



**PETROVIETNAM OIL & GAS GROUP**  
**PETROVIETNAM POWER CORPORATION**  
**DAILY NEWS**

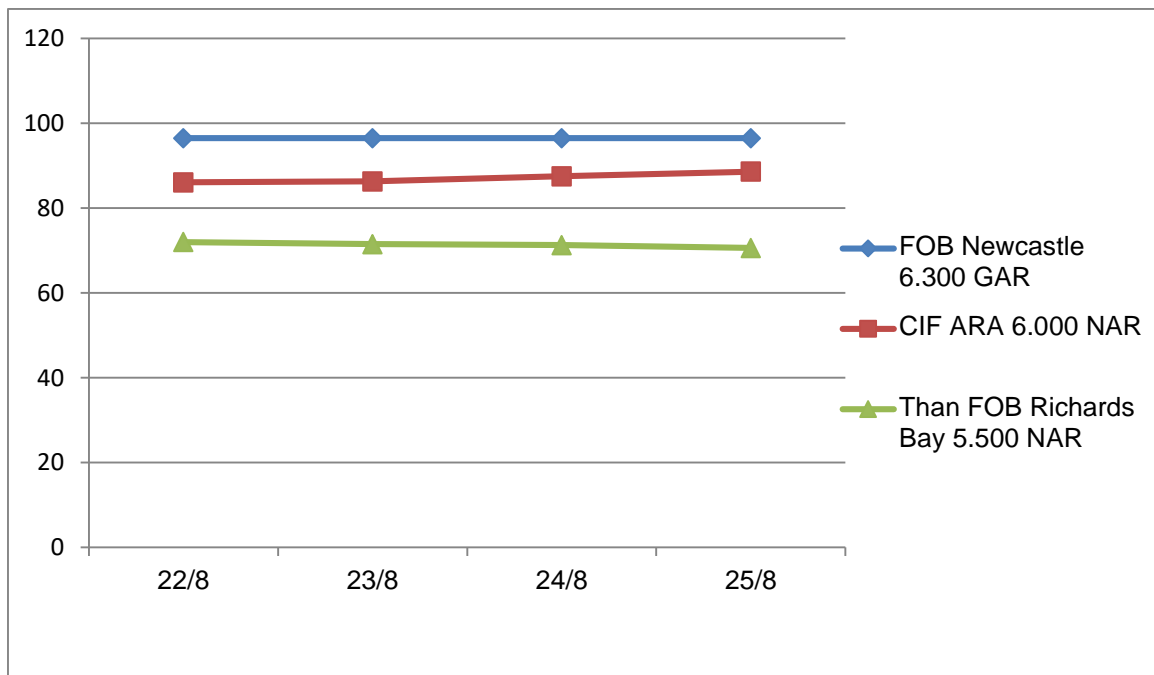
Date 29/08/2017

**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	88.60	+1.10	88.30	+0.30
FOB Richards Bay 5,500 NAR	72.10	+0.10	N/A	N/A
FOB Kalimantan 5,900 GAR	N/A	N/A	75.60	+0.50
FOB Kalimantan 5,000 GAR	N/A	N/A	61.00	+0.50

China Coal Assessment	USD/tons	+/-	NDT/tons	+/-
PCC6 (CFR South China 3,800 NAR)	49.25	+0.15	326.82	+1.04
PCC7 (CFR South China 4,700 NAR)	66.50	+0.20	441.29	+1.39
PCC8 (CFR South China 5,500 NAR)	81.60	0.00	541.49	+0.08

**DAILY PROMPT PHYSICAL THERMAL COAL ASSESSMENTS IN 2017**



(Source: Platts Coal Trader International – Date 25/08/2017)

