

Coal India's production in October at five-year high

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COAL INDIA'S SHIPMENTS and output in October rose to the highest for the month in at least five years, as the state-run miner sought to replenish power plant inventories.

Shipments jumped to 48.3 million metric tonne, up 12% from a year ago, according to *Bloomberg* calculations based on a stock exchange filing on Thursday. Output rose 6% to 46.14 million tonne. Production and shipment were the highest in the year that began April 1 and a record for the month of October, according to data going back to 2013.

Output for the seven months ended October 31 rose 1.6% to 278 MT, missing the aim of 292.8 MT. Shipments for the period rose 8.6% to 317.30 MT, falling short of the

target of 327.8 MT. The company lowered its output and shipment target to 600 MT each earlier this year, citing lack of demand.

Output has started climbing since August to meet a sudden surge in demand from power stations, caused by a drop in electricity generation from other sources. The demand spike coincided with the monsoon season, when typically rainwater floods mines and hampers the movement of coal trucks.

The demand for coal is likely to increase as the government's plans to boost the economy will lead to higher electricity consumption, according to Rupesh Sankhe, an analyst at Reliance Securities.

"Government steps to recapitalise banks, invest in infrastructure projects like road and railways, and supply electricity to every home can keep the coal demand high," Sankhe said.