



PETROVIETNAM POWER CORPORATION
PETROVIETNAM POWER COAL IMPORT AND SUPPLY COMPANY
MONTHLY NEWS – NOVEMBER
 (From 01/11 – 31/11/2018)

I. COAL MARKET ANALYSIS

1. INTERNATIONAL COAL PRICE ASSESSMENTS

Unit: USD/ton

Price index	Week 29/10- 02/11	Week 05/11- 09/11	Week 12/11- 16/11	Week 19/11- 23/11	Week 26/11- 30/11
PCC 6 <i>(CFR South China 3,800 NAR)</i>	44.65	43.18	40.00	37.83	35.75
PCC 7 <i>(CFR South China 4,700 NAR)</i>	60.31	59.06	56.65	55.61	54.25
PCC 8 <i>(CFR South China 5,500 NAR)</i>	77.35	75.9	74.22	72.36	69.1
FOB Newcastle 6,300 GAR	103.79	102.84	100.63	95.57	95.32
CIF ARA 6,000 NAR	97.22	92.59	87.07	80.2	81.28
FOB Richards Bay 6,000 NAR	69.29	64.25	61.62	58.5	58.96
NEWC <i>(FOB Newcastle 6,000 NAR)</i>	N/A	103.31	104.35	98.76	N/A

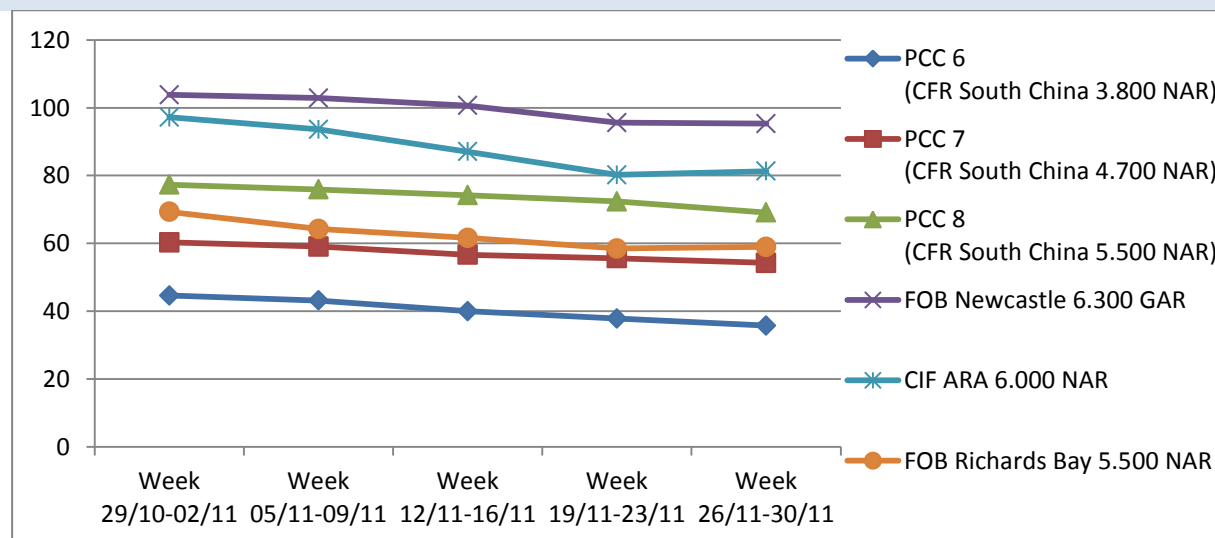


Chart 1: Average coal price November (2018)

(Source: Platts)

2. INTERNATIONAL SPOT DRY BULK FREIGHT ASSESSMENTS

Unit: USD/ton

	Month – November	01/11	05/11	13/11	16/11	19/11	22/11	27/11
Capesize (150,000 tons)								
1	Australia – China	10.50	10.25	7.65	7.90	7.80	7.55	10.35
2	Queensland – Japan	12.10	11.85	9.05	9.30	9.20	8.45	11.90
3	New South Wales-South Korea	12.95	12.70	9.90	10.15	10.05	9.30	12.75
Panamax (70,000 tons)								
1	Richards Bay - India West	14.00	14.45	13.75	13.60	13.10	12.80	12.75
2	Kalimantan - India West	10.00	10.00	9.40	8.65	8.55	8.20	8.50
3	Richards Bay - India East	14.25	14.70	14.00	13.85	13.35	13.00	12.95
4	Kalimantan - India East	8.35	8.35	7.80	7.20	7.10	6.75	7.05
5	Australia - China	13.60	13.50	12.90	11.60	11.60	11.60	12.10
6	Australia - India	15.30	15.20	14.75	13.00	13.00	13.00	13.60

