खनिज समाचार

KHANIJ SAMACHAR

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KHANIJ SAMACHAR

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VOL. 5, NO-23 , 1st – 15th DECEMBER , 2021

THE ECONOMIC TIMES DATE : 1/12/2021 P.N.6

STRONG GROWTH with global footprint, innovative products, profit and margin expansion, and reasonable valuation make the issue a good bet

Tega Industries Mines Out a Convincing Investment Case

Jwalit.Vyas@timesgroup.com

ET Intelligence Group: Tega Industries, a producer of consumable products for mining companies, is coming out with an offer for sale (OFS) worth ₹619 crore to provide an exit to the current investor, Wagner, a part of the US-based PE firm TA Associates. Promoters will also sell a partial stake which will reduce their holding to over 79% after the IPO from around 85%.

A strong global positioning in the minerals processing-related products, decent growth in the past two years and reasonable valuation make the IPO attractive.

Track Record

(Fig in ₹ cr)	FY21	FY20	FY19
Sales	805.5	684.8	633.8
EBITDA	187.5	106.5	96.7
EBITDA Margin	23.30%	15.60%	15.30%
Net Profit	136.4	65.5	32.7

IPO DETAILS

IPO/OFS Size	Price Band	IPO Dates	M-Cap
₹619 cr	₹443-453	Dec 1-3, 2021	₹3,003 cr

Business: Incorporated in 1978, Kolkata-based Tega manufactures polymer-based mill liners which are used in mining processing to extract elements such as gold and copper from the ore. These products form a part of the clients' operating expenses rather than the capital expenditure and hence, are less susceptible to the volatility in the commodities market according to the company management.

IPO WATCH

Tega is globally the second largest player in polymer liners, the market for which is estimated at around $400 million (around ₹3,000 crore). The company's clientele includes large global mining companies. Of the total revenue, 86% is from overseas and 65% from gold and copper followed by iron ore, bauxite, zinc and platinum.

To expand its market, the company introduced a product in the steel lining category called 'dyna-prime' in FY19. This has opened up an opportunity worth $1 billion (approximately ₹7,500 crore). After just two years, the product now contributes over 20% to the company's total revenue.

Tega has six manufacturing sites, including three in India and the others in major mining hubs of Chile, South Africa and Australia. The overall industry is expected to grow at over 6% over the next three-four years.

Financials: Revenue grew by 17.6% year-on-year to ₹805.5 crore in FY21 helped by the demand for dyna-prime. The operating margin before depreciation and amortisation (Ebitda margin) expanded by 770 basis points to 23.3%. Net profit doubled to ₹136.4 crore. Net debt for the year was ₹171.3 crore. Return on equity was 22.2%.

Valuations: At the upper price band, the company demands a trailing price-earnings (P/E) multiple of 22 and a price-sales multiple of 3.7. AIA Engineering, another company providing intermediate products to the mining clients and much larger in operations, trades at a P/E of 30 and P/S of 5.5.

BUSINESS LINE DATE : 1/12/2021 P.N.8

Stay away from lead futures until key trends emerge

AKHIL NALLAMUTHU
BL Research Bureau

The price of lead, which gained gradually since March, is now facing a slowdown. Consequently, the continuous futures of lead on the Multi Commodity Exchange (MCX) is oscillating sideways i.e., between ₹182 and ₹194. Thus, unless either of these levels is breached, the next level of trend cannot be confirmed.

Indicating a lack of trend, the contract is trading around the 21- and 50-day moving averages. Also, the RSI and the MACD are hovering in the neutral region. So, traders are advised to stay on the sidelines until either ₹182 or ₹194 is breached.

A breakout of ₹194 can turn the outlook positive. Since the trend prior to consolidation has been up, a breakout can result in a good build-up of positive momentum. This can lift the contract above the critical level of ₹200, potentially to ₹210. Traders can consider longs if ₹194 is breached. Initially, stop-loss can be placed at ₹186 and then to ₹194 if the contract moves above ₹200. Exit the positions when the contract touches ₹210.

In case if the contract breaks below ₹182, the short-term trend can turn bearish. The nearest support below ₹182 is the band of ₹173-₹175. Subsequent support is at ₹167. Hence, consider selling the contract if the price falls below ₹182. Initial stop-loss can be ₹188 and shift it to ₹182 if the contract declines below ₹173. Liquidate the shorts at ₹167.

BUSINESS LINE DATE : 1/12/2021 P.N.3

Eight core industries' output grows 7.5% in Oct, exceeds expectations

While coal and natural gas showed faster growth, fertiliser and steel remained flat

OUR BUREAU

New Delhi, November 30

Aided by base effect, the output of eight core industries grew a robust 7.5 per cent in October 2021, official data released on Tuesday showed.

This was higher than the 4.5 per cent growth recorded in September 2021 and 0.5 per cent growth recorded in October last year.

The chart toppers

The latest performance was driven by a sharp rise in output in coal (14.6 per cent); natural gas (25.8 per cent); refinery products (14.4 per cent); cement (14.5 per cent); and electricity (2.8 per cent).

The remaining constituents — fertilisers (0.04 per cent) and steel (0.9 per cent)— remained flat or displayed moderation in their pace of YoY growth. However, crude oil recorded contraction of 2.2 per cent in October 2021.

Meanwhile, the government has revised upwards the core sector output growth for July 2021 to 9.9 per cent, from 9.4 per cent projected earlier.

Madan Sabnavis, Chief Economist, CARE Ratings, said: "With overall growth being 7.5 per cent this month, we could expect IIP growth to be in the region of 6-8 per cent with consumer goods, in particular, driving this number just before the Diwali season."

He highlighted that coal and cement are two sectors that continued to register high growth rates over impressive rates last year. While

The coal picture is "reassuring" given the shortages and production disruptions AFP

coal output grew 14.6 per cent over 11.7 per cent, cement grew 14.5 per cent over 3.2 per cent. "The coal picture is reassuring because this was the time when the country was challenged by shortages following a prolonged monsoon which came in the way of mining. Also this was a global problem," he said.

In the case of cement, there has been continued focus of the government on roads (seen in the fiscal numbers too), which had added to demand. This may be expected to be sustained in the coming months too, he added.

Aditi Nayar, Chief Economist, ICRA, said the divergence in the double-digit growth of cement with the marginal rise in steel is reflective of the cutbacks in auto production, whereas construction activity appears to be healthy.

"With a mixed trend displayed by most early indicators that are available for November 2021, we expect the core sector growth to slip to under 5 per cent for this month. While the core sector growth has accelerated and the festive season trends were broadly positive, the 22 per cent contraction in auto output is likely to push the October 2021 IIP growth to below 2.5 per cent", she said.

BUSINESS LINE DATE : 2/12/2021 P.N.10

MCX to launch options trading in nickel soon

OUR BUREAU
Mumbai, December 1

MCX, the country's largest commodity exchange, will launch options trading in nickel (1500 kg) futures by the middle of this month with the growing investors' and hedgers' interest in metals.

The options contract will provide a more cost-effective tool for hedgers even as the underlying futures contract has gained good traction.

Initially, three options contracts expiring in January, February and March will be available for trading with the underlying futures contracts.

The position limits for options contracts at the client level would be 2,000 tonnes or 5 per cent of the market-wide open position across all Nickel Options contracts together.

