

2021-08-25

The domestic coal market remains stabilized but feels like it will go up again. The overall supply continues to increase and will continue to increase in the near future. The production level at Ordos, one of major coal production cities in China, is abt 11.1% higher than same period of last year and is still increasing to fill the gap. On this base, the coal price should drop or at least remain stabilized for a while. However the balance between supply and demand feels quite weak as most of the power plants keep running at low inventory and they will need to restock for winter soon. And with temperature turning cooler, the factories will resume high production, requiring more electricity. The demand will be lower for some time but the recovery of economy still requires high volume of coal as a strong support. The picture is still quite promising for coal. Regarding the imported coal, the volume is not very high at the moment due to very high and strong price. Buyers are buying more from domestic supplies at the moment. Paper is extremely strong recently for Q3, just witness a big jump and is still increasing. One trend to notice is that China is expanding the coal origin to cover the shortage caused by the 'ban' on Australia coal. Indonesia of course is still the biggest source, but Canada has increased to the 3rd largest supplier to China and USA has become the 6th largest.

The domestic freight market is still stabilized. The hire of SMX from N China to S China remains abt 26K APS (frt abt 60 RMB from Caofeidian to Guangzhou). The index is up and down fluctuating and doesn't change much for the last week. Trading activities are not very active and buyers are still purchasing via long term contracts only. The inventory level at the major loading ports is also flat, abt 16.426 million tons (down by abt 0.291 million tons). The number of dual licensed vsls remains as well. Everything looks quite stable for the moment.

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
6/21/2021	6/28/2021	7/5/2021	7/12/2021	7/19/2021	7/26/2021	8/2/2021
115	117	119	120	122	122	123
8/9/2021	8/16/2021	8/23/2021	8/30/2021	9/6/2021	9/13/2021	9/20/2021
125	127	128				

