



PETROVIETNAM OIL & GAS GROUP
PETROVIETNAM POWER CORPORATION
WEEKLY NEWS – FOURTH WEEK
OF MAY

I. COAL MARKET ANALYSIS

1. INTERNATIONAL COAL PRICE ASSESSMENTS

Unit: USD/ton

Price index	Week 30/04-04/05	Week 07/05-11/05	Week 14/05-18/05	Week 21/05-25/05
PCC 6 (CFR South China 3,800 NAR)	51.01	52.35	53.57	54.42
PCC 7 (CFR South China 4,700 NAR)	69.57	71.26	72.03	72.72
PCC 8 (CFR South China 5,500 NAR)	81.65	84.66	85.9	86.12
FOB Newcastle 6,300 GAR	100.67	102.21	107.96	107.57
CIF ARA 6,000 NAR	84.45	88.53	91.47	90.37
FOB Richards Bay 6,000 NAR	85.26	87.78	88.71	87.53
NEWC (FOB Newcastle 6,000 NAR)	101.35	103.75	109.88	109.95

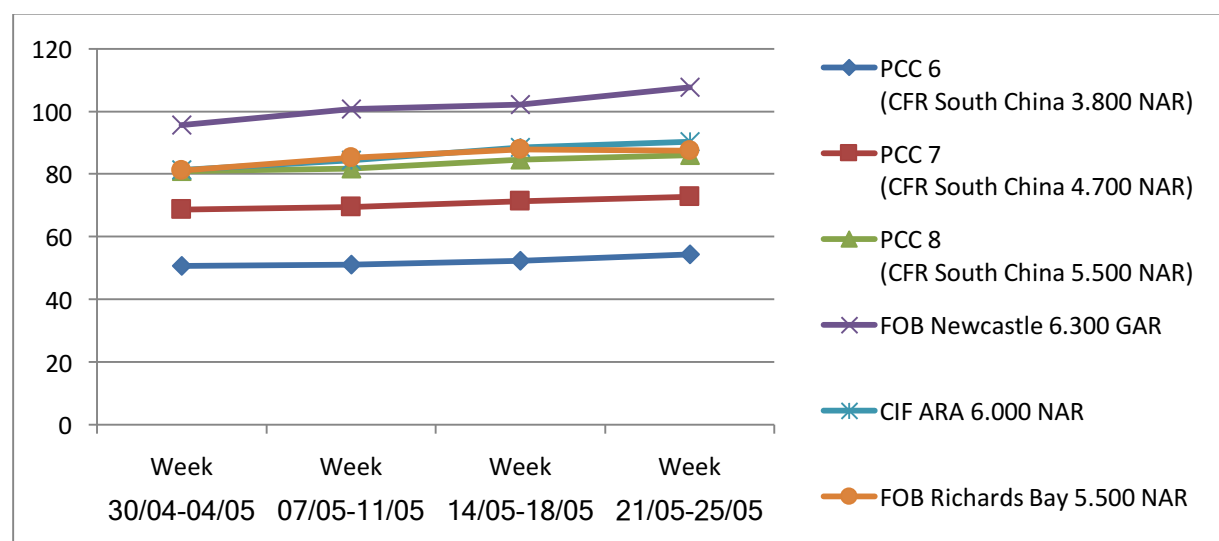


Chart 1: Average coal price week 4th May (2018)

(Source: Platts Coal Trader International)

2. INTERNATIONAL SPOT DRY BULK FREIGHT ASSESSMENTS

Unit: USD/ton

	Week 4 th - May	21/05	22/05	23/05	24/05	25/05
Capesize (150,000 tons)						
1	Australia – China	9.25	9.15	9.00	8.70	8.55
2	Queensland – Japan	10.70	10.60	10.45	10.10	9.95
3	New South Wales – South Korea	11.35	11.25	11.10	10.75	10.60
Panamax (70,000 tons)						
1	Richards Bay - India West	12.15	12.15	12.15	12.20	12.20
2	Kalimantan - India West	9.60	9.65	9.65	9.55	9.45
3	Richards Bay - India East	12.35	12.35	12.35	12.40	12.40
4	Kalimantan - India East	8.05	8.10	8.10	8.00	7.90
5	Australia - China	13.00	13.05	12.85	12.80	12.75
6	Australia - India	14.55	14.60	14.40	14.35	14.30

(Source: Platts Coal Trader International)

II. NEWS

Indonesian March thermal coal exports at five-year high

Indonesia exported 25.99 million mt of thermal coal in March, up 23% on the month and 35% on the year, the highest monthly total since May 2013, according to customs data released Thursday.

Sub-bituminous coal accounted for 83% of coal imports, or 21.67 million mt, with bituminous representing the rest. India was the largest destination, taking 8 million mt, up 23% on the month and 72% on the year, the highest level since November 2017. Exports to China were 4 million mt, down 7% from February's multiyear high, but up more than double the year-ago month. Exports to South Korea were 3.28 million mt, up 42% on the month and 90% on the year. Exports to Japan were 1.69 million mt and to Taiwan 1.21 million mt, up 16% and 21% on the month respectively.

