



**PETROVIETNAM OIL & GAS GROUP**  
**PETROVIETNAM POWER CORPORATION**  
**DAILY NEWS**

**23/05/2017**

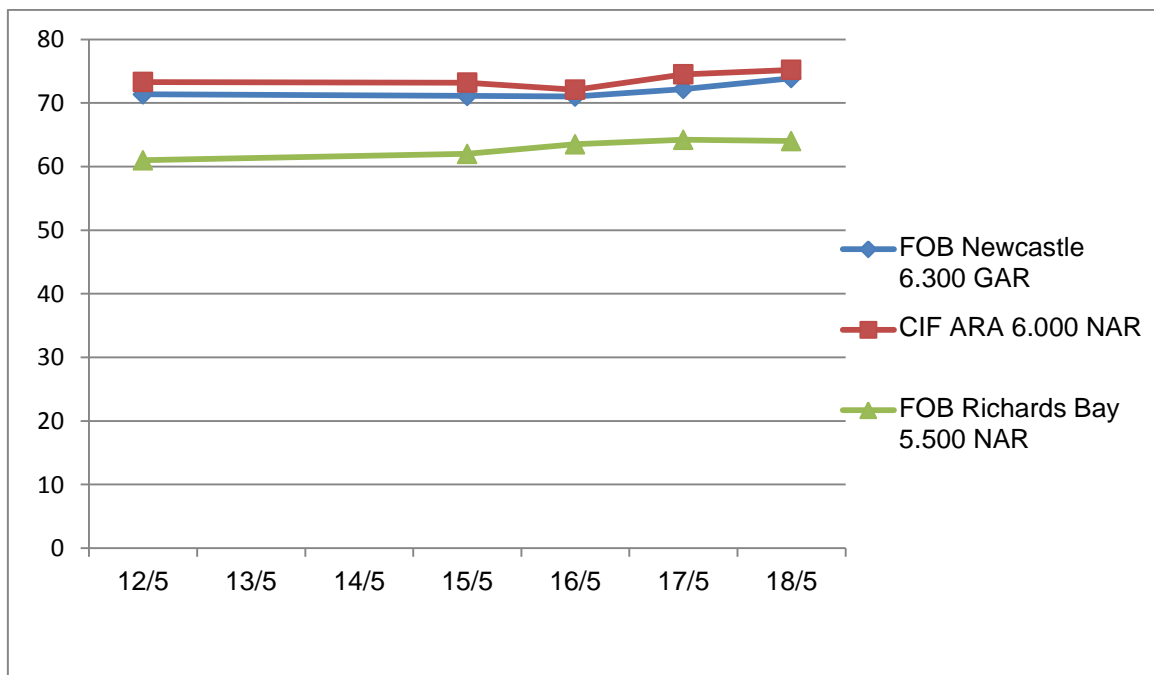
**INTERNATIONAL COAL PRICE ASSESSMENTS**

*Unit: USD/ton*

Daily prompt physical thermal coal assessments	Window 7 – 45 day	+/-	Window 90 - day	+/-
FOB Newcastle 6.300 GAR	73,90	+ 1,70	74,10	+ 1,00
CIF ARA 6.000 NAR	75,20	+ 0,70	73,00	+ 0,75
FOB Richards Bay 5.500 NAR	64,00	- 0,20	N/A	N/A
FOB Kalimantan 5.900 GAR	N/A	N/A	69,00	+ 0,00
FOB Kalimantan 5.000 GAR	N/A	N/A	53,50	+ 0,00

China Coal Assessment	USD/tons	+/-	NDT/tons	+/-
PCC6 (CFR South China 3.800 NAR)	42,00	+ 0,00	288,27	- 0,06
PCC7 (CFR South China 4.700 NAR)	59,80	+ 0,00	410,44	- 0,09
PCC8 (CFR South China 5.500 NAR)	70,20	- 0,10	481,82	- 0,79

