



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

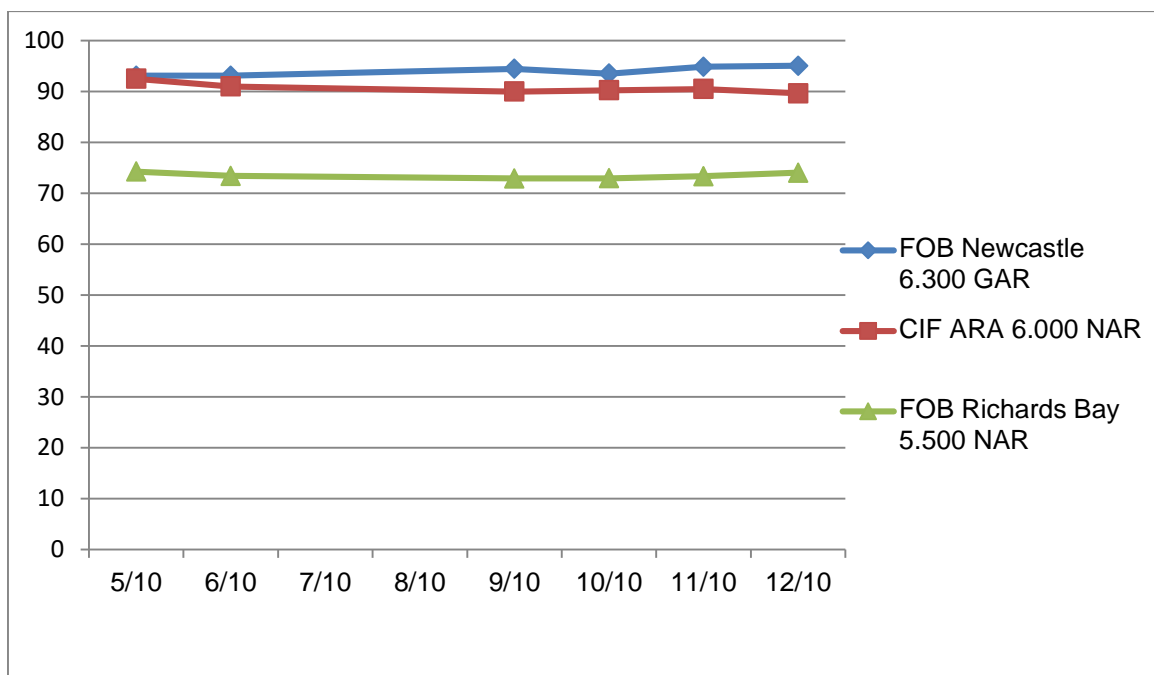
Date 16/10/2017

**INTERNATIONAL COAL PRICE ASSESSMENTS**

Daily prompt physical thermal coal assessments	Window 7 – 45 day	+/-	Window 90 - day	+/-
FOB Newcastle 6,300 GAR	95.05	+0.20	95.75	-0.70
CIF ARA 6,000 NAR	89.65	-0.85	91.80	+1.00
FOB Richards Bay 5,500 NAR	74.05	+0.70	N/A	N/A
FOB Kalimantan 5,900 GAR	N/A	N/A	83.60	+0.10
FOB Kalimantan 5,000 GAR	N/A	N/A	67.20	+0.20

China Coal Assessment	USD/tons	+/-	NDT/tons	+/-
PCC6 (CFR South China 3,800 NAR)	55.00	+0.50	360.87	+3.03
PCC7 (CFR South China 4,700 NAR)	76.00	+0.50	498.66	+2.94
PCC8 (CFR South China 5,500 NAR)	87.00	+0.50	570.83	+2.89

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



*(Source: Platts Coal Trader International – Date 12/10/2017)*

## **NEWS**

### **Rising freight prices an obstacle in China thermal coal market**

A leap in dry bulk freight rates on coal trading vessel routes from eastern Australia to Northeast Asia presented a further barrier to entry for the Chinese market already beset by price volatility and policy uncertainty, sources said Thursday. The Chinese market's uncertain price direction is deterring enduser buyers from stepping into the spot market, and importers are concerned Beijing officials may propose more curbs on cargoes entering the country. Futures market prices in China had been sold down to around Yuan 610/mt for January 2018 contracts, basis 5,500 kcal/kg NAR, he noted. Certainly, the futures market is pricing in expectation of weakness ahead in China. A Singapore-based trader said offers for November shipments of Australian 5,500 kcal/kg NAR high-ash thermal coal were slowly coming to the market at \$79-\$80/mt FOB Newcastle. Bids were hard to come by though, as Chinese buyers were wary of market volatility, sources said. They are careful to put a price out there. They don't want to get stuck with a cargo [if China decides on a change of policy]. A trader in South China said some coal power plants have postponed their maintenance until after next week's Congress meeting in Beijing.

