



**PETROVIETNAM OIL & GAS GROUP**  
**PETROVIETNAM POWER CORPORATION**  
**DAILY NEWS**

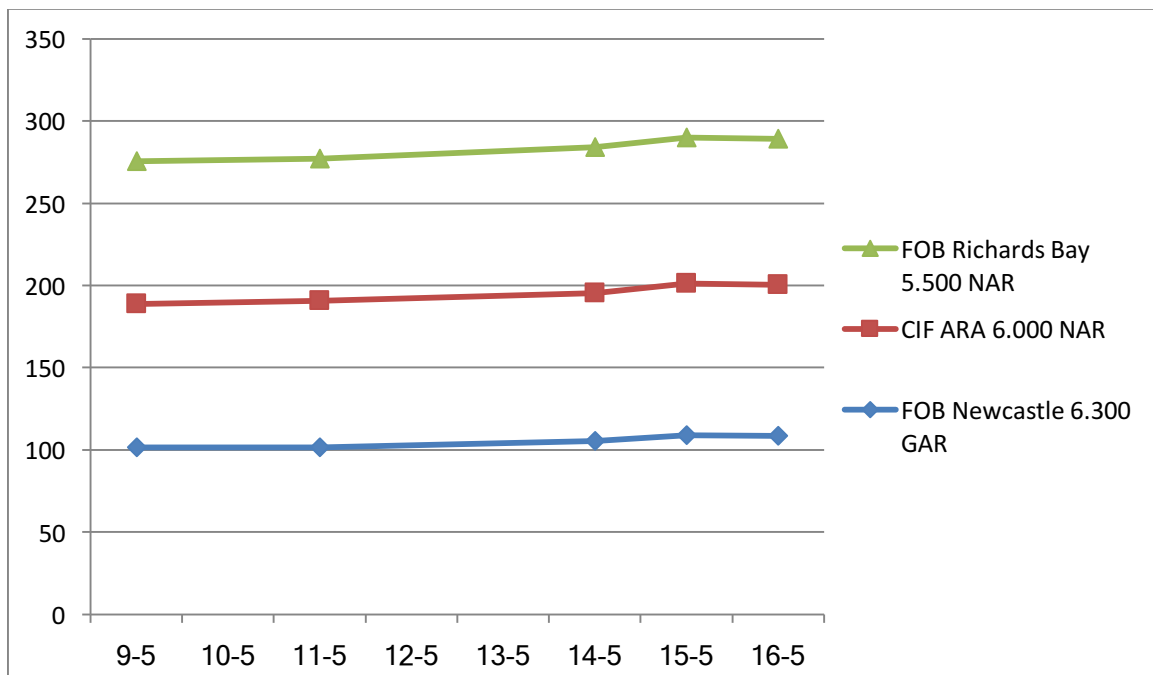
Date 18/05/2018

**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**

### **Kospo seeks 1.92 million mt of steam coal for 2018-2020**

Korea Southern Power (Kospo) announced Tuesday a long term tender for 1.92 million mt of thermal coal for loading from July 2018 to August 2020 and for delivery to its Samcheok power plant. In the tender KOSPO-Coal-2018-SC-ELT02, the utility seeks coal a total of 640,000 mt/year of coal with a minimum calorific value of 3,700 kcal/kg net as received, maximum total moisture of 43% as received, 16%-45% volatile matter air dried, maximum 4.5% ash air dried, and maximum 0.35% sulfur as received. For the first contract year, the utility requires eight 80,000 mt Panamax shipments to be loaded from July 2018-August 2018. The second contract year runs from September 2018-August 2019, and the third contract year from September 2019-August 2020. Offers must be on fixed price, free-on-board-and-trimmed (FOBT) basis. Each bidder is requested to offer 320,000 mt/year (160,000 mt in July and 160,000 mt in August) in lots of 80,000 mt. Russian coal is not allowed to participate in this tender. The tender closes on May 18.

### **Russian thermal coal set to dominate Polish imports in 2018**

Poland is set to increase thermal coal imports in 2018, owing to a lack of domestic supply, with Russian material likely to prevail because of its freight advantages, market sources said Thursday. "Russia will be the largest exporter to Poland this year, with the US or Colombia coming second," said one Poland-based trader, explaining that through freight advantage alone, Russian coals have a significant advantage in the Polish import coal market. According to S&P Global Platts trade flow software cFlow, so far in 2018, 31 coal-laden and part-laden ships have arrived in the port of Gdansk, six of which came from Russia and nine from the US. Sources said Russian producers have a secondary freight advantage as they are able to be export large volumes to Poland via rail.

"There is not enough domestic production to sustain the Polish market," said the trader, explaining that owing to how dependent Poland is on coal-fired generation, utilities cannot rely on domestic supply alone, despite it being the cheapest option. Imports rose 61% on year to 13.4 million mt in 2017, the highest level since 2011, according to Poland-based consultancy, the Industrial Development Agency (ARP). Polish hard coal production in 2017 fell 6.9% year on year to 65.5 million mt, whilst sales dropped 9.3% to 66.3 million mt, according to the ARP. Poland generates around 80% of its electricity from hard coal and lignite-fired plants. "There could be large imports this year as domestic mines are down on production," said a trader source. The source, who trades Colombian coal, said he also expected the majority of Polish imports this year to be of Russian origin but said there could be around 2.5 million mt to be imported from other global origins.

### **Indian power utilities' Apr thermal coal imports fall 23% on year**

Indian power utilities imported 3.73 million mt thermal coal in April, the first month of the current fiscal year 2018-19, down 23% from the same month a year ago, according to latest data by India's Central Electricity Authority, or CEA released Thursday. Of the total, 1.43 million mt was imported by 13 utilities last month for blending purpose while 2.30 million mt was imported by nine utilities, which use only imported coal for their power plants, the data showed. As many as 34 utilities did not import any coal in April. Tata's Mundra ultra mega power plant had the highest quantity of imported thermal coal last month at 509,000 mt, followed by state-run Tamil Nadu Generation and Distribution Corp., or Tangedco at 432,000 mt. Power utilities imported 56.41 million mt steam coal in fiscal year 2017-18, down 13% year on year.

*(Source: Platts)*

## **INTERNATIONAL SPOT DRY BULK FREIGHT ASSESSMENTS**

				<i>Unit: USD/ton</i>
Size	From	To	Freight rates	Change
<b>Capesize</b>	Australia	China	9.55	-0.40
(150,000 tons)	Queensland	Japan	11.15	-0.45
	New South Wales	South Korea	11.80	-0.45
<b>Panamax</b>	Richards Bay	India West	13.30	+0.00

(70,000 tons)	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)*