



PETROVIETNAM OIL & GAS GROUP
PETROVIETNAM POWER CORPORATION
WEEKLY NEWS–FIRST WEEK OF MAY
 (From 30/04 – 04/05/2018)

I. COAL MARKET ANALYSIS

1. INTERNATIONAL COAL PRICE ASSESSMENTS

Unit: USD/ton

Price index	Week 09/04-13/04	Week 16/04-20/04	Week 23/04-27/04	Week 30/04-04/05
PCC 6 (CFR South China 3,800 NAR)	48.40	47.82	50.75	51.01
PCC 7 (CFR South China 4,700 NAR)	69.50	68.46	68.77	69.57
PCC 8 (CFR South China 5,500 NAR)	77.33	75.16	80.83	81.65
FOB Newcastle 6,300 GAR	94.22	93.16	95.53	100.67
CIF ARA 6,000 NAR	81.49	82.75	81.28	84.45
FOB Richards Bay 6,000 NAR	78.99	79.89	81.15	85.26
NEWC (FOB Newcastle 6,000 NAR)	92.18	93.78	102.30	101.35

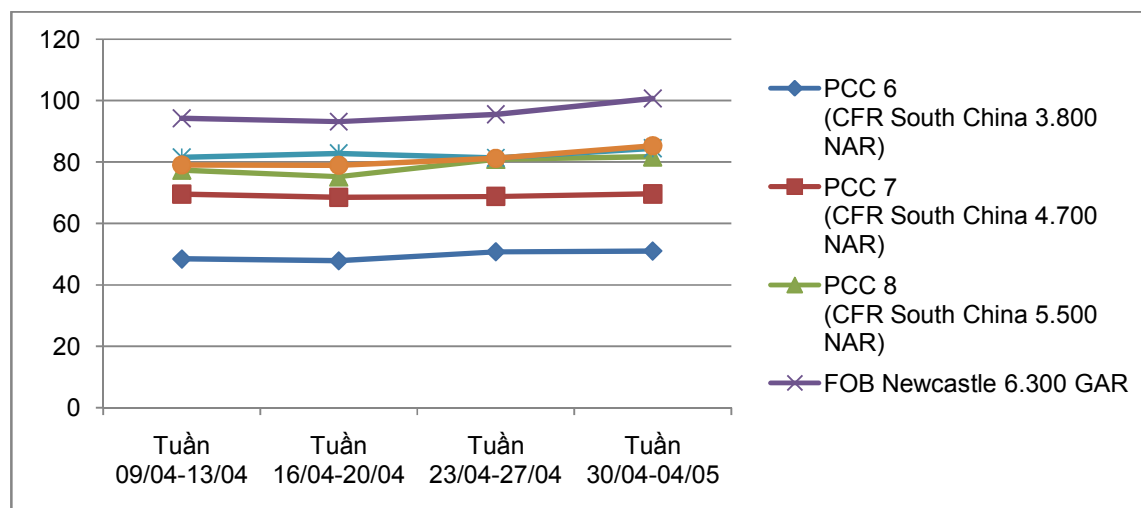


Chart 1: Average coal price week 1st May(2018)

(Source: Platts Coal Trader International)

2. INTERNATIONAL SPOT DRY BULK FREIGHT ASSESSMENTS

Unit: USD/ton

	Week 1 st - May	30/04	01/05	02/05	03/05	04/05
Capesize (150,000 tons)						
1	Australia – China	8.50	NA	8.90	9.35	9.35
2	Queensland – Japan	9.95	NA	10.40	10.95	10.95
3	New South Wales – South Korea	10.50	NA	10.95	11.50	11.50
Panamax (70,000 tons)						
1	Richards Bay - India West	13.00	NA	13.00	13.00	13.00
2	Kalimantan - India West	9.00	NA	9.20	9.25	9.60
3	Richards Bay - India East	13.20	NA	13.20	13.20	13.20
4	Kalimantan - India East	7.60	NA	7.75	7.75	8.10
5	Australia - China	12.10	NA	12.15	12.15	12.15
6	Australia - India	13.75	NA	13.75	13.75	13.75

(Source: Platts Coal Trader International)

