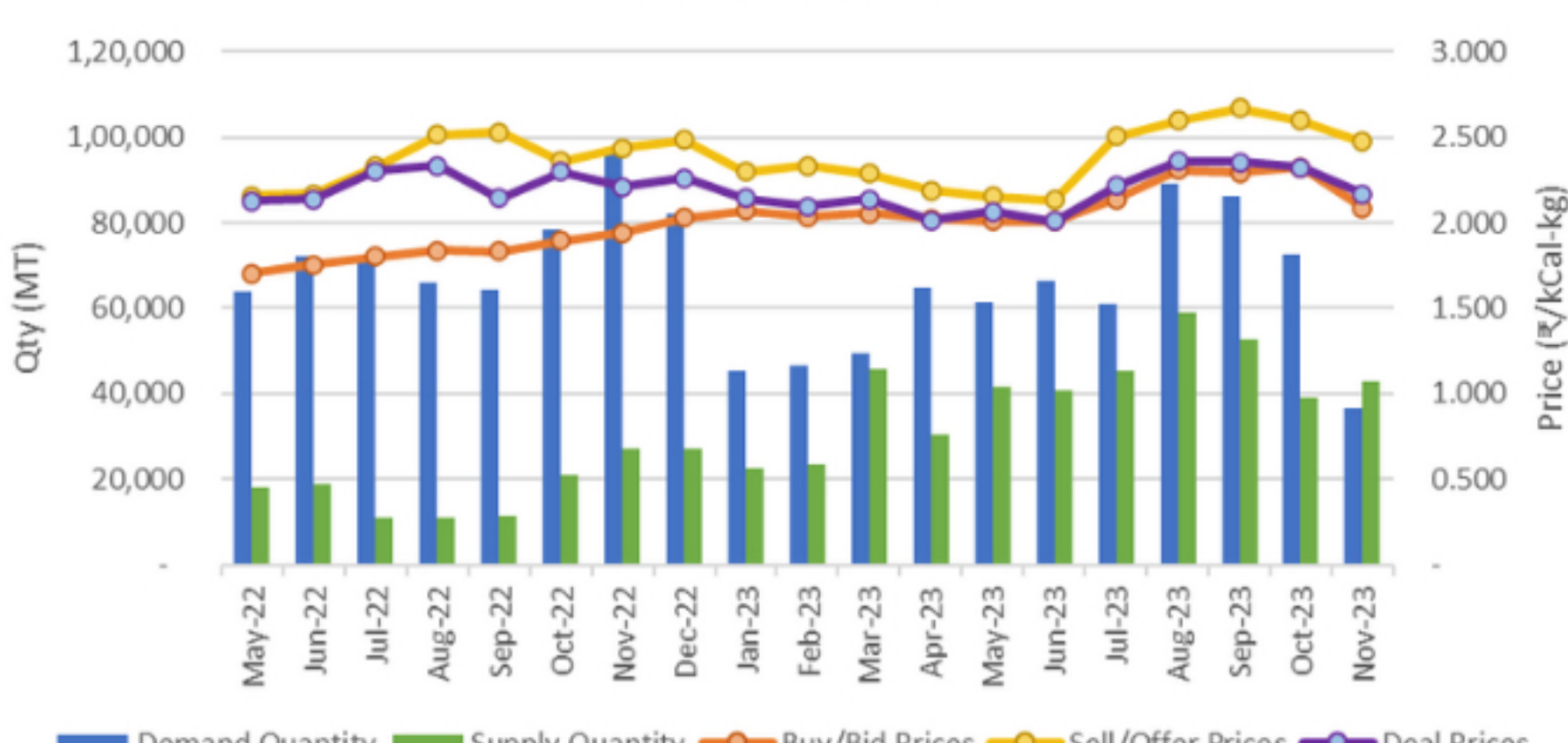


BiofuelCircle Market Insights

December 2023

Past Trends: Briquette Prices

Historical Trends



This chart shows the pan-India trend on the BiofuelCircle platform, for weighted average delivered prices of Biomass Briquettes, converted to Rs per Kcal-kg over the past months, along with the availability & demand from our subscribers. Weighted average is calculated using quantity sought/offered/ deals done, averaged over a month.

Buy/Bid prices (orange line) are expectations of Buyers (delivered basis). Sell/ Offer prices (yellow line) are based on responses and sells published by Sellers (again delivered basis). And finally, the Deal prices (purple line) are for deals concluded after platform-based negotiations between Buyers and sellers. Demand (blue bars) is the total Buy quantity the month, and Supply (green bars) is the total quantity Offered by Sellers for that month.

