



PETROVIETNAM OIL & GAS GROUP
PETROVIETNAM POWER CORPORATION
DAILY NEWS

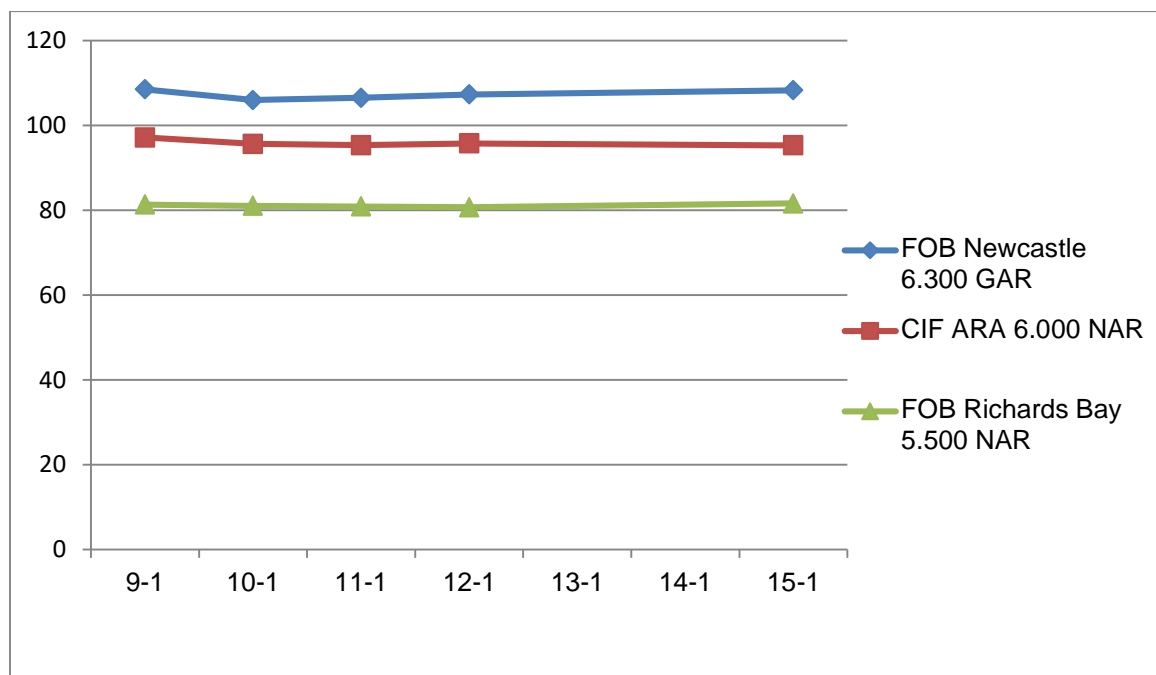
Date 18/01/2018

INTERNATIONAL COAL PRICE ASSESSMENTS

Daily prompt physical thermal coal assessments	Window 7 – 45 day	+/-	Window 90 - day	+/-
FOB Newcastle 6,300 GAR	108.30	+1.00	105.00	+1.00
CIF ARA 6,000 NAR	95.30	-0.45	94.75	-0.25
FOB Richards Bay 5,500 NAR	81.60	+0.90	N/A	N/A
FOB Kalimantan 5,900 GAR	N/A	N/A	86.00	+0.00
FOB Kalimantan 5,000 GAR	N/A	N/A	69.50	+0.00

China Coal Assessment	USD/tons	+/-	NDT/tons	+/-
PCC6 (CFR South China 3,800 NAR)	56.50	+0.00	423.98	-1.95
PCC7 (CFR South China 4,700 NAR)	76.85	+0.00	576.69	-2.65
PCC8 (CFR South China 5,500 NAR)	92.00	+0.25	690.38	-1.29

DAILY PROMPT PHYSICAL THERMAL COAL ASSESSMENTS IN 2018



(Source: Platts Coal Trader International – Date 15/01/2018)

NEWS

Traders offer Indonesia thermal coal cargoes as lunar new year nears

Thermal coal traders with positions started coming out with offers as the buying window in time for the Chinese Lunar New Year holidays narrowed, but buyers were stalling purchases due to high prices, sources said Wednesday. An Indonesia-based trader said that he had seen a slowdown in Chinese buying activity this week as buyers were not keen to chase higher offers and were “playing the waiting game.” Another trader in Indonesia said some offers had grown unreasonable and there were hardly any cargoes available for January. He received bids for 3,800 kcal/kg NAR – 4,200 kcal/kg GAR – coal at the \$48/mt FOB level for early-February cargoes. According to a West India-based trader, Indian buying interest for this grade has been more or less stable at \$48-\$48.50/mt FOB. “India is feeling the heat of high prices,” he said, but some buyers still had enough stock and so they could afford to wait a bit for prices to correct.

