



खनिज समाचार

**KHANIJ SAMACHAR**

**Vol. 3, No-1**

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

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# खनिज समाचार

# KHANIJ SAMACHAR



A FORTNIGHTLY NEWS CLIPPING SERVICE  
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INDIAN BUREAU OF MINES  
VOL. 3, NO-1, 1<sup>st</sup> – 15<sup>th</sup> JANUARY, 2019

BUSINESS LINE DATE : 7 /1/2019 P.N.11

GLOBAL	Change in %			52-Week		
	Price	Weekly	Monthly	Yearly	High	Low
Metals (\$/tonne)						
Aluminium	1870	0.7	-5.2	-16.3	2603	1825
Copper	5897	-1.2	-5.1	-17.5	7324	5810
Iron Ore	72	1.7	8.3	-2.4	77	58
Lead	1938	-4.6	-2.6	-25.3	2683	1867
Zinc	2510	-1.8	-7.4	-25.8	3619	2285
Tin	19579	1.3	2.1	-1.7	22104	18400
Nickel	11043	3.5	-0.3	-12.4	15749	10437

BUSINESS LINE DATE : 14 /1/2019 P.N.11

GLOBAL METALS	Change in %			52-Week		
	Price	Weekly	Monthly	Yearly	High	Low
Metals (\$/tonne)						
Aluminium	1813	-3.0	-5.9	-16.2	2603	1815
Copper	5920	0.4	-4.1	-16.7	7324	5810
Iron Ore	73	2.9	7.8	-2.7	77	58
Lead	1989	2.6	1.2	-22.1	2683	1867
Zinc	2498	-0.5	-6.3	-26.8	3619	2285
Tin	20380	4.1	6.4	0.7	22104	18400
Nickel	11414	3.4	6.7	-9.2	15749	10437

## *Gold drives into New Year on strong note as growth concerns spur haven demand*

**BLOOMBERG**

December 31

Gold is closing out 2018 on a strong note, with haven demand in the ascendant amid volatile trading in global equities, rising concern about the economic outlook and a drawn-out government shut down in the US.

Spot bullion is holding near a six-month high after topping \$1,280 an ounce, and the metal is set for the best monthly gain in almost two years. December's rally has pared an annual decline, the first full-year loss since 2015.

Gold gained ground this quarter as global equities plunged and doubts stacked up among some investors about the pace of global growth in 2019. The climb has been aided by a weakening of the dollar in December amid expectations that the Federal Reserve will dial back the pace of rate increases next year. That has helped to boost holdings in



gold-backed exchange-traded funds. "For gold prices, I think there is upside to be seen in 2019," Jingyi Pan, market strategist at IG Asia Pte., told *Bloomberg TV* on Monday, citing prospects for fewer tightening moves from the US central bank. "It does look like one where we will see a slackening of expectations in Fed hikes."

Spot gold hit \$1,282.81 an ounce on Friday, the highest price since June, and it's up 4.8 percent this month, according to Bloomberg generic pricing. It traded 0.1 per cent higher at \$1,282.31 an ounce at 10 am in London.

Prices held their ground even after US President Donald Trump struck an upbeat tone on his trade dispute with China, one of the lingering threats to growth going into next year. Trump and Chinese counterpart Xi Jinping spoke at length by phone on Saturday, with each expressing satisfaction.

A bullish breakout will take prices toward \$1,309 in the current term, according to Benjamin Lu, an analyst at Phillip Futures Pte. Haven demand will "remain vigorous" in the first quarter on economic and geopolitical concerns, he said.

### **Rising trend**

Gold's spot price recently rose above the 200-day moving average, and the 50-day moving average may be on course to do the same in the coming weeks.

Adding to the bulls' case, data showed manufacturing in Asia's top economy shrank. China's Purchasing Managers Index fell to 49.4 in December, lower than expected and below the level of 50 that signals contraction.

Among other precious metals, silver for immediate delivery rose 0.2 percent to \$15.4144 an ounce, the highest level since August. A rally of more than 8 per cent this month has eroded an annual drop. Platinum is set for a full-year fall, while palladium traded just below a record hit earlier this month.



## Coal production rises to 430 MT between April and November

OUR BUREAU

New Delhi, December 31

The production of raw coal during April-November 2018 stood at 433.896 million tonne (mt) compared with 394.910 mt during the corresponding period of 2017, according to the Ministry of Coal.

The overall growth in coal production during the period stood at 9.8 per cent.

The statement also said the production of Coal India Limited (CIL) during the period was 358.322 mt and offtake 392.091 mt.



### Coal evacuation

During the financial year 2017-2018, CIL approved five open-cast projects, having an annual total capacity of 24.85 mt and sanctioned capital of ₹4,264.90 crore.

"In order to address the issue of evacuation of coal from three potential coalfields, the Government has taken up implementation of three Railway projects in Jharkhand, Odisha and Chhattisgarh," the Coal Ministry said.

Date	Quantity (MT)	Number of critical power houses	Number of super critical power houses	Total	Stock (in days)
March 31, 2015	26.10	12	6	18	18
March 31, 2016	38.87	0	0	0	27
March 31, 2017	27.74	1	0	1	19
March 31, 2018	16.27	10	18	28	10
November 30, 2018	12.94	12	11	23	8

Despite the higher production, the stock position of power houses having critical and super-critical stock for the year has worsened. As of

November end, thermal power plants with critical or super critical levels of coal had trimmed down stocks to eight days or 12.94 mt.

## Steel consumption to grow by 7% this fiscal, FY20: Icra

NEW DELHI, Dec 31 (PTI)

THE domestic steel consumption growth is expected to grow by 7 per cent during this fiscal and the trend is likely to continue in the next financial year as well, largely driven by the Government's focus on the infrastructure sector, says an Icra report.

"The Govt's thrust on infrastructure, in particular towards affordable housing, power transmission, and Railways in Union

Budget 2018-19 is likely to keep domestic steel consumption growth favourable in medium term, which is expected to grow by 7 per cent during FY2019 as well as FY2020," Icra said.

According to the research report, despite healthy demand, domestic steel production growth is likely to remain low at about 2.5 to 3 pc in ongoing fiscal due to increased threat from cheaper imports combined with a considerable de-growth in steel exports

because of rising trade tensions globally. Moreover, moderation in Chinese steel demand and oversupply concerns remain key near-term challenges for domestic steel makers, report noted. "We believe steep cut in overseas prices would make imports cheaper in coming weeks, when these shipments start hitting Indian shores, and this would in turn exert pressure on domestic prices," Jayanta Roy, Senior V-P & Group Head, Icra said.

## Near-term outlook negative for MCX-Zinc



**GURUMURTHY K**

BL Research Bureau

The Zinc futures contract on the Multi Commodity Exchange (MCX) failed to sustain above the key support level of ₹175 per kg in the past week. The contract hovered above ₹175 in the initial part of the week and declined sharply breaking below it thereafter. The contract has tumbled 2.8 per cent in the past week and is currently trading at ₹172 per kg.

The strong fall indicates that the downtrend that has been in place since December is intact. A dip to test the next key supports at ₹171 and ₹170 is likely in the near term. A bounce from this ₹170-171 support zone can trigger a corrective rally to ₹175 and ₹177 again. But a strong break below ₹170 can take the contract initially lower to ₹168. A further break below ₹168 will then increase the likelihood of the downmove extending to ₹165.

The region between ₹180 and ₹182 is a crucial resistance for the MCX-Zinc futures contract. The outlook will turn positive only if the contract manages to breach ₹182 decisively. But such a strong upmove looks unlikely at the moment.

### Global trend

The Zinc (three-month forward) contract has been in strong downtrend since December. The contract made a high of \$2,643 per tonne in the first week of December and has been consistently falling since then. The downtrend is intact. A fall to test \$2,400 is likely in the near term. If the contract manages to bounce from \$2,400, a relief rally to \$2,470 and \$2,500 is possible. But a strong break below \$2,400 will increase the downside pressure and drag the contract lower to \$2,350.

The price has been moving in a descending channel since October. This leaves the possibility high of the LME-Zinc contract breaking below \$2,400 and falling to \$2,350 in the coming weeks.

**DIANIK BHASKAR**

DATE : 3 /1/2019 P.N.2

## भावनगर में खनन के विरोध में पुलिस-किसानों के बीच हिंसक झड़प

एजेंसी | भावनगर

गुजरात में भावनगर जिले के महुवा तालुका के तल्ली बांधोर गांव में आज निजी क्षेत्र की एक सीमेंट कंपनी के खनन का विरोध कर रहे किसानों और पुलिस के बीच हिंसक झड़प में कम से कम चार पुलिसकर्मियों के अलावा कई प्रदर्शनकारी भी घायल हो गये। पुलिस ने उग्र भीड़ को नियंत्रित करने के लिए लाठी चार्ज किया और कम से कम 35 चक्र आंसू गैस के गोले भी छोड़े। पिछले चुनाव में महुवा विधानसभा सीट पर कांग्रेस के प्रत्याशी रहे विजय बारैया तथा स्थानीय एनजीओ संचालक भरत भील समेत लगभग 50 लोगों को हिरासत में भी लिया गया है। पुलिस अधीक्षक पीएल माल ने बताया कि एक सीमेंट कंपनी की माइनिंग का विरोध कर रहे स्थानीय लोगों और किसानों ने पुलिस पर पथराव कर दिया। इससे सब इंस्पेक्टर डीडी परमार और एक कांस्टेबल को गंभीर चोट आयी जबकि दो अन्य पुलिसकर्मी भी घायल हो गये।



## Focus is on boosting coal production: Piyush Goyal

### OUR BUREAU

New Delhi, January 2

The current focus of the government is on boosting production from operational coal mines, according to Minister for Coal, Piyush Goyal.

Responding to a query on the status of commercial coal mining, Goyal said, "We are focusing more on the end-use mines first because that is where immediately we have to get the excitement and get the people to get the coal mines. We are certainly considering some more relaxations."

Goyal said there has been an increase in coal consumption and transport. "The Railways has loaded 40 million tonnes more coal this year compared with the same period last year," he said.

According to the Ministry of Coal, all India production during April to November 2018 was 433.90 million tonnes. This was a growth of 9.8 per cent over the corresponding period of the previous year.

In response to a query in the Lok Sabha, Goyal had earlier said, "The focus of the govern-

ment is on increasing domestic production of coal, which includes efforts to expedite environment and forest clearances expeditiously, pursuing with State Government for assistance in land acquisition and coordinated efforts with Railways for movement of coal."

"However, coking coal will continue to be imported as there is limited availability of coking coal in the country. Further, power plants designed on imported coal will also continue to import coal," he added.

THE ECONOMIC TIMES DATE : 3 /1/2019 P.N.3

## Efforts to Drain Out Water from Illegal Mine On; No Sight of 15 Miners

CIL ready to install a pump that could discharge 500 gallons of water per minute

**Bikash.Singh**  
@timesgroup.com

**Guwahati:** Dewatering work continued on Wednesday at the illegal Meghalaya mine, with no trace yet of the 15 miners who are trapped in one of the flooded pits for almost three weeks now.



