

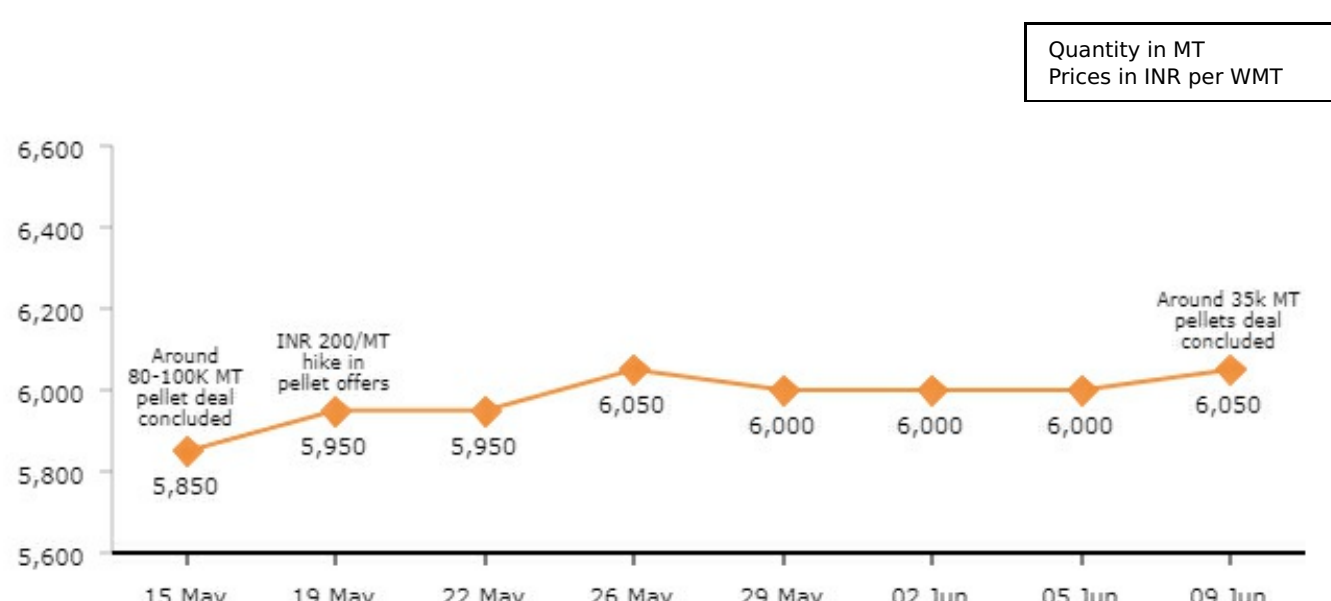
# Pellet Index- PELLEX

## PELLEX Rationale

PELLEX- DAP Raipur (Delivered Price - Plantsite in Raipur)	<b>INR 6,050/WMT*</b>
Date and Time of publication	09 June, 2020 & 18.30 (IST)
Publishing Window	Monday to Tuesday
Last Index Price (05 Jun, 2020)	INR 6,000/WMT*
% change	1

\* 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 marginally by INR 50 to INR 6,050/wmt (DAP Raipur) in this publishing window.
- As per the market participants, Raipur based pellet makers have sold around 35,000 MT pellets at INR 6,000-6,100/MT (DAP Raipur) in the last three-four days for the local market.

### Firm Offers

- Raipur based pellet offers remain stable at INR 6,000/MT (Ex-plant); normalizing for freight to Raipur at INR 6,150/MT (DAP Raipur).
- Raigarh based pellets maker offers unchanged at INR 5,600-5,700/MT (Ex-plant) in this window of Index.

### Firm Bids

- No firm bids for pellets received in this publishing window.
- SteelMint P-DRI assessment (June 09, 2020) stable at INR 16,050/MT (Ex-plant) as against the last assessment (on 05th June 2020).

### Export Realization

- No pellet deal has been concluded in this publishing window so far. However, certain deals from central & eastern India are under negotiation and are likely to get concluded soon. Following global iron ore fines price hike yesterday, pellet export offers have also increased but there is resistance seen at higher offers.
- Towards mid of last week, an Odisha based pellet maker concluded an export deal at around USD 115/MT, CFR China.
- SteelMint assessment for Fe 64% grade pellets with 3% Al increased by around USD 3/MT to USD 116-118/MT, CFR China against the last week assessment at USD 113-115/MT, CFR China.
- 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 5,500/MT (DAP Raipur).

### Deals from Other Regions

- Raigarh based pellet maker has concluded around 15,000-20,000 MT pellet deal in the local Raigarh market at INR 5,500-5,600/MT (ex-plant) in the last three-four days.
- Bellary based pellet makers sold around 20,000 MT pellets in the local market at around INR 5,900-6,200/MT (Ex-plant) recently.
- An Odisha (Barbil) based pellet maker has also sold two rakes of pellets (approx. 8,000MT) deal in the local market at around INR 5,500/MT (Loaded to 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