खनिज समाचार

KHANIJ SAMACHAR

Vol. 5, No-20

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

The Central Library, IBM, Nagpur is providing the Classified Mineral News Service since many years on monthly basis in print form. To expand this service to the IBM Offices all over India i.e. H.Q., Zonal & Regional Offices and to take a call of time, the Controller General, IBM desired to make this service online on fortnightly basis. The library officials made sincere efforts to make it successful. This is the **20th** issue of **Volume-5** for the service named **Khanij Samachar** for the period from **16th -31st Oct, 2021** .The previous issue of Khanij Samachar **Vol. 5, No.19 , 1st -15th Oct, 2021 is** already uploaded on IBM Website www.ibm.gov.in .

In continuation of this it is requested that the mineral related news appeared in the Local News Papers of different areas can be sent to Central Library via email **ibmcentrallibrary@gmail.com** (scanned copy) so that it can be incorporated in the future issues to give the maximum coverage of mining and mineral related information on Pan India basis.

All are requested to give wide publicity to it and it will be highly appreciated if the valuable feedback is reciprocated to above email.

Mrs. R. S. Wakode
Assistant Library & Information Officer
Central Library
ibmcentrallibrary@gmail.com
0712-2562847
Ext. 1210 , 1206

खनिज समाचार

KHANIJ SAMACHAR

A FORTNIGHTLY NEWS CLIPPING SERVICE

FROM

CENTRAL LIBRARY

INDIAN BUREAU OF MINES

VOL. 5, NO-20 , 16th – 31st OCTOBER , 2021

BUSINESS LINE DATE : 17/10/2021 P.N.6

BULLION CUES

Bulls tighten their grip on bullion

Gold and silver futures on the MCX remain above key levels

AKHIL NALLAMUTHU
BL Research Bureau

TRADING STRATEGY

Go long on MCX gold futures and maintain stop-loss at ₹46,200.

Energy crisis and inflation concerns resulted in metal prices rallying sharply and bullion, considered as a hedge against inflation, was also a beneficiary.

The latest US inflation data released by the US Bureau of Labour Statistics (BLS) last week, showed that the inflation remained at elevated levels of 5.4 per cent in the month of September (it was at 5.3 per cent in August).

This makes the case stronger for gold and silver prices to firm up and this trend can be expected to continue. Last week, gold and silver gained 0.6 per cent and 2.7 per cent as they ended at $1,767.3 and $23.28 per ounce, respectively. On the domestic front, gold futures appreciated by a marginal 0.4 per cent for the week and closed at ₹47,213 (per 10 grams), whereas silver futures posted a 2.4 per cent gain by wrapping up the week at ₹63,271 per kg.

The bullishness seems to have better reflected in silver because of its close association with other metals, which rallied strongly on the back of the power crisis.

Net long positions on the COMEX did not change over the last week and stood at 590 tonnes on Tuesday. It is to be noted that the net long positions had increased in the week earlier for the first time in about a month. This is expected to rise having a positive impact on the prices.

MCX-Gold (₹47,213)

A close above the 21-day moving average (DMA) and the falling trendline in the week before last week set the tone for the gold futures on the MCX last week. The December futures began the week positively and rallied to mark a two-month high of ₹48,100 on Thursday.

However, there was a considerable drop in price on the truncated Friday session which resulted in the contract giving up most of the gains it made, ending with just a 0.4 per cent rise.

Thus, the resistance band of ₹47,800 and ₹48,000 seems to have succeeded in preventing the bulls from taking the contract beyond these levels.

But positive signs continue to stay valid i.e., the relative strength index (RSI) and the moving average convergence divergence (MACD) stay in their respective positive territory.

The price continues to stay above both 21- and 50-DMAs. Going ahead, gold futures is likely to regain the upward momentum and pursue its push to invalidate the resistance at ₹48,000, which will most probably be breached. Hence, traders can go long in futures and maintain stop-loss at ₹46,200.

A breakout of ₹48,000 can strengthen the rally and therefore the contract could swiftly touch ₹49,000 in the near-term. Above this, gold futures will set its sights on ₹50,000.

As a risk management measure, traders can shift the stop-loss upwards to ₹47,200 if the contract moves beyond ₹48,000.

On the other hand, if the contract drops from Friday's close, the immediate support levels can be spotted at ₹46,700 and ₹46,000. A decline below ₹46,000 is less likely.

MCX-Silver (₹63,271)

The silver futures made better progress last week in comparison to gold futures. The December contract managed to move above the falling trendline on Wednesday and on Thursday, it closed above the key resistance of ₹63,000 and 50-DMA, a bullish signal. Notably, silver price did not fall, unlike gold, on Friday, thereby outperforming gold on weekly basis.

The bullish undercurrent is substantiated by the RSI and the MACD on the daily chart, as they show steady upward movement and the price action since the beginning of October hints at healthy recovery and high probability of the rally being extended.

Besides, the total number of outstanding open interests (OIs) of all active futures on the MCX went up to 11,937 on Friday from 11,376 contracts by the end of the preceding week. Increase in OI along with an increase in the contract price means fresh long positions are being built-up.

While ₹64,300 can be the nearest resistance, the contract can take this out with ease and appreciate to ₹65,600, where it can pause or even see a minor correction. Resistance above ₹65,600 is at ₹67,700.

Considering the above factors, one can go long at current levels with stop-loss at ₹61,300 for an initial target of ₹65,600. Consider booking partial profits at this level.

If this resistance is invalidated, carry the remaining longs for the subsequent target of ₹67,700. Shift the stop-loss up to ₹64,000 if the contract rallies past ₹65,600. In case the contract falls from current levels, it can find support in the price area of ₹62,500 and ₹63,000. Subsequent support can be spotted at ₹61,500.

Scan & Share

NAVBHARAT DATE : 18/10/2021 P.N.9

प्रभावित होगा घरेलू स्पॉन्ज आयरन क्षेत्र

कोयला संकट का असर

■ दिल्ली, न्यूज एजेंसियां. शीर्ष उद्योग निकाय एमआईएमए के मुताबिक अगर कोयले की कमी बनी रही तो घरेलू स्पॉन्ज आयरन उद्योग दिसंबर तिमाही में नकारात्मक वृद्धि दर्ज कर सकता है. स्पॉन्ज आयरन विनिर्माता संघ के कार्यकारी निदेशक दीपेंद्र काशिवा ने कहा कि मौजूदा कोयला संकट के बीच जुलाई-सितंबर 2021 के दौरान भारत के स्पॉन्ज आयरन उत्पादन में इससे पिछली तिमाही के मुकाबले 60 प्रतिशत तक गिरावट हो सकती है. जेपीसी के आंकड़ों के मुताबिक जनवरी-मार्च 2021 के मुकाबले अप्रैल-जून 2021 में स्पॉन्ज आयरन उत्पादन 70 प्रतिशत बढ़ा था. उन्होंने बिना कोई ब्योरा दिए कहा कि चालू वित्त वर्ष की दूसरी तिमाही में इसके 60 प्रतिशत घटकर 10 फीसदी के स्तर पर आने की आशंका है. काशिवा ने कहा अगर हालात ऐसे ही बने रहे और कोयले की कमी बनी रही तो मुझे आशंका है कि तीसरी तिमाही (अक्टूबर-दिसंबर) में नकारात्मक वृद्धि होगी.

रोकी जा रही आपूर्ति

उन्होंने कहा कि सितंबर के जेपीसी के आंकड़े अगले सप्ताह तक जारी कर दिए जाएंगे. इस्पात मंत्रालय के तहत संयुक्त संयंत्र समिति (जेपीसी) एकमात्र संस्था है जो भारतीय इस्पात और लौह क्षेत्र के आंकड़े जमा करती है. उन्होंने कहा कि कोल इंडिया लिमिटेड ने हाल ही में केवल ताप बिजली संयंत्रों को कोयला देने की घोषणा की है और बाकी उद्योगों को आपूर्ति रोकी जा रही है. बिजली क्षेत्र के बाद स्पॉन्ज आयरन और सीमेंट उद्योग कोयले के दो बड़े उपभोक्ता हैं.

THE INDIAN EXPRESS DATE : 18/10/2021 P.N.13

EXPORTS WATCH
APR-SEPT

As demand picks up, gems & jewellery exports bounce back to pre-Covid levels

ENS ECONOMIC BUREAU
MUMBAI, OCTOBER 17

GEMS & jewellery exports, hit by the Covid pandemic last year, have bounced back and gained momentum in the first half of the fiscal year. During April to September 2021, the overall gross exports of gems & jewellery recorded a growth of 136.95 per cent to $18.98 billion as compared to $8.01 billion in April-September 2020 as demand picked up across the world.

According to the Gem and Jewellery Export Promotion Council (GJEPC), exports of cut and polished diamonds jumped 124.9 per cent to $12.37 billion from $5.50 billion in the same period of last year. Diamond exports rose by 20.24 per cent and total gem and jewellery exports gained 5.13 per cent from the April-September 2019 period before the pandemic hit the country.

Colin Shah, chairman, GJEPC, said, "The sector has already achieved nearly half (46 per cent) of the $41.66 billion exports target set by the government. The sentiment in the industry is incredibly positive with markets opening up and demand gradually returning to normal."

"GJEPC successfully concluded the International Gem & Jewellery Show (IGJS) in Dubai recently. We have received particularly good feedback from the exhibitors and buyers. Moreover, with the festive season coming up, we are optimistic to achieve the export target by the end of the financial year," Shah said. Being a labour-intensive industry and looking at the growth potential in the sector, the government has declared gems and jewellery sector as a focus area for export promotion.

During April to September 2021, gross exports of gems & jewellery recorded growth of 136.95 per cent to $18.98 bn, as compared to $8.01 bn in the year-ago period

The space transfer policy announced on October 11, 2021 by the Department of Commerce will significantly facilitate ease of doing business in Special Economic Zones (SEZ), which account for a 30 per cent share in India's total gem and jewellery exports.

During September 2021, overall gross exports of gems & jewellery have shown a decline of 0.99 per cent to Rs 23,259.550 crore (-4.03 per cent in dollar terms to $3162.25 million) as compared to Rs 23,491.20 crore ($3294.87 million) in September 2019.

Full report on www.indianexpress.com

THE ECONOMIC TIMES DATE : 18/10/2021 P.N.8

Coal Imports Drop in Aug Despite Higher Demand from Power Cos

Press Trust of India

New Delhi: India's coal imports registered a decline of 2.7% to 15.22 million tonnes (MT) in August this year amid the country's power plants grappling with fuel shortages. The country imported 15.64 MT of coal in the corresponding month last year.

According to data compiled by mjunction services, "Imports in August 2021 stood at around 15.22 million tonnes... imports in August 2021 were also down by 2.7% over August 2020."

mjunction CEO Vinaya Varma attributed the decline in volumes to the steady increase in seaborne coal prices coupled with the initiatives taken by the domestic miners for import substitution.

However, he said, there is a spurt in demand from the power sector. "What impact it will have on imports, given the volatility in international prices, is to be seen," he added.

Of the total import during August 2021, non-coking coal was at 9.08 MT, against 10.33 MT imported during August last year. Coking coal imports were at 4.37 MT, up against 3.17 MT imported during August 2020.

India's coal imports during August 2021 through the major and non-major ports are estimated to have decreased by 6.71% over July 2021. Imports in July stood at 16.31 MT.

During April-August 2021, coal import stood at 92.49 MT, about 21.27% higher than 76.27 MT imported during April-August 2020.

During April-August 2021, non-coking coal import was at 60.85 MT as compared to 51.23 MT imported during April-August 2020. Coking coal imports were recorded at 22.19 MT, against 14.38 MT imported during the same period last year.

Coal India, which accounts for over 80% of domestic coal output, had earlier said that due to skyrocketing coal prices in international markets, all the consumers have been vying for domestic coal, hiking up the demand.

