खनिज समाचार

KHANIJ SAMACHAR

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खनिज समाचार

KHANIJ SAMACHAR

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INDIAN BUREAU OF MINES

VOL. 5, NO-15 , 1st – 15th AUGUST , 2021

Gold faces hurdle at ₹48,800

A breakout in gold can help silver futures get over the ₹68,400 barrier

AKHIL NALLAMUTHU
BL Research Bureau

The fundamentals of gold look to be improving steadily as the demand for the precious metal has seen an increase for a third straight quarter, according to the latest data released by the World Gold Council (WGC). While demand in the second quarter of calendar year 2021 stood at 955.1 tonnes compared to 878 tonnes in the first quarter, there is not much change y-o-y compared to demand in the same quarter of 2020 at 960.5 tonnes. The average quarterly price of gold in Q2-2021 was 6 per cent higher at $1,816.5 per ounce.

Jewellery demand posted a growth of 60 per cent y-o-y to 390.7 tonnes and remained the biggest contributor. However, investment demand took a hit as it halved to 284.5 tonnes, largely due to the drop in ETF (exchange traded fund) demand. Notably though, the demand for bars and coins registered a growth of 56 per cent. But there are some green shoots of late, as the ETF flows turned positive in Q2-2021 after recording net outflows in the preceding two quarters. Going ahead, WGC expects that in 2021, jewellery as well as coins and bars demand will offset lower levels of ETF and OTC (over the counter) investment demand compared to 2020.

Even as the global investment demand dropped by 51 per cent y-o-y to 284.5 tonnes in second quarter this year, it posted a growth of 7 per cent in India to 21 tonnes. Jewellery demand in the country grew by 25 per cent to 55.1 tonnes, lower than the growth seen in world total of 60 per cent to 390.7 tonnes.

A positive trend was also seen in price movements last week as gold as well as silver gained by 0.7 and 1.2 per cent over the past week ending at $1,813.6 and $25.46, respectively. Similarly, gold futures (October series) on the Multi Commodity Exchange (MCX) appreciated 0.5 per cent and closed the week at ₹48,001 (per 10 grams) whereas silver futures (September expiry) ended at ₹67,847 (per Kg) on Friday, up by 1.2 per cent for the week.

MCX-Gold (₹48,001)

During the first half of the past week, October expiry gold futures moved in a tight range of ₹47,550 and ₹48,000. But on Thursday, it rallied following prices in the international market which went up on the back of weak dollar. The contract went past the important level of ₹48,000, where the 21-day moving average (DMA) lies and rallied to ₹48,400, where the 50-DMA lies. While a daily close above this level would add some bullishness to futures, it faces critical resistance at ₹48,800. Unless this level is breached, the short-term trend will remain unclear. So, gold futures is looking to enter a sideways trend with boundaries for October futures at ₹47,550 and ₹48,800.

While the relative strength index (RSI) is showing a fresh uptick following last week's rally, the moving average convergence divergence (MACD) remains in the neutral region and the number of outstanding open interest (OI) of all active futures contract came down and stood at 13,119 contracts compared to 14,731 contracts by the end of the preceding week. Notably, rising price with a drop in the OI means long liquidation.

So, despite bullish signs such as the price action on the daily chart forming a higher base and a positive RSI, the contract needs to crack the resistance at ₹48,800 in order to establish an uptrend. Traders can wait and initiate fresh longs above ₹48,800. A breach of this level can take futures to ₹49,600. But if the price moderates from here, the contract is likely to find support at ₹48,000 and ₹47,550.

MCX-Silver (₹67,847)

Following the breach of support at ₹67,700 in the week before last, September expiry silver futures opened on the back foot. The contract declined and marked an intraweek low of ₹65,656 on Tuesday. However, the contract swiftly made a U-turn and on Thursday, the price rose sharply. It went above the crucial level of ₹67,700. But on Friday, the 21-DMA at around ₹68,400 showed resistance and prevented the contract from extending the rally.

As the trend has been bearish since June, unless the contract invalidates the resistance at ₹68,400, hopes are limited for the trend to turn bullish. Besides, the number of outstanding OIs of the active futures dropped over the past week to 9,926 contracts from 13,265 contracts.

Even so, there are some positive signs – the RSI is showing a fresh uptick and the MACD is turning its trajectory upward after having headed south in the past couple of weeks. A breakout in gold can have a positive impact on silver, helping it to go above ₹68,400.

One can wait for more clarity before entering a trade. If the contract rallies past ₹68,400, traders can consider longs but if contract slips below ₹67,000, shorts will be the better choice. Resistances above ₹68,400 are at ₹70,000 and ₹71,700; supports below ₹67,000 are at ₹65,700 and ₹65,000.

BUSINESS LINE DATE : 3/8/2021 P.N.9

Coal India sees offtake, production increase

OUR BUREAU

Kolkata, August 2

Backed by an improved demand from the power sector, Coal India Ltd (CIL) witnessed a jump in off-take and production of coal in July this year.

Coal offtake was up by nearly 17 per cent at 50.5 million tonnes (mt) in July this year, as compared with 43.3 mt last year. Sequentially, coal supplies expanded by 7.2 mt in the last one month. Off-take to the power sector for July 2021 was up by 17 per cent at 39 mt (33.3 mt) last year.

For the period April-July 2021, the company clocked nearly 31 per cent growth in supplies to the power sector registering an increase of 39 mt over the same period last year.

Power demand

With the country's power consumption gradually inching towards pre-pandemic levels, CIL's off-take to coal fired plants went up sharply to 166.3 mt during the referred period (127.2 mt), the company said in a press statement. CIL's coal supply accounted for approximately three-fourth of the country's total coal-based power generation of 82.119 billion units during July 2021, which includes generation through imported coal.

Coal production was up by 14 per cent at 42.6 mt in July (37.3 mt). The overburden removal (OBR) for July 2021 was 91 million cubic metres against 89 m in July last year. CIL's efforts to liquidate its pithead stock resulted in a reduction of 43.4 mt ending July 2021, backed by increased appetite for coal. The company still has a buffer stock of 55.8 mt.

BUSINESS LINE
DATE : 4/8/2021 P.N.9

Singareni Collieries logs 102% growth in July coal production

OUR BUREAU

Hyderabad, August 3

The Singareni Collieries Company Ltd (SCCL) has had good coal production and dispatch numbers during July 2021 and April to July this fiscal.

Against the target of producing 47.56 lakh tonnes (lt), Singareni achieved 48.67 lakh tonnes with a growth of 102.34 per cent against 28.5 lakh tonnes achieved in the Covid-hit July last year.

Singareni dispatched 50.29 lt of coal against the target of 45.56 lt with a growth rate of 110.39 per cent. Last year July, it had dispatched only 28.5 lt.

At the Open cast Mines it removed 296.16 lakh cubic meters of overburden as against 195.2 lakh cubic meters in July last year. The company achieved coal production of 204.36 lt during the last four months this year as against 123.5 lt last year. The coal dispatch was 217.25 lt this year when compared to 113.8 lt last year.