For members, the limit would be 20,000 tonnes or 20 per cent of the market-wide open position, whichever is higher – across all Nickel Options contracts together.

Options contracts on expiry will devolve into the corresponding futures position. Then, if the open position exceeds the permissible limit it has to be reduced within two trading days, said the exchange.

The MCX options contract will have a strike price interval of ₹20, while the tick size (minimum price movement) will be ₹0.05. The cost of hedging through options is much lower than that of futures.

Risk management for producers, exporters, processors and SMEs using nickel is critical as any adverse movement in prices can impact the overall cost.

THE HINDU DATE : 2/12/2021 P.N.12

NMDC ore output rises, sales dip

SPECIAL CORRESPONDENT
HYDERABAD

Mining major NMDC produced 3.34 million tonnes (MT) of iron ore and registered sales of 2.88 MT in November.

The output was higher compared with the 3.32 MT produced a year earlier, while monthly sales were lower for the first time this fiscal. In November 2020, sales totalled 3.3 MT.

Production and sales for the first eight months of the fiscal stood at 24.37 MT (17.98 MT) and 24.96 MT (18.73 MT) respectively, the best ever performance up to November for any year, the public sector company said in a statement.

THE ECONOMIC TIMES DATE : 3/12/2021 P.N.9

Steel Cos Cut Prices as Iron Ore, Coking Coal Costs Fall

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Mumbai: The domestic benchmark hot rolled coil (HRC) steel price has come down to ₹67,000 a tonne from an all-time high level of ₹69,000-70,000 at the end of October on the back of reducing iron ore and coking coal prices.

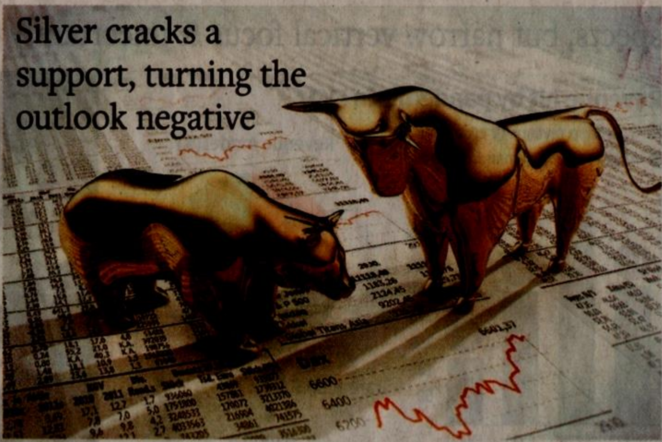
Steelmakers such as JSW Steel and Arcelor Mittal Nippon Steel India (AM/NS), though, said the price fall since the beginning of December could be temporary as Indian steel prices are still at a discount to international prices.

BUSINESS LINE DATE : 5/12/2021 P.N.6

Gold remains directionless

AKHIL NALLAMUTHU
BL Research Bureau

Silver cracks a support, turning the outlook negative



GETTY IMAGES/ISTOCKPHOTO

The sell-off in gold and silver, which began a fortnight ago, remains intact. The downside momentum remains as both precious metals ended last week with a loss for the third consecutive week. During the past week, gold made a fresh one-month low of $1,761.7 whereas silver registered two-month low of $22.03.

On Friday, the US Non-Farm Payroll data was released post which there was increased activity in the dollar. This in turn increased the volatility in bullion prices. Post all the actions, in the international spot market, gold closed the week with a loss of nearly 0.5 per cent at $1,783.7 per ounce whereas silver was much weaker and depreciated by 2.7 per cent, wrapping up the week at $22.51 per ounce.

Similarly, on the domestic Multi Commodity Exchange (MCX), gold futures (February expiry) closed the week at ₹47,903 (per 10 grams) down marginally by 0.1 per cent. Silver futures (March series) lost 2.3 per cent and ended at ₹61,516 (per kg). The underperformance in silver is likely to stay for a while.

That said, the Commitment of Traders (COT) report by the Commodity Futures Trading Commission (CFTC) shows that the net long positions have come down in COMEX Gold since mid-November. As per the latest data, net longs in gold stand at 731 tonnes as against 882 tonnes a fortnight ago. Thus, speculative positions seem to move away as price declines.

Although as prices remained weak, the net flows to the gold ETFs (exchange traded funds) have stayed positive for the last two weeks. That is, cumulative net inflows in the past couple of weeks stands at nearly 20 tonnes as per the World Gold Council (WGC) data. This is largely due to considerable inflows in the North American region. Investors seem to be capitalising on falling price to raise their exposure to the yellow metal. If this trend continues, this can give an upward push for gold price.

MCX-Gold (₹47,903)

MCX-Gold futures (February contract) began the week with a gap-up at ₹48,184 versus previous week's close of ₹47,960, but failed to get a strong follow-through rally. Bears were quick to respond, and the contract fell and registered a fresh one-month low of ₹47,350 on Thursday. However, there was a recovery on Friday and thus, the contract ended the week with a minor loss of 0.1 per cent at ₹47,903.

So, the broad range of ₹47,000 - ₹49,000 stays valid. But within this range, the contract seems to be largely held within ₹47,400 and ₹48,500. The direction through which the futures breakout of this range can signal the potential price swing. A move above ₹48,500 can turn the sentiment positive. In this case, it can be expected to rally past ₹49,000 and touch ₹50,000. Resistances above this level are at ₹52,500 and ₹54,000. On the other hand, if the contract slips below ₹47,400, sell-off can intensify. This might drag it down to ₹46,500 and possibly to ₹45,920 – a crucial support. A breach of this level can turn the medium-term trend bearish.

Hence, traders can stay on the sidelines given the prevailing conditions and initiate fresh trades along the direction of the break of the price band of ₹47,400 - ₹48,500.

Go long if gold futures rallies above ₹48,500 with initial stop-loss at ₹47,700 i.e., just below the 50-day moving average (DMA). When the contract reaches ₹49,500, revise the stop-loss to ₹48,500. Exit at ₹50,000 as this can be a hurdle. Depending on how the contract reacts to this level, further trades can be planned later.

Alternatively, if contract drops below ₹47,400, go short with stop-loss at ₹48,500. When the price declines to ₹46,500, revise the stop-loss to ₹47,400. Liquidate the positions at ₹45,950.

MCX-Silver (₹61,516)

Silver was weaker than gold and lost 2.3 per cent last week by closing at ₹61,516. The silver futures (March series) has decisively broken the support at ₹62,500 which can now pave way for more downside. Bearish outlook is corroborated by the relative strength index (RSI) and moving average convergence divergence (MACD) on the daily chart as both have fallen to their respective negative territory.

Moreover, the number of outstanding open interest (OI) of all active futures contract on the MCX has increased to 13,210 contracts compared to 11,581 contracts by the end of the preceding week. A drop in price along with increasing OIs indicates a short build-up.

A recovery from here will be resisted by the barriers at ₹62,500 and ₹64,000 – the 50-DMA. A breakout of ₹64,000 can turn the near-term outlook positive wherein the contract can possibly rise ₹66,200.

On the other hand, the nearest supports can be seen at ₹60,000 and ₹58,700. Subsequent support can be spotted at ₹57,800 and notably, a breach of this level can turn the medium-term trend bearish. Since ₹57,800 is a significant support, this might arrest decline and there might even be a corrective rally from here. Thus, given the circumstances, one can only consider short-term trades.

