



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

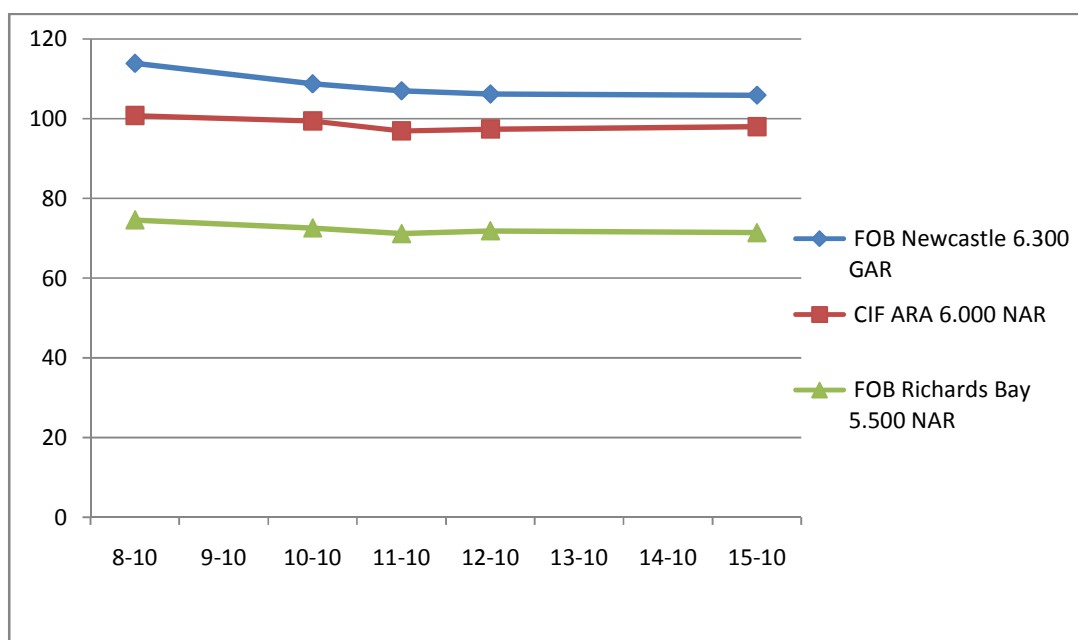
Date 18/10/2018

INTERNATIONAL COAL PRICE ASSESSMENTS

Daily prompt physical thermal coal assessments	Window 7 – 45 day	+/-	Window 90 - day	+/-
FOB Newcastle 6,300 GAR	105.90	-0.30	N/A	N/A
CIF ARA 6,000 NAR	98.00	+0.60	N/A	N/A
FOB Richards Bay 5,500 NAR	71.40	-0.45	N/A	N/A
FOB Kalimantan 5,900 GAR	N/A	N/A	72.50	+0.00
FOB Kalimantan 5,000 GAR	N/A	N/A	53.00	+0.00

China Coal Assessment	USD/tons	+/-	NDT/tons	+/-
PCC6 (CFR South China 3,800 NAR)	48.50	+0.00	334.51	-0.02
PCC7 (CFR South China 4,700 NAR)	62.50	+0.00	388.03	-0.02
PCC8 (CFR South China 5,500 NAR)	77.50	+0.00	534.52	-0.04

DAILY PROMPT PHYSICAL THERMAL COAL ASSESSMENTS IN 2018



(Source: Platts Coal Trader International –Date 15/10/2018)

NEWS

Newcastle 5,500 NAR thermal coal finds buying interest in turkey amid low Chinese demand

High-ash Australian thermal coal cargoes were attracting interest from non-Chinese buyers as import restrictions at Chinese ports led to lower demand for this grade of coal, market sources said Monday. A Panamax shipment of Australian 5,500 kcal/kg NAR thermal coal was shipped to Turkey on the vessel W-Sky and arrived at the Black Sea port of Zonguldak on Turkey's northern coast on Sunday, according to shipping sources. The cargo had loaded at Newcastle port on September 28. After discharging its cargo at Zonguldak, the W-Sky was set to sail to Yuzhny port in Ukraine, reaching its destination on October 17, according to S&P Global Platts trade flow software cFlow.