NAVBHARAT DATE : 5/8/2021 P.N.1

कोयला : अदानी की अब नागपुर में एंट्री

गौंडखैरी कोल ब्लॉक लिया

नागपुर, व्यापार प्रतिनिधि. अदानी समूह की अब नागपुर जिले में भी एंट्री हो गई है. समूह की कंपनी अदानी पावर महाराष्ट्र लिमिटेड ने केंद्र सरकार की वाणिज्यिक कोल ब्लॉक की नीलामी में सर्वोच्च बोली लगाकर इस ब्लॉक को अपने कब्जे में कर लिया है. ब्लॉक अमरावती रोड बाईपास (कलमेश्वर) पर गौंडखैरी में स्थित है. पहले दिन केंद्र की ओर से 3 कोल ब्लॉक की नीलामी की गई थी जिसमें से 2 पर अदानी ने सफलतम बोली लगाई है. इस खदान में 98.71 मिलियन टन कोयले का भंडार होने का अनुमान है. बताया जाता है कि इस ब्लॉक को लेने के लिए अदानी ने आधार मूल्य से 9.5 फीसदी अधिक बोली लगाई. इस खदान को लेने के लिए सनफ्लैग आयरन एंड स्टील भी कतार में थी लेकिन अदानी की बोली के आगे पिछड़ गई. इसी प्रकार अदानी को छत्तीसगढ़ में स्थित झिंगडोर कोल ब्लॉक भी मिला. इसके लिए भी 2 कंपनियों ने बोली लगाई थी, अदानी समूह की कंपनी सीजी नेचुरल रिसोर्सेज प्राइवेट लि. को ब्लॉक प्राप्त हुआ है. इस ब्लॉक में 250 मिलियन टन कोयले का डिपॉजिट होने का अनुमान है. इसी प्रकार झारखंड का जोगेश्वर और खास जोगेश्वर कोल ब्लॉक साउथ वेस्ट पिनाकल एक्सप्लोरेशन लिमिटेड के हाथ लगा. कोयला मंत्रालय ने कुल 67 ब्लॉक की नीलामी की प्रक्रिया शुरू की है.

नीलामी में राज्य की इन माइंस का समावेश रहा

- मकरधोकड़ा-4
- खापा और एक्सटेंशन
- विवकुंड
- दहेगांव-धापेवाड़ा-टोंडाखैरी-खंडाला (कंबाइंड)
- हिंगना बाजारगांव
- कलंबी कलमेश्वर

BUSINESS LINE DATE : 5/8/2021 P.N.10

Electronic gadgets, batteries, alloys to get costlier

Rates scale a new peak as supply fails to match demand

SUBRAMANI RA MANCOMBU

Chennai, August 4

Products ranging from solder material, lead-acid batteries, smartphones, laptops, tablets and other electronic products, and chemicals and alloys, including copper, are set to get costlier if they have some tin in them.

Manufacturers are set to be under pressure as tin prices, which have increased about 70 per cent since the beginning of the year, have raced to a record high in the global market on strong demand and a disrupted supply.

The outlook of a further increase by the year-end doesn't augur well either for the user industry or consumers.

On Tuesday, tin prices for cash on London Metal Exchange (LME) were quoted at $36,473 (₹27.05 lakh) a tonne, while 3-month contracts ruled at $34,550 (₹25.62 lakh).

Supply disruptions

Tin prices have increased mainly due to supply disruptions resulting from the spread of the Delta coronavirus variant across Asia and Africa, in an already tight market.

More importantly, the pandemic has peaked in Myanmar, the world's third largest producer, and this is set to worsen the supply-demand scenario.

Supplies have also been affected by the protests and strikes that followed after Myanmar defence forces staged a coup to displace an elected government.

Drought and power curbs in the Chinese province of Yunnan, the main producer of the metal in the Communist nation, also affected supplies.

The UK-based International Tin Association (ITA) said production in Yunnan was affected in June, while maintenance carried out by the world's largest producing firm — Yunnan Tin — exacerbated the situation.

The maintenance work will be completed this month, bringing back significant volume to augment supplies. ITA said tin production, particularly in Myanmar, was affected in May due to labour shortage.

Industry usage

Movement of labour between Yunnan and Myanmar continues, affecting production. But the output will likely increase over the next few months, ITA said.

A study carried out by the ITA last year revealed that solder accounts for 49 per cent of tin consumption, followed by chemicals (18 per cent), tinplate (12 per cent) and batteries (7 per cent).

ITA said growth prospects for solder were bright, particularly with regard to 5G-related markets, while those of canned food were good as consumption has increased during the pandemic.

Similarly, battery use was boosted and a significant portion of electric bikes in China uses tin, it said.

Fitch Solutions Country Risk and Industry Research (FSCRIR) has raised its projections for tin price movement this year to $28,000 a tonne from $23,000 earlier.

The agency said a rapid increase in demand has outstripped the slow pace of tin supply recovery during the Covid pandemic. It expects prices to peak only before the year-end, which means they still have legs to rise further.

"We expected that the limited supply growth will persist in the third quarter this year," it said, adding that, as a result, the global refined tin inventory has declined.

Supply growth will be limited in the current quarter in view of the Covid shutdowns in Indonesia and Malaysia affecting the reopening of mines and smelters. Both these countries made up 30 per cent tin production last year, FSCRIR said.

Demand rationing

Prices will peak in the fourth quarter as only the supply tightness will ease. The market will then head lower but the current record prices will result in rationing of demand by electronic manufacturers, as they will struggle to pass on the spike to consumers, the agency said.

Relaxing lockdown curbs will also boost exports, it added.

Currently, tin stocks on the LME are 2,290 tonnes, with warrants for 1,060 tonnes cancelled. This means 1,060 tonnes are being taken out of the LME warehouse, probably for cash sale. The stocks in the LME warehouse are lower by 70 per cent from the year-ago period.

Tin use by applications

Source: International Tin Association

THE ECONOMIC TIMES DATE : 6/8/2021 P.N.14

Mines and Minerals Bill 2021 to be a Gamechanger: Anil Agarwal

Our Bureau

Mumbai: The Mines and Minerals (Development and Regulation) Bill 2021 is a game-changer that will significantly improve the share of the natural resources sector in the national economy, said Vedanta's chairman Anil Agarwal.

"It will contribute to the creation of over five million jobs and will considerably reduce India's import dependence for basic materials," Agarwal said, addressing the company's shareholders in the annual report released Thursday.

The new bill will significantly boost India's metals and mining industry by inviting private participation in the exploration of key resources such as coal and gold, Agarwal added.

In March, Lok Sabha passed the Mines and Minerals (Development and Regulation) Amendment Bill, 2021, which proposes to remove curbs of end-use for future auctions of mineral mining rights, allowing operators of existing captive mines to sell up to 50% of minerals extracted in a year.

