



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

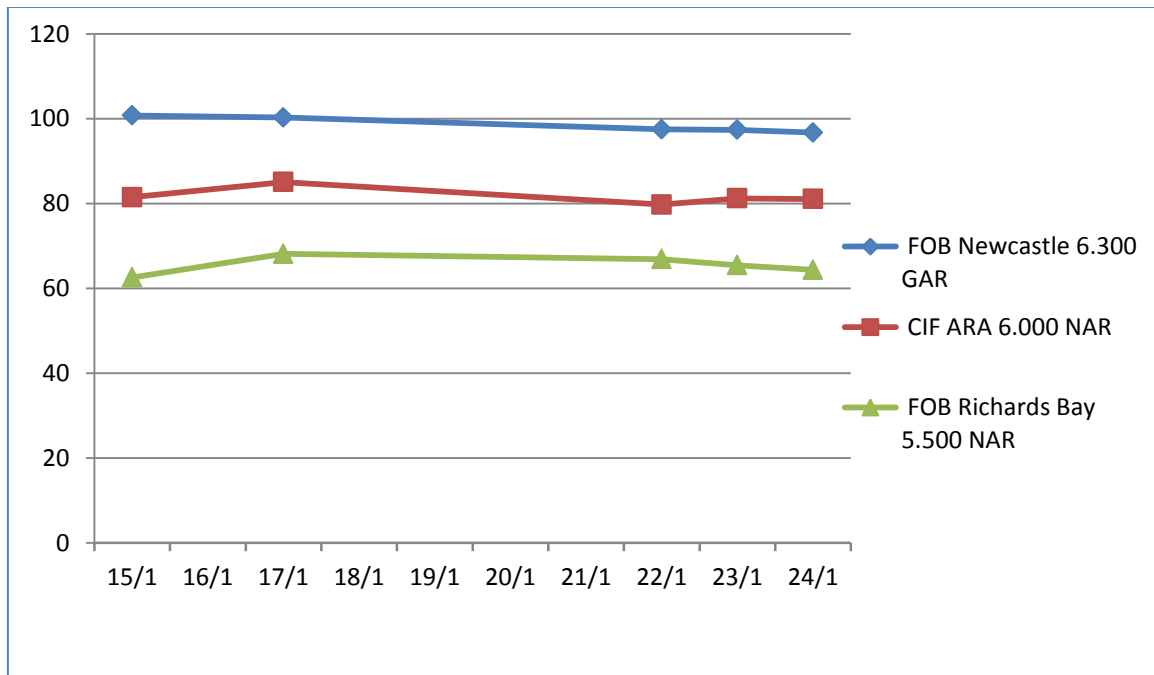
Date 29/01/2019

INTERNATIONAL COAL PRICE ASSESSMENTS

Daily prompt physical thermal coal assessments	Window 7 – 45 day	+/-	Window 90 - day	+/-
FOB Newcastle 6,300 GAR	96.75	-0.65	N/A	N/A
CIF ARA 6,000 NAR	81.10	-0.15	N/A	N/A
FOB Richards Bay 5,500 NAR	64.35	-1.10	N/A	N/A
FOB Kalimantan 5,900 GAR	N/A	N/A	70.30	+0.00
FOB Kalimantan 5,000 GAR	N/A	N/A	51.60	+0.00

China Coal Assessment	USD/tons	+/-	NDT/tons	+/-
PCC6 (CFR South China 3,800 NAR)	40.70	+0.20	275.41	+1.74
PCC7 (CFR South China 4,700 NAR)	58.10	+0.10	393.15	+1.22
PCC8 (CFR South China 5,500 NAR)	72.50	+0.00	490.60	+0.69

DAILY PROMPT PHYSICAL THERMAL COAL ASSESSMENTS IN 2019



(Source: Platts Coal Trader International – Date 24/1/2019)

NEWS

India's 2018 thermal coal imports grew at fastest pace in four years

India's 2018 thermal coal imports rose at the fastest pace in four years, according to two industry sources, despite moves by Prime Minister Narendra Modi's government to cut imports in a bid to reduce its trade deficit. Coal is among the top five commodities imported by India, one of the world's largest consumers of coal, and the rise in imports of the fuel after two consecutive years of decline adds to its trade deficit. That trade gap has been hurting the valuation of the rupee, the worst performing major Asian currency in 2018. Thermal coal imports jumped 19 percent to 171.85 million tonnes in 2018, marking the fastest pace of growth since 2014, according to data from American Fuels & Natural Resources, a Dubai-based trader of U.S.-origin coal. Energy consultancy Wood Mackenzie also said imports grew at their fastest pace since 2014, to 164 million tonnes in 2018. Imports of coking coal - which is mainly used in the manufacturing of steel - rose at the quickest rate since 2015, according to Wood Mackenzie and American Fuels. India imported 52.26 million tonnes of coking coal in 2018, up 14 percent from 45.93 million tonnes in 2017, American Fuels' data showed. The latest government data for April-November coal imports largely matches with data from American Fuels. Thermal coal imports were 118.89 million tonnes in the period, according to government data, compared with American Fuels figure of 118.69 million tonnes. Coking coal imports in the same period were 34.36 million tonnes, according to government data for April-November. American Fuels estimated those imports were 34.40 million tonnes. The value of all coal imports for the year ended December 31, 2018 was 28.7 percent higher at 1.72 trillion Indian rupees (\$24.25 billion) than it was a year earlier, according to government data from the coal and trade ministries reviewed by Reuters. *BOOST FOR INTERNATIONAL MINERS*

