

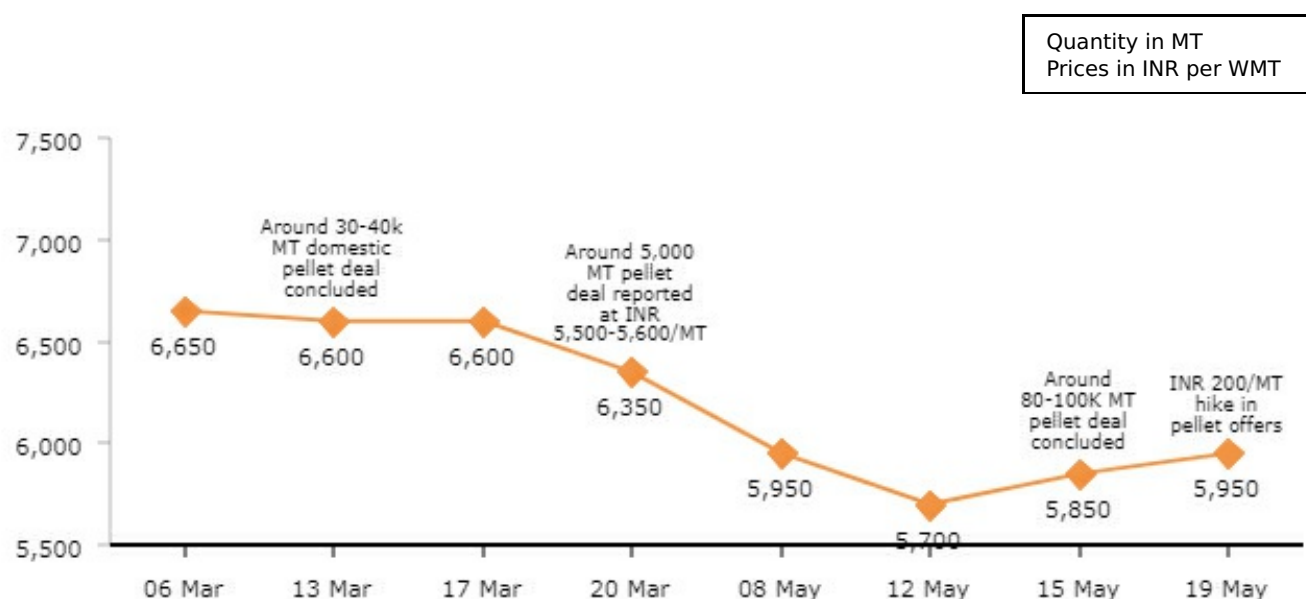
Pellet Index-PELLEX

PELLEX Rationale

PELLEX- DAP Raipur (Delivered Price - Plantsite in Raipur)	INR 5,950/WMT*
Date and Time of publication	19 May, 2020 & 18.30 (IST)
Publishing Window	Monday to Tuesday
Last Index Price (15 May, 2020)	INR 5,850/WMT*
% change	2

* 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 by INR 100/MT to INR 5,950/wmt (DAP Raipur) following a hike in pellet offers.
- As per the market participants, a major Raipur based pellet maker sold around 10,000 MT pellets in the local Raipur market at INR 5,950-6,050/MT (DAP Raipur).

Firm Offers

- Raipur based pellet offers increased by INR 200/MT to INR 5,900/MT (Ex-plant); normalizing for freight to Raipur at INR 6,050/MT (DAP Raipur).
- Raigarh based pellet maker offers stable at INR 5,400-5,500 /MT (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

- No firm bids for pellets received in this publishing window.
- SteelMint P-DRI assessment (May 19, 2020) decreased by INR 100/MT to INR 15,200/MT (Ex-plant) as against last yesterday's assessment at INR 15,300/MT.

Export Realization

- No pellet export deal heard in this publishing window. However, SteelMint pellet export assessment for Fe 64% grade pellets with 3% Al at USD 107-108/MT, CFR China.
- Ex -Plant export realization for pellet maker is around INR 5,900/WMT.

Substitute Parity Price

- Serajuddin- Odisha's major merchant iron ore mine has decreased iron ore lump offers by INR 500/MT (USD 7) effective from today (19 May'20). As per the market participants, miner has decreased prices to INR 3,500/MT (ex-mines, including Royalty, DMF, & NMET).
- NMDC's iron ore rake movement from its Chhattisgarh mines to state-based steel units has picked up to 11 rakes (42,350 MT) in May'20 (till 17th May) against nil in Apr'20.
- 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 5,390/MT (DAP Raipur).

Deals from Other Regions

- Bellary based pellet makers have sold around 25,000 MT pellets in the local market at around INR 6,100-6,400/MT (Ex-plant) in the last three-four days.
- Jharsuguda based pellet maker also sold around one rake of pellet to Raigarh at INR 5,200/MT (Ex-plant).
- Rourkela (Odisha) based pellet maker sold around 3,000 MT pellets in Raigarh at INR 5,000/MT (Ex-plant) a few days back.
- Jamshedpur based pellet makers sold around 5,000 MT pellets at INR 5,100-5,200/MT (Ex-plant) in a recent deal.

Statistical Exclusion for Bids and Offers

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