



PETROVIETNAM OIL & GAS GROUP
PETROVIETNAM POWER CORPORATION
DAILY NEWS

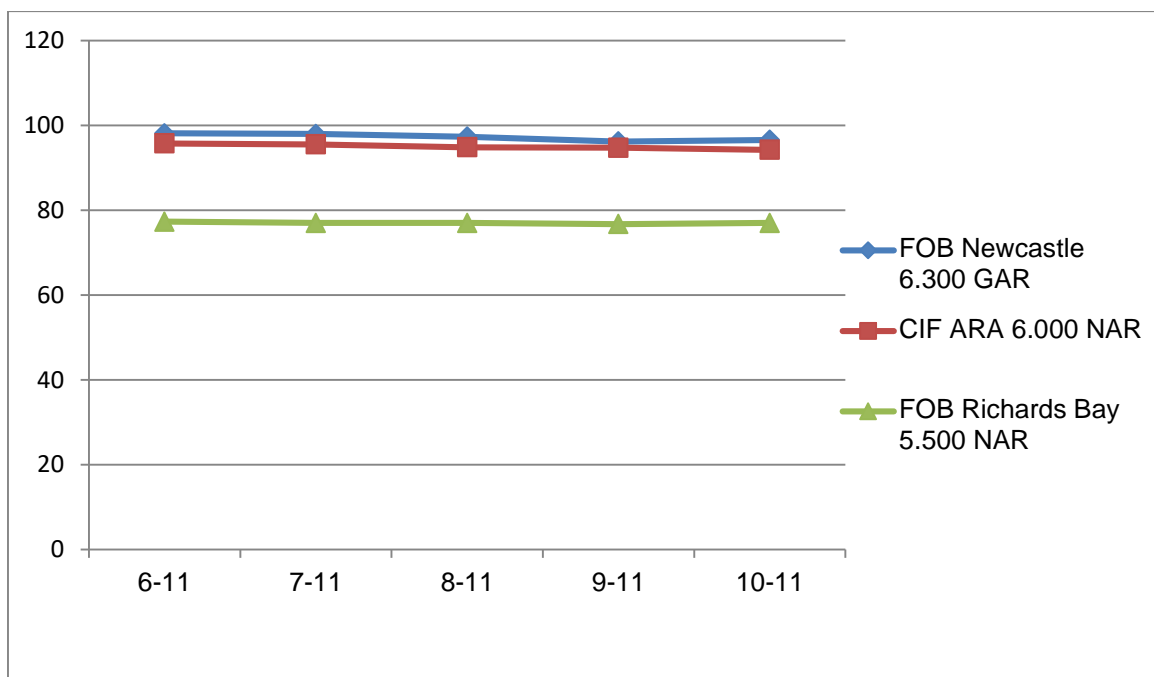
Date 14/11/2017

INTERNATIONAL COAL PRICE ASSESSMENTS

Daily prompt physical thermal coal assessments	Window 7 – 45 day	+/-	Window 90 - day	+/-
FOB Newcastle 6,300 GAR	96.60	+0.40	98.10	+0.00
CIF ARA 6,000 NAR	94.25	-0.50	93.20	-0.20
FOB Richards Bay 5,500 NAR	77.00	+0.25	N/A	N/A
FOB Kalimantan 5,900 GAR	N/A	N/A	82.00	-0.40
FOB Kalimantan 5,000 GAR	N/A	N/A	64.20	-0.50

China Coal Assessment	USD/tons	+/-	NDT/tons	+/-
PCC6 (CFR South China 3,800 NAR)	52.00	-0.30	402.47	-2.10
PCC7 (CFR South China 4,700 NAR)	72.40	-0.30	560.35	-2.02
PCC8 (CFR South China 5,500 NAR)	86.00	-1.00	665.61	-7.39

DAILY PROMPT PHYSICAL THERMAL COAL ASSESSMENTS IN 2017



(Source: Platts Coal Trader International – Date 10/11/2017)

NEWS

Asia thermal coal prices fall as China's import demand crumbles

Seaborne prices at China's southern ports for Australian and Indonesian coal slipped \$1 and 30 cents respectively in Asia trade Friday as sellers grappled with continual import restrictions and lower buying levels. Demand in China for imported thermal coal was described as "very weak" by one trader, who said he believed sellers would have to show more aggressive offers to shift any supply overhang in the market.

