



PETROVIETNAM OIL & GAS GROUP
PETROVIETNAM POWER CORPORATION
DAILY NEWS

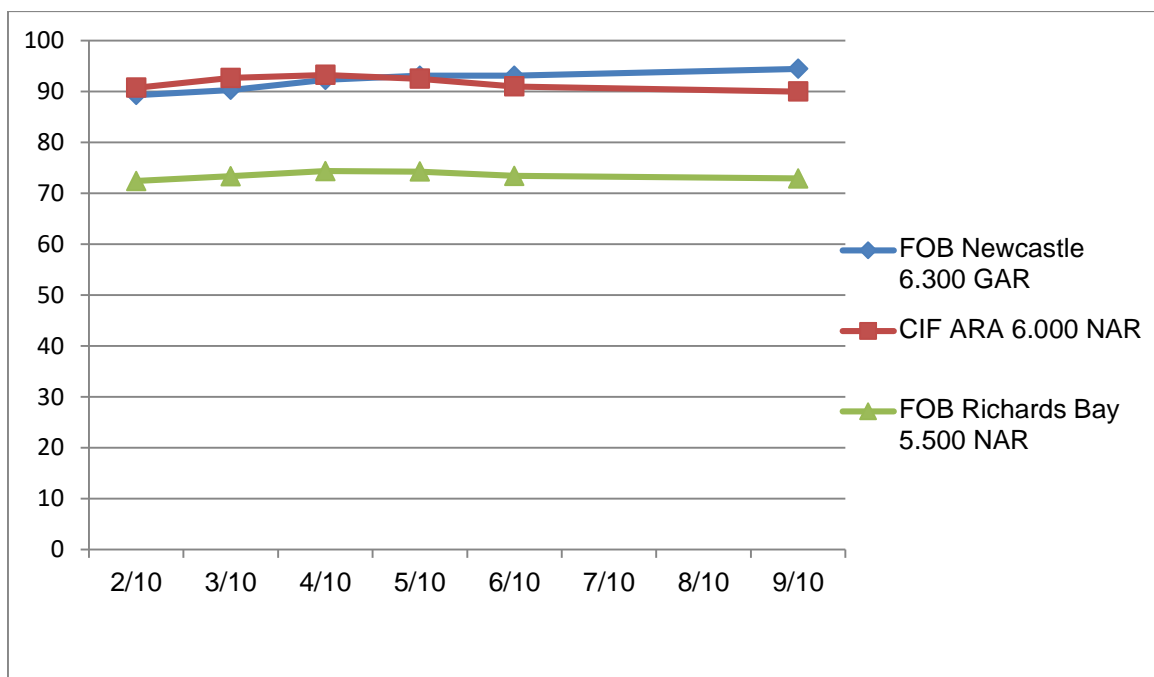
Date 10/10/2017

INTERNATIONAL COAL PRICE ASSESSMENTS

Daily prompt physical thermal coal assessments	Window 7 – 45 day	+/-	Window 90 - day	+/-
FOB Newcastle 6,300 GAR	94.45	+1.35	96.25	-0.75
CIF ARA 6,000 NAR	90.00	-1.00	88.00	-2.80
FOB Richards Bay 5,500 NAR	72.90	-0.50	N/A	N/A
FOB Kalimantan 5,900 GAR	N/A	N/A	83.50	+1.25
FOB Kalimantan 5,000 GAR	N/A	N/A	67.00	+0.50

China Coal Assessment	USD/tons	+/-	NDT/tons	+/-
PCC6 (CFR South China 3,800 NAR)	54.60	+0.00	360.48	-0.97
PCC7 (CFR South China 4,700 NAR)	75.30	+0.00	497.14	-1.35
PCC8 (CFR South China 5,500 NAR)	88.75	-0.75	585.94	-6.55

DAILY PROMPT PHYSICAL THERMAL COAL ASSESSMENTS IN 2017



(Source: Platts Coal Trader International – Date 09/10/2017)

NEWS

Import restrictions in Asia thermal coal market

Chinese buyers made a hesitant return to the seaborne market Monday after a week-long holiday as importers grappled with restrictions for seaborne-traded cargoes at certain ports in southern China, sources said. Rising domestic thermal coal prices at China's northern ports have improved the notional arbitrage for imported thermal coal into China, but buyers are finding it increasingly difficult to bring import cargoes into southern China because of curbs imposed by Beijing.

