



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

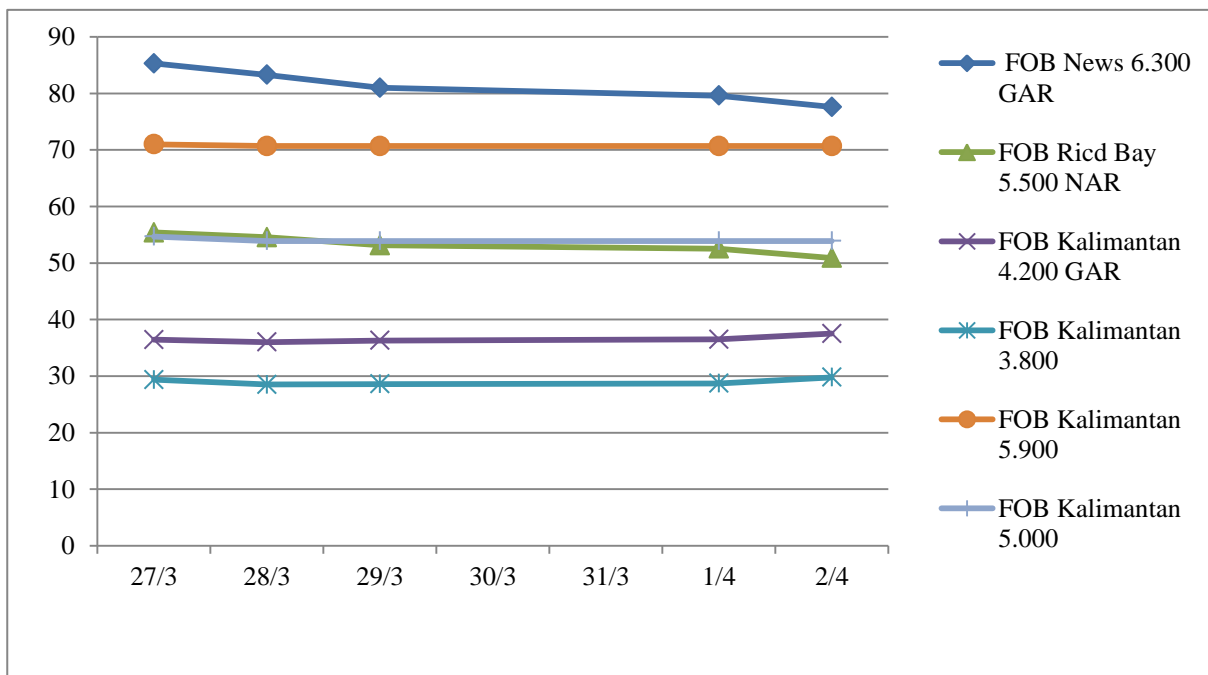
Date 10/4/2019

INTERNATIONAL COAL PRICE ASSESSMENTS

Daily prompt physical thermal coal assessments	Window 7 – 45 day	+/-	Window 90 - day	+/-
FOB Newcastle 6,300 GAR	91.10	+1,60	N/A	N/A
FOB Richards Bay 5.500 NAR	59.00	+1,50	N/A	N/A
FOB Kalimantan 5.900 GAR	N/A	N/A	71,75	+0.00
FOB Kalimantan 5,000 GAR	N/A	N/A	56,25	+0.00
FOB Kalimantan 4,200 GAR	37.90	+0,25	N/A	N/A
FOB Kalimantan 3.800 GAR	29.40	+0,15	N/A	N/A

China Coal Assessment	USD/tons	+/-	NDT/tons	+/-
PCC6 (CFR South China 3,800 NAR)	47.25	-0,25	315.84	-2.29
PCC7 (CFR South China 4,700 NAR)	63.75	+0,10	426.13	-0.84
PCC8 (CFR South China 5,500 NAR)	67.50	+1.50	451.19	-10.94

DAILY PROMPT PHYSICAL THERMAL COAL ASSESSMENTS IN 2019



(Source: Platts Coal Trader International – Date 2/4/2019)

NEWS

China thermal coal imports to fall 10 million-12 million tonnes in 2019

China's thermal coal imports will decline by between 10 million and 12 million tonnes in 2019, a leading industry analyst said on Tuesday, largely because of rising domestic output in the world's top producer and consumer. China's coal output will increase from the second quarter of 2019, reducing its reliance on overseas supplies, Rodrigo Echeverri, head of hard commodities at trader Noble Group, told an industry conference in Shanghai. China is set to produce an additional 100 million tonnes of coal this year, Wang Hongqiao, vice president of China National Coal Association, said earlier at the same event. "Coal demand for power generation in China will increase but the growth rate of general coal consumption will slow down," Wang said, leading to a glut of the fuel and "severely disrupting" the market.

