



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

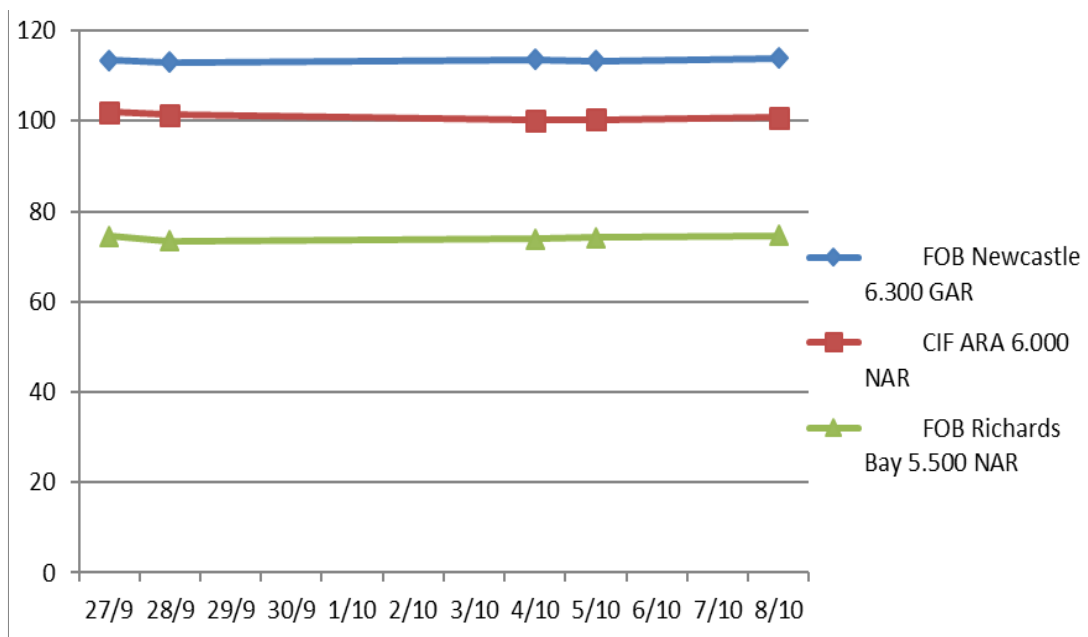
Date 09/10/2018

INTERNATIONAL COAL PRICE ASSESSMENTS

Daily prompt physical thermal coal assessments	Window 7 – 45 day	+/-	Window 90 - day	+/-
FOB Newcastle 6,300 GAR	113.90	+0.65	N/A	N/A
CIF ARA 6,000 NAR	100.80	+0.50	N/A	N/A
FOB Richards Bay 5,500 NAR	74.60	+0.35	N/A	N/A
FOB Kalimantan 5,900 GAR	N/A	N/A	72.30	+0.00
FOB Kalimantan 5,000 GAR	N/A	N/A	52.80	+0.00

China Coal Assessment	USD/tons	+/-	NDT/tons	+/-
PCC6 (CFR South China 3,800 NAR)	48.15	+0.00	385.26	+2.20
PCC7 (CFR South China 4,700 NAR)	62.20	-0.20	497.67	+1.25
PCC8 (CFR South China 5,500 NAR)	80.50	+2.05	644.09	+19.98

DAILY PROMPT PHYSICAL THERMAL COAL ASSESSMENTS IN 2018



(Source: Platts Coal Trader International –Date 08/10/2018)

NEWS

Import restriction limits Chinese seaborne trade

China's return to the seaborne market after the week-long National Day holidays was slow going Monday as market participants reflected on Beijing's decision not to loosen its import restrictions in the near term and domestic prices edged marginally higher during Asia's trading session, according to sources. Import restrictions at Chinese ports are a hindrance to seaborne trade, but with the upcoming winter and rising domestic prices, market sources believe the restrictions may have to be diluted soon. "This is the peak buying time now," one source said, adding that stockpiles at Chinese ports were starting to dip.