Coal minister Pralhad Joshi on Thursday said closure of some mines, and inundation of a few others due to monsoon led to the crisis but there is no need to panic as the situation is improving.

THE HINDU DATE : 19/10/2021 P.N.6

Singareni Collieries Company Limited is prepared to supply 1.9 lakh tonnes of coal every day, says company CMD N. Sridhar. • FILE PHOTO

SCCL to scale up coal production

'No fuel scarcity for thermal power generation'

SPECIAL CORRESPONDENT
HYDERABAD

Chairman and Managing Director of the Singareni Collieries N. Sridhar has categorically ruled out the possibility of fuel scarcity for the thermal power generation units in State.

In view of reports about coal shortage in a few States, Mr. Sridhar conducted a review meeting through video conference with the directors and general managers of SCCL from 11 areas about scaling up production of coal.

He made it clear that sufficient coal is being transported to the thermal generation units on daily basis, hence, there is no question of scarcity. The units have not faced any scarcity for the past seven years, and the same trend will be continued in future too, he assured.

Apart from local consumption, coal is also being exported to Andhra Pradesh, Karnataka, Maharashtra and Tamil Nadu, which have supply agreements with SCCL. The supply will be scaled up in the coming days, Mr. Sridhar said.

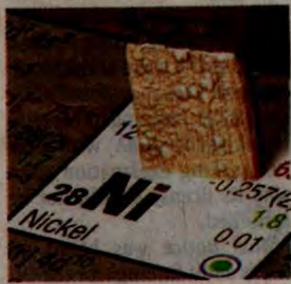
Singareni Thermal Power Plant is at sixth position in the country in terms of plant load factor by achieving good plant load factor, he said. Measures are being taken to meet targets of coal supply from all open cast and underground mines, and Singareni is prepared to supply 1.9 lakh tonnes of coal every day. Starting from next month, the supply will be scaled up to two lakh tonnes, he informed, and asked the officials concerned to gear up for meeting the targets. The targets of exports to other States, fixed by the Ministry of Coal, are also being met without fail, he said.

The ministry has sought scaled up production and supply from the SCCL, owing to coal shortage experienced by various thermal power plants in other States. All permissions and funding required for increased production will be green channelled, in view of the crisis situation, Mr. Sridhar said, and called for solidarity with the nation.

BUSINESS LINE
DATE : 19/10/2021 P.N.8

COMMODITY CALL

Bet long on MCX nickel



GURUMURTHY K
BL Research Bureau

The uptrend in the nickel futures contract traded on the Multi Commodity Exchange (MCX) is gaining momentum. The contract surged 3.3 per cent last week and has closed on a strong footing. It has also begun this week on a positive note and traded at ₹1,564.10 per kg on Monday evening.

Immediate resistance is at ₹1,585, which can hold on to its first test. A short-lived pull-back move to ₹1,550-₹1,540 or ₹1,520 cannot be ruled out. However, the broader view continues to remain bullish. There is an inverted head and shoulder bullish pattern visible on the chart. The neckline support of this pattern is at ₹1,545. Another strong support is at ₹1,520. As such, the expected pull-back from ₹1,585 could be limited to ₹1,545-₹1,540 or ₹1,520.

The outlook will remain bullish as long as the contract stays above the ₹1,540-₹1,520 support zone. It also keeps chances of the contract breaking above ₹1,585 high eventually in the coming days. Such a break will lead to a fresh rise to ₹1,750-₹1,800.

Traders with a short-term perspective can go long at current levels. Accumulate longs on dips at ₹1,555 and ₹1,530. Keep the stop-loss at ₹1,480. Book profits at ₹1,730.

LOKMAT DATE : 20/10/2021 P.N.5

यंत्रणा दावणीला बांधून ब्लॅकगोल्डचे ब्लॅकमार्केटिंग

(पान १ वरून) उखळ पांढरे करून घेत असल्याचे बोलले जात आहे.

एकीकडे कोळसा टंचाईमुळे वीज संकट गडद होत आहे. दुसरीकडे कोळशावर आधारित अनेक उद्योगांना कोळसा मिळत नसल्याने संबंधित उद्योग अडचणीत आले आहे. आपले उद्योग वाचविण्यासाठी आणि संभाव्य संकटावर मात करण्यासाठी संबंधित कारखानदार पाहिजे ती किंमत मोजायला तयार आहेत. त्याचा फायदा घेत कोलमाफिया आणि काही भ्रष्ट अधिकारी-कर्मचाऱ्यांच्या टोळक्याने कोळशाची जोरदार ब्लॅकमार्केटिंग चालविली आहे.

नागपूर जिल्ह्यात वेकोलिच्या कन्हान, सिंगोरी, बोंडेगाव, भानेगाव आणि उमरेड खाणीतून कोळसा येतो. याशिवाय चंद्रपूर जिल्ह्यातही कोळशाच्या अनेक खाणी आहेत. यासह महानदी कोल फिल्ड लिमिटेड (एमसीएल), साऊथ ईस्टर्न कोलफिल्ड लिमिटेड (एसईसीएल) आणि सिंगोरानी कोलफिल्ड लिमिटेड (एससीएल) या छत्तीसगड, तेलंगणा आणि आंध्रप्रदेशातील खाणीतूनही कोराडी, खापरखेडा प्लान्टसाठी नियमित कोळसा येतो. यातील ट्रकचालक आणि क्लिनर तसेच या ट्रकची रखवाली करण्याची ज्यांच्यावर जबाबदारी आहे त्यांच्याशी संगणमत करून कोलमाफिया त्यांच्या हातात नोटा कोंबतात किंवा त्यांना धाक दाखवून मध्येच आपल्या ठिय्यावर नेतात.

कोलमाफियांनी तयार केलेल्या टोळ्यांमधील गुंड आणि रोजीरोटीच्या शोधात आपला प्रांत सोडून आलेली मजूर मंडळी ट्रकमधील कोळसा मध्येच खाली करतात. त्या बदल्यात ट्रकमध्ये दगड, गिट्टी आणि चुरा भरला जातो.

संबंधित यंत्रणा शांत का?

विशेष म्हणजे, कोळसा तस्करी, लोडिंग अनलोडिंग आणि भेसळीचे अनेक ठिय्ये नजरेत येण्यासारखे असूनही तस्करीला आळा घालण्याची किंवा कोळशात दगड, गिट्टीची भेसळ करणाऱ्यांच्या मुसक्या बांधण्याची जबाबदारी ज्या अधिकाऱ्यांवर आहेत, ते गप्प का बसलेत, असा प्रश्न आहे. हा प्रश्न अनेक प्रश्न निर्माण करणारा आहे. कोळसा चोरी, भेसळ आणि तस्करीचा पुढचा टप्पा जास्तच अचंबित करणारा आहे.

LOKMAT DATE : 20/10/2021 P.N.1

यंत्रणा दावणीला बांधून ब्लॅकगोल्डचे ब्लॅकमार्केटिंग

कोळसा टंचाईच्या पार्श्वभूमीवर माफियांचे वारेन्यारे : चोरी अन् भेसळीतून रोज कोट्यवधींची हेराफेरी

नरेश डोंगरे
लोकमत न्यूज नेटवर्क

नागपूर : कोळसा टंचाईची सर्वत्र ओरड होत असताना नागपूर - विदर्भातील कोलमाफियांनी कोळशाच्या नावाखाली दगड, गिट्टीची विक्री चालवली असल्याचे खळबळजनक वृत्त हाती आले आहे. कोळशाची राजरोसपणे तस्करी करणाऱ्या कोलमाफियांनी अवघी यंत्रणाच दावणीला बांधली की काय, अशी शंका या गोरखधंद्यातून घेतली जात आहे.

कोलमाफियांकडून चालविल्या जाणाऱ्या रॅकेटमध्ये खाणीतील काही भ्रष्ट अधिकारी, संबंधित ठिकाणचे पोलीस आणि कारवाईचा अधिकार असलेल्या विभागाचे काही भ्रष्ट अधिकारीही सहभागी असल्याची चर्चा आहे. त्यामुळे कोळशाच्या व्यवहारातून रोज कोट्यवधींची हेरफेर करणारी ही मंडळी आपले (पान ५ वर)

कोळशाचा काळा धंदा
भाग १

छाया : राजेश टिकले

कोलमाफियांनी कोळशाच्या नावाखाली दगड, गिट्टीची विक्री चालविली आहे. त्यांनी संपूर्ण यंत्रणाच दावणीला लावल्याचा हा घ्या सज्जड पुरावा.

THE HITAVADA DATE : 20/10/2021 P.N.6

Gold demand likely to be robust in 2022: WGC

Business Bureau

THE demand for gold is likely to remain subdued this year following Covid-related disruptions that continues in India, the World Gold Council (WGC) said in a report. However, in 2022, the impact of pent-up demand for the precious metal is likely to herald a period of robust demand, the report suggested.

Demand for gold may be more subdued than expected this year, following India's prolonged battle with Covid-19, according the report - The Drivers of Indian Gold Demand. However, the report stated that imports remain strong and retail demand is expected to pick up, as restrictions are being gradually lifted across the country.

In 2022, economic growth and the impact of pent-up demand for gold are likely to herald a period of robust demand, although any future outbreaks of coronavirus could create further uncertainties, it stated. Looking ahead, it would appear that if the industry takes steps to become more transparent, more standardised and more in line with global peers, India's gold market would most likely benefit from positive demographics and socioeconomic changes, the report added. According to the report, the rising income is the most powerful driver of Indian gold demand in the long-term, which bodes well for Indian gold demand as the economy is complemented by a strong demographic dividend.

"As our econometric model illustrates, rising incomes are one of the biggest single drivers of long-term gold demand. This suggests that, as India's economy grows, demand for gold should increase," it stated.

LOKMAT DATE : 21/10/2021 P.N.12

दगड, गिट्टीला कोळशाचा मुलामा, बेमालूम भेसळ

कोलमाफियांनी अवलंबले सोनेरी टोळ्यांचे तंत्र : सरकार आणि उद्योजकांची फसवणूक

नरेश डोंगरे
लोकमत न्यूज नेटवर्क

नागपूर : पितळेच्या दागिन्यांना सोन्याचा मुलामा चढवून किंवा पितळेच्या मण्यांमध्ये एखादं दुसरा मणी घालून ती माळ अस्सल सोन्याची आहे, असे भासविणाऱ्या अनेक टोळ्या सक्रिय आहेत. दरवर्षी ठिकठिकाणी हे नकली सोने विकून या टोळ्या अनेकांना लाखोंचा गंडा घालतात. सोनेरी टोळ्या म्हणून पोलीस आणि गुन्हेगारी वर्तुळात त्या कुपरिचित आहेत. नागपूर - विदर्भातील कोलमाफियांनीही असेच तंत्र अवलंबले आहे. हे माफिया चोरलेल्या कोळशाचा मुलामा दगड, गिट्टीला देऊन तसेच त्यात काळा चुरा मिक्स करून त्याची कोळसा म्हणून विक्री करून कोलमाफिया सरकार आणि उद्योजकांना फसवत आहेत.

कोलमाफियांच्या टोळ्यांमधील गुंड, मजूर ट्रक, टिप्परला आपल्या ठिय्यावर नेतात. तेथे कोळशामध्ये हेराफेरी केली जाते.

कोळशाचा काळा धंदा

भाग २

नागपुरात वेगवेगळ्या भागातून कोळशाचे रोज दोनशेपेक्षा जास्त ट्रक येतात. त्यांच्यापैकी कोलमाफियांशी सेटिंग असलेला कोळशाचा ट्रक पारडी, कापसी, महालगाव, तरोडी, कोराडी, कन्हान आणि आजुबाजूच्या भागात पोहोचतो. कोलमाफियांनी या भागात जागोजागी ठिय्ये तयार केले आहेत. त्यातील काही रस्त्यालगत तर काही शेतात अन् झाडाझुडपात आहेत. यातील काही ठिय्ये सहज नजरेला पडतात. जबलपूर - हैदराबाद महामार्गाच्या पुलावर चढल्यासही काही ठिय्ये दिसतात. जेथे असली आणि नकली कोळशाची मोठ्या प्रमाणात हेरफेर केली जाते. ते सहजासहजी कुणाच्या लक्षातही येत नाहीत.

