

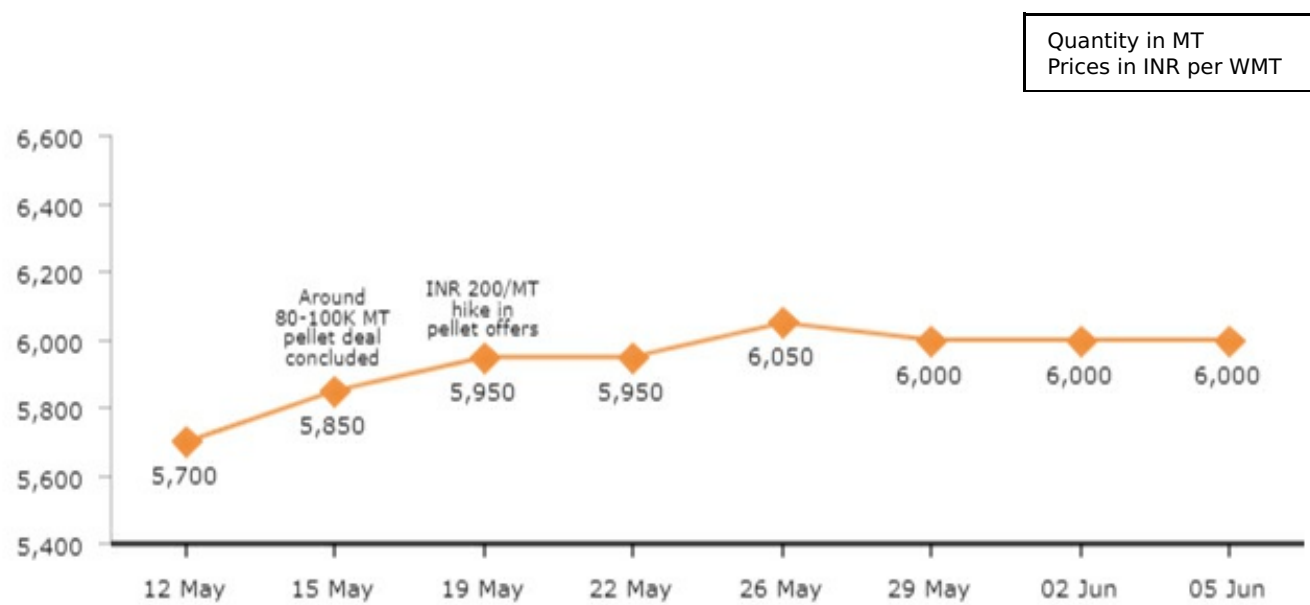
# Pellet Index-PELLEX

## PELLEX Rationale

|                                                            |                             |
|------------------------------------------------------------|-----------------------------|
| PELLEX- DAP Raipur (Delivered Price - Plantsite in Raipur) | <b>INR 6,000/WMT*</b>       |
| Date and Time of publication                               | 05 June, 2020 & 18.30 (IST) |
| Publishing Window                                          | Wednesday` to Friday        |
| Last Index Price (02 Jun, 2020)                            | INR 6,000/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 stable at INR 6,000/wmt (DAP Raipur) in this publishing window.
- However, no pellet deal has been concluded with the increased pellet offers so far. Domestic pellet trades have slightly moved down on limited trades in the sponge market.

### Firm Offers

- Raipur based pellet offers stable at INR 6,000/MT( Ex-plant); normalizing for freight to Raipur at INR 6,150/MT (DAP Raipur).
- Raigarh based pellet makers offer have remained stable at INR 5,600-5,700/MT (Ex-plant) in this window of Index. However, no deal has been concluded yet.

### Firm Bids

- No firm bids for pellets received in this publishing window.
- SteelMint P-DRI assessment ( June 05, 2020) stable at to INR 16,100/MT(Ex-plant) as against last assessment (on 03rd June 2020) at INR 16,150/MT.

### Export Realization

- Two days back, a Raipur based major pellet maker had concluded a pellet export deal for around 55,000 MT (low Alumina) at around USD 117/MT CFR, China in this publishing window.
- However, SteelMint assessment for Fe 64% grade pellets with 3% Al stable this week at around USD 113-115/MT, CFR China same against the last week assessment.
- Ex -Plant export realization for pellet maker is around INR 6,200/WMT.

### 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 5,450/MT (DAP Raipur).

### Deals from Other Regions

- Bellary based pellet makers have sold around 15,000 MT pellets at around INR 6,000-6,200/MT (Ex-plant) in the last two-three days.
- Jamshedpur pellet maker has concluded around 8,000 MT pellet deal at around INR 5,300-5,400/MT (Ex-plant) recently.

### 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)<br>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