The new bill also gives powers to the central government to conduct an auction of mines if state governments do not conduct auctions in a timely manner.

Currently, the natural resources sector contributes 1.75% to India's GDP, whereas in countries with similar reserves, the contribution is 7-7.5%.

During FY 21, Vedanta's low-cost, scalable assets generated strong profitability and delivered robust cash flows, Agarwal said.

"We are actively deleveraging our balance sheet and are raising the bar in operational excellence across our wide canvas of operations," he said. Even as temporary disruptions materialised, the company was able to bounce back strongly with robust EBITDA margins, he said.

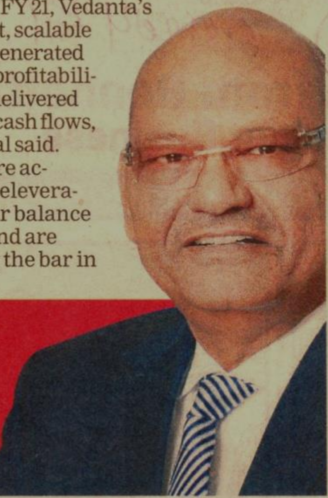
Vedanta's consolidated net profit during the Q1 of FY 22 more than tripled to ₹5,282 crore. The company's net sales were up 79.2% to ₹28,105 crore.

During the last financial year, Vedanta has spent over ₹331 crore on social development activities, spread across its core impact areas of education, health, sustainable livelihoods, women empowerment, sports and culture, environment and community development.

"Our flagship CSR initiative for women and children has touched a new milestone, with the setting up of 2,300+ Nand Ghars in 11 states," Agarwal said.

In a move to reduce the group's carbon footprint, Agarwal said that the company has set a vision to substantially decarbonise its operations by 2050.

The company will focus on exploring investment opportunities in the upcoming financial year. "At Vedanta, we are cognizant of the immense growth potential and will invest in opportunities that create value for all stakeholders. As we power ahead, we stand in solidarity with India, its ambition of being Aatmanirbhar and creating a 5 trillion-dollar economy."



It (the Bill) will contribute to the creation of over 5M jobs and will reduce India's import dependence for basic materials

ANIL AGARWAL, Chairman, Vedanta

LOKMAT DATE : 6/8/2021 P.N.1

नागपूरला पुन्हा पाच कोळसा खाणींचा विळखा

लोकमत न्यूज नेटवर्क

नागपूर : जिल्ह्यात पाच नवीन कोळसा खाणींना केंद्र सरकारने परवानगी दिली आहे. नागपूरच्या आसपास तीन औष्णिक वीजनिर्मिती केंद्रे आणि अनेक कोळसा खाणी असल्याने जिल्ह्यात प्रदूषणाचा स्तर दिवसेंदिवस वाढत असून, दरवर्षी वाढणारे तापमान असह्य करीत आहे. अशा परिस्थितीत पुन्हा कोळसा खाणींना मंजुरी दिल्याने नागपूरकरांच्या त्रासात भर पडणार आहे. विदर्भाच्या पर्यावरणावर घातक परिणाम करणाऱ्या या निर्णयावर पर्यावरणवादी संघटनांनी तीव्र आक्षेप नोंदविला आहे.

जिल्ह्यात दहेगाव/ मकरधोकडा ४, गोंडखैरी, खापा व विस्तार, दहेगाव-धापेवाडा व टोंडखैरी खंडाळा, हिंगणा बाजारगाव व कळंबी कळमेश्वर येथे नवीन कोळसा खाणी प्रस्तावित आहेत. गोंडखैरी कोल ब्लॉक अदानी पॉवरला तर भिवकुंड कोल ब्लॉक सनफ्लॅगला वितरित करण्यात आली आहे. कोळसा खाणींना मंजुरी देण्याच्या केंद्र सरकारच्या या निर्णयाचा विदर्भ एनव्हायर्नमेंट ॲक्शन ग्रुप (व्हीआयएजी)ने तीव्र विरोध केला आहे. ग्रुपचे संयोजक सुधीर पालीवाल म्हणाले, विदर्भ आधीच खाणी आणि औष्णिक विद्युत केंद्राच्या प्रदूषणाने पीडित आहे. अशात नवीन कोळसा खाणी सुरू केल्यास प्रदूषणाचा स्तर प्रचंड वाढेल.

पर्यावरणाचीही मंजुरी नाही

नवीन कोळसा खाणी नागपूर शहराच्या २५ किलोमीटरच्या परिघात आहेत. मात्र यांची बोली लावण्यापूर्वी कोळसा मंत्रालयाने पर्यावरणाबाबत आवश्यक कोणत्याही परवानग्या घेतलेल्या नसल्याचा आरोप व्हीआयएजीने केला आहे. या नवीन कोळसा खाणींमुळे विदर्भातील सुपीक जमीन ओसाड होण्याची भीती संस्थेने व्यक्त केली आहे.

हिट आयलँड इफेक्टचा सामना

- नागपूर शहर आधीच अर्बन हिट आयलँड इफेक्टच्या प्रभावात आहे. नीरीच्या अहवालानुसार दोन दशकात सरासरी तापमानात ८० टक्क्यांनी वाढ झाली आहे. २००० ते २०१९ पर्यंत १८ उष्ण लहरींचा सामना करावा लागला तर १६ वेळा सर्फेस टेम्प्रेचर सरासरीपेक्षा वर गेलेले आहे. याचे कारण वाढत्या वाहनसंख्येसह आसपास असलेली वीज निर्मिती केंद्रे आणि अनेक प्रकारच्या खाणी असल्याचे पर्यावरण अभ्यासकांचे मत आहे.

THE ECONOMIC TIMES
DATE : 7/8/2021 P.N.6

SAIL Posts ₹3,897-cr Net Profit in June Quarter

FILE PHOTO

Press Trust of India

New Delhi: Domestic steel major SAIL on Friday returned to the black, posting a consolidated net profit of ₹3,897.36 crore for the June 2021 quarter.

The company had posted a ₹1,226.47-crore net loss in the year-ago quarter, Steel Authority of India Ltd (SAIL) said in a BSE filing.

Its net income during April-June 2021 more than doubled to ₹20,754.75 crore, compared with ₹9,346.21 crore in the year-ago period.

Total expenses stood at ₹15,604.07 crore, against ₹11,325.10 crore a year ago.

SAIL, under the Ministry of Steel, is the country's largest steel-making company having an annual steel making capacity of about 21 million tonnes.

Hindalco Swings to All-time High Profit in Q1

Our Bureau

Mumbai: Aditya Birla group's flagship metals company, Hindalco, reported an all-time high consolidated net profit of ₹2,787 crore against a net loss of ₹709 crore in the same period last year mainly on account of better performance by Novelis and higher LME aluminium prices.

In the previous quarter, the company's net profit stood at ₹1,928 crore.

