



PETROVIETNAM OIL & GAS GROUP
PETROVIETNAM POWER CORPORATION
DAILY NEWS

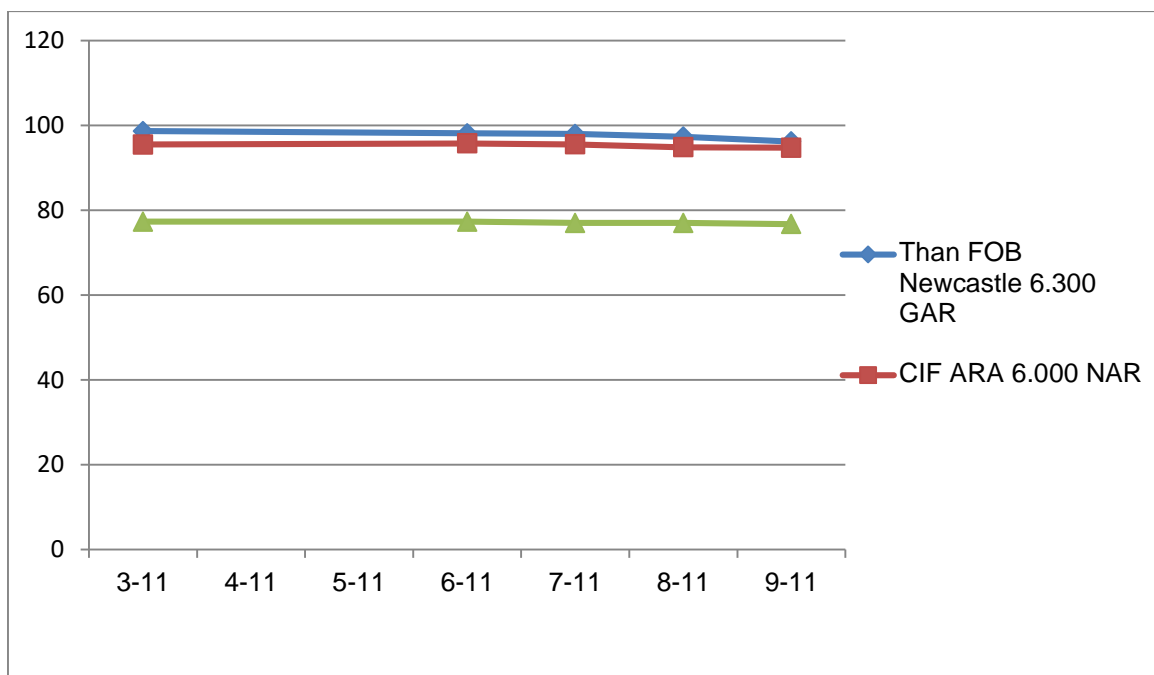
Date 13/11/2017

INTERNATIONAL COAL PRICE ASSESSMENTS

Daily prompt physical thermal coal assessments	Window 7 – 45 day	+/-	Window 90 - day	+/-
FOB Newcastle 6,300 GAR	96.20	-1.15	98.10	-0.80
CIF ARA 6,000 NAR	94.75	-0.10	93.40	+0.15
FOB Richards Bay 5,500 NAR	76.75	-0.25	N/A	N/A
FOB Kalimantan 5,900 GAR	N/A	N/A	82.40	+0.00
FOB Kalimantan 5,000 GAR	N/A	N/A	64.70	-0.50

China Coal Assessment	USD/tons	+/-	NDT/tons	+/-
PCC6 (CFR South China 3,800 NAR)	52.30	-0.50	404.57	-3.60
PCC7 (CFR South China 4,700 NAR)	72.70	-0.50	562.37	-3.49
PCC8 (CFR South China 5,500 NAR)	87.00	-0.80	673.00	-5.73

DAILY PROMPT PHYSICAL THERMAL COAL ASSESSMENTS IN 2017



(Source: Platts Coal Trader International – Date 09/11/2017)

NEWS

Combined coal stocks held by 6 china power generators up 1.5% on week

Combined coal stocks held by China's six key coal-fired power generators in southern and eastern China totaled 12.54 million mt on November 9, up 1.5% from 12.36 million mt on November 2, data released by port operator Qinhuangdao Port showed Thursday. The six key power generators are Zhejiang Power, Shanghai Power, Guodian, Datang, Huaneng and Guangdong Power, which is better known as Yudean. Based on the current coal consumption rate, the stocks are able to cover 23.34 days of consumption at the six power generators, down by 1.68 days from 25.02 days on November 2, the data showed. Average coal consumption at the six power generators stood at 537,000 mt/day November 9, up 8.7% from 493,900 mt/day on November 2. Colder weather in southern and eastern China has spurred a rise in coal consumption at the power plants according to the port operator, which expects coal consumption to continue rising steadily as winter approaches.

