



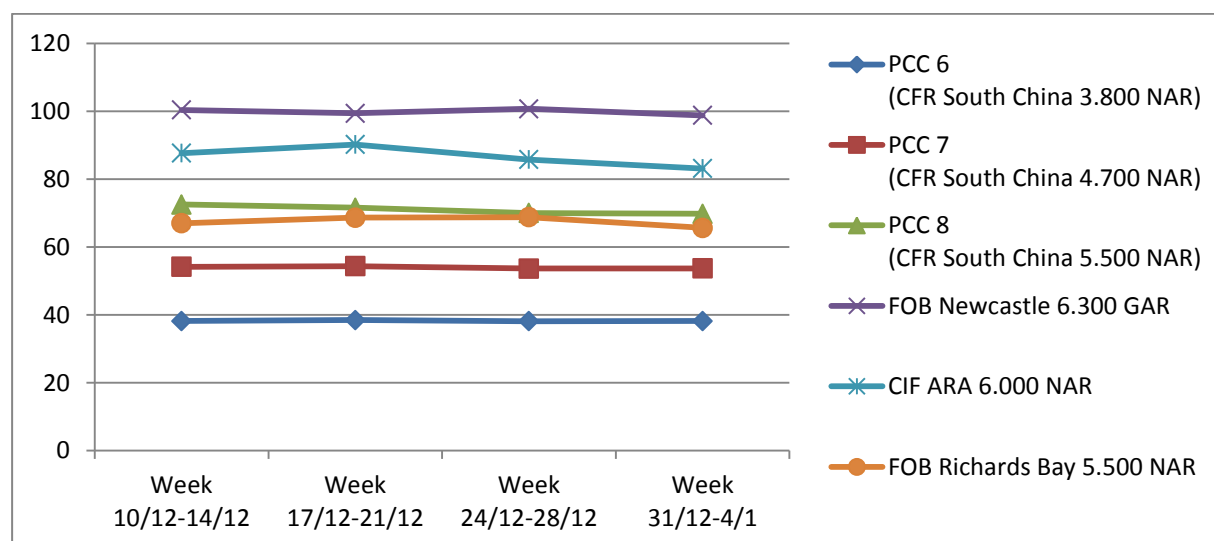
**PETROVIETNAM POWER CORPORATION**  
**PETROVIETNAM POWER COAL IMPORT AND SUPPLY COMPANY**  
**WEEKLY NEWS – FIRST WEEK OF**  
**JANUARY**  
 (From 31/12 – 4/1)

**I. COAL MARKET ANALYSIS**

**1. INTERNATIONAL COAL PRICE ASSESSMENTS**

*Unit: USD/ton*

Price index	Week 10/12-14/12	Week 17/12-21/12	Week 24/12-28/12	Week 31/12-4/1
<b>PCC 6</b> (CFR South China 3,800 NAR)	38.14	38.36	38.1	38.15
<b>PCC 7</b> (CFR South China 4,700 NAR)	54.14	54.02	53.60	53.65
<b>PCC 8</b> (CFR South China 5,500 NAR)	72.48	70.68	70	69.75
<b>FOB Newcastle 6,300 GAR</b>	100.37	98.33	100.68	98.75
<b>CIF ARA 6,000 NAR</b>	87.64	89.29	85.73	83.07
<b>FOB Richards Bay 5,500 NAR</b>	66.95	68.47	68.73	65.6
<b>NEWC</b> (FOB Newcastle 6000 NAR)	102.40	100.56	102.55	99.54



*Chart 1: Average coal price 1<sup>st</sup> week of January (2019)*

*(Source: Platts Coal Trader International)*

## 2. INTERNATIONAL SPOT DRY BULK FREIGHT ASSESSMENTS

Unit: USD/ton

	Week 1 <sup>st</sup> - January	31/12	1/1	2/1	3/1	4/1
<b>Capesize</b> (150,000 tons)						
1	Australia – China	N/A	N/A	N/A	8,20	7,95
2	Queensland – Japan	N/A	N/A	N/A	9,25	8,90
3	New South Wales – South Korea	N/A	N/A	N/A	10,10	9,75
<b>Panamax</b> (70,000 tons)						
1	Richards Bay - India West	N/A	N/A	N/A	12,65	12,55
2	Kalimantan - India West	N/A	N/A	N/A	8,60	8,60
3	Richards Bay - India East	N/A	N/A	N/A	12,85	12,75
4	Kalimantan - India East	N/A	N/A	N/A	7,20	7,20
5	Australia - China	N/A	N/A	N/A	11,40	11,35
6	Australia - India	N/A	N/A	N/A	12,50	12,75

(Source: Platts Coal Trader International)

## II. NEWS

### Japan Nov thermal coal imports rise 5% to 10.05 million mt: ministry

Japan imported 10.05 million mt of thermal coal in November, up by 9% from October and 5% on the year, according to ministry of finance data released Wednesday. Imports for January-November were 104.8 million mt, 1% higher than a year before. Imports are expected to fall in 2019 due to nuclear plant restarts, growth in renewables and utilities' preference for gasfired generation, according to S&P Global Platts analytics.

