



PETROVIETNAM OIL & GAS GROUP
PETROVIETNAM POWER CORPORATION
DAILY NEWS

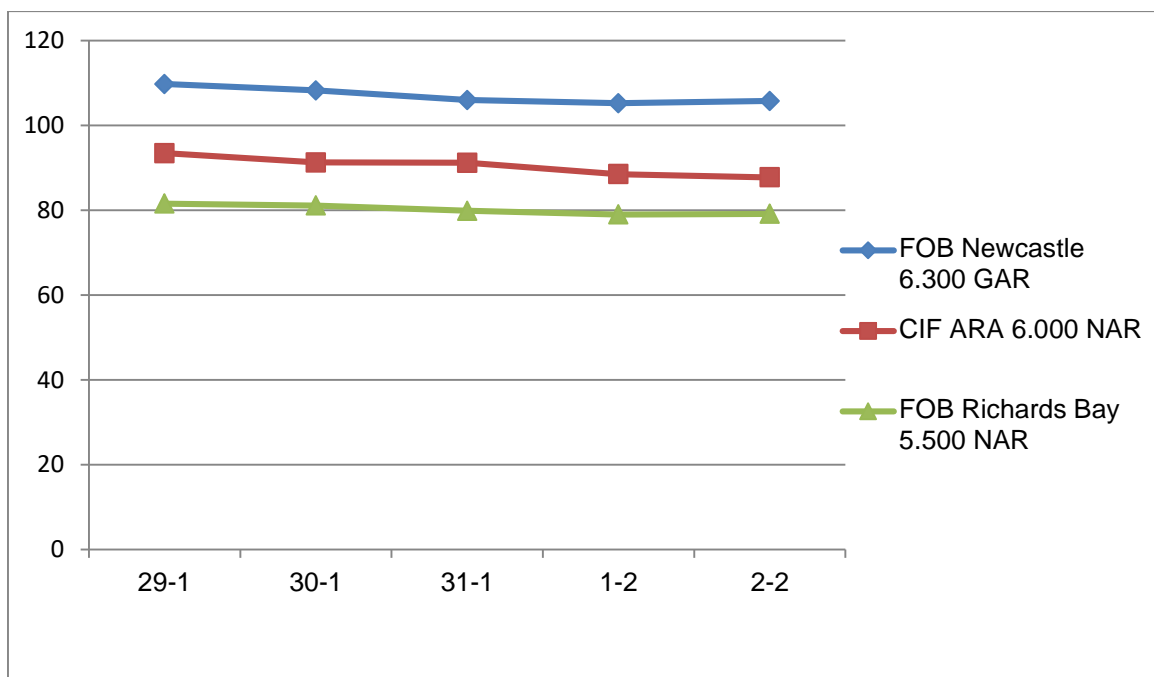
Date 06/02/2018

INTERNATIONAL COAL PRICE ASSESSMENTS

Daily prompt physical thermal coal assessments	Window 7 – 45 day	+/-	Window 90 - day	+/-
FOB Newcastle 6,300 GAR	105.75	+0.50	106.00	+1.00
CIF ARA 6,000 NAR	87.75	-0.75	87.90	-0.50
FOB Richards Bay 5,500 NAR	79.15	+0.15	N/A	N/A
FOB Kalimantan 5,900 GAR	N/A	N/A	89.00	+0.50
FOB Kalimantan 5,000 GAR	N/A	N/A	72.50	+0.60

China Coal Assessment	USD/tons	+/-	NDT/tons	+/-
PCC6 (CFR South China 3,800 NAR)	58.20	+0.30	426.34	+1.52
PCC7 (CFR South China 4,700 NAR)	80.20	+0.40	587.49	+2.00
PCC8 (CFR South China 5,500 NAR)	98.00	+1.20	717.89	+7.66

DAILY PROMPT PHYSICAL THERMAL COAL ASSESSMENTS IN 2018



(Source: Platts Coal Trader International – Date 02/02/2018)

NEWS

High Indonesian coal prices expected to sustain until H1 March

Strong thermal coal prices are expected to sustain until H1 March, as offer levels continue to rise, supported by demand from Northeast Asian countries grappling with a cold winter season, sources said Friday. A Singapore-based trader said the initial offer he received for a March-loading geared shipment of 4,200 kcal/kg GAR — 3,800 kcal/kg NAR — coal was at \$52-\$53/mt FOB, adding \$51/mt FOB was the acceptable bid for sellers. He said last month he expected prices to fall after the Chinese Lunar New Year “but now, I don’t think it will happen,” he said.

