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In 2009 the European coal trading business showed its strength.

The global financial crisis and falling commodity prices in late 2008 and early 2009 did hit trading volumes and market confidence. Nonetheless, the volume fall in 2009 was not dramatic and many traders are confident that the market has surpassed the boom and bust shock of recent times.

Committed players from the utility, financial and commodity trading house sectors remain in the market, in size, and some are planning to expand their businesses. This bodes well for market observers who expect volumes to be stable or even rise in future.

This 100 page report covers the global coal market context of European trading, market fundamentals inside Europe, the emissions policy factor, trading volumes, products and players, and more. It is based on wide-ranging research and interviews with leading players in all major European markets. Market and industry indicators are also provided in 31 tables and 52 charts. The report is structured as follows:

Chapter 1 – The Global Context: this chapter reviews the global coal market, focusing on international trade. Imports meet well over half of European requirements. This makes global trends important to Europe – they can drive imported coal prices sharply higher or lower. The chapter begins with a brief review of coal types. Next the immense surge in global demand over the course of this decade is covered. A review of major producing countries and global reserves follows. Then the wild price volatility in recent years is examined. Next global seaborne trade of thermal coal is assessed. The chapter concludes with profiles of the “Big 4” of international physical trade.

Chapter 2 – European Supply and Demand: this chapter presents a review of European market fundamentals. First, it looks at consumption, identifying the major consumers of both thermal coal and lignite and profiling the roles these fuels play in national power industries. The next section covers the consumption of coal in power generation by country and provides an overview of the major coal-fired generators. A profile of the import markets follows, looking at imports by country and major external suppliers. Next coal production in the EU is reviewed, including a ranking of leading producers. The chapter concludes with an assessment of EU coal subsidy regimes and reforms.

Chapter 3 – The Emissions Policy Factor: emissions policy is a crucial issue for the European coal market. This chapter begins with a review of the Kyoto Protocol and global emissions trends. An evaluation of the EU’s commitments under the Kyoto Protocol and its performance versus its targets follows. The chapter concludes with an assessment of EU emissions trading, covering current policy to 2012, mechanisms, market trends, the positions of leading players in the power industry, and policy plans for 2013-2020.

Chapter 4 – The Trading Market: this chapter reviews the European physical and financial trading markets. On the physical side of the market, it identifies the drivers of the rise of trading in recent years; covers important price indices; and profiles key routes to market - brokers and the globalCOAL platform. In financial trading, it covers volumes from 2002 to 2009; market characteristics; leading brokers; exchanges; and major financial trading players.

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About the Authors



Prospex Research analyses the European energy business, focusing on wholesale markets for power, gas, coal and emissions allowances.

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Prospex Research Ltd

e-mail: info@prospex.co.uk

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