



PETROVIETNAM OIL & GAS GROUP
PETROVIETNAM POWER CORPORATION
DAILY NEWS

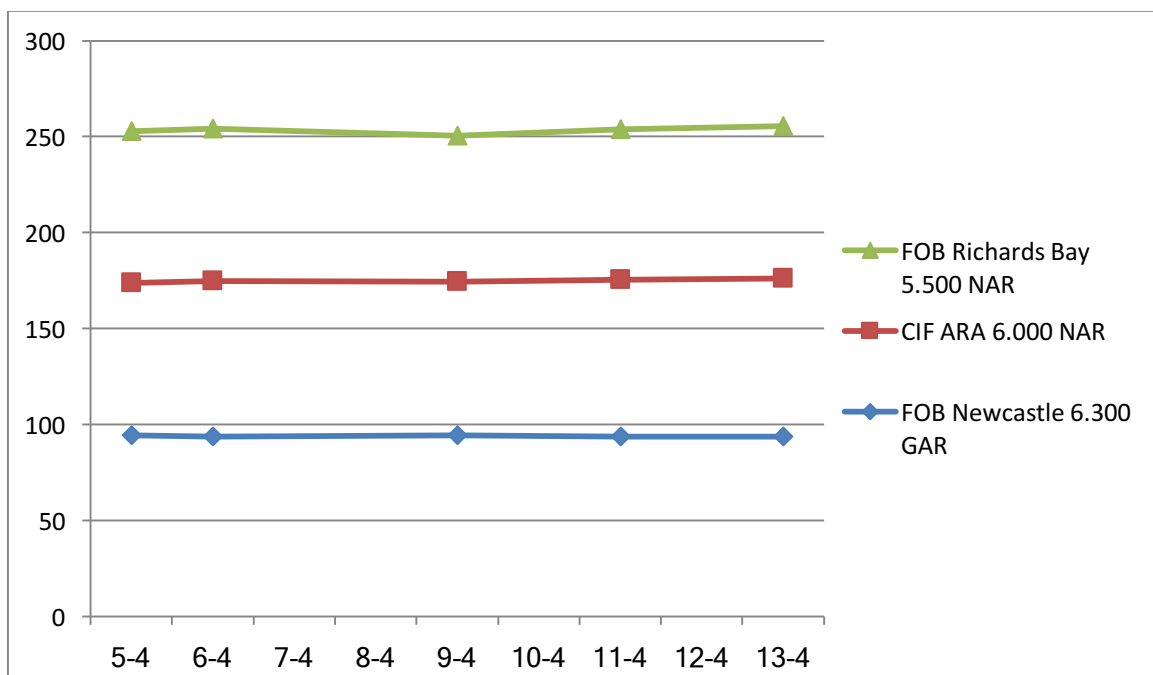
Date 16/04/2018

INTERNATIONAL COAL PRICE ASSESSMENTS

Daily prompt physical thermal coal assessments	Window 7 – 45 day	+/-	Window 90 - day	+/-
FOB Newcastle 6,300 GAR	93.75	-0.65	93.25	-0.65
CIF ARA 6,000 NAR	82.35	+0.10	83.30	-0.30
FOB Richards Bay 5,500 NAR	79.50	-0.10	N/A	N/A
FOB Kalimantan 5,900 GAR	N/A	N/A	76.00	0.00
FOB Kalimantan 5,000 GAR	N/A	N/A	61.30	0.00

China Coal Assessment	USD/tons	+/-	NDT/tons	+/-
PCC6 (CFR South China 3,800 NAR)	48.00	+0.00	300.24	-0.15
PCC7 (CFR South China 4,700 NAR)	69.00	-0.10	504.97	-0.19
PCC8 (CFR South China 5,500 NAR)	76.00	-0.90	556.19	-6.87

DAILY PROMPT PHYSICAL THERMAL COAL ASSESSMENTS IN 2018



(Source: Platts Coal Trader International – Date 13/04/2018)

NEWS

Russian sanctions could have effect on coal markets

The risk of a direct military confrontation between the US and Russia over Syria has raised energy security concerns in Europe, including coal industry concerns should long-term sanctions take effect. One European trade source did not envision coal being put under sanctions as it is no longer considered a critical fuel. Still, the political situation is worth watching, he said. "It would be a massive upset for the global market if Russian coal could not make it to Europe," the source said. "I am not sure where they would try to send it otherwise." Historically, EU sanctions have created logistical issues. In 2014, European trade sanctions against Russia created a redistribution of trade flows amid global oversupply, and a likely scenario would emerge with current oversupply and weak European demand.

