



PETROVIETNAM POWER CORPORATION
PETROVIETNAM POWER COAL IMPORT AND SUPPLY COMPANY
WEEKLY NEWS – FORTH WEEK OF MARCH
 (From 25/03 – 29/03)

I. COAL MARKET ANALYSIS

1. INTERNATIONAL COAL PRICE ASSESSMENTS

Unit: USD/ton

Price index	Week 04/3-01/03	Week 11/03-15/03	Week 18/03-22/03	Week 25/03-29/03
FOB Kalimantan 4.200 GAR	40.1	40.50	38.88	36.85
FOB Kalimantan 3.800 GAR	31.48	31.70	30.53	29.45
FOB Kalimantan 5.900 GAR	72.13	72.42	71.9	71.25
FOB Kalimantan 5.000 GAR	56.63	56.92	56	55.2
FOB Newcastle 6,300 GAR	94.73	92.3	87.51	85
CIF ARA 6,000 NAR	73.12	70.35	67.86	64.72
FOB Richards Bay 5,500 NAR	62.19	59.75	58.6	55.37
NEWC (FOB Newcastle 6000 NAR)	96.70	93.25	90.51	89.17

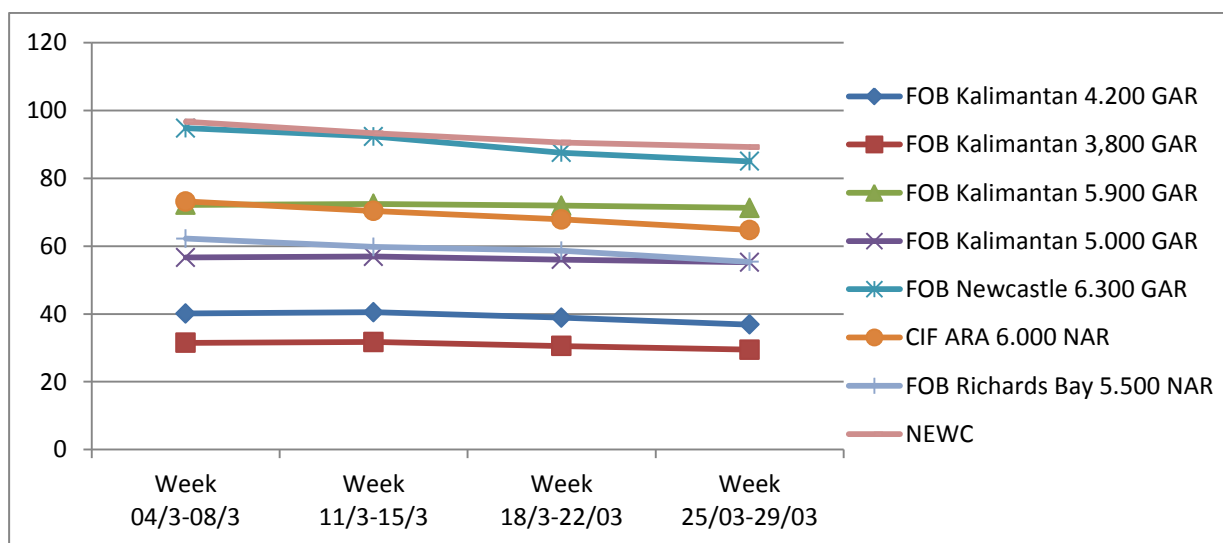


Chart 1: Average coal price 4th week of March (2019)

(Source: Platts Coal Trader International)

2. INTERNATIONAL SPOT DRY BULK FREIGHT ASSESSMENTS

Unit: USD/ton

	Week 4 th – March	25/03	26/03	27/03	28/03	29/03
Capesize (150,000 tons)						
1	Australia – China	6.10	5.90	N/A	N/A	N/A
2	Queensland – Japan	6.70	6.45	N/A	N/A	N/A
3	New South Wales – South Korea	7.55	7.30	N/A	N/A	N/A
Panamax (70,000 tons)						
1	Richards Bay - India West	12.00	12.15	N/A	N/A	N/A
2	Kalimantan - India West	8.35	8.25	N/A	N/A	N/A
3	Richards Bay - India East	12.10	12.25	N/A	N/A	N/A
4	Kalimantan - India East	7.00	6.90	N/A	N/A	N/A
5	Australia - China	11.15	11.00	N/A	N/A	N/A
6	Australia - India	12.45	12.20	N/A	N/A	N/A

(Source: Platts Coal Trader International)