Platts on Friday assessed 6,000 kcal/kg NAR thermal coal delivered to Turkey at \$104/mt CIF. After a deal heard Friday at \$65/mt FOB Newcastle for a November loading Capesize cargo of Australian 5,500 kcal/kg NAR thermal coal, sold to China, offers for November shipments of this grade were heard at lower levels Monday at around \$64-\$65/mt, sources said. One market source expects China's port restrictions to last until early December, and said after that period the way might be clear for shipments of seaborne thermal coal to enter China unrestricted. Meanwhile, the Capesize freight rate on the Newcastle to China trading route edged closer to \$13/mt in Asian trade Monday, sources said.

A fixture was heard at \$12.90/mt for a Capesize vessel of 130,000mt loading at Newcastle, Australia, in H2 November and headed to Lanshan port in northeast China, according to freight market sources. Another Capesize vessel of 130,000 mt was booked at \$13.25/mt to load at Newcastle H2 October for delivery to Hadong port in South Korea. This indicated a delivered-south China price of around \$78/mt CFR for Australian 5,500 kcal/kg NAR thermal coal.

Domestic prices stable to soft

Prices for spot domestic cargoes were seen as softening Monday after the surge last week, while futures prices continued to edge up, sources said. "The spot price increase was not a reflection of stronger demand, as power plants were buying on a long-term contract basis," a trader said. "It was a reaction to the import restrictions as well as supply tightness, thanks to the planned railway maintenance and ongoing environmental checks," he added. Spot prices of 5,500 kcal/kg NAR domestic coal were heard at around Yuan 655/mt FOB Qinhuangdao, while spot prices of 5,000 kcal/kg stayed stable at around Yuan 580/mt.

Sluggish demand for Indonesian coal

Demand for Indonesian thermal coal remained sluggish in India, as market players there adopted a wait-and-see approach, sources said Monday. An India-based trader said there was no rush to buy amid a weakening rupee, and buyers were waiting to see if there were changes to China's import quota policy. "It is Q4 already, but demand from China is still weak. China is not increasing the quota as of now. End-users especially from South China who exhausted their import quotas will have to use domestic coal for now," an Indonesia-based trader said.

Chinese utility Huaneng's tender for 3,800 kcal/kg NAR coal to be delivered mid-November for its power plant in Jiangsu was closed at Yuan 418/mt (\$60.32/mt) CFR, inclusive of port charges and value added tax. This translated to about \$38.60/mt FOB Kalimantan with Supramax freight pegged at \$12.50/mt, according to a China-based trader. An offer for this grade was heard at \$39/mt FOB Kalimantan on a Supramax basis, while another offer for Panamax was heard at \$40/mt for November loading, according to various market sources.

"Chinese buyers are unlikely to pay more than \$39/mt FOB for a Supramax shipment. There are still a lot of prompt cargoes in October, so it's unlikely that prices will go up," another China-based trader said. An Indonesia-based trader, however, said that producers would "rather release cargoes to domestic buyers" in Indonesia if 4,200 kcal/kg GAR grade coal was selling below \$39/mt FOB. "We are waiting for the Chinese regulation on import quotas to loosen, as the demand for their domestic coal will eventually drive prices up," he said.

(Source: www.platts.com)

INTERNATIONAL SPOT DRY BULK FREIGHT ASSESSMENTS

				<i>Unit: USD/ton</i>
Size	From	To	Freight rates	Change
Capesize (150,000 tons)	Australia	China	11.20	-0.10
	Queensland	Japan	12.95	-0.10
	New South Wales	South Korea	13.80	-0.10
Panamax (70,000 tons)	Richards Bay	India West	15.50	+0.20
	Kalimantan	India West	11.35	+0.00
	Richards Bay	India East	15.80	+0.20
	Kalimantan	India East	9.55	+0.00
	Australia	China	14.75	+0.00
	Australia	India	16.60	+0.00

(Source: Platts Coal Trader International –Date15/10/2018)