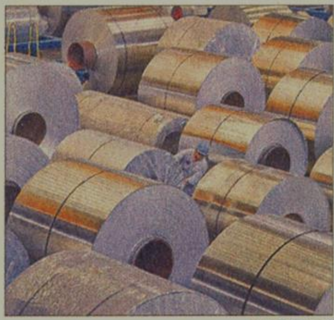
"The improvement is visible across all our business segments where we are seeing strong demand, plants running at capacity, and better margins," said the company's managing director Satish Pai.

The company's US operations, Novelis recorded its best-ever quarterly adjusted operating profit of $555 million up 119% year-on-year, on the back of higher volumes, favourable product mix and metal benefits, and a $47 million gain related to a favourable decision in Brazilian tax litigation.

"Novelis has had a great quarter…they have managed to take care of the impact of the semi-conductor shortage on auto by focusing more on cans and specialities segment. Going ahead the semi-conductor shortage too is likely to ease and Novelis will continue to do better," Pai told ET.

Hindalco's operating earnings (Ebitda) was recorded at ₹6,790 crore up 2.87 times from ₹2,359 crore reported last year. Consolidated revenue for the first quarter stood at ₹41,358 crore versus ₹25,283 crore, up 64% YoY.

"The record Ebitda was driven by an outstanding performance by Novelis as well as India business, supported by a sharp recovery in all relevant markets, and improved macros," the company said in a media statement on Friday.



FILE PHOTO

Hindalco's gross debt declined by ₹16,345 crore and net debt fell by ₹10,389 crore as of June 30, 2021, from its peak on June 30, 2020. The company's consolidated net debt to Ebitda ratio was at 2.36x on June 30, 2021, from a peak of 3.83x on June 30, 2020.

Hindalco's aluminium business reported an operating profit of ₹2,352 crore during the quarter, up from ₹973 crore a year ago, an increase of 142% YoY, primarily due to favourable macros, improved product mix and better operational efficiencies. Aluminium Ebitda margins reached a 13-year high of 37.5%.

The copper business clocked an Ebitda of ₹261 crore compared to ₹66 crore in Q1 FY21, up 295%. However, the business' revenue was hit sequentially as the copper smelter went into a bi-annual production maintenance shutdown. Copper metal sales volumes were at 80 kilotonnes up 36% YoY and copper cathode rods sales were at 46 kt, up 50% YoY.

Gold stares down the barrel

A close below the support of ₹47,000 gives the contract a considerable bearish bias

AKHIL NALLAMUTHU
BL Research Bureau

Gold and silver, which were already on a decline during last week, experienced a strong sell-off on Friday especially in the second half. This is because of the positive US jobs data that strengthened the dollar. Importantly, the unemployment rate fell to 5.4 per cent, the lowest since April 2020. Consequently, the bullion price came under pressure leading to a considerable weekly loss.

Gold and silver lost 2.8 and 4.4 per cent, respectively in terms of dollar as they ended at $1,762.69 and $24.33 per ounce, respectively on Friday. In the domestic market, the gold futures (October series) lost 2.8 per cent on the Multi Commodity Exchange (MCX) as it ended at ₹46,640 (per 10 grams) and the silver futures (September expiry) closed the week at ₹65,000 (per 1 Kg), losing 4.2 per cent.

That said, fund flows remained positive to gold backed exchange traded funds (ETFs) in July as per the latest data by the World Gold Council (WGC). Though the quantum was small, net inflows into gold ETFs across the world stood at 11.1 tonnes, making this the third consecutive month of inflows. Geographically, Asian and European funds saw inflows whereas the funds in North America witnessed outflows, partly offsetting the total inflows. The global Assets Under Management (AUM) in gold ETFs stands at 3,636 tonnes; this is 7 per cent below October 2020 record tonnage high of 3,909 tonnes. This can be partly due to the price remaining at lower levels compared to a year back.

A study by WGC shows that September has historically been a good month for gold, and it may produce positive returns in September 2021 as well. Supportive factors are the central banks such as the Federal Reserve focussing more on employment than inflation to maintain loose monetary policy for some more time. Interestingly, a WGC study shows that the real earnings yield plus the dividend yield of the S&P 500 has reached negative territory for the second time in last 75 years. Also, the US 10-year treasury yield has been falling since May. Since gold is a non-interest-bearing investment, a drop in yields of other assets is generally positive for the bullion.

MCX-Gold (₹46,640)

The sell-off began early last week and thus, the October futures of gold slipped below the supports of ₹47,500 and ₹47,000. The decline began at around ₹48,000, where the 21-day moving average (DMA) coincides, making this price level a stronger resistance. A close below the support of ₹47,000 gives the contract a considerable bearish bias.

The relative strength index (RSI) has fallen into the bearish territory and the moving average convergence divergence (MACD) is showing a fresh downtick. Also, the average directional index (ADX) is presenting a clear case of bears getting stronger than the bulls. In addition, the number of outstanding open interest (OIs) of all active futures contract rose to 14,904 from 13,119 a week ago - a price drop along with an increase in OI is a bearish signal and considering the above factors, the fall is likely to be extended during the coming week.

Nevertheless, the contract, which closed at ₹46,640 is near the previous low of ₹46,650. This gives a slight chance for the bulls as the difference between the closing price and the prior low is very small to term it as a break down. Hence, traders can initiate fresh short positions if the contract sustains below ₹46,650; stop-loss can be maintained at ₹47,500. Nearest support levels can be spotted at ₹46,150 and ₹45,500. On the upside, resistances are at ₹47,000 and ₹47,500.

MCX-Silver (₹65,000)

Like gold futures, silver futures has been depreciating through the week. The September futures, which closed within the resistance band of ₹67,700 and ₹68,400 in the final week of July, was unable to crossover this price band. Sellers, making use of this hurdle, started to pull down the price and the sell-off accelerated towards the end of the week. Eventually, the decline dragged the contract below the critical support of ₹65,700. The 21-DMA remains at around ₹67,700, coinciding with the afore-mentioned resistance band.

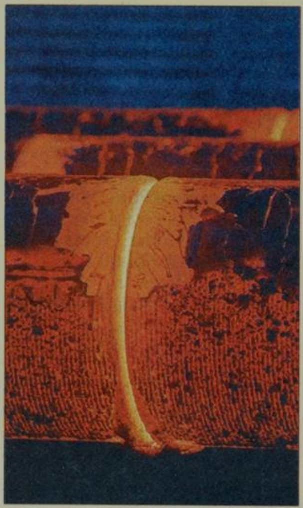
The price action is clearly bearish as the silver futures has been making lower lows since June, unlike gold futures. Besides, the RSI and the MACD are staying in their respective bearish region and, the ADX is hinting at the bears becoming stronger than the bulls. In addition, the number of outstanding OIs of all active futures contract of silver have gone up to 15,220 as on Friday, compared to 9,926 by the end of the preceding week. Thus, there is a considerable increase in the OIs along with the decrease in price, which is a bearish signal.

