खनिज समाचार

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KHANIJ SAMACHAR

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INDIAN BUREAU OF MINES

VOL. 1, NO-17, 16th – 31st DECEMBER 2017

THE BUSINESS LINE DATE: 16/12/2017 P.N.14

Will Indians benefit from the fall in the global price of gold?

COMMENTARY

G CHANDRASHEKHAR

As widely expected, the US Federal Reserve on Wednesday raised interest rates for the third time this year, by 25 basis points (bps). The gold market had already factored in the rate hike though.

However, the actual announcement lifted gold prices quite unexpectedly and somewhat counter-intuitively. There was a surprise depreciation of the US dollar. As an expert pointed out, gold gained initially because of lack of revision to the Fed's inflation and interest rate outlook. This led to a slight weakness in the dollar that supported the yellow metal.

After the US Fed announcement, the ECB has maintained a status quo on the policy rate and continues its accommodative stance.

Over the past weeks, gold prices came off their highs and recently declined below $1,250 an ounce, weighed down by a strong dollar, moderating geopolitical pressures and a weak demand outlook. No wonder investors cut their net long positions in gold futures. At the same time, ETF demand for the yellow metal has also been subdued.

Price outlook

Currently, gold is hovering around the $1,250/ounce level. What is the outlook over the next quarter?

The US Fed has forecast higher GDP growth and is expected to hike interest rates at least three times over the next 12 months. Indeed, there is an emerging possibility that there could even be a fourth hike in 2018, one more than what the FOMC's projections imply.

In the event, the greenback will get stronger and the equity market will get a boost, both of which are unlikely to pressure the yellow metal down. Less committed gold bulls will surely exit the market as we go along.

Weak Asian demand

At the same time, demand for the precious metal from important consumers — China and India — is likely to be subdued in the months ahead.

In India, inflation is beginning to rear its head and farm incomes have not shown any marked growth despite a near-normal south-west monsoon. If anything, there are crop losses due to unseasonal rains and prices of many grains and oilseeds continue to rule low. Rural incomes are under pressure.

Perhaps the only support gold can hope for next year is geopolitical instability, which can trigger haven buying. However, such support is transient. Temporary lifts to prices following geopolitical developments do reverse over time.

From here on, gold is likely to find it tough to explore its upside. If anything, downside risks persist. Over the coming weeks and in the first quarter of 2018, the metal has the potential to decline close to $1,200/oz.

Whether consumers in India will be able to fully reap the benefit of a fall in the international price of gold is a moot question. The rupee is showing signs of weakness. With a firming dollar, emerging market currencies are likely to turn softer.

As we move closer to Budget time, there are attempts to lobby the Union government for a reduction in customs duty (10 per cent at present) on gold import.

But the policymakers are most unlikely to concede the demand primarily given the revenue implication. The admitted position of the government is that gold is a de-merit commodity and not an essential item.

It would be a travesty if customs duty on a luxury consumption item such as gold is lowered when resource-poor farmers in this country are agitating for higher prices for their produce.

The author is a commodities market specialist. Views are personal.

THE HINDU
DATE: 16/12/2017 P.N.15

ArcelorMittal to make auto steel in India

REUTERS
NEW DELHI

India's state steel company will start producing automotive steel in a $1 billion partnership with ArcelorMittal in three years, a top government official said, helping cut imports of high-grade steel as the country revs up car manufacturing.

Steel Authority of India Ltd. (SAIL) approved entering into a "non-binding" agreement of terms on the joint venture (JV) with the world's biggest maker of the alloy, the state steel firm said. SAIL said a definitive agreement with ArcelorMittal would be "finalised in due course subject to financial viability" but Steel Secretary Aruna Sharma said the JV will start production in three years.

THE TIMES OF INDIA DATE: 16/12/2017 P.N.12

'Opencast mines becoming economically unviable'

TIMES NEWS NETWORK

Nagpur: Aiming to bring about a policy change in mining sector, Nagpur Branch of Indian Mine Manager's Association (IMMA) organized a two-day National summit on 'Sustainability of underground mines in India' at a city hotel in Ramdaspeth on Friday.

Chief guest Ajay Kumar Singh, Bharat Coking Coal Limited's chairman, urged citizens to adopt eco-friendly lifestyle and maintain a balance between development and nature. Though the mining industry had failed in this goal, it wasn't too late for realigning with environment, he said.

Pushpita Chatterjee

Dignitaries at a national summit on mining, organized by IMMA at a city hotel, on Friday

Indian Bureau of Mines controller general Ranjan Sahai, who was guest of honour, said that opencast mines are becoming economically unviable and we need to develop new technology.

Speaking on the occasion, Western Coalfiends Limited's TN Jha highlighted the importance of sustainable development.

As coal is one of the major energy sources, it is not only important to use this resource responsibly but also necessary to develop economically viable technologies which will enable us to use it in an eco-friendly manner, Jha said.

Deputy director general of Directorate of Mines and Safety Dhanbad, BP Singh, deputy director general of Directorate of Mines and Safety, Nagpur, Laxminarayan, chairman of IMMA, Nagpur, RC. Sanodiya, treasurer SK Jagnamia, convener Diwakar Gokhale and organizing secretary MS Tiwari were also present.

(Reporting by Gatha Shivhare)

THE HITAVADA DATE: 16/12/2017 P.N.6

Need to make underground mining viable: A K Singh

■ Business Bureau

From left, D M Gokhale, S K Jagnania, V Laxminarayana, Rajan Sahai, A K Singh, T N Jha, B P Singh and R C Sanodia during the inauguration of the summit on Friday. (Pic by Anil Futane)

UNDER the aegis of Indian Mine Managers Association (IMMA), Nagpur Chapter has organised two days long national summit on 'Sustainability of underground mines in India' was inaugurated on Friday at Hotel Centre Point, Nagpur. About two hundred mining experts and professionals from mining, planning, governing and consulting companies like WCL and other subsidiaries of Coal India, MOIL, MECL, IBM, CIMFR, CMPDIL, Singareni Collieries and DGMS reached Nagpur to participate in the summit from all over the country.

Ajay Kumar Singh, Chairman cum Managing Director of Bharat Cocking Coal Limited (BCCL) and the chief guest of summit said, "Despite other available energy sources like wind energy, solar, hydro power in our country, survival without coal is not possible. The mine managers are required to think hard to meet out increasing demand of coal of the country along with the protection of environment, safety and viability of mines."

He added that the mine planners ignored infusion of technological inputs, and it has landed the mining industry in great trouble today. Opencast mining has limited future due to land availability and coal in future will be available only from underground mining. To make the underground mining economically feasible mass production technology is to be implemented in all the projects to achieve sustainable, innovative and environment friendly UG mining.

Ranjan Sahai, Controller General of IBM and guest of honour of the summit spoke about legislative reforms in the area of conservation and environment and said that without infusing automation and instrumentation, mining by underground mines is not possible.

He gave many examples of developed nations and requested mining fraternity to adopt those practices in our country too. "To increase production from under ground (UG) mines as per the requirement is need of the hour," said P B Singh, Director General Mines Safety during the inaugural session.

He emphasised on development of indigenous technology with the help of world-class national institutions like IITs. A souvenir and 'IMMA Review –II' was also released on the occasion.

Tirth Nath Jha, Director Technical (Projects & Planning), Western Coalfields Limited, V. Laxminarayana, Dy, Director General of Mines Safety (DGMS), Nagpur and S K Jagnania, National Treasurer of IMMA also guided the delegates.

R C Sanodia appraised about the activities of IMMA and delivered inaugural speech.

Diwakar M Gokhale, AGM of WCL proposed the vote of thanks whereas Prof Manoj Tiwari, RCOEM gave the details of the summit.

Twenty senior retired mining engineers were also felicitated on the occasion. Total 18 technical papers on different elements of underground mining are being presented by experts from various organisations of the country.

The programme was conducted by Zakir Hussain and P H Nimbalkar. Sitaram Lomaror and other members extended special contribution in making summit successful.

THE ECONOMIC TIMES DATE: 18/12/2017 P.N.1

Essar Steel Resolution Fast-tracked

Bidders with cash balance or bank guarantee of ₹500 cr can make a binding offer

Sangita.Mehta
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Mumbai: Lenders to Essar Steel are reducing the time taken to resolve the biggest default in the industry by mandating that whoever is the bidder must have at least ₹500 crore in cash balance, or provide a bank guarantee for a similar amount, and simultaneously provide a resolution plan with the stamp of approval from the resolution professional.

In what the lenders term as 'single stage' process to expedite the resolution, any interested bidder has to meet both the conditions to be considered by the bankers, said two senior officials aware of the matter. This was decided over a series of meetings held by the committee of creditors.

ESSAR OILFIELDS REVENUE DOUBLES
▸▸PAGE 13

Essar Steel, which is one of the 12 large cases where lenders have initiated insolvency proceedings, will soon be put on the block. Earlier, lenders had decided on a two-stage process, in the first stage of which bidders with ₹500 crore cash balance will have access to financial data. In the second stage, the resolution professional will shortlist bidders depending on the resolution plan they provide. The shortlisted bidders will have access to technical data about the plant and machinery of the company.

Quicker Solution

Proposed two-stage resolution process becomes single-stage

Bidder with cash balance or bank guarantee of ₹500 cr to provide resolution plan approved by IRP

SHORTLISTED bidders will have access to financial & technical data of co

LENDERS WILL negotiate with top 5 bidders; process to take 3 more months

Banks have time till mid-Mar to decide resolution plan

BUSINESS LINE DATE: 18/12/2017 P.N.8

Metals ($/tonne)						
Aluminium	.2051	2.9	-1.7	17.7	2188	1700
Copper	6855	4.9	1.8	19.8	7122	5426
Iron Ore	67	0.5	8.4	-18.3	95	54
Lead	2546	4.0	5.1	9.0	2585	1984
Zinc	3205	3.7	0.4	14.5	3370	2087
Tin	19174	-1.8	-1.3	-10.2	21350	18750
Nickel	11522	5.8	-1.0	2.4	12830	8710

THE ECONOMIC TIMES DATE: 19/12/2017 P.N.14

Adani Ends Deal with Oz Mining Co Downer

Move comes after the group failed to get financiers to approve loans for Carmichael coal mine; Adani decides to run the project itself

Rachita.Prasad@timegroup.com

Mumbai: Adani Group has received another blow when it had to cancel the contract with mining services company Downer EDI for developing and operating its Carmichael coal mine in Australia after the Gautam Adani-led conglomerate failed to get financiers to approve loans for the $13- billion project.

In 2014, the Adani group had decided to outsource the operations of its Carmichael mine to the Australian company Downer in a deal valued at about $2 billion at the time of its announcement. Now, Adani has decided to run the project itself.

"Following on from the NAIF veto last week and in line with its vision to achieve the lowest quartile cost of production by ensuring flexibility and efficiencies in the supply chain, Adani has decided to develop and operate the mine on an owner-operator basis," a statement from Adani said.

The projects, which has been mired in controversies, received a big setback last week when the newly-elected Queensland government vetoed a plan to extend a $900-million loan at cheaper rates for the construction of a rail line linked to the project. This loan, which was to come from Northern Australia Infrastructure Facility (NAIF), was crucial for the project as the Adani group has been struggling to tie up funds as several banks have decided to stay away from the venture due to the protests related to environmental concerns.