II. NEWS

India outbids China for Newcastle cargoes in Asia thermal coal market

Indian buyers were willing to pay more than Chinese customers at present for Australian 5,500 kcal/kg NAR thermal coal, sources said Friday. Bids from Indian traders for the grade were around \$72-\$73/mt and from Chinese buyers at \$71-\$72/mt FOB Newcastle for June loading, sources said. A Capesize cargo of the grade for June loading was heard offered at \$73/mt FOB and bid at \$71.50/mt FOB, a trader in China said. "Some sellers say India is paying \$1 more than China," another market source said, adding the arbitrage for Australian 5,500 kcal/kg NAR cargoes in India was more attractive than for the same grade from South Africa. He questioned how long the arbitrage window for Australian thermal coal into India would remain open. An Indian trader expressed interest in buying Australian 5,500 kcal/kg NAR thermal coal for spot shipment at \$72/mt FOB after it was last heard offered at \$75/mt FOB Newcastle. Another seller said he was expecting to see more demand from India for mid-CV imported thermal coal, including from Australia, due to lower than usual port stocks in India. Few Australian coal producers were heard offering June loading cargoes of 5,500 kcal/kg NAR thermal coal to the spot market. A number were already sold out for June, leaving the available cargoes for June shipment in the hands of traders, one source said.

US coal exports total 8.55 million mt in March, up 4.5%

US coal exports totaled 8.55 million mt in March, up 4.5% from February and up 18% from the year-ago month, US Census Bureau data showed Thursday. The monthly gain in total volumes occurred as bituminous coal exports totaled 3.5 million mt, up 26%. During the same period, metallurgical coal exports dropped 6.8% from February as Chinese demand waned. Skyrocketing demand from India fueled much of the US thermal coal export growth as Northern Appalachia coal displaced some petcoke imports into the country. Thermal coal exports to India totaled 1.3 million mt in March, up 130% from the prior month and up 207% from the year-ago month. South Korea received the second largest volume of US thermal coal during the month at 583,191 mt, up 29% from February and up 7.6% from the year-ago month; followed by the Netherlands, which took delivery of 393,640 mt in March, up 74% from February but down 55% from the year-ago month; and Mexico, which received 380,456 mt of US thermal coal in March, up 56% from the prior month and up 93% from the year-ago month. Top origination ports were New

Orleans at 1.1 million mt, roughly flat from February and down 7.9% from the year-ago month; and Baltimore, which surged its exports to 1.09 million mt, up 102% from February and up 59% from the year-ago month.

Tepid buying interest pulls Indonesia thermal coal prices down

Offers for Indonesian thermal coal received tepid interest Friday as many market participants preferred to wait for clear price signals from the industry gathering early next week in Bali, sources said. A Singapore-based trader said Chinese state-owned miner Shenhua had cut its price for May and year-term contracts this week and this has affected buying sentiment. But remnants of a bullish sentiment following two weeks of short covering in China lingered in the market and he expected prices to stay at firm levels ahead of the Bali conference. There were cargoes floating around, he said, but many sellers were waiting for the conference to get some deals done.

An Indonesia-based miner source said that its production has been affected by heavy rains in East Kalimantan, leading to some delay in shipments of up to three days. Such operational issues have tightened supplies of thermal coal, he said. While he said that China is the most important player in the thermal coal market, he is not selling to China lately due to its relative lack of price attractiveness. Instead, he is selling more to India, the Philippines, Hong Kong and, to some extent, Vietnam.

South African Q1 thermal coal exports up 5.7% on year to 19.6 mil mt

Thermal coal exports from South Africa in Q1 stood at 19.6 million mt, up 5.7% on year from Q1, 2017, according to customs data Monday. Exports in the month of March were up 15% on the month to 7.17 million mt, which was also up almost 14% on the year. India remained the largest importer of thermal coal from South Africa in March, with a total volume of 2.9 million mt, up 11% on month, but down 10% on year. South Korean imports grew 66% in March, with a total volume of 1.2 million mt, which was also up over 100% on year. Pakistan imported 1.1 million mt of South African coal in March, which was up 25% on month and the highest volume since March 2017, when imports stood at 1.2 million mt. The average S&P Global Platts price for FOB Richards Bay 5,500 kcal/kg NAR coal in March was 75.60/mt, down \$2.65 from February's average. The lower price compared with other FOB markets, as well as favorable freight rates, was likely to have opened up the arbitrage for South African coal to Pacific markets like South Korea. A lower price combined with Indian consumers stocking up prior to the monsoon season would have also caused an increase for imports to India.

(Source: Platts)