As there are several factors hinting at weakness in silver futures and that the contract has breached the crucial support at ₹65,700, one can consider selling the contract. That is, traders can short September futures with stop-loss at ₹66,700. The price is likely to drop to ₹64,000 and then possibly to ₹62,800 in the near-term. On the other hand, if there is any recovery, it can face roadblocks at ₹65,700 and ₹66,500.

THE ECONOMIC TIMES DATE : 9/8/2021 P.N.9

JSPL Board Accepts Promoter Co's Fresh Offer for Power Unit

₹3,015 cr payable by cash, and balance of ₹4,386 crore will be by way of takeover of liabilities



Our Bureau

Mumbai: Naveen Jindal-led Jindal Steel and Power (JSPL) has accepted a revised binding offer of ₹7,401 crore from one of its promoter group companies, Worldone Private Limited, to divest its 96.42% stake in key subsidiary Jindal Power.

"Jindal Steel & Power Limited's board has accepted the revised binding offer from Worldone Private Limited ("Acquirer"), to divest its 96.42% stake in Jindal Power Limited," the company said in a media statement.

The total consideration of ₹7,401 crore includes ₹3,015 crore payable by cash, and the balance of ₹4,386 crore will be by way of assumption and takeover of liabilities and obligations of JSPL in relation to inter-corporate deposits and the capital advances paid by Jindal Power to its parent.

"The deal will also entail debt associated with JPL of ₹6,566 crore as of December 31, 2020, moving out of JSPL's consolidated books, thereby, strengthening JSPL's balance sheet," the company's statements said.

The company in April accepted an offer from Worldone for an entire equity interest in Jindal Power for ₹3,015 crore. After some shareholders voiced concerns that the deal size was undervalued, the company in June announced a revision in the offer to ₹7,401 crore and decided to launch an additional transparent competitive bidding process for the proposed stake sale of JPL.

JSPL, through an independent transaction advisor (Grant Thornton Advisory), had undertaken an additional competitive and publicly held bidding process for the sale of its entire stake in JPL. After a fresh exercise, the revised offer from Worldone was selected as the winning bid by the JSPL board.

"The divestment of JPL is in line with JSPL's strategic objective to focus on its India steel business, become a net debt-free company and significantly reduce its carbon footprint by almost half as part of its broader ESG objectives," the company said.

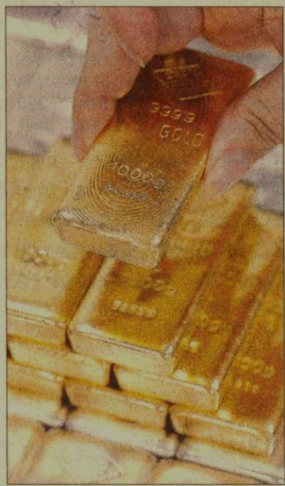
The power business posted net sales of ₹3,758 crore with a cash profit of ₹961 crore in fiscal 2020.

THE ECONOMIC TIMES DATE : 9/8/2021 P.N.5

ISSUE CLOSES ON AUG 13 Advisors say investors can allocate up to 15% of portfolio to gold

'You can Consider SGBs with Gold a Bit Cheaper Now'

Prashant.Mahesh
@timesgroup.com



Mumbai: Investors could subscribe to the upcoming offering of Sovereign Gold Bond as prices of the yellow metal appear undervalued after the recent weakness, said fund managers and analysts. Over the next 12 months, investors can allocate up to 15% of their portfolio to gold.

In the fifth tranche of SGB this fiscal, investors will have to pay Rs 4,740 per gram of gold after the Rs 50 per gram discount for digital payments. The issue will end on August 13

This is 1.4% lower than Rs 4,807 per gram they paid for the last issue in July. Gold prices have dropped 14.9% in the past year.

"The rising US Dollar and Treasury yields on the back of a sooner than expected policy tightening by the Fed have largely led to softening of gold prices," says Nish Bhatt, founder, Millwood Kane International. Bhatt believes the latest variant of the virus, the pace of vaccination, unlocking, and signs of policy tightening by the Fed will lead to gold prices rebounding.

For years, investors have been buying gold as a hedge against inflation and a weakening dollar. With inflation expected to rise due to accommodative policies by governments and central banks, gold prices are expected to rise in the medium term.

"The price of gold has lagged in this drop in the real interest rates. So, gold seems undervalued from a fundamental point of view," said Chirag Mehta, senior fund manager, Quantum Mutual Fund. "If inflation is stickier than perceived, the US Fed and bond markets may simply be lagging, keeping real rates in the red till they catch up, which will benefit gold."

Continued on ▸▸ Smart Investing

BUSINESS LINE DATE : 10/8/2021 P.N.10

Gold drops 4% in early morning flash crash, regains some ground

BLOOMBERG

August 9

Gold recouped most of its losses from a sharp plunge at the start of Asian trading, but remains under pressure as bets mount that the Federal Reserve may soon start paring back its massive monetary stimulus.

Spot bullion fell more than 4 per cent early Monday, dropping $60 in minutes, as the selloff following Friday's better-than-expected employment data accelerated at the start of trading. "Gold likely crashed lower after breaching a technical support level and triggering stop losses, on a day when liquidity was low due to holidays in Japan and Singapore," said Marcus Garvey, head of metals strategy at Macquarie Group Ltd.

Spike in treasury yields

While prices bounced back from the initial drop, gold is still under strain. A close at current levels would be the lowest since April after the strong jobs numbers from the US last week helped break the metal out of a weeks-long trading range around $1,800 an ounce. Inflation-adjusted Treasury yields spiked on Friday's data, putting pressure on non-interest bearing gold.

The recent slump highlights a worsening outlook for the bullion on fears that the strong rebound in the US labour market could see the Fed pull back stimulus sooner than expected. Dallas Fed President Robert Kaplan's said that the central bank should start tapering asset purchases sooner rather than later.

Bullion was down 1 per cent at $1,745.31 an ounce by 12:20 pm in London, after earlier touching the lowest since March, and coming close to its lowest in more than a year. In the futures market, over 3,000 contracts changed hands in a one-minute window – equivalent to over $500 million notional value – as activity surged in a typically quiet trading period.

Gold "recovered in the course of trading as bargain hunters took advantage of the low price to enter the market," said Falkmar Butgereit, a senior trader at refiner Heraeus Metals Germany GmbH & Co. KG. Still, "many investors now fear that the Fed will soon start tapering bond purchases, raising expectations of interest rate hikes in 2022/2023."

Attention will turn to fresh economic data later this week to gauge the health of the recovery from coronavirus, as well as inflation. The consumer price index due Wednesday is expected to show a smaller increase than the previous month as pressures on supply chains caused by reopenings ease. That may lend support to the view held by the Fed that inflationary pressures will prove transitory.

Also key to the outlook is the rise of the delta variant in the US, which could complicate the country's economic rebound.