Considering the above factors, traders can sell silver futures at current level of ₹61,516 and add more shorts if it rallies to ₹62,500. Keep the stop-loss at ₹64,350. When the contract declines to ₹60,000, shift the stop-loss down to ₹62,000. Exit the positions completely when price drops to ₹58,000.

BUSINESS LINE DATE : 6/12/2021 P.N.7

Showing steely resolve to rebuild dreams

How Electrosteel, Bhushan Steel, Essar Steel, Monnet Ispat & Energy, and Bhushan Power and Steel have been turned around by their acquirers

SURESH P IYENGAR

Demand revival Many steel companies have revived their capex cycle to improve their profitability

Satish Kumar, a worker with Electrosteel Steel, is a happy man as his life has changed for the better in a matter of three years. From being bogged by delayed salary and uncertainty over the future of his then employer, his fortunes have improved with the acquisition of the company in an insolvency process by Anil Agawal-led metal and mining giant Vedanta.

Kumar is among thousands of Electrosteel employees who have managed to rebuild their dreams in the steel city of Bokaro.

Not just Electrosteel but almost all the steel companies that were sold to large companies such as JSW Steel, Arcelor Mittal Nippon Steel India and Tata Steel have been turned around by their acquirers on the back of relentless rally in steel prices.

Improving utilisation

Five stressed steel companies (Electrosteel, Bhushan Power and Steel, Bhushan Steel, Monnet Ispat & Energy, and Essar Steel) with cumulative capacity of 21 million tonnes were put on sale by the lenders as of March-end. These assets accounted for 70 per cent of total financial claims resolved or liquidated under IBC in the steel sector, as per latest Crisil study.

The acquirers have turned around the assets and improved the utilisation level from 65 per cent in fiscal 2018 to over 80 per cent by end of last fiscal driving operational efficiency, better access to working capital and strong managerial oversight.

Despite pandemic-linked blips, domestic demand outlook remains strong, which has helped the acquirers ramp up utilisation levels. This apart, the acquired assets also have brownfield potential to almost double their existing capacities of 21 mt, which could get kick-started over the next one to two years given the strong demand outlook.

Naveen Vaidyanathan, Associate Director, Crisil Ratings, said fortunately for the steel sector, the pandemic has not derailed demand much. Last fiscal, after a complete washout in the first quarter, there was a sharp recovery that limited the decline in domestic demand to six per cent for the year. The demand growth in this fiscal is expected to grow 10-12 per cent, led by the auto and infrastructure segments and higher exports, he said.

Quick recovery

Interestingly, Electrosteel Steel itself has come full circle in less than three years since it was delisted from the exchange, and is now being proposed to be re-listed to unlock value.

Vedanta, which made its entry into the steel business and delisted Electrosteel by paying ₹9.54 a share, turned the company around in just eight months. In all, it paid ₹5,320 crore for the stressed asset in 2018.

When the company was dragged into insolvency in December 2017, Electrosteel was incurring a loss of over ₹900 crore and the financial lenders had put a claim of ₹13,395 crore, while that of operational creditors' exposure was ₹782 crore. In the financial year ended March, 2021, the company recorded net profit of ₹2,732 crore by bringing down the operational cost and infusing fresh funds.

The company plans to kick off a project to double the capacity to 3 million tonnes from next March.

The case of JSW Steel's acquisition of Bhushan Power and Steel is more interesting as the company has made a profit of ₹918 crore, even before the deal gets final approval from the Supreme Court.

In a unique agreement, JSW Steel had paid ₹19,500 crore in March to the lenders of BPSL with the condition that they would return the money back, if the deal was not approved by the Supreme Court.

Seshagiri Rao, Joint Managing Director, JSW Steel, said the investment in BPSL has been giving good returns and it will increase further as the company is investing to improve the operational efficiency of the plant.

Moreover, he said the company will be doubling the capacity with further investments. JSW Steel had raised a debt of ₹13,300 crore for acquiring BPSL and prepaid ₹3,300 crore in October.

Atul Sharma, Managing Partner, Link Legal, said lenders would have realised more money if the National Company Law Tribunal (NCLT) process for revival of steel units was speeded up. Though a few appointments at NCLT have been made recently it is not sufficient for faster resolution of insolvency cases, he added.

Realising value

Rajnath Yadav, Research Analyst, Choice Broking, said not only did the metal companies that acquired stressed assets benefit from steel upcycle but it has also helped financial creditors realise better value in insolvency cases of Sathavahana Ispat and MSP Metallics.

"With global supply chain easing gradually, we believe that there is limited upside in price of select commodities.Lenders can partially offload their positions and further improve their recovery rates," he added.

In fact, JSW Steel is one of the biggest beneficiaries of insolvency cases as it has acquired downstream units of Monnet Ispat, Asian Colour Coated and Vallabh Tinplate.

Similarly, Tata Steel acquired Bhushan Steel (the Bhushan group was split into two in 2002 — with the elder brother Sanjay running Bhushan Power and Steel and younger brother Neeraj operating Bhushan Steel) for ₹35,200 crore in 2018. The once stressed asset, BSL recorded over five times increase in September quarter net profit at ₹1,837 crore against ₹342 crore in the same period last year. Tata Steel has repaid ₹11,424 crore in the first half of this fiscal to reduce its gross debt to ₹78,163 crore.

After a long delay, Tata Steel has already completed the merger of BSL with itself to capitalise on further synergy.

Jitendra Upadhyay, Senior Equity Research Analyst, Bonanza Portfolio, said given the cyclical nature of metal business lenders pursuing insolvency cases should hold back a portion of their holding in the stressed asset to realise better returns after the asset is turned around. Many steel companies, of late, have revived their capex cycle to bring down cost and improve profitability amid strong demand revival.

Steel companies are also deleveraging their balance sheet by prepaying debt supported by free cash flow and better realisations.

The strong steel cycle will help companies sustain an upward trajectory in earnings, said Upadhyay.

THE TIMES OF INDIA
DATE : 7/12/2021 P.N.10

Aluminium units warn of shortage, price hikes

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New Delhi: Domestic aluminium manufacturers have warned of shortage and resultant increase in price as the industry continues to dodder on the brink due to curtailed coal supplies for captive generation. This comes more than a month after claims were made that any fuel shortage at utility power stations had ended.

On Monday, coal minister Prahlad Joshi told the Rajya Sabha there was no shortage of coal in the country and inventories at power plants have risen to nine days from average four days during the crisis between August and October.

But in a representation to the ministries of coal, power and railways, Indian Captive Power Producers Association said captive generation-based

REFER TO LOW COAL SUPPLY

industries were getting 50% of their linkages, or supply commitment, from Coal India. It also flagged reduced availability of railway rakes as a hurdle.

The continued short supply has become critical as it coincides with the metal's price rising globally due to shortage. If coal supply remains curtailed, it will impact output and further increase the price. Coal stocks at aluminium plants had turned critical after the government had in August halved the supply from Coal India to non-power industries and further pared it to just 10% as rakes were diverted to boost inventories at utility power plants.

Aluminium production has been declared as a public utility service as it is an essential commodity.

