



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

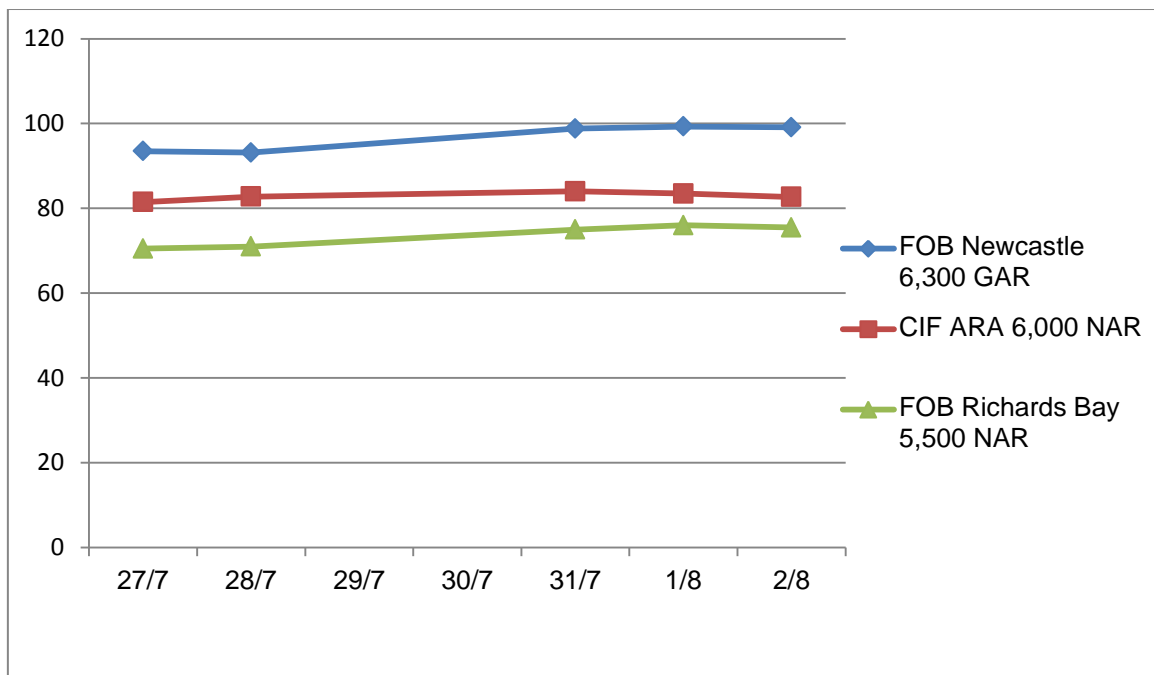
Date 07/08/2017

**INTERNATIONAL COAL PRICE ASSESSMENTS**

Daily prompt physical thermal coal assessments	Window 7 – 45 day	+/-	Window 90 - day	+/-
FOB Newcastle 6,300 GAR	99.10	- 0.20	95.75	- 1.50
CIF ARA 6,000 NAR	82.70	- 0.80	82.50	- 1.25
FOB Richards Bay 5,500 NAR	75.50	- 0.50	N/A	N/A
FOB Kalimantan 5,900 GAR	N/A	N/A	74.70	+ 0.00
FOB Kalimantan 5,000 GAR	N/A	N/A	59.30	+ 0.00

China Coal Assessment	USD/tons	+/-	NDT/tons	+/-
PCC6 (CFR South China 3,800 NAR)	48.80	- 0.20	326.73	- 1.36
PCC7 (CFR South China 4,700 NAR)	65.50	+ 0.00	438.54	- 0.03
PCC8 (CFR South China 5,500 NAR)	80.00	+ 0.00	535.62	- 0.04

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



(Source: Platts Coal Trader International – Date 02/08/2017)

## **NEWS**

### **Indonesia's Bumi posts 0.9% on-year rise in H1 coal output, maintains outlook**

Indonesian coal miner Bumi Resources produced 40.2 million mt in the first half of this year, up 0.9% from a year ago, the company said late Wednesday. Coal sales were flat year on year at 41.5 million mt in H1, Bumi Resources said, adding that the average selling price during the period was \$54.80/mt, compared with \$39.80/mt in H1 last year. "Unusually heavy rains impacted production," the company said in its half-yearly report. Indonesian coal prices rose this year on incessant rains that have impacted production and loading schedules at several mines, sources said earlier.