कोलमाफियांच्या टोळ्यांमधील गुंड, मजूर या ट्रक, टिप्परला आपल्या ठिय्यावर नेतात. याठिकाणी आलेल्या कोळशाच्या ट्रकचे सील जैसे थेच ठेवले जाते. त्याला हातही लावला जात नाही. मात्र, बेकायदा जेसीबीने ट्रकमधून उच्च दर्जाचा कोळसा काढला जातो आणि तेवढ्याच प्रमाणात त्या ट्रकमध्ये ओल्या कोळशाने मुलामा दिलेली गिट्टी, दगड अन् काळा चुरा भरला जातो. विशेष म्हणजे, या अलटा-पलटीच्या काही ठिकाणी धर्मकाटेही आहे. तेथे वजन केल्यानंतर हा ट्रक, टिप्पर भेसळयुक्त कोळसा घेऊन संबंधित उद्योजकाकडे, कारखान्यात पोहोचतो अन् तेथे माल सोडून परतही निघून जातो. इकडे त्या ट्रकमधून काढलेल्या अव्वल दर्जाच्या कोळशात दगड, गिट्टी आणि काळा चुरा मिसळून तो पुन्हा दुसऱ्या ट्रकमध्ये भरला जातो. अशाप्रकारे बनवाबनवी करून कोलमाफिया भेसळयुक्त कोळशाची लाखो रुपयांत विक्री करतात.

सारे काही उघड उघड

विशेष म्हणजे, कोळशाचा काळाबाजार तसेच चोरी आणि त्यात भेसळ करण्याचा गोरखधंदा उघड उघड केला जातो. त्यासाठी कोलमाफियांनी ठेवलेले रोजमजूर रात्रं-दिवस कोळशात हात काळे करताना दिसतात. अनेक ठिय्यांवर एका बाजूला कोळशाचे ढिगारे, दुसऱ्या बाजूला गिट्टी, चुरा अन् बाजूलाच दगड पडलेले ढिगारेही दिसतात. सारे काही उघड उघडच केले जाते.

THE HINDU DATE : 21/10/2021 P.N.7

Is the coal crisis over?

The supply of coal in India is well below the demand

ANIL SWARUP

Initially, there was a huge debate on whether there was a coal crisis at all. We aren't discussing coal any more. Hence, wasn't there a crisis? Or, if there was one, is it all over?

"Crisis" is a subjective term. There are no objective criteria of determining whether there is a crisis or not. However, "shortage" can be determined objectively. No one can deny the fact that the supply of coal in India is well below the demand. Whereas the demand is nearly a billion million tonnes (MT), the supply is well below 800 MT within the country. When this shortage becomes acute, in terms of the availability of coal at power plants, it is sometimes called a crisis. The acute shortage can be on the account of production, an increased demand or a failure of supply chain management when the stocks are sufficient at the pit head but requisite supply is not made to the power plants.

Coal crises keep recurring in the country primarily due to the shortage in coal production. Ironically, India sits on 300 billion MT of coal and, as mentioned earlier, our annual requirement is around a billion MT per annum. A similar crisis had occurred in 2014. Back then, it was on account of a Comptroller and Auditor General who played to the gallery after making his calculations just like an accountant. It led to devastating consequences and coal production suffered. The crisis was managed through meticulous planning and execution.

The immediate coal crisis is attributed to an increase in the demand for power on account of the post-pandemic economic recovery, an increase in international prices of coal, unseasonal rainfall and a mismanagement of the supply chain within the country. Apparently, some of it has been managed and we are no longer discussing the crisis. No one seems to be talking about the stagnation in the production of coal by Coal India Limited (CIL). The production has stood at 600 MT for the past three years. Had the production grown at the rate at which it was increasing (8-9%) during 2014-16, the current production of CIL itself would have been more than 750 MT. Also not being discussed is the stagnant coal production from the non-CIL domain. A number of mines were allocated to entities other than CIL. Why haven't these mines augmented coal production? Non-CIL coal production fell from 128 MT in 2019-20 to 120 MT in 2020-21. The dependence on imported coal increased and, hence, when the international prices shot up, as they did recently, there is a crisis.

The crisis will recur in case the coal production is not augmented. How then can the production of coal be increased? Some of the answers lies in what happened during 2014-16.

Supported, not monitored

CIL has a fabulous team. It needs to be supported and not "monitored". The Union Government has an important role to play. CIL should focus on mining. Government officers should interact with the States, but before that, this ongoing "war" between the Union Government and the States will have to stop. Ironically, all the coal resides in States that are ruled by non-National Democratic Alliance (NDA) parties. Officers from the Union Government will have to go down to the States, convey a value proposition and sit with State-level officers to resolve issues related to land acquisition and forest clearances. During 2014-16 not a single meeting with the States was held in Delhi. All meetings were held at the State headquarters. The Union Government will also have to take up clearance-related issues with the Ministry of Environment, Forest and Climate Change.

CIL, which had reserves of around ₹35,000 crore in 2015, now appears to be strapped for funds, especially cash flows as power generating companies (GENCOs) owe more than ₹20,000 crore to CIL. Funds will have to be arranged for the expansion of existing mines as well as the opening of new ones. First, the Union Government should stop squeezing more funds out of CIL as it has done during the past few years by way of dividends to balance its own Budget, when this money should have been used for opening new mines and expanding existing ones. Second, it should consider providing cash to CIL against the dues owed by GENCOs. Non-CIL production will have to be augmented. There was an inter-ministerial Coal Project Monitoring Group (CPMG), which was set up in 2015 to fast-track clearances, that became dormant. This will need to be revived.

The coal crisis may be temporarily over, but if the fundamentals of the crisis are not taken care of, it is likely to recur. What also needs to be looked at is the financial crisis that is brewing in the power sector. GENCOs have a receivable of more ₹2,00,000 crore from distribution companies. They, in turn, owe more than ₹20,000 crore to CIL. There is, hence, a serious cash crunch though most of these entities show profit in their balance sheets.

Anil Swarup is a retired civil servant and a former Secretary in the Government of India

NAVBHARAT DATE : 21/10/2021 P.N.9

तेल, कोयले की बढ़ रहीं कीमतें

चालू खाते का घाटा 1.3% पर पहुंचेगा

मुंबई, एजेंसियां. कच्चे तेल, कोयले और धातुओं की अगुवाई में जिंसों की बढ़ती कीमतों से चालू वित्त वर्ष 2021-22 में चालू खाते का घाटा (कैड) सकल घरेलू उत्पाद (जीडीपी) के 1.3 प्रतिशत या 40 अरब डॉलर पर पहुंच सकता है. बीते वित्त वर्ष में 0.9 प्रतिशत का चालू खाते का अधिशेष रहा था. एक ब्रोकरेज कंपनी की रिपोर्ट में यह अनुमान लगाया गया है. वॉल स्ट्रीट की प्रमुख कंपनी बैंक ऑफ अमेरिका सिक्योरिटीज (बोफा) की रिपोर्ट में कहा गया है कि भुगतान संतुलन (बीओपी) की स्थिति काफी मजबूत है और इससे अमेरिकी केंद्रीय बैंक द्वारा प्रोत्साहनों में कमी से रुपये और बांड प्रतिफल पर पड़ने वाले किसी भी तरह के प्रभाव से निपटा जा सकता है. बोफा की जारी रिपोर्ट में कहा गया है कि वैश्विक स्तर पर जिंसों के दाम काफी बढ़े हैं. विशेष रूप से कच्चे तेल की कीमतों में बढ़ोतरी हुई है. इससे चालू खाते के घाटे और उसके निपटान को लेकर चिंता पैदा हुई है. फेडरल रिजर्व द्वारा प्रोत्साहनों में किसी तरह की संभावित कटौती से इसको लेकर आशंका और बढ़ेगी. उसने कहा कि हमारा अनुमान है कि चालू वित्त वर्ष में कैड सकल घरेलू उत्पाद का 1.3 प्रतिशत या 40 अरब डॉलर रहेगा.

BUSINESS LINE DATE : 21/10/2021 P.N.6

Profit-booking drags metal index

Prospects look bright for metal firms as China cuts output: Analysts

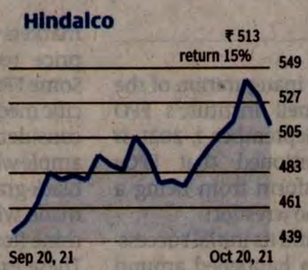
SURESH P IYENGAR

Mumbai, October 20

After a sustained rally, stocks of metal companies finally gave away part of their gains on Wednesday with the S&P BSE Metal Index shedding 506 points or 2.3 per cent to 21,382 on concerns over high valuation and rising cost of production. The BSE metal index has rallied from 20,306 at the start of this month to a high of 22,419 on Monday but started its slide from Tuesday.

Almost all the constituents of BSE Metal index except for Jindal Steel closed in the red. Hindalco, Vedanta, Nalco and APL Apollo Tubes lost four per cent each while SAIL, Hindustan Zinc and Coal India were down three per cent each on Wednesday.

Notwithstanding the sharp fall in metal index, long-term prospects of metal companies remain strong with China cutting production and rising demand across the globe, said analysts.



Input cost to rise

Metal companies have been reeling under rising input and logistics cost even as the demand remained robust. However, metal companies especially steel and aluminium producers have managed to pass on the incremental cost partially to end consumers.

VK Vijayakumar, Chief Investment Strategist, Geojit Financial Services, said the fall in metal index is due to profit-taking and may be a temporary phenomenon as all indicators are pointing towards strong demand and high prices.

Sharp rise in metal prices

The sustained rise in demand for many metals including steel, zinc and aluminium along with supply disruptions has resulted in sharp rise in metal prices which has turned out to be a boon for domestic metal manufacturers, he added. Rajnath Yadav, Research Analyst, Choice Broking, said domestic metal companies are planning to hike prices to counter the rising cost of production. While demand in India may remain flat on sequential basis in coming quarters, margins will be sustained due to the planned price hike, he added.

Mohit Nigam, Head – Portfolio Management Services, Hem Securities, said the Nifty metal index rallied 154 per cent in the last one year against 55 per cent by Nifty 50. " JSW Steel rose 115 per cent, SAIL (249 per cent), Tata Steel (245 per cent), Nalco (253 per cent) and Hindalco (184 per cent)," he added.

Starting next May, he said, China will cancel export rebate for several steel products and do away with import tariffs on pig iron, crude steel and recycled steel raw materials. The Chinese move will give ample opportunities to India, Japan and the US to export more steel worldwide to fulfil rising demand, he said.

NAVBHARAT DATE : 21/10/2021 P.N.3

राज्य में कोयला संकट बरकरार

मुंबई, (ए.) महाराष्ट्र सरकारी महानिर्माण कम्पनी के सामने कोयाला संकट बरकरार है. मंगलवार को बिजली उत्पादन के लिए उपलब्ध कोयले का संग्रहण 1.38 लाख टन से बढ़कर 1.46 लाख टन पर पहुंचा. इसके फलस्वरूप कम्पनी का औष्णिक बिजली उत्पादन 4800 मेगावॉट के बीच कायम है. कोयले की कमी पर कुछ हद तक काबू पाते हुए महानिर्माण कम्पनी का बिजली उत्पादन 5800 मेगावॉट तक पहुंच गया था लेकिन इसके बाद उसमें गिरावट देखी गई. मंगलवार को सबसे अधिक 70,751 टन कोयला संग्रह चंद्रपुर के बिजली प्रकल्प पास था जबकि सबसे कम 5664 टन कोयला नाशिक के प्रकल्प के पास था.