Adani said that the group and Downer have mutually agreed to cancel all letters of award and Downer will provide transitional assistance till March 31, 2018.

ON PROJECT

Project has been at the centre of a raging controversy since the beginning with environmentalists warning of severe damage to the Great Barrier Reef

"Adani remains committed to developing the Carmichael project and will ensure the highest level of standards and governance. This will not affect our commitment or the number of local jobs across Queensland," the statement said.

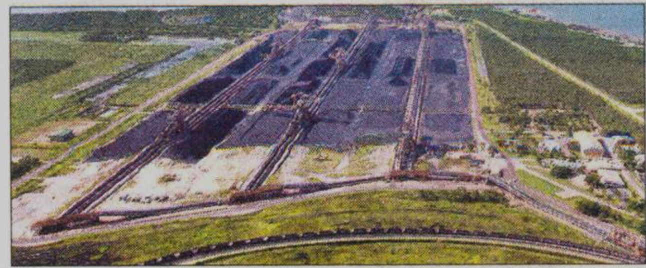
"This is simply a change in management structure and ensures that the mine will ultimately be run out of our Adani Australia offices in Townsville," the statement read.

The project has been at the centre of a raging controversy since the beginning with environmentalists warning of severe damage to the Great Barrier Reef. While it received the approvals and has already employed 800 people at the project, the company is still facing hurdles. The chief executive of Adani's Australia operations Jeyakumar Janakaraj had told **ET** in October that the group is confident that the mine project will start production by 2020 despite the challenges as it had support from the Indian as well as Australian government.

THE HITAVADA DATE: 19/12/2017 P.N.11

Adani cancels $2.6 bn contract with Aus mining giant Downer

■ By Natasha Chaku
MELBOURNE, Dec 18 (PTI)



BELEAGUERED Adani Australia on Monday said it had cancelled a 2.6 billion dollar contract with an Australian mining services firm to cut costs, days after the Indian energy giant failed to get a concessional loan for its controversy-hit Carmichael coal mine project in Queensland.

The split with Downer comes after the Australian firm was the target of a nationwide activist campaign pressuring it to quit the 16.5 billion dollar Carmichael project in central Queensland, claiming it will harm the iconic Great Barrier Reef.

In a setback to Adani, the newly-elected Queensland government led by Premier Annastacia Palaszczuk last week vetoed a plan to give a 900-million dollar concessional loan for the construction of a rail line for the Carmichael coal mine project.

She vetoed the loan to Adani Australia, fulfilling a major poll promise she had made during the election campaign to put a stop to the NAIF loan on her first day. The Adani group had applied for the Northern Australia Infrastructure Facility (NAIF) loan worth 900 million dollars for building the 388-km rail line to connect the major coal mine to the sea port. The 16.5 billion dollar Carmichael coal mine project when completed would be one of the world's largest.

The move to cancel the contract raises further questions about the fate of the massive project, with Downer, one of the only two mine contractors — along with Thiess, considered capable of handling an operation producing upto 60 million tonnes of coal a year, the Australian Broadcasting Corporation reported.

Adani said in a statement that it is committed to the project and the split with Downer was "simply a change in management structure".

"Following on from the NAIF veto last week, and in line with its vision to achieve the lowest quartile cost of production by ensuring flexibility and efficiencies in the supply chain, Adani has decided to develop and operate the mine on an owner operator basis," the statement said.

BUSINESS LINE DATE: 19/12/2017 P.N.4

Panel to revive SAIL, RINL

New Delhi, December 18

A committee has been set up for revival of loss-making steel PSUs such as Steel Authority of India Ltd and Rashtriya Ispat Nigam Ltd, Parliament was informed today. The committee consists of members from the Ministry of Steel, PSUs and technical experts, Minister of State for Steel Vishnu Deo Sai said in the Lok Sabha. "A committee... has been set up for revival of Rashtriya Ispat Nigam Ltd (RINL) and Steel Authority of India Ltd (SAIL). Experts have submitted reports covering several functional aspects of SAIL and RINL like improvement in techno parameters, marketing and branding, equipment maintenance, product mix, raw material handling etc for improving performance," he said. PTI

BUSINESS LINE DATE: 20/12/2017 P.N.17

Gold gets a breather from US Fed's decision

GURUMURTHY K
BL Research Bureau

Gold prices have recovered sharply in the past week, thanks to the US Federal Reserve for not giving any new surprises to the market in its meeting. The US Federal Reserve as expected increased the interest rate by 25 basis points. It also left the future rate hike path unchanged which triggered a sell-off in the dollar. This helped gold to recover sharply from its low of $1,236 per ounce last week. The yellow metal has surged over 2 per cent from this low and is currently trading at $1,262.

Silver has surged over 3 per cent from its low of $15.6 per ounce to the current levels of $16.1.

On the domestic front, the gold and silver futures contract on the Multi Commodity Exchange (MCX) have reversed higher in tandem with the global prices. The MCX Gold futures contract made a low of ₹28,055 per 10 gm and has bounced to ₹28,435. The MCX Silver contract has reversed higher after making a low of ₹36,672/kg and is currently trading at ₹37,484.

Gold outlook

The global spot gold ($1,262/oz) has an immediate resistances at $1,268 and $1,270 which are likely to be tested in the near-term. A break above $1,270 can take the prices higher to $1,275 — the next crucial resistance level. A strong break and a decisive weekly close above $1,275 will ease the downside pressure. Such a break will increase the likelihood of gold revisiting $1,300 levels in the coming weeks. But if gold reverses lower either from $1,270 or $1,275, a pull-back move to $1,265 or $1,260 is possible initially. The contract (₹28,435/10 gm) has reversed higher from a key ₹28,200-28,000 support zone. This signals the beginning of a fresh leg of upmove. A rally to ₹28,750 is likely in the coming days. Whether the contract breaks above ₹28,750 or not will decide the next move. A break above ₹28,750 can take the contract higher to ₹28,900 initially. Further break above ₹28,900 will pave way for the next target of ₹29,300. But inability to break above ₹28,750 can trigger a pull-back move to ₹28,400 or even lower.

Silver outlook

The near-term outlook is positive for silver. The global spot silver is at $16.1 per ounce. An upmove to $16.6 is likely in the near-term. Inability to break above $16.6 can pull the prices lower to $16.25 or $16.1. But a strong break above $16.6 will increase the likelihood of the upmove extending to $16.75 or even to $17.

The contract (₹37,484/kg) can rise to ₹38,200 or even to ₹38,500 in the short-term. The region around ₹38,500 is a crucial resistance for the contract. A strong downward reversal from there will be a threat to the contract and a fall to ₹35,500 over the medium term is possible. But a strong break and a decisive weekly close above ₹38,500 will ease the downside pressure. Such a break will then increase the possibility of the contract extending its rally to ₹39,500.

Note: The recommendations are based on technical analysis and there is a risk of loss in trading.

THE HITAVADA DATE: 20/12/2017 P.N.11

Pet coke duty hike may hit cement cos' margins

MUMBAI, Dec 19 (PTI)

CEMENT companies operating profits may fall by one per cent following the Government's decision to hike import duty on pet coke to 10 per cent from the current 2.5 per cent, a report said.

"The operating margins of cement companies, which use high proportion of pet coke are likely to be affected following the Government's decision to increase the import duty on pet coke to 10 per cent from the present 2.5 per cent. The operating margins of cement manufacturers may fall by about 1 per cent, if increased cost is not passed on to end users," India Ratings said in its report here.

The increase in import duty was announced after the Supreme Court decided to lift the ban on the use of pet coke last week. The Supreme Court allowed the cement industry to use petcoke as a feedstock which had been banned last month to clean up the air pollution.

While, issuing the exemption order for cement units, the apex court asked the Government to frame guidelines for the use of petcoke. Ind-Ra said that the cement manufacturers may resort to coal imports due to low domestic availability.

Cement manufacturers prefer using pet coke, as it contains high calorific value (7,500-8,500 Kcal/kg), to non-coking coal (2,200-7,000Kcal /kg). The rise in import duty on pet coke will result in a rise in power and fuel cost per metric tonne to Rs 5-7 per bag, the report noted.

Total pet coke consumption in India increased by 34 per cent in October 2017 to 2 million metric tonne as compared with the level recorded for Oct 2015.

BUSINESS LINE DATE: 20/12/2017 P.N.17

Outlook unclear for MCX Zinc

GURUMURTHY K
BL Research Bureau

The upmove in the zinc futures contract on the Multi Commodity Exchange that has been in place for more than a week seem to be losing momentum.

The contract, which has reversed higher after testing the psychological support level of ₹200 per kg on December 8, recorded a high of ₹207 on last Friday. But subsequently the contract reversed lower from there and has come-off to ₹203.5/kg.

The immediate outlook is unclear. Traders can stay out of the market until a clear trend emerges.

The 100-day moving average support is at ₹202.5 which is likely to be tested in the coming sessions. If the contract reverses higher again from this support, there is a strong likelihood of it moving higher to ₹208. The level of ₹208 is a crucial trend-line resistance.

If the contract manages to breach this hurdle, it can gain fresh momentum. Such a break can take the contract higher to ₹212 initially.

Further break above ₹212 will increase the possibility of the upmove extending to ₹214 and ₹216.

On the other hand, if it declines breaking below the 100-day moving average support, the contract can fall to ₹200 and ₹199 levels again.

Note: The recommendations are based on technical analysis and there is a risk of loss in trading.

THE ECONOMIC TIMES DATE: 19/12/2017 P.N.1 & 7

INDIA INC ON FUND-RAISING SPREE

Tata Steel to Raise ₹12k cr for Capex

The Tata Steel board has approved raising up to ₹12,800 crore through a mix of debt and equity, including a rights issue, to fund the company's proposed 5-million-tonne expansion with an investment of about ₹23,000 crore, reports **Our Bureau** from **Kolkata**. It marks the first big-ticket investment in new steel-making capacity by a domestic major in recent times, signalling a strong pick up in steel demand at home, and comes close on heels of announcements by Steel Authority and the world's largest steel company ArcelorMittal to set up a 1.5-million-tonne (mt) automotive steel joint venture in India at an investment of almost ₹15,000 crore. **FULL REPORT ▸▸ PAGE 7**

Tata Steel Gets Board Nod to Raise up to ₹12,800 crore

Our Bureau

Kolkata: The Tata Steel board has approved raising of funds up to ₹12,800 crore through a mix of debt and equity which includes a rights issue to fund the company's proposed expansion in steel capacity by 5 million tonne at an investment of nearly ₹23,000 crore. The capacity is likely to be added with four years of the date of commencement of construction.

It marks the first big-ticket investment in new steelmaking capacity by a domestic major in recent times signaling a strong pick up in steel demand at home. It comes close on heels of announcement by Steel Authority and the world's largest steel company ArcelorMittal on plans to set up an 1.5 million tonne (mt) automotive steel joint venture in India at an investment of almost ₹15,000 crore.

The company's board which meet over two days on December 18 and 19 reviewed the company's long term strategy including its organic and inorganic growth opportunities. The board also approved the financial plan to raise capital for the above, which will be deployed for de-leveraging the balance sheet and general corporate purpose, Tata Steel said in a notification to the stock exchanges on Tuesday.

