

Pellet Index- PELLEX

PELLEX Rationale

PELLEX- DAP Raipur (Delivered Price - Plantsite in Raipur)	INR 6,000/WMT*
Date and Time of publication	02 June, 2020 & 18.30 (IST)
Publishing Window	Monday to Tuesday
Last Index Price (29 May, 2020)	INR 6,000/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 6,000/wmt (DAP Raipur) in this publishing window. No pellet deal has been concluded with the increased pellet offers so far.
- Raipur pellet offers may remain supported due to decent realizations in export and good demand, shared market participants.

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 pellet makers have increased the offers by INR 100-200/MT to INR 5,700-5,800/MT(Ex-plant) this week. A pellet plant that was not offering pellets for quite some time has also resumed offers in the domestic market.

Firm Bids

- No firm bids for pellets received in this publishing window.
- SteelMint P-DRI assessment (June 30, 2020) stands stable at INR 16,150/MT(Ex-plant) as against last assessment (29th May 2020) at INR16,200/MT.

Export Realization

- Recently, an Odisha based pellet maker has concluded a pellet export deal via trader for around 20,000-22,000 MT pellets (Fe 64% grade with around 3% Al) at around INR 5,900-6,000/MT (loaded to wagons basis) in this publishing window.
- SteelMint assessment for Fe 64% grade pellets with 3% Al inched up this week at around USD 113-115/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

- NMDC's iron ore rake movement from its Chhattisgarh mines to state-based steel units has picked up sharply to 43 rakes in May'20 (0.17 MnT) as against being nil a month ago (in Apr'20), as per railway movement data maintained with SteelMint.
- 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 5,370/MT (DAP Raipur).

Deals from Other Regions

- Bellary based pellet makers have sold around 25,000 MT pellets at around INR 6,000-6,300/MT (Ex-plant) in this week so far.
- Odisha based pellet maker has concluded around 5,000 MT pellet deal in the local Raigarh market at around INR 5,500/MT (Ex-plant) yesterday.

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