PETROVIETNAM POWER CORPORATION
PETROVIETNAM POWER FUEL COMPANY

WEEKLY NEWS – SECOND WEEK OF JULY

(08/07 – 12/07)

I. MARKET ANALYSIS

1. INTERNATIONAL COAL PRICE ASSESSMENTS

Unit: USD/ton

Price index	Week 17/06-21/06	Week 24/06-28/06	Week 01/07-05/07	Week 08/07-12/07
FOB Kalimantan 4.200 GAR	36.29	35.99	36.47	36.13
FOB Kalimantan 3.800 GAR	28.45	28.79	29.31	29.44
FOB Kalimantan 5.900 GAR	78.21	66.77	66.71	66.67
FOB Kalimantan 5.000 GAR	49.62	49.64	49.52	49.85
FOB Newcastle 6,300 GAR	68.56	67.05	71.54	75.05
FOB Richards Bay 5,500 NAR	49.92	51.32	53.18	54.51
NEWC (FOB Newcastle 6000 NAR)	71.53	68.81	72.48	76.51

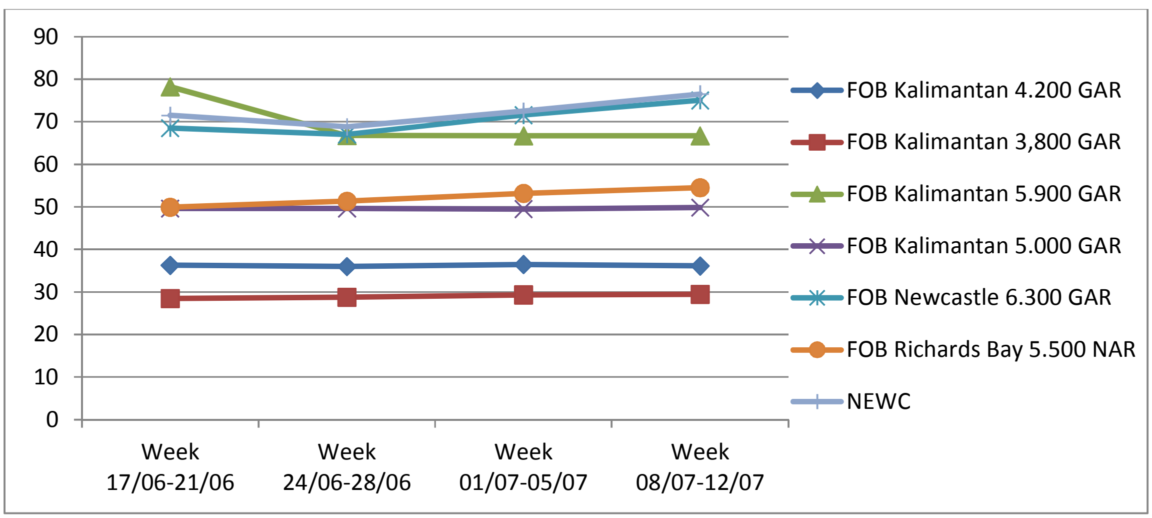

Chart 1: Average coal price 2nd week of July (2019)

(Source: Platts Coal Trader International)

2. INTERNATIONAL DO PRICE ASSESSMENTS

Unit: USD/liter

Price index	Week 17/06-21/06	Week 24/06-28/06	Week 01/07-05/07	Week 08/07-12/07
China	**0.93**	**0.93**	**0.92**	**0.92**
Malaysia	**0.53**	**0.53**	**0.53**	**0.53**
Thailand	**0.84**	**0.85**	**0.87**	**0.85**
South Korea	**1.18**	**1.17**	**1.17**	**1.15**
Singapore	**1.30**	**1.31**	**1.3**	**1.3**
Russia	**0.72**	**0.72**	**0.72**	**0.71**
Vietnam	**0.72**	**0.72**	**0.72**	**0.72**