The new addition to capacity will come up at the company's greenfield location at Kalinganagar in Odisha where Tata Steel has successfully implemented a 3 mt plant. With the expansion steel capacity at Kalinganagar will be raised to 8 mt. Taking into account its existing 10 mt capacity at Jamshedpur, the expansion is due to raise Tata Steel's total domestic steel capacity to 18 mt from an existing level of 13 mt. The new capacity is poised to meet requirements of automotive, general engineering and other value added segments, the company said. Tata Steel scrip closed at Rs 710.30, up 0.79% at on the BSE on Tuesday.

"The announcement itself was expected since Tata steel has been talking about adding capacity in India. However, the (big) size of the rights issue is a bit surprising," Sanjay Jain, metals analyst at Motilal Oswal Securities said.

While the likes of JSW Steel have already added capacity, Jain felt there would be more new capacity additions in the steel sector including those in some of the NCLT cases, after they are resolved.

BUSINESS LINE DATE: 21/12/2017 P.N.16

Near-term view is positive for MCX Nickel

GURUMURTHY K
BL Research Bureau

The nickel futures contract on the Multi Commodity Exchange (MCX) rose sharply in the past week.

The contract made a low of ₹708.5 per kg on last Thursday and has surged about 8 per cent from there to the current levels of ₹764 per kg. This strong rally has taken the contract well above the key resistance level of ₹742 which was expected to cap the upside.

The decisive break above ₹742 has negated the head and shoulders reversal pattern formed on the charts.

The contract will come under pressure only if it declines below ₹742 again.

But as long as the contract sustains above ₹742, the near-term view is positive for the contract. Immediate resistance is at ₹767. A break above it can take the contract higher to ₹775 or ₹777 in the near-term. Inability to break above ₹777 can trigger a pull-back move to ₹763.

But if it manages to breach ₹777, the current upmove can extend to the next crucial resistance level of ₹785. Short-term traders with a high-risk appetite can go long on dips at ₹758 and accumulate at ₹754.

Stop-loss can be placed at ₹748 for the target of ₹775. Revise the stop-loss higher to ₹763 as soon as the contract moves up to ₹770.

As mentioned above, the outlook for the contract will turn negative only if it declines below ₹742 again. Such a break can pull it to ₹734 initially.

Further break below ₹734 will increase the likelihood of the fall extending to ₹720 or even to ₹700 levels.

Note: The recommendations are based on technical analysis. There is a risk of loss in trading.

BUSINESS LINE DATE: 22/12/2017 P.N.14

If gold touches $1,267-70/oz, sell

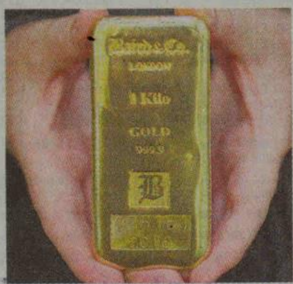
GNANASEKAAR T

Comex gold futures edged higher on Thursday, supported by weakness in stocks and a retreat in the dollar as markets awaited the signing of a new US tax bill. Profit-booking in equities ahead of the year-end and passing of the tax legislation seem to be supporting gold prices for now.

Comex gold futures moved higher as expected. As mentioned in the previous update, a good bounce to $1,267-75 levels looks likely. But we still need to see if it can sustain. As of now, it looks unlikely if the prices can sustain and push higher from there.

The $1,267-70 level, which was earlier a strong support, will tend to act as a resistance now. Only a close above $1,283 could suddenly open the upside again to $1,295/97. Direct fall below $1,235, on the other hand, could revive bearish expectations for $1,206/10in the coming sessions.

Wave counts: It is most



likely that the fall from the record $1,925 to the recent low of $1,088 so far, was either a possible corrective wave "A", with a possibility to even extend towards $1,025-30 or a complete correction of A-B-C ending with this decline. Subsequently, a corrective wave "B" could unfold with targets near $1,375 or even higher. After that, a wave "C" could begin lower again. Alternatively, we can also expect wave "B" to extend to $1,476 . If the current decline as a whole from $1,920 can be considered as a fourth wave, then the fifth wave could begin and cross $1,700 in the long-term. But failure to follow-through above $1,355 has dashed any hopes of any impulsive up move. As prices have broken certain important supports and shows weakness targeting $1,100 . But a sustained move above $1,200 has once again revived bullish hopes and will make the necessary adjustments to the wave counts, as the prices break key resistance above.

RSI is in the neutral zone now indicating that it is neither overbought nor oversold. The averages in MACD are still below the zero line of the indicator again, indicating a bearish reversal. Only a cross over again above the zero line could hint at a reversal in trend to bullish.

Therefore, sell Comex gold around $1,267-70 with the stop-loss at $1,278 targeting $1,255 followed by $1,235.

Supports are at $1,255, 1,235 and 1,210. Resistances are at $1,267, 1,278 and 1,297.

The writer is the Director of Commtrendz Research. There is risk of loss in trading.

BUSINESS LINE DATE: 22/12/2017 P.N.14

MCX Lead remains stuck in sideways range

GURUMURTHY K
BL Research Bureau

The Lead futures contract on the Multi Commodity Exchange (MCX) continues to remain range-bound. The contract has been stuck inside the range between ₹155 and ₹168 over the last couple of months.

Within this range, the contract made a high of ₹165.15/kg on Monday and has declined over 3 per cent to ₹159.4.

The sideways range remains intact for the contract. There is a strong likelihood of the contract falling to ₹157 or ₹156 in the near-term. A break below ₹156 can take it further lower to ₹155 — the lower end of the range.

If the contract manages to bounce from ₹156 or ₹155, then it can pave way for an up move to ₹165 and the upper end of the current sideways range thereafter.

The contract will need to breach ₹168 decisively to gain fresh bullish momentum.

A decisive close above ₹166 could be an initial sign indicating that the contract can rally breaking above ₹168.

In such a scenario, it can target ₹170-171 or even higher levels.

But if the contract breaks below ₹155 decisively, then it can come under renewed pressure. Such a break can trigger a fresh sell-off and will increase the likelihood of the contract tumbling to ₹150.

Note: The recommendations are based on technical analysis and there is a risk of loss in trading.

NAVBHRAT(MAHANAGAR) DATE: 23/12/2017 P.N.7

खनिक का स्वस्थ होना आवश्यक

खान प्रबंधकों के सेशन में लक्ष्मीनारायण का मत

नागपुर. वेस्टर्न कोलफील्ड्स लिमिटेड (वेकोलि) और खान सुरक्षा महानिदेशक कार्यालय के संयुक्त तत्वावधान में ब्रेन स्टार्मिंग सेशन का आयोजन किया गया जिसमें 67 कॉलरी के खान प्रबंधकों ने भाग लिया. खान सुरक्षा महानिदेशक वी. लक्ष्मीनारायण, भारतीय खान ब्यूरो के कंट्रोलर जनरल रंजन सहाय, प्रभात कुमार, डी.के. साहू एवं ए.के. सिंह उपस्थित रहे. लक्ष्मीनारायण ने खान प्रबंधकों को संबोधित करते हुए कहा कि मानसिक और शारीरिक रूप से स्वस्थ खनिक राष्ट्र के लिये अत्यंत आवश्यक हैं. एक खनिक का शारीरिक, मानसिक और सामाजिक रूप से सशक्त होना अत्यंत आवश्यक है. सिंह ने स्वागत संबोधन दिया और कहा कि मानवीय सुरक्षा के साथ-साथ संसाधनों जैसे मशीन एवं अन्य उपकरणों की सुरक्षा करना भी हमारी जिम्मेदारी है.

THE HITAVADA DATE: 24/12/2017 P.N.11

INDUSTRY STUDY

ODISHA MINING SQUEEZE?

Large Bid Ask Spread in HRC; OMC – Await Price Hikes; Crude OSPs at 3-yr Highs Should Impact Refiners

ODISHA - Iron Ore Mining Squeeze post Dec? The Supreme Court in its ruling on the issue of the penalty on Odisha iron ore mines clarified that the impacted miners would need to deposit the penalty amount by 31st December, 2017, otherwise the mining would need to stop. In our view, this has the potential to sharply reduce iron ore supply in Odisha post 31st Dec, 2017. We know of only Tata Steel which has made a provision in its books for penalty. It is unclear if the State Government has presented the penalty notice to all the miners. The original CEC report had put a cumulative fine of Rs170bn on the Odisha miners with the top penalties being for State-owned OMC at Rs21.8bn, Sharda Mines (Rs19.3bn), Essel Mining (Rs11.bn), BPME (Rs8.3bn), RP Sao (Rs11.2bn), TISCO (Tata Steel, Rs6.1bn), OMDC (Rs6.4bn) and Serajudin (Rs7.5bn). We do not have granular production details of these miners but ex-Tata we estimate that production from these miners was roughly 40-45MT.

Given what the SC's recent order is, now there is a big question mark as to what would happen with these miners if they do not pay the penalty. In our view, given the SC ruling there is a very real possibility of some disruption to the merchant miners' production in Odisha if they do not pay the penalty. While State Government would benefit from the penalty revenues, any mine stoppage would result in loss of royalty revenues. This could have an impact on pellet exports and also possibly on domestic sponge iron ore prices which would also push up steel prices. *(NMS)*

THE HITAVADA DATE: 25/12/2017 P.N.11

Government forms panel to identify mines for CIL allocation

NEW DELHI, Dec 24 (PTI)

THE Government has set up a panel to identify additional mines for allocation to state-owned Coal India as the PSU mining giant is eyeing an output of one billion tonnes, says an official.

The 10-member panel under the chairmanship of Additional Secretary Coal has members from Coal India (CIL) and its consultancy arm Central Mine Planning and Design Institute (CMPDI), among others. The terms of reference (ToR) of the panel include intensifying "additional coal blocks for allocation to CIL / its subsidiaries, keeping in view their long-term production commitments," according to the official.

The panel will also find additional mines from areas explored in recent years as per standard technical parameters.

The Committee would "identify the coal / lignite blocks for allocation under the provisions of MMDR Act, 1957 and CBA Rules, 2017 through auction as well as allotment". The panel would also review the recommendations of the earlier committee in respect of 117 coal blocks identified in 2014. It would identify coal blocks not to be allocated due to insignificant reserves / inviolate areas / dense forest / CBM overlap etc. "The committee is constituted in supersession of the committee formed (in) 2014 and will submit its recommendations to the Government," the official said. The country is expected to achieve the coal production of 1.5 billion tonne by 2022, Coal Secretary Susheel Kumar had recently said.

BUSINESS LINE DATE: 25/12/2017 P.N.8

Gold set to close 2017 on a positive note

The near-term view is positive; prices can rise further in the coming truncated week

GURUMURTHY K

As the global financial markets enter the year-end holiday season, with the curtains ready to fall on 2017, gold is all set to make a positive close for the second consecutive year. The yellow metal, which was trading calm in a broad sideways range between $1,200 and $1,300 per ounce in the first half of the year, picked up momentum thereafter.

The yellow metal witnessed a robust rally between July and September as prices surged, breaking above $1,300 to test the high of $1,360. Geopolitical tensions between the US and North Korea helped gold to gain safe-haven status and triggered the strong rally.

Central banks spoilt the party

But the bullish momentum faded out thereafter as major central banks globally played spoilsport by deciding to tighten policy. The initial reversal in gold prices began in early September with the European Central Bank (ECB) announcing plans to taper its stimulus programme and the Bank of England signalling a rate hike.

