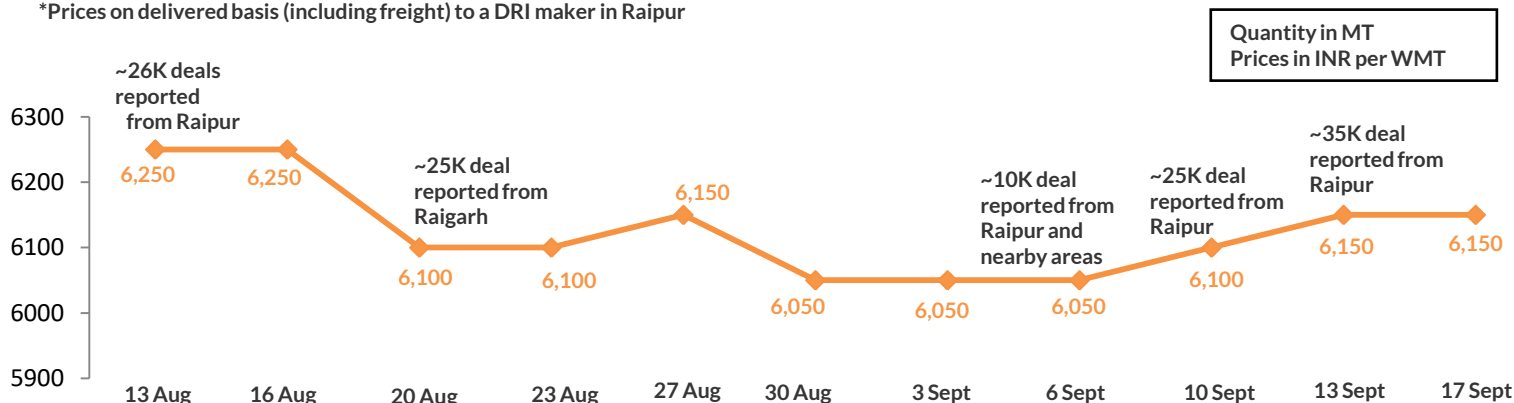


# PELLEX Rationale

<b>PELLEX- DAP Raipur (Delivered Price - Plantsite in Raipur)</b>		<b>INR 6,150/WMT*</b>
<b>Date and Time of publication</b>		<b>17 September, 2019 &amp; 18.30 (IST)</b>
<b>Publishing Window</b>		<b>Monday to Tuesday</b>
<b>Last Index Price (13 September, 2019)</b>	<b>INR 6,150/WMT*</b>	
<b>% change</b>	<b>No Change</b>	

\*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 6,150/wmt (DAP Raipur) amid silent market</li> <li>• No deals were reported in this publication window.</li> </ul>	
<b>Firm Offers</b>	
<ul style="list-style-type: none"> <li>• Raipur based plants' have kept their offers unchanged at INR 6,200/MT (Ex-plant); normalizing for freight to Raipur at INR 6,350/MT (DAP Raipur)</li> <li>• Raigarh based pellet maker offering pellet at INR 6,000/MT (Ex-plant), normalizing for freight to Raipur at INR 6,650/MT (DAP Raipur)</li> <li>• Offers from Durg is reported at INR 6,450/MT (DAP Raipur)</li> <li>• Shyam Metaliks (Jharsuguda) continues to not offer and have kept the sale close</li> </ul>	
<b>Firm Bids</b>	
<ul style="list-style-type: none"> <li>• No bids were reported</li> <li>• SteelMint P-DRI Assessment (Sept 17, 2019) at INR 16,700/MT (Ex-Raipur) against INR 16,400/MT (Ex-Raipur) a week before</li> </ul>	
<b>Export Realization</b>	
<ul style="list-style-type: none"> <li>• One export deal was reported by East-India pellet maker to China at around USD 107/DMT CFR China for Fe 64% grade (Al 3%)</li> <li>• Exports indications for standard grade pellet (Fe 64%, Al 3%) stands at USD 92-93/MT, FoB India</li> <li>• Ex - Plant export realization for Raipur pellet maker stable at INR 5,200-5,300/WMT</li> <li>• Since Export market is illiquid in Central India, export realization factor has been ignored in computation of PELLEX</li> </ul>	
<b>Substitute Parity Price</b>	
<ul style="list-style-type: none"> <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 6,120 (DAP Raipur)</li> <li>• Since iron ore movement from NMDC and Odisha has slowed amid monsoons, Substitute parity factor has been ignored in computation of PELLEX</li> </ul>	
<b>Statistical Exclusion for Bids and Offers (no. and normalized values)</b>	<b>Two Offers at INR 6,650/WMT (DAP Raipur)</b>

# 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