



PETROVIETNAM POWER CORPORATION
PETROVIETNAM POWER COAL IMPORT AND SUPPLY COMPANY
WEEKLY NEWS – SECOND WEEK
OF SEPTEMBER
 (From 10/09 – 14/09)

I. COAL MARKET ANALYSIS

1. INTERNATIONAL COAL PRICE ASSESSMENTS

Unit: USD/ton

Price index	Week 20/08-24/08	Week 27/08-31/08	Week 03/09-07/09	Week 10/09-14/09
PCC 6 (CFR South China 3,800 NAR)	46.01	46.04	46.40	47.20
PCC 7 (CFR South China 4,700 NAR)	64.31	62.85	61.69	60.85
PCC 8 (CFR South China 5,500 NAR)	76.93	76.00	76.06	75.90
FOB Newcastle 6,300 GAR	115.39	119.03	116.55	115.72
CIF ARA 6,000 NAR	97.83	99.99	100.43	99.88
FOB Richards Bay 6,000 NAR	76.87	77.01	76.05	80.48
NEWC (FOB Newcastle 6,000 NAR)	117.39	118.73	114.48	115.74

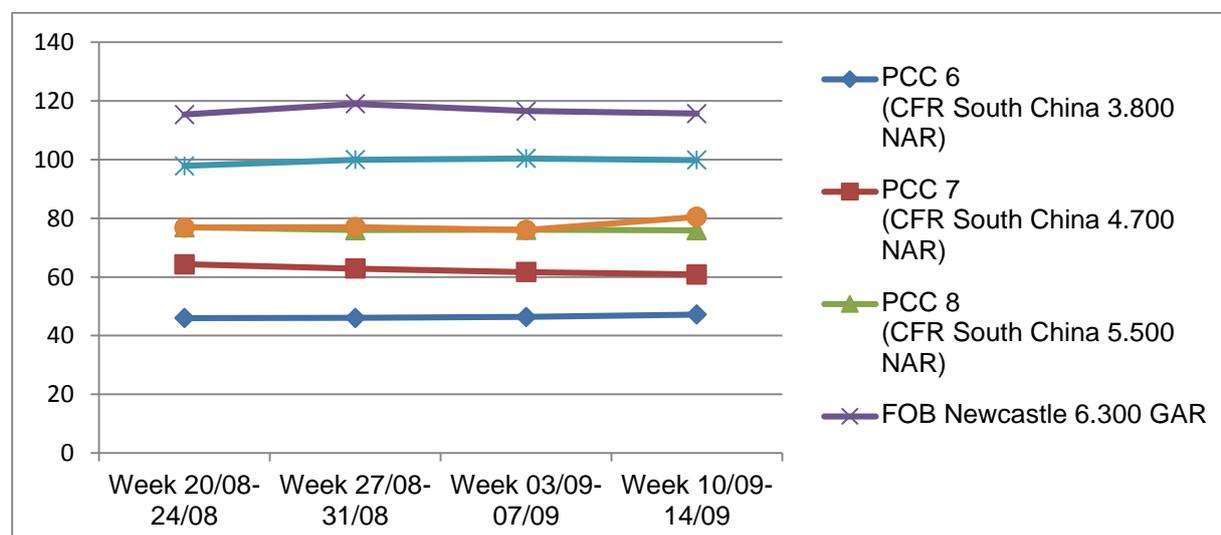


Chart 1: Average coal price week 2nd September (2018)

(Source: Platts Coal Trader International)

2. INTERNATIONAL SPOT DRY BULK FREIGHT ASSESSMENTS

Unit: USD/ton

	Week 2 nd - September	10/09	11/09	12/09	13/09	14/09
Capesize (150,000 tons)						
1	Australia – China	10.25	9.20	9.15	9.15	9.15
2	Queensland – Japan	11.85	10.50	10.45	10.45	10.45
3	New South Wales – South Korea	12.70	11.35	11.30	11.30	11.30
Panamax (70,000 tons)						
1	Richards Bay - India West	14.20	14.20	14.20	14.25	14.30
2	Kalimantan - India West	9.85	9.95	10.15	10.35	10.35
3	Richards Bay - India East	14.40	14.40	14.40	14.45	14.50
4	Kalimantan - India East	8.30	8.40	8.55	8.75	8.75
5	Australia - China	13.30	13.40	13.60	13.65	13.75
6	Australia - India	15.00	15.20	15.35	15.40	15.50

(Source: Platts Coal Trader International)

II. NEWS

Vietnam's Aug coal imports rise 7% on year to 1.52 mil mt; exports spike 124%

Vietnam imported 1.52 million mt of coal in August, up 7.4% from the same month last year, according to preliminary data released Monday by Vietnam Customs. Indonesia became the biggest supplier of coal to Vietnam in the month with 691,881 mt, up 39.9% year on year, followed by Australia and Russia. In the first eight months of 2018, Vietnam imported 13.38 million mt of coal, up 41.7% year on year, mostly from Indonesia, Australia and Russia. Meanwhile, Vietnam exported 290,252 mt of coal in August, up 123.9% year on year, mainly to Japan, Indonesia and Thailand. Over January-August, Vietnam exported 1.69 million mt of coal, up 30.2% from the same period in 2017, largely to Japan and South Korea. Most of the country's coal production is used domestically by the power, cement and other industrial sectors.