The sell-off in gold intensified after the US Federal Reserve announced it would begin its balance-sheet normalisation from October. These events, coupled with a recovery in the dollar index since September, kept gold prices under pressure, pushing it to $1,235 earlier this month.

However, prices bounced back again from there and are currently at $1,274 an ounce. The precious metal is up about 11 per cent so far this year, with just under a week of trading left.

Silver under-performs

Surprisingly, silver failed to replicate the rally witnessed in gold in 2017. Silver has underperformed in 2017 against gold and is up just 3 per cent so far this year, at $16.33 an ounce currently.

Rupee caps gains

On the domestic front, the rupee growing stronger against the dollar capped the gains for gold investors. Both gold and silver futures contracts on the Multi-Commodity Exchange (MCX) failed to give strong gains. The MCX-gold futures contract, currently at ₹28,653 per 10 gm, is up just 4.4 per cent so far, this year. Interestingly, the silver contract is on the verge of ending 2017 in the red. The contract has fallen 2.8 per cent this year and is now at ₹37,954 per kg.

Gold outlook

The near-term outlook for gold is positive. Global spot gold ($1,274 per ounce) has an immediate support at $1,269. If it sustains above this, a rise to $1,280 is possible. Inability to break above $1,280 can trigger a pull-back to $1,270. But a strong break above $1,280 can boost the momentum. It could also mean gold revisiting $1,300 levels going forward.

The near-term view will turn negative if gold breaks below $1,270, depressing prices to $1,265 or $1,260. However, a fall below $1,260 looks less probable now as cluster of supports between $1,263 and $1,260 can limit the downside.

On the domestic front, the bounce-back from the key support of ₹28,000 in the MCX-gold (₹28,653 per 10 gm) futures contract is gaining momentum. Immediate resistance is between ₹28,750 and ₹28,800, likely to be tested in the coming days. A strong break above ₹28,800 will very likely extend the rally to ₹29,000 and ₹29,300.

Support is at ₹28,430. If the contract breaks below this support, a fall to ₹28,150 and ₹28,000 is likely again.

Silver outlook

Though global spot silver ($16.33 per ounce) managed to sustain above $16, it is not gaining momentum. However, the short-term outlook remains bullish. Silver can rise to $16.6 in the coming days as long as it stays above $16. A break above $16. Bullish as long as it stays above $16. Silver can rise to $16.6. On the other hand, the near-term view will turn negative if silver falls below $16. In such a scenario, the prices can move down towards $15.5 or even lower again.

The MCX-Silver (₹37,954 per kg) can test the immediate resistance at ₹38,200 in the near-term. A strong break above this can take it further to ₹38,500 and ₹39,000. Support for the contract is at ₹37,300. The outlook will turn negative for a fall to ₹36,650 if the contract declines decisively below ₹37,300.

MCX Gold
Supports
₹28,430/₹28,150
Resistances
₹28,800 / ₹29,000

MCX Silver
Supports
₹37,300 / ₹36,650
Resistances
₹38,200 / ₹38,500

THE HINDU DATE: 25/12/2017 P.N.13

Global demand, local infra spends bode well for steel

2017 saw the long-overdue restructuring of the industry

INDRANI DUTTA
KOLKATA

The commencement of a long overdue restructuring of the Indian steel industry may be seen as one of the sectoral milestones of 2017. The year also saw two policy interventions by the government aimed at boosting domestic production and consumption of value-added steel in government projects.

Several steel companies, including some promoted by big corporate houses, were referred to the National Company Law Tribunal (NCLT) under the Insolvency and Bankruptcy Code. The steel sector accounts for almost 30% of the non-performing assets of the banking industry.

Seen as a long overdue measure, this happened at a time when the domestic industry regained its fundamentals amid strong export demand and a revival of the domestic market. Crude steel production rose by more than 5% to touch 92 million tonnes between January and November 2017, according to official data.

Exports amounted to 8.9 million tonnes in the first 10 months of calendar 2017, against imports of 6.6 million tonnes of finished steel. This year too, the government safeguarded the interests of domestic players by imposing a 4% additional dumping duty and a 1% countervailing duty. "Indian exporters got a bigger export market at a time when overall sentiment was good," an industry consultant said.

Indian steelmakers also became more competitive during the year on grounds of quality and their deliveries. Firms like Tata Steel and JSW harnessed advanced technology to augment quality. Mention may be made of the Hilsarna technology. Tata Steel said it expected this technology to go commercial in about a decade, enabling it to reduce footprint and costs. India's largest steel producer Steel Authority of India also improved product quality through use of this technology.

Growth hopes: The 2017 steel policy aims to help the industry reach 300 million tonnes in capacity by FY31. • REUTERS

Higher margins

In financial performance, steel firms have started realising higher operating margins on the back of improved domestic and international steel prices. A scan of the financials of four major steel producers – SAIL, Tata Steel, JSW Steel and JSPL – showed that between the fourth quarter of FY17 and the first two quarters of FY18, all the four were EBIDTA positive, although SAIL and JSPL posted losses in the three quarters under review.

Domestic prices improved significantly during the year, with the overall trend remaining steady for long and flat products, in the three product groups of TMT bars, cold-rolled coils and hot-rolled coils. These products find use in construction, automobile and the white goods segment. Value addition and increased branding saw a thrust from all major firms.

The National Steel Policy 2017 was rolled out to enable the domestic steel industry to reach a capacity of 300 million tonnes (mt) by 2030-31 (against 126 mt now) while setting global benchmarks in terms of quality and technology. The policy on preference to Domestically Manufactured Iron and Steel Products aims at facilitating consumption of domestic value-added steel in government procurement in sectors such as oil & gas, shipping, ports and airports. The policy mandates value addition of 15% on imported steel to qualify for bidding in government projects.

On the outlook for 2018, the World Steel Association has forecast increased demand for steel citing recovery of global steel demand in the short term. The government's thrust on infrastructure spends is expected to gain momentum in view of the 2019 general elections. This bodes well for the domestic steel industry, for which an about 5% growth in demand has been predicted for the coming year.

BUSINESS LINE DATE: 25/12/2017 P.N.6

What do commodity traders plan to bet on in 2018?

Market players, both old and new, share their hopes and fears with Portfolio

GURUMURTHY K

2017 is coming to an end. Traders are ready to close their books and gear up with new strategies for the new year, 2018. Portfolio spoke to a few commodity traders to find out how their trading year 2017 was, and what they are betting on in 2018.

How they fared in 2017?

MCX contract	2016 close price (₹)	Current market price* (₹)	Year-to-date return (%)
Bullion			
Gold (per 10 gm)	27445	28653	4.4
Silver (per kg)	39049	37954	-2.8
Energy			
Crude Oil (per barrel)	3650	3737	2.4
Natural Gas (per mmBtu)	252	170	-32.5
Base Metal			
Copper (per kg)	376.8	460.0	22.1
Aluminium (per kg)	116.35	139.6	20.0
Zinc (per kg)	173.3	209.5	20.9
Nickel (per kg)	682	770.0	12.9
Lead (per kg)	134.4	158.6	18.0

*as on December 22

The year that was

2017 has been a good year overall for all the most actively traded commodities like bullion, base metals and energy. The only exception is natural gas, which is heading for a negative close.

For the traders we spoke to, this year has been a mixed bag. For some like Deepak and Ganesh, trades in 2017 have given good profits. But traders like Ritu Jain and Siraj (name changed as per request), both new to the markets, are set to close their trade books in loss.

The good ones

Deepak from Ambur, Tamil Nadu, a full-time trader, prefers to trade silver, crude oil and lead futures contract on the Multi Commodity Exchange (MCX). "Lead was more profitable for me this year and silver has given me average returns," says Deepak, who began his career when he was only 17 and has been in the market for about 15 years.

For Ganesh, a swing trader who trades part-time, 2017 has been a very good year. "The trades have given me around 25 per cent return overall this year," says Ganesh, happily. His best trades were from the short positions taken in natural gas. "I made around 35 per cent return from a single trade in natural gas," recalls Ganesh.

From base metals (copper, nickel, etc) to bullion (gold, silver) and energy (crude oil, natural gas), Ganesh likes to trade in all the most liquid futures contracts on the MCX. "Because of the liquidity issue, I avoid trading in agri-commodities," adds Ganesh, who has been active in the market for about 11 years now.

"A strong correction in 2018 in the equity markets which have rallied sharply this year could see the market shifting towards safe assets like gold."

GANESH
Part-time swing trader

Bad trades

Any asset class on a strong surge attracts new participants. The commodity segment is no exception. Ritu Jain from Agra and Siraj from Mumbai, both part-time traders and new entrants to commodity trading, have met with losses this year.

Ritu trades in almost all commodities whereas Siraj prefers base metals.

"Lack of knowledge about the market has resulted in loss for me this year," says Siraj, ruefully. However, he feels that going forward these losses can be recovered. "Every loss trade is a learning for me and I am now confident that in 2018, I can perform well and recover all the losses of 2017," asserts Siraj.

Even for experienced traders like Deepak, there are a few trades that went from bad to worse. "A short-term trade system I developed has given me a huge loss of about 60 per cent in the trades made in crude oil," says Deepak.

"Lack of knowledge about the market has resulted in loss for me this year."

SIRAJ
Part-time trader from Mumbai

"Strong global industrial growth can increase demand and push base metal prices higher next year."

RITU JAIN
Part-time trader from Agra

Bet for 2018

As curtains on 2017 are all set to fall in a week, traders are gearing up for 2018 already. Surprisingly, experienced traders Deepak and Ganesh are betting big on gold and silver next year. They feel that the continuous trend of underperformance of both gold and silver over the last few years is likely to reverse in 2018.

"A strong correction in 2018 in the equity markets which have rallied sharply this year could see the market shifting towards safe assets like gold," says Ganesh. "If you ask me to buy something today, I will buy gold for the long term," adds Ganesh.

Deepak, on the other hand, expects silver to outperform gold. "I expect silver to reach ₹45,000 per kg levels and give a return of about 50 to 60 per cent in 2018," says Deepak.

He also feels that the current rally in crude oil prices may not sustain in 2018. He expects prices to stay in the same 600-point range within which they have been trading over the last one year. "The threat from an increasing demand for alternate energies can cap the upside in crude oil prices," says Deepak.

Ritu Jain expects base metals to do well in 2018. "Strong global industrial growth can increase demand and push base metal prices higher next year," says Ritu. On the contrary, Siraj does not foresee any strong rally in the commodity space next year as the fundamentals, to him, look weak. "The commodity market is driven largely by Chinese consumption. Growth in China seems to have stagnated and the demand could dampen, going forward, which, in turn, can keep commodity price rise under check," says Siraj. He expects the commodity space to remain broadly in a sideways range next year.

"I expect silver to reach ₹45,000 per kg levels and give a return of about 50 to 60 per cent in 2018."

