



PETROVIETNAM OIL & GAS GROUP
PETROVIETNAM POWER CORPORATION
DAILY NEWS

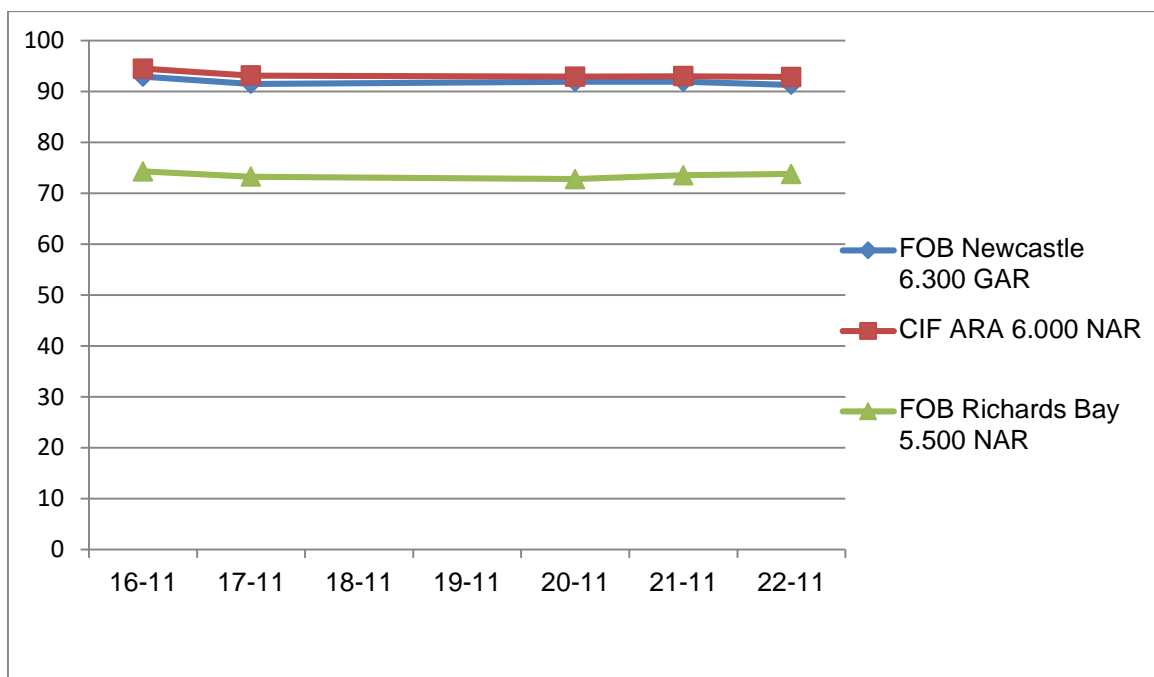
Date 23/11/2017

INTERNATIONAL COAL PRICE ASSESSMENTS

Daily prompt physical thermal coal assessments	Window 7 – 45 day	+/-	Window 90 - day	+/-
FOB Newcastle 6,300 GAR	91.30	-0.60	92.70	+0.00
CIF ARA 6,000 NAR	92.85	-0.15	91.35	-0.65
FOB Richards Bay 5,500 NAR	73.80	+0.25	N/A	N/A
FOB Kalimantan 5,900 GAR	N/A	N/A	81.75	+0.00
FOB Kalimantan 5,000 GAR	N/A	N/A	63.50	+0.00

China Coal Assessment	USD/tons	+/-	NDT/tons	+/-
PCC6 (CFR South China 3,800 NAR)	51.20	+0.50	394.69	+2.67
PCC7 (CFR South China 4,700 NAR)	70.70	+0.20	545.01	-0.10
PCC8 (CFR South China 5,500 NAR)	83.00	-1.00	639.84	-9.66

DAILY PROMPT PHYSICAL THERMAL COAL ASSESSMENTS IN 2017



(Source: Platts Coal Trader International – Date 22/11/2017)

