

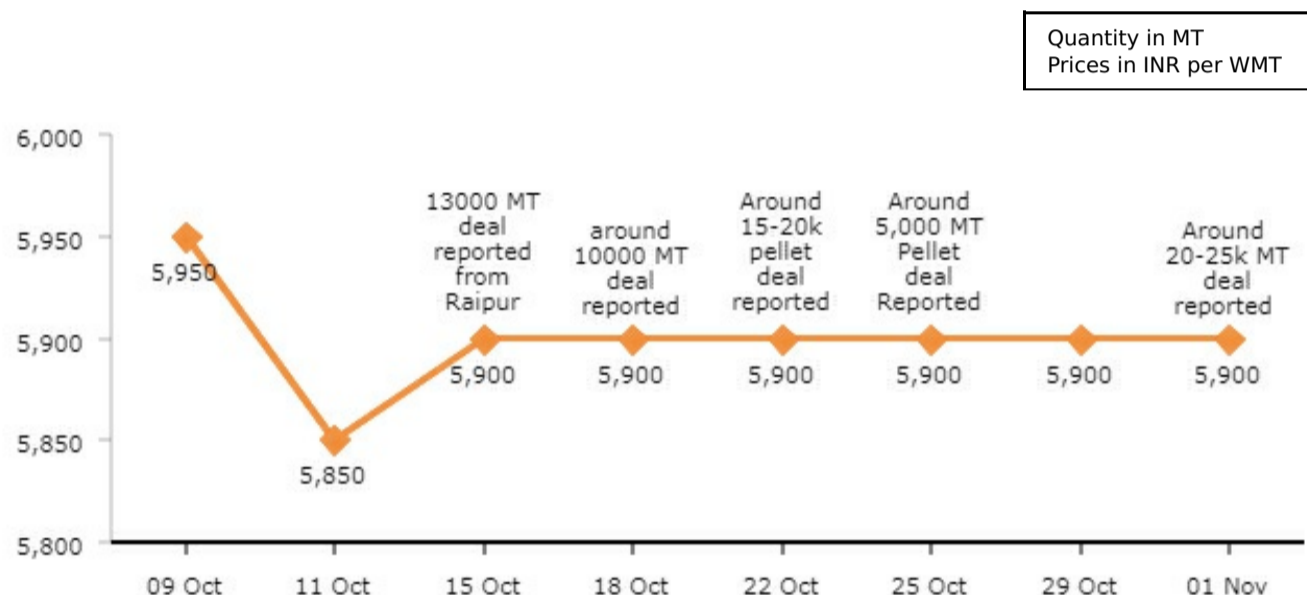
Pellet Index-PELLEX

PELLEX Rationale

PELLEX- DAP Raipur (Delivered Price - Plantsite in Raipur)	INR 5,900/WMT*
Date and Time of publication	01 November, 2019 & 18.30 (IST)
Publishing Window	Wednesday to Friday
Last Index Price (29 Oct, 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) in decent deals.
- In Raipur market total 20,000-25,000 MT deal reported for Pellets at INR 5,700- 5,800/MT(Ex-plant); normalizing for freight to Raipur at INR 5,850-5,950/MT (DAP Raipur). Out of the total deals, some were also concluded to outside state-based units like Gujarat and Maharashtra (Chandrapur).

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 by INR 100/MT to INR 5,400-5,500 (Ex-plant), normalizing freight to Raipur at INR 6,050-6,150/MT (DAP Raipur).

Firm Bids

- Two bids reported in this publishing window at INR 5,650/MT (DAP Raipur).
- SteelMint P-DRI Assessment (Nov 01, 2019) increased by INR 400/MT to INR 16,000/MT (Ex-Raipur) against INR 15,600/MT a week ago.

Export Realization

- Two Pellet export deals were reported to China in this publishing window. Eastern India based steel Pellet makers concluded Fe 64% grade and, 3% Al at around USD 89-90/MT, FoB India equivalent to USD 102/MT CFR China.
- Ex -Plant export realization for Raipur pellet maker down to INR 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

- Chhattisgarh based steel plants increased sourcing from NMDC (CG) by 38% from 29 rakes (equivalent to 112,000 MT) in Sep'19 to 40 rakes (155,000 MT) Oct'19 (This does not include movement through road).
- Considering the land cost of Lump and other factors like yield, conversion cost, etc for NMDC and Orissa; the substitute parity price for Pellet is INR 5,980/MT (DAP Raipur).

Deals from Other Regions

- Bellary based pellet makers concluded around 26,000 MT pellet deals at INR 6,100-6,300/MT (Ex-Bellary) this week.
- Yesterday one of the pellet makers from Raigarh concluded around 3,000 MT deal in the local market at INR 5,400/MT (Ex-plant).

Statistical Exclusion for Bids and Offers

Two offers

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