



PETROVIETNAM OIL & GAS GROUP
PETROVIETNAM POWER CORPORATION
DAILY NEWS

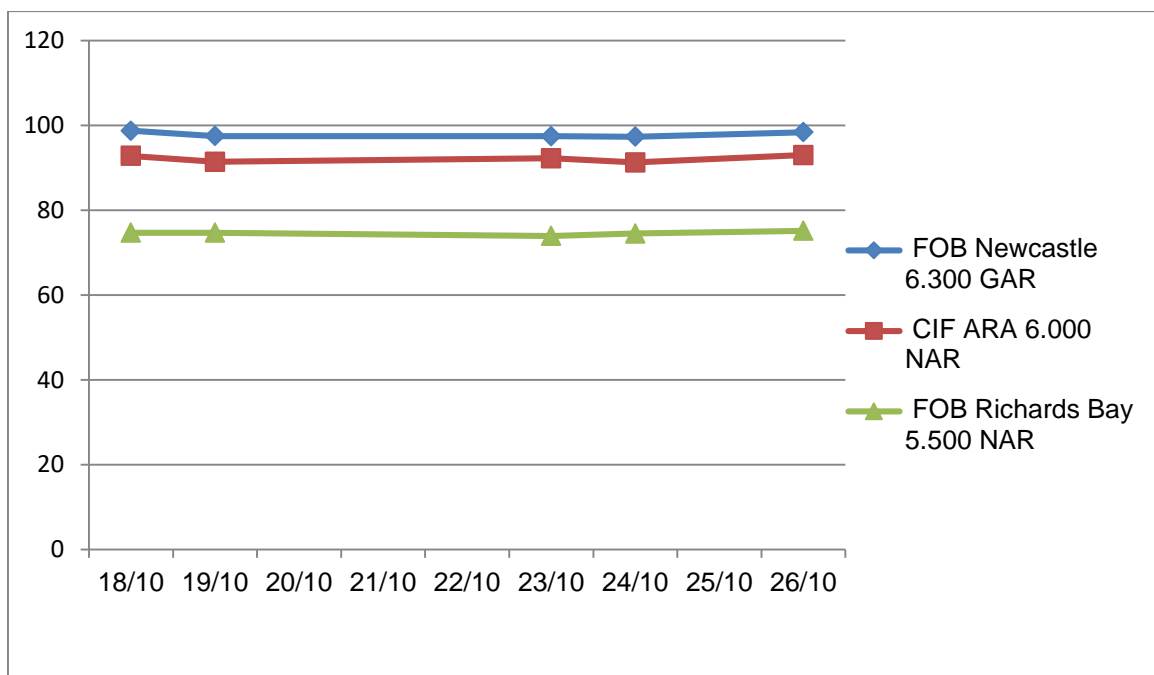
Date 27/10/2017

INTERNATIONAL COAL PRICE ASSESSMENTS

Daily prompt physical thermal coal assessments	Window 7 – 45 day	+/-	Window 90 - day	+/-
FOB Newcastle 6,300 GAR	98.40	+0.45	98.10	+0.30
CIF ARA 6,000 NAR	93.00	+0.90	92.75	+0.00
FOB Richards Bay 5,500 NAR	75.15	+0.25	N/A	N/A
FOB Kalimantan 5,900 GAR	N/A	N/A	83.20	+0.00
FOB Kalimantan 5,000 GAR	N/A	N/A	66.00	+0.00

China Coal Assessment	USD/tons	+/-	NDT/tons	+/-
PCC6 (CFR South China 3,800 NAR)	54.55	-0.20	421.75	-2.13
PCC7 (CFR South China 4,700 NAR)	74.80	-0.20	578.32	-2.33
PCC8 (CFR South China 5,500 NAR)	89.00	+0.00	688.11	-0.93

DAILY PROMPT PHYSICAL THERMAL COAL ASSESSMENTS IN 2017



(Source: Platts Coal Trader International – Date 26/10/2017)

NEWS

Coal stocks of China's six major power generators up 15.8% on week

Combined coal stocks held by China's six key coal-fired power generators in southern and eastern China, totaled 11.09 million mt on Thursday, up 15.8% from 9.58 million mt on the week, according to figures released by port operator Qinhuangdao Port. 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 18.73 days of consumption at the six power generators, up 3.53 days week on week, the figures showed. Average coal consumption at the six power generators stood at 591,900 mt/day on Thursday, down 6.2% from 631,000 mt/day a week earlier. The continuing spell of cold weather in southern and eastern China has further cooled down coal consumption at the six power generators, hence the rise in the coal stocks at the power plants and the coverage days of the coal stocks, according to the port operator.

