खनिज समाचार

KHANIJ SAMACHAR

Vol. 4, No-20

(As appeared in National/Local Newspapers Received in Central Library, IBM, Nagpur)

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खनिज समाचार

KHANIJ SAMACHAR

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INDIAN BUREAU OF MINES

VOL. 4, NO-20 , 16th – 31st OCTOBER , 2020

BUSINESS LINE
DATE : 16/10/2020 P.N.7

COMMODITY CALL

MCX-Zinc: Sell on rallies

AKHIL NALLAMUTHU
BL Research Bureau

Since the beginning of September, the October futures of zinc on Multi Commodity Exchange (MCX) has been witnessing a zig-zag price pattern i.e., the contract has not been trending and was largely held between ₹185 and ₹200.

Last week, the contract — after registering a low of ₹181.2 — began to rally and touched a high of ₹198.7 on Monday. Since the price level of ₹200 is a resistance, the contract has been moderating for the past few trading sessions. It is currently hovering around the 21-day moving average. Considering the recent price action, the contract is likely to decline going forward.

Because of lack of trend, the relative strength index and the moving average convergence divergence indicators in the daily chart are in their respective neutral region.

From the current level, the nearest support can be spotted at ₹187. A breach of this level can drag the contract to ₹180. A break below ₹180 can turn the medium-term outlook negative for the contract.

Given the above factors, traders can sell the contract on rallies with stop-loss at ₹200.

THE ECONOMICS TIMES DATE : 16/10/2020 P.N.8

Gold Declines as New European Curbs Hammer Risk Sentiment

Bloomberg

Gold edged down as a new wave of virus restrictions in Europe hit sentiment, boosting the dollar, while chances of a pre-election stimulus in the US looked slim.

European stocks slid toward their biggest fall in three weeks after Germany, Italy and the Czech Republic posted record increases in virus cases. France imposed a curfew in nine of the country's biggest cities, including Paris, while London is set to implemented new measures on households. The dollar gained on haven buying, putting pressure on bullion.

The continent's leaders will gather in Brussels for a summit on Thursday as discussions with the UK over their future relationship enter a critical phase. Negotiations remain at a stalemate, with France refusing to drop demands on fishing rights. Failure to make progress at the summit will lead to the cancelling of the talks, setting up the already beleaguered region for more economic pain at the end of the year.

In the US, Treasury Secretary Steven Mnuchin on Wednesday blamed politics for undermining months-long negotiations for further fiscal stimulus. "At this point getting something done before the election and executing on that would be difficult, just given where we are in the level of details," Mnuchin said at the Milken Institute Global Conference.

"Absent a shock to risk sentiment, it appears gold is stuck in a holding pattern before the November 3 US election," according to a report by Macquarie Wealth Management, noting gold has largely been driven by newsflow over stimulus chances. "It looks increasingly likely that any package will be a post-election event, albeit that this could result in a larger boost than any pre-election compromise would have delivered."

Spot gold fell 0.5% to $1,891.83 an ounce at 10:26 a.m. in London, after climbing 0.5% on Wednesday. The Bloomberg Dollar Spot Index rose 0.5%. In other precious metals, spot silver dropped 1.9%, platinum declined 0.7% and palladium edged down 0.3%.

BUSINESS LINE DATE : 17/10/2020 P.N.7

India's love for silver wanes; imports down 96%

Consumers tighten purse strings on record prices; higher supply in the form of scrap silver reduces need for imports

RAJALAKSHMI NIRMAL
Chennai, October 16

Investors and lower-middle class households in India are selling their silver. The increased scrap supply is feeding demand (lower relative to last year) and has reduced significantly the need for imports.

Last month, as per data of Ministry of Commerce & Industry, import of silver was 11.28 tonnes, down 96 per cent, y-o-y.

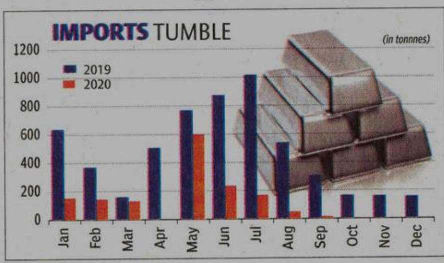
Year-to-date (between January and September) about 1468 tonnes of silver have been imported. In full year, 2019, a total of 5,598 tonnes of silver was imported.

Scrap supplies increase

Drop in imports is because a good quantity of silver jewellery scrap and bars have been coming into the market, says Chirag Sheth, Principal Consultant - South Asia, Metals Focus.

Rishabh Singhal, Chief Marketing Officer of SB Ornaments, one of the largest bullion dealer, says about 300 tonnes of scrap silver comes to the market every month.

"Those who invested in silver bars in 2011 around ₹72,000/kg are now selling; I also see a trend of lower-middle class people and the migrant population in rural-India disposing their silver jewellery to raise cash for their day-to-day needs…", said Singhal. He further added, "Last year around same time, the scrap supply in silver was near to nil, but now it is huge…whatever little gap is there is filled by Hindustan Zinc that provides supply of about 40-50 tonnes in a month in the domestic market." A reason for more interest among people to sell silver is the price rally, says Chirag Thakkar, CEO of Amrapali Group Gujarat, a leading silver importer.



Source: Ministry of Commerce and Industry

Silver futures in MCX hit a record high of Rs 77,949 (from Rs 46,000 levels in January) in August and now trading at Rs at Rs 61,850. "For a long-time, silver prices were muted and now that it spiralled over ₹70,000/kg, people who were waiting long for an exit are selling," added Thakkar.

Demand is also weak for silver, add market players. Economic slowdown due to Covid-19 lockdown and job loss have eaten into the appetite for the metal.

Weak demand

"*Payal* (anklet) demand is not there now…since March, silver sales has been very poor. If prices go down in the coming days (it is at discount of $1-1.5/ounce now) next few weeks, demand may pick up towards Diwali," said a jeweller in Chennai.

The year 2020 may end with a total import of about 3,200-3,500 tonnes, say silver traders that would be 40 per cent below last year.

BUSINESS LINE DATE : 19/10/2020 P.N.9

Gold continues to trade range-bound

Unless December futures breach either ₹50,000 or ₹51,000, the next level will remain uncertain

AKHIL NALLAMUTHU

The commodity market was sluggish last week with most commodities witnessing not much change in price. Consequently, the iCOMDEX composite index on the Multi Commodity Exchange of India (MCX) was largely flat and ended the week with a marginal loss.

