



PETROVIETNAM POWER CORPORATION
PETROVIETNAM POWER COAL IMPORT AND SUPPLY COMPANY
MONTHLY NEWS – DECEMBER
 (From 03/12 – 31/12/2018)

I. COAL MARKET ANALYSIS

1. INTERNATIONAL COAL PRICE ASSESSMENTS

Unit: USD/ton

Price index	Week 03/12-07/12	Week 10/12-14/12	Week 17/12-21/12	Week 24/12-28/12
PCC 6 (CFR South China 3,800 NAR)	36.77	38.14	38.36	38.1
PCC 7 (CFR South China 4,700 NAR)	54.12	54.14	54.02	53.60
PCC 8 (CFR South China 5,500 NAR)	69.22	72.48	70.68	70
FOB Newcastle 6,300 GAR	100.6	100.37	98.33	100.68
CIF ARA 6,000 NAR	85.94	87.64	89.29	85.73
FOB Richards Bay 6,000 NAR	64.75	66.95	68.47	68.73
NEWC (FOB Newcastle 6,000 NAR)	101.95	102.40	100.56	102.55

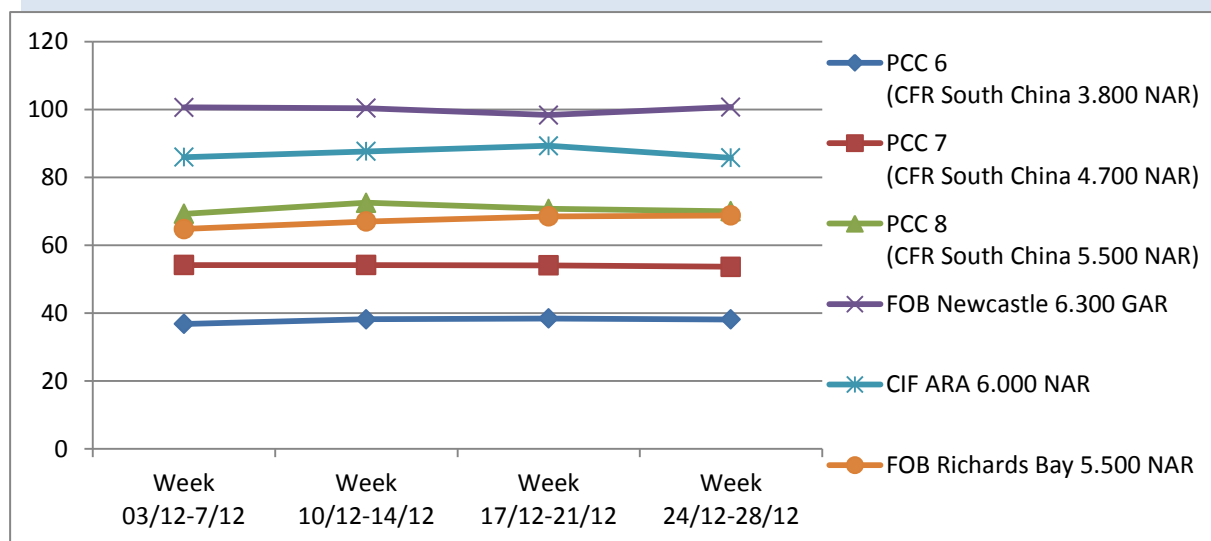


Chart 1: Average coal price December (2018)

(Source: Platts)

2. INTERNATIONAL SPOT DRY BULK FREIGHT ASSESSMENTS

Unit: USD/ton

	Month – December	03/12	07/12	11/12	14/12	18/12	21/12	27/12
Capesize (150,000 tons)								
1	Australia – China	9.35	10.95	10.35	10.60	10.40	7.75	7.95
2	Queensland – Japan	10.75	12.65	11.85	12.20	12.00	8.80	9.00
3	New South Wales - South Korea	11.55	13.50	12.70	13.05	12.85	9.65	9.85
Panamax (70,000 tons)								
1	Richards Bay - India West	12.55	12.40	12.40	12.70	12.80	12.70	12.70
2	Kalimantan - India West	8.50	8.40	8.40	8.80	8.80	8.60	8.50
3	Richards Bay - India East	12.75	12.60	12.60	12.90	13.00	12.90	12.90
4	Kalimantan - India East	7.15	7.05	7.05	7.40	7.40	7.20	7.20
5	Australia - China	12.10	12.10	12.10	12.15	12.30	11.50	11.35
6	Australia - India	13.30	12.85	12.80	16.60	13.40	12.65	12.40

