



PETROVIETNAM POWER CORPORATION
PETROVIETNAM POWER COAL IMPORT AND SUPPLY COMPANY
WEEKLY NEWS – FIRST WEEK OF MARCH
 (From 04/3 – 08/3)

I. COAL MARKET ANALYSIS

1. INTERNATIONAL COAL PRICE ASSESSMENTS

Unit: USD/ton

Price index	Week 11/2-15/2	Week 18/2-22/2	Week 25/02-01/03	Week 04/3-08/03
FOB Kalimantan 4.200 GAR	35.65	36.86	38.71	40.1
FOB Kalimantan 3.800 GAR	28.49	28.95	30.35	31.48
FOB Kalimantan 5.900 GAR	71.32	71.45	71.91	72.13
FOB Kalimantan 5.000 GAR	55.13	55.4	56.41	56.63
FOB Newcastle 6,300 GAR	89.08	89.45	91.84	94.73
CIF ARA 6,000 NAR	70.23	71.92	74.31	73.12
FOB Richards Bay 5,500 NAR	58.59	61.37	63.55	62.19
NEWC (FOB Newcastle 6000 NAR)	90.71	94.64	96.04	96.70

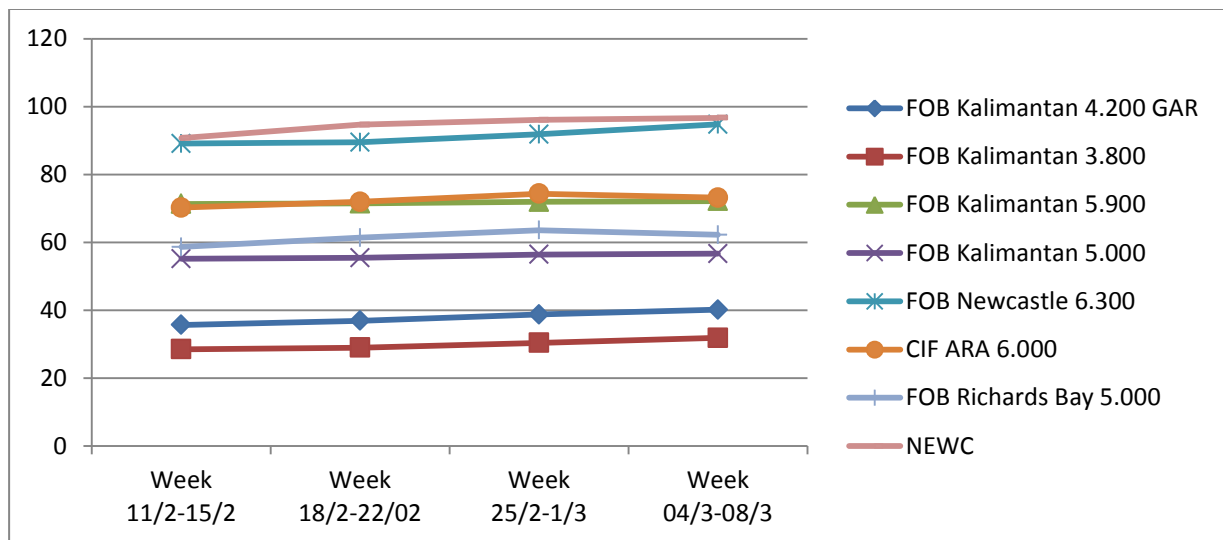


Chart 1: Average coal price 1st week of March(2019)

(Source: Platts Coal Trader International)

2. INTERNATIONAL SPOT DRY BULK FREIGHT ASSESSMENTS

Unit: USD/ton

	Week 1 st – March	04/3	05/3	06/3	07/3	08/3
Capesize (150,000 tons)						
1	Australia – China	5.85	5.75	5.70	5.70	6.05
2	Queensland – Japan	6.40	6.30	6.25	6.25	6.65
3	New South Wales – South Korea	7.25	7.15	7.10	7.10	7.50
Panamax (70,000 tons)						
1	Richards Bay - India West	11.30	11.30	11.35	11.40	11.35
2	Kalimantan - India West	8.00	8.00	7.90	7.90	7.80
3	Richards Bay - India East	11.35	11.35	11.40	11.45	11.40
4	Kalimantan - India East	6.65	6.65	6.55	6.55	6.45
5	Australia - China	10.85	10.85	10.80	11.50	11.00
6	Australia - India	12.10	12.10	12.20	12.95	12.40

