



PETROVIETNAM OIL & GAS GROUP
PETROVIETNAM POWER CORPORATION
DAILY NEWS

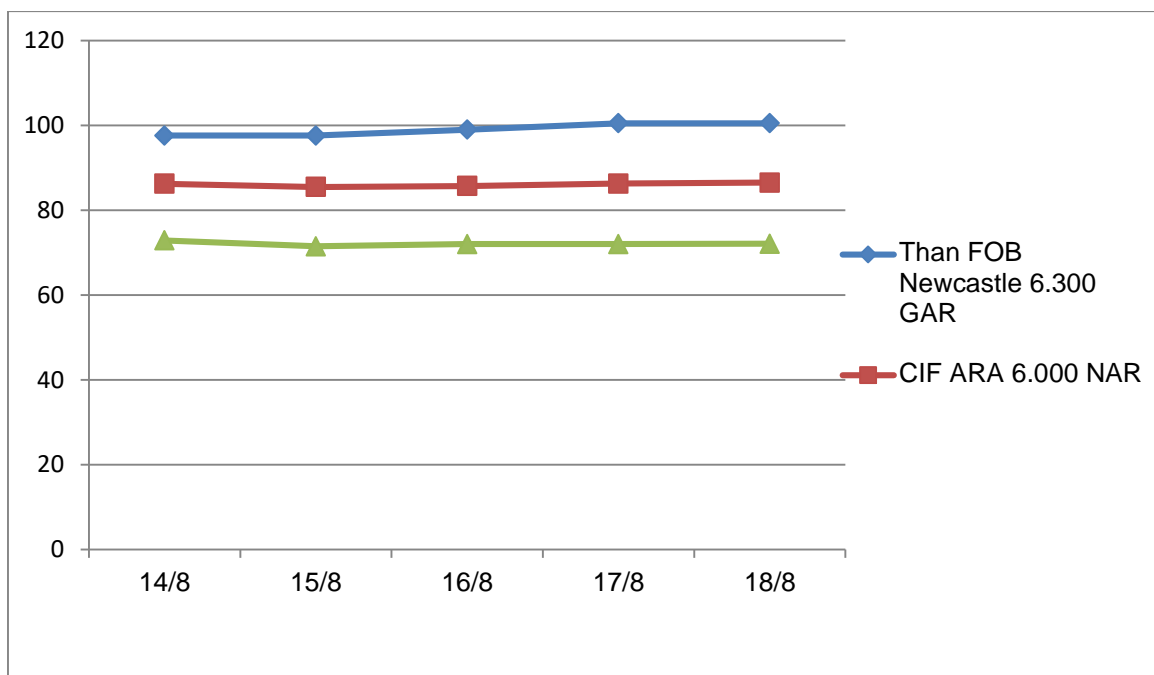
Date 23/08/2017

INTERNATIONAL COAL PRICE ASSESSMENTS

Daily prompt physical thermal coal assessments	Window 7 – 45 day	+/-	Window 90 - day	+/-
FOB Newcastle 6,300 GAR	100.50	+0.00	98.00	+0.00
CIF ARA 6,000 NAR	86.50	+0.20	86.40	+0.15
FOB Richards Bay 5,500 NAR	72.10	+0.10	N/A	N/A
FOB Kalimantan 5,900 GAR	N/A	N/A	74.95	+0.00
FOB Kalimantan 5,000 GAR	N/A	N/A	60.00	+0.00

China Coal Assessment	USD/tons	+/-	NDT/tons	+/-
PCC6 (CFR South China 3,800 NAR)	49.00	+0.00	325.85	+0.15
PCC7 (CFR South China 4,700 NAR)	66.30	+0.10	440.89	+0.87
PCC8 (CFR South China 5,500 NAR)	82.25	+0.05	546.95	+0.57

DAILY PROMPT PHYSICAL THERMAL COAL ASSESSMENTS IN 2017



(Source: Platts Coal Trader International – Date 18/08/2017)

NEWS

Weak Chinese prices dampen buying sentiment for Indonesian coal

Softening domestic thermal coal prices in China were dampening buying sentiment for Indonesian cargoes, keeping buying price expectations low and trades limited, sources said Wednesday. A China-based trader said bids for 4,200 kcal/kg GAR coal were at \$41.50-\$42/mt FOB against offers at \$42.50-\$43/mt FOB for September-loading geared vessel shipments. Softening prices have put downward pressure on bids for seaborne cargoes. As summer demand wanes, he expected the remaining half of August and September to be a quiet period and thus see a further correction in prices before winter demand hits the market around October. "China's economic growth is okay, hydropower output this year has been low. So demand for thermal coal should be good. It's just a question on what kind of supply situation we'll be at in Q4 [that will determine the price direction]," he said. A Singapore-based trader said the weather has improved in Kalimantan and rains were not much of a problem any more in Sumatra as well. He heard two offers for 4,200 kcal/kg GAR coal at \$43/mt FOB for 0.5%-0.6% sulfur, and at \$42.50/mt FOB for around 0.8% sulfur, both on geared vessel basis loading at the end of August. There was a trade heard at \$41.80/mt FOB for 4,200 kcal/kg GAR coal with around 0.6%-0.7% sulfur, this source said, but the deal could not be confirmed by S&P Global Platts.

