
Experts expect falling coal market in China on oversupply

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It is reported that domestic coal market is clouded over the concerns about the economic downturn. Experts lately expressed pessimistic outlook over the domestic coal market for the months to come in the Coal Forum and predicted a further correction in the mid of the next year.

Shanghai Securities News quoted Mr Wu Chenghou consultant of China Coal Transportation & Sales Society as saying that "I hold an optimistic view about the future market, but it is really coming down in the short term."

He said that coal price has bitten the bottom line at Qinhuangdao port, and it is certain that the market will be weighed on by the slack demand from related steel, power, cement and fertilizer industries as well as the overall economic downturn.

Mr Li Xuegang vice director of the Coal Transportation & Sales Society of the city said that besides, the decreased demand for coal from power plants can partly blame for piles of resource congested at the port, remaining 8.3 million tonnes. This was a sign of oversupply.

The slim price cut of CNY 10 per tonne to CNY 20 per tonne for domestic coal can be well explained by the support of huge demand for winter use and domestic coal companies' preparation of enough capital earlier this year for long-term price war.

(Source: Shanghai Securities News)

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