Suppliers wait for China thermal coal restocking

Indonesian thermal coal miners were holding on to offers despite softening buying interest from China and India, as they expect Chinese winter restocking to support the market again soon, sources said Thursday. An Indonesian coal miner source said China's buying interest for 3,800 kcal/kg NAR, or 4,200 kcal/kg GAR coal, was around \$45.50-\$46/mt FOB on a geared vessel basis, but "we are holding at \$47.50/mt FOB." He added that buying interest for geared-vessel shipments of 3,400 kcal/kg NAR or 3,800 kcal/kg GAR coal, also for H1 November loading, was at \$36/mt against offers at \$38/mt FOB.

This producer source expects prices to rebound soon, as China has yet to stock up for winter, and considering the DatongQinhuangdao rail maintenance towards the end of the month and early November. "This bearish trend won't hold too long," he said. "Once the power plants [start] running low on inventories, they will come back and stock for winter." A Singapore-based trader noted that many traders had taken positions as they expect China to return to the market for winter requirements, but this has not happened, so these stocked tonnages would hit the market soon. He said that if there wasn't ample buying support from India, the market would likely see a supply glut in the prompt window. "People are still undecided on what to expect," he added. He received an offer for a Supramax shipment of 4,200 kcal/kg GAR coal at \$46-\$46.50/mt FOB for loading in November. "The miners are still not willing to sell below this level yet," he added. A South Indian end-user source said India had limited domestic coal supply and power utilities had stocks for only two to three days of coal burn, down from the general level of 15-30 days. "There is pressure on buyers to buy now," he said. He recently bought two part shipments of 4,200 kcal/kg GAR coal at \$57-\$57.50/mt CFR east coast India.

Low bids and limited demand push Indonesia thermal coal prices down

Indonesian thermal coal prices buckled under the pressure of low bids and limited buying activities from China and India, market sources said Tuesday. "The market has come off quite a bit," an Indonesia-based trader said. He pegged the fair market value of 4,200 kcal/kg GAR — 3,800 kcal/kg NAR — coal at \$45.75/mt FOB, and 3,800 kcal/kg GAR — 3,400 kcal/kg NAR — coal at around \$36/mt FOB on a geared vessel basis. He said Indian buyers were actively inquiring again this week, but their price expectations were very low. This trader said he heard November- and December-loading Panamax shipments of 4,200 kcal/kg GAR coal sold to India Monday at \$46.50/mt FOB. A Singapore-based trader said buying price expectations have sagged, leaving a wide gap between bids and offers. He heard a H1 November shipment of branded 5,100 kcal/kg

GAR coal being offered last week at \$68/mt FOB, either on a geared or gearless vessel basis, but the bid was \$3 lower. Offers are there but very few bids, he said, adding that he also heard an offer for a November-loading Panamax cargo of 5,800 kcal/kg GAR coal being offered at \$80/mt FOB, but buying price expectation was at \$76-\$77/mt FOB, he said. “The gap is too wide,” he said, noting that prices might see some downward correction in the next two weeks, but not a significant movement.

(Source: Platts)

INTERNATIONAL SPOT DRY BULK FREIGHT ASSESSMENTS

Size	From	To	Freight rates	Change	<i>Unit: USD/ton</i>
Capesize (150,000 tons)	Australia	China	9.80	-0.15	
	Queensland	Japan	11.30	-0.15	
	New South Wales	South Korea	11.65	-0.15	
Panamax (70,000 tons)	Richards Bay	India West	13.30	+0.00	
	Kalimantan	India West	10.25	+0.25	
	Richards Bay	India East	13.75	-0.10	
	Kalimantan	India East	8.95	+0.25	
	Australia	China	12.90	+0.00	
	Australia	India	14.70	+0.00	

(Source: Platts Coal Trader International – Date 26/10/2017)