



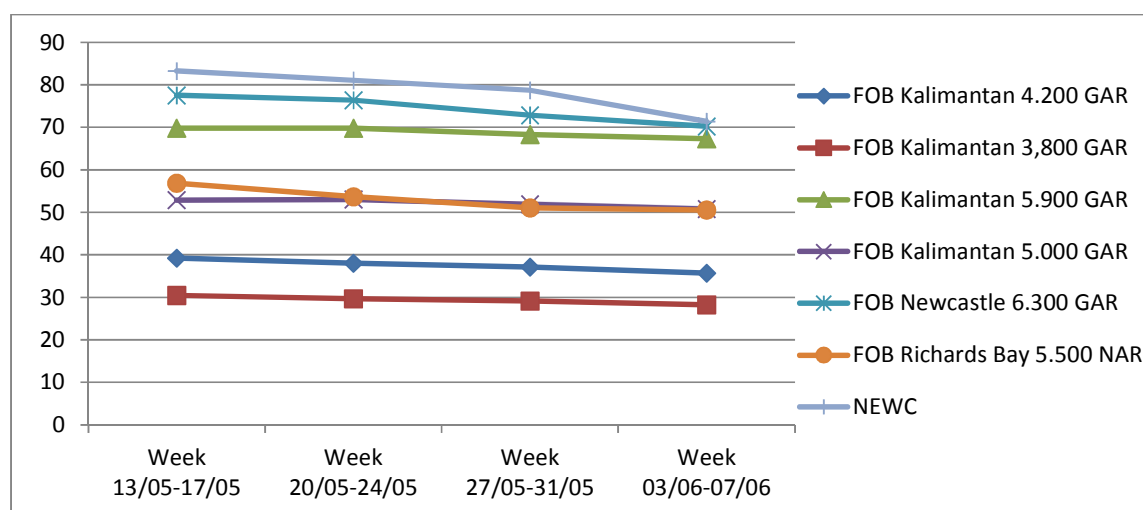
**PETROVIETNAM POWER CORPORATION**  
**PETROVIETNAM POWER COAL IMPORT AND SUPPLY COMPANY**  
**WEEKLY NEWS – FIRST WEEK OF**  
**JUNE**  
 (From 03/06 to 07/06)

**I. MARKET ANALYSIS**

**1. INTERNATIONAL COAL PRICE ASSESSMENTS**

*Unit: USD/ton*

Price index	Week 13/05-17/05	Week 20/05-24/05	Week 27/05-31/05	Week 03/06-07/06
FOB Kalimantan 4.200 GAR	39.2	38.03	37.08	35.72
FOB Kalimantan 3.800 GAR	30.48	29.67	29.13	28.30
FOB Kalimantan 5.900 GAR	69.8	69.83	68.30	67.34
FOB Kalimantan 5.000 GAR	52.87	53.02	51.88	50.74
FOB Newcastle 6,300 GAR	77.49	76.40	72.86	70.26
FOB Richards Bay 5,500 NAR	56.86	53.64	51.06	50.59
NEWC (FOB Newcastle 6000 NAR)	83.24	81.06	78.71	71.39



**Chart 1: Average coal price 1<sup>st</sup> week of June (2019)**

*(Source: Platts Coal Trader International)*

## 2. INTERNATIONAL DO PRICE ASSESSMENTS

Unit: USD/liter

Price index	Week 13/05-17/05	Week 20/05-24/05	Week 27/05-31/05	Week 03/06-07/06
<b>China</b>	<b>0.97</b>	<b>0.97</b>	<b>0.98</b>	<b>0.98</b>
<b>Malaysia</b>	<b>0.52</b>	<b>0.52</b>	<b>0.52</b>	<b>0.52</b>
<b>Thailand</b>	<b>0.89</b>	<b>0.9</b>	<b>0.89</b>	<b>0.86</b>
<b>South Korea</b>	<b>1.18</b>	<b>1.18</b>	<b>1.19</b>	<b>1.18</b>
<b>Singapore</b>	<b>1.34</b>	<b>1.34</b>	<b>1.34</b>	<b>1.33</b>
<b>Russia</b>	<b>0.7</b>	<b>0.7</b>	<b>0.7</b>	<b>0.7</b>
<b>Vietnam</b>	<b>0.77</b>	<b>0.76</b>	<b>0.75</b>	<b>0.75</b>

