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## China coal producers overcome deadly snowstorms

Wednesday, 18 Nov, 2009

Bloomberg reported that China's coal producers surged as the country's worst snowstorms in decades disrupted supplies and boosted demand, driving up prices of the solid fuel.

As per report, China Shenhua Energy Co rose by 5% to CNY 37.27 at the 11:30 AM break in Shanghai, the most since October 9th 2009. Shanxi Xishan Coal and Electricity Power Co climbed 6.7% to CNY 40.44. Yanzhou Coal Mining Co advanced 6.5% to CNY 21.38. The Shanghai Composite Index gained 2.2%.

Mr Wang Shuai a Shanghai based analyst at Orient Securities Co said that "The bad weather is causing supply constraints at a time when demand is increasing."

The Ministry of Civil Affairs said that China forecast blizzards today for southeastern portions of the country after northern provinces were hit by the heaviest snowfall in six decades last week. The snowstorms killed 32 people and caused CNY 6.96 billion of damage. The government ordered power plants to increase their stockpiles of coal to ensure adequate fuel supplies.

According to data published by China Coal Transport & Distribution Association, the price of coal with an energy value of 5,500 kilocalories a kilogram gained 1.6% to between CNY 640 and CNY 660 in the week ended November 16th 2009 as compared with assessments in the previous week.

(Sourced from [www.bloomberg.net](http://www.bloomberg.net))

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