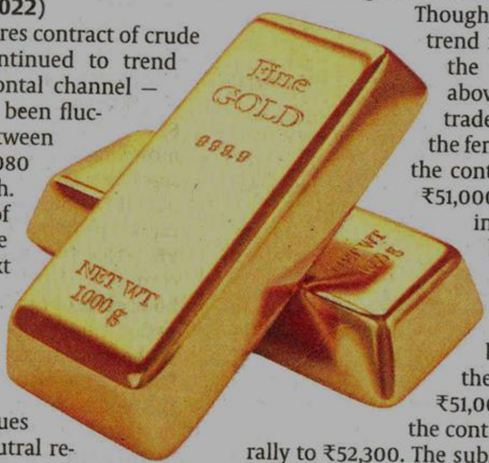
Crude oil and gold continues to hover at their respective resistance levels. Nonetheless, both the commodities did not fall. During the upcoming week, if both these commodities breach their resistance levels, it can lift the index.

But if a similar price action to last week's continues, the index will remain around the same level.

MCX-Crude (₹3,022)

The October futures contract of crude oil on MCX continued to trend along the horizontal channel — the contract has been fluctuating between ₹2,920 and ₹3,080 for about a month.

Unless either of these levels are breached, the next leg of trend cannot be confirmed.



While the relative strength index (RSI) continues to stay in the neutral region, the moving average convergence divergence (MACD) indicator on the daily chart has been gradually moving upwards; however, the latter remains in the negative territory.

Though the contract posted a marginal gain last week, and manages to stay above the 21-day moving average (DMA), it faces a strong resistance at ₹3,080, its 50-DMA. So, traders can wait for now and initiate fresh long positions with a stop-loss at ₹2,980 if the contract breaks out of ₹3,080.

Above ₹3,080, there is a resistance band between ₹3,180 and ₹3,200.

The nearest support from the current level is at ₹2,920.

MCX-Gold (₹50,547)

Last week, the December futures contract of gold on MCX opened with a gap-up and rallied to register a high of ₹51,184. But after briefly trading above a key barrier of ₹51,000, the contract fell back below that level and continued to move in a sideways trend for the rest of the week.

Since the beginning of October, the contract has been held within ₹50,000 and ₹51,000; the next level of trend will be uncertain until either of these levels are breached.

Since the trend has been largely flat recently, the daily RSI is hovering in the neutral region. Similarly, the MACD indicator on the daily chart remains flat, but lies in the negative territory.

Though the major trend is bullish until the price stays above ₹50,000, traders can stay on the fence and wait for the contract to breach ₹51,000 before initiating fresh longs — buy the contract with a stop-loss at ₹50,000 if it breaks out of the resistance at ₹51,000. In this case, the contract is likely to rally to ₹52,300. The subsequent resistance is at ₹53,500; notable support below ₹50,000 is at ₹49,300.

MCX-Silver (₹61,676)

Similar to gold futures, the December futures of silver on MCX opened on a strong foot last week. But the positive momentum could not sustain, resulting in the price moderating back to the sideways range, within which the contract has been oscillating since the beginning of October. It is currently hovering around the 21-DMA. Following the flat price movement, the RSI and the MACD indicators on the daily chart are flat.

Given the aforementioned factors, traders can stay on the sidelines for now.

Initiate fresh long positions with a stop-loss at ₹60,000 if the contract breaks out of the resistance at ₹63,400.

Above ₹63,400, the price is likely to rise towards the resistance of ₹66,000.

MCX Gold
Supports:
₹50,000/49,300
Resistances:
₹51,000/52,300

MCX Silver
Supports:
₹60,000/57,500
Resistances:
₹63,400/66,000

The subsequent resistance is at ₹67,500 — the 50-DMA. Support from the current levels can be spotted at ₹60,000 and ₹57,500.

MCX-Copper (₹527.6)

The October futures of copper on MCX was consolidating last week following a strong rally during the preceding week. Anyway, the price stays above the 21-DMA, and the major trend is inclined upwards. Given the current price action, the contract is likely to break out of the resistance of ₹533 and establish the next leg of uptrend.

Supporting the positive bias, the daily RSI lies above the midpoint level of 50, and the MACD has retained its positive slope and stays in the bullish zone.

Since the contract has a considerable resistance at ₹533, traders can wait for the price to rally past that level before initiating fresh buy positions even though the overall trend is bullish.

Buy the contract with a stop-loss at ₹517 if it breaches the hurdle at ₹533.

Above ₹533, the contract can touch ₹550 in the near term.

NCDEX-Mustard Seed (₹5,550)

The November futures contract of mustard seed (RM seed) on the National Commodities and Derivatives Exchange (NCDEX) gained about 1.6 per cent last week. It currently tests a resistance at ₹5,550, but the price action — forming higher lows — looks bullish, and the likelihood of the contract rallying from here is high.

The daily RSI, which remains above the midpoint level of 50, is showing a fresh uptick, and the MACD indicator lies in the positive zone.

Considering the above factors, traders can take a bullish view and buy on dips with a stop-loss at ₹5,450. On the upside, the price can rally to ₹5,650 and possibly to ₹5,700 if the momentum sustains.

BUSINESS LINE DATE : 19/10/2020 P.N.9

Steel: Action reserved for 2021

After the recent price rise, not much activities seen in domestic rates in 2020

SATYA SONTANAM


BLOOMBERG

The Indian steel sector has been facing headwinds since the beginning of 2019 due to general elections, intensified trade tensions, slump in auto sales and the slowdown in the domestic economy.

The Covid-19 pandemic only added to the sector's woes.

However, tailwinds in the form of recovery in domestic as well as global demand (especially China) and rise in iron ore prices have revived the metal.

Going ahead, steel users should brace for prices at existing levels, at least in the near-term.

Covid impact

By mid-March 2020, when the impact of the Covid-19 outbreak was felt in India, the demand for most steel companies had almost dried up

The consumption of steel in the first half of 2020 fell by about 30 per cent (over the same period in 2019) to 36.15 million tonnes (mt), as per the World Steel Association (WSA).

However, as shutting down the steel plants could have led to technical problems and higher cost, most integrated steel players did not do so during the lockdown and continued to operate at minimum capacity.

