



PETROVIETNAM OIL & GAS GROUP
PETROVIETNAM POWER CORPORATION
DAILY NEWS

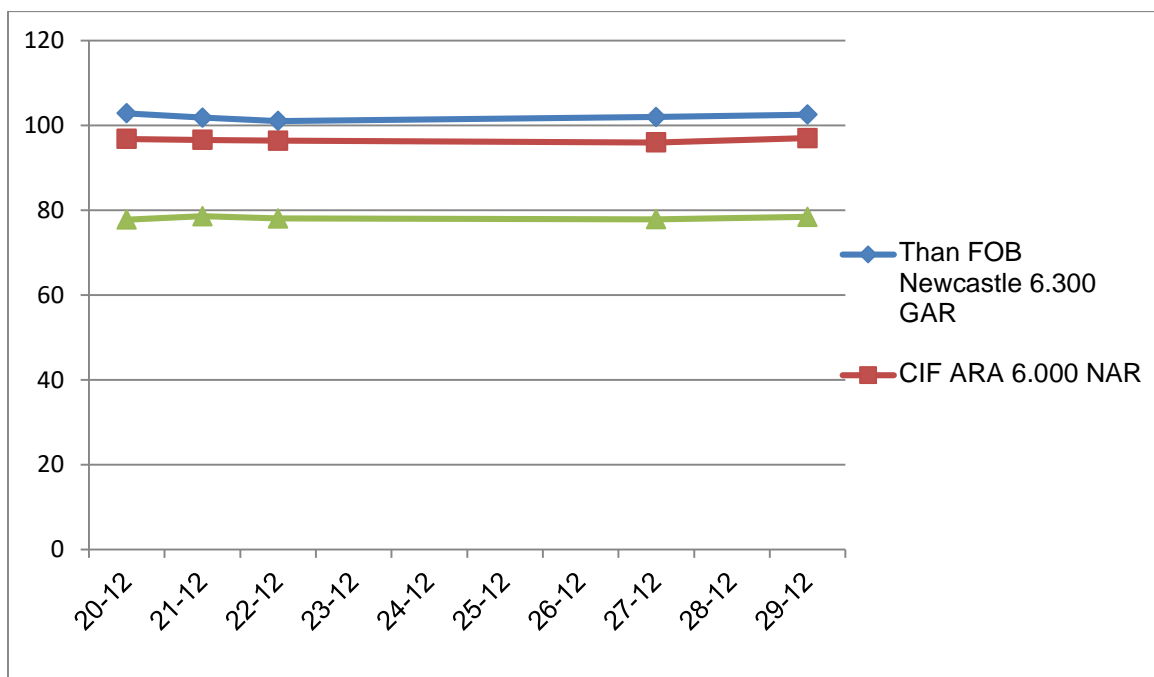
Date 02/01/2018

INTERNATIONAL COAL PRICE ASSESSMENTS

Daily prompt physical thermal coal assessments	Window 7 – 45 day	+/-	Window 90 - day	+/-
FOB Newcastle 6,300 GAR	102.55	+0.10	105.25	+0.35
CIF ARA 6,000 NAR	97.00	+0.35	96.95	+0.35
FOB Richards Bay 5,500 NAR	78.45	+0.30	N/A	N/A
FOB Kalimantan 5,900 GAR	N/A	N/A	84.00	+0.00
FOB Kalimantan 5,000 GAR	N/A	N/A	66.60	+0.10

China Coal Assessment	USD/tons	+/-	NDT/tons	+/-
PCC6 (CFR South China 3,800 NAR)	55.35	+0.20	420.52	+0.53
PCC7 (CFR South China 4,700 NAR)	74.45	+0.00	565.62	-1.36
PCC8 (CFR South China 5,500 NAR)	87.70	+0.00	666.29	-1.59

DAILY PROMPT PHYSICAL THERMAL COAL ASSESSMENTS IN 2017



(Source: Platts Coal Trader International – Date 29/12/2017)

NEWS

Asia thermal coal market holds steady in year-end trading

Seaborne prices in the Asia thermal coal market were mostly steady in the last trading session of the year, apart from a small increase of 20 cents in CFR China-delivered prices for 3,800 kcal/kg NAR cargoes, sources said Friday. A major Indonesian producer said he concluded a trade Thursday for a January-loading Supramax shipment of 3,800 kcal/kg NAR coal, 0.5% sulfur rejection at \$47.50/mt FOB.

Despite many buyers and producers being on holiday, he said he was able to conclude some shipments during the week. He expects January to remain positive considering strong demand from China. A number of miners were struggling to keep up production levels due to heavy rainfall, and his monthly production could drop by 30%, he said. “We are struggling with December shipments and around 300,000-400,000 mt have been pushed to January,” he said. He received some interest for 3,400 kcal/kg NAR coal from China offered at \$38/mt FOB Kalimantan for end-January laycan, but buyers wanted cargoes loading in mid-January or early February.

Meanwhile, he said there was not much buying activity from India, but there was regular interest from Vietnam and Thailand. A trader in South China said he booked two Supramax cargoes of Indonesian 3,400 kcal/kg NAR coal at \$37.30/mt and \$38.50/mt FOB for January shipment. An Indonesian trader received a bid for a Panamax shipment of low sulfur 4,700 kcal/kg NAR coal at \$68/mt FOB for loading in January, but said he was finding it difficult to match this laycan request. “There are a lot of spillovers for early January so miners are not confident to commit,” he said.

