



PETROVIETNAM OIL & GAS GROUP
PETROVIETNAM POWER CORPORATION
DAILY NEWS

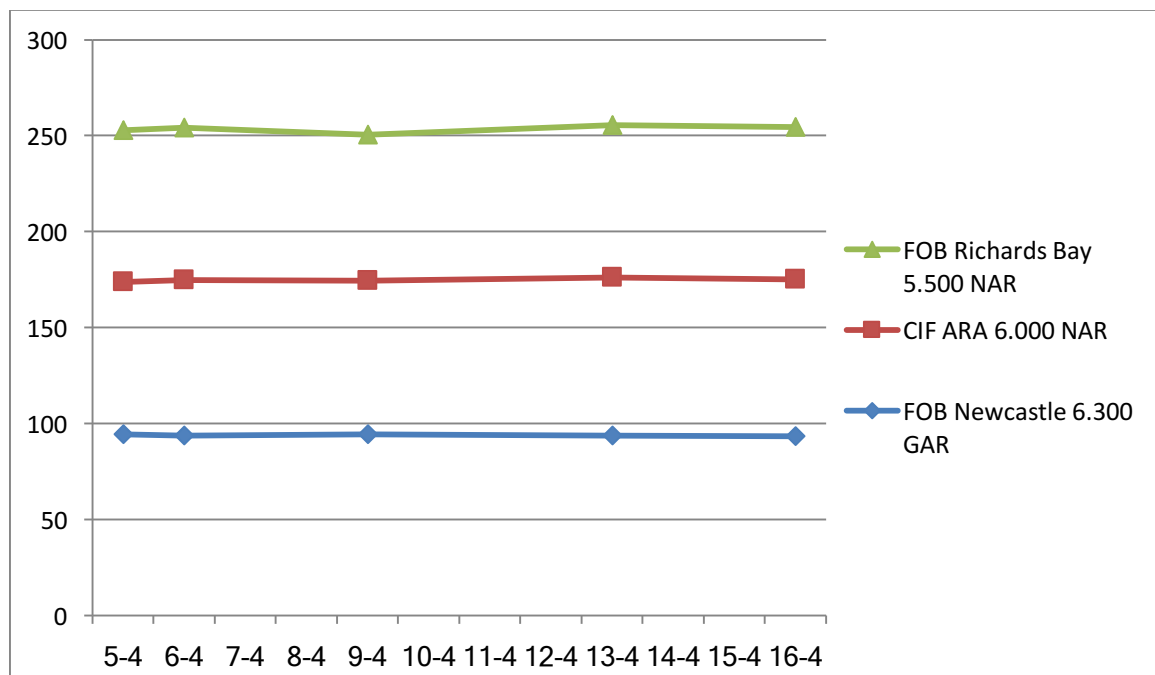
Date 23/04/2018

INTERNATIONAL COAL PRICE ASSESSMENTS

Daily prompt physical thermal coal assessments	Window 7 – 45 day	+/-	Window 90 - day	+/-
FOB Newcastle 6,300 GAR	93.35	-0.40	92.60	-0.65
CIF ARA 6,000 NAR	81.75	+0.60	83.00	-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	75.75	-0.25
FOB Kalimantan 5,000 GAR	N/A	N/A	61.00	-0.30

China Coal Assessment	USD/tons	+/-	NDT/tons	+/-
PCC6 (CFR South China 3,800 NAR)	47.90	-0.10	299.71	-0.53
PCC7 (CFR South China 4,700 NAR)	68.70	-0.30	429.86	-1.74
PCC8 (CFR South China 5,500 NAR)	75.80	-0.20	474.28	-1.10

DAILY PROMPT PHYSICAL THERMAL COAL ASSESSMENTS IN 2018



(Source: Platts Coal Trader International – Date 16/04/2018)

NEWS

China's door-slam on thermal coal imports a golden opportunity for India

Beijing's sudden decision to drastically curb imports of thermal coal into the country's ports presents a golden opportunity to Indian coal buyers to pick up large volumes of Australian power station fuel at discounted prices, according to a S&P Global Platts analysis. With little fanfare or publicity April 13, Beijing quietly implemented a new round of import restrictions on seaborne-traded cargoes of thermal coal, including more stringent customs checks and some outright bans on ships discharging at certain Chinese ports. The measures have alarmed shippers of thermal coal and accelerated the descent of spot prices at the Newcastle coal trading hub, the main gateway for Australia's thermal coal exports to Asia. After soaring to \$88/mt FOB Newcastle in early February on strong winter demand from China, the high-ash grade of Newcastle 5,500 kcal/kg NAR thermal coal has plummeted to \$65/mt FOB Wednesday.