Continued production and non-existent demand led to a fall in steel prices by about 12 per cent by June to ₹35,750 per tonne of HRC (hot-rolled coil) steel from the beginning of 2020.

Recovery path

As per Moody's, production is ramping up in automotive and industrial sectors after the gradual lifting of coronavirus-related shutdowns. Also, PMIs (Purchasing Managers' Index) in major steel-consuming regions (US, Eurozone, China) are off lows, with a reading of above 50. In PMI parlance, a print above 50 means expansion, while a score below that denotes contraction.

A report from Motilal Oswal suggested that the recovery in steel demand in China – the top producer and consumer of the metal – has been buoyant. According to steel trade data released by China, the country's net steel exports declined to 10-year lows in September 2020, while the imports have been at record highs. In India, too, PMI increased from 52.0 in August to 56.8 in September, the highest since January 2012.

Earlier in April, the index had slipped into contraction mode, after remaining in the growth territory for 32 consecutive months.

Reflecting the turn, from July, domestic HRC prices have risen by about ₹7,000 a tonne to ₹42,750 (as per data from SteelMint) in line with the global steel prices. Global prices have been going northwards on the back of renewed demand for the metal – especially from China – and rise in prices of iron ore, a key raw material for steel.

The current domestic prices are higher than the average HRC prices witnessed in 2019 and also over the landed cost (import cost) of steel from Japan by 6- 7 per cent, as per credit rating agency ICRA.

Looking ahead

The health of the steel industry, which is directly proportional to global economic activity, is expected to be tepid in 2020 but recover in 2021.

Even in 2020, the ongoing second half of the year is likely to be better than the first half.

As mentioned earlier, steel consumption in 2020 till June dropped by about 30 per cent compared with the corresponding period last year. But as per the WSA, steel consumption in India in the whole year 2020 would be lower by 20 per cent year-on-year. This indicates that the consumption in the second half is expected to be better than in the first half of the current year.

The Centre's initiatives on capital expenditure and focus on Atmanirbhar Bhara' are expected to boost steel demand. The WSA, too, has factored this in, and has forecast steel consumption to grow by srobust 22.7 per cent y-o-y (partly due to low-base) in 2021.

Rating agency Moody's has revised the outlook for the global steel industry for the next 12-18 months to 'stable' from 'negative'.

Prices range-bound

Going ahead, the downside to steel prices seem limited with good demand from China and elevated iron-ore prices, both of which will act as a support to the benchmark HRC steel prices. Having said that, any resurgence of the virus that would impact the economic activity could severely impact prices.

However, given the recent rise in steel prices, the upside also seems to be limited, especially when import cost from Japan is lower than domestic HRC prices. This would threaten the demand for domestic steel and, hence, serve as a check on domestic prices.

Thus, while steel prices are expected to be range-bound for sometime, any further fall in coking-coal prices, especially due to the dip in imports by major importing regions such as Japan, the European Union, South Korea and India, if sustained, will aid the profitability of steel-makers.

BUSINESS LINE
DATE : 21/10/2020 P.N.7

COMMODITY CALL

MCX-Aluminium looks bullish above ₹148

AKHIL NALLAMUTHU
BL Research Bureau

The October futures contract of Aluminium in Multi Commodity Exchange (MCX) was gradually declining throughout September. It declined from about ₹148 to ₹142 per kg. However, the contract took support at ₹142 in early October and has been rallying since then. The price crossed over the crucial level of ₹150 last week and went on to mark a fresh high of ₹152.8 before moderating towards the current level of ₹151.

The price action in the daily chart shows that the bulls are strong as the declines are being bought into – shown by longer wicks in the bottom of the candles of past few trading sessions. So, the contract is likely to cross over the prior high and advance towards ₹154. Above that level, it can climb to ₹156.

The bullish bias is supported by the relative strength index and the moving average convergence divergence indicators in the daily chart as they both remain in their respective bullish zone. Considering these factors, traders can be bullish and initiate fresh long positions in dips with stop-loss at ₹148.

BUSINESS LINE DATE : 21/10/2020 P.N.2

Hind Zinc net down 7% on higher tax outgo

OUR BUREAU
Mumbai, October 20

Hindustan Zinc net profit was down seven per cent in the September quarter at ₹1,940 crore, against ₹2,081 crore in the same period last year, due to higher tax outgo and lower realisation.

Revenue from operations was up 24 per cent at ₹5,533 crore (₹4,461 crore).

The company announced an interim dividend of ₹21.30 a equity share, leading to outgo of ₹9,000 crore. Its tax expense during the quarter was higher at ₹682 crore against ₹6 crore last year. The company recorded deferred tax write back of ₹253 crore last year.

The price of zinc was down one per cent at \$2335 a tonne and lead slipped eight per cent to \$1873 a tonne. However, silver was up 43 per cent to \$24.26 an ounce while rupee depreciated six per cent to 74.24 against dollar in the quarter under review. The company has raised ₹5,020 crore through non-convertible debenture and ₹4,778 crore via short-term commercial paper. Following this, the net cash available with the company has come down to ₹17,833 crore, against ₹27,631 crore.

Vedanta Resources rating

Meanwhile, Moody's Investors Service has placed Vedanta Resources' B1 corporate family rating under review for downgrade.

Concurrently, the ratings agency said it has also placed under review for downgrade the B3 rating on the senior unsecured bonds issued by Vedanta and those issued by its wholly-owned subsidiary Vedanta Resources Finance II Plc, and guaranteed by Vedanta, affecting \$4.2 billion in outstanding debt.

BUSINESS LINE
DATE : 22/10/2020 P.N.7

COMMODITY CALL

MCX-Nickel sees fresh breakout

AKHIL NALLAMUTHU
BL Research Bureau

The October futures contract of nickel on Multi Commodity Exchange (MCX), which has been on a corrective decline in September, reversed the direction in early October as the price band of ₹1,040 and ₹1,050 provided cushion.

The contract has been gaining since it crossed over the 21- and 50-day moving averages (DMA) - indicating a positive outlook. Additionally, it has broken out of the prior high of ₹1,165.3 on Tuesday, strenghtening the case for the bulls.

Further appreciation in price can take the contract to ₹1,215 in the near-term and if the bullish momentum sustains, it can even rise to ₹1,250. Notable support levels below ₹1,165 can be spotted at ₹1,136 and ₹1,100 - the 50-DMA.

