

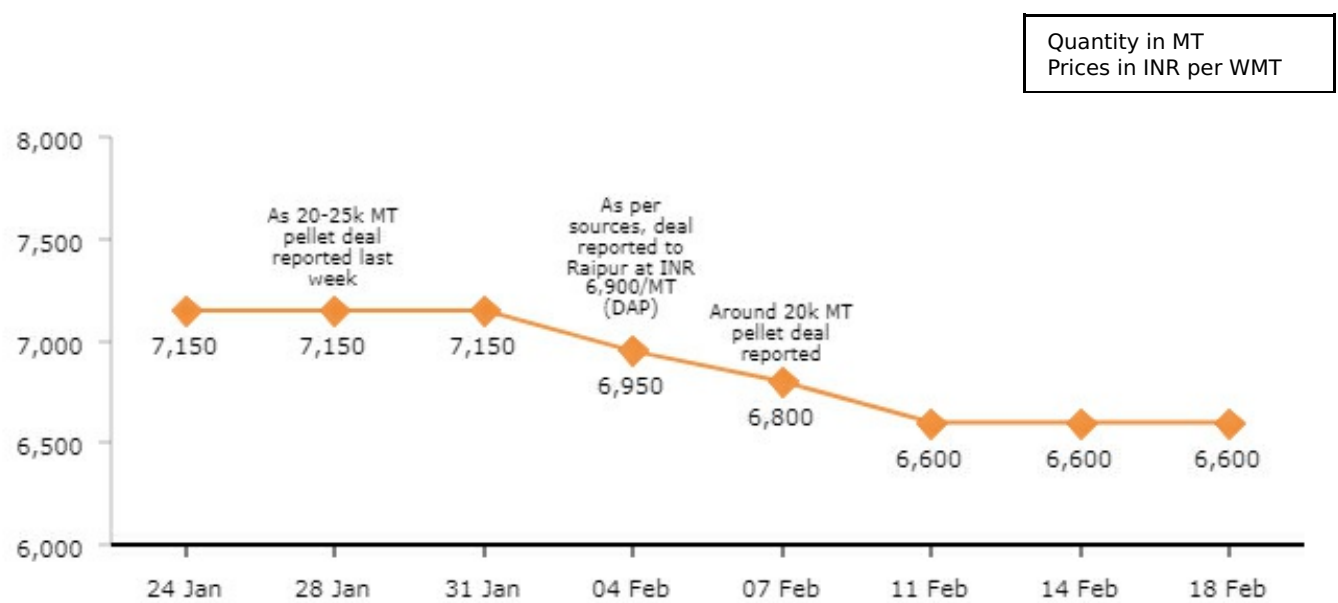
Pellet Index- PELLEX

PELLEX Rationale

PELLEX- DAP Raipur (Delivered Price - Plantsite in Raipur)	INR 6,600/WMT*
Date and Time of publication	18 February, 2020 & 18.30 (IST)
Publishing Window	Monday to Tuesday
Last Index Price (14 Feb, 2020)	INR 6,600/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 6,600/wmt (DAP Raipur) amid no deals.
- Limited inquiries from buyers end were heard, however, deals are under negotiations.

Firm Offers

- Raipur based pellet makers kept the offers stable at INR 6,700/MT(Ex-plant); normalizing for freight to Raipur at INR 6,850/MT (DAP Raipur).
- Raigarh based pellet makers are offering pellets at INR 5,900-6,000/MT (Ex-plant).

Firm Bids

- Few firm bids for pellets were reported at INR 6,300-6,400/MT (DAP, Raipur) in this publishing window.
- SteelMint P-DRI Assessment (Feb 18, 2020) decreased by INR 100/MT W-o-W to INR 18,600/MT (Ex-plant) against INR 18,700/MT last week.

Export Realization

- An Eastern India based pellet maker has concluded 50,000 MT pellet (Fe 64% grade pellets with 3% Al) export deal for March shipment at USD 119-120/MT, CFR China.
- In another deal, an Odisha based pellet maker was also concluded 55,000 MT pellets (Fe 64% grade pellets with 2.5% Al) export deal to China at USD 118-119/MT CFR, China.
- Ex -Plant export realization for Raipur pellet maker is around INR 6,400-6,450/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 6,960/MT (DAP Raipur).
- The substitute factor has been ignored in the computation of PELLEX.

Deals from Other Regions

- Jamshedpur based pellet maker concluded around 27,000 MT pellets at INR 6,000-6,100/MT (Ex-plant) yesterday.
- Bellary based major pellet makers booked around 15,000 MT pellets for Fe 63% grade at INR 7,100/MT (Ex-plant) in the last two days. Few Bellary based pellet makers were not offering pellets. As per the sources, few iron ore miners in Karnataka have finished EC limit in this fiscal year resulted in tight material availability.
- Raigarh based pellet makers have concluded around 10,000 MT pellets recently at INR 6,000-6,100/MT(Ex-plant) in the local market.

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