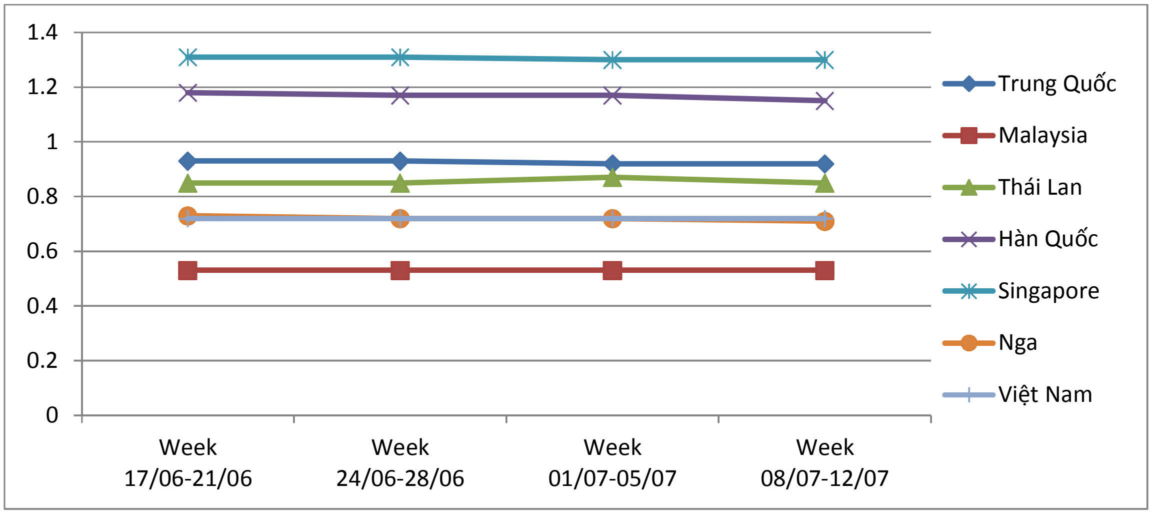

Chart 2: Average DO price 2nd week of July (2019)

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

3. INTERNATIONAL SPOT DRY BULK FREIGHT ASSESSMENTS

Unit: USD/ton

	Week 2nd – July	**08/07**	**09/07**	**10/07**	**11/07**	**12/07**
	Capesize (150,000 tons)					
1	Australia – China	10.45	11.35	11.20	11.30	N/A
2	Queensland – Japan	11.90	12.95	12.80	12.90	N/A
3	New South Wales – South Korea	12.90	13.95	13.80	13.90	N/A
	Panamax (70,000 tons)					
1	Richards Bay - India West	13.00	13.00	14.25	14.50	N/A
2	Kalimantan - India West	9.10	9.25	9.50	10.20	N/A
3	Richards Bay - India East	13.15	13.15	14.40	14.65	N/A
4	Kalimantan - India East	7.65	7.80	8.00	8.70	N/A
5	Australia - China	12.15	12.25	12.25	13.25	N/A
6	Australia - India	13.75	13.85	14.00	15.25	N/A

(Source: Platts Coal Trader International)

II. NEW

South African May thermal coal exports rise 5% to 6.61 million mt

South Africa exported 6.61 million mt of thermal coal in May, up 5% on the month and 9% from the year-ago month, according to the latest customs data Monday. India was the single-largest export destination for the month, taking 4.59 million mt, or 69% of all exports. This was down 2% on the month but up a more considerable 40% from the year-ago month. While India has historically been South Africa's largest export destination, the three months of March-May this year have seen export volumes surge to record levels, with the months in question all being the three biggest export months since S&P Global Platts began collecting the data in 2014. Similarly to previous months, the May export volumes to India can be largely explained by price-sensitive buyers in India taking advantage of falling spot prices, as well as some final stock-building ahead of the wet season, according to Platts Analytics.

Outside of India, other key markets saw declines. Pakistan, which was the second-largest export destination in 2018 and 2017, took 615,940 mt. This was down 11% on the month and 9% from the year-ago month. South Korea, the third largest export destination, saw monthly volumes fall to zero for the first time since September 2016. Coal demand in South Korea had previously been weak owing to reduced electricity demand and ongoing rises in nuclear and renewable generation, according to Platts Analytics. Furthermore, prolonged maintenance at some of the country's coalfired power plants had led to building stockpiles and delayed shipments, which could also contribute to a lack of demand for the May month.

Outside of these main markets, there were exports to several countries which had taken no South African coal either the prior month or the year-ago month. This included Vietnam, Malaysia and Poland, with 162,753 mt, 140,690 mt, and 131,315 mt, respectively.

