

Pellet Index-PELLEX

PELLEX Rationale

PELLEX- DAP Raipur (Delivered Price - Plantsite in Raipur)	INR 6,150/WMT*
Date and Time of publication	03 December, 2019 & 18.30 (IST)
Publishing Window	Monday to Tuesday
Last Index Price (29 Nov, 2019)	INR 6,150/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 6,150/wmt (DAP Raipur) amid no deals reported.
- No deals were reported in the Raipur market in this publishing window.

Firm Offers

- Raipur based pellet offers remain stable at INR 6,300/MT (Ex-plant); normalizing for freight to Raipur at INR 6,450/MT (DAP Raipur).
- Raigarh based pellet makers increased offers at INR 5,800/MT (Ex-plant). Monnet Ispat continues to remain under maintenance shut-down for the week.

Firm Bids

- No firm bids were reported in this publishing window.
- SteelMint P-DRI Assessment (Dec 03, 2019) stable W-o-W to INR 16,600/MT (Ex-Raipur) against last week.

Export Realization

- Indian pellet maker based in eastern India has concluded pellet export (Fe 64%, 3% Al) to China, at around USD 109/MT, CFR China for 1st week of Jan laycan. SteelMint Pellet export assessment stands at USD 98-99/MT, FoB India. Chinese steel mills are preferring pellets to maintain steel output amid environmental restrictions.
- Ex -Plant export realization for Raipur pellet maker up to INR 5,700-5,750/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

- Chhattisgarh based steel plants increased sourcing from NMDC (C.G.) by 13% from 40 rakes (equivalent to 154,000 MT) in Oct'19 to 45 rakes (173,250 MT) in Nov'19.
- 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 5,920/MT (DAP Raipur).

Deals from Other Regions

- Chandrapur (Maharashtra) based steelmaker has concluded 3,000 MT pellet deal from C.G based units at around INR 6,000/MT (Ex-plant) yesterday.
- Bellary based pellet maker has sold 7,000 MT pellets at INR 6,150-6,200/MT (EXW) in the last couple of days.

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