संग्रहण में केवल 2% की वृद्धि

BUSINESS LINE DATE : 22/10/2021 P.N.8

Accumulate aluminium at ₹235

COMMODITY CALL

AKHIL NALLAMUTHU
BL Research Bureau

The continuous contract of aluminium on the Multi Commodity Exchange (MCX), which was moving sideways between ₹222 and ₹235 in the second half of September, broke out of this range in the first week of October and rallied sharply. It made a fresh high of ₹259.3 last Monday.

But thereafter, the price softened and is now trading around ₹245.

Although the prices are under pressure since the beginning of this week, the overall bullish trend is intact and the drop in price appears to be a mere corrective decline. Immediate support levels can be spotted at ₹240 i.e., the 21-day moving average (DMA) and the subsequent one at ₹235.

So, the contract could gradually drop to the price band of ₹235 and ₹240 and then resume the uptrend. Also, the 38.2 per cent Fibonacci retracement level of the previous rally lies at ₹237.

Therefore, until aluminium futures stay above ₹235, the chance of a short-term bearish reversal looks remote.

Traders can consider going long at ₹240 and accumulate at ₹235. Stop-loss can be placed at ₹228. If the recovery occurs as expected, the contract can rally to ₹250, a breakout of which can lift it to ₹258.

So, take partial profits at ₹250, revise the stop-loss to ₹240 and look for next target at ₹258.

THE HITAVADA DATE : 22/10/2021 P.N.6

MECL observes Foundation Day with great fanfare

■ Business Bureau

MINERAL Exploration Corporation Limited, a Nagpur-based Mini Ratna I CPSE of Ministry of Mines observed 50th Foundation Day on Thursday and commenced the Golden Jubilee Year celebration.

Maintaining the COVID 19 protocol, Dr Ranjit Rath, CMD, MECL, graciously unfurled the corporate flag at the corporate office premises in the presence of Ghanshyam Sharma, Director (Finance), Arvind Kumar, Director (Technical), and Team MECL. Thereafter, the event was inaugurated by Pralhad Joshi, Union Minister of Parliamentary Affairs, Coal and Mines, by a speech delivered through digital platform.

Addressing the employees, Dr Rath outlined the significant contributions of MECL during the last five decades for the mineral and mining sector. He commended every member of Team MECL for accomplishing 'Excellent' MoU ratings for the FY2019-20 and superlative physical and financial performance for the FY 2020-21.

In his address, Dr Rath also shared the Vision 2030 of MECL along with the planned diversification initiatives and a concerted strategy to enhance and expedite exploration coverage of the country. MECL has recently augmented its capability through addition of advance geological softwares for preparation of Interpretative 3D Geological & Ore Body models; established an ultra-modern laboratory for geochemical analysis and has developed an integrated training programme for capacity development of the mineral and mining sector.

Acknowledging support of the esteemed clients -Ministry of Mines, Ministry of Coal and the major mining CPSEs, Dr Rath called upon each members to strive for a glorious future of MECL.

THE HINDU DATE : 22/10/2021 P.N.12

Coal scarcity still a looming risk, says Crisil

'Stock build-up is a must for summer'

SPECIAL CORRESPONDENT
NEW DELHI

The Centre's steps to regulate coal supplies to non-power sectors may have helped tide over the immediate threat of a major power crisis, but coal scarcity remains a looming risk for corporate India and domestic consumers, rating agency Crisil said in a report.

"The threat still looms when power demand picks up from here... Coal stocks are unlikely to improve to the previous level of 15-18 days' inventory anytime soon. Also, availability of rakes and a pickup in power demand in March-May will be the key monitorables from here," it noted, emphasising that a build-up in coal inventories by February 2022 is critical to avert outages in the coming summer.

Crisil noted that power demand had surged almost 20% in industrial States such as Maharashtra, Tamil Nadu and Gujarat in the first half of FY22, even as dependence on coal-based power has grown. Coal stocks are at most critical levels in Bihar, followed by Karnataka, Maharashtra and Rajasthan, the rating agency said.

"Coal-based power generation rose 19.1%, while [that] from other conventional sources saw a 15.5% on-year decline," it pointed out.

BUSINESS LINE DATE : 24/10/2021 P.N.6

Hold on to the longs

Gold and silver futures gain for four weeks in a row; momentum favouring the bulls

SUPPORT LEVELS

Immediate supports for gold can be seen at ₹47,000 & ₹46,000, while those for silver are at ₹64,300 & ₹63,000.

Scan & Share

AKHIL NALLAMUTHU
BL Research Bureau

Gold and silver posted gains last week and ended in the green for the fourth consecutive week, a strong indication of the bulls getting back in charge.

Amidst this, the World Gold Council (WGC) came up with Indian import data on Friday. Despite gold prices staying low in September, imports declined for the month to 89.5 tonnes against 121.8 tonnes in August — a 27 per cent drop— as retail demand softened. Nevertheless, WGC forecasts demand to be strong in October.

But the Reserve Bank of India (RBI) added 19.7 tonnes in September compared to 13.9 tonnes in the previous month. Thus, the gold reserves now stand at 744.8 tonnes, which is 6.5 per cent of the total reserves. Notably, RBI's monthly purchase in September is the highest since the central bank started buying gold consistently from December 2017. The RBI has added 68.2 tonnes in first three quarters of the current calendar year.

On the price front, bullion seems to be making steady progress since past one month and in line with this, both gold and silver gained last week. In the international spot market, gold appreciated by 1.4 per cent and silver gained 4.3 per cent and closed the week at $1,792.5 and $24.28 per ounce, respectively.

Similarly, on the Multi Commodity Exchange (MCX), gold futures went up for the week by 1.2 per cent and silver futures gained 3.8 per cent. On Friday, gold and silver futures closed at ₹47,797 (per 10 grams) and ₹65,656 (per kg), respectively. The current

scenario suggests more gains during the weeks ahead.

MCX-Gold (₹47,797)

The sharp fall a fortnight ago might have raised doubts over the ability of the bulls to retain the bias in their favour. But last week, gold futures (December expiry) on the MCX managed to inch upwards and importantly, it sustained above the support of ₹47,000 and above both 21- and 50-day moving averages (DMAs). However, the contract is yet to breach the resistance band of ₹47,800-48,000. Noticeably, the 200-DMA lies within this price band and therefore this can be a significant challenge for the bulls.

Yet, there are several factors substantiating the positive outlook. The relative strength index (RSI) and the moving average convergence divergence (MACD) remain in the bullish zone. The average directional index (ADX) shows that upward momentum is strong. The total open interest (OI) of the active futures contract has gone up from 14,246 to 14,469. The price rise accompanied by increase in OI is a bullish sign.

In the forthcoming sessions, gold futures is well placed to get past the resistance at ₹48,000. A breakout can be followed by a swift rally to ₹49,000 where it can witness a pause and can appreciate further to touch ₹50,000. Hence, traders can take long positions at current levels and can add more if price corrects to ₹47,150. Stop-loss can be placed at ₹46,500. When the contract reaches ₹49,000, consider booking partial profits and then revise the stop-loss up to ₹48,000 and look to exit the remaining at ₹50,000. There can be a correction once the contract hits this level.

Immediate supports from the current levels can be seen at ₹47,000 and ₹46,000.

MCX-Silver (₹65,656)

Silver continued to shine and extended the rally last week as well and so, the December futures of silver on the MCX breached the resistance at ₹64,300 and managed to close above ₹65,500 for the week. As it stands, the uptrend looks strong and there are no signs of weakness. Considering the prevailing price action, the contract will most likely move up in the coming weeks.

Substantiating the bullish inclination, indicators such as the RSI and the MACD on the daily chart are exhibiting strong upward traction and the ADX continues to show bulls' dominance. This is also supported by how new positions are being built up. That is, as the price moves northwards, the total number of OIs of all active silver futures on the MCX has gone up to 12,367 as on Friday compared to 11,937 by the end of previous week.

Silver futures will most probably witness a rally from here towards the immediate hurdle at ₹67,700. Subsequent resistance can be spotted at ₹69,250 - the 200-DMA. Above that lies the important barrier of ₹70,000. Hence, traders can consider buying silver futures at current level of ₹65,656 and accumulate if price declines to ₹64,300; initial stop-loss can be at ₹63,000. Exit partially when price reaches ₹67,700, shift stop-loss to ₹65,500 and let the remaining run to ₹69,250.

If there is a price drop from the current levels, the nearest supports are at ₹64,300 and ₹63,000.

NAVBHARAT DATE : 24/10/2021 P.N.7

73% पावर प्लांट में कोयले की कमी

क्रिसिल की रिपोर्ट

दिल्ली. कोयले का उत्पादन करने वाली सरकारी कंपनी कोल इंडिया रिकॉर्ड कोयले का प्रोडक्शन कर रही है लेकिन देश में बहुत से पावर प्लांट्स को कोयले की कमी की दिक्कत झेलनी पड़ रही है. क्रिसिल की एक रिपोर्ट से पता चला है कि 73 फीसदी पावर प्लांट के पास तो करीब 5 दिन का ही कोयला स्टॉक में बचा है. इसमें यह भी कहा गया है कि 165 गिगावॉट की क्षमता वाले 135 प्लांट (70 फीसदी) ऐसे हैं जिनके पास 10 दिन से भी कम का कोयला बचा है. कुछ राज्यों में तो कोयले की इतनी अधिक दिक्कत हो रही है कि वहां पर बिजली की कटौती अब आम बात हो गई है. इसकी वजह से बहुत सारी मैन्युफैक्चरिंग यूनिट्स को अपने ऑपरेशन अस्थाई रूप से बंद करने पड़े हैं. अक्टूबर में तो ये समस्या और भयावह हो गई है, क्योंकि बेहद कम दिन के कोयले के स्टॉक वाले प्लांट्स की संख्या महीनेभर में करीब 25 फीसदी बढ़ गई है.

कई प्लांट्स में महज 1 दिन का स्टॉक

सेंट्रल इलेक्ट्रिसिटी अथॉरिटी की तरफ से जारी ताजा आंकड़ों के अनुसार 59 नॉन-पिट हेड प्रोजेक्ट्स के पास 4 दिन से भी कम का स्टॉक बचा है. 20 अक्टूबर के आंकड़ों के अनुसार महज 1 दिन के स्टॉक वाले प्लांट्स की संख्या 21 है जिसकी क्षमता 25,810 मेगावॉट की है. देखा जाए तो स्थिति पहले से कुछ बेहतर हुई है क्योंकि 13 अक्टूबर तक 36,140 मेगावॉट की क्षमता के साथ 27 प्रोजेक्ट ऐसे थे जिनके पास सिर्फ 1 दिन का स्टॉक बचा था. बात अगर 2 दिन के कोयले के स्टॉक वाले प्लांट्स की करें तो इनकी संख्या हफ्ते भर पहले 20 थी जो अब घटकर 18 रह गई है.

BUSINESS LINE DATE : 24/10/2021 P.N.1

Coal shortage hits non-power sector

Sponge iron, chemical, paper makers in eastern States facing closure, urge Ministry to allocate limited portion of supply

SURESH P IYENGAR
Mumbai, October 23

Most of the small and medium-size metal, sponge iron, chemical and paper manufacturers in eastern States are on the verge of closure due to acute coal short supply to the non-power sector.

In a letter written to Ministry of Coal, Subhasri Chaudhuri, Secretary General, Coal Consumers' Association of India said the non-power sector consumers including captive power plants, aluminium, steel, cement, sponge iron, chemical and paper have long been facing a shortage of coal as supply through the rail mode has been halted by most of the Coal India subsidiaries.

This situation, he said, has worsened further as supply to the non-power consumers has been completely halted through the surface transport, as well. The coal companies have also refrained from conducting any further e-auctions where the non-power sector can participate. Lack of fuel at the plant-end is forcing many non-power consumers to stall operations while several others are on the verge of closure, he added.

