



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

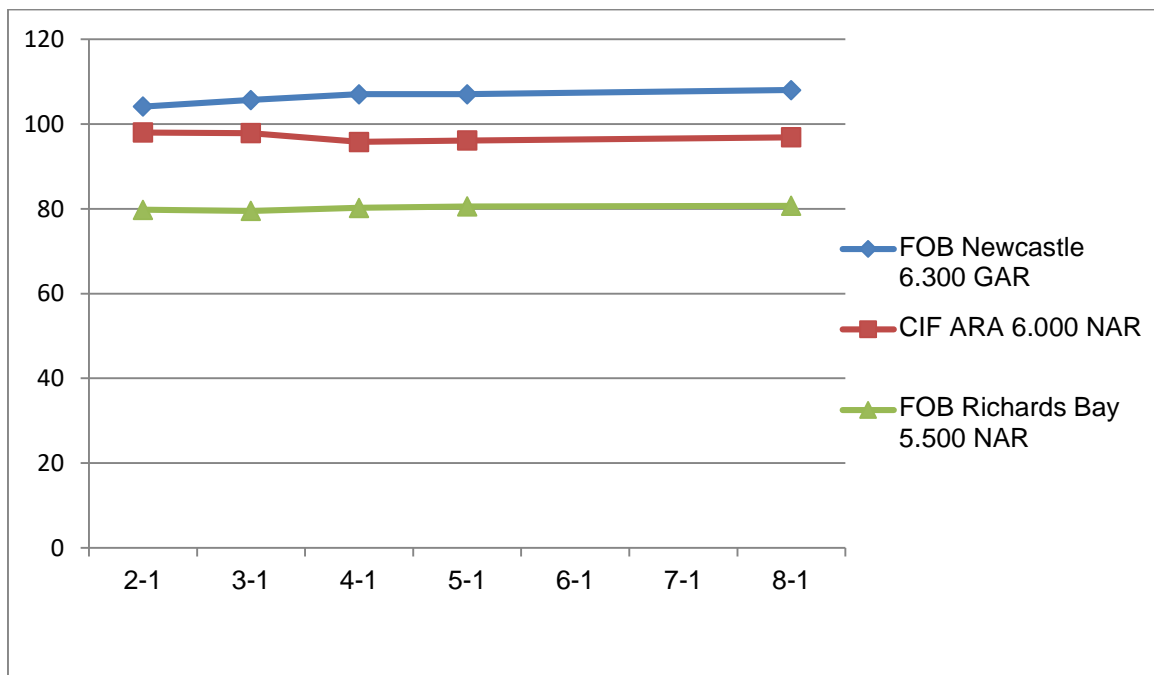
Date 09/01/2018

**INTERNATIONAL COAL PRICE ASSESSMENTS**

Daily prompt physical thermal coal assessments	Window 7 – 45 day	+/-	Window 90 - day	+/-
FOB Newcastle 6,300 GAR	108.00	+1.00	105.50	-0.90
CIF ARA 6,000 NAR	96.85	+0.75	96.15	-0.10
FOB Richards Bay 5,500 NAR	80.70	+0.15	N/A	N/A
FOB Kalimantan 5,900 GAR	N/A	N/A	85.00	+0.05
FOB Kalimantan 5,000 GAR	N/A	N/A	68.25	+0.75

China Coal Assessment	USD/tons	+/-	NDT/tons	+/-
PCC6 (CFR South China 3,800 NAR)	55.80	+0.00	422.71	+0.66
PCC7 (CFR South China 4,700 NAR)	75.00	+0.25	568.15	+2.76
PCC8 (CFR South China 5,500 NAR)	89.50	+1.00	677.99	+8.60

**DAILY PROMPT PHYSICAL THERMAL COAL ASSESSMENTS IN 2018**



(Source: Platts Coal Trader International – Date 08/01/2018)

## **NEWS**

### **High ash Newcastle prices rise above \$80/mt in Asia thermal coal market**

Australian 5,500 kcal/kg NAR high-ash cargoes for February shipment were driven higher to \$80.25-\$82.35/mt FOB Newcastle as Chinese buyers raced to secure shipments in a fastmoving market, sources said Monday. Offers for Australian 5,500 kcal/kg NAR cargoes with maximum ash of 23% were heard in the Chinese market at \$82-\$83/mt FOB Newcastle to a bid at \$81/mt, a market source in China said. "There are not too many bids in the market though," he said, adding some buyers were taking a cautious approach. His offer for a Capesize shipment of this grade was at \$92-\$93/mt CFR South China, and he said buyers could possibly pay around \$90/mt CFR. He heard a trade for Australian 5,500 kcal/kg NAR coal two weeks ago at \$87/mt CFR South China.

