



**PETROVIETNAM OIL & GAS GROUP**  
**PETROVIETNAM POWER CORPORATION**  
**DAILY NEWS**

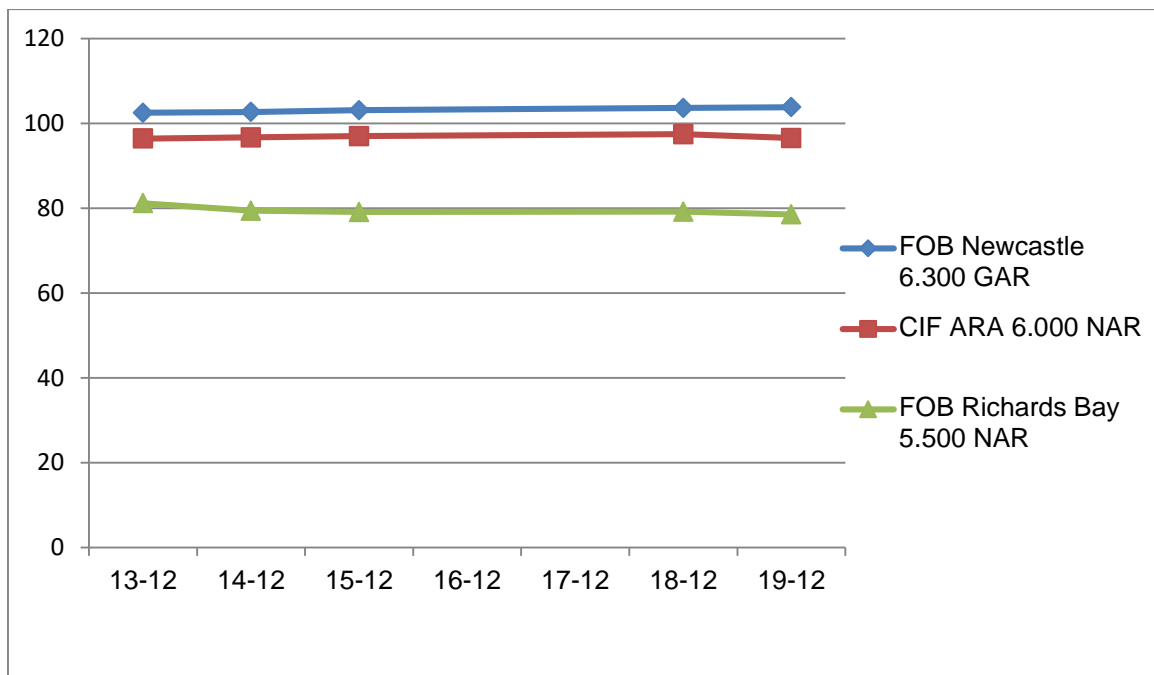
Date 20/12/2017

**INTERNATIONAL COAL PRICE ASSESSMENTS**

Daily prompt physical thermal coal assessments	Window 7 – 45 day	+/-	Window 90 - day	+/-
FOB Newcastle 6,300 GAR	103.85	+0.20	105.00	+0.80
CIF ARA 6,000 NAR	96.55	-0.90	95.20	-0.90
FOB Richards Bay 5,500 NAR	78.55	-0.65	N/A	N/A
FOB Kalimantan 5,900 GAR	N/A	N/A	82.85	+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)	54.50	+0.00	419.55	-0.74
PCC7 (CFR South China 4,700 NAR)	74.10	+0.00	570.45	-0.99
PCC8 (CFR South China 5,500 NAR)	86.30	+0.00	664.36	-1.16

**DAILY PROMPT PHYSICAL THERMAL COAL ASSESSMENTS IN 2017**



*(Source: Platts Coal Trader International – Date 19/12/2017)*

## **NEWS**

### **Newcastle 6,000 price strength ‘a puzzle’ to Asia thermal coal market**

Elevated prices for screen-traded Newcastle 6,000 kcal/kg NAR thermal coal at \$105/mt FOB — the highest since August 2017 — have stirred Asian market participants, who are puzzled by its strength, sources said Tuesday. High quality export thermal coal destined for Japan, South Korea, and Taiwan has climbed above \$100/mt FOB Newcastle, basis 6,000 kcal/kg NAR, following trades at \$105/mt for two February-loading 25,000 mt parcels on globalCOAL last week.