"The company has been able to increase inventory since end-2016 and expects to improve output and shipments in H2 2017 as rains subside and [amid] additional efficiency measures taken," Bumi said. Bumi Resources maintained its forecast for a 5% increase in output for the whole year, along with a minimum 30% increase in the average selling price. In the second quarter, its average selling price stood at \$55.80/mt, up from \$39.70/mt a year ago, the company said. Bumi Resources has a majority stake in major Indonesian coal producers Kaltim Prima Coal and Arutmin, which produce steam coal with a heating value of 4,200-7,100 kcal/kg gross air dried, according to Bumi's website. The 90-day price of FOB Kalimantan 5,900 kcal/kg GAR has gained 4% to date in 2017. It was assessed by S&P Global Platts at \$74.70/mt on Wednesday.

### **China's Shenhua suspends two coal mines, Mongolia set to benefit**

China Shenhua Energy Co. Ltd has suspended operations at two large open-pit coal mines in northern China, it said late on Thursday, a move that could benefit producers across the border in Mongolia. Shenhua Energy, the listed unit of the state-owned Shenhua Group, China's biggest coal producer, announced on Thursday that the Ha'erwusu and Baorixile mines in Inner Mongolia had been temporarily suspended as a result of "land requisition" delays. The two mines produced more than 50 million tonnes of coal in 2016 and over 30 million tonnes from January to July this year, the firm said. Although the suspensions were unlikely to cause Shenhua to miss targets for 2017, the company's volume of "self-produced coal" was expected to take a hit, it said, and profits were likely to fall by around 3.1 billion yuan (\$461.44 million) for the whole of 2017. Shenhua's first-half 2017 profit was 24.7 billion yuan.

The restrictions will cut into production in Inner Mongolia, and the region may need to turn to neighbouring Mongolia to ease shortages. "It is bullish for Mongolian coal producers," said Harris Kupperman, chief executive officer of the Mongolia Growth Group, an investor in the Hong Kong-listed Mongolian Mining Corp. Mongolian Mining did not immediately respond to requests for comment on Friday. A supply crunch in China could also enable Mongolia to negotiate better prices, said Kupperman. Mongolian producers have traditionally earned less than other suppliers to China, mostly because of transportation constraints. Coal is Mongolia's biggest export product. The country's total coal earnings rose fourfold to \$1.28 billion over the first half of 2017 because of China's ban on North Korean imports and port restrictions. Mongolia's largest coal producer, the state-owned Erdenes Tavan Tolgoi, said in a statement on Friday that it produced 5.9 million tonnes in the first seven months of the year, or 4.6 times more than the same period of 2016. Spot coal prices in Inner Mongolia SH-IMN-TRMCOAL stood at 545 yuan per tonne on Friday, compared to 615 yuan in the major coal port of Qinhuangdao SH-QHA-TRMCOAL.

### **Coal drives record Qld exports**

The Queensland government on Friday revealed that exports from the state reached a record A\$65.9-billion over the last 12 months. Treasurer and Minister for Trade and Investment Curtis Pitt said a significant rise in the value of coal exports was the primary driver behind Queensland setting another record export total but exports of some agricultural commodities also rose in value. He pointed out that exports supported one in five Queensland jobs. "Our Trade and Investment Strategy recognises that more exports mean more jobs, especially in regional communities," Pitt said.

"Our economic growth was ahead of the national growth rate in 2016/17 and is forecast to remain strong. Our fiscal discipline has been acknowledged by global ratings agencies and as optimism resurges in our state under Labor the eyes of investors are looking squarely at our state. "We will

continue to drive this momentum and off the back of a successful trade mission to Asia last month, we're already planning another trade mission next month to keep Queensland's brand and opportunities front of mind for international investors."

(Source: Platts)

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

<b>Size</b>	<b>From</b>	<b>To</b>	<b>Freight rates</b>	<b>Change</b>
<b>Capesize</b> (150,000 tons)	Australia	China	7.65	+ 0.25
	Queensland	Japan	8.45	+ 0.25
	New South Wales	South Korea	8.70	+ 0.25
<b>Panamax</b> (70,000 tons)	Richards Bay	India West	10.50	+ 0.10
	Kalimantan	India West	7.20	+ 0.00
	Richards Bay	India East	10.75	+ 0.10
	Kalimantan	India East	6.15	+ 0.00
	Australia	China	9.45	+ 0.10
	Australia	India	11.00	+ 0.30

*Unit: USD/ton*

(Source: Platts Coal Trader International – Date 02/08/2017)