### IN TROUBLE



The miners are trapped inside Ksan coal mine in East Jaintia Hills district since December 13

According to an official bulletin issued by the district administration, state-run Coal India was making preparations to install a 100-hp submersible pump that could discharge 500 gallons of water per minute. This is expected

to significantly boost the dewatering work.

A multi-agency team comprising personnel from the Odisha Fire Service, National Disaster Response Force and the Indian Navy among others is working to find the

trapped miners.

The miners are trapped inside the coal mine at Ksan in Meghalaya's East Jaintia Hills district since December 13, when water from a nearby river gushed in, puncturing the mine wall.

# SC to Hear Petition on Meghalaya Rescue Today

PIL seeks an order from court to move in army for saving trapped miners

**Samanwaya Rautray**  
@timesgroup.com

**New Delhi:** The Supreme Court will hear on Thursday a public interest litigation that seeks to enlist army, navy and air force personnel in the efforts to rescue 15 miners trapped underground in a submerged coal mine in Meghalaya.

The miners have been trapped for the last 16 days in a so-called rat hole mine, the type of which dot the terrain despite a top court-imposed ban on such mining.

Though the state government has not called off the rescue operation yet, efforts have been hampered by lack of heavy equipment needed to pump out the water from the mine.

Both the Union and the state governments are parties to the petition filed by lawyer Aditya N Prasad.

The petition was mentioned on Wednesday before Chief Justice Ranjan Gogoi and Justice Sanjay Kishan Kaul. The bench then listed it for Thursday.

The petition seeks a court



**NGT BAN IN PLACE**  
NGT had in 2015 banned rat hole mining following allegations that it was turning rivers acidic in the state

order to immediately direct the armed forces to move in and rescue the trapped miners, a direction to the state to requisition high capacity self-priming pumps to flush out the water from the mine and a direction to Coal India Ltd to provide the necessary technical know-how, equipment and guidance immediately at the rescue site.

The petition also urges the court to ensure that Coal India and the authorities prepare a standard operating procedure for rescue in mines and similar conditions. The National Green Tribunal (NGT) had in 2015 banned rat hole mining following allegations that it was turning rivers acidic in the state.

Rat hole mining, a phenomenon unique to Meghalaya, is a mostly unscientific way of private mining involving digging of small holes to ferret out minerals, often with disastrous consequences for the environment and the ecology.

Though the Supreme Court upheld the ban, rat hole mining continues unabated in Meghalaya.



## 15 trapped in mine: SC to hear plea seeking directions to Centre, Meghalaya

**EXPRESS NEWS SERVICE**  
NEW DELHI, JANUARY 2

THE SUPREME Court will on Thursday hear a petition seeking directions to the Centre and Meghalaya government to take urgent steps to rescue 15 miners trapped in a mine in East Jaintia Hills.

The plea filed by Advocate Aditya N Prasad was mentioned for urgent listing before a bench, comprising Chief Justice Ranjan Gogoi and Justice S K Kaul, which accepted the request. It has sought a direction to the Centre and other authorities concerned to prepare a standard operating procedure (SOP) for rescue operations in "mines and other similar conditions".

The petitioner urged the court to ask the central and state governments to utilise the services of the technical wings of the Army, Navy and Air Force to rescue the miners who have been

trapped since December 13 without further delay.

The coal mine, located on top of a hillock, was flooded when water from the nearby Lytein river gushed in.

The petitioner has demanded that the court should ask authorities to request for high-capacity self priming pumps like the Kirloskar Brothers Limited (KBL) pumps which were offered to the Thailand government in June last year to rescue the members of a football team who were trapped inside a cave.

It said that teams of NDRF rescuers and firefighters from Odisha had started pumping out water from the mine but were not equipped with specialised equipment to deal with the situation.

It also sought directions to Coal India Limited for providing necessary technical expertise, equipment and guidance immediately at the rescue site.

DAINIK BHASKAR DATE : 3 /1/2019 P.N.1

## तैदूपत्ता और बांस की एक फीसदी रॉयल्टी के सहारे आगे बढ़ेगा जल, जंगल और जमीन का संघर्ष

• खदानों के आवंटन के खिलाफ आदिवासियों ने बनाई खास रणनीति

• हर परिवार करेगा दस रुपए और एक मुट्ठी चावल का योगदान

सोमनाथ कोंदुते | सुरजागढ़ (गड़चिरोली)

राज्य के नक्सल प्रभावित जिले गड़चिरोली के सुरजागढ़ में भले ही सरकार ने विकास के नाम पर लौह खदान शुरू कर दी हो, लेकिन स्थानीय आदिवासियों को यह फैसला उनके वजूद के खिलाफ नजर आ रहा है। यही वजह है कि जब सरकारी स्तर पर कहीं भी उनकी सुनवाई नहीं हुई तो उन्होंने इसके खिलाफ संघर्ष करने की अलग ही रणनीति बना ली। सुरजागढ़ के आदिवासियों ने तय किया कि जंगलों में खदान आर्बाइट करने की सरकारी नीति के खिलाफ बढ़े

स्तर पर आंदोलन खड़ा करने के लिए अच्छा खासा फंड इकट्ठा करेंगे। जिसमें संबंधित गांवों का निवासी हर परिवार दस रुपए और एक मुट्ठी चावल का योगदान करेगा। ग्रामीण यह राशि तैदूपत्ता और बांस से मिलने वाली एक प्रतिशत रॉयल्टी से बचाकर दे रहे हैं। उनका कहना है कि सुरजागढ़ में शुरू की गई लौह खदान सरकार का एकतरफा फैसला है। केवल दिखावे के लिए खदान से सौ किलोमीटर दूर जनसुनवाई की जा रही है। स्थानीय नागरिकों द्वारा इसका बहिष्कार किए जाने के बाद शहरों से अन्य लोगों को लाकर खानापूर्ति की जा रही है। शेष | पेज 7 पर

महाग्रामसभा में पांच तहसीलों के नागरिक पहुंचेंगे, तय होगी आंदोलन की दिशा



आंदोलन की रणनीति बनाने के लिए भामरागढ़ और सुरजागढ़ में तीन दिवसीय ग्राम सभा बुलाई गई है। इसमें गड़चिरोली जिले की पांच तहसीलों के आदिवासी शामिल होंगे।

—एड. लालसू नागोटी, विप सदस्य, भामरागढ़

सुरजागढ़ और भामरागढ़ जिले की पांच तहसीलों के आदिवासियों ने तीन दिवसीय महाग्रामसभा आयोजित की है। जिसमें आंदोलन का प्रारूप और दिशा तय की जाएगी। यह आदिवासी पहाड़, जंगल और जल को अपना भगवान मानते हैं, इसी मान्यता के आधार पर ये हजारों हेक्टेयर वन भूमि पर खुदशोर घनाए जाने के खिलाफ हैं। उनका कहना है कि अगर खदान का काम आगे बढ़ाया जाता है तो करीब 40 हजार 900 एकड़ जमीन ही नहीं, बड़ी मात्रा में वन संयन्त्र भी नष्ट हो जाएगी। 40 गांव भी विस्थापित होंगे। जिनके पुर्नवास की कोई उचित व्यवस्था नहीं की गई है।

आधिकारियों ने जान-बूझकर सुरजागढ़ के बजाए अल्तापल्ली में जनसुनवाई का आयोजन किया जा रहा है। जिसमें बाहरी लोगों को बुलाया गया है। अपने हित साधने के लिए प्रशासन खुद ही कार्रवाही का उत्प्रेषण कर रहा है।

—कल्पना आलाम, ससंच, सुरजागढ़

गोटुल समिति के जरिए इकट्ठा की जा रही संघर्ष निधि

खदानों को मंजूरी के फैसले के खिलाफ आंदोलन खड़ा करने के लिए भामरागढ़ पट्टी परंपरिक गोटुल समिति का गठन किया गया है, जिसके खाते में पैसे जमा किए जा रहे हैं। हर परिवार एक मुट्ठी चावल और दस रुपए की राशि दे रहा है। इससे पहले भी स्थानीय नागरिकों ने इसी तर्ज पर पैसा इकट्ठा कर दो प्रतिनिधियों को जिला परिषद चुनाव जीतने में खारी मदद की, जिससे उनका प्रतिनिधित्व तैयार हो सका।

CONTD...ON PAGE 10

### तैदूपत्ता और बांस की एक...

संबंधित परिक्षेत्र के ग्रामीणों ने बताया कि खदान के लिए जारी विरोध को शांत करने के लिए रोजगार देने की बात कही गई है। पचास टुक देने का भी लालच दिया गया है। इसके लिए 55 प्रतिशत अनुदान केंद्र व राज्य सरकार द्वारा देने की जानकारी दी जा रही है। शेष रकम संबंधित व्यक्ति को कर्ज के रूप में उपलब्ध कराई जाएगी। बताया गया है कि यह टुक खदानों से माल दुलाई के लिए किराए पर लगाए जाएंगे।

### मोदी ने प्रिय मित्र AA पर पैसे ...

उन्होंने जांच के लिए जेपीसी बनाने की मांग ठुकरा दी। दूसरी ओर, यशवंत सिन्हा और उनके सहयोगियों ने सुप्रीम कोर्ट में याचिका दायर कर मांग की है कि रफाल पर दिए फैसले की समीक्षा हो।

**परिहार और राणे ने कांग्रेस के दावे को झूठ बताया :** परिहार ने कहा- ऐसी कोई चर्चा कैबिनेट मीटिंग में हुई ही नहीं। मंत्री राणे ने भी कहा कि ऑडियो में उनकी आवाज नहीं है। आरोप झूठे हैं।

**रफाल डील पर शिवसेना ने भी सरकार को घेरा,** जेपीसी गठित करने की मांग की : रफाल डील विवाद पर कांग्रेस अध्यक्ष राहुल गांधी जहां लगातार आक्रामक होकर प्रधानमंत्री मोदी पर हमला कर रहे हैं, वहीं भाजपा की सहयोगी शिवसेना ने भी इस पर संदेह जताते हुए डील की जांच के लिए संयुक्त संसदीय समिति (जेपीसी) गठन की मांग की है। शिवसेना सांसद अरविंद सावंत ने बुधवार को लोकसभा में कहा कि अगर हमारी सरकार साफ है तो हम जेपीसी से क्यों डरते हैं? सावंत ने लोकसभा में रफाल मुद्दे पर जारी चर्चा के दौरान कहा कि राहुल गांधी ने डील पर आरोप लगाए और वित्तमंत्री अरुण जेटली ने उनके सारे आरोपों का खंडन किया।

### BUSINESS LINE DATE : 4 /1/2019 P.N.12

## Global uncertainty will help gold regain glitter, go past \$1,300/oz

### COMMENTARY

G CHANDRASHEKHAR

Happy days are here again for gold; and with the market already around \$1,280 an ounce, the bulls are readying for a rampage. However, given the current and emerging circumstances, the upside price movement will be real but limited.