Affirming the bullish bias, the daily relative strength index is rising in tandem with the price, showing good upward momentum. Also, the moving average convergence divergence indicator on the daily chart has been steadily moving upwards.

Considering the above factors, traders can be bullish and buy MCX-Nickel in declines with stop-loss at ₹1,136.

BUSINESS LINE DATE : 22/10/2020 P.N.6

Hind Copper to take up QIP issue

New Delhi, October 21

Hindustan Copper on Wednesday said its board on October 29 will consider raising funds via qualified institutional placement issue. This will be to the extent of 15 per cent of existing paid-up equity capital, the State-owned company said. The board will also consider and recommend seeking approval of shareholders for "the overall borrowing limit of ₹2,500 crore for all types of borrowings/ loans including bonds.". The board will also consider recommending to the mines ministry to modif object clause of the QIP from expansion/capex plan to general corporate purpose. PTI

BUSINESS LINE DATE : 23/10/2020 P.N.7

Outlook turns bullish for MCX-Zinc

COMMODITY CALL

AKHIL NALLAMUTHU

BL Research Bureau

The October futures of zinc in Multi Commodity Exchange (MCX), which has been rallying since July, face a corrective decline in September.

The price dropped by nearly 10 per cent from about ₹200 to mark a low of ₹181.2 in the first week of October.

The 50 per cent Fibonacci retracement level of the prior rally was at ₹181

charge and the contract resumed its uptrend. Consequently, on Tuesday, the price rose above the crucial resistance level of ₹200, opening the door for further past both 21- and 50-day moving averages. So, the outlook has turned bullish and the contract is likely to advance from current level to ₹210.

A breakout of this level can take it to ₹218. On the downside, support levels can be spotted at ₹200 and ₹193.

Corroborating the bullish inclination, the relative strength index and the moving average convergence divergence indicators are in their respective positive territories. Hence, traders can buy the con-

BUSINESS LINE DATE : 23/10/2020 P.N.7

Will red-hot copper sustain at $7,000/t level?

Analysts advise caution as speculative froth is building up

RAJALAKSHMI NIRMAL

Chennai, October 22

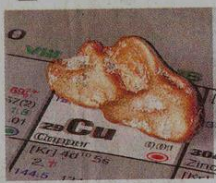
On Wednesday, copper futures in LME hit the level of $7,000/tonne after almost two years (after November 2018). On Thursday, technical profit-booking saw the metal drop to $6,991.5/tonne but market sentiments remained positive.

Drop in the US dollar index is helping the metal, said analysts that *BusinessLine* spoke to. The US dollar index is trading at 92.75, down from a high of 93.7 three weeks back.

Besides the weaker greenback, strong Chinese buying has also been supportive to the metal. While in August, China's copper imports reduced month-on-month, in September it increased again: import of refined, alloy and semi-finished copper products and copper anodes, was up 8.1 per cent in the month over August (up 62 per cent, y-o-y). Arrivals of unwrought copper and copper products stood at 722,450 tonnes in September shows data of the General Administration of Customs, China.

This is the second-highest monthly import in copper for the year (in July, the country imported 762,210.9 tonnes). Arrivals of copper concentrate was up, too, in September – by more than a third from August. The news is also that China is planning to build a strategic reserve of copper and other metals; this is likely to be discussed in a meeting on October 26.

Analysts, however, are advising caution on cop-



per with speculative froth building up.

As per Commitment of Traders Report from LME, speculators have the largest stake in copper since 2018.

Sandeep Daga of Regsus Consulting, a company that advises on commodity hedging to producers, consumer of metals, says, "Speculators have amassed very large bullish stakes in copper in hope of continuing Chinese demand and disruption in mining supplies. Physical market realities are changing though. Chinese refined output is now rising quicker than its incremental demand.

Source: Bloomberg, KS Commodity Research

Chinese copper product output is showing signs of exhaustion; this could remain low till the Lunar holidays. Bulls' patience will be tested in the coming months..."

On rally in copper prices, Ravindra Rao, Head – Commodity Research, Kotak Securities, said, "Copper looks bullish at the moment. Jump in Chinese demand, besides worries over supply disruption at Chilean copper mine are supporting prices. However, build-up in stocks at LME warehouses along with signs of easing tightness in physical market may cap the upside in the near term."

Copper stocks at LME that have been dropping since May has started to move up again, from 73,625 tonnes in the week ending September 25 to 184,850 tonnes in week-ending October 16.

Domestic trade cautious

In the domestic market, the demand-side picture has improved in the last three-four months, said Sandeep Jain, Managing Director of Laurel Wires, a domestic company that is into manufacture of copper wires. However, speaking to the trade, we find that the copper industry is not out of the woods completely and players are keeping fingers crossed to see how demand will pan out post-Diwali.

Copper in MCX trades at a premium of $40-50/tonne to the LME price, down from a premium of $150/tonne, a few weeks back.

Anil Surana, MD of Paras Wires, a large cable manufacturer from Bengaluru, said, "Copper prices are hitting the roof...and we hope that it's the roof and doesn't go further up. But demand has been strong in last one/two months. Enquiries have picked up sharply from makers of mobile cables, chargers and USB ports who were importing their material from China but now want to source it domestically..."

On levels to expect on MCX-Copper, Ravindra Rao, said, "It has made a breakout above ₹434 (October contract) and might test ₹445-448 in the coming sessions".

THE ECONOMIC TIMES
DATE : 24/10/2020 P.N.4

JSW Steel Q2 Net Profit Declines 37%

Our Bureau

Mumbai: JSW Steel reported a net profit of ₹1,595 crore for the September quarter of FY21, down 37% as against a net profit of ₹2,536 crore during the same period last year, however the company had reported a net loss of ₹582 crore for first time in six years in Q1 of FY21. "Following the 66% capacity utilisation in the first quarter of FY21... second quarter witnessed a sharp rebound in business sentiments and a significant improvement in the domestic economic activities spurred by a slew of monetary and fiscal initiatives," the company said.

THE TIMES OF INDIA DATE : 24/10/2020 P.N.12

Tata Steel, Swedish co eye EU biz deal

Reeba.Zachariah
@timesgroup.com

Mumbai: Tata Steel and Swedish giant SSAB are in talks for a potential deal to combine their European businesses as the former evaluates sustainable solutions to secure the future of its operations there.

