



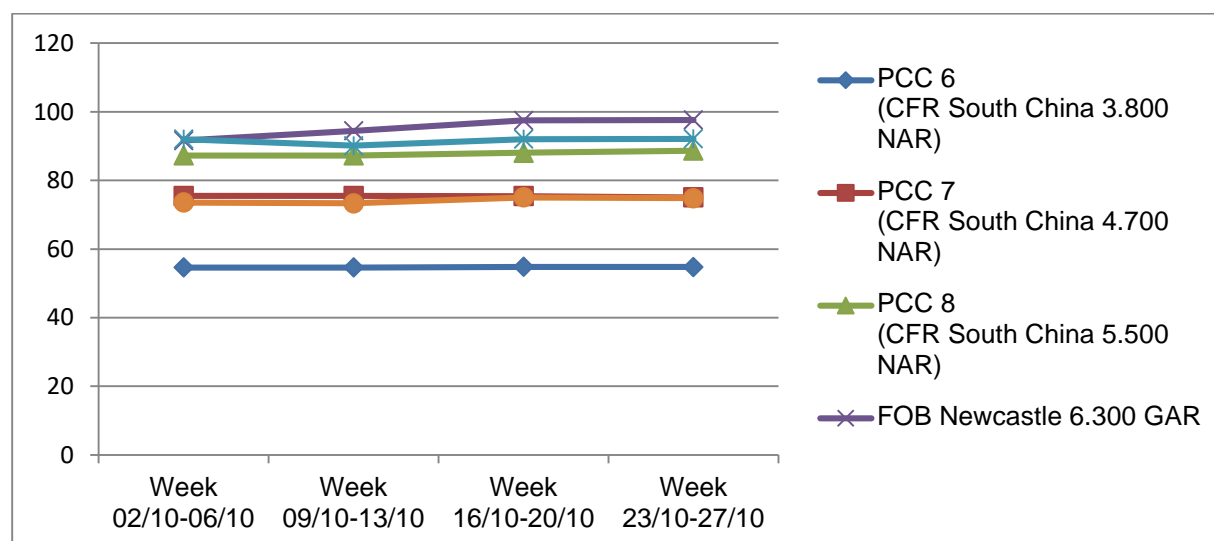
**PETROVIETNAM OIL & GAS GROUP**  
**PETROVIETNAM POWER CORPORATION**  
**WEEKLY NEWS – FOURTH WEEK**  
**OF OCTOBER**  
 (From 23/10 – 27/10/2017)

**I. COAL MARKET ANALYSIS**

**1. INTERNATIONAL COAL PRICE ASSESSMENTS**

*Unit: USD/ton*

Price index	Week 02/10-06/10	Week 09/10-13/10	Week 16/10-20/10	Week 23/10-27/10
<b>PCC 6</b> (CFR South China 3,800 NAR)	N/A	54.60	54.83	54.77
<b>PCC 7</b> (CFR South China 4,700 NAR)	N/A	75.45	75.44	75.06
<b>PCC 8</b> (CFR South China 5,500 NAR)	N/A	87.25	88.07	88.67
<b>FOB Newcastle 6,300 GAR</b>	91.62	94.46	97.47	97.63
<b>CIF ARA 6,000 NAR</b>	92.03	90.10	92.01	92.1
<b>FOB Richards Bay 6,000 NAR</b>	73.55	73.31	75.03	74.84
<b>NEWC</b> (FOB Newcastle 6,000 NAR)	97.88	94.85	98.13	97.46



**Chart 1: Average coal price week 4<sup>th</sup> October (2017)**

*(Source: Platts Coal Trader International)*

## 2. INTERNATIONAL SPOT DRY BULK FREIGHT ASSESSMENTS

Unit: USD/ton

	Week 1st - October	23/10	24/10	25/10	26/10	27/10
<b>Capesize (150,000 tons)</b>						
1	Australia – China	10.35	10.15	9.95	9.80	9.75
2	Queensland – Japan	11.85	11.65	11.45	11.30	11.25
3	New South Wales – South Korea	12.20	12.00	11.80	11.65	11.60
<b>Panamax (70,000 tons)</b>						
1	Richards Bay - India West	13.50	13.30	13.30	13.30	12.80
2	Kalimantan - India West	10.05	10.05	10.00	10.25	9.50
3	Richards Bay - India East	14.10	13.85	13.85	13.75	13.30
4	Kalimantan - India East	9.00	9.00	8.70	8.95	8.25
5	Australia - China	13.95	13.20	12.90	12.90	12.40
6	Australia - India	15.90	15.00	14.70	14.70	14.10

(Source: Platts Coal Trader International)

## II. NEWS

### Coal stocks at China's key Bohai sea ports down 4.8% on-week

Combined coal stocks at China's key Bohai Sea ports of Qinhuangdao, Caofeidian, and Jingtang totaled 13.81 million mt on Monday, down 4.8% on-week, according to figures released by port operator Qinhuangdao Port. Improved weather conditions in the Bohai Sea region have boosted outbound coal shipments at the sea ports, hence the drop in coal stocks, the port operator said, adding stocks at the ports may continue to drop as downstream power plants were beginning to restock for the upcoming winter season. Coal stocks were highest at Qinhuangdao Port, with 6.89 million mt on Monday, down from 7.45 million mt a week ago. Jingtang Port held 3.98 million mt of coal, down on-week from 4.07 million mt, while Caofeidian port held 2.94 million mt of coal, down on-week from 3 million mt. Elsewhere, coal stocks at Huanghua port, Shenhua Group's captive coal port in northern China's Hebei province, stood at 1.95 million mt Monday, up from 1.89 million mt a week ago, according to figures from Huanghua Port Authority.

