

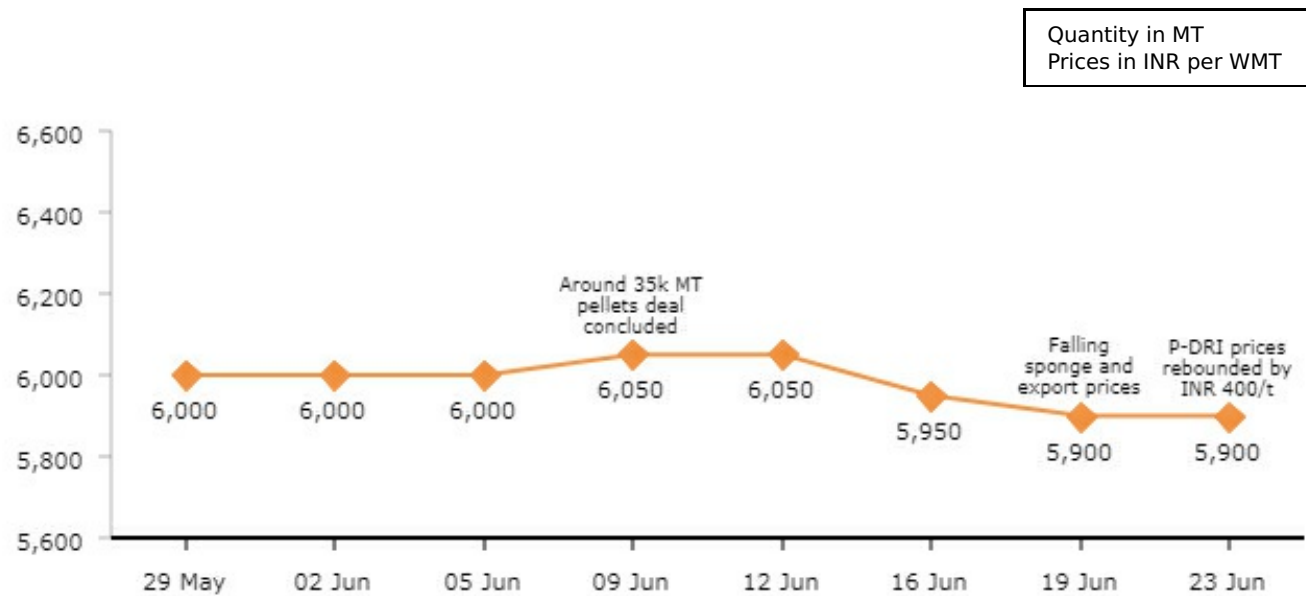
Pellet Index- PELLEX

PELLEX Rationale

PELLEX- DAP Raipur (Delivered Price - Plantsite in Raipur)	INR 5,900/WMT*
Date and Time of publication	23 June, 2020 & 18.30 (IST)
Publishing Window	Monday to Tuesday
Last Index Price (23 Jun, 2020)	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 remains stable at INR 5,900/wmt (DAP Raipur).
- Few deals are learned to be in negotiation at slightly lower than prevailing offers but are yet to be concluded.

Firm Offers

- Raipur based major pellet makers kept offers stable at INR 6,000/t (Ex-plant); normalizing for freight to Raipur at INR 6,150/t (DAP Raipur).
- Raigarh based pellet makers offer stable at INR 5,500-5,600/t (Ex-plant) in this window of Index.

Firm Bids

- No firm bids for pellets received in this publishing window.
- SteelMint P-DRI assessment (June 23, 2020) moved up sharply by INR 400/t to INR 15,000/t (ex-plant) as against the last assessment yesterday at 14,600/t (ex-plant).

Export Realization

- An Odisha based pellet maker has concluded around 25,000 t pellet export deal for Fe 64% grade pellets with 3% Al recently to Malaysia at around \$115/t, CFR.
- In another deal Odisha based pellet maker has also concluded a pellet export deal (Fe 64% grade pellets 3% Al) \$112/t, CFR China.
- Ex -Plant export realization for pellet maker has come down by INR 100/t to around INR 5,900/t this week.

Substitute Parity Price

- NMDC has resumed normal dispatches at its Bachel iron ore mining complex in the state of Chhattisgarh since last Friday. Loading activities were hampered since 12 June when the state government had disallowed NMDC to use its loading facilities to store iron ore prior to dispatching them in wagons, claiming that the company was storing iron ore offsite, a claim NMDC disputes.
- 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/t (DAP Raipur).

Deals from Other Regions

- Bellary based pellet makers have sold around 8,000 t pellets at around INR 5,900-6,150/t (Ex-plant) in the last three-four days.

Statistical Exclusion for Bids and Offers

Three 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