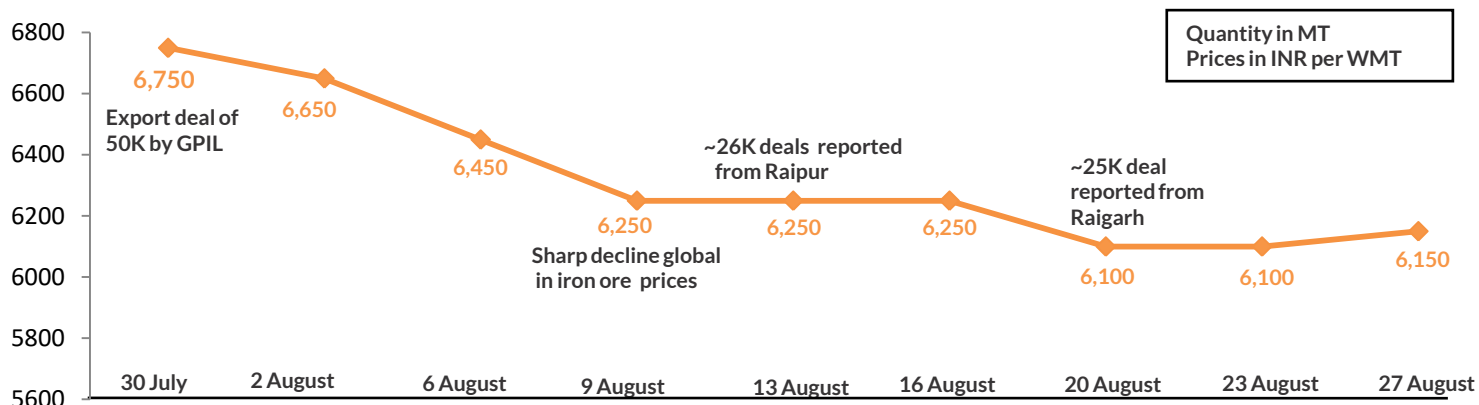


PELLEX Rationale

PELLEX- DAP Raipur(Delivered Price - Plantsite in Raipur)		INR 6,150/WMT*
Date and Time of publication		27 August, 2019 & 18.30 (IST)
Publishing Window		Monday to Tuesday
Last Index Price (23 August, 2019)	INR 6,100/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 increased marginally to INR 6,150/WMT (DAP Raipur) due to recent transaction
- Raipur based pellet maker concluded a pellet deal for around 5000 MT at INR 6,200/MT (Ex-plant); normalizing for freight to Raipur at INR 6,350 (DAP Raipur)

Firm Offers

- Raipur based plants' have kept their offers stable at INR 6,200/MT(Ex-plant); normalizing for freight to Raipur at INR 6,350/MT (DAP Raipur)
- Raigarh based plants' offering at INR 5,600-5,700/MT(Ex-plant); normalizing for freight to Raipur at INR 6,250-6,350/MT (DAP Raipur)
- A major Raipur based pellet makers has taken maintenance shutdown for next 7-10 days and will start offering from next week

Firm Bids

- Four firm bids were reported at INR 5,850-5,950 (DAP Raipur)
- SteelMint P-DRI Assessment (Aug 27, 2019) up by INR 450/MT D-o-D to INR 16,200/MT (Ex-Raipur) against INR 15,750/MT (Ex-Raipur) yesterday amid hike in semi and finished steel prices

Export Realization

- One export transactions were reported to Malaysia (South east Asia); however no export witnessed for China amid bearish Chinese demand
- Pellet Export realization stands stable at USD 96-100/DMT FoB (AI 3%) due to absence of bids from China. Indicative offers further lowered by USD 2-3/DMT
- Ex Plant export realization comes around INR 5,500 - 5,600/WMT; same is an indicative price and no deals reported at this price

Substitute Parity Price

- Essel mining has recently cut lumps prices' by INR 200/MT and other merchant miners are expected to cut prices soon
- 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 6,060 (DAP Raipur).

Statistical Exclusion for Bids and Offers (no. and normalized values)

No Offers and Bids Excluded

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 / 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