

Rebound in Chinese Power Plant Coal Stockpiles

The most recent data as of September 23rd shows that coal stockpiles at major power plants in China have increased to 83.4 million tons. Previously, stockpiles had fallen to a recent low of 81 million tons on September 15th. On a year-on-year basis, the stockpiles are up by 11.6 million tons (16%) and they are enough to meet 22 days of demand. Going forward, we remain bearish for Chinese coal import prospects. Stockpiles remain above last year's levels and are on the rise again. In addition, coal stockpiles at the major transshipment port of Qinhuangdao have also now increased for three straight weeks. Also remaining an issue for coal import prospects is that domestic coal production growth has continued to far exceed growth in coal-derived electricity generation. The most recently released data showed domestic coal production grew year-on-year by 7% in August while coal-derived electricity generation grew year-on-year by only 3%. Import regulations also remain at various ports.

Jeffrey Landsberg | Managing Director
[Commodore Research & Consultancy](#)

Commodore Research & Consultancy is a full-service consultancy that publishes weekly reports and provides analysis on the dry bulk market and China. Analysis in this commentary should not be considered investment recommendations. Careful attention is made to ensure that all data and information used is accurate. Commodore Research & Consultancy will not be held accountable for any direct or indirect errors. This commentary is prepared for informational purposes. Commodore Research & Consulting is not affiliated with Breakwave Advisors LLC, ETF Managers Group LLC or ETFMG Financial LLC (the "non-affiliated companies"). The non-affiliated companies assume no liability as regards to any investment, divestment or retention decision taken by any investor on the basis of this commentary. In no event will the non-affiliated companies be liable for direct, indirect or incidental, special or consequential damages resulting from the information in this commentary. Commodore Research & Consultancy receives a fee for the preparation of this commentary.