In 2018, the precious metal flattered to deceive when, after rising to the year's high sometime in late January, it disappointed those with bullish bets following a slump in the second quarter. The market did not recover almost until the last quarter of the year.

Gold's performance during



the year gone by was substantially circumscribed by a combination of a strong dollar, robust equity market, fairly benign inflation situation (despite escalating crude oil prices for some time) and weak consumption demand. Import demand in major consuming markets, including China, India and Turkey was enervated because high local

prices led to demand compression.

Without doubt, the dollar benefited from the tightening of the largely accommodative monetary policy of the US Federal Reserve and steady hike in interest rates during the year. With the US economy doing well and stock market rising, speculative financial investors exited gold in droves. The famed safe haven status of the yellow metal was all but forgotten.

### Change in sentiment

The last quarter saw the sentiment undergo a change when global growth concerns came to the fore; and notwithstanding a rate hike in December, the metal showed a robust rise in prices.

What's the outlook for 2019?

In the global commodity market, we are likely to see gold regain its glitter and move past the psychological \$1,300/oz mark. Gold supportive factors are beginning to take hold.

For one, the dollar is unlikely to strengthen any more, and, if anything, is poised to weaken given the dampened interest rate projections for 2019. A depreciated dollar is sure to boost the yellow metal; and little wonder, the short positions in gold have been greatly reduced.

Second, the metal will reassert its safe haven status because of flight to safety. With growth concerns and unabated trade friction (despite a 90-day truce currently between the US and China), which will adversely affect the equity market, funds are

going to seek refuge in their favourite asset. ETF inflows are sure to rise. The demand side will continue to be a matter of concern particularly when we factor in the Chinese slowdown and an anticipated US slowdown in the second half of 2019. The political scene in India will remain volatile in the first half of the year given that general elections are slated for May 2019. How events will pan out over the coming months remains to be seen.

On balance, global economic uncertainties including event risks are sure to provide a shot in the arm for gold. After taking into account the recent rally, the metal is expected to breach the \$1,300/oz mark and gravitate towards \$1,350/oz levels.

In the Indian market the metal is trading around ₹30,500 per 10 grams. A certain amount of buyer resistance can be discerned particularly because of the less-than-satisfactory performance of the farm sector and weakened rural demand.

There are overt and covert attempts to get the customs duty on gold reduced from the current 10 per cent. New Delhi should not succumb to the temptation and send wrong signals to the nation at large. If anything, policy makers must ensure greater transparency in the gold trade and extract maximum revenue from the sector.

The writer is a policy commentator and commodities market specialist. Views are personal



## COURT BRUSHES OFF CENTRE &amp; STATE GOVT'S EFFORTS

# Why Are Meghalaya Miners Not Rescued Yet, Asks SC

Both govts have to submit today list of steps to speed up rescue operations

**Samanwaya.Rautray**  
@timesgroup.com

**New Delhi:** The Supreme Court on Thursday asked the Centre and the government of Meghalaya why the 15 miners trapped in a flooded mine in the state's East Jaintia hills since December 14 have not been rescued yet if both the governments have done all they could.

"Why are you not successful," Justice A K Sikri sitting at the head of a two-judge bench demanded to know of the state and the central government, represented by solicitor general Tushar Mehta. "Every second counts. This is a question of life and death for the miners," the bench said observing that it was not satisfied by the efforts made so far.

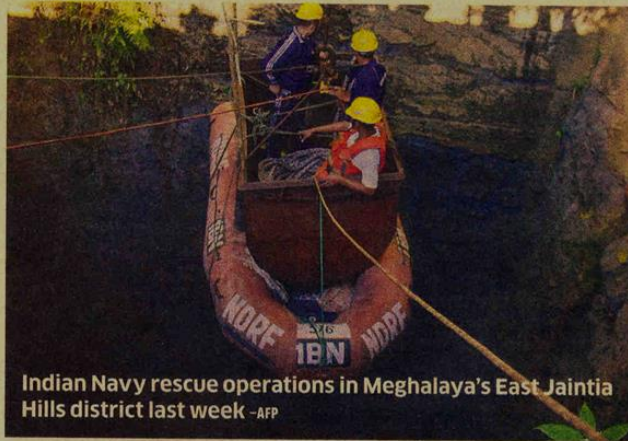
The court demanded that the two governments by Friday should give a list of steps they proposed to take over the next few hours to speed up the rescue efforts besides those already taken so far.

The miners were trapped after water from a nearby river flooded the mine. The private illegal mining in very small areas, traditionally practised in the hills of Meghalaya, are contemptuously referred to as rat-hole mining.

"It's been so many days. By now you should have got them out or their bodies," Justice Sikri observed, ordering the central government to send in navy divers for the rescue mission.

Mehta, who turned up in the court after being urgently summoned, assured the bench that the central government had offered all help it could to the state. But the bench was sceptical of his claims in the face of any lack of success so far in the endeavours.

Mehta claimed that the efforts had failed because the mine, which was linked to a river, was flooded. NDRF personnel had been pressed into service, he told the court.



Indian Navy rescue operations in Meghalaya's East Jaintia Hills district last week -AFP

## Trapped for 20 Days Odisha Fire Service Installs Pump in Old Shaft

Our Political Bureau

**GUWAHATI:** The Odisha Fire Service team on Thursday installed a pump in an old shaft at the downhill near the main shaft of the rat-hole mine in Ksan in Meghalaya's East Jaintia Hills district where 15 miners are trapped since last 20 days. According to the official update from the district administration, a team from Kirloskar are preparing to insert a submersible pump inside the main shaft.

He denied allegations levelled in a PIL that everyone on the disaster spot was working in a "disparate" fashion and that there was no coordination between the agencies who have converged on the spot.

The state government, on its part, claimed that it had received all help from the Centre, including army personnel, required for the operation.

But the PIL petitioner, lawyer

### MATTER OF LIFE



Every second counts. This is a question of life and death for the miners, says court

Aditya Prasad, through senior advocate Anand Grover, claimed that there was no coordination on the ground or equipment needed to pump out the water fast enough from the mine.

The state, he charged, did not immediately call in the army soldiers stationed in Shillong. High horse power pumps could have been airlifted from Guwahati and rushed to the disaster site saving time, he alleged. The pumps made by Kirloskar, which were sent to assist in a rescue mission in Thailand, had also not been requisitioned, he charged, adding that the NDRF personnel, who were rushed in, had no experience in dealing with mining disasters.

### SIKRI'S VIEW



'It's been so many days. By now you should have got them out or their bodies'



# Jindal Stainless' expanded cold-rolled steel unit in Odisha to go on-stream this month

**OUR BUREAU**

Kolkata, January 4

The ₹20,000-crore Jindal Stainless Group is expecting the first phase of its brown-field project for cold-rolled products at Jajpur in Odisha to be commissioned this month.

According to Vijay Sharma, Senior Vice-President and Head of Sales, the first unit with one lakh tonne capacity will go on stream this month, while the second unit of another one lakh tonne capacity is likely to be commissioned by the next fiscal.

"Ramping up of capacity of cold-rolled products will give us better margins," Sharma

told newsmen here on Friday.

The Jindal Stainless Group comprises Jindal Stainless Ltd and Jindal Stainless (Hisar) Ltd. The group currently produces close to 10.5 lakh tonnes (lt) of cold-rolled stainless steel across three units — 4.5 lt in Odisha, 4.5 lt in Hisar and the remaining 1.5 lt at its subsidiary PT Jindal Stainless in Indonesia.

Cold-rolled steel is known for its fine and smooth finish and finds application in several value-added and speciality steel products such as defence and nuclear energy.

For the year ended March 31, 2018, Jindal Stainless had an



Vijay Sharma, Head-Sales,  
Jindal Stainless DEBASISH BHADURI

operating profit margin (OPM) of 7.18 per cent as compared to 4.43 per cent in the same period last year, while its net profit margin (NPM) was 2.9 per cent (0.65 per cent). Jindal Stainless (Hisar) posted an OPM of 9.26 per cent for the year ended March 2018, as

compared with 7.80 per cent in the same period last year.

The company, which has an installed capacity of 1.6 million tonnes (mt), produces and sells close to 1.4 mt of stainless steel, primarily flat products, a year. Of this 1.4 mt, nearly 55 per cent is cold-rolled products, while the rest is hot-rolled.

The company is expecting its turnover to grow by around 20 per cent in 2019-20, supported by a good demand for the products in value-added segments including railway wagons and coaches, metro coaches, automobile industry as well as kitchenware and other applications.

## RSP sets steel output record

Bhubaneswar, January 4

The Rourkela Steel Plant (RSP) on Friday said it has created a new record by producing 13,147 tonnes of crude steel in a single day. The plant achieved the feat on Thursday. The earlier record for single day crude steel production stood at 12,778 tonnes which was achieved on December 27, 2018, RSP said in a statement. The performance was largely contributed by the SMS-II (steel melting shop) department which notched up the highest-ever 11,774 tonnes of crude steel on the said day. The New Caster-III helped in the performance by casting the highest-ever 5,148 tonnes of crude steel. PTI



## ILLEGAL MINING CASE

# CBI to probe Akhilesh; vendetta, cries SP over raids across Delhi, UP

IAS officer B Chandrakala's home searched, agency FIR names 11

DEEPTIMAN TIWARY  
NEW DELHI, JANUARY 5

THE CBI will examine the alleged roles of Samajwadi Party president Akhilesh Yadav and his former Cabinet colleague Gayatri Prajapati in a case of illegal mining, according to an FIR filed by the agency on January 2. On Saturday, the CBI searched 14 locations across Delhi and UP in connection with the case, which deals with illegal mining in Hamirpur between 2012 and 2016.

In the FIR filed on January 2, the CBI said, "The role of then mining ministers concerned during relevant period may be looked into during the course of investigation of the case." The CBI is probing the case on the orders of the Allahabad High Court.

Both Yadav and Prajapati held the mining portfolio between 2012 and 2016, when the alleged irregularities in the mining of minor minerals was supposed to have happened.

The locations raided on Saturday include the residences of SP MLC Ramesh Kumar Mishra and BSP leader Sanjay



**Irregularities took place between 2012 and 2016, says the CBI.** Vishal Srivastav

Dixit, apart from then Hamirpur District Magistrate B Chandrakala, among others. The premises searched are spread across Delhi, Hamirpur, Jalaon, Noida, Kanpur and Lucknow and are associated with the 11 accused mentioned in the CBI FIR.

