



PETROVIETNAM POWER CORPORATION
PETROVIETNAM POWER COAL IMPORT AND SUPPLY COMPANY
WEEKLY NEWS – FOURTH WEEK
OF JANUARY
 (From 28/01 – 01/02)

I. COAL MARKET ANALYSIS

1. INTERNATIONAL COAL PRICE ASSESSMENTS

Unit: USD/ton

Price index	Week 7/1-11/1	Week 14/1-18/1	Week 21/1-25/1	Week 28/1-01/02
PCC 6 (CFR South China 3,800 NAR)	38.76	40.14	40.56	40.58
PCC 7 (CFR South China 4,700 NAR)	54.88	57.42	58.03	59.1
PCC 8 (CFR South China 5,500 NAR)	70.81	72.15	72.16	70.9
FOB Newcastle 6,300 GAR	97.1	99.8	97.22	96.91
CIF ARA 6,000 NAR	81.11	82.9	80.7	77.96
FOB Richards Bay 5,500 NAR	63.43	66.81	65.56	64.77
NEWC (FOB Newcastle 6000 NAR)	97.61	99.30	98.78	99.66

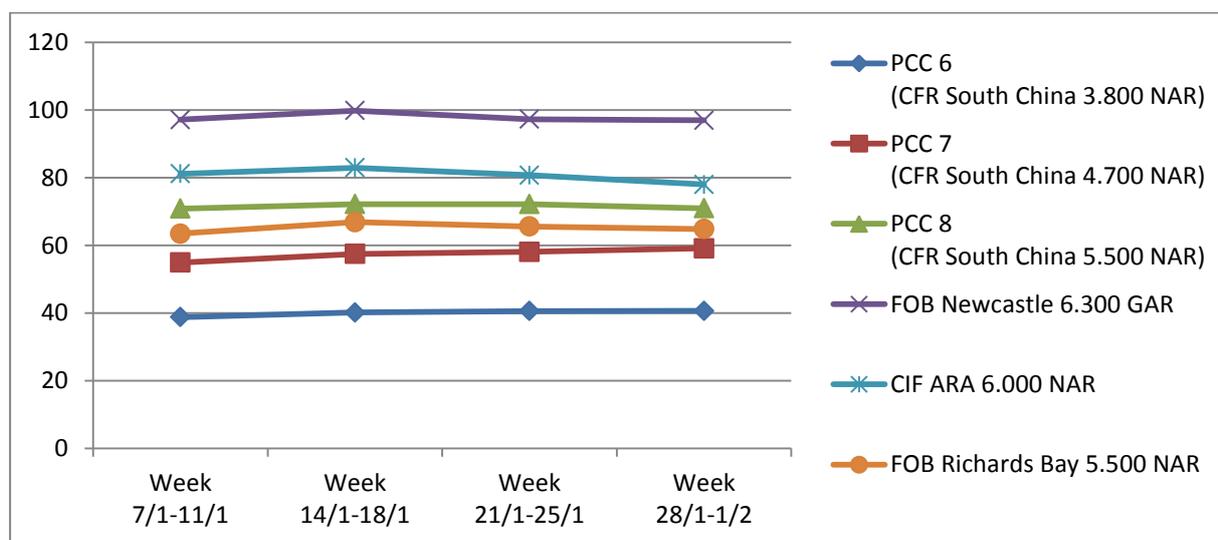


Chart 1: Average coal price 4th week of January (2019)

(Source: Platts Coal Trader International)

2. INTERNATIONAL SPOT DRY BULK FREIGHT ASSESSMENTS

Unit: USD/ton

	Week 4 th - January	28/1	29/1	30/1	31/1	1/2
Capesize (150,000 tons)						
1	Australia – China	6,75	6,75	6,55	6,05	N/A
2	Queensland – Japan	7,55	7,55	7,25	6,65	N/A
3	New South Wales – South Korea	8,40	8,40	8,10	7,50	N/A
Panamax (70,000 tons)						
1	Richards Bay - India West	10,55	9,45	9,00	9,00	N/A
2	Kalimantan - India West	6,65	6,50	6,30	6,30	N/A
3	Richards Bay - India East	10,65	9,45	9,00	9,00	N/A
4	Kalimantan - India East	5,40	5,25	5,10	5,10	N/A
5	Australia - China	9,20	8,90	8,70	8,45	N/A
6	Australia - India	10,30	10,00	9,80	9,50	N/A

(Source: Platts Coal Trader International)

II. NEWS

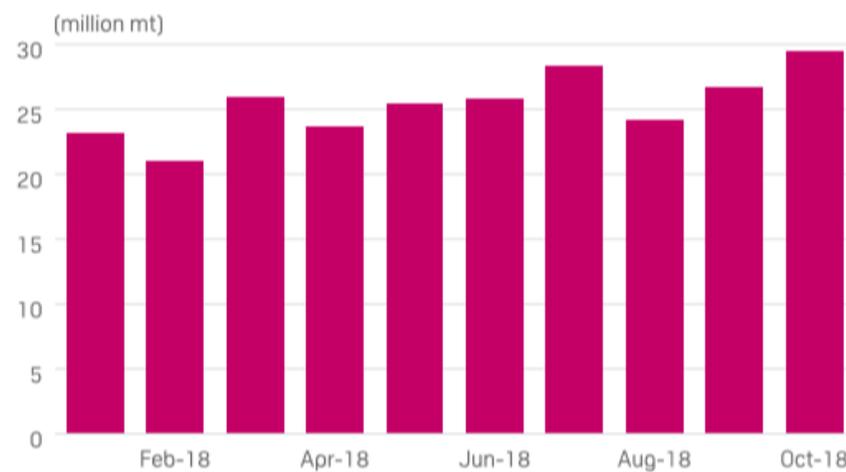
Indonesia Oct thermal coal exports rise 23% on year to 29.5 mil mt

