



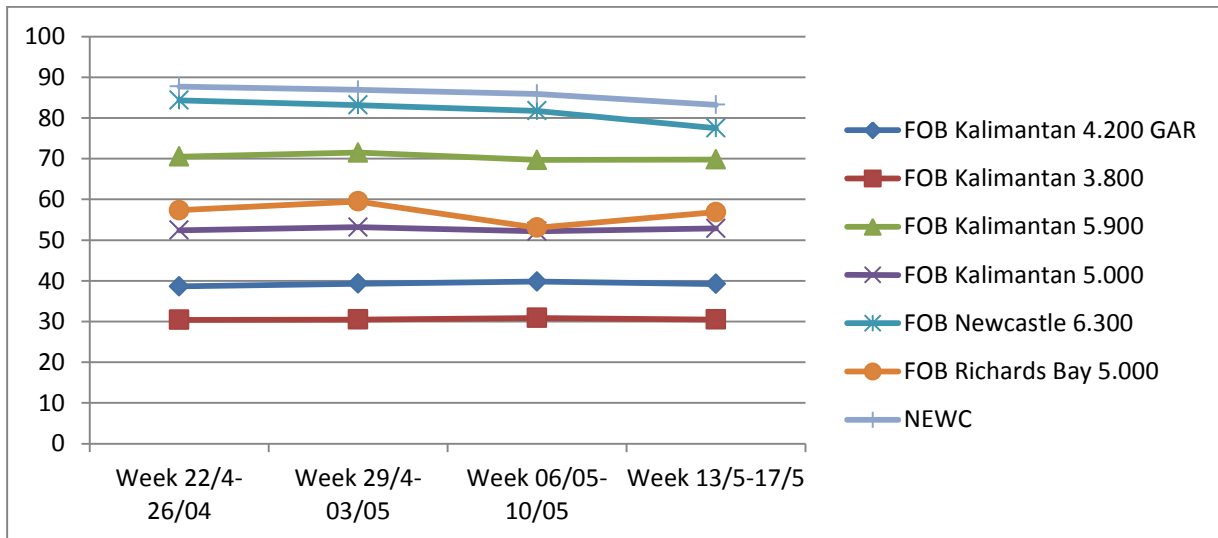
**PETROVIETNAM POWER CORPORATION**  
**PETROVIETNAM POWER COAL IMPORT AND SUPPLY COMPANY**  
**WEEKLY NEWS – THIRD WEEK OF**  
**MAY**  
 (From 13/05 – 17/05)

**I. COAL MARKET ANALYSIS**

**1. INTERNATIONAL COAL PRICE ASSESSMENTS**

*Unit: USD/ton*

Price index	Week 22/04-26/04	Week 29/04-03/05	Week 06/05-10/05	Week 13/05-17/05
FOB Kalimantan 4.200 GAR	38.62	39.3	39.8	39.2
FOB Kalimantan 3.800 GAR	30.41	30.475	30.8875	30.48
FOB Kalimantan 5.900 GAR	70.5	71.5	69.675	69.8
FOB Kalimantan 5.000 GAR	52.42	53.175	52.15	52.87
FOB Newcastle 6,300 GAR	84.33	83.175	81.725	77.49
FOB Richards Bay 5,500 NAR	57.33	59.49	53.05	56.86
NEWC (FOB Newcastle 6000 NAR)	87.72	86.91	85.91	83.24



**Chart 1: Average coal price 3<sup>rd</sup> week of May (2019)**

*(Source: Platts Coal Trader International)*

## 2. INTERNATIONAL SPOT DRY BULK FREIGHT ASSESSMENTS

Unit: USD/ton

	Week 3 <sup>rd</sup> – May	13/05	14/05	15/05	16/05	17/05
<b>Capesize (150,000 tons)</b>						
1	Australia – China	8.15	8.15	7.60	7.60	7.80
2	Queensland – Japan	9.20	9.20	8.55	8.55	8.80
3	New South Wales – South Korea	10.05	10.05	9.40	9.40	9.65
<b>Panamax (70,000 tons)</b>						
1	Richards Bay - India West	12.70	12.70	12.70	12.45	12.80
2	Kalimantan - India West	8.35	8.40	8.60	8.25	8.85
3	Richards Bay - India East	12.85	12.85	12.85	12.60	12.95
4	Kalimantan - India East	7.00	7.05	7.25	6.90	7.50
5	Australia - China	10.90	10.90	10.90	10.95	11.30
6	Australia - India	12.20	12.20	12.20	12.40	12.10

(Source: Platts Coal Trader International)

## II. NEW

### Taiwan march thermal coal imports rebound to 5.91 mil mt: customs

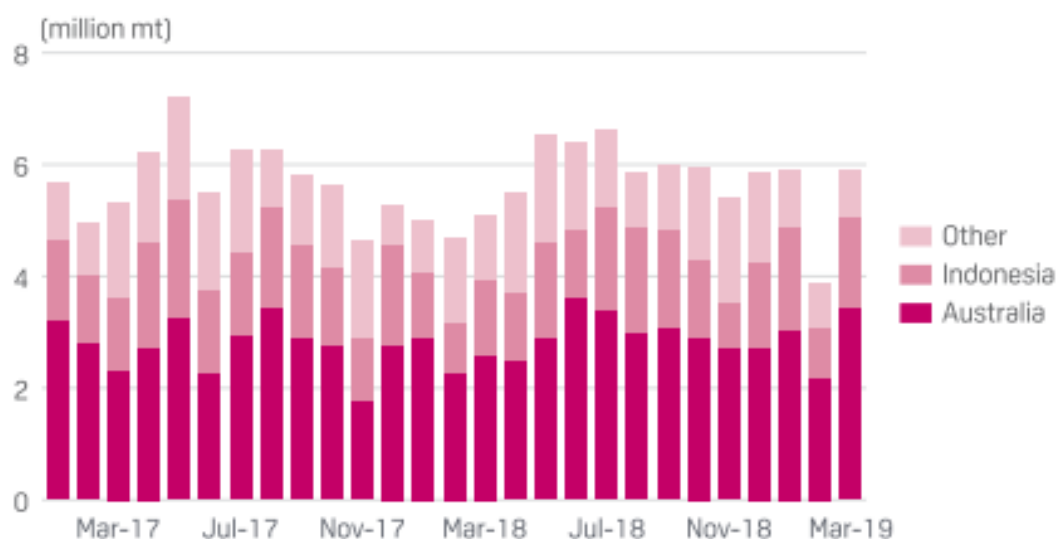
Taiwan imported 5.91 million mt of thermal coal in March, up 52% from February's multi-year low and up 16% on the year, the highest in five months, according to customs data released Wednesday.

