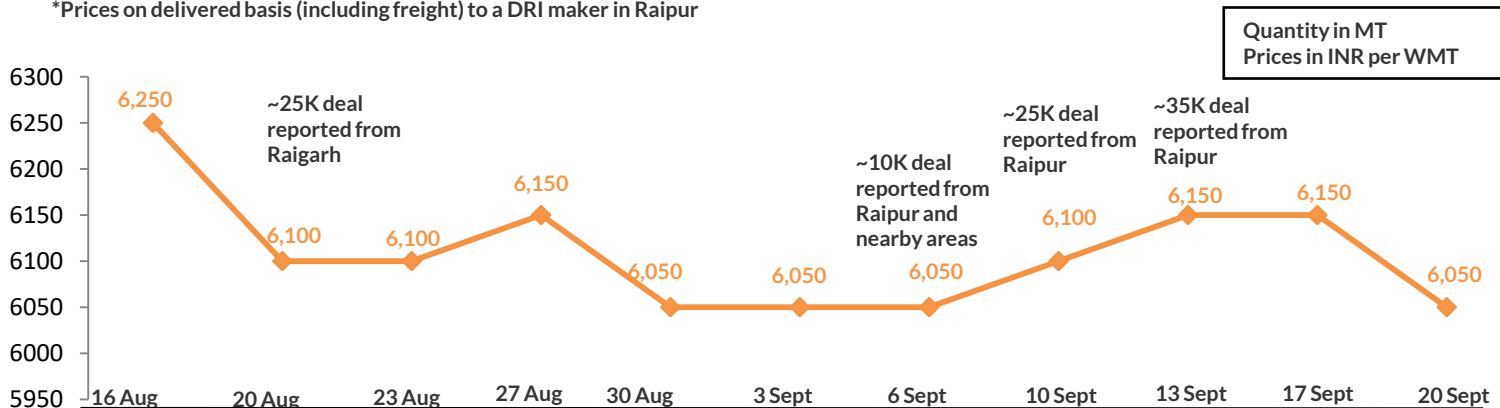


PELLEX Rationale

PELLEX- DAP Raipur (Delivered Price - Plantsite in Raipur)		INR 6,050/WMT*
Date and Time of publication		20 September, 2019 & 18.30 (IST)
Publishing Window		Wednesday to Friday
Last Index Price (13 September, 2019)	INR 6,150/WMT*	
% change	1.63% ↓	

*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 down by INR 100/MT to INR 6,050/wmt (DAP Raipur) amid reduced pellet offers. • No deals were reported but certain deals are under negotiation in this publication window. 	
Firm Offers	
<ul style="list-style-type: none"> • Raipur based pellet maker decreased pellet offers by INR 100 to INR 6,000/MT (Ex-plant); normalizing for freight to Raipur at INR 6,150/MT (DAP Raipur). • Shyam Metaliks (Jharsuguda) continuously not offering pellets in the market. • 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). 	
Firm Bids	
<ul style="list-style-type: none"> • Three bids were reported at INR 5,650-5,950/MT (DAP Raipur). • SteelMint P-DRI Assessment (Sept 20, 2019) at INR 16,600/MT (Ex-Raipur) against INR 16,500/MT (Ex-Raipur) a week before. 	
Export Realization	
<ul style="list-style-type: none"> • No export deals reported in this publishing window. • Pellet Exports indications stands for Fe 64% (3% Alumina) at around USD 92-93/MT, FoB India. • Ex - Plant export realization for Raipur pellet maker stable at INR 5,200-5,300/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 C.G on 19th Sept announced a cut in its iron ore fines and lumps prices by INR 200/MT and DR-CLO by INR 230/MT. • 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 5,970 (DAP Raipur). • Since iron ore movement from NMDC and Odisha has slowed amid monsoon, substitute parity factor has been ignored in computation of PELLEX. 	
Statistical Exclusion for Bids and Offers (no. and normalized values)	Two offers at INR 6,650/WMT (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