Vietnam's coal imports in August

	Aug/2018	Aug/2017	Change on year	Jul/2018	Change on month
Indonesia	691,881	494,687	39.86%	781,803	-11.5%
Australia	443,381	304,450	45.63%	357,360	24.07%
Russia	241,093	365,485	-34.03%	319,984	-24.65%
China	108,549	105,359	3.03%	37,693	187.98%
Malaysia	31,039	–	–	29,069	6.78%
Total	1,516,250	1,412,337	7.36%	1,692,735	-10.43%

Vietnam's coal imports over January-August

	Jan - Aug/2018	Jan - Aug/2017	Change on year
Indonesia	6,995,648	3,458,431	102.28%

Australia	3,224,639	2,730,058	18.12%
Russia	1,591,307	1,638,526	-2.88%
China	578,971	719,162	-19.49%
Malaysia	223,073	114,530	94.77%
Total	13,384,455	9,446,967	41.68%

Vietnam's coal exports in August

	Aug/2018	Aug/2017	Change on year	Jul/2018	Change on month
Japan	139,009	102,893	35.1%	85,423	62.73%
South Korea	26,082	5,499	374.3%	60,278	-56.73%
Thailand	28,708	7,322	292.08%	28,857	-0.52%
Indonesia	29,468	1,650	1685.94%	26,393	11.65%
Laos	5,893	–	–	7,847	-24.9%
Total	290,252	129,655	123.86%	259,850	11.7%

Vietnam's coal exports over January-August

	Jan - Aug/2018	Jan - Aug /2017	Change on year
Japan	677,454	671,647	0.86%
South Korea	300,273	73,856	306.57%
Thailand	146,430	75,549	93.82%
India	83,690	40,092	108.74%
Malaysia	92,682	157,889	-41.3%
Indonesia	100,779	24,160	317.13%
Taiwan	18,973	40,344	-52.97%
Switzerland	17,599	–	–
Laos	22,280	50,455	-55.84%
Total	1,694,645	1,301,587	30.2%

Russia to take on Australia and Indonesia in Asian coal market

Competition is likely to heat up in the Asian coal market as Russia seeks new buyers, challenging traditional suppliers Australia and Indonesia. Russia is looking to Asia, where demand for the commodity is likely to grow as many new coal-fired power plants are about to go online in India and Southeast Asia. At the end of August, Russian Energy Minister Alexander Novak unveiled an ambitious target of doubling the country's coal exports to Asia by 2025 from

around 100 million tons in 2018. President Vladimir Putin has also urged Russian resources companies to invest more in export infrastructure, such as the Trans-Siberian Railway and ports. SUEK, Russia's largest coal miner, is expanding the port of Vanino, in Russia's Far East. The port began commercial operation in 2009 and the port is expected to ship around 20 million tons of coal this year. SUEK told the Nikkei Asian Review it plans to raise the port's annual export capacity by 80% to 40 million tons. The company wants to sell more to Thailand, Vietnam and other Southeast Asian countries, where demand is expected to be strong, as well as China, Japan and South Korea, historically the three main importers in Asia. A SUEK official in charge of Asia-bound exports said that many importing countries in the region will be able to cut procurement costs by buying from the Russian company, citing shorter shipping routes compared with Australia.

Coal consumption has fallen sharply in Europe due to environmental concerns, but Asian countries are reluctant to give up on a relatively cheap form of energy. According to figures from the International Energy Agency, global coal production rose 3% on the year to 7.55 billion tons in 2017. That year, consumption fell among the member countries of the Organization for Economic Cooperation and Development but increased 0.4% in China, the biggest consumer, and 4.4% in India, the second-biggest consumer. With exports to Europe declining, Russia has no choice but to turn to Asia.

August traded thermal coal derivatives fall 9% on year to 60.74 mil mt

Thermal coal derivatives traded in August stood at 60.74 million mt, marginally down from July's total of 60.98 million mt, and off 9.2% year on year from 66.91 million mt, the lowest monthly total since December 2017, according to data released Monday by the London Energy Brokers Association. Year-to-date volumes were 559.52 million mt, down 32.8% from the year-ago period of 832.85 million mt. CIF ARA derivatives represented 71.6% of the total with 43.49 million mt, down 6% month on month and 13% year on year. Year-todate CIF ARA volumes were 410.5 million mt, down 30.9% from the year-ago period and accounting for 73.4% of total year-to-date volumes. Australian FOB Newcastle derivatives totaled 11.17 million mt, up 26% month on month and 7% year on year, while South African FOB Richards Bay derivatives traded stood at 6.08 million mt, up 3% month on month but down 9% year on year.

Thermal coal traded derivatives volumes



(Source: Platts)