

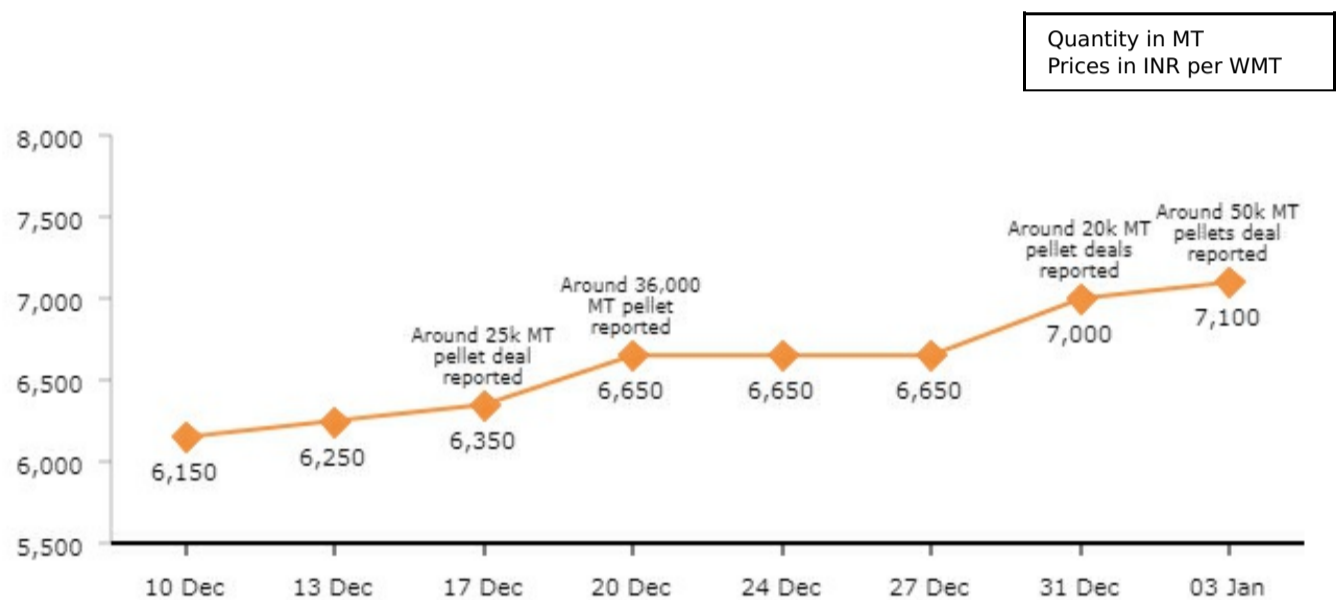
# Pellet Index- PELLEX

## PELLEX Rationale

PELLEX- DAP Raipur (Delivered Price - Plantsite in Raipur)	<b>INR 7,100/WMT*</b>
Date and Time of publication	03 January, 2020 & 18.30 (IST)
Publishing Window	Wednesday to Friday
Last Index Price (31 Dec, 2019)	INR 7,000/WMT*

\* **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 by INR 100/MT to INR 7,100/wmt (DAP Raipur) amid decent deals reported.
- Pellet deals for around 50,000 MT reported to Raipur and Durg sponge makers at INR 6,950-7,000/MT(Ex-plant); normalizing for freight to Raipur at INR 7,100-7,150/MT (DAP Raipur).

### Firm Offers

- Raipur based pellet makers offer at INR 7,000-7,200/MT( Ex-plant); normalizing for freight to Raipur at INR 7,150/MT (DAP Raipur).
- Raigarh based pellet makers increased offers to INR 7,200/MT (EXW). One of the major pellet makers was not quoting offer today, as they were watching market more precisely.
- No Pellet offers from Jharsuguda based pellet maker was reported.

### Firm Bids

- No firm bid for pellets was reported in this publishing window.
- SteelMint P-DRI Assessment (Jan 03, 2020) increased by INR 1,100/MT W-o-W to INR 20,100/MT as against INR 19,000/MT (Ex-Raipur) a week before. In a month P-DRI increased sharply by INR 3,600/MT (EXW).

### Export Realization

- No pellet exports deal hear in this publishing window. However, SteelMint Pellet export assessment for the regular grade (Fe 64% and 3% Al) stands at USD 102/MT, FoB India.
- Ex -Plant export realization for Raipur pellet maker is around INR 6,000/WMT.
- In Central India the export market is semi-liquid, therefore export realization factor has been ignored in the computation of PELLEX.

### Substitute Parity Price

- NMDC Ltd- India's biggest iron ore producer yesterday (02nd Jan 2020) announced a hike in its iron ore fines and lumps by INR 200/MT and DR-CLO price INR 230/MT and ROM by INR 190/MT.
- Considering the landed cost of Lump and other factors like yield, conversion cost, etc for NMDC and Orissa; the substitute parity price for Pellet is INR 6,540/MT (DAP Raipur).

### Deals from Other Regions

- Raigarh based pellet makers have sold around 10,000 MT pellets at INR 6,700-6,900/MT (EXW) yesterday.
- Bellary based pellet makers sold around 30,000MT pellets for Fe 63% grade at INR 7,200-7,500/MT in the last two-three days.
- As per the sources, Jamshedpur based pellet maker has concluded around 10,000 MT pellet deal yesterday back at INR 6,700/MT (EXW). However, Current offers for Jamshedpur also at INR 6,700/MT (EXW).
- Jharsuguda based pellet maker has concluded a total of 7,000 MT pellets at INR 6,500/MT (EXW) this week. Currently, they are not offering pellets.

### Statistical Exclusion for Bids and Offers

One offer

# PELLET SPECIFICATION

## India Domestic Pellet specification, DAP Raipur

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/Maximum 7.0% Alumina	Maximum 7.0%
06	Trade Size	Minimum 2,500 MT, Maximum 10,000 MT
07	LOI	Base 3.0%
08	Delivery Terms	DAP Raipur (Delivered to Buyers site in Raipur)
09	Delivery period	Within 2 -4 week
10	Assessment Frequency	Twice in a Week
11	Data collection	Window 1 - Monday 9.00 until Tuesday 17.30 (IST) Window 2 - Wednesday 9.00 until Friday 17.30 (IST)
12	Publication	Window 1 - Tuesday 18.30 (IST) Window 2 - Friday 18.30 (IST)
13	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