

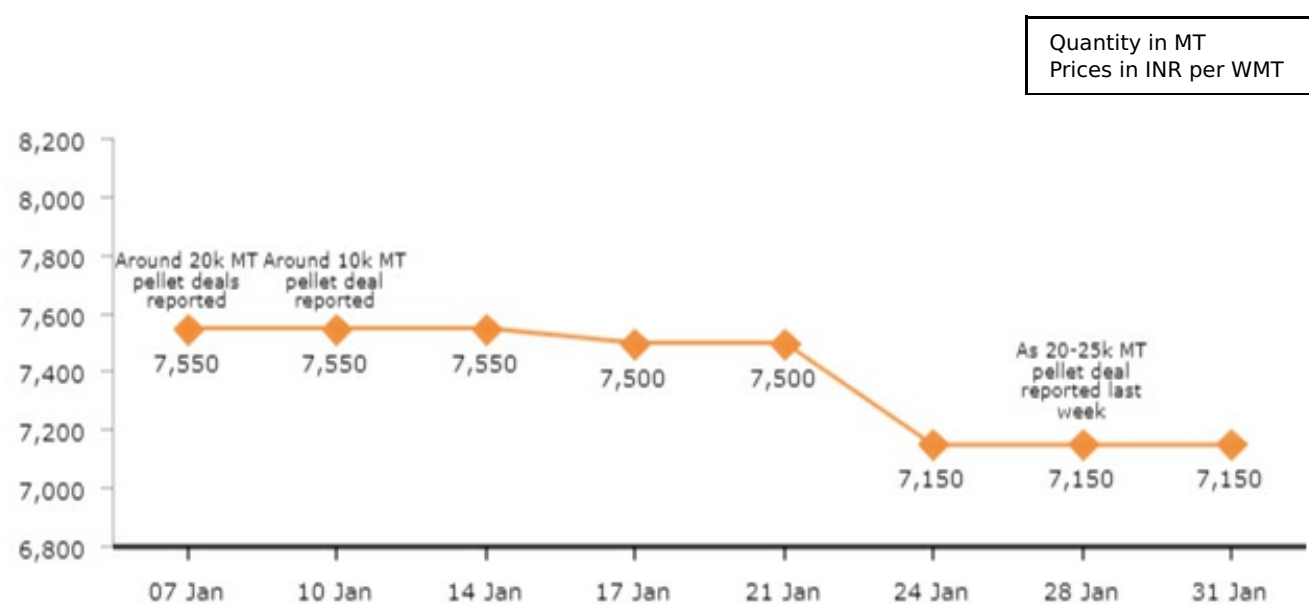
Pellet Index- PELLEX

PELLEX Rationale

PELLEX- DAP Raipur (Delivered Price - Plantsite in Raipur)	INR 7,150/WMT*
Date and Time of publication	31 January, 2020 & 18.30 (IST)
Publishing Window	Wednesday to Friday
Last Index Price (28 Jan, 2020)	INR 7,150/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 7,150/wmt (DAP Raipur).
- No pellet deals heard from Raipur pellet makers in this publishing window. However, market participants expected pellet offers may be come down soon.

Firm Offers

- Major Raipur based pellet makers kept the offers stable at INR 7,400/MT(Ex-plant); normalizing for freight to Raipur at INR 7,550/MT (DAP Raipur). There are market Indication that offers may revise soon.
- Raigarh based pellet makers offer unchanged at INR 6,400- 6,600/MT (EXW).
- Jharsuguda based pellet maker is also at the same level INR 6,400-6,500/MT (EXW).

Firm Bids

- No firm bid for pellets was reported in this publishing window.
- SteelMint P-DRI Assessment (Jan 31, 2020) down by INR 300/MT W-o-W to INR 19,400/MT as against INR 19,700/MT (Ex-Raipur) a week before.

Export Realization

- No pellets export deal heard in this publishing window. Global iron ore fines (Fe 62%) prices have come down sharply by USD 10/MT to USD 83/MT. SteelMint assessment for standard grade pellets (Fe 64%, 3% Al) stands at USD 120-122/MT, CFR China down by USD 3/MT against last week.
- Ex -Plant export realization for Raipur pellet maker is around INR 6,600/WMT.
- In Central India the export market is semi-liquid, therefore export realization factor has been ignored in the computation of PELLEX.

Substitute Parity Price

- 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 7,030/MT (DAP Raipur).

Deals from Other Regions

Nil

Statistical Exclusion for Bids and Offers

Nil

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