Domestic china prices at the end of 2017

Prices in China remained high with 5,500 kcal/kg NAR domestic coal trading at Yuan 710-715/mt FOB Qinhuangdao, and 5,000 kcal/kg NAR coal at Yuan 635/mt, a trader in South China said. In China’s Guangxi province there was fresh demand for Australian 5,500 kcal/kg NAR coal, but most January-loading cargoes are already sold, and buyers don’t want to risk February-loading cargoes as “policy is not clear yet during that time,” he said. Australian high-ash coal had buying interest of around Yuan 690 - 700/mt CFR South China basis, he added.

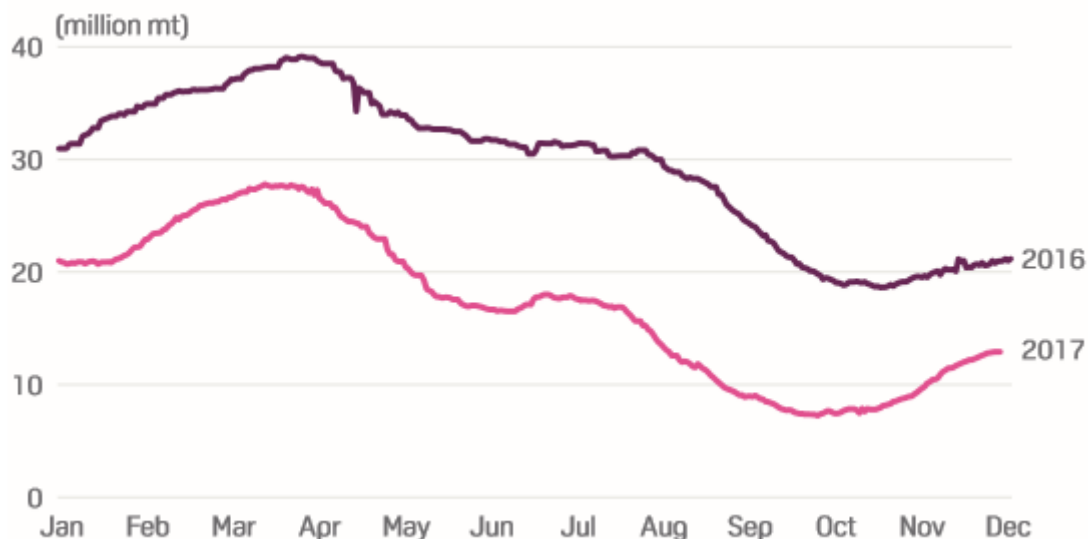
The best-performing grades in the Asia-Pacific market in 2017 were the Indonesian 3,800 kcal/kg and 4,700 kcal/kg NAR specifications delivered to China, or PCC6 and PCC7, respectively. The PCC6 price increased 29.3% over the year, from \$42.80/mt on January 3 to \$55.35/mt CFR South China, Friday, and over the same year period the PCC7 price rose 22.45% from \$60.80/mt to \$74.45/mt CFR South China, according to S&P Global Platts data. The PCC8 price for 5,500 kcal/kg NAR thermal coal delivered to South China was up 20.1% through 2017 from \$73/mt on January 3 to settle at \$87.70/mt CFR on Friday.

China’s domestic thermal coal prices had a comparatively modest growth in 2017, with the PCC1 and PCC2 price assessments registering a gain of about 13% for the 5,000 and 5,500 kcal/kg NAR grades. The Northeast Asia Thermal Coal index for Japan, South Korea, and Taiwan ended 2017 up 17.2% at \$97.30/mt from \$83/mt CFR Kinuura on January 3. For the Newcastle 5,500 kcal/kg NAR thermal coal specification, the price gain over 2017 was 15% from \$68/mt FOB on a 20%-ash basis on January 3 to \$78.25/mt on Friday.

Coal stocks at India power plants rise 2.6% week on week

Thermal coal stocks at Indian power plants rose 2.6% to 12.931 million mt in the week to Wednesday, according to data published Friday by the Central Electricity Authority. Stock levels were down 37.8% year on year but up 33.3% month on month, and enough to support nine days’ power generation, unchanged from the week previous. The number of plants at critical or supercritical stock levels declined to 10 from 12 week on week. Stocks of imported coal were up 15.9% week on week to 365,000 mt Wednesday, having been as high as 380,000 mt on Monday.

India coal stock



(Source: Platts)

INTERNATIONAL SPOT DRY BULK FREIGHT ASSESSMENTS

Size	From	To	Freight rates	<i>Unit: USD/ton</i> Change
Capesize (150,000 tons)	Australia	China	6.55	+0.00
	Queensland	Japan	7.60	+0.00
	New South Wales	South Korea	7.85	+0.00
Panamax (70,000 tons)	Richards Bay	India West	12.05	+0.00
	Kalimantan	India West	8.80	+0.00
	Richards Bay	India East	12.25	+0.00
	Kalimantan	India East	7.45	+0.00
	Australia	China	11.20	+0.00
	Australia	India	12.45	+0.00

(Source: Platts Coal Trader International – Date 29/12/2017)