



PETROVIETNAM OIL & GAS GROUP
PETROVIETNAM POWER CORPORATION
DAILY NEWS

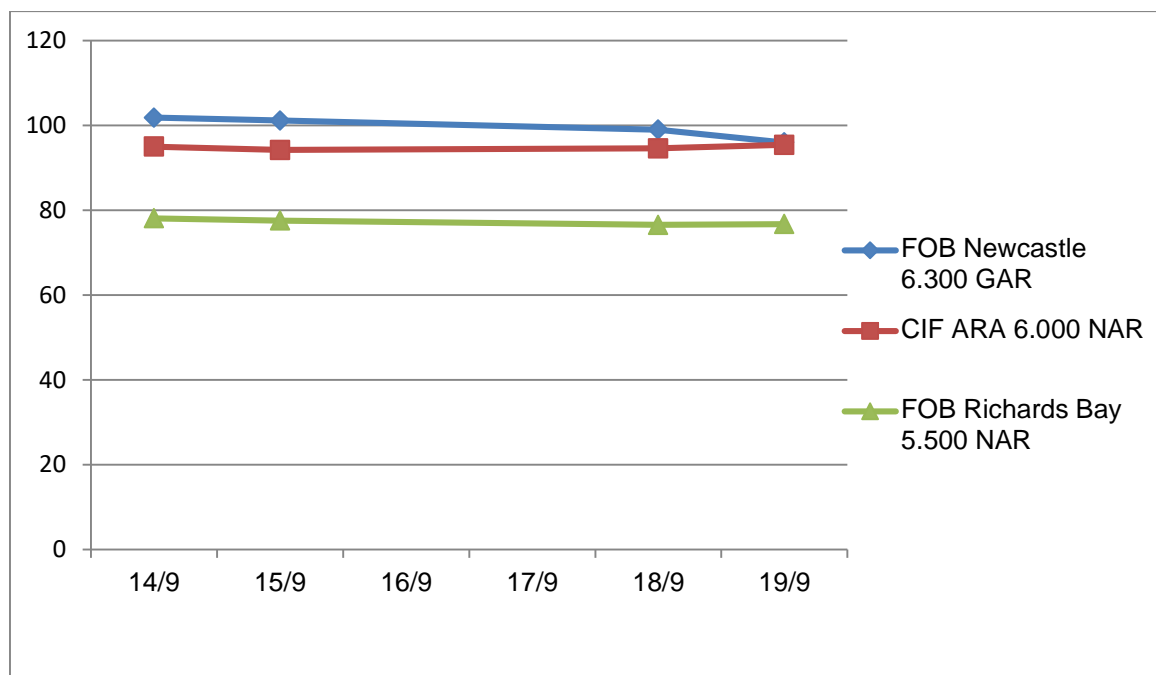
Date 22/09/2017

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

Australian thermal coal Oct 2017-Sep 2018 term offer to Japan buyers opens at \$100/mt FOB

Talks are underway in Japan to determine a benchmark price for deliveries of Australian thermal coal to Japanese customers for the year starting October 1, according to market sources Thursday. The term contract negotiations started last week, with an opening offer price in three digits - around \$100/mt FOB Newcastle - from a large Australian coal producer for shipments of its 6,322 kcal/kg GAR thermal coal, according to a market source. Parties met for talks after representatives from Japan-based power companies visited a number of mine sites in Australia in early September. Tohoku Electric Power is the lead negotiator in the contract talks with its supplier, Australian miner Glencore, because it has a large supply contract for Australian coal that reprices on October 1 each year. One market source said that he believes a "reasonable" price outcome for the October benchmark talks to be in the high \$90s/mt FOB Newcastle.

