खनिज समाचार

KHANIJ SAMACHAR

Vol. 5, No-2

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खनिज समाचार
KHANIJ SAMACHAR

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VOL. 5, NO-2 , 16th – 31st JANUARY , 2021

BUSINESS LINE DATE : 16/1/2021 P.N.4

Thanks to the govt's infrastructure push, steel demand to remain 'firm'

But high prices may remain a concern for user industries

SURESH P IYENGAR

Mumbai, January 15

The revival in steel demand is expected to continue this year even as high raw material prices and end users' concerns on rising steel prices will be key challenges.

Hit by the Covid pandemic, steel production in India was down 10 per cent at 100 million tonne last year, against the 111 mt logged in the same period in the previous year.

If not for the government spending on infrastructure, steel demand would have fallen even sharply as the Covid pandemic has taken a heavy toll on the industry.

Full recovery

Though domestic demand recovered to pre-Covid levels in August with economic activities limping back to normalcy, a full-blown recovery was seen only in November when sales volume surged 11 per cent year-on-year.

Despite the momentum in demand, recovery is expected to continue in the March quarter and overall sales this fiscal will be down by about 12 per cent. From there on, the demand growth will be bolstered by the statistical low-base effect.

Seshagiri Rao, Joint Managing Director, JSW Steel, said the year gone by could easily be termed as the worst for the steel industry in last 70-years due to Covid pandemic that devastated global economic growth.

The business plans prepared in the beginning of the calendar year required significant downward revisions, and sectors such as tourism, hospitality, transport and entertainment will take a longer time to recover, he added. While 2020 was the year of despair, JSW Steel's expansion plans and inorganic growth through acquisitions are expected to coincide with a rebound in economic activity, said Rao.

Prices to remain firm

Though the user industry has raised serious concerns over the sharp rise in steel prices, it will remain at elevated levels due to the firm trend in global markets.

Steel companies in India

pushed up hot-rolled coil prices by ₹13,800 a tonne to ₹51,050 in December through multiple hikes since August - this is an increase of 37 per cent compared to last year.

Despite frequent upward revision, domestic steel prices are still 6-8 per cent below the landed cost of imports, leaving more room for domestic producers to rise prices further.

After sliding to a low of $409 a tonne last April from $499 per tonne in January, China HRC fob (free on board) prices rebounded to $647 a tonne between April and December.

Global prices also touched an 8-year high in December on healthy demand and soaring iron-ore prices.

"We expect steel prices to remain high in the January-March quarter with a sequential price hike of ₹7,000-8,500 a tonne, leading to an increase of 15 per cent year-on-year," said a Crisil Research report.

BUSINESS LINE DATE : 16/1/2021 P.N.8

NCDEX to relaunch steel futures

OUR BUREAU
Mumbai, January 15

The National Commodity and Derivatives Exchange (Ncdex) will relaunch the Steel Futures contract on Monday.

Initially, three contracts expiring in February to April will be available for trading. Ncdex has re-entered the non-agri space expanding the bouquet of derivative products.

The Steel contract will trade long steel products such as ingots and billets having a trading unit of 10 MT. The basis centre will be Gobindgarh in Punjab while Ghaziabad in Uttar Pradesh will be the additional delivery centre.

Vijay Kumar, Managing Director, Ncdex, said that demand for steel is likely to take a quantum leap ahead with government effort to make India a $5-trillion economy in the coming years

The steel contract will provide infrastructure companies a reliable and transparent risk management tool to hedge against volatile prices, he added.

Kapil Dev, Executive Vice President, Ncdex, said that steel consumption is likely to grow at a much faster pace as over ₹44-lakh crore worth of projects are already being implemented out of ₹111-lakh-crore National Infrastructure Pipeline.

The logistical and supply inefficiencies have made steel and its raw material prices extremely volatile posing challenges to the entire value chain participants, he said.

NAVBHARAT DATE : 16/1/2021 P.N.7

सोना ₹400 बढ़ा

व्यापार प्रतिनिधि

नागपुर. रुपये की विनिमय दर में गिरावट तथा बहुमूल्य धातुओं के अंतरराष्ट्रीय कीमतों में सुधार आने के बाद शुक्रवार को सराफा बाजार में सोना 400 रुपये बढ़कर 51,200 रुपये प्रति 10 ग्राम हो गया. चांदी भी 1000 रुपये बढ़कर 67,000 रुपये प्रति किलोग्राम पर आ गयी. दो दिनों की गिरावट के बाद सोने के मूल्य में तेजी और रुपये के मूल्य में गिरावट आने से सोने के भाव में तेजी आई.

अन्तरबैंक विदेशीमुद्रा विनिमय बाजार में डॉलर के मुकाबले रुपया तीन पैसे की गिरावट दर्शाता 73.07 रुपये प्रति डॉलर पर बंद हुआ. अंतरराष्ट्रीय बाजार में सोना लाभ के साथ 1,852 डॉलर प्रति औंस हो गया. जबकि चांदी 25.40 डॉलर प्रति औंस पर अपरिवर्तित रहा. जानकारों के अनुसार अमेरिका में निर्वाचित राष्ट्रपति जे बाइडेन द्वारा 1900 अरब डालर का प्रोत्साहन पैकेज घोषित किए जाने और फेडरल रिजर्व के प्रमुख जे. पावेल द्वारा मौद्रिक नीति में नरमी बरकार रखने के संकेतों के बाद निवेशकों की निगाह अमेरिका में खुदरा बिक्री और औद्योगिक उत्पादन के आने वाले आंकड़ों पर होगी.

BUSINESS LINE DATE : 17/1/2021 P.N.6

Pausing for breath before a rally

Slew of factors are building a good foundation for the bulls to work their way up

AKHIL NALLAMUTHU
BL Research Bureau

TRADING CUES

Traders hunting for short-term opportunities can consider going long if gold futures rally past ₹50,000 with good volume

The World Gold Council (WGC) came up with its 2021 outlook for gold last week. According to the report, gold may see a positive, though more subdued, performance in 2021. This may be driven primarily by a recovery of consumer demand relative to 2020 as economic conditions improve. Citing that low interest rates can encourage investors to add risky assets in their portfolio, the report also said risks such as expanding budget deficits, inflationary pressure and possible market correction on the back of high equity valuations can be supportive for gold prices as investors might go in for hedging and diversification.

Last week, WGC also came up with latest ETF (exchange-traded fund) numbers which showed that in December 2020, net outflows from these funds stood at 40.1 tonnes. While ETF net fund flows remained negative for the second consecutive month they have substantially come down compared to November's net outflow of 108.7 tonnes, even though the average price of gold in December was higher.

Further affirming the positive bias, the latest data on COMEX net long positions recorded at 873 tonnes as on January 5 is better than the past month and this is the highest level since the first week of August last year. These factors are building a good foundation for the bulls to work their way up.

Scan & Share

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The prices of gold and silver remained muted throughout last week following a sudden decline in the preceding week. The futures price of gold on the Multi Commodity Exchange (MCX) ended the week at ₹48,702 (per 10 grams) against the previous week's close of ₹48,967.

The futures price of silver on MCX closed at ₹64,980 (per kg) versus preceding week's ₹64,231.

In dollar terms too, both ended the week largely unchanged. Gold closed at $1,828.4 (per ounce) whereas silver ended at $24.77 (per ounce).

MCX-Gold (₹48,702)

February futures of gold witnessed a minor slip-up early last week as it opened lower at ₹48,786 as against the previous week's close of ₹48,967. But the bears could not extend their dominance as the contract found support at ₹48,600. Although the price did not move up, the downfall from the week before was arrested. This is despite technical indicators like the relative strength index (RSI) and the moving average convergence divergence (MACD) on the daily chart signaling weakness. The average directional index (ADX) is showing that the downtrend has gained good strength.

In the light of this, one should not go all in now but should look for evidence corroborating a build-up in the uptrend. For instance, traders hunting for short-term opportunities can consider going long if futures rally past ₹50,000 with good volume.

Notwithstanding the above conditions, investors or traders who are looking to hold longs for more than one year can consider initiating fresh longs incrementally. Within a year, gold futures can appreciate to ₹56,000 and over next two- to three-years to ₹60,000 and ₹65,000. From a long-term trend perspective, ₹47,550 is a key support.

MCX-Silver (₹64,980)

The March futures contract of silver, like gold futures, began last week with a small gap-down. It opened at ₹63,603 versus preceding week's close of ₹64,231; but slightly recovered. Comparatively, over the past couple of weeks, it has underperformed the yellow metal. While gold futures is down by about 6.1 per cent from its recent high, silver futures has lost 9.5 per cent.

However, unlike the former, the price of the latter is above the 50- and 200-DMAs and the MACD is hovering the positive territory, indicating a certain degree of positivity. That said, rather than going long at current levels, one can consider initiating short-term longs if price breaches the nearest hurdle at ₹68,000 with considerable volume. Because this can bring in fresh bulls which were held back fearing the potential shift in the near-term trend to bearish.

Investors or traders looking to make fresh entries with holding horizon of one year and more can consider building up longs gradually. Silver futures can potentially rally to ₹75,000 in a year, and to ₹80,000 and ₹85,000 in a couple of years.

BUSINESS LINE DATE :17/1/2021 P.N.6

Now, trade in steel futures

AKHIL NALLAMUTHU

BL Research Bureau

The National Commodities and Derivatives Exchange Limited (NCDEX) is set to launch steel futures on Monday.

Specifications

The unit size of the contract is 10 MT (metric tonnes), i.e., one lot of futures contract will consist of 10 MT of steel, and the price will be quoted in rupees per MT; tick size of the contract is set at ₹10. Note that, like any futures contract on other commodities, these are compulsory delivery contracts. The Final Settlement Price (FSP) will be the last spot price on the day of expiry and 20th of every month will be the expiry day. Trading hours will be between 9:00 AM and 9:00 PM from Monday to Friday. But on expiry day, the contract that expires on that day will be allowed to trade only until 5:00 PM.

Margins

The initial margin (IM) and the extreme loss margin (ELM) are fixed at 8 per cent and 1 per cent, respectively. This will be the minimum margin that will be required to initiate a trade in steel futures. Yet, the exchange can mandate additional margin, should the volatility exceed beyond certain limit.

Trading constraint

On any day, if the price moves by 4 per cent (on either direction), the exchange will impose a cooling period of 15 minutes, meaning, trading will be barred during this period. Post this, the limit be raised by 2 per cent, i.e., the revised limit will be 6 per cent.

In case price hits this level, trading for the rest of the day will be allowed only within 6 per cent.

LOKMAT DATE : 18/1/2021 P.N.12

चीनकडून स्टीलची ८०० टक्के आयात

दरात ४० टक्के वाढ : मागणीच्या तुलनेत देशांतर्गत उपलब्धता घटली

अविनाश कोळी

लोकमत न्यूज नेटवर्क

सांगली : देशांतर्गत व आंतरराष्ट्रीय बाजारातील मागणी वेगाने वाढत असल्याने स्टील उद्योगात सध्या चांगले वातावरण निर्माण झाले आहे. भारतातील मालाला अन्य देशांमधून विशेषत: चीनमधून मागणी वाढली आहे. देशातील उद्योजकांकडूनही या मागणीप्रमाणे मोठ्या प्रमाणावर निर्यात केली जात आहे. २०१९-२० च्या तुलनेत चालू आर्थिक वर्षात भारताकडून चीनने आठपट अधिक स्टील खरेदी केले आहे.

चालू आर्थिक वर्षातील पहिल्या सहामाहीत भारताकडून स्टील निर्यातीत तब्बल १४८ टक्के वाढ झाल्याचे निरीक्षण स्टील अ‍ॅथॉरिटी ऑफ इंडियाने नोंदविले आहे. एकीकडे निर्यात वाढत असताना, देशांतर्गत पुरवठा व मागणी यातील तफावतीमुळे दरात मोठी वाढ होत आहे. गेल्या सहा महिन्यांत स्टीलच्या दरात जवळपास ३५ ते ४० टक्के वाढ झाली आहे. २०१८ च्या तुलनेत २०१९ मध्ये भारतातील एकूण कच्च्या स्टीलचे उत्पादन १.८ टक्क्यांनी वाढले होते. २०१९ मध्ये एकूण १११.२ दशलक्ष टन उत्पादन झाले होते.

२०२० मध्ये २९.७ टक्के उत्पादनात घट दिसून आली. मिळेल त्याठिकाणाहून स्टील मागविण्याकडे चीनसह सर्व विकसनशील देशांचा कल वाढला आहे. भारतात स्टीलच्या आयातीपेक्षा निर्यात वाढली आहे. गेल्या दहा वर्षांत चीन प्रथमच भारताकडून स्टील मोठ्या प्रमाणात आयात करीत आहे. चीनमधील स्टील उत्पादनात चालू आर्थिक वर्षातील पहिल्या सहामाहीत ४.५ टक्के वाढ झाली असली, तरी वर्ल्ड स्टील असोसिएशनच्या मते २०२१ मध्ये चीनच्या स्टीलच्या मागणीत १०.६ टक्के वाढ राहण्याची चिन्हे आहेत.

