



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

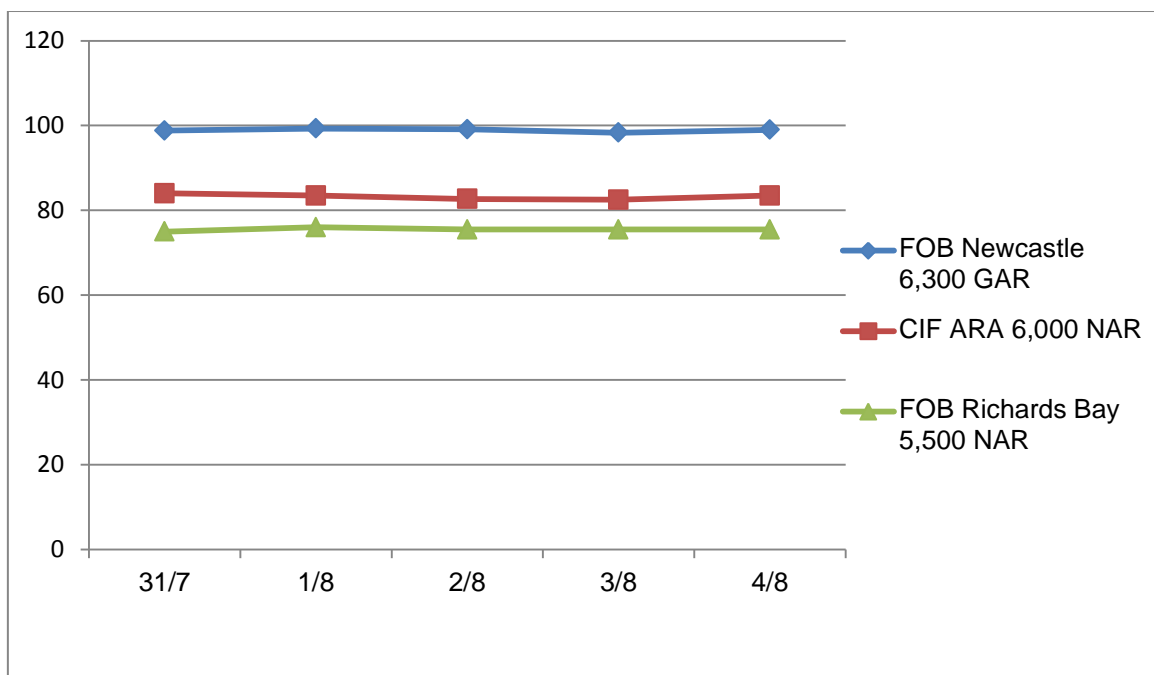
Date 09/08/2017

**INTERNATIONAL COAL PRICE ASSESSMENTS**

Daily prompt physical thermal coal assessments	Window 7 – 45 day	+/-	Window 90 - day	+/-
FOB Newcastle 6,300 GAR	99.00	+ 0.70	96.50	+ 0.75
CIF ARA 6,000 NAR	83.50	+ 1.00	83.20	+ 0.90
FOB Richards Bay 5,500 NAR	75.50	+ 0.00	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)	48.50	- 0.30	324.64	- 2.18
PCC7 (CFR South China 4,700 NAR)	65.70	+ 0.05	439.78	+ 0.11
PCC8 (CFR South China 5,500 NAR)	81.00	+ 0.50	542.19	+ 3.07

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



(Source: Platts Coal Trader International – Date 04/08/2017)

## **NEWS**

### **China's coal imports soar as India's stumble**

China's imports of coal from the seaborne market surged again in July, providing a stark contrast to a fourth consecutive monthly decline for India. The different dynamics in the world's two largest importers of the polluting fuel are largely a reflection of juxtaposing domestic policies. China is restricting domestic coal output and shutting inefficient mines, which, coupled with a decline in hydropower output, has boosted demand for imports. India, which gave back the title of the world's top coal importer to China last year, has a stated policy of reducing coal imports to zero and is boosting domestic production and efficiency of distribution toward that end.