BUSINESS LINE DATE : 7/12/2021 P.N.9

'Vibrant Gujarat' sparkles: Diamond sector sees MoUs worth ₹1,100 crore

OUR BUREAU

Ahmedabad, December 6

Gujarat's diamond industry has attracted investments worth ₹1,100 crore, through two memorandums of understanding (MoUs) signed on Monday with the State government for projects in Vadodara and Surat. Gujarat Hira Bourse (Diamond bourse) has signed an MoU for ₹850 crore committing to generate employment for 10,000 people in Surat. It has diamond trading as well as cutting and processing operations. The additional investments would further enhance the diamond trading and manufacturing activities. The project is expected to commence from 2025.

Engineering player Hilti Manufacturing India Pvt Ltd has inked an MoU to invest ₹250 crore in the diamond sector, providing jobs to 400 people at a project in Savli in Vadodara district. Hilti, will set up a project that supplies engineering tools for diamond industry. "The project will begin from 2023," a State government announcement on MoUs said here Monday.

In the third tranche of MoU signing on Monday, 12 MoUs were signed by the companies, committing to a total investment of ₹14,165 crore and providing 24,530 jobs. Multi-business chemicals major SRF Limited committed maximum investments at ₹7,500 crore with jobs for 5,000 people. The projects in the chemicals space at Dahej PCPIR will take off in three years.

EV two-wheeler projects

Mohal Lalbhai-promoted Matter Motor Works signed MoUs for EV two-wheeler project and a project for battery storage infrastructure with an investment of ₹1,500 crore. The EV start-up set up in 2019 will provide employment to 4,000 people in Gandhinagar.

Other big investments committed include Welspun Metallics Ltd for ₹1,000 crore towards raw iron production and other castings products to be set up in Anjar in Kutch.

Steel sector needs support

Creating a level-playing field and easy finance are vital

ALOK SAHAY

Commercial steel production in India has witnessed an upward trend in the decade or so in terms of output. In FY 2020-21, Indian crude steel and finished steel stood at 102.49 million tonnes (mt) and 94.66 mt, respectively, compared with 26.9 mt and 27.6 mt, respectively, in FY 01.

So far, the sector has worked closely with the infrastructure, energy, auto and shipping verticals. It is now expanding horizons in other segments, thanks to the following factors.

First, revival of the infrastructure segment clubbed with the boost from the government for new infrastructure projects and fast-tracking of incomplete projects has accelerated the pace for the steel sector.

Second, the energy crisis and the resultant production crunch in China is providing more opportunities.

Third, the segment is attracting investments, both in existing plants and greenfield projects. According to CMIE (Centre for Monitoring Indian Economy), between 2014 and 2021, Indian steel companies invested $24.8 billion (₹1.85-lakh crore). The steel industry plans to invest nearly $62.4 billion on capacity expansion in the coming decade, of which, $8.09 billion will be invested over the next three years alone. Experts, too, predict a super cycle for commodities worldwide. The segment is slated to grow at 7 per cent per annum in the medium term. This requires proportionate growth in domestic capacity. Steel companies are employing more workforce to meet the increased demand.

Fourth, armed with state-of-the-art mills, both in public and private sectors, the steel sector is adopting technology in a big way. In a bid to enhance efficiency, business processes and best practices, large steel companies are automating processes to optimise resources and for remote controlling.

Fifth, the steel industry has been at the forefront in the fight against the pandemic. Indian steel companies alone have supplied 2,30,262 tonnes of Liquid Medical Oxygen (LMO) between April and August 2021 often taking a hit on their production. They set up over 10,000 oxygenated beds and provided meals for migrants during the lockdown necessitated because of the pandemic.

However, creating a level-playing field for the international market and imported steel is important for domestic players.

The domestic market has been flooded by exporters with products at dumped prices, or they export products manufactured after availing subsidies. As a result, they do not have to pay full dumping and countervailing duty to the extent of subsidy margins.

Additional costs

Domestic players have to bear 8-10 per cent of embedded levies, duties, and taxes as manufacturing cost, as these are not subsumed in GST. Therefore, domestic steel producers absorb these as an additional cost while exporting. Introducing Remission of Duties and Taxes on Exported Products (RoDTEP) for exports will create a level-playing field against strong competitors from Japan, Korea, and China.

Similarly, costs on logistics, fuel, electricity and financing are higher in India when compared to other steel economies. A NITI Aayog study estimates $80-100 per tonne as an adverse cost for Indian producers. Hence, in order to create a level-playing field, implementation of a corresponding Border Adjustment Tax (BAT) is of utmost necessity.

India also follows the Lesser Duty Rule (LDR) while pursuing anti-dumping measures. Under this, authorities impose duties at a level lower than the margin of dumping if this level is adequate to remove injury. The removal of lesser duty rule will help in checking undisciplined exporters.

Easy access to finance at a reasonable interest rate and conducive compliance requirements will also benefit the industry. The time is ripe to support this industry with a level-playing field.

The writer is Secretary General, Indian Steel Association

BUSINESS LINE DATE : 8/12/2021 P.N.3

Indonesia to displace India as No 2 stainless steel producer

COMMENTARY

G CHANDRASHEKHAR

The dynamics of the world stainless steel market are evolving rapidly. Production has been rising in recent years and the trend is expected to continue into 2022. Despite being the world's largest producer by far, China's production is seen constrained by State regulations; but elsewhere in the world production is set to rise.

As a result, in 2022, world stainless steel production is forecast to set a record of 58.2 million tonnes (mt) registering a growth of 2.5 per cent, according to UK-based research institute MEPS that specialises in steel market.

Despite increase in production, availability is expected to remain somewhat tight as the metal remains in short supply in many countries. If anything, demand continues to remain robust as countries in different geographies witness rebounding economic activity. This simply means that buyers have to prepare themselves for continued high prices or even an escalation.

The story gets interesting when the research institute says

Indonesia is set to displace India as the world's second largest producer this year with stainless steel production of 4.5 mt.

In the current year 2021, global production is set to log 56.8 mt, showing a growth of 11.6 per cent from the previous year, according to the research agency.

The government in the Budget 2021-22 reduced the customs duty uniformly to 7.5 per cent on Semis, Flat and Long products of non-ally, alloy and stainless steels to alleviate domestic tightness. This is intended to benefit metal re-cyclers who are mostly small and medium enterprises.

The addition of nickel enhances the properties of stainless steel and makes it a versatile alloy. The metal is also used in high-performance wires and coins.

Tighter nickel market

With the double-digit surge in global stainless steel production, the nickel market is tightening, exacerbated by demand from the battery industry. Nickel producers expect that the current year will actually end in a supply deficit; but next year, the market will get into a state of surplus with more production coming in, especially from Indonesia.

The International Nickel Study Group anticipates a surplus of 76,000 tonnes for 2022. With the easing of power crunch in China, rising level of smelting activity is seen, according to market observers.

Since the beginning of the month, concerns over the spread of Omicron, the new variant of Coronavirus, have gained upper hand in the metals market. Uncertainty over the future trajectory of the new variant and its likely impact on economic activity is seen making market participants cautious.

From an Indian perspective, we are a net importer of nickel and products made of nickel. The value of import has been rising steadily in recent years and stands at about $800 million.

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

Aluminium may gain on supply concerns

World Bank forecasts prices to rise 6% next year

SUBRAMANI RA MANCOMBU
Chennai, December 7

Aluminium prices will likely increase next year on strong demand and supply concerns, particularly since its production was affected by the power crisis in China, India and elsewhere this year, according to trade experts.

According to the World Bank, the output of alumina – the key material for the metal's refining – was also affected due to supply disruptions in Brazil and Jamaica.

