



PETROVIETNAM OIL & GAS GROUP
PETROVIETNAM POWER CORPORATION
DAILY NEWS

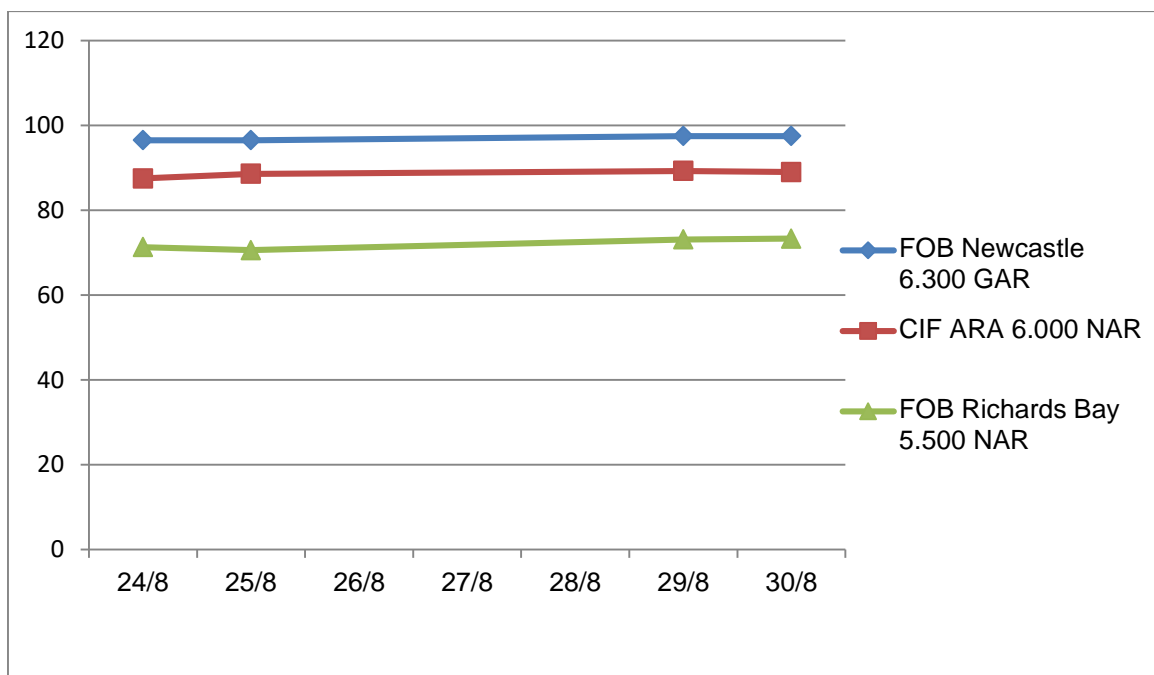
Date 01/09/2017

INTERNATIONAL COAL PRICE ASSESSMENTS

Daily prompt physical thermal coal assessments	Window 7 – 45 day	+/-	Window 90 - day	+/-
FOB Newcastle 6,300 GAR	97.50	0.00	96.00	+0.00
CIF ARA 6,000 NAR	89.00	-0.25	89.15	-0.25
FOB Richards Bay 5,500 NAR	73.30	+0.20	N/A	N/A
FOB Kalimantan 5,900 GAR	N/A	N/A	76.10	+0.00
FOB Kalimantan 5,000 GAR	N/A	N/A	61.50	+0.00

China Coal Assessment	USD/tons	+/-	NDT/tons	+/-
PCC6 (CFR South China 3,800 NAR)	50.25	+0.50	330.00	+1.50
PCC7 (CFR South China 4,700 NAR)	67.50	+0.50	443.29	+0.89
PCC8 (CFR South China 5,500 NAR)	81.80	+0.20	537.20	-1.61

DAILY PROMPT PHYSICAL THERMAL COAL ASSESSMENTS IN 2017



(Source: Platts Coal Trader International – Date 30/08/2017)

NEWS

Rio completes Australia coal mines sale to China's Yancoal

Mining giant Rio Tinto has wrapped up the sale of most of its Australian coal assets to Yancoal, with the China-backed firm taking control of the business on Friday. Rio, the world's second-largest miner, which is dual-listed in Britain and Australia, banked US\$2.45 billion in cash with a further US\$240 million due in royalty payments. With its Coal & Allied operations transferring to Yancoal, Rio said its 2017 thermal coal production had been revised down to 13-14 million tonnes, from 17-18 million tonnes previously. Yancoal, majority-controlled by China's Yanzhou Coal, was preferred despite a higher bid by Glencore. The Chinese company had already won approval from Australia's Foreign Investment Review Board, while the Swiss commodities giant still needed the regulatory green light. Rio, which in February reported a surge in annual net profit thanks to improving commodity prices, is selling Coal & Allied in a divestment drive that analysts expect will lead to a complete exit from the coal sector.