Calling the raids "political vendetta", SP spokesperson Rajendra Chaudhry said, "The BJP government is misusing the

CONTINUED ON PAGE 2

CONTD...ON PAGE 14

THE INDIAN EXPRESS DATE : 6 /1/2019 P.N.2

# CBI to examine Akhilesh in mining case, SP cries vendetta

CBI to malign the image of our party president Akhilesh Yadav. They are frustrated because they fear they will be defeated by the SP-BSP alliance in the Lok Sabha elections."

Talking of the mining case, a CBI officer said, "Akhilesh Yadav was holding charge of the mining ministry from 2012 till June 2013. After that, the ministry came under then Amethi MLA Prajapati. Since all irregularities took place between 2012 and 2016, the role of both Yadav and Prajapati would be examined. No decision has yet been taken on their questioning thought."

CBI sources said B Chandrakala, who is famous as "Lady Simh" in Hamirpur and is perceived to be an anti-corruption crusader, gave out mining leases allegedly in vio-

lation of rules laid down by the UP government and allowed mining even in the period when it was prohibited by the National Green Tribunal.

SP MLC Mishra, along with his brother Dinesh Kumar, are among mining lease holders who allegedly benefited from these irregularities. BS's Dixit and his father Satyadev too held some leases during this period. All have been named in the FIR and their premises have been searched, sources said.

During its searches, CBI recovered Rs 2 crore in cash and 2 kg gold from the residence of accused Ramavtar Singh. During the period of the alleged offence, Ramavtar was a clerk in the mining department in Hamirpur. He retired as senior clerk from Jalaon. According to the CBI, he also

held benami mining lease and had earlier been suspended for five years.

In another search at the residence of Mohammed Moinuddin, then a geologist with the mining department, the CBI claimed to have recovered 2 kg gold and Rs 12.5 lakh in cash.

CBI sources said searches will continue and more recoveries are likely to be made. Among the other accused mentioned in the FIR whose premises have been searched include Adil Khan, a key aide of Prajapati; Ram Ashrey Prajapati, then a mining clerk in Hamirpur; Ambika Tiwari alias Bablu Mishra, a lease holder; and Karan Singh, another lease holder.

CBI spokesperson Abhishek Dayal said, "It was

also alleged that other persons were allowed to excavate minor minerals and extort money from lease holders as well as from the drivers of the vehicles transporting the minerals."

This is the third FIR filed by the agency following the Allahabad High Court's order of 2016. The court order was result of a PIL filed in 2016, alleging rampant illegal sand mining in the districts of Shamli, Hamirpur, Fatehpur, Siddharthnagar and Deoria district. The order had been challenged by the Akhilesh Yadav government in the Supreme Court but was turned down. Following this, Akhilesh Yadav had sacked Prajapati, who later also got embroiled in a rape case.

**WITH INPUTS FROM  
LALMANI VERMA**



# 2019: Charts suggest a positive outlook

Gold-silver ratio indicates that silver could outperform the yellow metal

GURUMURTHY K

After posting a strong rally for two consecutive years (2016 and 2017), gold prices ended in the red in 2018. Though the yellow metal began the year on a positive note, it failed to sustain higher. The global spot prices were broadly range-bound between \$1,300 and \$1,370 per ounce in the first four months.

Subsequently, prices declined below \$1,300 and tumbled to make a low of \$1,160 per ounce in August. A strong surge in the US dollar index from around 91 to 97 over this period dragged gold prices sharply lower. However, the yellow metal managed to bounce back from October, recovering most of the loss, and closed at \$1,278 per ounce, down 2 per cent for the year. The yellow metal has begun the new year on a positive note and is currently trading at \$1,285 per ounce.

Silver, on the other hand, underperformed gold last year. The global spot silver prices tumbled 9 per cent and closed the year at \$15.38 per ounce.

## TRIGGERS FOR THE RALLY

### Ratio likely to fall

Gold/Silver ratio



Source: Bloomberg, CFTC

So, what's in store for gold and silver in 2019?

### Gold-silver ratio

The gold-silver ratio (price of gold divided by price of silver per ounce) is used to forecast the direction of gold and silver prices. The ratio, and the prices of gold and silver have an inverse correlation. The ratio is currently near 82; it is likely to fall to 78 in the coming months. A break below 78 can drag the ratio lower to 75.

A fall in the ratio usually implies a rally in gold and silver prices. This leaves the possibility of gold surging to \$1,350 and \$1,380 levels and silver rallying to over \$17 per ounce

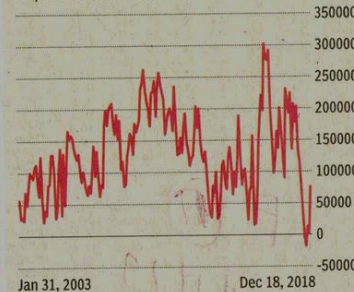
from the current levels. It also indicates that silver may outperform gold in the coming months.

### Long positions to build up

Data from the US Commodity Futures Trading Commission (CFTC) indicate strong short covering over the past several weeks. It also indicates that fresh long positions are likely to build up in the coming months. The net positions (long minus short positions) of non-commercial traders in COMEX gold futures have increased from -38,175 in October to 75,960 as of December 18, 2018. The long-term trend suggests that the net posi-

### Fresh longs to build up

Net positions (no of contracts)



take gold prices higher to \$1,360 or \$1,370. A further break above \$1,370 will see prices inching higher to \$1,390. The levels of \$1,370 and \$1,390 are crucial resistances for gold. Whether gold breaks above \$1,390 or not will determine the direction of the move thereafter.

If gold manages to breach \$1,390, it can then target \$1,450. But a pull-back from the \$1,370-1,390 region can drag prices to \$1,300 or even lower thereafter.

### Silver outlook

After a prolonged consolidation between \$14 and \$15 since September, the global

spot silver (\$15.7 per ounce) has risen above \$15 in December.

The region between \$15 and \$14.9 will now act as a strong support. As long as silver trades above this

support zone, a rally to \$16.5 is likely in the short term. A strong break above \$16.5 will take prices to \$17.3 and \$17.5.

The bullish outlook will get negated only if silver declines below \$14.9. In such a scenario, the prices can fall to \$14 and \$13.8.

tions can increase to over 2,50,000 in the coming months, indicating a rally in gold prices.

### Gold outlook

The global spot gold (\$1,285 per ounce) formed a strong base around \$1,200 between August and October last year. The region between \$1,230 and \$1,200 is likely to limit the downside in the short term.

The near-term resistance is in the \$1,290-1,300 range. A strong break above \$1,300 can



### Gold

Supports  
\$1,230/1,200  
Resistances  
\$1,300/1,390

### Silver

Supports  
\$14.9/14  
Resistances  
\$16.5/17.3





## Base metals: What to expect in 2019

G CHANDRASHEKHAR

While 2018 was a hugely challenging and volatile year for the commodities market in general, base metals were buffeted by a series of events during the year. Those included several rate hikes by the US Federal Reserve that strengthened the dollar; escalating trade friction between two of the world's largest economies — the US and China — that resulted in imposition of tariffs and retaliatory tariffs; and without doubt, signals of a slowdown in China, the mover and shaker of the global metals market.

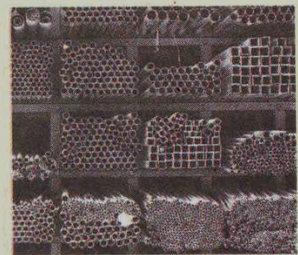
Interestingly, base metal prices were higher in the first half of the year given the flow of positive economic data as well as sentiment among market participants. However, the mood failed to last long. The market slumped in the third quarter, primarily due to rising crude-oil rates (Brent above \$80 a barrel in September), accelerated dollar strength and faltering confidence in global growth.

The escalating trade dispute between the US and China as well as US sanctions on Iran dealt a blow to market confidence as fears of a negative impact on the real economy and slowdown in economic growth gripped market participants. Exit of speculative capital exerted an exaggerated impact on metals prices as fundamentals moved to the sidelines. No wonder, most of the industrial metals ended the year even lower, with the LME (London Metal Exchange) base metals index at a one-and-a-half-year low. For instance, copper has fallen below \$6,000 a tonne, aluminium moving close to \$1,900/tonne and iron ore at \$70/tonne, having lost \$4 in a month.

Although there is currently a 90-day truce between the US and China — which only means a temporary easing of the conflict — slower economic growth expected in 2019 will prove to be a headwind for the industrial metals sector. If anything, investor sentiment towards these risky assets is likely to deteriorate rather than improve.

## Slowdown

There is now a wider consensus that the Fed will pause the rate hike cycle by mid-2019, which should arrest the dollar's upward momentum and possibly weaken it. Because the US has reached near-full employment, and the positive effects of the stimulus package (corporate tax cuts) are fading, it is highly likely the US economy — the engine of global economic growth — will begin to slow in the second half of the year.



The combination of an already slowing China and a potentially slowing US is not good news for the global economy and certainly not for base metals as the two countries are two of the largest consumers. In addition, towards the end of 2018, equity markets began to flounder, which in turn can exacerbate the negative sentiment in the industrial metals market. This is the headwind the world will have to inexorably ride out this year.

While there is reason to be bearish on the metals sector, weakness in the dollar — possibly beginning from the second quarter of 2019 — is likely to cushion the impact.

If the US lifts its sanctions on Russian aluminium producer Rusal, the market will witness increased supplies, which in turn will not allow prices to stay firm longer.

The prospects for copper prices appear less negative. Supply constraints are likely to prop the market up, pushing the rates above the psychological \$6,000/tonne level and taking it towards \$6,200/t. Steel production is most likely to slow globally in 2019 due to stricter pollution control measures in China. This will constrict demand for zinc used in galvanised steel and nickel used in stainless steel (SS). SS production in China has been subdued. Nickel has already fallen 30 per cent from a high of \$16,000/tonne to \$11,000/tonne. With supply increase and lacklustre demand, rates could decline 10 per cent.

The prospect of electric vehicles had surely revved up the nickel market to start with. However, EV is more of a medium-term story, and demand for nickel from this sector will pick up only gradually over time.

One known unknown in this scenario for 2019 is whether China will announce a major stimulus package. In that event, it could be a game changer for the metals market, depending on the nature of the stimulus.



# 'Maha Metro should deposit 'drill cores' with GSI for geo-scientific studies'

■ Staff Reporter

FOR past few years, Nagpurians have been watching Maharashtra Metro Rail Corporation Limited (Maha Metro) drilling various bores in various parts of the city. Though the drilling was done to know more about the soil texture and strength of the ground to bear the load of pillars being erected for the project, the 'drill cores' preserved by Maha Metro may be useful for a number of geo-scientific studies including earthquake studies. For the purpose, Maha Metro will have to deposit the drill cores with National Core Library of Geological Survey of India (GSI), Nagpur.

Dr Anjan Chatterjee, former Additional Director General, GSI, sought information

under the Right to Information (RTI) Act from Maha Metro and after studying the information received, has suggested that it would be worthwhile 'if the cores are deposited by Metro authorities after completion of their studies in National Core Library at GSI'.