China was currently driving the market, he said, adding the cold winter in Northeast Asia, including Japan and South Korea, had put pressure on the limited supply available in the market. According to this trader, torrential rain had caused landslides in some parts of Samarinda in East Kalimantan province, resulting in loading delays and tight cargo availability. Another trader in Singapore said this week he bought an end February-loading, geared shipment, of 3,800 kcal/kg NAR coal, 0.5% sulfur rejection, at \$50.10/mt FOB. He added he was offering a geared shipment of 3,400 kcal/kg NAR — or 3,800 kcal/kg GAR — coal, end February loading, at \$41/mt FOB against a bid at \$39.50/mt FOB.

Sources said mid-CV coal prices had increased but this market was moving up slower compared to low-CV prices. An Indonesia-based trader said he received a bid for 4,800 kcal/kg NAR coal, 1.2% sulfur, March loading, at \$75/mt FOB. “It’s hard for buyers to digest these prices,” a South India-based trader said, adding he heard a February-loading Supramax cargo of 4,200 kcal/kg GAR coal sold to India last week at \$49.25/mt FOB. “I have not heard any higher number apart from that,” he said, adding many Indian buyers preferred to wait for price corrections before purchasing.

Sellers cautious of post-Lunar New Year market

An Indonesian coal miner said China’s strong buying interest could hold until mid-March. He said \$50/mt FOB was an acceptable price for 4,200 kcal/kg GAR coal. He added the cold weather in China was the main factor driving the prices and once the temperature rise, he expected demand to slow down, leading to corrections in prices. “We’re enjoying the high coal prices again now, but we have to be careful,” he said, as the weather factor can be fickle and could leave the market exposed to volatility and risks.

Another Indonesian coal producer said prices could correct downward after the Lunar New Year, but prices could likely stay above the \$40/mt FOB level for 4,200 kcal/kg GAR coal in April. But between May and September, he said that prices might fall as China would no longer be in a hurry to secure cargoes unlike the current situation, and it could re-instate import restrictions at certain ports. “They can’t curb imports now because they need the coal. That’s why they’re just keeping quiet,” he said. So soon as the weather is back to normal, he expected the market to reverse its upward trend.

Jan exports from Australia’s port Kembla coal terminal fall 29% on year

Shipments of coal from Australia’s Port Kembla Coal Terminal in January stood at 305,851 mt, down by 29% year on year and 37% lower from December, data released by the operator of the terminal on Thursday showed. PKCT has been at odds with its staff recently, locking out union workers in January. PKCT was unavailable for comment on the impact, if any, this had on exports. The terminal’s operations manager John Gorman was quoted by the Australian Broadcasting Corporation on January 17 saying that the lockout was done to avoid further union-ordered work stoppages as the company was facing a slump in coal exports. “Coal exports have been declining here for many years,” he said. “At its peak, we were exporting 14.4 million mt of coal through this facility. This year, we are expecting to do 5 million mt.

So, we are almost at a third of what we were at,” he added. In 2017, PKCT shipped 5.45 million mt of coal. Volumes shipped out through the terminal have been impacted in recent months due to a production suspension at South32’s Appin Colliery from June-October. The mine is not expected to return to its usual two longwall configuration until October-December. Wollongong Coal halted

operations at its Wongawilli colliery in May due to the mining contractor entering into voluntary administration. Earlier this week, Wollongong Coal said in its quarterly report that saleable coal production from Wongawilli rose from just 3,513 mt in the July-September quarter last year to 30,431 mt in the October-December period. The mine produced 121,648 mt of saleable coal in the January-March 2017 quarter, prior to the issue with the contractor. On Thursday, port stocks at PKCT stood at 192,893 mt, up 6% on the month. There was one vessel in queue and one assembled, data from the operator showed. PKCT services the southern and western coalfields of New South Wales.

(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	7.60	-0.10
	Queensland	Japan	8.80	-0.10
	New South Wales	South Korea	9.30	-0.10
Panamax (70,000 tons)	Richards Bay	India West	12.20	-0.25
	Kalimantan	India West	8.55	+0.00
	Richards Bay	India East	12.40	-0.25
	Kalimantan	India East	7.15	+0.00
	Australia	China	11.65	-0.10
	Australia	India	12.80	+0.00

(Source: Platts Coal Trader International – Date 02/02/2018)