



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

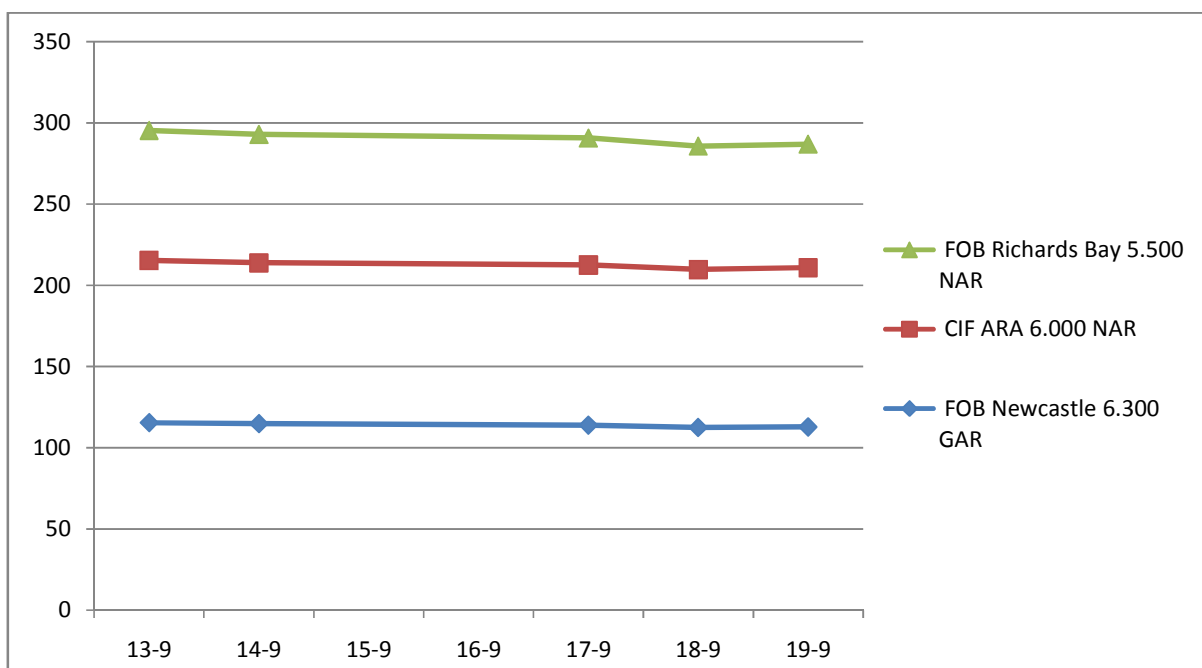
Date 21/09/2018

INTERNATIONAL COAL PRICE ASSESSMENTS

Daily prompt physical thermal coal assessments	Window 7 – 45 day	+/-	Window 90 - day	+/-
FOB Newcastle 6,300 GAR	112.80	+0.30	N/A	N/A
CIF ARA 6,000 NAR	98.10	+0.85	N/A	N/A
FOB Richards Bay 5,500 NAR	66.30	+0.30	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	+0.00

China Coal Assessment	USD/tons	+/-	NDT/tons	+/-
PCC6 (CFR South China 3,800 NAR)	47.85	+0.10	378.79	-0.07
PCC7 (CFR South China 4,700 NAR)	61.90	+0.10	490.01	-0.31
PCC8 (CFR South China 5,500 NAR)	77.50	+0.50	613.50	+2.57

DAILY PROMPT PHYSICAL THERMAL COAL ASSESSMENTS IN 2018



(Source: Platts Coal Trader International –Date 19/09/2018)

NEWS

Indonesia exports record volumes of thermal coal in July

Indonesia exported 28.37 million mt of thermal coal in July, up 10% on the month, 62% on the year, and the highest monthly volume since S&P Global Platts began collecting the data in 2012, according to customs data released Wednesday. Of this 24.16 million mt, or 85%, of were sub-bituminous coal, while the remainder was bituminous coal. At the start of the year, the Indonesian government approved a 5% increase in coal production, largely due to the expectation of higher seaborne prices. The greater focus on coal exports can be seen so far in 2018 as January-July exports were 173.57 million mt, 44.98 million mt higher than a year earlier. India was unsurprisingly the main export destination for July, at 8.98 million mt. This was an increase of 23% on the month and 94% on the year. In the period leading up to July where spot booking were being made, market sources said the record high prices for South African coal had caused many buyers in India look to procure more coal from other origins, particularly from Indonesia.

Growth markets contribute to higher exports

Exports to the other largest markets China and South Korea both fell month on month. Volumes to China were 3.96 million mt, down 18% on the month but up 57% on the year, and volumes to South Korea were 3.09 million mt, down 8% on the month but up 82% on the year. Exports to Japan and Taiwan rose month on month. Japan took 1.96 million mt, up 40% on the month and 21% on the year, and Taiwan took 1.49 million mt, up 8% on the month and 10% on the year. Other growth regions in Southeast Asia, particularly Thailand, Malaysia and the Philippines, as well as Pakistan in South Asia, took higher volumes of coal in July. Exports to these regions were a combined 8.9 million mt, up 19% on the month and 56% on the year.

October high-ash newcastle cargoes snapped up for India

Customers in India were seeing value in cargoes of Australian high-ash thermal coal after two October shipments were booked at \$65-\$65.50/mt FOB Newcastle, market sources said Wednesday. An October-loading Australian high-ash cargo was booked by an Indian buyer last Friday at \$65/mt FOB Newcastle, basis 5,500 kcal/kg NAR, a source close to the deal said late Tuesday. Another October-loading Australian 5,500 kcal/kg NAR cargo was bought by an Indian customer at \$65.50/mt FOB Newcastle, according to another market source.

Panamax freight on the trading route from eastern Australia to India is around \$16/mt, indicating a delivered price of about \$81/mt CFR India for 5,500 kcal/kg Australian thermal coal, according to S&P Global Platts data. This is \$9-\$10/mt cheaper than a delivered India price of \$90-\$91/mt CFR for South African 5,500 kcal/kg NAR thermal coal, including Panamax freight of \$14.50/mt from Richards Bay to east coast India. Some Indian buyers appear to be opting for Australian high-ash coal, despite the longer lead time compared with South African material. They also seem confident that the arbitrage for Australian 5,500 kcal/kg NAR thermal coal into India could remain open for the next few months at least. Meanwhile, Chinese buying interest in Australian 5,500 kcal/kg NAR thermal coal was steady at \$65-\$66/mt FOB Newcastle, following deals at this level in recent days. One market source said that there was buying interest from China at around \$65/mt FOB Newcastle, basis 5,500 kcal/kg NAR.

(Source: Platts)

INTERNATIONAL SPOT DRY BULK FREIGHT ASSESSMENTS

				<i>Unit: USD/ton</i>
Size	From	To	Freight rates	Change
Capesize	Australia	China	9.15	+0.00
(150,000 tons)	Queensland	Japan	10.45	+0.00
	New South Wales	South Korea	11.30	+0.00
Panamax	Richards Bay	India West	14.60	+0.20
(70,000 tons)	Kalimantan	India West	10.75	+0.15

Richards Bay	India East	14.80	+0.20
Kalimantan	India East	9.05	+0.15
Australia	China	14.40	+0.15
Australia	India	16.25	+0.15

(Source: Platts Coal Trader International –Date19/09/2018)