



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

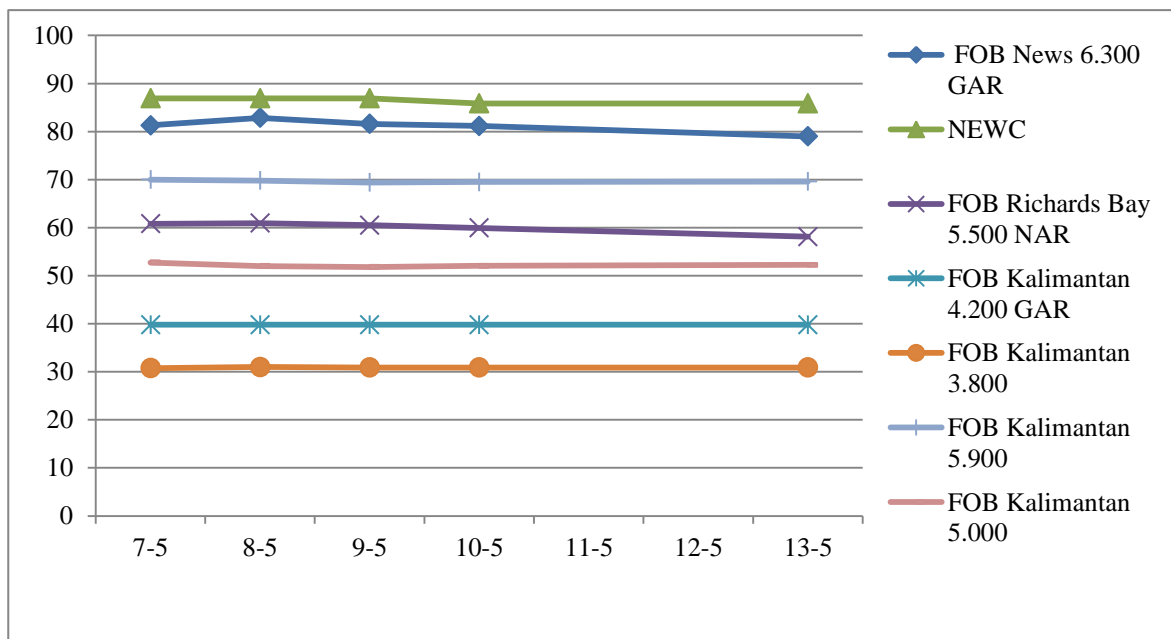
Date 16/5/2019

**INTERNATIONAL COAL PRICE ASSESSMENTS**

Daily prompt physical thermal coal assessments	Window 7 – 45 day	+/-	Window 90 - day	+/-
FOB Newcastle 6,300 GAR	79.00	-2.15	N/A	N/A
FOB Newcastle 6,000 NAR	85.65	N/A	N/A	N/A
FOB Kalimantan 5,500 GAR	58.10	-1.85	N/A	N/A
FOB Kalimantan 5,900 GAR	N/A	N/A	69.60	+0.10
FOB Kalimantan 5,000 GAR	N/A	N/A	52.25	+0.20

China Coal Assessment	USD/tons	+/-	NDT/tons	+/-
PCC6 (CFR South China 3,800 NAR)	47.55	+0.10	325.56	+3.45
PCC7 (CFR South China 4,700 NAR)	60.00	+0.30	410.81	+5.54
PCC8 (CFR South China 5,500 NAR)	70.80	+0.40	484.75	+6.84

**DAILY PROMPT PHYSICAL THERMAL COAL ASSESSMENTS IN 2019**



(Source: Platts Coal Trader International – Date 13/5/2019)

## **NEWS**

### **Lackluster thermal coal demand for China as currency weakness; trade issues reign**

Chinese currency weakness and US-China trade tensions were forefront on the minds of Asia-Pacific thermal coal market participants and were taking their toll on China's demand for import cargoes, market sources said Monday. "China is not buying at the moment due to the Yuan depreciation," one market participant referring to Australian 5,500 kcal/kg NAR cargoes said. A weaker Chinese currency has the effect of reducing the buying power of end-users for imported thermal coal cargoes, market sources said. The exchange rate for the Chinese Yuan to the US dollar had slipped to 6.79, from 6.73 a week ago, on Monday, according to currency rates on the Bank of China's website.