Lack of fuel at the plant-end is forcing many non-power consumers to stall operations REUTERS

Steadily rising global coal prices and expensive sea freight have also rendered import of coal almost impossible for non-power consumers to make up for the lack of supply from indigenous sources.

The current predicament is a massive blow to the non-power sector of the country which has been gradually turning around after suffering for over a year due to the pandemic outbreak last year, said Chaudhuri.

The Association has urged the Coal Ministry to allocate a limited portion of supply to the non-power sector to ensure its survival.

BUSINESS LINE DATE : 24/10/2021 P.N.12

Gold imports touch a decade high of $23.9 billion in H1

Strong momentum in imports likely to widen trade deficit further, says Acuité Ratings

OUR BUREAU
Mumbai, October 23

With the economy gradually normalising, the strong momentum in gold imports is expected to continue, leading trade deficit to widen further, Acuité Ratings & Research said.

The credit rating agency (CRA) has forecast current account balance (CAB) to register a deficit of $38 billion in FY22 from a surplus of $24 billion in FY21.

CAB is the difference between the sum of exports of goods and services as well as income receivable, on the one hand, and the sum of imports and income payable on the other.

Acuité Ratings highlighted the significant rise in gold imports, which rose to a decade high level of $23.9 billion in H1 (April-September) FY22, clocking a growth of 253.6 per cent year-on-year.

Revival in business

Suman Chowdhury, Chief Analytical Officer, Acuité Ratings, opined that the release of the pent-up demand following the easing of lockdown restrictions and re-opening of retail outlets, the revival in consumer sentiments due to the steady progress in vaccination, the declining risk of a third Covid wave along with re-stocking of inventories ahead of the festival and wedding season have led gold imports to surge in FY22 so far.

The cumulative exports in the first half of FY22 at $19.3 billion have already touched the levels seen in first half of FY20 REUTERS

The mild correction in domestic gold prices by 2.7 per cent from the peak seen in May-21 has further provided a fillip to domestic gold demand.

In this regard, the CRA referred to a World Gold Council estimate, whereby for every 1 per cent fall in the gold price in any given year, gold demand increases by 1.2 per cent.

Chowdhury observed that it is also likely that a part of the increased household savings in the higher income categories are being partly deployed in physical gold as it has been traditionally considered to be a safe haven in an environment where the risks of the pandemic continue to exist.

Additionally, investors may have also started to diversify their asset portfolios by re-deploying the profits from the equity markets in bullion.

Recovery in exports

"Another factor which has also contributed to the rise in gold imports is the recovery in exports of gems and jewellery, with strong demand from countries such as US, Hong Kong and UAE.

"The outbound shipment of gems and jewellery has increased to its pre-pandemic level and stood at about $3.4 billion in September 2021," he said.

The agency noted that the cumulative exports in the first half of FY22 at $19.3 billion have already touched the levels seen in first half of FY20 after reducing to less than half in the previous year.

The proposed free trade agreement with the UAE can further result in enhanced exports of gems and jewellery over the medium term, it said.

Published by N. Ravi at Kasturi Buildings, 859 & 860, Anna Salai, Chennai-600002 and Printed by T. Ravi at Plot No. Z-6 to 8, IDA Uppal, Hyderabad-500007 – 06, on behalf of THG PUBLISHING PVT LTD., Chennai-600002. Group Editorial Officer: Krishna Pra

THE ECONOMIC TIMES DATE : 25/10/2021 P.N.8

CO'S DEBT LEVELS UNLIKELY TO GO UP, SAYS TOP EXEC

JSW Steel Weighs Price Increase as Input Costs Rise

Co may also introduce a surcharge linked to coal prices, says joint MD Seshagiri Rao

Our captive use of mines during Q1 was 42%, in Q2 was 50%; our captive source is going up steadily...

SESHAGIRI RAO
Joint MD, JSW Steel

Bhavya.Dilipkumar
@timesgroup.com

Mumbai: Input cost pressures, volatile coal prices and a jump in freight and refractory rates could create room for further increases in the selling rates for steel, Seshagiri Rao, JSW Steel's joint managing director, told ET. "The cost pressures are so high, the demand is reasonably okay; considering this, there is definitely a scope for readjustment of prices to the extent of pressures in the cost," said Rao.

The company is also considering levying a surcharge linked to coal prices to survive the volatility.

"Globally, many companies in Europe and the US have introduced something called a surcharge where the steel prices fluctuate due to energy or scrap prices...this kind of absorption on cost is not easy for any consumer. Therefore, we are contemplating introducing a surcharge," Rao said.

Once the sale prices are linked to the cost of coking coal, JSW Steel doesn't have to keep increasing prices. Coking coal prices went up from $100-$140 a tonne last year to $400 a tonne. There is also a thermal coal crisis in India, with state-owned Coal India prioritizing supply to the power sector.

"Price increases will happen either through a surcharge or through price hikes in HRC until coking coal prices normalize," Rao added. In the month of October, JSW Steel commenced integrated operations of its 5 MTPA brownfield expansion at Dolvi. Rao said that the new expansion at Dolvi will help the company cut costs by at least 15-20% from the next quarter.

While reporting the September quarter results, the company said that its net debt levels were around ₹55,394 crore. Rao said that the company's debt levels are unlikely to go up from here. "Our relative ratios are in line, net debt to Ebitda has come down from 2.6 to 1.58 times. Debt to net worth has come down from 1.14 to 0.92 times...so debt levels are unlikely to go up further other than for the consolidation of Bhushan Power and Steel," Rao said.

JSW Steel reported its highest-ever consolidated quarterly net profit of ₹7,179 crore, up more than table product mix and robust export demand in the fiscal second quarter. The company's value added product mix has contributed 60% of the total sales. "We have around 30% of the market share in terms of auto grade steel. With 23 MT capacity we have today, and with Bhushan and 12 MT in downstream, we are the most efficient company in terms of capacity, profitability and debt per tonne," Rao said.

JSW Steel is consciously being less aggressive in bidding for the mines that have come for auctions in Odisha this time.

"Our captive use of mines during Q1 was 42%, in Q2 was 50%; our captive source is going up steadily...We thought the same level of high premium will not be there the second time, but it is still higher. We will wait and watch for the upcoming auctions," Rao said.

Rao estimates the underlying demand to be much stronger in the coming days with China slowing down on consumption.

"The World Steel Association has guided that the Chinese steel demand would fall by 1%...But at the same time, in the rest of the world, the growth in steel demand will be 11.5%. That means the rest of the world is moving ahead including

THE ECONOMIC TIMES DATE : 25/10/2021 P.N.6

STOCK TO SUSTAIN CURRENT PRICE LEVELS

JSW Well Placed to Weather Inflation and Downcycles

Quarterly Scorecard

JSW Steel Financials (₹ cr)

	Q2 FY22	QoQ chg (%)	YoY chg (%)
Net Sales	32,503	12.5	68.7
Ebita	10,417	1.4	136
Ebitda Margin	32%	(350) bps	900 bps
Net Profit	6,576	17.9	325

Capacity expansion, rise in value-added products, low costs to drive earnings growth

Jwalit.Vyas@timesgroup.com

ET Intelligence Group: The recent rise in raw material prices and the risk of downcycle or correction in steel prices are unlikely to unsettle JSW Steel.

Doubling of its capacity over the next two years, the rising contribution of value-added products and consistent reduction in the cost of production will help JSW Steel log earnings growth even in the downcycle.

ET ANALYSIS

Besides, it is the only steel company to see capacity expansion through FY24. So, even if the steel cycle reverses, the profits may continue to grow, thus sustaining the current stock price levels.

In the September quarter, the company's operating profit (Ebitda) increased quarter-on-quarter despite lower Ebitda per tonne, due to higher raw material prices. The impact of elevated raw material prices will continue in the coming quarters. However, Ebitda will continue to rise thanks to capacity additions.

The company has recently commissioned a 5 million tonne Dolvi plant, taking its capacity to 23 million tonnes. The capacity is expected to be 36 million tonnes by FY24-end. Bhushan Steel and Power will also start reflecting in consolidated Ebitda once its holding increases to 83% from the current 49% when the debentures convert into equity.

The management claims that the cost of production is expected to be lower by 15-20% incrementally. Lower cost of production and higher share of value-added products will protect the company's Ebitda per tonne. For instance, over the last five years, its Ebitda per tonne has risen from ₹8,500 per tonne in 2016 to ₹26,000 per tonne by FY21.

The contribution of higher value-added products and lower production costs helped. The share of value-added products was 45% in FY21 as compared with 27% three years ago. It was 60% in September.

The Ebitda per tonne in the September quarter has fallen to less than ₹23,000 in September quarter, more than 10% down quarter-on-quarter, but Ebitda rose by 1.4%. Revenues were higher by 12.5% quarter-on-quarter. Ebitda margins fell from 36% to 32%. Total Ebitda for the quarter was ₹10,417 crore (₹20,700 crore in the first half). With the rise in volumes from the recently commissioned Dolvi capacity, the company's Ebitda is estimated to be at ₹42,000 crore, twice as that of FY21. This will allow the company to complete its ongoing capex with internal accruals, thus keeping its net debt at close to the current level of ₹51,000 crore.

At the current price, the stock is trading at 5 times EV by Ebitda, a valuation multiple. The stock can sustain even in the downcycle.

SCCL workers union to stage protest at all mines today

Against Centre's move to e-auction four coal blocks in State

SPECIAL CORRESPONDENT
BHADRADRI-KOTHAGUDEM

The Singareni Collieries Workers Union (SCWU), affiliated to the AITUC, has called for dharnas in front of all the coal mines of the Singareni Collieries Company Limited (SCCL) on October 26 in protest against the Centre's "move" to e-auction four coal blocks in the State for commercial coal mining.

The SCWU has launched a campaign to enlist support of the workforce for a sustained agitation to press for the removal of the four coal blocks – Sattupalli Block-III, Koyagudem Block-III, Shravanapalli and Kalyan Khani Block-6 – from the auction list reportedly released by the Coal Ministry in the second week of this month.

The SCWU organised gate meetings at various coal mines, including the PVK 5 incline mine in Kothagudem region, in the past two days to mobilise support for the series of protests it planned to hold across the coal belt region demanding handing over the four coal blocks to the State-owned SCCL for mining.

The Centre's move to allocate the four coal blocks in the State for commercial coal mining is arbitrary and bound to prove detrimental to the growth of the State-owned SCCL, leading to socio-economic repercussions, said SCWU general secretary Vasireddy Seetharamaiah.

A view of an open cast coal mine in Kothagudem area of Bhadradri Kothagudem district. ■ G N RAO

Big investment

"The government-owned SCCL, the only coal producing company in the entire south India, spent huge amounts of about ₹60 crore on coal exploration activities in the four coal blocks," he told *The Hindu*.

The Centre should immediately delist the four coal blocks from the auction list and allow the State-owned SCCL to take up coal mining in those blocks to strengthen the government coal mining company and safeguard the interests of the workforce, he insisted.

We have invited all other trade unions operating in the Singareni coal fields for a meeting slated to be held in Godavarikhani town on October 31 to decide the next course of action to press for removal of the four coal blocks from the auction list, Mr Seetharamaiah said.

SCWU honorary president and former Kothagudem MLA Kunamneni Sambasiva Rao and other senior leaders will address the meeting.

BUSINESS LINE DATE : 26/10/2021 P.N.8

COMMODITY CALL

Go long on MCX nickel futures

AKHIL NALLAMUTHU
BL Research Bureau

Since July, the price band of ₹1,535 and ₹1,550 had been blocking the continuous contract of nickel on the Multi Commodity Exchange (MCX) from moving beyond these levels. But a week ago, the contract managed to break out of this resistance band and marked a fresh high of ₹1,635.50 last week. Following this, there was a price drop, and the contract is currently trading around ₹1,550. Notably, the price band of ₹1,535 and ₹1,550 has now turned support post the breakout.