According to Dr Chatterjee, thousands of meters of drill cores have been preserved at National Core Library of GSI.

"If the cores are deposited there, all stakeholders can have access to the preserved cores of Nagpur Metro for their respective studies. The National Core Library at GSI, Nagpur is very well equipped, with preserved drill cores of boreholes from various localities in India and is among the two such libraries in India," he said.

(Contd on page 2)

## 'Maha Metro should deposit...

The drilling work done with-in Nagpur city with borehole cores properly labeled and preserved is of utmost importance, as no such recent work by any agency is on record, Dr Chatterjee told 'The Hitavada'.

The borehole data is very important for stakeholders, mainly geological agencies that have Nagpur city in their domain, as their designated area of study.

Standard Penetration Test (SPT) data generates 'N' values that are the number of hits of the auger drill hammer on the strata being drilled, explained the senior scientist. SPT is an *in-situ* dynamic penetration test designed to provide information on geotechnical engineering properties of soil and rocks drilled. The more the hits by the hammer in the auger drilling rig, higher are the 'N' values, indicating a stable and solid rock sub-strata. Lesser the hammer hits generated by sub-strata, lower are the 'N' values, indicating a soft and friable strata, with vulnerability to earthquakes. This data is available as per the map that has been generated by Maha Metro. "SPT data

is very important for earthquake studies, especially to study the foundation rock tenacity and their vulnerability during earthquakes and soil liquefaction," Dr Chatterjee said. Geotechnical properties of the foundation rock are quite important, as this has a direct bearing to give due strength to civil structures that are built upon them.

Geotechnical engineering properties like bearing capacity, shear test properties of the soil cover, underlying bed rock and the rock strata below and Young's Modulus (a modulus of elasticity of a material) are also quite valuable for sub-surface engineering studies. The thickness of the soil cover that usually varies is also available for different localities in the city, where drilling has been carried out. The water table depths are quite useful for groundwater studies, though many other agencies may have such data. Besides, the drill cores will be useful for studies in earthquake geology, Deccan volcanism, petrology, paleontology and other disciplines of geology, said Dr Chatterjee while shedding light on the utility of the drill cores.



# The commodities to watch in 2019

BLOOMBERG

January 7

Commodities took a kicking in 2018, so what's in store for the 12 months to come? The inaugural What to Watch of the year offers a selective run through of prospects and pitfalls for some of the top raw materials, and it's a reasonably positive picture that emerges.

## Oil's well

The standout feature in commodity markets last quarter was crude's swoon from four-year high into a bear market. The drivers of the reversal were record US shale output, a clutch of sanctions waivers on Iranian flows, and a supply cut from OPEC+ deemed by some as too little. Concern about a deteriorating global economic outlook gave bears further ammunition. After that drama, prices may recover, with supply risks underappreciated.

In 2019, watch for more losses in crisis-hit Venezuela as supply risks tumbling below 1 million barrels a day. On top of that, US waivers on Iranian cargoes are temporary, and not all may be renewed in May. And don't underestimate the Saudi resolve to make the cuts stick. OPEC's next meeting is in April, and prices may have regained some ground by then. The median Brent forecast tracked by Bloomberg is \$68 a barrel, compared with about \$58 at present.

## Golden opportunity

Gold bulls seized the initiative in the final months of



2018 and there's plenty to suggest the haven may hold up. Look for support for prices at a six-month high as the Federal Reserve goes way slower on rate increases, and investors seek protection from equity market turmoil and slowing global growth.

## Wired for success

Copper dropped every quarter last year in the worst run since 2015. The metal was hurt by concerns that global growth is slowing, and the US-China trade fight. Still, investors may this year focus more on the supportive backdrop offered by industry indicators. Among these are global stockpiles tracked by exchanges, with holdings in London Metal Exchange sheds at a decade-low.

That drop has come as demand tops supply by some margin: 595,000 tonnes in the nine months to September, according to the International Copper Study Group.

## Slowing ships of soy

Soybeans get a boost from any inkling of improving trade relations between the US and China, and that narrative should continue to dominate trading in 2019.

The oilseed rallied in late 2018 after a meeting between US and Chinese leaders resulted in the Asian nation resuming some imports of American beans. Traders, though, were disappointed by the extent of the purchases.

Farmers in America are hopeful the two nations will reach an accord before the end of a 90-day truce. The key question for trading desks remains whether China, the hitherto top US soybean buyer, will agree to reduce tariffs on US agricultural products. Brazil's coming harvest is also a major factor: farmers there are looking at yet another bumper year and that rush of supply would further suppress US prices, especially if China stays closed.

## Porcine potential

In other farm commodities, it'll pay to weigh the outlook for hogs. China has more than 400 million pigs, over half the world's herd; the country also has a serious outbreak of African swine fever that's been spreading since emerging in 2018. While it doesn't harm human beings, the disease can be 100 per cent lethal for pigs. Last week brought

news of more infections, with an outbreak confirmed January 1 at a farm that had about 73,000 hogs.

There's concern the outbreak will get a stronger grip within Asia's top economy, and may jump to neighbouring states, imperilling producers across the region. Should that happen, China may go overseas to supplement supplies, benefiting the US even as the trade war drags on. That may also benefit chicken demand and prices.

## That sinking feeling

After averaging almost \$70 a tonne last year, iron ore is at risk of a drop. The staple, dominated by flows from Brazil and Australia, will face headwinds from a slower pace of expansion in China, with steel output likely at best to plateau. Policy decisions from Beijing – especially additional stimulus amid the trade war and conduct of the anti-pollution drive – remain wild cards.

Adding to downward pressure, more supply is on the way, with Brazil's Vale SA adding tonnes from the ramp-up of its S11D mine and as Anglo American Plc restarts Minas Rio. Keep a close watch on China mills' profitability and industry data from the mainland. Profitability tanked in the final quarter of 2018 and the purchasing managers index is back at depressed levels. Heading into the year, Morgan Stanley was among the bears, warning of a return to global oversupply and prices at \$62 this year.



## CBI vs CBI: SC to Pronounce Judgement on Tuesday

PTI

**New Delhi:** The Supreme Court is scheduled to pronounce on Tuesday its verdict on CBI Director Alok Kumar Verma's plea against the Centre's decision to divest him of powers and sending him on leave.

The Centre had taken a decision against Verma and CBI's Special Director Rakesh Asthana after their feud became public as they made allegations of corruption against each other.

Verma has sought quashing of three orders of October 23, 2018 -- one by the Central Vigilance Commission (CVC) and two by the Department of Personnel and Training (DoPT), as being without jurisdiction and in violation of Articles 14, 19 and 21 of the Constitution.

CBI's Joint Director M Nageswara Rao, a 1986 batch Odisha-cadre IPS officer, was given the charge of interim chief of the probe agency.

A bench headed by Chief Justice Ranjan Gogoi had on December 6 reserved the judgement after hearing arguments on behalf of Verma, the Centre, the CVC and others. The court had also heard the plea moved by NGO Common Cause which had sought a court-monitored SIT probe into the allegations of corruption against various CBI officials, including Asthana.

Verma's two-year tenure as CBI director ends on January 31. He has moved the top court challenging the Centre's decision.

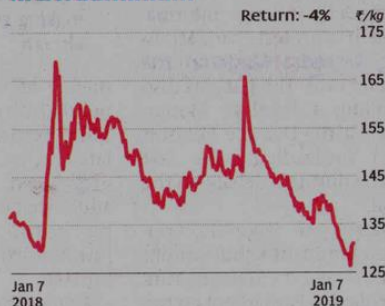
The Centre had justified its decision to divest Verma of his duties and sending him on leave before the apex court saying he and Asthana were fighting like "Kilkenny cats", exposing the country's premier investigating agency to "public ridicule".

Attorney General K K Venugopal had told the bench that the Centre was well "within its right to intervene" and send both officers on leave by divesting them of their powers.

Venugopal had told the court that "only the God knows where and how this fight between the two top officers would have ended" if the government would not have taken the action which was aimed at restoring the public faith in the CBI.

## Corrective rally likely in MCX-Aluminium

MCX Aluminium



GURUMURTHY K

BI Research Bureau

The aluminium futures contract on the Multi Commodity Exchange (MCX) fell in the past week breaking below the crucial support level of ₹127 per kg. However, the fall was shortlived. The contract made a low of ₹124.75 on Wednesday and has reversed sharply higher. It has surged about 5 per cent and is currently trading at ₹130.8 per kg.

Support is in the ₹128-127 region. As long as the contract trades above this support zone, a corrective rally to ₹134 is possible in the near term. A strong break above ₹134 will then increase the likelihood of the upmove extending towards ₹137 and ₹138. The region between ₹137 and ₹138 is a crucial short-term resistance. The contract has to breach this hurdle decisively to turn the outlook completely positive.

On the other hand, if the MCX-Aluminium futures contract reverses lower from ₹134 in the coming days, it can fall back to ₹130 and ₹129. A revisit of ₹127 is likely in such a scenario. It will also keep open the possibility of the contract breaking below ₹127. A strong break and a decisive close below ₹127 will increase the downside pressure. Such a break will drag the MCX-Aluminium futures contract to ₹122 over the medium term.

### Global trend

The Aluminum (three-month forward) contract fell as expected to test \$1,800 per tonne last week. However, the contract has recovered sharply after making a low of \$1,785. It is currently trading at \$1,865 per tonne. A near-term resistance is at \$1,890 which is likely to be tested in the coming days. If the LME-Aluminum contract manages to breach this hurdle, the upmove can extend towards \$1,935 thereafter. But a pullback from \$1,890 can take the contract lower to \$1,800 and \$1,785 levels again.

A further break below \$1,785 will then increase the likelihood of the contract extending its downmove towards \$1,765 and \$1,750.

## MCX launches aluminium, zinc compulsory delivery contracts

OUR BUREAU

Mumbai, January 7

MCX has amended aluminium and zinc contract specifications to make delivery 'compulsory' against the current optional delivery mechanism. The physical settlement will be executed through the Comris account.

The exchange has received permission from market regulator Sebi to modify the contract specifications in aluminium and zinc contracts from 'both options' (cash and delivery) to 'compulsory delivery'.

SEBI has further permitted the exchange to implement the said modifications for aluminium March and April futures contracts and for the Zinc April contract provided these contracts have no open interest.

Subsequently, the modification has been implemented in these contracts from January 3, said the exchange.

The due date final settlement price will be based on domestic polled spot prices against the current practice of following international prices. The price calculation will include LME price in rupee term, premium, customs duty and other charges, which will push up base aluminium prices from ₹130 a kg to ₹142 a kg and zinc prices to ₹195 a kg from ₹170 a kg.

Trading in both the contracts on expiry day has been limited to 5 pm against 6.30 pm while the tender period will be the last five days of the contract and an incremental margin of 5 per cent will be levied for the last five days.