> निर्यात वाढणे ही भारतीय उद्योग क्षेत्रासाठी चांगली बाब आहे. युरो, डॉलरचे दर स्थिर असून, आंतरराष्ट्रीय बाजारातील दरही चांगले आहेत. त्यातून परकीय चलन देशाला मिळत आहे. भारतातून स्टीलची निर्यात वाढली आहे. मागणी व पुरवठ्याच्या बाबतीत देशांतर्गत बाजारात मोठी तूट असल्याने दर वाढत आहे.
>
> **- संजय खांबे,**
> स्टील उद्योजक, सांगली

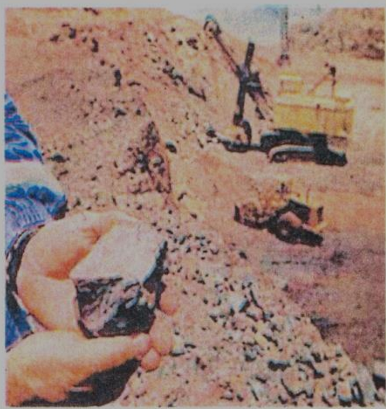
NAVBHARAT DATE : 18/1/2021 P.N.9

लौह अयस्क खानों का पट्टा समाप्त करेगी सरकार

नीलामी के बाद भी काम शुरू नहीं करने वाली कंपनियों पर बरतेगी सख्ती

न्यूज एजेंसियां

दिल्ली. खान मंत्रालय ने ऐसी लौह अयस्क खानों का पट्टा (लीज) रद्द करने का प्रस्ताव किया है जिनमें नीलामी के 7-8 महीने बाद भी उत्पादन शुरू नहीं हो पाया है. इसके अलावा ऐसी खानों की लीज समाप्त करने का भी प्रस्ताव है जो लगातार 3 तिमाहियों तक न्यूनतम आपूर्ति को कायम नहीं रख पाई हैं. खान मंत्रालय का खनन नियमों में कुछ संशोधनों के जरिये ऐसा करने का प्रस्ताव है. मंत्रालय ने इस पर अंशधारकों से टिप्पणियां मांगी हैं. खान मंत्रालय ने खनिज (परमाणु और हाइड्रो कॉर्बन ऊर्जा खनिजों को छोड़कर), रियायती (संशोधन) नियम, 2021 तैयार किया है. मंत्रालय का इरादा पुराने नियम में संशोधन का है. मंत्रालय ने संशाधित नियमों के मसौदे पर आम जनता, राज्यों/संघ शासित प्रदेशों की सरकारों, खनन उद्योग, अंशधारकों, उद्योग संघों और अन्य संबंधित लोगों और इकाइयों से टिप्पणियां मांगी हैं.



ऐसी खानों के कई सफल बोलीदाता जिनका पिछला पट्टा 31 मार्च 2020 को समाप्त हुआ है, वे नीलामी और उनके पक्ष में खनन पट्टा जारी किए जाने के 7-8 माह बाद भी उत्पादन शुरू नहीं कर पाए हैं.

न्यूनतम सप्लाई पर कायम नहीं

मंत्रालय ने कहा कि इसके अलावा कई अन्य सफल बोलीदाताओं ने उत्पादन शुरू तो कर दिया है लेकिन वे एमसीआर के नियम 12ए के तहत उत्पादन और आपूर्ति का स्तर कायम नहीं रख पाए हैं. 31 मार्च 2020 को जिन परिचालन वाली और काम कर रही 46 खानों का पट्टा समाप्त हुआ था, उनमें से 24 ओडिशा में हैं. इसके अलावा सात खानें कर्नाटक, छह झारखंड, चार आंध्र प्रदेश, दो राजस्थान, दो गुजरात और एक हिमाचल प्रदेश में हैं. ओडिशा की सभी 24 खानों और कर्नाटक की 4 खानों की नीलामी पिछले साल की गई थी.

BUSINESS LINE DATE : 19/1/2021 P.N.19

'Global demand driving steel offtake, keeping prices firm'

SURESH P IYENGAR
Mumbai, January 18

Steel demand in India has been growing steadily supported by investments from the government. However, the user industry has been complaining of high prices skewing their project cost calculations. The firm global prices have shut the doors on imports. In an interview to *BusinessLine*, VR Sharma, Managing Director, Jindal Steel and Power, shares his views on the way ahead. Excerpts:

Will the revival in steel demand sustain over the next year given the kind of uncertainty in economic growth?

Yes, domestic steel demand is rising significantly month on month, outstripping supply by a big margin. Infrastructure projects have gained momentum post September, supporting steel demand recovery. The government is optimistic about economic growth and ramping up infrastructure projects. I am confident this will end the uncertainties buzzing around, soon. In fact, steel companies have to ramp up their production to match the rising demand.

Do you expect steel prices to flatten given the concern for the user industry?

Prices of raw materials such as iron ore, scrap, DRI (direct reduced iron), HBI (Hot Briquetted Iron) and pig iron have increased significantly in the last three months.

This is because of the huge pent-up demand worldwide. The lockdown due to the Covid-19 pandemic reduced manufacturing activities in the first half of the year.

All of a sudden the demand has increased to bridge the gap.

Chinese steel consumption is at its peak of about 90 million tonnes per month.

This has created a shortage of steel in those countries that were importing from China. Iron ore prices are still increasing, and if this trend continuous, then the steel price may move up further.

Domestic steel demand is rising significantly month on month, outstripping supply by a big margin, infrastructure projects have gained momentum post-September

VR SHARMA
MD, Jindal Steel and Power

Do you think the rise in raw material prices will sustain given the healthy demand?

The shortage of raw materials like iron ore will push up the cost of steel manufacturing. With the increasing demand along with the cost-push, steel prices will remain firm in the future.

Will steel demand from infrastructure projects continue given the government's ability to spend?

Yes. The country has no other option but to spend on infrastructure projects. Being a developing economy, the scope for new infrastructure projects will always be bright.

Apart from government spending, private investments are also showing early signs of revival. Steel demand from infrastructure projects will continue to rise. The government is also augmenting and modernising the rail infrastructure in the country with fresh investments in metro projects in various cities, which will lead to good demand from this sector.

Will steel exports continue given in the context of the second wave of Covid -19?

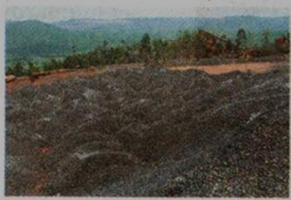
Domestic companies will give preference to meet the local demand over exports. Demand is also gearing up as governments and the private both are laying impetus on the thought of Atmanirbhar Bharat. We believe exports will likely remain at a healthy level as there is a shortage of steel in certain parts of the world. China has curtailed steel exports hence South-East Asian, Indian and CIS producers will move to fill up the gap created by China in the export market.

FIMI debunks mine auction process

Revenue earned by States much less than forex spent on imports, says industry body

SURESH P IYENGAR
Mumbai, January 18

The Federation of Indian Mineral Industries has debunked the government projection of open auction of mines as the panacea for all ills plaguing the mining industry, and generating huge revenues for State governments through resource development.



Following an analysis of the auction system of mines in the last 10 years, FIMI said the system has resulted in arousing fear among various industries about the availability of raw materials, which led to high and unsustainable bids and costly raw materials, rendering the industries unviable and leading to higher imports and foreign exchange outgo.

Lower coal production

While the State government has generated additional revenue of ₹2,026 crore in 2018-19, the lower coal production during the period resulted in imports worth ₹5,320 crore, leading to net expenditure of 2.63 times more than the revenue generated, said RK Sharma, Secretary General, FIMI.

Moreover, not a single greenfield mining project of coal or non-coal has come into operation while the country continues to import more coal and various metals, he said. The auction has even halted work in previously operational mines having valid environment and forest clearances.

There were 37 coal mines in operation before the auction, but the auction process has reduced it to 20, bringing coal production from these mines down from 42.88 million tonnes in 2014-15 to 30 mt in 2018-19.

Of the 19 coal blocks auctioned last June, 17 were fully explored and two partially explored; these were expected to produce about 51 million tonnes per annum at their peak rated capacity.

Artificial scarcity

Auctions have created artificial scarcity to the extent that companies are placing unsustainably high bids of beyond 100 per cent of the sale value of resources. Any mine at a premium in excess of 100 per cent would inevitably operate at a loss, FIMI said.

As per FIMI analysis, in case of 103 auctioned non-coal blocks, 103 per cent of the estimated value of resources auctioned will go to the government as revenue, indicating that the investor in the auction gets negative return on investment.

While 3,248 mining leases for non-coal minerals were executed in 2006-14, post introduction of the auction regime only 28 brownfield mining leases have been executed with pre-existing environment and forest clearances.

BUSINESS LINE DATE : 19/1/2021 P.N.8

Gold rebounds from recent low despite buoyant dollar

REUTERS
January 18

Gold prices edged higher on Monday on the prospect of extended US fiscal stimulus and accommodative monetary policies, although bullion held close to the 1-1/2month low hit earlier as the dollar extended gains.

Spot gold was up 0.3 per cent to $1,832.31 per ounce at 1029 GMT, after falling to $1,809.90, its lowest since December 2. US gold futures were up 0.1 per cent to $1,832.20.

Gold is considered a hedge against inflation and currency debasement, likely to arise from large stimulus measures.

However, Commerzbank's Weinberg said a stronger dollar, economic optimism and concerns about Janet Yellen as the US Treasury secretary nominee, who might be restrictive on the fiscal stimulus side, were weighing on gold prices. The US dollar hit a four-week peak against rival currencies, making gold expensive for holders of other currencies.

Although US inflation expectations have risen in anticipation of more US fiscal stimulus, gold has not been the sole beneficiary — bond yields have risen and weighed on gold, Phillip Futures said in a note.

US Treasury yields scaled a 10-month high last week.

Among other precious metals, silver gained 0.5 per cent to$24.86 an ounce, platinum rose 0.4 per cent to $1,078.10 and palladium was up 0.1 per cent to $2,385.

BUSINESS LINE DATE : 19/1/2021 P.N.8

MCX-Zinc might turn bearish

AKHIL NALLAMUTHU
BL Research Bureau

The price of futures contract of zinc on the Multi Commodity Exchange (MCX) has been gaining steadily after bottoming out in mid-March last year. After facing a consolidation phase in September, the futures contract expiring January 2021, broke out of the crucial level of ₹200 and rallied to ₹220 levels.

But, the bulls are now facing a challenge as the contract has been trading in a rectangular pattern, oscillating between ₹213 and ₹224, since past six weeks. However, this time, a considerable weakness can be observed and the uptrend seems to be losing strength.

This can be observed in indicators like the relative strength index (RSI) and the moving average convergence divergence (MACD) on the daily chart. That is, the RSI has gone into the bearish territory and the MACD is on the verge of slipping into the negative zone. Meanwhile, the price has gone below both 21- and 50-day moving averages, turning the outlook negative.

Yet, until the contract breaches the lower limit of the range ₹213, bearish reversal cannot be confirmed. So, unless this support is invalidated, traders should wait.

One can short the contract with stop-loss at ₹222 if it decisively breaks below ₹213. On the downside, the price might drop to ₹200. In case if this level is taken down, the nearest support can be spotted at ₹192.

On the other hand, if it rebounds off the support at ₹213, it can face hindrances at ₹220 and ₹224.

BUSINESS LINE
DATE : 20/1/2021 P.N.10

MCX-Aluminium testing a key support level

AKHIL NALLAMUTHU
BL Research Bureau

From the final week of October last year, aluminium futures has been on a rally. The price of January futures rose from about ₹141 to reach ₹168 levels in mid-December. However, the contract was unable to extend beyond that level and the price action since past six weeks shows a horizontal trend. That is, it has largely been oscillating between ₹160 and ₹168.

But over the past week, the contract has been showing some sort of weakness – it has formed a lower high and the price is below both 21- and 50-day moving averages.

A breach of the support at ₹160, can improve the strength of bears, potentially dragging the futures to ₹155 – the 50 per cent Fibonacci retracement level of previous uptrend. Below ₹155, it can decline to 148.

Supporting the bearish view, the price of aluminium futures on the London Metal Exchange (LME) has been declining since past week and breached a key support of $1,975 on Monday.

Consequently, the futures contract on MCX is likely to drop further. But since it has a support at ₹160, traders can short with stop-loss at ₹164 if the contract breaks below ₹160.

BUSINESS LINE
DATE : 20/1/2021 P.N.5

Aluminium producers seek 10% import duty

OUR BUREAU
Mumbai, January 19

Primary aluminium producers have urged the Centre to increase the import duty on primary aluminium and aluminium scrap to 10 per cent and reduce the customs duty on critical raw materials, such as calcined and raw petroleum coke, caustic soda and alumina.

They also want to eliminate the GST compensation cess of ₹400/tonne on coal to support highly power-intensive industries like aluminium.

In a representation made through the Aluminium Association of India ahead of the Budget, the producers said these measures are absolutely necessary to battle current challenges being faced by the industry in sustaining the share of the domestic aluminium demand — which is today being imploded with imported aluminium — as well as to make Indian aluminium more competitive in global markets to retain and boost exports.

"The industry is not able to compete in the global markets as the burden of Central and state taxes and levies amount to 15 per cent of aluminium production cost," it said.

Due to lack of an organised domestic scrap-recycling industry,India is at severe threat as US diverted large volume of scrap to India, the association said.

BUSINESS LINE DATE : 20/1/2021 P.N.10

Commodity markets to normalise in 2021

In second-half of the year, supply and demand may return to pre-Covid levels

G CHANDRASHEKHAR

Despite sharp slowdown in economic activity and demand destruction caused by Covid-19, global commodity markets ended 2020 higher than at the start of the year.

Rebounding growth leading to higher consumption demand, supply disruptions, rising energy prices, massive liquidity boost, weaker US dollar and La Nina weather phenomenon have all combined to push overall commodity prices (energy, metals and agriculture).

Vaccine availability has changed the sentiment from one of gloom to a sense of cautious optimism. China has re-emerged as the most important driver of commodity demand following a revival in economic activity including construction, automobiles and export/ import trade.

This upward momentum in the commodities market is continuing into the current year; but the big question is how long will it last. On current reckoning, 2021 is likely to be the year of two halves — with the second half likely to witness some kind of normalisation of supply and demand, with concomitant effect on prices.

Energy complex

Energy markets (crude oil, natural gas) are likely to stay at elevated levels this year as demand revives with higher industrial and transport activity, while supplies are somewhat constrained.

The crude oil market is most likely to remain in deficit this year especially with OPEC+ output cut. The US shale output is likely to pick up rather slowly because of financial constraints and new environmental regulations.

Base metals & China

Industrial metals prices started to surge in the last quarter of 2020, thanks to strong demand growth in China and investor buying.

Copper has breached the psychological $8,000 a tonne. Iron ore ($170/t) and steel (HR coil over $1,000/t) have not lagged behind in price rally.