China thermal coal import enthusiasm dampened by higher freight rates

Several Chinese power utilities including Guodian Fujian and Guodian Jiangsu are closing tenders Friday for a range of imported thermal coal grades such as 3,800 kcal/kg NAR and 4,800 kcal/kg NAR, said sources. Guodian Fujian in southern China is seeking offers for 230,000 mt for delivery in the second half of September to its Fuzhou and Quanzhou power plants, including 100,000 mt of Indonesian 3,800 kcal/kg NAR and 65,000 mt each of 4,300 and 4,800 kcal/kg NAR coal. In eastern China near Shanghai, utility Guodian Jiangsu is asking for 210,000 mt of thermal coal ranging from 3,800 kcal/kg NAR to 5,000 kcal/kg NAR for arrival in late August to mid-September, said sources. Although end-users published the tender, Chinese traders expected that the price will still be low. According to one South China based trader, he expected the price will still fall below Yuan 400/mt CFR South China basis for Indonesia 3,800kcal/kg NAR coal. September-loading geared-vessel cargoes of Indonesian 3,800 kcal/kg NAR thermal coal were offered to Chinese spot buyers at \$42.50-43/mt FOB, and at \$43.50-44/mt FOB for gearless-vessel cargoes, according to a number of market sources. Bid prices from Chinese customers for this grade were heard mostly at \$43/mt FOB for gearless-vessel shipments for September, but sellers wanted prices higher than this level, said a trader in north China. "The tradable price will be close to the offering side's price," he said. This trader also heard some Indonesian 4,800 kcal/kg NAR Panamax cargoes with 1.2-1.4% sulfur for September loading offered at \$62-63/mt FOB for which he pegged the tradable level at \$60.50-61/mt FOB. For Panamax vessels on the Kalimantan to China voyage, he marked the freight rate at around \$6/mt. An Indonesia-based trader said demand for China had started to slow, and on the other hand supply from Indonesian is still tight. He said the tradable level for Indonesian 3,800 kcal/kg NAR was around \$42.50/mt FOB for September loading cargoes this week.

Newcastle to South China freight rises

For high-ash Australian 5,500 kcal/kg NAR Capesize cargoes for September delivery, spot buying price expectations were hovering around \$72-73/mt FOB Newcastle, said a trader in eastern China. One trader in China disagreed with this price level, saying that the spot market was "weak", adding he was seeing bids from end users at \$71/mt FOB Newcastle, basis 5,500 kcal/kg NAR. But, few offers for September high-ash cargoes were seen on the spot market in Asia trade, sources said. Capesize vessel freight on the Newcastle to South China trading route was around \$9.50-10/mt, and higher on-day, sources said. One trader in southern China said he received an offer for an August-arrival Capesize cargo of 5,500 kcal/kg NAR thermal coal at Yuan 680/mt, or about \$86/mt excluding VAT. Domestic 5,500 kcal/kg NAR coal prices have edged lower to Yuan 630-640/mt FOB, according to an eastern China based trader and he expected it to fall to around Yuan 610/mt

FOB by the end of August. Another North China-based trader said domestic 5,000 kcal/kg NAR coal was trading at Yuan 560-570/mt FOB Qinhuangdao.

(Source: Platts)

INTERNATIONAL SPOT DRY BULK FREIGHT ASSESSMENTS

Unit: USD/ton

Size	From	To	Freight rates	Change
Capesize (150,000 tons)	Australia	China	8.90	-0.10
	Queensland	Japan	9.70	-0.10
	New South Wales	South Korea	9.95	-0.10
Panamax (70,000 tons)	Richards Bay	India West	12.15	+0.25
	Kalimantan	India West	7.95	+0.05
	Richards Bay	India East	12.50	+0.25
	Kalimantan	India East	6.90	+0.05
	Australia	China	10.70	+0.15
	Australia	India	12.15	+0.15

(Source: Platts Coal Trader International – Date 18/08/2017)