

PELLEX Rationale

PELLEX- DAP Raipur (Delivered Price - Plantsite in Raipur)	INR 6750/MT*
Date and Time of publication	30 July, 2019 & 18.30 (IST)
Publishing Window	Monday to Tuesday

*Rounded off to the nearest multiple of 50

Concluded Transaction Price	
<ul style="list-style-type: none"> •Raipur based pellet maker has concluded an export deal of 50,000 MT (Low Alumina) pellet at USD 120-121/DMT (FOB India – East coast) normalizing for standard grade pellet (3% Al) and freight at INR 6835/WMT (DAP Raipur) •Two domestic transaction were heard in the Raipur market in this publishing window •One transaction for 5,000-6,000 MT reported at INR 6,500-6,600/MT (DAP Raipur) post normalizing for freight to Raipur •Another deal for 3,000 MT reported at INR 6,000 (Ex plant) from Raigarh to Raipur; normalizing for quality and freight to Raipur at INR 6,650 (DAP Raipur) 	
Firm Offers	
<ul style="list-style-type: none"> •Raipur based plants' offers are heard at INR 6,900 - 6,950/MT DAP Raipur amid decent export bookings made early this month •Durg based pellet maker is offering pellet at INR 6,600/MT (Ex-plant); normalizing for freight to Raipur at INR 6,800 (DAP Raipur) •Odisha based pellet maker is offering pellet at INR 6,000/MT (Ex-plant); normalizing for freight to Raipur at INR 6,700 (DAP Raipur) 	
Firm Bids	
<ul style="list-style-type: none"> •Standalone sponge makers has curtailed production due to huge losses •Buying interest heard for small quantities to satisfy the urgent and immediate needs of the raw material •Some DRI plants have Pellet/ Lumps stock in hand and are not interested to buy at current offer price's •Buying interest are in the range of INR 6,250-6,450/MT (DAP Raipur) 	
Export Realization	
<ul style="list-style-type: none"> •One export deal was reported in the publishing window •Pellet Export Realization has comes down to USD 117-118/MT FoB (standard grade pellet -3% Al); due to increased sea freight of USD 14-15/MT from India to China •Few exports deals from east India based pellet makers was reported at USD 133-135/DMT (standard grade pellet -3% Al) 	
Substitute Parity Price	
<ul style="list-style-type: none"> •Considering land cost of Lump and other factors like yield, conversion cost etc for NMDC and Orissa; the substitute parity price for Pellet is INR 6630 (DAP Raipur) 	
Statistical Exclusion for Bids and Offers (no. and normalized values)	2 offers at INR 7,700 & INR 7,200 (DAP Raipur) 1 Bid at INR 6,100 (DAP Raipur)

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 / Alumina	Maximum 7.0%
6	Trade Size	Minimum 2,500 MT, Maximum 10,000 MT
7	LOI	Base 3.0%
8	Delivery Terms	DAP Raipur (Delivered to Buyers site in Raipur)
9	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