



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

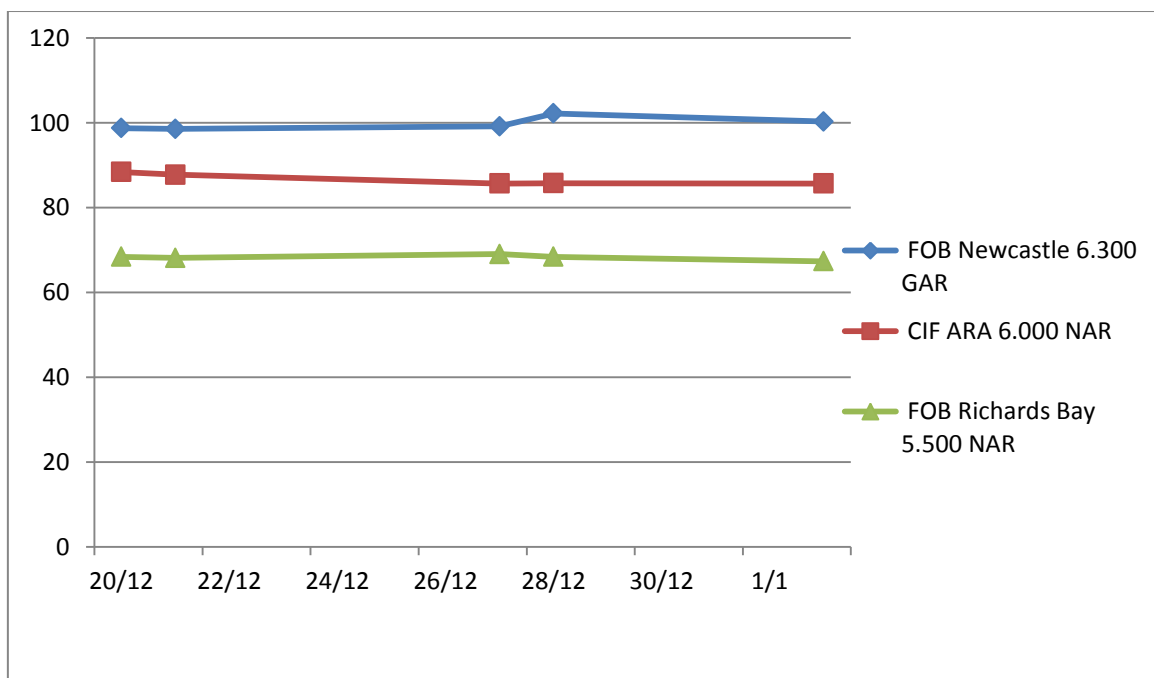
Date 9/01/2019

**INTERNATIONAL COAL PRICE ASSESSMENTS**

Daily prompt physical thermal coal assessments	Window 7 – 45 day	+/-	Window 90 - day	+/-
FOB Newcastle 6,300 GAR	100.30	-1.90	N/A	N/A
CIF ARA 6,000 NAR	85.70	-0.05	N/A	N/A
FOB Richards Bay 5,500 NAR	67.35	-1.05	N/A	N/A
FOB Kalimantan 5,900 GAR	N/A	N/A	68.00	+0.00
FOB Kalimantan 5,000 GAR	N/A	N/A	46.00	+0.00

China Coal Assessment	USD/tons	+/-	NDT/tons	+/-
PCC6 (CFR South China 3,800 NAR)	38.10	+0.00	260.13	-0.05
PCC7 (CFR South China 4,700 NAR)	53.60	+0.00	365.96	-0.06
PCC8 (CFR South China 5,500 NAR)	70.00	+0.00	477.93	-0.09

**DAILY PROMPT PHYSICAL THERMAL COAL ASSESSMENTS IN 2019**



*(Source: Platts Coal Trader International – Date 2/1/2019)*

## **NEWS**

### **Indonesia sets lower coal production target to help stabilize global price**

The government has lowered its coal production target for this year to 480 million tons in an effort to stabilize the global coal price, an official has said. Last year's target was 485 million tons, 25 percent of which was allocated to the domestic market obligation (DMO). Energy and Mineral Resources Ministry mineral and coal director general Bambang Gatot Ariyono said the government considered various factors before deciding on the figure, including the movement of the US dollar. "The goal is to maintain a good coal price," he said, adding that there were possibilities that the government might revise the production target this year. "We will continue to oversee the situation. Usually, coal miners will revise their production target no later than July." One of the reasons to revise the target was to increase state revenue, he added. Ministry data from up to Dec. 27 shows that Indonesia reached 94.02 percent of its annual total target for 2018. Bambang assured that a 25 percent DMO policy and a coal price cap of US\$70 per ton would ensure stable electricity tariffs until the year-end.