## Tata Steel sales down 10 per cent

OUR BUREAU

Mumbai, January 8

Tata Steel has reported that its sales in December quarter were down 10 per cent at 2.97 million tonne (mt) against 3.30 mt in the same period last year.

The company's steel production was up marginally at 3.33 mt (3.27 mt).

Sales at the recently acquired Bhushan Steel (Tata Steel BSL) were down at 92 lakh tonnes (1 mt) while output was up at 1.04 mt (0.96 mt). Sales volume were lower due to seasonal headwinds, particularly in terms of softer automotive demand and inventory replenishment, said the company in a statement.

Sales at the Tata Steel BSL were also affected due to a softer demand, mainly in auto-



Sales at Tata Steel BSL were affected due to a softer demand in automotive and appliance segments GETTY IMAGES/ISTOCKPHOTO

motive and appliance segments and inventory replenishment, said the company. Its sales in Europe were down at 2.30 mt (2.44 mt) and production was down at 2.33 mt (2.67 mt).

Tata Steel Europe's year-on-year production was impacted

by shutdown for ongoing life extension upgradation program on one of Port Talbot's blast furnaces during Q3.

The blast furnace was out of operation for the entire quarter due to the upgradation program. Performance was impacted by operational issues in Q3 in both its main steelmaking locations of IJmuiden and Port Talbot. Lower production volumes and adverse product mix will impact financial results, it said.

The company's sales in South-East Asia was down at 0.58 mt (0.62 mt) and production was down 0.51 mt (0.55 mt).

Production and sales volume were lower due to continued sluggishness in Singapore and Thailand markets, it said.

THE TELEGRAPH DATE : 9 /1/2019 P.N.8

## Breather for Vedanta

**New Delhi:** The Supreme Court on Tuesday refused to stay a green tribunal order that had set aside the Tamil Nadu government's decision to close Vedanta's Sterlite copper plant at Tuticorin, which was at the centre of massive protests over pollution concerns.

A bench comprising Justices R.F. Nariman and Navin Sinha sought response from Vedanta on the state government's appeal against the National Green Tribunal (NGT) order to reopen the plant.

However, the bench stayed the December 21, 2018 decision of the Madurai bench of the Madras High Court which had ordered status quo in respect of reopening the plant.

The state had moved the top court, saying that the NGT had "erroneously" set aside various orders passed by the Tamil Nadu Pollution Control Board (TNPCB) last year with regard to the Sterlite plant.

It had said the tribunal had consequentially directed the TNPCB to pass fresh orders of renewal of consent and issue authorisation to handle hazardous substances to Vedanta Limited.

On December 15, the NGT had set aside the state government's order for clo-

### COURT RELIEF

■ **May 28, 2018:** Tamil Nadu govt orders state pollution control board to permanently close Sterlite's copper plant following violent protests over pollution concerns.

■ **Dec. 15, 2018:** NGT sets aside state govt order to close plant, saying it was "non sustainable"

■ **Jan. 8, 2019:** Supreme Court refuses to stay green tribunal order

sure of the Sterlite copper plant, saying it was "non sustainable" and "unjustified".

In its Tuesday order, the apex court said: "The impugned order dated December 21, 2018 passed by the Madurai Bench of the Madras High Court shall remain stayed."

"The directions that have been passed by the National Green Tribunal, by its judgment dated December 15, 2018, will continue to subsist and will be subject to the ultimate outcome of the appeal."

At least 13 people were killed and several injured on May 22 last year when police had opened fire on a huge crowd of

protesting against environment pollution being allegedly caused by the factory.

The Tamil Nadu government had, on May 28, ordered the state pollution control board to seal and "permanently" close the mining group's copper plant following violent protests over pollution concerns.

### Assembly walkout

The DMK and its allies on Tuesday staged a walkout from the Tamil Nadu Assembly over the Sterlite issue with chief minister K. Palaniswami blaming the Opposition for trooping out by coming up with some reason.

Stalin said his party's demand for a policy decision by convening the Cabinet to ensure permanent closure of the Sterlite copper plant did not find a mention in the chief minister's reply to the debate on the Governor's address and, to condemn it, DMK was staging a walkout.

After the walkout, Palaniswami said the Supreme Court has only ordered notice to Sterlite on Tamil Nadu's petition against the NGT verdict of December 15, 2018 that struck down the closure order of the copper plant. PTI



## MCX-Zinc bounces from a key support



**GURUMURTHY K**

BL Research Bureau

It was a volatile week for the Zinc futures contract on the Multi Commodity Exchange of India (MCX). The contract fell breaking below the crucial support level of ₹170 per kg and made a low of ₹167.2 on Thursday last week. However, the contract has reversed sharply higher from the low recovering all the loss. The MCX-Zinc futures contract has surged about 6 per cent from the low of ₹167.2 and is currently trading at ₹177 per kg.

### Close watch required

The bounceback in the past week has happened from a key long-term support level of ₹167. The price action in the coming days will need a close watch to get a cue on the next direction of move. Traders can stay out of the market at the moment.

An immediate support is in ₹172-170 region. As long as the contract trades above this support zone, a corrective rally to ₹183 or ₹185 is likely in the near term. A break above ₹185 will then increase the likelihood of the upmove extending towards ₹190.

The region between ₹167 and ₹165 is a key support to watch. The contract will come under renewed pressure if it breaks below ₹165. The next targets are ₹160 and ₹155. But such a strong fall breaking below ₹165 looks less probable at the moment.

### Global trend

The Zinc (three-month forward) contract on LME fell in the past week as expected to test the key support level of \$2,400 per tonne. The contract made a low of \$2,356 and has reversed sharply higher from there. It is currently trading at \$2,498 per tonne.

Next resistance is at \$2,530 which is likely to be tested in the near term. A strong break above this hurdle can take the contract higher to \$2,600. But a pullback from \$2,530 will drag contract lower towards \$2,400 again.



## THE AFTERMATH OF MODI-CHOKSI SCAM

# New Bank Rules Force Changes in Diamond Trade Practices

SBI, the biggest lender to the trade, has put tough conditions on lending to cos

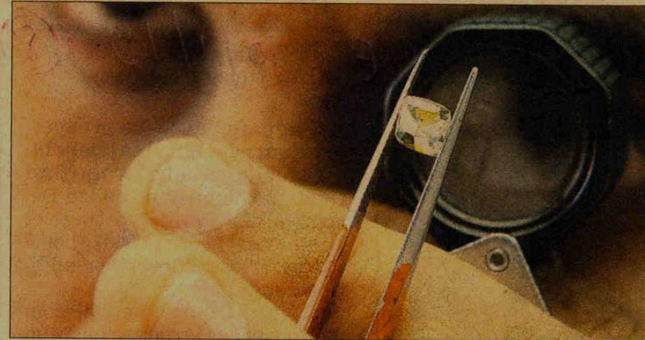
**Sugata Ghosh**  
@timesgroup.com

**Mumbai:** A year after the Nirav Modi-Mehul Choksi scam rattled the nation, diamond houses in India are being pushed to change the way they have been doing business for many decades. Harsh new rules laid down by large banks would force them to restructure their entities, change business associates and spend more.

The largest lender to diamond houses, State Bank of India, has imposed funding restrictions on borrowers for exports to countries other than USA and Europe, capped exposure at ₹1,000 crore per borrower, and set stiff credit rating condition on diamond houses for additional finance.

In its credit policy for diamond houses, which was finalised in end 2018, the bank has stipulated that borrowers would have to give undertaking that rough or cut and polished stones are not procured from associate concerns or related parties as a condition for fund-based working capital finance by way of pre-shipment or packing credit in foreign currency.

Also, all existing borrowers with outstanding of ₹50 crore or more would have to convert partnership firms into corporates by December 2019 — a move that would increase their tax lia-



ET ARCHIVES

bility. Diamond houses that are unable to transform into corporates would have to bring in additional collateral and pay half a percentage point higher interest on loans.

SBI's policy, which could be emulated by some of the other state-owned banks, follows instances of frauds, money-laundering and sharp practices that few diamond houses had indulged in. However, some of the restrictions have put a question mark on the way they function.

"Introducing restrictions based on geography would hurt the trade badly. One can understand the exclusion of Dubai. But a quarter of polished stone exports is to Hong Kong, with China, along with Hong Kong, emerging as one of the largest manufacturing centres for studied jewellery," a senior industry person told ET. "Today, Belgi-

um and Hong Kong are the largest centres for distribution and trade," said the person.

The curbs on dealings with related parties would compel many diamond houses to rejig themselves in a trade that is known for its secrecy and dealings among community members. "When you are dealing in such high-value items, personal relations are importance. That's what the trade believes. For 50 or more years that's how it has been... One family member who becomes an NRI is based in Hong Kong or Belgium to trade on roughs, another in Dubai to buy the polished exported from India, which are then sold to the US, Japan and markets across the world. Now, to meet the loan conditions, these entities may have to set up fronts," said a veteran in the diamond industry.

The new rules follow SBI's re-

vised funding norms for gold jewellers which was finalised in October 2018.

According to the latest rules by SBI, advance payments for procurement of rough diamonds will be permitted to only mining companies as per the list approved by the Reserve Bank of India and Gems & Jewellery Export Promotion Council.

SBI did not respond to ET's email till the time of going to press.

While diamond traders validate some of the safeguards that SBI is putting in place, they feel some of the conditions could be stifling. A corporate, unlike a partnership, would have to disclose to the Ministry of Corporate Affairs the charges on assets against loans. So, there would be greater disclosure, they agree. They also admit that the restriction on advance payment probably follows a few parties making multiple remittances from different banks. "But to exclude Hong Kong from US and European markets because of a few shady deals make little sense.. The sad truth is that the industry would suffer because of Nirav Modi, who borrowed endlessly to trade in pearls, and the Winsome whose gold imports were funded by banks... In neither case. Banks lost because of diamonds. It's a bit of a travesty," said an old hand in the Mumbai diamond district.



## MCX-Nickel bounces up from a crucial support



**GURUMURTHY K**

BL Research Bureau

The Nickel futures contract on the Multi Commodity Exchange of India (MCX) has bounced up sharply in the past week. The support in the ₹735-730 per kg zone held very well. The contract made a low of ₹736.9 on January 2 and has reversed higher from there. The contract has surged over 7 per cent from the low and is currently trading at ₹793 per kg.

The upward reversal in the past week is significant technically as it has happened from the key 200-week moving average support. The price action in the coming days will need a close watch to determine whether the current bounceback move is a trend reversal or just a corrective rally. Key resistances are at ₹800 and ₹810 which are likely to be tested in the near term. Whether the contract breaks above ₹810 or not will decide the next direction of move. Inability to breach ₹810 can pull the contract lower to ₹790. A further break below ₹790 will then increase the likelihood of the contract extending its downmove to ₹770 and ₹760.

