
Chinese thermal coal price to undulate by 10% in 2009 - Analysts

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According to Mr Han Zhenguo an analyst with Haitong Securities that, coal price fluctuation in 2009 will narrow significantly without any big boom-bust as in last year, adding that the undulation in the whole year may be approximately 10%.

Mr Han also pointed out coal price might still witness dramatic seasonal and regional fluctuations.

The price remains firm recently. Statistics from China International Capital Corporation show spot coal price at Australia's Newcastle Port reached USD 62.1 per tonne on March 13th up by 0.6%WoW. Thermal coal price at Qinhuangdao Port kept stable last week, with high quality mixed coal from Shanxi offered at CNY 558 per tonne on March 16th.

Domestic coking coal price now stays firm. On March 16th No 2 coking coal price in Shanxi's Gujiao remained at CNY 910 per tonne. Coke price continues falling. Second grade metallurgical coke price lost 5.7% or CNY 100 per tonne from a week earlier to CNY 1650 per tonne on March 16th.

By March 6th average transaction price for coal in China recorded CNY 614.51 per tonne up by 1%MoM and up by 11%YoY.

According to CICC analyst Mr Han Yong, coal price is expected to keep stable in near future as there are some favorable factors, such as diving coal stockpiles at Qinhuangdao Port, increasing coal throughput and rising China Coastal Coal Freight Index.

(Source: China Securities Journal)

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