



PETROVIETNAM OIL & GAS GROUP
PETROVIETNAM POWER CORPORATION
WEEKLY NEWS – FOUR WEEK OF
DECEMBER
 (From 25/12 – 29/12/2017)

I. COAL MARKET ANALYSIS

1. INTERNATIONAL COAL PRICE ASSESSMENTS

Unit: USD/ton

Price index	Week 04/12-08/12	Week 11/12-15/12	Week 18/12-22/12	Week 25/12-29/12
PCC 6 (CFR South China 3,800 NAR)	52.94	54.22	54.66	55.13
PCC 7 (CFR South China 4,700 NAR)	72.42	73.76	74.24	74.40
PCC 8 (CFR South China 5,500 NAR)	85.18	85.88	86.82	87.70
FOB Newcastle 6,300 GAR	95.5	101.11	102.65	102.33
CIF ARA 6,000 NAR	93.92	96.68	96.76	96.55
FOB Richards Bay 6,000 NAR	79.04	79.95	78.44	78.15
NEWC (FOB Newcastle 6,000 NAR)	96.8	100.71	104.14	103.91

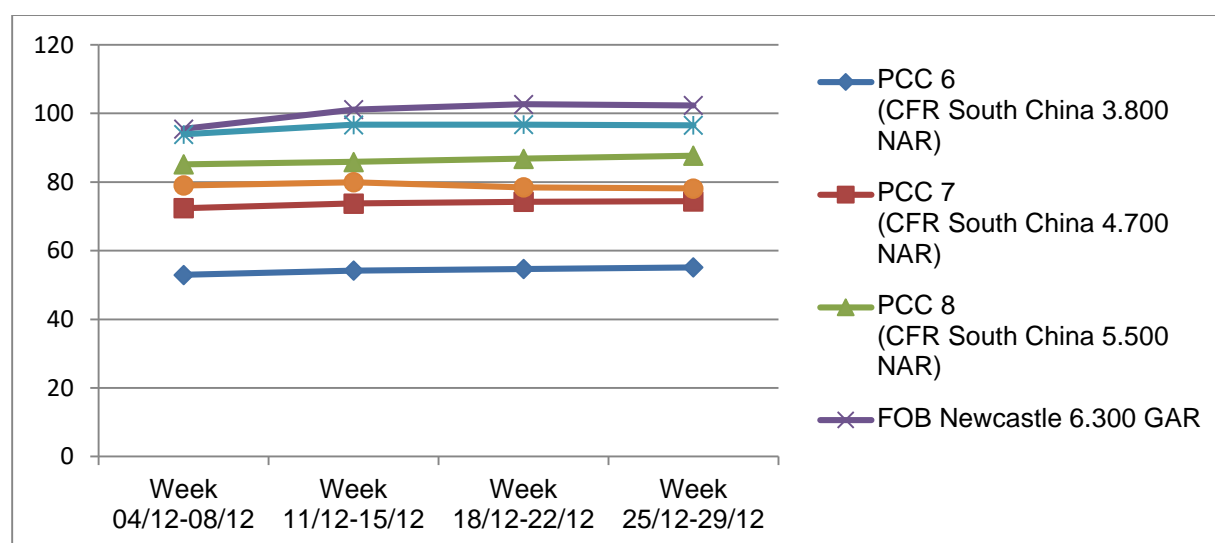


Chart 1: Average coal price week 4th December (2017)

(Source: Platts Coal Trader International)

2. INTERNATIONAL SPOT DRY BULK FREIGHT ASSESSMENTS

Unit: USD/ton

	Week 4 th - December	25/12	26/12	27/12	28/12	29/12
Capesize (150,000 tons)						
1	Australia – China	N/A	N/A	7.10	6.55	6.55
2	Queensland – Japan	N/A	N/A	8.15	7.60	7.60
3	New South Wales – South Korea	N/A	N/A	8.40	7.85	7.85
Panamax (70,000 tons)						
1	Richards Bay - India West	N/A	N/A	12.05	12.05	12.05
2	Kalimantan - India West	N/A	N/A	8.80	8.80	8.80
3	Richards Bay - India East	N/A	N/A	12.25	12.25	12.25
4	Kalimantan - India East	N/A	N/A	7.45	7.45	7.45
5	Australia - China	N/A	N/A	11.20	11.20	11.20
6	Australia - India	N/A	N/A	12.45	12.45	12.45

