



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

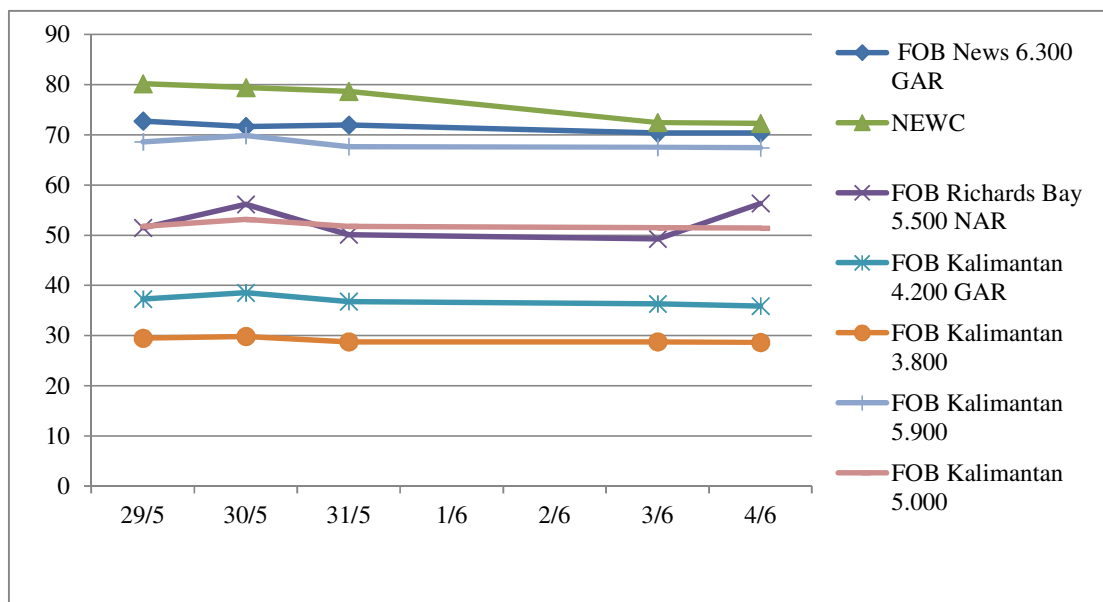
Date 13/06/2019

INTERNATIONAL COAL PRICE ASSESSMENTS

Daily prompt physical thermal coal assessments	Window 7 – 45 day	+/-	Window 90 - day	+/-
FOB Newcastle 6,300 GAR	70.35	+0.00	N/A	N/A
FOB Newcastle 6,000 NAR	51.00	-0.45	N/A	N/A
FOB Kalimantan 5,500 GAR	49.70	+0.45	N/A	N/A
FOB Kalimantan 5,900 GAR	N/A	N/A	67.45	-0.10
FOB Kalimantan 5,000 GAR	N/A	N/A	51.40	-0.10

China Coal Assessment	USD/tons	+/-	NDT/tons	+/-
PCC6 (CFR South China 3,800 NAR)	43.70	-0.60	300.90	-3.91
PCC7 (CFR South China 4,700 NAR)	59.15	-0.30	407.28	-1.77
PCC8 (CFR South China 5,500 NAR)	66.20	-0.80	455.82	-5.18

DAILY PROMPT PHYSICAL THERMAL COAL ASSESSMENTS IN 2019



(Source: Platts Coal Trader International – Date 04/06/2019)

DO PRICE ASSESSMENTS

Weekly international DO price assessments	Price (USD/lít)	+/-	Domestic DO price assessment	Price (VNĐ/lít)	+/-
China	1.29	N/A	DO 0,05S - Area 1	15,160	+ 0,00
Malaysia	0.52	N/A	DO 0,05S - Area 2	15,460	+ 0,00
Thailand	0.83	N/A	DO 0,05 S –II - Area 1	17,390	+ 0,00
South Korea	1.18	N/A	DO 0,05 S –II - Area 2	17,730	+ 0,00
Singapore	1.29	N/A			
Russia	0.70	N/A			

(Source: https://www.globalpetrolprices.com/diesel_prices/, www.giaxang.vietbao.vn)

NEWS

China’s thermal coal demand to further weaken as cement plants ordered to shut Jun-Sep

China’s thermal coal demand will be further dampened after local governments ordered hundreds of cement plants to shut down from June till September in a bid to curb air pollution, market sources said Friday. According to the websites of provincial governments, including those of the governments of Shanxi, Shandong and Zhejiang, cement plants are ordered to schedule a staggered shut down from summer to autumn. “The policy is to reduce emissions and to improve the air quality during summer and autumn seasons, while ensuring the healthy and sustainable growth of the cement industry in our province,” the notice on the Shanxi government website said. The cement plants will be closed for about 20 days during this period, the notice showed. The scheduled shutdown will come at a time just before the start of the rainy season in certain parts of the country, market sources added.

