

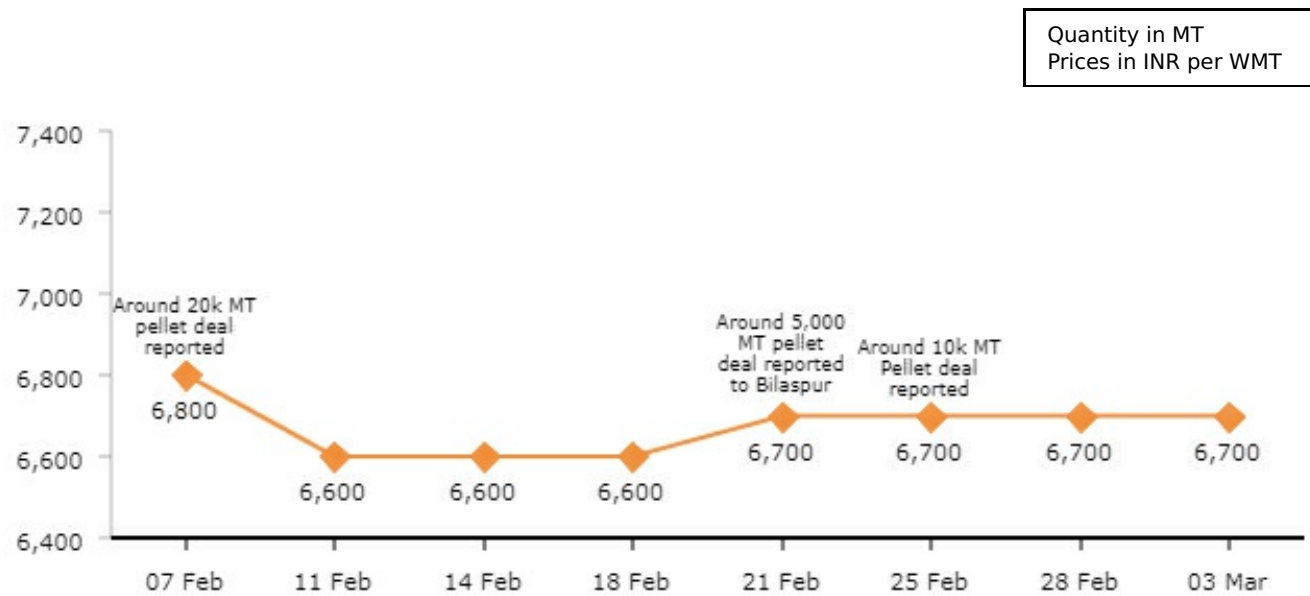
# Pellet Index- PELLEX

## PELLEX Rationale

PELLEX- DAP Raipur (Delivered Price - Plantsite in Raipur)	<b>INR 6,700/WMT*</b>
Date and Time of publication	03 March, 2020 & 18.30 (IST)
Publishing Window	Monday to Tuesday
Last Index Price (28 Feb, 2020)	INR 6,700/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 ( Fe 63.5% ) stable at INR 6,700/wmt (DAP Raipur). No pellet deals heard from Raipur pellet makers in this publishing window.

### Firm Offers

- Raipur based pellet makers kept the offers stable at INR 6,700/MT( Explant); normalizing for freight to Raipur at INR 6,850/MT (DAP Raipur).
- Raigarh based pellet makers offers stable at INR 6,100-6,200/MT (EXW).
- Jharsuguda based pellet maker reported offering pellets at INR 6,000/MT (EXW).
- Jamshedpur based pellet maker is offering pellets at INR 6,100/MT (EXW), stable W-o-W.

### Firm Bids

- No firm bid for pellet was reported in this publishing window.
- SteelMint P-DRI Assessment (Mar 03, 2020) down by around INR 100-200/MT W-o-W to INR 18,200- 18,300/MT (Ex-plant) as against INR 18,400/MT (Ex-plant) last week.

### Export Realization

- No pellet export deal heard in this publishing window. However, SteelMint pellet export assessment for Fe 64% grade pellets with 3% Al stands at USD 116/MT, CFR China down against USD 119- 120/MT, CFR China assessed last week.
- Ex -Plant export realization for Raipur pellet maker is around INR 6,420/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 6,990/MT (DAP Raipur).
- The substitute factor has been ignored in the computation of PELLEX.

### Deals from Other Regions

- An Odisha based steel maker booked nearly 400,000 MT pellets from Odisha based pellet makers a week back.
- A Jamshedpur based pellet maker concluded about 15,000 MT pellet deal at INR 6,100/MT (EXW).
- Jharsuguda based major pellet maker sold about 12,000 MT pellet to Raigarh based plant at INR 6000/MT (EXW).
- Bellary based major pellet maker sold around 10,000 MT pellet to west India based steel mill at INR 7,200/MT (Fe 63%) and at INR 7,950/MT (Fe 65%).
- Another South India based pellet maker sold 10,000 MT at around INR 6,900/MT (EXW).

### 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