



PETROVIETNAM OIL & GAS GROUP
PETROVIETNAM POWER CORPORATION
DAILY NEWS

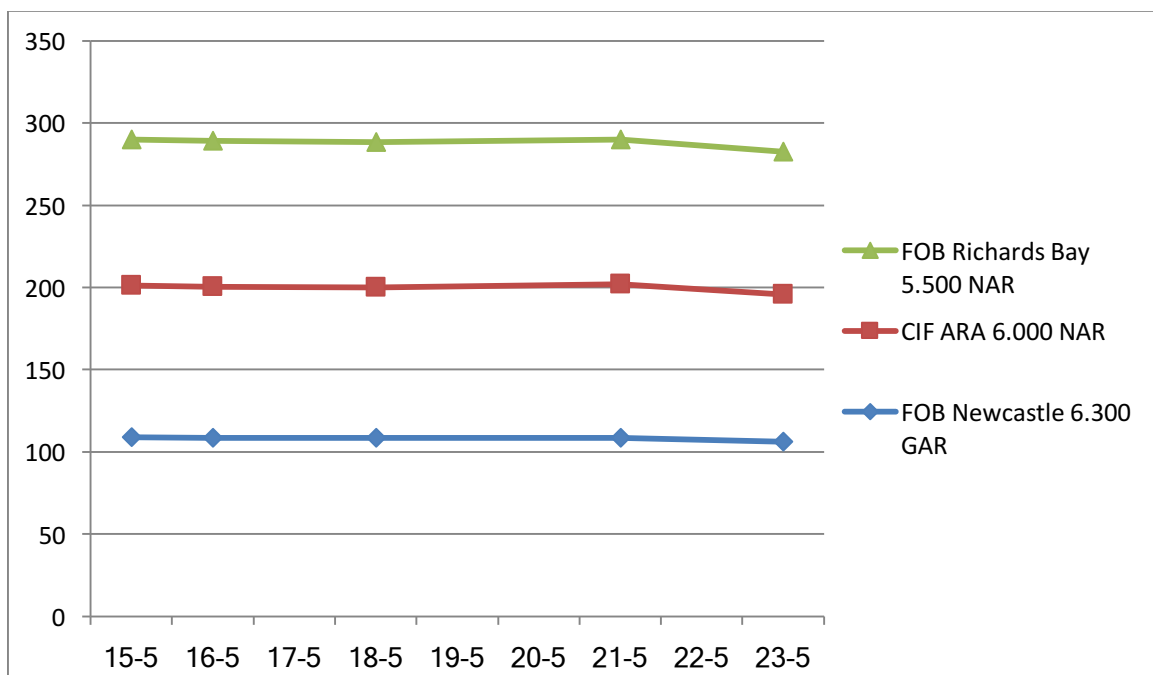
Date 25/05/2018

INTERNATIONAL COAL PRICE ASSESSMENTS

Daily prompt physical thermal coal assessments	Window 7 – 45 day	+/-	Window 90 - day	+/-
FOB Newcastle 6,300 GAR	106.20	-1.40	106.40	0.00
CIF ARA 6,000 NAR	89.35	-1.95	91.95	-1.25
FOB Richards Bay 5,500 NAR	87.00	-0.65	N/A	N/A
FOB Kalimantan 5,900 GAR	N/A	N/A	80.25	+0.00
FOB Kalimantan 5,000 GAR	N/A	N/A	64.50	+0.50

China Coal Assessment	USD/tons	+/-	NDT/tons	+/-
PCC6 (CFR South China 3,800 NAR)	55.00	+0.95	349.75	+6.82
PCC7 (CFR South China 4,700 NAR)	73.00	+0.45	464.21	+3.91
PCC8 (CFR South China 5,500 NAR)	87.00	+0.20	553.24	+2.52

DAILY PROMPT PHYSICAL THERMAL COAL ASSESSMENTS IN 2018



(Source: Platts Coal Trader International – Date 23/05/2018)

NEWS

Beijing action triggers about-turn for prices in Asian thermal coal market

Tumbling prices for Chinese thermal coal futures and a decrease in physical Qinhuangdao cargo levels set a bearish tone for the Asia seaborne market, sources said Wednesday. After hitting Yuan 660/mt FOB Qinhuangdao earlier this week, spottraded prices for domestic 5,500 kcal/kg NAR thermal coal slid backwards to Yuan 655/mt in Asia trade, according to market sources. "Price levels are all over the place now," a source in China said, citing Beijing's National Development and Reform Commission's plan to steer domestic prices to lower levels. "There are psychological fears," he said. "Some traders are afraid, and are releasing supply at a lower price to reduce risk," the source added. The NDRC intends for spot prices for the 5,500 kcal/kg NAR grade to reach Yuan 570/mt FOB Qinhuangdao by mid-June, he said. Coastal power plants in China are to reduce their inventory levels to only five days' consumption, as an additional NDRC measure, he said. "But the decision has caused the futures market to collapse," he added. Chinese thermal coal futures prices slumped by Yuan 21-22 (\$3.30-\$3.45) in Wednesday trade, according to Zhengzhou Commodity Exchange data.