### TAIWAN MARCH THERMAL COAL IMPORTS

Origin	Volume (mt)	%change on month	%change on year
Australia	3,412,709	57.39	32.5
Indonesia	1,623,928	86.41	22.25
Russia	411,324	-34.66	-41.88
Canada	410,703	405.97	146.81
Other	49,446	n/a	n/a
Total	5,908,110	15.8	52.15

source: customs data

### TAIWAN THERMAL COAL IMPORTS



Source: S&P Global Platts

Australia accounted for most of the imports on 3.41 million mt, up 57% on the month and 32% on the year. This was the highest total since June, 2018, and was made up entirely of bituminous coal. Australian coal exports to key market China had suffered during the first few months of the year as import restrictions created the need to send Australian coal elsewhere, which could partially explain the increased volume. Imports from Indonesia also rebounded to more normal levels, largely led by a sharp increase in imports of sub-bituminous coal. Total imports from Indonesia were 1.62 million mt, up 86% on the month and 22% on the year, with sub-bituminous imports at 1.25 million mt, more than doubling on the month and rising 34% on the year and bituminous imports at 377,924 mt, down 5% on the month and 6% on the year. The remaining volume was split between Russian and Canadian coal. Imports from Russia were 411,324 mt, down 35% on the month and 42% on the year, and imports from Canada were 410,703 mt, up more than fivefold on the month and more than doubling on the year.

### **Declines in freight and currency drag Chinese thermal coal prices lower**

Currency weakness for China was the main factor driving the Asia seaborne market lower, and falling vessel freight rates have eroded delivered price levels at Chinese ports, market sources said Wednesday. Chinese traders were insisting on lower offers from thermal coal shippers as the falling yuan has squeezed their profit margins on imported cargo deals. Spot market prices for Australian 5,500 kcal/kg NAR cargoes retreated by around \$1 in Asia trade, with bids heard at \$59-\$60/mt FOB Newcastle for June-loading Capesize cargoes to offers at about \$60-\$61/mt. Freight rates on the Newcastle to south China shipping route have been falling this week. The rate for a 110,000 dwt Capesize ship was heard at \$10.50/mt, compared with \$11.65/mt a week ago. A trader said he pegged the CFR China 5,500 kcal/kg NAR price at \$70/mt. Myanmar, Thailand and Vietnam have also reduced their demand for thermal coal imports, sources said. "They [sellers] used to find buyers in Vietnam, Thailand, and Myanmar, but these markets have been quiet," he said.

According to two sources, many Chinese power plants have nearly completed their annual restocking phase for the northern hemisphere summer season ahead of schedule. "Summer restocking is four to five weeks early this year," said one market source, adding this re-stocking typically occurs around June each year. Russian 6,000 kcal/kg NAR grade was heard offered in the Chinese market at \$75/mt FOB on a Handymax to Supramax shipment. "Demand is weak in Europe, and we're seeing more Russian coal coming to Asia," another north China-based trader said. Chinese domestic prices were assessed stable Wednesday with market fundamentals largely unchanged, according to market sources. "It's a lull season now, we don't see much buying activities, but sellers at the ports are also not willing to offer at lower prices," a trader said.

### **S Korean power plant maintenance, high coal stocks delay vessels**

Longer maintenance to some coal-fired power plants in South Korea and relatively high stockpiles have contributed to lengthy delays for vessels seeking to discharge thermal coal cargoes at some ports there, market sources said Wednesday. A number of ships carrying a variety of thermal coal origins including Australian, Colombian, and US are currently waiting off the western coast of South Korea. Some of these ships have endured considerable waiting times for available berthing slots at local ports, according to S&P Global Platts cFlow vessel tracking software. One such ship is the Okra, a 180,000 dwt Capesize vessel laden with Colombian coal that has been waiting to deliver its cargo to Yeongheung power plant since April 21. Another delayed ship is the Glovis Diamond, an 82,000 dwt Panamax vessel with an overdue arrival date for Incheon port of May 14 that set sail from Newcastle, Australia, on April 26.

Some South Korean coal-fired power plants have been undergoing maintenance after the winter peak season for coal-fired generation, which is typical for this time of year. In some cases the maintenance has gone on for longer than originally expected, and combined with high stocks, means that scheduled vessel deliveries have had to be delayed, sources said. "We heard that due to maintenance during the spring season, high stocks are causing the serious demurrage [about 30-40 days]," a market source said. Another market source concurred, adding that some power plants in Korea may have booked additional cargoes that are now arriving for delivery. "They

have been having problems rescheduling vessels,” he said. “They kept buying through their maintenance period, and the window got longer,” he added. Since some of the delayed ships have been chartered by South Korean power companies on long-term contracts, they are unlikely to face demurrage costs for the vessel delays, sources said.

*(Source: S&P Global Platts)*