Price discounts loom for high ash cargoes in asia thermal coal market

Sellers of Australian high-ash cargoes may be forced to slash their offer prices by \$8 to levels in the high \$60s/mt FOB Newcastle in an attempt to revive flagging sales in China, market sources said Thursday. Chinese buying interest for spot cargoes of Australian 5,500 kcal/kg NAR high ash coal has sunk to levels last seen in August at around \$71-\$74/mt FOB Newcastle, down from \$76-\$77/mt a week ago, sources said. The delivered price, including Capesize freight from Newcastle to China for Australian 5,500 NAR cargoes, was \$86/mt, a source said.

The trading activity for Newcastle 5,500 kcal/kg NAR cargoes continues to be negatively affected by the import restrictions in China, although these unofficial import quotas are expected to be lifted by the year's end. Some of the Australian high-ash shipments in transit to China have reappeared in the spot market as distressed cargoes, according to market sources. And, some of the Chinese traders are understood to have paid Australian coal shippers in order to be released from their obligation to take delivery of 5,500 kcal/kg NAR cargoes at Australian ports, according to a market source. Other seaborne cargoes from Australia are being diverted to ports in North China, at an additional cost to the buyers.

A market source suggested the sellers may have to sharply discount offer prices to as low as \$68/mt FOB Newcastle in order to entice Chinese buyers to accept high-ash shipments, which are likely to be saddled with demurrage costs for shipping delays. Australian thermal coal producers are the least affected by the impact of China's port restrictions as they sold out a long time ago to Chinese traders and end-users, a market source said. Alternative markets exist for high-ash Australian coal, such as Vietnam, but they are relatively small. According to a China-based trader, prices in the current market were likely to "free fall" as he expected the discharge of cargoes at South China ports to become a big issue.

Indonesia prices offered lower, no firm bids heard

Another China-based trader said that domestic 5,500 kcal/kg NAR coal was trading at around Yuan 585/mt FOB Qinhuangdao, and 5,000 kcal/kg NAR coal at Yuan 585-590/mt FOB. There were some offers for 5,500 kcal/kg NAR domestic coal at Yuan 670/mt FOB, he said, adding "the market is looking for the bottom." A Singapore-based trader said he had heard an offer for a November-loading cargo of 3,800 kcal/kg NAR Indonesian coal at \$45/mt FOB. "Surely, they can close the deal at \$44/mt FOB," he said, adding that a November-loading Panamax cargo of 4,700 kcal/kg NAR coal with 0.7% sulfur had sold at \$64/mt FOB Kalimantan. A Singapore-based source said he had heard an offer for a November-end and early-December loading, geared-vessel cargo of 3,800 kcal/kg NAR Indonesian thermal coal at \$44.50/mt FOB. He placed the fair market value of this at \$44.50-\$44.75/mt FOB, adding the traded level for this material had not yet fallen to \$44/mt FOB. Another Singapore-based trader said: "The production cost for 4,200 kcal/kg GAR coal is around \$30/mt. There is still a good margin for miners." An East India-based trader said: "I feel that the demand for South African coal will increase [because of the restriction on petcoke use]." US thermal coal did not generate much Indian interest as there was little freight advantage in Supramax shipments, sources said.

INTERNATIONAL SPOT DRY BULK FREIGHT ASSESSMENTS

Size	From	To	Freight rates	<i>Unit: USD/ton</i> Change
Capesize	Australia	China	10.15	+0.00
(150,000 tons)	Queensland	Japan	11.85	+0.00
	New South Wales	South Korea	12.20	+0.00
Panamax	Richards Bay	India West	12.45	+0.05
(70,000 tons)	Kalimantan	India West	8.65	-0.25
	Richards Bay	India East	12.65	-0.05
	Kalimantan	India East	7.25	-0.25
	Australia	China	11.70	-0.05
	Australia	India	13.75	-0.15

(Source: Platts Coal Trader International – Date 09/11/2017)