"Aluminium prices are forecast to increase six per cent in 2022 after a projected jump of 50 per cent in 2021, but (will) ease going forward as energy constraints dissipate," the World Bank said in its Commodity Outlook for metals.

31% gain in 2021

On Monday, aluminium for cash was quoted at $2,600.50 a tonne on the London Metal Exchange and the three-month futures at $,2586.

On Shanghai Futures Exchange, aluminium for delivery in February was quoted at 18,860 Chinese yuan ($2,961.22) a tonne on Tuesday.

Aluminium had surged to a 13-year high of $3,221 a tonne on October 15 this year before slipping to current levels as power concerns eased. Prices have increased 31 per cent since the beginning of this year.

Dutch multinational investment and financial services firm ING's Economic and Financial Analysis arm Think said aluminium could be a standout metal next year.

"The aluminium market is moving into a structural deficit, given the lack of investment in smelting capacity. While we will see some smelters bringing back capacity over the course of 2022, it will not be enough to alleviate the tightness in the market," said ING Think's Head of Commodities Strategy Warren Patterson.

The Dutch firm's arm has projected aluminium prices to average close to $3,000 a tonne next year.

Aluminium - Rising supply, usage

	2019	2020	2021*	2022*
Production	62.51	65.13	67.6	69.95
Utilisation	61.73	60.51	62.36	63.99
Balance stocks	0.78	4.61	5.23	5.95

Source: Fitch Solutions Country Risk and Industry Research. Figures in million tonnes * Forecast

Fundamentals' support

However, US-based Fitch Solutions Country Risk and Industry Research (FSCRIR), expects the metal's prices to average at $2,300 a tonne as global demand growth is expected to taper off after this year's robust recovery.

"Yet in 2022, prices will remain supported by strong demand fundamentals and remaining supply concerns," the rating agency said.

The World Bank said China's dual policies on energy intensity and overall utilisation this year led to curbs on aluminium production that is energy-intensive.

Industrial production in China and India was affected by power shortages amid "insufficient electricity availability," it said. Fitch Soluti said the continuing glo economic recovery will s port demand for alumini following robust manufact ing activity.

Demand boosters

Outside of China, recovery the construction indus that had contracted duri the Covid pandemic a vehicle production will bo demand for the metal.

In the long-term, FSCF said aluminium prices will main high as the demand w be supported by the accele tion in the shift to the gre economy.

Fitch Solutions has foreca aluminium production 69.95 million tonnes (m next year compared with 67 mt this year, while utilisatio is projected to increase 63.99 mt from 62.36 mt th year.

BUSINESS LINE DATE : 9/12/2021 P.N.3

Go long on MCX nickel

AKHIL NALLAMUTHU
BL Research Bureau

The latest bull run in nickel, which began in March this year, seems to have slowed towards the end of October. Thus, December futures of nickel on the Multi Commodity Exchange (MCX), which rallied from about ₹1,150, slowed down after hitting a high of ₹1,626 in October. While the overall trend remains up, the contract is struggling to scale higher as it has done between March and October.

On the downside, ₹1,470 is an important level i.e., as long as the contract stays above this level, the short-term trend will be up. Yet, this week, nickel futures has bounced off the support at ₹1,530.

The 21-day moving average coincides with this support, making it more significant.

From the current levels, the nearest resistance is ₹1,600. But the contract can be expected to move beyond this level and even rally past the prior high of ₹1,626 and touch ₹1,668.

However, the pace of upmove can be slow and a breakout can help the contract gather strong upward momentum.

Considering the above factors, go long in nickel futures at current level and accumulate when price dips to ₹1,535. Initial stop-loss can be at ₹1,480 and revise it to ₹1,580 if contract moves above ₹1,626. Exit the longs at ₹1,668.

DAINIK BHASKAR DATE :9/12/2021 P.N.17

खनिज संरक्षण, वैज्ञानिक विकास तथा पर्यावरण सुरक्षा को बढ़ावा देता आईबीएम

1948 में स्थापित भारतीय खनन ब्यूरो (इंडियन ब्यूरो ऑफ माइन्स-आईबीएम) खनन मंत्रालय के तहत एक बहुविषयक सरकारी संगठन है, जो कोयला, पेट्रोलियम और प्राकृतिक गैस, आणविक खनिजों और लघु खनिजों को छोड़कर खनिज संसाधनों के संरक्षण, वैज्ञानिक विकास तथा पर्यावरण सुरक्षा को बढ़ावा देने में कार्यरत है। आईबीएम का प्रमुख लक्ष्य खानों के विनियामक निरीक्षण, खनन योजनाओं के अनुमोदन और पर्यावरण प्रबंधन योजनाओं के माध्यम से देश के तटीय और अपतटीय दोनों खनिज संसाधनों के सुव्यवस्थित और वैज्ञानिक विकास को बढ़ावा देना है ताकि पर्यावरण पर होने वाले दुष्प्रभावों को कम किया जा सके।

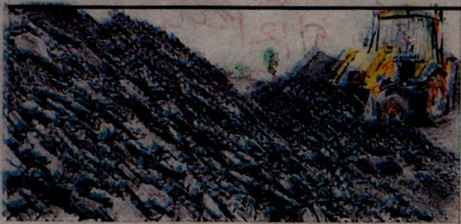
NAVBHARAT DATE : 9/12/2021 P.N.9

कोयले पर ₹3,500 का प्रीमियम

छोटे उद्योग हो रहे हलाकान, फेक बोली से ऑक्शन में बढ़ रही कीमत

बड़े उठा रहे मजा

■ **नागपुर**, व्यापार प्रतिनिधि. पावर सेक्टर को जब से तरजीह के रूप में कोयले की आपूर्ति बढ़ाई गई है तब से उद्योग जगत के लिए समस्याएं खड़ी हो गई हैं. कोल इंडिया की अनुसंगी कंपनियों ने निर्देश के बाद कोयले का ई-ऑक्शन सीमित कर दी हैं जिसके कारण बाजार में भी कोयले का भाव बढ़ गया है. ई-ऑक्शन कभी हो रहा है तो कभी नहीं. इस बीच 23 नवंबर को ई-ऑक्शन किया गया जिसमें 3500 रुपये प्रति टन का प्रीमियम बोला गया. यानी छोटी कंपनियों को इतने प्रीमियम में कोयला मजबूरी में लेना पड़ रहा है. आम तौर पर ई-ऑक्शन में कोयले की कीमत 3,000-3,500 रुपये प्रति टन रहती है लेकिन इस बार रिकॉर्ड टूट गया. सूत्रों ने बताया कि सामान्य दिनों में वेकोलि जब ऑक्शन करती है तो कोयले का भाव 2,600 से 3,000 रुपये प्रति टन के बीच रहता है. बहुत होने पर 3,500 रुपये तक जाता है. यानी 700-800 रुपये का प्रीमियम लेकिन अब इसी कोयले के लिए व्यापारियों को 3,500 रुपये प्रीमियम का भुगतान करना पड़ रहा है.



जानबूझकर बढ़ा रहे बोली

सूत्रों की मानें तो कुछ लोग जानबूझ कर ई-ऑक्शन में बोली बढ़ाने का काम कर रहे हैं. वे बोली बढ़ाकर गायब हो जाते हैं. इससे वास्तविक लोगों को भारी परेशानियों का सामना करना पड़ता है. अपना उल्लू सीधा करने के लिए कुछ कारोबारी जानबूझकर इस प्रकार का खेल ई-ऑक्शन में कर रहे हैं. बाद में ऐसे लोग कोयला नहीं उठाते हैं. इनका मकसद केवल बाजार को बिगाड़ना ही होता है.

