

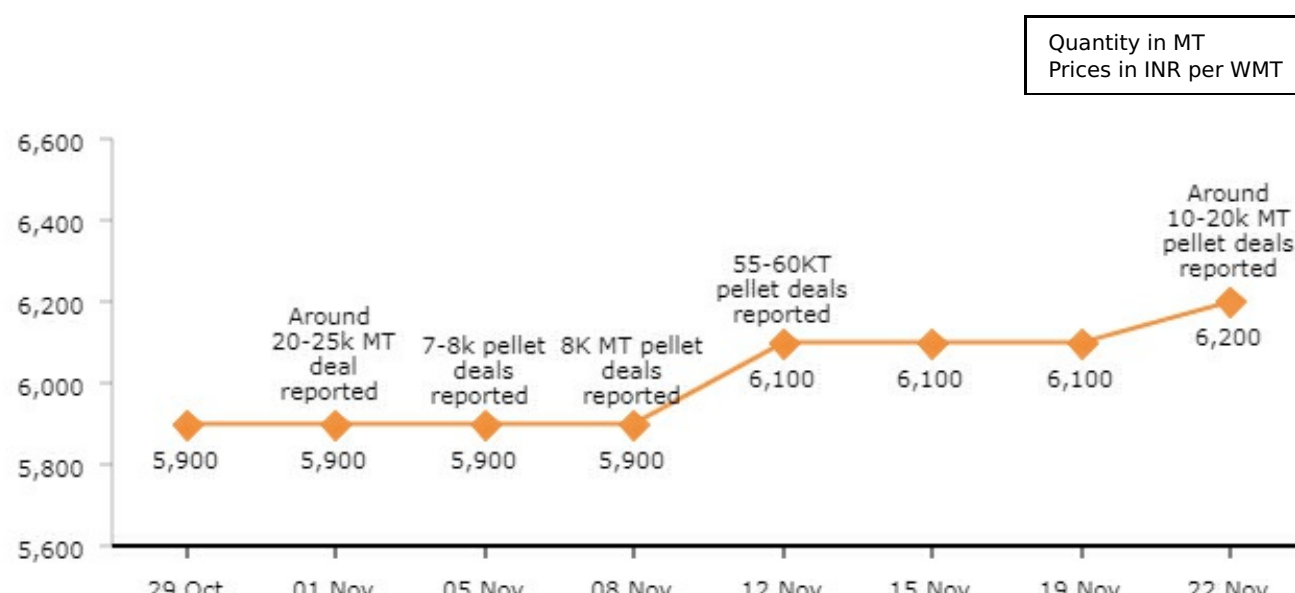
Pellet Index-PELLEX

PELLEX Rationale

PELLEX- DAP Raipur (Delivered Price - Plantsite in Raipur)	INR 6,200/WMT*
Date and Time of publication	22 November, 2019 & 18.30 (IST)
Publishing Window	Wednesday to Friday
Last Index Price (15 Nov, 2019)	INR 6,100/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 (DAP Raipur), 63.5% Fe up by INR 100/MT to INR 6,200/wmt in recent deals.
- Deals of about 10,000-20,000 MT pellets reported from Raipur market at INR 6,100/MT (Ex-Raipur); normalizing for freight to Raipur at INR 6,250/MT (DAP Raipur).

Firm Offers

- Raipur based pellet makers raised offers by INR 100-200/MT to INR 6,200-6300/MT (Ex-plant); normalizing for freight to Raipur at INR 6,350-6450/MT (DAP Raipur).
- Raigarh based pellet offers stable at INR 5,500 (Ex-plant), normalizing freight to Raipur at INR 6,150/MT (DAP Raipur). One of the pellet makers from Raigarh will be taking maintenance shutdown for next week.
- A Central India (Durg) Based pellet maker concluded 4000-5000 MT pellet deal in local market at around INR 6,100-6,200/MT (Ex-Plant).

Firm Bids

- No bids were reported in this publishing window.
- SteelMint P-DRI Assessment (Nov 22, 2019) increased by INR 100/MT to INR 16,500/MT (Ex-Raipur) against INR 16,400/MT towards beginning of the week.

Export Realization

- A Southern India based pellet maker concluded pellet export deal in this publishing window for 50,000 MT pellets consisting of Fe 64% content with less than 2% alumina at around USD 98/MT, FoB India.
- In another export deal, an East India based pellet maker concluded 50,000 MT pellet deal to China for Fe 64% and 2.5% Al at around USD 106/MT, CFR China for early Dec'19 shipment.
- SteelMint Pellet export assessment stands at USD 94-95/MT, FoB India. Ex - Plant export realization for Raipur pellet maker at INR 5,400- 5,450/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

- Odisha's major merchant iron ore miners have increased iron ore lump offers from 20th Nov'19. Miners have increased prices for 5-18 mm (Fe 63%) by INR 300/MT to INR 3,900-4,000/MT (ex-mines, including Royalty, DMF, & NMET).
- 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 at INR 5,920/MT (DAP Raipur).

Deals from Other Regions

- Bellary based major pellet maker has concluded about 30,000 MT pellet deal at INR 6,300-6,400/MT (Ex-plant).
- In another deal, South India based pellet makers sold 3,000 MT pellets at INR 6,250/MT (Ex-plant).
- A Jamshedpur based pellet maker concluded about 5000 MT pellet deal at INR 5,500/MT (Ex-Plant) early this week.

Statistical Exclusion for Bids and Offers

- No bids and offers excluded.

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