One market participant said the rise in Newcastle 6,000 kcal/kg NAR spot prices had a lot to do with the strong market position of one Australian coal shipper following industry consolidation. “It’s the same old story that one particular producer/trader has been bidding strong numbers on the globalCOAL screen for Newcastle, and this is what has caused the stronger prints,” he said. Issues with gas supplies in Europe during the Northern Hemisphere winter was also a bullish factor for international coal prices, he said. He viewed the Asian seaborne market as “well balanced” currently and did not expect this to change in the short term. Another source suggested the timing of higher-priced trades for Newcastle 6,000 kcal/kg NAR thermal coal could be linked to upcoming price negotiations for year-long Japanese utility supply contracts for Australian coal shipments starting delivery from April 1, 2018.

In the high-ash Newcastle market, Chinese buyers were keeping bids for January Capesize cargoes at \$73-\$74/mt FOB to slightly higher offers at \$76/mt, said a trader in eastern China. Reports circulated of some Australian non-standard 5,500 kcal/kg NAR, January-delivery cargo trade around \$73/mt FOB, though this could not immediately be confirmed Tuesday.

### **Kospo seeks 160,000 mt of steam coal**

Korea Southern Power (Kospo) announced Tuesday a tender seeking 160,000 mt of thermal coal for loading in February to March 2018 and for delivery to its Samcheok power plant. In the tender KOSPO-Coal-2017-SC-EST25, the utility sought two 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. Offers must be on single, fixed free-on-board-and-trimmed basis (FOBT). The tender closes on December 22.

### **China’s coastal coal freight rates edge higher as pace of growth slows**

Dry bulk freight rates for shipping coal from northern China’s Qinhuangdao port to the other Chinese ports of Zhangjiagang, Shanghai, and Guangzhou in eastern and southern China continued to climb up in the week to Tuesday, although at a slower pace than in previous weeks, port operator Qinhuangdao Port said Tuesday. The freight rate from Qinhuangdao to Zhangjiagang in eastern China’s Jiangsu province for 20,000-30,000 mt capacity vessels rose to Yuan 78.30/ mt (\$11.84/mt) Tuesday, up Yuan 1.90 week on week, Qinhuangdao Port said. The rate from Qinhuangdao to Shanghai in eastern China for vessels with a capacity of 40,000-50,000 mt rose to Yuan 70/mt, up Yuan 1.60 week on week, and the rate from from Qinhuangdao to Guangzhou in southern China for 50,000-60,000 mt capacity vessels rose to Yuan 78.20/mt, up Yuan 3.80 week on week. Strong coal demand from downstream power plants during the winter peak season for electricity and coal consumption have sustained the coastal freight market, the port operator said, adding it might see a slight correction over the next couple of weeks. Meanwhile, coal stocks at Qinhuangdao port stood at 6.765 million mt Tuesday, up slightly from 6.68 million mt on December 12, port data showed.

*(Source: Platts)*

## **INTERNATIONAL SPOT DRY BULK FREIGHT ASSESSMENTS**

				<i>Unit: USD/ton</i>
<b>Size</b>	<b>From</b>	<b>To</b>	<b>Freight rates</b>	<b>Change</b>
<b>Capesize</b>	Australia	China	11.30	-0.45
(150,000 tons)	Queensland	Japan	12.85	-0.45

	New South Wales	South Korea	13.20	-0.45
<b>Panamax</b>	Richards Bay	India West	12.55	+0.00
(70,000 tons)	Kalimantan	India West	9.00	-0.25
	Richards Bay	India East	12.80	+0.00
	Kalimantan	India East	7.50	-0.25
	Australia	China	11.90	-0.10
	Australia	India	13.45	-0.25

*(Source: Platts Coal Trader International – Date 19/12/2017)*