But the surge is unlikely to last long as the positive effects of stimulus begin to fade. Also, tighter lending restrictions for the property sector in China will weigh on steel and copper demand. Mine production, too, should see a rebound in activity. In the second half of the year, copper may shed 10-12 per cent from the current levels and steel up to 20 per cent.

Gold may lose sheen

Gold and silver had a stellar run in the second half of 2020, boosted by enormous liquidity infusion and surging investor interest. With cheap money, weak dollar and low US real yields, precious metals are unlikely to see any major correction anytime soon. However, if economic activities rapidly return to normal following large-scale vaccination, there is the danger of investors exiting haven asset such as gold.

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

NAVBHARAT DATE : 20/1/2021 P.N.7

चांदी 1,000 रुपए महंगी

व्यापार प्रतिनिधि

नागपुर. अंतरराष्ट्रीय बाजार में कीमती धातुओं के भाव चढ़ने से स्थानीय सराफा बाजार में भी मंगलवार को सोना 200 रुपये बढ़कर 50,850 रुपये प्रति 10 ग्राम हो गया. चांदी में भी तेजी का रुख रहा और मंगलवार को भाव 1,000 रुपये बढ़कर 67,100 रुपये प्रति किलो पर पहुंच गया. इससे पिछले दिन यह 66,100 रुपये प्रति किलो पर थी. अंतरराष्ट्रीय बाजार में सोना और चांदी दोनों में ही तेजी रही. सोना जहां बढ़कर 1,843 डालर प्रति औंस पर पहुंच गया वहीं चांदी भी 25.28 डालर प्रति औंस हो गई.

BUSINESS LINE DATE : 20/1/2021 P.N.7

A metal in the dumps

Downstream aluminium units need a policy boost

RK JAIN

On November 11, 2020, the Union Cabinet chaired by the Prime Minister approved the Production-Linked Incentive (PLI) scheme for 10 sectors, to encourage domestic manufacturing. The scheme, first envisaged in March this year, entails earmarking financial outlays that will drive the country's manufacturing sector by cutting down on imports and provide scope for harnessing the growth potential of domestic manufacturing.

As a driver of the manufacturing sector, the PLI scheme will help embrace Atmanirbhar Bharat. It will enhance India's manufacturing capabilities and increase exports for these champion sectors, which include automobiles and auto-components. It will make domestic manufacturing competitive internationally, build economies of scale, and help India position itself firmly on the global supply chain map.

Playing a crucial role in achieving the objectives of the Government's ₹1.46 lakh crore PLI scheme will be the downstream sectors, especially the secondary aluminium segment. However, this crucial segment, whose products are a critical requirement in some of the key sectors under the PLI scheme such as automobiles and auto-components, telecom, textile, solar modules, white goods, etc., is in need of policy support.

Focussing downstream

With a processing capacity of 3.9 million tonnes, India's downstream aluminium segment comprises around 2,500 companies that include both large and mid-size firms, and a much bigger base of smaller and unorganised players. Schemes like PLI are needed to give wings to this sector.

What is missing is one specific scheme from the government that will help boost demand and encourage domestic manufacturing of downstream aluminium products. Such a scheme will bring in investments from both within and outside.

Manufacturers in the downstream aluminium segment have been suffering on account of poor export incentives as well. Unlike their counterparts in the production of primary aluminium, those in the secondary and downstream segments have historically faced indifferent treatment.

This comes from the fact that the downstream segment procures material from primary aluminium producers at a premium over the London Metal Exchange prices and then has to fight in the same space, to sell finished downstream products competing with some of the largest primary producers. It is well-known that the US-China trade war has hit downstream aluminium producers the most as products from nearby countries are dumped in India, as the US market has suddenly closed for them.

If the government extends the PLI or a similar scheme to the downstream segment, it will help the sector to perform better and thus ensure a level-playing field for the local manufacturers.

Introducing non-tariff measures to lessen dependence on Chinese imports will go a long way in giving impetus to local manufacturing and curbing imports.

The secondary aluminium sector can boost India's manufacturing capabilities to a great extent. There are close linkages between the downstream segment and the manufacturing industry. The secondary aluminium sector also needs a sector-specific strategy like in the case of speciality steel.

This will not only help in value addition but also improve quality across user industries.

The writer is Senior Vice President – Commercial at Jindal Aluminium Ltd

THE INDIAN EXPRESS DATE : 21/1/2021 P.N.6

Sand mining: SC panel report slams Rajasthan 'free-for-all loot', questions leases near rivers

DEEP MUKHERJEE
JAIPUR, JANUARY 20

IN A severe indictment of the Rajasthan government, a Central Empowered Committee (CEC) directed by the Supreme Court to look into sand mining has said the state tacitly participated in "the free-for-all loot of this valuable natural resource", questioning the "liberal" grant of environmental clearances.

The Court had directed the CEC in February last year to submit a report on issues regarding sand mining faced by traders, consumers, transporters, the government and other stakeholders in Rajasthan, and to suggest measures to stop illegal sand mining.

The report, dated December 23 and submitted to the Court, says, "CEC has no hesitation in concluding that the issue of mining leases in khatedari (agricultural/revenue) lands has directly facilitated legalising extraction, transportation and sale of illegally extracted sand from the river beds in the state."

It talks about an amendment to the Rajasthan Minor Mineral Concession Rules by the government in December 2017 to grant short-term permits in khatedari lands for excavation of sand only for government or government-supported works, and adds, "Almost all the khatedari lessees have misused the e-rawanaas (transit permits) for removal and transport of sand illegally collected. Therefore it is imperative to ensure that all the khatedari leases involved in misuse of e-ravannas are cancelled with immediate effect."

The report also notes that 192 of the 194 mining leases on khatedari lands had been granted after the Supreme Court's November 2017 order restraining river sand mining before a scientific replenishment study was completed and environmental clearance granted. "The 194 khatedari leases are agricultural/revenue lands which do not have deposits of quality sand suitable for construction... it is perhaps not accidental that most of the khatedari leases on agricultural lands have been granted in close proximity to river banks," states the report, noting that 114 khatedari leases fall within 100 metres or less from river banks.

A tractor transports sand in Tonk district. *Deep Mukherjee*

"This locational advantage near river bank has been purposefully permitted to be exploited by the lessees who evacuated sand from river bed, instead of from their lease hold area in khatedari lands, many times more sand than the quantity permissible in the mining plan/EC (environmental clearance)."

The report also criticises the Ministry of Environment, Forest and Climate Change for the delay in granting environmental clearances to holders of letters of intent in sand mine leases, saying this "prolonged impasse in legal mining" had led to "rampant" illegal mining of river sand.

The report states that the collection of sand in Rajasthan was about 57 MMT per annum in 2016-17 before the Supreme Court order restraining sand mining, falling to 5 MMT per annum in 2019-20. "According to the state government only about 25-30% of the demand is fulfilled from lawful mining activities. The resultant gap is the main driving force behind illegal sand mining," says the CEC.

In its submission to the CEC, the Rajasthan Police has stated that between January 1, 2019, and September 20, 2020, 4,417 FIRs were registered in relation to illegal sand mining, with 5,044 arrested, and 1,58,637 tonnes of sand seized. The data reveals that 109 public servants were attacked in this period by the sand mafia, resulting in death of two, while attacks on civilians left 10 injured and three dead.

The police received complaints against 160 police personnel, while the anti-corruption bureau named 17 police personnel.

Last month, Chief Minister Ashok Gehlot said that if there was one regret in his tenure of two years, it was unchecked illegal sand mining.

The CEC report suggests that no tractor that is not registered as a commercial vehicle be engaged for transport of sand from the mining site to the transit depot.

The recommendations of the CEC include termination of all the khatedari leases located within 5 km from the river bank as well as leases where violations are detected, and scrapping of the excess royalty collection contract system.

Commodity Transaction Tax must go

It not only increases the cost of risk management but also makes price discovery less efficient

NILANJAN GHOSH/RENITA D'SOUZA

Market participants' plea for removal of Commodity Transaction Tax (CTT) ever since it came into existence in July 2013 on non-agricultural commodity derivatives trading in India has gone unheeded so far. In Union Budget 2020-21, things went further south for the commexes with CTT being extended on sale of index futures and options in goods.

This was a retrograde step from the perspective of the government's mandate of creating an enabling business environment through improving 'ease of doing business'; rather it increases the "cost of doing business", and goes against the visions of Make in India and Aatmanirbhar Bharat, as it deprives the domestic commodity-based enterprises from effective risk-management platforms. Probably, India is the only country apart from Taiwan having CTT.

There is no denying the fact that this tax completely defeats the initial purpose for which commodity derivatives trading was allowed in the new millennium: risk management or hedging, and price discovery. This is revealed in a recent study conducted by us at the Observer Research Foundation.

The impact of CTT

The study entailed an analysis of open access daily trading data (volume, prices, etc) from January 2006 to December 2019 of Multi Commodity Exchange (MCX) of India (which dominates the non-agricultural domain of commodity derivatives) for five non-agricultural commodities: aluminium, copper, crude oil, gold and silver. The impact of CTT on volume and volatility was checked, and eventually its role in hedging at the micro level, and price discovery at the macro level.

As estimated and shown in the Table, volumes in 2017 declined substantially as compared to 2011, a representative year prior to the imposition of CTT, and a normal year prior to the MCX going for its IPO. For these commodities, the overall decline is around 70 per cent — a result of an increase in the cost of hedging due to CTT.

Also, liquidity through the Hui-Heubel ratio, which reveals the reciprocal of liquidity, was measured. Liquidity of trading essentially reflects on how fast a trader can enter or exit from the market at a desired price. A higher Hui-Heubel ratio reflects lower liquidity. Interestingly, the results do not show much change in the liquidity measures of the selected commodities.

However, the impact on hedging efficiency is palpable. Hedging effectiveness measured in terms of the Ederington formula reveals how effectively a hedger can hedge against the risks posed by price volatility in the physical market. All these non-agricultural commodities under consideration are affected by forces of international trade, finance, geo-economic and geo-political developments.

Therefore, the more effectively the futures prices mirror the physical market dynamics, the more effective is risk management. Our estimates show that crude oil, gold and silver have recorded a decrease in hedging efficiency as a consequence of CTT, while there is no change in the hedging efficiency in aluminium; copper's hedging efficiency, however, shows a rise.

We have also tested the impact of CTT on price discovery with the Garbade-Silber econometric framework. Price discovery is the phenomenon where a market, through incorporation of various forms of information from the physical market and the commodity economy as a whole, helps in creating reference prices for other markets. This helps primary producers, market intermediaries and corporates, among others, in their critical extraction, storage and marketing decisions.

Future of physical market

Hence, it is expected that an efficient futures market should reflect on the future of the physical market. Our econometric framework revealed that the price discovery function declined for copper, gold and silver due to CTT imposition, though the same is not true for crude and aluminium.

However, one needs to note here that the crude oil variety imported in India does not really match with the one traded in the commex, and aluminium has substantially low volume to really have any impact in physical trading.

In any case, the negative impacts of CTT argued here are pretty well evidenced. A 2008 EPW paper — 'Commodity Transaction Tax: A Recipe for Disaster", September 27' — shows on the basis of a scenario analysis that there is a case of existence of "Lafferisation" (with the revenue generated from CTT being lower than the direct and indirect revenue loss due to the lower turnover and its cascading impacts on incomes), with the possibility of critical point being reached at between 10 and 15 per cent volume loss.

As noted, the volume loss in the non-agricultural segment is already to the tune of around 70 per cent. Considering the fact that these commodities comprise more than 80 per cent of turnover, there is a high chance of revenue loss than garnering revenue on the part of the government. The case of removing the CTT therefore rests here.

Change in average daily turnover from pre-CTT days

Commodity	Aluminium	Copper	Crude oil	Gold	Silver	Combined
Average daily turnover in 2011 (₹ crore)	256.32	4,116.86	6,978.04	9,435.35	12,321.79	**33,108.35**
Average daily turnover in 2017 (₹ crore)	372.35	1,323.19	3,990.27	2,425.39	1,725.91	**9,837.11**
% change in daily turnover in current prices	45.27	-67.86	-42.82	-74.29	-85.99	**-70.29**

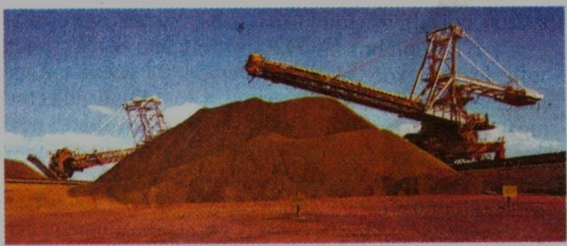
Ghosh is Director, and D'souza is Fellow, at Observer Research Foundation

BUSINESS LINE DATE : 21/1/2021 P.N.8

China's iron ore imports from India up nearly 90%

Imports in 2020 stood at 44.8 mt compared with 23.8 mt in 2019

REUTERS
Beijing/New Delhi, January 20



To lower costs, steel firms in China, like those in India, were using more low-grade ore

Australia and Brazil, the world's two largest iron ore producers, remained China's top suppliers in 2020, but imports from India soared 88 per cent as Chinese mills diversified sources amid sky-high raw materials prices.

Australian shipments rose seven per cent to 713 million tonnes (mt), while Brazilian supplies were up 3.5 per cent at 235.7 mt, data from China's General Administration of Customs showed on Wednesday.

"The two countries' rise could not fully meet China'sdemand," said Tang Chuanlin, analyst with CITIC Securities,"Mills had to buy from other countries."

The world's top steel producer imported 44.8 mt of iron ore from India last year, compared with the 23.8 mt purchased in 2019, and was the most in nine years.

China churned out a record 1.05 billion tonnes of crude steel in 2020, with demand boosted by Beijing stimulus for infrastructure. India, the world's third-biggest steelmaker, suffered a 12.6 per cent decline in the nine months though December from same period year earlier, government data showed, leaving more iron ore to sell to Chinese buyers.

Low-grade ore

Tang also noted that Chinese steel firms were using more low-grade ore, like India's, as part of an effort to lower costs.

Almost two-thirds of India's iron ore exports to China had less than 58 per cent iron content, according to Indian mining industry estimates.