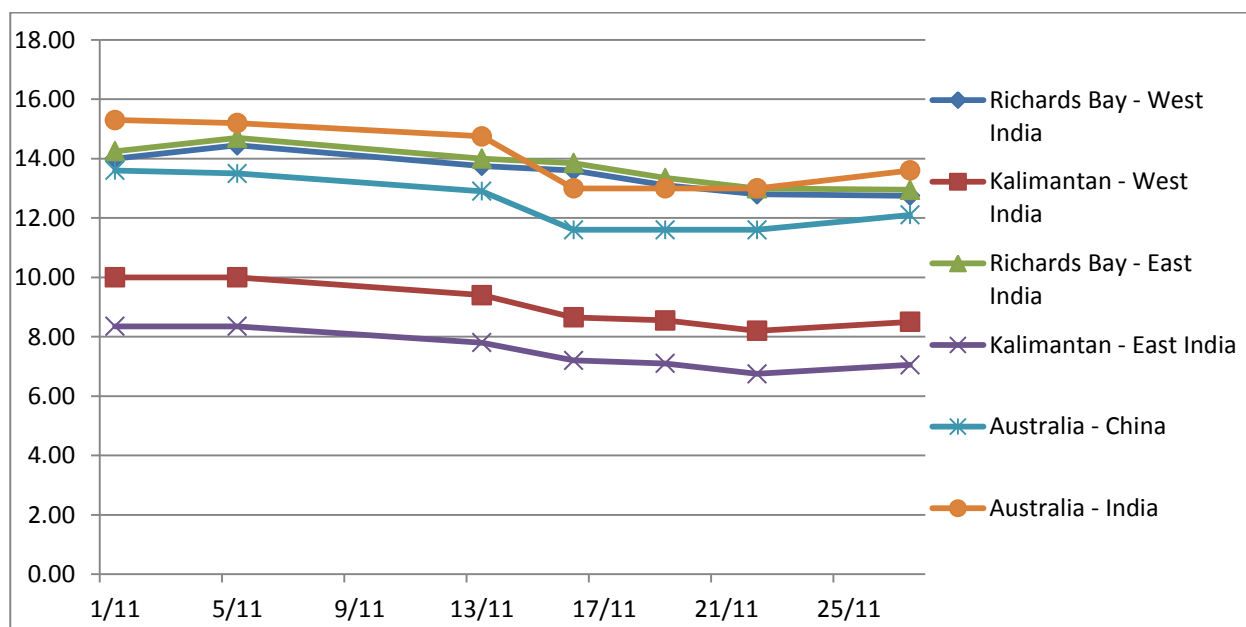


Chart 2: International spot dry bulk freight in November

(Source: Platts Coal Trader International)

II. NEWS

Japanese October thermal coal imports fall 7% on year to 9.19 million mt: ministry

Japan imported 9.19 million mt of thermal coal in October, down 0.5% on the month and 7% from the year-ago month, according to data released Thursday by the ministry of finance. Japanese buyers are typically more conservative in their approach to coal procurement, showing little deviation from high-CV Australian coal, with most of the volume signed on annual contracts at a fixed price.

Australian coal represented 69.4% of all imports at 6.38 million mt. This was down 11% on the month and 4% from the year-ago month. Imports of Russian coal were 1.2 million mt, up 63% on the month but down 22% from the year-ago month. Imports of Indonesia coal were 434,389 mt, up 7% on the month and 4% from the year-ago month. Volumes from the US were 295,772

