



PETROVIETNAM POWER CORPORATION
PETROVIETNAM POWER FUEL COMPANY
DAILY NEWS

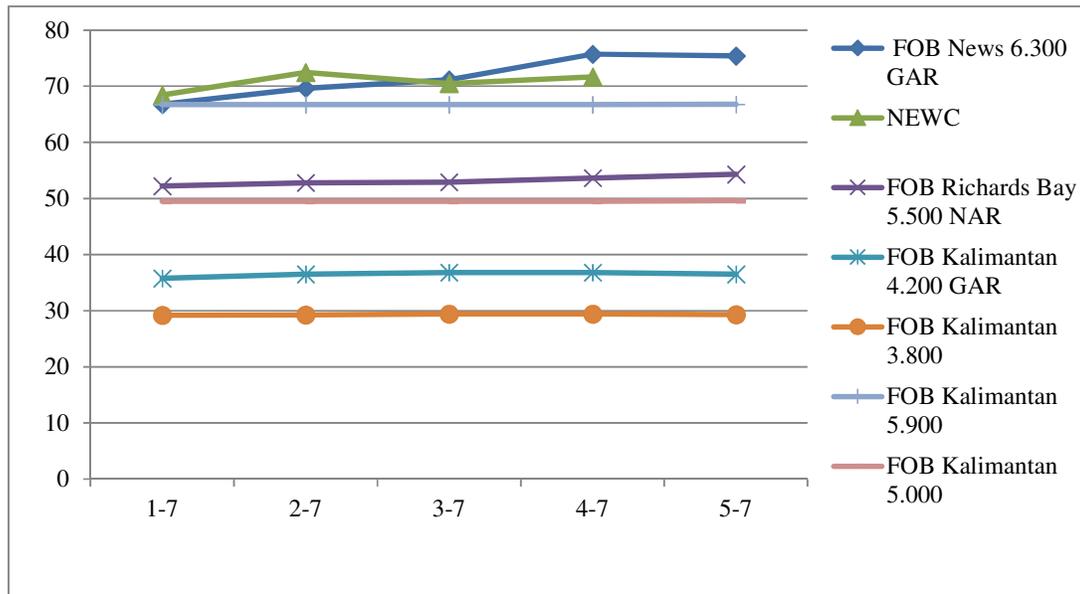
Date 11/07/2019

INTERNATIONAL COAL PRICE ASSESSMENTS

Daily prompt physical thermal coal assessments	Window 7 – 45 day	+/-	Window 90 - day	+/-
FOB Newcastle 6,300 GAR	75.40	-0.35	N/A	N/A
FOB Newcastle 6,000 NAR	72.48	+1.00	N/A	N/A
FOB Kalimantan 5,500 GAR	54.30	+0.65	N/A	N/A
FOB Kalimantan 5,900 GAR	N/A	N/A	66.75	+0.05
FOB Kalimantan 5,000 GAR	N/A	N/A	49.60	+0.10

China Coal Assessment	USD/tons	+/-	NDT/tons	+/-
PCC6 (CFR South China 3,800 NAR)	44.40	-0.20	304.17	-1.10
PCC7 (CFR South China 4,700 NAR)	57.50	+0.20	393.92	+1.72
PCC8 (CFR South China 5,500 NAR)	64.25	+0.75	440.16	+5.52

DAILY PROMPT PHYSICAL THERMAL COAL ASSESSMENTS IN 2019



(Source: Platts Coal Trader International – Date 05/07/2019)

DO PRICE ASSESSMENTS

Weekly international DO price assessments	Price (USD/lt)	+/-	Domestic DO price assessment	Price (VNĐ/lt)	+/-
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	+0.00	DO 0,05 S –II - Area 1	16.940	+ 0.00
South Korea	1.15	+0.00	DO 0,05 S –II - Area 2	17.270	+ 0.00
Singapore	1.30	+0.00			
Russia	0.71	+0.00			

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

NEWS

Japanese thermal coal buyers try out Newcastle HA blend in power plants

A number of Japanese power companies are understood to have achieved satisfactory results from test-firing a blend of Newcastle high-ash 5,500 kcal/kg and 6,000 kcal/kg NAR thermal coal in their coal-fired plants' boiler systems, said market sources Thursday. Volumes used in Japanese coal plants in the first half of this year have varied from one or two Panamax cargoes of Newcastle 5,500 kcal/kg NAR thermal coal for some Japanese power utilities, to around 500,000 mt in the case of other utilities, said sources. Trade sources described this move as a significant market development, as it showed some Japanese buyers are willing to vary their buying from the typical specification for Japan of Newcastle 6,300 kcal/kg GAR thermal coal. Newcastle 6,300 kcal/kg GAR is close to Newcastle 6,000 kcal/kg NAR.

