



PETROVIETNAM OIL & GAS GROUP
PETROVIETNAM POWER CORPORATION
DAILY NEWS

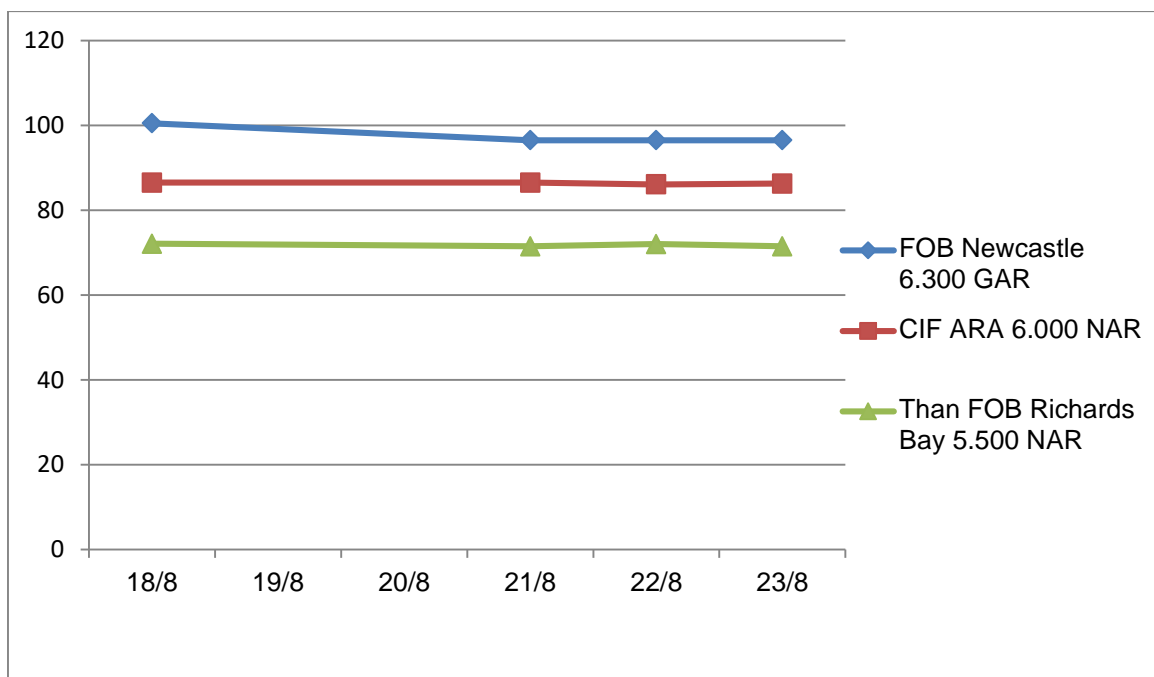
Date 24/08/2017

INTERNATIONAL COAL PRICE ASSESSMENTS

Daily prompt physical thermal coal assessments	Window 7 – 45 day	+/-	Window 90 - day	+/-
FOB Newcastle 6,300 GAR	96.50	0.00	95.00	0.00
CIF ARA 6,000 NAR	86.30	+0.20	86.40	+0.60
FOB Richards Bay 5,500 NAR	71.50	-0.50	N/A	N/A
FOB Kalimantan 5,900 GAR	N/A	N/A	75.10	+0.15
FOB Kalimantan 5,000 GAR	N/A	N/A	60.50	+0.50

China Coal Assessment	USD/tons	+/-	NDT/tons	+/-
PCC6 (CFR South China 3,800 NAR)	49.00	0.00	325.24	+0.13
PCC7 (CFR South China 4,700 NAR)	66.30	0.00	440.06	+0.16
PCC8 (CFR South China 5,500 NAR)	81.70	0.00	542.28	+0.20

DAILY PROMPT PHYSICAL THERMAL COAL ASSESSMENTS IN 2017



(Source: Platts Coal Trader International – Date 23/08/2017)

NEWS

China coal imports from Australia climb for second month

Chinese coal imports from key supplier Australia chalked up year-on-year gains for the second straight month in July, customs data showed, as local output of the commodity eased amid a crackdown on illegal mining and pollution. Cargoes from Australia rose 4.4 percent from July last year to 7.47 million tonnes, according to the data from the General Administration of Customs released on Wednesday. Imports from neighbouring Mongolia jumped over 30 percent in July from the year before to 2.26 million tonnes, the data showed, although that was below record levels struck in June. Major producers from Mongolia are looking to boost shipments to China in the wake of a ban on coal purchases from North Korea and as China's largest producer Shenhua Energy closed two large pits near the Mongolian border. Meanwhile, shipments from Indonesia dropped by nearly 9 percent to 3.03 million tonnes in July. Imports from Russia fell 1.7 percent to 1.64 million tonnes, the data showed.