"The purchases will continue until March (on strong Chinese demand)," said BK Bhatia, joint secretary general of the Federation of Indian Mineral Industries, the country's biggest mining lobby group.

Bhatia expected Chinese buying to continue through until March, but said it was too difficult to predict demand beyond then.

Spot prices of iron ore with 62 per cent iron content for delivery to China jumped 73 per cent in 2020, while 58 per cent iron ore soared 91 per cent, according to SteelHome consultancy.

BUSINESS LINE DATE : 21/1/2021 P.N.2

Hindustan Zinc net up 36% on higher realisation

OUR BUREAU
Mumbai, January 20

Hindustan Zinc, a Vedanta Group company, has reported a 36 per cent jump in December quarter net profit at ₹2,200 crore against ₹1,620 crore logged in same period last year, on the back of higher realisation and lower cost of production.

Revenue from operations was up 28 per cent at ₹5,915 crore (₹4,626 crore).

Zinc production was up two per cent at 1,82,000 tonnes while lead output increased 28 per cent to 52,000 tonnes and that of silver jumped 23 per cent to 183 tonnes.

Sales realisation from zinc was up 21 per cent at ₹3,835 crore while lead and silver increased 25 per cent and 66 per cent to ₹817 crore and ₹1,146 crore, respectively.

BUSINESS LINE DATE : 21/1/2021 P.N.7

Base metals and gold, too, join the Sensex party

Recovery in industrial activities and safe-haven status stoked the rally

RUTAM VORA

Ahmedabad, January 21

Even as the BSE Sensex briefly breached the 50,000-mark on Thursday yielding nearly 100 per cent gains for the investors from its March lows, commodities, too, created a positive momentum to emerge as strong companions to equities.

The disruptions from Covid-19, while posed uncertainty about future, did also prompt governments to extend monetary and fiscal support to the economy. This, according to analysts, triggered a collective rally in equities, bullion, metals and agri-commodities from the lockdown days.

Dissecting the relation between the rally in equities and commodities, Ajay Kedia, Director at Kedia Commodity, informed that in a rare instance, gold and equities moved in tandem as a fallout of Covid-19 uncertainty and the government push that followed.

"Equities fell sharply as businesses started getting hurt due to Covid-19. The uncertainty triggered safe-haven buying for gold. But soon after governments came up with financial package to revive the economy, which fuelled the equities rally. This is rare. What also fuelled the base metals is the resumption of industrial activities which triggered strong buying and we saw metals gaining sharply from their lows in March," Kedia told *BusinessLine*.

How they fared	Jan21, 2020	Jan 20, 2021	Change YoY	52-week low		Change from 52-week low
Index	Points	Points	%	Points	Date	%
NCDEX Agridex	1,091.2	1,148.4	5.2	920.7	March 16, 2020	24.7
MCX Comdex Composite	10,549.6	10,668.3	1.1	7,926.9	March 18, 2020	34.6
MCX Comdex Base Metals	11,318.7	13,807.0	22.0	9,107.3	March 23, 2020	51.6
MCX Comdex Gold	13,737.3	16,755.4	22.0	13,559.5	March 16, 2020	23.6
S&P BSE Sensex	41,323.8	49,792.1	20.5	25,981.2	March 23, 2020	91.6

Source: NCDEX, MCX, BSE

As against the near-100 per cent rally in S&P BSE Sensex from March 2020, MCX Comdex Base Metals reported nearly 52 per cent rise, followed by about 24 per cent gain in MCX Comdex Gold index.

"Since the second quarter of 2018, we had seen perpetual buying in bullion due to various international factors including geo-political tensions, lower interest rates in the US among others. Secondly, base metals including aluminium, zinc, nickel, copper directly represent the industry or economy," he added. Nickel futures have gained by nearly 32 per cent within a year, followed by zinc futures at 21 per cent, aluminium futures by 17 per cent and lead futures by about 10 per cent in past one year.

While industrial metals or base metals and bullion tried to match the upward momentum built by the equities, agri commodities were slow to join the rally.

Slow start to agri-comm

NCDEX Agridex, which comprises agri commodity futures, saw a fall from 1091 points in the beginning of 2020 to about 920 points by mid-March 2020. Also, MCX Comdex Composite index fell from 10,549 on January 21, 2020 to 7,927 points on March 18. However, the recovery from these 52-week lower levels was quick and sharp.

Experts attribute the strong recovery in the agri indices to the higher commodity prices led by edible oils and oilseeds and pulses including chana. Tight demand-supply conditions had stoked a rally in chana prices from about ₹3,600 a quintal to ₹5,500 during October.

From its lower levels of March 2020, NCDEX Agridex and MCX Comdex Composite exhibited sharp recovery with about 25 per cent and 35 per cent gains, respectively. Although, the gains were lesser than what was seen in the equities or industrial metals, the upside momentum in a short span of time put agri commodities on hot list for investors.

BUSINESS LINE DATE : 22/1/2021 P.N.7

Regaining sparkle: Diamond exports to touch $15 b this fiscal on pent-up demand

OUR BUREAU

Mumbai, January 21

The recent upsurge in spending on diamonds, riding on a combination of pent-up demand and recovery in retail offtake in key markets such as the US and China, is expected to help India's diamond industry close this fiscal with revenue of over $15 billion.

The cut and polished diamond exports last fiscal declined by 22 per cent to $18.66 billion compared to $24 billion in the previous year.

Positive trend

Sluggish demand and extended lockdowns globally saw exports plunge to $5.5 billion in the first half of this fiscal, almost halving year-on-year. However, in the third quarter, exports have risen to an estimated monthly average of $1.6 billion, setting the industry up for a tryst with the $15-billion mark for the full year.

After the Covid pandemic outbreak, the industry was expected to see a third shaved off its top-line this fiscal. Now, this could get arrested at about 20 per cent.

Subodh Rai, Chief Ratings Officer, Crisil Ratings, said trends in recent months have been encouraging. Retail sales in the US and China have grown by about 3-5 per cent which would provide the industry sustained momentum over the medium term.

While there are new lockdowns in some parts of EU, the launch of Covid vaccines across the globe is expected to mitigate a massive disruption hereon, he said.

At the start of the fiscal, the industry was grappling with significant build-up of inventory — comprising both roughs and polished diamonds — over the previous seven months.

Mixed price trend

Amid the weak demand scenario, however, the miners reduced the prices of roughs by almost 10 per cent around the end of the second quarter. With demand also on the rise gradually, the prices of polished diamonds increased by almost 2 per cent in the December quarter. This helped the industry wipe out a portion of the operating losses of the first half.

With prices now stabilising, operating profitability is expected to remain intact for the full year.

DAINIK BHASKAR DATE : 23/1/2021 P.N.9

लौह अयस्क की ऊंची कीमतों से बंद होने की कगार पर छोटे स्टील प्लांट्स

भास्कर न्यूज़ | रायपुर, रांची

कोरोनाकाल में जबरदस्त घाटा झेल चुका स्टील सेक्टर जैसे-तैसे पटरी पर लौट रहा था। लेकिन इस सेक्टर पर एक बार फिर संकट के बादल मंडराने लगे हैं। लौह अयस्क और स्टील के दामों में हुई बेतहाशा बढ़ोतरी के बाद जहां बड़ी स्टील कंपनियां मुनाफा काट रही हैं। वहीं, छोटी स्टील कंपनियां बंद होने की कगार पर आ गई हैं। इसके चलते एंगल, टीएमटी, मोल्ड, ग्रिल, चैनल, स्टील चादर, ऑटो पार्ट्स, नट-बोल्ट व कील जैसे सामानों की किल्लत होने की आशंका है। उद्योग के जानकारों के मुताबिक, छोटे स्टील प्लांट्स 60 से 70 प्रतिशत क्षमता से काम कर पा रहे हैं। यदि लौह अयस्क की कीमतों पर लगाम नहीं लगा तो उत्पादन क्षमता 40 फीसदी से भी नीचे आ सकती है और बड़ी संख्या में मिनी स्टील प्लांट बंद होने की कगार पर आ सकते हैं। देश में छत्तीसगढ़ और झारखंड में सबसे अधिक मिनी स्टील प्लांट्स हैं। छत्तीसगढ़ का देश के स्टील उत्पादन में चौथा स्थान है। यहां भिलाई स्टील प्लांट सहित लगभग 600 से अधिक स्पंज आयरन, फर्नेस और रोलिंग मिलें हैं। वहीं, झारखंड में 50 फर्नेस मिल व स्पंज आयरन मिलें हैं। छत्तीसगढ़ मिनी स्टील प्लांट एसोसिएशन के अध्यक्ष अशोक सुराना के मुताबिक ओडिशा में लौह अयस्क की कुछ खदानें बंद होने से कीमतों में लगातार वृद्धि देखी जा रही है। लौह अयस्क में उछाल और निर्यात मांग बढ़ने से आठ जनवरी को स्टील के दाम 58,000 प्रति टन की रिकॉर्ड ऊंचाई पहुंच गए थे। अब यह 39,000 रुपए प्रति टन से नीचे आ गए हैं। एसोसिएशन ने एनएमडीसी, राज्य व केंद्र सरकार को पत्र लिखकर लौह अयस्क की बढ़ती कीमतों पर अंकुश लगाने और एक नियामक आयोग के गठन की मांग की है जो इसके दाम तय तक सके। झारखंड स्मॉल स्केल इंडस्ट्रीज एसोसिएशन के प्रेसिडेंट टी मैथ्यू ने कहा अनलॉक के बाद कंपनियों ने काम शुरू किया था। सितंबर-अक्टूबर में छोटी स्टील कंपनियां 80% क्षमता से काम कर रही थीं। लेकिन अब मांग में कमी से राज्य में उत्पादन 40% तक घट गया है।

लौह अयस्क के दाम बढ़ने की वजह

- चीन, वियतनाम, नेपाल और श्रीलंका सहित अन्य देशों में लौह अयस्क और लोहे की निर्यात मांग का बढ़ना।
- कई बड़े सरकारी प्रोजेक्ट रुक गए हैं। सट्टेबाजी भी बढ़ती कीमतों का एक बड़ा कारण है।
- लोहे के दाम ऊंचे होने से रियल एस्टेट सेक्टर से भी आर्डर नहीं मिल रहे हैं।

BUSINESS LINE DATE : 23/1/2021 P.N.8

Diamonds, jewellery sector pins hopes on duty cut

Trade sees illicit imports getting incentivised under higher duty regime

RUTAM VORA

Ahmedabad, January 22

Diamonds and precious metals sector have sought relief from Finance Minister Nirmala Sitharaman in terms of reduction in import duties as well as clearance of the pending GST settlements as she prepares to present the Budget on February 1.

Trade sources in Surat said that a mammoth ₹15,000 crore worth of GST settlements are pending with the government. "The government isn't making refunds, nor they are giving GST credits. The Finance Minister should take a decision on this GST settlements and make an appropriate announcement so that the funds can be utilised," Dinesh Navadia, Regional Chairman, Gems and Jewellery Export Promotion Council (GJEPC), told *BusinessLine*.

Navadia also stated that this fund can be used to provide a TUFs-like scheme for the diamond sector to enhance skills and improve use of technology. "Also, there is a 7.5 per cent import duty on polished stones, which needs a reconsideration. This will eventually benefit the Indian diamond polishers, who can work on the damaged solitaires to upgrade their quality. The current duty structure makes it unviable for them," he said adding that the government should allow international miners to sell the sample stones that they bring in India.

Imports into India

(in $ million) (all ports) India (in $ million)

	Apr 2018-Mar 2019	Apr 2019-Mar 2020*	Apr 2020-Dec 2020*
Gold bar	8,025	7,821	679
Silver bar	42	37	24
Platinum bar	62	159	78

Source: GJEPC * Provisional

For the precious metals, GJEPC has already urged the government to reduce import duty from 12.5 per cent to 4 per cent in the upcoming Budget.

Due to trade tensions and disruptions between the US, China and Hong Kong, the international jewellery demand is turning to India but higher import duty on the bars makes it difficult to compete in the global market, Navadia said.

Gold smuggling

Also, higher duty is seen as an incentive to smuggle gold into India.

In the latest Smuggling in India Report 2019-20, released in November, the Directorate of Revenue Intelligence (DRI) has noted that as against the annual domestic gold consumption of about 1,000 tonnes, average gold imports is recorded at around 800 tonnes, which points at smuggling of about 150-200 tonnes each year.

A World Gold Council data shows about 120 tonnes of gold being smuggled into India during fiscal 2019-20.

"With the price of gold going past the ₹50,000 mark, the illicit trade has become all the more profitable," the report added.

THE ECONOMIC TIMES
DATE : 23/1/2021 P.N.5

JSW Q3 Net Up 14-Fold On Steel Demand

Our Bureau

Mumbai: JSW Steel on Friday recorded a 14-fold growth in consolidated net profit for the third quarter ended December 2020 compared to a year earlier on the back of better demand and restocking from automotive, machinery, construction and infrastructure sectors aided by increased government spending, the company said.

The steelmaker posted a net profit of ₹2,669 crore for the December quarter, compared with ₹187 crore a year earlier. In the September quarter of FY 21, it had reported a 37% fall in net profit at ₹1,595 crore.

Consolidated revenue from operations rose 21% year-on-year to ₹21,859 crore, while standalone revenue grew 22% to ₹19,239 crore. Operating earnings before interest, tax and depreciation expanded 142% to ₹5,946 crore.

BUSINESS LINE DATE : 23/1/2021 P.N.2

JSW Steel Q3 net profit zooms to ₹2,669 cr on higher realisation

Sales revenue grows 23% to ₹21,487 crore

OUR BUREAU

Mumbai, January 22

JSW Steel has reported that its net profit in December quarter increased multi-fold to ₹2,669 crore against ₹187 crore in the same period last year due to higher realisation.