Firm bids for June loading Australian high-ash cargoes were heard at \$61/mt FOB Newcastle 5,500 kcal/kg NAR, and a touch higher than deals done last week at \$60.50/mt. Australian coal producers were said to be holding their offers back from the spot market, though a Chinese trader heard a June-loading Capesize cargo offered at \$61.50/mt. Trade tensions between China and the US were ratcheted higher at the weekend after Friday's deadline for the introduction of higher US trade tariffs passed. US president Donald Trump had committed to implement a 25% trade tariff on imports of \$200 billion worth of Chinese goods, and Chinese officials have vowed to respond in kind.

### **Russian thermal coal gains traction on China's firm buying interest**

A strong inflow of Russian thermal coal into China has led to talks that a further price rise in Australian material may be limited in the near term, sources said Friday. Offers for Russian 5,500 kcal/kg NAR were heard at \$68/mt FOB Vanino for July loading, regardless of vessel size, according to market sources. "Most of the Russian cargoes for June have been sold out, as Chinese buyers have been getting the goods, and also because of the railway maintenance in Russia that affects transport volume too," a China-based market source said. He noted that China's import policy towards Australian coal has boosted demand for Russian coal, but despite the curbs, Australian coal is still cheaper in comparison. "Though prices of Australian coal have slightly moved up compared to a month ago, the prices are still competitive than Chinese domestic prices," a north China-based trader said.

An east China-based trader noted that around 1 million mt of Russian 4,700 kcal/kg NAR grade coal had been traded at around \$51-\$52/mt FOB for May-June loading. In contrast, demand for Russian 6,000 kcal/kg NAR grade was heard to be softening on the back of weak demand, sources said. An Australia-based market source noted that there seems to be a good supply of 6,000 kcal/kg NAR and tenders were getting awarded at significant discounts. "We're not seeing any tightness out of Russia," he added. A tender for this grade was awarded at \$78/mt CFR Korea this week, with freight rate pegged at about \$4/mt. "I think the lower price was affected by Russian spot cargoes which were out of the European coal market, so they were supplied at this price level," a South Korea-based trader said. Trades for domestic 5,500 kcal/kg NAR grade spot cargoes were heard at around Yuan 615-620/mt FOB Qinhuangdao, while 5,000 kcal/kg NAR traded at around Yuan 519-520/mt FOB.

### **TENDER DATA: Taipower seeks 720,000 mt of thermal coal for Jun-Sep delivery**

Taiwan Power Co has issued a tender seeking a total of 720,000 mt of high-calorific value thermal coal for delivery from June through September 2019 for its Taipower thermal power plant. The utility sought nine 80,000 mt Panamax shipments of thermal coal with a minimum calorific value of 6,200 kcal/kg GAR, maximum 0.7% sulfur on air dried basis, 14% ash on air dried basis, 15% total moisture on as received basis and a minimum of 26% of volatile matter on air dried basis. Offers must be on both a free-on-board-and-trimmed (FOBT) and CFR Taiwan basis. Only coal suppliers from Australia, Canada, China, South Africa, the US and Venezuela are allowed to participate in the tender. The tender closes May 14.

*(Source: S&P Global Platts)*

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

				<i>Unit: USD/ton</i>
<b>Size</b>	<b>From</b>	<b>To</b>	<b>Freight rates</b>	<b>Change</b>
<b>Capesize</b>	Australia	China	8.15	+0.10
(150.000 tons)	Queensland	Japan	9.20	+0.10
	New South Wales	South Korea	10.05	+0.10
<b>Panamax</b>	Richards Bay	India West	12.70	+0.10
(70.000 tons)	Kalimantan	India West	8.35	+0.10
	Richards Bay	India East	12.85	+0.10
	Kalimantan	India East	7.00	+0.10
	Australia	China	10.90	+0.00
	Australia	India	12.20	+0.00

*(Source: Platts Coal Trader International – Date 13/05/2019)*