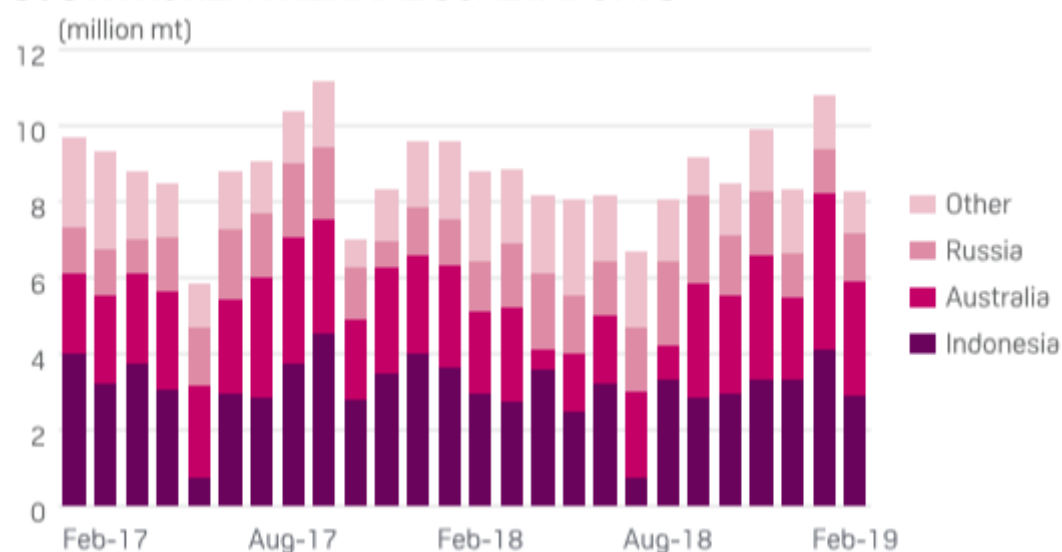
II. NEWS

South Korea thermal coal imports drop 23% to 8.25 million mt in February

South Korea imported 8.25 million mt of thermal coal in February, down 23% on the month and 6.3% from a year before, the lowest since June, 2018, according to customs data released late Thursday. Coal demand in South Korea had been weak during in the period on the back of mild weather, according to S&P Global Platts analytics, while the comparatively high imports for January would have likely curtailed demand for additional imports in February.

Australia was the largest supplier of coal to South Korea, sending 3.01 million mt in February, down 27% on the month but up 40% on the year. Imports from Indonesia were 2.91 million mt, down 29% from January's multi-month high, but down just 1.2% from a year before. Imports of Russian coal, including some shipments from Baltic ports, were 1.22 million mt, up 8.1% on the month and down 5.3% year on year. Imports from elsewhere were relatively steady on the month, although imports from the US and Canada fell to 450,138 mt, down 31.5% on the month and 55% from February 2018.

SOUTH KOREA THERMAL COAL IMPORTS



Source: Customs data

South Korea February thermal coal imports

Origin	Volume (mt)	% change on month	% change on year
Australia	3,012,711	-26.71	38.96
Indonesia	2,909,661	-29.34	-1.15
Russia	1,223,490	8.11	-5.29
Canada	374,491	-43	-49.61
South Africa	315,914	10.24	-69.82
Colombia	285,820	-36.95	-6.6
US	75,647	n/a	-71.44
Other	54,178	99.62	33.53
Total	8,251,912	-23.49	-6.28

(Source: S&P Global Platts)

Coal India nears production target of 610 mt for 2018-19; growth up 7%

This is the highest production ever recorded in a single month since Coal India's inception. A surpassing growth in coal production in March helped Coal India inch extremely close to its production target of 610 million tonne (mt) for the 2018-19 fiscal year after the coal monolith posted a seven per cent production growth in the 2018-19 fiscal year generating 606.9 million tonne (mt) of coal. Despatches, on the other hand stood at 580.3 mt registering an overall growth rate of 4.8 per cent. According to the company, the production growth is almost three-fold increase compared to 2017-18 fiscal year's output growth of 2.4 per cent. A company official said in the month of March, the coal behemoth produced 3.14 mt every day which helped in the company producing 79.19 mt in March itself. Incidentally, this is the highest production ever recorded in a single month since Coal India's inception. While previously, it had taken Coal India seven years to increase its production level by 100 mt a year to breach 500 mt during 2016-17, the company was able to reach 600 mt levels of output in three-year' time. In the last fiscal year, Northern Coalfields became the company's third subsidiary to breach the 100 mt production mark after South-Eastern Coalfields (SECL) and Mahanadi Coalfields (MCL). On the other hand, SECL became Coal India's first subsidiary to cruise over 150 mt production mark while Eastern Coalfields and Western Coalfields have become 50 mt companies each.

Sources suggested that had MCL been able to perform to its fullest production capacity, the world's largest coal miner would have been able to surpass its 610 mt production commitment to the coal ministry by a considerable margin. Labour indiscipline issues, forest land clearance, evacuation and protests from villagers in mining areas has been affected MCL's production for the past few months. In turn, it had led MCL to post a 0.8 per cent production increase – the lowest among all bigger subsidiaries during the last fiscal year. Backed by improved rake loading, which grew by 11.2 per cent, the company's despatches to the power sector climbed to touch 488 mt as against 454 mt supplied in the 2017-18 fiscal year which is a growth of 7.4 per cent. However, the percentage growth in rake loading for the power sector is higher than the average rake loading growth of 5.6 per cent during the 2018-19 fiscal year as Coal India, on an average loaded 280.7 rakes per day as against 265.8 rakes in the 2016-17 fiscal year. The company's depleted pithead coal stocks situation of around 24 mt in the winter season also improved to around 54 mt towards the end of the fiscal year backed by increased stocks at the power plants as well which now has 30.41 mt or 18 days of coal stock.

Chinese seaborne demand for thermal coal weakens

Chinese demand for seaborne thermal coal cargoes has weakened on increased supply from domestic mines in northern China, while hydropower generation is expected to rise in the next two weeks in southern China, sources in China said Tuesday. "As of Monday, the biggest coastal power plants had more than 24 days of coal burn and close to 16 million mt of thermal coal," a source said. A north India-based trader has heard hearing bids for Indonesian 4,200 kcal/kg GAR coal from China at about \$38/mt FOB Kalimantan. Bid levels from India buyers have also dipped, a Singapore-based trader noted. "Bid levels are at least \$2/mt lower than last week for

the Indonesian 4,200 kcal/kg GAR coal,” he said. He added that bidding indications for Indonesian 3,800 kcal/kg GAR coal had fallen to below \$30/mt FOB Kalimantan. The seaborne market is expected to continue softening, according to a south India-based trader.

(Source: S&P Global Platts)