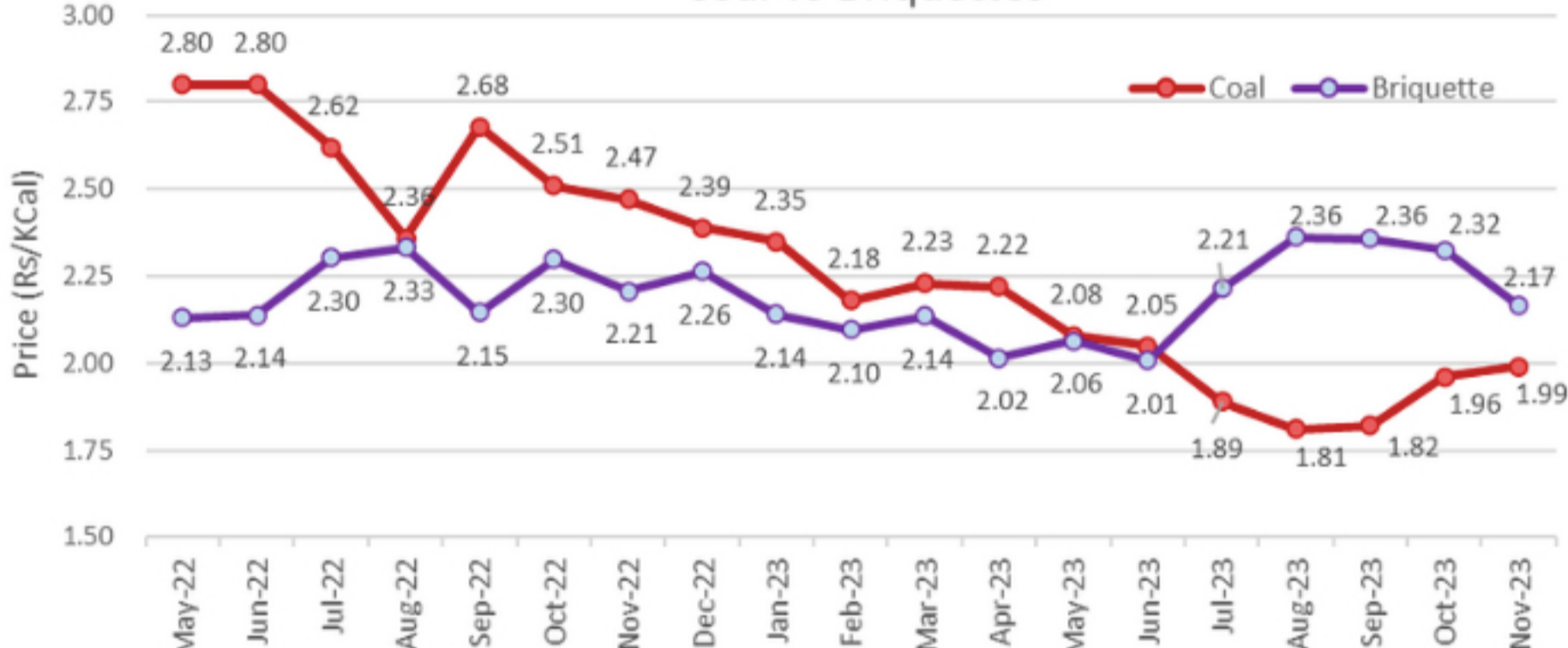
Post monsoon this year, as raw biomass started becoming available after the kharif harvest, price expectations of both Buyers and Sellers have turned lower. The trend which started in October continued into November when Sellers sought prices 15% lower than the high levels seen this year in September. The month also saw more supply available on the platform as compared to the demand. The average deal price in Nov'23 was ₹ 2.17 per Kcal-kg, about 7% lower than the previous month. And deals continued to happen closer to the prices sought by Buyers, as seen from the trend of the purple line to remain close to the yellow line. With such a reversal in price trend, the current prices are more or less similar to those seen exactly a year ago in Nov'22.

Price Comparison

Starting this month, we will be comparing the weighted average delivered prices of Biomass Briquettes to those of imported coal (GCV 3400 GAR). We call the difference between these prices as the 'spread'.

Coal prices in this chart (maroon line) are sourced from market publications, for Indonesian-origin coal (3400 GAR), imported at Kandla and delivered on average 300 km inland. Briquette prices (purple line) are based on deals done on the platform. Both are converted to GCV basis, for meaningful comparison.

Coal vs Briquettes



Historically, the spread between Coal and biomass Briquettes (measured on a ₹ per kCal-kg) is positive i.e., Coal is more expensive than Briquettes.