The Japanese utilities' use of a hybrid blend of Newcastle 5,500 and 6,000 kcal/kg NAR thermal coal in their power plants closely matches the 5,750 kcal/kg NAR specification for S&P Global Platts' Northeast Asia Thermal Coal Index, or NEAT, which reflects the price of Newcastle cargoes delivered to Japan's Kinuura port. Platts' NEAT Coal Index was \$68.37/mt CFR Japan on Wednesday, its lowest level since its launch in early January 2017. High-ash Newcastle 5,500 kcal/kg NAR thermal coal does have some drawbacks for Japanese power plants in terms of higher ash disposal costs compared with the Newcastle 6,000 kcal/kg NAR grade, but its price is cheaper. One source close to the Japanese market said it was not unusual for some companies in Japan to consume Newcastle 5,500 kcal/kg NAR thermal coal. This is partly because of the large spread between prices for the two grades, which surged to a record \$55/mt in August 2018 but was down to around \$16.50/mt this week, he said. He went on to add that Japanese buyers would likely use Newcastle 5,500 kcal/kg NAR thermal coal to blend with Newcastle 6,000 kcal/kg NAR to create a hybrid product. "I believe at first they will use [Newcastle 5,500 NAR] with 6,000 NAR coal," he said. Estimates in trading circles are that Newcastle 5,500 kcal/kg NAR thermal coal could displace up 2 million mt of Newcastle 6,000 kcal/kg NAR grade coal in the Japanese market.

South African minerals minister priority to protect coal from renewables: analyst

South Africa Mineral Resources and Energy Minister Gwede Mantashe believes the country remains a highly attractive destination for mining, though his comments also play into his priorities to safeguard coal mining from the domestic renewables drive, Verisk Maplecroft analyst Indigo Ellis said Wednesday. Mantashe's 61 prospective mining projects should be interpreted as a reinforcement of [President Cyril] Ramaphosa's message during his state of the nation address – that Eskom (South Africa's state-utility company) is a fundamental expenditure," Ellis said. Mantashe spoke during a parliamentary debate on Ramaphosa's State of the Nation address on Tuesday. He said about 60 mining projects with an investment value of more than \$7.7 billion were in the pipeline through 2020 and would create as many as 32,000 jobs, according to local reports. Mantashe added that "of these 10 are exploration projects, 26 are expansion projects, 12 are new

mining development projects, four are new processing plants and four are sustainability projects to extend the life of mines — while the remaining five are still unspecified,” the local media said.

“Top on the list is ensuring security of energy supply through longterm planning – that’s why the amount of money the president committed to for the revival of Eskom is so important. If we cannot ensure that security of supply of energy, the economy is going to pay a big price,” Mantashe said. Last Thursday, Ramaphosa pledged that Eskom would receive “a significant portion” of the \$16.1 billion fiscal support for the ailing state utility company over the next 10 years.

(Source: S&P Global Platts)

Oil dives in final minutes of trading as economic woes dominate

Oil plunged in the last few minutes of trading as economic anxiety hangs over the market. Futures gave up more than 1% of the day’s gains moments before settlement, closing just 0.3% higher in New York on Monday. Prices had risen for much of the session after BP Plc diverted a vessel in the Persian Gulf, fearing it might be targeted for retaliation after British forces seized an Iranian tanker last week. Saudi Arabia, meanwhile, said it had foiled an attack on a commercial ship in the Red Sea by Iran-backed Houthi rebels. The retreat near the close suggested traders are still contending with an “overriding negative sentiment,” said Ashley Petersen, an oil analyst at Stratas Advisors LLC in New York. Relatively light summer trading volumes may have exacerbated the slide.

Crude slid last week as worries about deteriorating global demand outweighed a move by the Organization of Petroleum Exporting Countries and its allies to extend production cuts. Investors are also waiting for Federal Reserve Chairman Jerome Powell’s testimony to Congress this week, which may offer clarity on the central bank’s plans for rate cuts. “Iran news is certainly dominating sentiment in the market, but I also think the post-OPEC selloff was a bit unwarranted,” said Michael Tran, managing director for energy strategy at RBC Capital Markets LLC in New York. So investors “woke up today to more geopolitical risk and a market that was likely oversold.”

Brent for September settlement fell 12 cents to \$64.11 a barrel on the ICE Futures Europe Exchange. With tensions escalating, European powers urged Iran to reverse its decision to breach the levels of uranium enrichment permitted under a 2015 nuclear accord. On Saturday, France and Iran agreed to resume talks by mid-July. Yet U.S. Secretary of State Michael Pompeo said in a tweet Sunday that Iran’s latest expansion of its nuclear program “will lead to further isolation and sanctions.” WTI will struggle to sustain a move above the low \$60s, according to RBC’s Tran. New refinery capacity in China means Asia is saturated with gasoline and other fuels, capping demand for crude, he said. “In order to get a sustained and material rally, we first need to clean up the sloppy global market for refined products,” Tran said.

(Source: <https://www.bloomberg.com/news/articles/2019-07-08/oil-buoyed-by-middle-east-tension-as-trade-talk-optimism-low>)

INTERNATIONAL SPOT DRY BULK FREIGHT ASSESSMENT

Size	From	To	Freight rates	Change
Capesize (150.000 tons)	Australia	China	11.15	-0.05
	Queensland	Japan	12.75	-0.05
	New South Wales	South Korea	13.75	-0.05
Panamax (70.000 tons)	Richards Bay	India West	13.00	+0.10
	Kalimantan	India West	9.15	+0.15
	Richards Bay	India East	13.15	+0.10
	Kalimantan	India East	7.70	+0.15
	Australia	China	12.25	+0.10
	Australia	India	13.90	+0.15

(Source: Platts Coal Trader International – Date 05/07/2019)