While higher coal imports may be bad news for India's trade deficit, they are a boon for international miners such as Indonesia's Adaro Energy, Australia's Whitehaven Coal, U.S. coal miner Peabody Energy Corp and global commodity merchants such as Glencore. Indonesia provided more than 61 percent of India's thermal coal imports, while South Africa accounted for 22 percent and the United States more than 7 percent. Imports of U.S. thermal coal, which burns better compared with Indonesian coal, almost doubled to 12.46 million tonnes in 2018, according to American Fuels. Cheaper coal from countries such as Indonesia are likely to be preferred by buyers in India in 2019, over better burning coal from the United States, due to lower freight costs, according to Ali Yasrab, director of Iman Resources, a UAE-based trader of U.S. origin coal. "If coal prices reach 2018 peak levels, U.S. coal will become popular in India again," Yasrab said. The ports of Mundra, Krishnapatnam and Kandla handled about 37.5 percent of all of the thermal coal imports, according to American Fuels. The Adani Group, which handles about a third of India's imported coal, said last year it expects a "reasonable rise in imports" till fiscal year 2021 due to "rail transportation challenges" affecting India's domestic coal industry. Analysts say they expect India to be a key market for global miners in 2019 as China's "war on pollution" will lead to lower demand from that country.

(Source: www.reuters.com)

Tata Power profit slumps 79% in third quarter as expenses mount

India's largest private electricity producer, reported a worse-than-expected 79% slump in third-quarter profit, hurt by surging expenses and a fall in income from Indonesian coal units. For the quarter ended in December, Tata Power posted a consolidated net profit of 1.27 billion rupees (\$18 million), compared with 5.91 billion rupees in the year-earlier period. Analysts surveyed by Refinitiv poll were expecting a net income of 3.95 billion rupees. The year-earlier quarter included an exceptional gain of 2.99 billion rupees related to the deferred tax on sale of an investment. Total revenue from operations jumped more than 21% to 77.07 billion rupees, the company said in a stock exchange filing on Monday. Profits of coal units came under pressure due to domestic market pricing obligations in Indonesia and increase in fuel prices, Tata Power said. The total cost of the fuel jumped more than 28% in the quarter.

Revenue from the core power generation business expanded more than 14%. Operating earnings from coal companies slumped 45%.

Tata Power has been grappling with shrinking profits as it incurred losses at its power plant in Mundra in the western Indian state of Gujarat. The project, which depended on imported coal from Indonesia, ran into losses after the Southeast Asian country raised levies on the export of the fuel. Indian power producers sought higher tariffs to cover the increased cost, but distribution companies resisted, dragging the case first to the regulator and then to India's highest court. Last year, the Supreme Court allowed Tata Power and other electricity producers to renegotiate their agreements with state-run distributors, offering a ray of hope to the companies grappling with staggering losses. Losses at Mundra widened to 4.67 billion rupees from 2.27 billion rupees a year earlier.

The company is in discussion with various state governments and state electricity distributors regarding the Mundra power plant and is expecting a resolution soon, Tata Power said in a statement. The proposal will then be submitted to the Central Electricity Regulatory Commission, it added.

Meanwhile, operating profit at the company's renewable energy business rose 9% due to a capacity addition of 356 megawatts. Tata Power is aiming to draw up to 40% of its generation capacity from clean energy sources by 2025. It has also set a target to expand the capacity of its renewable energy unit to 20,000 megawatts during this period.

The thrust on renewable energy comes as India seeks to cut reliance on coal-based power plants that account for nearly three-fourths of the country's power generation amid rising concerns about pollution.

The government has also set an ambitious target of increasing clean energy capacity to 175,000 megawatts by 2022 and is aiming to boost the share of non-fossil fuel in total installed power capacity to 40% by 2030.

Tata Power shares fell 4.3% in Mumbai trading, while the benchmark S&P BSE Sensex index lost 1%.

(Source: www.asia.nikkei.com)

INTERNATIONAL SPOT DRY BULK FREIGHT ASSESSMENTS

Size	From	To	Freight rates	Change
Capesize (150.000 tons)	Australia	China	7.40	-0.15
	Queensland	Japan	8.40	-0.15
	New South Wales	South Korea	9.25	-0.15
Panamax (70.000 tons)	Richards Bay	India West	10.85	-0.15
	Kalimantan	India West	6.90	-0.30
	Richards Bay	India East	11.00	-0.15
	Kalimantan	India East	5.65	-0.25
	Australia	China	9.50	-0.35
	Australia	India	10.50	-0.70

(Source: *Platts Coal Trader International* – Date 24/1/2019)