 kc GAR) FOB marker assesses the export price of coals shipped out of East and South Kalimantan in geared vessels. The Indonesian 3,400kc/kg GAR price basis typically converts to 3,000 kc/kg NAR.

McCloskey's M42 marker price vs reported trades, 2020-2025 (\$/t)



M42 from McCloskey (MCC) is a robust Indonesian 4,200 kc GAR FOB marker. It is designed to track spot price values by prioritizing trades. As a result, the marker better tracks the underlying market value to where deals are actually done.

The index is transparent and aligned with the latest commodity market compliance practices, being independently audited once a year. It is also the only Indonesian index listed as a derivative for hedging and risk management purposes, being hosted on SGX since April 2018.

The index is designed to prioritize trades over opinions, so it tracks where deals are being done

- **McCloskey's** methodology has three pillars of price discovery
 - Trades – the best kind of pricing data
 - Bid and offers – good indications of where people are prepared to do business
 - Survey – market participants being surveyed on their view on where fair value is of spot business
- Each pillar is assigned a weighting depending on the strength of the data available. Markers such as M42 typically only use survey data for 25% of the final calculation, with market data accounting for the other 75%.
- Each year, **McCloskey's** indices are independently audited to make sure they comply with the highest standards for international commodities and best practices for compliance to ensure they remain robust and transparent.

It is because of this robust and transparent approach that M42 is listed as a derivative, making McCloskey the only PRA with an Indonesian coal index that is used both for physical and futures contracts

M42 – the only listed Indonesian paper contract

- Because **M42** is a listed derivative on SGX it has a forward curve which allows for forward price discovery.
- As **M42** correlates very well to other Indonesian grades, it is also possible to extrapolate the forward curve for other Indonesian grades, based on the weekly ration between the markers.

M42 (4,200kc GAR FOB Kalimantan)	
	20-May
May-25	45.78
Jun-25	45.50
Jul-25	45.00
Q3-25	45.20
Q4-25	46.34
Q1-26	47.10
Q2-26	49.17
Cal-26	48.69
As of 12:00 pm Singapore time: 20-May-25	
Source: McCloskey by OPIS, a Dow Jones company	

M42 and derived curves for other grades						
Relationship of M42 to other grades						20-May-25
	M34	M38	M42	M50	M58	M63
Ratio*	Implied 0.69	Implied 0.80	-	Implied 1.33	Implied 1.67	Implied 2.15
May-25	31.78	36.83	45.78	60.79	76.51	98.45
Jun-25	31.58	36.60	45.50	60.41	76.04	97.84
Jul-25	31.24	36.20	45.00	59.75	75.20	96.77
Q3-25	31.38	36.37	45.20	60.02	75.55	97.21
Q4-25	32.17	37.28	46.34	61.53	77.44	99.65
Q1-26	32.70	37.90	47.10	62.55	78.72	101.30
Q2-26	34.13	39.56	49.17	65.29	82.17	105.74
Cal-26	33.80	39.18	48.69	64.66	81.38	104.72
M34 = McCloskey Indonesian (3,400 kc GAR) FOB marker M38 = McCloskey Indonesian (3,800 kc GAR) FOB marker M42 = McCloskey Indonesian (4,200 kc GAR) FOB marker M50 = McCloskey Indonesian (4,700 kc NAR) FOB marker M58 = McCloskey Indonesian (5,500 kc NAR) FOB marker M63 = McCloskey Indonesian (6,000 kc NAR) FOB marker * based on differential to M42 on the previous week's Index Source: McCloskey by OPIS, a Dow Jones company						

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For more on McCloskey coal news and research services, visit:
www.opisnet.com/McCloskey

View the methodology here:
<https://www.opisnet.com/wp-content/uploads/2025/10/Thermal-and-petcoke-methodology-Oct-24.pdf>

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