

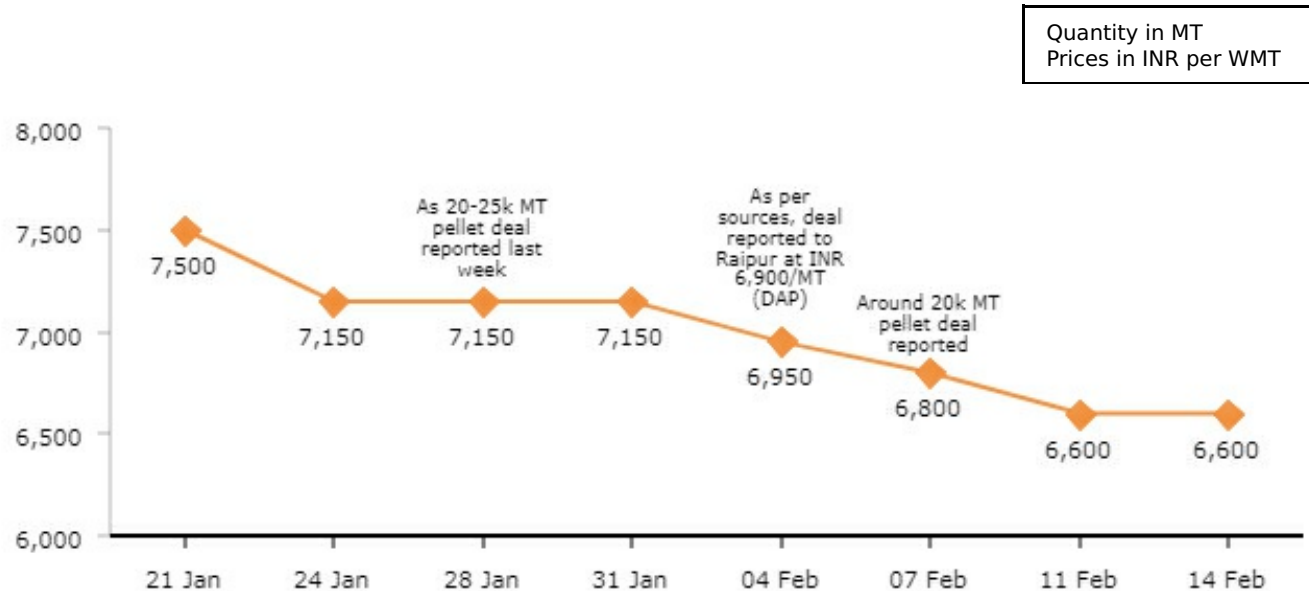
Pellet Index- PELLEX

PELLEX Rationale

PELLEX- DAP Raipur (Delivered Price - Plantsite in Raipur)	INR 6,600/WMT*
Date and Time of publication	14 February, 2020 & 18.30 (IST)
Publishing Window	Wednesday to Friday
Last Index Price (11 Feb, 2020)	INR 6,600/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 6,600/wmt (DAP Raipur).
- One of the steelmakers from Raipur concluded 5,000 MT pellet deal from nearby Raipur location at INR 6,650-6,700/MT (DAP Raipur) in this publishing window. In another deal heard a Raipur based pellet maker booked around 10,000 MT pellet but it is yet to be confirmed from the buyer side.

Firm Offers

- Raipur based pellet makers decreased offers to INR 6,700/MT (Ex-plant); normalizing for freight to Raipur at INR 6,850/MT (DAP Raipur). The last offers were heard at INR 7,400/MT (Ex-plant).
- Raigarh based pellet makers are offering pellets at INR 6,000/MT (Ex-plant).

Firm Bids

- Few firm bids for pellet were reported at INR 6,150-6,200/MT (DAP, Raipur) in this publishing window.
- SteelMint P-DRI Assessment (Feb 14, 2020) down sharply by INR 700/MT W-o-W to INR 18,500/MT (Ex-plant) against INR 19,200/MT last week.

Export Realization

- Two pellets export deal concluded by KIOCL of Fe 64% grade pellets with less than 2% Al at USD 111.5/MT, FoB India, in this publishing window. Few Indian pellet exporters had floated tenders recently, however, the limited response was observed. SteelMint assessment for standard grade pellets (Fe 64%, 3% Al) stands at USD 118/MT, CFR China.
- Ex -Plant export realization for Raipur pellet maker is around INR 6,350-6,400/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 7,030/MT (DAP Raipur).
- The substitute factor has been ignored in the computation of PELLEX.

Deals from Other Regions

- Chandrapur (Maharashtra) based steelmaker bought 3,000 MT pellets from Odisha based pellet maker at INR 5,900-6,000/MT (Ex-plant) a few days back.
- Odisha (Barbil) based pellet maker also concluded pellet deal at INR 6,000-6,100/MT (Loaded to wagon) recently.
- Bellary based major pellet makers booked around 10,000 MT pellets for Fe 63% grade at INR 7,200/MT in the last two days. Bellary pellet prices have been moved up amid supply tightness. Few Bellary pellet makers have taken maintenance shutdown.

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