



PETROVIETNAM OIL & GAS GROUP
PETROVIETNAM POWER CORPORATION
WEEKLY NEWS - THIRD WEEK OF
SEPTEMBER
 (From 18/09 – 22/09/2017)

I. COAL MARKET ANALYSIS

1. INTERNATIONAL COAL PRICE ASSESSMENTS

Unit: USD/ton

Price index	Week 28/08-01/09	Week 04/09-08/09	Week 11/09-15/09	Week 18/09-22/09
PCC 6 (CFR South China 3,800 NAR)	50.44	50.58	51.95	54.55
PCC 7 (CFR South China 4,700 NAR)	67.75	68.45	70.6	74.1
PCC 8 (CFR South China 5,500 NAR)	82.08	82.92	81.45	87.6
FOB Newcastle 6,300 GAR	97.50	99.22	101.7	95.9
CIF ARA 6,000 NAR	88.50	89.59	93.12	94.31
FOB Richards Bay 6,000 NAR	72.58	72.61	76.47	76.69
NEWC (FOB Newcastle 6,000 NAR)	98.16	98.15	99.44	99.44

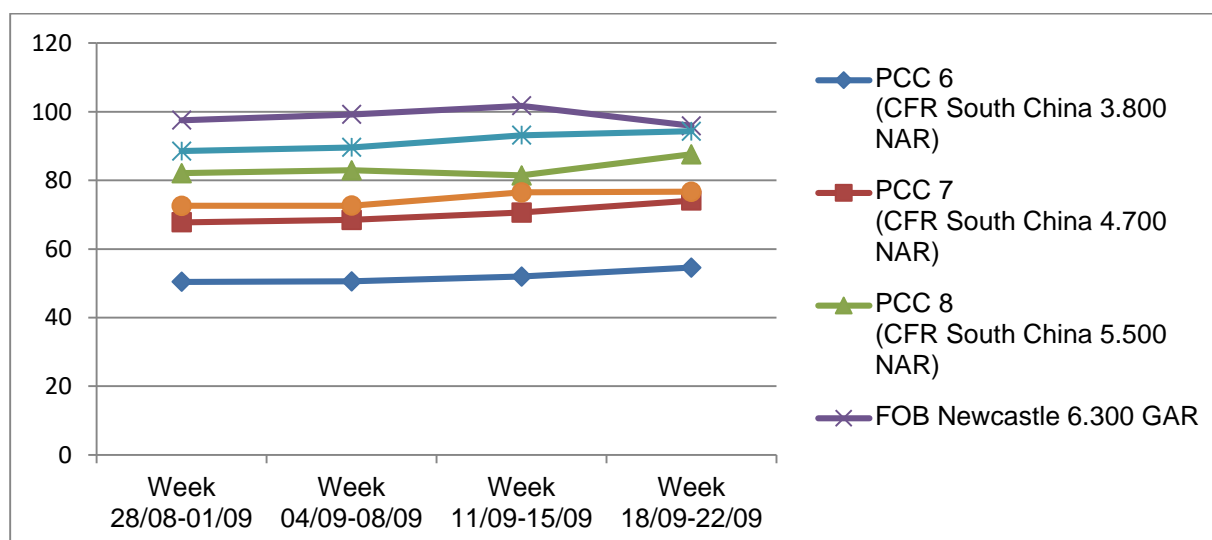


Chart 1: Average coal price week 3rd September (2017)

(Source: Platts Coal Trader International)

2. INTERNATIONAL SPOT DRY BULK FREIGHT ASSESSMENTS

Unit: USD/ton

	Week 3 rd - September	18/09	19/09	20/09	21/09	22/09
Capesize (150,000 tons)						
1	Australia – China	9.65	9.40	9.80	9.75	9.90
2	Queensland – Japan	11.15	10.90	11.30	11.25	11.40
3	New South Wales – South Korea	11.50	11.25	11.65	11.60	11.75
Panamax (70,000 tons)						
1	Richards Bay - India West	13.15	13.15	13.05	13.05	12.95
2	Kalimantan - India West	10.20	10.20	10.35	10.25	10.00
3	Richards Bay - India East	13.65	13.65	13.55	13.55	13.45
4	Kalimantan - India East	9.10	9.10	9.10	9.00	8.75
5	Australia - China	13.00	13.00	12.90	12.80	12.70
6	Australia - India	15.25	15.25	15.00	14.65	14.50

(Source: Platts Coal Trader International)

