



PETROVIETNAM POWER CORPORATION
PETROVIETNAM POWER COAL IMPORT AND SUPPLY COMPANY
WEEKLY NEWS – THIRD WEEK OF MARCH
 (From 18/03 – 22/03)

I. COAL MARKET ANALYSIS

1. INTERNATIONAL COAL PRICE ASSESSMENTS

Unit: USD/ton

Price index	Week 25/2-01/3	Week 04/3-01/03	Week 11/03-15/03	Week 18/03-22/03
FOB Kalimantan 4.200 GAR	38.71	40.1	40.50	38.88
FOB Kalimantan 3.800 GAR	30.35	31.48	31.70	30.53
FOB Kalimantan 5.900 GAR	71.91	72.13	72.42	71.9
FOB Kalimantan 5.000 GAR	56.41	56.63	56.92	56
FOB Newcastle 6,300 GAR	91.84	94.73	92.3	87.51
CIF ARA 6,000 NAR	74.31	73.12	70.35	67.86
FOB Richards Bay 5,500 NAR	63.55	62.19	59.75	58.6
NEWC (FOB Newcastle 6000 NAR)	96.04	96.70	93.25	90.51

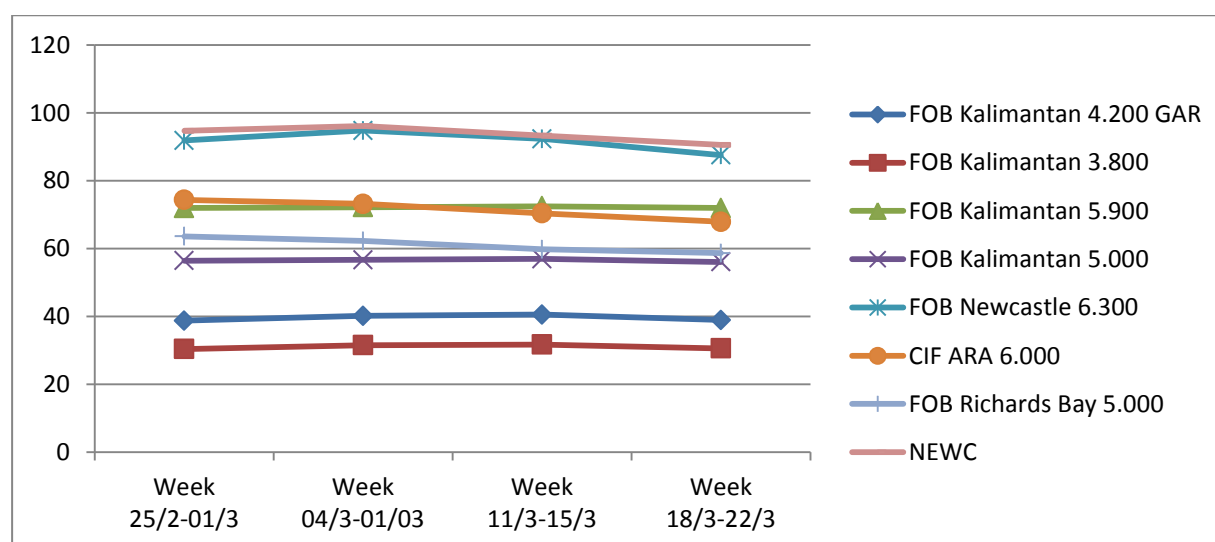


Chart 1: Average coal price 3rd week of March (2019)

(Source: Platts Coal Trader International)

2. INTERNATIONAL SPOT DRY BULK FREIGHT ASSESSMENTS

Unit: USD/ton

	Week 3 rd – March	18/3	19/3	20/3	21/3	22/3
Capesize (150,000 tons)						
1	Australia – China	7.15	7.10	6.95	N/A	N/A
2	Queensland – Japan	7.95	7.90	7.70	N/A	N/A
3	New South Wales – South Korea	8.80	8.75	8.55	N/A	N/A
Panamax (70,000 tons)						
1	Richards Bay - India West	11.65	11.70	11.70	N/A	N/A
2	Kalimantan - India West	8.35	8.35	8.35	N/A	N/A
3	Richards Bay - India East	11.75	11.80	11.80	N/A	N/A
4	Kalimantan - India East	7.00	7.00	7.00	N/A	N/A
5	Australia - China	11.00	11.15	11.15	N/A	N/A
6	Australia - India	12.30	12.45	12.45	N/A	N/A

(Source: Platts Coal Trader International)

II. NEWS

Italy Data: Thermal coal imports down 10% to 11.7 million mt in 2018

Italian thermal coal imports fell 10% year on year in 2018 amid a drop in demand for coal fired generation, data published Thursday by the Economic Development Ministry showed.