	Volume (ton)	Change on month (%)	Change on year (%)
India	4,586,672	-1.9	39.6
Pakistan	615940	-11.3	-9.3
Vietnam	162,753	N/A	N/A
Taiwan	159,582	N/A	-19.2
Malaysia	140,690	N/A	N/A
Poland	131,315	N/A	N/A
United Arab Emirates	113,605	2.7	13.5
Other	704,320	N/A	N/A
Total	6,614,877	5	9.3

(Source: S&P Global Platts)

Forecast for Australia's 2021 thermal coal spot price cut 14%: Department of Industry

Australia's Department of Industry has painted a bleak picture for coal producers in the coming years, slashing its forecast for benchmark prices in its latest edition of the Resources and Energy Quarterly report. In this latest edition of the Canberra-based unit's report released Monday, the unit had slashed its forecast for the average FOB Newcastle 6,000 kcal/kg NAR thermal coal spot price for 2019 by 10% from the department's forecast in its March report to $83/mt. The

2020 forecast was lowered by 12% from the March report to $73/mt FOB Newcastle, and the 2021 forecast by 14% to $67/mt.

"The Asian thermal coal market is expected to remain well supplied over the next two and a half years, from Australia, Russia, and Indonesia. Demand from the traditional Asian buyers is expected to remain subdued, offsetting gains from emerging Asia," the report said. "Developments in China's domestic coal market and import policies remain the key risk to the outlook, and could drive ongoing volatility in thermal coal demand," it added. The forecast for China's total thermal coal imports for this year was lowered by 4% to 200 million mt, and by 5% for both 2020 and 2021 to 185 million mt and 170 million mt, respectively. Also, supply from marginal producers in Indonesia and the US could take longer than expected to contract and require lower prices to bring the market into balance, it said.

The report, which comes via the office of Australia's chief economist, said a possibility of stronger-than-expected imports from emerging Asia, and from Japan, where nuclear reactors may shut if key regulatory deadlines are missed could be counter-veiling market forces. As with spot prices, the department also lowered its forecasts for contract prices. The Japanese Fiscal Year (April-March) thermal coal benchmark contract price for 2020 was lowered by 12% to $76/mt and for 2021 by 14% to $69/mt, it said. There was little change to the government department's forecast for Australia's thermal coal export volumes. Fiscal 2019-2020 (JulyJune) was left unchanged at 210 million mt, while 2020-2021 was lifted by 1 million mt to 216 million mt, it said.

(Source: S&P Global Platts)

China's refineries hit new all-time operating record

Chinese crude oil throughput hit a new record in June as two new large refineries started up, driving processing rates higher, according to official data from China released on Monday. Last month, Chinese refineries increased crude throughput by 7.7 percent year on year, to around 13.07 million bpd, Reuters calculations in barrels from data provided in tons by China's National Bureau of Statistics (NBS) showed. The start-up of two major new private refineries, each with 400,000-bpd processing capacity, helped Chinese refinery throughput jump to a record high, beating the previous record from April, when independent refiners helped processing volumes to rise to 12.68 million bpd. Going forward, however, Chinese crude throughput is not expected to break the new record from June at least in the next few months, as there would be extended shutdowns amid high diesel and gasoline inventories and weak domestic fuel demand, Wang Zhao, an analyst with local consultancy Sublime Information Co, told Reuters.

Thanks to demand from the start-up of the two major refineries, Chinese crude oil imports in June also increased, by 1.7 percent from May, and by 15.2 percent from June last year. China's crude oil imports in June averaged 9.63 million bpd, up from the average of 9.47 million bpd in imports in May, and a 15.2-percent increase from 8.36 million bpd in June last year, according to Reuters calculations in barrels from data in tons provided by the Chinese General Administration of Customs. Despite weaker refining margins and a glut of refined oil products, demand for crude in China increased last month thanks to Hengli Petrochemical, which had a new refinery start up earlier this year and ramped up to full 400,000-bpd capacity at the end of May. Another 400,000-bpd refinery, of Zhejiang Petrochemical, began trial runs, further pushing demand for crude. Some Chinese refiners, however, are curtailing refinery runs in the third quarter as massive refinery start-ups and slowing domestic fuel demand have created a fuel glut in the country, hurting refining margins.

(Source: https://oilprice.com/Energy/Energy-General/Chinas-Refineries-Hit-New-All-Time-Operating-Record.html)