



PETROVIETNAM OIL & GAS GROUP
PETROVIETNAM POWER CORPORATION
DAILY NEWS

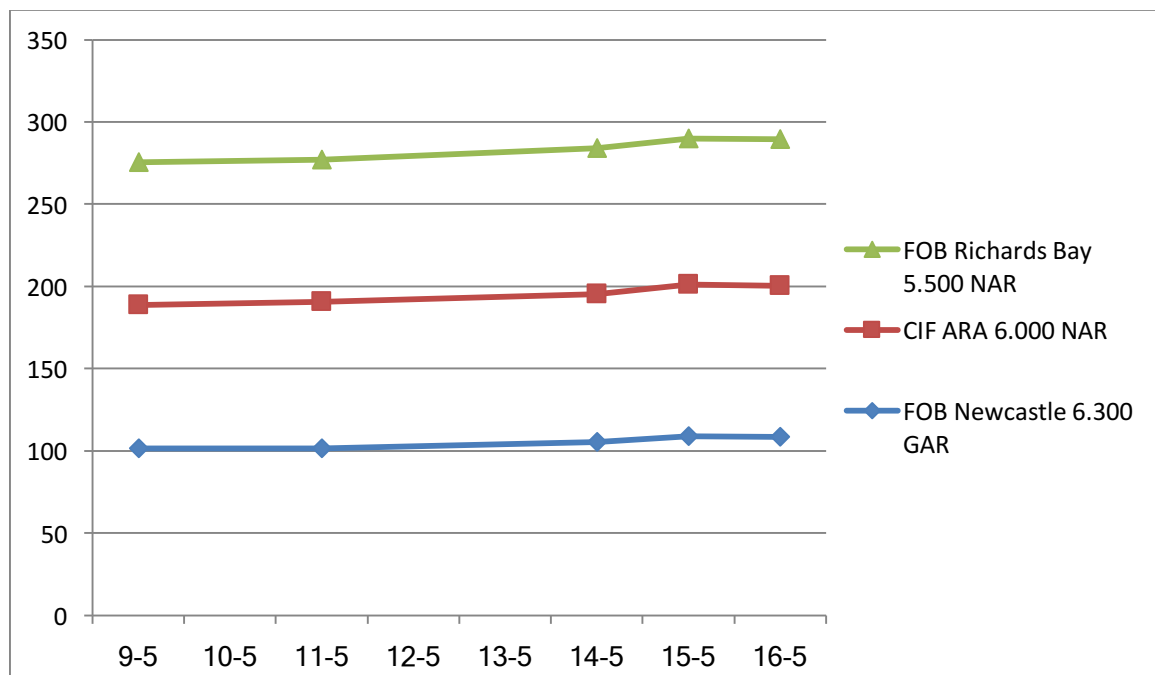
Date 17/05/2018

INTERNATIONAL COAL PRICE ASSESSMENTS

Daily prompt physical thermal coal assessments	Window 7 – 45 day	+/-	Window 90 - day	+/-
FOB Newcastle 6,300 GAR	108.40	-0.35	108.90	+0.75
CIF ARA 6,000 NAR	91.90	-0.45	93.25	-0.75
FOB Richards Bay 5,500 NAR	89.00	+0.15	N/A	N/A
FOB Kalimantan 5,900 GAR	N/A	N/A	78.00	+0.25
FOB Kalimantan 5,000 GAR	N/A	N/A	63.50	+0.25

China Coal Assessment	USD/tons	+/-	NDT/tons	+/-
PCC6 (CFR South China 3,800 NAR)	53.55	+0.00	339.73	+0.72
PCC7 (CFR South China 4,700 NAR)	72.20	+0.25	458.05	+2.56
PCC8 (CFR South China 5,500 NAR)	86.85	+1.35	550.99	+9.72

DAILY PROMPT PHYSICAL THERMAL COAL ASSESSMENTS IN 2018



(Source: Platts Coal Trader International – Date 16/05/2018)

NEWS

Tight thermal coal supply out of South Africa fuels bullish sentiment

Ongoing tight supply for 5,500 kcal/kg NAR coal out of Richards Bay has led to a continued bullish sentiment Wednesday, with sources left confused as to where the 6,000 kcal/kg NAR grade coal will price in. “Vessels are waiting for coal to arrive at the terminal,” a broker source said. “No one is buying at these levels, even if there was coal,” the source added, explaining that, despite the shortage, prices have been met with heavy resistance from buyers, hence the widening discount for 5,500 kcal/kg NAR coal from the financial 6,000 kcal/kg NAR price. The source said there is currently 3.8 million mt at the Richards Bay coal terminal, which had been estimated to be around 4.5 million mt earlier in the year. Sources said the term-deal negotiations between a Japanese utility and an Australian producer are likely to be concluding this week, which has been propping up the FOB Newcastle price, which, in turn, has been supporting the FOB Richards Bay market. S&P Global Platts assessed the FOB Richards Bay 5,500 kcal/kg NAR, seven- to 45-day price at \$89/mt, up 15 cents day on day.

