



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

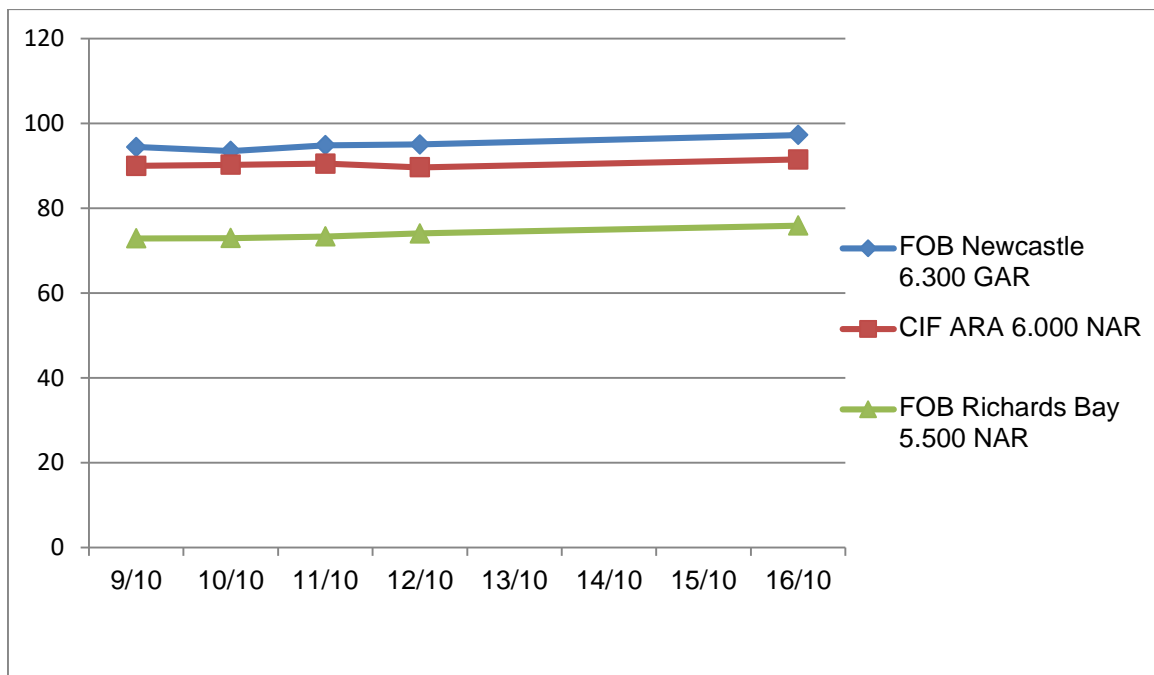
Date 18/10/2017

**INTERNATIONAL COAL PRICE ASSESSMENTS**

Daily prompt physical thermal coal assessments	Window 7 – 45 day	+/-	Window 90 - day	+/-
FOB Newcastle 6,300 GAR	97.25	+1.25	97.70	+1.50
CIF ARA 6,000 NAR	91.50	+1.75	93.10	+0.75
FOB Richards Bay 5,500 NAR	75.90	+0.95	N/A	N/A
FOB Kalimantan 5,900 GAR	N/A	N/A	83.60	+0.00
FOB Kalimantan 5,000 GAR	N/A	N/A	67.00	+0.10

China Coal Assessment	USD/tons	+/-	NDT/tons	+/-
PCC6 (CFR South China 3,800 NAR)	54.85	+0.20	360.13	+1.55
PCC7 (CFR South China 4,700 NAR)	75.50	+0.00	495.72	+0.34
PCC8 (CFR South China 5,500 NAR)	87.75	+0.25	576.15	+2.04

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



*(Source: Platts Coal Trader International – Date 16/10/2017)*

## **NEWS**

### **Australia high-ash prices weaken to Indonesian in Asia thermal coal market**

Australian high-ash 5,500 kcal/kg NAR thermal coal was trading at a deeper discount to similar grade Indonesian 5,900 kcal/kg GAR thermal coal since China tightened its import restrictions in September, according to an analysis of S&P Global Platts price data, Monday. The differential between the two origins grew to \$6.10/mt Monday from \$1-\$2 in late September, when FOB Kalimantan 5,900 kcal/kg GAR settled at \$83.60/mt and the FOB Newcastle 5,500 kcal/kg NAR price was assessed at \$77.50/mt, according to Platts data. During Asia trade, Chinese buying interest for Australian Capesize high-ash cargoes was described as lackluster by market sources, with very few firm bids seen in the spot market. Despite this, Australian coal shippers have raised their offer prices for the grade to \$80/mt FOB Newcastle, basis 5,500 kcal/kg NAR, sources said.

