



PETROVIETNAM OIL & GAS GROUP
PETROVIETNAM POWER CORPORATION
WEEKLY NEWS – FOURTH WEEK
OF JANUARY
 (From 22/01 – 26/01/2018)

I. COAL MARKET ANALYSIS

1. INTERNATIONAL COAL PRICE ASSESSMENTS

Unit: USD/ton

Price index	Week 1/1-5/1	Week 8/1-12/1	Week 15/1-19/1	Week 22/01-26/01
PCC 6 (CFR South China 3,800 NAR)	55.49	56	56.25	56.59
PCC 7 (CFR South China 4,700 NAR)	74.60	75.79	76.60	77.65
PCC 8 (CFR South China 5,500 NAR)	87.98	90.55	91.90	93.26
FOB Newcastle 6,300 GAR	105.94	107.26	108.68	109.04
CIF ARA 6,000 NAR	96.93	96.15	94.80	94.19
FOB Richards Bay 6,000 NAR	80.00	80.94	81.84	82.30
NEWC (FOB Newcastle 6,000 NAR)	104.9	106.16	106.39	107.23

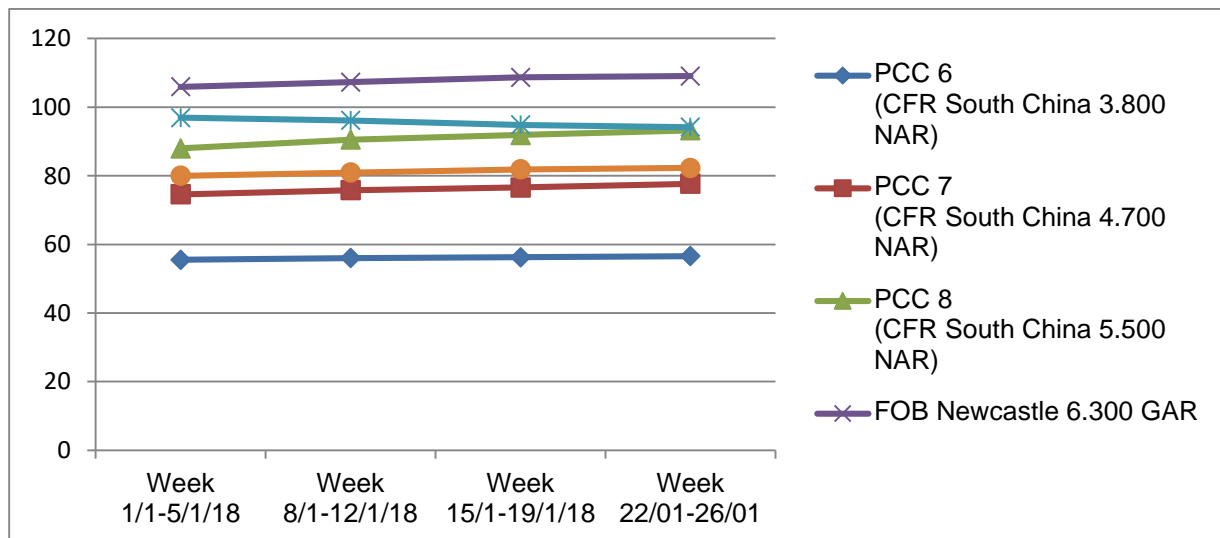


Chart 1: Average coal price week 4th January (2018)

(Source: Platts Coal Trader International)

2. INTERNATIONAL SPOT DRY BULK FREIGHT ASSESSMENTS

Unit: USD/ton

	Week 4 th - January	22/01	23/01	24/01	25/01	26/01
Capesize (150,000 tons)						
1	Australia – China	6.80	7.60	7.90	8.15	8.35
2	Queensland – Japan	8.35	8.95	9.25	9.55	9.75
3	New South Wales – South Korea	8.85	9.45	9.75	10.05	10.25
Panamax (70,000 tons)						
1	Richards Bay - India West	12.50	12.80	13.05	13.05	13.20
2	Kalimantan - India West	8.55	8.70	8.90	9.00	9.00
3	Richards Bay - India East	13.00	13.25	13.50	13.50	13.50
4	Kalimantan - India East	7.25	7.40	7.50	7.60	7.50
5	Australia - China	11.70	11.80	12.25	12.30	12.30
6	Australia - India	13.10	13.25	13.40	13.45	13.45

(Source: Platts Coal Trader International)

II. NEWS

Anglo subsidiary sells 73% stake in New Largo coal project

A subsidiary of diversified miner Anglo-American has sold its remaining stake in the New Largo coal project in South Africa to a group owned by historically disadvantaged South Africans and the Industrial Development Corporation, the company said Monday. Anglo American Inyosi Coal will sell its 73% stake in the project, which includes the New Largo thermal coal project and Old New Largo closed colliery, to Seriti Resource and Coalzar Proprietary, which in turn are owned by HDSA and IDC. The deal will allow Anglo to exit its Eskom-tied coal assets and allow Seriti, Coalzar and the IDC to “develop and operate New Largo optimally and sustainably into the future,” Anglo Chairman Norman Mbazima said in a statement.