## **NEWS**

### **Indonesian coal sellers wait for firm Indian bids as China purchasing slows**

Indonesian thermal coal sellers were hoping to see more firm buying inquiries from India post-monsoon, with Chinese buying slowing down, sources said Tuesday. A Singapore-based trader said Indian buyers have held off their buying for too long and he expected them to return soon, with only about two weeks left of the monsoon season. “September should be a good time for them to buy because Chinese demand [will likely be] slow [during this period],” he said. He said not many deals have been done recently for 4,200 kcal/kg GAR coal, and he placed the fair market value of this grade at around \$41.90-\$42/mt FOB. Chinese domestic coal availability though would likely remain tight in the weeks prior to the congress meeting in October, given all the mine safety checks, he said. “This is why prices haven’t dropped so quickly,” he added, despite the diminished demand from power plants and falling temperature. A Singapore-based trader said Indonesian thermal coal prices were softer this week due to strong freight rates and less buying from China. Meanwhile, India has started inquiring again for cargoes, “but it’s slow, nothing solid has come to us yet,” he said. He heard a cargo of branded 5,100 kcal/kg GAR coal sold to India two weeks ago at around \$60/mt FOB. A third Singapore-based trader said he still received an offer for 5,000 kcal/kg GAR coal at \$62/mt FOB.

### **Australia’s Blackwater coal rail system resumes operations after derailment**

Both tracks on Australia’s Blackwater System have resumed operations following a train derailment on Friday, a spokeswoman for operator Aurizon said in an email on Wednesday. “The repairs were completed at approximately 6:30 pm [AEST, 0830 GMT] last night and both tracks are now operational,” she said. The Blackwater System connects coal mines in the Bowen Basin to the port of Gladstone in Queensland. The derailment of a loaded coal train near Westwood, west of Rockhampton, occurred around 9 pm AEST on Friday. Following the derailment, Aurizon was operating a single track on that part of the system, which resulted in some delays and cancellations, it said. A spokeswoman for the Gladstone Ports Corporation said on Tuesday that it had caused “several train cancellations at the RG Tanna Coal Terminal.” Aurizon declined to comment on whether the line was back to full capacity or how many trains were canceled. Major Aurizon customers in the Blackwater System include BHP Mitsubishi Alliance, Jelinbah Resources, Wesfarmers and Glencore. Gladstone shipped out 6.05 million mt of coal last month, up 6% from July last year but down 3% from June, GPC said earlier in the month. Approximately 70% of cargoes handled by the port comprises metallurgical coal and the rest thermal. Japan receives the lion’s share of coal exported from Gladstone, while China, India and South Korea are also major customers.

### **Domestic mine safety checks spark China thermal coal supply worries**

Mine safety checks in China were causing concern in trading circles Friday as worries circulated about their impact on domestic coal production ahead of the crucial peak winter demand season, market sources said Friday. Chinese thermal coal futures prices staged a strong rally in Asia trade Friday, with the Zhengzhou Commodity Exchange’s January 2018-dated contract settling at Yuan 612.60/mt for 5,500 kcal/kg NAR coal, up Yuan 21.20/mt day on day, according to exchange data. The price surge may be connected to reports of the widening impact of safety checks on domestic coal production, some sources suggested. “Some open-cut mines in north Shanxi will be stopping operations for a week or so for safety checks because of a mine accident that happened two weeks ago,” said one market source in China.

Ongoing safety checks at mine sites throughout China were causing traders and buyers to worry that overall volumes delivered into the domestic coal market could be curtailed, or at least delayed, he said. Government officials were stringently applying environmental regulations, which has also affected domestic coal production, he said. A trader in north China said he expected the rate of coal mine safety checks to increase in the lead-up to Beijing’s annual National Congress meeting, usually held around October. “The mining safety checks will affect production more compared with environmental protection activity,” he said. Domestic thermal coal prices have been easing

gradually over the past week, and were heard to trade at Yuan 620-625/mt FOB Qinhuangdao port, though this trend could be reversed if the impact of the mine safety checks spreads, sources said.

*(Source: Platts)*

## **INTERNATIONAL SPOT DRY BULK FREIGHT ASSESSMENTS**

<b>Size</b>	<b>From</b>	<b>To</b>	<b>Freight rates</b>	<b>Change</b>
<b>Capesize</b> (150,000 tons)	Australia	China	8.65	+0.40
	Queensland	Japan	9.45	+0.40
	New South Wales	South Korea	9.70	+0.40
<b>Panamax</b> (70,000 tons)	Richards Bay	India West	11.65	0.00
	Kalimantan	India West	8.00	0.00
	Richards Bay	India East	11.00	0.00
	Kalimantan	India East	6.95	0.00
	Australia	China	10.60	0.00
	Australia	India	12.15	0.00

*Unit: USD/ton*

*(Source: Platts Coal Trader International – Date 25/08/2017)*