The 50-day moving average [illegible] at ₹1,450, and as

long as the contract lies above this, the trend will remain bullish biased. This is corroborated by the relative strength index (RSI) and the moving average convergence divergence (MACD) on the daily chart as they continue to stay on their respective positive territory.

Thus price correction may not extend below ₹1,450. The contract will most likely resume the uptrend from the current levels and could retest the prior high of ₹1,635. A decisive break out of this level can lift the contract to ₹1,700 in the following weeks.

Hence, traders can consider going long (November futures) at the current level of ₹1,550 and add long if the price moderates to ₹1,505. Place initial stop-loss at ₹1,450. Liquidate 50 per cent of the position when the price appreciates to ₹1,635. Shift the stop-loss upwards to ₹1,540 and look to exit the remaining at ₹1,700.

THE ECONOMIC TIMES DATE : 26/10/2021 P.N.5

Some expects gold to reach $3,000 in matter of months

Gold's Inflation-Haven Appeal Means that a 'Violent' Run-Up by the Metal May Be Ahead

Bloomberg

One after another, commodities from aluminum to natural gas have surged as pandemic aftershocks rattle supply chains. Gold could be next, although for very different reasons.

That's the view of two of the biggest names in Canadian mining -- the former chiefs of Goldcorp Inc., David Garofalo and Rob McEwen -- who predict investors will catch on soon that global inflationary pressures are less transitory and more intense than central bankers and consumers price indexes suggest.

When that realization sets in, gold's inflation-protection appeal probably will send prices to $3,000 an ounce, from about $1,800 now, according to Garofalo, who ran Goldcorp before it was gobbled up by Newmont Corp. and now heads Gold Royalty Corp. Such a run-up would be a "down-payment" to McEwen's $5,000 long term prediction.

It comes as little surprise that gold executives have a bullish bullion outlook. But they don't often predict such a steep gain in so short a time. If other metals are any indication, the gold rally, when it comes, will be dramatic, Garofalo said in an interview Friday alongside McEwen.

"I'm talking about months," he said. "The reaction tends to be immediate and violent when it does happen. That's why I'm quite confident that gold will achieve $3,000 an ounce in months not years."

The global monetary and debt expansion to cope with the pandemic, as well as secondary drivers associated with supply disruptions, will have people turning back to traditional methods of protecting wealth, said McEwen, the founder and former chairman of Goldcorp who now runs his namesake mining company and is a shareholder in one of the companies Gold Royalty is acquiring. "It's not just the dollar," he said. "All currencies are buying less than what they were buying a year ago. So I look at that as an unprecedented development at least in our lives that is going to affect the value of fiat currencies around the world."

Its universality and 4,000 year-old history mean gold is better positioned than crypto-currencies as a hedge against an inflationary environment that "will have deep and meaningful impacts on our capital," Garofalo said.

Inflation is also rippling through the gold industry, with labor and input scarcities emerging and costs rising. That creates another incentive for mid-sized producers to seek savings through mergers and acquisitions after years of under-investment saw reserves shrink, he said.

THE ECONOMIC TIMES DATE : 26/10/2021 P.N.9

JSW Steel to Set Up a Facility in Pulwama

Will invest ₹150 cr to establish a colour coated steel unit at IGC, Lassipora

Our Bureau

Mumbai: Sajjan Jindal's JSW Steel will be setting up a colour coated steel facility in the Pulwama district of Kashmir with a total investment of ₹150 crore.

"This facility shall provide immense benefits to local businesses and society in a meaningful way and provide employment opportunities to the local youth," said Sajjan Jindal, chairman JSW Group.

Union minister of home affairs, Amit Shah, on Monday presented land allocation papers to Jindal.

"This facility will be set up with an investment of around ₹150 crore at IGC, Lassipora, Pulwama," Jindal said in a media statement.

JSW Steel in October 2020, through its wholly-owned subsidiary, invested ₹1,550 crore to complete the acquisition of Asian Colour Coated Ispat (ACCIL).

In 2018, ACCIL was included in the Reserve Bank of India's second list of defaulters on which banks were asked to take corrective action.

ACCIL has an annual capacity of 1 million tonnes with around 300,000 tonnes of cold-rolled steel and colour coated steel. The company has manufacturing facilities in Delhi and Mumbai, and also caters to markets across Europe, Africa, and Latin and North America.

JSW Steel reported its highest-ever consolidated quarterly net profit of ₹7,179 crore in the fiscal second quarter.

EMPLOYMENT OPPORTUNITIES

This facility shall provide immense benefits to local businesses and society... and provide employment opportunities to the local youth

SAJJAN JINDAL chairman, JSW Group

THE ECONOMIC TIMES DATE : 26/10/2021 P.N.8

Tata Steel Installs Power-saving Generator at UK's Port Talbot Plant

PTI

London: A new 30-megawatt generator installed at Tata Steel's Port Talbot site in South Wales will reduce its energy bill by millions of pounds every year at a time when energy prices are rocketing, the Indian steel major announced on Monday.

The generator has been installed in a new turbine hall, as part of a wider £37 million investment at the site's power station.

Tata Steel said the huge generator also includes environmental benefits as more process gases from the blast furnaces, steelmaking plant and coke ovens can be converted into "useful energy" reducing emissions from external power generation by more than 40,000 tonnes of carbon-dioxide (CO_2) a year.

"Our on-site power plant uses process gases to heat water into steam, which then drives a turbine like a propellor. This, in turn, drives an electrical rotor to generate our own electricity," said Guy Simms, Tata Steel's project manager.

"We have a number of these turbo-alternators but not enough to use all the steam we can create. This latest addition, energy, however, will make a step-change to our energy-generation capacity. We've been hot commissioning the plant, and have run it up to its capacity of 30 megawatts," he said.

Simms explained that without the generator, the company would not only be forced to flare, or burn off, excess process gases, but also be required to buy more electricity from the national grid. And, the UK still uses a substantial amount of fossil fuel for its electricity generation.

Simms added: "So this investment effectively reduces our offsite carbon footprint by 30MW worth of electricity generation which equates to about 120 tonnes of CO_2 a day or 43,800 tonnes of CO_2 a year.

NAVBHARAT DATE : 26/10/2021 P.N.7

सरचार्ज वसूल सकती हैं स्टील कंपनियां

उपभोक्ताओं पर बढ़ेगा बोझ

दिल्ली, न्यूज एजेंसियां. लागत में बढ़ोतरी की भरपाई करने के लिए स्टील (इस्पात) कंपनियां सरचार्ज वसूल सकती हैं. जेएसडब्ल्यू स्टील घरेलू बाजार में इस अवधारणा की शुरुआत करने वाली पहली कंपनी हो सकती है. जेएसडब्ल्यू स्टील के संयुक्त प्रबंध निदेशक एवं समूह मुख्य वित्त अधिकारी (सीएफओ) शेषागिरी राव ने कहा कि उत्पादन लागत में बढ़ोतरी की भरपाई को कंपनी दीर्घावधि के मूल उपकरण निर्माताओं के लिए इस्पात उत्पादों की बिक्री पर सरचार्ज

(अधिभार) लगाने की तैयारी कर रही है. उत्पादन की लागत पर भारी दबाव है. जुलाई-सितंबर में तिमाही आधार पर प्रति टन उत्पादन लागत 19% या 6,600 रुपये बढ़ी है.

कोकिंग कोल हुआ महंगा

कोकिंग कोयले की कीमत भी सिर्फ चार सप्ताह में 120 डॉलर प्रति टन से 400 डॉलर हो गई है. इस तरह का उतार-चढ़ाव झेलना किसी इस्पात कंपनी के लिए संभव नहीं है. राव ने कहा कि सरचार्ज की अवधारणा भारतीय बाजार के लिए नई है लेकिन वैश्विक बाजारों में यह पहले से है. क्या भारत के मूल्य संवेदनशील बाजार में सरचार्ज लगाना व्यावहारिक होगा, इस पर राव ने कहा कि हम अपने उपभोक्ताओं को भरोसे में लेंगे. उतार-चढ़ाव की वजह से हम उपभोक्ताओं से इस पर बातचीत करेंगे.

THE TIMES OF INDIA DATE : 26/10/2021 P.N.3

Surjagarh protest ends but oppn to mining project continues

Soumitra.Bose
@timesgroup.com

Though the cops were a relaxed lot after the peaceful conclusion of the morcha, some protesters are still camping at Etapalli

State minister Vijay Wadettiwar, who has asked locals to oppose the project, did not turn up, leaving the tribals who had assembled for the agitation fuming. Ex-MLA Namdeo Usendi said that Wadettiwar had to participate in a meeting at Bengaluru

Nagpur: The agitation, 'Thiya andolan', against Surjagarh iron ore mining project held at Etapalli in south Gadchiroli ended on a peaceful note with the agitators submitting their representation to the sub-divisional magistrate (SDM) but they vowed to continue their opposition to 25 such mines sanctioned by the government in the district.

State's relief and rehabilitation minister Vijay Wadettiwar, who has asked locals to oppose the mining project, did not turn up, leaving the tribals who had assembled for the agitation fuming. Former Congres MLA Namdeo Usendi said that Wadettiwar could not join the andolan as he had to participate in an important meeting at Bengaluru.

Around 4,000 protesters had raised a security concern for the district police in the Maoist belt of eastern Vidarbha. Though the cops were a relaxed lot after the peaceful conclusion of the morcha, some protesters are still camping at Etapalli. It's learnt they might plan to barge into the mining site near Surjagarh to trigger a fresh protest.

SP Ankit Goyal said the security bandobast has been retained and every move is being watched. "Protesters who had come from far-off places have assured to leave by morning. If they resort to any unlawful activities, then action would be initiated accordingly," he said.

Usendi, who along with zilla parishad president Ajay Kankaldwar, Zilla Parishad members Sainu Gota and advocate Lalsu Narote, had led the agitation, said the protest focused on several questionable issues surrounding the project. "The government agencies and other authorities must take cognizance of local population's concerns regarding mining and take decision keeping in mind the issues of environment, biodiversity, and especially the particularly vulnerable tribal group," he said.

The protesters also alerted the sub-divisional magistrate that the mining company is set to use explosives for the project but Maoists may try to loot them for their anti-national activities. "Maoists use 20 kg mine which often leaves police vehicles mangled. If they get any access to the explosives in huge quantity, it may pose a serious problem," said Usendi.

LOKMAT DATE : 27/10/2021 P.N.1

डिझेलच्या दरवाढीमुळे देशात कोळसा संकट

रस्ते वाहतुकीसह रेल्वेचाही वापर गरजेचा

कमल शर्मा
लोकमत न्यूज नेटवर्क

नागपूर : आयात वाढूनही महाराष्ट्रासह संपूर्ण देशभरातील वीज केंद्रांतील कोळशाची टंचाई संपलेली नाही. पावसाळा संपताच निर्माण झालेल्या या टंचाईच्या कारणाचा शोध घेतला असता यामागे डिझेलची भाववाढ हेसुद्धा एक मोठे कारण असल्याचे पुढे आले आहे. डिझेलच्या दरात ३० टक्के वाढ झाल्याचे सांगत कोळसा कंपन्यांच्या वाहतूक कंत्राटदारांनी काम बंद करून संपावर जाण्याचा इशारा दिला आहे.

