

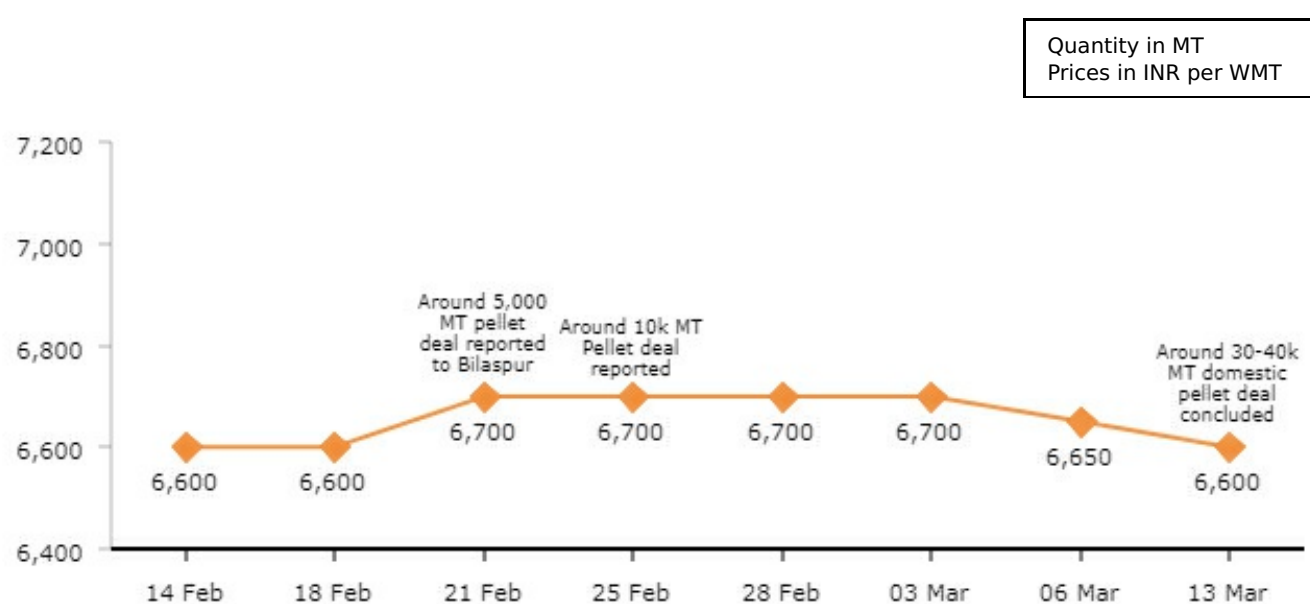
Pellet Index- PELLEX

PELLEX Rationale

| | |
|--|------------------------------|
| PELLEX- DAP Raipur (Delivered Price - Plantsite in Raipur) | INR 6,600/WMT* |
| Date and Time of publication | 13 March, 2020 & 18.30 (IST) |
| Publishing Window | Wednesday to Friday |
| Last Index Price (06 Mar, 2020) | INR 6,650/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 down marginally by INR 50/MT to INR 6,600/wmt (DAP Raipur).
- Raipur based pellets makers this week concluded around 30,000-40,000 MT deal at INR 6,400-6,500/MT (to Raipur and outside Raipur based steel mills) normalizing for freight to Raipur at INR 6,550-6,650/MT (DAP Raipur).

Firm Offers

- Raipur based pellet makers kept the offers stable at INR 6,500/MT (Ex-plant); normalizing for freight to Raipur at INR 6,650/MT (DAP Raipur).
- Raigarh based pellet makers offer lowered by INR 100/MT to INR 5,800 (Ex-plant).
- Jharsuguda based pellet maker has declined pellet offer by INR 100/MT to INR 5,800/MT (Ex-plant).

Firm Bids

- SteelMint P-DRI assessment (Mar 13, 2020) down by INR 350/MT W-o-W to INR 18,000/MT (Ex-plant) against INR 18,350/MT last week.

Export Realization

- A central India based pellet maker has concluded a pellet export deal today (i.e 13th Mar 2020) for 55,000 MT Fe 64% grade pellets with 3% Al at around USD 104-105/MT, FoB India. However, confirmation from other trade sources could not be received till the time of publishing this report.
- KIOCL had concluded pellet export deal for 50,000 MT pellets consisting of Fe 64% grade pellets with less than 2% Al at USD 109/MT, FoB India for March dispatches.
- Ex -Plant export realization for Raipur pellet maker is around INR 6,400/WMT.

Substitute Parity Price

- Serajuddin- Odisha's major merchant iron ore mine has decreased iron ore lump offers for 5-18 mm (Fe 63%) by INR 500/MT to INR 4, 500/MT (ex-mines, including Royalty, DMF, & NMET) as against last offer of INR 5,000/MT.
- As per the reliable sources report to SteelMint, there is some sort of slow-down to place a new order, as the buyers are reluctant to place any fresh orders for the delivery of material by 31st Mar 2020.
- 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 6,930/MT (DAP Raipur).
- The substitute factor has been ignored in the computation of PELLEX.

Deals from Other Regions

- Jamshedpur based pellet makers sold around 10,000 MT pellets at INR 5,900-6,000/MT (Ex-plant) in the last couple of days.
- Bellary based pellet maker sold around 10,000 MT pellet in the local market at around INR 6,900/MT (Ex-plant) in this week.

Statistical Exclusion for Bids and Offers

One offer

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