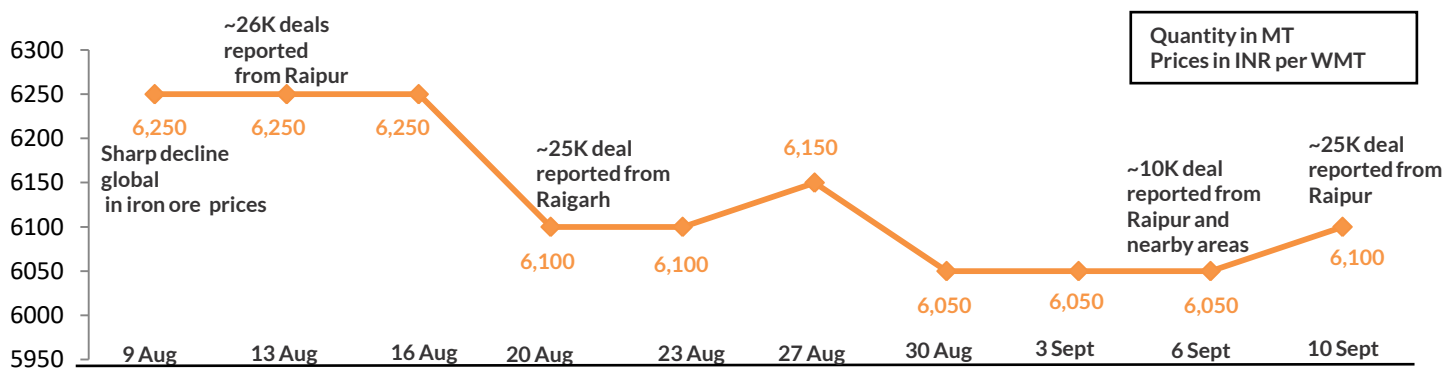


# PELLEX Rationale

<b>PELLEX- DAP Raipur(Delivered Price - Plantsite in Raipur)</b>		<b>INR 6,100/WMT*</b>
<b>Date and Time of publication</b>		<b>10 September, 2019 &amp; 18.30 (IST)</b>
<b>Publishing Window</b>		<b>Monday to Tuesday</b>
<b>Last Index Price (6 September, 2019)</b>	<b>INR 6,050/WMT*</b>	
<b>% change</b>	<b>0.83% ↑</b>	

\*Rounded off to the nearest multiple of 50

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



## Concluded Transaction Price

- PELLEX slightly increased to INR 6,100/WMT (DAP Raipur) amid active domestic buying and decent trades
- Three deals were reported in Raipur market in this publication window (with total traded quantity of 25,000 MT)
- One Raipur based pellet maker concluded a deal of 10,000 MT at INR 6,000/MT (Ex-plant); normalizing for freight to Raipur at INR 6,150 (DAP Raipur)
- Another Raipur based pellet maker concluded a deal of 5,000 MT at INR 5,950/MT (Ex-plant); normalizing for freight to Raipur at INR 6,100 (DAP Raipur)
- Another deal of 10,000 MT was concluded from Raipur to Chandrapur at INR 5,850/MT (Ex-plant)

## Firm Offers

- Raipur based plants' have kept their offers unchanged at INR 6,000/MT( Ex-plant); normalizing for freight to Raipur at INR 6,150/MT (DAP Raipur)
- Few offers from Durg and Jamshedpur are reported at INR 6,250/MT and 6,400/MT (DAP Raipur)
- Monnet Ispat Ltd (Raigarh) is offering pellets at INR 5800/MT (Ex-plant) and concluded a deal for 10,000 MT at INR 5800/MT (Ex-plant) yesterday
- No offers from Shyam Metaliks (Jharsuguda) were reported and were informed to have kept the sale close

## Firm Bids

- Two firm bids were reported in the range at INR 5,750 and 5,950 (DAP Raipur)
- Two more bids reported at INR 5,650 MT (DAP Raipur) and have been excluded from the assessment
- SteelMint P-DRI Assessment (Sept 10, 2019) at INR 16,400/MT (Ex-Raipur) against INR 15,850/MT (Ex-Raipur) a week before. Yesterday Raipur based sponge manufacturers sold over 10,000 MT P-DRI at INR 16,200-16,400/MT (Ex-plant)

## Export Realization

- No export deal was reported in this publishing window
- Exports indications stands at around USD 92/MT, FoB India
- Ex - Plant export realization comes around INR 5,200- 5,300/WMT (basis the FoB equivalent of USD 92-93/DMT)
- Since export market is illiquid, export realization factor has been ignored in computation of PELLEX

## Substitute Parity Price

- 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 6,080 (DAP Raipur)
- Since iron ore movement from NMDC and Odisha has slowed amid monsoons, Substitute parity factor has been ignored in computation of PELLEX

<b>Statistical Exclusion for Bids and Offers (no. and normalized values)</b>	Two Bids at INR 5,650/WMT (DAP Raipur) and Two Offers at INR 6,450/WMT (DAP Raipur)
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# 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