A South India-based trader agreed, saying the price trend depended a lot on how Chinese demand reacts in the coming weeks. “The market is very interesting now with prices increasing. Everybody is guessing,” he said, adding that buyers were reacting to the higher prices and were just covering very short positions. A second West India-based trader noted seeing a slight correction in the prices this week as suppliers who were holding cargoes were offering currently. He said Chinese buyers have fewer weeks to book now for cargoes and so traders wanted to sell before that window closes. He heard a February-loading Panamax shipment of 5,100 kcal/kg GAR coal with 1.2% sulfur traded at \$70/mt FOB. Additionally, he sold a February-loading Supramax shipment of 4,900 kcal/kg GAR coal at \$78/mt CFR west coast India. A third Indonesia-based trader said that some miners were offering 3,800 kcal/kg GAR coal at \$39.50/mt FOB on Supramax basis but found the offer “too high.” He doubted there would be a sharp drop in prices despite rain in Indonesia keeping the availability tight and delaying the loading schedules.

South African coal

Indian traders said that there were not many South African coal cargoes available and bids for 5,500 kcal/kg NAR coal were at a discount of \$9-\$9.50/mt to 6,000 kcal/kg NAR against an offer at minus \$8.50/mt. The West India-based trader said buyers found it difficult to book South African coal as by the time they react to the offers, prices have already moved up. Loadings have also been delayed, according to a Singapore-based trader. This source said that he had heard the cyclone season in South Africa has just started and people were bound to see the weather worsen and heavy rains to hit Richards Bay again in the coming weekend. If shippers kept selling cargoes, the congestion in Richards Bay Coal Terminal could likely worsen over the next few weeks, the trader pointed out.

Australian Wesfarmers’ thermal coal production up 7% on year in Oct-Dec

Diversified Australian company Wesfarmers said Wednesday in its quarterly results that its thermal coal production increased 7% year on year to 1.97 million mt in the October-December quarter. The production, which comes from the company’s 100%-owned Queensland-based Curragh mine and 40% stake in the New South Wales Bengalla mine, was up by 10% from the previous quarter. Curragh, predominately a metallurgical coal mine that the company has agreed to sell, boosted its thermal coal production by 6% on the year to 986,000 mt in the latest quarter and by 11% quarter on quarter. The rise came despite a 13% year-on-year fall in the mine’s metallurgical coal production. Under Wesfarmers, Curragh has been selling thermal coal to the Queensland Government’s Stanwell Corp. The company has agreed to sell the mine to US coal producer Coronada Coal Group for A\$700 million, with the sale still subject to a number of conditions. Wesfarmers’s Bengalla mine produced 984,000 mt, up 9% year on year and up 10% quarter on quarter. Bengalla is a joint venture between Wesfarmers, New Hope (40%), Mitsui (10%) and Taipower (10%), and can produce approximately 9 million mt/year, sold both in the local and international markets. Wesfarmers is conducting a strategic review of its Bengalla interest and has sought expressions of interest for parties who may want to purchase it.

(Source: Platts)

INTERNATIONAL SPOT DRY BULK FREIGHT ASSESSMENTS

Unit: USD/ton

Size	From	To	Freight rates	Change
Capesize (150,000 tons)	Australia	China	7.60	+0.25
	Queensland	Japan	8.25	+0.25
	New South Wales	South Korea	8.50	+0.25
Panamax (70,000 tons)	Richards Bay	India West	12.00	-0.35
	Kalimantan	India West	8.40	+0.00
	Richards Bay	India East	12.55	+0.00
	Kalimantan	India East	7.00	-0.10
	Australia	China	11.50	+0.00
	Australia	India	12.85	+0.00

(Source: Platts Coal Trader International – Date 15/01/2018)