New Largo is positioned with approximately 585 million mt reserves and is believed to become the primary supplier to South African utility Eskom’s 4,800 MW Kusile power station, which is under development. The mine would provide an estimated 12.4 million mt/ year for close to 50 years. But concerns over financing the project and Anglo’s desire to reduce its coal exposure likely drove the company to sell its stake in the mine, a trading source said. The company sold some of its South African thermal coal operations that supply Eskom to Seriti Resources last April. It announced in February 2016 it would sell its Australian assets and divest its South African operations in the long term.

South Africa’s December thermal coal exports rise to 7.82 mil mt

Thermal coal exports from South Africa of 7.82 million mt in December were up 7.1% month on month and 12.6% year on year, and the second highest monthly figure for 2017 after September’s record 8.02 million mt, customs data released Wednesday showed.

Destinations	Volume (million tons)	± on month (%)	± on year (%)
India	3.97	18	60
South Korea	0.87	-31	-9
Pakistan	0.66	18	36
UAE	0.16	48	63

Israel	0.165	3	5
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India was again the top destination for South African coal importing 3.79 million mt, up 18% month on month and more than double the same month in 2016. South Korea accounted for 11% of total South African exports December at 874,004 mt, down 31% from November's record volume of 1.26 million mt, and down 9% year on year from 964,224 mt. Exports to Pakistan of 663,747 mt were up 18% month on month from 561,411 mt, and up 36% from 487,118 mt in December 2016. Shipments to the UAE totaled 163,000 mt, up 48% from November's total of 110,311 mt and up 63% year on year from 100,000 mt. Exports to Israel of 165,000 mt were unchanged on the month and year, while no volumes were sent to the main European terminals in the Netherlands for the second consecutive month.

Total exports for the year of 79.98 million mt were up 9.8% from 72.82 million mt in 2016 and the highest annual total since S&P Global Platts began collecting the data in 2014. India accounted for 45% of all South African exports 2017 at 36.16 million mt, a drop of 2.6% from 2016's figure of 37.12 million mt, when its market share was 51%. The most significant increases in South African export destinations throughout 2017 were South Korea and Pakistan. South Korea imported 8.25 million mt in 2017, taking a 10% market share and a substantial increase from the 2.59 million mt imported in 2016. Exports to Pakistan were 8.62 million mt in 2017, rising 75% from the 4.92 million mt exported in 2016.

Whitehaven's low CV thermal coal sales surge

Meanwhile, fellow Australian miner Whitehaven Coal reported a year-on-year increase in thermal coal sales in the December quarter last week. Whitehaven's equity share of sales of thermal coal stood at 3.53 million mt in the October-December quarter, up 14% from a year earlier. The sales comprised about 706,000 mt of low CV thermal coal, up 123% year on year and 2.82 million mt of high CV thermal coal, up 2% on the year, it said. "The increased proportion of low CV thermal was due to strong sales from Werris Creek and some fault-impacted coal from Narrabri following the successful mining through the fault zone in the longwall panel," Whitehaven said.

Whitehaven said that the December quarter thermal coal prices exceeded expectations ahead of winter in North Asia. "A number of factors are helping to maintain these higher prices — China's draw on the seaborne thermal coal market is steady, demand for higher quality coals from South East Asia and the traditional Asian markets of Japan, Korea and Taiwan remains strong reflecting buoyant economic conditions across Asia while a number of factors including Australian industrial relations issues and poor weather in Indonesia have limited the supply response," it said. The outlook for thermal coal in the short to medium term was favorable, it added.

Finland 2017 thermal coal consumption falls 10% on year to 3.2 mil mt

Finland's thermal coal consumption in 2017 fell 10% year on year to 3.2 million mt, according to data from Statistics Finland released Wednesday. In the fourth quarter thermal coal consumption stood at 910,000 mt, down 28.6% year on year. Thermal coal stocks at the end of 2017 stood at 2.19 million mt, down 15% from year-end stocks in 2016. "On the longer term, the trend of consumption for hard coal has been falling already for a good 10 years," Statistics Finland said in the report.

(Source: Platts)