

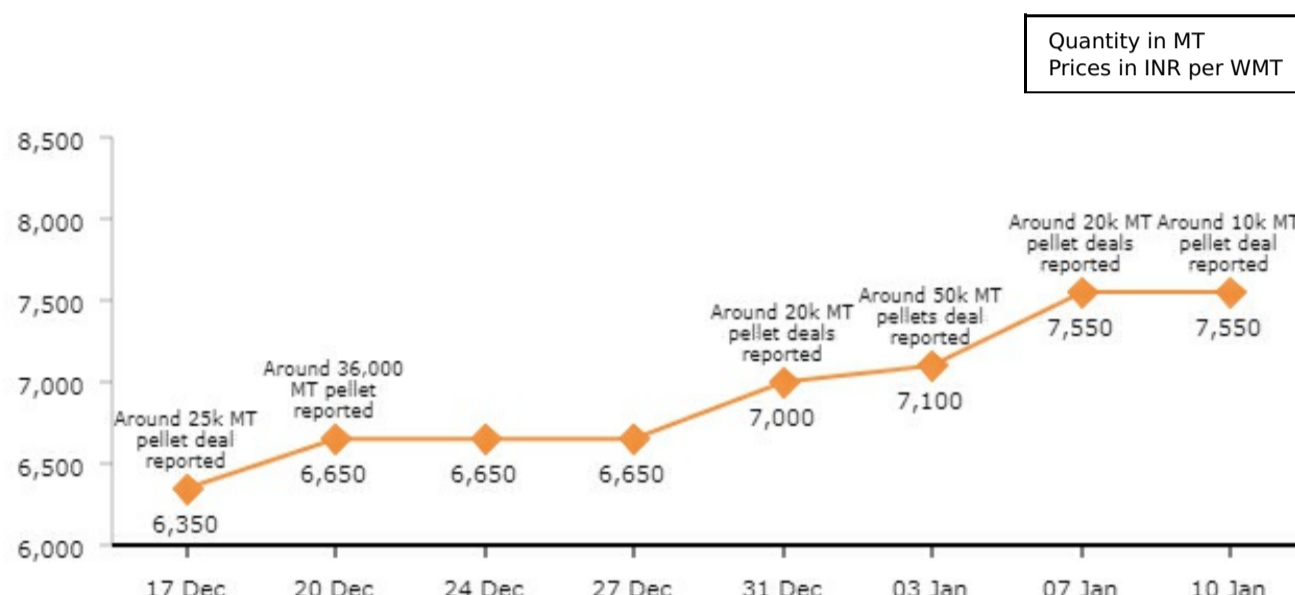
# Pellet Index- PELLEX

## PELLEX Rationale

PELLEX- DAP Raipur (Delivered Price - Plantsite in Raipur)	<b>INR 7,550/WMT*</b>
Date and Time of publication	10 January, 2020 & 18.30 (IST)
Publishing Window	Wednesday to Friday
Last Index Price (07 Jan, 2020)	INR 7,550/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 stable at INR 7,550/wmt (DAP Raipur).
- Pellet deals for around 12,000 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 kept the offers stable at 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 booking on holds for the next few days.
- Raigarh based pellet makers offer at INR 7,000- 7,200/MT (EXW).
- Jharsuguda based pellet maker is offering pellets at INR 7,000/MT (EXW).

### Firm Bids

- No firm bid for pellets was reported in this publishing window.
- SteelMint P-DRI Assessment (Jan 10, 2020) increased by INR 300/MT W-o-W to INR 20,400/MT as against INR 20,100/MT (Ex-Raipur) a week before. However, today P-DRI sponge offer down by INR 200/MT on a daily basis.

### Export Realization

- KIOCL has concluded two pellet export deals in this publishing window for Fe 64% and 2% Al at USD 111.46/MT, FoB and another deal for Fe 65% with less than 1% Al at around USD 113-114/MT, FoB India. However, SteelMint Pellet export assessment for the regular grade (Fe 64% and 3% Al) stands at USD 104-105/MT, FoB India.
- 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 6,540/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

- One of the major pellet makers from Raigarh sold around 10,000 MT pellets yesterday at INR 7,000/MT (EXW). However, offers from Raigarh stand at INR 7,000-7,200/MT(EXW).
- Jharsuguda based pellets maker sold around 3,000 MT pellets yesterday at INR 6,900/MT (EXW). However, now offering pellets at INR 7,000/MT(EXW).
- Jamshedpur based pellets maker sold around 15,000 MT pellets in the last two-three days at INR 6,700-6,800/MT (EXW). However, now offering pellets at INR 6,800/MT(EXW).
- Durgapur based major pellets maker sold around 8,000 MT pellets at INR 7,000/MT (EXW) in the last two-three days.
- Bellary based pellet makers sold around 22,000MT pellets for Fe 63% grade at INR 7,300-7,400/MT recently (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