

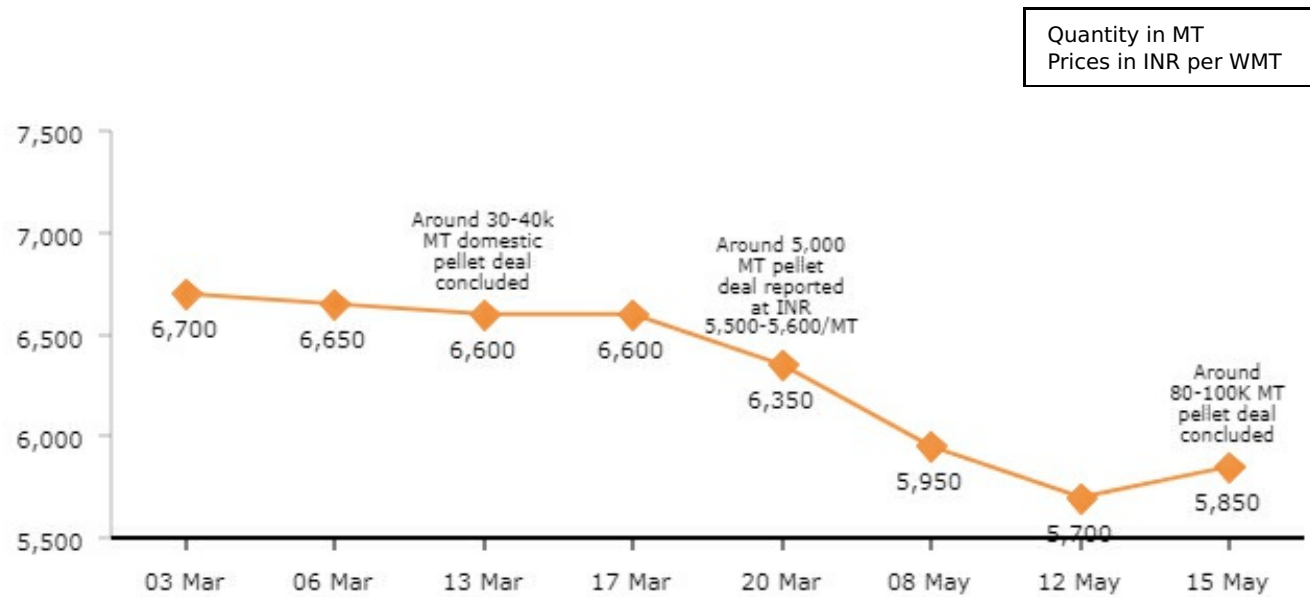
Pellet Index-PELLEX

PELLEX Rationale

PELLEX- DAP Raipur (Delivered Price - Plantsite in Raipur)	INR 5,850/WMT*
Date and Time of publication	15 May, 2020 & 18.30 (IST)
Publishing Window	Wednesday to Friday
Last Index Price (12 May, 2020)	INR 5,700/WMT*
% change	3

* Rounded off to the nearest multiple of 50

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



Concluded Transaction Price

- PELLEX increased by INR 150/MT to INR 5,850/wmt (DAP Raipur) for this publishing window.
- As per the market participants, pellet makers sold at around 80,000-100,000 MT pellets in the local market Raipur market at INR 5600-5850/MT (DAP Raipur). SteelMint has also heard that they may increase the pellet offer soon.

Firm Offers

- Raipur based pellet offers at INR 5,700/MT (Ex-plant); normalizing for freight to Raipur at INR 5,850/MT (DAP Raipur).
- Raigarh based pellet maker offers stable at INR 5,400-5,500 (Ex-plant) this week. One of the major pellet makers continues to not offering pellets owing to a lack of material availability.
- Jharsuguda based pellet maker kept the offers stable at INR 5,200/MT (Ex-plant).

Firm Bids

- SteelMint P-DRI assessment (May 15, 2020) increased by INR 600/MT to INR 15,500/MT (Ex-plant) as against the last assessment at INR 14,900/MT two days back on 13th May.

Export Realization

- An Eastern India (Odisha) based pellet maker has concluded a pellet export deal recently for 50,000 MT Fe 64% grade pellets with 3% Al. The deal heard to be concluded at around USD 108/MT, CFR China for Jun Shipment.
- West Bengal based pellet maker has concluded an export deal for 50,000 MT pellets consisting of Fe 64% grade pellets at USD 108-109/MT, CFR China for June dispatches.
- Another Odisha (eastern India) based major pellet maker had concluded an export deal for Fe 64% and 2.8 Al content yesterday (i.e 13th May). The deal has been concluded at around USD 108/MT CFR China, for the end of May'20 shipment.
- Jindal SAW- western India pellet maker booked a 50,000 MT pellet (Fe 63%) export deal yesterday to Malaysia at around USD 107/MT, CFR.
- In another deal, a few days back from Central India- a Raipur based major pellet maker had also concluded around 100,000 MT pellet export deal recently this week at around USD 104-105/MT, CFR.

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 5,460/MT (DAP Raipur).

Deals from Other Regions

- Raigarh based pellet concluded around 10,000 MT pellet deal in the local Raigarh market at INR 5,400-5,500/MT in the last two-three days.
- Rourkela (Odisha) based pellet maker sold around 15,000 MT pellets in Raigarh at INR 5,000/MT (Loaded to the wagon).
- Jamshedpur based pellet makers sold around 15,000 MT pellets at INR 5,100/MT (Ex-plant) in a recent deal.

Statistical Exclusion for Bids and Offers

Two 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