



PETROVIETNAM POWER CORPORATION
PETROVIETNAM POWER COAL IMPORT AND SUPPLY COMPANY
WEEKLY NEWS – SECOND WEEK
OF OCTOBER
 (From 08/10 – 12/10)

I. COAL MARKET ANALYSIS

1. INTERNATIONAL COAL PRICE ASSESSMENTS

Unit: USD/ton

Price index	Week 17/09-21/09	Week 24/09-28/09	Week 01/10-05/10	Week 08/10-12/10
PCC 6 (CFR South China 3,800 NAR)	47.71	47.91	N/A	48.38
PCC 7 (CFR South China 4,700 NAR)	61.66	61.39	N/A	62.45
PCC 8 (CFR South China 5,500 NAR)	76.90	77.85	N/A	79.16
FOB Newcastle 6,300 GAR	112.58	113.03	114.19	109.62
CIF ARA 6,000 NAR	98.45	101.45	100.54	99.22
FOB Richards Bay 6,000 NAR	73.87	73.36	73.86	73
NEWC (FOB Newcastle 6,000 NAR)	113.01	113.58	N/A	N/A

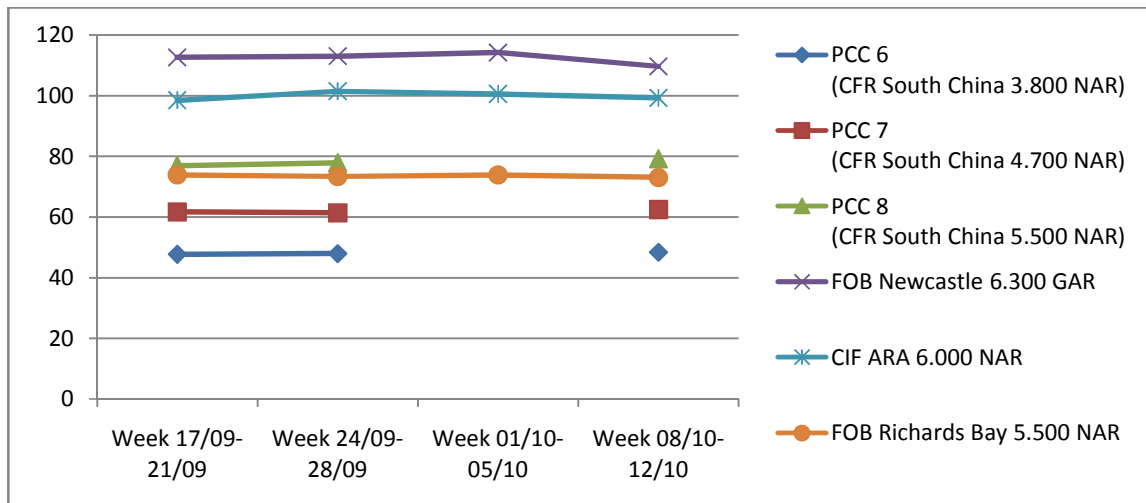


Chart 1: Average coal price 2nd week of October(2018)

(Source: Platts Coal Trader International)

2. INTERNATIONAL SPOT DRY BULK FREIGHT ASSESSMENTS

Unit: USD/ton

	Week 2 nd - October	08/10	09/10	10/10	11/10	12/10
Capesize (150,000 tons)						
1	Australia – China	10.65	10.15	10.25	10.70	11.30
2	Queensland – Japan	12.35	11.70	11.85	12.35	13.05
3	New South Wales – South Korea	13.20	12.55	12.65	13.20	13.90
Panamax (70,000 tons)						
1	Richards Bay - India West	15.25	15.30	15.30	15.30	15.30
2	Kalimantan - India West	11.25	11.65	11.65	11.50	11.35
3	Richards Bay - India East	15.45	15.50	15.60	15.60	15.60
4	Kalimantan - India East	9.50	9.90	9.80	9.65	9.55
5	Australia - China	14.95	15.00	15.00	14.85	14.75
6	Australia - India	16.95	17.00	17.00	16.85	16.60

(Source: Platts Coal Trader International)

II. NEWS

Vietnam Sep coal imports rise 106% on year to almost 2 mil mt; exports down 49%

Vietnam imported nearly 2 million mt of coal in September, up 105.8% from the same month in 2017, Vietnam Customs' preliminary data released Tuesday showed. Indonesia was the biggest supplier of coal in the month with 830,791 mt, up 70.1% year on year, followed by Australia and Russia. In the first nine months, Vietnam imported 15.38 million mt of coal, rising 47.7% year on year, mostly from Indonesia, Australia and Russia. Meanwhile, Vietnam exported 111,186 mt of coal in September, down 49.3% year on year, mainly to the Philippines, Japan and South Korea. Between January-September, Vietnam exported 1.79 million mt of coal, up 17.9% year on year, largely to Japan and South Korea. Most of the country's coal production is used domestically by the power, cement and other industrial sectors.