DEEPAK
Tamil Nadu-based full-time trader

BUSINESS LINE DATE: 25/12/2017 P.N.8

GLOBAL

Metals ($/tonne)	Price	Change in % Weekly	Monthly	Yearly	52-Week High	Low
Aluminium	2181	6.4	4.4	25.5	2188	1700
Copper	7085	3.4	2.3	28.7	7122	5426
Iron Ore	70	4.5	11.4	-10.9	95	54
Lead	2476	-2.8	1.0	17.8	2586	1984
Zinc	3265	1.9	0.2	24.9	3370	2087
Tin	19580	2.1	0.6	-7.0	21297	18750
Nickel	12073	4.8	2.5	13.1	12830	8710

BUSINESS LINE DATE: 26/12/2017 P.N.12

MCX Aluminium tests a key resistance

YOGANAND D
BL Research Bureau

Since taking support at ₹93 per kg in October 2015, the aluminium futures contract on the Multi Commodity Exchange (MCX) has been in a long-term uptrend. Also, the medium-term trend is up for the contract.

Following a short-term corrective decline, the contract found support at around ₹129 during second week of this month. Triggered by positive divergence in the daily relative strength index, the contract reversed direction for the key long-term support level of ₹129.

The 200-day moving average poised at around ₹129 also cushioned the contract. Since then, the contract has been in a short-term uptrend. Last week, the contract had gained 6 per cent accompanied with good volume.

While trending up during last week, the contract emphatically breached a key resistance at ₹136 as well as the 50-day moving average. The contract trades well above its 21- and 50-day moving averages.

The daily relative strength index of the contract feature in the bullish zone and the weekly RSI is on the brink of entering this zone from the neutral region. Both the daily and weekly price rate of change indicators hover in the positive terrain implying buying interest.

On Monday, the contract advanced almost 2 per cent to trade at 139.4 per kg and tests a vital medium-term resistance at ₹140.

The short-term outlook is bullish for the contract and an upward breach of the key resistance at ₹140 is possible in the near term.

In that case, the contract can extend its short-term uptrend and reach the price targets of ₹145 and ₹150 in the short to medium term.

However, inability to move beyond ₹140 can pull the contract down to ₹137 or ₹136 where the key immediate support can provide base. Next supports below ₹136 are placed at ₹134 and ₹132. Long-term support to watch is at ₹129 for the contract.

Traders with a short-term perspective should tread with caution and consider taking long positions on a decisively rally beyond ₹140 with a fixed stop-loss.

Note: The recommendations are based on technical analysis. There is a risk of loss in trading.

THE ECONOMIC TIMES DATE: 26/12/2017 P.N.13

SAIL and RINL May Return to Profit Next Year: Steel Secretary

Other PSUs – NMDC, MOIL and MSTC – are on growth path, says Aruna Sharma

Press Trust of India

New Delhi: The steel ministry expects SAIL to show profit next year on the back of continued improvement in global commodity market.

The country's largest steelmaker has been posting losses since 2015-16, mainly on account of slowdown in the sector.

"This year, these two PSUs (SAIL and RINL) have reduced their losses. Next year, hopefully they will be making profits," steel secretary Aruna Sharma told PTI.

In 2015-16, SAIL had posted a loss of ₹4,021, while in 2016-17 its loss was ₹2,833 crore.

Steel Authority of India's (SAIL) standalone net loss had narrowed to ₹539.06 crore for the quarter ended September 30, 2017.

Stating that five of the seven steel PSUs, including NMDC, MOIL and MSTC, are well established, the secretary said the vision of the PSU is absolutely clear and their action plans are very clear.

"So, they will be on their growth path as they are moving ahead with it. That is very very clear," the secretary said.

In a stern warning, Steel Minister Chaudhary Birender Singh in the beginning of this year had asked PSUs, including SAIL, to "perform or perish" saying complacency cannot be tolerated at a time when private players are excelling on various parameters.

Chairing a meeting of chiefs of top steel PSUs, the minister pulled up public sector firms like SAIL and RINL (Rashtriya Ispat Nigam) for not only lagging behind on international benchmarks, but were behind their private counterparts and complacent in ramping up capacities.

Also indicting SAIL for slow progress in modernisation as well as ramping up of capacity, the minister had said deadlines were missed one after another which cannot be tolerated anymore, according to the ministry sources.

THE HITAVADA DATE: 26/12/2017 P.N.11

Gems & jewellery exports contract 4.8% in Apr-Nov

NEW DELHI, Dec 25 (PTI)

GEMS and jewellery exports saw a 4.8 per cent dip at USD 22.43 billion during April- November this year owing to demand slowdown in major markets, including the US. According to the Gems and Jewellery Export Promotion Council (GJEPC) data, exports stood at USD 23.56 billion in the same period last year.

The labour-intensive sector contributes about 14 per cent to the country's overall export. The drop in shipments is mainly due to negative growth in the export of gold jewellery and gold medallions and coins.

Industry experts have demanded support for the industry such as incentives under the Merchandise Exports from India Scheme (MEIS) to boost the shipments. "We have asked for support under the MEIS and immediate resolution of GST (Goods and Services Tax) refund issue. Blockage of working capital due to GST is impacting exports," a GJEPC official, who do not wish to named, said. On Dec 5, the Govt extended incentives to sectors such as leather and agriculture with an aim to boost outward shipments that have been disrupted by implementation of the GST. As per data, gold jewellery shipments during April- Nov 2017-18 declined by 3.18 pc to USD 6 billion. Similarly, export of gold medallions and coins contracted by about 50 pc. However, silver jewellery exports went up 18.5 pc to about USD 3 billion during the period. Shipments of cut and polished diamonds reported a growth of just 1.3 per cent.

THE HITAVADA DATE: 27/12/2017 P.N.11

'Non-ferrous metal prices to remain firm next qtr'

MUMBAI, Dec 26 (PTI)

GLOBAL non-ferrous metal prices will remain buoyant over the next three months as a result of the widening supply gaps, says a report. There is a widening supply deficit, largely as a result of production setbacks across three key non-ferrous metals, aluminium, copper and zinc, despite muted consumption growths in copper and zinc, an Icra report said on Tuesday.

This has left international non-ferrous metal prices elevated in the current calendar year, which have jumped by 24-35 per cent in the last one year.

"While global aluminium production has witnessed a de-growth in the last few months due to the regulatory steps taken in China to control production from polluting sources, copper and zinc output has suffered from issues in mining, production and degradation in the quality of ore," it said.

According to Icra, "supply situations are unlikely to improve in the next three months. Consequently the deficits are likely to persist, which in turn would keep prices elevated in the near-term." Higher prices augur well for manufacturers as an improvement in realisation on metal sales has helped non-ferrous metal entities register improved business returns during the January - September 2017 period, however, it is limited by a simultaneous increase in input costs. The impact of rising input costs is higher for non-integrated players manufacturing aluminium, as there has been a sharp increase in alumina prices.

As for the domestic demand-supply scenario, consumption of aluminium, copper and zinc, grew 7-9 per cent growth in the first half of the current fiscal.

Despite this, domestic production remains in excess of consumption. The situation is likely to persist going forward as well, which should drive exports.

AIIFA SEEKS GOVT ACTION AS INGOT, BILLETS PRICES SOAR: The All India Induction Furnaces Association (AIIFA) has sought the Government's intervention to check rising prices of semi-finished steel products used to make construction products, saying the price rise could affect the affordable housing programme and infrastructure projects. The All India Induction Furnaces Association (AIIFA) said prices of semi-finished steel products such as ingots and billets have gone up drastically in last three months. "A tonne of billet and ingot which cost Rs 27,300 a metric tonne on October 26, 2016 can be bought at Rs 34,300 per metric tonne today on December 26, 2017," AIIFA General Secretary, Kamal Agarwal said.

Ingots and billets, made from sponge iron and scrap, were raw materials for making angles, structural and TMT used as construction material, Agarwal said, adding that the price rise could also affect the Government's affordable housing programme.

Short-supply of iron ore pushing up sponge iron prices was one of the reasons for the rise in prices of semi-finished steel products, Agarwal said.

When rates of raw materials were rising then the cost of any construction, whether private or by Govt, would go up, he said.

LOKMAT(HELLO NAGPUR) DATE: 27/12/2017 P.N.6

‘त्या’ पुलावरून रेती वाहतूक सुरूच

जिल्हाधिकाऱ्यांच्या आदेशाचे उल्लंघन : नियोजित ठिकाणी पोलीस चौकीची निर्मिती नाही

लोकमत न्यूज नेटवर्क

खापरखेडा : सावनेर तालुक्यातील टेंभूरडोह शिवारात असलेल्या खेकरानाला प्रकल्पाच्या कालव्याच्या पुलावरुन रेतीची अवैध व ओव्हरलोड वाहतूक केली जात असल्याने पुलाला धोका निर्माण झाला आहे. रेतीची अवैध वाहतूक रोखण्यासाठी जिल्हाधिकारी सचिन कुर्वे यांनी या पुलावरुन जड वाहनांच्या वाहतुकीला प्रतिबंध घातला आणि या पुलाजवळ पोलीस चौकी तयार करुन त्यात महसूल व पोलीस विभागाच्या कर्मचाऱ्यांची नियुक्ती करण्याचे आदेश दिले. मात्र, नियोजित स्थळी पोलीस चौकी तयार न करता, ती दुसऱ्या ठिकाणी तयार करण्यात आली. त्यामुळे या पुलावरून रेतीची अवैध व ओव्हरलोड वाहतूक अव्याहतपणे सुरूच आहे.

ही चौकी रायवाडी फाट्याजवळ तयार करायला हवी होती. परंतु ती तिथे तयार न करता बडेगाव-सिरोंजी मार्गावरील इंगोले यांच्या शेतात असलेल्या गोशाळेजवळ तयार करण्यात आली आहे. मध्य प्रदेशातील रेतीचे ओव्हरलोड ट्रक या चौकीसमोरुन व पुढे कालव्याच्या पुलावरुन आवाज करीत राजरोसपणे निघून जातात.

प्रशासनाच्या या प्रकारामुळे टेंभूरडोह येथील नागरिकांत रोष व्यक्त होत आहे. या पोलीस चौकीचा काहीही उपयोग होत नसून, ती रेतीमाफियांच्या फायद्यासाठीच तयार केल्याचा आरोप नागरिकांनी केला. या चौकीच्या स्थानांतरणाबाबत टेंभूरडोहच्या सरपंचांनी खाप्याच्या ठाणेदार अनामिका मिर्झापुरे यांच्याकडे चौकशी केली. त्यांनी ही समस्या सोडविण्याची ग्वाही दिली होती. परंतु त्यांची बदली करण्यात आल्याने ही समस्या सुटली नाही. चौकीची जागा कुणाच्या दडपणाखाली बदलविण्यात आली, असा प्रश्नही काहींनी उपस्थित केला. या संपूर्ण प्रकारात महसूल विभागातील कर्मचारी रेतीमाफियांना मदत करीत असल्याचा आरोप नागरिकांनी केला आहे. त्यामुळे रेतीच्या अवैध वाहतुकीला आळा घालणे शक्य होत नाही.

विना रॉयल्टी वाहतूक

मध्य प्रदेशातील रेती मोठ्या प्रमाणात सावनेर तालुक्यात आणली जाते. यातील बहुतांश ट्रक विना रॉयल्टी असतात. रेतीच्या वाहतुकीची एकदा रॉयल्टी काढल्यानंतर त्या रॉयल्टीचा वापर तीन ते चार ट्रकसाठी केला जातो. हा मार्ग विना रॉयल्टी रेतीच्या वाहतुकीसाठी सोयीचा आहे. रेतीच्या भरधाव ट्रकने धडक दिल्याने काही दिवसांपूर्वी टेंभूरडोह येथील शेतकऱ्याचा मृत्यू झाल्याची घटना घडली होती. रेतीच्या वाहतुकीला नागरिकांचा प्रखर विरोध असताना प्रशासन नागरिकांची बाजू घ्यायला तयार नाही. जिल्हाधिकाऱ्यांच्या आदेशाचे उल्लंघन केले जात असताना कुणी गांभीर्याने घेत नाही.