Sales revenue was up 23 per cent at ₹21,487 crore (₹17,416 crore). Despite paying mining premium and royalty of ₹3,604 crore (₹197 crore), the overall expenses were up only two per cent at ₹18,210 crore (₹17,719 crore) as the raw material and finance costs dipped to ₹8,652 crore (₹ 9,177 crore) and ₹997 crore (₹1,060 crore). Quarter on quarter, net profit was up 67 per cent while sales increased 15 per cent.

The proportion of higher margin value-added and special steel sales increased to 57 per cent in this quarter REUTERS

Flat steel production down

Flat steel production was down two per cent at 2.92 million tonnes while that of long products were up four per cent at 0.91 mt. With the strong recovery in economic activity, the company's average capacity utilisation increased to 91 per cent from 86 per cent in September quarter.

The company reduced inventories by 0.47 lakh tonnes during the quarter.

The proportion of higher margin value-added and special steel sales increased to 57 per cent in this quarter from 51 per cent in September quarter.

The US-based plate and pipe mill of the company continued to be under planned shutdown while the sales volumes of plates stood at 18,183 net tonnes and that of pipes were 150 net tonnes.

Ebitda loss

It reported an Ebitda loss of $8.45 million in the quarter. JSW Steel USA Ohio Inc, the hot-rolled coil making facility idled for furnace upgrade, reported Ebitda loss of $21.26 million while the long product making JSW Steel (Italy), reported Ebitda loss of €0.52 million in the quarter under review.

The company has commenced production from all the nine mines acquired in Karnataka with the last of three mines going on stream in December.

Mining operations at the four mining blocks at Odisha ramped up production and dispatches. Overall iron ore supply from captive mines accounted for 49 per cent in the December quarter.

Demand lull to pause copper's blistering rally

China's imports slide in Q4 of 2020; lesser inventory may support prices

REUTERS
London, January 22

Copper's rapid recovery in recent months is expected to pause, but it will pick up momentum after the Chinese New Year holiday as demand gradually overtakes supply leaving the market with a substantial deficit.

Benchmark copper on the London Metal Exchange trading around $8,000 a tonne, near eight-year highs, is up more than 80 per cent since demand tanked in the first half of 2020 as coronavirus lockdowns floored industrial activity.

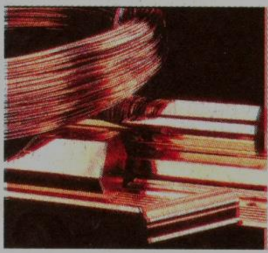
Reasons for the expected lull include scrap, which typically starts to emerge at high prices, and the risk of wider lockdowns undermining industrial activity in the first quarter.

China factor

However, most important is slowing copper demand growth in top consumer China where imports have levelled off ahead of the Lunar holiday in February when many factories close.

China imported record volumes of unwrought copper and copper products last year, but the December number fell for a third consecutive month to 512,332 tonnes.

"There isn't going to be a lot of impetus from China to take the market forward until March," said Roskill Principal Consultant



Jonathan Barnes, who reckons global demand amounted to 23.3 million tonnes last year.

"China's share of the copper market at 55 per cent is now even bigger than it was because its consumption rose last year and almost everywhere else declined."

Supply, stocks

Copper supplies are expected to rise this year as Covid-related problems come to an end, but with prices at elevated levels the potential for disruptions remains as mineworkers seek higher wages.

This, alongside sliding stocks in LME registered warehouses at 87,725 tonnes, which have more than halved since October and are at their lowest since September, will support copper. Low stocks will help propel prices higher later in 2021.

"Any price pullback to $7,600 should be used to build longs. We expect copper prices to reach $9,500 by mid-2021," analysts at UBS said. They expect copper supply to rise 2.9 per cent this year and a deficit of 469,000 tonnes.

"We expect global refined copper consumption — driven by manufacturing, housing, and infrastructure — to grow 4.6% in 2021."

Mining sector — unburdening the legacy issues

The government plans to bring in structural reforms in this crucial sector. But the devil lies in the detail

RICHA MISHRA

CAPITAL IDEAS

India has huge mineral deposits, but the country's mining sector is still suffering from legacy issues. Making a fresh attempt for a course correction, the Union Cabinet recently approved a blueprint to usher in reforms in the mining sector.

This blueprint, which will be presented in the coming Parliament session, proposes to amend the Mines and Mineral (Development and Regulation) Act, 1957, clarifying doubts on double taxation, rationalising stamp duty and developing the National Mineral Index, among others.

This is not the first attempt by a government to bring in reforms in this sector. But why did the earlier attempts not yield significant results? What were the constraints? Why has the potential of the sector not being fully realised?

According to the government's own assessment, traditionally, one percentage point growth in mining pushes up the growth rate of industrial production by 1.2-1.4 percentage points. Also, one direct job in the sector creates 10 indirect jobs. The mineral sector's contribution tothe GDP is only 1.75 per cent, currently. Despite having a huge potential, the country is far from being Atmanirbhar in mineral production. India imports minerals worth over ₹2.5-lakh crore every year whereas the domestic production is only half of that, at ₹1.25-lakh crore.

With the latest move, the government aims to increase minerals production by 200 per cent in seven years. But can it achieve that? There is an urgent need to unlock the sector, everyone agrees, but still remain cautious.

According to Aruna Sharma, a Development Economist and a former Secretary to the government, "Let us say a move has been made. Intent is there. But the devil lies in the detail. One has to see what the rules say once the amendments pass Parliament muster."

Auctions -- a mixed bag

For example, the "auction only" regime for allocation of mineral blocks was introduced by the Modi government under the MMDR (Amendment) Act, 2015. However, holders of partially or minimally explored blocks were protected and kept out of the auction regime. This relief was given under Section 10A (2)(b) of the Act. But these concessions have neither resulted in a mining lease nor have they reached closure till date.

Similarly, existing holders of Letters of Intent were given protection and kept out of the auction regime on the condition that they will obtain mining leases in a two-year period, by January 2017. This relief was given under Section 10A(2)(c) of the Act. These holders also have not been able to obtain mining leases so far.

Scan & Share

India's huge mineral reserves (about 2.7-lakh hectares of mineral land) are locked because of legacy issues created by the provisions of Section 10A (2) (b) and 10A (2) (c). Also, public sector enterprises have for long been sitting on a large number of blocks without producing.

Hence, the government, after wide consultations with States, ministries, industry associations, public and NITI Aayog, plans to bring in major structural reforms that can help India become Atmanirbhar in the mineral sector.

Under the ground The vast potential of the mining sector remains untapped REUTERS

A step towards this is to resolve the legacy issues by amending Section 10A (2)(b) and 10A (2)(c) of the MMDR Act and granting mineral rights only through auction for these blocks. It also proposes to reimburseexploration expenditure of those lease holders whose rights under Section 10A(2)(b) have lapsed.

If a PSU does not obtain a mining lease in the specified time, its allotted mineral block will be auctioned by the State government.

The major objective of the latest set of reforms is to generate jobs, reduce imports and increase production by bringing large mineral blocks into auction.

These amendments will bring a large number of mines for auction. The governmentbelieves this will help strengthen the "auction only" regime and boost transparency in the system.

The counterpoint

Will this lead to a maturing of the mining sector? RK Sharma, Secretary-General, Federation of Indian Mineral Industries, feels that the proposed mining reforms are not going to help in establishing a matured system.

"One of the major reforms which is being highlighted is repealing of Section 10 A (2)(b) thereby claiming to make more than 500 mineral blocks available for auction.

It is worth mentioning that while amending the MMDR Act, 1957 in 2015, the government had acknowledged the valuable contribution made by these license holders by introducing Section 10A(2)(b).

"And now removing it from the Act and offering such blocks for auction is against natural justice and will have far reaching adverse implications on the growth of the domestic mineral sector besides tarnishing the image of the country globally," he said adding "It will also show that the government has faltered on its Act and is bound to lead to irreparable loss of investors' confidence in Indian mineral sector, apart from multiple litigation in Courts resulting in such an exercise of the government being rendered completely futile."

Moreover, it will also affect adoption of state-of-the-art technology required in exploration and mining sector besides impeding much-needed FDI, he said adding that "the recent experience of auctioning of coal blocks for commercial mining is a testimony where none of the international mining companies evinced interest to participate despite best efforts of the government to attract FDI in coal sector."

Implementation, the key

While Sharma may have a point, it is also important to note that the government has been taking corrective measures. If implemented properly they will strengthen the auction regime, increase production by auctioning large number of mineral blocks as almost 500-plus non-operational blocks will be made available for auction.

But, as is the case with electricity, in mining too, States play a critical role. It will be important for the Centre to have States on board. It needs to adopt a consultative approach for the sector. Besides, on paper, the blueprint seems attractive but it remains to be seen when it finally becomes a law, how good the rules are to implement it. Till then one will have to wait and watch.

THE HITAVADA DATE : 24/1/2021 P.N.5

Geared up to meet any surge in coal demand from power sector, says CIL

NEW DELHI, Jan 23 (PTI)

STATE-OWNED Coal India Ltd on Saturday said that it is well geared to meet any surge in demand for coal from the power sector. The statement follows power demand touching an all-time high of 187.3 GW on Friday.

"CIL (Coal India) is well geared to meet any surge in demand for the dry fuel from the power sector especially on the back of close to 63 million tonnes stock at its pitheads," the PSU said in a statement. The company is also pushing ahead for increased production, committed to shoring up the supplies to coal-fuelled power plants. In this backdrop, close to 67 per cent of the total coal-fired power generation in the country is fuelled through CIL's supplies. Of the 199 GW of coal-based power programmed for generation per day during the ongoing fiscal, 133 GW is scheduled from CIL linked coal.

Average coal-based power generation of power per day which was 2.795 BU till Friday spurted up to 3.072 BU, a jump of nearly 10 per cent on the morning of the record making day.

Coal-based power generation remains consistently high among all other categories.

"This increase in coal-based power generation bodes well for us. If this continues, we could expect our supplies to power sector go up in near future," the company said adding that the power plants need to submit adequate programme at the coal companies to avoid any shortage of dry fuel as the demand started peaking. Coal India is focusing on ramping up its supplies to pithead based power plants to higher levels. This would influence in cost per unit of power generated coming down.

Coal transportation cost to pithead power plants is comparably lower than long distanced based ones, making the landed cost of coal lower.

This in turn makes the generation cost economical. Coal-based power generation accounted for 78.6 per cent of the country's total generation on Friday when all India peak power demand, which is the highest supply in a day, surged to a new record of 187.3 GW in the morning eclipsing the previous high of 185.82 GW recorded on January 20.

THE HINDU DATE : 25/1/2021 P.N.8

Stop illegal mining, Karnataka CM directs district officials

SPECIAL CORRESPONDENT
HASSAN

Karnataka Chief Minister B.S. Yediyurappa has instructed all Deputy Commissioners to stop all forms of illegal mining in their districts.

His directive comes in the wake of a blast at a stone quarry at Hunasodu in Shivamogga on Thursday night, which claimed six lives.

Speaking to presspersons at the Shivamogga helipad, he said, "I have not said illegal mining will be regularised. Those into mining have to seek permission with all the relevant documents. The officials concerned will inspect the spot and take further action as per the law., Illegal activities will not be entertained."

There are reports of illegal mining in different places. "The mining at Baby Betta in Mandya district could impact the KRS. I have instructed officials to stop the illegal mining immediately."

He said development works required jelly and sand, but their extraction and transportation should be as per the law. "I have instructed officers not to trouble people who have been extracting materials by adopting traditional methods and not harming the environment," he claimed.

The State government has appointed a committee headed by Shivamogga Deputy Commissioner K.B. Shivakumar to probe the blast at Hunasodu. Shivamogga Superintendent of Police K.M. Shantharaju and three technical experts are also part of the committee.

K.B. Prasanna Kumar, former MLA and Congress leader, alleged that the investigation by the committee was just an eyewash. "Nothing will come out of this. For a fair investigation into the case, the Minister in charge of the district, K.S. Eshwarappa, should resign first. The matter should be handed over to the CBI or a probe by a sitting High Court judge should be ordered," he said.

THE ECONOMIC TIMES DATE : 25/1/2021 P.N.6

UltraTech's Show, Bright Outlook Cement Confidence in the Sector

Co's performance indicates sustainability of demand and pricing power

Rajesh.Naidu@timesgroup.com

ET Intelligence Group: India's largest cement manufacturer, UltraTech Cement, exceeded the expectations of investors and analysts in the third quarter and three statements in its post-results earnings call have given them the confidence that the demand momentum, and hence pricing, in the sector are likely to sustain over the next few quarters.

Cement firms were expected to do well in the December quarter, but two factors were likely to materially change the view of analysts and investors: quantum of growth of key variables and commentaries of key firms regarding the trajectory of demand. On both these aspects, UltraTech came out trumps.

The company management said demand in urban pockets had revived and reiterated that demand in rural pockets continued to be robust thanks to uninterrupted construction activity in low-cost housing and Individual Home Builder (IHB) segments. Besides, the management was also confident that industry demand would outstrip incremental cement capacity in the next few years.

Analysts were quick to latch on this as they saw a clear correlation between the management's statements and the falling unsold inventory of cement overall.

UltraTech's financial performance was ahead of the Street's expectations. Revenues grew 18% to ₹12,144 crore in the October-December period, beating analysts' estimates of 5-9% growth. Net profit jumped twofold to ₹1,584 crore, largely due to good volumes and low costs. The company recorded sales volume growth of 14% year on year. Cement prices have been slightly volatile in the quarter but that has not changed analysts' estimates. They have pointed out that cement firms have hiked prices to such an extent that a small fall would not affect margins and earnings much in the coming quarters. This is one key reason why UltraTech's management maintained that the December quarter's financial performance was likely to sustain going forward.

The cement manufacturer (116.7 MT) will expand its capacity by 19.5 MT in the next few quarters. This will expand its presence in regions where prices are firm: east, central and north.