Beijing's import curbs have the potential to upend the mining, shipping and marketing plans of Australian high-ash coal shippers as China has been a large customer for this type of thermal coal. China last year received 23.68 million mt of thermal coal from the Australian state of New South Wales, home to the main thermal coal handling port of Newcastle, up 9.8% on 21.56 million mt in 2016. At current export rates, China's appetite works out to nearly 2 million mt/month of Australian thermal coal, and if this volume is deflected by China's import restrictions it will need to find a home elsewhere.

Japan, South Korea and Taiwan are obvious candidates for any Australian high-ash 5,500 kcal/kg NAR cargoes unable to land in China, though each country prefers coal with a lower ash content and slightly higher calorific value to that of China. Southeast Asian markets are growing in terms of import demand for Australian coal, but are relatively small and underdeveloped in some cases in terms of import infrastructure. This really leaves India as a viable option for Australian shipments unable to enter the Chinese market. To date India has been an infrequent customer at Newcastle port for cargoes of thermal coal.

Export statistics show India booked only 710,000 mt of New South Wales thermal coal in 2017, and astonishingly in the months of April through to October 2017, India did not book any tons at Newcastle port. The key to Indian demand is price. Experience shows buyers from the Asian subcontinent will book Newcastle 5,500 kcal/kg NAR thermal coal when the arbitrage window is open, as happened quickly last November when Indian buyers took delivery of 320,000 mt from the Australian port. Currently, Australian 5,500 kcal/kg NAR thermal coal can be delivered to India's east coast ports at a price of \$78.25/mt CFR, including Panamax freight of \$13.25/mt, Platts prices show. This delivered cost for Australian high-ash thermal coal is \$15.60/mt less than the traditional mainstay of the Indian import market, where South African 5,500 kcal/kg NAR thermal coal is at \$93.85/mt CFR East Coast India.

Indian power utilities' annual coal imports down 13% on year in fiscal 2017-18

Indian power utilities imported 56.41 million mt of steam coal in fiscal year 2017-2018 (April-March), down 13% on the year, according to the latest data by India's Central Electricity Authority released Thursday. Of the total, 17.04 million mt was imported by 21 utilities for blending purpose, while 39.37 million mt was imported by 11 utilities that use only imported coal for their power plants, the data showed. Out of 17.04 million mt, around 3.96 million mt was imported by six state-run utilities for their power stations to blend with domestic coal and the balance 13.08 million mt was imported by 15 private power producers for blending purpose. As many as 25 utilities did not import any coal during the year. Tata's Mundra ultra mega power plant imported the highest quantity of thermal coal in the last fiscal year at 11.14 million mt, followed by Adani Power at 10.96 million mt and JSW Energy at 3.96 million mt. On a monthly basis, March imports were at 4.39 million mt, down 2% from the year-ago period.

Australia's Wesfarmers sees thermal coal output fall in Jan-Mar

Australia's Wesfarmers produced 1.59 million mt of thermal coal in January-March, it said Thursday, a decline of 4% from the year-ago period and 19% from the prior quarter due in part to hitting a less-productive area of its Bengalla mine in New South Wales. Of the total, 808,000 mt was from Bengalla (down 6% year on year and 18% quarter on quarter) and 784,000 mt was from its now former Curragh mine in Queensland (down 12% year on year and 20% quarter on quarter). Wesfarmers completed the sale of its wholly owned Curragh mine to US producer Coronado Coal Group on March 29 in a A\$700 million deal. It is also undertaking a strategic review of its 40% interest in Bengalla and has sought expressions of interest from potential buyers.

(Source: Platts)

INTERNATIONAL SPOT DRY BULK FREIGHT ASSESSMENTS

Size	From	To	Freight rates	Change
Capesize (150,000 tons)	Australia	China	7.75	+0.00
	Queensland	Japan	9.00	+0.00
	New South Wales	South Korea	9.55	+0.00
Panamax (70,000 tons)	Richards Bay	India West	13.40	+0.10
	Kalimantan	India West	8.70	+0.00
	Richards Bay	India East	13.60	+0.10
	Kalimantan	India East	7.35	+0.00
	Australia	China	11.50	+0.00
	Australia	India	13.00	+0.00

(Source: Platts Coal Trader International – Date 16/04/2018)