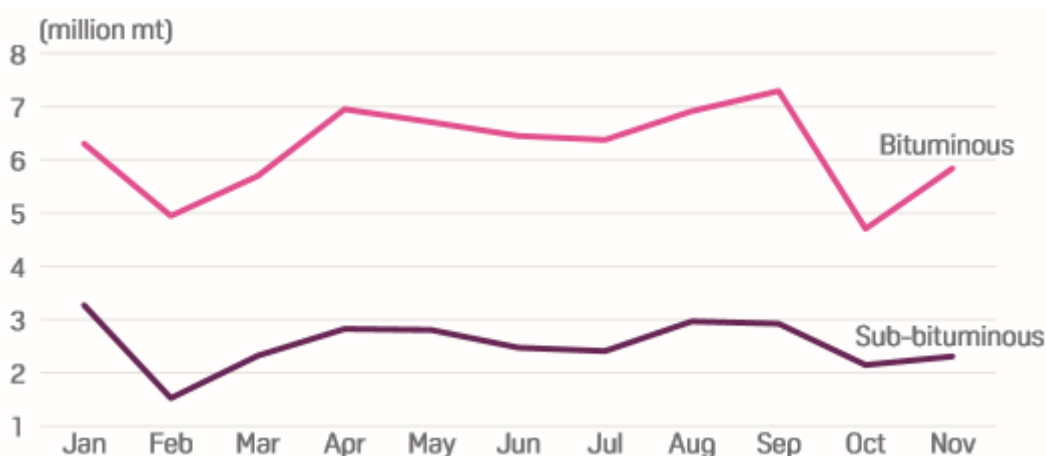
(Source: Platts Coal Trader International)

II. NEWS

China thermal coal Nov imports down 26% on year to 8.15 million mt

China imported 8.15 million mt of thermal coal in November, down 26% on the year but up 18.9% on the month, customs data showed Wednesday. Of the total, 5.84 million mt was bituminous coal and the remaining 2.31 million mt sub-bituminous. Indonesia was the largest exporter to China with 3.41 million mt, down 34% year-on-year but up 29% month-on-month. Bituminous coal accounted for 1.47 million mt, with 1.94 million mt of sub-bituminous. It overtook Australia for the first time since November 2016. Imports from Australia were 2.90 million mt in November, down 33% on the year but up 5% on the month. All Australian imports in November were bituminous coal. Imports from Russia were 1.09 million mt, down 3% year on the year but up 7% on the month. This was divided between 1.02 million mt of bituminous coal and 71,982 mt of sub-bituminous coal. Lignite imports totaled 7.82 million mt, down 13% on the year and 9% on the month, with 7.08 million mt of the total from Indonesia.

China thermal coal imports



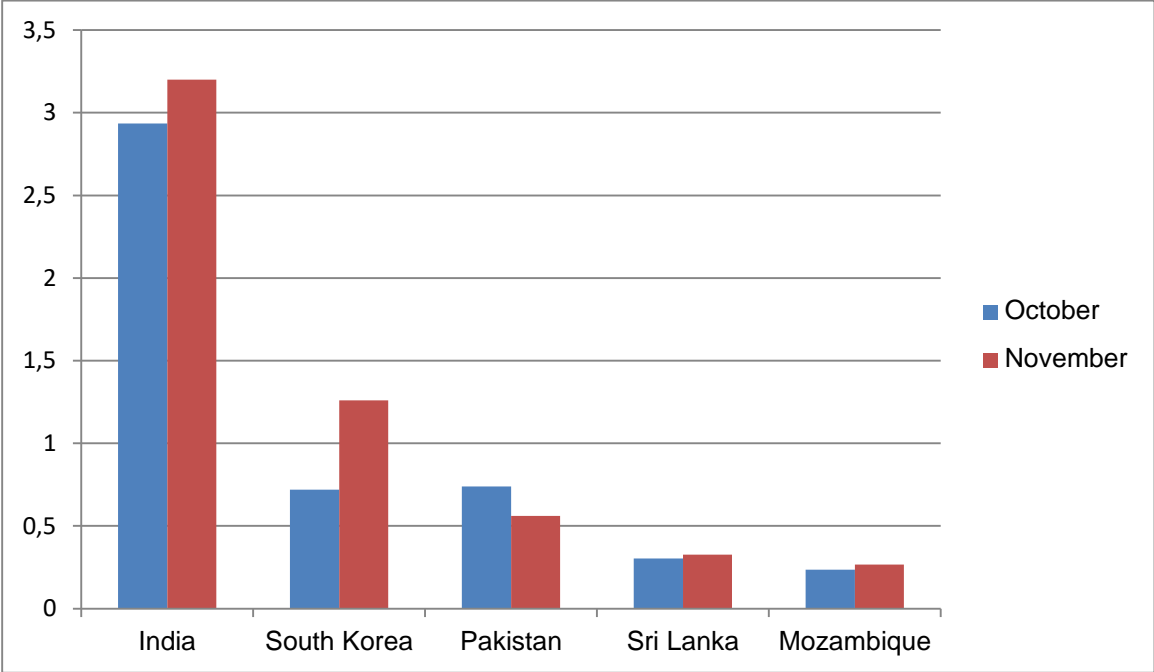
(Source: Customs data)

