
CCIA warns against coking coal price downswings

Wednesday, 18 Mar, 2009

According to China Coking Industry Association, coking coal imports at the moment is favorable to the stabilization of domestic coal price, but importers should take it seriously since there is some space for coking coal price drops at home and abroad.

Domestic coke price keeps falling while coking coal price stays high recently. CIF for imported coking coal now stands lower than purchase price in domestic market.

According to CCIA, coking coal imports can help stabilize domestic price. As global crude steel output will post a downtrend, demand for coking coal will wane. Coking coal price might fall at home and abroad.

Analysts forecast China's coking coal consumption in 2009 will decrease by approximately 50 million tons from a year earlier, owing to steel output fluctuation, structure adjustment, obsolete capacity elimination, decreasing coke exports and so on. Statistics show China may reduce demand for coke this year together with slumping coke exports, implying a downtrend for coking coal demand.

CCIA said under the influence of global crude steel output cut and shrinking demand, coking coal price may undulate at around USD 100 per tonne.

(Source: China Securities Journal)

For more news visit at www.steelguru.com