BUSINESS LINE DATE: 27/12/2017 P.N.16

MCX Copper resumes uptrend

GURUMURTHY K
BL Research Bureau

Copper prices have been on a strong surge over the last couple of weeks. The copper futures contract on the Comex tumbled to a low of $2.94 per pound earlier this month and was threatening for further sharp fall. However, the contract has made a strong recovery from this low and is currently hovering at $3.28.

On the domestic front, the copper futures contract on the Multi Commodity Exchange (MCX) has reversed sharply higher after making a low of ₹423.1/kg on December 5. The contract has surged over 9 per cent to ₹462. The overall uptrend is intact and there is a strong likelihood of the copper prices can continue to surge.

Outlook: The Comex-Copper contract has a strong support at $3.16. Intermediate dips to this support may find fresh buyers coming into the market. A rally to $3.37 and $3.39 is likely in the coming weeks. The outlook will turn negative only if the contract breaks below $3.16 decisively. Such a breakwill increase the likelihood of the contract falling to $3 or even lower levels.

On the domestic front, the MCX Copper futures contract has a key support near ₹448 which is likely to limit the downside in the short-term. A rally to ₹480 and ₹485 is likely in the coming weeks. Inability to break above ₹485 can trigger a pull-back move to ₹470 and ₹465. But if the contract manages to breach ₹485 decisively, then it can extend its rally to ₹500 and ₹510 levels thereafter.

Traders with a medium-term perspective can go long at current levels. Accumulate on dips at ₹455 and ₹450. Keep the stop-loss at ₹442 for the target of ₹505. Revise the stop-loss higher to ₹472 as soon as the contract moves up to ₹478.

Note: The recommendations are based on technical analysis and there is a risk of loss in trading.

BUSINESS LINE DATE: 27/12/2017 P.N.16

Short-term prospect is positive for MCX Zinc

GURUMURTHY K
BL Research Bureau

The Zinc futures contract on the Multi Commodity Exchange (MCX) has been on a strong up-move over the last two weeks.

The contract made a low of ₹203 per kg on December 19 and has risen sharply in the past week. The contract has gained about 3 per cent from this low and is currently trading at ₹209/kg. The sharp rally in the past week has taken the contract well above the key ₹205-207 resistance zone.

This leaves the short-term outlook bullish for the contract.

The ₹205-207 region may now act as a good support for the contract and limit the downside in the near-term. Intermediate dips to this support zone may find fresh buyers coming into the market.

As long as the contract sustains above ₹205, there is a strong likelihood of the current upmove extending to ₹211 or ₹213 in the coming days. Inability to break above ₹213 can trigger a pull-back move to ₹208 or ₹207.

Short-term traders with a high-risk appetite can go long on dips at ₹208.

Stop-loss can be placed at ₹205 for the target of ₹213. Revise the stop-loss higher to ₹209.5 as soon as the contract moves up to ₹211.

The 100-day moving average at ₹204 is a key support to watch. The near-term outlook will turn negative only if the contract breaks below this support.

Such a break will increase the likelihood of the contract falling to ₹200 or even lower levels again.

Note: The recommendations are based on technical analysis and there is a risk of loss in trading.

THE TELEGRAPH DATE: 27/12/2017 P.N.8

Levy to boost CIL profit

PINAK GHOSH

Calcutta: Coal India has slapped a levy of Rs 50 per tonne as coal evacuation charges, which is set to earn the public sector miner Rs 2,500 crore every year.

The board of directors in a meeting last week has approved the levy which is applicable on all despatch other than rapid loading arrangement where coal is mechanically loaded into rail wagons.

Only a handful of mines support rapid loading and coal consumers expect most to start charging this levy. This move comes at a time the miner is seeing an increase in coal offtake and growth in rake loading activity.

As the levy has already come into effect, Coal India envisages an earning of Rs 800 crore in the balance period of 2017-18.

EVACUATION FEE

- New levy to raise Coal India earning by Rs 2,500cr a year. For current fiscal, PSU will earn Rs 800cr more
- CIL says levy will help to recover costs and improve evacuation infrastructure

Coal India sources said the levy would help the miner to recover costs and improve coal evacuation infrastructure and services. Market analysts and consumers consider the levy to boost the earnings and prevent profit erosion when the miner's expenses are high on account of a wage revision.

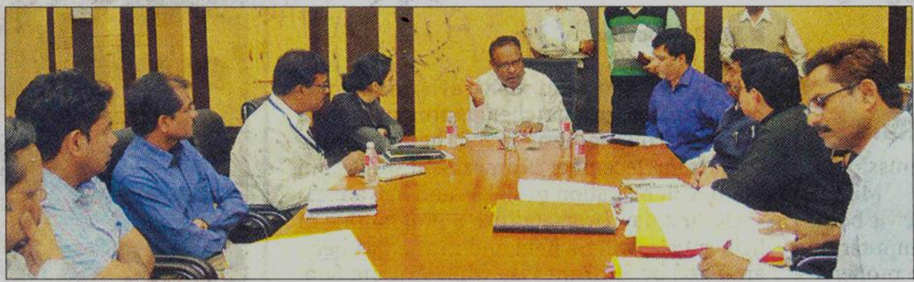
The estimated average annual impact on account of the wage revision is Rs 5,667 crore.

"Given the market dynamics, it is a difficult decision for Coal India to go for a price rise. But at the same time expenses are going up especially on the back of recently concluded wage revision. This small levy to an extent boosts the topline of the miner and protects the profitability," an industry source said.

Coal India had increased prices by 6.29 per cent in May last year across subsidiaries for both the regulated and non-regulated sectors.

Brokerage firm Motilal Oswal said the evacuation charges would boost operating income . "We estimate the charges will apply to about 80 per cent of Coal India's supplies. The charges will be reported under other operating income."

Bawankule reviews projects approved from minining funds



Guardian Minister Chandrashekhar Bawankule chairing the District Mining Authority meeting at District Collectorate.

■ **Staff Reporter**

GUARDIAN Minister Chandrashekhar Bawankule said a sum of Rs 10 crore would be allocated from District Mining Authority for digitisation and installation of solar panels atop Zilla Parishad schools in district. He directed ZP officials to prepare the proposal and submit the details while reviewing a meet of projects approved from minining fund. About Rs 90.50 crore of fund has been approved from the fund of which projects worth Rs 31,24,97,000 were firmed-up.

The funds were allocated to various department for taking-up drinking water supply projects, environment conservation, health, education, women and child development, skill development, cleanliness and to senior and handicapped persons welfare.

About 2,330 proposals were received and the Minister directed officials to prepare fresh proposal was per Government's norms. Bawankule on Tuesday took a review of the funds utilisation from Mining Authority at Chhatrapati Sabhagruha of District Collectorate.

He further said that proposals that are not covered under any other Government schemes should be prepared regarding drinking water, upgradation of anganwadis through digital mode, provision of battery operate cycle for handicapped persons, underground sewer network in villages and also approach road schemes in respective assembly segments should be taken by officials. For road works lists should be taken from respective MLAs.

District Collector Sachin Kurve while speaking at the meeting directed officials of various departments to submit progress report and statement of utilisation of funds and based on that further funds would be released.

The meeting was attended by MLA Sudhakar Kohale, ZP CEO Dr Kadambari Balkawde, Additional Collector Prakash Patil, ZP's Addl. CEO Ankush Kedar, District Mining Officer S P Kadu, Woman and Child Development Officer P D Thorat, Arun Nimbalkar, Dr Yogendra Sawai, Executive Engineer Neeta Thakre and others.

THE HITAVADA DATE: 27/12/2017 P.N.11

Jindal Steel's output capacity hits 11.6 million tonnes

NEW DELHI, Dec 26 (PTI)

PRIVATE sector Jindal Steel and Power Ltd (JSPL) on Tuesday said its production capacity has reached 11.6 million tonnes per annum (MTPA) after the completion of a 3 MTPA basic oxygen furnace at the company's Angul steel plant in Odisha.

The installation of 3 MTPA basic oxygen furnace (BOF) follows the commissioning of the company's 4 MTPA blast furnace at Angul in August 2017.

"The completion of 3 MTPA (BOF) at JSPL's 6 million tonne per annum (MTPA) integrated steel plant at Angul, Odisha has taken the company's overall steel-making capacity to 11.6 MTPA," JSPL said in a statement.

The integrated plant, which comprises a 4 MTPA blast furnace and a 2 MTPA DRI (directly reduced iron) plant, is JSPL's single largest investment, it said.

"With the successful completion of the BOF today, the Angul steel complex will now achieve optimal efficiencies in terms of costs and operations," JSPL Chairman Naveen Jindal said.

The basic oxygen furnace, a 250 tonne ladle furnace, is capable of producing additional 3 MTPA. "The plant which has come up at an investment of over Rs 33,000 crore and also comprises a 1.5 MTPA Bar Mill, a 1.2 MTPA plate mill and a 810 MW captive power plant... The plant has been commissioned without taking an additional debt since January 2016.

"The company aims to deliver a substantial rise in financial performance as full capacity at Angul plant goes on-stream, and targets to double its current EBIDTA levels," JSPL said.

The company also said that for the first time in India, JSPL has deployed the dry gas cleaning system, which is significantly higher in environment friendliness as compared to the wet gas cleaning plant used in the steel-making process. "Adoption of dry gas cleaning system reiterates JSPL's commitment to green technology," Dinesh K Saraogi, Executive Director and Plant Head, JSPL Angul, said.

THE HINDU
DATE: 28/12/2017 P.N.14

Tata Steel raises Odisha mine output

PRESS TRUST OF INDIA
NEW DELHI

Tata Steel is ramping up production at its Khondbond iron ore mine in Odisha to fuel expansion of the Kalinganagar Plant, a company official said.

However, the requirement for coking coal will be met through imports and the company will keep looking for opportunities to bid for fresh leases of coking coal, the official, said.

Last week, Tata Steel Board decided to expand the capacity of Kalinganagar Plant in Odisha by five million tonne per annum (MTPA) to 8 MTPA with an investment of ₹23,500 crore.

Steel prices jump by Rs 7,500 per tonne

■ Business Bureau

STEEL prices that were witnessing a downturn till the recent past, have all on a sudden started climbing up due to several reasons. The prices saw a jump of about Rs 7,500 per tonne in a span of last 60 days.

On December 27, the 8 mm TMT bar prices unexpectedly jumped and touched a range between Rs 39,000 and Rs 39,500 per tonne (excluding 18 per cent Goods and Services Tax) as compared to its price range of Rs 31,500 to Rs 32,000 per tonne in November (excluding GST).

Rajesh Lakhotia, President of the Steel and Hardware Chamber of Vidarbha while talking to *The Hitavada* on Wednesday attributed the hike to mainly three reasons. "Firstly, the raw material cost has gone up during the period. Secondly, there is demand for the commodity on account of the Governmnet's spending on infrastructure and development projects. Besides, there are signs of price consolidation at the international level which is further boosting the steel prices," he said.