BUSINESS LINE DATE : 10/8/2021 P.N.2

Nalco Q1 net up at ₹348 cr

OUR BUREAU

Hyderabad, August 9

National Aluminium Company Limited (Nalco), a leading CPSE and producer and exporter of alumina and aluminium, posted a profit of ₹347.73 crore for the first quarter ended June 30 against ₹16.63 crore achieved in the corresponding quarter of the previous fiscal.

Beating market expectations, amidst challenging business environment, the company demonstrated robust performance across all its business segments.

The company reported revenue from operations of ₹2474.55 crore, an increase of 79.2 per cent compared to ₹1,380.63 crore achieved in the corresponding quarter of the previous year.

This was mainly propelled by strong demand, higher volumes, better realisation and effective capacity utilisation of its operational units.

On the production front, during the quarter, the production of bauxite, alumina and aluminium were at 17.61 lakh tonnes, 5.21 lt and 1.14 lt respectively, compared to 17.10 lt, 4.65 lt and 0.98 lt respectively in the comparative period of the last fiscal.

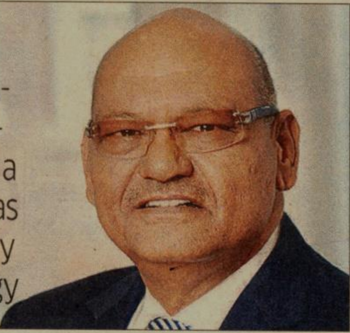
Vedanta to Invest up to $20 b Across Businesses

Outlook for mining and mineral-led growth looks robust, says chairman

Our Bureau

ANIL AGARWAL
Chairman, Vedanta

We are aiming to double the silver production, which is not just a precious metal but has use in hi-tech industry and renewable energy



Mumbai: Metals and mining firm Vedanta will be investing close to $20 billion (₹1,48,900 crore) across all its businesses in the next few years, said Vedanta's chairman Anil Agarwal.

"The outlook for mining and mineral-led growth looks robust. We at Vedanta are committed to nation-building and to bring in investments of up to $20 billion across our businesses," Agarwal said while addressing shareholders at the company's 56th annual general meeting held Tuesday.

Agarwal said that the company will focus on doubling its silver and steel production. The company is also committing to increase its domestic oil and gas production by 50%.

"In aluminium, we are already the largest producer; we are aiming to double the silver production, which is not just a precious metal but has use in hi-tech industry and renewable energy," Agarwal said.

The acquisition of FACOR and its niche ferro-alloys business is yet another example of Vedanta's diversification and future-readiness, he added.

Agarwal lauded the government's move to repeal the retrospective tax amendment and said that it will save around ₹22,000 crore for Vedanta.

"The proposed amendment of retrospective income tax is a welcome step and will have a positive impact on the group. It shall resolve major ongoing tax litigation amounting to about ₹22,000 crore," Agarwal said.

The Centre recently introduced a Bill to repeal the retrospective tax amendment introduced in 2012. The government has also promised to refund taxes already collected and withdraw all litigation and arbitration. However, in return, companies have to give an undertaking that they will withdraw litigation in all forums, and will forgo any damages, interest or other costs.

Agarwal added that the metals and mining sector's contribution to GDP should triple in the coming years to avoid import dependence.

"India will grow from a $2.6 trillion economy to a $5 trillion economy and then to a $10 trillion economy... Mining contributes 1.5% of the GDP and metals around 2% of the GDP. GDP contribution must treble, which is the only way to avoid import dependence," Agarwal said.

The company reported its highest-ever operating earnings (Ebitda) of ₹27,341 crore, up 30% on-year.

Its revenue from operations was at ₹86,863 crore in FY21.

THE ECONOMIC TIMES DATE : 11/8/2021 P.N.10

JSPL Posts Multifold Jump in Net Profit to ₹2,516 crore

Our Bureau

Mumbai: Naveen Jindal-led JSPL posted a consolidated net profit of ₹2,516 crore in the June quarter of FY 22 up 11 times the net profit reported during the same period last year.

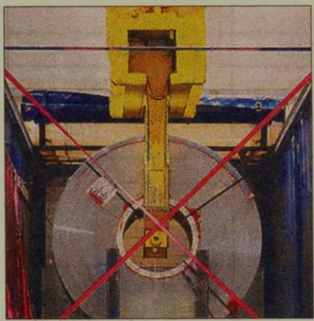
"The quarter marked exemplary performance by all businesses including Steel and Overseas mines and minerals businesses," the company said in a media statement on Tuesday.

The company's revenue from operations was recorded at ₹11,698 crore for the quarter under review, up 67% year-on-year.

JSPL reported an earnings before interest, taxes, depreciation and amortization of Rs 4,539 crore, up 150% year-on-year. The quarter also witnessed a sharp rise in input costs, impact of which was compounded by exhaustion of low cost iron ore inventory.

"Although standalone EBITDA was up YoY, it declined 7% QoQ, due to drop in sales volume and lower benefit accruing from iron ore compared to prior quarter," the company's statement said.

During the June quarter the company produced 2.01 million tonnes of steel, up 20.3% year-on-year. The company sold around 1.61 million tonnes of steel. "While domestic demand was subdued during the quarter, buoyant export markets continued to provide support with exports accounting for 34% in 1QFY22," the company's statement said.



Share of exports would have been higher in the absence of logistical challenges posed by unfavorable weather leading to congestion at ports, it added.

JSPL's consolidated net debt declined to ₹15,227 crore in 1QFY22 (from ₹22,146 crore in March 2021). "Continued cash generation, declining finance cost, lower capex and debt associated with JPL moving out of JSPL's consolidated books have all contributed to continued deleveraging in 1QFY22," the company said.

Motherson Sumi Reports Q1 Net Profit of ₹290 cr

Our Bureau

New Delhi: Auto components maker Motherson Sumi Systems (MSSL) on Tuesday reported a consolidated net profit of ₹290 crore for the first quarter ended June 30, 2021.

The company had posted consolidated net loss of ₹810.45 crore in the corresponding period of the last financial year.

Consolidated revenue from operations stood at ₹16,712 crore for the quarter under review, compared to ₹8,431 crore in the year-ago period.

Operations in the first quarter of the last financial year were severely impacted due to the Covid-induced nationwide lockdown in India.

Irregular production stoppages by OEMs globally due to supply chain constraints impacted the profitability of the company. Revenues were impacted in India due to OEM production shutdown for most part of May 2021 in the current quarter, the company said in a statement.

Iron ore prices at 3-month low as China curbs steel output

Decline in global rate benefits Indian steel sector as NMDC cuts ore prices

SUBRAMANI RA MANCOMBU

Chennai, August 10

Iron prices have dropped to a near three-month low as China's imports have dropped following its move to control steel production during the current half to meet carbon emission norms.

Iron ore with 63.5 per cent ferrous content ruled at $167 a tonne on Tuesday, down from a peak of $230.2 on May 12 this year. Iron ore with 62 per cent ferrous content quoted at $173.52 a tonne down from $231 in May and also last month.

