



**PETROVIETNAM POWER CORPORATION**  
**PETROVIETNAM POWER COAL IMPORT AND SUPPLY COMPANY**  
**DAILY NEWS**

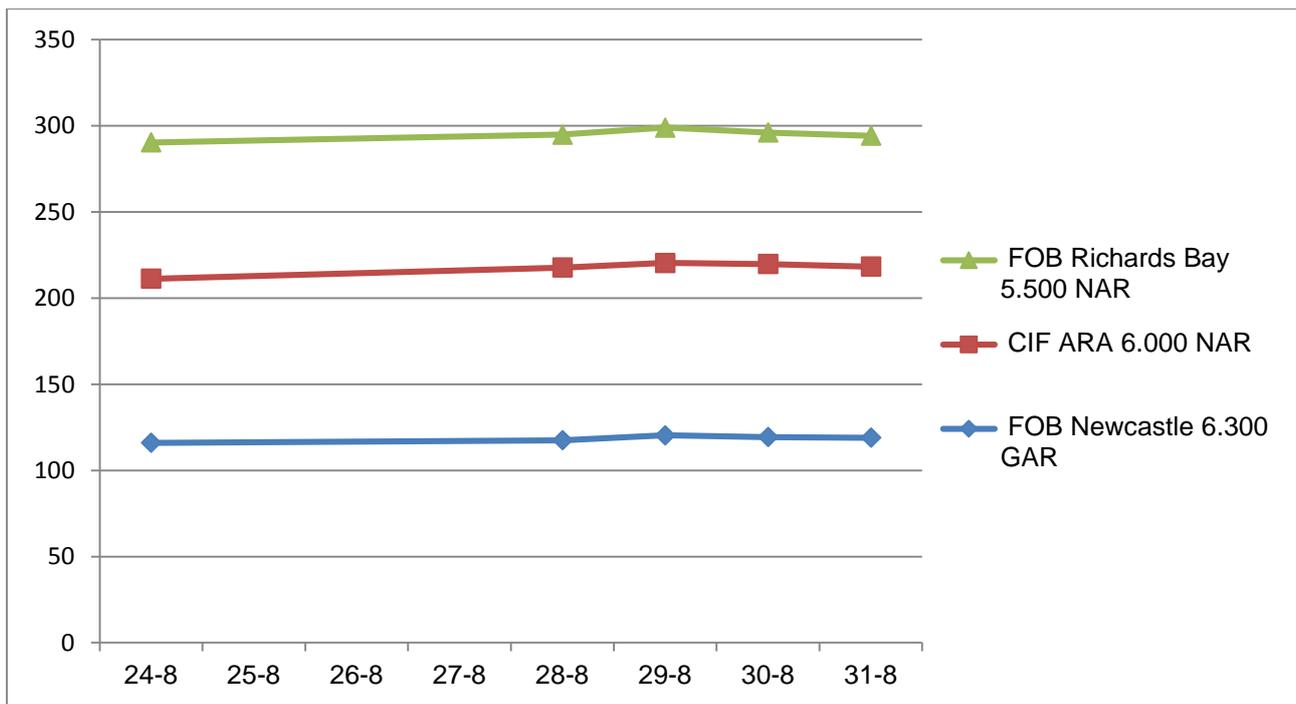
Date 04/09/2018

**INTERNATIONAL COAL PRICE ASSESSMENTS**

Daily prompt physical thermal coal assessments	Window 7 – 45 day	+/-	Window 90 - day	+/-
FOB Newcastle 6,300 GAR	119.00	-0.30	N/A	N/A
CIF ARA 6,000 NAR	99.30	-1.10	N/A	N/A
FOB Richards Bay 5,500 NAR	75.95	-0.40	N/A	N/A
FOB Kalimantan 5,900 GAR	N/A	N/A	75.00	+0.00
FOB Kalimantan 5,000 GAR	N/A	N/A	54.00	+0.00

China Coal Assessment	USD/tons	+/-	NDT/tons	+/-
PCC6 (CFR South China 3,800 NAR)	46.15	+0.15	364.55	+1.28
PCC7 (CFR South China 4,700 NAR)	62.40	-0.10	492.92	-0.65
PCC8 (CFR South China 5,500 NAR)	76.00	+0.00	600.36	+0.18

**DAILY PROMPT PHYSICAL THERMAL COAL ASSESSMENTS IN 2018**



*(Source: Platts Coal Trader International – Date 31/08/2018)*

## **NEWS**

### **China buyers target low-CV Indonesian cargoes**

Chinese buyers have shifted their buying interest to lower-calorific value thermal coal from Indonesia, for delivery before November and December, in anticipation of stricter import quotas for Chinese end-users, market sources said Thursday. A September-loading cargo of Indonesian 3,800 kcal/kg NAR coal was heard to have traded Thursday at \$37.50/mt FOB Kalimantan, while bids and offers were heard at \$37/mt and \$38.50/mt, respectively, China market sources said.

