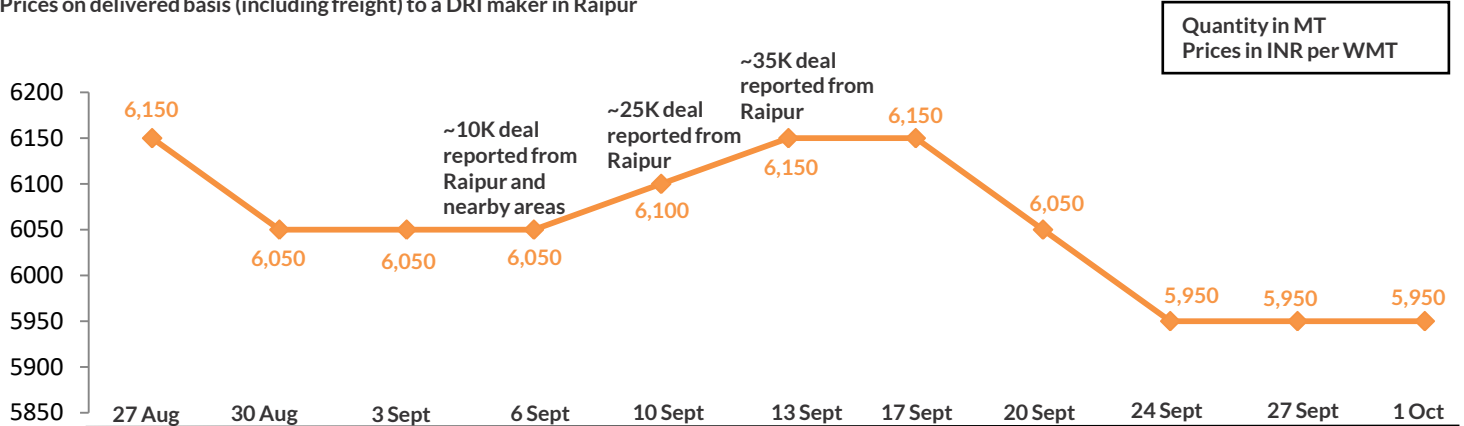


# PELLEX Rationale

PELLEX- DAP Raipur(Delivered Price - Plantsite in Raipur)	INR 5,950/WMT*
Date and Time of publication	1 October, 2019 & 18.30 (IST)
Publishing Window	Monday to Tuesday
Last Index Price (27 September, 2019)	INR 5,950/WMT*
% change	No Change

\*Rounded off to the nearest multiple of 50

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



<b>Concluded Transaction Price</b>	
<ul style="list-style-type: none"> <li>•PELLEX stable at INR 5,950/wmt (DAP Raipur) amid limited Quantities .</li> <li>•Few small deal (less than 2,000 MT each) were reported at INR 6,150/MT (DAP Raipur) from Raipur. However, these have ignored for PELLEX assessment (as per SteelMint methodology).</li> </ul>	
<b>Firm Offers</b>	
<ul style="list-style-type: none"> <li>•Raipur based pellet maker have kept their offers stable at INR 6,000/MT( Ex-plant); normalizing for freight to Raipur at INR 6,150/MT (DAP Raipur).</li> <li>•Durg based pellet maker is offering at INR 6,000/MT( Ex-plant); normalizing for freight to Raipur at INR 6,250/MT (DAP Raipur).</li> <li>•Raigarh based pellet maker offering pellet at INR 5,700-5,800/MT(Ex-plant), normalizing freight to Raipur at INR 6,350- 6,450/MT (DAP Raipur). Yesterday one deal was concluded by Raigarh based pellet for 5,000 MT at INR 5700/MT (Ex-plant).</li> </ul>	
<b>Firm Bids</b>	
<ul style="list-style-type: none"> <li>•No firm bids were reported amid dull demand and upcoming festival holidays.</li> <li>•SteelMint P-DRI Assessment (Oct 01, 2019) at INR 16,000/MT (Ex-Raipur) against INR 16,200/MT (Ex-Raipur) a week before.</li> </ul>	
<b>Export Realization</b>	
<ul style="list-style-type: none"> <li>•One export deal was reported in this publishing window by Durgapur based pellet maker at around USD 106/MT CFR for Fe 64% grade (Al 3%).</li> <li>•Pellet Exports indications stands for Fe 64% (3% Alumina) at around USD 92/MT FoB India.</li> <li>•Ex -Plant export realization for Raipur pellet maker at INR 5,100-5,200/WMT.</li> <li>•In Central India export market is illiquid, therefore export realization factor has been ignored in computation of PELLEX.</li> </ul>	
<b>Substitute Parity Price</b>	
<ul style="list-style-type: none"> <li>•NMDC iron ore supply increased by 4% to 29 rakes (0.11 MnT) to state-based units in Sept'19, against 28 rakes a month before. Total of 190 rakes (0.73 MnT) of iron ore in the month of Sept'19, up 12% against 169 rakes (0.65 MnT) a month before in Aug'19.</li> <li>•Considering land cost of Lump and other factors like yield, conversion cost etc for NMDC and Orissa; the substitute parity price for Pellet is INR 5,650 (DAP Raipur).</li> </ul>	
Statistical Exclusion for Bids and Offers (no. and normalized values)	One offers at INR 6.450 (DAP Raipur)



# PELLET SPECIFICATION

India Domestic Pellet specification, DAPRaipur		
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 / Alumina	Maximum 7.0%
8	Trade Size	Minimum 2,500 MT, Maximum 10,000 MT
9	LOI	Base 3.0%
10	Delivery Terms	DAP Raipur (Delivered to Buyers site in Raipur)
11	Delivery period	Within 2 -4 week
12	Assessment Frequency	Twice in a Week
14	Data collection	Window 1 - Monday 9.00 until Tuesday 17.30 (IST) Window 2 - Wednesday 9.00 until Friday 17.30 (IST)
15	Publication	Window 1 - Tuesday 18.30 (IST) Window 2 - Friday 18.30 (IST)
15	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