



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

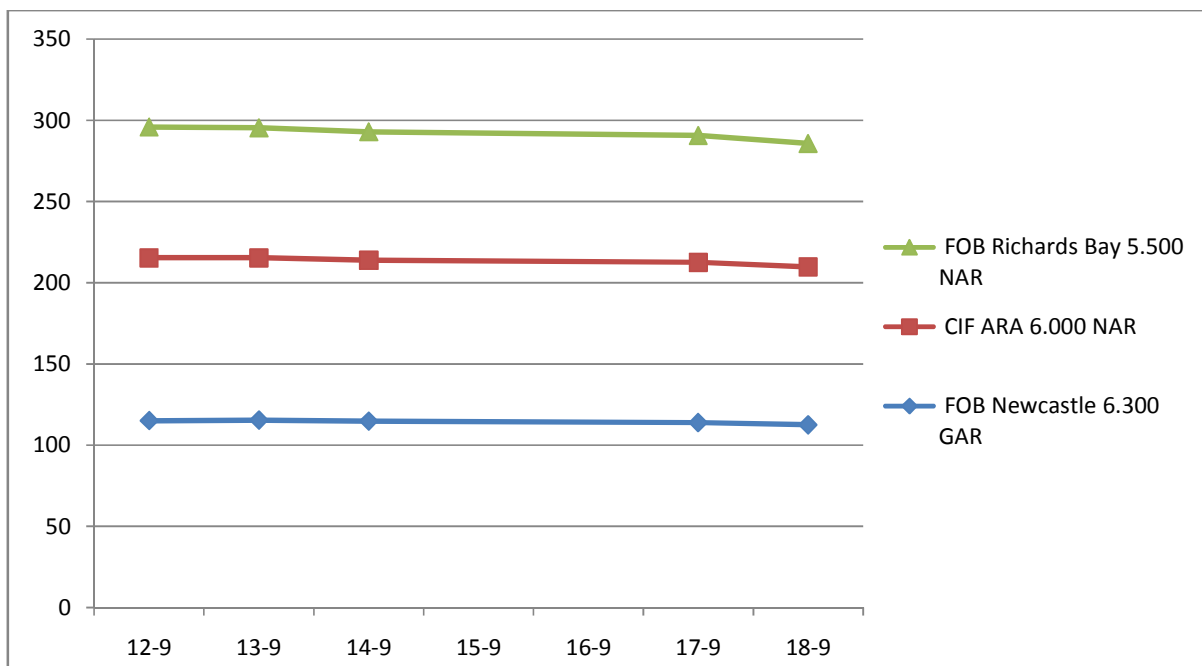
Date 20/09/2018

INTERNATIONAL COAL PRICE ASSESSMENTS

Daily prompt physical thermal coal assessments	Window 7 – 45 day	+/-	Window 90 - day	+/-
FOB Newcastle 6,300 GAR	112.50	-1.40	N/A	N/A
CIF ARA 6,000 NAR	97.25	-1.45	N/A	N/A
FOB Richards Bay 5,500 NAR	76.05	-2.10	N/A	N/A
FOB Kalimantan 5,900 GAR	N/A	N/A	72.75	+0.00
FOB Kalimantan 5,000 GAR	N/A	N/A	52.50	+0.50

China Coal Assessment	USD/tons	+/-	NDT/tons	+/-
PCC6 (CFR South China 3,800 NAR)	47.75	+0.00	378.86	-0.18
PCC7 (CFR South China 4,700 NAR)	61.80	+0.50	490.32	+3.71
PCC8 (CFR South China 5,500 NAR)	77.00	+2.00	610.93	+15.57

DAILY PROMPT PHYSICAL THERMAL COAL ASSESSMENTS IN 2018



(Source: Platts Coal Trader International –Date 18/09/2018)

NEWS

Rebound in 5,500 NAR coal prices to China on higher bids

Higher traded prices were heard for Australian high-ash cargoes during Asian trade, with some deals concluding at around \$66/mt FOB Newcastle for October shipments, market sources said Tuesday. A bid was heard at \$78-\$79/mt CFR South China for an Australian 5,500 kcal/kg NAR thermal coal cargo for October or November delivery, one market source said. This represented a significant turnaround for China's seaborne market after CFR South China prices for the 5,500 kcal/kg NAR grade hit a low of \$75/mt on Friday. Prices on a CFR South China basis for the 5,500 kcal/kg NAR grade have found support at about \$70/mt during previous market lows in February and May 2018, S&P Global Platts data showed — indicating that the market was near to bottoming out.

