



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

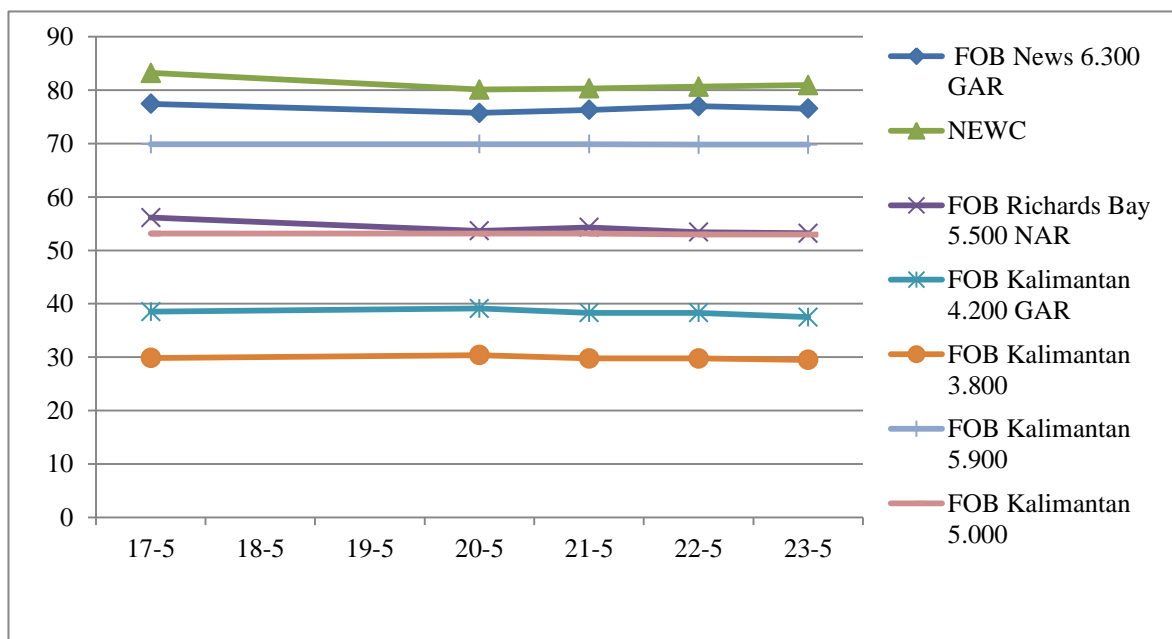
Date 27/5/2019

INTERNATIONAL COAL PRICE ASSESSMENTS

Daily prompt physical thermal coal assessments	Window 7 – 45 day	+/-	Window 90 - day	+/-
FOB Newcastle 6,300 GAR	76.55	-0.45	N/A	N/A
FOB Newcastle 6,000 NAR	80.95	N/A	N/A	N/A
FOB Kalimantan 5,500 GAR	53.20	-0.20	N/A	N/A
FOB Kalimantan 5,900 GAR	N/A	N/A	69.80	+0.00
FOB Kalimantan 5,000 GAR	N/A	N/A	52.95	+0.00

China Coal Assessment	USD/tons	+/-	NDT/tons	+/-
PCC6 (CFR South China 3,800 NAR)	45.65	-0.85	314.55	-5.14
PCC7 (CFR South China 4,700 NAR)	61.10	-0.05	421.01	+0.60
PCC8 (CFR South China 5,500 NAR)	68.20	-0.05	469.94	+0.71

DAILY PROMPT PHYSICAL THERMAL COAL ASSESSMENTS IN 2019



(Source: Platts Coal Trader International – Date 23/5/2019)

