

Power

Hydropower boomed in Jun

Hydropower enjoyed splendid results in Jun

- According to EVN, total electricity production in Jun was 24.52bn kWh (+5.1% mom, +2.6% yoy). Based on our collection, the 6M22 aggregate output volume went up to 133.1bn kWh (+3.6% yoy).
- The unexpectedly high level of rainfall in May and Jun, especially in the North amid the extremely hot season made the hydropower output surge to 11bn kWh in Jun (+33% mom, +71.3% yoy). This is even higher than monthly hydropower output in previous rainy seasons.
- The average free market price (FMP) in May dropped to VND1,136/kWh (-37% mom) amid rising hydropower volume. Hydropower plants in the Northern region had to urgently discharge excess water prior to the rainy season.
- Coal-fired power and gas thermal power volume plummeted to 7.67bn kWh (-15.1% mom, -38.8% yoy) and 2.25bn kWh (-11.8% mom, -5.5% yoy), respectively in the context of surging global coal & fuel oil prices.
- Average Singapore fuel oil (FO) price in Jun was slightly down 2.5% mom but still hovering to over USD600/tonne.
- Coal-fired power plants suffered the consequences from coal shortage in 4M22. However, the crisis has gradually improved when Vinacomin's operation is back to normality.

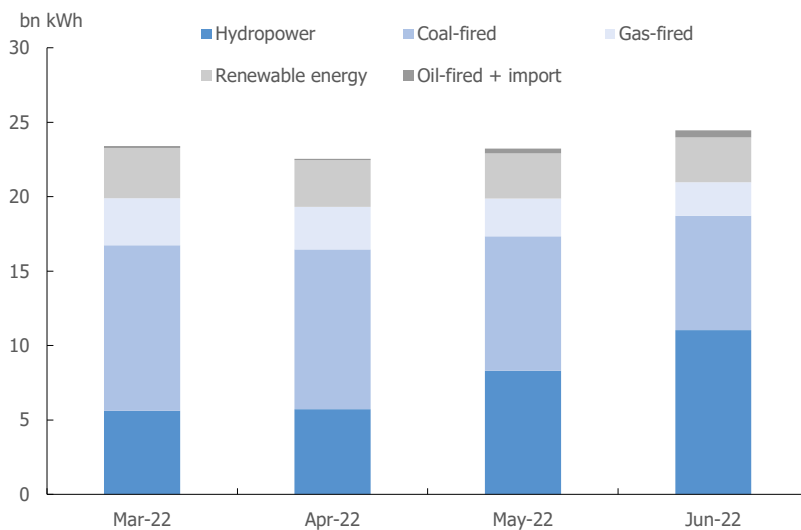
Heavy rainfall in 2H22F

- According to National Centre for Hydro – Meteorological Forecasting (NCHMF), the usual La Nina lasts 2 years yet this time it has existed for over 3 years. It is also predicted that there will be 10-12 typhoons and tropical depressions till the end of the year, some of which may have complicated and rapid movements.
- As cold air appears early (from October-November) to combine with regular storms, from July to September, the precipitation in the North will possibly be higher than the average of other years.
- There will probably be series of heavy rain in the Central coastal areas from October to December.
- It is expected that the wind flow in the central region will gradually level up since the end of 3Q22 due to various tropical storms and the Northeast monsoon's effects.

Non-rated

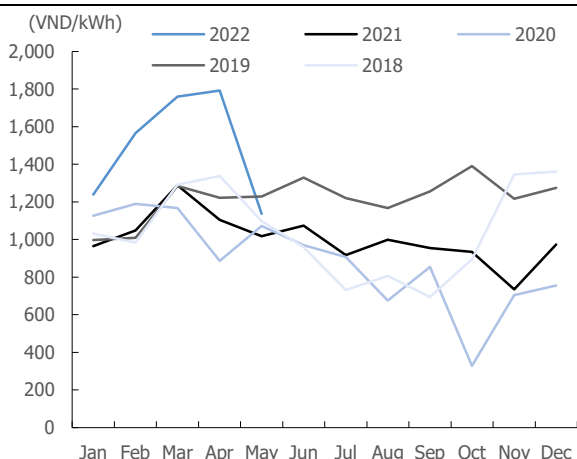
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Figure 1. Hydropower output made up 45% of total power output in Jun 2022



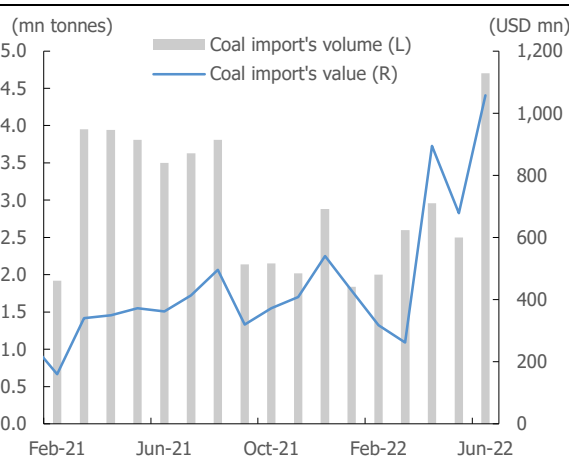
Source: EVN

Figure 4. Average FMP price dropped in May



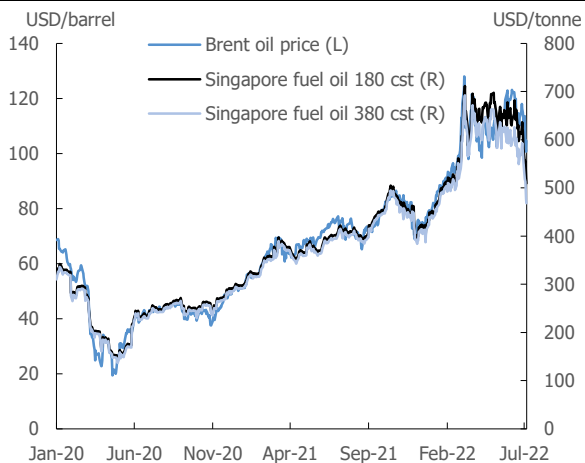
Source: EVNGENCO3
Note: The average FMP price was updated as of May 2022

Figure 5. Coal import volume and value surged in Jun



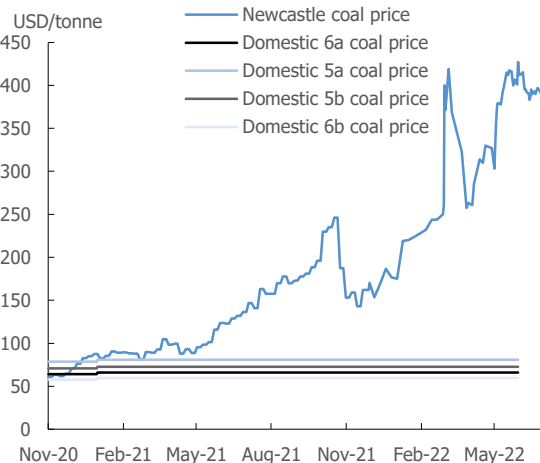
Source: Fiiipro

Figure 4. Brent oil and Singapore FO prices gradually cooled down since Jun



Source: Bloomberg
Note: The Singapore FO and Brent oil prices were updated as at Jul 7th. The average FMP price was updated as of May 2022

Figure 5. Global coal price remained very high in Jun



Source: Bloomberg, Trading Economics, EVNGENCO3
Note: The Newcastle coal price was updated as at Jul 7th

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