



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

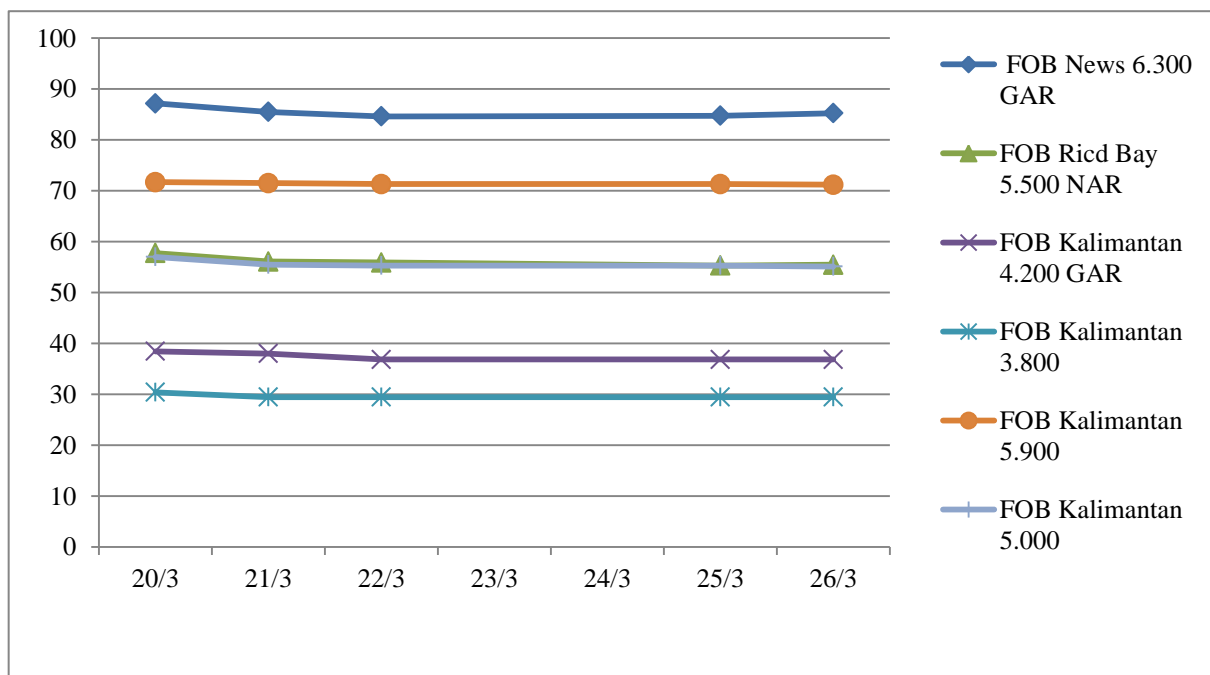
Date 28/3/2019

**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 26/3/2019)*

## **NEWS**

### **Tender Data: South Korea utilities seek 1.55 mil mt of steam coal for Jun-Aug**

Korea Western Power, on behalf of the five South Korean utilities, has launched two tenders seeking a total of 1.55 million mt of high to mid calorific value thermal coal for June to August loading. The shipments are being sought for South Korea's five utilities — Kowepo, Koen, Komipo, Kospo and EWP. In the tender K.Genco-COAL-2019-JT-1, the utilities sought seven Capesize shipments, or a total of 910,000 mt, of thermal coal with a minimum calorific value of 5,700 kcal/kg NAR and in the other tender K.Genco-COAL-2019-JT-2, the utilities sought eight Panamax shipments, or a total of 640,000 mt, of thermal coal with a minimum calorific value of 4,600 kcal/kg NAR.

In both tenders, the utilities are seeking thermal coal with maximum total moisture of 15% as received, 22-36% volatile matter air dried, maximum 17% ash air dried, and maximum 0.8% sulfur as received. Under the first tender K.Genco-COAL-2019-JT-1, the utilities require two Capesize shipments to be loaded in June, four Capesizes in July and one Capesize in August 2019. In the second tender K.Genco-COAL-2019-JT-2, the utilities require five Panamax shipments to be loaded in June and three in July.

