
China coal demand collapse skewed by holidays - Macquarie

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Macquarie Bank Ltd said that Chinese coal import data suggesting a collapse in demand were skewed by national holidays in October and under-reporting.

Imports fell to 11.1 million tonnes last month after rising to 16.1 million tonnes in June, the most for customs data on Bloomberg going back to 2004. Shipments of iron ore, used to make steel, slumped 30% from September.

Mr Jim Lennon London based analyst said that “Some commentators are wrong suggesting that this reflects a ‘collapse’ in Chinese demand. The data for October was skewed somewhat. It appears there was some over reporting of September trade data and under reporting of October.”

He said that domestic output may be rising to replace falling imports, particularly in coking coal and iron ore, as producers ship more raw materials to other nations where demand is growing.

According to estimates from Drewry Shipping Consultants Ltd in London of the 762.5 million tonnes of dry bulk commodities shipped by sea this quarter, 239.3 million tons will be iron ore, 118.7 million tonnes will be thermal coal burned for power and 58.8 million tons coking coal used to make steel.

(Sourced from Bloomberg)

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