

2021-03-10

The domestic coal price is recovering and continuing its upward trend this week. The price of Calorie 5,500 has reach abt 632 - 636 RMB (up by abt 60 RMB compared to last week) and of Calorie 5,000 it has reached abt 553 - 557 RMB (up by abt 50 RMB compared to last week). Due to the opening of "Two Sessions" in Beijing, which started on Mar 4th and will end Mar 11th, safety control is tightened in mines, reducing the production level. But it is expected, thus the impact is limited. Trail transport is smooth. So the main reason for increasing coal price is the increasing demand, thanks to increasing production level of factories. Paper has been cooling down a bit, even seen some drops. But physical is still very positive for the near future and sellers are holding and watching, expecting better profits. qFor Calorie 3,800, the Indo FOB price is US\$39 - \$40 and it is expected to remain ard that level with India keep purchasing. Some power plants are still buying from Indo but not many and are case by case. So the import volume for March is expected to be low. As of March 8th, the daily consumption of the major coastal power plants is abt 710 KT and the inventory level is abt 21 days, still at a comfortable level but it is expected to increase in the future due to higher factory production.

The domestic freight market is increasingly hot. The hire level for SMX from N China to S China is abt 23,000 - 24,000 APS (frt abt 57 RMB for Huanghua to Guangzhou). The stock level at the major loading ports is abt 23.41million tons (up by abt 0.453 million tons thanks to smooth railway transport). With more cargoes released and more dual licensed vsls entering the international market, the domestic market is expected to continue the upward trend for a while. Owners are happy as they can choose either domestic or international, depending which is more attractive.

3/16/2020	3/23/2020	3/30/2020	4/6/2020	4/13/2020	4/20/2020	4/27/2020
39	40	42	43	41	39	37
5/4/2020	5/11/2020	5/18/2020	5/25/2020	6/1/2020	6/8/2020	6/15/2020
36	36	35	33	32	32	34
6/22/2020	6/29/2020	7/6/2020	7/13/2020	7/20/2020	7/27/2020	8/3/2020
36	39	42	44	45	45	46
8/10/2020	8/18/2020	8/24/2020	8/31/2020	9/7/2020	9/14/2020	9/21/2020
47	47	44	44	43	43	42
9/28/2020	10/12/2020	10/19/2020	10/26/2020	11/2/2020	11/9/2020	11/16/2020
44	46	46	45	45	43	44
11/23/2020	11/30/2020	12/7/2020	12/14/2020	12/21/2020	12/28/2020	1/4/2021

44	45	45	44	42	40	39
1/11/2021	1/18/2021	1/25/2021	2/1/2021	2/8/2021	2/22/2021	3/1/2021
37	36	36	37	37	40	43
3/8/2021						
46						

One thing to notice is that hydro is expected to increase since Mar-Apr until July-Aug, which is a negative sign for domestic market. Below is the historical data:

