



PETROVIETNAM OIL & GAS GROUP
PETROVIETNAM POWER CORPORATION
DAILY NEWS

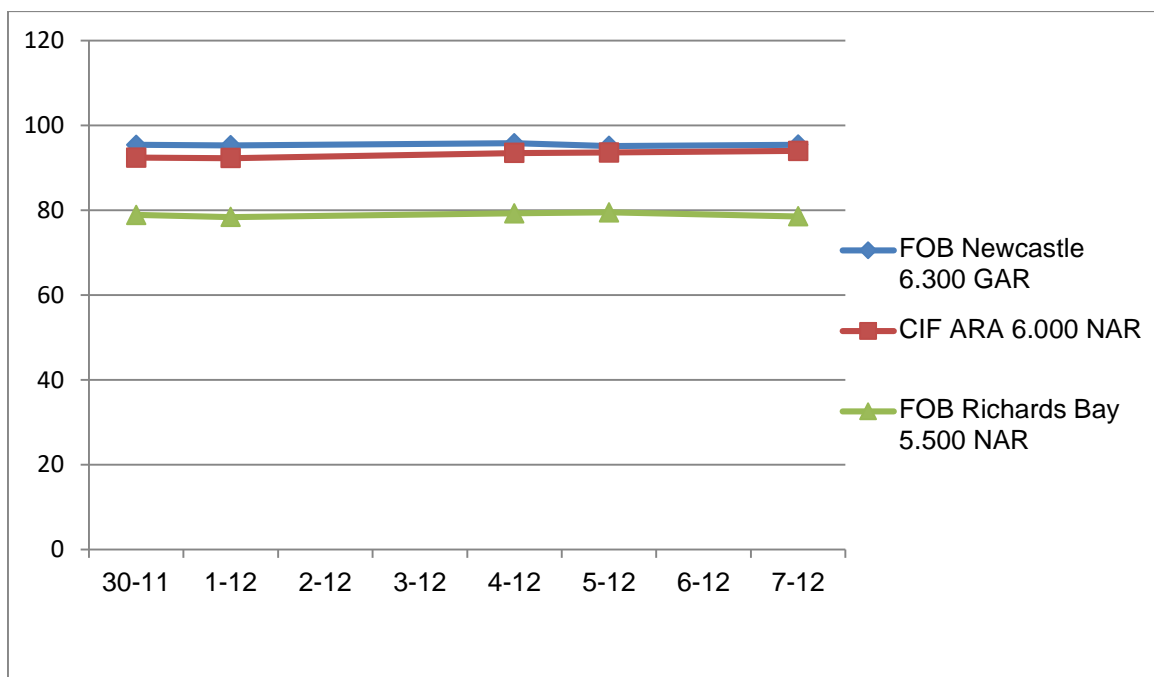
Date 08/12/2017

INTERNATIONAL COAL PRICE ASSESSMENTS

Daily prompt physical thermal coal assessments	Window 7 – 45 day	+/-	Window 90 - day	+/-
FOB Newcastle 6,300 GAR	95.45	+0.30	98.40	+0.30
CIF ARA 6,000 NAR	94.00	+0.50	94.10	+0.60
FOB Richards Bay 5,500 NAR	78.55	-0.10	N/A	N/A
FOB Kalimantan 5,900 GAR	N/A	N/A	82.75	-0.50
FOB Kalimantan 5,000 GAR	N/A	N/A	65.00	+0.00

China Coal Assessment	USD/tons	+/-	NDT/tons	+/-
PCC6 (CFR South China 3,800 NAR)	53.10	+0.10	409.37	+0.83
PCC7 (CFR South China 4,700 NAR)	72.60	+0.00	559.70	+0.08
PCC8 (CFR South China 5,500 NAR)	85.30	+0.10	657.61	+0.87

DAILY PROMPT PHYSICAL THERMAL COAL ASSESSMENTS IN 2017



(Source: Platts Coal Trader International – Date 07/12/2017)

NEWS

Nov coal exports from Australia's Gladstone sink to seven-month low of 5.4 mil mt

