

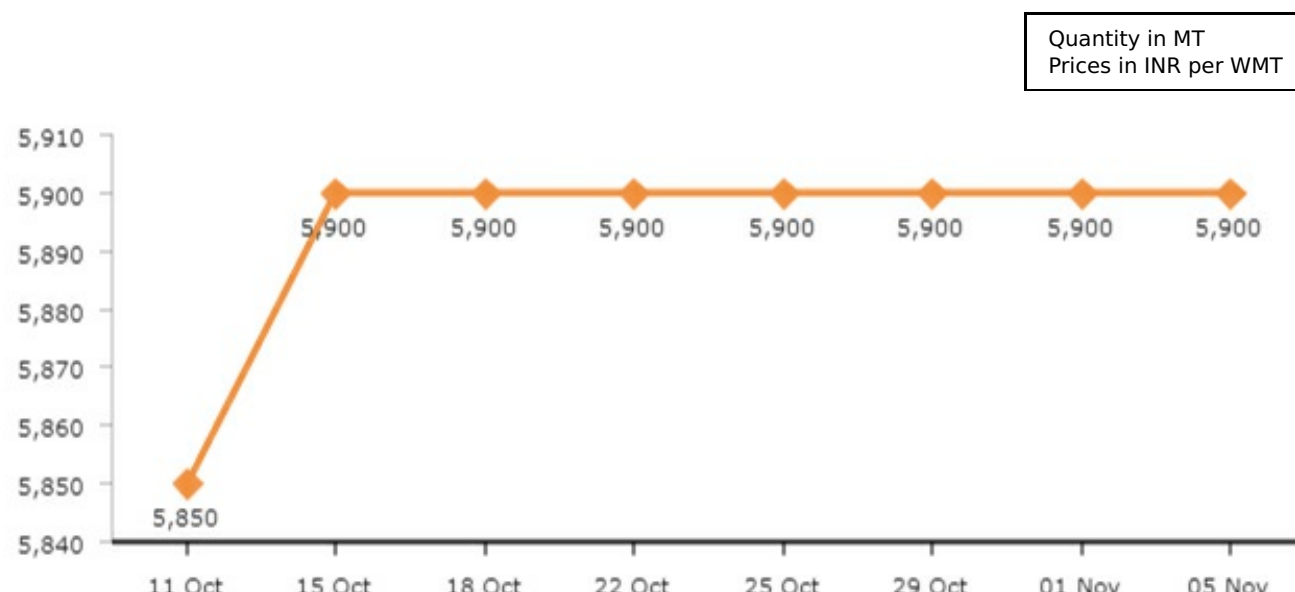
# Pellet Index- PELLEX

## PELLEX Rationale

PELLEX- DAP Raipur (Delivered Price - Plantsite in Raipur)	<b>INR 5,900/WMT*</b>
Date and Time of publication	05 November, 2019 & 18.30 (IST)
Publishing Window	Monday to Tuesday
Last Index Price (01 Nov, 2019)	INR 5,900/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 5,900/wmt (DAP Raipur) .
- Deals of 7,000-8,000 MT pellets reported from Raipur market at INR 5,800/MT(Ex-Raipur); normalizing for freight to Raipur at INR 5,950/MT (DAP Raipur). These deals were concluded to Durg and Chandrapur (Maharashtra).

### Firm Offers

- Raipur based pellet offers remain stable at INR 5,800/MT( Ex-plant); normalizing for freight to Raipur at INR 5,950/MT (DAP Raipur).
- Raigarh based pellet offers down at INR 5,400-5,500/MT (Ex-plant), normalizing freight to Raipur at INR 6,050-6,150/MT (DAP Raipur).

### Firm Bids

- Two bids were reported in this publishing window at INR 5,650/MT (DAP Raipur).
- SteelMint P-DRI Assessment (Nov 05, 2019) increased by INR 600/MT to INR 16,300/MT (Ex-Raipur) against INR 15,700/MT a week ago.

### Export Realization

- Three Pellet export deals were reported to China in this publishing window. An eastern India based Pellet maker – BRPL has concluded two vessels of 60,000 MT each for Fe 64% grade and, 2.7% Al at around USD 102.4/MT CFR China (equivalent to 89-90/MT FoB India).
- Another pellet export deal was concluded for 50,000 MT by KIOCL for Fe 64% and 2% Al at around USD 95/MT FoB India.
- Ex -Plant export realization for Raipur pellet maker down to INR 4,900-5,000/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 5,920/MT (DAP Raipur).

### Deals from Other Regions

- Raigarh based pellet maker has concluded around 7,000-8,000 MT pellet deal at around INR 5,500/MT(Ex-Raigarh) in the local market yesterday.
- Odisha based steel mill booked 130,000 MT pellets from Odisha based pellet makers at INR 5,200/MT(Loaded to wagons).
- High trade volumes of pellets reported over 53,000 MT by South-based pellet makers in the last one week at around INR 6,100-6,200/t (EXW-Bellary). One major pellet maker from Bellary concluded around 20,000 MT pellets to Gujarat based steel mills at INR 6,200/MT(EXW-Bellary) and freight for Gujarat is around 1,500/MT.
- Durgapur market reported around 13,000 MT pellet deals at around INR 5,300-5,400/MT in the last couple of days.
- Jamshedpur based pellet maker was also sold around 5,000 MT pellet deal last week at INR 5,200-5,300/MT (Ex-plant).
- An Odisha based pellet maker concluded total 20,000-25,000 MT pellet deal at INR 5,200/MT (Loaded) in the local market.
- Three Pellet export deals were reported to China in this publishing window. An eastern India based steel Pellet maker – BRPL has concluded two vessels of 60,000 MT each for Fe 64% grade and, 2.7% Al at around USD 102.4/MT CFR China (equivalent to 89-90/MT FoB India). Another pellet export deal was concluded for 50,000 MT by KIOCL for Fe 64% and 2% Al at around USD 95/MT FoB India.

### Statistical Exclusion for Bids and Offers

Two Bids and 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