"Bids are around \$73/mt FOB Newcastle from good buyers [for 5,500 NAR]. Offers are around \$75/mt FOB Newcastle, but I think they will have to show lower," he added. A trader in China also said Australian coal offers would have to be adjusted lower to revive demand in China. His buying price expectation for a Capesize cargo of Australian 5,500 kcal/kg NAR coal was at \$83-\$84/mt CFR South China. He pegged the market value of 4,700 kcal/kg NAR Indonesian coal at \$63-\$64/mt FOB, and said some end-users had bought winter stocks in advance. "The market knows this routine [of winter restocking in November], so they wanted to avoid the rush [that pushes prices up]," he said.

A trader in Indonesia said it was difficult to match bids to offers because of bearish buying expectations. For example, a November-loading Supramax shipment of 3,400 kcal/kg NAR Indonesian coal was bid at \$34/mt FOB, but the nearest offer was over \$36/mt. "The buyers just don't want to budge," the trader added. Port restrictions in China have become a major dampener of Chinese buying, he said. One of his buyers recently had to change the discharge port in China due to latest port restrictions, and some buyers were defaulting on their shipments, he said. A second half November-loading Supramax shipment of 4,200 kcal/kg GAR coal from Indonesia was bid at \$44/mt FOB against an offer of \$44.25-\$44.35/mt FOB, he said.

Indonesia miners hold offers firm

For the time being, miners in Indonesia were holding their positions, as they expect China to return to the market next month for January shipments. But he added: "If this situation continues for another 10-15 days, the miners might start to feel the heat." A trader in Thailand said he received an offer for a November-loading geared-vessel shipment of branded 4,200 kcal/kg GAR coal at \$46/mt FOB, and another offer for the same grade for December at \$43.50/mt.

Very low rank coal is still holding steady at \$26-\$27/mt FOB Kalimantan, basis 3,400 kcal/kg GAR. Offers for November shipments of 4,800 kcal/kg NAR Indonesian thermal coal with 1.2% sulfur are at \$65/mt FOB, geared or gearless basis, sources said. A Supramax shipment of 5,000 kcal/kg GAR coal for mid-November loading was offered at \$66/mt FOB Kalimantan. "The suppliers are expecting around \$65-\$66/mt FOB for 5,000 kcal/kg GAR coal, but the question is who will buy this coal now," he said. An Indonesia-based producer said one of his buyers had recently been affected by China's port restrictions. "The buyers asked us to reschedule the shipment," he said. Another China-based trader said a utility had concluded a tender at Yuan 400/mt CFR South China for 3,800 kcal/kg NAR, equivalent to around \$43/mt FOB.

China October coal output climbs year-on-year ahead of heating season

China's coal production rose in October from a year earlier, government data showed on Tuesday, with miners ramping up output ahead of the winter heating season. China produced 283.54 million tonnes of coal in October, up 1.5 percent from a year ago, the data from the National Statistics Bureau showed. Output over the first 10 months of 2017 reached 2.85 billion tonnes, up 4.8 percent from the same period a year ago. China's northeastern province of Heilongjiang slashed its target for coal mine capacity cuts after utilities struggled to find enough fuel for their plants.

China considers the start of the heating season in the northern part of the country to be on Nov. 15, ending March 15. Coal prices rose to 640.4 yuan (\$96.46) a tonne on Tuesday. Prices fell as low as 605 yuan a tonne in early October after touching a record of 667.4 yuan on Sept. 19. The utilisation rate for the coal mining and coal washing sectors rose to 69 percent in the third quarter, up 10.6 percentage points from same period a year ago, reaching the highest level since 2015, the statistics

bureau said in a statement on Monday. “There is still upside potential for coal industry to increase the utilisation rate as it takes time for miners to release high-quality coal capacity and to resume production after meeting environmental and safety standards,” the bureau said in the statement.

(Source: Platts)

INTERNATIONAL SPOT DRY BULK FREIGHT ASSESSMENTS

Unit: USD/ton

Size	From	To	Freight rates	Change
Capesize (150,000 tons)	Australia	China	10.05	-0.10
	Queensland	Japan	11.75	-0.10
	New South Wales	South Korea	12.10	-0.10
Panamax (70,000 tons)	Richards Bay	India West	12.45	+0.00
	Kalimantan	India West	8.40	-0.25
	Richards Bay	India East	12.65	+0.00
	Kalimantan	India East	7.00	-0.25
	Australia	China	11.10	-0.60
	Australia	India	13.00	-0.75

(Source: Platts Coal Trader International – Date 10/11/2017)