South African Nov coal exports total 7.3 million mt

Thermal coal exports from South Africa totaled 7.3 million mt in November, up 5.5% from October, but down 0.8% year on year, customs data showed Thursday. India was the single

biggest destination, receiving 3.2 million mt, up 9% from October and up 4% on the year. South Korea imported the second largest volume of South African coal in November, receiving 1.26 million mt, up 75% month on month and 37% on the year. Pakistan took delivery of 561,411 mt of South African coal in November, down 24% from October, but up 7% from November 2016. South African exports to Sri Lanka totaled 326,426 mt, up 8% from October but down 2% on the year, while exports to Mozambique totaled 266,193 mt, up 13% from the previous month and up more than eightfold on the year.

South African coal export in October and November 2017



(Source: Customs Data)

China utilities book Jan Indonesian cargoes in Asia thermal coal market

Power utilities in South China were heard to book several Panamax cargoes of Indonesian 3,800 kcal/kg NAR thermal coal January loading, at \$55.26/mt CFR basis as port restrictions in the country started to ease, market sources said Thursday. “The easing of import coal bans will be implemented in the Yangtze river area before China’s Lunar New Year holiday [in mid-February] and for South China ports such as Zhuhai, Kemen and Dongwu, it may be mid-year,” said a trader in South China.

One of the country’s major intake ports for Capesize seaborne cargoes, Liuheng port near Shanghai, had cleared two or three ships of this size this week, a second trader in South China said, adding the news was good for import trade. Import restrictions that came into force on July 1 for many smaller second-tier ports in China may linger a little longer after the February festival holidays, sources said.

Offer prices for prompt January laycan, geared-vessel cargoes of Indonesian 3,700 kcal/kg NAR coal were at \$46/mt FOB Kalimantan, and at \$47.50-\$48/mt for the 3,800 kcal/kg NAR grade, said South China traders. A Singapore-based trader said 3,800 kcal/kg NAR Indonesian coal could be traded in the China market around \$47.20-\$47.30/mt FOB Kalimantan, and he received an offer for a January-loading Supramax shipment of this coal, 0.5% sulfur rejection, at \$47.60/mt FOB from South Kalimantan. “Whenever the market is on fire, it is very difficult to trade as there is high risk of a downside too,” he said, adding he was looking at lower risk back-to-back trades now.

According to one North China-based trader, Indonesian 4,800 kcal/ kg NAR coal with 1.4% sulfur was offered at \$69.50/mt FOB based on a January-loading Panamax. Dry bulk freight for Panamax ships sailing from Kalimantan to South China was pegged at about \$6.80/mt, traders

said. Another trader in South China said “the stockpile level at utilities is still on the low side. Demand for restocking before Lunar New Year will still be there for January-loading cargoes.” Utilities’ daily coal consumption rate remains high and they have adjusted their coal purchasing accordingly, he said. “But the supply in North China ports is not enough; vessels are waiting there for more than half a month to get coal, or even longer,” he said. Qinhuangdao 5,500 kcal/kg NAR coal was heard offered around Yuan 710-715/mt FOB, while offers for 5,000 kcal/kg NAR coal were at Yuan 635-640/mt, sources in China said.

(Source: Platts)