Prices for the exchange's July-dated 5,500 kcal/kg NAR futures contract came to settle at Yuan 619.20/mt, and the September contract settled at Yuan 593.60/mt, down Yuan 21.20 and Yuan 22.80, respectively on the day. Indicative buying interest for Australian high-ash cargoes for June shipment was heard around \$75-\$76/mt FOB Newcastle, to offers at \$77-\$78/mt. But a trader said Chinese bids were falling after the NDRC's interventionist approach, and another trader said buyers in Asia were unsure of their next move after the NDRC's market intervention.

Vessel queue at Richards Bay coal terminal rises on low availability

Seventeen ships were queuing at Richards Bay Coal terminal in South Africa Wednesday, up from around seven at the beginning of the month, according to cFlow, Platts trade-flow software. The sharp rise in vessel buildup is caused by the ongoing supply tightness for export-grade coal in the country, leading to many ships being unable to load export-grade coal, sources said. "There's a certain lack of specs available, so certain cargoes couldn't be blended and ships have to wait," a sell-side source said. Stock levels at the terminal were heard to be around 3.9 million-4 million mt, the majority of which was believed to be coals with a lower heating value due to the slowdown in shipping activity. A further 10 ships were stationed at loading terminals or berths, with the 93,233 dwt Italic G having entered on Saturday. Seven ships were returning from Singapore and other East Asia ports, four from India, Pakistan, or Sri Lanka, one from the Middle East, and the remaining five were returning from other ports in Africa. Sources said the infrastructure at the terminal as well as the railings to Richards Bay were experiencing no issues. The benchmark 6,000 kcal/kg NAR grade of South African coal traded on Wednesday afternoon at \$103/mt FOB, June-loading basis, \$2.50 below the last deal on Friday. Platts FOB Richards Bay 5,500 kcal/kg NAR price was \$87/mt Wednesday, up \$2.20 since the beginning of the month, having peaked at \$89.60/mt on Thursday, the highest level since Platts began the assessment in June 2013.

Atlantic thermal coal sentiment weakens in reaction to China price cap

A bearish tone from Pacific markets amid tumbling prices in China carried across to the Atlantic Basin Wednesday, with bids and offers in Europe reflecting a lower movement. A UK-based trader said weaker FOB prices and the bearish news from China took some wind out of the European market Wednesday. The source also accredited weaker prices to a US trading house offering Central Appalachian (CAPP) coal at discounted rates into Europe. Two 50,000 mt, July-loading, multi-origin cargoes traded in the afternoon at \$92.75 and \$92.10/mt. S&P Global Platts assessed the CIF ARA, 6,000 kcal/kg NAR, 15-60 day price at \$89.35/mt, down \$1.95 on day. The FOB Richards Bay market was also subject to downwards price pressure for similar reasons, with a continued lack of activity. "Prices tanked a bit this morning on the back of the Chinese price cap news," said a broker. A 50,000 mt, June-loading cargo was traded at \$103/mt, down \$2.25 from the previous trade Friday. Platts assessed the FOB Richards Bay, 7-45 day, 5,500 kcal/kg NAR price at \$87/mt, down 65 cents on day.

(Source: Platts)

INTERNATIONAL SPOT DRY BULK FREIGHT ASSESSMENTS

				<i>Unit: USD/ton</i>
Size	From	To	Freight rates	Change
Capesize	Australia	China	9.00	-0.15
(150,000 tons)	Queensland	Japan	10.45	-0.15
	New South Wales	South Korea	11.10	-0.15
Panamax	Richards Bay	India West	12.15	+0.00
(70,000 tons)	Kalimantan	India West	9.60	+0.00
	Richards Bay	India East	12.35	+0.00
	Kalimantan	India East	8.10	+0.00
	Australia	China	12.85	-0.20
	Australia	India	14.40	-0.20

(Source: Platts Coal Trader International – Date 23/05/2018)