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For domestic coal market, the mines have come back fast to normal supply level after the celebration. The mines that are "required" to shut down are now reopened fully and the overall supply has returned as high as in June. Trucks, trains are working day and night to transport the coal to where it is needed. Demand side is still strong with higher electricity demand due to high temperature and high industrial production. But overall trading is not that active as the power plants/buyers are waiting for the price to drop further with stronger expectation on supply while current price is still above their expectation. For Calorie 5,500, the asking price is abt RMB 980 - 990 and for Calorie 5,000 it is abt RMB 880 - 890 and there are limited done trades. Government is trying to bring down the price, which strengthened market's dropping expectation for July. Paper price has started to show the signal for continuous drop as well for Aug/Sep/Oct. The market is now looking for its direction and it is likely to go down in July.

The domestic freight market is stabilized and start to slowly increase. The index has started to go upward since 2nd of July. The big ports are resumed to normal operation and the inventory level at the major loading ports is abt 17.637 million tons (slightly up by abt 0.235 million tons). The hire level for SMX from N China to S China is back to abt 20K APS (from Qinhuangdao to Guangzhou at RMB 51). As mentioned above, the coal trading is expected to increase in July/Aug and there are more other cargoes being released into the market. Thus owners are quite optimistic abt the future market and are trying to hold their numbers.