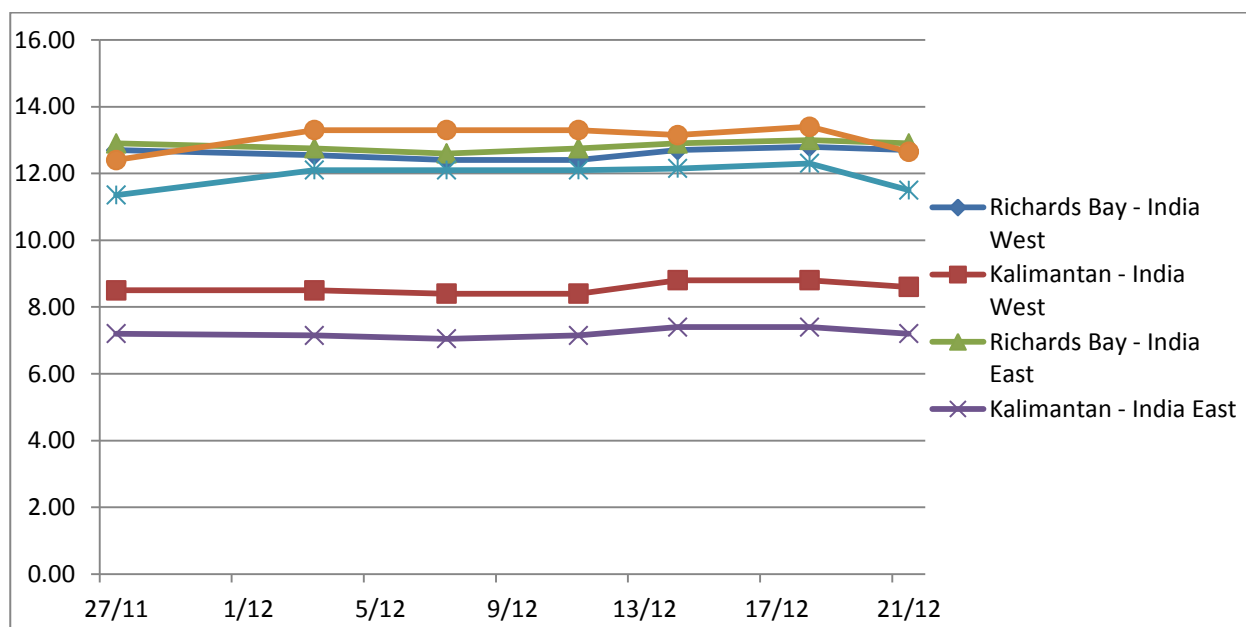


Chart 2: International spot dry bulk freight in December

(Source: Platts Coal Trader International)

II. NEWS

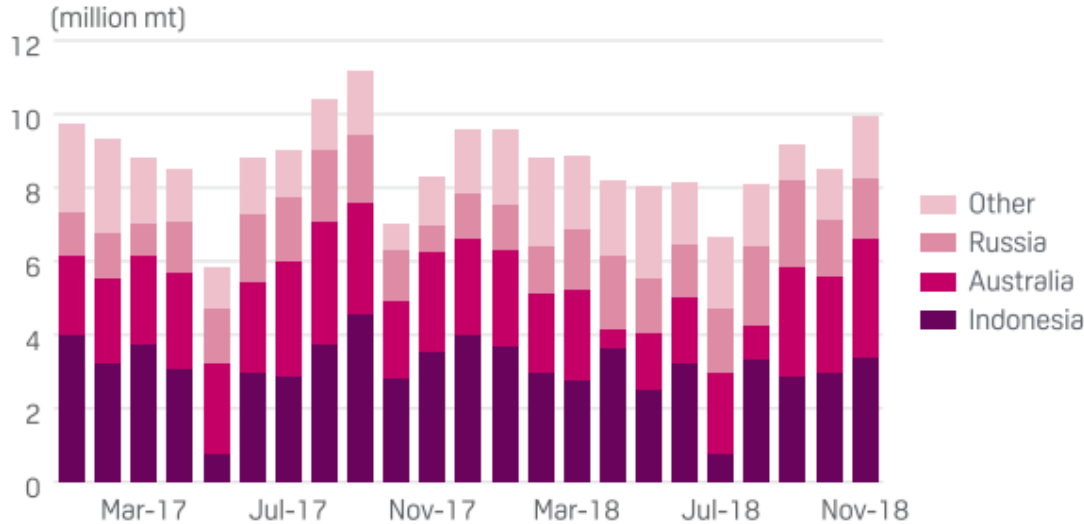
South Korea Nov thermal coal imports hit 14-month high at 9.9 million mt: customs

