



PETROVIETNAM OIL & GAS GROUP
PETROVIETNAM POWER CORPORATION
WEEKLY NEWS – FIRST WEEK OF
JANUARY
 (From 01/01 – 05/01/2018)

I. COAL MARKET ANALYSIS

1. INTERNATIONAL COAL PRICE ASSESSMENTS

Unit: USD/ton

Price index	Week 11/12-15/12	Week 18/12-22/12	Week 25/12-29/12	Week 1/1-5/1/18
PCC 6 <i>(CFR South China 3,800 NAR)</i>	54.22	54.66	55.13	55.49
PCC 7 <i>(CFR South China 4,700 NAR)</i>	73.76	74.24	74.40	74.60
PCC 8 <i>(CFR South China 5,500 NAR)</i>	85.88	86.82	87.70	87.98
FOB Newcastle 6,300 GAR	101.11	102.65	102.33	105.94
CIF ARA 6,000 NAR	96.68	96.76	96.55	96.93
FOB Richards Bay 6,000 NAR	79.95	78.44	78.15	80.00
NEWC <i>(FOB Newcastle 6,000 NAR)</i>	100.71	104.14	103.91	104.9

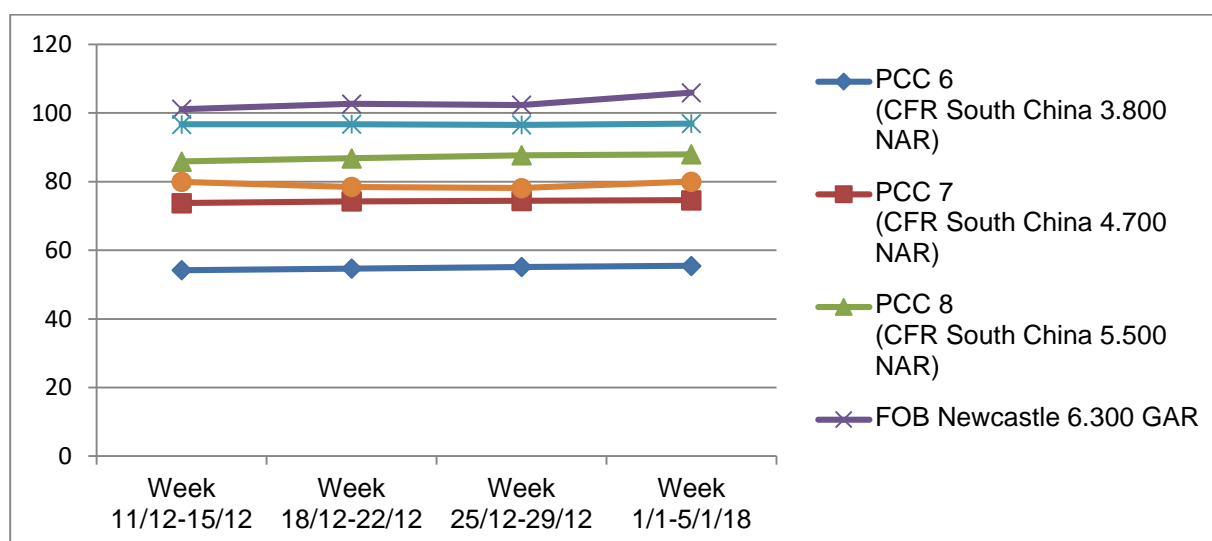


Chart 1: Average coal price week 1st January (2018)

(Source: Platts Coal Trader International)

2. INTERNATIONAL SPOT DRY BULK FREIGHT ASSESSMENTS

Unit: USD/ton

	Week 1 st - January	01/01	02/01	03/01	04/01	05/01
Capesize (150,000 tons)						
1	Australia – China	N/A	7.10	7.75	8.60	8.55
2	Queensland – Japan	N/A	8.15	8.80	9.25	9.20
3	New South Wales – South Korea	N/A	8.40	9.05	9.50	9.45
Panamax (70,000 tons)						
1	Richards Bay - India West	N/A	12.15	12.15	12.40	12.40
2	Kalimantan - India West	N/A	8.80	8.85	8.50	8.35
3	Richards Bay - India East	N/A	12.35	12.35	12.60	12.60
4	Kalimantan - India East	N/A	7.45	7.50	7.20	7.05
5	Australia - China	N/A	11.10	11.45	11.50	12.05
6	Australia - India	N/A	12.35	12.85	12.90	13.50

(Source: Platts Coal Trader International)