अब तक DO जारी नहीं

- आम तौर पर ई-ऑक्शन के दिन ही लोगों को डीओ जारी कर दिया जाता है या फिर जैसे-जैसे लोग पैसा भरते हैं वैसे-वैसे डीओ जारी होता जाता है. इस बार 23 नवंबर के बाद से अब तक डीओ जारी नहीं किया गया.
- लोग पैसे भर चुके हैं लेकिन वेकोलि के अधिकारी नये सिस्टम का बहाना बना रहे हैं और डीओ जारी नहीं कर रहे हैं. डीओ जारी नहीं होने से खदानों से कोयला उठ नहीं पा रहा है और लोगों को भारी परेशानियों का सामना करना पड़ रहा है.
- कुछ लोगों का कहना है कि पावर प्लांट और वाशरीज वालों के इशारे पर जानबूझ कर डीओ जारी नहीं हो रहा है क्योंकि डीओ जारी होने से मार्केट में रेट कम होगा और वाशरी वालों का लाभ कम हो जाएगा. वाशरी वाले इस वक्त मनमाफिक भाव पर कोयले को बेचने पर तुले हुए हैं.

कोटा हुआ कम

अक्टूबर में भी वेकोलि की ओर से ऑक्शन नहीं किया गया था. 23 नवंबर को महज 1.51 लाख टन कोयले का ई-ऑक्शन रखा गया. आम तौर पर माह में 1.50-1.50 लाख टन का 2 बार ऑक्शन होता है जिसके कारण कीमतें नियंत्रण में रहती हैं. नवंबर माह में एक ही बार ऑक्शन हुआ जिसके कारण लोग भाव बढ़ाने लगे और कीमत 6000-6500 रुपये टन तक पहुंच गई.

मार्केट में और प्रीमियम

जानकारों ने बताया कि जिन्हें कोयला मिल जाता है, वे इस पर और 800-1000 रुपये का प्रीमियम जोड़ देते हैं और ग्राहकों को 7000-7500 के भाव पर कोयला देते हैं. इतनी बढ़ी हुई कीमत पर उद्योग कोयला लेने को मजबूर हो गए हैं. उद्योग चलाने की मजबूरी में यह काम हो रहा है.इसके लिए कई बार वेकोलि प्रबंधन को बोला भी गया है लेकिन प्रबंधन भी सीआईएल के आदेश के आगे बंधा हुआ है.

THE ECONOMIC TIMES DATE : 10/12/2021 P.N.6

Commodity Calls

RAVINDRA RAO, *CMT, EPAT,*
VP- Head Commodity Research

COMMODITY	EXCHANGE	STRATEGY
Gold (Feb)	MCX	Buy at ₹47,700/47,650; TP ₹48,300/48,500; SL ₹47,400
Crude Oil (Dec)	MCX	Sell at ₹5,500/5,530; TP ₹5,350/5,320; SL ₹5,600
Copper (Dec)	MCX	Buy at ₹732/730; TP ₹740/742; SL ₹728

Gold Slips as Dollar Firms, Investors Await US Inflation Data

Reuters

Gold prices fell on Thursday, after the dollar firmed, and as investors squared positions ahead of US inflation data this week that could set the tone for the Federal Reserve's strategy on interest rate hikes.

Spot gold fell 0.4% to $1,774.80 per ounce by 1318 GMT, and US gold futures were down 0.6% to $1,775.40.

The dollar index gained 0.3%, dimming gold's appeal for overseas buyers.

Gold has traded in the range of roughly $1,760 to $1,790 an ounce, after last month's fall below the key $1,800 mark, as investors attempted to gauge the pace at which the US central bank would taper its stimulus.

Friday's US Consumer Price Index (CPI) report will be followed by the Fed's policy meeting on December 14-15.

If the Fed "enters tapering earlier than they announced at the last meeting, then of course the probability of rate hikes is increasing and that would be a negative factor (for gold)," said Quantitative Commodity Research analyst Peter Fertig.

Reduced stimulus and interest rate hikes tend to push government bond yields up, raising non-yielding bullion's opportunity cost. "However, gold could see fresh bids if markets become fearful once more about pandemic-related developments or a ramp-up in geopolitical tensions between major economies," said Han Tan, chief market analyst at Exinity.

World stock markets stalled at two-week highs as increased restrictions in parts of the world to contain the spread of Covid-19 including the new Omicron variant tempered optimism on the vaccine front.

Focus was also on tensions over Russia and its stance on Ukraine, the diplomatic boycott of the Beijing Olympics by some Western nations and US sanctions on Iran.

Spot silver fell 2.1% to $21.92 per ounce, platinum slipped 2% to $937.10 and palladium dipped 3.1% to $1,797.12.

THE HINDU DATE : 10/12/2021 P.N.4

Coal production comes to a standstill

SCCL trade unions demand delisting of four coal blocks from auction list of the Centre

SPECIAL CORRESPONDENT
PEDDAPALLI

SCCL trade union leaders participating in the strike at a coal mine at Yellandu. ▪G. N. RAO

Coal production in the government-owned Singareni Collieries Company Limited (SCCL)'s 45 coal mines located across six districts came to a halt as the workers struck work from the first shift on Thursday morning on the day one of the three-day strike called by five central trade unions and the TRS-affiliated Telangana Boggu Gani Karmika Sangham (TBGKS).

The 72-hour strike was called by the Joint Action Committee (JAC) of all the major trade unions of the SCCL, affiliated to the INTUC, the AITUC, the CITU, the HMS and the BMS, besides the TBGKS, to protest the Centre's decision to auction four coal blocks in the State for commercial mining.

The SCCL, the only state-owned coal mining company in south India, with a manpower of around 43,000, suffered an estimated production loss of a little over 1.50 lakh tonnes on the first day of the strike, sources said.

The SCCL management tried to avert the strike, but in vain.

The company operating in the coal-rich Pranahitha-Godavari valley of the State has set itself the target of enhancing coal production to 850 lakh tonnes per annum within three years. The coal output target for the current fiscal is 680 lakh tonnes.

All the six underground coal mines and four open cast projects (OCPs) in the Ramagundam region wore a deserted look from the early hours of the day as an overwhelming number of workers, barring the essential staff engaged in safety and other emergency services, stayed away from their duties.

Members owing allegiance to the major trade unions including INTUC, AITUC and CITU took out rallies in Ramagundam, Bellampalli, Kothagudem, Bhupalpally and other areas to press for their foremost demand to delist the four coal blocks Kalyan Khani Block-6, Koyagudem Block-III, Sattupalli Block-III and Shravanapalli in the state from the Union Coal Ministry's' auction list.

TBGKS members staged a demonstration in front of the SRP 3 and 3A incline underground mine in Srirampur area of Mancherial district demanding allocation of the four coal blocks in the state to the SCCL, which they claimed spent huge amounts on exploration of coal reserves in the four coal blocks.

Sources said that the overburden removal works were also hit in several OCPs as the outsourcing/contract workers too stayed away from work. However, SCCL sources said the overburden removal work continued on a near normal scale.