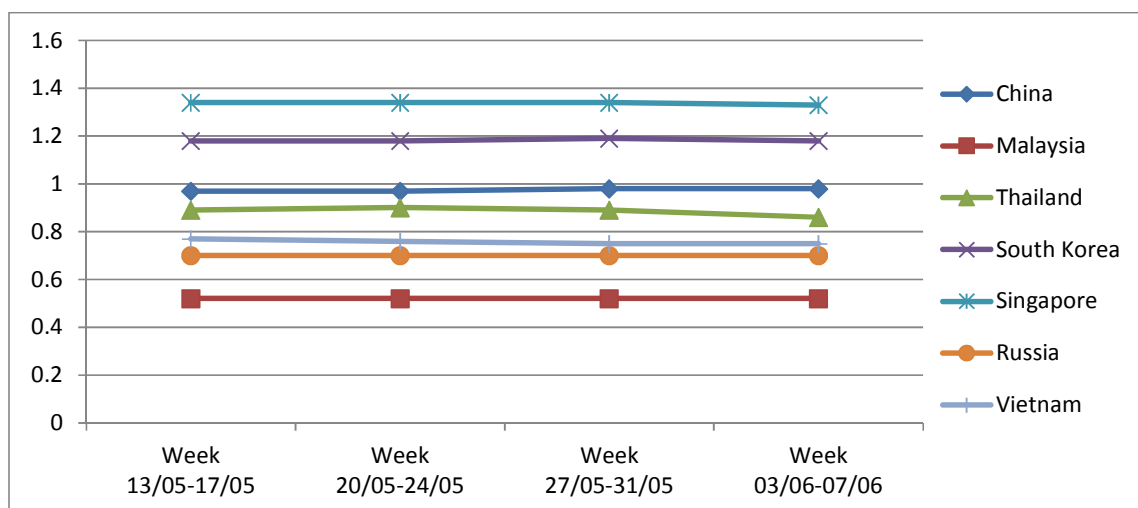


Chart 2: Average DO price 1<sup>st</sup> week of June (2019)

(Source: <https://www.globalpetrolprices.com>)

## 3. INTERNATIONAL SPOT DRY BULK FREIGHT ASSESSMENTS

Unit: USD/ton

	Week 1 <sup>st</sup> – June	03/06	04/06	05/06	06/06	07/06
<b>Capesize (150,000 tons)</b>						
1	Australia – China	8.80	9.05	N/A	9.15	9.30
2	Queensland – Japan	10.00	10.25	N/A	10.40	10.50
3	New South Wales – South Korea	10.85	11.10	N/A	11.25	11.45
<b>Panamax (70,000 tons)</b>						
1	Richards Bay - India West	12.70	12.70	N/A	12.70	12.70
2	Kalimantan - India West	8.95	8.85	N/A	8.85	8.75
3	Richards Bay - India East	12.85	12.85	N/A	12.85	12.85
4	Kalimantan - India East	7.50	7.40	N/A	7.40	7.30
5	Australia - China	12.30	12.30	N/A	12.30	12.30
6	Australia - India	13.25	13.25	N/A	13.25	13.25

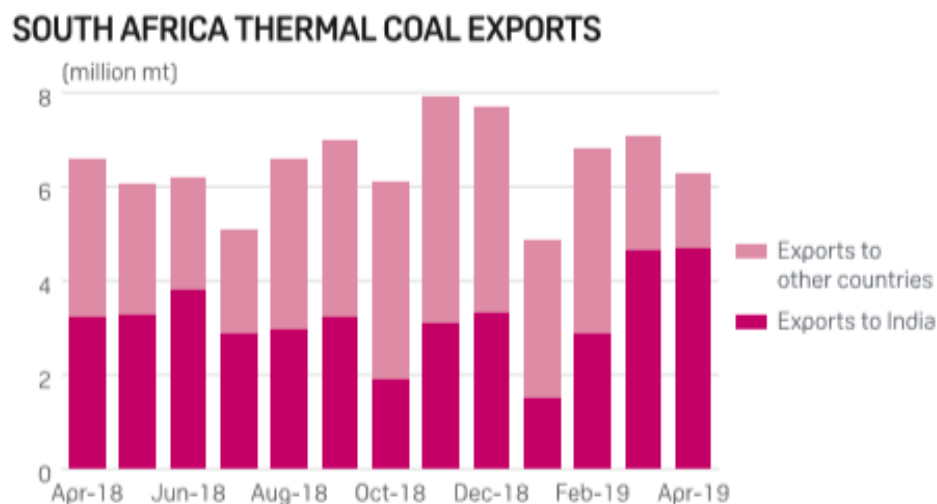
(Source: Platts Coal Trader International)

