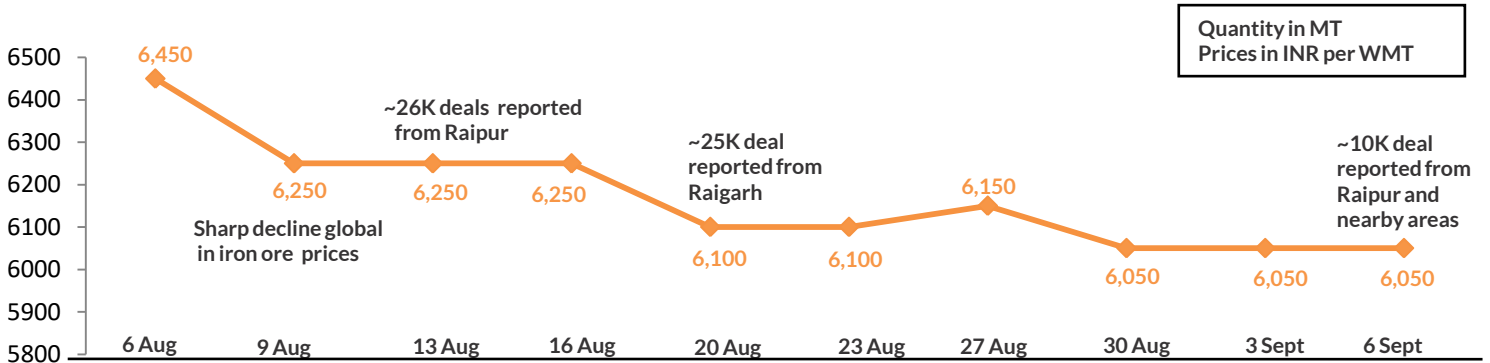


PELLEX Rationale

PELLEX- DAP Raipur(Delivered Price - Plantsite in Raipur)	INR 6,050/WMT*
Date and Time of publication	6 September, 2019 & 18.30 (IST)
Publishing Window	Wednesday to Friday
Last Index Price (3 September, 2019)	INR 6,050/WMT*
% change	No change

*Rounded off to the nearest multiple of 50

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



Concluded Transaction Price	
<ul style="list-style-type: none"> •PELLEX stable at INR 6,050/WMT (DAP Raipur) amid few trades reported for small quantity •Four deals were reported in Raipur market in this publication window (with total traded quantity of 10,000 MT) •A major Raipur based pellet maker concluded two deals of 3,000 MT each at INR 5,900/MT (Ex-plant); normalizing for freight to Raipur at INR 6,050 (DAP Raipur) •Another Raipur based pellet maker concluded a deal of 2,000 MT at INR 6,000/MT (Ex-plant); normalizing for freight to Raipur at INR 6,150 (DAP Raipur) •Durg based pellet maker concluded a deal of 2,000 MT at INR 6,000/MT (Ex-plant); normalizing for freight to Raipur at INR 6,150 (DAP Raipur) 	
Firm Offers	
<ul style="list-style-type: none"> •Raipur based plants' have kept their offers unchanged at INR 6,000/MT(Ex-plant); normalizing for freight to Raipur at INR 6,150/MT (DAP Raipur) •Few offers from Durg and Jamshedpur are reported at INR 6,150/MT and 6,200/MT (DAP Raipur) •No offers from Monnet Ispat (Raigarh) and Shyam Metaliks (Jharsuguda) were reported and were informed to have kept the sale close this week 	
Firm Bids	
<ul style="list-style-type: none"> •Two firm bids were reported in the range of INR 5,850 - 5,950 (DAP Raipur) •Four bids reported at INR 5,650 MT (DAP Raipur) and have been excluded from the assessment •SteelMint P-DRI Assessment (Sept 06, 2019) at INR 16,000/MT (Ex-Raipur) against INR 15,900/MT (Ex-Raipur) a week before. Yesterday Raipur based sponge manufacturers sold over 6,000 MT P-DRI at INR 16,000/MT (Ex-plant). 	
Export Realization	
<ul style="list-style-type: none"> •One export deal was reported from KIOCL(Karnataka) to China at around USD 98/MT FoB India for Fe 64% grade (Al 2%) •Few deals were also heard for Malaysia and Turkey •Ex - Plant export realization comes around INR 5,250- 5,350/WMT (basis the FoB equivalent of USD 93-94/DMT) •Since export market is illiquid, export realization factor has been ignored in computation of PELLEX 	
Substitute Parity Price	
<ul style="list-style-type: none"> •Considering land cost of Lump and other factors like yield, conversion cost etc for NMDC and Orissa; the substitute parity price for Pellet is INR 6,000 (DAP Raipur) •NMDC registered 28% decline in production for the month of Aug'19 at 1.41 MnT as against 1.95 MnT a month ago. Out of this 0.79 MnT was from Chhattisgarh mines (down 32% M-o-M) •Since iron ore movement from NMDC and Odisha has slowed amid monsoons, Substitute parity factor has been ignored in computation of PELLEX 	
Statistical Exclusion for Bids and Offers (no. and normalized values)	Three Bids at INR 5,650/WMT (DAP Raipur) and one Offer at INR 6,450/WMT (DAP Raipur)



PELLET SPECIFICATION

India Domestic Pellet specification, DAPRaipur		
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 / Alumina	Maximum 7.0%
8	Trade Size	Minimum 2,500 MT, Maximum 10,000 MT
9	LOI	Base 3.0%
10	Delivery Terms	DAP Raipur (Delivered to Buyers site in Raipur)
11	Delivery period	Within 2 -4 week
12	Assessment Frequency	Twice in a Week
14	Data collection	Window 1 - Monday 9.00 until Tuesday 17.30 (IST) Window 2 - Wednesday 9.00 until Friday 17.30 (IST)
15	Publication	Window 1 - Tuesday 18.30 (IST) Window 2 - Friday 18.30 (IST)
15	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