In a rare show of unity, the leaders of the major trade unions affiliated to the Left, Right and Centrist parties participated in a joint demonstration in front of the SCCL's head office in Kothagudem of Bhadradri-Kothagudem district.

Addressing the striking workers at the SCCL's head office, CITU State general secretary M Saibabu called upon the workforce to spearhead the agitation by drawing inspiration from the historic year-long farmers' struggle to halt the auction of the four coal blocks in the state.

THE HINDU DATE : 11/12/2021 P.N.6

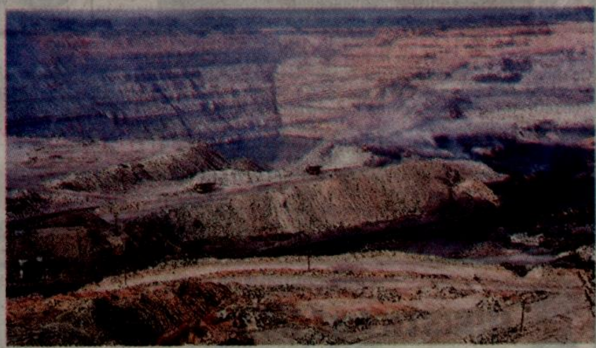
Coal production affected for second day in a row

Loss put at a little over 3.50 lakh tonnes since Thursday

SPECIAL CORRESPONDENT
PEDDAPALLI

Coal production remained paralysed across the underground coal mines and the opencast projects (OCPs) of the Singareni Collieries Company Limited (SCCL) as the 72-hour strike by the workers of the State-owned coal company entered the second day on Friday.

The second-day strike saw an overwhelming number of workers, except for the essential staff, abstaining from duties for the second day in a row in pursuit of their charter of demands mainly removal of the four coal blocks in the state from the Union Coal Ministry's auction list and allocation of the four coal blocks to the Singareni Collieries Company Limited.


The opencast mine at Yellandu deserted during workers' strike on Friday. ▪G. N. RAO

Sources said that as many as 23,425 workers participated in the strike and only 3492 workers tasked with essential services attended duties during the first shift in the 11 areas of the company across six districts on Friday.

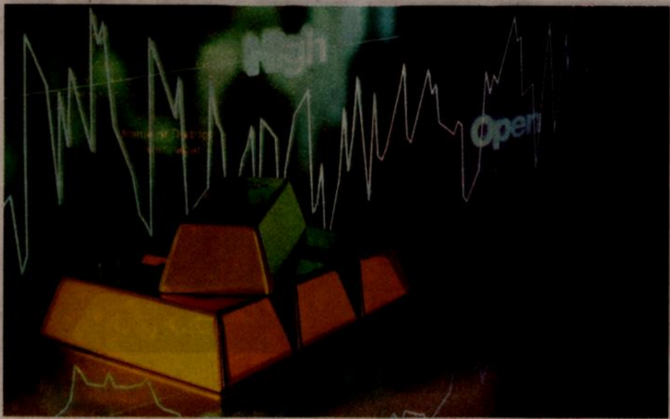
The 72-hour strike called by the Joint Action Committee of the five central trade unions and the TBGKS against the Centre's decision to auction four coal blocks for commercial mining brought the coal production to a grinding halt, resulting in an estimated production loss of a little over 3.50 lakh tonnes since Thursday.

BUSINESS LINE DATE : 12/12/2021 P.N.6

Gold to continue sideways move

A breach on either side of the ₹47,400-48,500 range will signal the next leg of trend

AKHIL NALLAMUTHU
BL Research Bureau


GETTY IMAGES/ISTOCKPHOTO

Gold seems to be gaining back investors' confidence as seen from the fund flows in the gold ETFs (exchange traded funds). The World Gold Council (WGC) data shows that the gold ETFs saw net inflow of 13.6 tonnes in November - the first month of positive inflow since July. North American and European region experienced inflows which were considerably higher than Asia, which saw outflows for the first time since May. In October, the net outflows stood at about 25 tonnes.

Similarly, the net long positions of gold on COMEX have shot up showing speculators' bullishness on the yellow metal. The data by the Commodity Futures Trading Commission (CFTC) shows that the net longs, at about 783 tonnes in November, is the highest since January this year. This along with the positive ETF inflows are despite the average price of gold being higher than what it was a couple of months ago.

The positivity in gold was largely due to the fear that higher inflation could be persistent and the broader market witnessing higher volatility. Omicron, which continues to spread across the globe, is a source of fresh concerns and could help the bullion form a strong base in price.

On the trading front last week, gold remained flat, and silver was showing a negative bias. In dollar terms, gold, ended the week flat at $1,782.5 per ounce versus the previous week's close of $1,783.7. On the other hand, silver depreciated by 1.5 per cent and closed at $22.16 per ounce. However, in the domestic market, the bullion was not as weak because of a decline in the rupee (by 0.8 per cent) against the dollar. On the Multi Commodity Exchange (MCX), gold futures (February series) closed at ₹48,164 (per 10 grams), up 0.5 per cent. The MCX Silver futures (March expiry) lost 0.6 per cent and ended at ₹61,151 (per kg).

MCX-Gold (₹48,164)

The February expiry futures of gold on the MCX, which ended last week with a gain of 0.5 per cent, was largely moving in a sideways range throughout the week. The price action does not show any inclination on either sides and there are high chances for the contract to retain the range in the near-term.

That means, the broad range of ₹47,000 - ₹49,000 remains valid. Notably though, within these price levels, the contract is oscillating within ₹47,400 and ₹48,500. A breach of either of these levels can give us a hint about the next leg of trend. The flat trend is shown by the relative strength index (RSI) and the moving average convergence divergence (MACD) as they hover in the neutral region.

A move above ₹48,500 can turn the outlook positive. In this case, it can be expected to rally past ₹49,000 and touch ₹50,000. Resistances above this level are at ₹52,500 and ₹54,000. But if the contract breaks below ₹47,400, it can experience a fresh bout of selling which can drag the futures down to ₹46,500. It can possibly depreciate to ₹45,920 - a crucial support. A breach of this level can turn the medium-term sentiment bearish.

Given the prevailing circumstances, one can stay on the fence and initiate fresh trades along the direction of the break of the price band ₹47,400 - ₹48,500. Initiate fresh longs if gold futures rallies above ₹48,500 with initial stop-loss at ₹47,600. When the contract reaches ₹49,500, revise the stop-loss to ₹48,500. Exit at ₹50,000 as this can be a hurdle.

MCX-Silver (₹61,151)

Silver futures underperformed gold futures last week too as it lost 0.6 per cent whereas gold futures was up by half a per cent. While it was flat in the first half of the week, the contract witnessed increased volatility towards the end of the week. The chart continues to show weakness and thus further decline from here is very much a possibility.

Confirming the bearish bias, the 21-day moving average (DMA) has slipped below the 50-DMA. Also, RSI and MACD on the daily chart stay in the negative territory. However, both RSI and MACD are now showing a bit of weakness in the down-move. This is not a sign of trend reversal, but one should alter risk-reward accordingly.

