

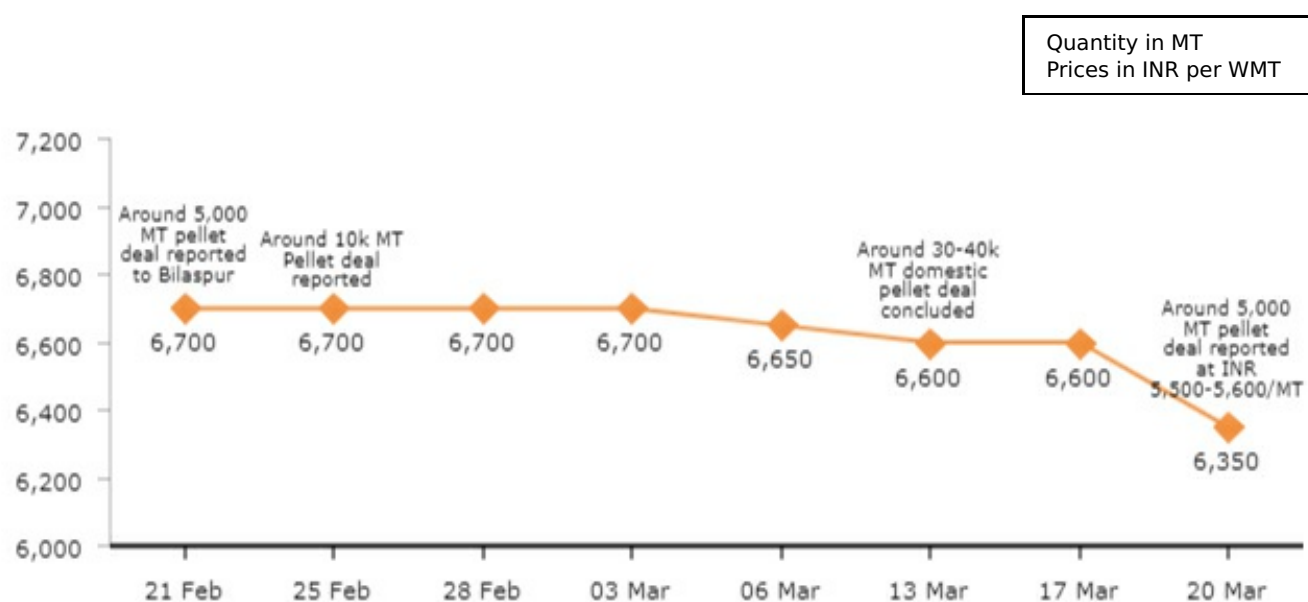
Pellet Index-PELLEX

PELLEX Rationale

PELLEX- DAP Raipur (Delivered Price - Plantsite in Raipur)	INR 6,350/WMT*
Date and Time of publication	20 March, 2020 & 18.30 (IST)
Publishing Window	Wednesday to Friday
Last Index Price (17 Mar, 2020)	INR 6,600/WMT*
% change	-4

* **Rounded off to the nearest multiple of 50**

* **Prices on delivered basis (including freight) to a DRI maker in Raipur**



Concluded Transaction Price

- PELLEX down by INR 250/MT to INR 6,350/wmt (DAP Raipur). As per the reliable sources, Jharsuguda based pellet maker sold around 5,000 MT pellets to Raipur at INR 5,500-5,600/MT (Ex-plant) normalizing for freight to Raipur at INR 6,250-6,350/MT (DAP Raipur) in this publishing window.
- No deal has been concluded so far by Raipur based pellet makers after price cut on 17th Mar.

Firm Offers

- Raipur based pellet makers decreased offers by around INR 200/MT to INR 6,300/MT(Ex-plant); normalizing for freight to Raipur at INR 6,450/MT (DAP Raipur).
- Raigarh based pellet maker also decreased offers by INR 200/MT to INR 5,500-5,600/MT (Ex-plant) recently.

Firm Bids

- No firm bids for pellets received in this publishing window.
- SteelMint P-DRI assessment (Mar 20, 2020) has down by INR 1,100/MT W-o-W to INR 16,900/MT (Ex-plant) against INR 18,000/MT last week.

Export Realization

- No pellet export deal was concluded in this publishing window. However, SteelMint assessment for Fe 64% grade pellets with 3% Al stands at around USD 114-116/MT, CFR China.
- Ex -Plant export realization for Raipur pellet maker is around INR 6,400/WMT.

Substitute Parity Price

- Following Serajuddin other Odisha's major merchant iron ore miners (Essel, KJS and Kaypee) have also decreased iron ore lump offers (5-18 mm, Fe 63%) by INR 400- 500/MT at the mid of this week. Serajuddin mine earlier revised lumps offer twice in a week's timeframe.
- Considering the landed cost of Lump and other factors like yield, conversion cost, etc for NMDC and Orissa; the substitute parity price for Pellet is INR 6,600/MT (DAP Raipur).
- The substitute factor has been ignored in the computation of PELLEX.

Deals from Other Regions

- Jamshedpur based pellet makers sold around 25,000 MT pellets at INR 5,500-5,600/MT (Ex-plant) yesterday.
- Bellary based pellet maker sold around 35,000 MT pellet in the local market at around INR 6,700-6,900/MT (Ex-plant) in this week.

Statistical Exclusion for Bids and Offers

One offer

PELLET SPECIFICATION

India Domestic Pellet specification, DAP Raipur

S. No.	Particulars	Specifications
1	Price	INR per metric tonne
2	Fe Content	Base 63.5%, Range 63% to 64%
3	Silica	Base 3.5%, Maximum 5.0%
4	Alumina	Base 2.0%, Maximum 4.0%
5	Combined Silica/Maximum 7.0% Alumina	Maximum 7.0%
06	Trade Size	Minimum 2,500 MT, Maximum 10,000 MT
07	LOI	Base 3.0%
08	Delivery Terms	DAP Raipur (Delivered to Buyers site in Raipur)
09	Delivery period	Within 2 -4 week
10	Assessment Frequency	Twice in a Week
11	Data collection	Window 1 - Monday 9.00 until Tuesday 17.30 (IST) Window 2 - Wednesday 9.00 until Friday 17.30 (IST)
12	Publication	Window 1 - Tuesday 18.30 (IST) Window 2 - Friday 18.30 (IST)
13	Payment Terms	Advance (Loaded to Truck)

Note:

- Transactions/market information not covered in the previous cycle to be considered in the next cycle
- PELLEX assesses DAP Raipur Prices. DAP is Delivered at Place, meaning prices on delivered basis (including freight) to a DRI maker in Raipur
- For more details, refer to SteelMint PELLEX Methodology document