## II. NEW

### South Africa Apr coal exports down 4.6% on year to 6.3 mil mt

South Africa exported 6.30 million mt of thermal coal in April, down 11% on the month and down 4.6% from April 2018, with key export market India taking 74% of the total, the latest customs data show. Exports to India edged higher to 4.68 million mt, up just 0.7% on the month but 45% higher than a year before, and the highest monthly total since S&P Global Platts began collecting the data in 2014. Indian spot demand for April delivery was firm as power plants looked to stock up ahead of the monsoon season. Low spot pricing for South African coal also likely encouraged more speculative purchases from price-sensitive Indian consumers.

Exports to Pakistan were 694,225 mt, down 25% on the month and down 48% on the year. Exports to South Korea reached 294,445 mt, up 91% on the month but down 64% year on year. No exports were registered to the Netherlands, Spain or Portugal in April, reflecting bearish demand in the global seaborne market.



(Source: Customs)

### Vietnam's May coal imports rise 57% on year to 3.86 mil mt

Vietnam imported 3.86 million mt of coal in May, comprising mainly thermal coal and coking coal, surging 57.1% from the same month in 2018, according to preliminary data released by Vietnam Customs on Tuesday. The import value in the month was \$380 million, up 51.4% year on year. Indonesia was the biggest supplier of coal in the month with 1.39 million mt, up 8.2% year on year, followed by Australia, Russia and China. Between January and May, Vietnam imported 17.20 million mt of coal, rising 103.8% from a year earlier, mostly from Indonesia, Australia and Russia. The import value in the period were worth \$1.65 billion, up 66.5% from 2018.

Meanwhile, Vietnam exported 167,259 mt of coal, mostly anthracite coal, in May, down 39.2% year on year, mostly to Japan, Thailand and South Korea. In the first five months, Vietnam exported 198,833 mt of coal, falling 80.25% year on year, largely to Japan, Thailand and South Korea. The export value in the period was \$29.6 million, down 77.8% year on year.

The massive imports together with sharp declines in exports came as the state utility Vietnam Electricity or EVN said June 7 it will continue to buy as much as possible electricity from coal-fired power plants to feed rising electricity demand in the country. Most of the country's coal production is used domestically by the power, cement and other industrial sectors.

## **LNG market risks oversupply from new export projects**

The LNG market could end up with excess supply in the next decade as companies race to build a new wave of LNG export projects, even without finalizing customers, senior executives said Tuesday at an industry conference in Australia. The oversupply will result in lower prices and affect profit margins, in a similar way to how the LNG market has been overwhelmed by excess supply from Australian and US projects starting in the last couple of years outpacing demand growth, they said. The S&P Global Platts JKM — the benchmark price for spot LNG in Northeast Asia — for July cargoes was assessed at \$4.497/MMBtu Friday, as spot markets remained bearish with a supply overhang from multiple projects ramping up production.

“What we are seeing in the market is a number of projects going to final investment decision without having pre-sold all of their volumes,” Peter Coleman, chief executive of Woodside Energy, told reporters at a press conference. He said the trend is a concern because it signals that everybody expects the market to start tightening in 2023-24, and companies are holding onto their volumes until the market tightens. “If too many projects do that, of course there will never be a tightening because everybody will be trying to get in at the same time,” Coleman said. “So that has been a change over the last 12 months as we’ve seen LNG Canada go to FID, for example, with only a small amount of its volume sold, and we expect others are going to start to do similar things.” Industry executives said while this reflects the classic peaks and troughs of a commodity cycle, LNG could miss out on the peak prices, resulting in an extended period of low prices. ConocoPhillips CEO Ryan Lance said it was a buyer’s market, and buyers want shorter terms and favorable pricing models to take advantage of spot market swings.

*(Source: S&P Global Platts)*