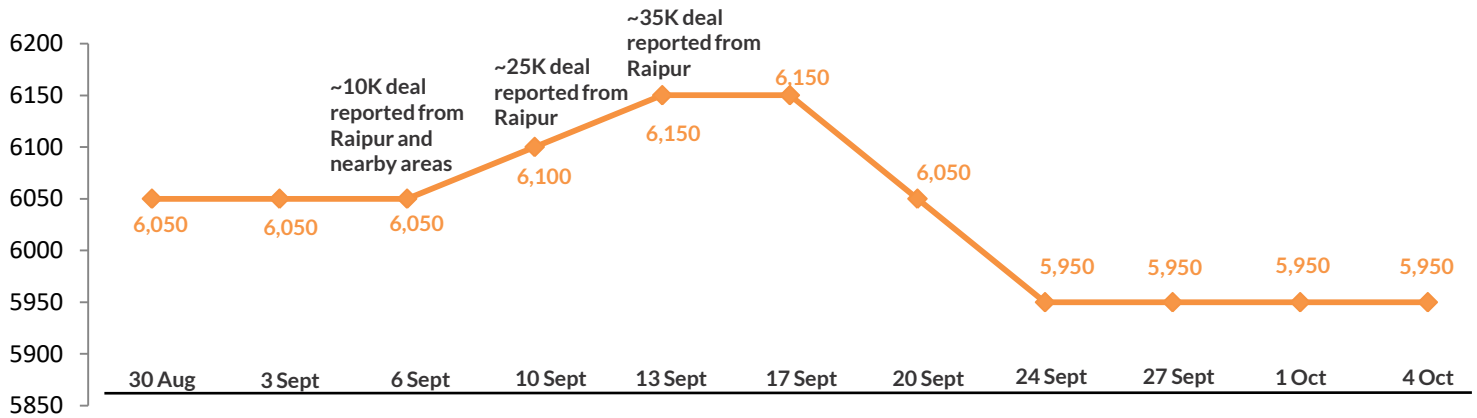


PELLEX Rationale

PELLEX- DAP Raipur(Delivered Price - Plantsite in Raipur)		INR 5,950/WMT*
Date and Time of publication		4 October, 2019 & 18.30 (IST)
Publishing Window		Wednesday to Friday
Last Index Price (1 October, 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



Concluded Transaction Price	
<ul style="list-style-type: none"> •PELLEX Stable at INR 5,950/wmt (DAP Raipur) amid weak market sentiments. • One deal for 2,000 MT was reported in this publishing window from Raipur at INR 6,150/MT (DAP Raipur) . However, the same has been ignored for PELLEX assessment (as per SteelMint methodology). 	
Firm Offers	
<ul style="list-style-type: none"> •Raipur based pellet makers have kept 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 maker is offering pellet at INR 5,600/MT(Ex-plant), normalizing freight to Raipur at INR 6,250/MT (DAP Raipur). One of the major steel maker from Raigarh is not offering in the domestic market . 	
Firm Bids	
<ul style="list-style-type: none"> •Limited bids were reported amid dull demand and ongoing festival holidays. •SteelMint P-DRI Assessment (Oct 04, 2019) at INR 15,700/MT (Ex-Raipur) against INR 16,200/MT (Ex-Raipur) a week before. 	
Export Realization	
<ul style="list-style-type: none"> •One pellet export tender of KIOCL concluded today for Fe 64% grade and, 2% Al at around USD 100/MT, FoB India. Although the Chinese steel market seems to remains silent over ongoing National holidays. •Export Indication at \$93-94 for regular grade pellet Fe 63% (3% Al). •Ex -Plant export realization for Raipur pellet maker at INR 5,100-5,200/WMT. •In Central India export market is illiquid, therefore export realization factor has been ignored in computation of PELLEX. 	
Substitute Parity Price	
<ul style="list-style-type: none"> •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. •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). 	
Statistical Exclusion for Bids and Offers (no. and normalized values)	One offer 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