

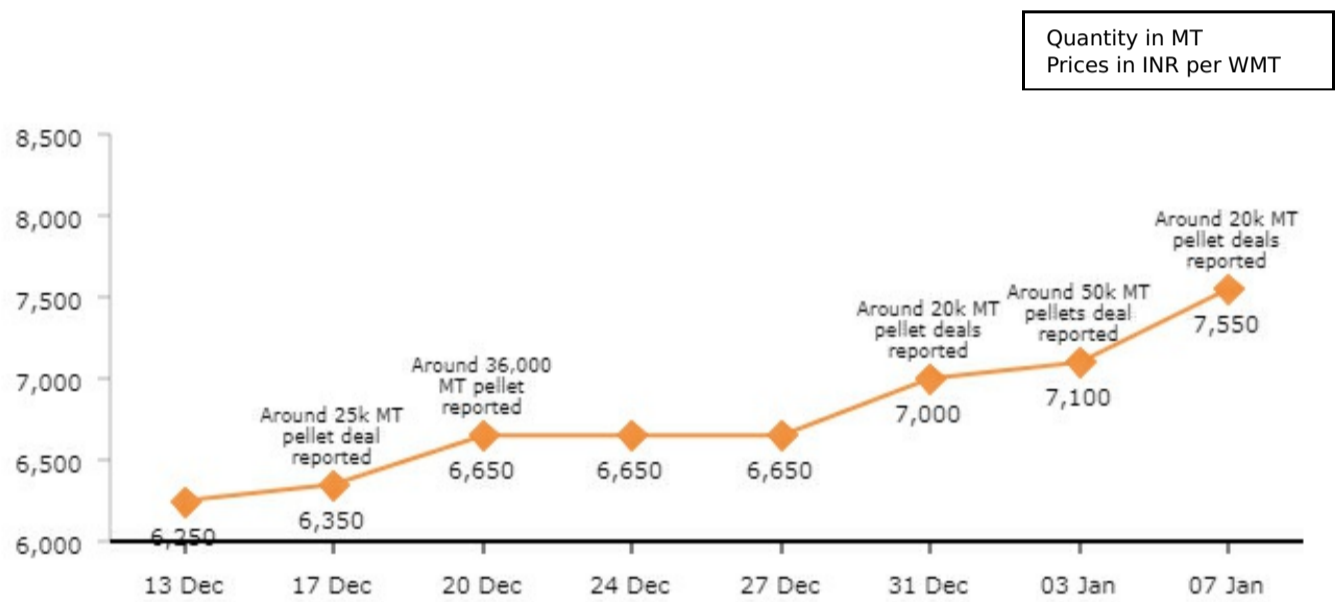
Pellet Index-PELLEX

PELLEX Rationale

PELLEX- DAP Raipur (Delivered Price - Plantsite in Raipur)	INR 7,550/WMT*
Date and Time of publication	07 January, 2020 & 18.30 (IST)
Publishing Window	Monday to Tuesday
Last Index Price (03 Jan, 2020)	INR 7,100/WMT*
% change	7

* 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 further by INR 450/MT to INR 7,550/wmt (DAP Raipur).
- Pellet deals for around 20,000 MT reported to Raipur sponge makers at INR 7,400/MT(Ex-plant); normalizing for freight to Raipur at INR 7,550/MT (DAP Raipur).

Firm Offers

- Raipur based pellet makers increased offer to INR 7,400/MT(Ex-plant); normalizing for freight to Raipur at INR 7,550/MT (DAP Raipur). As per the sources few pellet makers from Raipur have put bookings on hold for the next few days.
- Raigarh based pellet makers offer at INR7,000- 7,200/MT (EXW).

Firm Bids

- No firm bid for pellets was reported in this publishing window.
- SteelMint P-DRI Assessment (Jan 07, 2020) increased by INR 900/MT W-o-W to INR 20,100/MT as against INR 19,200/MT (Ex-Raipur) a week before.

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 103-104/MT, FoB India. India pellet makers are offering pellets for exports and deals are in the negotiations stage.
- Ex -Plant export realization for Raipur pellet maker is around INR 6,100/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

- 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 6,620/MT (DAP Raipur).
- In Central India the market is liquid, therefore substitute Parity factor has been ignored in the computation of PELLEX.

Deals from Other Regions

- Bellary based pellet makers sold small quantity around 3,000MT pellets for Fe 63% grade at INR 7,100/MT recently. Another major pellet maker from Bellary sold around 20,000 MT pellets for both the grades (Fe 63 and 65%) at INR 7,500-8,000/MT(EXW).

Statistical Exclusion for Bids and Offers

Nil

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