“There is still some demand for 3,800 kcal/kg NAR. Other grades are very illiquid,” a China-based trader said. A utility in southern China issued a spot tender last week for one to two Panamax cargoes of 4,500 kcal/kg NAR coal for mid to end September-loading. “Restrictions for end-users are fewer, so utilities can still import,” the company source said. Another end-user in south China put out a tender this week for grades between 4,200 kcal/kg and 5,000 kcal/kg NAR for early to mid-September delivery in a 50,000 mt cargo. Some South Korean power companies were understood to have bought Indonesian 4,400 kcal/kg NAR coal at \$49/mt FOB Kalimantan, a source at an Indonesian mining company said. However, Chinese bids for similar cargoes are even lower at \$48/mt FOB, he said.

### **Demand in India picking up**

Indian demand is slowly picking up amid some inquiries for September and October cargoes, especially from small independent power producers [IPPs] in south India. “Some of the IPPs are even trying to fix the price for three or four months,” he said. “A utility in India also wants to discuss Q1 pricing now, which is even more surprising,” he said. Indian bids for September and October loading, geared vessel shipments of 4,200 kcal/kg GAR coal are about \$37/mt FOB levels, he noted. He also heard a deal for a 4,200 kcal/kg GAR coal for September-loading sold to India at \$37.50/mt FOB, geared vessel basis.

Some mines are “really suffering” from production losses due to flooding in South Kalimantan and miners are trying to perform on previously closed deals, a China-based trader, who was in Indonesia this week, said. Geared vessel cargoes of 3,400 kcal/kg NAR coal for September were being offered at \$30/mt FOB, he said, but spot offers were few and far between from this region. An India-based trader said Indian inquiries have begun to pick up, but not significant enough to push up coal prices. “Some buyers are procuring cargoes on fixed price basis for the next three to four months,” he noted. Meanwhile, he heard a deal for a 5,000 kcal/kg GAR branded coal sold to India for September-loading at \$55.50/mt FOB Kalimantan. Most bids for 5,000 kcal/kg GAR coal are at \$52-\$53/mt FOB for September geared vessel cargoes, he noted. Current offers for South African 5,500 kcal/kg NAR coal are at a discount of \$11/mt to 6,000 kcal/kg NAR price, translating to roughly about \$97-\$98/mt CFR India on Panamax vessels.

### **China’s Shenhua may cut sep domestic coal price to ease upward pressure on Qinhuangdao**

Talk in the market Friday was that Chinese domestic coal producer Shenhua will lower its monthly selling price for September 5,500 kcal/kg NAR shipments to Yuan 600/mt FOB to put downward pressure on Qinhuangdao port prices that have rebounded sharply this week, Asian thermal coal market sources said. Domestic thermal coal prices in China have surged following the imposition of tighter controls on import shipments at Chinese ports at the end of last week, affecting many coastal coal customers. Shenhua lowered last month its offer price for August shipments of its 5,500 kcal/kg NAR domestic thermal coal to Yuan 615/mt FOB north China ports, from a selling price of Yuan 648/mt for July shipments. For the 5,500 kcal/kg NAR grade of domestic coal, spot market prices were trading at Yuan 625/mt FOB Qinhuangdao, and offered at Yuan 630/mt, sources said. Spot market prices for 5,000 kcal/kg NAR domestic thermal coal were heard at around Yuan 545/mt FOB north China ports, and steady day on day.

*(Source: Platts)*

## **INTERNATIONAL SPOT DRY BULK FREIGHT ASSESSMENTS**

*Unit: USD/ton*

<b>Size</b>	<b>From</b>	<b>To</b>	<b>Freight rates</b>	<b>Change</b>
<b>Capesize</b>	Australia	China	10.50	+0.00
(150,000 tons)	Queensland	Japan	12.05	+0.00
	New South Wales	South Korea	12.90	+0.00
<b>Panamax</b>	Richards Bay	India West	14.15	+0.00
(70,000 tons)	Kalimantan	India West	9.80	+0.00
	Richards Bay	India East	14.35	+0.00
	Kalimantan	India East	8.30	+0.00
	Australia	China	12.95	-0.05
	Australia	India	14.70	+0.00

*(Source: Platts Coal Trader International – Date 31/08/2018)*