

Seeking Alpha α

14 Coal Stocks to Consider Buying Now

by: David Hunkar

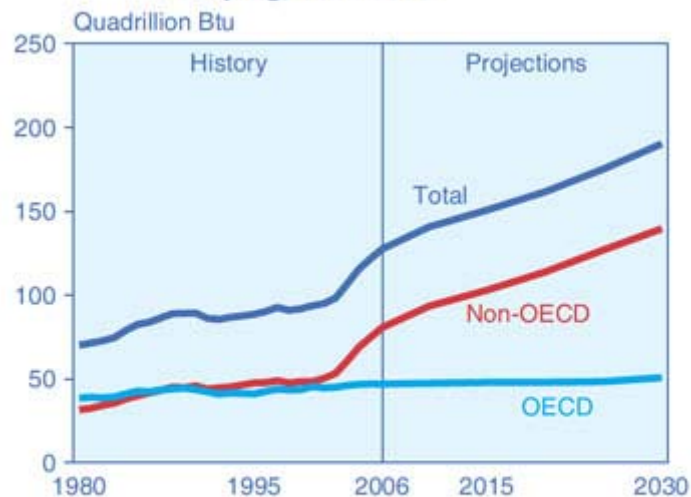
February 08, 2010 | about: [ACI](#), [ANR](#), [BTU](#), [CLD](#), [CNX](#), [EEE](#), [ICO](#), [MEE](#), [NRP](#), [PCX](#), [PVG](#), [PVR](#), [WLT](#), [YZC](#)

Coal is the main source of electricity generation in many countries. In addition, coal is used in industrial and other sectors. The global consumption of coal is projected to increase each year by over 1.5% annually.

Saturday Australia signed a [\\$60B deal to supply coal to China](#) for the next 20 years. As part of the contract, each year Australia will ship 30 million tonnes of coal to energy-hungry China. It must be noted that China is the largest consumer of coal in the world and relies on coal to meet 70% of its energy needs. The deal is the **largest single export deal ever signed by Australia**. Thousands of jobs are expected to be created as a result of this contract.

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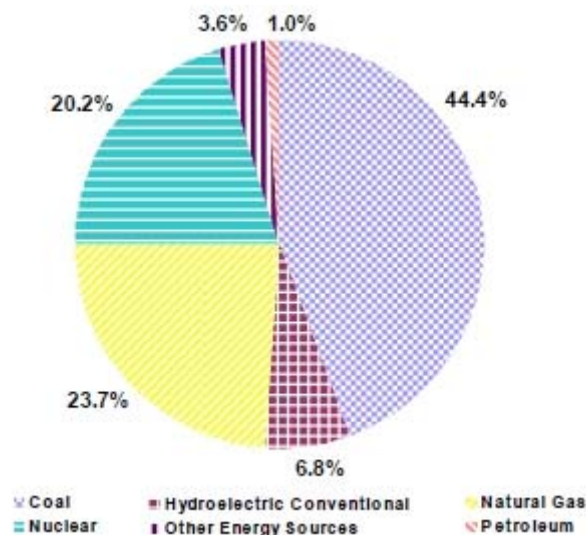
Figure 42. World Coal Consumption by Country Grouping, 1980-2030



Sources: **History:** Energy Information Administration (EIA), *International Energy Annual 2006* (June-December 2008), web site www.eia.doe.gov/iea. **Projections:** EIA, *World Energy Projections Plus* (2009).

In the U.S., coal-fired plants accounted for 44.4% of the country's power generation thru October last year.

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From the [U.S. Energy Information Administration](http://www.eia.doe.gov) site:

Coal use in the United States totaled 22.5 quadrillion Btu in 2006—92 percent of total coal use in North America and 48 percent of the OECD total. U.S. coal demand rises to 26.6 quadrillion Btu in 2030 in the *IEO2009* reference case. The United States has substantial coal reserves and relies heavily on coal for electricity generation, a position that continues in the projections. Coal's share of total U.S. electricity generation (including electricity produced at combined heat and power plants in the industrial and commercial sectors) declines from 49 percent in 2006 to 47 percent in 2030.

14 Coal stocks that trade on the New York Stock Exchange are listed below:

S. No.	Company	Ticker
1	Arch Coal, Inc.	ACI
2	Alpha Natural Resources, Inc.	ANR
3	Peabody Energy Corporation	BTU
4	CONSOL Energy Inc.	CNX
5	Evergreen Energy Inc.	EEE
6	Massey Energy Company	MEE
7	Natural Resource Partners LP	NRP
8	Penn Virginia Resources	PVR
9	Walter Energy, Inc.	WLT
10	Yanzhou coal mining Co. (ADR)	YZC
11	International Coal Group, Inc.	ICQ
12	Penn Virginia GP Holdings, L.P.	PVG
13	Patriot Coal Corporation	PCX
14	Cloud Peak Energy Inc.	CLD

One of the stocks shown above is the ADR Yanzhou Coal Mining Co of China. Yanzhou is engaged in the mining, processing, transportation of coal and generation of electricity. As for the answer to whether coal stocks are a good buy now, investors may want to consider coal stocks for the reasons mentioned above.