



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

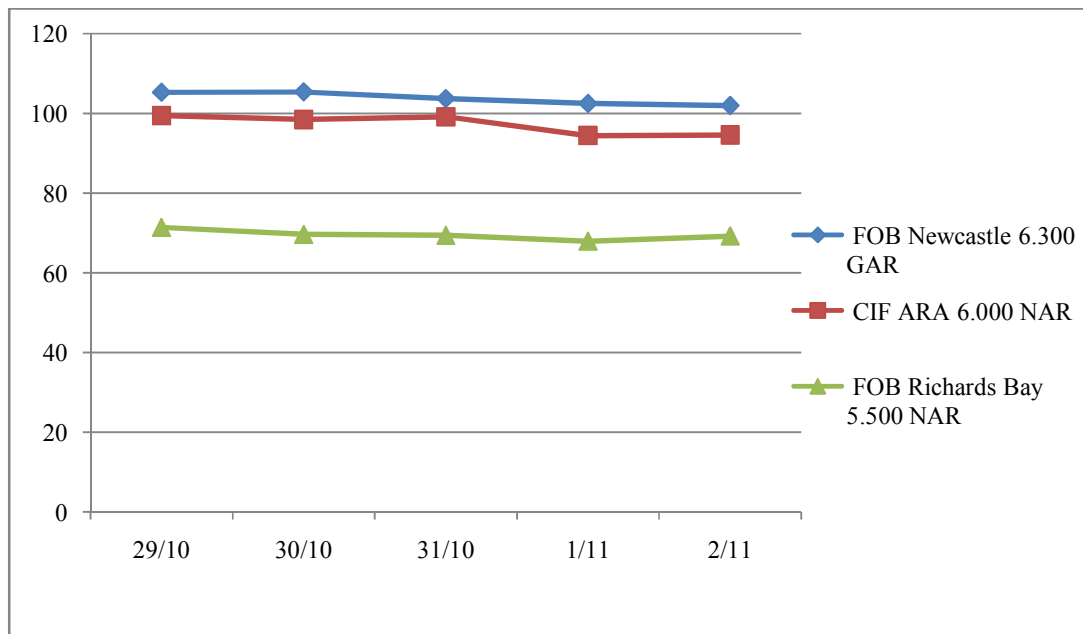
Date 07/11/2018

INTERNATIONAL COAL PRICE ASSESSMENTS

| Daily prompt physical thermal coal assessments | Window 7 – 45 day | +/- | Window 90 - day | +/- |
|--|-------------------|-------|-----------------|-------|
| FOB Newcastle 6,300 GAR | 102.00 | -0.50 | N/A | N/A |
| CIF ARA 6,000 NAR | 94.60 | +0.15 | N/A | N/A |
| FOB Richards Bay 5,500 NAR | 69.25 | +1.30 | N/A | N/A |
| FOB Kalimantan 5,900 GAR | N/A | N/A | 71.95 | -0.25 |
| FOB Kalimantan 5,000 GAR | N/A | N/A | 51.50 | -0.50 |

| China Coal Assessment | USD/tons | +/- | NDT/tons | +/- |
|----------------------------------|----------|-------|----------|--------|
| PCC6 (CFR South China 3,800 NAR) | 43.75 | -0.45 | 300.44 | -5.52 |
| PCC7 (CFR South China 4,700 NAR) | 59.75 | -0.45 | 410.31 | -6.41 |
| PCC8 (CFR South China 5,500 NAR) | 76.50 | -1.00 | 525.34 | -11.13 |

DAILY PROMPT PHYSICAL THERMAL COAL ASSESSMENTS IN 2018



(Source: Platts Coal Trader International –Date 2/11/2018)

NEWS

Indonesian thermal coal producers turn to domestic demand

Indonesian thermal coal producers are tapping into domestic demand as seaborne market prices come under strong downward pressure, trade sources said Thursday. “The demand situation might get better in December, but we do not have much expectation. The domestic market is much more stable, we provide about 60% of our 4,200 kcal/kg GAR coal to local power plants,” a South Kalimantan producer said. “Export coal prices are getting more pressure now,” he added. Offers for Supramax cargoes of 4,200 kcal/kg GAR coal were heard at \$38.50/mt FOB Kalimantan, while bids were heard at \$37-\$37.50/mt FOB for November loading.