On the other hand, if the MCX-Nickel futures contract manages to breach ₹810 in the coming sessions, it can gain fresh momentum. Such a break will pave way for the next target of ₹850.

### Global trend

The Nickel (three-month forward) declined breaking below the crucial support level of \$11,000 per tonne. However, the contract has reversed higher again after making a low of \$10,525. It is currently trading at \$11,180.

An immediate resistance is at \$11,350. A strong break above it can take the contract higher to \$12,000. On the other hand, if the LME-Nickel contract reverses lower from \$11,350 and declines below \$11,000, a fall to \$10,700 is possible. A break below \$10,700 can then drag it to \$10,000 over the medium term.

# Govt reaches out to Hyundai, Posco to boost production of high-grade steel

Companies being tapped to partner SAIL, Rashtriya Ispat

**BLOOMBERG**

January 9

India has approached steel-makers such as Posco and Hyundai Steel Co. to partner with its State-owned mills, as Prime Minister Narendra Modi seeks to stoke local production of high-grade steel and reduce import dependence, according to people familiar with the matter.

India is offering iron ore supplies to attract the steel-makers in South Korea and Japan, in a bid to form joint ventures with Steel Authority of India Ltd. and Rashtriya Ispat Nigam Ltd (RINL), the people said. The initial response from the South Korean steel-makers has



The initial response from Posco and Hyundai was positive REUTERS

been favourable, and partnerships are being explored in brownfield projects.

The Ministry is in talks with the two companies to explore the opportunity to invest in manufacturing value-added steel products in India, Monideepa Mukherjee, spokeswoman for the Ministry of Steel, said.

Exploratory letters of intent have already been sent to the companies and the government is keen to discuss all aspects, the sources

said. The Centre's keenness to stitch together ventures with foreign mills to make automotive steel stems from the fact that its a big importer of high-grade steel, despite adequate local availability of high-grade iron ore. An increased output of these products will also aid several Japanese and South Korean automobile companies who manufacture in India.

## Expanding market

With India soon set to overtake the US as the world's second-largest consumer of steel, with demand estimated to grow by seven per cent in the near-to-medium term, companies — including Posco and ArcelorMittal — are keen to tap the rapidly expanding market. ArcelorMittal and SAIL have

tied up for an automotive steel plant in India since 2017, but the proposed venture has been plagued by delays.

India's previous attempts to lure foreign investment in the steel sector were derailed due to multiple issues, including delay in land acquisition and raw material linkages.

In 2013, ArcelorMittal scrapped a 12-million tonnes per year plant in Odisha and Posco pulled out of a \$12-billion project in the same State in 2015.

Boosting domestic steel capacity, especially of high-end products, is key for India, as the Modi administration focuses on its 'Make in India' initiative to boost manufacturing to 25 per cent of the economy by 2020 and create jobs.

## Gerda Steel India is now Arjas Steel Pvt Ltd

### OUR BUREAU

Hyderabad, January 9

With the acquisition process completed, Gerda Steel India Private Limited, with its major manufacturing plant in Anantapur, Andhra Pradesh, has officially become Arjas Steel Private Limited.

The Brazil-headquartered Gerda S A signed an agreement to sell its entire shareholding in its Spanish subsidiary Gerda Hungria KFT Y CIA Sociedad Regular Colectiva.

This is inclusive of the sale of 100 per cent of all operations and assets in India to Blue Coral Investments Holding Private Ltd and Mountain Peak Investment Holdings Ltd., owned and managed by ADV Partners and affiliated.

ADV Partners is an Asia fo-

cussed private equity firm with offices in Hong Kong, Singapore, Shanghai and Mumbai. The announcement was made to the markets on August 27, 2018.

### Focus on core markets

The decision to divest the operations was driven by the desire to focus more on the core markets of North America and Latin America, Gerda had said.

The change of name of the company follows the official completion of the transaction on October 31 2018, a press release stated.

### Charting a roadmap

ADV Partners together with the existing management see big opportunities for the SBQ business in AP and in India

and are working on a growth roadmap that will position Arjas Steel, as a centre of excellence in SBQ steel manufacturing.

The operations will continue to be run by the current management, it said.

Commenting on the development, Sridhar Krishnamoorthy, Managing Director of Arjas Steel said "We are excited by the vision that ADV Partners and we, the management, share for Arjas Steel. Our growth over the last few years, in providing special steel products for the automotive and energy sectors has been strong, thanks to our committed and engaged work force of 1600, strong technical processes and high levels of customer service".



## MCX-Lead retains sideways move

### MCX-Lead



GURUMURTHY K

BL Research Bureau

The Lead futures contract on the MCX is continuing to trade in a sideways range. The contract has been stuck between ₹135 and ₹145 per kg for more than a month now. Within this range, the contract fell to a low of ₹135.3 on Friday last week and has been inching higher from there. The contract has bounced over 3 per cent from the low and is currently trading at ₹139.5 per kg.

### Sideways range intact

The sideways range movement remains intact. As long as the contract trades above ₹135, there is a strong likelihood of it moving up towards ₹143 and ₹145 – the upper end of the range in the coming weeks. Intermediate resistance is at ₹140. A break above this level will pave the way for ₹143 and ₹145.

A breakout on either side of ₹135 or ₹145 will determine the direction of the next move. Traders can stay out of the contract until a clear trend emerges.

The outlook will turn bullish if the MCX-Lead futures contract breaks above ₹145 decisively. Such a break will increase the likelihood of the contract rallying towards ₹150.

On the other hand, if the contract breaks below ₹135, it can fall to ₹133 initially. A bounce from ₹133 can trigger a corrective rally to ₹137. But a further break below ₹133 will drag the contract lower to ₹130 or ₹128 thereafter.

### Global trend

The Lead (three-month forward) contract on the London Metal Exchange is retaining its \$1,900-2,100 per tonne sideways range. Within this range, the contract made a low of \$1,932 on January 3 and has reversed higher from there. It is currently trading at \$1,971.

Immediate resistance is at \$2,000. A break above it can take the contract higher to \$2,070 and \$2,100. But a pull-back from \$2,000 can drag the contract lower to \$1,900 levels again.

THE HITAVADA (CITYLINE)

DATE : 11 /1/2019 P.N.10

## 'International non-ferrous metal prices may not correct further'

THE global non-ferrous metal prices which witnessed a correction in the last five months due to concern over the trade war between the US and China, are unlikely to correct significantly here onwards, a report said. According to the rating agency Icria, the demand supply fundamentals, would not justify any further major correction, as the global market of these metals are currently in deficit. "In the full calendar year 2018, the aluminium, copper and zinc markets have remained in deficit. Consequently, the risk of a further downside in base metal prices seems low in the near term," Icria president Jayanta Roy said. The agency said the global aluminium market has remained in deficit for the last six quarters.

LOKMAT

DATE : 12 /1/2019 P.N.7

## खाणीतील मजुरांच्या सुटकेसाठी मेघालयात प्रयत्न सुरूच

लोकमत न्यूज नेटवर्क

नवी दिल्ली : मेघालयाच्या पूर्व जैनतिया हिल्स जिल्ह्यात बेकायदा कोळसा खाणीत अडकलेल्या १५ मजुरांच्या सुटकेसाठी भारतीय नौदलाने पाच दूरनिर्यत्रकाने वापरली जाणारी वाहने तेनात केली असल्याची माहिती मेघालय सरकारने सर्वोच्च न्यायालयात शुक्रवारी दिली.

१३ डिसेंबरपासून या खाणीत हे मजूर अडकून पडले आहेत. आतापर्यंत खाणीतून एक कोटी लिटर पाणी बाहेर काढण्यात आले आहे. परंतु जवळपासच्या नद्यांतून खाणीत पाणी शिरत असल्यामुळे सुटकेचे काम अवघड बनले आहे. ज्या खाणीत मजूर अडकले आहेत तेथील नेमका नकाशा उपलब्ध नसल्यामुळे मदत कार्यात अडथळे येत आहेत.

# Gold may pause before breaching \$1,300

Fresh buying interest at lower levels can limit the downside in prices

GURUMURTHY K

The recent rally in gold seems to be losing momentum. The global spot gold prices have been stuck in a sideways range between \$1,275 and \$1,300 per ounce over the last couple of weeks.

The global spot gold prices hit a high of \$1,297 last Thursday and has come-off slightly from there. The prices closed at \$1,290 per ounce, up 0.33 per cent for the week.

Silver, on the other hand, underperformed gold last week. The global spot silver prices have been facing strong resistance around \$15.80 per ounce. Silver made a high of \$15.82 and closed at \$15.60 per ounce, down 0.65 per cent for the week.

The price action indicates that silver is more vulnerable than gold for a corrective fall.

On the domestic front, weakness in the Indian rupee

has helped the bullion prices to close higher. The Indian rupee was down over a per cent against the US dollar last week. This has aided the gold and silver futures contract on the Multi Commodity Exchange (MCX) to outperform the respective global spot prices.

The MCX-Gold futures contract has surged 1.5 per cent last week and closed at ₹31,928 per 10 gm. The MCX-Silver futures contract closed at ₹39,336 per kg, up 0.42 per cent for the week.

## Dollar outlook

The US dollar index declined below the key support level of 96 last week. The index fell to a low of 95 and has recovered slightly from there to close the week at 95.67, down 0.53 per cent for the week. Support is in the 95-94.9 region, which is holding well as of now.

As long as the index remains above this support, a range-

bound move between 94.9 and 96 can be seen for some time. But the overall bias will continue to remain bearish as long as the dollar index trades below 96.5.

An eventual break below 95 will drag the index lower to 94. Such a fall will be a good trigger for gold to breach the psychological level of \$1,300 in the coming weeks.

## Gold outlook

The near-term outlook for gold is mixed. The global spot gold (\$1,290 per ounce) may continue to trade side-

ways between \$1,275 and \$1,300 for some more time. A break below \$1,275 can take gold lower to \$1,260. However, the downside is likely to be limited as the overall bias continues to remain positive. As such, an eventual break above \$1,300 can take gold initially higher to \$1,310 and \$1,320. A further break above \$1,320 will then target \$1,340 and \$1,350.

The MCX-Gold (₹31,928 per 10 gm) has a key resistance at ₹32,150. A strong break above this hurdle will take the contract higher to ₹32,600 and ₹33,000 thereafter. But the inability to breach ₹32,150 can pull the contract lower to ₹31,000. In such a scenario, the contract may remain

range-bound between ₹31,000 and ₹32,150 for some time.

## Silver outlook

The global spot silver (\$15.60 per ounce) looks weaker than gold. The price action over the last one week increases the likelihood of a fall to \$15.35 or \$15.30 in the near term. A break below \$15.30 will then drag the prices lower to \$15. Strong support is in the \$15-14.90 region. A fall below \$14.9 looks unlikely at the moment as fresh buyers are likely to emerge around \$15 levels.

Silver will regain strength on a decisive break above \$15.80. Such a break will then pave way for the next target of \$16.20.

