



PETROVIETNAM OIL & GAS GROUP
PETROVIETNAM POWER CORPORATION
DAILY NEWS

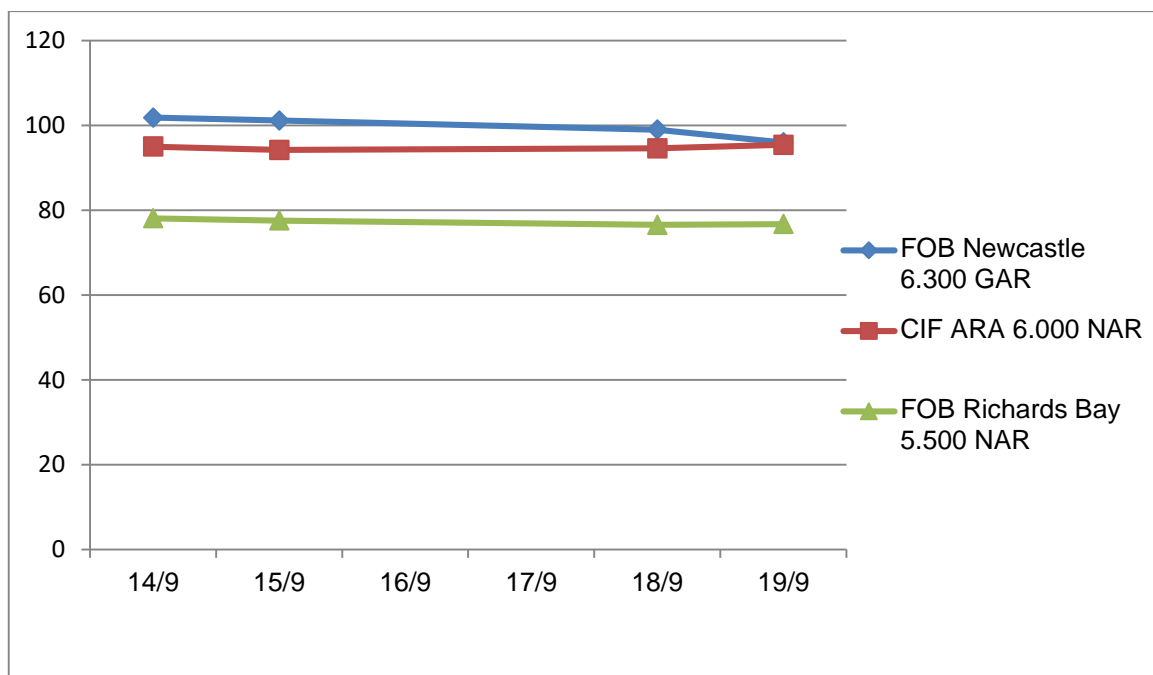
Date 21/09/2017

INTERNATIONAL COAL PRICE ASSESSMENTS

Daily prompt physical thermal coal assessments	Window 7 – 45 day	+/-	Window 90 - day	+/-
FOB Newcastle 6,300 GAR	96.00	-3.00	96.50	-3.00
CIF ARA 6,000 NAR	95.40	+0.80	94.25	+1.00
FOB Richards Bay 5,500 NAR	76.75	+0.20	N/A	N/A
FOB Kalimantan 5,900 GAR	N/A	N/A	80.75	+0.25
FOB Kalimantan 5,000 GAR	N/A	N/A	66.00	+0.25

China Coal Assessment	USD/tons	+/-	NDT/tons	+/-
PCC6 (CFR South China 3,800 NAR)	54.25	+0.75	416.31	+7.01
PCC7 (CFR South China 4,700 NAR)	73.25	+0.75	562.11	+7.45
PCC8 (CFR South China 5,500 NAR)	87.25	+0.75	669.54	+7.78

DAILY PROMPT PHYSICAL THERMAL COAL ASSESSMENTS IN 2017



(Source: Platts Coal Trader International – Date 19/09/2017)

NEWS

Indonesia thermal coal demand stays strong despite China restrictions

Reports of import restrictions at certain ports in China were doing little to arrest the continued rally in Indonesian thermal coal prices, while India was buying actively amid limited supply, market sources said Tuesday. An Indonesia-based source said he sold three Supramax shipments of 4,200 kcal/kg GAR, or 3,800 kcal/kg NAR coal, and five Supramax cargoes of 3,800 kcal/kg GAR or 3,400 kcal/kg NAR coal last week, adding that two of the vessels went to India and the others to China. Spot offers remain limited, especially for end-September or early October loading, he said, adding that most offers were from traders. According to the source, Chinese traders are looking for back-to-back trades. "Most of the spot cargoes are selling at the very last moment. Maybe 7-14 days before the loading schedule," he said. Additionally, he said the surge in freight rates was also causing buyers to book cargoes at the last minute. He noted that the difference between Panamax and Supramax offer prices could go as high as \$2/ mt, which would make the landed cost for Panamax shipments in China uneconomical. "The buyers are mostly looking for Supramax shipments now," he said.

