



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

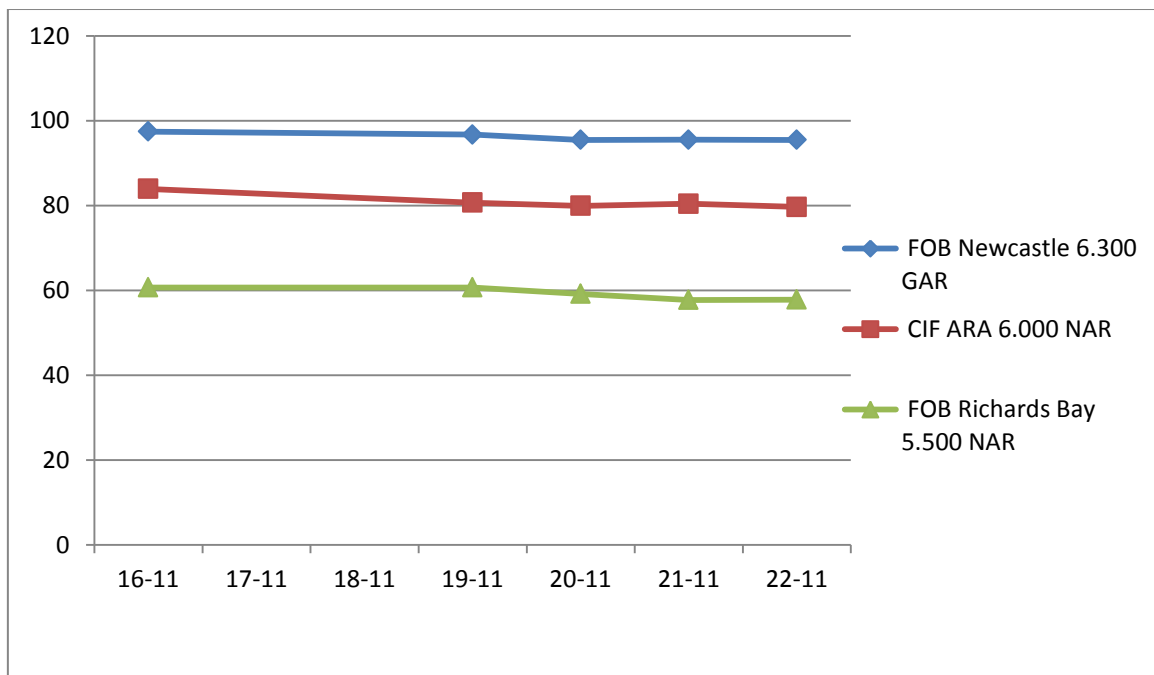
Date 28/11/2018

INTERNATIONAL COAL PRICE ASSESSMENTS

Daily prompt physical thermal coal assessments	Window 7 – 45 day	+/-	Window 90 - day	+/-
FOB Newcastle 6,300 GAR	95.50	-0.05	N/A	N/A
CIF ARA 6,000 NAR	79.70	-0.75	N/A	N/A
FOB Richards Bay 5,500 NAR	57.85	+0.10	N/A	N/A
FOB Kalimantan 5,900 GAR	N/A	N/A	68.10	+0.00
FOB Kalimantan 5,000 GAR	N/A	N/A	47.50	+0.00

China Coal Assessment	USD/tons	+/-	NDT/tons	+/-
PCC6 (CFR South China 3,800 NAR)	36.75	-0.30	253.92	-2.14
PCC7 (CFR South China 4,700 NAR)	55.20	-0.05	381.40	-0.45
PCC8 (CFR South China 5,500 NAR)	71.20	+0.00	491.95	-0.13

DAILY PROMPT PHYSICAL THERMAL COAL ASSESSMENTS IN 2018



(Source: Platts Coal Trader International – Date 22/11/2018)

NEWS

Seaborne thermal coal prices fall amid weak China demand

Seaborne thermal coal prices slumped 65 cents-\$1.75/mt Wednesday amid weak Chinese demand. Two trades to China for 4,200 kcal/kg GAR grade were heard at \$29/mt and \$29.70/mt FOB. A Singapore-based trader said that at current rates, the price of 4,200 kcal/kg GAR coal might touch \$26/mt FOB levels last seen in 2014, but may rebound thereafter once China comes back into the market. “Seaborne prices are free falling,” an Indonesian miner said. “We don’t know when to sell.” Offers for Supramax cargoes of 4,200 kcal/kg GAR were heard at \$30.50-\$31/mt FOB for December loading, while bids were heard at \$29-\$29.50/mt.

Australian producers on the sideline

An Australia-based trader said Chinese demand has worsened amid the import restrictions and seaborne coal prices appear to be plunging this week. He heard from at least two major Chinese utilities that a Capesize cargo of Newcastle 5,500 kcal/kg NAR was sold to China at below \$60/mt FOB for December loading. Chinese authorities have called utilities for a meeting early December to discuss coal import strategy for 2019 and that may provide some clarity, he added.

“I’ve not heard any trades, not even offers,” a China-based source said. The source added that buyers were now focusing on the issue of customs clearance and unloading of their cargoes instead. “Some ports may allow you to clear the customs, but not unloading, so it depends on the ports,” said the source. An Australia-based trader added Australian producers are taking a wait-and-see approach. “The producers are just waiting for bids and are not giving any price indication either,” the trader said.

Attractive Indonesia coal prices for India

An end-user in India said Indonesian coal prices are currently at attractive levels and the prices have limited downside risk going forward. “Mines cannot withstand any further price falls currently so they will either shut down or cut production,” he said. He is contemplating entering into contracts to buy at least four or five shipments till April next year as he expects prices to pick up next year. “Also there’s no import duty in India [for Indonesian coal] and that’s a positive too,” he added. A south Indian buyer received an offer for a Supramax cargo at \$28/mt FOB for December loading. “We will definitely consider this cargo, but no firm decision has been made now,” the buyer said. Bids for Supramax cargoes of 5,000 kcal/kg GAR were heard at \$47/mt FOB for December loading while no firm offers were heard. “The general sentiments for 5,900 kcal/kg GAR prices are around \$67-\$68/mt FOB,” a Singapore-based trader added.

Indonesian prices extend falls

A trade was heard concluded this week for 3,800 kcal/kg NAR at \$29/mt FOB Kalimantan for December loading on a Supramax vessel, a south China-based trader said. “This shipment will probably arrive in end-December or early January. [The] buyer could be using next year’s quota,” he added. Offer for the same grade of coal on Panamax basis for December loading was heard at \$32/mt FOB Kalimantan, but there was no counterbid yet, the same trader said. “The price is low, but I’m not surprised since there isn’t much buying interest in China, so I guess sellers are willing to let go of their cargoes,” another China-based market source said. “There shouldn’t be much problem if these cargoes arrive in January,” said the source.

(Source: www.platts.com)

INTERNATIONAL SPOT DRY BULK FREIGHT ASSESSMENTS

Size	From	To	Freight rates	Change
Capesize (150,000 tons)	Australia	China	7.55	+0.00
	Queensland	Japan	8.45	-0.50
	New South Wales	South Korea	9.30	-0.50
Panamax	Richards Bay	India West	12.80	-0.20

(70.000 tons)	Kalimantan	India West	8.20	-0.10
	Richards Bay	India East	13.00	-0.25
	Kalimantan	India East	6.75	-0.10
	Australia	China	11.60	+0.00
	Australia	India	13.00	+0.00

(Source: *Platts Coal Trader International* – Date 22/11/2018)