He acknowledged that there was some market tightness at Newcastle port for Japanese specification 6,322 kcal/kg GAR thermal coal, broadly equivalent to 6,000 kcal/kg NAR. Spot purchase activity in the Japanese seaborne market has been relatively thin recently, on account of a combination of high market prices and the proximity of the October term contract talks, he said. "Most Japanese power utilities try to decrease their spot procurement," he said. They are relying instead on deliveries under term contracts, including those that follow the Japanese fiscal year and repriced on April 1 to \$80-\$84.97/mt FOB Newcastle, basis 6,322 kcal/kg GAR. This price range is cheaper than the current spot market prices at \$95-\$97/mt FOB Newcastle. Alternatively, some Japanese customers may seek to bring forward deliveries under their term contracts to avoid going to the spot market at a time of high prices, said the market source. "It means they will have some room in January [for spot cargoes], and will have to tender in November or December," he said. But for this option to work, coal producers would need to have spare cargoes available for prompt shipment from Newcastle port, something he doubted in the current tight market.

Traditionally, there were four pricing points for Japanese thermal coal contracts throughout the calendar year -- April, July, October, and January -- but there is no longer any July, or January benchmark prices. Japanese buyers are trying to diversify the timing of when their contracts are repriced by having some smaller contracts renegotiated in November and at other times in the year, added the source.

Screen-traded parcels of Newcastle 6,000 kcal/kg NAR thermal coal have traded at lower prices this week, just under \$100/mt FOB, compared to \$100-\$102/mt a week ago. In Thursday's Asia trading session, a 25,000 mt parcel of this Japan-specification thermal coal for October loading went through the globalCOAL trading platform at \$95/mt FOB Newcastle. On Tuesday, two 25,000 mt November laycan parcels of the same grade traded at \$96.50/mt and \$97/mt FOB Newcastle, respectively, on globalCOAL.

Combined coal stocks at China's Bohai sea ports down 2.5% on week

Combined coal stocks at China's key Bohai Sea ports of Qinhuangdao, Caofeidian and Jingtang totaled 12.49 million mt on Monday, down 2.5% week on week, according to figures released by port operator Qinhuangdao Port. Increased purchasing activities by downstream power plants ahead of the National Day holidays were behind the drawback in port stocks, the port operator said. Coal stocks were highest at Qinhuangdao, with 5.41 million mt of stocks, down from 5.60 million mt a week ago, while Jingtang held 3.99 million mt, down from 4.13 million mt. However, Caofeidian port held 3.09 million mt, up slightly from 3.085 million mt a week ago. Elsewhere, coal stocks at Huanghua, Shenhua Group's captive coal port in northern China's Hebei province, stood at 1.615 million mt on Monday, up slightly from 1.61 million mt a week ago, figures from Huanghua Port Authority showed.

PWCS coal terminals' vessel queue rises by 2 on week to 19 ships

Port Waratah Coal Services' two export terminals at Newcastle port in eastern Australia had 19 ships waiting offshore Sunday, up from 17 ships a week ago, the Hunter Valley Coal Chain Coordinator said in a report Sunday. The ship queue for the PWCS terminals is expected to decline

to stand at four at the end of September and fewer than five at end October, the coal chain coordinator said. The PWCS terminals shipped 2.01 million mt of coal exports in the week ended Sunday, down 40,000 mt from 2.05 million mt a week earlier, while month-to-date exports totaled 5 million mt, according to the report. Coal producers forecast ship arrivals in September to total 7.3 million mt of capacity, and ships have nominated to load 7.7 million mt of coal exports in the month. For October, ship arrivals at the PWCS terminals are forecast at 9.3 million mt, and for November at 8.2 million mt.

Month-to-date coal export throughput on Newcastle port's railway is 7.34 million mt, HVCCC said. The port has three coal terminals; the 145 million mt/year PWCS terminals of Kooragang and Carrington and the 66 million mt/year Newcastle Coal Infrastructure Group terminal. Around 2.35 million mt of coal exports were shipped through the NCIG terminal at Newcastle month to date, according to S&P Global Platts data. The Carrington and Kooragang terminals had combined stocks of 1.8 million mt available for export Sunday, down 200,000 mt from the week before. Meanwhile, Gladstone port in the neighboring state of Queensland had 11 ships in its vessel queue Monday, and one ship loading coal exports at its RG Tanna coal terminal, Gladstone Ports Corporation said.

(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)