The talks follow Tata Steel's failed attempt to merge its European unit with Germany's Thyssenkrupp last year over failure to secure regulatory approval. India's largest private sector steel company has been keen to find a new partner for its European asset as it wants to deleverage its balance sheet, which had a debt of Rs 1.2 lakh crore in the June quarter of fiscal 2021. The strategic options under evaluation include merging the European unit with a peer, or selling a significant stake in it, said a person in the know.

Tata Steel chairman N Chandrasekaran had said that he was striving to find a lasting solution for the European business this fiscal. Talks with SSAB, Europe's sixth-largest steel maker, are in the early stages, even as the sector is under pressure to consolidate owing to scant demand and ample supply intensified by the Covid pandemic, said another person.

SSAB TIE-UP

A Tata Steel spokesperson declined to comment on the "speculation". Bloomberg was the first to report about the two companies discussing a transaction. In the past too, the two have come together for M&A — for instance, in 2015, Tata Steel's European unit acquired three SSAB service centres in Nordic.

BUSINESS LINE DATE : 24/10/2020 P.N.2

JSW Steel turns the corner, reports ₹1,595-cr profit in Q2

Output ramp-up, lower cost led to better realisations

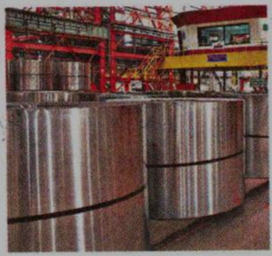
OUR BUREAU
Mumbai, October 23

JSW Steel reported a net profit of ₹1,595 crore in the September quarter against net loss of ₹582 crore logged in the June quarter. Ramp up of production and lower cost led to better realisations during the quarter.

Sales were up ₹18,662 crore against ₹11,545 crore registered in the June quarter when demand was washed out due to the lockdown. The average capacity utilisation increased to 86 per cent from 66 per cent in the June quarter.

However, on a year-on-year basis, JSW Steel net profit was down 37 per cent compared to ₹2,536 crore recorded in the same period last year, on the back of higher tax outgo.

The company's net profit in last September quarter was boosted by a tax write-back of ₹1,848 crore while in this quarter it logged a tax outgo of ₹910 crore.



The company's expansion projects have gained momentum

Gross revenue from sales was 12 per cent higher₹18,662 crore (₹16,737 crore) while overall expenses fell marginally to ₹16,958 crore (₹17,025 crore) year-on-year in September quarter.

Domestic demand revival

Revival in domestic demand led to exports falling 28 per cent against 57 per cent in June quarter. Realisation in the domestic markets are higher than exports.

The operating costs were down due to lower imported coal prices, savings in procurement costs and fixed overheads. However, this benefit in cost was partially offset by increase in the iron ore prices, said the company.

While the company has shut the pipe mill for maintenance work, it produced 54,317 tonnes of plates at a capacity utilisation of 22 per cent during the quarter and reported EBITDA of $17 million. JSW Steel Ohio USA Inc reported an EBITDA loss of $10.52 million as it remained shut for blast furnace upgradation. The company's plant in Italy reported an EBITDA loss of €13 million.

With the improvement in the availability of workforce at all locations, the expansion projects have gained momentum, the company said.

It has started trial production at 1.2 million tonnes per annum wire rod mill at Vijayanagar in Karnataka and construction of 8 mtpa pellet plant is expected to be commissioned in December quarter.

BUSINESS LINE DATE : 27/10/2020 P.N.8

'V-shaped recovery in demand for metals in India'

RAJALAKSHMI NIRMAL
Chennai, October 26

With metal prices shooting through the roof, Harssha Shetty, Director-Marketing, International Business, Vedanta Group, in an interview with *BusinessLine*, explains fundamentals of the metals market in India and globally. Excerpts:

THE BL INTERVIEW

How do you see the global base metals markets at present?

Currently, there are a few broad themes which are playing out in the market in the commodities space. One is the US elections. If Joe Biden wins, a predictable policy environment and shift from 'trade protectionism' to 'trade promotion' policies would be good for commodities. The $2-trillion war chest which Biden has planned for infrastructure and clean energy will also be positive for non-ferrous metals. The second theme is the second wave of Covid-19, which is impacting the demand. Although we see a V-shaped recovery in a few economies, we should remember that what goes up comes down and what goes down comes up. So, while there is a clear recovery in India, it is not consumer spending-led recovery, it is government spending-led recovery... China has recovered, no doubt. Most of its economic indicators are positive, but the Rest of the World (ex-China) will need to be back on track next quarter for a sustained global recovery.

Demand for metals is strong globally, but how's the Indian picture?

In India, the IIP has recovered sharply to the positive territory and the PMI is very strong at 56.8. This bodes well. The count of tenders announced by the Central and State governments has increased by 300 per cent over April 2020. The government's Housing for All and the electrical infra projects will pump up non-ferrous metal demand in the next two quarters. The demand for long steel products now is actually better than what it was during pre-Covid. This signals nothing but a very strong infrastructure demand. On the consumer side, when we speak to the battery manufacturers or automobile customers, what we understand is the demand is very strong as more people want to have their own private mobility now because of the fear of Covid. So, all in all, we expect consumption this quarter in non-ferrous metals to be at least 20-25 per cent better than last quarter (September 2020 quarter). Q4 of this financial year is likely to be at the same level or slightly better than last year Q4. H2 will definitely show a 5-7 per cent growth over H2 of FY20.

Non-ferrous metals demand in H2 to be driven by infrastructure; FY21, however, is still likely to contract by 5-7%

HARSSHA SHETTY
Director-Marketing, International Business, Vedanta Group

Which are the metals that are witnessing a strong demand and which are the sectors fuelling it?

Among non-ferrous metals, aluminium consumption is very strong now. Copper and zinc have recovered fast. The buying is from infrastructure players (largely due to government spending in electrical transmission towers, low cost housing projects) and automobile manufacturers.

For India, how will FY21 versus FY20 be?

FY21 will end on a crescendo. A lot of latent demand will be fulfilled in the next five months. There will be only a five per cent contraction in demand for aluminium, thanks to the strong recovery in last two months. In copper, zinc and lead, it may be to the tune of 7-9 per cent mainly because of the Q1 contraction. FY22 depends on the geopolitical canvas, post the US elections. It also depends on how anti-China trade sentiment pans out.

