

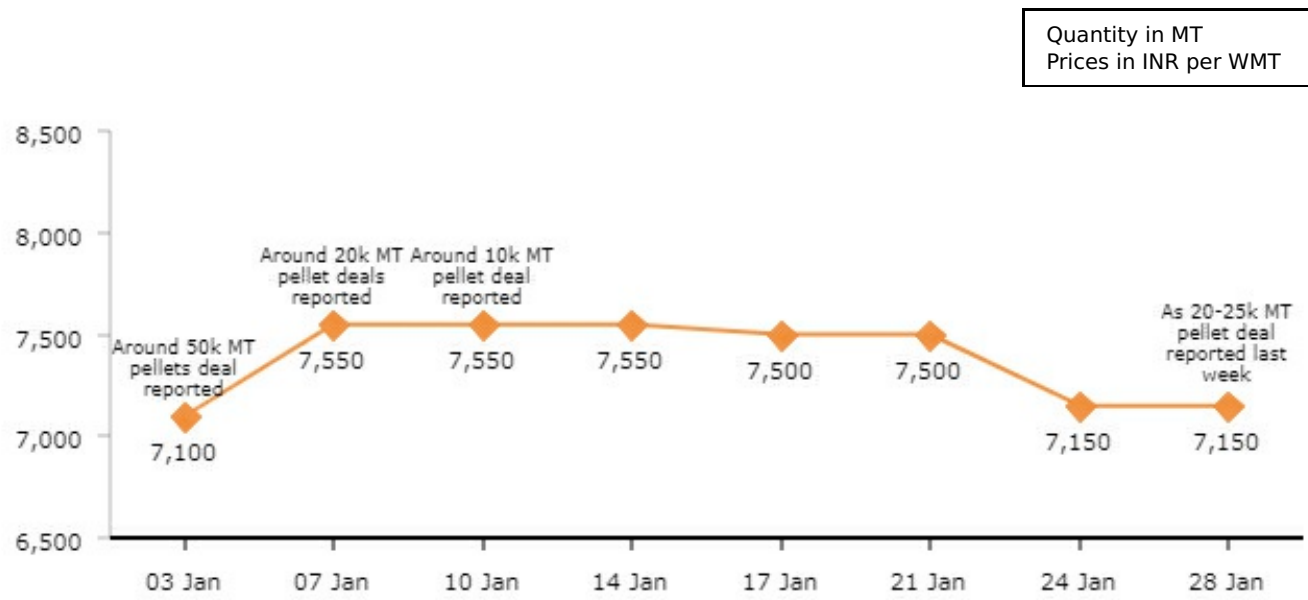
Pellet Index-PELLEX

PELLEX Rationale

PELLEX- DAP Raipur (Delivered Price - Plantsite in Raipur)	INR 7,150/WMT*
Date and Time of publication	28 January, 2020 & 18.30 (IST)
Publishing Window	Monday to Tuesday
Last Index Price (24 Jan, 2020)	INR 7,150/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 7,150/wmt (DAP Raipur).
- No pellet deals heard from Raipur pellet makers in this publishing window. However, at the end of last week pellets, deals of around 20,000-25,000 MT from Odisha and other location of Chhattisgarh reported at INR 7,100/MT (DAP Raipur).

Firm Offers

- Major Raipur based pellet makers kept the offers stable at INR 7,400/MT(Ex-plant); normalizing for freight to Raipur at INR 7,550/MT (DAP Raipur).
- Raigarh based pellet makers offer at INR 6,400- 6,600/MT (EXW).
- Jharsuguda based pellet maker is offering pellets at INR 6,400-6,500/MT (EXW).

Firm Bids

- No firm bid for pellets was reported in this publishing window.
- SteelMint P-DRI Assessment (Jan 28, 2020) at INR 19,150/MT as against INR 19,100/MT (Ex-Raipur) a week before.

Export Realization

- No pellets export deal heard in this publishing window. Global iron ore fines (Fe 62%) prices have come down sharply by USD 7.35/MT today to USD 84.7/MT CFR, China. SteelMint assessment for standard grade pellets (Fe 64%, 3% Al) stands at USD 123-125/MT, CFR China down by USD 3/MT against the closing of last week.
- Ex -Plant export realization for Raipur pellet maker is around INR 6,800/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 6,990/MT (DAP Raipur).

Deals from Other Regions

- Bellary based pellet makers sold around 23,000MT pellets for Fe 63% grade at INR 6,850-7,000/MT (EXW) in the last three-four days.
- Jamshedpur based pellet maker concluded around 10,000 MT pellet deal at INR 6,300/MT (EXW) yesterday.

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