Concrete Numbers

UltraTech Cement December quarter financials

Variables	Dec '20	Y-o-Y growth in %
Revenues (₹cr)	12,144	18
Sales Volumes (MT)	22.8	14
Ebitda (₹cr)	3,362	57
Ebitda Margins (%)	28	7
Ebitda per tonne (₹)	1,438	31
PBT (₹cr)	2,332	134
Net profit (₹cr)	1,584	123
EPS (₹)	168.2	33

SOURCE: Company Presentation

THE ECONOMIC TIMES DATE : 26/1/2021 P.N.7

'Domestic Steel Prices Following Global Trend'

Govt-aided infra projects, pick-up in auto sector guiding demand, says JSW Steel's joint MD

Bhavya.Dilipkumar @timesgroup.com

Mumbai: Domestic steel prices, which have been on an upswing, will stabilise once global rates come down, JSW Steel's joint managing director Seshagiri Rao said.

The benchmark price of hot-rolled coil – a key price gauge – was ₹47,000-₹47,500 per tonne on average in the December quarter, before hitting a record high of ₹58,000 per tonne earlier this month.

Indian prices are following the global trend, he said.

"In June, we were selling steel at ₹34,000 per tonne," Rao told ET in an interaction. "During the first quarter, steel industry losses were around ₹6,000 crore... China's steel prices in May were around $316, and now it is $702...and in the US, it was $507 in May and $1,100 in December - the increase is 119%... similar trend in EU," he added.

Rao said government-aided large infrastructure projects were guiding current steel demand along with a sharp pick-up in the two-wheeler, commercial vehicle and tractor segments.

"The government-led initiatives will continue to be there for the next year too, which will bring back demand. Last year, steel consumption was around 100 million tonnes, this fiscal year so far it is 55 mt; assuming we will do similar consumption in Q4, we will be close to 92-93 mt of steel consumption," Rao said.

"I don't consider that pent-up demand will tamper down, I don't subscribe to that concept. This demand will definitely be there even through next year as far as India is concerned," Rao added.

Co's net debt reduction plan depends on the acquisition of Bhushan Power and Steel: Rao

The company reported a 14-fold increase in net profit, at ₹2,669 crore, in the third quarter. Domestic sales in the December quarter were 3.48 mt, up 13% on-year and 16% quarter on-quarter and the second-best quarterly sales on record. Supply to the automobile sector rose 57% on-year and 30% on-quarter.

As of December, its cash balance stood at ₹13,034 crore, and net debt was around ₹51,793 crore.

The company's net debt reduction plan depends on the acquisition of Bhushan Power and Steel (BPSL), he said. "This quarter, we reduced around ₹1,100 crore. Our debt goes up or down depending upon whether the BPSL acquisition is done or not. If BPSL does not go through this year, then debt levels will not go up, but ratios are quite comforting," Rao said.

While its India operations grew, US and Italy continued to report losses.

"In the US, if I really analyse from last December to now, the operating losses have come down from $334 million to $84 million. So, there is a huge amount of reduction which has happened during the quarter," Rao said.

The overseas operations underwent maintenance shutdowns during the quarter and the upcoming fiscal year will be one of stabilisation and positive operating Ebitda, Rao said.

THE HITAVADA DATE : 26/1/2021 P.N.9

UltraTech Cement (UTCEM IN)

In-line Q3; on-ground vigilance to drive the structural and sustainable delta to earnings in UltraTechs Q3 was largely in-line to our/consensus estimates. As expected by us, acquired Century operations remain a drag on UltraTechs consolidated operations on immediate basis and this may continue for few more quarters. Having said that, we reiterate that UltraTech is industrys undisputed leader in supply-chain vigilance and as the vigilance gets converted to execution it will be a game-changer not just for UltraTech but also for the industry in long run.

■ No major surprises or disappointments on realisations / costs. Volumes were exactly in-line to our expectations. EBITDA/tonne is at Rs 944 in Q3 (3% lower than our estimate). Unadjusted for one-offs of Rs 64/tonne towards settlement of contingent liabilities on adjusted basis it would have been 3% better. Beyond this there were additional costs of ~Rs18/tonne driven by revival of acquired Century assets - we see as cost of business.

■ The comments by UltraTech in the results release / call clearly stresses efforts for fast-track revival of acquired assets of Century in both production and marketing functions.

■ As we see, this reiterates UltraTechs intent, ability and capability to continue to remain vigilant through use of its bargaining power and yet remain directionally positive and sustainable on operating numbers. This is a commendable structural move!

■ We also continue to believe incremental opportunities for UltraTech especially with inorganic moves are distinct which will fundamentally change the course for whole industry, as it will mean structural changes in on the ground business methodologies.

■ We continue to realign our target multiples in-line to our supply-chain thesis.

■ **We upgrade our target multiple to 17.0x for UltraTech (vs. 16.0x earlier) and upgrade our PO to Rs 6,000. We dont see any material risk to our estimates. We maintain BUY.**

■ The stock currently trades at ~US$ 180/tonne and at PO it will trade at ~US$ 220/tonne.

JSW Steel (JSTL IN)

Outlook and valuation: We expect domestic spreads to improve in 4Q aided by steel price hikes. However JSWs benefits would be partially nullified by steep increase in domestic iron ore prices well. Delays in turnaround of the subsidiaries along with possibility of significant jump in net debt keeps us cautious on the company. Improving iron ore integration is a silver lining for future. In view of better spreads, we are increasing out target price to Rs 233 (SOTP). **However we maintain Sell on expensive valuation.** *(NMS)*

THE HITAVADA DATE : 26/1/2021 P.N.3

COMMODITY CALL

MCX-Lead remains above key support

AKHIL NALLAMUTHU

BL Research Bureau

After witnessing a price correction in December last year, the January futures contract of lead on the Multi Commodity Exchange (MCX) bounced off the support at ₹155 twice in the past three weeks. Last week, the contract gathered enough strength to break out of the prior high of ₹164.

The breakout occurred with substantial volume and the futures eased past both 21- and 50-day moving averages, indicating strong bullish momentum. However, what followed was a consolidation period wherein the contract was held within the price level of ₹164 and ₹167. Notably, during this phase the volume gradually declined.

Yet, the contract has managed to stay above the key level of ₹164 and indicators like the relative strength index and the moving average convergence divergence remain in their respective bullish territory. The trend will be inclined to upward as long as the contract trades above ₹164.

Traders can now stay on the side-line and initiate fresh long positions with stop-loss at ₹163 if the contract breaks out of ₹167. Targets can be ₹170 and ₹173.

BUSINESS LINE DATE : 26/1/2021 P.N.8

Copper futures trading sideways

AKHIL NALLAMUTHU

BL Research Bureau

Copper futures, after ending 2020 with huge gains, initially extended the rally in early January but started to moderate before a couple of weeks. That is, the February futures marked a high of ₹629.7 and is currently trading around ₹610. Looking at the recent price action, the contract seems to be in a sideways trend, oscillating between ₹605 and ₹620.

As the price has been consolidating of late, the contract has started to show signs of the bulls losing traction. The daily relative strength index (RSI) has been drifting lower and the moving average convergence divergence (MACD) on the daily chart has been tracing a downward trajectory. However, these are not signs of outright trend reversal and notably, both these indicators remain in their respective bullish territory. Also, the price continues to trade above the key support band of ₹595 and ₹600. At these levels, the 50-day moving average (DMA) coincide, making it a strong support. So, despite indications of weakness, the bias will be bullish until the price stays above the aforementioned price band.

However, given the prevailing price action, rather than going long at current level, traders can wait for signs of momentum improving. One can consider initiating longs if the contract breaks out of ₹620, a resistance level. Stop-loss can be at ₹610.

BUSINESS LINE DATE : 27/1/2021 P.N.4

Iron ore mining in Donimalai stops again

Stalemate over lease renewal and royalty continues

SURESH P IYENGAR
Mumbai, January 26

More than two years after it was first suspended, the Centre's efforts to make NMDC restart iron-ore mining operation at Donimalai in Karnataka has come to a naught with the State government persisting with unacceptable conditions on lease renewal.

Late September 2020, the Centre, the Karnataka Government and the Ministry of Steel had reached an agreement to extend the lease of the mine in favour of NMDC even as they agreed to set up a high-level committee to fix the percentage of royalty to be paid. Following this, the company started mining operation in December and shut it again in 10 days after it received a notice from the State government that the mine lease has been extended for four years from the date of lease expiry, with additional 22 per cent royalty, said sources close to the development.

Technically, it means two years of the lease is already over as the mine lease expired in 2018. NMDC now wants the lease to be extended for 20 years as it does not want the uncertainty on lease validity, the source added.

During the first half of this fiscal, NMDC logged sales of ₹5,505 cr

Supply shortage

The Central government is keen on restarting the mine since iron-ore prices have increased sharply in the past few months due to short supply. However, sources said the high-level committee promised by the Central government itself has not been formed, and it looks like another long haul for NMDC.

Seshagiri Rao, Joint Managing Director, JSW Steel, said the shortage of iron-ore supply in Karnataka still persists as the production in Donimalai has not started.

BUSINESS LINE DATE : 27/1/2021 P.N.8

'Copper mines around the world struggle to recover from Covid-19'

ANDY HOME, REUTERS

London, January 26

The deadly Covid-19 has taken a heavy toll on the world's copper mines. Output in key producer countries such as Peru cratered over the second quarter of 2020 as lockdowns and quarantine measures caused many mines to drastically to reduce operations.

Recovery has been patchy. Peruvian mines had just about returned to normal run-rates by October, but output in Chile, the world's largest copper producer, started sliding in the third quarter after a robust first half of the year.

Global mine output in the first 10 months of 2020 was still 0.5 per cent lower than 2019 levels, according to the International Copper Study Group (ICSG). What was supposed to be a year of mined supply growth turned out to be the second consecutive year of zero growth. The resulting supply chain stress is manifest in this year's benchmark smelter terms which are the lowest in a decade.

Global mine output of copper in the first 10 months of 2020 was 0.5% lower than 2019 levels

There is as yet no sign of a turnaround in the raw materials segment of the copper supply chain, suggesting full Covid-19 recovery could be a protracted affair. Treatment and refining charges, which are what a smelter levies for processing copper concentrates into refined metal, are the best indicator of what is going on in the opaque raw materials market. There's not enough concentrate to go around.

Falling benchmark

The benchmark terms for this year's shipments fell to $59.50 per tonne from what was already a low ball $62.00 in 2019. They haven't been this low since 2011, another year of mine supply stress, when they were settled at $56.00.

An unofficial ban on Australian material hasn't helped. Strained bilateral relations between Australia and China impacted Chinese purchases of copper concentrates, which fell to zero in December.

BUSINESS LINE DATE : 27/1/2021 P.N.8

Ferro chrome prices turn hot, increase 46%

Prices firm up on the back of pent-up demand from stainless steel industry and due to South Africa's likely export duty

SHOBHA ROY

Kolkata, January 26

Ferro chrome (ferrochromium) prices in the country have firmed up by nearly 46 per cent over the last 2-3 months on the back of reduced raw material supply and an anticipation of a pick-up in demand from the stainless steel industry.

Prices are currently ruling at around ₹95,000 a tonne, as against ₹60,000-65,000 a tonne in September-October, 2020. Production of chrome ore, which goes into making ferro chrome, was impacted due to Covid-induced lockdown which consequently pushed up prices of ferro chrome, said industry experts.

Globally, the total chrome ore production was nearly 34.3 million tonne (mt) in 2019. South Africa accounts for nearly 60 per cent of the global total production at around 20 mt while India produces around 4 mt.

Production of chrome ore in South Africa during the first nine months of 2020 was down by 32 per cent while the same in India was down by nearly 50 per cent, Kaushik Das, Vice-President and Sector Head, Corporate Sector Ratings, ICRA, told *BusinessLine*.

Ferro chrome is used in the production of stainless steel. Stainless steel production was down by nearly 7.6 per cent globally during the first nine months of 2020.

Ferro chrome is used in the production of stainless steel BLOOMBERG

"Production of stainless steel was down due to demand side issues following the lockdown induced slowdown. So the current price increase is more because of supply side push rather than demand side pull," Das said.

Chrome ore availability hit

South Africa accounts for 70 per cent of exports. While it previously used to convert most of its chrome ore into ferro chrome and export it, the increasing cost of electricity has impacted their ferro chrome production.

In India, there was a significant change in mining lease as on March 31, 2020, following which erstwhile lease expired with mines not operating for a few months. Ferro chrome producers, who do not have their own source of chrome ore supply, rely on merchant mines which were suffering from lower availability following the lockdown. This impacted production to some extent.

"The last six months have been challenging for the industry as domestic chrome ore production and availability was severely impacted. Subsequently, a slow ramp-up in ore production led to only partial feeding of the ferro chrome operations. This shortage of ore led to an increase in prices of around 42 per cent in Oct'20 auction," said Jagmohan Sood, Director, Jindal Stainless Steel.

Volatility in prices to remain

According to industry insiders, South Africa is likely to impose export duty on chrome ore and this is expected to have a positive impact on ferro chrome prices.

With the stainless steel industry gradually ramping up production in anticipation of a pick-up in demand, the demand for ferro chrome is likely to increase. In such a scenario, lower ferro chrome ore output is likely to push up prices in the near term, said industry experts.

Following the fresh lease of mines, the players have to pay a high premium for extraction of ore for majority of the production in India. This is likely to push up cost of extraction and keep ferro chrome prices firm.

"Ferro chrome prices have been volatile over the years because there are very few integrated players. Most players purchase ore from outside and that sets a floor and prices usually do not go below that. That creates volatility in prices and that is here to stay. The high premium for extraction of ore for majority of the production in India and the recovery in demand is likely to keep prices firm moving forward," said Das.

BUSINESS LINE DATE : 28/1/2021 P.N.7

MCX-Zinc takes support

AKHIL NALLAMUTHU
BL Research Bureau

The uptrend in the futures contract of zinc, that was established in March last year, has since then faced challenges twice. First, between August and October last year and second, during the current month.

The February futures contract, which was in a consolidation phase since early December, trading between ₹214 and ₹225, decisively broke below the lower boundary of the price band on Wednesday. This could be an indication that the contract might witness at least a corrective decline if not an outright trend reversal. The relative strength index (RSI) has been declining throughout the consolidation period and it entered the bearish zone. The moving average convergence divergence (MACD) has been charting a downward trajectory in the corresponding period and has slipped into the negative territory.

