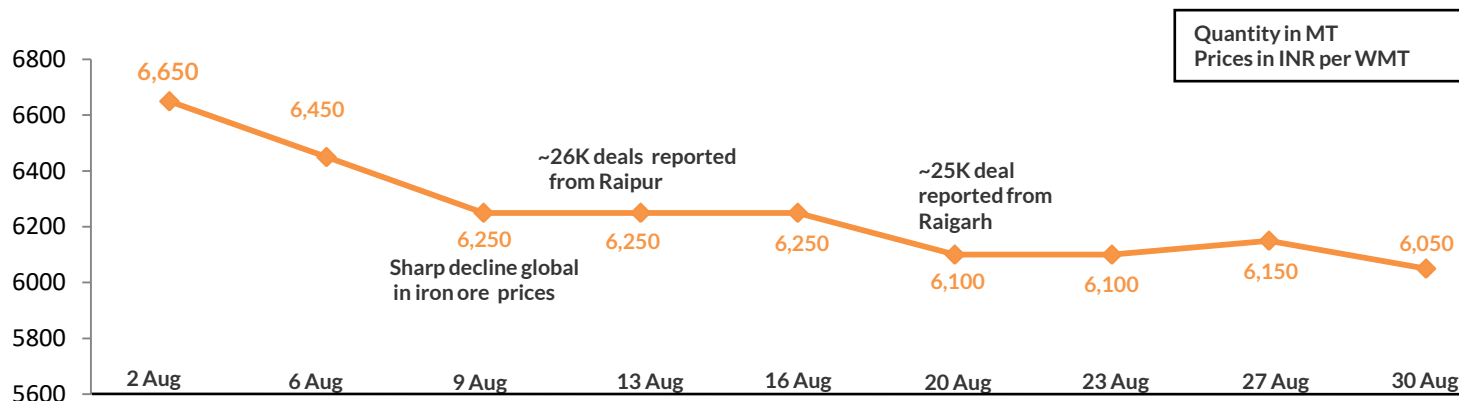


PELLEX Rationale

PELLEX- DAP Raipur(Delivered Price - Plantsite in Raipur)	INR 6,050/WMT*
Date and Time of publication	30 August, 2019 & 18.30 (IST)
Publishing Window	Wednesday to Friday
Last Index Price (27 August, 2019)	INR 6,150/WMT*
% change	1.63% ↓

*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 decreased to INR 6,050/WMT (DAP Raipur) on reduced domestic offers and falling export realization •No significant transaction was reported during this publication window •Few unverified transactions for small quantities were reported; however excluded from PELLEX assessment •A major Raipur based pellet maker has taken maintenance shutdown till 10th Sept 2019 	
Firm Offers	
<ul style="list-style-type: none"> •Raipur based plants' have decreased their offers to INR 6,000/MT(Ex-plant); normalizing for freight to Raipur at INR 6,150/MT (DAP Raipur) 	
Firm Bids	
<ul style="list-style-type: none"> •Three firm bids were reported at INR 5,950 (DAP Raipur) •SteelMint P-DRI Assessment (Aug 30, 2019) down by INR 300/MT to INR 16,000/MT (Ex-Raipur) against INR 16,300/MT (Ex-Raipur) a couple of days back 	
Export Realization	
<ul style="list-style-type: none"> •No export transactions were reported in this publishing window, however market expects prices to be in the range of USD 105-107/DMT CFR China, equivalent to USD 92-94/DMT FoB India for standard grade pellet (AI3%) •Ex - Plant export realization comes around INR 5,250- 5,350/WMT; same is an indicative price and no deals are reported at this price •Since export market is illiquid, export realization factor has been ignored in computation of PELLEX (as per methodology) 	
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 6,060 (DAP Raipur) •Although, last week, NMDC has reduced Iron ore prices by INR 200/MT (lumps and fines) and INR 230/MT (DRCLO); however currently NMDC production is learned to have remained low amid monsoons •Substitute parity factor has been ignored in computation of PELLEX (as per methodology) 	
Statistical Exclusion for Bids and Offers (no. and normalized values)	Two Bids at INR 5650/WMT (DAP Raipur) and one offer 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)

2 Aug

6 Aug

9 Aug

13 Aug

16 Aug

20 Aug

23 Aug

27 Aug

30 Aug

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