



PETROVIETNAM OIL & GAS GROUP
PETROVIETNAM POWER CORPORATION
DAILY NEWS

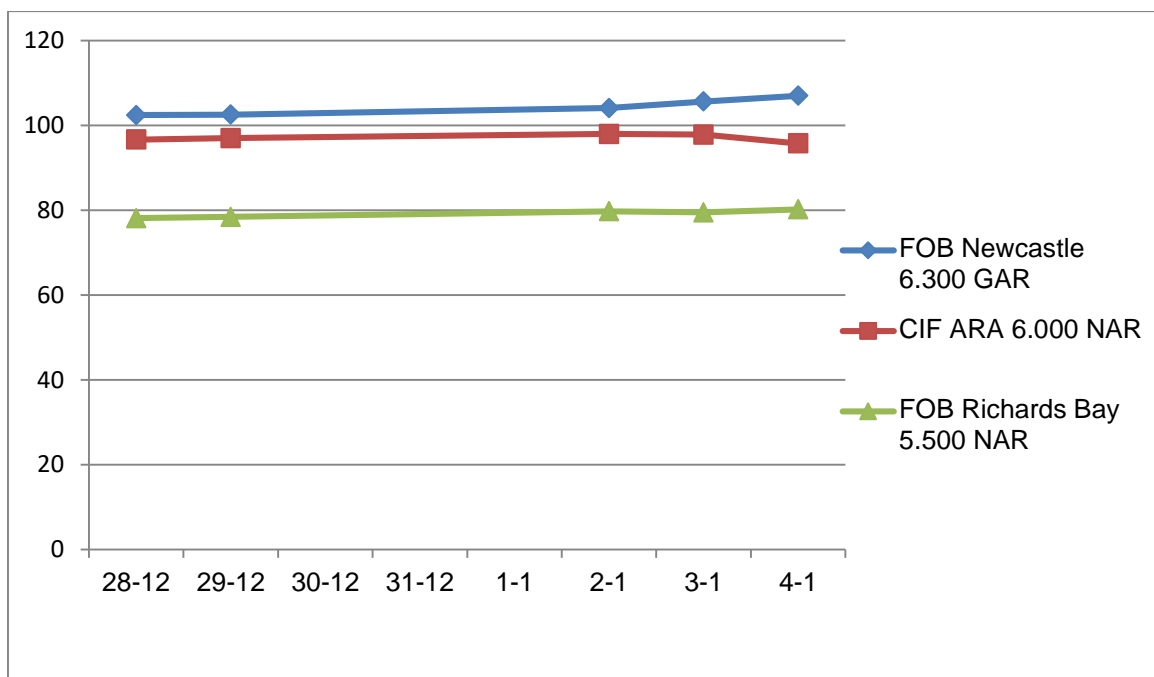
Date 05/01/2018

INTERNATIONAL COAL PRICE ASSESSMENTS

Daily prompt physical thermal coal assessments	Window 7 – 45 day	+/-	Window 90 - day	+/-
FOB Newcastle 6,300 GAR	107.00	+1.35	108.25	+2.25
CIF ARA 6,000 NAR	95.75	-2.01	96.00	-1.80
FOB Richards Bay 5,500 NAR	80.20	+0.70	N/A	N/A
FOB Kalimantan 5,900 GAR	N/A	N/A	84.20	+0.00
FOB Kalimantan 5,000 GAR	N/A	N/A	67.10	+0.20

China Coal Assessment	USD/tons	+/-	NDT/tons	+/-
PCC6 (CFR South China 3,800 NAR)	55.80	+0.80	422.77	+5.97
PCC7 (CFR South China 4,700 NAR)	74.75	+0.30	566.34	+2.14
PCC8 (CFR South China 5,500 NAR)	88.00	+0.30	666.74	+2.12

DAILY PROMPT PHYSICAL THERMAL COAL ASSESSMENTS IN 2018



(Source: Platts Coal Trader International – Date 04/01/2018)

NEWS

Chinese buyers book Newcastle coal in Asia thermal coal market

FOB prices at Australia's Newcastle trading hub rose \$1-\$2 during Asia trade as returning Chinese buyers sought high-ash 5,500 kcal/kg NAR cargoes to replenish stocks at coastal power plants ahead of the Lunar New Year in mid-February, market sources said Wednesday. After a quiet Tuesday trading session, bids quickly appeared in the Asia market Wednesday for Australian 5,500 kcal/kg NAR cargoes for shipment in late January and early February at \$78-\$79/mt FOB Newcastle, sources said. This represents an advance of several dollars on bid levels shortly before Christmas at \$75-\$76/mt FOB Newcastle, basis 5,500 kcal/kg NAR.