NEWS

Spot demand for Japan's thermal coal market stays low

Japanese buying interest for spot cargoes of Australian thermal coal has receded as operators undertake scheduled maintenance to power plants following the winter coal-burning season and in preparation for summer air-conditioning demand, market sources said Thursday. "At the moment, I think many power units are [undergoing] maintenance," said one market source, adding that he had not heard of any fresh tenders for imported thermal coal for Japan this week. The lack of spot demand from Japan is reflected in current prices for Newcastle 6,000 kcal/kg NAR thermal coal which are trading around the mid-\$70s/mt FOB basis, according to S&P Global Platts data. Prices are slightly higher for August shipments of Newcastle 6,000 kcal/kg NAR thermal coal, than for June and July-loading cargoes, sources said. There was a trade Wednesday at \$81/mt FOB Newcastle for an August-loading parcel for 25,000 mt of this grade of higher-CV Australian thermal coal on globalCOAL. This trade was slightly below levels in the Newcastle 6,000 kcal/kg NAR paper or derivatives market, Wednesday, where July contracts settled at \$82.45/mt, and Q3-2019 contracts settled at \$83.50/mt, according to Platts prices. But in terms of their direction, prices for physical cargoes of Newcastle 6,000 kcal/kg NAR thermal coal could be set for a recovery based on forecast higher summer temperatures, said sources, stressing temperatures in Tokyo are set to reach into the low 30 degrees Celsius at the weekend. Meanwhile, Platts Northeast Asia thermal coal index for thermal coal cargoes delivered to Japan, Korea and Taiwan had moved down to \$77.39/mt CFR Kinuura basis 5,750 kcal/kg NAR, Wednesday, from around \$80/mt CFR Kinuura in early May.

Indonesia low-calorific value thermal coal price headed south

Indonesian thermal coal prices continued on their downward trend Thursday, after a Chinese tender seeking Indonesian origin was awarded at a lower price, further depressing market sentiment, market sources said. A trade for a Supramax-vessel cargo of Indonesian 4,200 kcal/kg GAR — or 3,800 kcal/kg NAR — coal was heard concluded at \$37.50/mt FOB Kalimantan for June. "Even though the yuan is getting weaker at 6.92, this is still a good deal at this price," a China-based trader said. A Singapore-based trader said he heard a deal for a Panamax cargo of 3,800 kcal/kg NAR coal at slightly above \$38/mt FOB Kalimantan. This is down \$1 from prices a week ago. Despite a slight uptick in trading activity in Thursday's session for Asia, offers for Kalimantan low-calorific value thermal coal further headed south, market sources said. Some offers for Indonesian 3,800 kcal/kg NAR coal were heard at \$38-\$39/mt FOB Kalimantan. An Indonesia-based producer said he has encountered a bearish week with very few inquiries, due to a lack of new tenders from power plants. A Singapore-based trader bemoaned a bearish outlook for Kalimantan low CV thermal coal prices. He said traders are anticipating further drops in prices and are letting go of their cargoes now.

High stocks dampened Chinese coal demand

Additionally, high stock levels continued to dampen China's appetite for imports, and traders prefer to wait and see in the bearish market, market sources said. "The market is largely quiet and I am waiting for further drops in offers from Indonesian miners to \$37/mt FOB Kalimantan for 3,800 kcal/kg NAR coal on a geared-vessel basis before entering the market," a north China-based trader said. "High China stocks are dampening the appetite further," he added. However, prices are not expected to drop sharply despite the lack of support, another eastern China-based source said. An Indonesian-based miner said that the China market remained largely quiet in the mid-CV sector, but they are not in a hurry to sell. "We have enough capacity to hold stocks and any bid below \$54/ mt FOB Kalimantan will not be entertained," he added. Offers for Panamax-vessel cargoes of Indonesian 4,800 kcal/kg NAR coal were largely heard in the range of \$54-\$55/mt FOB Kalimantan for June, while a bid at \$54/mt FOB Kalimantan on a geared basis was heard from the India market.

(Source: Platts Coal Trader International)

INTERNATIONAL SPOT DRY BULK FREIGHT ASSESSMENT

Unit: USD/ton

Size	From	To	Freight rates	Change
Capesize	Australia	China	8.55	+0.25
(150.000 tons)	Queensland	Japan	9.55	+0.25
	New South Wales	South Korea	10.40	+0.25
Panamax	Richards Bay	India West	13.20	+0.00
(70.000 tons)	Kalimantan	India West	8.95	+0.00
	Richards Bay	India East	13.35	+0.00
	Kalimantan	India East	7.50	+0.00
	Australia	China	11.40	+0.10
	Australia	India	12.35	+0.25

(Source: Platts Coal Trader International – Date 23/05/2019)