

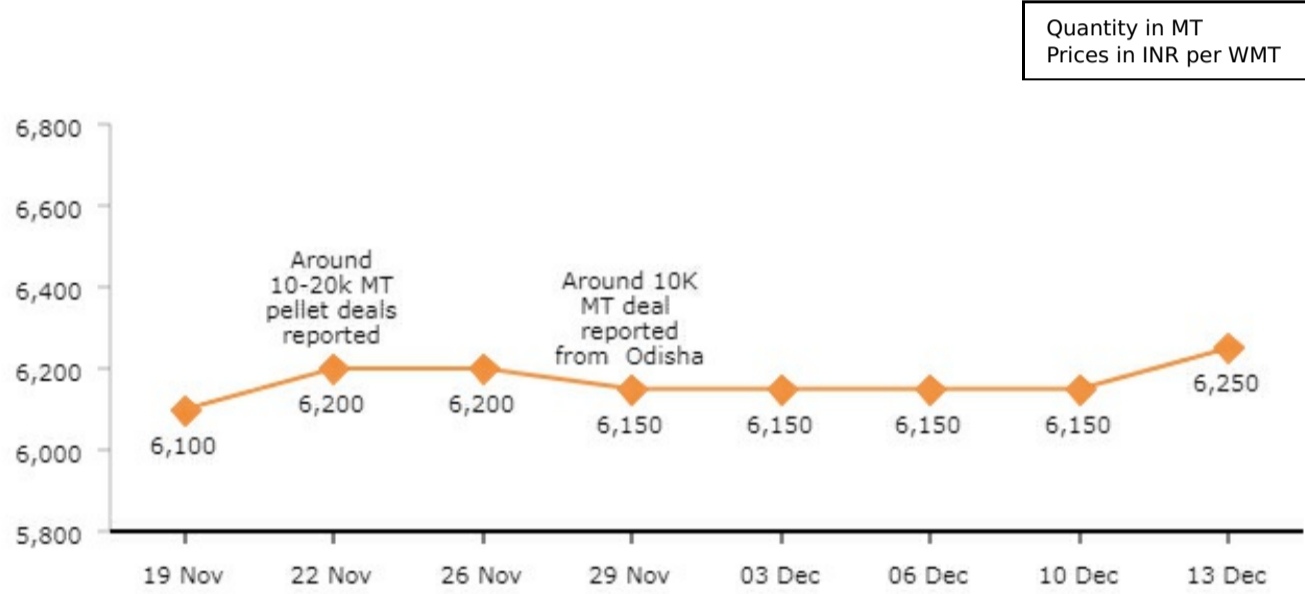
Pellet Index-PELLEX

PELLEX Rationale

PELLEX- DAP Raipur (Delivered Price - Plantsite in Raipur)	INR 6,250/WMT*
Date and Time of publication	13 December, 2019 & 18.30 (IST)
Publishing Window	Wednesday to Friday
Last Index Price (10 Dec, 2019)	INR 6,150/WMT*
% change	2

* Rounded off to the nearest multiple of 50

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



Concluded Transaction Price

- PELLEX increased by INR 100/MT to INR 6,250/wmt (DAP Raipur) amid thin trade. Pellet deals for around 3,000 MT reported from Raipur market to Nagpur (Maharashtra) based sponge maker at INR 6,200/MT(Ex-plant); normalizing for freight to Raipur at INR 6,350/MT (DAP Raipur).
- The majority of sponge manufacturers are using iron ore lumps. Chhattisgarh based steel plants increased sourcing from NMDC (C.G.) by 16% to 22 rakes (equivalent to 84,700 MT) till 11th Dec against 19 rakes (73,150 MT) for the same timeframe in Nov'19.
- Pellet deals for around 5,000- 6,000 MT (slightly lower grade) reported from Durg to Raipur market at INR 6,000- 6,100/MT (DAP Raipur) a week before.

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). As per the sources, Raipur pellet maker may not decrease offer as the export realization is increasing.
- Raigarh based pellet makers kept the offers stable at INR 5,700/MT (EXW). Jharsuguda based pellet maker offer pellets at INR 5,600/MT (EXW).

Firm Bids

- Single firm bid for pellets was reported at INR 5,950/MT (DAP, Raipur) in this publishing window.
- SteelMint P-DRI Assessment (Dec 13, 2019) increased by INR 200/MT W-o-W to INR 16,700/MT as against INR 16,500/MT (Ex-Raipur) last week.

Export Realization

- No Pellet export deal was heard in this publishing window. However, SteelMint Pellet export assessment for the regular grade (Fe 64% and 3% Al) stands at USD 104MT, FoB India.
- Ex -Plant export realization for Raipur pellet maker up around INR 6,000/WMT.

Substitute Parity Price

- Odisha iron ore dispatches increased by 34% to 8.37 MnT in Nov'19 as against 6.23 MnT in Oct'19. Rungta Mines dispatches increased by 25% to 2.34 MnT, Serajuddin up sharply by 66% to 1.14 MnT and OMC increased by 75% to 0.94 MnT 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 6,000/MT (DAP Raipur).

Deals from Other Regions

- Bellary based pellet makers have sold around 13,000-14,000 MT pellets at INR 6,150-6,250/MT (EXW) recently.

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