



**PETROVIETNAM OIL & GAS GROUP**  
**PETROVIETNAM POWER CORPORATION**  
**DAILY NEWS**

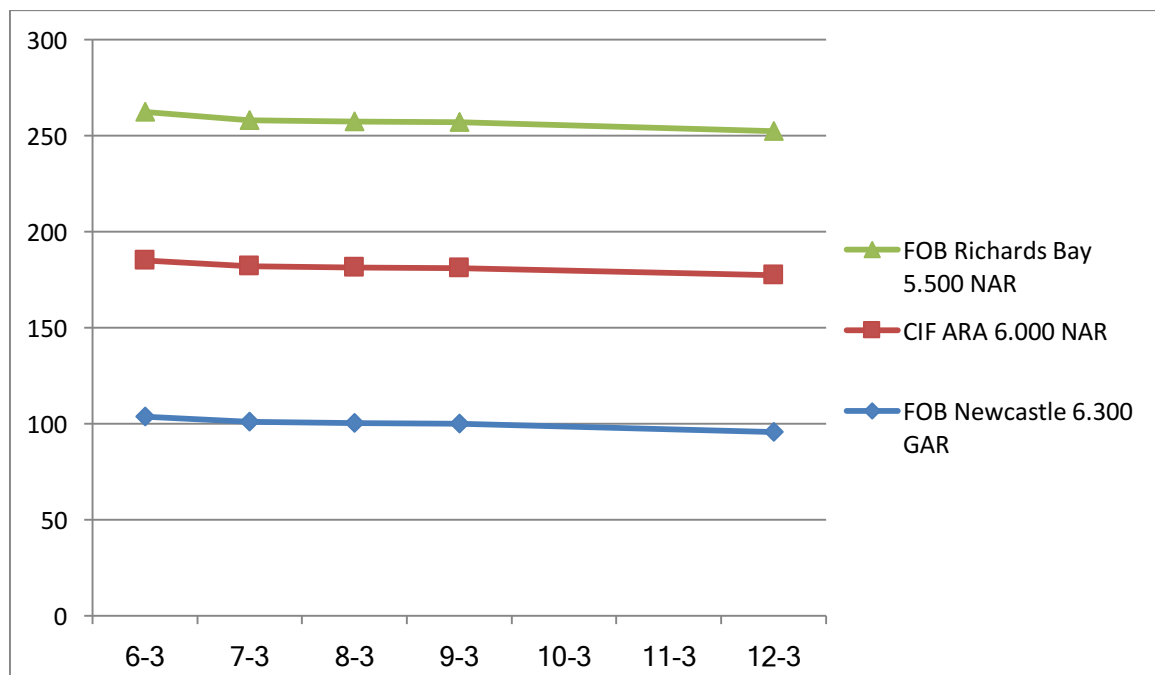
Date 14/03/2018

**INTERNATIONAL COAL PRICE ASSESSMENTS**

Daily prompt physical thermal coal assessments	Window 7 – 45 day	+/-	Window 90 - day	+/-
FOB Newcastle 6,300 GAR	95.60	-4.55	94.55	-2.85
CIF ARA 6,000 NAR	81.75	+0.70	81.40	+0.40
FOB Richards Bay 5,500 NAR	75.00	-0.95	N/A	N/A
FOB Kalimantan 5,900 GAR	N/A	N/A	84.25	-0.25
FOB Kalimantan 5,000 GAR	N/A	N/A	70.00	-0.80

China Coal Assessment	USD/tons	+/-	NDT/tons	+/-
PCC6 (CFR South China 3,800 NAR)	56.20	+0.00	414.24	-0.78
PCC7 (CFR South China 4,700 NAR)	78.35	-0.50	577.50	-4.79
PCC8 (CFR South China 5,500 NAR)	86.65	+0.00	638.68	-1.20

**DAILY PROMPT PHYSICAL THERMAL COAL ASSESSMENTS IN 2018**



*(Source: Platts Coal Trader International – Date 12/03/2018)*

## **NEWS**

### **Golden energy's 2017 coal output jumps 64% on year to 15.6 million mt**

Singapore-listed Golden Energy and Resources (GEAR) said late Friday it produced 15.6 million mt of thermal coal in Indonesia over 2017, up 64.2% year on year, and well above its target of 14 million mt. The company produced 9.5 million mt of coal in 2016. Its weighted average selling price for 2017 stood at \$42.91/mt, up from \$33.80/mt in 2016. Thermal coal prices had been on a rise in the past 18 months amid strong demand from China and Southeast Asian countries while supply remained tight from various coal producing origins. The price of FOB Kalimantan 4,200 kcal/kg GAR coal surged 30% since the start of 2017 to be assessed Friday at \$48.15/mt, S&P Global Platts data shows.