VIET NAM'S COAL IMPORT IN SEPTEMBER

(Unit: tons)

	18-Sep	17-Sep	Change (Y/Y)	18-Aug	Change (M/M)
Indonesia	830,791	488,428	70.90%	691,881	20.08%
Australia	592,203	164,816	259.31%	443,381	33.57%
Russia	245,372	198,034	23.90%	241,093	1.77%
China	101,345	62,598	61.90%	108,549	-6.64%
Japan	5,513	-	-	-	-
Total	1,999,361	971,433	105.82%	1,516,250	31.86%

VIET NAM'S COAL IMPORT DURING JANUARY-SEPTEMBER

(Unit: tons)

	Jan – Sep 18	Jan-Sep 17	Change (Y/Y)
Indonesia	7,827,079	3,946,868	98.31%
Australia	3,816,851	2,894,874	31.85%
Russia	1,836,680	1,836,560	0.01%
China	680,316	62,598	-12.98%
Malaysia	224,519	171,897	30.61
Japan	20,122	36	55794.44%
Total	15,384,464	10,418,399	47.67%

VIET NAM'S COAL EXPORTS IN SEPTEMBER

(Unit: tons)

	Sep-18	Sep-17	Change (Y/Y)	Aug-18	Change (M/M)
Philippines	27,291	-	-	-	-
Japan	25,500	88,926	-71.32%	139,009	-81.66%
South Korea	21,752	16,475	32.03%	26,082	-16.60%
India	8,500	8,800	-3.41%	-	-
Thailand	7,325	37,811	-80.63%	28,708	-74.48%
Taiwan	5,522	8,246	-33.03%	-	-
Total	111,186	219,456	-49.34%	290,252	-61.69%

VIET NAM'S COAL EXPORTS OVER JANUARY-SEPTEMBER

(Unit: tons)

	Jan-Sep 18	Jan-Sep 17	Change (Y/Y)
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Japan	699,804	731,875	-4.38%
South Korea	321,399	90,331	255.80%
Thailand	153,747	113,360	35.63%
Indonesia	102,979	52,457	96.31%
India	92,190	48,892	88.56%
Malaysia	91,337	160,083	-45.01%
Philippines	27,401	27,494	-0.34%
Taiwan	24,495	48,590	-49.59%
Laos	22,280	52,858	-57.85%
Total	1,793,422	1,521,043	17.91%

India's NTECL seeks 850,000 mt imported thermal coal

Indian state-run NTPC Tamil Nadu Energy Company Limited, or NTECL, has issued a buy tender for 850,000 mt of imported thermal coal of any origin for its Vallur thermal power in Tamil Nadu, southern India. The coal of 5,000 kcal/kg GAR is required to have up to 10% ash as received, up to 30% total moisture as received and 0.8% sulfur as received, market sources said. Offers have to be quoted on a CIF basis. The discharge will be at Kamarajar port at Ennore port on the east coast of India. The company will not accept any resale offer of stock stored in India. The tender closes November 1. NTECL is a joint venture between NTPC Limited and Tamil Nadu Electricity Board.

Fall in China's high-ash coal demand pushes Australian cargoes to Europe, Africa

The slowdown in Australian thermal coal trade to China is resulting in shipments of off specification coal traveling longer distances to Europe and even Africa, according to an analysis of shipping data from cFlow, Platts trade flow software. "What is happening in China is having an impact further west," a market source said. "There is some interest for Newcastle cargoes to India, especially 5,500 kcal/kg NAR coal, and even further afield to Europe," he said. Some Australian high-ash coal cargoes have been sold even to Egypt, an emerging market. This anecdotal information is backed by data from Platts cFlow software which shows several ships carrying Newcastle coal to new destinations. For example, the Panamax ship Loch Ness arrived at the Port Sudan dry bulk discharge facility on October 6, laden with coal via Sri Lanka's Colombo port after loading at Newcastle port on September 4, Platts cFlow data showed.

South African thermal coal might be considered a natural choice for Egyptian buyers, given its closer proximity, but price appears to be a greater consideration. "The price of Newcastle 5,500 kcal/kg NAR coal is lower than South African 5,500 kcal/kg NAR," the market source said. The difference between FOB prices from the two origins is \$5.50, according to S&P Global Platts data. High-ash Australian coal is currently trading at \$67/mt FOB Newcastle compared with \$72.50/mt FOB Richards Bay, both on a 5,500 kcal/kg NAR basis. Capesize freight from Richards Bay to Rotterdam is at \$7.40/mt, indicating a delivered 5,500 kcal/kg NAR price for South African coal to Europe of about \$80/mt. For Australian 5,500 kcal/kg NAR cargoes, the Europe-delivered price would be not much higher than \$80/mt CIF ARA on account of lower FOB prices at Newcastle.

(Source: Platts)