NEWS

India to hit peak coal demand in 10 years

India is set to hit peak thermal coal demand within a decade amid the rise of cost effective renewables, according to a report by the Institute for Energy Economics and Financial Analysis Tuesday. “IEEFA forecasts that India’s thermal coal use is likely to peak not more than 10 percent above current levels, a far lower peak than most other analysts are forecasting,” said, Tim Buckley, the US-based research group’s head of energy finance studies, Australasia and lead author of the report. Currently, India is the world’s second largest consumer of imported coal and is currently estimated to be the largest source of growth within the thermal coal market. The report said in the financial year 2017-18, 218 GW of thermal power capacity was in operation, of which 40 GW was built at least 25 years ago. Therefore it was estimated that by FY 2027, when this 40 GW will be at least 35 years old, it will be overdue for retirement amid growing environmental pressures globally. Buckley went on to say in the report that a “combination of ambitious government policy combined with ongoing solar and wind cost deflation running at more than 10% annually means that the power and financial sectors alike face growing stranded asset risk if excessive investment in new thermal power capacity is allowed to continue.”

Vessel queue at Australia’s DBCT highest in nearly eight years

The number of coal vessels queuing at the Dalrymple Bay Coal Terminal in Australia’s Queensland state is at the highest level seen since early 2010, shipping data and historical records from terminal operator DBCT Management showed Wednesday. There were 44 ships at anchor off the terminal and two loading coal. This figure is only lower than the average daily queue in May/2010 grew as long as 61.7 ships, according to the data. But from 2011 to June 2017, the monthly daily average queue has exceeded 30 ships only twice. In November last year it was as low as nine ships.

“DBCT works on a cargo assembly basis, which means that cargo is railed specifically to meet each shipment on a just-in-time basis,” said a report from a shipping agency. “Due to the nature of the supply chain linking DBCT and the mines which it services, actual delays can vary due to actual production at the mines, congestion at the port and rail allocation,” the report added. Also, Berth No. 2 is undergoing scheduled maintenance between November 8 and December 5. While buyers had reported delays for coal deliveries from DBCT since October, urgency began to build in the met coal market early in November, lending support to met coal prices. Buyers continue to report delays of 20-30 days in their coal deliveries, with several buyers also having procured prompt cargoes at higher prices to offset shortages stemming from the delays.

Coal exports from DBCT, which services mines in Central Queensland’s Bowen Basin, have been strong in recent months. The terminal, which is leased from the state government by DBCT Management, operated near its 85 million mt/year nameplate capacity for August-October, at an annualized rate of 80.20 million mt. For January-October however, its annualized rate was lagging at 64.75 million mt after the impact of Cyclone Debbie which made landfall in late March. In recent months, DBCT has at times run above nameplate capacity, a source close to the terminal said Wednesday. And while throughput is expected to be strong in December, the queues are expected to ease by the end of 2017, or in the beginning of the new year — subject to an unusual weather event changing that forecast, he said.

Kospo seeks 240,000 mt of steam coal for January-march 2018

Korea Southern Power (Kospo) said Wednesday it is seeking 240,000 mt of thermal coal from January to March 2018 for delivery to its Samcheok power plant. In the tender KOSPO-Coal-2017-EST22, the utility seeks three 80,000-mt Panamax shipments of thermal coal with a minimum calorific value of 3,700 kcal/kg net as received, maximum total moisture of 43% as received, 16%-45% volatile matter air dried, maximum 4.5% ash air dried, and maximum 0.35% sulfur as received. Bidders are requested to offer a minimum 160,000 mt in lots of 80,000 mt on a free-on-board-and-trimmed price basis only. The tender closes on November 29.

(Source: Platts)

INTERNATIONAL SPOT DRY BULK FREIGHT ASSESSMENTS

Unit: USD/ton

Size	From	To	Freight rates	Change
Capesize	Australia	China	10.10	+0.20
(150,000 tons)	Queensland	Japan	11.80	+0.20
	New South Wales	South Korea	12.15	+0.20
Panamax	Richards Bay	India West	12.55	+0.15
(70,000 tons)	Kalimantan	India West	8.40	+0.20
	Richards Bay	India East	12.75	+0.15
	Kalimantan	India East	7.00	+0.10
	Australia	China	11.15	+0.15
	Australia	India	12.60	+0.10

(Source: Platts Coal Trader International – Date 22/11/2017)