



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

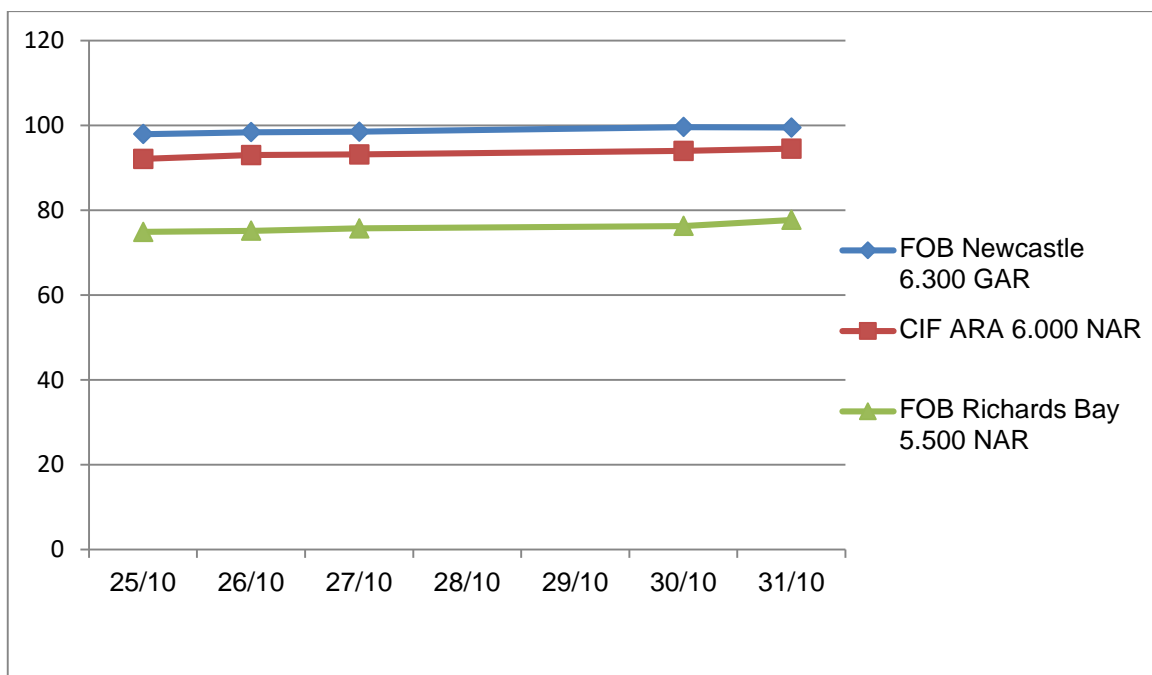
Date 02/11/2017

**INTERNATIONAL COAL PRICE ASSESSMENTS**

Daily prompt physical thermal coal assessments	Window 7 – 45 day	+/-	Window 90 - day	+/-
FOB Newcastle 6,300 GAR	99.50	-0.10	99.45	+0.25
CIF ARA 6,000 NAR	94.50	+0.50	94.20	+0.50
FOB Richards Bay 5,500 NAR	77.70	+1.40	N/A	N/A
FOB Kalimantan 5,900 GAR	N/A	N/A	83.10	+0.20
FOB Kalimantan 5,000 GAR	N/A	N/A	65.75	+0.00

China Coal Assessment	USD/tons	+/-	NDT/tons	+/-
PCC6 (CFR South China 3,800 NAR)	54.00	-0.05	417.03	-1.69
PCC7 (CFR South China 4,700 NAR)	74.10	-0.50	572.26	-5.66
PCC8 (CFR South China 5,500 NAR)	88.00	+0.00	679.61	-2.11

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



*(Source: Platts Coal Trader International – Date 31/10/2017)*

## **NEWS**

### **Indonesian Toba Bara's Jan-Sep coal output slumps 12% on-year due to rains**

Indonesian thermal coal miner Toba Bara said Monday that it produced 3.7 million mt of coal in the first nine months of 2017, down nearly 12% year on year, mainly impacted by rains. In the same period last year, the company had produced 4.2 million mt of thermal coal. Sales volume stood at 3.5 million mt, down from 4.3 million mt a year ago, said the company, which counts South Korea, Thailand, Malaysia and Taiwan among its major customers. While the FOB cash cost rose 12.6% to \$39.30/mt in the first nine months, average selling price on the other hand jumped 32.1% to \$59.20/mt, Toba Bara said in its report.