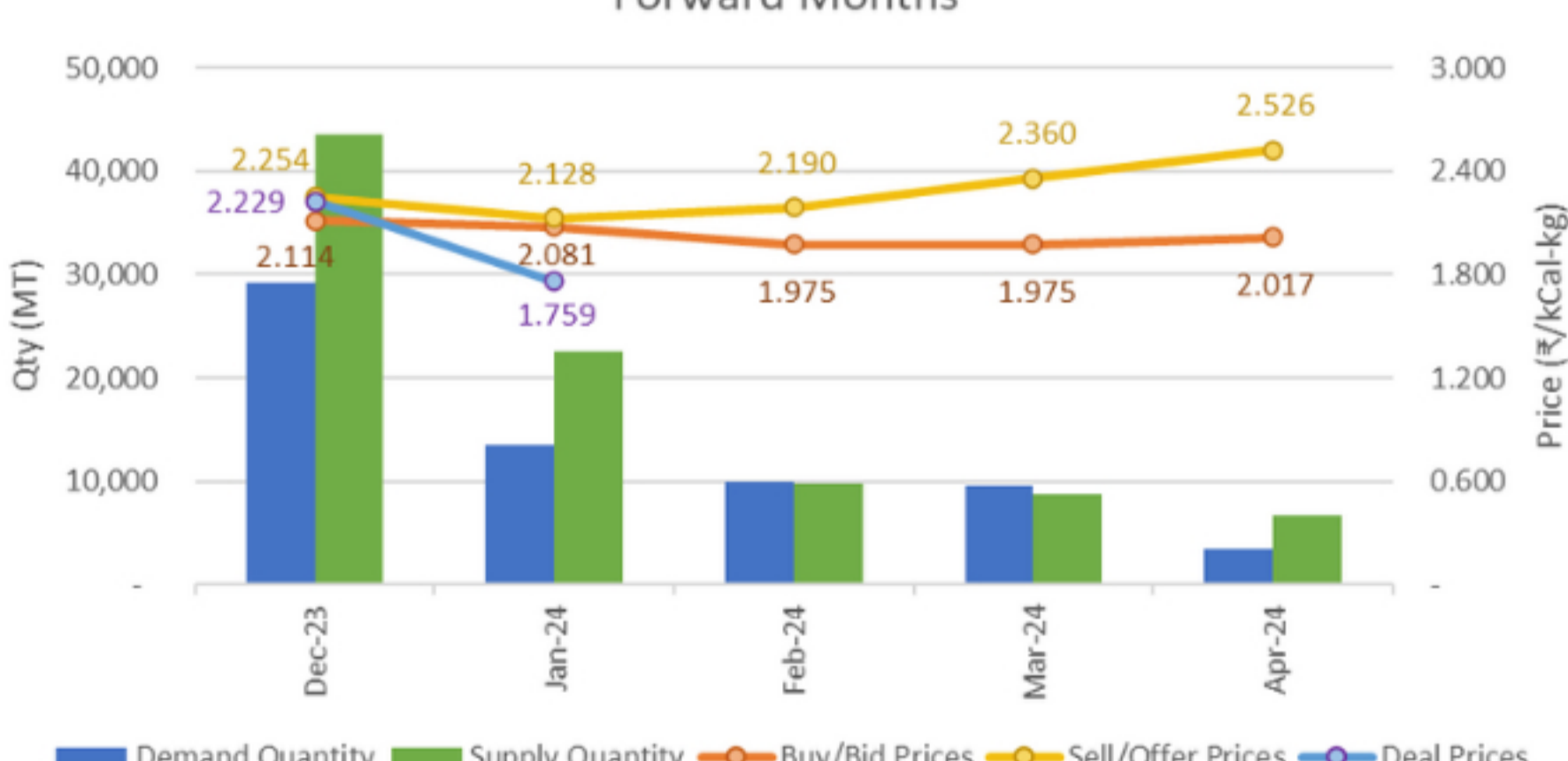
In the monsoon months, a significant divergence was seen: the spread had inverted. After Sep'23 the difference has started to revert, and prices are trending closer to each other in November.

International Coal prices typically rise in the winter months of the Northern Hemisphere (December to February), but in general, the longer-term outlook for coal prices is lower year on year.

Forward Months

The prices (for Buys/ Bids, Sells/ Offers & Deals), as well as demand & supply quantities in the chart below, are for delivery of biomass briquettes in the respective months.

Forward Months



A sharper fall in prices is seen for the deals happening for forward deliveries (see graph above). While prices for delivery in the immediate month (December) are similar to Nov'23, there are deals on the platform at a much lower ₹ 1.76 per Kcal-kg for delivery in Jan'24.

Based on Sells/ Offers available on the platform, the expectations of Sellers have come down even further to ₹ 2.13 to 2.36 per Kcal-kg as compared to ₹ 2.52 to 2.55 a month ago. Over the same period of time Buyers' requirement has remained steady at around ₹ 2.1 per Kcal-kg.

Increased availability of raw materials post-harvest, and a return of the coal vs briquette spread to the historical average pattern all point to the lower prices of briquettes that are seen on the platform.

Are you a consumer of Briquettes/ Pellets? Current platform data shows that buying one to two months forward can help you lock in better prices compared to the previous quarter. [Contact your Support representative](#) to understand how BiofuelCircle can help you plan long-term purchases.

If you are a manufacturer of Briquettes/ Pellets, BiofuelCircle's intelligent deal engine can show buyers near you, top-rated buyers, as well as make recommendations on where you can sell for the best realisations. Log in to the platform and [click here](#). Our support representatives can also guide you on how to find the best deals near you. [Get in touch today!](#)

Contact us to know more!