Market sources estimate that around 2,000 cement plants in about ten provinces will be affected and this would further dampen demand for domestic thermal coal, as most of these cement companies procure from local markets. “Our plants have also received the notice and we’re scheduling the shutdown,” an east China-based trader said. He added that the price of domestic 5,500 kcal/kg NAR grade of coal is expected to fall further with low demand, but the price of 5,000 kcal/kg NAR is likely to see a slower decline as there is still a shortage of supply for this grade. “Demand from power plants is already weak with high stockpiles, so the slower production in the cement industry will cause prices to soften even more,” another east China-based market source said. He added that the cement prices have jumped on the back of these closure announcements, which in turn, have benefited the cement plants. “That’s why in the past two years some of these plants are also closing down or capping production even without being ordered to do so,” he said. “A main reason why demand for thermal coal is so poor is also because of the large scale shutdown of the cement plants,” the same source said. Prices of domestic 5,500 kcal/kg NAR spot cargoes have slumped this week from around Yuan 615/mt FOB Qinhuangdao in early May to Yuan 604/mt FOB on Thursday, S&P Global Platts data showed. Market sources said the price of this grade has fallen further on Friday to below Yuan 600/mt FOB amid bearish sentiment in light of low daily power consumption as well as the orders for cement plants to shut in June.

(Source: <https://www.unian.info/economics/10581387-ukraine-increases-coal-import-costs.html>)

Prices of Australian thermal coal hit new low amid stabilizing China domestic market

Buying interest for Australian high-ash thermal coal is expected to return in the near term as prices have dropped to attractive levels, market sources said Tuesday. An offer for Australian high-ash 5,500 kcal/kg NAR grade of coal was heard at around \$55/mt FOB Newcastle, several China-based traders said. An East China-based trader said he received the offer at \$55/mt FOB, and said there was still room for further negotiations. An unconfirmed trade was also heard at \$54/mt FOB, he said. “The offer at \$55/mt is very low,” a South China-based trader said, adding that this might lure some buyers back into the market despite the ongoing import restrictions on Australian cargoes at

several Chinese ports. Other offers for Newcastle high-ash cargoes were heard at \$56\$58/mt FOB but there were no firm bids.

“Prices are now more attractive, but generally, demand is not there. It’s not due to [China’s import restrictions], as there’s some flexibility at some ports,” a Singapore-based trader said. “We’ve not heard any trades and we are seeing prices of 6,000 kcal/kg NAR grade coming down by \$2/mt since a day ago, so it’s not surprising that the prices of the lower CV grades decline,” said an Australia-based market source. “There’s no bullish factor right now,” he said. A North China-based trader said there was an offer for Colombian 5,500 kcal/kg NAR at \$68/mt CFR, with the counterbid at \$65/mt CFR, but a deal could not be finalized.

(Source: S&P Global Platts)

Oil Prices Drop As Demand Concerns Weigh On Markets

Oil prices were down early on Tuesday, with Brent Crude hitting its lowest level since January and WTI Crude at its lowest since February as trade disputes continued to weigh on the outlook on global economic and oil demand growth. As of 09:56 a.m. EDT on Tuesday, WTI Crude was down 0.28 percent at \$53.10, trading at its lowest levels since the middle of February, while Brent Crude was down 0.49 percent at \$60.98—breaking below \$61 a barrel and slumping earlier in the day to its lowest level since January this year. Oil prices are now down by some 20 percent from the highs reached at the end of April.

In May, the protracted U.S.-China trade war and soaring U.S. oil production and inventories weighed down on the price of oil, which booked its worst monthly decline since November last year. Analysts have started to warn that the U.S.-China trade conflict and the new trade dispute that the U.S. opened with Mexico just last week will start to impact global economic growth and lead to slowdown in economic activity and oil demand growth. Fearing an economic slowdown, investors have been seeking safe-haven assets in recent days, with gold prices at a three-month high, while shunning energy stocks and oil futures.

On Monday, Saudi Arabia tried to stop the oil price slide and talk prices up by reiterating that the Kingdom and OPEC would do “whatever it takes” to rebalance the oil market. Oil prices ignored the Saudi reassurance, Warren Patterson, Head of Commodities Strategy at ING, said on Tuesday, noting that the market continues to be under pressure from the broader macro picture. “While we do not believe that the market needs to see cuts extended, we do believe that given the pressure on the flat price that OPEC+ will be forced to extend its deal into the second half of the year,” Patterson said.

(Source: <https://oilprice.com/Energy/Crude-Oil/Oil-Prices-Drop-As-Demand-Concerns-Weigh-On-Markets.html>)

INTERNATIONAL SPOT DRY BULK FREIGHT ASSESSMENT

Size	From	To	Freight rates	Change
Capesize (150.000 tons)	Australia	China	9.05	+0.25
	Queensland	Japan	10.25	+0.25
	New South Wales	South Korea	11.10	+0.25
Panamax (70.000 tons)	Richards Bay	India West	12.70	+0.00
	Kalimantan	India West	8.85	-0.10
	Richards Bay	India East	12.85	+0.00
	Kalimantan	India East	7.40	-0.10
	Australia	China	12.30	+0.00
	Australia	India	13.25	+0.00

(Source: Platts Coal Trader International – Date 04/06/2019)