Looking ahead, GEAR said it expects the ongoing supply disruptions to keep coal prices stable. "GEAR remains positive on the long-term outlook for the coal sector in Indonesia and the region as the expansion of the global economy is expected to spur manufacturing activities in Asia, which will in turn drive demand for thermal coal," the company said in a statement. GEAR said it expects Indonesia's domestic coal consumption to exceed 100 million mt this year given the government's ongoing electrification program.

The company has coal mining operations in South Kalimantan, Sumatra Sumatra, and Central Kalimantan through its subsidiaries PT Borneo Indobara, PT Kuansing Inti Makmur, and PT Trisula Kencana Sakti. In November 2017, the company said it received approval from the Indonesian government to raise coal production by PT Borneo Indobara to 14.4 million mt in 2017, up from 12 million mt. It produces thermal coal with heating value of 4,000-5,300 kcal/kg GAR and sells nearly half its output in Indonesia. It also has customers in China, India, South Korea, and the Philippines, according to the company's website.

### **India rushing coal to power plants to prepare for summer demand**

The government has ramped up coal supply to ramp up buffer stock at thermal power stations in anticipation of electricity demand shooting in line with the weatherman's prediction of an early and hot summer this year. Latest coal ministry data shows 16 power stations, or 14%, of the 112 coal-fired power plants monitored by the Central Electricity Authority have received fuel supplies in excess of their 100% requirement. Data shows the level of excess supply reaching as high as 200% in one case, while remaining between 104% and 163% for the remaining 13 stations under this group. There are 28 other power stations, or a quarter of the monitored plants, that are getting supplies well in excess of their 'trigger level' - which ranges between 75% and 90% - of the annual contracted quantity of coal tied up from state-run Coal India Ltd. The push for increased coal supply is aimed at avoiding a repeat of last year's situation when coal demand spiked as thermal plants raised output to bridge shortfall in generation from hydel, wind and nuclear sources.

In the August-September period of 2017, nuclear generation fell 36%, wind 14% and hydel 12%. Supplies from Bhutan also dropped. This supply gap was met by coal-fired plants, which saw generation rising by 17% as plants spun at 58% of capacity against 52% in August 2016. This had led to coal demand rising by 20 million tonne. Coal India raised despatch by 21% but it still proved inadequate because power demand spiked with rising humidity and a prolonged dry spell. Since then, the coal and railway minister Piyush Goyal has initiated several steps to ensure adequate coal stocks at power stations, some of which are still operating with low fuel stocks due to various reasons. Coal India is despatching 8% more coal than it did a year ago, loading 308-310 rakes per day to wheel 1.8 million tonnes (mt) of the fuel daily. Coal India's production has also gone up to 2 million tonne a day and is set to increase further to 2.5 mt in the remaining days of March.

### **Ukraine boosts coal imports by 63% in two months of 2018**

Within the period of January-February 2018, Ukraine raised its imports of hard coal and anthracite by 63% (or 1,551,589 tons), compared to the same period in 2017. The country imported a total of 4,015,118 tons of coal within the period in question, Interfax-Ukraine reports. According to the data from the State Fiscal Service, the imported coal was worth a total of \$516.66 million, which

exceeds the value of the coal imported in the first two months of 2017, when it stood at \$357.6 million. When it comes to origins of the coal, most of it (58.85% of the total amount) came from Russia. Another 28.94% (worth \$149.5 million) arrived from the United States, whereas Canada supplied 9.36% (worth \$9.36%) of the total amount of coal imported by Ukraine. Over the same period, Ukraine managed to export a total of 43,338 tons of hard coal and anthracite worth \$7.8 million. Ukraine has earlier announced its plans to boost coal imports by 11.3% (or 573.9 tons) against the 2017 figure, to 5,668,500 tons. This would include 4,881,500 tons from Russia, 664,000 from the United States, and 123,000 from South Africa.

(Source: Platts)

## **INTERNATIONAL SPOT DRY BULK FREIGHT ASSESSMENTS**

*Unit: USD/ton*

<b>Size</b>	<b>From</b>	<b>To</b>	<b>Freight rates</b>	<b>Change</b>
<b>Capesize</b> (150,000 tons)	Australia	China	7.50	-0.20
	Queensland	Japan	8.70	-0.10
	New South Wales	South Korea	9.25	-0.10
<b>Panamax</b> (70,000 tons)	Richards Bay	India West	13.80	+0.00
	Kalimantan	India West	9.40	+0.10
	Richards Bay	India East	14.00	+0.00
	Kalimantan	India East	8.00	+0.10
	Australia	China	12.90	+0.00
	Australia	India	14.00	+0.00

(Source: Platts Coal Trader International – Date 12/03/2018)