

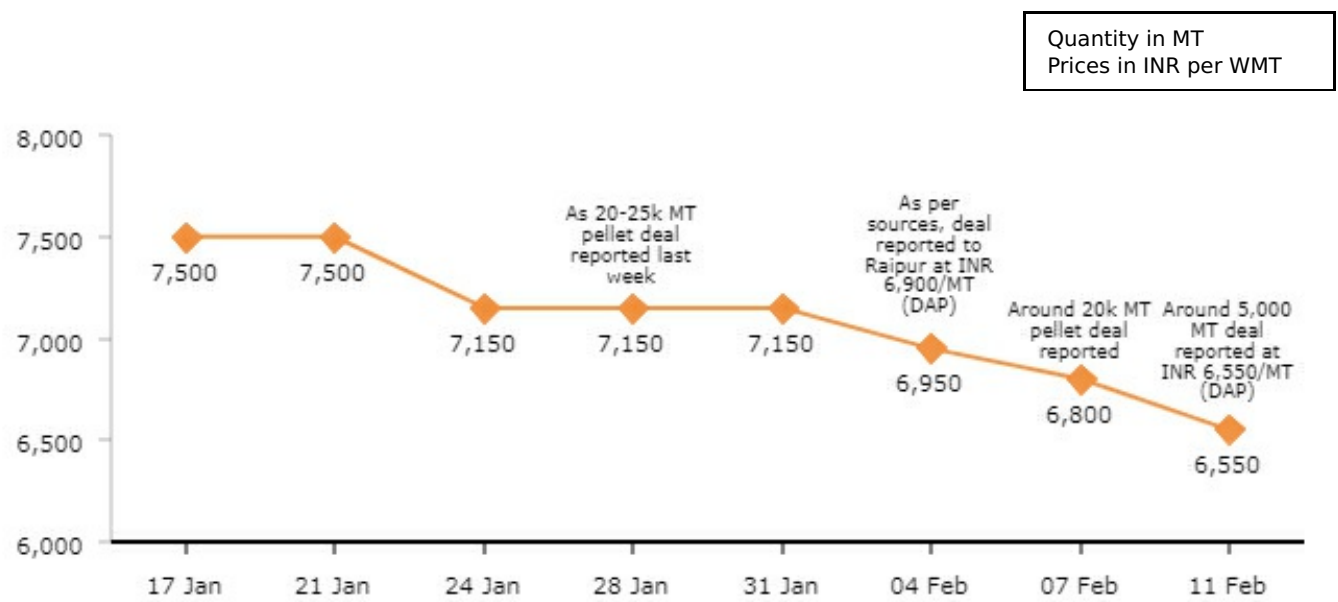
Pellet Index-PELLEX

PELLEX Rationale

PELLEX- DAP Raipur (Delivered Price - Plantsite in Raipur)	INR 6,550/WMT*
Date and Time of publication	11 February, 2020 & 18.30 (IST)
Publishing Window	Monday to Tuesday
Last Index Price (07 Feb, 2020)	INR 6,800/WMT*
% change	-4

* **Rounded off to the nearest multiple of 50**

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



Concluded Transaction Price

- PELLEX down by INR 250/MT to INR 6,550/wmt (DAP Raipur).
- One of the pellet makers from Raipur concluded 5,000 MT deal to Raipur at INR 6,400/MT(Ex-plant); normalizing for freight to Raipur at INR 6,550/MT (DAP Raipur) in this publishing window.

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). One of the pellet makers from Raipur offer at INR 6,400/MT(Ex-plant); normalizing for freight to Raipur at INR 6,550/MT (DAP Raipur). Another pellet maker from Raipur is on maintenance shutdown.

Firm Bids

- Limited Firm Bid for pellets was reported at INR 6,600/MT (DAP, Raipur) in this publishing window.
- SteelMint P-DRI Assessment (Feb 11, 2020) stable W-o-W to INR 18,700/MT (Ex-plant) in line with last week's offer.

Export Realization

- No pellets export deal heard in this publishing window. Few Indian pellet exporters have floated tenders, however, the limited response was observed. SteelMint assessment for standard grade pellets (Fe 64%, 3% Al) stands at USD 120/MT, CFR China.
- Ex -Plant export realization for Raipur pellet maker is around INR 6,500/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 6,960/MT (DAP Raipur).
- Substitute factor has been ignored in the computation of PELLEX.

Deals from Other Regions

- As per sources, JSW steel had booked around 40,000-45,000 MT pellets from Bellary last week at INR 6,900-7,000/MT(Ex-plant) last week. Bellary based major pellet makers sold around 5,000 MT pellets for Fe 63% grade at INR 7,200/MT yesterday. Bellary pellet prices have been moved up amid supply tightness. Few pellet makers have taken maintenance shutdown.

Statistical Exclusion for Bids and Offers

Four offers

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