



PETROVIETNAM OIL & GAS GROUP
PETROVIETNAM POWER CORPORATION
DAILY NEWS

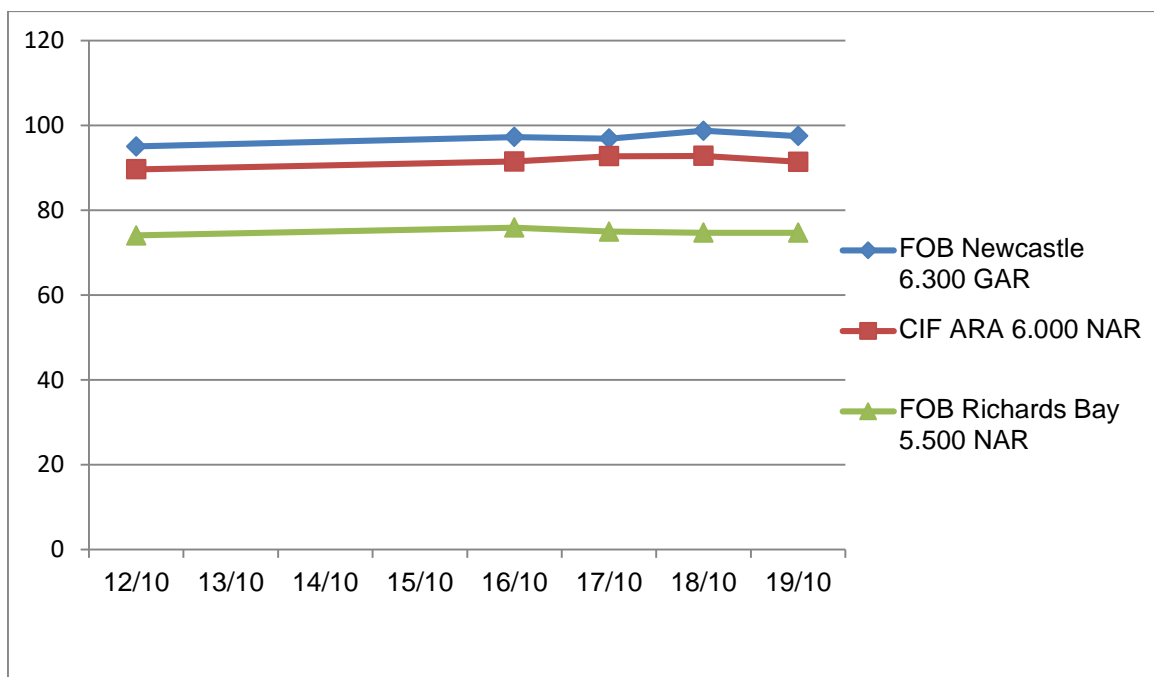
Date 20/10/2017

INTERNATIONAL COAL PRICE ASSESSMENTS

Daily prompt physical thermal coal assessments	Window 7 – 45 day	+/-	Window 90 - day	+/-
FOB Newcastle 6,300 GAR	97.50	-1.25	97.65	-1.00
CIF ARA 6,000 NAR	91.40	-1.40	93.15	-0.85
FOB Richards Bay 5,500 NAR	74.70	+0.00	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)	54.65	-0.20	360.70	-0.96
PCC7 (CFR South China 4,700 NAR)	75.30	+0.00	496.99	+0.48
PCC8 (CFR South China 5,500 NAR)	88.20	+0.00	582.13	+0.57

DAILY PROMPT PHYSICAL THERMAL COAL ASSESSMENTS IN 2017



(Source: Platts Coal Trader International – Date 19/10/2017)

NEWS

Indonesian miner Bumi sees 2017 average selling price beating own forecast

Indonesian miner Bumi Resources produced about 22 million mt of coal in the July-September quarter this year, and expected the average selling price for the year to beat its own forecast, a company source said Thursday. The company expected the average selling price to be about \$56.20/mt in Q3, with the average price in September at nearly \$60/ mt, the source said. Bumi's average selling price in 2016 stood at \$42.10/mt. The company had previously forecast the 2017 average price to be 30% above 2016 levels. Production over January-September was expected to come close to 63 million mt, almost flat year on year.