### **Rains impact South Kalimantan thermal coal production, loading schedule**

Rains in Indonesia, especially in the South Kalimantan province, have impacted thermal coal production and delayed loading schedules by six to nine days, sources said Tuesday. "Mining has stopped due to rains, as most of the mines are open pit," a producer in South Kalimantan said, adding that land transport had also been impacted. Thunderstorms had been intermittent and production would resume once the rain subsides, the producer added. A Singapore-based trader said that one of his suppliers "got delayed [on a shipment] due to bad weather and poor road conditions." However, he noted that not all mines were facing this issue. "Our mine is in [the] rural areas and therefore more vulnerable," he said.

China-based traders said the loading schedule was running as normal. "Not in our situation," said one producer when asked on the weather impact. Spot cargoes were limited due to the wet weather, an Indonesia-based trader, who usually supplies to China said. Some suppliers are also downgrading their typical specifications as the calorific value is going down due to higher moisture levels, he added. A major miner said that the flooding may not be widespread across South Kalimantan region. "Some of our mines were affected, but not all as the pits are located across a very large area," the source said. The weather report for Kalimantan is predicting more thunderstorms in the next five days at least. The price of FOB Kalimantan 4,200 kcal/kg GAR was assessed at \$31/mt Monday, up \$0.60/mt from Friday. China-based sources said they had seen a slight uptick in offer prices from the producers. Offers for Supramax cargoes of Indonesian 3,800 kcal/kg NAR coal for January and February-loading were heard Monday at \$31-\$32/mt FOB Kalimantan, up from \$30-\$31/mt FOB late last month. "The impact on prices would only be seen when there's a massive delay," a Singapore-based trader said.

### **China sets up no-coal zones to curb pollution**

A total of 11 prefecture-level cities in China's coal hub Shanxi Province have established no-coal zones in its urban districts to tackle air pollution, local authorities said. The storage, sales and use of coal are all banned in the no-coal zones, according to the Shanxi Provincial Department of Ecology and Environment. The exceptions are made for coal-fired electricity generators, large-scale heat providers and industries that use coal as a raw material. The authorities said the area covered by the no-coal zones will be gradually expanded. Meanwhile, the sale or burning of low-grade coal among residents has been banned in the whole province. For those who violate the rules, market regulators above the county level will order them to make rectifications and will confiscate raw materials, coal products and illegal gains. A fine up to three times the value of the goods will be imposed.

Shanxi is under big pressure to curb air pollution. In the first three quarters of last year, 7 out of 20 cities with the worst air quality were in Shanxi. With a quarter of China's proven coal reserves, Shanxi shut down 36 coal mines in 2018, cutting 23.3 million tonnes of production capacity. According to a plan regarding the reduction and reconstruction of the coal mining industry in the province, coal mines with an annual output below 600,000 tonnes will be closed by 2020.

*(Source: [www.thejakartapost.com](http://www.thejakartapost.com), [www.spglobal.com](http://www.spglobal.com), [www.nation.com.pk](http://www.nation.com.pk))*

## **INTERNATIONAL SPOT DRY BULK FREIGHT ASSESSMENTS**

				<i>Unit: USD/ton</i>
<b>Size</b>	<b>From</b>	<b>To</b>	<b>Freight rates</b>	<b>Change</b>
<b>Capesize</b>	Australia	China	8,25	+0.05
(150.000 tons)	Queensland	Japan	9.30	+0.05
	New South Wales	South Korea	10.15	+0.05
<b>Panamax</b>	Richards Bay	India West	12.70	+0.00
(70.000 tons)	Kalimantan	India West	8.50	+0.00
	Richards Bay	India East	12.90	+0.00
	Kalimantan	India East	7.10	+0.00
	Australia	China	11.35	+0.00
	Australia	India	12.40	+0.00

*(Source: Platts Coal Trader International – Date 2/1/2019)*