### Indonesian miner Harum's Jan-sep coal sales surge 44% on year

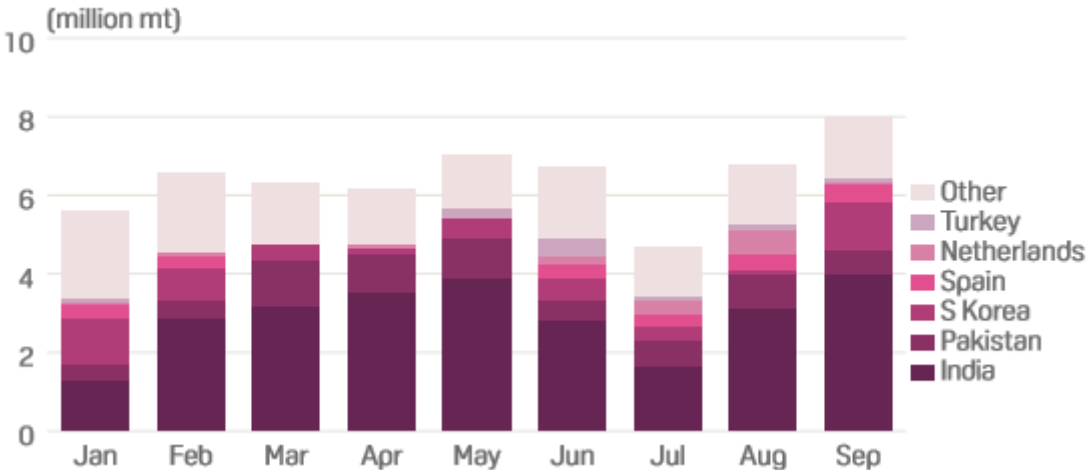
Indonesian thermal coal miner Harum Energy said Tuesday its sales volume over January-September surged 44% year on year to 3.6 million mt, while its average sales price jumped 28% to \$63.70/mt. The company said its thermal coal output totaled 3.2 million mt in the nine-month period, up 57.5% year on year. The rise in average sales price came despite FOB vessel cash costs jumping 23% year on year to \$36.80/mt in the period, due partly to higher fuel costs, the company said.

Thermal coal prices have been on the rise this year due to strong demand from China at a time when unseasonal rain in Indonesia and mine strikes in Australia have curtailed supply. "We have seen the past three quarters to be relatively good for most coal producers or suppliers due to the strong market, thanks to the seemingly all year long wet season in Indonesia and recent strikes in Australia and Colombia, which helped drive tighter supplies," Harum said in its report. Coal production in the third quarter totaled 1 million mt, up from 800,000 mt in the same quarter a year earlier, the company said. It sells most of its output to South Korea, Malaysia and Taiwan. Over January-September, South Korea and Malaysia each accounted for 28% of its total sales, and Taiwan 16%.

Looking ahead, the company expects China’s demand for seaborne cargoes to soften in Q4 as buyers turn cautious amid government directives aimed at cooling imports. However, Harum said it has already sold and priced all of its Q4 production at similar terms to Q3. As of September 30, the company’s inventory level stood at 400,000 mt, flat year on year, at a cash equivalent of \$241 million, the company noted. Harum has mining operations in East Kalimantan and produces coal with heating values in the range of 5,800-6,400 kcal/kg air dried basis, according to its website. The price of FOB Kalimantan 5,900 GAR has surged 15.5% since the start of 2017 to be assessed Monday at \$82.90/mt, according to S&P Global Platts data.

**South Africa thermal coal exports reach record high in September**

South African thermal coal exports for September rose 18% month on month to 8.02 million mt, the highest volume since S&P Global Platts began collecting data in April 2014, and a 17% year on year increase, customs data showed Tuesday.



India imported 3.97 million mt of South African thermal coal in September, which was its highest volume in 18 months and accounted for almost 50% of South Africa’s exports for the month. Low stock levels at Indian power plants was a possible reason for the sudden increase in imports from India. In Europe, the Netherlands saw a drastic drop in imports from South Africa, at 25,776 mt, down 96% month on month and 93% year on year. Spain rose to 457,360 mt, an increase of 10% month on month, its highest volume of imports from South Africa since August 2015. Exports to South Korea were at the highest levels since Platts began collecting data in April 2014, sitting at 1.24 million mt, a monthon-month increase of almost ten fold. Other markets, like Pakistan and Turkey, fell month on month, with the US importing no South African coal in September, having imported 55,000 mt in August. South African rail operator Transnet announced Monday it achieved a monthly throughput record of 7.2 million mt in September, however the state-owned operator said this was still below expectations.

*(Source: Platts)*