
Qinhuangdao edges up on high stockpiles

Thursday, 02 Jul, 2009

It is reported that coal at China's largest coal port Qinhuangdao rose by CNY 5 to CNY 10 per tonne on June 29. On the day, the exit price of high grade mixed coal with 5,500 calorie/kg went up by CNY 5 per tonne at Qinhuangdao port and it stays CNY 575 per tonne at highest. Besides, the exit price of mixed coal with 5,000 calorie/kg edged up by CNY 5 to CNY 10 per tonne to CNY 495 to CNY 510 per tonne

An expert from China Coal Transportation and Marketing Association said that "The recovery of downstream sectors as well as the arrival of the high season remain to be the main reasons for the increase." He said that in the following month, it is regarded to be normal if coal demand surges by 10 million tonnes.

It must be mentioned that current increases in coal price occurred on high level of coal stockpiles. By Jun 28, coal stock at Qinhuangdao port had stayed as high as 6.56 million tonnes.

An expert from the above association said that "Apart from power and steel industries, which are now recovering, the construction material sector is also witnessing its demand for coal increasing and in addition to the seasonal factor, coal price is thereby propped up."

The uptrend is expected to be sustained in the coming one or two months, and it would be reasonable for coal demand in the country to increase by 10 million tonnes. Sources indicate that coal demand had already gone up noticeably in May.

According to statistics from National Bureau of Statistics show China's coal sales volume in May reached 226.32 million tonnes up by 12.57 million tonnes, 5.88% YoY. While in the first five months, the average monthly growth rate of coal sales volume remained at only 1.64% YoY

(Sourced from MySteel.net)

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