In addition to stronger demand from China, rapidly declining dry bulk freight costs are making room for FOB prices to move higher in delivered markets for Japan, South Korea, and China. Capesize vessel dry bulk freight from Newcastle to China was quoted in the market at \$8.50/mt, down from \$12/mt before the Christmas holidays. Two fixtures were seen Wednesday at sharply different levels, each for 130,000 mt Capesize ships, sailing from Newcastle port to ports in South Korea. One fixture was for H1 January laycan at \$9.75/mt to Pohang port, and the second was for H2 January delivery to Dangjin at \$7.12/mt.

Shorter customs clearance checks in Chinese ports are speeding the flow of imported coal to end-users. Chinese power plants increasingly need to top up their low inventory levels as coal burn has been running strongly due to the winter season, market sources said. "Prices are strong, especially for spot supply, as power utilities are low inventory, and all are rushing for supply. But it seems like the government has loosened the time for imported coal to clear customs," a China-based trader said.

Chinese utilities increase spot purchases

Port restrictions at some of China's southern and eastern ports have pinched import volume in the past few months. Although there were signs in the market these bottlenecks were gradually easing, according to sources. At Qinhuangdao port in Northeastern China, spot prices for prompt delivery cargoes of 5,500 kcal/kg NAR thermal coal were heard traded around Yuan 710/mt FOB basis, to offers at Yuan 715/mt. "For end-users, long waiting times are affecting domestic prices to go up," the trader said, adding the domestic thermal coal prices were approaching their peak. Chinese 5,000 kcal/kg NAR domestic coal was heard traded at Yuan 635-640/mt FOB Qinhuangdao, several sources in China said.

Chinese power utility Guodian Fujian had a tender closing Thursday for 390,000 mt of imported thermal coal for delivery to its Fuzhou and Quanzhou plants in February, sources said. The utility is seeking a range of grades, from 3,300 kcal/kg NAR coal to 4,600 kcal/kg NAR coal with 1.3% sulfur. According to one utility in East China, Indonesian 3,800 kcal/kg NAR coal was offered at \$48.30/mt FOB based on geared-vessel cargoes for January loading. "Demand will start to slow down at the end of January as it is offpeak season before Lunar new year," he said, adding a current shortage of railway capacity for Qinhuangdao port was expected to ease soon. A Singapore-based source said offer prices for Panamax shipments of Indonesian 3,800 kcal/kg NAR coal were at \$49/mt FOB, and for the 4,800 kcal/kg NAR grade, 1.4% sulfur, at \$70.30/mt FOB, to bids at \$69/mt. Panamax vessel freight on the Kalimantan to China trade route had retraced to \$6.20/mt this week from \$7/mt two weeks ago, sources said.

21 vessels delayed at Richards Bay coal terminal

Some 21 ships were delayed outside Richards Bay Coal Terminal in South Africa as of Wednesday, down from 28 the previous week. As has been the case for several weeks, the delays are due to adverse weather in the area, preventing a normal operating schedule at the terminal. The delays are expected to slowly dissipate through the coming weeks, with the weather forecast showing signs of improvement, according to a shipping source.

Thirteen ships were expected to arrive within the last week, while the remaining eight had been scheduled to arrive from December 20-26. The Capesize CSK Brilliance was originally scheduled

to arrive at the terminal December 20, and has been offshore since. Eleven of the vessels are returning from India or Sri Lanka, three from Singapore, one each from South Korea, Saudi Arabia and Australia, while four are returning from other ports in South Africa. Nine ships were moored at loading berths. The average deadweight tonnage of the delayed ships was 102,535 mt. Market sources estimate around 4.5 million mt of coal in stockpiles at RBCT.

The benchmark 6,000 kcal/kg NAR grade of South African coal was supported by higher bid across the end-of-year period and a 50,000 mt screen trade for January-loading was seen at \$95.50/mt late Wednesday, while Platts 5,500 kcal/kg NAR price was assessed at \$79.75/mt Tuesday, up \$1.70 week on week. Market sources did not attribute the firm pricing to the vessel delays as this is a fairly regular occurrence at the time of year, and key market players had been keeping the prices firmly bid regardless of any delays.

(Source: Platts)

INTERNATIONAL SPOT DRY BULK FREIGHT ASSESSMENTS

<i>Unit: USD/ton</i>				
Size	From	To	Freight rates	Change
Capesize (150,000 tons)	Australia	China	8.60	+0.85
	Queensland	Japan	9.25	+0.45
	New South Wales	South Korea	9.50	+0.45
Panamax (70,000 tons)	Richards Bay	India West	12.40	+0.25
	Kalimantan	India West	8.50	-0.35
	Richards Bay	India East	12.60	+0.25
	Kalimantan	India East	7.20	-0.30
	Australia	China	11.50	+0.05
	Australia	India	12.90	+0.05

(Source: Platts Coal Trader International – Date 04/01/2018)