STEEL PRICES IN NOV

TMT Bar	prices per tonne + GST
8 mm	Rs 31,500 to Rs 32,000 + 18% GST
10 mm, 12 mm	Rs 30,500 to Rs 31,000 + 18% GST
16 mm, 32 mm	Rs 30,500 to Rs 31,000 + 18% GST

STEEL PRICES IN DEC

TMT Bar	prices per tonne + GST
8 mm	Rs 39,000 to Rs 39,500
10 mm, 12 mm	Rs 38,000 to Rs 38,500
16 mm, 32 mm	Rs 38,000 to Rs 38,500

Similarly, the 10 mm to 32 mm TMT bar prices were being quoted at Rs 38,000 to Rs 38,500 per tonne (plus GST) on December 27, compared to November at Rs 30,500 per tonne to Rs 31,000 per tonne (plus GST). Lakhotia said that the phenomenal rise in demand was not benefiting the local rolling mills. A large portion of the orders was going to big steel producers like SAIL and Tata Steel. The big steel producers were taking advantage of the situation and increasing steel prices two or even three times in a month even though there was a thin demand in the local markets.

During the recession period, SAIL would revise prices once in one or two months. The steel prices shooting up at a short notice was not beneficial for the steel traders, he said. There should be a balanced policy to help traders and local rolling mills. The Government should devise a policy stating that some portion of steel for infrastructure projects should be sourced locally, he suggested.

BUSINESS LINE
DATE: 28/12/2017 P.N.14

Chinese imports push copper to 3-1/2- year high

Palladium at 17-year peak; oil slips from 2-year high

AGENCIES
December 27

Copper prices leapt to three-and-a-half-year peaks on Wednesday after a jump in China's imports of the metal in November boosted expectations of stronger demand from the top consumer.

Benchmark copper on the London Metal Exchange was up 0.9 per cent at $7,190 a tonne. China's copper imports rose to 329,168 tonnes in November, up 19 per cent year-on-year.

Aluminium rose 0.5 per cent to an eight-week high at $2,204.5 a tonne. Zinc was up 0.3 per cent to $3,274; lead added 0.7 per cent to $2,508; tin was up 0.6 per cent at $19,645 and nickel was off 1.4 per cent to $11,960.

Precious metals up

Gold rose for an eighth straight session on Wednesday as a retreat in the dollar encouraged some investors to buy into the metal, while this year's leading precious metal palladium hit another near 17-year peak since February 2001 at $1,069.50 an ounce. Palladium is the best performer of the precious metals complex in 2017, up more than 50 per cent as years of deficit and expectations for rising demand from the car industry bolstered the investment case for the autocatalyst metal.

Spot gold was up 0.2 per cent at $1,285.35 an ounce, while US gold futures for February delivery were $2.60 an ounce higher at $1,290.10.

Silver was up 0.5 per cent at $16.62, while platinum was up 0.3 per cent at $921.58 an ounce.

Crude oil down

Oil retreated from its highest close in more than two years amid low volume, as a pipeline carrying crude to Libya's export terminal was said to need a week for repairs following an explosion on Tuesday.

Brent and West Texas Intermediate crude futures slipped after the US benchmark on Tuesday breached $60 a barrel for the first time since June 2015.

West Texas Intermediate for February delivery was 45 cents lower at $59.52 a barrel on the New York Mercantile Exchange. Brent for February settlement lost 78 cents to trade at $66.24 a barrel on the London-based ICE Futures Europe exchange. The global benchmark crude traded at a premium of $6.70 to WTI.

BUSINESS LINE
DATE: 28/12/2017 P.N.3

Tata Steel raising Khondbond mine output to fuel Odisha unit

PRESS TRUST OF INDIA
New Delhi, December 27

Tata Steel is ramping up production at its Khondbond iron ore mine in Odisha to fuel expansion of the Kalinganagar plant, a company official said.

However, the requirement for coking coal will be met through imports and the company will keep looking for opportunities to bid for fresh leases of coking coal, the official who requested not to be identified, said.

Last week, Tata Steel Board decided to expand the capacity of Kalinganagar plant in Odisha by 5 million tonnes per annum (MTPA) to 8 MTPA with an investment of ₹23,500 crore.

When asked how the company will manage the increased supply of raw materials to boost production, the official said: "Tata Steel has been self sufficient as far as iron ore is concerned."

He further said investment of ₹2,000-2,500 crore is being done in the Khondbond mine that will supply iron ore to Kalinganagar steel unit. Iron ore and coking coal are the two key raw materials for crude steel production.

On supply of the other raw material, he said the requirement of coking coal will be met through imports.

At present, the capacity of Kalinganagar plant where it produces automotive steel is 3 MTPA. The other unit at Jamshedpur has a capacity of 10 MTPA. The total capacity of Tata Steel India operations following the expansion will be 18 MTPA.

BUSINESS LINE DATE: 28/12/2017 P.N.14

Supports to limit the downside in MCX Nickel

GURUMURTHY K

BL Research Bureau

The nickel futures contract on the Multi Commodity Exchange (MCX) witnessed a sharp rally breaking above the key resistance level of ₹767 per kg in the past week. But the upmove was short lived.

The contract made a high of ₹779/kg on Friday and has come-off from there. It is currently trading at ₹763. Immediate support is at ₹758 which is likely to be tested in the near-term. If the contract manages to reverse higher from there, it will be positive for it.

In such a scenario, the contract can move up to ₹780 and ₹785 again. The level of ₹785 is a key short-term resistance. A strong break and a decisive close above it will boost the momentum.

Such a break will increase the likelihood of the contract rallying to ₹810 and ₹815 levels. On the other hand, if the contract breaks below ₹758 in the coming sessions, it can fall to ₹742 or ₹740. The presence of a trend line as well as the 100-day moving average between ₹742 and ₹740 makes this region a strong support.

This leaves the possibility less of the contract falling further below ₹740.

Traders with a medium-term perspective can go long at current levels. Accumulate on dips at ₹759 and also at ₹745 if the contract declines breaking below ₹758.

Stop-loss can be placed at ₹737 for the target of ₹810. Revise the stop-loss higher to ₹770 as soon as the contract moves up to ₹780.

Note: The recommendations are based on technical analysis. There is a risk of loss in trading.

THE HITAVADA

DATE: 28/12/2017 P.N.11

Gold tops 30k mark, hits 3-wk high on firm global cues

NEW DELHI, Dec 27 (PTI)

GOLD prices retook the Rs 30,000-level with a jump of Rs 100 to trade at a three-week high of Rs 30,075 per 10 grams on Wednesday, tracking a firm trend overseas amid persistent buying by local jewellers. Silver also recaptured the Rs 39,000-mark by surging Rs 380 to Rs 39,250 per kg due to increased offtake by industrial units and coin makers.

Globally, gold rose 0.14 per cent to USD 1,284.80 an ounce and silver by 0.27 per cent to USD 16.57 an ounce in Singapore.

In the National Capital, gold of 99.9 per cent and 99.5 per cent purity advanced by Rs 100 each to Rs 30,075 and Rs 29,925 per ten grams, respectively, a level last seen on Dec 6. The precious metal had gained Rs 290 in the previous three sessions. Sovereign also went up by Rs 100 to Rs 24,700 per piece of eight grams in limited deals. Silver ready rose by Rs 380 to Rs 39,250 per kg and the weekly-based delivery by Rs 245 to Rs 38,340 per kg.

BUSINESS LINE DATE: 29/12/2017 P.N.4

Gold-import curbs temporary, India assures Korea

Will go once importers stop flouting rules, third country import issues taken care of

AMITI SEN
New Delhi, December 28

India has assured South Korea that the restrictions on duty free gold imports from the country allowed under the existing bilateral free trade agreement (FTA) are a temporary measure to discourage importers from flouting norms and would be eventually removed.

"We understand that such import restrictions can't be in place in perpetuity in a free trade pact. The South Korean government is upset with India over the measures put in place by the Directorate General of Foreign Trade. The Commerce Ministry has given its assurance that these would be removed as soon as its apprehensions on third-country imports coming into India are taken care of," a government official told *BusinessLine*.

Many domestic players, however, are not in favour of lower duties from FTA partners as they say it distorts the local market.

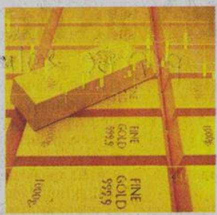
"If the government wants to reduce import duty on gold, it should be done across the board. Duty free imports under FTAs create a parallel economy which only a few can take advantage of," said Nitin Khandelwal of the All India Gems & Jewellery Trade Federation.

According to Surendra Mehta from the India Bullion and Jewellers Association, if the government decides to remove the restrictions on gold imports from South Korea, it would again result in distortion of the domestic market. "Gold is a sensitive item. It should not be part of free trade pacts," he said.

GST effect

Following a sharp rise in import of gold from South Korea through the FTA route after the implementation of the Goods and Services Tax (GST) in July, the DGFT issued a notification on August 24 stating that import of gold from the country needs government approval.

The surge took place as zero customs duty import of gold under the free trade pact with South Korea became more attractive as the additional 12.5 per cent countervailing duty earlier applicable on such imports was replaced by just a 3-per-cent GST.



The surge took place as zero customs duty import of gold under the free trade pact with South Korea became more attractive as the additional 12.5 per cent countervailing duty earlier applicable on such imports was replaced by just a 3-per-cent GST.

Prior to GST, the government got around the situation of allowing duty free import of gold under the FTA with South Korea and Indonesia by imposing a 12.5 per cent excise duty on domestic gold jewellery which allowed it to impose an equivalent countervailing duty on imports.

As there is no provision for an excise duty in the GST regime, it was not possible to continue with the 12.5 per cent countervailing duty and it had to be replaced with a 3-per-cent GST.

"We had explained to our South Korean counterparts that the FTA was being misused and third country imports are flowing in which is affecting the domestic market. However, we have assured them that it would be removed soon as we realise their frustration about the terms of the FTA not being honoured," the official said.

"It is not possible for India to continue with the restrictions as under an FTA an additional burden on a partner can be imposed only through mutual consent and with adequate compensation. Maybe the government is waiting for the Union Budget to be announced after which it would be removed," a Delhi-based trade analyst said. Gold shipments from South Korea between July 1 and August 3 this year (before the DGFT imposed restrictions) spiked to $339 million against imports worth $70.5 million in 2016-17.

BUSINESS LINE DATE: 29/12/2017 P.N.14

Buy gold if it dips to $1,278-80/ounce

GNANASEKAAR T

Comex gold futures rallied higher on Thursday, rallying for a ninth straight session as a retreat in the dollar on the back of lower US bond yields drove gains in commodities priced in the currency. Meanwhile, holdings of the largest gold-backed exchange-traded-fund, New York's SPDR Gold Trust, remained unchanged on Wednesday from Tuesday, while the largest silver-backed ETF, New York's iShares Silver Trust, fell 0.25 per cent during the same period.

Comex gold futures moved against our expectations. As hinted earlier, a close above $1,283 an ounce could suddenly open the upside again to $1,295/97. While dips to $1,270-73 holds, we can expect near-term resistance at $1,299/1,300 followed by $1,315 can be tested. Direct fall below $1,273 could revive bearish expectations for $1,258/60, from where it is expected to edge higher again.