MCX-Silver (₹39,336 per kg) has support in the ₹39,000-38,900 region. As long as the contract trades above this support zone, a rally to ₹40,500 is possible in the short term. The near-term view will turn negative only if MCX-Silver declines below ₹38,900. The next target is ₹38,500.

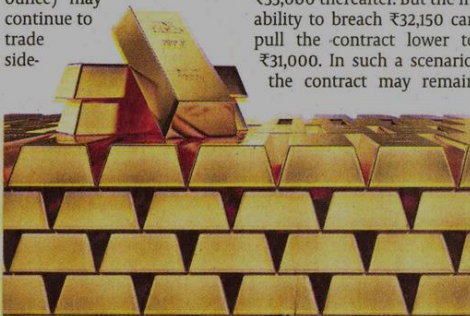


## MCX Gold

**Supports**  
₹31,500, ₹31,000  
**Resistances**  
₹32,150, ₹32,600

## MCX Silver

**Supports**  
₹39,000, ₹38,500  
**Resistances**  
₹39,700, ₹40,500



NAV BHARAT

DATE : 14 /1/2019 P.N.9

## अवैध खनन पर हो कार्रवाई

नवभारत समाचार सेवा

शिलांग. मेघालय में 1 माह पहले हुए कोयला खदान हादसे के बाद राष्ट्रीय हरित अधिकरण (एनजीटी) की 3 सदस्यीय समिति ने राज्य पुलिस से समूचे प्रदेश में अवैध खनन के करीब 1,200 मामलों की जांच करने को कहा. इस हादसे में खदान में फंसे 15 लोगों को बाहर निकालने का अभियान अब भी जारी है. एनजीटी ने अवैज्ञानिक तरीकों एवं सुरक्षा उपायों के अभाव का हवाला देते हुए 2014 में मेघालय में कोयला खनन एवं परिवहन पर पूरी तरह से प्रतिबंध लगा दिया था. पिछले वर्ष अगस्त में गठित की गई एनजीटी की 3 सदस्यीय समिति राज्य में फिलहाल दुर्गम खदानों से 'रैट होल माइनिंग' के पर्यावरणीय पहलुओं का अध्ययन कर रही है.



## Hindustan Copper chalks out strategy to ramp up output to 20 MT by 2024

MALANJKHAND (MP), Jan 14 (PTI)

**STATE-OWNED** Hindustan Copper (HCL) has chalked out a strategy, which includes reopening of closed mines, to augment production capacity to up to 20 million tonne per annum by 2024.

The company's current capacity of copper ore is 3.8 million tonne per annum (MTPA).

"My target is to go to 20 MT by 2024... This ramp-up will be done by particular strategy which includes expansion of existing mines like Malanjkhand. Number two strategy will be to reopen the closed mines. Construction of new mines," HCL Chairman and Managing Director (CMD) Santosh Sharma told reporters here. "All these three activities will enable (the company) to reach 20 MT," he said.

The company, which plans to pump in Rs 5,500 crore over the

next six years to scale up its output by six times, is looking to reopen its Rakha copper mine soon. It is planning to raise the capacity of the company to 4.1 MTPA by the end of the current financial year. "This year only, I am planning to bring it to 4.1 MT. I am sure to achieve it. Next year (2019-20), it is 5.1 MT. Then 2020-21 it is 6.1 MT," he said.

Hindustan Copper, which is currently catering to around five per cent of the domestic copper demand, expects to take it to 30 per cent.

"HCL will be able to cater to 30 per cent domestic requirement of refined copper after this expansion (after 2023-24)," Sharma said.

The company is also hopeful that its Malanjkhand underground mine would come into operation in September.

The mine is almost ready for production, he said.

## Sterlite Seeks Implementation of SC Order to Reopen Plant

**CHENNAI** Vedanta-owned Sterlite Copper has sought implementation of a Supreme Court order that upheld a National Green Tribunal decision

to reopen its shuttered copper smelter in southern Tamil Nadu, reports **Bharani Vaitheeswaran**. Sources said Sterlite has sought permis-

sion to reopen the 4-lakh tonne a year copper smelter in a letter to the Tamil Nadu government sent on January 10, two days after the SC refused to stay the NGT order.

A Supreme Court bench of justices Rohinton Fali Nariman and Navin Sinha had on January 8 ordered that the NGT order "will continue to subsist" and will be subject to the outcome of appeal filed by government.

"A letter has been address-

ed to the TNPCB (Tamil Nadu Pollution Control Board) chairman, enclosing a copy of the SC order," an official with the pollution board said on condition of anonymity.

Earlier, Sterlite Copper had written to the pollution board seeking to implement the NGT order of December, but the board had rejected the request on grounds that it had moved SC challenging the order.

"We have not received any response from the board

(TNPCB)," said a top executive with the Sterlite Copper plant. Queried if the company had filed a fresh application for licence, he said: "We had sent the letter on January 10 moving the same application we had filed in early 2018 seeking renewal of the Consent to Operate licence".

After a five-month legal battle with the Tamil Nadu government and Thoothukudi-based activists and politicians, Sterlite Copper had secured an or-

der from NGT directing the state pollution control board to renew the Consent to Operate licence for the factory, besides setting aside the closure order in May last year.

Sterlite Copper CEO P Ramnath, in an earlier interview, had said a renewed licence from the state pollution board was essential for reopening the factory, in spite of clear directions from the SC that the NGT order will remain in force pending further orders.

# State Metal, Mining Cos to Form JV to Scout for Lithium, Cobalt Overseas

Rakhi.Mazumdar@timesgroup.com

**Malanjkhand:** India's move to acquire foreign reserves of strategic minerals like lithium and cobalt to power the country's electric vehicles has moved a step closer to reality with three state-owned metal and mining companies set to form a joint venture to scout for these minerals abroad.

Official think tank Niti Aayog has already given its nod for the proposed joint venture between National Aluminium Company (Nalco), Hindustan Copper (HCL) and Mineral Exploration Corporation (MECL), HCL chairman Santosh Sharma said.

"We are part of a government initiative to build up strategic reserves of these minerals," he told **ET**.

"Niti Aayog has given approval for the proposed joint venture formation. We are awaiting the final papers. The shareholding pattern will be 34:33:33 between Nalco, HCL and MECL, respectively."

The Union mines ministry has already directed the three state-owned companies to aggressively look for reserves of lithium and cobalt, which are used to manufacture batteries for electric vehicles, smartphones and laptops, in addition to other precious minerals like tungsten, nickel and rare earths. India, which has set a target of achieving an all-electric vehicle fleet by 2030, has almost no reserve of these minerals and is keen on building up a strategic reserve of these minerals.



# Silver to profit from rise in gold rates

## COMMENTARY

G CHANDRASHEKHAR

Silver is set to benefit from the anticipated rise in gold prices during 2019. Despite being a precious — and industrial — metal, silver usually latches on to the coattails of gold and moves in tandem. The coming months will be no exception when healthy gains are expected for both the metals.

Last year, silver moved largely in line with its more precious counterpart, yet under-performed compared to the latter, especially in the second half of the year. While the yellow metal declined by five per cent, silver dropped by a hefty 10 per cent during the year. The gold/silver ratio climbed to multi-year highs in the last quarter of 2018.

### Impacting factors

A strong dollar and robust equity markets capped the upside for the precious metal. Escalating trade tensions between the US and China, which impacted the industrial metals market, weighed on silver.

In addition, while the silver market was in clear surplus last year, investment demand growth was largely muted.

Without a doubt, 2019 will also witness a silver surplus again, but the positive movements in gold prices — given its safe haven status — are sure to spillover and benefit the sister metal.

Wobbly equity markets, a pause in the US Federal rate-hike cycle, resultant weakening of the dollar, and continuing global economic uncertainties such as trade tensions (despite a temporary 90 day truce) are set to combine to propel bullion market higher.

Central bank purchases could be another factor to push gold higher (China recently bought about 10 tonnes), which in turn will help silver, given the lower liquidity in the latter's market. To be sure, the value of silver

demand is just about 10 per cent of gold. If anything, the market has taken cognizance of the emerging situation.

The metal has had a great start in the new year. Silver prices were \$15.58 an ounce on January 11, rising from \$14.53 per ounce a month earlier.

Investment inflows are sure to amplify the price effect. In other words, silver is set to break out of its recent run of under-performance, and outdo gold in the months ahead.

### Demand in industry

Industrial demand for silver represents a little over 50 per cent of its annual consumption demand.

For the last four years, such demand has been rising. China will continue to be the world's largest consumer of silver industrial products.

Meanwhile, the demand for silver in wearable technologies is set to increase. While silver-photovoltaic demand remains historically high, the use of silver-zinc batteries in items such as hearing aids, noise-masking ear buds, and similar products is also increasing rapidly. According to technical experts, silver-zinc batteries are a preferred source for the growing number of electronic devices that require smaller, safer, and more energy-dense solutions.

The electric-vehicles revolution will also boost demand for silver, as experts develop fast-charging new battery materials.

Yet, global headwinds — in the form of slowing economic growth — and thereby industrial production and in turn industrial metals prices cannot be ignored. There is belief that the trade war is unlikely to derail silver's upside price prospect.

This strengthens the potential for silver to touch \$17 per ounce this year.

## MCX-Aluminium lacks momentum



**GURUMURTHY K**

BL Research Bureau

The Aluminium futures contract on the MCX seems to be lacking strength. The corrective bounce from the low of ₹124.75 made on January 2 seems to have lost its momentum. The contract inched higher in the initial part of last week and made a high of ₹132.1 per kg on Wednesday. However, the contract has reversed lower thereafter and has come off from the high. It is currently trading at ₹129 per kg.

The price action on the chart leaves the bias bearish. Technically, the 21-day moving average resistance at ₹132 has halted the corrective rally last week. This leaves the broader downtrend intact. Immediate support is at ₹128. A break below it can drag the contract lower to ₹125. A further break below ₹125 will then increase the likelihood of the contract extending its down-move to ₹123 or even ₹120.

### Trading strategy

Traders with high risk appetite can go short at current levels and also on rallies at ₹131. Stop-loss can be placed at ₹133 for the target of ₹122. Revise the stop-loss lower to ₹128 as soon as the contract moves down to ₹126.

### Global trend

The resistance at \$1,890 per tonne for the Aluminium (three-month forward) contract on the London Metal Exchange has limited the upside very well. The contract made a high of \$1,885 last week and has come off from there. It is currently trading at \$1,836. A dip to test the \$1,800-1,785 support zone is likely in the near term. A break below \$1,785 can drag the contract lower to \$1,760 and \$1,740 in the short term.

On the other hand, if the LME-Aluminum contract manages to sustain above the \$1,800-1,785 support zone, a bounceback move to \$1,900 is possible. In such a scenario, a range-bound move between \$1,785 and \$1,920 can be seen for some time.