

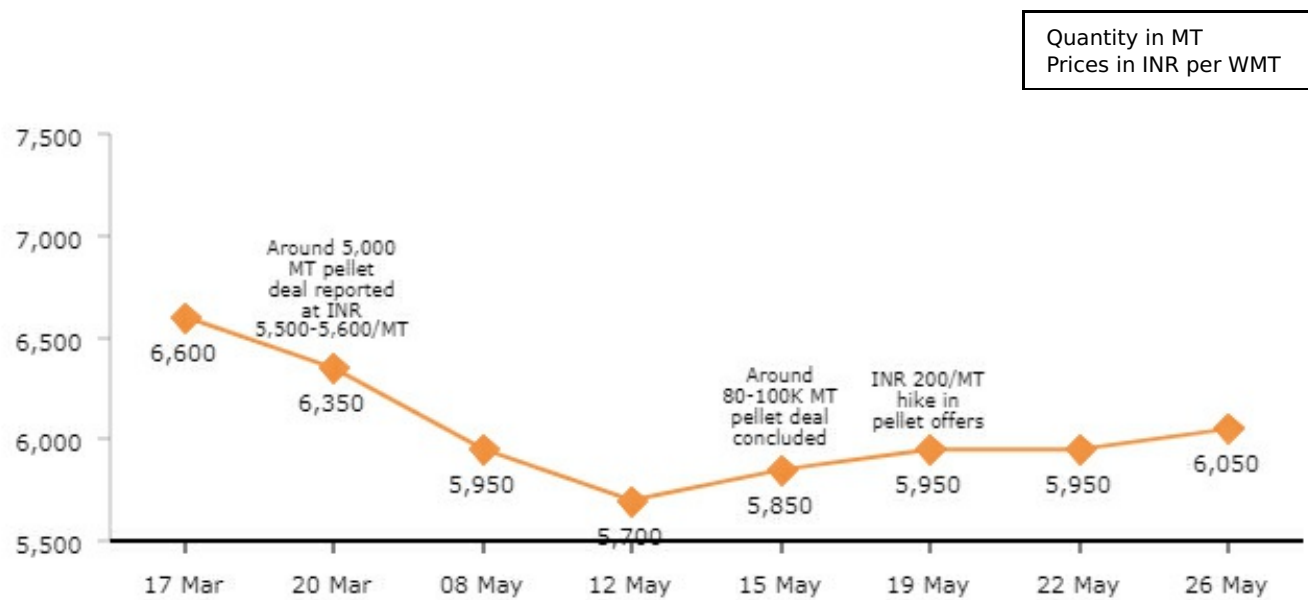
# Pellet Index- PELLEX

## PELLEX Rationale

PELLEX- DAP Raipur (Delivered Price - Plantsite in Raipur)	<b>INR 6,050/WMT*</b>
Date and Time of publication	26 May, 2020 & 18.30 (IST)
Publishing Window	Monday to Tuesday
Last Index Price (22 May, 2020)	INR 5,950/WMT*
% change	2

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

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



### Concluded Transaction Price

- PELLEX up by INR 100/MT to INR 6,050/wmt (DAP Raipur) amid increased pellet offers in this publishing window.
- However no pellet deal has been concluded with the increased pellet offers so far.

### Firm Offers

- Raipur pellet offers increased by INR 100/MT to INR 6,000/MT( Ex-plant); normalizing for freight to Raipur at INR 6,150/MT (DAP Raipur).
- Raigarh based pellet maker kept the offers stable at INR 5,500-5,600 (Ex-plant) this week. One of the major pellet makers continues to hold offers owing to plant maintenance.
- Jharsuguda based pellet maker has increased the pellet offers today by INR 400/MT to INR 5,600/MT (Ex-plant).

### Firm Bids

- No firm bids for pellets received in this publishing window.
- SteelMint P-DRI assessment (May 26, 2020) increased sharply by around INR 1,000/MT to INR 16,450/MT(Ex-plant) as against the end of last week's (on 23rd May) assessment at INR15,500/MT.

### Export Realization

- No pellets export deal has been concluded in this publishing window. However, SteelMint pellet export assessment for Fe 64% grade pellets with 3% Al at USD 113-115/MT, CFR China. Pellet makers are heard to have receiving bids at this level for exports.
- Ex -Plant export realization for pellet maker is around INR 6,400/WMT.

### Substitute Parity Price

- 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 5,360/MT (DAP Raipur).

### Deals from Other Regions

- Bellary based pellet makers have sold around 30,000 MT pellets at around INR 6,000-6,100/MT (Ex-plant) in the last three-four days.
- Raigarh based pellet maker has concluded around 5,000-7,000 MT pellet deal in the local Raigarh market at around INR 5,500-5,600/MT this week so far.
- Rourkela based pellet maker has concluded around 5,000 MT pellets in the two days for Raigarh at 5,200/MT (Ex-plant).
- Durgapur based pellet maker has also concluded around 3000MT pellet to Jamuria based plant at around INR 5,700/MT (Ex-plant).
- A trader from Durgapur has concluded around 4 rakes of pellets a few days back from Barbil at INR 5,450/MT (Loaded to the wagon).

### Statistical Exclusion for Bids and Offers

Two 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