That said, the India picture is good with strong demand from infrastructure players. The MSME incentives which the government has announced, will help. The world will cosy up to India for being a compelling alternative to China. And, since we are a country under construction, the future is good for metal players.

BUSINESS LINE DATE : 27/10/2020 P.N.5

JSW Steel: Robust Q2 results fail to cheer analysts

See no headroom after the sharp run-up in share price

OUR BUREAU

Chennai, October 26

Shares of JSW Steel fell over 5 per cent on Monday despite a strong Q2 results posted by the company. According to analysts, after the recent surge in the stock, investors preferred to book profits as they see only little headroom from current levels.

147% rise in 6 months

JSW Steel shares have seen a sharp run up after hitting a 52-week low of ₹132.50 in April. Since then, it jumped 147 per cent to hit a year high of ₹327.30 on last Friday. On Monday, it closed ₹308.15, down 4 per cent over the previous day's close. In intra-day, the stock tumbled to ₹304.40.

The steel major besides reporting a better-than-expected earnings for the September quarter, also maintained its guidance of selling 15 million tonne of steel this year.

JSW Steel reported a net profit of ₹1,595 crore in the September quarter against net loss of ₹582 crore logged in the June quarter. Sales were up ₹18,662 crore (₹11,545 crore) and the average capacity utilisation increased to 86 per cent from 66 per cent in the June quarter.

However, on a year-on-year basis, JSW Steel net profit was down 37 per cent compared to ₹2,536 crore recorded in the same period last year, on the back of higher tax outgo.

JSW Steel: Dull outlook

Brokerage	Recommendation	Target (₹)
Prabhudas Lilladher	Reduce	223
Emkay Global	Sell	256
Nomura	Neutral	321
ICICI Securities	Hold	330
Motilal Oswal	Buy	372
Sharekhan	Buy	375

Stock rallied sharply in last three months on the back of sharp uptick in steel prices, led by strong pent-up demand in China and severe shortage due to covid-19, said Prabhudas Lilladher. However, the brokerage maintained its negative outlook on the stock due to stretched valuations, peaked out margins and overhang of Bhushan Power and Steel (BPSL) acquisition. "We maintain Reduce with TP of ₹223 (earlier ₹185)," it further said.

Similarly, Emkay Global Financial, which recommended a Sell on the stock with a price target of ₹256, said: "We believe a large part of the price hikes is done and do not expect prices to improve sharply now".

Phillip Capital has downgraded the shares to "sell" for a target price of ₹265. "Despite growth story, valuations are expensive and factors in all positives," the brokerage firm said.

Some bullish bets

However, Motilal Oswal maintained its Buy stance with a target price of ₹372, as it Q3-FY21 margins to be even stronger on higher steel prices.

"On the back of strength in steel prices, we expect the good performance to continue. Going forward, we model EBITDA margin of 19.4 per cent for FY21 and 20.2 per cent for FY22," said ICICI Securities, while recommending a Hold on the stock with a price target of ₹330.

Nomura Financial Advisory and Securities (India) though downgraded the stock to Neutral has raised the price target to ₹321.

THE ECONOMIC TIMES DATE :28 /10/2020 P.N.14

JSW, AM/NS, Others Look to Tap Electrical Steel Potential

E&V bands, other issues also discussed at BIF's recent meeting with Trai chief PD Vaghela

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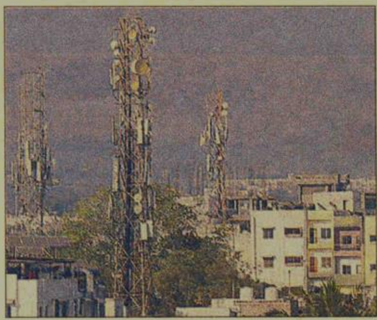


New Delhi: Industry think tank Broadband India Forum (BIF) has made a representation to the new chairman of the Telecom Regulatory Authority of India (Trai) for review of norms around spectrum pricing and allocation, including the much coveted E&V bands, among other issues.

In a recent meeting with the new Trai chief P D Vaghela, BIF also discussed other key subjects including the possible methods for companies to make a reasonable return on investment in digital infrastructure, proliferation of public WiFi hotspots, satellite communication and virtual network operators.

"We are motivated by the patient hearing of our submissions by the Trai chief and believe that the officials will take policy decisions in the best interest of all stakeholders," TV Ramachandran, president of BIF, told **ET**.

He added that BIF will seek another meeting with the authority next week for other agendas on its list.

The meeting comes soon after the Cellular Operators Association of India (COAI) — representing all the three private telecom companies in the country, Reliance Jio, Bharti Airtel and Vodafone Idea — had presented its submissions to Vaghela last week.

For the past month, BIF and COAI have been fiercely fighting over the allocation of E and V band spectrum, which is crucial for delivering high speed 5G services. Trai, in November 2015, recommended that both E-band (between 57-64 GHz) and V-band (71-76 and 81-86 GHz) should be opened with "light touch regulation" and allotment should be on first-come-first-served and "link to link basis".

THE ECONOMIC TIMES DATE :28 /10/2020 P.N.14

'Secondary Steel Cos' Profitability May Fall up to 100 bps in FY21'

Bhavya.Dilipkumar
@timesgroup.com

Mumbai: India's secondary long steel makers may face a decline in profitability to an extent of 100 basis points for the financial year 2021 as long steel sales volume is seen declining 12-15% in the current fiscal following the Covid-19 pandemic.

"For secondary steel makers, operating margin will test the lower range of 5.5-6.5%, marking a fall of nearly 100 basis points. This is largely due to the Covid-19 pandemic-driven shutdown in the first quarter of this fiscal, which led to a near-complete shutdown of operations for many producers," said Mohit Makhija, director, Crisil Ratings, in a report on Tuesday.

Long-steel consumption is predominantly linked to housing projects being implemented through schemes such as Pradhan Mantri Awaas Yojana and construction of roads.

THE HITAVADA(CITYLINE) DATE : 28/10/2020 P.N.2

JNARDDC signs MoU with RUSAL

■ By Kaushik Bhattacharya

JAWAHARLAL Nehru Aluminium Research Development and Design Centre (JNARDDC), Nagpur signed a Memorandum of Understanding (MoU) with Russian Union of Producers, Suppliers and Consumers of Aluminium (RUSAL), the second largest aluminium company in the world recently.

