



PETROVIETNAM POWER CORPORATION
PETROVIETNAM POWER COAL IMPORT AND SUPPLY COMPANY
DAILY NEWS

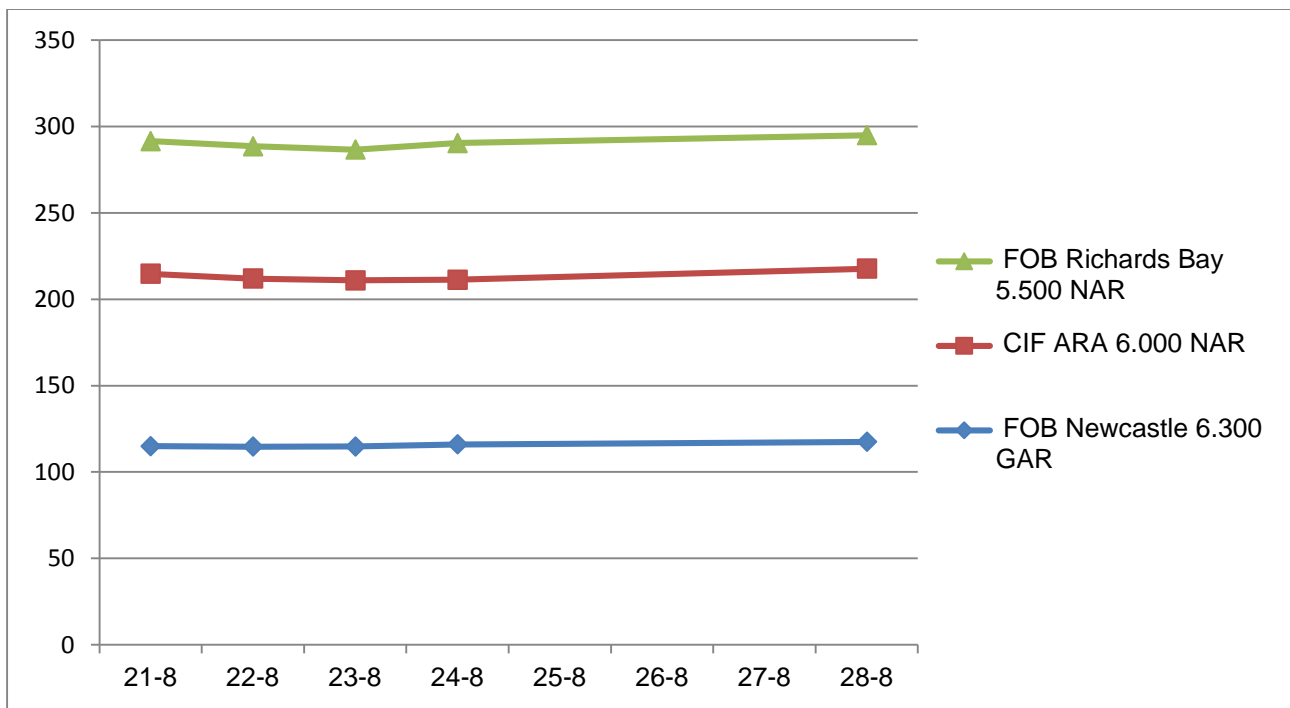
Date 30/08/2018

INTERNATIONAL COAL PRICE ASSESSMENTS

Daily prompt physical thermal coal assessments	Window 7 – 45 day	+/-	Window 90 - day	+/-
FOB Newcastle 6,300 GAR	117.45	+1.45	N/A	N/A
CIF ARA 6,000 NAR	100.25	+5.00	N/A	N/A
FOB Richards Bay 5,500 NAR	77.20	-1.90	N/A	N/A
FOB Kalimantan 5,900 GAR	N/A	N/A	75.75	-0.75
FOB Kalimantan 5,000 GAR	N/A	N/A	55.50	-0.25

China Coal Assessment	USD/tons	+/-	NDT/tons	+/-
PCC6 (CFR South China 3,800 NAR)	46.00	-0.20	361.78	-2.43
PCC7 (CFR South China 4,700 NAR)	64.00	-0.45	503.35	-4.73
PCC8 (CFR South China 5,500 NAR)	76.25	-0.25	599.69	-3.38

DAILY PROMPT PHYSICAL THERMAL COAL ASSESSMENTS IN 2018



(Source: Platts Coal Trader International – Date 28/08/2018)

