

Platts and Fenwei Partnership Launches 1st China-led Thermal Coal Index Series

Written by Australian Business

BEIJING, Oct. 21, 2013 /PRNewswire/ -- [Platts](#), a leading global energy and commodities information provider, and Fenwei, China's largest and most respected coal market information provider, have formed a commercial partnership to produce the world's first Chinese-led, independent and editorially-assessed thermal coal prices for the Chinese market.

Through the partnership, the two companies have begun jointly publishing two new daily thermal coal assessments and daily market commentaries on factors influencing daily price movements and market sentiment.

"Together, Platts and Fenwei have worked closely over several months to develop a set of robust and transparent methodologies that incorporate the best techniques and capabilities of both companies," said James O'Connell, Platts editorial director of coal. "By leveraging our combined strengths, we've created a level of insight and transparency previously unavailable in China's spot market and this enhanced transparency will benefit market participants inside and outside China."

The new daily assessments are:

- China Coal Index (CCI) 1 – Domestic Chinese thermal coal of the net-as-received grade of 5,500 Kcal/Kg, free on board (FOB), from Qinhuangdao area ports
- China Coal Index (CCI) 8 – Thermal coal of the net-as-received grade of 5,500 kilocalories per kilogram (Kcal/Kg) as delivered into south China ports.

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The CCI 1 (FOB Qinhuangdao) price will be assessed in Chinese yuan renminbi (RMB) per metric ton, with a U.S. dollar conversion rate, including value added tax.

"With these new price references, it will be faster and easier for thermal coal traders, shippers and users of domestic and imported cargoes alike, to better determine value and quickly detect any price arbitrage in the Chinese market," said Chang Ming, manager of Fenwei, International Division.

The new spot price references are designed to support critical decision-making on thermal coal trade, arbitrage between domestic coal and imports, processing margins and consumption levels. They can also be used to facilitate hedging, transfer pricing, differential pricing and taxation.

Previously, there had not been a transparent view into the price differential between international seaborne-traded thermal coal cargoes and China's domestic thermal coal available at Qinhuangdao and available to coastal power stations and end users.

Fenwei Energy Consulting Co, also widely known as SXCOAL, is China's premier information and service provider to the coal and coke industries. Founded in 1999, Fenwei has developed into the most widely recognized name in pricing, fundamental analysis, market research, and consulting in the Chinese coal information space. Fenwei's international division produces daily publications and the China Coal Resource web portal focusing on news, analytics, and price indices for thermal coal, coking coal, metallurgical coke, and related industrial processes.

For additional information on Fenwei, visit www.sxcoal.com . For additional information on Platts, visit www.platts.com .

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