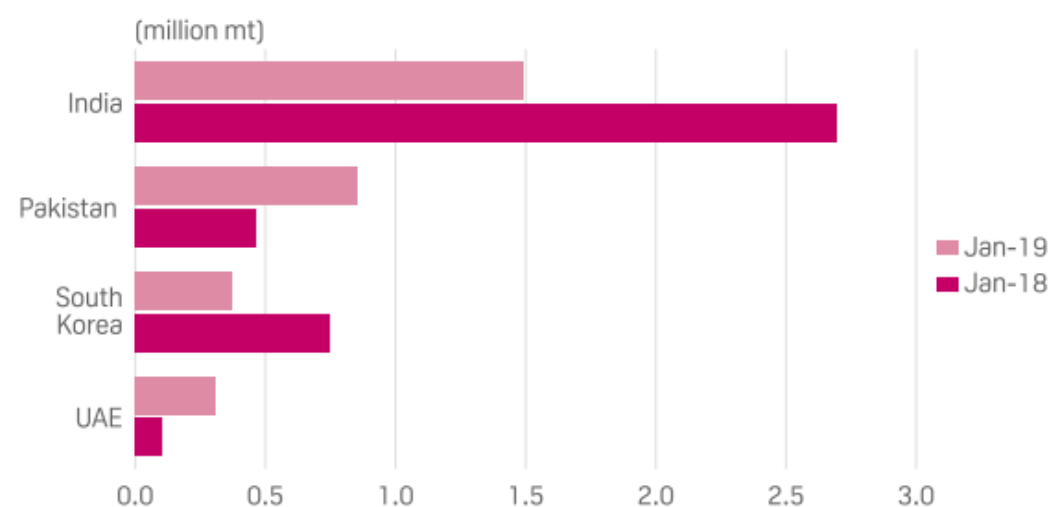
(Source: Platts Coal Trader International)

II. NEWS

S African Jan thermal coal exports hit 18-month low of 4.87 mil mt

The volume of South African thermal coal exports in January totaled 4.87 million mt, a drop of 37% month on month and down 21% year on year, making it the lowest monthly volume since July 2017, according to customs data released late Thursday. India remained the largest receiver of South African coal in January with a volume of 1.49 million mt. However, that volume was down 55% month on month and 45% year on year, making this the lowest export volume to India since January 2017. The South African export market struggled with depressed demand from India at the start of the year, which led to a narrowing of lower-CV discounts to the FOB Richards Bay 6,000 kcal/kg NAR price. The average S&P Global Platts FOB Richards Bay 5,500 kcal/kg NAR, 7-45 day price in January was \$65.36/mt, a drop of \$1.60 from December. Exports to Pakistan in January totaled 850,116 mt, down 28% month on month but an increase of 83% year on year. South Korea was the third-largest export destination for South African coal in January, at 370,075 mt. This was a rise of 19% month on month but down 50% year on year.

SOUTH AFRICA JANUARY 2019 THERMAL COAL EXPORTS



Source: Customs Data

Kowepo purchase thermal coal cargo below \$80/mt: sources

South Korean utility Korea Western Power (Kowepo) has purchased an FOB Newcastle 5,700 kcal/kg NAR cargo at below \$80/ mt, trade sources said Wednesday. The cargo was sold at a more than \$11/mt discount to FOB Newcastle 6,300 kcal/kg GAR grade, which S&P Global Platts assessed Tuesday at \$91.10/mt, illustrating a “decent oversupply” of lower CV coal in Asia Pacific, a European trader said.

Weak Chinese demand, prompted by Chinese restrictions on imports from Australia, were forcing down prices and moving coals into other Asian markets, said the trader, who noted discount coals were providing support for the higher CV FOB Newcastle grade. Platts assessed the FOB Newcastle 5,500 kcal/kg price at \$61.30/mt Wednesday, further illustrating the increasing discounts for lower CV coals. A second trader said more Asian utilities are blending lower CV coals with higher CV coals to meet standard 6,000 kcal/kg NAR specifications at a discounted rate. European utilities similarly have been blending discounted Russian with US coals to meet the delivered European specifications.

South Korea to close four coal-fired power units from March-June

Four coal-fired power units in South Korea with a total capacity of 2,000 MW will be closed from March-June to reduce fine dust emissions, the ministry of energy said Thursday. Temporary closures of older coal-fired power stations are relatively common in South Korea as part of the ministry’s long-term plans to reduce fine dust emissions and gradually phase out the country’s older coal plants. The four units being closed are Poryong 1 and 2 and Samcheonpo 5 and 6. The Poryong units came online from 1983-84 and have a capacity of 500 MW each, according to S&P Global Platts World Electric Power Plants Database. While the Samcheonpo units are relatively newer, coming online 1997-98, they burn lower quality sub-bituminous coal. The units have a capacity of 500 MW each, WEPPs data showed.

“Electricity demand is not much higher in the shutdown period than in summer and winter, so supply and demand are unlikely to be affected,” the ministry said. The ministry said to achieve its emissions targets it would increase the use of low sulfur thermal coal, which Korean utilities have had to limit to 0.4% on an annualized basis since last July. The ministry also said it will bring forward the retirement of Samcheonpo units 1 and 2 to December, having previously been set to close by 2022. The units began operation in 1983-1984 and have a capacity of 560 MW each, WEPPs data showed.

(Source: S&P Global Platts)