China produced 4 billion tonnes of coal in 2018, according to the National Bureau of Statistics. It also added 194 million tonnes in mine capacity that year, despite promising to cut excess capacity for the sector. The state planner has also approved at least 12 new coal mining projects with a combined annual capacity of 29.5 million tonnes since the beginning of 2019, according to statements issued by the National Development and Reform Commission. Echeverri said he expected a drop in thermal coal imports this year of 11 percent from 2018 volumes to 197 million tonnes, with the reduction hitting top supplier Australia the hardest. That comes after traders have already cut back on purchases of both thermal and metallurgical coal from Australia due to lengthy quality checks on supplies from there that have lasted as long as two months at some ports. Noble Group, once a mighty commodity trader, completed a drawn out \$3.5 billion debt restructuring at the end of last year to emerge as a smaller, unlisted coal-trading business focused on Asia.

China to cap 2019 coal imports at 2018 levels

China's government will cap coal imports this year at 2018 levels, four sources with direct knowledge of the matter told Reuters on Tuesday, to support domestic producers. The world's biggest coal consumer imported 281.23 million tonnes of coal in 2018 including thermal coal, coking coal and anthracite. However, domestic output has also increased, and is set to rise by an extra 100 million tonnes this year, said an official on Tuesday. Three of the sources were told by customs officials to restrict their imports in 2019 to no more than 2018 levels. A fourth source, an official with a government-affiliated body who was familiar with the import policy, said the decision was made by China's State Council.

China's Qinhuangdao Port to remain domestic coal hub: Vice Minister

China's Qinhuangdao Port is expected to continue as the country's major domestic coal hub after the government reportedly shot down plans to shift the port activities to another nearby port, industry sources said Tuesday. China's transport ministry did not approve plans by Hebei Province to shift Qinhuangdao Port to make way to develop the city as a major tourist attraction, according to Chinese local media Tuesday. Vice Minister for the transport ministry, He Jianzhong, made the comment during a recent port meeting. However, the report did not specify the date of the meeting. Market sources in China said that the Vice Minister, by making the statement, is suggesting that port operations will remain status quo. "The local government in Hebei sees the coal operation as a source of pollution, but by shifting the port operation, it would change China's coal transport strategy," an east China-based coal analyst said. "Local government will need to place the country's strategy as its priority," he added. The minister was quoted as saying that Qinhuangdao Port served a strategic function for coal transportation, so it could not be randomly changed by the local government.

Located in the northeastern region of Hebei Province, Qinhuangdao port is a large coal discharging port. The port has been hailed as a major port for coal transportation in northern China, together with the other four ports in the Bohai Rim, namely Jingtang, Caofeidian, Huanghua and Tianjin Port. Both the Qinhuangdao Port and Caofeidian Port are located at the east end of the Daqin Railway Line, which is mainly responsible for the transportation of coal from coal mines in western

China to the eastern and southern parts of the country. The Ministry of Transport could not be immediately reached for comments. Since early last year, there had been talks about moving Qinhuangdao Port operations to Caofeidian Port. Hebei officials had said in February that there were plans to redevelop Qinhuangdao city as a major tourist attraction and to focus on high quality growth. According to local media reports in November 2018, some of the Qinhuangdao Port customers had gradually shifted their operations to Caofeidian Port.

(Source: www.spglobal.com)

INTERNATIONAL SPOT DRY BULK FREIGHT ASSESSMENTS

Unit: USD/ton

Size	From	To	Freight rates	Change
Capesize (150.000 tons)	Australia	China	5.55	-0.20
	Queensland	Japan	6.05	-0.25
	New South Wales	South Korea	6.90	-0.25
Panamax (70.000 tons)	Richards Bay	India West	11.90	+0.40
	Kalimantan	India West	7.70	+0.00
	Richards Bay	India East	12.25	+0.00
	Kalimantan	India East	6.35	+0.00
	Australia	China	10.60	+0.00
	Australia	India	11.80	+0.00

(Source: *Platts Coal Trader International* – Date 02/04/2019)