The 21-day moving average (DMA) is now below the 50-DMA. So, sell the contract with stop-loss at ₹216. It can fall to ₹200 and possibly to ₹190. Given the above indications, the contract is likely to depreciate from the current levels and so, traders can sell with stop-loss at ₹216. Price can fall to ₹200, below which the futures can be dragged to ₹190.

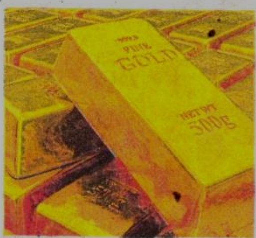
NAVBHARAT DATE : 29/1/2021 P.N.9

446.4 टन पर आई घटकर

सोने की मांग 35% घटी

एजेंसियां

मुंबई. देश की सोने की मांग बीते वर्ष यानी 2020 में 35 प्रश से अधिक घटकर 446.4 टन रह गई. विश्व स्वर्ण परिषद (डब्ल्यूजीसी) की एक रिपोर्ट में यह जानकारी दी गई है. डब्ल्यूजीसी की 2020 की सोने की मांग के रुख पर रिपोर्ट में कहा गया है कि कोरोना वायरस की वजह से लागू लॉकडाउन और बहुमूल्य धातुओं के दाम अपने सर्वकालिक उच्चस्तर पर पहुंचने के बीच सोने की मांग में गिरावट आई. हालांकि इसके साथ ही रिपोर्ट में कहा गया है कि अब स्थिति सामान्य हो रही है और साथ ही सतत सुधारों से उद्योग मजबूत हुआ है. ऐसे में इस साल 2021 में सोने की मांग में सुधार की उम्मीद है.



रिपोर्ट में कहा गया है कि 2020 में भारत की सोने की मांग 35.34 प्रतिशत घटकर 446.4 टन रह गई, जो 2019 में 690.4 टन थी. डब्ल्यूजीसी के आंकड़ों के अनुसार बीते साल मूल्य के हिसाब से सोने की मांग में 14 प्रश की गिरावट आई और यह घटकर 1,88,280 करोड़ रुपये रह गई. 2019 में मूल्य के हिसाब से सोने की मांग 2,17,770 करोड़ रुपये रही थी. इस बीच 2020 में आभूषणों की कुल मांग मात्रा के हिसाब से 42 प्रश घटकर 315.9 टन रह गई, जो 2019 में 544.6 टन रही थी. मूल्य के हिसाब से यह 22.42 प्रश घटकर 1,33,260 करोड़ रुपये रह गई, जो इससे पिछले साल 1,71,790 करोड़ रुपये रही थी. कोविड-19 की वजह से लागू अंकुशों के चलते आभूषणों की मांग प्रभावित हुई. रिपोर्ट में कहा गया है कि 2020 में देश का सोने का शुद्ध आयात 47 प्रश घटकर 344.2 टन रह गया, जो 2019 में 646.8 टन रहा था. डब्ल्यूजीसी के प्रबंध निदेशक भारत सोमसुंदरम पीआर ने कहा कि लॉकडाउन में ढील और चरणबद्ध तरीके से स्थिति को सामान्य करने के प्रयासों से बीते साल की चौथी तिमाही में सोने का आयात सालाना आधार पर 19 प्रश बढ़ा है. यह दबी मांग के सकारात्मक प्रभाव को दर्शाता है. रिपोर्ट में कहा गया है कि चौथी तिमाही में उपभोक्ता धारणा में सुधार हुआ और सोने की मांग में गिरावट कम होकर सिर्फ 4 प्रश रह गई. चौथी तिमाही में सोने की मांग 186.2 टन रही, जो इससे पिछले साल की समान तिमाही में 194.3 टन थी.

NAVBHARAT DATE : 29/1/2021 P.N.9

स्टील इंडस्ट्री को मिल सकती है बड़ी छूट

न्यूज एजेंसियां

दिल्ली. सरकार कुछ इस्पात उत्पादों पर उलटा शुल्क ढांचा यानी कच्चे माल पर अधिक दर से कराधान तथा तैयार सामान पर कम दर से कर लगाए जाने के मसले का समाधान कर सकती है. सरकार स्टेनलेस स्टील से बने चादर समेत अन्य फ्लैट उत्पादों के विनिर्माण में लगने वाले कच्चे माल पर सीमा शुल्क समाप्त करने पर विचार कर सकती है.

फिलहाल स्टेनलेस स्टील के फ्लैट उत्पादों में उपयोग होने वाले प्रमुख कच्चा माल फेरो निकेल और एसएस स्क्रैप पर आयात शुल्क मुक्त व्यापार समझौते (एफटीए) वाले देशों से आने वाले तैयार उत्पादों की तुलना में अधिक है. सूत्रों के अनुसार इससे घरेलू स्टेनलेस स्टील उद्योग पर प्रतिकूल प्रभाव पड़ रहा है. फेरो निकेल और एसएस स्क्रैप जैसे कच्चे माल भारत में भी पर्याप्त मात्रा और अच्छी गुणवत्ता में उपलब्ध नहीं है. इन कच्चे माल पर करीब 15 प्रतिशत शुल्क लगता है. उलटा शुल्क ढांचे का घरेलू उद्योगों पर प्रतिकूल प्रभाव पड़ता है, क्योंकि एक तरफ उन्हें शुल्क के रूप में कच्चे माल के लिये उच्च मूल्य देना होता है जबकि तैयार उत्पाद पर शुल्क कम है और फलतः लागत कम है.

THE HINDU DATE : 29/1/2021 P.N.12

India's gold demand fell to 25-year low in 2020: WGC

'Lockdown, high prices led to decline'

SPECIAL CORRESPONDENT
MUMBAI

Gold demand in India hit a 25-year low at 446.4 tonnes in 2020, compared with 690.4 tonnes in 2019 due to the COVID-19 induced lockdown and on account of record high prices, the India office of the World Gold Council said.

Total jewellery demand in India for 2020 was down by 42% at 315.9 tonnes compared with 544.6 tonnes in 2019. The value of jewellery fell 22% to ₹1,33,260 crore, from ₹1,71,790 crore in 2019.

Total investment demand for the calendar year was down by 11% at 130.4 tonnes in comparison with 145.8 tonnes in the previous year.

"India's gold demand dropped by over a third in 2020 settling at 446.4 tonnes, on the back of COVID-induced lockdowns and lifetime high prices," Somasundaram P.R., managing director, India, World Gold Council, said.

MCX-Aluminium shows weakness

AKHIL NALLAMUTHU
BL Research Bureau

Since the final week of November, 2020, the February futures of aluminium on the Multi Commodity Exchange (MCX) has been charting a sideways price pattern. It has been largely fluctuating between ₹160 and ₹168.

There are signs of bearish inclinations that the contract has started to display over the past one month. That is, during this period, the contract has formed a lower high and the price is currently below both 21- and 50-day moving averages (DMAs).

The 21-DMA has crossed below the 50-DMA, a potential indication of medium-term bearish trend reversal. Also, the volume with which the contract fell on Wednesday is another sign. Additionally, indicators like the relative strength index (RSI) and the moving average convergence divergence (MACD) on the daily chart are signalling bearish signs. The RSI has slipped below the mid-point level of 50 whereas the MACD has entered the negative territory. However, ₹160 is a considerable support. So, traders can take the breach of this support level as confirmation and once that occurs, fresh short positions can be initiated with stop-loss at ₹164. Below ₹160, the contract is likely to decline to ₹154 – the 50 per cent retracement level of previous uptrend.

BUSINESS LINE DATE : 29/1/2021 P.N.8

Copper breaks links with Chinese bond yields

Very high levels of speculation in the red metal

SANDEEP DAGA

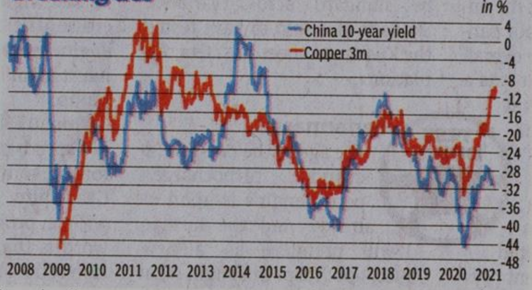
January 28

Looking back at 2020, it appears that copper was a perfect story for the bulls to ride on. Stockpiling in China, strong industrial recovery, disrupted mines and flip-flop on Chinese scrap import policy created a deficit of metal.

The metal's exchange inventories fell by 67 per cent in a year. The International Copper Study Group (ICSG) assessed nearly 500 kt of seasonally-adjusted deficit in last 12 months.

While fundamentals had supported higher prices from March lows, the key question is whether prices have gone too far. If Chinese bond yields are any guide, it looks like speculators have built-in premium beyond Chinese growth potential. Any country's 10-year bond yield is a typical indicator of its growth trend. Generally, bond yields rise ahead of economic recovery. Inversely, yields fall once market anticipate peaking of growth cycle.

Breaking ties



Source: investing.com

The chart shows that Chinese 10-year bond yields bottomed in 2009 and peaked in 2011. Copper, that tracks industrial recovery in China, has been following bond yields for the same reason. The year 2014 is an exception as when Chinese bond yields spiked due to shooting inflation, the two trends —copper and 10Y bond yields — have moved almost together.

Hope of recovery

Since March 2020, both have trended higher together. However, in the latest rally, copper's rise has outpaced bond-yields by the widest margin in the past 12 years. This means that there is hope of recovery in copper prices than what the (a far larger set of) bond investors think.

Interestingly, Chinese bond yields have nudged lower in the recent weeks. This could be caused by slowing flow of stimulus, tightening restrictions on home ownership and rising cases of Covid-19 causing regional lockdowns. Yet, copper prices have shown no respect for the change. This suggests that speculative strength in copper is stubbornly high and is far bigger than the last stimulus cycle of 2009-2011.

The breakdown of link between Chinese bond-yields and copper prices is just another example (amongst many) of how far the red metal has diverged from the ground reality.

The writer is founder, CEO of Metal Intelligence Centre (MIC), an information hub for metals. Views are personal.

BUSINESS LINE DATE : 29/1/2021 P.N.9

At 446 t, gold demand in 2020 dips to lowest in 25 years

High prices and lockdown keep buyers away

OUR BUREAU

Mumbai, January 28

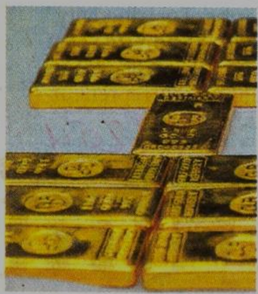
Hit by high prices and the unprecedented Covid pandemic, India's gold demand in 2020 plunged to the lowest in 25 years at 446 tonnes.

This is a 35 per cent drop compared to 690 tonnes logged in 2019.

Gold jewellery demand fell sharply by 42 per cent to 316 tonnes compared to 545 tonnes in 2019 while gold investment was down 11 per cent to 130 tonnes (146 tonnes).

In terms of value, the offtake was down 14 per cent at ₹1.88-lakh crore (₹2.17 lakh crore) while jewellery sales dipped 22 per cent to ₹1.33-lakh crore (₹1.71-lakh crore).

However, investments in gold increased 20 per cent to ₹55,020 crore (₹45,980 crore) even as the price zoomed to ₹42,182 per 10 gram (₹31,542). Somasundaram PR, Managing Director (India), World Gold Council, said: "We could see a strong spurt in gold demand for the next few years, a repeat of what happened after a sharp drop in 2009," he said.



In value terms, investments in gold increased 20 per cent

Easing of the lockdown and a steady course of reforms will strengthen the industry, he said.

In addition, current high stock indices and low-interest rates will add significant weightage to gold amidst the inevitable return of celebrations and festivities, Somasundram said. Despite signs of revival in gold sales due to the fall in prices in the December quarter, sales dipped four per cent to 186 tonnes (194 tonnes) and that of jewellery dropped eight per cent to 137 tonnes (149 tonnes).

However, investment demand was up 8 per cent to 49 tonnes. Gold demand in value was ₹82,790 crore, an increase of 26 per cent compared to ₹65,890 crore logged in December quarter of 2019. Jewellery and investments were up 21 per cent and 41 per cent at ₹61,060 crore and ₹21,730 crore, respectively.

Economic revival

Suvankar Sen, CEO, Senco Gold and Diamonds, said the revival of economic activity will push up the purchasing power and gold demand this year should grow by 10-15 per cent in terms of volume while prices should range between ₹45,000 and ₹55,000 per 10 gm.

BUSINESS LINE DATE : 30/1/2021 P.N.9

Singareni Collieries budgets ₹2,550 crore for FY22

OUR BUREAU

Hyderabad, January 29

The Board of Directors of State-owned Singareni Collieries Company Limited has finalised a ₹2,550-crore annual budget for 2021-22 and ₹1,750 crore for 2020-21.

After the board meet today, N Sridhar, Chairman and Managing Director of Singareni Collieries, said that it was decided to deposit ₹10 per tonne of coal production in the Coal Mines Pension Scheme (CMPS) to help the pensioners.

He said that their retired mine workers are paid from the Coal Mines Provident Fund (CMPF) in full along with the pension paid monthly (CMPS) which is calculated based on their tenure.

The number of workers retiring has gone up, and hence, there is a shortfall of funds. To bridge this gap, this move by Singareni of paying ₹10 for every tonne of coal produced to the CMPS fund, along with Coal India, is expected to help the retirees. This decision will be implemented from December 19, 2020, and help in the smooth payment of pension to the retired workers.

The Board primarily agreed to award small contract works to SC and ST communities as per the Telangana State Government GO No. 59. The framework and procedure with regard to this will be formed as per the Government GO.

THE ECONOMIC TIMES DATE : 30/1/2021 P.N.5

Vedanta Net Up 59% at ₹4,224 cr on Higher Prices

MUMBAI: Vedanta reported a 59% rise in consolidated net profit at ₹4,224 crore for the December quarter of FY 21 as against a net profit of ₹2,665 crore during the same period last year mainly on account of increased commodity prices and better sales volumes in Zinc and Iron Ore businesses.