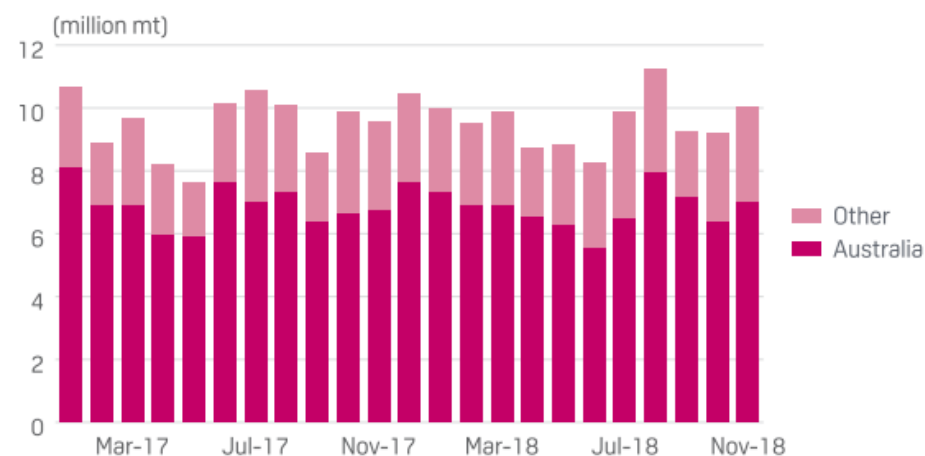
Australia accounted for 70% of November imports at 7 million mt, up by 10% from October and 4% on the year. Imports from Russia were 1.3 million mt, up 9% on the month and 6% year on year. Japanese coal buyers adopt a conservative approach to procurement, favoring high calorific value Australian thermal coal which is often the most expensive origin.

Platts FOB Newcastle 6,300 kcal/kg GAR assessment averaged \$99.42/mt during November, while Platts NEAT coal index – an assessment designed to show the value of 5,750 kcal/kg NAR coal delivered to Northeast Asia – averaged \$81.78/mt.

### JAPAN THERMAL COAL IMPORTS NOV 2018

	Volume (mt)	% change on month	% change on year
Australia	7,002,018	10	4
Russia	1,297,735	9	6
Indonesia	1,123,074	3	5
US	313,656	6	441
Canada	85,400	-25	11
South Africa	130,780	N/A	18
Other	74,206	-39	-73
<b>Total</b>	<b>10,053,543</b>	<b>9</b>	<b>5</b>

## JAPAN THERMAL COAL IMPORTS



Source: Japan Ministry of Finance

(Nguồn: [www.spglobal.com](http://www.spglobal.com))

### Another Old Coal-fired Thermal Plant Closes Amid Fine Dust Concerns

Amid rising concerns about alarming fine dust levels in the nation, another old thermal power plant shut down this month, reducing the number of such plants in the country to six. According to the Ministry of Trade, Industry and Energy on Tuesday, Korea South-East Power Corporation suspended the operation of its 200-megawatt Yeongdong Thermal Power Plant Unit 2 in Gangwon Province this month.

Construction is under way to transform the coal-fired plant into a power station fueled by eco-friendly wood pellets. The conversion is expected to halve the plant's fine dust emissions. In July 2016, the government said it would close ten thermoelectric power plants that are more than 30 years old by 2025. The Moon Jae-in government moved up the target year to 2022. Of the remaining six old coal-fired thermal power plants, two will close at the end of the year.

### PLN needs 100m tons of coal to fuel power plants this year

State-owned electricity company PLN projects that the company's coal-fired power plants will require some 100 million tons of coal this year, a 5.4 percent increase from last year. PLN western region business director Djoko Rahardjo Abumanan said on Wednesday that more coal was needed this year because the company had started to operate more coal-fired power plants constructed under the 35,000 megawatt (MW) program. He said PLN consumed 92 million tons of coal from the targeted 96 million last year. "This year, the growth will be about 5.4 percent because of the operation of more power plants," Djoko said as quoted by *kontan.co.id*.

Starting last year, PLN enjoyed a special coal price, which is lower than the global market price on account of the introduction of the domestic market obligation (DMO) policy. Under the policy, coal-producing companies are required to allocate 25 percent of their total production for PLN and other domestic needs at a price cap of \$70 per ton. By the end of 2018, the companies had put aside of 115 million tons of coal, lower than the initial target of 121 million tons. The Energy and Mineral Resources Ministry's mineral and coal director general, Bambang Gatot Ariyano, said several companies had failed to put aside 25 percent of their production for DMO. "But the number of companies that did not fulfill their obligation is less than 10 percent," he said, adding that those companies would be punished in the form of production cuts this year.

(Source: *Platts*)