

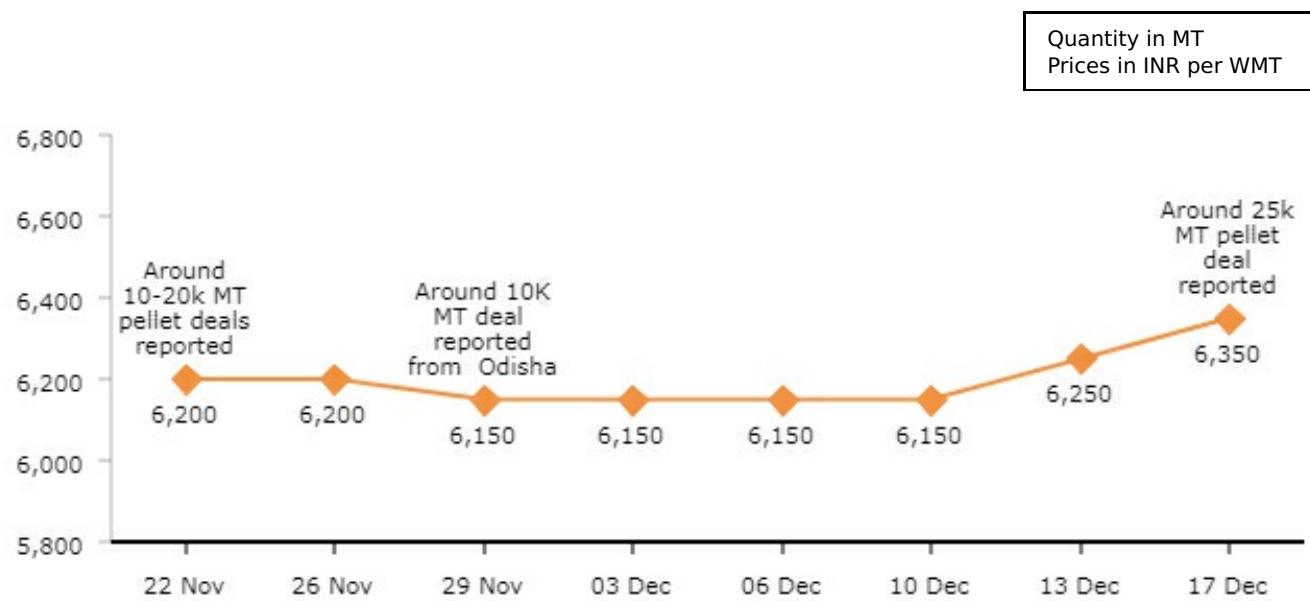
# Pellet Index- PELLEX

## PELLEX Rationale

PELLEX- DAP Raipur (Delivered Price - Plantsite in Raipur)	<b>INR 6,350/WMT*</b>
Date and Time of publication	17 December, 2019 & 18.30 (IST)
Publishing Window	Monday to Tuesday
Last Index Price (13 Dec, 2019)	INR 6,250/WMT*
% change	2

\* 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 by INR 100/MT to INR 6,350/wmt (DAP Raipur) amid recent deals reported.
- Few days back pellet deals for around 25,000 MT reported to Raipur and Durg sponge makers from Raipur pellet makers at INR 6,200-6,300/MT(Ex-plant); normalizing for freight to Raipur at INR 6,350-6,450/MT (DAP Raipur).

### Firm Offers

- Raipur based pellet offers increased by INR 300/MT to INR 6,600/MT( Ex-plant); normalizing for freight to Raipur at INR 6,750/MT (DAP Raipur).
- Raigarh based pellet makers also increased pellet offers by INR 200/MT to INR 6,000/MT (EXW). Jharsuguda based pellet maker offer at INR 5,800/MT (EXW), up by INR 200/MT W-o-W.

### Firm Bids

- No firm bid for pellets was reported in this publishing window.
- SteelMint P-DRI Assessment (Dec 17, 2019) increased sharply by INR 900/MT W-o-W to INR 17,400/MT as against INR 16,500/MT (Ex-Raipur) last week.

### Export Realization

- No Pellet export deal was heard in this publishing window. However, SteelMint Pellet export assessment for the regular grade (Fe 64% and 3% Al) stands at USD 104MT, FoB India.
- End of last week KIOCL concluded pellet export deal for 50,000 MT consisting of Fe 64% content with less than 2% alumina at around USD 106.1/MT, FoB India.
- Ex -Plant export realization for Raipur pellet maker up around INR 6,000-6,050/WMT.

### Substitute Parity Price

- Odisha based major merchant miners have increase offers by INR 400/MT today for both lumps and fines.
- 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 6,020/MT (DAP Raipur).

### Deals from Other Regions

- Raigarh based pellet maker has sold 5,000 MT pellet deals at INR 6,000MT (EXW) yesterday.
- Bellary based pellet makers have sold very minimal quantity around 2,000MT pellets at INR 6,100/MT (EXW) yesterday. Major pellet makers seem to be dispatching old pellet pending orders.
- Durgapur based pellet maker concluded around 5,000 MT pellet deal to local sponge maker at INR 6,050/MT (EXW) yesterday.

### 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