

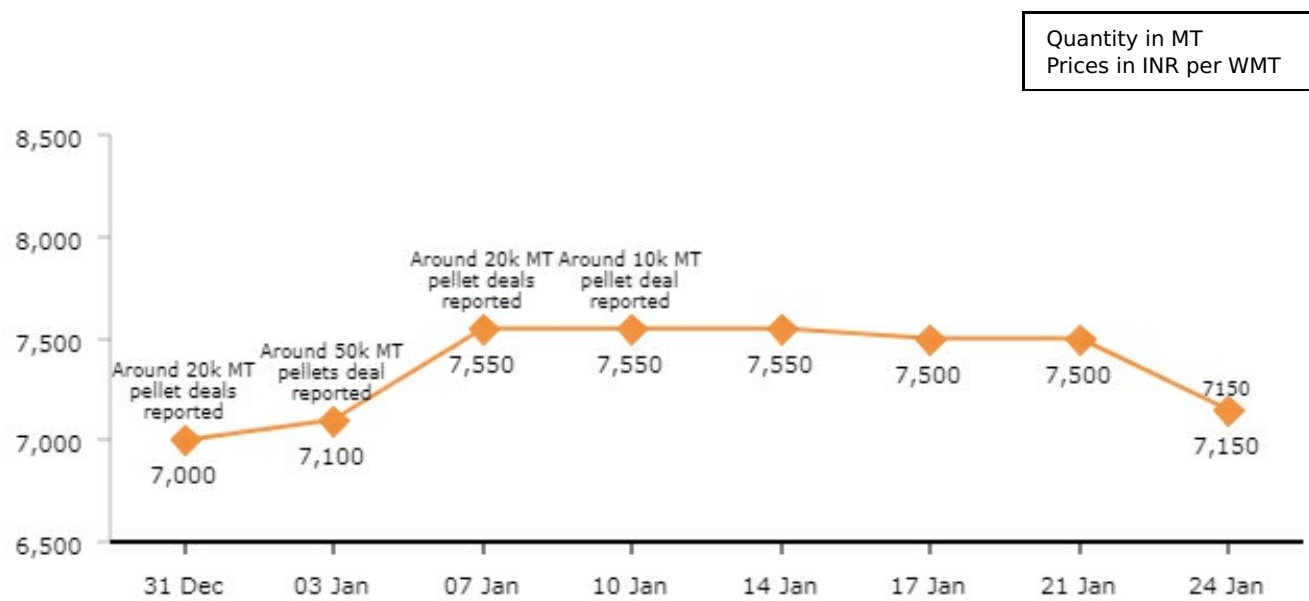
# Pellet Index-PELLEX

## PELLEX Rationale

PELLEX- DAP Raipur (Delivered Price - Plantsite in Raipur)	<b>INR 7,150/WMT*</b>
Date and Time of publication	24 January, 2020 & 18.30 (IST)
Publishing Window	Wednesday to Friday
Last Index Price (21 Jan, 2020)	INR 7,500/wmt
% change	-5

\* **Rounded off to the nearest multiple of 50**

\* **Prices on delivered basis (including freight) to a DRI maker in Raipur**



### Concluded Transaction Price

- PELLEX (DAP Raipur), 63.5% Fe down by INR 350/MT to INR 7,150/wmt.
- No pellet deals heard from Raipur pellet makers in this publishing window. However, a pellet deal has been concluded by Raipur based sponge manufacturer from outside Raipur based pellet maker at INR 7,100/MT (DAP Raipur). The quantity of deal could not be confirmed at the time of publishing the report.

### Firm Offers

- Major Raipur based pellet makers kept the offers stable at INR 7,400/MT (Explant); normalizing for freight to Raipur at INR 7,550/MT (DAP Raipur). One major Raipur pellet maker has closed its sales for now.
- Raigarh based pellet makers offer at INR 6,600- 6,800/MT (EXW) down against INR 7,000-7,200/MT (EXW) towards beginning of the week.
- Jamshedpur based pellet maker is offering pellets at INR 6,300/MT (EXW), down by INR 100/MT during the week. Jharsuguda based pellet maker are offering pellets at INR 6,700/MT (EXW), stable for the week.

### Firm Bids

- No firm bid for pellets was reported in this publishing window.
- SteelMint P-DRI Assessment (Jan 24, 2020) increased by INR 100/MT to INR 19,600-19,800/MT as against INR 19,600/MT a week ago.

### Export Realization

- SteelMint assessment for standard grade pellets (Fe 64%, 3% Al) increased by USD 5/MT during the week to USD 126-127/MT, CFR China.
- One of the pellet makers from Odisha concluded pellet export deal for 55,000 MT (Fe 64%, with 3% Al) at around USD 126-127/MT, CFR China for Feb end shipment.
- Ex -Plant export realization for Raipur pellet maker is around INR 6,950/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 7,027/MT (DAP Raipur).
- In Central India the market is liquid, therefore substitute Parity factor has been ignored in the computation of PELLEX.

### Deals from Other Regions

- A Jamshedpur based pellet maker concluded about 15,000 MT pellet deal at INR 6,300/MT (EXW).
- Raigarh based pellet maker sold around 10,000 MT pellets at INR 6,500-6,600/MT (EXW).
- Bellary based pellet makers sold 3,000 MT pellets at around INR 7,000/MT (EXW).

# 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