Few bids were seen for Australian 5,500 kcal/kg NAR cargoes Monday, after several late-October and November-loading Capesize cargoes were reportedly sold last week at levels around \$67.50/mt FOB Newcastle, according to sources. Sources said supply at Newcastle for both the 5,500 and 6,000 kcal/kg NAR grades remained exceedingly tight. "The [Newcastle 5,500 kcal/kg NAR] market is going higher," one market source said. Capesize freight into South China from Newcastle was pegged at around \$13.25/mt indicating a delivered price into China on a 5,500 kcal/kg NAR basis at about \$80/mt CFR.

Import policy meeting

China's National Development and Reform Commission held a meeting last week with several major power utilities, reiterating its policy of strict import quotas for the rest of the year, according to various sources. End-users can apply to the agency for one-off exceptions for import shipments only if they had an urgent requirement, and need approval from the State Council, sources said. "Many are talking about this news today as we start our week," a China-based source commented. A Singapore-based trader said sentiment for the seaborne thermal coal market had been bearish following the news. "There have been lots of offers right now, especially for prompt shipments from Indonesia, but there are not many trades yet," he said.

There was wide range in offers for 3,800 kcal/kg NAR Indonesian thermal coal, with the lowest from \$38-\$44/mt FOB Kalimantan for branded coal for October-loading on Supramax vessels, according to different traders, while buying interest was heard at about \$38/mt FOB. "The import policy would benefit domestic coal and dampen demand for imported coal," a trader noted, adding that freight rates had been going up too. Futures and spot prices for domestic coal were firmer Monday, with trades for spot cargoes of the 5,500 kcal/kg NAR grade heard between Yuan 635-645/mt FOB Qinhuangdao, while 5,000 kcal/kg NAR grade were traded at Yuan 560/mt FOB. Domestic producers Shenhua and Datong had also raised their October long-term contract prices, sources noted.

Indonesia coal competes with South African coal

An Indonesia-based trader said the seaborne market has been quite active in recent days, and noted that he was not even able to get barges for transshipment easily. A geared vessel cargo of 4,100 kcal/kg GAR Indonesian thermal coal for November loading was heard offered at \$39/mt FOB. Another Indonesia-based trader said he was offering a promptloading Panamax shipment of 4,200 kcal/kg GAR coal at \$39.50/mt FOB. An India-based trader said that Indian inquiries were strong, but price expectations were low. Another India-based trader said deals for mid-CV 5,100 kcal/kg GAR coal were concluded at between \$54/mt and \$55/mt FOB Kalimantan levels. Bids from India for 4,200 kcal/kg GAR coal were at \$38.50/mt FOB for Supramax shipments, and at \$39.50/mt for Panamax cargoes, he noted.

Bids for Panamax cargoes of 4,200 kcal/kg GAR coal were at \$48/mt CFR west coast India, while offers are at about \$50/mt CFR, he added, pegging the Panamax freight rate from Indonesia to west coast India at about \$10-\$10.50/mt. Discounts for South African coal have also widened quite significantly, but Indonesian cargoes still make economic sense, he noted. Discounts for South African 5,500 kcal/kg NAR coal were at about \$20-\$21/mt to 6,000 kcal/kg NAR prices, while that for 4,800 kcal/kg NAR has widened to about \$35/mt.

(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	10.65	-0.15
	Queensland	Japan	12.35	-0.15
	New South Wales	South Korea	13.20	-0.15
Panamax (70,000 tons)	Richards Bay	India West	15.25	+0.25
	Kalimantan	India West	11.25	+0.00
	Richards Bay	India East	15.45	+0.25
	Kalimantan	India East	9.50	+0.00
	Australia	China	14.95	+0.20
	Australia	India	16.95	+0.20

(Source: Platts Coal Trader International –Date08/10/2018)