II. NEWS

Imported thermal coal interest sharpened by china domestic prices

Cargoes of Shanxi 5,500 kcal/kg NAR domestic thermal coal at Qinhuangdao port North China were offered at higher levels of around Yuan 725/mt FOB, and trades were heard at Yuan 710720/mt, up from Yuan 700/mt mid-week, according to market sources in China Friday. “Prices are still strong, but futures have been crumbling, as the market expects the government will speed up the paperwork for letting mine supply out to the market,” said a market source in China. The January-delivery 5,500 kcal/kg NAR thermal coal futures contract on China’s Zhengzhou Commodity Exchange settled lower on Friday at Yuan 633.60/mt, down Yuan 11.60/mt day on day, according to exchange data. Traffic congestion at some mine sites in China reflected robust demand for physical domestic thermal coal. “There are still a whole lot of trucks lining up near mines to load supply, and miners do not seem too worried about selling and have kept raising their prices,” said the market source.

Chinese buying interest for Australian 5,500 kcal/kg NAR thermal coal was heard at \$87/mt CFR South China for October delivery, around \$1/mt higher than earlier in the week, but some interest came with extended payment terms, said a market source. A firm bid was heard at \$73/mt FOB Newcastle for a spot shipment of high-ash 5,500 kcal/kg NAR thermal coal, he added. A 25,000-mt October-loading parcel of Newcastle 6,000 kcal/kg NAR coal traded at \$94.50/mt FOB on globalCOAL on Friday, slightly lower than the last October screen trade at \$95/mt on Thursday.

Pacific National update

In an update on Friday, Australia’s Rail, Tram and Bus Union said that its New South Wales members were still voting on the question of strikes against coal train operator Pacific National. Alex Claassens, the union’s secretary for New South Wales, said in a statement: “The ballot does not close until the 28th of September, so we will not know the results until then.” RTBU members working in Pacific National’s coal haulage business unit are in negotiations for a new collective agreement with the company, and the union said its members were frustrated by “continuing attacks on their job security,” adding that it will be encouraging its members to “all vote to send that message to the company.” Pacific National owns nearly 6,000 specialised coal wagons, 600 locomotives and 10,000 people in teams throughout Australia.

Coal stocks at Indian power stations at lowest levels since 2014

Coal stocks at Indian power plants reached new lows across the week of September 13-20, ending at 9.1 million mt, a level last seen in November 2014, according to statistics published by the Central Electricity Authority. Stock levels were enough to support seven days' of power generation on September 20 and over the week were low enough to support six days' generation, the lowest figure since November 2014. The number of plants holding lower than seven days' stock rose to 16 and peaked at 19 across the week. Imported volumes lowered week on week to 347,000 mt at September 20, the lowest volumes since November 2012. Source: Central Electricity Authority.

Unit: million ton

Date	Total stocks (000s mt)	on-month (%)	on-year (%)
13/09/2017	9,794	-35,8	-63
20/09/2017	9,098	-33	-63,31

(Source: Central Electricity Authority)

Colombia August coal exports hit three-month high

Colombia exported 7.7 million mt of coal in August, little change year on year but up from July, data from Colombian shipping agent Deep Blue showed.

Destination	Volume (mt)	on-month (%)	on-year (%)
Turkey	1,330,178	17	44
Mexico	725,600	-11	120
Chile	704,313	-4	69
USA	560,820	29	17
Netherlands	527,477	-37	-64
Israel	505,070	-1	-25
Portugal	488,860	52	202
Brazil	318,769	-18	-24
South Korea	292,821	77	-27
Spain	151,024	-69	-69
India	111,863	-42	N/A
Other	1,989,648	9	41
Total	7,706,443	9	27

Colombia August 2017 coal exports

(Source: Deep Blue)

Turkey remained the biggest importer from Colombia, rising both month on month and year on year, and also being the highest August figure for Turkey since S&P Global Platts started collecting the data in 2014. Mexico remained a key market, more than doubling imports year on year and importing more Colombian coal than any other country save Turkey. Exports to the US gained both month on month and year on year, reaching the second highest total this year and the highest August total since 2015.

Key European terminals in the Netherlands imported their lowest figure since Platts records began, despite stockpiles in warehouses being at high levels, as coal of other origins was more favorable during this time. Imports into South Korea reached the highest figure since April this year, while Southwest Europe imports fell 21% month on month as exports to Spain hit a four-month low.

(Source: Platts)