



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

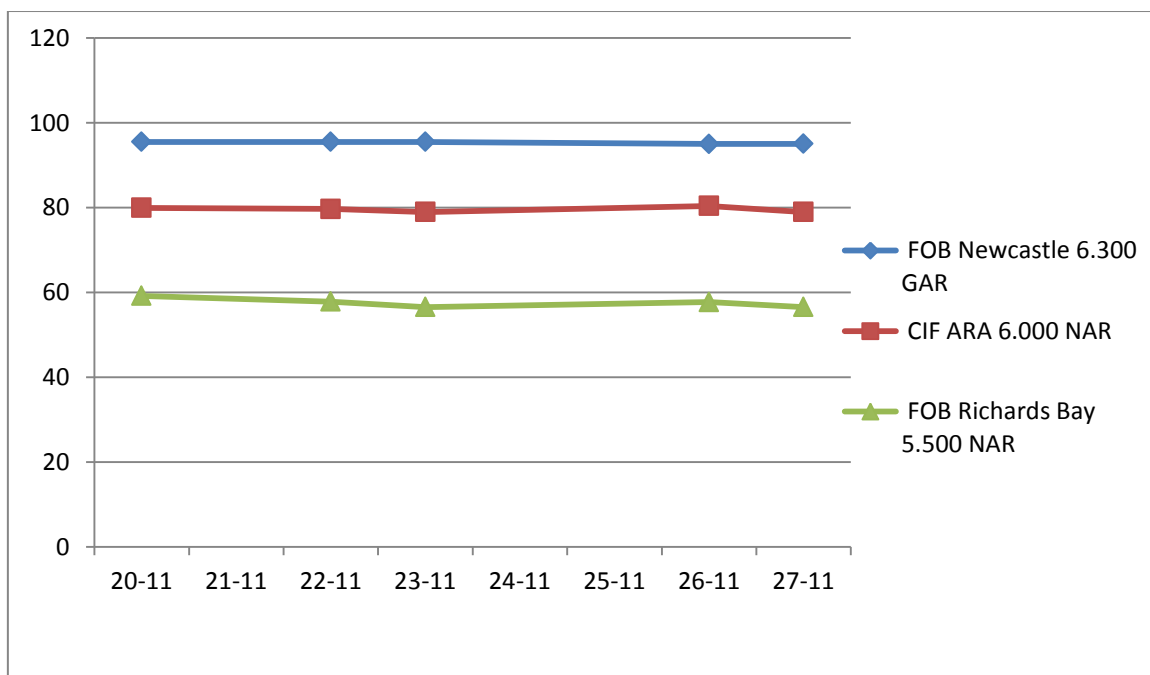
Date 11/12/2018

INTERNATIONAL COAL PRICE ASSESSMENTS

Daily prompt physical thermal coal assessments	Window 7 – 45 day	+/-	Window 90 - day	+/-
FOB Newcastle 6,300 GAR	95.65	+0.65	N/A	N/A
CIF ARA 6,000 NAR	82.15	+1.75	N/A	N/A
FOB Richards Bay 5,500 NAR	60.25	+2.55	N/A	N/A
FOB Kalimantan 5,900 GAR	N/A	N/A	67.75	-0.25
FOB Kalimantan 5,000 GAR	N/A	N/A	47.00	-0.30

China Coal Assessment	USD/tons	+/-	NDT/tons	+/-
PCC6 (CFR South China 3,800 NAR)	35.50	-0.50	245.73	-3.03
PCC7 (CFR South China 4,700 NAR)	54.00	-0.50	373.78	-2.81
PCC8 (CFR South China 5,500 NAR)	69.00	-0.20	477.61	-0.56

DAILY PROMPT PHYSICAL THERMAL COAL ASSESSMENTS IN 2018



(Source: Platts Coal Trader International – Date 27/11/2018)

NEWS

China, Japan, & South Korea lead global push to expand coal plants

Despite countless warnings and mounting economic evidence to the contrary, countries continue to expand the number of new coal-fired power plants, a push which is currently being led by China, Japan, and South Korea, according to the latest figures from CoalSwarm released last week. Dangerously, even as these three countries seek to transition their own economies away from coal-fired power and towards large-scale renewable energy sources — sources such as solar and offshore and onshore wind — they are also providing significant funding for overseas coal plants in developing nations. Specifically, China's public financial institutions have financed at least 26 gigawatts (GW) worth of coal plants overseas and may finance at least 42 GW in the future; Japan's public financial institutions have financed at least 19 GW and might finance at least 11 GW more; while South Korea has financed at least 8 GW and might finance 9 GW more.

