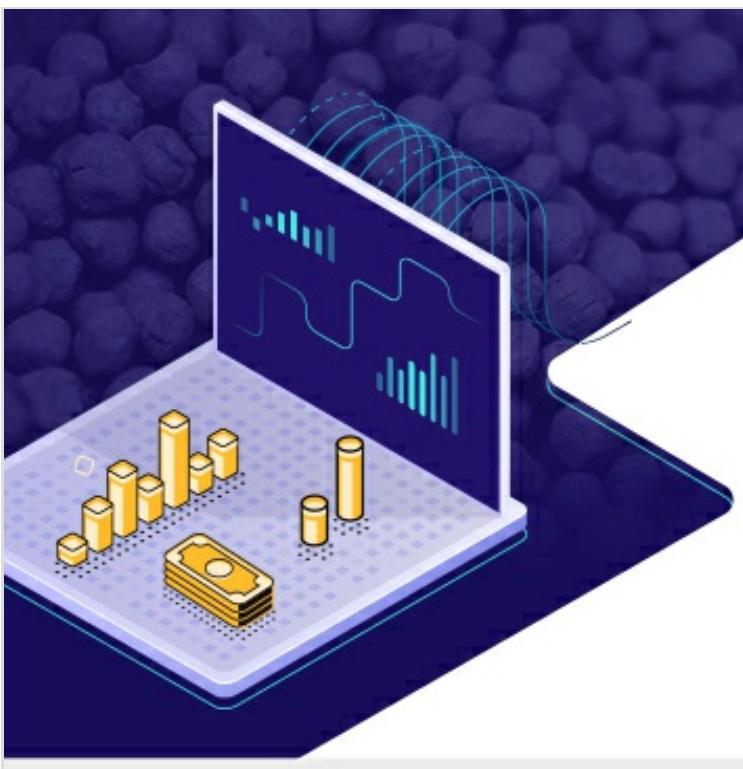


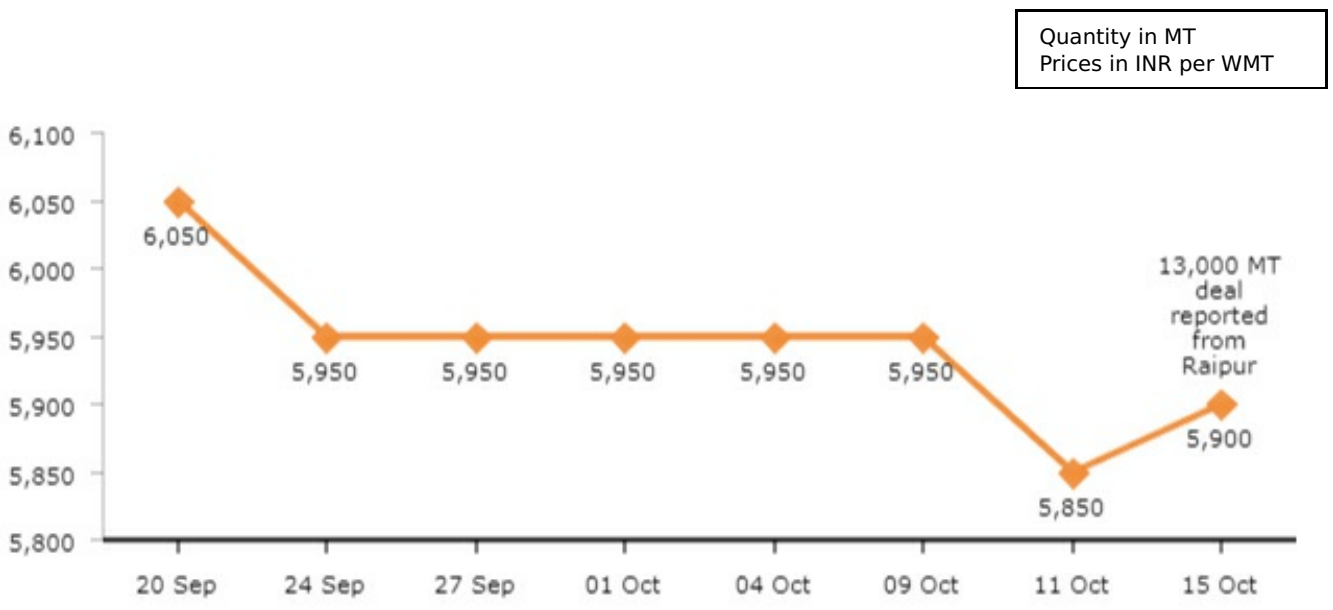
Pellet Index- PELLEX

PELLEX Rationale

PELLEX- DAP Raipur (Delivered Price - Plantsite in Raipur)	**INR 5,900/WMT***
Date and Time of publication	15 October, 2019 & 18.30 (IST)
Publishing Window	Monday to Tuesday
Last Index Price (9 Oct, 2019)	5,850
% change	1

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

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



Concluded Transaction Price

- PELLEX up marginally by INR 50/MT at INR 5,900/wmt (DAP Raipur) amid active transactions reported.
- 5,000 MT pellet deals reported to Raipur market and remaining 8,000 MT outside Raipur at INR 5,700- 5,800/MT(Ex-plant); normalizing for freight to Raipur at INR 5,850-5,950/MT (DAP Raipur).

Firm Offers

- Raipur based pellet offers stable at INR 5,800/MT(Ex-plant); normalizing for freight to Raipur at INR 5,950/MT (DAP Raipur).
- Raigarh based pellet maker also kept pellet offer stable to INR 5,600 (Ex-plant), normalizing freight to Raipur at INR 6,250/MT (DAP Raipur).

Firm Bids

- Four bids were reported at INR 5,650-5,750/MT (DAP Raipur).
- SteelMint P-DRI Assessment (Oct 15, 2019) increased by INR 200/MT to INR 15,900/MT (Ex-Raipur) against INR 15,700/MT last week.

Export Realization

- Two Pellet export deals were reported to China in this publishing window. An Eastern India based steel Pellet maker for Fe 64% grade and, 3% Al at around USD 93/MT, FoB India equivalent to USD 105-106/MT CFR China.
- Another pellet export deal concluded by Central India base Pellet maker for Fe 64% grade and, 2% Al at around USD 110/MT CFR China.
- .SteelMint Pellet Exports assessment stands for Fe 64% (3% Alumina) at around USD 93-94/MT, FoB India.
- Ex -Plant export realization for Raipur pellet maker at INR 5,200-5,300/WMT.
- In Central India, the export market is semi-liquid, therefore the export realization factor has been ignored in the computation of PELLEX.

Substitute Parity Price

- 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 5,920/MT (DAP Raipur).

Statistical Exclusion for Bids and Offers (no. and normalized values)

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