



PETROVIETNAM POWER CORPORATION
PETROVIETNAM POWER FUEL COMPANY
DAILY NEWS

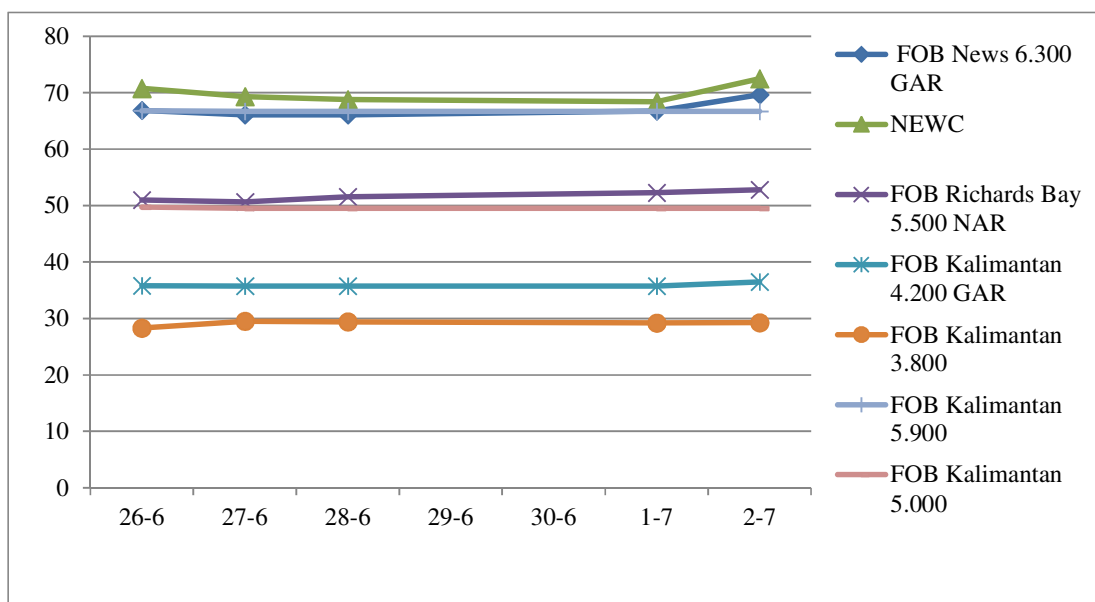
Date 10/07/2019

INTERNATIONAL COAL PRICE ASSESSMENTS

Daily prompt physical thermal coal assessments	Window 7 – 45 day	+/-	Window 90 - day	+/-
FOB Newcastle 6,300 GAR	68.65	+1.90	N/A	N/A
FOB Newcastle 6,000 NAR	69.82	+1.40	N/A	N/A
FOB Kalimantan 5,500 GAR	52.80	+0.55	N/A	N/A
FOB Kalimantan 5,900 GAR	N/A	N/A	66.70	+0.00
FOB Kalimantan 5,000 GAR	N/A	N/A	49.50	+0.00

China Coal Assessment	USD/tons	+/-	NDT/tons	+/-
PCC6 (CFR South China 3,800 NAR)	44.00	+0.75	301.54	+6.65
PCC7 (CFR South China 4,700 NAR)	57.00	+0.00	390.63	+1.98
PCC8 (CFR South China 5,500 NAR)	62.00	+0.75	424.90	+7.28

DAILY PROMPT PHYSICAL THERMAL COAL ASSESSMENTS IN 2019



(Source: Platts Coal Trader International – Date 02/07/2019)

DO PRICE ASSESSMENTS

Weekly international DO price assessments	Price (USD/lít)	+/-	Domestic DO price assessment	Price (VND/lít)	+/-
China	0.92	+0.00	DO 0,05S - Area 1	15.160	+ 0.00
Malaysia	0.53	+0.00	DO 0,05S - Area 2	15.460	+ 0.00
Thailand	0.85	-0.02	DO 0,05 S –II - Area 1	16.940	+ 290
South Korea	1.15	-0.02	DO 0,05 S –II - Area 2	17.270	+ 290
Singapore	1.30	+0.00			
Russia	0.71	-0.01			

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

NEWS

Exxaro sees H1 thermal coal output fall 5%, bearish global outlook

Exxaro Resources, South Africa's largest thermal coal producer by volume, expects its coal production in the first half of this year to fall 5% on the year, due to issues with its Eskom-tied business, and sees a bearish global seaborne market outlook for the rest of the year, the company said Wednesday. The company's thermal coal production during the first six months of the year will total 21.012 million mt, also down 5% from the second half of 2018, and Exxaro expects to produce an additional 1.19 million mt of met coal. The lower production is primarily driven by lower demand from the Medupi power station, run by domestic utility Eskom, "directly resulting in 4% lower coal sales volumes," Exxaro said.