तर, केंद्र सरकारने परिस्थिती लक्षात घेता वीज कंपन्यांना मार्ग सह रेल्वे (आरसीआर) परिवहन करण्याच्या सूचना दिल्या आहेत. वीज कंपन्यांकडे याबाबतचे व्यवस्थापन नसल्याने कोळसा पुरवठा अपेक्षित वेगाने होत नसल्याचे दिसत आहे. उल्लेखनीय म्हणजे, राज्यातील केंद्रांकडे फक्त १.७ दिवस पुरेल एवढाच साठा आहे. राज्यातील तीन युनिट बंद आहेत. मागणी २० हजार मेगावॅटच्याही पुढे गेली आहे. पॉवर एक्सचेंजच्या माध्यमातून महागड्या दराने खरेदी केली जाणारी वीज आणि गैरपारंपरिक ऊर्जेच्या बळावर सध्यातरी महाराष्ट्र राज्य लोडशेडिंगपासून मुक्त आहे. पाऊस थांबल्याने दोन रॅक कोळशाची आवक वाढली असतानाच वाहतुकीचे संकट ठाकले. आजवर खाणींमधून कोळसा पोहोचविण्याची जबाबदारी कोळसा कंपन्यांवर होती. मात्र, सर्वात मोठा पुरवठादार असलेल्या वेकोलीच्या पुरवठा ठेकेदारांनी डिझेलच्या दरवाढीमुळे वाहतुकीचे दर वाढविण्याची मागणी करत काम थांबविले आहे. यामुळे पुरवठा कायम राहावा, यासाठी केंद्र सरकारने मार्ग सह रेल्वे परिवहनाचे निर्देश दिले आहेत.

महाजनकोकडून कोळशाची उचल

कंपनी	कोळसा
वेकोली	५ लाख मेट्रिक टन
एसईसीएल	४.५ लाख मेट्रिक टन
एमईसीएल	१.५ लाख मेट्रिक टन

...तर कोळसा अन्य कंपनीला देणार : केंद्र

महाजनको आरसीआरच्या माध्यमातून कोळशाची उचल करणार नसेल तर हा कोळसा दुसऱ्या कंपनीला दिला जाईल, असा इशारा केंद्र सरकारने दिला. यामुळे महाजनकोने आपल्या वाहतूक ठेकेदारांना विनंती करून काम सुरू केले आहे. लवकरच निविदा काढली जाण्याची शक्यता आहे. केंद्राच्या निर्देशांचे पालन केले जात असून, आरसीआरच्या माध्यमातून केंद्राने निर्धारित केलेल्या कोळशाची उचल केली जाईल, असे महाजनकोचे संचालक (मायनिंग) पुरुषोत्तम जाधव यांनी सांगितले.

BUSINESS LINE
DATE : 27/10/2021 P.N.9

Go long on MCX zinc at ₹270-275

AKHIL NALLAMUTHU
BL Research Bureau

Zinc prices, after staying volatile during the first two months of this year, witnessed a steady increase until recently. However, over the past week, prices have come under pressure. Thus, the continuous contract of the metal on the Multi Commodity Exchange (MCX), after marking a high of ₹320.55 a week ago, has now slipped to ₹282, shedding some 12 per cent in a week.

Nevertheless, the overall uptrend has not come under threat i.e., the short-term trend will remain bullish until the contract remains above 21-and 50-day moving average, which currently lies at ₹275 and ₹256, respectively. Also, the 61.8 per cent Fibonacci retracement level of the prior rally coincide at ₹275, making it a key support. The medium-term trend will remain positive as long as the contract is above ₹230.

Going forward, the contract may see price moderation between ₹270 and ₹275 before resuming its uptrend. The possibility of the contract staying sideways around these levels for some time cannot be rejected. Therefore, traders can go long between ₹270 and ₹275. Place stop-loss at ₹258, a potential support level. A rally, thereafter, can lift it to ₹300, where one can exit partially. Post that, shift the stop-loss upwards to ₹270 and look for a target of ₹320.

THE HINDU DATE : 28/10/2021 P.N.14

A tenth of coal-fired plants still at risk for outages, says Crisil

Erratic supply, high import costs to hurt 20 GW of capacity

SPECIAL CORRESPONDENT
NEW DELHI

An immediate power crisis may have been averted for now, but about a tenth of India's coal-fired thermal power plants remain in danger of shutdowns and outages due to erratic coal supplies and high prices for imported coal, rating agency Crisil said on Wednesday.

Domestic coal supplies have been erratic due to rains hampering mining operations, while non-coking coal imports have slid more than 20%. As a result, coal stocks at power plants have depleted to an average of five days' worth of supplies.

Ankit Hakhu, Crisil Ratings director, expects global coal prices and domestic e-auction premiums to remain elevated over the next few months, rendering about 20 GW of private power generation capacity out of a total 209 GW of coal-based capacity to be 'most vulnerable'.

"Most of these plants don't have fuel supply agreements and depend heavily on the open market or imports for coal, with committed tariffs for the power sold to utilities. Therefore, if these gencos continue operations at these elevated current coal prices, it may lead to operating losses and thus these capacities may prefer to shut down till coal prices cool," Mr. Hakhu said.

Power demand grew about 9% in the July to September quarter compared with the corresponding period in the pre-pandemic 2019-20, but reliance on thermal energy sources rose disproportionately as hydel and nuclear power generation were lower this year.

Even at units with fuel supply pacts, coal supply may be 'just about adequate for their current generation', noted Crisil's associate director Rohan Kulshreshtha.

THE TIMES OF INDIA DATE : 28/10/2021 P.N.9

Aluminium cos send SOS to PMO over coal shortage

Sanjay.Dutta@timesgroup.com

New Delhi: Aluminium manufacturers on Wednesday sent an SOS to the Prime Minister's Office, saying coal shortage has pushed many units to reduce production, which would adversely impact some 5,000 MSMEs (medium and small scale enterprises) in the downstream sector at a time they are coming out of the pandemic pangs and hit over 10 lakh jobs.

Coal stocks at aluminium plants turned critical after the government in August halved the supply and further pared it to 10% from Coal India as rakes were diverted to shore up inventories at power plants running low. Coal supply was curtailed in spite of the government declaring aluminium production as a public utility service as it is of strategic importance and an essential commodity for diversified sectors that are crucial for the economy.

RAISING ALARM

- Coal stocks at aluminium plants turned critical after the government halved the supply in August
- It was further pared to 10% from Coal India as rakes were diverted to shore up inventories at power plants running low
- Investments of ₹1.4 lakh crore are at risk due to coal shortage

The shortage is now putting at risk investments of Rs 1.4 lakh crore the industry made to double the domestic capacity to over 4 million tonne per annum — or second-largest capacity in the world.

Given the dire situation and coal's importance, the Aluminium Association of India, representing the entire gamut of producers, in its submission to the PMO explained that there was no alternative to captive power supply since aluminium production is a continuous process industry requiring 15 times more energy than steel and 145 times more than cement.

"Any power failure of more than two hours would result in the shutdown of plants for at least six months and render heavy losses, restart expenses and prolonged metal impurity... The industry invested Rs 50,000 crore for setting up 9.4 GW CPPs which is 6% of the country's total demand and 123% of the total energy traded on the IEE (7.6 GW in 2021)," the association said.

BUSINESS LINE DATE : 29/10/2021 P.N.4

EU steel tariff extension: India may strike back

Russia, Turkey too notify their intent to suspend concessions against EU

AMITI SEN

New Delhi, October 28

The spat between India and the EU over the bloc's decision to extend safeguard duties on steel imports from the country for three more years has intensified with New Delhi confirming its intention to impose retaliatory duties on imports from EU countries after Brussels justified its action at a recent WTO meet .

At a recent meeting of the WTO Safeguards Committee, India said that it will provide the details of the suspended concession, estimated at €292 million, to the WTO's Goods Council before the tariff increase is applied, a Geneva-based trade official told *BusinessLine*.

Russia and Turkey too have notified the WTO of their intent to suspend concessions against the EU for its decision to prolong the safeguard measure.

EU's tariff rate quotas

The EU had implemented tariff rate quotas on steel imports as a safeguard measure in 2018 for three years following the US decision to impose additional import duties on steel from a number of countries including Russia, India and Turkey.

It fixed specific quotas for steel imports for exporting countries beyond which the items attracted additional import duties of 25 per cent.

India estimated that safeguard measures led to decline in exports of €1.168 billion on which duty collection would be €292.01 m REUTERS

The situation became tougher for Indian exporters after the EU made certain changes in the TRQ administration and then decided to extend the measures for another three years.

"One of the reasons behind the EU's decision to impose TRQs on steel was to avoid diversion of exports from the US to the EU market. But this has caused losses for Indian exporters due to no fault of theirs. That is why India wants to impose retaliatory duties in case the EU does not roll back its decision," another official said. India is among the main steel exporters to the EU, which also includes China, Russia, South Korea, Turkey and Ukraine.

In talks with Brussels

India estimated that the safeguard measures resulted in the decline of exports to the tune of €1.168 billion on which the duty collection would be €292.01 million. New Delhi held consultations with Brussels trying to persuade it to withdraw the measures, but the latter has not agreed yet. The retaliatory action being planned by India, Russia and Turkey are being taken in line with Article 8.2 of the Safeguards Agreement, which allows a member to suspend concessions if an agreement on compensation with the member imposing the safeguard cannot be reached.

The right to suspend concessions can only be exercised three years after the safeguard is in place.

Standing firm on its decision to extend the safeguard beyond the original three years, the EU, said that it had carried out an investigation which found that the relevant criteria under the WTO's Safeguard Agreement for an extension were all met.

Q3 gold demand up 47% as offtake revives and Covid restrictions ease

Jewellery offtake lower than Q3 2019

SURESH P IYENGAR

Mumbai, October 28

Gold demand during the September quarter increased 12 per cent to 139 tonnes against 124 tonnes during the same period in 2019, while jewellery demand was down at 96 tonnes against 102 tonnes during the same period.

However, compared with the September quarter of 2020, the overall demand is up 47 per cent as Covid-induced restrictions eased across the country, according to data released by the World Gold Council on Thursday.

Pent-up demand

Similarly, jewellery demand was up 58 per cent buoyed by lower prices and pent-up purchases. In value terms, it was up 48 per cent at ₹41,030 crore against ₹27,750 crore logged in September 2020. Investments in gold increased 19 per cent to ₹18,300 crore (₹15,410 crore).

Somasundaram PR, Regional CEO, India, World Gold Council, said the revival in demand reflects a combination of low base effect and return of positive trade and consumer sentiments.

It was primarily driven by higher vaccination against Covid and falling infection rates, which led to a strong economic rebound, he said.

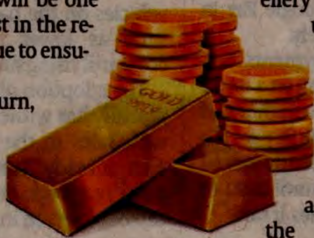
Softer gold prices have also generated significant consumer interest ahead of festival season, he said.

Imports double

Gold imports more than doubled in September quarter to 267 tonnes against 96 tonnes logged in the same period last year. In fact, gold imports in the three quarters this year at 691 tonnes is higher than the demand of 360 tonnes recorded in the year-ago period. Recycling of gold halved to 21 tonnes on the back of lower prices.

Gold prices in the September quarter was down seven per cent at ₹42,635 per 10 grams against ₹45,640 registered last year.

Led by rural India, gold jewellery sales in the December quarter will be one of the highest in the recent times due to ensuing festivals.



This, in turn, will boost the overall demand this year and it will be much higher than the 446 tonnes logged last year, he said.

In the first nine months, demand has already touched 360 tonnes against 261 tonnes logged last year.

Hallmarking issues settled

The compulsory hallmarking of gold jewellery along with unique identification code is slowly stabilising after Bureau of Indian Standards (BIS) shifted the responsibility to the manufacturers from jewellers, Somasundaram added.

Following this, the hallmarking centres will be more concentrated closer to the jewellery manufacturing units. However, care should be taken to ensure that hallmarking is done by an independent third-party agency rather than the manufacturers themselves, he said.

BIS is yet to automate the process of tracking the distribution of jewellery from manufacturers to retailers using the HUID to ensure there are no tampering, he said. The WGC expects demand for digital gold to increase manifold this festival season largely on basis of convenience.