Panamax dry bulk vessel rates from Newcastle to Japan at \$13/mt are at their highest since mid-September, according to S&P Global Platts prices. A South Korean coal buyer booked a 130,000 mt Capesize ship at \$12.76/mt to move to South Korea's Boryeong from Newcastle in early November.

### **China's Sep coal imports rise 11% on year to 27.08 million mt**

China imported 27.08 million mt of coal, including lignite, thermal and metallurgical coal, in September, up 7.2% from August and up 11% year on year, according to preliminary data released Friday by China's General Administration of Customs. In comparison, China's August coal imports stood at 25.27 million mt in August and 24.44 million mt in September 2016. Over January-September, total imports rose 14% year on year to 204.85 million mt. "Total coal imports climbed to 27 million mt, the highest September in the past five years, up 10.8% year on year on the back of rising export volumes from Indonesia and Australia and China's tightened domestic market," Citi analysts said in a note.

Citi analysts said the ongoing intense safety inspections on coal mines and upcoming suspensions of some open-pit mining activities before the 19th People's Congress next week should further tighten the Chinese coal market. "Yet, coal demand should weaken by the end of the year due to environmental crackdowns on industrial activities and supply cuts in steel production," the analysts said. "This could in part ease tightened market and lessen demand for coal imports by the end of the year." The country exported 690,000 mt of coal in September, up 9.5% from 630,000 mt in the same month last year. Exports over January-September rose 4.8% year on year to 6.6 million mt, compared with 6.3 million mt in 2016.

### **Russian railways says ready for more coal export growth after rise in volume**

Russian Railways said Thursday it is ready to cater to growing exports of Russian coal, following a 9.3% year-on-year increase in coal transportation volume to 262.95 million mt over the first nine months of 2017. "The increase in world prices for coal has increased demand for Russian coal," Russian Railways said in a statement. A rise in coking coal and PCI prices this year, along with recently strengthened thermal coal prices, has added to the demand, especially in China, other northeastern Asia markets, and in Europe. Exports accounted for the majority of the increase in volume loaded, with a 21.9 million mt rise over the nine months, the Moscow-based operator added.

In the first few days of this month, there is still positive dynamics of solid fuel loading. Over nine days of October, more than 9 million mt of coal was loaded on Russian Railways (an increase of

11% on the year), including more than 4.8 million mt for exports (an increase of 14.2%), on the same period in October 2016. The Kuzbass Basin grew 8.5% in overall volume in JanuarySeptember compared with the same 2016 period, it said. Over the time, regional coal producers JSC UK Kuzbassrazrezugol added 3 million mt in volume, equivalent to 10.3% growth, and JSC SUEK-Kuzbass supplied 1.6 million mt more coal via rail, 7.3% more, Russian Railways said. Coal is currently loading in the Kuzbass at a rate exceeding 9,000 railcars a day, it said. In August, several coal miners and traders operating out of Far East Russia ports declared force majeure on exports after rail services were disrupted due to damage to lines from wet weather.

(Source: Platts)

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

*Unit: USD/ton*

<b>Size</b>	<b>From</b>	<b>To</b>	<b>Freight rates</b>	<b>Change</b>
<b>Capesize</b> (150,000 tons)	Australia	China	9.60	+0.00
	Queensland	Japan	11.10	+0.00
	New South Wales	South Korea	11.45	+0.00
<b>Panamax</b> (70,000 tons)	Richards Bay	India West	13.05	+0.00
	Kalimantan	India West	9.30	+0.00
	Richards Bay	India East	13.45	+0.00
	Kalimantan	India East	8.10	+0.00
	Australia	China	13.20	+0.00
	Australia	India	15.00	+0.00

(Source: Platts Coal Trader International – Date 12/10/2017)