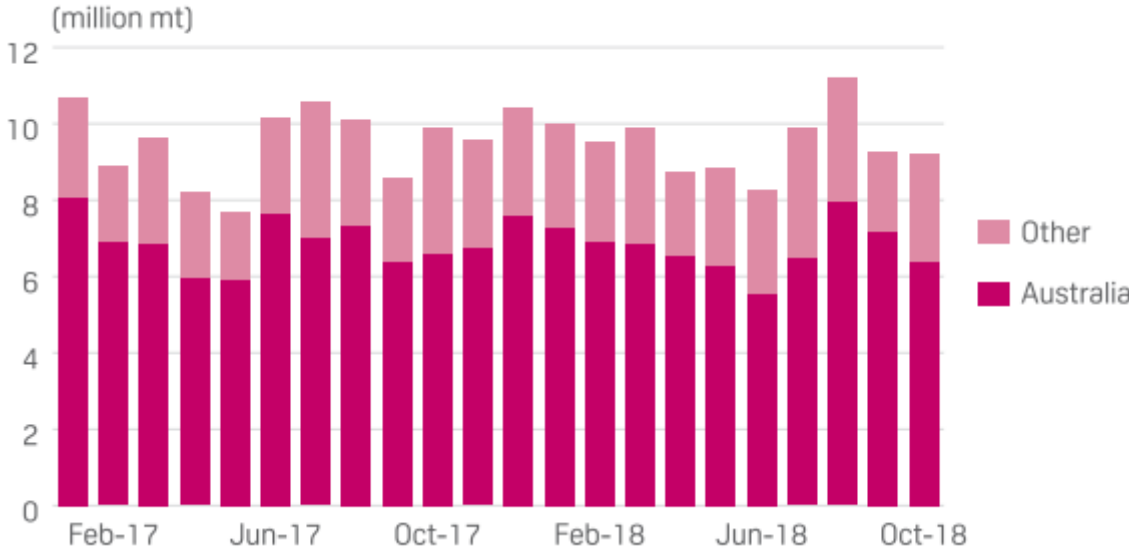
mt, up 8% from the year-ago month, and volumes from Canada were 113,340 mt, down 20% from the year-ago month.

Imports of lower quality sub-bituminous coal were 774,866 mt, up 25% on the month and 2% from the year-ago month. Platts NEAT Coal Index, which represents the delivered price of thermal coal with as typical heating value of 5,750 kcal/kg NAR delivered to Northeast Asia, averaged \$85.64/mt in the two-month period where spot bookings for October would take place. This was the lowest average since May-June, 2017.

Japan October thermal coal imports

Import origin	Volume (mt)	% change on month	% change on year
Australia	6,380,415	-11	-4
Russia	1,194,336	63	-22
Indonesia	434,389	7	4
Other	1,183,978	22	-12
Total	9,189,811	-0.5	-7

Japanese thermal coal imports



(Source: www.spglobal.com)

Vietnam’s Vinacomin, EVN at loggerheads over coal supply to power plants

Vietnam’s top coal producer Vinacomin and its major buyer Vietnam Electricity (EVN) are at loggerheads over coal supply amid rising demand from local power plants. A number of coal-fired power plants owned by EVN in Vietnam’s northern region have had to deal with coal shortage, leading to some plants reducing capacity, according to a statement from EVN this week. These included the 1,200-MW Quang Ninh in Quang Ninh province, 1,040-MW Pha Lai in Hai Duong province and 1,200-MW Hai Phong in Hai Phong city. These plants would have to suspend operation for up to 10 days if Vinacomin fails to supply sufficient coal for their rising demand, the statement said. Vinacomin, meanwhile, said it has more than fulfilled its obligations under the supply agreements signed with EVN. As of November 28, Vinacomin said it has supplied Quang Ninh plant with 2.605 million mt of coal, higher than the 2.6 million mt agreed in their contract, a statement from Vinacomin said. Vinacomin will supply additional 200,000 mt of coal to Quang Ninh in December. It will raise the supply to the plant for 2018 to 2.83 million

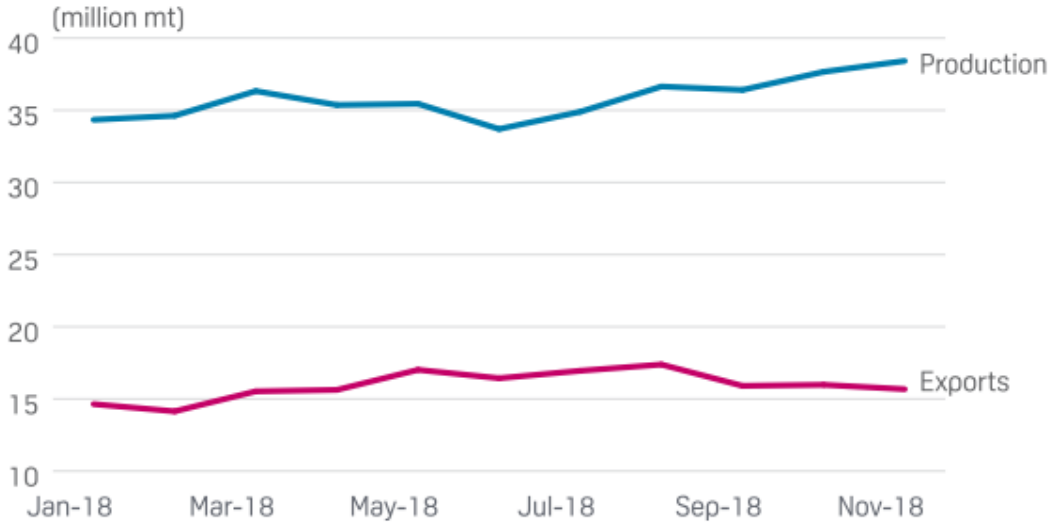
mt, up 21% year on year. But Vinacomin warned that Quang Ninh need to sign a long-term supply agreement with Vinacomin to ensure stable supply of coal in the future. The coal producer said demand for its coal from the power plants this year rose sharply because of rising electricity demand. Lower output from hydro power plants and gas-fired thermal power projects has boosted electricity demand from coal-fired power plants. In addition, because imported coal is between \$5-\$10/mt more expensive than Vinacomin’s coal, many local buyers have turned to buy domestic coal, putting pressure on Vinacomin’s supply capacity.

