



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

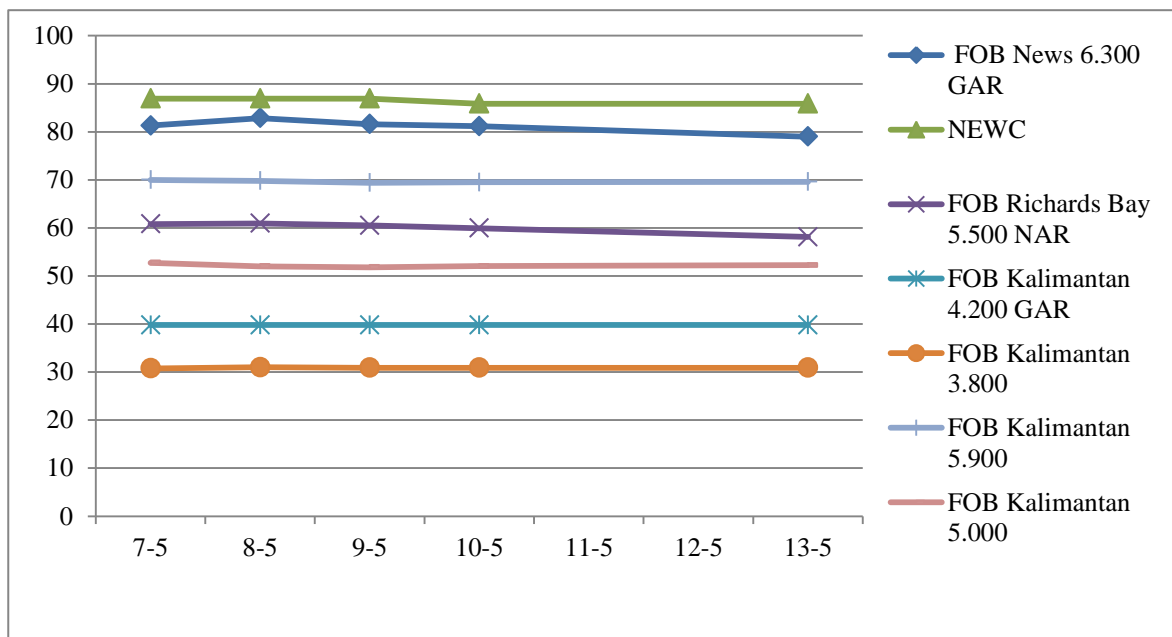
Date 20/5/2019

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 3/5/2019)

NEWS

Anglo American aims for 45%-50% mining margins on new technology

Miner Anglo American can achieve mining margins of up to 45%-50% and a 20% increase in volumes through the use of new technologies, company CEO Mark Cutifani said in an address to shareholders in London late Tuesday. Anglo has already moved its diversified mining business “from a 30% mining margin in 2012 to 42% by the end of 2018 — driven by the upgraded portfolio, technical changes and our operating model,” Cutifani said. The company produces minerals including copper, iron ore, gold, platinum, palladium, gold, thermal and met coal, and diamonds. Several years of cost-cutting and remodeling have brought a turnaround at the company, leading to strong results in 2018 despite comparatively low prices for some products last year.

In thermal coal, Anglo’s Q1 thermal coal production totaled roughly 29 million mt. The miner exports thermal coal largely from South African and Colombia, and is expected to drop its production from both the Cerrejon mine in Colombia and its South African domestic business. “Whichever way you look at Anglo American, this is a fundamentally different business, Cutifani said. “Since 2012, we have halved the number of assets, significantly upgrading the performance of each remaining asset. “We are now delivering 30% more product from each retained asset, translating into 10% more physical product in aggregate across the portfolio at a 26% lower unit cost in nominal terms, driving a doubling of productivity per employee,” he said.

Indonesia sets may HBA thermal coal price at \$81.86/mt, down 7.9% on month

Indonesia’s Ministry of Energy and Mineral Resources set its May thermal coal reference price — also known as Harga Batubara Acuan, or HBA — at \$81.86/mt, down 7.87% on month and 8.6% on year, sources familiar with the matter said Wednesday. Indonesia’s exports were dented as Russian cargoes made inroads into several coal-consuming Asian countries, according to Indonesia’s government officials.. The ministry had set the price for April at \$88.85/mt, and for May 2018 at \$89.53/mt. The HBA is a monthly average price based 25% each on Platts Kalimantan 5,900 kcal/kg GAR assessments, Argus-Indonesia Coal Index 1 (6,500 kcal/kg GAR), Newcastle Export Index (6,322 kcal/kg GAR) and globalCOAL Newcastle (6,000 kcal/kg NAR). In April, the daily Platts FOB Kalimantan 5,900 kcal/kg GAR coal assessment averaged \$70.05/mt, down from \$71.83/mt in March, while the daily 7-45 day Platts Newcastle FOB price for coal with a calorific value of 6,300 kcal/kg GAR averaged \$80.74/mt, down from \$89.35/mt in March. The HBA price for thermal coal is the basis for determining the prices of 77 Indonesian coal products and calculating the royalty producers have to pay for each metric ton of coal sold. It is based on 6,322 kcal/kg GAR coal with 8% total moisture content, 15% ash as received and 0.8% sulfur as received.

(Source : S&P Global Platts)

China to upgrade coal-fired plants

Coal-fired power plants in China are looking toward digitalization for industrial transformation and upgrade, as the nation continues to restrict overcapacity and set high environmental protection goals. The pledge to cut overcapacity was reiterated once again in a joint notice released by the National Development and Reform Commission, Ministry of Industry and Information Technology, and National Energy Administration. “Artificial Intelligence is a core technology for a successful digital transformation and offers tremendous opportunities for all industries. We are excited to work with Chinese customers on their most urgent topics to make production more efficient,” Dr. Roland Busch, chief technology officer of Siemens AG, said to the audience at the Siemens Innovation Day China in Chengdu, southwest China’s Sichuan province, on May 15. The German powerhouse said it has joined hands with Chinese energy giant China Resources Power to set up a remote operation center that can supervise and analyze the efficiency and conditions of units in remote power plants.

(Source: <https://www.manilatimes.net/china-to-upgrade-coal-fired-plants/556573/>)

INTERNATIONAL SPOT DRY BULK FREIGHT ASSESSMENTS

Unit: USD/ton

Size	From	To	Freight rates	Change
Capesize	Australia	China	8.10	-0.70
(150.000 tons)	Queensland	Japan	9.05	-0.90
	New South Wales	South Korea	9.90	-0.90
Panamax	Richards Bay	India West	12.25	+0.00
(70.000 tons)	Kalimantan	India West	8.00	+0.00
	Richards Bay	India East	12.40	+0.00
	Kalimantan	India East	6.65	+0.00
	Australia	China	11.15	+0.15
	Australia	India	12.55	+0.30

(Source: Platts Coal Trader International – Date 03/05/2019)