The global drop in iron prices has benefited the Indian user industry, mainly steel firms, with the National Mineral Development Corporation, the country's largest iron ore producer, reducing lump ore prices by ₹300 a tonne and that of fines by ₹200 to ₹7,150 and ₹6,160, respectively.

It is for the second consecutive time that NMDC has cut iron ore prices since July.

Major reason

A major reason for iron prices to decline is fears of the Chinese government controlling steel production in the next few months. Reports say that Beijing has asked 20 steel mills in Tangshan city to suspend operations at some of their units for a week ending Tuesday.

The order was to help meet the norms for reducing carbon emissions. The Chinese steel sector makes up 15 per cent of the total carbon emissions by the Communist country. One of the world's top five producers Shagang Group, located in Jiangsu province, has said that it was cutting its steel output to comply with its government's efforts to cut carbon emissions.

It has been asked to reduce its overseas sale of steel products by 50 per cent.

Imports below 100 mt

The company produced 41.6 million tonnes (mt) of crude steel last year.

A further indication of Chinese steel production declining is data showing that iron ore imports into China from Australia slipped for the fourth consecutive month in June.

The drop in imports is seen in sync with the Chinese efforts to control steel production and keep it at last year's level.

China's crackdown on steel mills and improvement in Brazil supplies have dragged down iron ore prices

China's iron ore imports dropped to 88.51 mt in July compared with 89.41 mt in June. Shipments have been below 100 mt since March, when imports were recorded at 102.1 mt.

Iron ore prices have rallied since the last quarter of 2020 in tune with the commodity prices' rally as developed nations came up with monetary measures to strengthen demand.

Brazilian pressure

In addition, production in the world's largest producer Vale in Brazil was affected following a dam burst. Vale said improvements have been made to dam safety, which points to an increase in production.

The Brazilian firm said that its ore production capacity had increased to 330 mt per annum during the June quarter. This is also putting pressure on iron ore prices.

Analysts are of the view that iron ore has peaked during May-June and its prices are headed south for the rest of the year. Chinese analysts and investment banks have been betting on the ore prices dropping on the back of a fall in steel production growth.

The Chinese Iron and Steel Association has projected a slower growth in steel production during the current half compared with the first half this year. This augurs well for Indian steel user industries, which have been affected by the surge in ore prices since November last year.

THE HITAVADA DATE : 12/8/2021 P.N.6

MECL's first Automatic Drill Core Scanner inducted

■ **Business Bureau**

IN ORDER to adopt advance technological innovation in the exploration value chain, Mineral Exploration Corporation Limited (MECL) inducted its 1st automatic Digital Drill Core Scanner.

This digital intervention would offer a reliable system for structuring and evaluating the drill cores for mineral exploration projects and ultimately promoting cost and data efficiency.

Amongst only a couple of these available in the nation, the Drill Core Scanner provides high resolution images of the drill core in a unique 360 degree processing for better interpretation.

The Drill Core Scanner was inaugurated on the occasion of 8th Annual Projects Managers' Meet, 2021 organised to celebrate the superlative achievement of MECL's physical and financial performance for the year 2019-20 and 2020-21. MECL outperformed all the past records of exploratory drilling, geological mapping, geophysical survey, geochemical analysis and consequential financial parameters since its inception in 1972.

The meet was organised on August 7, 2021 keeping in mind with all the COVID-19 protocol. During the PM meet, the envisioned VISION 2030 of MECL was also discussed for its growth and diversification initiatives. The meet witnessed a workshop of senior leadership of MECL and visiting project managers from all corners of the nation.

The Drill Core Scanner was inaugurated by Dr Ranjit Rath, CMD, MECL in the presence of Ghanshyam Sharma, Director (Finance), Arvind Kumar, Director (Technical), Vinod Godghate, CVO, MECL and special guest Prof Atul Pathak, Professor, IIM, Nagpur.

BUSINESS LINE DATE : 12/8/2021 P.N.8

COMMODITY CALL

Buy zinc futures with stop-loss at ₹244

AKHIL NALLAMUTHU
BL Research Bureau

The continuous contract of zinc on the Multi Commodity Exchange (MCX) faced considerable amount of volatility during the first couple of months this year.

The volatility subdued in March when the contract settled for a sideways price movement – it started to trace a horizontal price pattern with the boundaries at ₹213 and ₹220.

However, in early April, it started to gather positive momentum and consequently, it broke out of the resistance at ₹220.

While it rallied in April, it started to lose momentum and thereafter, the contract was treading in a sideways trend i.e., between ₹230 and ₹244.

Before a couple of weeks, the contract rallied past the resistance at ₹244 and marked a high of ₹249.9. But a minor corrective decline followed and the price level of ₹244 has now turned support. This has been providing cushion for the contract over the past couple of weeks; also, the 21-day moving average now coincide at this level, making it a stronger support.

On Wednesday, the contract moved above the prior high and broke out of the important level of ₹250.

This is a positive signal and the price action hints at further rally.

Supporting this, the relative strength index (RSI) is signalling a fresh uptick and the moving average convergence divergence (MACD) lies in the positive territory.

So, traders can buy zinc futures with stop-loss at ₹244 and look for a possible target of ₹260.

NAVBHARAT DATE : 13/8/2021 P.N.7

ड्रिल कोर स्कैनर से हुई लैस

MECL हुई हाईटेक

नागपुर, व्यापार प्रतिनिधि. खनिज की खोज उच्च तकनीक के साथ करने के उद्देश्य से मिनरल एक्सप्लोरेशन कॉर्पोरेशन लि. (एमईसीएल) ने प्रयोगशाला को उन्नत करने का काम किया है. इसके लिए कंपनी ने स्वचालित डिजिटल ड्रिल कोर स्कैनर को शामिल किया है. इसके आ जाने से ड्रिल कोर की संरचना और मूल्यांकन करना तथा कम लागत में बेहतर डाटा हासिल करना आसान हो जाएगा. भारत में इस प्रकार के उपकरण काफी कम हैं. यह मशीन 360 डिग्री प्रोसेसिंग में ड्रिल को उच्च रिज़ॉल्यूशन में तस्वीर प्रदान करता है, जिससे विवेचन करने में आसानी होती है. इसका शुभारंभ 8 वीं वार्षिक परियोजना प्रबंधन बैठक के अवसर पर किया गया. कंपनी के अध्यक्ष तथा प्रबंध निदेशक रंजीत रथ ने निदेशक घनश्याम शर्मा, अरविंद कुमार, विनोद गोडघाटे, अतुल कुमार एवं विभागीय प्रमुखों की उपस्थिति में शुभारंभ किया. एमईसीएल ने गवेषणात्मक वेधन, भूवैज्ञानिक मानचित्रण, भू-भौतिकी सर्वेक्षण, भू-रसायनिक विश्लेषण एवं परिणाम के क्षेत्र में 49 वर्षों का रिकॉर्ड तोड़ दिया है. रथ ने कहा कि एमईसीएल विजन 2030 को ध्यान में रखकर नीतियां बना रही है और उसी दिशा में आगे बढ़ रही है.