Indonesia March thermal coal exports

Origin	Volume (mt)	change on-month (%)	Change on-year (%)
India	7,998,273	23	72
China	4,003,854	-7	162
South Korea	3,282,679	42	90
Japan	1,690,600	16	4
Taiwan	1,210,371	21	-11
Other	7,802,572	41	-6
Total	25,988,345	23	35

(Source: Customs)

Outside these main markets, exports to other destinations were 7.8 million mt, the highest monthly figure since May 2017. The majority of these volumes were to Southeast Asian countries, notably Thailand, Philippines Vietnam, Hong Kong and Malaysia. Total exports for the January-March quarter were 70.22 million mt, up just 189,601 mt from the October-December quarter, but 13.84 million mt, or 25%, higher from the year ago quarter.

Komipo seeks 130,000 mt of steam coal for July shipment

Korea Midland Power (Komipo) announced Friday a tender for 130,000 mt of thermal coal for loading in July and for delivery to its Boryeong and Shin Boryeong power plants. In the tender KOMIPO-Bid Notice-2018-SP01, the utility seeks two 70,000 mt Panamax shipments or one

130,000 mt Capesize cargo of coal with a minimum calorific value of 5,700 kcal/kg NAR, maximum total moisture of 15% as received, 22%-38% volatile matter air dried, maximum 23% ash air dried, and maximum 1% sulfur as received. Komipo requires the coal to be loaded in July and offers must be on fixed price, free-on-board-and-trimmed (FOBT) basis. Only Australian coal is allowed to participate in this tender. The tender closes on May 31.

Kospo seeks 320,000 mt of steam coal for August to October delivery

Korea Southern Power (Kospo) announced Wednesday a tender for 320,000 mt of thermal coal for loading in August-October and for delivery to its Hadong power plant. In the tender KOSPO-Coal-2018-EST06, the utility seeks four 80,000 mt Panamax shipments of thermal coal with a minimum calorific value of 4,500 kcal/kg NAR, maximum total moisture of 28% as received, 24%-45% volatile matter air dried, maximum 17% ash air dried, and maximum 0.9% sulfur as received. The coal to be supplied for any shipment shall be entirely from a single mine. The loading schedule is two 80,000 mt Panamax shipments in August on a FOBT basis or H2 August-H1 September arrival on a CFR basis, followed by another two 80,000 mt Panamax shipments in September on a FOBT basis or H2 September-October arrival on a CFR basis. Offers must be on a fixed price, free-on-board-and-trimmed (FOBT) or cost-and-freight (CFR) basis. The tender closes on May 25.

Asia-Pacific thermal coal market shaky amid NDRC meeting

Uncertainty loomed in the Asian thermal coal market as buyers retreated to wait for price corrections while the National Development and Reform Commission was understood to meet again Friday afternoon, sources said. A North China-based trader said Chinese buyers were holding back from purchasing and trying to get more clarity on the market. "The meeting will probably cover measures to cool down thermal coal prices, such as increasing local coal production," he said. He noted that coal consumption at power plants in China remained high, around 790,000 mt/day. According to this trader, there was a geared shipment of 3,800 kcal/kg NAR Indonesian thermal coal, June loading, sold to India at \$46/mt FOB earlier this week.

An Indonesia-based trader said he heard a June-loading geared shipment of 3,800 kcal/kg NAR coal sold to China at \$45.50/mt FOB. He heard an offer for a geared shipment of 3,400 kcal/kg NAR coal for loading in H2 June at \$36.50/mt FOB, but there were no bids. A Singapore-based trader said he was seeing a wide range of bids for 3,800 kcal/kg NAR coal at \$43-\$45.50/mt FOB on a geared-vessel basis against offers still at \$47-\$48/mt FOB for June-loading cargoes. Some sellers were downplaying the NDRC news, and rationalizing the high price offers for Indonesian coal with the Ramadan festival limiting production and cargo availability, he said.

Indian buyers had retreated as well, preferring to wait and watch how the Chinese government's intervention pans out, he added. He heard bids for 5,000 kcal/kg GAR coal around \$64/mt FOB Kalimantan, and he expected the price of the mid-CV coal to remain strong as availability was still a challenge. The source said he heard a Supramax cargo of 5,800 kcal/kg GAR coal traded last week at \$80/mt FOB Kalimantan. An Indonesian coal producer said offers for 5,100 kcal/kg GAR coal with 1.2% sulfur were at \$69-\$70/mt FOB on either a geared or gearless vessel basis, June delivery. He heard a June-delivery geared shipment of 4,700 kcal/kg GAR Indonesian coal offered at \$60/mt FOB.

(Source: Platts)