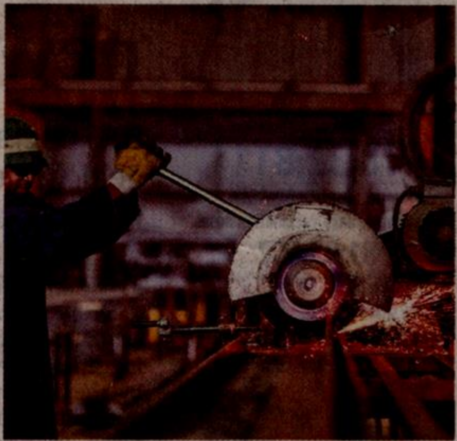
Last week we had recommended short at ₹61,516 and ₹62,500 with stop-loss at ₹64,350. Hence, participants who hold short positions can continue to retain the positions. However, revise the stop-loss to ₹63,000 from ₹64,350. For fresh trades, wait for the contract to rally to ₹62,000. That is, sell at ₹62,000 with stop-loss at ₹63,000. Note that these are short-term trades.

From the current levels, the supports are at ₹60,000 and ₹57,800. On the other hand, the price area of ₹62,500 - ₹63,000 can resist the rally. Above these levels, ₹64,150 can be a barrier, where 21- and 50-DMA coincide.

So, for the short positions (both existing and fresh ones), revise the stop-loss downwards to ₹62,000 if the contract falls to ₹60,000. Liquidate entirely if the contract drops to ₹58,000.

BUSINESS LINE DATE : 13/12/2021 P.N.9

CLEAN FACTS
On metal recycling



Manufacturing items from recycled metal requires almost 17 times less energy than from newly mined metal.

Recycling one tonne of steel saves 1,136 kg of iron ore, 454 kg of coal and 18 kg of limestone.

Recycling a single aluminium can saves enough energy to run a lightbulb for 20 hours or a computer for three hours.

Metal recycling is a fast process. In less than two months an aluminium can be recycled and returned to the shelf in another form.

Recycling metal reduces air pollution. By using recycled steel there is 86 per cent reduction in air pollution and 76 per cent reduction in water pollution.

In a landfill a tin can will decompose in about 50 years, since it's composed of flimsier metal. But an aluminium can will take 200-500 years.

Precious metals found in electronics are recyclable, too, for production of new electronics.

BUSINESS LINE DATE : 14/12/2021 P.N.8

Go long on MCX zinc at current levels

GURUMURTHY K
BL Research Bureau

The outlook for the zinc (₹280/kg) futures contract traded on the Multi Commodity Exchange (MCX) has turned bullish.

The strong downtrend in place since mid-October, seems to have ended. The contract formed a strong base above ₹260 all through November.

The bounce from a low of around ₹265 last week, signals the beginning of a fresh leg of upmove. It also indicates that the sharp fall from the October high of ₹327 is just a correction within the overall uptrend.

As such, the long-term uptrend that has been in place since March 2020 is still intact. The contract can rise to ₹285-290 in the coming days. A further break above ₹290 will then pave the way for a test of ₹300-310 on the upside.

Traders can initiate fresh long positions at current levels.

Accumulate longs on dips at ₹276. Keep the stop-loss at ₹269. Trail the stop-loss up to ₹283 as soon as the contract moves up to ₹289. Move the stop-loss further up to ₹288 as soon as the contract rises to ₹296. Book profits at ₹300.

The rise to ₹300 will be negated if the contract breaks below ₹270 decisively. Such a break can drag it to ₹265. From a long-term perspective, the level of ₹265 is the crucial trend line support.

The contract will have to break below ₹265 decisively in order to signal a trend reversal and turn bearish.

Steel producers may offer volume discounts to MSMEs, exporters

Demand for rebates of about ₹3,000 per tonne to units with up to ₹100 crore turnover being examined, say sources

AMITI SEN

New Delhi, December 13

Domestic steel companies may extend volume discounts on steel used as intermediates by small-scale manufacturers, with turnover up to ₹100 crore, and to exporters, for their production activities, a source tracking the matter has said.

"Steel manufacturers are considering the demand for a volume discount of about ₹3,000 per tonne to Micro, Small, and Medium Enterprise (MSME) units with turnover up to ₹100 crore, and to exporters, on steel sourced as inputs, which could be extended on a quarterly basis. A final decision on the matter will be taken soon," the source told *BusinessLine*.

The development follows a meeting between the Minister of Commerce and Industry, Piyush Goyal, and top representatives of steel companies such as Steel Authority of India Limited (SAIL), Rashtriya Ispat Nigam, JSW Steel, and Tata Steel last week. Steel Minister Ram Chandra Prasad Singh and Minister of MSME Narayan Tatu Rane also participated along with the user industry.

Relief to small players

Goyal asked them to consider offering some relief to small industries and exporters using steel as an input for manufacturing of components and other engineering products as their production and exports had taken a hit due to rising prices of the primary input in the domestic market.

Steel prices have almost doubled over the past year causing distress to MSMEs and exporters making items that require steel as inputs

"While steel producers seem ready to offer some concession, they want it to be confined to only manufacturing units and be strictly commensurate with their manufacturing capacities," the source said.

To enable proper identification of units that are to be supplied steel at a discount, discussions are on for setting up a portal where steel users will fill in their details and state the quantities they require.

"Their demand would be vetted and certified by industry associations to ensure that quantities sourced at discounted prices are not higher than what is required by a unit," the source explained.

Rising prices

Steel prices have almost doubled over the last year causing distress to MSMEs and exporters manufacturing a wide range of items that require steel as inputs. Steel makers justify the price rise by arguing that the sharp increase in fuel prices, especially that of Australian premium coking-coal, necessitated the increase. In December, the price of hot-rolled coil is in the range of ₹67,000-70,000 a tonne, per industry estimates.

NAVBHARAT DATE : 15/12/2021 P.N.7

वेद के कार्यक्रम में वक्ताओं की राय

खनिज में वैल्यू एडिशन से आर्थिक समृद्धि

■ नागपुर, व्यापार प्रतिनिधि. विदर्भ इकोनॉमिक डेवलपमेंट काउंसिल (वेद) ने विदर्भ में फेरो एलॉय क्लस्टर की आवश्यकता पर बल दिया है. उनका कहना है कि इससे क्षेत्र की आर्थिक तरक्की तेजी से संभव है. आज खनिज संपदा के वैल्यू एडिशन नहीं होने से ही न तो रोजगार सृजित हो रहे हैं और न ही

विकास को पंख लग रहे हैं. वेद के अध्यक्ष शिवकुमार राव का मनाना है कि अगर यहीं हमारे खनिज संपदा में वैल्यू एडिशन करके उसे बाहार भेजा जाए तो यहां खनिज आधारित उद्योग बढ़ेंगे और युवकों को रोजगार मिलेगा. क्षेत्र में आर्थिक संपन्नता भी आएगी. हजारों करोड़ रुपये निवेश इस सेक्टर में हो सकता है. आश्चर्य यह है कि लोग इस सेक्टर के लिए बात ही नहीं करते. 2019 में आयोजित मिकॉन की याद दिलाते हुए उन्होंने कहा कि तत्कालीन उद्योग मंत्री ने इसके लिए जमीन देखने और प्रोजेक्ट तैयार करने के आदेश भी दिए थे. मॉयल के सहयोग से यह काम भी पूरा हो गया है. प्रदीप माहेश्वरी ने कहा कि विदर्भ में अनेक मैंगनीज माइन्स हैं. इसने हजारों लोगों को कामठी और तुमसर में रोजगार दिया. 2 बड़े फेरो एलॉय कारखाने बंद पड़ने से लोग

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