These are the findings from CoalSwarm's new Global Coal Finance Tracker, an interactive online database which can be used to track international flows of financial support for coal projects by public institutions. "Climate change cannot be addressed as long as coal plants continue to be built," said Ted Nace, Executive Director of CoalSwarm. "The database exposes a dangerous double standard, which is that China, Japan, and South Korea continue to be the largest sources of public funding for overseas coal plants, even as they transition their own economies away from coal." The new Tracker allows anyone to view sources of finance and their direction, and shows that Indonesia, Vietnam, and South Africa are the leading recipients which have led to the construction of 14.5 GW, 10.8 GW, and 9.5 GW respectively. In terms of the world's leading financier of new coal-fired power plants, the China Development Bank leads the way, having financed 14 GW, while the Export-Import Bank of China has financed 13.4 GW.

As to why countries with thriving clean energy industries are supporting overseas coal development, I asked Ted Nace for his opinion, and he explained that countries like Japan, South Korea, and China are continuing to finance new coal plants overseas in an effort to "protect their equipment manufacturers, even at the price of exacerbating global warming. These governments need to recognize that such financing comes with a high risk of default as renewables prices continue to tumble. By the time a coal plant ordered today is built, it will not be able to compete in most of the world, especially in countries with excellent solar potential like India, Pakistan, Vietnam, Indonesia, and Egypt."

China pull back from Dec coal imports

It's not shaping up as a merry Christmas for coal exporters to Asia as the region's top buyers, China and India, pull back from the recent trend of strong imports. The Chinese authorities appear to be making good on a commitment to try and limit the country's imports of the polluting fuel to levels the same as 2017. The restrictions have led to a sharp drop in the daily import of coal so far in December, according to vessel-tracking and port data compiled by Refinitiv. Seaborne imports in the first five days of the month stood at 1.5 million tonnes, or a daily rate of just 300,000 tonnes. This compares to total seaborne imports of 226.2 million tonnes in the first 11 months of 2018, a daily rate of about 677,000 tonnes. The authorities in Beijing have told coal traders and utilities they want imports for the whole year to be similar to the 279 million tonnes in 2017. This is likely going to be a challenge since customs data showed imports for the first 10 months of the year were 252 million tonnes, up 11 percent from the same period in 2017.

With vessel-tracking data pointing to November seaborne imports of about 18.3 million tonnes, this would in theory leave only about 9 million tonnes available for December. At the rate of imports for the first five days of December, this may just be possible, as it suggests about 9.3 million tonnes for the month as a whole. However, the ship-tracking data doesn't cover overland imports, mainly from neighbouring Mongolia, meaning it's likely that 2018 imports will probably exceed those of 2017. But the sharp reduction in imports so far in December shows Beijing's message to the industry is being heeded.

India slows imports but domestic utilities, steel makers hike overseas purchase

India, the second-largest coal importer behind China, also appears to be cutting back in December, with a mere 755,535 tonnes discharged in the first five days, a paltry daily rate of 151,107 tonnes. The daily rate of imports for the first 11 months of the year was 534,000 tonnes, according to the Refinitiv data. The lower imports so far in December are at odds with recent developments in India, as utilities and steel makers have resorted to buying more from overseas to overcome domestic transport bottlenecks. It's possible that India's December imports will be boosted by arrivals from Indonesia, given that it takes about two weeks to sail from the coal-producing region of Kalimantan to India's west coast. Indeed, the vessel-tracking data shows 10.7 million tonnes of coal is likely to be imported by India in December, a figure certain to increase as more cargoes from Indonesia are fixed. However, even if the number does rise in coming days, it's likely December will be below the 17.3 million tonnes imported in November and the 17.9 million in October.

The weaker imports by both China and India are being reflected in coal prices in Australia and Indonesia, the world's two largest exporters. Benchmark thermal coal at Australia's Newcastle port, as assessed by Argus Media, rose slightly in the week to 2 December to \$97.94 a tonne. This was up from the seven-month low of \$97.50 a tonne in the week to 25 November, but also 18.2 percent below the 7-1/2 year high of \$119.74 reached in late July. Indonesian thermal coal with an energy rating of 4,200 kilocalories per kilogram has fared even worse than its higher-quality Australian counterpart, dropping to \$28.85 a tonne on the week to 30 November. This is down 43 percent from its seven-year high, and is the lowest price since July 2016, according to pricing agency Argus Media.

(Source: www.platts.com)

INTERNATIONAL SPOT DRY BULK FREIGHT ASSESSMENTS

				<i>Unit: USD/ton</i>
Size	From	To	Freight rates	Change
Capesize	Australia	China	10.35	+0.75
(150.000 tons)	Queensland	Japan	11.90	+0.90
	New South Wales	South Korea	12.75	+0.90
Panamax	Richards Bay	India West	12.75	-0.05
(70.000 tons)	Kalimantan	India West	8.50	+0.15
	Richards Bay	India East	12.95	-0.05
	Kalimantan	India East	7.05	+0.15
	Australia	China	12.10	+0.55
	Australia	India	13.60	+0.55

(Source: *Platts Coal Trader International* – Date 27/11/2018)