



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

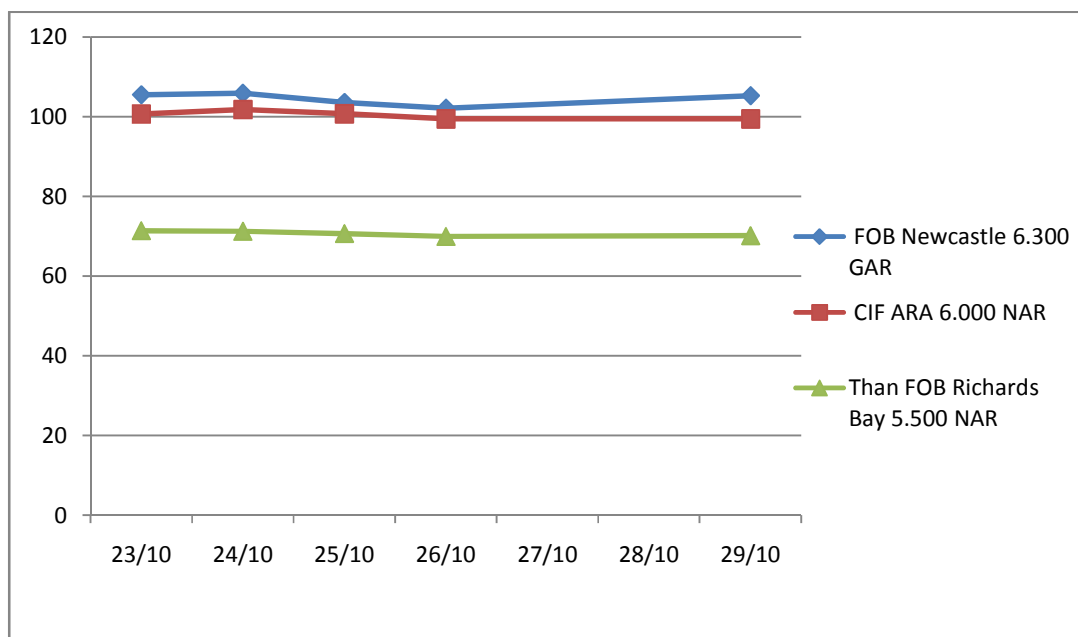
Date 05/11/2018

INTERNATIONAL COAL PRICE ASSESSMENTS

Daily prompt physical thermal coal assessments	Window 7 – 45 day	+/-	Window 90 - day	+/-
FOB Newcastle 6,300 GAR	105.30	+3.15	N/A	N/A
CIF ARA 6,000 NAR	99.45	+0.60	N/A	N/A
FOB Richards Bay 5,500 NAR	70.15	+0.20	N/A	N/A
FOB Kalimantan 5,900 GAR	N/A	N/A	72.30	-0.10
FOB Kalimantan 5,000 GAR	N/A	N/A	52.40	-0.10

China Coal Assessment	USD/tons	+/-	NDT/tons	+/-
PCC6 (CFR South China 3,800 NAR)	45.30	-0.75	314.10	-4.56
PCC7 (CFR South China 4,700 NAR)	60.80	-0.20	412.57	-0.54
PCC8 (CFR South China 5,500 NAR)	77.75	+0.00	539.1	+1.08

DAILY PROMPT PHYSICAL THERMAL COAL ASSESSMENTS IN 2018



(Source: Platts Coal Trader International –Date 29/10/2018)

NEWS

Forecast lower seasonal temperatures set to stir Chinese import market

The expected arrival of colder weather in China starting next month is likely to test its tight imports policy as thermal coal consumption is forecast to increase, said market sources Thursday. An unconfirmed trade was heard for a December-loading Capesize cargo of Australian 5,500 kcal/kg NAR thermal coal at about \$64.80/mt FOB Newcastle, and was in line with recent buying interest for this month of delivery. A China-based trader heard an offer for a spot shipment of Australian 5,500 kcal/kg NAR thermal coal at \$65/mt FOB Newcastle on a Capesize vessel.

China's import quotas for end-user buyers could be reset from January 1, 2019, allowing power utilities to re-enter the seaborne market for Q1-delivery cargoes, said sources. The possible lifting of China's import restriction on thermal coal is likely to interrupt the recent trade flow of Australian high-ash shipments to western markets. Some Newcastle high-ash cargoes have found their way to customers in Turkey and Rotterdam, but the longevity of this trade is increasingly in doubt, sources said. Meanwhile, cement producers and nickel smelters in the French Pacific island territory of New Caledonia have recently booked some high-ash cargoes of Newcastle thermal coal. The bookings were said to be at market prices linked to the 5,500 kcal/kg NAR grade, in a trade flow that is expected to remain fairly steady, according to sources.

Newcastle 6.000 NAR

In the Newcastle 6,000 kcal/kg NAR thermal coal market, supply has been increasing for Q4 delivery, and this is starting to affect prices, said sources. Japanese buyers are mostly covered for Q4 in terms of deliveries of Newcastle 6,000 kcal/kg NAR thermal coal, sources said. One interesting spot of demand in Asia is Taiwan where its large power utility has been active in tendering for Newcastle 6,100 kcal/kg GAR thermal coal, they said. However, Taiwan-based thermal coal buyers have been resisting paying prices of around \$110/mt FOB Newcastle for this grade, as offered by Australian coal producers. Taiwan-based buyers hitched some of their term contracts to Japanese reference prices such as for the April Japanese financial year, and for October 1, 2018 to September 30, 2019 annual contracts. "For 6,000 NAR [Newcastle coal], I think the price should be firm in the near-term for the winter-restocking period approaching," said another market source.

Domestic market

Bearish sentiment remained in the Chinese spot domestic market amid weak buying interest. "Prices are dropping every day," a China-based source said. Market sources pegged buying interest for the 5,500 kcal/kg NAR grade at Yuan 660/mt FOB Qinhuangdao, while the 5,000 kcal/kg NAR was trading at just below Yuan 600/mt. "It's highly likely that demand will stay low for now, even if it's traditionally the peak season," said one China-based source. "Maybe demand will be better in December when some end users get fresh quotas for next year," the source added. "The bearish market now presents a good opportunity for utilities in signing [long-term supply] contracts," the source added.

Taipower seeks 640,000 mt of thermal coal for Dec 2018-mar 2019

Taiwan Power Company, or Taipower, said Friday that it is seeking to buy a total 640,000 mt of bituminous thermal coal for delivery from December 2018 through March 2019. In the tender TPC10801-A, Taipower is seeking eight 80,000 mt shipments of coal with a minimum calorific value of 5,900 kcal/kg GAR, maximum total moisture of 15% as received, maximum ash content of 15%air dried and maximum sulfur of 0.9% air dried basis. The tender closes November 6, 2018.Taipower is seeking offers for Australia, Canada, China, Colombia,South Africa, the United States and Venezuela origin shipments.Earlier in September, a similar tender was cancelled as offer prices were above the ceiling price the utility had set

(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	10.70	+0.25
	Queensland	Japan	12.30	+0.30
	New South Wales	South Korea	13.15	+0.30
Panamax (70.000 tons)	Richards Bay	India West	14.20	+0.00
	Kalimantan	India West	10.05	+0.00
	Richards Bay	India East	14.50	+0.00
	Kalimantan	India East	8.40	+0.00
	Australia	China	13.40	+0.00
	Australia	India	15.00	+0.00

(Source: Platts Coal Trader International –Date29/10/2018)