The volume of thermal coal exports from Indonesia in October 2018 totaled 29.5 million mt, a rise of 10% month on month and 23% year on year, according to customs data released late Wednesday. Year-to-date exports came to 253.9 million mt, up 23% on the year. “Indonesian exports in particular have been strong, driven by a significant drop in the rupiah, and the government’s desire to specifically shore up forex reserves with incremental exports,” S&P Global Platts Analytics said.

India remained the largest export destination by far, with a volume of 12 million mt in October, a rise of 15% from September and up 55% from the year-ago period. China became Indonesia’s second-largest export destination in October, having lost that position to South Korea in September. China received 4.5 million mt from Indonesia, a rise of 66% on the month and up 7% on the year. South Korea received 2.34 million mt in October, down 25% month on month and down 29% year on year, the data showed. Exports to Japan fell 29% on the month to 1.1 million mt, with exports to Taiwan also falling (18% on the month) to 1.3 million mt.

Of the total volume for October, bituminous coal made up 13.5% of exports, with sub-bituminous making up the rest. The average Platts FOB Kalimantan 4,200 kcal/kg GAR price in October stood at \$38.22/mt, roughly unchanged from September’s average.

Indonesia Jan-Oct thermal coal exports



China imposes restrictions at northeast China ports: sources

China has imposed port restrictions on coking coal imports at several ports in Northeast China including Bayuquan, Dandong and Dalian effective Tuesday afternoon, market sources with knowledge of the matter told S&P Global Platts Wednesday. Three Chinese steelmakers confirmed that they had received verbal notice from Northeast China ports' agents on the port restrictions imposed. A meeting will be held Wednesday and more details are expected later in the day, the sources said. When contacted, a Dalian port authority official did not confirm this matter. According to market sources, the restrictions were imposed as the overall volume of coal imported in January 2019 by Northeast China was greater than expected.

This restriction comes on the back of the import restrictions implemented across China on November 14, 2018, which meant that cargoes that had arrived in China in November and December 2018 could only clear customs in January, resulting in a significant increase in January's quota. According to customs data, China imported 8.01 million mt of coking coal in November and December 2018. This compares with 11.39 million mt imported over the same period in 2017, reflecting a 42% year-on-year drop. In 2018, China imported 27.74 million mt of coking coal from Australia, which was a significant 43.19% share of its total coking coal import volume of 64.23 million mt. China is also Australia's largest market for its resources and energy exports at A\$87 billion (\$62.6 billion) for Australia's 2017-2018 financial year, according to Australia's Department of Industry, Innovation and Science quarterly report released on December 11, 2018. On Tuesday, Platts assessed Premium Low Vol coal up \$1.25/mt day on day to \$201.75/mt FOB Australia, while the CFR China price was up \$5.50/mt day on day at \$205.25/mt CFR China.

South Korea's Kospo buys 320,000 mt thermal coal for Mar-Apr

Korea Southern Power Co. Ltd. (Kospo) awarded trading firm Trafigura a tender to supply a total of 320,000 mt Indonesian thermal coal to the utility's Hadong power plant in March and April this year, a source familiar with the matter said Thursday. Trafigura will supply coal with a minimum calorific value of 4,600 kcal/kg NAR to Kospo at about \$49.50/mt FOB, the source said. In the tender, KOSPO-Coal-2019-ELT01, the utility had sought four Panamax shipments of coal with a minimum calorific value of 4,600 kcal/kg NAR. Trafigura was not immediately available for comments. The tender closed on January 25.

TerraCom to lift Australian Blair Athol thermal coal sales to 3 mil mt/year in Apr-Jun

TerraCom's sales from its Blair Athol thermal coal mine in Australia were lower than expected in the October-December quarter with an annualized run rate of 2.4 million mt/year while the company is planning to lift it to 3 million mt/year in the coming months, it said Thursday. Coal sales from the mine, which exports via the Dalrymple Bay Coal Terminal, were 605,000 mt in the December quarter, down 1% from 614,000 mt in the July-September period, it said. Previously TerraCom had been expecting sales of 637,000 mt for the three months. In the first half of fiscal 2018-2019 (July-June), Blair Athol sold 1.22 million mt at an average realized price of \$92/mt, it said. The company is forecasting Blair Athol coal sales of 670,000 mt (2.7 million mt/year annualized rate) in the current January-March quarter, it said, noting that sales started strongly for the period with the first shipment sailing on January 5. It is then planning to lift the annualized sales rate to 3 million mt/ year in the April-June quarter, it said.

(Source: Platts)