Unseasonal rains in Indonesia have hurt production throughout the year. Output is expected to remain low as the rainy season begins in October. In their H1 reports, several major miners, including Adaro Energy and Indo Tambangraya Megah, said that production was impacted by the unseasonal rains. "There has been no change to full-year guidance yet, but the expected volume would be reviewed again in November," the source at Bumi said. Bumi Resources has a majority stake in major Indonesian coal producers Kaltim Prima Coal and Arutmin, which produce steam coal with a heating value of 4,200-7,100 kcal/kg gross air dried, according to Bumi's website. The 90-day price of FOB Kalimantan 5,900 kcal/kg GAR has gained 16.5% to date in 2017. It was assessed by Platts at \$83.60/mt Tuesday.

Congress meeting in China keeps Asia thermal coal market in limbo

The Asian thermal coal market hung in limbo Thursday as many participants retreated to the sidelines awaiting more clarity on price direction from the ongoing 19th China Congress meeting, sources said. Rains affecting production in Indonesia, China's annual winter restocking and India's expected return to the import market amid low inventories kept thermal coal suppliers bullish, but the Chinese government's strong emphasis during the opening of the Congress meeting on pollution control left some traders anxious about a reverse in the bullishness in prices.

Amid little clear indication from China, an Indonesia-based trader expected prices to remain stable. "People are just waiting and watching. It has been very quiet these past three days," said another Indonesia-based trader. There were no inquiries from Chinese spot buyers, and they were unwilling to share any price feedback as well, he added.

A China-based trader said the lowest offer he heard this week was \$47/mt FOB for a November-loading Panamax cargo of 3,800 kcal/kg NAR coal. According to this trader, buying interest was at \$45.50/mt FOB on geared vessel basis. But he said import restrictions at Guangxi and Guangdong were making it difficult to buy cargoes. "If you don't have strong relationship with the ports, you can't do anything," he said. According to the China-based trader, prices could likely see a sharp decline after the Congress meeting, "that's why nobody is buying [right now.]" This trader expected supply to improve as well, post-Congress meeting, and curb the appetite for imported thermal coal.

Australian thermal coal

An Australia-based trader said offers for Australian 5,500 kcal/kg NAR coal were at \$81-\$82/mt FOB and he placed the Capesize freight rate from Newcastle to south China at \$12/mt. "But there is hardly any interest from China," he said, adding that some bids for this grade were heard at \$74-\$75/mt FOB. According to this trader, there was no blanket import restriction at Fangcheng port. Companies who have reached their import quota for the year or those who have imported more than last year's level were the ones prohibited from taking any more fresh cargoes, he said. Some end-users who still had allocations "want to buy coal," he said. The China-based trader said the last Australian 5,500 kcal/kg NAR coal cargo he bought was three weeks ago at \$78/mt FOB, arriving

in end-October at Xiamen port. Buying interest for this grade was around \$76-\$77/mt FOB currently, he added.

(Source: Platts)

INTERNATIONAL SPOT DRY BULK FREIGHT ASSESSMENTS

Unit: USD/ton

Size	From	To	Freight rates	Change
Capesize	Australia	China	10.30	-0.30
(150,000 tons)	Queensland	Japan	11.80	-0.30
	New South Wales	South Korea	12.15	-0.30
Panamax	Richards Bay	India West	13.60	+0.05
(70,000 tons)	Kalimantan	India West	10.00	+0.25
	Richards Bay	India East	14.15	+0.05
	Kalimantan	India East	8.90	+0.35
	Australia	China	13.75	+0.35
	Australia	India	15.75	+0.50

(Source: Platts Coal Trader International – Date 19/10/2017)