

Pellet Index- PELLEX

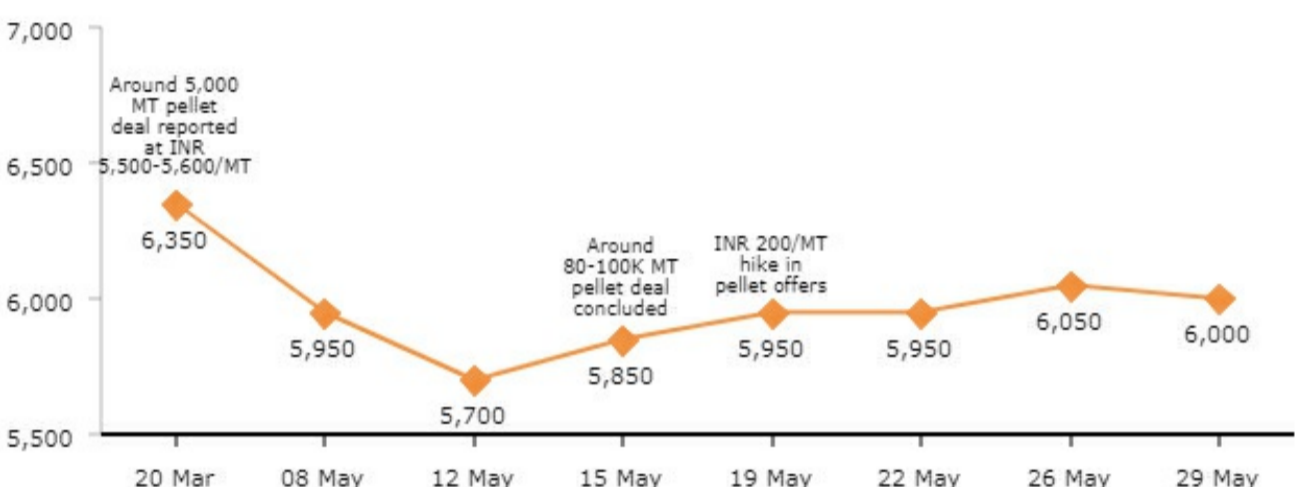
PELLEX Rationale

PELLEX- DAP Raipur (Delivered Price - Plantsite in Raipur)	INR 6,000/WMT*
Date and Time of publication	29 May, 2020 & 18.30 (IST)
Publishing Window	Wednesday to Friday
Last Index Price (26 May, 2020)	INR 6,050/WMT*
% change	-1

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

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

Quantity in MT
Prices in INR per WMT



Concluded Transaction Price

- PELLEX down by INR 50/MT to INR 6,000/wmt (DAP Raipur) in this publishing window. No pellet deal has been concluded with the increased pellet offers so far.
- However, as per the market participants, a major Raipur based pellet maker sold around 10,000 MT pellets outside Raipur at INR 5,850-5,900/MT (DAP Raipur) but the deal has not been confirmed from the seller side at the time of publishing this Index.

Firm Offers

- Raipur based pellet offers stable at INR 6,000/MT (Ex-plant); normalizing for freight to Raipur at INR 6,150/MT (DAP Raipur).
- Raigarh based pellet maker increased the offers at INR 5,600-5,700 (Ex-plant) this week. One of the major pellet makers continue to not offering pellets owing to plant maintenance.

Firm Bids

- No firm bids for pellets received in this publishing window.
- SteelMint P-DRI assessment (May 29, 2020) down by around INR 250/MT to INR 16,200/MT (Ex-plant) as against last assessment (on 26th May 2020) at INR 16,450/MT.

Export Realization

- Southern India based pellet maker - KIOCL has concluded a pellet export deal for 55,000 MT via tender yesterday (i.e 28th May), of Fe 64% grade pellets with 2% Al at around USD 107/MT, FoB India for June dispatches.
- Few days back, an Odisha based pellet maker concluded a pellet export deal for around 50,000 MT pellets (Fe 64% grade with around 3% Al) at around USD 113/MT, CFR China for June shipment.
- However, SteelMint assessment for Fe 64% grade pellets with 3% Al stable this week at USD 111-113/MT, CFR China same against the last week assessment.
- Ex -Plant export realization for pellet maker is around INR 6,200/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 5,400/MT (DAP Raipur).

Deals from Other Regions

- Bellary based pellet makers have sold around 15,000 MT pellets at around INR 6,000-6,300/MT (Ex-plant) in the last two-three days.
- Raigarh based pellet maker has concluded around 20,000 MT pellet deal in the local Raigarh market at around INR 5,600/MT.
- Rourkela based pellet maker has concluded around 5,000-7,000 MT pellet recently for Raigarh at 5,400/MT (Ex-plant).

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