China imposed a ban on coal shipments at small ports from July 1, along with more random checks on coal cargoes. Looking forward, a warmer-than-usual winter has been forecast for southern China, potentially crimping appetite for coal. The forward structure of the thermal futures curve shows investors are betting on prices peaking in October before falling steadily until August 2018. China's coal production in July fell 4.5 percent from a month earlier to its lowest since October, according to government numbers released in mid-August.

Asia met coal impasse, spot pricing keeps stable

The metallurgical coal market remained steady as an impasse continued between buyers and sellers in the market. S&P Global Platts assessed Premium Low Vol FOB Australia steady at \$194.50/mt FOB Australia Wednesday, and delivered prices to China flat at \$195/mt CFR China. There was little firm demand heard in markets outside China, with no trades heard done. "India can't accept these levels," said an Indian end-user, adding that if prices continued at such an impasse, Indian buyers would have to find alternatives in buying coke or cutting back on production. He indicated he would bid no higher than \$190/mt FOB Australia for a Premium Mid Vol coal with 67%-69% CSR. An Indian trader said that India had been quiet lately but estimated some buyers may return to the market in "a week or so," adding that there had previously been trades of smaller tonnages done. A Northeast Asian steel mill buyer echoed similar sentiments, adding that he has no requirement at this moment, but said that should he need a coal, he would have to bid at \$194/mt FOB Australia for the likes of an Australian Premium Low Vol coal with 71%-73% CSR. "A \$200/mt FOB Australia is inflated, liquidity is around \$190/mt FOB Australia levels," said an international trader source. In China, some sources agreed that there was a possibility that should domestic coal supply tighten further, buyers may be forced to come back to the international market.

Indonesian firm to construct coal port in Vietnam

Indonesian firm PT Intra Asia Indonesia has signed a memorandum of understanding (MoU) with its counterpart in Vietnam, in connection with its plan to construct a coal port in the southern part of the country with US\$1 billion. The agreement was signed by PT Intra Asia president director Justin Lim and Hong Pat Coal and Resources chairman Phan Ngo To Hong in Jakarta on Wednesday, witnessed by secretary-general of the Communist Party of Vietnam, Nguyen Phu Trong. "The port will especially be used for cargo and logistics that will serve exports and imports between Indonesia and Vietnam, particularly coal," said Intra Asia Indonesia commissioner Lutfi Ismail in a statement. When it operates, the capacity of the port will reach between 15 and 20 million tons of coal per year, he said, adding that it would cut logistics cost for coal imports from Indonesia. Lutfi said construction of the port would facilitate the sustainability of coal exports from Indonesia to Vietnam, and would help fuel power plants in the country. Indonesia targets to export 4.5 million tons of coal to Vietnam this year, said Lutfi. "We hope that the cooperation will boost Indonesian coal exports to Vietnam," he added. The Central Statistics Agency (BPS) recorded that trade between Indonesia and Vietnam reached \$6.3 billion last year, while Indonesia suffered a \$182.90 million deficit.

INTERNATIONAL SPOT DRY BULK FREIGHT ASSESSMENTS

Unit: USD/ton

Size	From	To	Freight rates	Change
Capesize	Australia	China	8.25	-0.20
(150,000 tons)	Queensland	Japan	9.05	-0.20
	New South Wales	South Korea	9.30	-0.20
Panamax	Richards Bay	India West	12.00	-0.10
(70,000 tons)	Kalimantan	India West	8.10	0.00
	Richards Bay	India East	12.35	-0.10
	Kalimantan	India East	7.05	0.00
	Australia	China	10.70	-0.10
	Australia	India	12.30	-0.10

(Source: Platts Coal Trader International – Date 23/08/2017)