

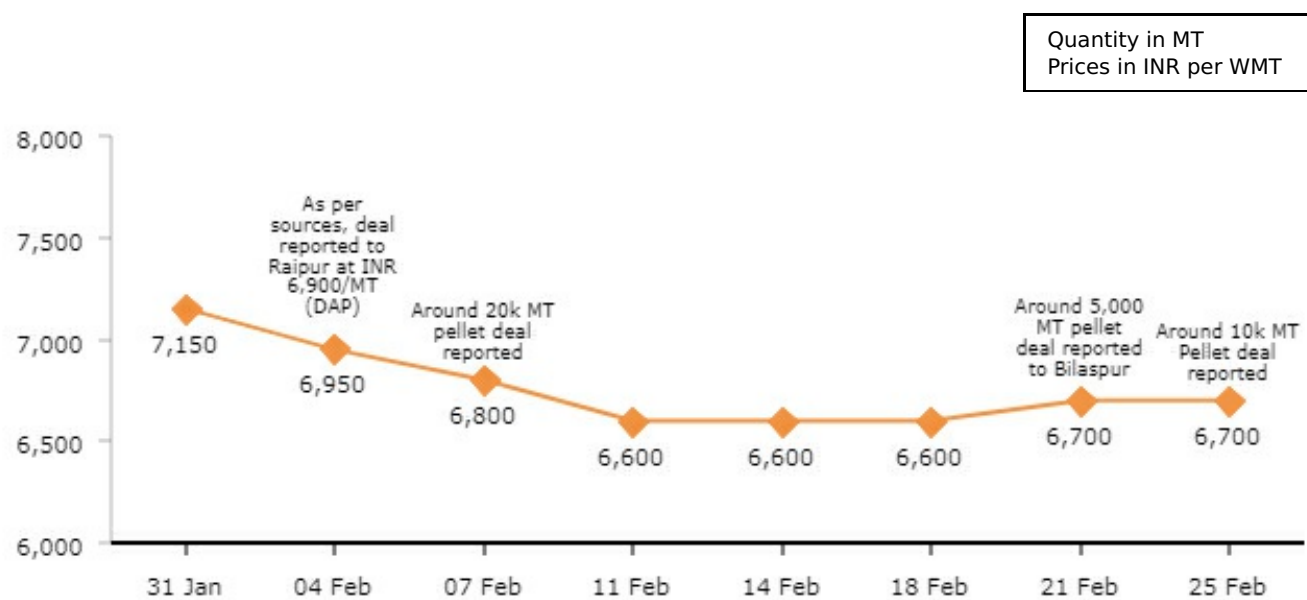
Pellet Index- PELLEX

PELLEX Rationale

PELLEX- DAP Raipur (Delivered Price - Plantsite in Raipur)	INR 6,700/WMT*
Date and Time of publication	25 February, 2020 & 18.30 (IST)
Publishing Window	Monday to Tuesday
Last Index Price (21 Feb, 2020)	INR 6,700/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 6,700/wmt (DAP Raipur) in a recent deal.
- One of the Pellet makers from Raipur concluded around 10,000 MT pellet deal at INR 6,600-6,700/MT (Ex-plant) normalizing for freight to Raipur at INR 6,750-6,850/MT(DAP, Raipur) in this publishing window.

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 5,800-6,000/MT (Ex-plant) normalizing for freight to Raipur at INR 6,450-6,650MT (DAP Raipur).
- No firm offer from Jharsuguda based pellet maker was reported.

Firm Bids

- No firm bids for pellets in this publishing window.
- SteelMint P-DRI Assessment (Feb 25, 2020) stable W-o-W to INR 18,650/MT (Ex-plant) against INR 18,700/MT last week.

Export Realization

- Eastern India based pellet maker has concluded a pellet export deal for 50,000 MT of Fe 64% grade pellets with 3% Al at USD 120/MT, CFR China for March loading.
- Ex -Plant export realization for Raipur pellet maker is around INR 6,600/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 (C.G.) iron ore rake movement for C.G based plants has come down sharply. As per data maintained with SteelMint, 15 rakes (0.06 Mnt) rakes were dispatched to CG units (till 24th Feb'20) as against 59 (0.23 Mnt) rakes in the same time frame last month.
- 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 7,000/MT (DAP Raipur).
- The substitute factor has been ignored in the computation of PELLEX.

Deals from Other Regions

- Bellary based major pellet maker sold around 35,000 MT pellets in a week at INR 7,100-7,200/MT (Ex-plant) in the last couple of days.

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