

Power

Non-rated

Hydropower saves the industry

Hydropower enjoyed bright results in May

- According to EVN, total electricity production was 23.34bn kWh (+3.2% mom, -2.7% yoy) in May. Based on our collection, the 5M22 aggregate output volume went up 7.3% yoy to 104.66bn kWh thanks to rising demand from economy revival and the extremely hot season in the North and Central region.
- Renewable energy hovered around 3.03bn kWh (+6.3% yoy, -3.5% mom) in May. Wind power performed the best with 5.8x yoy output growth in 5M22.
- Coal-fired power volume dropped to 9.03bn kWh (-15.8% mom, -28.6% yoy) due to tight coal supplies and surging global coal price in May (+2.7x yoy).
- Gas thermal power output plummeted 11% mom, 6.6% yoy to 2.55bn kWh when Singapore fuel oil (FO) prices soared up 74.2% yoy.
- Consequently, the hydropower also surged 47.9% yoy, 44.7% mom to hit 8.31bn kWh in the context of rising gas and coal prices.
- Even hot season comes, the number of extreme heating days could be less than previous year, thus the total consumption output is predicted to be down 1.1% yoy in Jun, per EVN.

Coal price remains high in 2Q22F

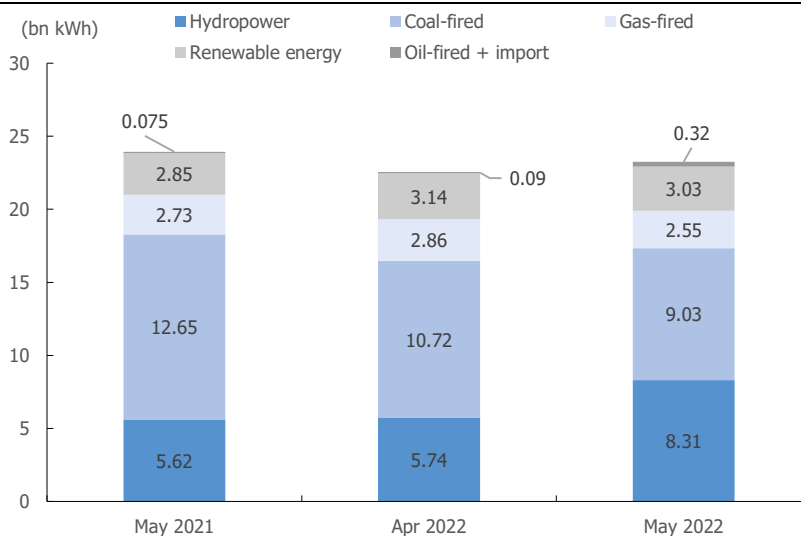
- According to Vinacomin (TKV), despite all the hardships, it still provided sufficient coal supply in 5M22 to domestic power plants with total volume of 15.3mn tonnes. Vinacomin and Dong Bac Group pledged to supply enough coal for power generation in remaining months when total coal volume supplied to power plants is expected to reach 43.99mn tonnes.
- Global coal price is forecasted to remain high as the Russia-Ukraine tension seems to be long-lasting.

The resume of power projects to meet surging demand

- Regarding Block B-O Mon gas project, PetroVietnam will be granted investment certificate in Jul 2022 after being delayed for many years. It is expected to start construction of O Mon gas thermal power plants in 2022.
- Some National Assembly's members proposed to resume the nuclear power plant project in Ninh Thuan province but its future is still uncertain.

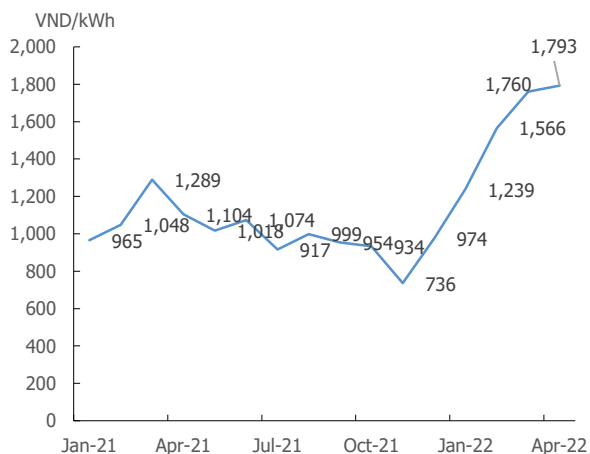
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Figure 1. Hydropower output surged 47.9% yoy in May 2022



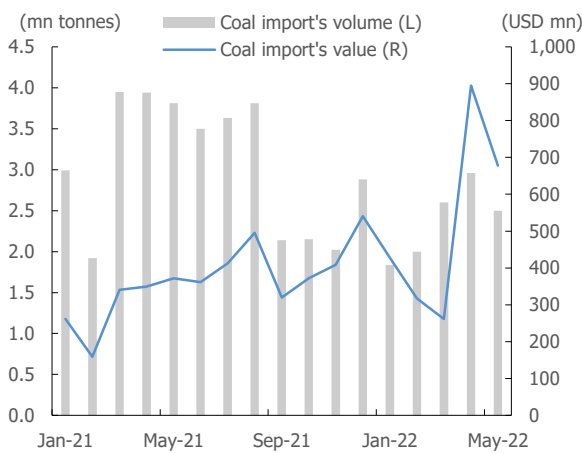
Source: EVN

Figure 2. Average free market price (FMP) kept its rising trend



Source: EVNGENCO3
Note: The average FMP price was updated as of Apr 2022

Figure 3. May 2022's coal import volume and value decreased on monthly basis



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