Japan's Tohoku electric settles some JFY 2018-19 thermal coal supply contracts

Japanese utility company Tohoku Electric Power said in a statement sent Thursday that it has settled benchmark prices for thermal coal supply contracts for the financial year 2018-2019 (April-March) with a number of Australian suppliers, without revealing any price details. "Regarding your inquiry, we have reached agreements with several suppliers," Tohoku Electric said in its emailed response to S&P Global Platts' questions about the progress of its talks for 2018-2019 Japanese financial year supply contracts. Tohoku Electric went on to state: "And also we are currently in negotiations with several suppliers, too." The power company said it was unable to disclose any price information for the commercially confidential supply agreements it has entered into with some Australian thermal coal suppliers. It also declined to name the Australian suppliers. However, market sources said there were indications that recent price discussions for Tohoku's contracts were focused around \$95/mt FOB Newcastle, 6,322 kcal/kg GAR, which is broadly equivalent to 6,000 kcal/kg NAR in terms of calorific value. Tohoku Electric's supply contracts are for the 6,322 kcal/kg GAR grade of Australian thermal coal, shipped from Newcastle port to its power plants in Japan including Noshiro, which has two 600-MW generation units, and Haramachi plant with two 1,000 MW units.

Indonesian coal trading thin amid bearish sentiment

Limited trades were heard Friday as buyers shied away from locking deals amid a continuously falling market, sources said. "There are not many inquiries from our end," a Singapore-based trader said, adding that normally buying slows around this time of the year following an international coal industry gathering in China. An Indonesian coal producer agreed that the market was quiet, commenting that he did not hear any trades from the producers' side as most of the trades he heard at the sidelines of the event were from traders. A second Indonesian coal producer source said that many were on wait-and-watch mode, adding that buying price expectations for 3,800 kcal/kg NAR coal were at \$40/mt FOB and at \$60/mt FOB for 4,700 kcal/kg NAR coal, respectively. "There is way too much supply and demand isn't big enough to overturn things," a China-based source said, noting that the market has been looking to China for some stability but it is unlikely for the market to happen anytime soon. He expected China's domestic coal price to fall below Yuan 550/mt FOB.

A Singapore-based trader said he heard a geared shipment of 3,800 kcal/kg GAR coal for loading in April offered at around \$33.50/mt FOB. Another Singapore-based trader observed that India has been taking more low-CV products, and prices are currently \$1/mt higher at \$41-42/mt FOB for 4,200 kcal/kg GAR coal. Indian demand has started to pick up as many power utilities have low stocks of about 10 days coal consumption at a time when the summer season is about to start, a south India-based end-user source said. He received an offer for a gearless-vessel May shipment of 4,200 kcal/kg GAR coal at \$41/mt FOB, adding that \$40-\$41/mt FOB would be acceptable for Indian buyers. "Indian buyers held off purchases when the prices rallied," he added. "No one was taking position, just buying their required amount." While there have been some buying activities seen in India amid the falling market, he said buyers were still wary of booking cargoes too quickly as the market has not found a bottom yet. This end-user source pegged the Panamax freight rate from Indonesia to east coast India at around \$8/mt.

(Source: Platts)

INTERNATIONAL SPOT DRY BULK FREIGHT ASSESSMENTS

				<i>Unit: USD/ton</i>
Size	From	To	Freight rates	Change
Capesize	Australia	China	7.75	+0.35
(150,000 tons)	Queensland	Japan	9.00	+0.40
	New South Wales	South Korea	9.55	+0.40
Panamax	Richards Bay	India West	13.30	+0.45
(70,000 tons)	Kalimantan	India West	8.70	+0.00
	Richards Bay	India East	13.50	+0.45
	Kalimantan	India East	7.35	+0.10
	Australia	China	11.50	+0.25
	Australia	India	13.00	+0.35

(Source: Platts Coal Trader International – Date 13/04/2018)