II. NEWS

Australia revises up thermal coal benchmark price, export forecasts

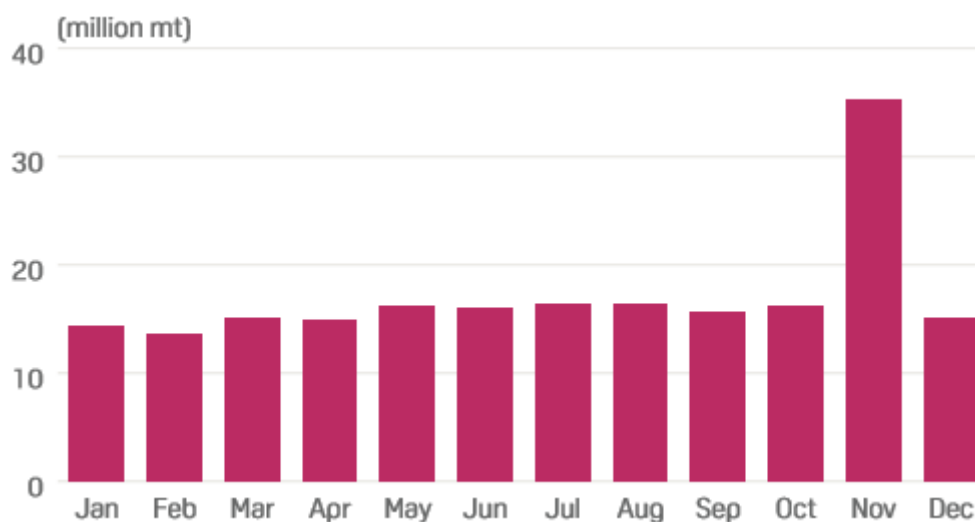
The Australian government Monday revised up its thermal coal benchmark price for Japanese Fiscal Year 2018 (April-March), while also improving its export expectations for the country's coal. In the government's Resources and Energy Quarterly report, the JFY 2018 benchmark price is now projected to settle at \$79/mt, lower than the JFY 2017 price of \$84/mt but \$5/mt higher than the forecast provided in its previous quarterly report.

"Prices are expected to ease through 2018 and early 2019, as supply rebounds and demand moderates," it said. The Newcastle FOB spot price is expected to drop by 12% to an average of \$77/mt in 2018, and by further 6% to \$70/mt in 2019. The JFY 2019 benchmark price is estimated at \$74/mt, which is up from the previous forecast of \$71/mt. The report, which comes via the chief economist's office, also showed an upward revision in expected Australian thermal coal exports. The country's exports are expected to be fairly steady, moving from 201 million mt in 2017 to 203 million mt in 2018 and to 202 million mt in 2019. The 2018 and 2019 shipment figures are up from the department's previous quarterly expectations, which had pegged the volumes at 199 million mt for both years. "Output is expected to be boosted by the ongoing expansions at Rolleston and at a significant number of mines in the NSW Hunter Valley region, including Ravensworth," it said.

Russian Dec coal exports 205 mil tons of coal in 2017

Russian coal exports in December at 15.08 million mt were 57.4% lower month on month but up 5.9% year on year, the Russian energy ministry said Tuesday. November coal exports were revised higher from the original 15.34 million mt figure published by the ministry to 35.36 million mt. The ministry did not give a reason for the dramatic increase in the number. For the full year 2017, export volumes reached 205.53 million mt, up 25.4% year on year from 163.86 million mt in 2016. Platts assessed the weekly FOB Russia Baltic 6,000 kcal/kg NAR 90 day price at \$90.50/mt Friday and the weekly FOB Russia Pacific 6,300 kcal/kg GAR 90 day price at \$103/mt.

Russian coal exports 2017



(Source: Russian Federation Ministry of Energy)

Coal india limited announces 10% price increase for domestic thermal coal grades

India's state-run miner Coal India Limited (CIL) has approved a 10% price increase effective immediately for certain grades of its domestic thermal coal for both Indian power plants and end users, the company said in a regulatory filing to the Bombay Stock Exchange late Tuesday. Due to this revision, the company will earn extra revenue of Rupee 19.56 billion (\$308.8 million) for the remaining period of fiscal year April 2017-March 2018, while total revenue for the financial year will be Rupee 64.21 billion, CIL said. The price revision will be applicable to all subsidiaries of CIL and apply to regulated and non-regulated sectors, it said.

According to market sources, the average price hike across grades of Coal India's domestic thermal coal will be around 9-10% for the power sector. The hike for grades 10 and 11, which cover coal with a gross calorific value of 4,000 to 4,600, has been more than 10% at Rupee 955/mt to Rupee 1,025/mt, a Chennai-based end-user source said. There is a shortage of coal in the Indian market and the hike in prices will hit hard power producers, he said. This source had bought a shipment of 70,000 mt of South African 4,800 kcal/kg NAR coal last month at \$74/mt CFR east coast India. Meanwhile, as per revised prices, Coal India grades between G6 to G7 having a calorific value of 5,200 to 5,800 will now cost 20-22% more at Rupee 1,926/mt to Rupee 2,317/mt, market sources said. For some grades, prices have been reduced by about 5% after the revision, sources said.

(Source: Platts)