The MoU was signed for the co-operation in the development of aluminium production, consumption and technology transfer between both organisations.

RUSAL is a leading company in the global aluminium industry, producing metal with a low carbon footprint. Ninety per cent of the Company's aluminium is produced from renewable electricity, and by implementing innovative and energy-saving technologies RUSAL is able to reduce greenhouse gas emissions at all production stages.

Both organisations intend to build their relations based on the principles of mutually beneficial co-operation and common interests.

As per the MOU, promoting exchange of experience in order to take practical steps to increase aluminium consumption; Assistance in information exchange and communications between the representatives of Russian and Indian aluminium industry; Providing assistance in the development of technoparks (clusters) for the industry; Setting up joint ventures between Russian and Indian enterprises, including facilities producing high level aluminium products; Promoting contacts and information exchange in the field of new and high technologies in the aluminium industry are some agreements that signed during the MOU.

Dr Anupam Agnihotri, Director, JNARDDC; Artem Asatur, Co-Chairman, RUSAL; M T Nimje, M J Chaddha, R N Chouhan, Dr Upendra Singh and Sanjay Wadodkar attended the meeting virtually.

BUSINESS LINE
DATE : 29/10/2020 P.N.10

COMMODITY CALL

Bulls regaining momentum in MCX-Nickel

AKHIL NALLAMUTHU
BL Research Bureau

The November futures contract of nickel on Multi Commodity Exchange (MCX), which was in an uptrend since early October, witnessed a minor corrective decline last week after registering a high of ₹1,187. The price dropped only to find support at ₹1,150 levels. On the back of this support, the contract resumed its upward movement on Monday.

On Wednesday, the contract rallied past the prior peak of ₹1,187 and made a fresh high of ₹1,207.9 and is hovering around ₹1,200. The bulls, attempting to take the contract past ₹1,200-mark, are likely to succeed as the overall trend is in their favour.

Corroborating the positive bias, the daily relative strength index has been moving up and stays above the mid-point level of 50. The moving average convergence divergence indicator, too, shows bullish signs as it has been tracing an upward trajectory.

Given the above factors, the contract is likely to rally to ₹1,230. If the momentum sustains, the price could move higher and touch ₹1,255.

NAVBHARAT DATE : 29/10/2020 P.N.3

IBM में 729 पद रिक्त

1477 स्वीकृत पदों की संख्या

748 ही भरे गये अब तक

व्यापार संवाददाता

नागपुर. कई सरकारी विभागों की तरह ही भारतीय खान ब्यूरो भी कर्मियों की कमी से जूझ रहा है. कर्मियों की संख्या कम होने के चलते अन्य कर्मियों पर बोझ बढ़ता जा रहा है. देखा जाये तो यहां पर अलग-अलग कैटेगरी के कुल 1,477 स्वीकृत पदों की संख्या है, जबकि इनमें से केवल 748 ही पद भरे गये हैं. अभी भी यहां पर 729 पद रिक्त ही पड़े हुए हैं, जिन पर अब भर्ती नहीं की गई है. पदों भर्ती का लंबा इंतजार हो रहा है. भर्ती होगी तो अन्य कर्मियों पर काम का बोझ काम होगा. संजय थूल द्वारा डाली गई आरटीआई में पता चला है कि एससी, एसटी और ओबीसी जैसी अलग-अलग कैटेगरी हैं, जिनमें पद रिक्त पड़े हुए हैं. इनमें ग्रुप 'ए' में स्वीकृत पदों की संख्या 459 है, जिनमें 131 ही भरे गये हैं. वहीं ग्रुप 'बी' में 249 पद हैं, जिनमें से 143 पद भरे गये हैं. ग्रुप 'बी' (नॉन-गेज) 253 पद हैं और इनमें केवल 155 ही भरे गये हैं. इसी तरह ग्रुप 'सी' में 516 पद हैं, जिनमें से 319 पदों पर भर्ती की गई है. इस तरह से कुल मिलाकर 1,477 पदों में से 748 ही पद भरे गये हैं. बाकी 729 पदों पर भर्ती नहीं हो पाई.

BUSINESS LINE DATE : 29/10/2020 P.N.10

Kadapa steel plant: AP scouts for strategic partner

OUR BUREAU

Hyderabad, October 27

The Andhra Pradesh Government has stepped up efforts to rope in a strategic partner for the development of the greenfield Kadapa Steel Plant.

YS Jagan Mohan Reddy

Reviewing the progress, the State Chief Minister YS Jagan Mohan Reddy directed the officials to expedite the works and identify a suitable partner to take up the project.

During the meeting on the Kadapa Steel Plant and Kopparthi Electronic Manufacturing Cluster (EMC), it was disclosed that consultations were on with seven companies who have shown interest.

"Seven top companies have expressed interest in constructing Kadapa steel plant and the consultations are underway. Once the partner is chosen, the construction work will take off in three to four weeks," the officials said.

Objective

The Chief Minister said the main aim of establishing the steel plant in Kadapa is to bring industrial development and job creation in the drought-hit and backward Rayalaseema region.

On the Kopparthi EMC, which is being set up near Kadapa and likely to provide jobs to about 30,000 , he instructed the officials to ensure flow of investments enabling employment generation.

The officials explained Dixon was ready to invest ₹300 crore.

BUSINESS LINE

DATE : 20/10/2020 P.N.10

COMMODITY CALL

MCX-Zinc likely to extend the rally

AKHIL NALLAMUTHU

BL Research Bureau

The November futures contract of zinc on Multi Commodity Exchange (MCX), which had been oscillating between ₹188 and ₹198 since August, breached the support of ₹188 and marked a low of ₹180.8 in the first week of October. However, the contract swiftly reversed the trend and has been rallying since then.

Last week, it broke out of ₹200-mark, opening the door for further strengthening. The price stays well above the 21-day moving average.

Supporting the bullish outlook, the moving average convergence divergence is showing signs of positive momentum. Also, the daily relative strength index has been steadily rising since past two weeks.

Because of the above reasons, the contract will most likely extend the rally and advance to ₹210 in the short-term. A breakout of this level can potentially lift the contract to ₹220. Support below ₹198 can be spotted at ₹192. Subsequent support is at ₹188.

Since the overall trend is upward and there are indications supportive of the same, traders can buy the contract on declines with stop-loss at ₹192.

