

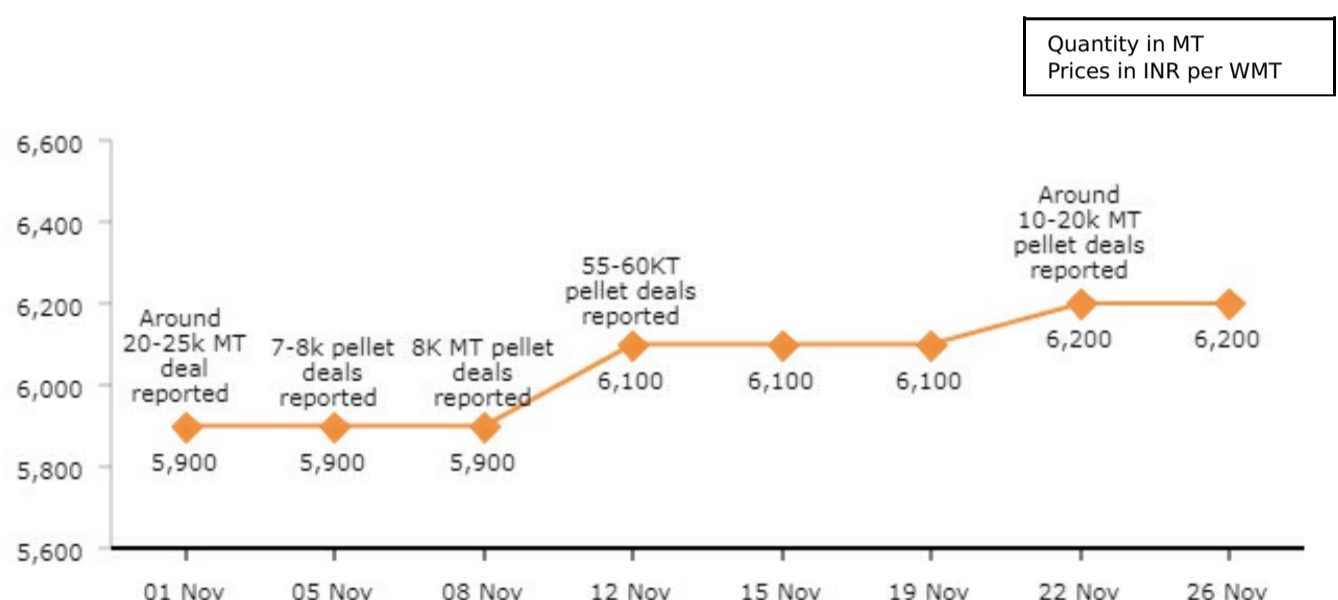
Pellet Index- PELLEX

PELLEX Rationale

PELLEX- DAP Raipur (Delivered Price - Plantsite in Raipur)	INR 6,200/WMT*
Date and Time of publication	26 November, 2019 & 18.30 (IST)
Publishing Window	Monday to Tuesday
Last Index Price (22 Nov, 2019)	INR 6,200/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 6,200/wmt (DAP Raipur) amid limited deals.
- Pellet deals for around 2,000 MT reported from Raipur market at INR 6,300/MT(Ex-plant); normalizing for freight to Raipur at INR 6,450/MT (DAP Raipur). As this deal was not under SteelMint methodology therefore ignored in the computation of PELLEX.
- As per the sources, increased pellet offers force sponge makers to shift in iron ore lumps for cost-effectiveness.
- Amid pending deliveries of previous bookings, few Raipur pellet makers are still not offering in the domestic market.

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).
- No offers from Raigarh based pellet makers. As per sources, Monnet steel has taken maintenance shut down for the week and another pellet maker was not offering in the market owing to lack of stocks.

Firm Bids

- No firm bids were reported in this publishing window.
- SteelMint P-DRI Assessment (Nov 26, 2019) increased by INR 200/MT to INR 16,600/MT (Ex-Raipur) against INR 16,400/MT a week ago.

Export Realization

- No pellet deals were reported in this publishing window. SteelMint Pellet export assessment stands at USD 97-98/MT, FoB India. The pellet exports market is further expected to remain supported due to stringent environmental controls and falling port inventories.
- Ex -Plant export realization for Raipur pellet maker up to INR 5,600-5,650/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

- Chattisgarh based steel plants increased sourcing from NMDC (CG) by 19% from 32 rakes (equivalent to 123,200 MT) in last month the same timeframe to 38 rakes (146,300 MT) till 26th Nov'19 (This does not include movement through road and slurry pipeline).
- 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 5,990/MT (DAP Raipur).

Deals from Other Regions

- Bellary based major pellet makers have concluded 10,000 MT pellet deal at INR 6,300-6,400/MT (Ex-plant) to Karnataka and Tamil Nadu steel makers.
- In another deal from Bellary based pellet makers sold 5,000 MT pellets at INR 6,250/MT yesterday.

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