**DAILY PROMPT PHYSICAL THERMAL COAL ASSESSMENTS IN 2017**



*(Source: Platts Coal Trader International – Date 18/05/2017)*

## **High-ash newcastle prices rebound slightly**

Australian cargo prices saw a small bounce Thursday, rising 50 cents day on day to \$63/mt FOB Newcastle 20% ash basis after overshooting on the downside, but the market backdrop remains bearish, market sources said. Some international traders were showing slightly higher bids at \$62/mt FOB Newcastle for June laycan Capesize cargoes of 5,500 kcal/kg NAR, maximum 23% ash thermal coal, said a trader in Singapore. A retreat in Capesize freight rates on the Newcastle-South China route to around \$8.20/mt from \$8.50/mt a day earlier had allowed FOB Newcastle prices to recover slightly, he added. Added to this, steadying spot prices for the 5,500 kcal/kg NAR grade at around Yuan 580/mt FOB Qinhuangdao, meant they had almost equalized to equivalent Australian cargo prices, sources said. One trader in south China said the 5,500 kcal/kg NAR grade had traded at Yuan 570-580/mt FOB Qinhuangdao and he expected prices to decline by another Yuan 50/mt in the short term. One Australian coal shipper was heard to offer a June laycan Newcastle 5,500 kcal/kg NAR cargo to a Chinese utility at \$60/mt FOB, said a trader in Beijing. “Deals have stalled and power utilities are in no rush to purchase new Australian cargoes, as they believe prices will continue to drop,” said one market source in China.

## **Strong domestic supply**

Strong supply was still coming into the domestic market, he said, and he believed domestic prices for the 5,500 kcal/kg NAR grade could have further to fall in coming weeks, possibly to as low as Yuan 550/mt FOB Qinhuangdao. China’s central government was still nurturing plans to limit imports, the source said. The reason for this was Beijing had approved a significant number of new, large domestic mines, some of which were entering production this year, and it did not want to see this extra production run at a loss after the domestic coal sector’s earnings improved last year, he said. “Therefore, constraining imports will help domestic coal in demand and price,” he added. A Singapore-based trader said he had taken off some market positions for Indonesian cargoes as he thought 3,800 kcal/kg NAR prices could increase slightly to about \$37/mt FOB, geared-vessel basis. A Beijing-based coal producer said production in China had increased in April, and was part of the reason for the fall in domestic coal prices. “We are still quite bearish on China’s domestic price in May and early June,” he added. An Indonesia-based producer said his offer for 3,800 kcal/kg NAR coal was \$36/mt FOB geared-vessel basis.

*(Source: Platts)*

## **Thar mining firm (Pakistan) to supply 1.9m tons of coal to two power plants**

With the aim of increasing the share of domestic resources in energy mix, Sindh Engro Coal Mining Company (SECMC) signed two separate agreements with ThalNova and Thar Energy for the supply of 1.9 million tons of coal per annum each from Thar deposits, said a statement. After the commissioning of these power projects, SECMC will be mining 7.6 million tons of coal per annum from Thar coal block-II, which will bring down coal tariff to around \$41.35 per ton. ThalNova is a joint venture between Thal Power (Private) Limited and Nova Powergen Limited, which are subsidiaries of Thal Limited and Novatex Limited respectively. Thar Energy Limited is a subsidiary of Hub Power Company (Hubco), which is one of the largest independent power producers (IPPs) in Pakistan. Thar Energy and ThalNova are setting up mine-mouth power plants of 330 megawatts each at Thar block-II, which will be fully capable of running 100% on the domestic coal production. Both the power plants are scheduled to be commissioned by early 2020.

Earlier in April 2016, SECMC and Engro Powergen Thar Limited achieved combined financial close for the supply of 3.8 million tons of coal per annum to the latter. Currently, the project to mine 3.8 million tons of coal and establish a 660MW power plant is progressing ahead of schedule and is expected to come online by June 2019. The coal supply agreements were signed by SECMC CEO Shamsuddin Shaikh, Hubco and Thar Energy CEO Khalid Mansoor, ThalNova CEO Khalid Siraj Subhani and COO Rana Zulfiqar at SECMC’s office in Karachi.

*(Source: <https://tribune.com.pk>)*

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

				<i>Unit: USD/ton</i>
<b>Size</b>	<b>From</b>	<b>To</b>	<b>Freight rates</b>	<b>Change</b>
<b>Capesize</b>	Australia	China	7,10	+ 0,30
(150.000 tons)	Queensland	Japan	8,25	+ 0,30
	New South Wales	South Korea	8,40	+ 0,30
<b>Panamax</b>	Richards Bay	India West	9,80	- 0,50
(70.000 tons)	Kalimantan	India West	6,55	+ 0,00
	Richards Bay	India East	10,00	- 0,60
	Kalimantan	India East	5,55	+ 0,00
	Australia	China	8,70	- 0,05
	Australia	India	10,20	- 0,15

*(Source: Platts Coal Trader International – Date 18/05/2017)*