While Exxaro has always been predominantly focused on South Africa's domestic market, it has been growing its exports steadily in recent years as a result of increased production. Exxaro forecasts it will sell 4.44 million mt of coal to the export market during the first half of 2019, up 10% both on the year and from H2 2018. "While we expect to achieve higher export volumes, it is reasonable to assume that a weaker [US dollar] sales price per ton will be realized, in line with the weaker API4 coal export price index, cushioned somewhat by a weaker rand/dollar exchange rate," Exxaro said. Platts FOB Richards Bay 5,500 kcal/kg NAR price, which represents approximately 61% of Exxaro's export volume, has averaged \$58.14/mt in the year to date, down from \$81.77/mt in H1 2018, the lowest since H1 2016.

Exxaro also provided a bearish outlook for global seaborne thermal coal markets in the second half of the year, while anticipating no change to domestic pricing or demand. Particularly high coal stocks and low natural gas prices in Europe, and Chinese import policy suppressing the Pacific Basin, will continue to dampen the seaborne coal market. "With the huge oversupply of coal in the Atlantic Basin, combined with gas price forecasts remaining low, the market remains bearish for the remainder of the year," Exxaro said. Exxaro expected the FOB Richards Bay financial market to remain under "severe pressure" as physical grades of coal continue to trade at a discount to this market for the remainder of the year. "Increasing geopolitical risks and aggressive trade policies are anticipated to weigh on global economic activity during 2H19... The rand/dollar exchange rate is expected to remain volatile." Exxaro said.

CFR trades reflect growing demand in SE Asia; Russian coal gains traction

An uptick in demand for Russian thermal coal was seen in Southeast Asia Thursday on competitive delivered prices against Indonesian thermal coal of similar heating value, market sources said. A Singapore-based trader reported a trade for Russian 4,800 kcal/ kg NAR coal from Sakhalin in eastern Russia to Thailand's port of Kho Sichang at \$54/mt CFR Thailand, and noted it was \$1-\$2/mt cheaper than the delivered price of Indonesian coal with a similar heating value. He pegged the Supramax freight rate from Sakhalin to Kho Sichang at around \$9-\$10/mt. He also concluded a trade for a Supramax-vessel cargo of Indonesian 3,400 kcal/kg GAR coal at \$21.75/mt FOB

Kalimantan for end July loading to Campha in northern Vietnam, and pegged the Supramax freight rate from Samarinda in East Kalimantan to Campha at \$8.50/mt.

Bearish market sentiment was casting a dark cloud over Kalimantan thermal coal prices amid persistent weak demand, sources said Thursday. A trade for a geared-vessel cargo of Indonesian 4,200 kcal/kg GAR, or 3,800 kcal/kg NAR coal, for July loading to India was heard at \$35.50/mt FOB Kalimantan, with another bid heard at the same level. Offers for Indonesian 4,200 kcal/kg GAR coal were heard at \$36-\$37.50/mt FOB for July-August loading shipments. However, market sources were largely pessimistic about the pricing outlook for the second half of the year. "Market participants are still not showing much enthusiasm towards H2 after the Bali conference," an Indonesia-based trader said. A north India-based trader said sentiment in the seaborne market was bearish as "China's import restrictions are expected to tighten." China's seaborne demand will be largely dependent on tenders from coastal power plants, a trader in south China said. Indonesian mid-high calorific value thermal coal prices will also be under pressure as Newcastle prices continued to trend lower, a trader in Singapore said.

Russian Baltic coal may move to Asian market amid withering European demand

Offers for Russian Baltic thermal coal were heard amid weak demand in Monday's Asian trading session after the fell to its lowest point since S&P Global Platts began assessing the market 14 years ago, according to market sources. A northeast Asia-based trader noted there have been offers for Russian Baltic 6,000 kcal/kg NAR grade coal at \$78/mt CFR Taiwan. Freight costs were at around \$30-\$31/mt for the 50-day voyage from Russian Baltic ports to Taiwan, market sources said, adding that there may be concerns about the long journey's effect on coal quality. "But the prices are really attractive," said the northeast Asia-based trader. Platts assessed the FOB Baltic price Friday at \$39/mt, the first time the market has dropped below \$40/mt since the assessment launched August 26, 2005. The northeast Asia-based trader noted there was competition for Australian coal as more Russian and South African cargoes were eyeing the Asian market. "We are trying to sell our Indonesian high calorific value coal, but it is difficult as Russian offers are too competitive," said an Indonesia-based producer.

(Source: S&P Global Platts)

INTERNATIONAL SPOT DRY BULK FREIGHT ASSESSMENT

<i>Unit: USD/ton</i>				
Size	From	To	Freight rates	Change
Capesize (150,000 tons)	Australia	China	9.70	+0.40
	Queensland	Japan	10.95	+0.50
	New South Wales	South Korea	11.95	+0.50
Panamax (70,000 tons)	Richards Bay	India West	12.55	+0.15
	Kalimantan	India West	8.85	+0.30
	Richards Bay	India East	12.70	+0.15
	Kalimantan	India East	7.45	+0.25
	Australia	China	11.75	+0.00
	Australia	India	13.25	+0.00

(Source: Platts Coal Trader International – Date 02/07/2019)