### **Russian coal producer Mechel announces lower production, sales in 2018**

Russian mining company Mechel produced and sold less thermal coal in 2018 than it did the previous year, it said in its operational results Thursday. Mechel produced 18.81 million mt of run-of-mine coal in 2018, down 9% on the year, the results showed. Mechel's thermal coal sales were 5.29 million mt in 2018, down 14% on the year. Including thermal coal supplied to third parties, Mechel's sales totaled 9.83 million mt, down 15% on the year. "Thermal coal prices remained at a fairly high level in this accounting period," Mechel said. This was primarily due to stronger demand in the Asia-Pacific region "as well as occasional problems with supply from exporter countries due to infrastructure limitations."

Despite the lower production and sales, Mechel said it "took advantage of a favorable market situation and redirected our coal sales to more profitable markets," notably Vietnam, South Korea, India and Thailand. "Our sales to Vietnam in particular went up by record 400%," Mechel said. Mechel expects global coal demand over the coming years to be driven by the Asia Pacific region, a view shared by many in the coal market. "Experts expect that global coal trade turnout will go up 10% in the nearest 8-10 years. India, China and several other Asia Pacific states will continue to be this market's key drivers," Mechel said.

### **Japan's Tohoku, Glencore Australia settle Apr thermal coal benchmark at \$94.75/mt FOB**

Japanese power utility Tohoku and Australian coal producer Glencore have finalized the FOB Newcastle, basis 6,300 kcal/kg GAR for thermal coal shipments under the April 2019-March 2020 term contracts at \$94.75/mt, market sources familiar with the matter said Wednesday. Market sources were expecting April's Japanese Reference Price to have been concluded at about mid-\$90s/mt as demand has been relatively weak for 6,300 kcal/kg GAR Newcastle coal. Tohoku was under pressure from the Japanese power utilities to conclude the price on time before the beginning of the April 2019-March 2020 Japanese financial year, a market source said. "Tohoku may decide on the price quickly learning from their mistakes in last April's negotiations," another trader said. In last year's negotiations, Tohoku ended its talks with Glencore in June before later settling on a contract price in August at \$110/mt.

Both Tohoku and Glencore declined to comment on the final reference price. The annual Japanese reference price derived from Tohoku and Glencore's annual price agreements is written into term contracts for deliveries of Australian thermal coal to customers in Japan and in the wider Asian market including Taiwan and Thailand. During the early stages of the talks, FOB Newcastle 6,300 kcal/kg GAR bids and offers ranged between \$89 and \$107/mt, respectively, before narrowing to \$93-\$104/mt, and eventually met in the mid-\$90s/mt, sources said. Tohoku, one of Japan's largest

power utilities, has four coal-fired power units and a combined installed capacity of 3.2 GW, according to the company's 2018 annual report. Glencore has a thermal coal and semi-soft coal output of 72.7 million mt/year, the company's 2018 annual report said.

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

## **INTERNATIONAL SPOT DRY BULK FREIGHT ASSESSMENTS**

<b>Size</b>	<b>From</b>	<b>To</b>	<b>Freight rates</b>	<i>Unit: USD/ton</i> <b>Change</b>
<b>Capesize</b> (150.000 tons)	Australia	China	5.90	-0.20
	Queensland	Japan	6.45	-0.25
	New South Wales	South Korea	7.30	-0.25
<b>Panamax</b> (70.000 tons)	Richards Bay	India West	12.15	+0.15
	Kalimantan	India West	8.25	-0.10
	Richards Bay	India East	12.25	+0.15
	Kalimantan	India East	6.90	-0.10
	Australia	China	11.00	-0.15
	Australia	India	12.20	-0.25

(Source: *Platts Coal Trader International* – Date 26/03/2019)