"Utilities need to restock their stockpiles and demand is strong now," another trader in China said. A 125,000 mt Capesize ship was chartered to sail from Newcastle port in H2 January to Hadong port in South Korea at \$9.70/mt, up from fixtures of around \$7-\$8/mt for this period a week ago, shipping sources said. S&P Global Platts assessed the FOB High Ash (23%) Newcastle 5,500 kcal/kg NAR price at \$80.25/mt Monday, its highest level since its August 2017 launch. The longer-running Newcastle 5,500 kcal/kg NAR 20% ash price series touched a 14-month high of \$82.35/mt, and was last at this level in November 2016.

### **Abbott point and Hay point set monthly records**

Both the Abbott Point and Hay Point terminals set their highest monthly totals for the year in December. The most northern of the three terminals, the Adani-owned Abbot Point Coal Terminal, shipped 2.49 million mt of coal in December, down 1% from 2.53 million mt a year earlier and up 12% from 2.23 million mt in November, NQBP data shows. APCT's total exports stood at 25.76 million mt for 2017, falling 4% from the 26.69 million mt exported in 2016, and around half of its 50 million mt/year nameplate capacity.

The BHP Mitsubishi Alliance-owned Hay Point terminal exported 4.72 million mt during December, rising 23% from 3.84 million mt a year earlier, and 21% higher than the 3.9 million mt exported in November, the NQBP data shows. It is the strongest monthly export for HPCT since at least September 2013. The December throughput at HPCT translates to an annualized rate above the terminal's nameplate capacity of 55 million mt/year, at 55.6 million mt/year. But the terminal's total exports for the year of 44.14 million mt still slumped 10% from 49.04 million mt in 2016. The state-owned, common-user Dalrymple Bay terminal saw exports of 5.84 million mt in December, down 12% year on year from 6.6 million mt and 13% up month on month from 5.18 million mt, NQBP data said. DBCT exports rounded out the year at 64.95 million mt, 5% lower than the 68.46 million mt exported in 2016 and below its 85 million mt/ year nameplate capacity.

### **China to create several mega coal firms by 2020**

China will form a number of ultra-large coal mining companies by the end of 2020 as part of its efforts to streamline the bloated sector and cut outdated capacity, according to the country's top economic regulator. The National Development and Reform Commission said that through further mergers and acquisitions (M&As), the world's largest producer of coal plans to create several coal-mining conglomerates, each with an annual production capacity of more than 100 million metric tons by the end of 2020, to compete in the global market. The country will vigorously promote coal mining enterprises of different sizes, regions, ownership, and coal types to carry out M&As to foster a batch of modernized coal enterprises by the end of 2020, said the NDRC and 11 other ministries and organizations. M&As between coal miners have been going on for some time, and this would be another step in the efforts to make the sector more efficient and profitable, Wu said.

During the first 10 months of 2017, profits of the coal mining and washing sector surged more than sixfold to 250.6 billion yuan (\$38.6 billion) due to high coal prices, according to the National Bureau of Statistics. By the end of 2017, the number of coal mines in China dropped to about 7,000 from 10,800 in 2015, said Jiang Zhimin, vice-president of the China National Coal Association. The production capacity of large coal miners accounted for more than 70 percent of the country's total

coal capacity during the first 10 months of 2017, he said, adding that around 43 percent of the country's coal was produced by its top 10 coal miners during the same period. "However, there are still around 3,500 small coal mines with less than 300,000 tons of annual capacity," Jiang added.

The NDRC statement also said that the country would push for M&As between coal miners and electricity companies, coal-chemical enterprises as well as enterprises in the non-coal sectors, including iron and steel mills and transportation companies. This follows the merger last year of State-owned power generator China Guodian Corp and coal miner Shenhua Group Corp Ltd to create the world's largest energy conglomerate. With total assets of 1.8 trillion yuan, the new company, China Energy Investment Corp, has become the world's largest producer of coal, thermal power, renewable energy and coal chemicals.

(Source: Platts)

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

<b>Size</b>	<b>From</b>	<b>To</b>	<b>Freight rates</b>	<b>Change</b>
<b>Capesize</b>	Australia	China	8.55	+0.00
(150,000 tons)	Queensland	Japan	9.20	+0.00
	New South Wales	South Korea	9.45	+0.00
<b>Panamax</b>	Richards Bay	India West	12.45	+0.05
(70,000 tons)	Kalimantan	India West	8.40	+0.05
	Richards Bay	India East	12.65	+0.05
	Kalimantan	India East	7.10	+0.05
	Australia	China	12.10	+0.05
	Australia	India	13.65	+0.15

(Source: Platts Coal Trader International – Date 08/01/2018)