Volume of shipped coal from Gladstone in Queensland, Australia, slumped to a seven-month low of 5.4 million mt in November, with weak exports to its three biggest destinations: Japan, India and China, data from the Gladstone Ports Corporation showed Wednesday. The November volume is down 13% from 6.23 million mt a year ago, and 7% lower than 5.79 million mt shipped in October, the data shows. Last month's export figure is the smallest volume sent in a single month since April when throughput was still limping from the impact of Cyclone Debbie that made a landfall late in March. Demand for metallurgical coal is also expected to wane as China is set to close many of its steel production units between November and March, National Australia Bank said last month. Exports from Gladstone to China in November stood at 891,000 mt, a drop of 23% from 1.16 million mt a year ago, and a 27% fall from 1.21 million mt in October, the GPC data shows. It's the weakest monthly total sent to China in six months. Similarly, the shipment volume to Japan was the weakest in seven months, totalling 1.62 million mt — which is down 24% from 2.13 million mt in the previous year, and 23% below 2.11 million mt in October, the data showed. Exports to India totaled 1.08 million mt in November, down 36% from 1.69 million mt in November 2016 but up 4% from 1.04 million mt in October. South Korea-bound volume bucked the trend in November, with exports surging to a 20-month high of 1.15 million mt. The volume marks an increase of 80% from 638,000 mt a year earlier and it's 45% higher than 795,000 mt shipped in October, the data showed. Export volumes to Taiwan totaled 256,000 mt, up 83% from 140,000 mt in October. Approximately 70% of coal handled at the port is metallurgical coal and the rest is thermal, GPC says.

Combined coal stocks held by China's six key power generators down 5.8% on week

Combined coal stocks held by China's six key coal-fired power generators in southern and eastern China totaled 11.9 million mt on Thursday, down 5.8% from 12.6 million mt a week earlier, 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 16.8 days of consumption at the six power generators, down by 2.34 days from 19.2 days on November 30, the figures showed. Average coal consumption at the six power generators stood at 707,100 mt/day, up 7.3% from 659,000 mt/day on November 30, figures from the port operator showed. The continuing cold weather in southern and eastern China has further pushed up the coal consumption rate at the power plants, according to the port operator. Coal consumption rates at the above power plants may climb up further over the next few weeks, it added.

Doubts on sustainability fail to deter uptrend in Indo price

Skepticism on the sustainability of a surge in Indonesian thermal coal prices failed to deter their northbound movement as bad weather hit supply from Kalimantan, sources said Thursday. The market is very supportive now with limited supply for December shipments, said an Indonesia-based trader. He sold an early January Supramax shipment of 3,700 kcal/kg NAR coal with 0.3% sulfur at \$45/mt FOB, Wednesday. The Indonesian trader, however, expects buying interest from customers to sustain until the middle of the month, especially until Chinese buyers are covered for January-delivered cargoes. "Weather is not helping in Indonesia and the buying now is largely a part of restocking. All these factors taken together are keeping prices high. This does not indicate any inherent increase in demand," said another trader in Indonesia. A Singapore-based trader said he had expected a price upswing in December, as he had seen bad weather conditions in East Kalimantan during his recent visit there. "There are many cargoes in East Kalimantan that are stuck," he said, adding that some areas had suffered landslides. A north China-based trader was not too optimistic about the current rally in Indonesian coal prices. "High chances are that the market will still be good for this week," he said, noting a slowdown in second half of December was possible.

Customs clearance times at Chinese ports are still around 35-45 days, so a January-arrival cargoes can be used in February which is already off-peak season, he noted. The first Indonesian trader said, “China is getting more active in the 5,000-5,500 kcal/kg GAR coal range.” He recently sold an end December-loading Supramax shipment of 5,200 kcal/kg NAR coal at \$72.50/mt FOB. Meanwhile, the first Indonesia-based trader said there are inquiries for January shipments this week from India, but their buying expectation is still around 50 cents lower than China. A south India-based trader said that \$46/mt FOB was the tradeable level for 4,200 kcal/kg GAR coal for other markets such as China, but this level was still high for India.

(Source: Platts)

INTERNATIONAL SPOT DRY BULK FREIGHT ASSESSMENTS

Unit: USD/ton

Size	From	To	Freight rates	Change
Capesize (150,000 tons)	Australia	China	11.55	-0.10
	Queensland	Japan	13.10	-0.10
	New South Wales	South Korea	13.45	-0.10
Panamax (70,000 tons)	Richards Bay	India West	12.25	+0.00
	Kalimantan	India West	9.00	+0.30
	Richards Bay	India East	12.60	+0.00
	Kalimantan	India East	7.60	+0.30
	Australia	China	12.05	+0.15
	Australia	India	13.45	+0.05

(Source: Platts Coal Trader International – Date 07/12/2017)