
Coal prices rally at Qinhuangdao Port

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Interfax-China reported that the price of 6,000 kilocalorie per kilogram Datong premium coal rebounded by CNY 20 per ton over the first week of May to CNY 640 per tonne on May 7th at Qinhuangdao Port, China's largest coal trans-shipment port.

Mr Chen Liang a coal analyst with Everbright Securities said a drop in coal stockpiles and an increase in power consumption over the last two weeks in April helped alleviate market concerns that had kept prices down over the same period.

Mr Chen also noted that Shenhua Group Corp, China's largest coal producer, raised its May spot coal prices by between CNY 10 and CNY 15 per tonne. Rival Datong Coal Mine Group may also raise spot coal prices by around CNY 15 per tonne. He said that "The adjustment of spot coal prices was made on the basis of April's coal market and will in turn influence the spot market price in May."

Coal prices had grown sharply over the first two weeks in April only to plateau in the latter half of the month on concerns of weak demand. At the end of April, coal stockpiles fell to 3.89 million tonnes at Qinhuangdao, their lowest level since November 2006. Reports of satisfactory sales statistics regarding the real estate and automotive industries and rising steel and coke prices also contributed to the increase in coal prices.

(Sourced from Interfax-China)

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