The coal producer now expect to increase coal supply for power plants this year to 29 million mt of coal, up 22.9% from a previous 2018 plan and last year’s 23.6 million mt. Vinacomin said in order to meet the rising demand, it has decided to increase production plan this year by 1.5 million mt, import additional 500,000 mt and reduce its coal inventory. As of November 28, Vinacomin already sold 26.9 million mt of coal for power plants, up 26% year on year, the company said. Vinacomin plans to supply 31.9 million mt of coal for power plants in 2019 (including the expected imports of 4 million mt), up 10% from the estimated supply of 29 million mt this year. In 2015, Vietnamese central government issued a directive which orders power plant owners EVN and PetroVietnam to only buy coal from two suppliers Vinacomin and the Northeast Corp. EVN said it has recently written to Prime Minister Nguyen Xuan Phuc, asking him to allow it to buy coal directly from other local sources and imports. In the first 10 months, Vietnam imported 17.34 million mt of coal, 48.8% higher year on year, mostly from Indonesia, Australia and Russia, customs data showed.

Russia’s nov coal exports fall 2% on month, production up: ministry

Russian coal exports in November totaled 15.68 million mt, down 2% month on month, but up 5% on the year, according to data from the Russian Federation Ministry of Energy Thursday. The year-to-date export volume stood at 146.5 million mt, a drop of 14% from the year-ago period.

Russia year to date coal export and production



The minor fall in exports of Russian coal in November could have been related to increased availability of off-spec (S African and Australian) coal in Europe, which displaced some tons offered by Russian sellers. The falling benchmark Pacific price in November could have also triggered a resistance to sell tons to Asian markets. The FOB Newcastle 6,000 kcal/kg NAR 7-45 day price fell from \$104/mt on November 7 to \$95/mt on November 26. The average S&P Global Platts FOB Russia Pacific 6,300 kcal/kg GAR 90-day price for November came to \$104.40/mt, a drop of \$11.35 month on month. The average Platts FOB Russia Baltic 6,000 kcal/kg NAR 90-day price for November came to \$79.63/mt, down \$14.97/mt month on month. The depressed Baltic prices in November could have also limited the desire from producers to move tons out of Baltic ports into the European market.

Russia's coal production stood at 38.42 million mt in November, a rise of 2% month on month and also a gain of 8.6% on the year. The year-to-date production volume came to 359.5 million mt, down 3.3% year on year. According to Platts Analytics, there was no sign of a slowdown in Russian production as European demand for thermal coal defied expectations in the third quarter. "Russian coal production continues to outstrip demand, pushing more coal into the export market," Platts Analytics said.

Coal India Limited's Nov production rises 1.6% on year

Indian state-run Coal India Limited, or CIL produced 52.09 million mt of coal in November, up 1.6% from the same month a year ago, the company said in a statement Saturday. Offtake or coal supplies to customers last month was 51.01 million mt, largely stable compared to the same month last year, the company said. CIL's two subsidiaries — South Eastern Coalfields Limited, or SECL and Mahanadi Coalfields, or MCL — contributed the major share to CIL's monthly output at 13.20 million mt and 12.37 million mt respectively. However, SECL's November production fell 1% year on year while MCL's November output was down 3.6% year on year. Over the first eight months (April-November) of the current fiscal year 2018-19, CIL produced 358.33 million mt of coal, up 8.8% from the corresponding period a year ago. Offtake for the eight-month period stood at 391.82 million mt, up 6.5% year on year. CIL, which meets around 84% of the country's coal demand, produced 567.37 million mt during fiscal 2017-2018, against a targeted output of 600 million mt. The company has set an output target of 652 million mt for the current fiscal year.

(Source: Platts)