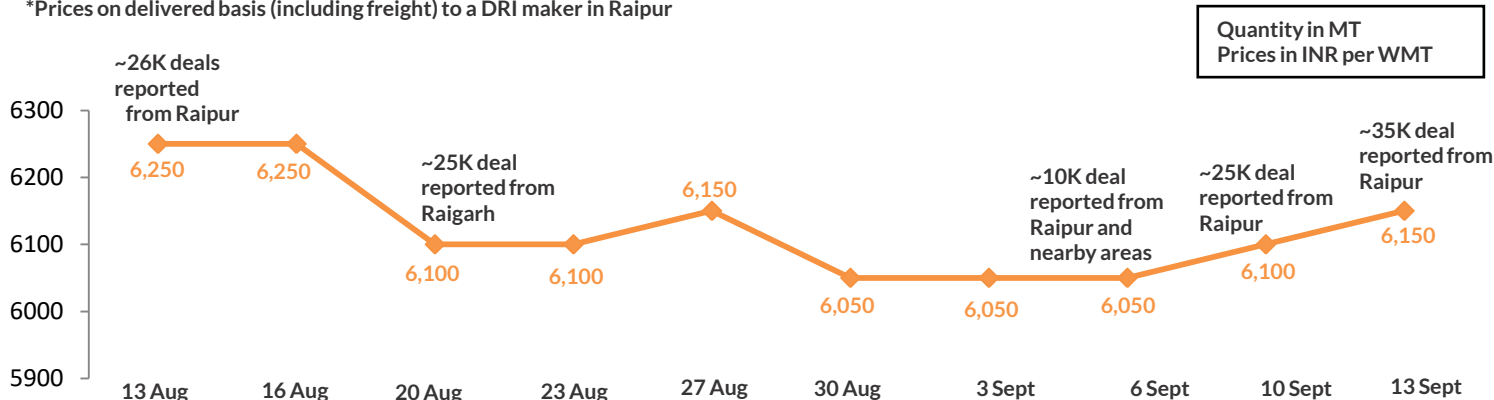


PELLEX Rationale

PELLEX- DAP Raipur(Delivered Price - Plantsite in Raipur)		INR 6,150/WMT*
Date and Time of publication		13 September, 2019 & 18.30 (IST)
Publishing Window		Wednesday to Friday
Last Index Price (10 September, 2019)	INR 6,100/WMT*	
% change	0.82% ↑	

*Rounded off to the nearest multiple of 50

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



Concluded Transaction Price

- PELLEX increased to INR 6,150/WMT (DAP Raipur) amid active trade volumes
- Two deals were reported in Raipur market in this publication window (with total traded quantity of 35,000 MT)
- Raipur based pellet makers concluded deals of 25,000 MT and 10,000 MT at INR 6,000/MT (Ex-plant); normalizing for freight to Raipur at INR 6,150 (DAP Raipur)

Firm Offers

- Raipur based plants' have hike their offers by INR 200/MT to INR 6,200/MT (Ex-plant); normalizing for freight to Raipur at INR 6,350/MT (DAP Raipur)
- Offers from Durg is reported at INR 6,350/MT (DAP Raipur)
- Monnet Ispat Ltd (Raigarh) and Shyam Metaliks(Jharsuguda) are not offering and are informed to have kept the sale close

Firm Bids

- One firm bid was reported at INR 5,950 (DAP Raipur)
- Three more bids reported at INR 5,650 MT – INR 5,750 (DAP Raipur) and have been excluded from the assessment
- SteelMint P-DRI Assessment (Sept 13, 2019) at INR 16,450/MT (Ex-Raipur) against INR 16,100/MT (Ex-Raipur) a week before

Export Realization

- Two export deals were reported in this publication window
- One deal was reported by KIOCL(Karnataka) at around USD 98/MT FoB India for Fe 64% grade (Al 2%)
- Another deal was concluded by a East-India pellet maker to China at USD 108/MT, CFR China for Fe 64% grade (Al 3%)
- Exports indications for standard grade pellet (Fe 64%, Al 3%) stands at USD 92-93/MT, FoB India
- Ex - Plant export realization for Raipur pellet maker stable at INR 5,200-5,300/WMT
- Since Export market is illiquid in Central India, 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 6,120 (DAP Raipur)
- Since iron ore movement from NMDC and Odisha has slowed amid monsoons, Substitute parity factor has been ignored in computation of PELLEX

Statistical Exclusion for Bids and Offers (no. and normalized values)	Three Bids at INR 5,650-5,750/WMT (DAP Raipur) and One Offer at INR 6,650/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