China's seaborne imports were 20.8 million tonnes in July, up sharply from 17.9 million in June, according to vessel-tracking and port data monitored by Thomson Reuters Supply Chain and Commodity Forecasts. July will be the third month this year where seaborne imports have exceeded 20 million tonnes, taking the year-to-date total to 135.2 million tonnes, up 12 percent from the first seven months of 2016. Looking at the breakdown of suppliers, and top exporter Australia has fared better than regional rival Indonesia, most likely because it is the major global shipper of coking coal used to make steel, while Indonesia concentrates on lower grade thermal coal. China's imports from Australia were 8 million tonnes in July, taking the year-to-date total to 51.26 million, a gain of 15.3 percent over the same period in 2016. Indonesia has supplied more to China, with 56.72 million tonnes in the first seven months, but this is only up 10.3 percent from the same period last year, or about two-thirds of Australia's increase. While not a major supplier to China, it's worth noting that the United States has shipped 4.03 million tonnes in the January-July period, double the 1.96 million from the same period last year.

### **Indonesian Toba Bara's Q2 coal output misses target amid heavy rains**

Indonesian thermal coal miner Toba Bara said Thursday that it produced 1.2 million mt of coal in the second quarter of 2017, falling short of its forecast of 1.25 million-1.5 million mt, on bad weather. In the first half of 2017, the company produced 2.3 million mt of thermal coal, down 17.9% year on year. "Going into 2Q17, Indonesian production remained lackluster due to prolonged heavy rainfall and producers' conservative stance on production expansion," the company said in its half-yearly report. Sales volume for H1 stood at 2.2 million mt, down from 3.1 million mt a year earlier. The company, which counts South Korea, Thailand, Taiwan and Malaysia among its major customers, estimated full-year output at about 5 million-6 million mt.

Its average selling price for coal in H1 rose 26.2% year on year to \$57.30/mt, the company said. The FOB cash cost during Q2 rose to \$40.40/mt from \$35/mt in Q2 last year. Through its subsidiaries Adimitra Baratama Nusantara, Indomining and Trisensa Mineral Utama in East Kalimantan province, it produces coal with heating values ranging from 4,800 kcal/kg GAR to 5,900 kcal/kg GAR. While the company's 5,600 kcal/kg GAR product accounted for nearly 35% of the total sales in H1, the lower grade 4,800-5,200 kcal/kg GAR product accounted for 47%, Toba Bara said. The company has already secured contracts for about 88% of its total 2017 volume at fixed prices, it said. The 90-day price of FOB Kalimantan 5,900 kcal/kg GAR has risen 4% so far in 2017 to be assessed Wednesday at \$74.70/mt. The 90-day price of 5,000 kcal/kg GAR coal has risen about 7% in the same period, S&P Global Platts data showed.

### **Indonesia's Aug HBA thermal coal price surges 44% on year to \$83.97/mt**

Indonesia's Ministry of Energy and Mineral Resources set its August thermal coal reference price, also known as Harga Batubara Acuan or HBA, at a seven-month high of \$83.97/mt, up 44% year on year and 6.4% higher from June. The ministry had set the price for July at \$78.95/mt, and for August 2016 at \$58.37/mt. The HBA is a monthly average price based 25% on the Platts Kalimantan 5,900 kcal/kg GAR assessment; 25% on the ArgusIndonesia Coal Index 1 (6,500 kcal/kg GAR); 25% on the Newcastle Export Index — formerly the Barlow-Jonker index (6,322 kcal/kg GAR) of Energy Publishing — and 25% on the globalCOAL Newcastle (6,000 kcal/kg GAR) index. In July, the daily Platts FOB Kalimantan 5,900 kcal/kg GAR coal assessment averaged \$72.44/mt, up from \$70.23/mt in June, while the daily 90-day Platts Newcastle FOB price

for coal with a calorific value of 6,300 kcal/kg GAR averaged \$87.53/mt, up from \$80.95/mt in June. The HBA price for thermal coal is the basis for determining the prices of 77 Indonesian coal products and calculating the royalty producers have to pay for each metric ton of coal sold. It is based on 6,322 kcal/kg GAR coal, with 8% total moisture content, 15% ash as received and 0.8% sulfur as received.

(Source: Platts)

### **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> (150,000 tons)	Australia	China	7.50	- 0.25
	Queensland	Japan	8.30	- 0.25
	New South Wales	South Korea	8.55	- 0.25
<b>Panamax</b> (70,000 tons)	Richards Bay	India West	10.75	+ 0.00
	Kalimantan	India West	7.20	+ 0.00
	Richards Bay	India East	11.00	+ 0.00
	Kalimantan	India East	6.15	+ 0.00
	Australia	China	9.60	+ 0.10
	Australia	India	11.25	+ 0.10

(Source: Platts Coal Trader International – Date 04/08/2017)