Platts Expands Suite of Thermal Coal Assessments for China with Fenwei Energy

New Daily Assessments to Bring Greater Transparency and Insights to Chinese Market

PR Newswire
SINGAPORE

SINGAPORE, Aug. 14, 2014 /PRNewswire/ -- Platts, a leading global energy, petrochemicals, metals and agriculture information provider, has expanded its suite of pricing references for China with the launch of two new price assessments for thermal coal imported to, and exported from the port city of Qinhuangdao in Hebei, China.

Known as China Coal Index (CCI) 2 and China Coal Index (CCI) 7, the new China-focused assessments are jointly launched by Platts and its partner Shanxi Fenwei Energy Consulting Company, a leading coal market information provider in China. With this offering, the partnership now provides four thermal coal pricing references for the world's largest coal consuming nation. In October 2013, the partnership launched the world's first Chinese-led, independent and editorially-assessed thermal coal prices for the Chinese market.

"We're pleased to answer the market's call for an independent source of price discovery and with a frequency that facilitates better business decisions domestically and internationally," said James O'Connell, Platts editorial director of coal. "This expanded China Coal Index offering, which reflect coals with varying heat content, brings a level of transparency and insight into the domestic coal market that previously didn't exist."

The new daily assessments are:

-- China Coal Index (CCI) 2 - Domestic Chinese thermal coal of the net-as-received grade of 5,000 kilocalories per kilogram (kcal/kg), on a Free-on-Board (FOB) basis from Qinhuangdao ports, seven to 45 days forward. It is assessed in Chinese yuan renminbi (RMB) per metric ton, with a U.S. dollar conversion rate, including Value Added Tax.
-- China Coal Index (CCI) 7 - Thermal coal of the net-as-received grade of 4,700 kcal/kg, on a Cost-and-Freight (CFR) basis delivered to south China, 30-60 days forward. It is assessed in U.S. dollars per metric ton, with a RMB conversion rate, excluding Value Added Tax.

China is a major buyer of medium-grade thermal coal with caloric value of 4,700 kcal/kg. Coal is commonly purchased on a delivered basis in China and CCI 7 reflects the commercial and merchantable value of imported cargoes.

At the same time, China is the leading producer of 5,000 kcal/kg coal. The import volume of 4,700 kcal/kg coal is often affected by the price movements of the domestically mined coal.

"Having both assessments, the CCI 2 and the CCI 7, through a single source provides an at-a-glance view of price spreads and arbitrage opportunities," said O'Connell.

All four CCI assessments are published in the *Platts Coal Trader International*, as well as Fenwei's Daily Market Watch and China Coal Weekly.

Platts and Fenwei formed a commercial partnership in October 2013 to serve the Chinese market. Through the partnership, the two companies have jointly published daily thermal coal assessments and daily market commentaries on factors influencing daily price movements and market sentiment.

Fenwei Energy Consulting Company, also widely known as SXCOAL, is a leading information and service provider to the coal and coke industries. Founded in 1999, Fenwei has developed into a widely recognized name in pricing, fundamental analysis, market research, and consulting in the Chinese coal information space. For more information, visit www.sxcoal.com.

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CONTACT: Kathleen Tanzy, 212-904-2860, Kathleen.tanzy@platts.com; In Asia: Kimitsu Yogachi at kimi.yogachi@platts.com or +65 6530 6596. In EMEA: Elizabeth Catalano at elizabeth.catalano@platts.com or +44 207 176 6024.

Web Site: http://www.platts.com
