

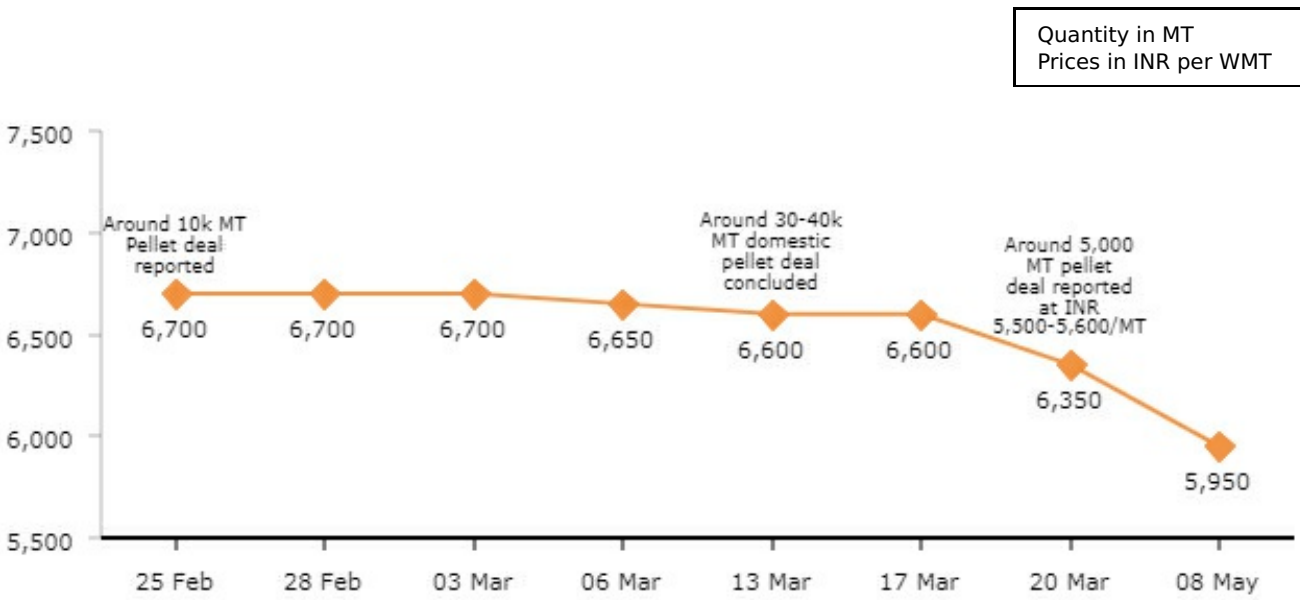
Pellet Index-PELLEX

PELLEX Rationale

PELLEX- DAP Raipur (Delivered Price - Plantsite in Raipur)	INR 5,950/WMT*
Date and Time of publication	08 May, 2020 & 18.30 (IST)
Publishing Window	Wednesday to Friday
Last Index Price (20 Mar, 2020)	INR 6,350/WMT*
% change	-6

* Rounded off to the nearest multiple of 50

* Prices on delivered basis (including freight) to a DRI maker in Raipur



Concluded Transaction Price

- PELLEX assessment for this window stand at 5,950/wmt (DAP Raipur). SteelMint has resumed assessments of PELLEX from today (08th May'20 with pick up in market trades.
- However, no significant deal has been concluded so far by Raipur based pellet makers in this publishing window.

Firm Offers

- Raipur based pellet makers kept offer at INR 5,800-5,900/MT(Ex-plant); normalizing for freight to Raipur at INR 5,950-6,050/MT (DAP Raipur).
- Raigarh based pellet maker offers are at INR 5,400-5,500/MT (Ex-plant) this week.
- Jharsuguda based pellet maker is offering pellets at INR 5,200/MT (Ex-plant).

Firm Bids

- No firm bids for pellets received in this publishing window.
- SteelMint P-DRI Assessment (May 08, 2020) is at INR 15,600/MT (Ex-plant).

Export Realization

- A Central India (Raipur) based pellet maker has concluded one vessel of pellet export (for low Alumina) today at around USD 105/MT, CFR China.
- A West Bengal based pellet maker is heard to have concluded pellet export deal this week to China at around USD 102/MT, CFR.
- A trader was also heard to have concluded a pellet export deal of Odisha origin this week.
- However, SteelMint assessment for Fe 64% grade pellets with 3% Al stands at around USD 100-101/MT, CFR China.
- Ex -Plant export realization for Raipur pellet maker is around INR 5,500-5,600/WMT.

Substitute Parity Price

- Market sources expect NMDC to revise iron ore prices shortly for the month of May.
- 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 5,940/MT (DAP Raipur).

Deals from Other Regions

- Raigarh based pellet concluded around 20,000 MT pellet deal in the local Raigarh market at INR 5,400-5,500/MT this week.
- Jharsuguda based pellet maker also sold around 10,000 MT pellets to Raigarh at INR 5,200/MT (Ex-plant) normalizing for freight to Raipur at INR 5,800-5,900/MT (DAP Raipur).
- Rourkela (Odisha) based pellet maker sold around 10,000-15,000 MT pellets in the local market as well as in Raigarh at INR 5,000-5,100/MT EXW.
- Jamshedpur based pellet makers sold around 5,000 MT pellets at INR 5,200/MT (Ex-plant) in a recent deal.
- Bellary (Karnataka) based pellet maker have sold around 30,000 MT pellets in the local market at around INR 6,200-6,500/MT (Ex-plant) this week.

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