South Korea imported 9.9 million mt of thermal coal in November, up 17% on the month and 20% from the year-ago month, the highest total since September 2017, according to customs data released this week. Of these imports, 9.2 million mt was bituminous coal, with the remainder being sub-bituminous. Imports from Indonesia were 3.3 million mt, up 13% on the month but down 4% from the year-ago month, the largest volume since April. Volumes from Australia were 3.2 million mt, up 25% on the month and 17% on the year, a 15 month high for imports of Australian coal 469,530 mt, up 13% on the month with no imports in the year-ago month.

In November, Chinese policymakers announced further restriction on imported thermal coal, of which Australia is a key source. This saw several cargoes being diverted to other markets, such as South Korea. Imports from Russia were 1.7 million mt, up 7% on the month and more than double the 682,833 mt recorded the previous November. Imports from Canada were 547,045 mt,

down 27% on the month and up 10% from the year-ago month, and volumes from Colombia were 469,530 mt, up 13% on the month with no imports in the year-ago month. Imports from South Africa recovered to 596,518 mt having recorded just 117,064 mt in the previous two months, but down 8% on the year, and no tons were recorded from the US for the second month running.

SOUTH KOREA THERMAL COAL IMPORTS



Source: Customs data

Thailand November coal imports soar 31% on year to 2.12 mil mt

Thailand imported 2.12 million mt of coal comprising mainly bituminous, anthracite and other coals in November, rising 30.7% year on year, customs data released Monday showed. The value of the imports in the month was \$132.3 million, 19.6% higher than November 2017. Of the total imports, 453,003 mt was bituminous coal, falling nearly 24% year on year, with the cargoes mainly from Australia, at 285,156 mt or 99% higher year on year, followed by Indonesia at 166,174 mt, down 47.6% from a year earlier. Imports of other coals such as lignite and sub-bituminous jumped 64.8% year on year to 1.66 million mt in November. Almost all the other coals were imported from Indonesia, comprising 1.58 million mt, up 70% year on year.

Thailand imported just 496 mt of anthracite coal in the month, down 96.7% year on year, mainly from Vietnam. Between January and November, Thailand imported 23.51 million mt of coal, up 15.7% year on year. The volume comprised 7.44 million mt of bituminous coal, down 19.9% year on year, and 15.92 million mt of other coals, up 50.7% from the same period last year. Imports in the period were worth \$1.54 billion, rising 11.6% from the same period in 2017. Indonesia and Australia remained key suppliers in the period.

Russia’s Mechel to extended coal supply to China’s Jidong Cement

Russian coal producer Mechel announced late Wednesday it would prolong its contract to supply coal to China’s Jidong Cement until the end of 2019. According to the statement, Mechel will supply up to 2 million mt of thermal coal mined at the company’s South Yakutia facilities in 2019. The volumes supplied per month will vary 100,000-150,000 mt and prices will be adjusted on a monthly basis negotiated on an indexlinked basis.

“Jidong Cement is a key customer of Elga’s thermal coal in Asia — in 2017 we supplied our Chinese partners with 1.9 million mt and another 1.4 million in 2018. In 2019 we plan to export thermal coal from Elga in comparable volume,” said Mechel’s Mining Management OOO’s Chief Executive Pavel Shtark in the statement. The Elga coal complex lies in the south eastern Yakutia region and holds around 2.2 billion mt of all coal types, according to Mechel’s website.

(Source: Platts Coal Trader International)