27

COMMODITY CALL

Lead futures: Buy between ₹180 and ₹184

AKHIL NALLAMUTHU
BL Research Bureau

The lead futures on the Multi Commodity Exchange (MCX) has been gradually gaining since the beginning of this year. While there were intermittent corrections, the continuous contract of lead maintained the over bullish bias. In line with this, the latest leg of the rally began in the first week of October from about ₹176. The rally was sharp, and by mid-October it hit a fresh high of ₹194.65.

But the contract was not able to extend the up-move beyond that level and made a U-turn. It has been falling for the past two weeks and is now trading around ₹187.

From the current level, the nearest support is at ₹184, where the 21-day moving average (DMA) coincides. Subsequent support is at ₹180, where 50-DMA coincides.

So, traders can go long in lead futures if the price softens to ₹184 and accumulate when it drops further to ₹180 and keep stop-loss at ₹175. The contract is not likely to move below this level but can resume the uptrend.

On the upside, the contract can potentially touch ₹194, which can be the target for the longs. When the contract surpasses the price level of ₹190, shift the stop-loss upwards to ₹184.

THE HITAVADA DATE : 29/10/2021 P.N.1

India's gold demand bouncing back to pre-COVID levels, rises 47 pc in Sept qtr to 139 tonnes: WGC

MUMBAI, Oct 28 (PTI)

INDIA'S gold demand has seen a 47 per cent year-on-year jump in the July-September quarter to 139.1 tonnes, following strong rebound in economic activity and recovering consumer demand, the World Gold Council said in a report.

According to the World Gold Council (WGC), gold demand in India is bouncing back to pre-COVID levels and going forward the outlook looks bullish.

The country's overall demand stood at 94.6 tonnes during the September quarter of 2020, the WGC's Q3 Gold Demand Trends 2021 report said, adding that in terms of value, India's third quarter gold demand went up by 37 per cent to Rs 59,330 crore, compared to Rs 43,160 crore a year ago.

"This reflects a combination of low base effect and return of positive trade and consumer sentiments. This is primarily driven by what appears to be a firm grip on the pandemic with higher vaccination rates and falling infection rates, leading to a strong rebound in economic activity," WGC Regional CEO, India, Somasundaram PR told PTI.

THE ECONOMIC TIMES DATE : 30/10/2021 P.N.11

Vedanta Posts Over Five-fold Rise in Q2 Profit at ₹4,615 cr

Our Bureau

Mumbai: Anil Agarwal-led Vedanta Ltd has reported a consolidated net profit of ₹4,615 crore during the September quarter of FY22, up 5.5 times year on year (YoY) on the back of strong aluminium prices on the London Metal Exchange, which touched an all-time high in September.

The company had reported a net profit of ₹4,224 crore in the previous quarter.

"We witnessed steady volume performance across business segments, and sustained margins, benefiting from high commodity prices despite a challenging cost environment," said the company's CEO Sunil Duggal in a media statement on Friday.

Co sustained margins, benefiting from high commodity prices despite a challenging cost environment: CEO Sunil Duggal

Vedanta's revenue from operations rose 44.4% year on year to ₹30,048 crore. Total expenses went up by 30% to ₹23,222 crore.

The company's operating profit (Ebitda or earnings before interest, taxes, depreciation and amortisation) during the quarter under review rose 62% on-year to ₹10,582 crore.

Vedanta reported its highest quarterly aluminium production of 570kt, up 21% YoY, and record high zinc mined metal production of 248kt since transition to underground mining, up 4% YoY. Its steel saleable production came in at 293 kt, up 12%.

Ebitda margin during the September quarter was at 40% compared to 36% in Q2 FY21.

"Healthy Ebitda was primarily supported by improved commodity prices and higher volumes of aluminium. This was partially offset by lower sales volume at zinc business and higher cost of production impacted by input commodity inflation," the company's statement said.

The company had a cash and cash equivalents of ₹30,650 crore and its net debt was at ₹20,389 crore on September 30, 2021. "We continue to focus on prudent capital allocation and deleveraging. We reduced net debt by ₹7,232 crore YoY," Duggal said.

The company has given a capex guidance of $1.1 billion for FY22 and has spent around $0.3 billion as of September 2021.

THE INDIAN EXPRESS DATE : 31/10/2021 P.N.14

'US, EU to resolve Trump-era steel, aluminum tariffs

DAVID LAWDER & ANDREA SHALAL
WASHINGTON/ROME, OCT 30

THE UNITED States and European Union are expected this weekend to announce a deal to resolve a dispute over US steel and aluminum tariffs imposed in 2018 by former President Donald Trump, six people familiar with the pact said.

Three of the sources said the agreement, details of which were still being finalized, would allow EU countries to export duty free some 3.3 million tons of steel annually to the US under a tariff-rate quota system. "An agreement on steel has been reached and will be announced soon," said one source familiar with the matter, speaking on condition of anonymity.

The deal may ease record-high US steel prices that have topped $1,900 a ton as the industry has struggled to keep up with a demand surge after COVID-19 pandemic-related shutdowns.

Steel volumes above the 3.3 million-ton quota would be subject to tariffs, but additional duty free-status would be extended for about 1 million tons of EU steel products that had previously won Commerce Department tariff exclusions, three sources said.

The deal leaves intact Trump's global tariffs of 25 per cent on steel and 10 per cent on aluminium but on a practical basis exempts a substantial portion of Europe's steel exports to the US. The Commerce Department, US Trade Representative's office and White House did not respond to requests for comment. **REUTERS**

'G20 must speed up work on debt of poor nations'

Rome: World Bank President David Malpass on Saturday called on leaders of the Group of 20 rich nations to speed up work on debt restructuring for low-income countries, including a freeze on debt payments and mandatory participation of private creditors. "The multiple problems are causing devastating reversals in development," he said. **REUTERS**

THE ECONOMIC TIMES DATE : 31/10/2021 P.N.3

Vedanta Gets Sebi Warning for Executing ₹1,407-cr Deal Without Audit Panel Nod

Co asked to ensure compliance with applicable provisions of regulator's regulations

Our Bureau

Mumbai: The Securities and Exchange Board of India (Sebi) has warned Anil Agarwal's Vedanta Ltd for executing a ₹1,407-crore related-party transaction without prior approval of the company's audit committee.

"The non-compliance is viewed seriously. You are hereby warned and advised to ensure compliance with applicable provisions of Sebi regulations. Any such aberration would be viewed seriously and appropriate action would be initiated," the regulator wrote to Vedanta's company secretary, Prerna Halwasiya.

During the year ended March 31, 2021, the company had entered into a transaction for the sale of investments of ₹1,407 crore with Hindustan Zinc as part of its treasury operations, for which prior approval from the audit committee as stipulated under listing regulations was not taken. The decision was subsequently ratified by the audit committee.

Sebi said the company submitted the transaction for ratification to the audit committee 47 days after the transaction. The company had said the transaction was done at arm's length and in the ordinary course of business.

"In this regard, attention may be drawn, all related-party transactions shall require prior approval of the audit committee. Accordingly, the submission of the company that the transactions were done at arm's length distance is not tenable," the regulator said.

ABOUT THE MATTER

Sebi said Vedanta submitted the transaction for ratification to the audit committee 47 days after the deal

On the secretarial auditor's observation on the delay of disclosure in a board meeting held on October 3, 2020, the company said it was due to unforeseen circumstances and that it would ensure that such delays would not happen again.

Vedanta has responded by saying the board at its meeting held on October 29, 2021, had taken note of the Sebi letter and advised the company to ensure adherence to all applicable provisions.

"We would also like to state that the company has always been meticulous in complying with all the provisions of the Companies Act and Sebi regulations and will continue to do so," the company said in its letter, filed with BSE on Saturday.

BUSINESS LINE DATE : 31/10/2021 P.N.6

Corrective dip on the cards

But such a move is unlikely to be a bearish trend reversal as long-term outlook is still bullish

AKHIL NALLAMUTHU
BL Research Bureau

SMART TRADE
Hold long positions in gold futures for now, while others can enter when price softens to ₹47,000

Scan & Share

The World Gold Council (WGC) released its latest gold statistics last week and the data shows that demand for the yellow metal in third quarter of 2021 was down by 7 per cent (y-o-y) to about 831 tonnes. The drop is seen after increasing in the past two quarters. The decline in demand was primarily driven by the ETFs (Exchange Traded Funds) which saw net outflows of 27 tonnes compared to an inflow of 274 tonnes in the same quarter of the previous year. Jewellery demand was 33 per cent higher at nearly 443 tonnes and demand from technology were up by 9 per cent. Net buying by central banks stood at 69.3 tonnes compared to net selling of nearly 11 tonnes.

The data suggests that lower prices of gold taken with economic recovery, propped up jewellery demand, while investors were discouraged by returns to offload ETFs. Year-to-date demand too saw a dip to 2,663 tonnes as against 2,939 tonnes during the corresponding period last year.

There has been a recovery in prices since October which can attract ETF investments. Hopefully economic recovery can keep the consumer sentiment on jewellery positive. Nevertheless, the price of gold stayed largely flat and silver price saw a marginal correction over the past week as the overall commodity market came under pressure.

In the international spot market, gold lost about 0.5 per cent and ended the week at $1,782.8 whereas silver lost 1.9 per cent and closed at $23.85 per ounce. Similarly, on the Multi Commodity Exchange (MCX), gold futures was down by 0.3 per cent for the week, closing at ₹47,635 (per 10 grams) and silver corrected by 1.7 per cent to end the week at ₹64,534 (per 1 Kg).

GETTY IMAGES/ISTOCKPHOTO

MCX-Gold (₹47,635)

The uptrend in gold futures (December series) seems to be facing a challenge as it has failed to crack the resistance of ₹48,000 last week. Although it rallied past this level early on and made a high of ₹48,299, the contract was not able to hold above the level and fell back below ₹48,000 in the very next session. It can be assumed that the short-term uptrend remains valid but there can be a minor correction before the contract decisively breaches ₹48,000.

The bullish inclination is corroborated by relative strength index (RSI) and the moving average convergence divergence (MACD) on the daily chart since they remain in their respective positive territory. The price is above both 21- and 50-day moving averages (DMAs) and so long as the price is above the ₹47,000 support, the near-term bull trend will not come under threat. However, given the prevailing conditions, a price correction to ₹47,000 cannot be ruled out.

Traders who already hold long positions can continue to hold and others can wait for now and go long when price softens to ₹47,000. In both cases, the initial stop-loss can be placed at ₹46,500. A recovery from ₹47,000 can quickly lift the contract to ₹48,000. If the contract breaks out of this level and reach ₹49,000, consider booking half the profits and shift the stop-loss to ₹48,000. The remaining positions can be liquidated if the contract touches ₹50,000.

The nearest supports from the current levels can be spotted at ₹47,000 and ₹46,000.

MCX-Silver (₹64,534)

Silver, which has been outperforming gold since the beginning of the month, declined and registered a loss of 1.7 per cent whereas gold saw a minor drop in price last week. Even as the December futures opened on Monday on the front foot, the contract quickly made a U-turn and was sliding through the week.

However, the fall is most likely to be a corrective decline and not a bearish trend reversal. Supporting this, the contract has a confluence of supports from the current level of ₹64,534. There is a support at ₹64,300 below which lies the 21-day moving average at ₹63,280 and subsequently, there is a support at ₹62,500. So, this means, the chances are high for the contract to resume the uptrend within the price band of ₹62,500 and ₹64,300. Until the price stays above these levels, the trend will continue to be bullish. The RSI and the MACD on the daily chart continue to stay in the bullish region.

Considering the above factors, one can go long at ₹63,280 and accumulate when price moderates to ₹62,500 and keep preliminary stop-loss at ₹61,000. The likelihood of the silver futures slipping below ₹62,500 is less and if it comes back to the upward path, the first resistance it may face can be at ₹66,700. A breakout of this level can push up the price to ₹70,000. So, half of longs can be liquidated at ₹66,700 revising the stop-loss upwards to ₹65,000. Exit the rest of the longs at ₹70,000.

+++++++++++++++