Chinese domestic prices stable

Prices of domestic cargoes in China were little changed Thursday, but market participants expected stronger demand in coming weeks. Offers for China’s domestic 5,500 kcal/kg NAR coal were heard at Yuan 645/mt FOB Qinhuangdao, while trades were heard at around Yuan 640–645/mt, said sources. “Our stockpiles are still high, so we’re not buying yet,” an end-user said. A trader said some power plants would be calling for tenders for about 2 million mt of domestic coal and this would lend some support to the market. “Though the tender prices might be lower, traders will be busy seeking cargoes,” the source said.

A China-based buyer said he had received offers from smaller suppliers for 3,800 kcal/kg NAR at \$36.50/mt FOB Kalimantan on Panamax shipment for mid-November loading. Other market sources said most of the offers for this grade were heard at \$36/mt FOB on Supramax basis for mid-November loading. “Import prices are likely to drop further as import quotas are still in place, while domestic prices are going down,” a market source said.

Newcastle 6,000 Nar prices fall

The Japanese market for imported thermal coal had been relatively quiet since last month’s benchmark price settlement at \$109.77/mt FOB Newcastle basis 6,322 kcal/kg GAR. The price was for annual term contracts covering October 2018–September 2019 shipments from Australian suppliers to Japanese power companies including Tohoku Electric, sources said. “The 6,000 kcal/kg NAR market is balanced. Restocking demand for Japan, Korea and Taiwan is finished,” said one market participant. “On global COAL over the past few days we have seen prices dropping,” he said, referring to traded prices of Newcastle 6,000 NAR thermal coal contract on global COAL. Early on in Asia trade, a 75,000 mt cargo of December-loading Newcastle 6,000 kcal/kg NAR thermal coal traded at \$101.95/mt FOB, on global COAL. This was lower than a trade concluded a day earlier at \$102.25/mt FOB Newcastle for the same grade and laycan of this type of Australian thermal coal, on global COAL.

Also on Thursday, a February shipment comprising 25,000 mt of Newcastle 6,000 kcal/kg NAR thermal coal traded onscreen at \$104.50/mt FOB, on the trading platform. But it was the market participant’s expectation that FOB Newcastle 6,000 kcal/kg NAR thermal coal prices would continue to trade at above \$100/mt for the near future, as they had since late April. “Japan has already secured cargoes for Q4 and Q1 2019,” the market source said, adding that Japanese buyers were expected to return in January or February. It has become a tradition for some Japanese power companies to issue tenders early in the new year in order to test market prices ahead.

(Source: www.platts.com)

INTERNATIONAL SPOT DRY BULK FREIGHT ASSESSMENTS

| | | | | <i>Unit: USD/ton</i> |
|-----------------|------------|-------|---------------|----------------------|
| Size | From | To | Freight rates | Change |
| Capesize | Australia | China | 10.60 | +0.10 |
| (150,000 tons) | Queensland | Japan | 12.20 | +0.10 |

| | | | | |
|----------------|-----------------|-------------|-------|-------|
| | New South Wales | South Korea | 13.05 | +0.10 |
| Panamax | Richards Bay | India West | 14.00 | +0.00 |
| (70.000 tons) | Kalimantan | India West | 10.00 | +0.00 |
| | Richards Bay | India East | 14.25 | +0.00 |
| | Kalimantan | India East | 8.35 | +0.00 |
| | Australia | China | 13.60 | +0.00 |
| | Australia | India | 15.30 | +0.00 |

(Source: Platts Coal Trader International –Date2/11/2018)