



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

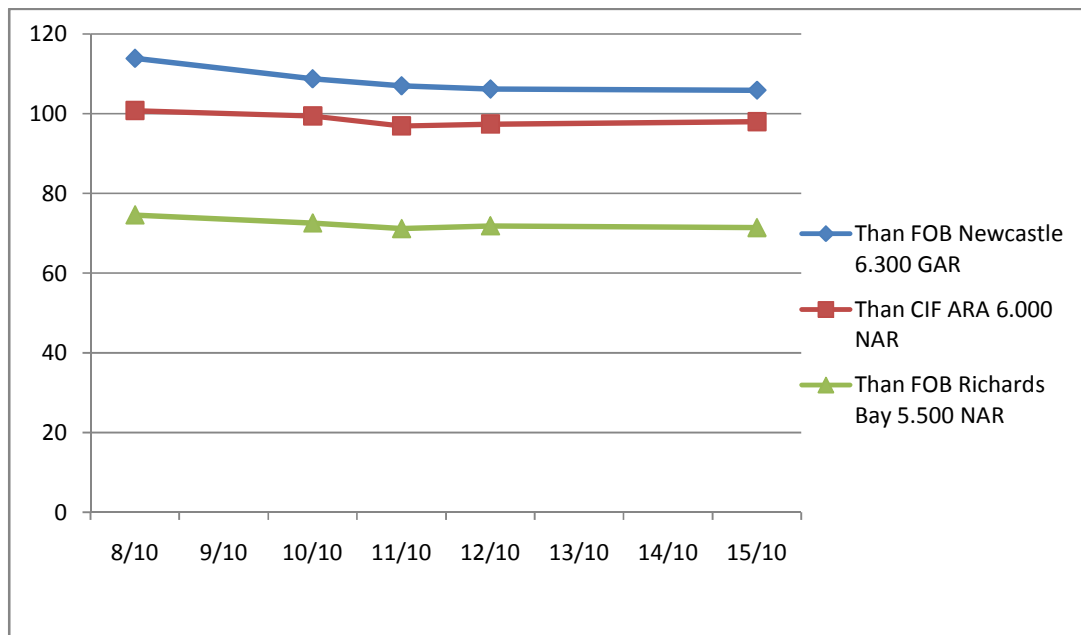
Date 19/10/2018

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

BHP maintains 2018-2019 thermal coal production guidance despite fall in Jul-Sep

BHP's thermal coal production in the July-September quarter slipped 1% year on year and 26% from April-June to 6.64 million mt, but the miner maintained its production guidance for fiscal 2018-2019, the company said Wednesday. The output figure was also below analysts' expectations. RBC Capital Markets and JPMorgan said in separate research notes Wednesday that they had been expecting output of 7.3 million mt and 8 million mt, respectively, for the quarter.

From its Australian operations, BHP produced 3.98 million mt in the September quarter, down 6% from a year earlier and 36% lower from the June quarter. It produced 2.66 million mt in Colombia, a 6% rise year on year but a 4% drop from April-June. The company's guidance for thermal coal production remains unchanged at 28 million-29 million mt, compared with the actual production of 29.16 million mt in the previous fiscal year. BHP produces thermal coal from its Mt Arthur coal mine as part of its New South Wales Energy Coal business in Australia, and its Cerrejon mine in Colombia.

Turkish thermal coal buyers struggle with seaborne prices

Buyers in the Turkish thermal coal market remain at a stalemate with international sellers as economic woes limit purchasing power, sources said. "I don't hear much these days," said a Turkish cement plant buyer. "Our market is so silent." The source linked the dormant state of the market to economic woes from trade wars which have taken their toll on the lira. The Turkish lira fell to 0.168 against the dollar on Friday having opened the year at 0.264.

A European trader said the cement industry in Turkey is in poor condition as construction companies struggle to make payments. "For utilities it is business as normal," said the trader. The source explained despite being expensive to import, utilities will continue to burn coal over gas as dark-spreads remain favorable for coal. Electricity sold in lira could be twice as expensive this winter as a result of the surging import costs, the trader said. Addressing its trade deficit, the Turkish government announced Thursday the privatization of 203 million mt of domestic coal reserves with the aim of reducing import volumes. The move is not expected to derail the industry immediately, an analyst said, noting the start-up time of many projects and the lower quality of coal in reserves. "It (domestic coal) would need to be a minimum of 5,500 kcal/kg NAR to compete (with seaborne coal)," the analyst said.

Downward pressure to Turkish prices would have also come from the falling CIF ARA market this week. In recent weeks European prices had been at elevated levels, which sent the CIF Turkey price to \$105/mt at several times in Q3- the highest level since Platts began pricing this market in 2014. S&P Global Platts assessed the CIF Turkey 6,000 kcal/kg NAR, 90-day price at \$104/mt, down \$1 on week. No word was heard yet on a large Turkish utility's tender for Cal-19 cargoes. The utility is seeking upwards of 30 Capesize vessels of 125,000 mt each, totalling 3.75 million mt, sources said.

Pakistan international bulk Terminal handles 869,000 mt coal in September

Pakistan International Bulk Terminal (PIBT), the primary coal terminal in Pakistan, handled 869,000 mt of coal throughout September, a spokesman for PIBT told S&P Global Platts Friday. It was a record volume for coal handled by the terminal, although PIBT has only been Pakistan's main coal terminal since July this year. In June, the Pakistan Supreme Court ordered all coal imports would have to be discharged at PIBT due to environmental concerns surrounding the previous discharge terminal at Karachi Port. Twenty laden coal vessels arrived at PIBT during September, according to Platts trade flow software cFlow, up from 16 in August and 15 in July. Thermal coal imports to the country are expected to rise in the coming years due to increased cement production and rising demand for coal-fired power generation. A total 1.98 GW of coal-fired power is currently under construction in Pakistan, with an additional 10.529 GW planned, according to Platts WEPP plant capacity database. Pakistan's current coal-fired capacity is 3.045 GW, WEPP data shows.

(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 –Date 15/10/2018)