From the bottom at $1,045 in December 2015, prices have been making higher highs so far in 2017, a clear sign of a rising trend, which has made us believe the bigger picture to be supportive despite strong corrective declines from time to time. In the coming week, we expect the $1,280 levels to hold for a push higher towards $1,315 or even higher.

Wave counts: It is most likely that the fall from the record $1,925 to the recent low of $1,088 so far, was either a possible corrective wave "A", with a possibility to even extend towards $1,025-30 or a complete correction of A-B-C ending with this decline. Subsequently, a corrective wave "B" could unfold with targets near $1,375 or even higher. After that, a wave "C" could begin lower again. Alternatively, we can also expect wave "B" to extend to $1,476. If the current decline as a whole from $1,920 can be considered as a fourth wave, then the fifth wave could begin and cross $1,700 in the long-term. But failure to follow-through above $1,355 has dashed any hopes of any impulsive up move. RSI is in the neutral zone now indicating that it is neither overbought nor oversold. The averages in MACD are still below the zero line of the indicator again, indicating a bearish reversal. Only a cross over again above the zero line could hint at a reversal in trend to bullish.

Therefore, buy Comex gold on dips around $1,278-80 with the stop-loss at $1,270 targeting $1,306 followed by $1,315. Supports are at $1,285, 1,273 and 1,260. Resistances are at $1,299, 1,306 and 1,335.

The writer is the Director of Commtrendz Research. There is risk of loss in trading.

BUSINESS LINE DATE: 29/12/2017 P.N.14

MCX Lead in a sideways movement

GURUMURTHY K
BL Research Bureau

The Lead futures contract on the Multi Commodity Exchange (MCX) continues to trade in a sideways range. The contract has been stuck inside the ₹155 and ₹168a kg range for the last eleven consecutive weeks. Within this range, the contract fell to a low of ₹158 on Tuesday and has reversed sharply higher from there to ₹162.75 on Wednesday. The contract has come-off from this high and is currently trading at ₹161.50.

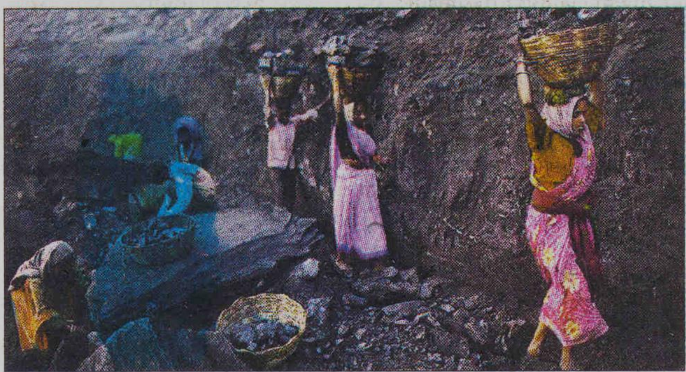
The sideways range remains intact. But the immediate outlook is not clear as the contract is poised at the mid-point of this range.

The 21-week moving average at ₹158 has been limiting the downside in the contract over the last few weeks. This leaves the bias bullish and keeps the possibility high of the contract breaking above ₹168 in the coming days. A strong break above ₹168 will pave way for the next targets if ₹171 and ₹172. The 21-week moving average at ₹158 and a trend-line at ₹157 are the key near-term supports. A break below ₹157 is needed to drag the contract lower to ₹155 – the lower end of the range. Only if it breaches the ₹155 level, will the outlook turn negative for the contract. Such a break, though looks less probable at the moment, can increase the likelihood of the contract falling to ₹150 or even lower levels.

Note: The recommendations are based on technical analysis and there is a risk of loss in trading.

THE HITAVADA DATE: 29/12/2017 P.N.11

Govt sanguine about coal sector in 2018 on demand upswing



By Simran Arora
NEW DELHI, Dec 28 (PTI)

THE Government is looking at 2018 with renewed optimism for the coal sector in the wake of demand upturn and expecting 6-7 per cent growth in supply of the dry fuel next year.

Also, the Government is hopeful of a better show by state-owned Coal India (CIL), which is expected to achieve an output of 600 million tonnes (MT) in 2017-18. In 2017, there has been a resumption in demand for coal and this has been the greatest difference from the last year, Coal Secretary Susheel Kumar told PTI in an interview. Bottlenecks in coal supply to power plants turned out to be a big issue this year. While power producers held the Coal Ministry responsible for inadequate coal supply, the latter blamed the former for the low stock of fuel at plants.

"Because in 2016, we did not see any demand for coal, that's why all the year (2017), we were requesting power plants to take (coal) supplies... This year, they have been in the overdrive... And we have been trying to cope with (the demand)," the secretary said.

The Coal Ministry went to the extent of saying that there was no shortage of the dry fuel and power plants should have adhered to the Central Electricity Authority's guidelines for stocking of coal. "Next year, I see further increase of (coal) demand and I see a better performance by Coal India because now, they (Coal India) have realised that whatever was the position in 2016 is not the normal. Normal is what 2017 is," Kumar stressed. "So... I am sure that in the remaining months of the year (2017-18) and 2018, we would see robust demand and good supplies," the Secretary said. Hoping that coal supply will grow at 6-7 per cent in 2017-18 compared to 2016-17, he predicted that 2018-19 will see a more improved performance.

In October, the Karnataka Government had asked the Centre to ensure adequate supply of coal and early allocation of a coal block in Odisha to meet the severe fuel shortage faced by power units.

BUSINESS LINE DATE: 30/12/2017 P.N.16

More gains for steel sector in the offing

Slowing growth in Chinese consumption, and the Centre's thrust on infrastructure are the plus points for the sector

G CHANDRASHEKHAR

Steel is the most widely used construction and engineering material and has a wide range of applications. History shows that steel consumption has a positive correlation with economic growth and, therefore, it is called a 'growth commodity'.

China, of course, is a classic example. The Asian major is the world's largest steel producer and consumer accounting for close to 50 per cent of world demand.

China hits a trough

While China's scorching growth rate in the last two decades and the ravenous appetite for steel are well-known, concerns over environment-related issues and trade friction have emerged of late. This is seen slowing the Chinese steel industry. At the same time, Chinese economic policy focus has slightly moved away from investment-led to consumption-led growth. In other words, steel consumption growth in China will begin to slow and the ominous signs are already visible.

While no country is really in a position to rival China in production and consumption volumes, India is in a position to step in to partially fill the void.

Focus on infra

India's steel consumption is poised for a leap with the government's thrust on infrastructure development, housing and automobiles. Specifically, in the last Budget, an outlay of ₹4-lakh crore was provided for infrastructure expansion covering railways, roadways, airports, seaports, multi-modal transport and urban amenities as well as affordable housing to ease the shortage of dwellings.

Promotion of 'smart cities' is also an area that can trigger high levels of steel consumption. More recently, introduction of a new policy namely domestically manufactured iron

COMMENTARY

and steel products in government procurement to facilitate value-addition is also seen as a positive step.

These initiatives have created conditions for a significant expansion in steel demand. Equally interestingly, the New Steel Policy 2017 envisages increasing the per capita steel consumption from the present 60 kg to 160 kg by 2030. This is backed by a target of 300 million tonnes steel-making capacity.

Drawbacks

While demand is well set for a jump, there are growing concerns relating to deterioration of steel quality used in infrastructure projects. Depending on the severity of the exposed atmosphere, steel structures face the risk of rusting or corrosion to varying degrees. The costs associated with corrosion are said to be humongous. While such losses are as yet not precisely quantified, they are very real indeed.

It is critical that India reduces the indirect and largely unaccounted loss caused by corrosion of steel, and experts assert that we have the capacity. Speaking to *BusinessLine*, renowned metallurgist and Executive Director of India Lead Zinc Development Association, L Pugazenthy, said, "Worldwide, in order to provide a long, maintenance-free life, steel members used in a number of applications such as power transmission lines, railway electrification towers, telecom towers, crash barriers in highways, street lamp poles, high mast lighting columns and so on, are invariably hot-dip galvanised. The fabricated structures are provided a zinc coating.

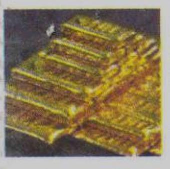
"The Indian galvanising industry has established a huge production capacity," he pointed out, adding that the country produces plenty of zinc. He argues that corrosion protection should be mandatory in order to reduce, if not eliminate, losses and thereby extend the life of steel structures.

The writer is a commodities market specialist. Views are personal.

BUSINESS LINE
DATE: 30/12/2017 P.N.16

Base import price of gold, silver up

Mumbai, December 29



The Centre today raised the base import price of gold by $12 to $415 per 10 gm, and that of silver by $23 to $539 a kg, according to a notice from the Central Board of Excise and Customs. The revision in base import prices is largely in line with global prices of gold and silver, which have risen 3 per cent and 6 per cent, respectively, since December 15 when the base import prices were last revised. COGENCIS

THE TELEGRAPH
DATE: 31/12/2017 P.N.10

Gold gets back its sparkle

New Delhi: Gold regained its sheen by surging by Rs 175 to a one-month high of Rs 30,400 per 10 grams on the last trading day of 2017 at the bullion market on Saturday, driven by a firm trend overseas and increased buying by local jewellers.

Silver maintained its upward march and added another Rs 280 to reach Rs 39,980 per kg, backed by an increased offtake by industrial units and coin makers.

Marketmen said a firm trend in the global market, where gold rallied to a one-month high of $1,302.50 an ounce, mainly driven by a softer dollar and political uncertainties, and a pick-up in demand from local jewellers supported the upside in prices.

For the year, gold recorded a rise of Rs 2,100, or 7.42 per cent, while silver climbed Rs 580, or 1.47 per cent, at the local market.

The rise comes amid a weak dollar that gave a boost to dollar-pegged commodities, making them more attractive to users of other currencies.

During 2017, gold had hit a high of Rs 31,350 per 10 grams (on September 8) and a low of Rs 28,300 (on January 2).

Globally, it zoomed to end the year at $1,302.50 an ounce, a growth of over 13.17 per cent from last year's close of $1,150.90 an ounce in New York.

Also, silver rose 6.48 per cent to close at $16.91 an ounce against last year's close of $15.88.

In Delhi, gold of 99.9 per cent and 99.5 per cent purity climbed Rs 175 each to Rs 30,400 and Rs 30,250 per 10 grams, respectively.

The precious metal had shed Rs 25 in Friday's trade. PTI

BUSINESS LINE DATE: 30/12/2017 P.N.16

Gold near $1,300/oz, heading for best year since 2010

REUTERS
London, December 29

Gold hit a one-month high on Friday and stayed on track for its biggest annual rise since 2010 as a wilting dollar, political tensions and receding concerns over the impact of US interest rate hikes fed into its rally.

Spot gold was up 0.2 per cent at $1,296.90 an ounce at 1240 GMT, off a peak of $1,297.65. US gold futures for February delivery were up $1.80 an ounce at $1,299.

Spot palladium was down 0.3 per cent at $1,062; spot silver was up 0.2 per cent at $16.87, while platinum gained 0.4 per cent to $926.49.

the first time since May 2015.

Copper eased a touch in Asian trading on Friday but held close to a 4-year peak hit overnight amid a bullish outlook for demand and supply uncertainty. Three-month copper on the LME was at $7,262 a tonne, down 0.3 per cent.