BUSINESS LINE DATE : 30/10/2020 P.N.12

Core sector contraction narrows to 0.8% in Sept

Output shrank 14.9% in April-Sept 2020 compared to 1.3% growth last year

OUR BUREAU

New Delhi, October 29

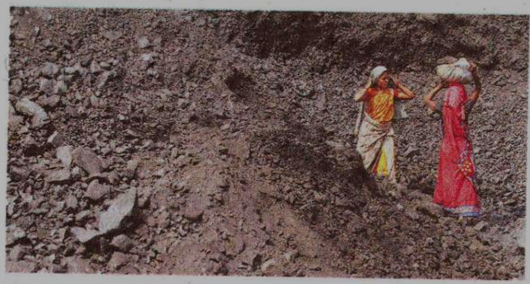
In an encouraging sign, the output of eight core industries contracted at a much lower rate of 0.8 per cent in September 2020, collating well with the higher consumer spending seen in early October. This is the seventh straight month of contraction since March when the core industries contracted 8.6 per cent. However, the latest print is much better than the revised contraction of 7.3 per cent seen in August 2020. The eight core industries had contracted 8 per cent in July 2020 and (-) 12.4 per cent (revised) in June this year.

For the April-September 2020, the eight core industries output contracted 14.9 per cent compared to 1.3 per cent growth seen in same period last year.

The disaggregated performance of the core industries was highly uneven, with sharp improvements in coal, refinery products and cement, amid a worsening performance of fertilisers and natural gas in September 2020. Encouragingly, coal, electricity as well as steel were able to post a YoY expansion in September 2020.

The eight core industries are coal (21.2 per cent), crude oil (-6 per cent), natural gas (-10.6 per cent), refinery products (-9.5 per cent), steel (0.9 per cent), electricity (3.7 per cent), cement (-3.5 per cent) and fertilisers (-0.3 per cent).

Commenting on the latest core industries data, Aditi Nayar, Principal Economist, ICRA said: "With the shrinking of the contraction of the core sector output, and the growth displayed by both auto production and non-oil exports, the IIP may well be able to eke out a small growth in September 2020".



The improvement in performace was driven by coal produtcion

Key drivers of recovery

While many lead indicators have displayed signals of a strengthening economic recovery in September 2020, ICRA has cautioned that the sustainability of the upturn may not be universal, and await signs of its durability.

The substantial improvement in the core sector performance in September 2020 was driven by the base effect-led uptick in coal production, related to heavy rainfall and labour issues in some mines in September 2019. Accordingly, the expansion in coal output is unlikely to sustain at this robust pace beyond the current month, Nayar said. With improved mobility of people and goods, the contraction in refinery products halved in September 2020, an encouraging trend that may continue in the immediate term, she added.

Madan Sabnavis, Chief Economist, CARE Ratings, said that core sector data reflects work in the infra space, and the fact that coal, electricity and steel have registered positive growth does indicate that the unlock programme has had a positive impact in this segment.

Higher growth in power of 3.7 per cent can be linked with more business activity in operation while coal growth of 21.2 per cent goes along with higher demand for electricity as well as steel, he said.

While cement growth remains negative at 3.5 per cent, steel has turned over marginally at 0.9 per cent. This corroborates the picture revealed by some of the steel companies which have seen good demand especially from construction and auto sectors, Sabnavis said.

Negative growth in the oil segment — oil, gas and petrol products — is reflective of absence of revival in the transport segment. This should improve in the coming months with relaxation in lockdown measures, according to Sabnavis.

IIP growth for this month may be expected to be between -2-5 per cent, according to CARE Ratings.

DAINIK BHASKAR DATE : 31/10/2020 P.N.15

भारतीय खान ब्यूरो में आधे पद पड़े हैं खाली

- सभी कैटेगरी में एक जैसी स्थिति

नगर प्रतिनिधि | नागपुर. भारतीय खान ब्यूरो में नई-नई तकनीक के माध्यम से रिसर्च पर काम हो रहा है। भू-संपदा को खोजने के लिए विभिन्न योजनाएं बनाई जा रही हैं। दूसरी ओर सूचना का अधिकार (आरटीआई) में खुलासा हुआ है कि, वर्तमान में करीब आधे पद खाली पड़े हुए हैं। विशेष बात यह है कि, भारतीय खान ब्यूरो, नागपुर में सभी कैटेगरी में पद खाली पड़े हुए हैं।

कुल स्वीकृत 1467, खाली 748

जानकारी के अनुसार खान ब्यूरो जमीन के नीचे के खनिजों का पता लगाने की दिशा में भी काम रह रहा है। छोटे जहाज के माध्यम से किए जाने वाले इस सर्वे से किस क्षेत्र में जमीन के नीचे कौन-सी संपदा है जिसका लाभ जरूरत के हिसाब से लिया जा सके। इन पर तकनीक से काम लिया जा रहा है। दूसरी ओर विभाग में आधे से ज्यादा पद खाली पड़े हुए हैं। ए, बी और सी ग्रुप में कुल 1468 पद स्वीकृत हैं, इसमें से सिर्फ 748 पद भरे हुए हैं, जबकि शेष 729 पद खाली पड़े हैं। सूचना अधिकार के तहत संजय थूल ने यह जानकारी मांगी।

यह है स्थिति

कैटेगरी	स्वीकृत पद	भरे पद	खाली पद
ग्रुप-ए	459	131	328
ग्रुप-बी	249	143	236
ग्रुप-बी	253	155	98
ग्रुप-सी	516	319	197

DAINIK BHASKAR DATE : 30/10/2020 P.N.4

पन्ना की उथली खदान से मजदूर को मिला 7.2 कैरेट का हीरा

ब्यूरो पन्ना | जिले के ग्राम बिलखुरा निवासी बलवीर सिंह यादव को पटी उथली खदान क्षेत्र से जेम क्वालिटी वाला 7.2 कैरेट वजन का हीरा मिला है। इस हीरे की अनुमानित कीमत 30 से 35 लाख रुपए बताई जा रही है। खदान में हीरा मिलने की खबर के बाद से बलवीर के घर में जश्न और खुशी का माहौल है। हीरा धारक बलवीर सिंह यादव ने अपनी पत्नी व भाई के साथ कलेक्ट्रेट स्थित हीरा कार्यालय आकर डायमंड जमा कर दिया है।

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