China inquiries support Indonesia thermal coal price, weaker India market

Indonesian low-grade thermal coal prices remained strong, supported by inquiries from China, even as deals in the Indian market were sparse, sources said Wednesday. An Indonesian coal producer source said trading levels for prompt shipments of 4,200 kcal/kg GAR coal were at \$43-\$43.50/mt FOB. Not many were inquiring yet for October and November cargoes, he added. He noted though that Indian buyers were heard looking for cargoes since last week, but he was skeptical if these were firm buying interests. "Their stockpile is definitely low, but I don't know if they are just testing the waters [for now]," he said, noting that unlike China, India has the option of shutting down power plants if stock levels run low. Meanwhile, he heard trades for 3,800 kcal/kg GAR coal were happening at \$36-\$37/mt FOB levels. Offers for September-loading geared vessel cargoes of 3,800 kcal/kg GAR coal were heard at \$36-\$36.50/mt FOB and tradeable levels would be at around \$36/mt FOB, a Singapore-based source said. The Indonesian coal producer source said the market has been quite volatile as prices moved without a strong foundation on fundamentals. "Last week, prices were down. Now, it's up again," he said, adding that he tried to offer a buyer on Tuesday an October-loading geared vessel cargo of 4,200 kcal/kg GAR coal at \$44/mt FOB and the buyer agreed to come back with a counter bid.

Despite the recent news of the China government asking power plants to secure more stocks for the coming quarter, he said China's Congress meeting in October could still keep the downward pressure on domestic prices, thus affecting the seaborne market. The Singapore-based trader said the Chinese market was seeing some activities among traders to support their tender positions and trades were heard this week at \$43-\$43.50/mt FOB for 4,200 kcal/kg GAR coal. China's buying interest for mid-calorific value coal was not as strong though, compared to the low-CV coal, he said. He still received a bid for a September-loading cargo of 4,700 kcal/kg NAR coal at \$59.50-\$60/mt FOB on either geared or gearless vessel basis. Meanwhile, he reported hearing a September-loading Supramax cargo of 5,500 kcal/kg GAR coal sold to India at \$69/mt FOB. There was also an offer for 5,600 kcal/kg GAR coal at \$73/mt FOB, but buyers found it "too high".

Kospo seeks 320,000 mt of steam coal

Korea Southern Power (Kospo) announced Wednesday a tender seeking 320,000 mt of thermal coal for loading in October to November and for delivery to its Samcheok power plant. In the tender KOSPO-Coal-2017-EST19, the utility seeks four 80,000-mt, Panamax shipments of thermal coal with a minimum calorific value of 3,700 kcal/kg net as received, maximum total moisture of 43% as received, 16%-45% volatile matter air dried, maximum 4.5% ash air dried, and maximum 0.35% sulfur as received. Kospo asks for one cargo to be loaded in October and the remaining three vessels in November. Offers must be on single, fixed free-on-board-and-trimmed basis (FOBT). The tender closes on September 1.

(Source: Platts)

INTERNATIONAL SPOT DRY BULK FREIGHT ASSESSMENTS

Unit: USD/ton

Size	From	To	Freight rates	Change
Capesize	Australia	China	8.30	-0.20
(150,000 tons)	Queensland	Japan	9.10	-0.20
	New South Wales	South Korea	9.35	-0.20
Panamax	Richards Bay	India West	11.80	+0.15
(70,000 tons)	Kalimantan	India West	7.80	0.00
	Richards Bay	India East	12.15	+0.15
	Kalimantan	India East	6.75	0.00
	Australia	China	10.30	-0.10
	Australia	India	11.90	-0.10

(Source: Platts Coal Trader International – Date 30/08/2017)