With just over one week to go before China's Golden Week holiday in early October, it is too early to say whether the sudden buying interest from China this week represents the start of some sustained restocking activity, or a short-lived burst of buying, sources said. Meanwhile, FOB prices for Newcastle high-ash shipments were heard at higher levels following trades at \$66/mt FOB in recent days, according to one market source. Only last Friday, an October-loading Capesize cargo was heard offered to China at \$64/mt FOB Newcastle, against buying interest in the low \$60s/mt, sources said.

Lower freight rates on the Australia – China route

One factor behind the uptrend in FOB prices for Australian 5,500 kcal/kg NAR thermal coal is a sharp decline in shipping costs for seaborne cargoes. Capesize freight rates on the Newcastle to South China trading route have fallen to around \$10.25/mt from \$12/mt last week, according to freight market sources. A fixture was heard at \$10.80/mt for a 130,000 mt Capesize vessel to load at Newcastle in first-half October for delivery to Zhoushan port in eastern China. This freight rate would normalize to around \$10.25/mt for delivery to southern China's Guangzhou port from Newcastle in eastern Australia, S&P Global Platts calculations showed. On the other hand, spot prices for Chinese domestic 5,500 kcal/kg NAR coal were heard trading slightly lower Tuesday at Yuan 630/mt FOB Qinhuangdao. Spot prices for 5,000 kcal/kg NAR coal were stable as buyers turn to this grade which was seen as comparatively cheaper. "Generally, domestic trades are not active now, prices are coming down bit by bit every day," a trader said. Market sources pointed out that stockpiles remained high at some power plants, while northern dispatch ports were still congested.

Firmer offers for low CV coal

China-based traders noted that offers for Indonesian cargoes have been firmer this week. Offers for 3,400 kcal/kg NAR Indonesian coal were heard at \$32-\$33/mt FOB Kalimantan on a Supramax basis, while bids were heard at \$30/mt FOB for October loading. Demand was going up especially for 3,800 kcal/kg NAR coal, said an Indonesia-based trader, adding he recently sold an early October Supramax shipment of 3,800 kcal/kg NAR coal at \$38.70/mt FOB. Buying interest for early October Panamax shipments of 3,800 kcal/kg NAR Indonesian thermal coal were at \$39.20/mt FOB, he said. Miners are offering fourth-quarter shipments of 3,800 kcal/kg NAR coal at \$42-\$43/mt FOB, on Panamax basis, he added.

There was uptick in the Indian buying as well, he said. "Whenever China starts to buy, India comes back," he added. Buying interest for Panamax shipments of 5,000 kcal/kg GAR Indonesian coal ranged between \$52/mt and \$54.50/mt FOB depending on specifications and origin. October shipments of similar grade were offered at \$56-\$56.50/mt FOB Kalimantan. One Indonesia-based trader said he felt that after Chinese utility Huaneng's tender, other Chinese utilities might also get back the confidence to come back to the market. This being restocking season, he expected some rise in demand and some support for prices. Meanwhile, he said Indian buying has picked up, which would help keep prices firm. Offers for US coal were around \$116-\$118/mt CFR west coast India with limited offers in the market, said a west India-based trader.

(Source: Platts)

INTERNATIONAL SPOT DRY BULK FREIGHT ASSESSMENTS

				<i>Unit: USD/ton</i>
Size	From	To	Freight rates	Change
Capesize (150,000 tons)	Australia	China	9.15	+0.00
	Queensland	Japan	10.45	+0.00
	New South Wales	South Korea	11.30	+0.00
Panamax (70,000 tons)	Richards Bay	India West	14.40	+0.10
	Kalimantan	India West	10.60	+0.15
	Richards Bay	India East	14.60	+0.10
	Kalimantan	India East	8.90	+0.15
	Australia	China	14.25	+0.25
	Australia	India	16.10	+0.20

(Source: Platts Coal Trader International –Date 18/09/2018)