

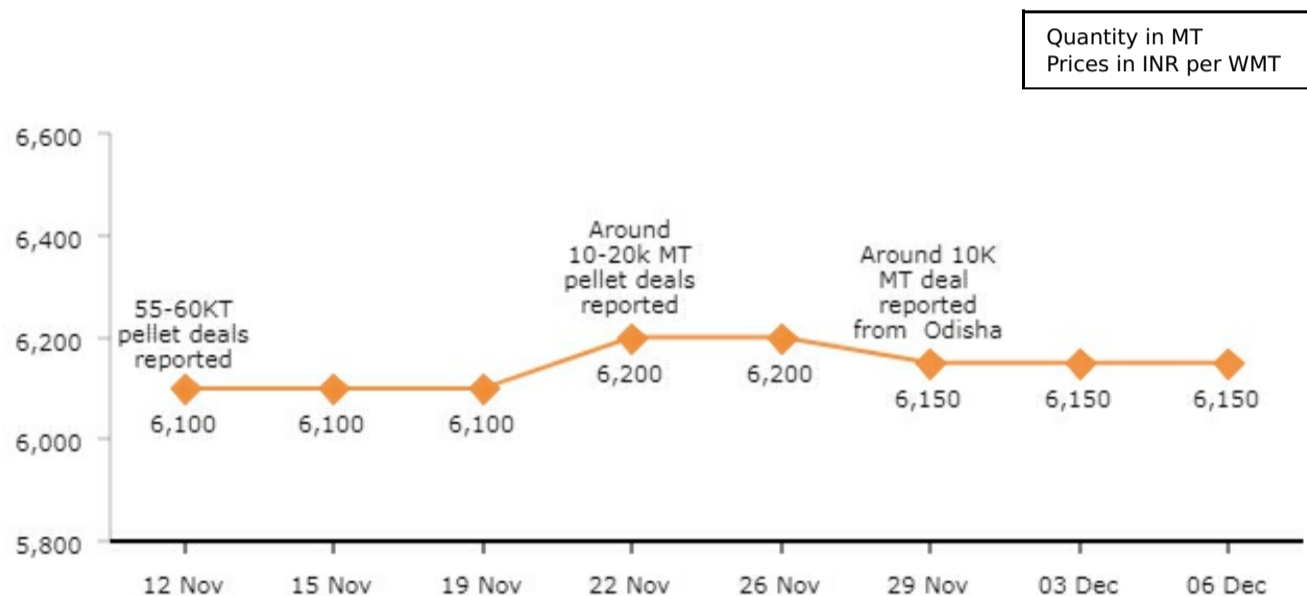
Pellet Index-PELLEX

PELLEX Rationale

PELLEX- DAP Raipur (Delivered Price - Plantsite in Raipur)	INR 6,150/WMT*
Date and Time of publication	06 December, 2019 & 18.30 (IST)
Publishing Window	Wednesday to Friday
Last Index Price (03 Dec, 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 deals from the nearby regions. However, no deals were reported from Raipur pellet makers.
- Pellet deals for around 5,000- 6,000 MT reported from Durg to Raipur market at INR 5,900/MT(Ex-plant); normalizing for freight to Raipur at INR 6,150/MT (DAP Raipur).

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 offer at INR 5,700-5,800/MT (Ex-plant).

Firm Bids

- Two firm bids were reported at INR 5,950-6,050/MT (DAP Raipur) in this publishing window.
- SteelMint P-DRI Assessment (Dec 06, 2019) down by INR 200/MT W-o-W to INR 16,500/MT as against INR 16,700/MT (Ex-Raipur) last week.

Export Realization

- KIOCL has concluded two pellet export vessels for 50,000 MT each consisting of Fe 64% content with less than 2% alumina at around USD 105/MT, FoB India. SteelMint Pellet export assessment for the regular grade (Fe 64% and 3% Al) stands at USD 99-100/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 5,700-5,800/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 5,920/MT (DAP Raipur).

Deals from Other Regions

- Kalinga Nagar based steelmaker has booked around 200,000 MT pellets from Odisha at around INR 5,400/MT (Loaded to the wagon).
- Odisha based pellet makers have concluded around 5,000-6,000 MT pellet deal to Chandrapur (Maharashtra) at INR 5,500-5,550/MT (Ex-plant).
- Bellary based pellet maker has sold 15,000-18,000 MT pellets at INR 6,150-6,200/MT (EXW) in the last two-three 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