

Power

Risk of power shortage

Non-rated

Soaring coal and gas prices

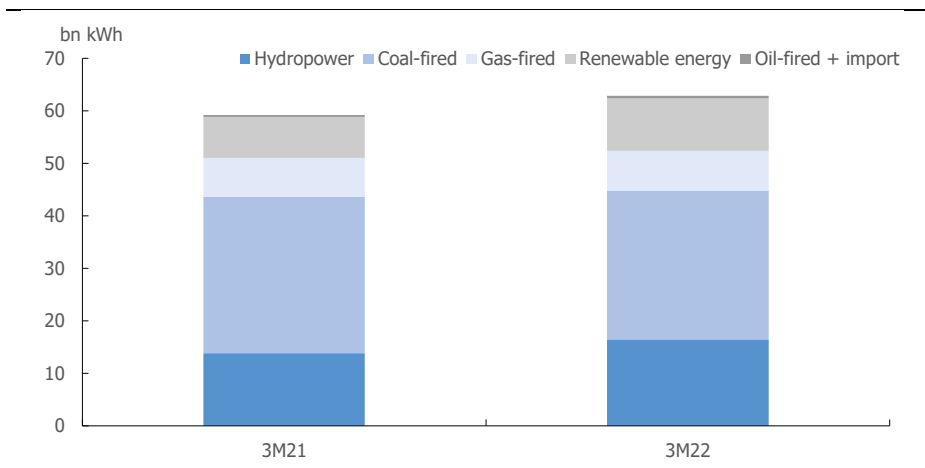
- In Mar 2022, electricity production was 23.4bn kWh (+26% mom). Based on our collection, the 3M22 aggregate output volume went up 4.9% yoy to 63.03bn kWh thanks to economy recovery.
- Coal-fired power volume dropped to 28.37bn kWh (-4.6% yoy) due to tight coal supplies, which has led to decline in electricity supplies.
- The mobilization of hydropower also surged 18.9% yoy in the context of rising fuel oil (FO) price on Singapore market (+56% yoy) and imported coal price (+170% yoy).
- Renewable energy (solar, wind, biomass) was the biggest beneficiary when its output hovered to 10bn kWh (+28.5% yoy) thanks to the operation of new renewable energy projects.
- In 1Q22, EVN had started 20 projects and put into operation 21 power grid projects.

Vietnam may face electricity shortage from April

- According to Ministry of Industry and Trade (MoIT), total coal volume supplied by Vinacomin (TKV) and Dong Bac Group were only 77% and lacked 1.36 million tonnes compared to contracted volume. Some coal-fired power plants are operating at 60-70% of capacity. EVN predicted a shortage of 3,000 megawatts of electricity. The MoIT also sought to import 5 million tonnes of coal annually from Australia. It is also looking for sources from South Africa.
- As of 31 Mar, the volume of imported coal was 6.44 million tonnes, decreased 2.4 million tonnes yoy. According to General Department of Customs, as of 15 Mar, average price of imported coal was USD228.5/tonne (+170% yoy). Combined with the decreasing import volume, this will put great pressure on electricity production.
- The actual coal thermal power output in 1Q22 was 1.365bn kWh lower than guidance.

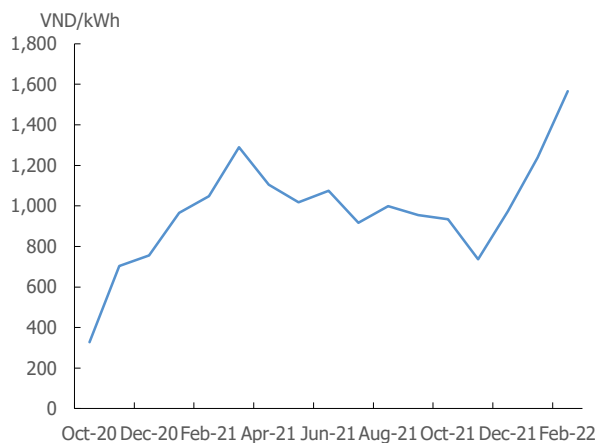
Thuy Nguyen
thuy.nt@kisvn.vn

Figure 1. The output volume by type



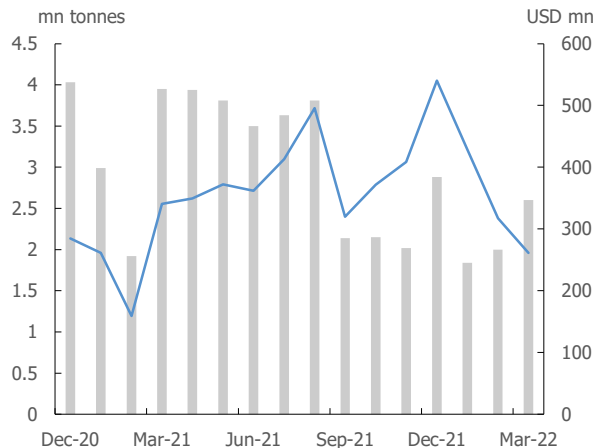
Source: EVN

Figure 2. EVNGENCO3's average CGM price increased yoy



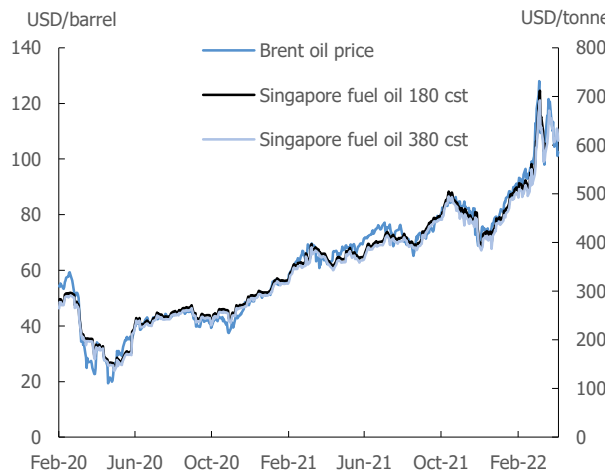
Source: EVNGENCO3

Figure 3. Coal import volume decreased but import value was up yoy



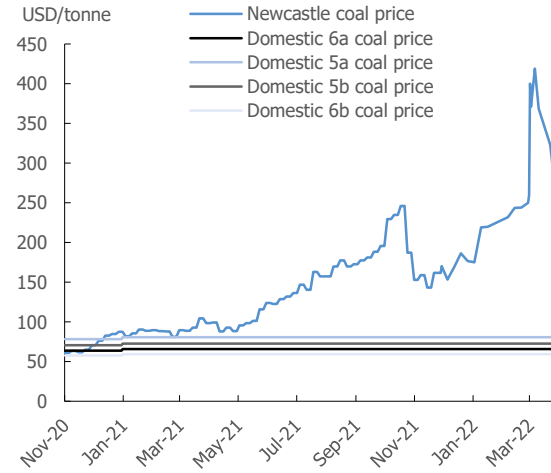
Source: Fiiipro

Figure 2. Singapore FO price and gas price sold to domestic power plants spiked yoy



Source: Bloomberg
 Note: The FO and Brent oil were updated as of Apr 7th.

Figure 3. Global coal price had soared in 1Q22



Source: Bloomberg, ERAV, TKV
 Note: The coal prices were updated as of Mar 31st

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