THE ECONOMIC TIMES DATE : 13/8/2021 P.N.20

Tata Steel Q1 Net Profit Jumps to ₹9,768 cr on Record High Prices

Our Bureau

Mumbai: Tata Steel Thursday reported its highest ever operating profit of Rs 16,185 crore, up 26 times from last year, with record prices helping Asia's oldest manufacturer of the infrastructure alloy exceed net profit estimates in the June quarter. Net profit surged to ₹9,768 crore in the period that included episodic lockdowns.

Tata Steel posted a loss of ₹4,648 crore last year. On a sequential basis, the company's operating profit – Ebitda - was up 13% and net profit 36%. "Demand has begun recovering in India, though domestic steel prices continue to be at a steep discount to China import parity prices...We continue to focus on our objective to attain and retain market leadership," said TV Narendran, Tata Steel's MD.

Tata Steel's consolidated turnover during the quarter was at ₹53,372 crore, more than double on-year. Turnover at the end of the March quarter in 2021 was at ₹49,977 crore. Tata Steel's total expenses during the quarter were up 42% at Rs 41,397 crore.

The company's overall deliveries increased by 41.7% on a YoY basis, however, declined 11% QoQ to 4.15 mn tons due to partial lockdowns announced by some of the states and temporary shutdowns in few steel-consuming sectors amidst the second Covid wave.

"To compensate for the softness in domestic demand, exports were increased to 16% of the total sales in 1QFY22," the company said.

During the quarter under review, Tata Steel made debt repayments of ₹5,894 crore and has committed to deleverage further and bring down the debt significantly by the end of the current financial year.

"Net Debt to Equity is less than 1x while Net Debt to EBITDA is now down to 1.59x...the company generated consolidated free cash flow of over ₹3,500 crore," chief financial officer Koushik Chatterjee said.

Tata Steel spent ₹2,011 crore on Capex during the quarter. Work on the pellet plant, the Cold Roll Mill complex and the 5 MTPA expansion at Kalinganagar is ongoing, the company said.

"Tata Steel's 5 MTPA TSK phase II expansion is progressing well," Narendran said.

Gold not out of woods yet

Its futures contract is trading below key level even though it has rebounded from 4-month lows

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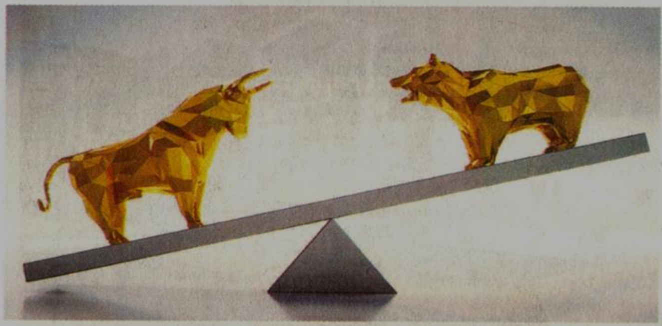

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Gold, which looked set to see a decline, recovered mid-week following a US dollar weakness triggered by the latest US inflation print. Consumer price inflation stood unchanged at 5.4 per cent in July, supporting the view that higher inflation could be transitory. This dragged the dollar, and the yellow metal was a beneficiary as it reversed its trend for the rest of the week. However, silver failed to bounce back, and ended the week on the back foot as it underperformed the yellow metal.

Because of the mid-week recovery, gold managed to end the week with a gain of 1 per cent as it closed at $1,779.15 per ounce compared to the preceding week's close of $1,762.70. On the Multi Commodity Exchange (MCX), the October expiry gold futures closed with a marginal gain, wrapping up the week at ₹46,940 (per 10 grams) on Friday as against the preceding Friday's close of ₹46,640. But silver took the backseat as it lost 2.4 per cent last week by closing at $23.74 per ounce. Also, the September futures of silver on the MCX lost 2.7 per cent as it ended at ₹63,238 (per 1 Kg) on Friday.

ETF outflows

As per the latest AMFI (Association of Mutual Funds in India) data, gold ETFs in India saw outflows for the first time in the last eight months. The net outflow in July stood at ₹61.5 crore, as investors seem to have started losing patience with the yellow metal. It's year-to-date (YTD) return is negative when compared to equities, which continues to rally.

The YTD loss of gold futures is about 6.5 per cent whereas the Nifty 50 has returned a little over 18 per cent. However, net assets under management (AUM) increased by 3.2 per cent to ₹16,750 crore in July as gold prices gained about 2.2 per cent.

MCX-Gold (₹46,940)

Gold futures, after beginning last week with a gap-down, extended the decline and marked a fresh four-month low of ₹45,662 on Tuesday. However, after hitting this low, the futures reversed the trend upwards which resulted in neutralising the loss for the week i.e., on weekly basis, there was not much change in price. But the recovery may not turn into a bullish reversal as long as the price remains below the key level of ₹47,000.

Reflecting the bearish inclination, the relative strength index (RSI) and the moving average convergence divergence (MACD) on both daily and weekly charts, continues to be in the negative territory. The price is below important moving averages i.e., the 21-day moving average (DMA) and 50-DMA. Also, the average directional index (ADX) shows that bears are in dominant position despite the recovery in the latter half of last week.

Besides, there is a drop in net long positions on the COMEX according to the latest Commitment of Traders (COT) report released by Commodity Futures Trading Commission (CFTC). That is, it has dropped to 527.7 tonnes as on August 10th compared to 635.5 tonnes a week before.

Given the above factors, one can retain the bearish outlook until prices stay below ₹47,000 and can make use of intermittent rallies to go short in the futures. Traders can short October futures on rallies with stop-loss at ₹47,800. On the downside, the contract is most likely to retest ₹45,662. A breach of this level can drag it to ₹45,000. But in the event of futures moving beyond ₹47,000, it can touch ₹47,500, a resistance level where the 21-DMA coincides.

MCX-Silver (₹63,238)

The breach of the support of ₹65,000 during the week before induced considerable downward momentum to silver futures. It could not replicate the bullish reversal that gold futures exhibited and produced negative return of 2.7 per cent last week. The futures registered a fresh eight-month low of ₹61,536 before recovering a bit and ending the session at ₹63,238.

The bearish bias is corroborated by the RSI and the MACD as both the indicators remain in the negative region in both daily and weekly charts and the ADX on the weekly chart is hinting at bears gaining fresh traction. Besides, the contract has been consistently making lower lows and lower highs as seen on the daily chart, showing that the momentum is in the favour of sellers.

Considering the above factors, traders are recommended to initiate fresh short positions in the September futures on rallies. Stop-loss can be maintained at ₹65,000. The nearest support for the contract is at ₹60,000, a psychological level. A breach of this level can pull the contract down to ₹59,000. While the outlook will be negative until the price stays below the resistance band of ₹65,000 and ₹65,700, a break beyond this level can lift the contract to ₹67,700.

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