

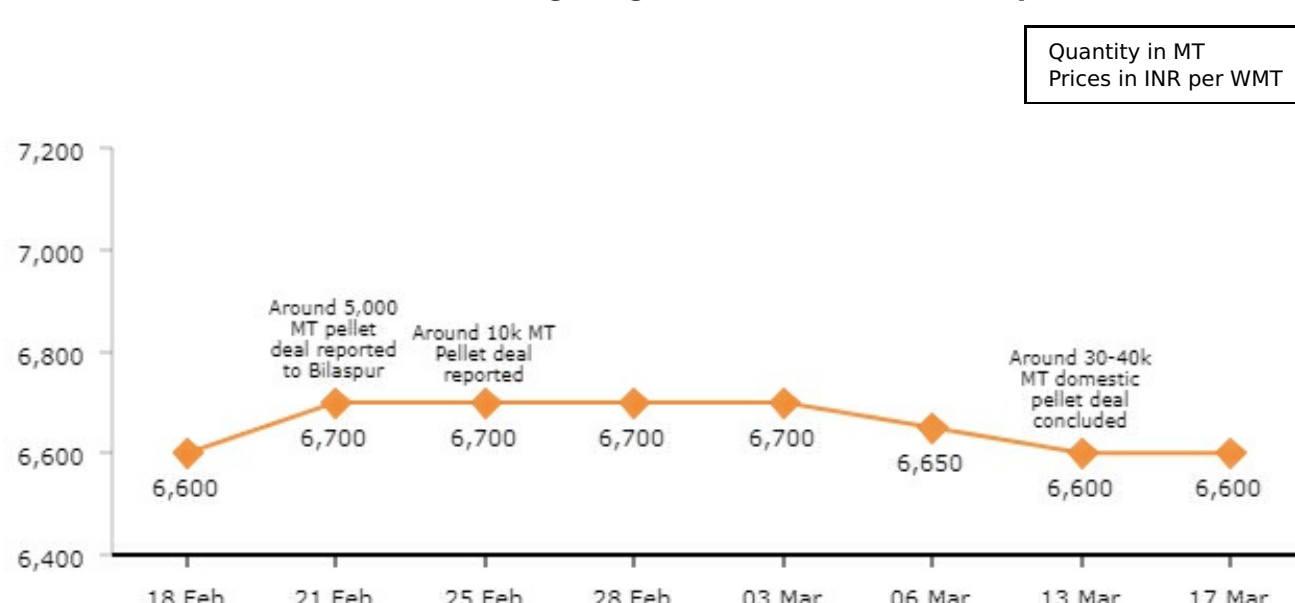
Pellet Index-PELLEX

PELLEX Rationale

PELLEX- DAP Raipur (Delivered Price - Plantsite in Raipur)	INR 6,600/WMT*
Date and Time of publication	17 March, 2020 & 18.30 (IST)
Publishing Window	Monday to Tuesday
Last Index Price (13 Mar, 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 remains unchanged at INR 6,600/wmt (DAP Raipur). No pellet deal in Raipur was heard to be concluded in this publishing window.

Firm Offers

- Raipur based pellet makers kept the offers stable at INR 6,500/MT (Ex-plant); normalizing for freight to Raipur at INR 6,650/MT (DAP Raipur).
- Raigarh based pellet makers offer at INR 5,700-5,800 (Ex-plant).

Firm Bids

- No firm bids for pellets received in this publishing window. As per the sources, few Raipur based sponge makers are on the maintenance shut down for the next 10 days. They may resume production from the last week of this month.
- Few Raipur based sponge makers are eyeing to book pellets from Raigarh lower by INR 200-300/MT than current levels.
- SteelMint P-DRI Assessment (Mar 17, 2020) has down to three-months low and also fallen sharply by INR 1,300/MT W-o-W to INR 17,200/MT (Ex-plant) against INR 18,500/MT last week.

Export Realization

- No pellet export deal was concluded in this publishing window. However, SteelMint assessment for Fe 64% grade pellets with 3% Al stands at around USD 116-117/MT, CFR China.
- Ex -Plant export realization for Raipur pellet maker is around INR 6,500/WMT.

Substitute Parity Price

- Serajuddin- Odisha's major merchant iron ore mine has decreased iron ore lump offers further for 5-18 mm (Fe 63%) by INR 500/MT to INR 4,000/MT (ex-mines, including Royalty, DMF, & NMET) as against last offer of INR 4,500/MT. Miner has revised the offer twice in a week's timeframe.
- 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 6,630/MT (DAP Raipur).
- The substitute factor has been ignored in the computation of PELLEX.

Deals from Other Regions

- Raigarh based pellet makers sold around 10,000 MT pellet in the local Raigarh at INR 5,700-5800 /MT (Ex-plant) yesterday.
- Bellary based pellet maker sold around 10,000 MT pellet in the local market at around INR 6,800-6,850/MT (Ex-plant) in this week.
- Odisha based pellet makers sold around 10,000 MT pellet to Raigarh at INR 5,700/MT (Ex-plant) in the last two-three days.

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