

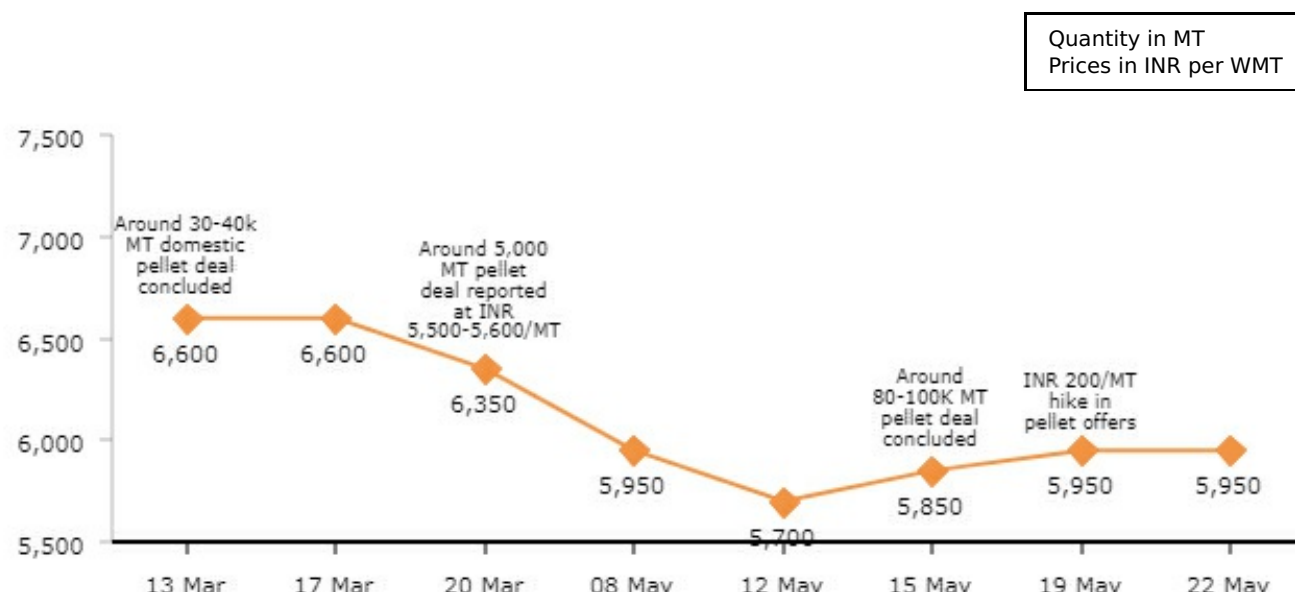
Pellet Index-PELLEX

PELLEX Rationale

PELLEX- DAP Raipur (Delivered Price - Plantsite in Raipur)	INR 5,950/WMT*
Date and Time of publication	22 May, 2020 & 18.30 (IST)
Publishing Window	Wednesday to Friday
Last Index Price (19 May, 2020)	INR 5,950/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 5,950/wmt (DAP Raipur) in this publishing window.
- One of the major Raipur pellet makers sold around 10,000 MT pellets in the local Raipur market at INR 5,950-6,050/MT (DAP Raipur).
- In another deal reported, a Raipur based pellet maker concluded a deal at INR 5,850/MT (DAP Raipur) recently, but the deal could not be confirmed from the pellet makers at the time of publishing this Index.

Firm Offers

- Raipur based pellet offers remain firm at INR 5,900/MT(Ex-plant); normalizing freight to Raipur at INR 6,050/MT (DAP Raipur).
- Raigarh based pellet maker hiked offers by INR 100/MT to INR 5,500-5,600/MT (Ex-plant) this week. Few trade sources highlighted one of the major pellet makers continues to not offering pellets owing to lack of material availability.
- Jharsuguda based pellet maker kept the offers stable at INR 5,200/MT (Ex-plant).

Firm Bids

- No firm bids for pellets received in this publishing window.
- SteelMint P-DRI assessment (May 22, 2020) decreased by INR 100/MT to INR 15,400/MT(Ex-plant) as against the last week's assessment at INR15,500/MT.

Export Realization

- An Indian pellet export tender for 50,000 MT pellets of Fe 63% grade with 2.5% Al is heard to have received bids at around USD 106-107/MT, FoB India as per credible sources report to SteelMint.
- SteelMint pellet export assessment for Fe 64% grade pellets with 3% Al at USD 101-103/MT, CFR China.
- Ex -Plant export realization for pellet maker is around INR 6,200/WMT.

Substitute Parity Price

- Odisha based merchant miners have received a decent response in iron ore lump bookings after the recent price cut announced. A major merchant miner has received bookings for around 10-15 rakes of iron ore lumps (5-18 mm) at INR 3,500/MT (ex-mines, including Royalty, DMF & NMET).
- 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 5,260/MT (DAP Raipur).

Deals from Other Regions

- Raigarh based pellet maker concluded around 10,000 MT pellet deal in the local Raigarh market at INR 5,500/MT recently.
- Bellary based pellet maker concluded a deal for around 15,000 MT pellets in the local market at around INR 6,000/MT (Ex-plant) this week.
- Durgapur based pellet maker has sold around 3000-4000 MT pellets in the local market at around INR 5,400-5,500/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