Customers have mentioned that import volumes cannot exceed last year's, and if it does they will not allow you to clear customs. End-users in China's Fujian and Guangdong provinces are at the forefront of the import restrictions, he said. China has already imported 204.85 million mt of coal over January-September, and at that rate, it was due to exceed last year's imports total of 260 million mt, sources said. Australian 5,500 kcal/kg NAR thermal coal was offered ex-stockpile basis at Yuan 730-740/mt CFR South China, but due to limitations on discharging cargoes, he put the fair value of this grade at \$87-\$88/mt CFR South China basis. Freight for shipments of thermal coal within the Asian seaborne market remain elevated, with Capesize 130,000 mt freight rates on the Newcastle-South China route heard at \$11.50-\$11.75/mt.

### **Pacific National train crew in Australia call 48-hour strike**

Several hundred Pacific National train workers are planning a 48-hour strike from 12:00 pm Saturday (0:00 GMT) in an escalation of their industrial dispute with the coal train services company in Australia's New South Wales state, the Rail, Tram and Bus Union said Monday. The industrial action is concurrent with a ban on overtime working by members of the RTBU at Pacific National, and has the potential to paralyze most coal exports traffic to Newcastle and Port Kembla over the coming weekend. "We are hopeful the company will come back to the table before Saturday when the stoppage is set to begin, but at the moment that is not looking promising," RTBU Secretary in New South Wales Alex Claassens said in a statement. The official said union members in Pacific National's coal haulage unit in New South Wales had been forced to consider going on strike because of a lack of apparent progress in negotiations for a new collective workplace agreement. "Workers didn't want things to get to this point, but unfortunately we have been left with no other option," said Claassens.

Claassens said the union had been met with silence from Pacific National since its overtime ban started a week ago. "Despite constant requests, the company has not been in touch with the union since the overtime bans began, to discuss the situation," he said. Around 600 RTBU members working within Pacific National's coal haulage unit in New South Wales voted in favor of a long list of strike options in a postal vote last month, according to the Fair Work Commission, an employment relations agency. Pacific National said in a statement Monday that it continues to negotiate with the RTBU in good faith in seeking a reasonable outcome for its employees to the dispute, and expressed its disappointment with the planned strike. "Pacific National is continuing to work towards a timely resolution in the best interests of our employees, customers and the business, and we are working around this industrial action to meet our customers' needs," said the company.

In the financial year ended June 2016, Pacific National's southeast Australia division which includes New South Wales carried 102 million mt of coal products on its trains, according to a 2016

company report. Pacific National has the largest market share in the New South Wales coal haulage market, and a 48-hour strike has the potential to delay 550,000 mt of coal exports from hitting the seaborne market, according to S&P Global Platts calculations.

### **Indian railways' apr-sep coal movement rises 1% on year**

State-owned Indian Railways carried 258.66 million mt of coal over April-September, up almost 1% from the same period a year ago, according to latest data by the Directorate of Economics and Statistics. Of the total quantity transported by Indian Railways in the first half of the current fiscal year from April 2017 to March 2018, 214.92 million mt was domestic coal, stable year on year, while 43.74 million mt consisted of imported coal, up 3.5% over the same period. Domestic coal shipments transported to thermal power houses fell 32.5% to 105.93 million mt in April-September, while imported coal shipments shot up 71% year on year to 8.58 million mt, the data showed. Domestic coal supply to steel mills during the period under review was at 7.97 million mt, down 11% from a year ago, while imported coal volumes grew 24% to 19.03 million mt. The data showed domestic coal deliveries to other users spiking 112% to 100.93 million mt, while imported coal deliveries fell 26% year on year to 16.13 million mt. Coal accounts for around 50% of overall freight traffic on Indian Railways.

*(Source: Platts)*

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

<b>Size</b>	<b>From</b>	<b>To</b>	<b>Freight rates</b>	<b>Change</b>
				<i>Unit: USD/ton</i>
<b>Capesize</b>	Australia	China	10.25	+0.45
(150,000 tons)	Queensland	Japan	11.75	+0.45
	New South Wales	South Korea	12.10	+0.45
<b>Panamax</b>	Richards Bay	India West	13.55	+0.20
(70,000 tons)	Kalimantan	India West	9.75	+0.05
	Richards Bay	India East	14.00	+0.25
	Kalimantan	India East	8.55	+0.05
	Australia	China	13.30	+0.10
	Australia	India	15.10	+0.10

*(Source: Platts Coal Trader International – Date 16/10/2017)*