

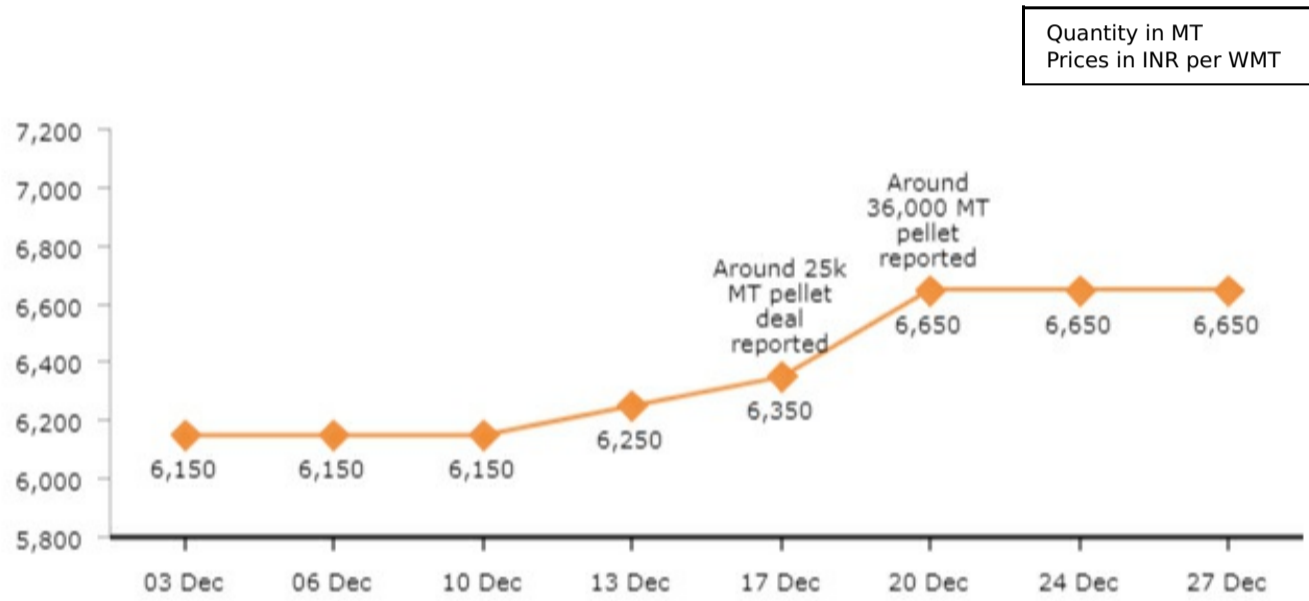
Pellet Index-PELLEX

PELLEX Rationale

PELLEX- DAP Raipur (Delivered Price - Plantsite in Raipur)	INR 6,650/WMT*
Date and Time of publication	27 December, 2019 & 18.30 (IST)
Publishing Window	Wednesday to Friday
Last Index Price (24 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).
- No deals were reported in this publishing window at the increased offer by Raipur pellet makers.

Firm Offers

- Raipur based pellet offers stable at INR 7,000/MT(Ex-plant); normalizing for freight to Raipur at INR 7,150/MT (DAP Raipur).
- Raigarh based pellet makers also kept the offers stable at INR 6,500/MT (EXW). Pellet offers from Jharsuguda stands at INR 6,600/MT (EXW).

Firm Bids

- No firm bid for pellets was reported in this publishing window.
- SteelMint P-DRI Assessment (Dec 27, 2019) increased sharply by INR 1,000/MT W-o-W to INR 19,000/MT as against INR 18,000/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 101-102MT, FoB India. Few pellet offers are heard at USD 115/MT, CFR China, however, amid year-end holidays market remains silent.
- 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

- Market awaits NMDC iron ore price revision, which is expected soon.
- 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 6,100 MT (DAP Raipur).

Deals from Other Regions

- Raigarh based pellet maker has sold around 5,000 MT pellets at INR 6,500/MT (EXW) a couple of days back.
- Bellary based pellet makers have sold around 10,000MT pellets at the range of INR 6,700-6800/MT (EXW) yesterday. Mostly pellet makers from Bellary were not offering in the market, as they were watching market closely.
- As per the sources, Durgapur based pellet maker has concluded around 2,000 MT pellet deal yesterday at INR 6,500/MT (EXW). However, Current offers for Durgapur increased by INR 200/MT to INR 6,600-6,800/MT (EXW).

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