

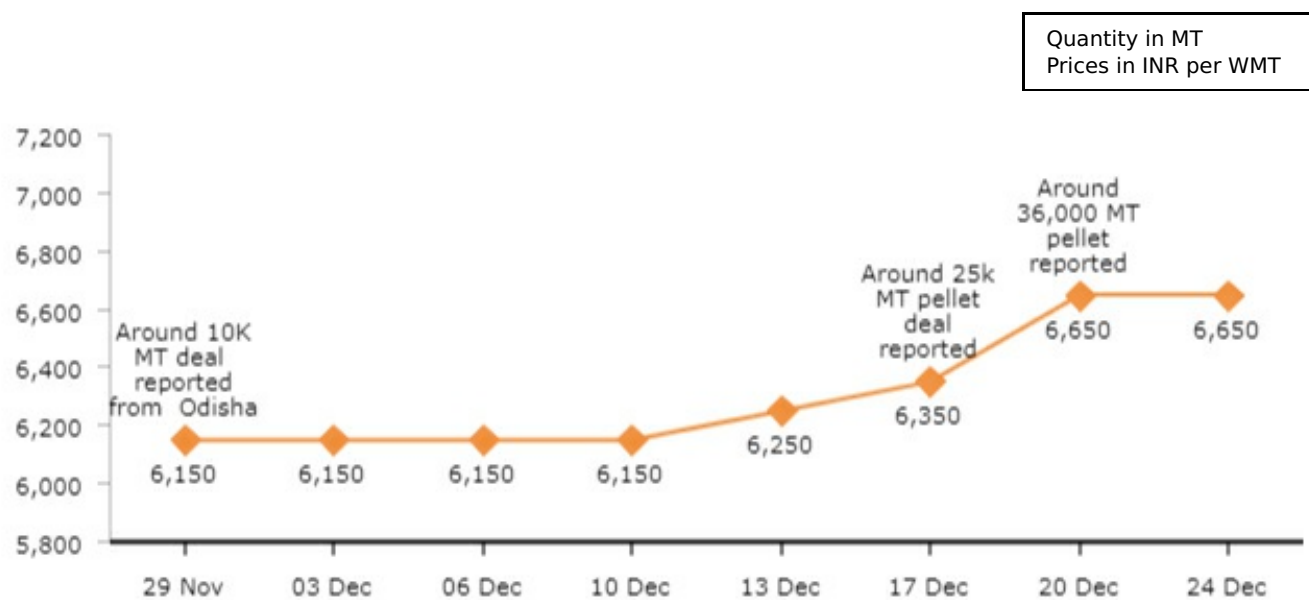
Pellet Index-PELLEX

PELLEX Rationale

PELLEX- DAP Raipur (Delivered Price - Plantsite in Raipur)	INR 6,650/WMT*
Date and Time of publication	24 December, 2019 & 18.30 (IST)
Publishing Window	Monday to Tuesday
Last Index Price (20 Dec, 2019)	INR 6,650/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 6,650/wmt (DAP Raipur).
- Towards the end of last week deals of 3,000 MT pellets concluded to Chandrapur at INR 6,500/MT (Ex-plant); normalizing for freight to Raipur at INR 6,650/MT (DAP, Raipur).
- This week, pellet deals for minimal quantity (around 2,000 MT) reported from Raipur market at INR 7,000/MT (Ex-plant); normalizing for freight to Raipur at INR 7,150/MT (DAP, Raipur). As the deal was not falling under SteelMint methodology (less than 2,500 MT), hence not considered for Pellex calculation. No significant quantity was reported at the increased offers.

Firm Offers

- Raipur based pellet offers increased by INR 400/MT to INR 7,000/MT (Ex-plant); normalizing for freight to Raipur at INR 7,150/MT (DAP Raipur).
- Raigarh based pellet makers also increased pellet offers by INR 300/MT to INR 6,500/MT (EXW).

Firm Bids

- No firm bid for pellets was reported in this publishing window.
- SteelMint P-DRI Assessment (Dec 24, 2019) increased sharply by INR 1,400/MT W-o-W to INR 18,800/MT as against INR 17,400/MT (Ex-Raipur) last week.

Export Realization

- One Pellet export deal was heard in this publishing window from Odisha based pellet maker at around USD 113/MT, CFR, China. However, SteelMint Pellet export assessment for the regular grade (Fe 64% and 3% Al) stands at USD 101-102/MT, FoB India.
- Ex -Plant export realization for Raipur pellet maker is around INR 5,900/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 6,110/MT (DAP Raipur).

Deals from Other Regions

- Raigarh based pellet maker has sold around 4,000 MT pellet deals at INR 6,400/MT (EXW) yesterday.
- Bellary based pellet makers have sold around 10,000MT pellets at the range of INR 6,300-6400/MT (EXW) in the last couple of days. Mostly pellet makers from Bellary are on wait and watch mode, as they are not offering in the market aggressively.

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