Thermal coal prices have been on an upward trend this year amid strong Chinese demand even as rains in Indonesia and mine strikes in Australia curtail seaborne cargo supply. Through its subsidiaries Adimitra Baratama Nusantara, Indomining and Trisensa Mineral Utama in East Kalimantan province, Toba Bara produces coal with heating values ranging from 4,800 kcal/kg GAR to 5,900 kcal/kg GAR. The company's 5,600 kcal/kg GAR product accounted for nearly 41% of the total sales in the first nine months of the year while 4,800-5,200 kcal/kg GAR product accounted for 44%, Toba Bara noted. "As of [the first nine months], the company has secured contracts accounting for almost 100% of its 2017 sales volume target predominantly at fixed price," the company said. For 2017, Toba Bara aims to produce 5-6 million mt. The price of FOB Kalimantan 5,900 GAR has surged 16% since the start of 2017 to be assessed Tuesday at \$83.10/mt, S&P Global Platts data showed.

Toba Bara is also planning to enter into power generation with the construction of two 50 MW plants in North Sulawesi Province at an estimated cost of \$205 million to \$215 million. "The company will continuously seek opportunities in sourcing new power projects, which include, among others, renewables. This will be done through participation in IPP [independent power producer] tenders as well as through acquisition of existing power assets," it added. As of September 30, 2017, the company had cash and cash equivalents of \$42.6 million.

### **China's coastal coal freight rates continue to fall week on week**

Freight rates for shipping coal from northern China's Qinhuangdao port to the other Chinese ports of Zhangjiagang, Shanghai and Guangzhou in eastern and southern China continued to slip in the week to Tuesday, port operator Qinhuangdao Port said. The freight rate from Qinhuangdao to Zhangjiagang in eastern China's Jiangsu province for 20,000-30,000 mt capacity vessels dropped to Yuan 49.90/mt (\$7.53/mt), down Yuan 2.60 week on week, Qinhuangdao Port said. The rate from Qinhuangdao to Shanghai in eastern China for vessels with a capacity of 40,000-50,000 mt dropped to Yuan 41.40/mt, down by Yuan 3.10 week on week. The rate from Qinhuangdao to Guangzhou in southern China for 50,000-60,000 mt capacity vessels slipped to Yuan 53.60/mt, down by Yuan 2 week on week. Unfavorable weather conditions have discouraged southbound coal shipments, resulting in the drop in coastal freight rates, the port operator said. Meanwhile, coal stocks at Qinhuangdao port stood at 7.07 million mt on Tuesday, down from 7.31 million mt on October 24, port figures showed.

### **Over 100 coal-laden ships lie idle off Chinese ports as import restrictions bite**

S&P Global Platts C-flow vessel tracking software showed 102 ships loaded with coal were stationary off the southern and eastern coasts of China Tuesday, up sharply from around 36 in mid-September. The sharp rise follows the introduction in late August of restrictions on coal imports at several of China's major ports, including Guangzhou, Xiamen and Zhoushan, according to market sources. The stationary coal ships include 10 that are lying idle in the Zhoushan anchorage, three in the Shanghai regional shipping queue, and two waiting in the Lianyungang offshore queue, according to C-flow data. Market sources have reported extensive delays and longer queues for ships arriving to discharge seaborne-traded thermal coal at several ports in China. Port authorities, including at Guangzhou, have, however, rejected claims that restrictions have been imposed on the discharge of imported coal at various ports. S&P Global Platts' C-flow software can detect and track the location of individual cargo ships, their current status in terms of whether they are

stationary or moving, the type of cargo, intended destination and estimated arrival time, and other key operational information.

(Source: Platts)

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

<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	+0.10
	Queensland	Japan	11.10	+0.10
	New South Wales	South Korea	11.45	+0.10
<b>Panamax</b> (70,000 tons)	Richards Bay	India West	12.80	+0.00
	Kalimantan	India West	9.30	-0.10
	Richards Bay	India East	13.30	+0.00
	Kalimantan	India East	8.05	-0.10
	Australia	China	12.30	-0.10
	Australia	India	14.00	-0.10

*Unit: USD/ton*

(Source: Platts Coal Trader International – Date 31/10/2017)