The company reported a net profit of ₹1,657 in Q2 of FY 21.

"We continue to ramp up across the Zinc and Iron & Steel verticals along with successful project delivery in the Oil & Gas vertical. Aluminium business has had yet another exemplary quarter as it continued the momentum of cost nationalisation," said unil Duggal, CEO, Vedanta.

The company's cash and cash equivalents stands at ₹27,055 crore. Net debt was at ₹35,357 crore on 31st December 2020, higher by ₹14,084 crores as compared to 31st March 2020.

"Net debt to ebitda continues to be strong at 1 -1.5 range, we do expect it to come back to around 1 by March of FY 21. In Q4 we believe we will be able to reduce by debt by around ₹5,000 crore based on our strong earnings and other cost profile" said GR Arun Kumar, chief financial officer, Vedanta. — **Our Bureau**

₹3,300 एक दिन में बढ़ी

₹70,000 हुई चांदी

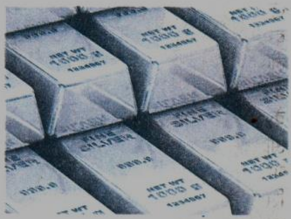
तेजी के लगाए जा रहे थे कयास

व्यापार प्रतिनिधि

नागपुर. शुक्रवार को चांदी की कीमतों में आई तेजी ने सभी को चौंका दिया. इसके साथ ही शहर में पक्की चांदी 70,000 रुपए प्रति किलो के स्तर को पार कर गई. जानकारों के अनुसार चांदी ने पहली बार इस स्तर को पार किया है. शहर में यह 3,300 रुपए महंगी होकर 70,300 रुपए प्रति किलो पर बंद हुई. सोना भी 300 रुपए महंगा होकर 50,850 रुपए प्रति 10 ग्राम हो गया. चांदी की कीमतों में पहले ही तेजी के कयास लगाए जा रहे थे. कहा जा रहा है कि आने वाले समय में ऑटोमोबाइल सेक्टर काफी अच्छा प्रदर्शन करेगा. ऑटोमोबाइल में चांदी का बड़े पैमाने पर इस्तेमाल होता है. भविष्य में इलेक्ट्रिक वाहनों की मांग और डिमांड बढ़ने की संभावना ने भी चांदी की चमक बढ़ा दी.

वायदा कीमतों में तेजी

अंतरराष्ट्रीय बाजार में सोना तेजी के साथ 1,844.35 डॉलर प्रति औंस पहुंच गया जबकि चांदी का भाव 26.35 डॉलर प्रति औंस पर लगभग अपरिवर्तित रहा. मजबूत हाजिर मांग के कारण सटोरियों ने ताजा सौदों की लिवाली की जिससे वायदा कारोबार में शुक्रवार को सोना 182 रुपये की तेजी के साथ 49,118 रुपये प्रति 10 ग्राम हो गया. मल्टी कमोडिटी एक्सचेंज में अप्रैल में डिलीवरी वाले सोना वायदा की कीमत 182 रुपये यानी 0.37 प्रतिशत की तेजी के साथ 49,118 रुपये प्रति 10 ग्राम हो गई. इसमें 11,910 लॉट के लिये कारोबार किया गया.



बाजार विश्लेषकों ने कहा कि कारोबारियों द्वारा ताजा सौदों करी लिवाली के कारण सोना वायदा कीमतों में तेजी आई. अंतरराष्ट्रीय बाजार, न्यूयॉर्क में सोना 0.33 प्रतिशत की तेजी दर्शाता 1,847.30 डॉलर प्रति औंस चल रहा था. मजबूत हाजिर मांग के कारण कारोबारियों ने अपने सौदों के आकार को बढ़ाया जिससे वायदा बाजार में शुक्रवार को चांदी वायदा कीमत 1,413 रुपये की तेजी के साथ 69,008 रुपये प्रति किलो हो गई. मल्टी कमोडिटी एक्सचेंज में चांदी के मार्च में डिलीवरी वाले अनुबंध की कीमत 1,413 रुपये यानी 2.09 प्रतिशत की तेजी के साथ 69,008 रुपये प्रति किलो हो गयी जिसमें 13,637 लॉट के लिये कारोबार हुआ. बाजार विश्लेषकों ने कहा कि चांदी वायदा कीमतों में तेजी आने का कारण घरेलू बाजार में तेजी के रुख के की वजह से कारोबारियों द्वारा ताजा सौदों की लिवाली करना था. वैश्विक स्तर पर न्यूयार्क में चांदी की कीमत 2.21 प्रतिशत की तेजी के साथ 26.50 डॉलर प्रति औंस चल रहा था.

LOKMAT DATE : 30/1/2021 P.N.2

खाणीच्या जागेवर अधिक खोदकाम

लोकमत न्यूज नेटवर्क

हिंगणा : तालुक्यातील कवडस शिवारातील काही जागा गिट्टीच्या खाणीसाठी लीजवर देण्यात आली आहे. संबंधिताने त्या जागेवर वाजवीपेक्षा अधिक खोदकाम केल्याची तक्रार प्राप्त होताच महसूल व खनिकर्म विभागातील अधिकाऱ्यांनी धाड टाकून पाहणी केली.

कवडस शिवारात सुरू असलेले अवैध खोदकाम.

महसूल व खनिकर्म विभागाने कवडस शिवारातील काही जमीन गिट्टीच्या खाणीसाठी लीजवर देण्यात आली. ही जमीन निहार जयंत खडतकर व संजय चंद्रशेखर इंगळे यांच्या मालकीची आहे. खाण मालकाने लगतच्या सर्वे क्रमांक- २२५/१ मधील सहा हेक्टर जागेवर अतिक्रमण करण्यात आल्याची तक्रार महसूल व खनिकर्म विभागाकडे करण्यात आली होती. त्या अनुषंगाने खनिकर्म विभागाचे जी.एन. पाटील, हिंगणा तहसील कार्यालयातील नायब तहसीलदार महादेव दराडे, तलाठी रवींद्र गायगोले यांच्यासह कर्मचाऱ्यांनी शुक्रवारी (दि. २९) दुपारी धाड टाकून पाहणी केली.

अधिकाऱ्यांना या ठिकाणी १६० ते १८० मीटर लांब व रुंद, तसेच ३० मीटरपर्यंतचे अतिरिक्त खोदकाम करून दगड काढण्यात येत असल्याचे आढळून आले. तिथे ब्लास्टिंगची मशीनही आढळून आली. हा भाग वन विभागाच्या बफर झोनमध्ये येत असल्याने, येथे स्फोट घडवून आणण्याची परवानगी नाही. अधिकाऱ्यांनी संबंधितांना रॉयल्टी व इतर कागदपत्रांची विचारणा केली. मात्र, कुणीही कागदपत्रे सादर केली नाहीत. हे खोदकाम रोड तयार करणारी केसीसी नामक कंपनी करीत असल्याचे निदर्शनास आले. त्यामुळे प्रशासन नेमकी काय कारवाई करते, याकडे लक्ष लागले आहे.

BUSINESS LINE DATE : 30/1/2021 P.N.4

ArcelorMittal Nippon Steel bags ₹5,000-cr Posco order

OUR BUREAU

Mumbai, January 29

ArcelorMittal Nippon Steel (AM/NS) India has signed an MoU with Posco Maharashtra Steel to supply hot rolled coils worth ₹5,000 crore this year. This is the two firms' sixth supply agreement since 2015.

As part of the agreement, AM/NS India and Posco Maharashtra Steel, the Indian subsidiary of South Korean steel major Posco, will jointly work to enhance the quality of steel and develop new value-added gradesand solutions to consumers.

Dilip Oommen, CEO, AM/NS India, said the company has been focussing on value addition and development of value-added grades.

Sung Lae Chun, Chief Managing Director, Posco Maharashtra Steel, said it is a benchmark relationship globally.

AM/NS has an integrated manufacturing facility at Hazira in Gujarat with a capacity of 9 mtpa, and is strategically located to support the Posco Maharashtra Steel facility with hot rolled coil for the manufacture of cold rolled and coated steel.

Vedanta's Q3 net climbs 58% on higher realisation

OUR BUREAU

Mumbai, January 29

Vedanta, a conglomerate with varied interest in metals and mining, has reported a 58 per cent rise in its net profit in the December quarter at ₹4,224 crore, against ₹2,665 crore in the same period last year, on lower cost and higher realisation. Income from operations was up 6 per cent at ₹22,498 crore (₹21,126 crore). Total expenses were down at ₹18,211 crore (₹18,369 crore).

Ebitda increased 18 per cent to ₹7,695 crores, the highest in the last 11 quarters.

Sunil Duggal, CEO, said the businesses stayed resilient in the quarter amid uncertain market environment.

THE HITAVADA DATE : 31/1/2021 P.N.5

SAIL posts Rs 1,468 cr net profit in Dec qtr

NEW DELHI, Jan 30 (PTI)

STATE-OWNED steel maker SAIL has reported a consolidated net profit of Rs 1,468 crore in the quarter to December 2020, mainly on account of higher income.

The company had a net loss of Rs 343.57 crore during the same quarter a year ago, the Steel Authority of India Ltd (SAIL) said in a BSE filing late night on Friday.

During October-December, the company's total income jumped to Rs 19,997.31 crore from Rs 16,714.87 crore in the year-ago period.

Its total expenses stood at Rs 16,406.81 crore, compared to Rs 17,312.64 crore a year ago.

In a statement, SAIL said it produced 4.37 million tonnes (MT) crude steel, registering a growth of 9 per cent over the corresponding period last year.

During the quarter under review, the company produced 4.15 MT of saleable steel, a rise of 6 per cent.

SAIL Chairman Soma Mondal said, "SAIL has shown overall improvement during the current financial year despite all the challenges. With the focus on seizing opportunities, the company has geared up to service the rising steel demand in the market as soon as the gradual opening of lockdown started."

SAIL, under the Ministry of Steel, is the country's largest steel maker having an installed capacity of about 21 million tonnes per annum.

BUSINESS LINE DATE : 31/1/2021 P.N.6

Silver steals a march over gold

Investors can consider buying silver futures which is projected to touch ₹75,000 in short term

AKHIL NALLAMUTHU
BL Research Bureau

BE CAUTIOUS
There are talks that reddit traders, who blew up short sellers in the stock of GameStop, are hitting silver with a similar notion

A couple of important data points came out last week which are expected to have an impact on bullion prices. The World Gold Council (WGC) released its full year demand and supply statistics for gold and Bureau of Economic Analysis (BEA) in the US came out with GDP (Gross Domestic Product) growth numbers.

According to WGC data, demand for gold in the fourth quarter of 2020 dropped by a significant 28 per cent to 783.4 tonnes compared to corresponding quarter in 2019 when it stood at 1,082.9 tonnes. The drop in yearly demand was largely due to outflows from ETFs (exchange-traded funds) and reduction in jewellery demand as gold prices remained at elevated levels. This has pulled down the total demand for the whole of 2020 by 14 per cent to 3,759.6 tonnes from 4,386.4 tonnes in 2019.

The US economy contracted by 3.5 per cent in 2020 compared to a growth of 2.2 per cent in 2019, as per the BEA release. In the fourth quarter of last year, the growth stood at 4 per cent, compared to 33.4 per cent growth in the third quarter. Nevertheless, the dollar managed to hold up and the dollar index ended last week marginally higher at 90.58. A further gain in the dollar can exert downward pressure on bullion prices.

Gold prices stayed flat for the week on a close-to-close basis but silver rallied. On Multi Commodity Exchange (MCX), gold futures ended the week flat at ₹49,337 (per 10 grams) and silver futures wrapped up the week at ₹69,706 (per 1 Kg), gaining 4.6 per cent.

ISTOCK.COM/PETESALOUTOS

Now, there are talks that the reddit traders, who blew up short sellers in the stock of GameStop, are hitting silver with a similar notion. Though silver can be too big when compared to a stock, there can be some reaction in silver if not at the magnitude of GameStop. So, one should be wary of abrupt price changes.

MCX-Gold (₹49,337)

Though the weekly close appears flat for gold futures, there was enough volatility intraweek, induced by the dollar. At a broader level, the April futures contract of gold is held in the price band of ₹48,600 to ₹49,750. While the ₹48,600 level has been preventing the contract from falling since early December last year, ₹49,750 is a considerable resistance where both 21- and 50-day moving averages (DMA) coincide, which implies these levels might not give in easily. It may not be an easy task for the gold futures to break out of this range.

Even if the relative strength index (RSI) and the moving average convergence divergence (MACD) indicators on the daily chart stay in the bearish zone, the course of short-term trend will continue to be uncertain. The direction of the break may provide us with clues. Taking the above factors into account, participants looking for quick trades should be cautious. A range trading strategy may be more suitable as long the contract trades between ₹48,600 and ₹49,750.

Irrespective of above factors, the major trend is still looking upwards and traders/investors with a time horizon of one year and above can go in with fresh longs since the contract can potentially touch ₹56,000 in a year. Beyond that it can rise to ₹60,000. En route upwards, it can face a roadblock at ₹52,000, which eventually is expected to be invalidated. The long-term uptrend will not be altered until the price stays above ₹47,650.

MCX-Silver (₹69,706)

After opening on a flat note, the March futures contract of silver was trading on a sober note for most part of the week. But then on Thursday, it witnessed sudden buying resulting in the price crossing over a key hurdle at ₹68,000. Though the futures retraced below that level by the end of that session, it broke out of the price point on Friday after bouncing off its 50-DMA support at around ₹65,800. Consequently, the RSI and the MACD indicators on the daily chart have climbed into the respective bullish territory. The average directional index (ADX) indicates that the rally is gaining strength. Thus the outlook has turned positive for silver.

Although the contract has its immediate resistance at ₹71,600, its movement suggests that a breakout is highly likely. So, traders and investors can consider buying silver futures. In the short run, a rally towards ₹75,000 is projected and over the next year or so it can possibly appreciate to ₹80,000 and even ₹85,000. So long as the price stays above ₹60,000, the overall uptrend will remain intact.

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