



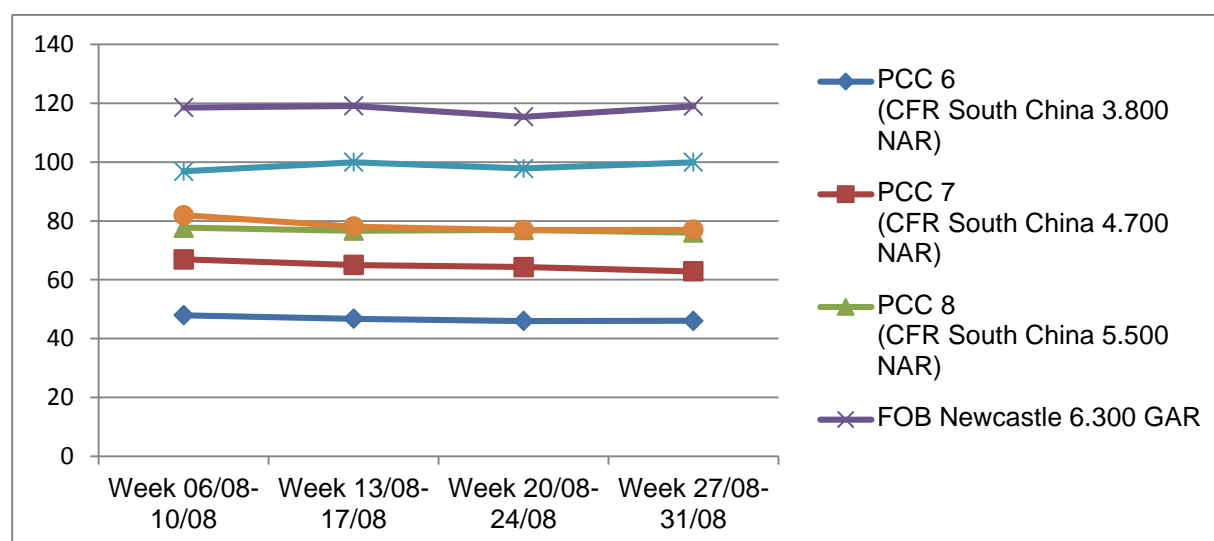
**PETROVIETNAM POWER CORPORATION**  
**PETROVIETNAM POWER COAL IMPORT AND SUPPLY COMPANY**  
**WEEKLY NEWS – FIFTH WEEK OF**  
**AUGUST**  
 (From 27/08 – 31/08)

**I. COAL MARKET ANALYSIS**

**1. INTERNATIONAL COAL PRICE ASSESSMENTS**

*Unit: USD/ton*

Price index	Week 06/08-10/08	Week 13/08-17/08	Week 20/08-24/08	Week 27/08-31/08
<b>PCC 6</b> (CFR South China 3,800 NAR)	<b>47.96</b>	<b>46.73</b>	<b>46.01</b>	<b>46.04</b>
<b>PCC 7</b> (CFR South China 4,700 NAR)	<b>66.92</b>	<b>65.05</b>	<b>64.31</b>	<b>62.85</b>
<b>PCC 8</b> (CFR South China 5,500 NAR)	<b>77.70</b>	<b>76.70</b>	<b>76.93</b>	<b>76.00</b>
<b>FOB Newcastle 6,300 GAR</b>	<b>118.58</b>	<b>119.11</b>	<b>115.39</b>	<b>119.03</b>
<b>CIF ARA 6,000 NAR</b>	<b>96.88</b>	<b>99.94</b>	<b>97.83</b>	<b>99.99</b>
<b>FOB Richards Bay 6,000 NAR</b>	<b>81.97</b>	<b>78.07</b>	<b>76.87</b>	<b>77.01</b>
<b>NEWC</b> (FOB Newcastle 6,000 NAR)	<b>118.29</b>	<b>117.68</b>	<b>117.39</b>	<b>118.73</b>



**Chart 1: Average coal price week 5<sup>th</sup> August (2018)**

*(Source: Platts Coal Trader International)*

## 2. INTERNATIONAL SPOT DRY BULK FREIGHT ASSESSMENTS

Unit: USD/ton

	Week 5 <sup>th</sup> - August	27/08	28/08	29/08	30/08	31/08
<b>Capesize (150,000 tons)</b>						
1	Australia – China	N/A	11.05	10.90	10.50	10.50
2	Queensland – Japan	N/A	12.75	12.60	12.05	12.05
3	New South Wales – South Korea	N/A	13.60	13.45	12.90	12.90
<b>Panamax (70,000 tons)</b>						
1	Richards Bay - India West	N/A	14.40	14.30	14.15	14.15
2	Kalimantan - India West	N/A	10.00	10.00	9.80	9.80
3	Richards Bay - India East	N/A	14.60	14.50	14.35	14.35
4	Kalimantan - India East	N/A	8.50	8.50	8.30	8.30
5	Australia - China	N/A	13.75	13.75	13.00	12.95
6	Australia - India	N/A	15.65	15.50	14.70	14.70

(Source: Platts Coal Trader International)

## II. NEWS

### South Africa exports 5.09 million mt thermal coal in July

South Africa exported 5.09 million mt of thermal coal in July, down 17.3% from June, but up 8.4% from the year-ago month, according to customs data. The month-on-month decline was expected by market sources throughout the July booking period as it has been the weakest month of the year in terms of coal exports for the last two years; however, the second half of the year usually sees stronger overall export volumes. In addition to weaker seasonal purchasing keeping volumes low, spot demand was further dampened due to prices for all grades of South African coal surging to record levels between May and July. Platts FOB Richards Bay 5,500 kcal/kg NAR price averaged \$87.45/mt in May and \$87.83/mt in both June and July. All were the highest monthly average since S&P Global Platts began the assessment in 2013.

