

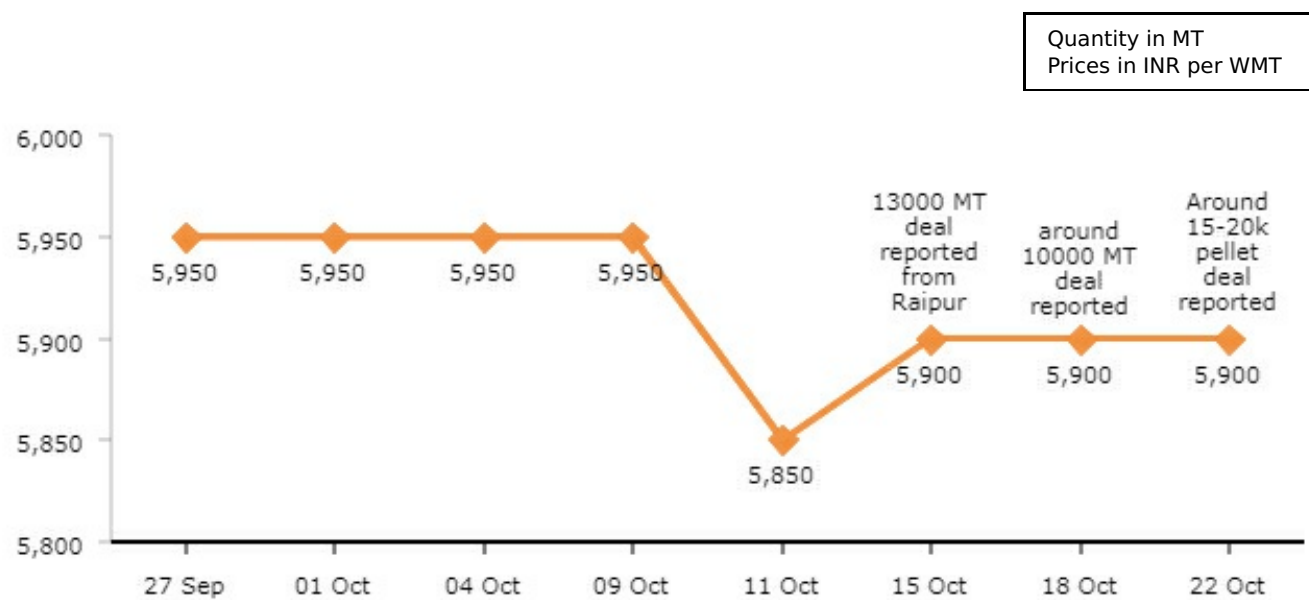
Pellet Index-PELLEX

PELLEX Rationale

PELLEX- DAP Raipur (Delivered Price - Plantsite in Raipur)	INR 5,900/WMT*
Date and Time of publication	22 October, 2019 & 18.30 (IST)
Publishing Window	Monday to Tuesday
Last Index Price (18 Oct, 2019)	5,900/WMT

* Rounded off to the nearest multiple of 50

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



Concluded Transaction Price

- PELLEX stable at INR 5,900/wmt (DAP Raipur) amid decent transactions reported.
- Pellet deals for around 15,000-20,000 MT reported from Raipur market at INR 5,800/MT(Ex-plant); normalizing for freight to Raipur at INR 5,950/MT (DAP Raipur).

Firm Offers

- Raipur based pellet offers stable at INR 5,800/MT(Ex-plant); normalizing for freight to Raipur at INR 5,950/MT (DAP Raipur).
- Raigarh based pellet makers also kept pellet offers stable at INR 5,600 (Ex-plant), normalizing freight to Raipur at INR 6,250/MT (DAP Raipur). One of major pellet maker from Raigarh sold locally 4,000-5,000 MT pellet at INR 5,600 MT (Ex-plant).

Firm Bids

- Three bids were reported at INR 5,650/MT (DAP Raipur).
- SteelMint P-DRI Assessment (Oct 22, 2019) decreased by INR 300/MT to INR 15,500/MT (Ex-Raipur) against INR 15,800/MT last week.

Export Realization

- No pellet export deal reported in this publishing window. However, very limited bids from China were received amid ongoing production restrictions in Tangshan.
- SteelMint Pellet Exports assessment stands for Fe 64% (3% Alumina) at around USD 91/MT, FoB India.
- Ex -Plant export realization for Raipur pellet maker at INR 5,100/WMT.
- In Central India the export market is semi-liquid, therefore export realization factor has been ignored in the computation of PELLEX.

Substitute Parity Price

- Odisha Mining Corporation (OMC) had scheduled its iron ore fines e-auction yesterday (21st Oct'19). The auction fetched bid higher above base price by INR 150-500/MT. Entire offered quantity 276,000 MT iron ore fines got booked.
- Considering the land cost of Lump and other factors like yield, conversion cost etc for NMDC and Orissa; the substitute parity price for Pellet is INR 5,850/MT (DAP Raipur).

Statistical Exclusion for Bids and Offers (no. and normalized values)

Three offers

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