

Coking Coal price to buoy coalminers in 2017?

Colonial Coal {TSX.V: CAD} and peer miners have yet to see a rerating in their share price, yet the price of coking coal remains high after the substantial 300% increase during 2016.

Cutbacks in Chinese production are a principal reason for the rise, and now some mothballed mines are being brought back into production, which may challenge the sustainability of the price.

Coking coal was the best performing commodity during 2016, and the new higher price range looks set to carry on in 2017.

Coal miners have had a hard few years, and US President Barrack Obama treated miners with total disdain, and was in the process of shutting down the mines, a decision that president elect Trump looks certain to reverse.