Meanwhile, India bids were catching up with China, he said. He received a bid for a Supramax shipment of 4,200 kcal/kg GAR coal at \$46/mt FOB, but he had nothing to offer. Another Indonesia-based source said some buyers were paying a premium to secure cargoes. A West India-based trader said power plants' stock levels were low, so buyers have raised their bids to secure cargoes amid limited availability. Recent floods owing to monsoon rains have affected production in India's coal fields, and it will take some time for state-owned mining company Coal India to catch up again, he said. Consequently, he expects Indian buyers to stay in the market to buy imported cargoes. He hoped to see prices drop, but "there is no sign of that happening." Factors in the market all point to stronger prices in Q4, he said. The Indonesia-based source said there was interest for mid-CV coal from both India and China. But, he expects the market to slow down next week for China as the country prepares for its week long holiday in early October. India might keep trading volumes rolling then, he added.

China's coastal coal freight rates rise on week

Freight rates for shipping coal from northern China's Qinhuangdao port to the other Chinese ports of Zhangjiagang, Shanghai and Guangzhou in eastern and southern China continued to move upward in the week to Tuesday, port operator Qinhuangdao Port said. The freight rate from Qinhuangdao to Zhangjiagang in eastern China's Jiangsu province for 20,000-30,000 mt capacity vessels jumped by Yuan 8.20/week on week to Yuan 53.50/mt (\$8.13/mt) on Tuesday, Qinhuangdao Port said. The rate from Qinhuangdao to Shanghai in eastern China for vessels with a capacity of 40,000-50,000 mt jumped by Yuan 8.0 to Yuan 47.30/mt. The rate from Qinhuangdao to Guangzhou in southern China for 50,000-60,000 mt capacity vessels rose Yuan 7.90 week on week to Yuan 57.00/mt. Increased restocking interest of downstream power plants in preparation for the National Day holidays (October 1-8) has boosted the rise in coastal freights, the port operator said. Meanwhile, coal stocks at Qinhuangdao port stood at 5.495 million mt on Tuesday, down from 5.58 million mt a week earlier, port figures showed.

Coal imports by Indian power utilities over Apr-Aug fall 20% on year

Indian power utilities imported around 23.2 million mt of thermal coal over April-August, down 20% year on year, according to latest Central Electricity Authority data seen by S&P Global Platts Wednesday. Of this, 16.34 million mt were shipped in for power plants designed to run on imported coal while 6.86 million mt were brought in for blending with domestic coal. Out of 6.86 million mt, around 2.1 million mt were imported by six state-owned utilities to blend with domestic coal and 4.76 million mt by 11 private power producers also for blending purposes. Twenty-nine power utilities did not import any coal in the first five months of the current fiscal year running from April 2017 to March 2018 and no data was not available for one. Adani Power imported the highest volume of coal at 5.53 million mt, followed by Tata's Mundra with 4 million mt and JSW Energy with 1.45 million mt. Among the state-owned utilities, Tamil Nadu Generation and Distribution Corp. Ltd. imported the maximum volume at 928,000 mt. Around 4 million mt were imported by

power utilities in August, down 21% year on year. India's coal production has increased substantially in the last three years, reducing imports. India imported 149 million mt of thermal coal in fiscal 2016-2017, down 5% year on year.

(Source: Platts)

INTERNATIONAL SPOT DRY BULK FREIGHT ASSESSMENTS

Unit: USD/ton

Size	From	To	Freight rates	Change
Capesize (150,000 tons)	Australia	China	9.40	-0.25
	Queensland	Japan	10.90	-0.25
	New South Wales	South Korea	11.25	-0.25
Panamax (70,000 tons)	Richards Bay	India West	13.15	+0.00
	Kalimantan	India West	10.20	+0.00
	Richards Bay	India East	13.65	+0.00
	Kalimantan	India East	9.10	+0.00
	Australia	China	13.00	+0.00
	Australia	India	15.25	+0.00

(Source: Platts Coal Trader International – Date 19/09/2017)