Destination	July 2018	June 2018	% change
India	2,870,000	3,830,000	-25
Pakistan	615,789	924,595	-33
South Korea	423,949	456,700	-7
Other	1,180,262	988,705	19,4
Total	5,090,000	6,200,000	-18

(Source: Platts)

Exports to India were 2.87 million mt, down 25% on month and up 76% on year, the highest July total since 2015. The share of exports headed to India was 56.5%, down from 62.3% in June. Year to date, India has averaged 49.6% of all South African exports. Volumes to Pakistan were 615,789 mt, down 33% on month and 6% on year. Year-to-date exports to Pakistan were 5.98 million mt, up from 5.17 million mt in the year ago period. Exports to South Korea were 423,949 mt, down 7% on month and up 14% on year, the highest July total since Platts began collecting the data in 2014. Year to date exports were 5.13 million mt, up from 4.04 million mt in the year ago period. Taiwan, typically one of the other key export markets for South African, registered

no volumes of South African coal in July for the second month running after averaging 292,417 mt for the first five months of the year.

### **Demand for south african coal up after price correction**

South African thermal coal is becoming a more attractive option to traders and buyers as prices for all grades ease from record highs in July, sources told S&P Global Platts Friday. Platts FOB Richards Bay 5,500 kcal/kg NAR price was assessed at \$90.40/mt on July 9, the highest value since the assessment began in 2013. The price had since softened to \$76.35/mt as of Thursday. Such high levels kept South African coal uncompetitive against most other origins for the key markets of South and East Asia, which resulted in rising stockpiles at the country's main export terminal, Richards Bay Coal Terminal. As of Friday, stocks at RBCT were 5.46 million mt, up from 3.4 million mt at the start of August and above the ideal operational level of 3-4 million mt preferred by the terminal.

An Europe firm purchased a 50,000 mt October cargo of 5,700 kcal/kg NAR coal at a \$6.75/mt discount to the corresponding financial 6,000 kcal/kg NAR contract – the pricing mechanism for all grades of South African coal. The source said at this discount level buyers in the MENA region would be willing to step forward. A second deal was heard for 50,000 mt of 5,700 kcal/kg NAR coal on Friday, this time for September at a wider discount of \$8.25/mt. A well-known producer-trader was also heard to be selling cargoes of 5,500 kcal/kg NAR coal at a discount of \$22/mt to the index price, well below the published values of \$15/mt. A buyer in Pakistan was heard looking for 30,000 mt of South African thermal coal with a heating value of 6,000 kcal/kg NAR. The buyer had previously looked to switch supply to either US or Russian low sulfur coals between March-July this year, quoting South African prices in excess of \$100/mt FOB Richards Bay. A US trader, who had been selling to the buyer in Pakistan, said his recent offer had been turned down, with the buyer telling him South African coal was once again its preferred origin.

### **Coal India's August production rises 3% on year**

State-run Coal India Limited produced 38.80 million mt of coal in August, up 3% year on year, CIL said in a statement Sunday. The offtake for August also went up 3% year on year to 45.22 million mt. The company's April-August coal output jumped 12% year on year to 216.23 million mt, it said. The offtake for the first five months of fiscal 2018-2019 also increased to 246.90 million mt, up 9.5% on the year. CIL's thrust for enhanced coal loading to the power sector resulted in 11.8% growth during April-August, CIL said. The average rake loading/day jumped to 205.4 rakes/day during the five-month period, to the power sector, against 183.8 rakes/day for the same period last year, it added. Total rake loading, to all consumers, at 227 rakes/day during April-August recorded a growth of 5.8% against 214.6 rakes/day in the same period a year ago. CIL liquidated 30.67 million mt of coal in April-August, which is more than half of the pit head stock at the beginning of the current fiscal year. The stockpiles stood at 24.88 million mt at the end of August, compared with 55.55 million mt at the start of April, CIL statement said. Coal India accounts for over 80% of India's coal production.

### **Taipower seeks 640,000 mt bituminous thermal coal for Oct-Feb delivery**

Taiwan Power Company, or Taipower, said Friday that it is seeking 640,000 mt of bituminous thermal coal for delivery from October 2018 through February 2019. In the tender TPC10704-A, Taipower seeks eight 80,000 mt shipments of 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 sulfur of 0.9% air dried basis. The tender closes on September 11. Taipower is seeking offers for Australia, Canada, China, Colombia, South Africa, US and Venezuela-origin coal.

*(Source: Platts)*