

2021-06-16

The China domestical coal market is basically pretty stable this week. Same story for the supply side, strict safety control limits the total supply amount, especially when the 1st of July is arid the corner. All mines are maining their production/capacity percentage and trying to reduce/avoid any accident. The overall conflict between supply and demand is still there and becoming tighter. The coal price is stable at the moment. Sellers are offering 940 - 950 RMB for Calorie 5,500 and 840 - 850 RMV for Calorie 5,000 but downstream is slowly accepting the new normal of high price but not responding very actively. Daily consumption of the major power plants is climbing and they are purchasing only when necessary due to current high coal price. Although the coal price is stable at the moment, the market is very confident of future trend, which is reflected on the upward paper price trend. The new policy on imported coal doesnt show a big impact so far, as the supply of Indo coal is very tight and there is not much price advantage of the international coal. Some are saying the current high coal prices is expected to remain in the future and the best time of domestic coal has come. For May, the total monthly electricity usage is abt 672.4 billion KWH, up by abt 12.5% compared to same period of last year. For Industrial and Civil usage, the data is abt 470.5 & 83.6 billion KWH, up by abt 11.5% & 5.6% respectively.

The China domestic freight market is stable as well. The index is fluctuating up and down. The hire for SMX from N China to S China remains abt 27K APS (frt abt 60 RMB from Caofeidian to Guangzhou). The inventory level at the major loading ports is abt 19.37 million tons (down by abt 1.006 million tons compared to last week). It is expected to remain like this now as power plants are not re-stocking rapidly and the coal price is expected to remain at high level. The number of dual licensed vsls is as per below table:

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	3/15/2021	3/22/2021	3/29/2021	4/6/2021	4/12/2021	4/19/2021
46	47	51	53	54	73	88

4/27/2021	5/10/2021	5/17/2021	5/24/2021	5/31/2021	6/7/2021	6/15/2021
91	102	108	111	113	113	114