New Black Sea coal terminal ‘a threat’ to non-Russian sellers

The new coal terminal at the Taman Black Sea port in Russia has been identified by market sources as a threat to non-Russian supply into growing Atlantic markets like Turkey and the Mediterranean as capacity from the Black Sea increases. Sources said Colombian sellers were likely to be the hardest hit by this new development in the Black Sea as Colombian coals compete with Russian coal to be blended with US material in these developing markets. “This could be a big threat to the Colombian market,” said a trader of Colombian coal.

A shipping source close to the project said the port was expected to begin shipping vessels by mid-summer, but explained this was too early and that construction was far from complete. Russia-based holding company Oteko is funding the construction of the terminal. Oteko did not respond to a request for comment. The shipping source said he heard unofficially from Oteko that progress had been slow. The trader of Colombian coal said they have heard the port will be shipping Panamax vessels by the end of the year, but Capesize vessels won’t be shipped out of the port for another year or so. “Russian sellers are definitely looking to focus on Turkey and the Mediterranean as it is a growth market in the Atlantic region,” said the source.

Bullish sentiment lifts Asian thermal coal prices

Asia-Pacific thermal coal prices continued their upward trend amid supply tightness and bullish sentiment, market sources said Wednesday. In the Newcastle high-ash market, bids were heard at \$76.25/mt FOB for June-loading 5,500 kcal/kg NAR cargoes to offers at \$78.15/mt FOB, a Singapore-based trader said. Still, two other market sources commented that the bids heard at \$76/mt FOB levels were too high and not reflective of the general market sentiment. The Singapore-based trader mentioned prices of 5,500 kcal/kg NAR coal have strengthened since last Friday’s trade for a Juneloading Capesize cargo at \$75/mt FOB. “Yet, there is not much availability in the spot market,” he said, adding he has not heard any trades this week for high-ash shipments.

He commented there was buying interest from both China and India. Indian buyers continue to be interested in Australian coal as South African coal prices have surged up to record high levels, he said. “Even if South African 4,800 kcal/kg NAR coal is at a discount level of \$17/mt to 6,000 kcal/kg NAR coal, it is still expensive,” he added. Another Singapore-based trader said he had heard a bid for Newcastle 5,500 kcal/kg NAR at \$76/mt FOB, but was unsure whether it was a firm bid or not. A third Singapore-based trader said he had not seen any trades done for Australian 5,500 kcal/kg NAR coal this week, but said that Chinese bids were around \$74/mt FOB for June-loading Capesize cargoes. At the Qinhuangdao shipping hub for China’s coastal thermal coal, traded prices for the 5,500 kcal/kg NAR grade were seen at a range from Yuan 630-650/mt FOB, market sources said. A trader in north China attributed the rise in prices to higher power consumption. “Chinese power companies have been releasing some tenders for imported thermal coal, but on an as-needed basis instead of all in one go,” he added. “The import restrictions have boosted prices of domestic

5,500 kcal/kg NAR coal, despite the government's intention to keep price levels below Yuan 600/mt FOB," a second north Chinabased trader said.

(Source: Platts)

INTERNATIONAL SPOT DRY BULK FREIGHT ASSESSMENTS

Unit: USD/ton

Size	From	To	Freight rates	Change
Capesize (150,000 tons)	Australia	China	9.55	-0.40
	Queensland	Japan	11.15	-0.45
	New South Wales	South Korea	11.80	-0.45
Panamax (70,000 tons)	Richards Bay	India West	13.30	+0.00
	Kalimantan	India West	9.55	+0.00
	Richards Bay	India East	13.50	+0.25
	Kalimantan	India East	8.00	+0.00
	Australia	China	12.80	-0.20
	Australia	India	14.20	-0.25

(Source: Platts Coal Trader International – Date 16/05/2018)