

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

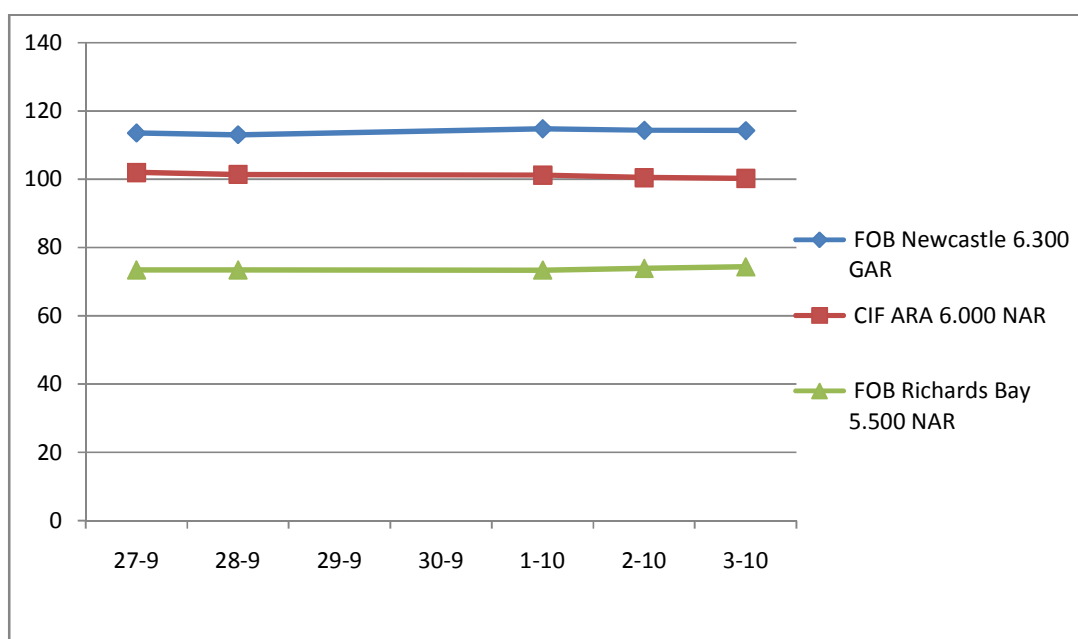
Date 04/10/2018

INTERNATIONAL COAL PRICE ASSESSMENTS

Daily prompt physical thermal coal assessments	Window 7 – 45 day	+/-	Window 90 - day	+/-
FOB Newcastle 6,300 GAR	114.20	-0.10	N/A	N/A
CIF ARA 6,000 NAR	100.20	-0.25	N/A	N/A
FOB Richards Bay 5,500 NAR	73.95	+0.05	N/A	N/A
FOB Kalimantan 5,900 GAR	N/A	N/A	72.40	+0.00
FOB Kalimantan 5,000 GAR	N/A	N/A	53.00	-0.25

China Coal Assessment	USD/tons	+/-	NDT/tons	+/-
PCC6 (CFR South China 3,800 NAR)	N/A	N/A	N/A	N/A
PCC7 (CFR South China 4,700 NAR)	N/A	N/A	N/A	N/A
PCC8 (CFR South China 5,500 NAR)	N/A	N/A	N/A	N/A

DAILY PROMPT PHYSICAL THERMAL COAL ASSESSMENTS IN 2018



(Source: Platts Coal Trader International –Date03/10/2018)

NEWS

Prices for Australian high ash cargoes edge up amid deals

More deals for Australia high ash cargoes have been concluded as buyers expect prices to pick up in coming months amid better demand. A couple of trades took place separately last Friday and Monday at \$68/mt FOB Newcastle to an unspecified location and \$67.50/mt FOB to east India for October and November shipments on Capesize basis, a Singapore-based trader said on Wednesday. “The market for Australia 5,500 NAR grade has not been moving a lot for weeks, I think these [traded] numbers are fair prices as compared to prices of the higher ash coal, showing that market is going stable to firm,” he added. An end-user in China with import quota had concluded a trade for Capesize cargo to southern China at around \$66.80/mt FOB for early November shipment. “We think this is a good price and we expect prices to rise in coming months, so we are booking it now” said the Singapore-based company source, adding that they will not be seeking cargoes again till December.

Offer for Australian coal is cheaper than South African coal

A Singapore-based trader said that bids for Australia 5,500 kcal/kg NAR grade coal were better right now in India, while demand from China is still weak. A bid was heard for October loading Capesize cargo to east coast of India at \$78/mt CFR, with the freight rate at \$13-\$14/mt, he said, adding that the bid was low. There were offers heard at \$68/mt FOB to some end-users in east India with the producer “actively involved to push the cargoes,” an India-based trader said, noting that current demand was seen from cement producers as well as some power plants. He added that competition from South African coal has been strong as discounts for 5,500 kcal/kg NAR coal moved up to \$21/mt on 6,000 kcal/kg NAR prices, though buying interest was still limited. “Buyers are expected to come into the market now as the rainy season is ending,” he said. Australian 5,500 kcal/kg NAR coal is turning out to be a cheaper option, an Indian end-user source said, pegging the price for a Panamax shipment at \$78/mt CFR east coast India. Meanwhile, with the surge in the US coal prices, it has lost its competitive edge into India, he added.

Chinese buyers expected to restock

An Indonesian producer said that market is weak at the moment due to Golden Week in China and there had not been much market information available this week. He expects Chinese buyers to return after the long holiday for re-stocking. “India is not buying much as well, everyone is waiting, I presume they prefer to buy after the market bottoms out,” he said. An India-based trader said market activity for Indonesian cargoes are “a little slow at the moment”, though buying interest is still present. “Offers for 4,200 GAR are at \$39.50-\$39.75/mt [FOB Kalimantan] for geared vessels, bids are at \$38.50-\$38.75/mt FOB,” the trader noted, adding that prices for the mid-CV coal are “under pressure.”

An Indonesian-based trader said there were some offers for mid-October shipments of 4,200 kcal/kg GAR coal at \$37.50/mt FOB, on Supramax basis, but the trader felt this did not reflect the actual market. A major Indonesian-based producer sold two mid-October loading Supramax shipments of 3,400 kcal/kg NAR coal at \$31.50/mt FOB Kalimantan. He pegged the buying interest for 3,800 kcal/kg NAR coal at \$39/mt FOB on Panamax basis for loading in October but did not have any cargoes to offer. “We’re still optimistic that winter in China will keep the demand high in November and December,” he said. The Chinese interest is largely in the low rank coal, but there is nothing for mid CV, the Indonesia-based trader said, adding that India is more active in this grade. He pegged 5,000 kcal/kg GAR coal price at \$52.50/mt FOB on Supramax basis.

(Source: Platts)

INTERNATIONAL SPOT DRY BULK FREIGHT ASSESSMENTS

				<i>Unit: USD/ton</i>
Size	From	To	Freight rates	Change
Capesize	Australia	China	11.25	+0.05
(150,000 tons)	Queensland	Japan	13.00	+0.05

	New South Wales	South Korea	13.85	+0.05
Panamax	Richards Bay	India West	14.75	+0.10
(70,000 tons)	Kalimantan	India West	11.15	+0.25
	Richards Bay	India East	14.95	+0.10
	Kalimantan	India East	9.40	+0.25
	Australia	China	14.60	+0.10
	Australia	India	16.60	+0.10

(Source: Platts Coal Trader International –Date03/10/2018)