ITALY COAL IMPORTS 2018

Product Thermal	FY 2018 volume (mt)	FY 2017 volume (mt)	% change on year	% change vs 5-year average
Kazakhstan	623,265	705,886	-11.7	3.7
Russia	4,867,120	5,507,720	-11.6	6.2
Colombia	2,847,261	3,335,963	-14.6	-10.2
Spain	42,700	38,762	10.2	-86.3
Indonesia	858,696	879,164	-2.3	-56.1
South Africa	296,273	1,123,455	-73.6	-85.9
US	1,926,405	1,276,380	50.9	4.1
Venezuela	30,579	0	NA	-51.5
Ukraine	171,333	62,500	174.1	266.4
Australia	0	60,477	-100	-100
Total	11,663,630	12,990,309	-10.2	-21.1
Others				
Coking coal	2,273,384	2,257,381	0.7	-2.1
Coal derived coke	2,273,384	683,626	232.5	94.6
Petcoke	961,973	856,080	12.4	-10
Lignite	11,743	2,254	-22.7	-29.2
Anthracite	75,741	32,587	132.4	62.7
Total	15,630,274	16,822,238	-7.1	-18

The country imported 11.7 million mt of thermal coal in the year, with Russia and Colombia retaining the top two spots in terms of volume for a third consecutive year, although volume from both was down by double-digits year on year. Imports from South Africa saw the largest decline, falling 74% year on year to 296,000 mt, the data showed. The annual decline was the fourth in a row for Italy, meaning the 2018 import volume was 21% lower than the average of

the last five years. Coal lost out to renewables in terms of market share during 2018, according to Italy's power market operator Gestore Mercati Energetici. Coal dropped from a 8.7% slice of the generating mix in 2017 to a record low of 7.1% in 2018 whereas hydro increased its footprint from 15.3% to 20% and wind from 5.7% to 6.6% over the year. In terms of exports, Italy delivered thermal coal to only two recipients in 2018, Slovenia with 980,000 mt and Spain with 1.9 million mt.

Indian power plants go slow on unloading coal stock

Thermal power plants have started delaying coal unloading as their fuel stocks have risen, industry executives said. Coal IndiaNSE 0.70 % executives say a few plants are trying to cut supplies without formally asking for a cut, so that they would not have a problem when they need more fuel to meet higher summer demand. Power sector executives, however, say unloading takes longer than normal when coal is already heaped in the storage space. Industry executives said this is happening in Punjab, Haryana, Uttar Pradesh, Gujarat and Maharashtra. Some plants are running out of storage space while others are financially stressed and are not in a position to stock the coal. A power sector official said delay in releasing rakes attracts demurrage charges, payment of which requires approval from the management. Power plants try and balance demurrage charges with increased cost of maintaining inventory by reducing their stocks. Some private and state-run plants have fuel enough to generate power for more than a month. A senior Coal India executive said these plants have not formally asked for a supply cut. A few years ago some plants had officially asked Coal India to reduce supplies but they struggled to get higher supply when summer demand rose. Central Electricity Authority data shows 24 plants have stocks for more than 30 days. Average stocks at 126 plants are now about 30 million tonnes, enough for 17 days. A senior Coal India executive said unloading a rake normally takes two to five hours depending on the level of mechanisation but some plants are taking as much as eight hours to release rakes.

(Source: www.economictimes.indiatimes.com)

Spanish coal imports rise as domestic mines close

Spanish coal imports increased 12% on the year to 1.5 million mt in January after 26 unprofitable domestic coal mines were closed at the start of the year, data published Monday by Spanish customs showed. Spanish coal imports rebounded in January following an 18% drop in 2018. The main increase in imports was from Indonesia, with volume nearly doubling to 642,000 mt, the data showed. At the same time, there were increases from Australia, of 27% year on year to 340,000 mt, and South Africa, of 10% to 168,000 mt. By contrast, volume from Russia fell 49% year on year to 296,000 mt. Indonesia was Spain's largest single supplier in 2018, with a total of 4.49 million mt delivered, up 5.5% from 2017, followed by Russia, down 27% year on year to 3.64 million mt. At the start of January, Spain closed 26 coal mines that were running at a loss but receiving public funds. This leaves with just one active coal mine, La Escondida in Leon, with an output of around 7,000 mt a month. Spain is also due to close nine of its 15 coal-fired plants by next year, with the continuing plants almost completely fueled by imported coal. For the year to date, coal demand for power generation has fallen 21% on the year to 6.0 TWh due to a switch to gas-fired output and a 28% year-on-year increase in solar photovoltaic generation., Gianluca Baratti.

(Source: S&P Global Platts)