Discharging cargoes of imported thermal coal at ports such as Fangcheng and Zhanjiang were described as difficult a month after the restrictions were introduced, and ships are currently unable to offload cargoes at Xiamen port, according to one source. Practically the only destination ports left for Capesize cargoes of seaborne-traded thermal coal are Beilun near Shanghai and some ports on the Yangtze River in eastern China, he said. "You have to factor in demurrage now. It is very high, and not easy for importers," said the market source, referring to the costs paid to ship owners for vessel delays. With only a small number of buyers still able to import seaborne cargoes, one Chinese trader said the outlook for China's import demand as "mixed." On the one hand, increased stock levels at Qinhuangdao port for domestic coal were bearish for imports, while on the other, October to December is the traditional restocking period for winter, he said. "China is flat [in terms of demand]," he added.

Coal imports up 10 pc in Sept as power plants face fuel shortage

Coal imports rose by 9.5 per cent to 18.33 million tonnes (MT) in September, after having registered year-on-year decline for five months in a row, as some power plants faced fuel shortages. "Coal imports (all types) in September 2017 stood at 18.33 MT (provisional), against 16.73 MT in September 2016," according to latest data by m-junction services. There was a revival of coal demand post monsoon rains, mjunction CEO Vinaya Varma said, adding that at present the buyers are looking for restocking for the approaching winter months. Besides, he said, the healthy growth in coal-fired generation of late has raised coal demand in the country, resulting in higher off-take from domestic sources as well as imports of the material. Of the 18.3 MT of coal imported in September, 12 MT was non-coking coal, followed by coking coal at 4.1 MT. Import of coal saw a decline of 6.37 per cent to 191.95 MT in 2016-17 on higher production by Coal India Ltd that saw the country move to a regime of surplus coal. CIL accounts for over 80 per cent of the domestic coal production.

Indonesia thermal coal prices firm despite slow market

Indonesian thermal coal prices were rather resilient during China's long break last week as few trades were heard at firm levels, sources said Monday. A Singapore-based trader reported an October shipment of 4,200 kcal/kg GAR coal sold early last week at \$47/mt FOB. Chinese buyers have just returned from the long break, so trading activity was low Monday, an Indonesia-based source said. He said he expected prices to remain firm amid tight supply and rising demand from India. He reported a number of inquiries for 4,200 kcal/kg GAR coal. "We are taking things slowly and waiting for the best bid as we don't have many spot shipments left to offer," he added. The best bid he received last week was \$46.50/mt FOB for an October- or November-loading Supramax shipment, 4,200 kcal/kg GAR coal, and he pegged the fair value at \$47/mt FOB. The Singapore-based trader said that last week a trader sold to an Indian end-user a gearless shipment of branded coal at \$47.50/mt FOB, basis 4,200 kcal/kg GAR, H2 October loading. Indian buyers were mostly looking for lower calorific value coal such as 3,400 kcal/kg GAR given the wide gap between this grade and 4,200 kcal/kg GAR, he added.

Offers for geared vessel cargoes of 3,400 kcal/kg GAR coal for H2 October loading were heard at \$28/mt FOB versus bids at \$27-\$27.50/mt FOB. There was also buying interest in 3,600 kcal/kg GAR coal, which was being offered at \$34/mt FOB on a geared vessel basis for loading in H2 October. “At current prices, it makes more sense for [Indian buyers] to burn low CV coal,” he said. An Indonesian trader said offers for October-loading Supramax shipments of 3,800 kcal/kg GAR coal were at \$37-\$38/mt FOB, but buyers were unwilling to accept these levels. There were some prompt offers for low grade coal in the market, but the miners are mostly sold out, he added.

(Source: Platts)

INTERNATIONAL SPOT DRY BULK FREIGHT ASSESSMENTS

Unit: USD/ton

Size	From	To	Freight rates	Change
Capesize (150,000 tons)	Australia	China	9.60	-0.05
	Queensland	Japan	11.10	-0.05
	New South Wales	South Korea	11.45	-0.05
Panamax (70,000 tons)	Richards Bay	India West	12.40	+0.10
	Kalimantan	India West	9.30	+0.40
	Richards Bay	India East	12.80	+0.10
	Kalimantan	India East	8.10	+0.40
	Australia	China	13.00	+0.60
	Australia	India	14.70	+0.70

(Source: Platts Coal Trader International – Date 09/10/2017)