NEWS

Stunned Asia market grapples with fresh China import blockage

Shock has turned to panic in the seaborne market for Asia, as market participants realized China's latest round of port closures and restrictions introduced over the weekend for thermal coal imports could last for some time, possibly until the end of this year, sources said Tuesday. Word first emerged late Friday that certain ports in southern China including Fangcheng had closed to imports, and there are fears that Chinese buyers may begin to cancel shipments, including some already heading to customers in China, creating a substantial headache for shippers. It appears that a significant number of imported cargo buyers in China including some coastal power plants, are unable to accept any fresh cargoes for the foreseeable future, as they have already imported their quota for the 2018 calendar year. "End-users have used all of their import quotas for thermal coal imports," one market source in China said. "They cannot take any more cargoes," added the market source. Not all coastal power plants and industrial end-users in China are affected by the latest round of port restrictions and closures, but the number is large, he stressed. "Most end-users around China, some in the north, east, and south are facing some import restrictions," he said.

There was some market speculation that the import restrictions may be lifted at some point in time, but these rumors have little basis in fact, he added. "This [relaxation] had happened before in July, but right now I don't think this is going to take place, unless domestic prices move up a lot, but this is quite unlikely since demand is low," a China-based trader said. Another market source said he doubted that ports that are closed in China will reopen soon, and he believed the closures will last until the end of 2018. "[Their] quota is used up," he said of some end-user thermal coal buyers in China. He confirmed he was seeing lower buying interest for Australian high-ash cargoes for October shipment at around \$60/mt FOB Newcastle, down \$2-\$3 from a week ago. "[The] Import market is bearish," he said. Prices in the Chinese domestic market were said to be little changed on Tuesday. Domestic prices for 5,500 kcal/kg NAR coal were steady at Yuan 616/mt FOB Qinhuangdao, while prices for 5,000 kcal/kg NAR were heard at around Yuan 540/mt. "Some buyers are replacing the higher grade with 5,000 kcal/kg as the weather is cooler now, utilities might not need higher grade coal for power generation," another China-based trader explained.

Discharge difficulties in China lead high-ash shippers to look to Europe

Market sources in China on Wednesday reported seeing minimal demand for Australian 5,500 kcal/kg NAR thermal coal due to the difficulty in finding Capesize discharge ports for this grade, as shippers look to markets further afield such as in the Mediterranean for possible alternative customers. This week's ports imbroglio in China, with sources saying many enduser customers had already exhausted their annual quotas for import cargoes, has left market participants uncertain of their next move. "There is not much discharge [availability] for Capesize cargoes," one market source said. Another China-based trader noted that some vessels are getting diverted, but waiting times at some ports are longer.

Some traders were said to be on the lookout for distressed cargoes that were affected by the recent situation, but had not come across any, a China-based trader said. In addition, Australian shipments were subject to tighter scrutiny, lengthening unloading times, another China-based trader said. On the other hand, Australian shippers have mostly sold out of September cargoes of high-ash Australian thermal coal, and October shipments were now the market's focus, market sources said. Some selling interest was heard for Australian 5,500 kcal/kg NAR thermal coal at about \$67/mt FOB Newcastle for October loading Capesize cargoes, but sources had yet to hear any trade for this grade this week.

Taipower buys 640,000 mt of South African thermal coal from Glencore

Singapore—Taiwan Power Company, or Taipower, has bought 640,000 mt of South African thermal coal from Glencore International for September to December delivery. Under the tender TPC10703A-A, Glencore will supply eight 80,000 mt Panamax shipments of South African coal at an evaluated CFR price range of \$126.25-\$128.33/mt basis 6,322 kcal/kg GAR. Taipower had

sought 640,000 mt thermal coal with a minimum calorific value of 5,900 kcal/kg GAR, maximum total moisture of 15% as received, maximum ash content of 15% air dried and maximum total sulfur content of 0.9% air dried basis in this tender, which closed August 21.

(Source: Platts)

INTERNATIONAL SPOT DRY BULK FREIGHT ASSESSMENTS

Unit: USD/ton

Size	From	To	Freight rates	Change
Capesize (150,000 tons)	Australia	China	11.05	-0.20
	Queensland	Japan	12.75	-0.20
	New South Wales	South Korea	13.60	-0.20
Panamax (70,000 tons)	Richards Bay	India West	14.40	-0.10
	Kalimantan	India West	10.00	-0.20
	Richards Bay	India East	14.60	-0.10
	Kalimantan	India East	8.50	-0.20
	Australia	China	13.75	+0.00
	Australia	India	15.65	-0.20

(Source: Platts Coal Trader International – Date 28/08/2018)