खनिज समाचार

KHANIJ SAMACHAR

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KHANIJ SAMACHAR

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INDIAN BUREAU OF MINES

VOL. 5, NO-22 , 16th – 30th NOVEMBER , 2021

THE ECONOMIC TIMES DATE : 16/11/2021 P.N.5

TO OFFSET SURGING INPUT COSTS

Cement Cos may Raise Prices on High Demand

Rajesh.Naidu@timesgroup.com

ET Intelligence Group: Rising fuel prices have been a cause for concern for cement companies over the past few months since they affect profitability. With improving cement demand, analysts expect companies to raise cement prices in the third quarter of the fiscal year to offset the higher input costs. Latest data from dealer checks of several brokerages show that prices have indeed started to increase. According to industry estimates, the all-India average cement prices increased by 7-8% month-on-month and year-on-year to ₹384-386 per 50 kg in October 2021. Prices increased across regions helped by higher construction activities.

Price Metrics

Cement price data (₹ per 50 kg)

Region	Oct-20	Oct-21	Y-o-Y %
East	315	330	4.8
West	347	385	11.0
South	384	421	9.6
North	379	405	6.9
Central	362	372	2.8
All India average	359	386	7.5

Source: JM Financial, Industry

Companies have been facing rising fuel costs in the recent months. International pet coke prices increased to $235-250 per tonne in October from $95-100 per tonne a year ago. Also, coal prices (Australian) jumped to $160 per tonne from $55-$60 by similar comparison. Fuel expenses constitute 15-35% of the total expenses of cement companies thereby influencing their operating margins. Analysts believe that companies will be able to pass on any increase in input prices to consumers in the near term given the improving trend in demand.

PRICE MOVE

All-India average prices increased by 7-8% MoM and YoY to ₹384-386 per 50 kg in October 2021

BUSINESS LINE DATE : 16/11/2021 P.N.8

COMMODITY CALL

MCX zinc: Go short at current levels

GURUMURTHY K
BL Research Bureau

The zinc futures contract (₹275.5 per kg) traded on the Multi Commodity Exchange (MCX) is under pressure for a fresh fall. The bounce-back move from the low ₹268.5 per kg made on November 5 seems to have lost steam. The recovery bounce failed to break above ₹281 – the immediate resistance and has been declining over the last few days. A higher resistance is at ₹287-290. A strong rise past ₹290 is needed for the outlook to turn bullish. As long as the contract trades below ₹281, chances are high for it to test ₹271 immediately. A break below ₹271 can trigger a fresh fall to ₹264 and even ₹260 in the coming weeks.

Traders with a short-term perspective can go short at current levels.

Accumulate shorts if a rise to ₹278 is seen. Keep the stop-loss at ₹282. Trail the stop-loss down to ₹272 as soon as the contract moves down to ₹267. Move the stop-loss further lower to ₹266 as soon as the contract touches ₹264. Book profits at ₹261.

From a long-term perspective, the region between ₹264 and ₹260 is a strong support zone which can halt the current downtrend. A strong bounce from the ₹264-260 region will indicate the beginning of a fresh leg of upmove. It will also mean that the long-term uptrend is intact.

THE ECONOMIC TIMES DATE : 16/11/2021 P.N.5

China Warns State Firms on Crypto Mining, Weighs Punitive Measures

Beijing: China is warning its own state-owned enterprises to get out of cryptocurrency mining and is considering imposing punitive measures in the form of higher power prices on companies that continue to defy a government ban as Bitcoin trades near record highs.

The National Development and Reform Commission plans to crack down on industrial-scale bitcoin mining as well as any involvement by state companies in the activity, Meng Wei, a spokeswoman for the nation's chief economic planner, said at a press conference on Tuesday. The NDRC held a special meeting on the issue last week and is putting a bigger onus on provinces and municipalities to investigate and clean up SOEs involved in mining.

Beijing has cracked down hard on bitcoin miners this year, blaming them for everything from energy waste to deadly coal mining accidents as the government strives to meet its carbon neutral goals.

Concern over the country's power supplies for the upcoming winter season was one reason for an intensified campaign against miners in September, when officials were said to have gone after those who tried to disguise themselves as data researchers and storage facilities to stay in business. Since then, coal prices have collapsed, making the impact of punitive prices on the cost of electricity less clear.

China expelled a former Jiangxi provincial official for violations including supporting virtual currency mining, the Central Commission for Discipline Inspection said over the weekend. Xiao Yi was accused of abusing his power to introduce and support enterprises conducting virtual currency mining activities against government policies, as well as taking bribes, it said.

Bitcoin tumbled as part of a broader crypto dip, sliding almost 5% to $60,971.56 at 2:17 p.m. in Hong Kong. Ether fell as much as 6.8%. **Bloomberg**

BUSINESS LINE DATE : 18/11/2021 P.N.1

Vedanta to unbundle to unlock value

To carve out aluminium, iron & steel, oil & gas units ahead of full corporate rejig

OUR BUREAU
Mumbai, November 17

Vedanta Ltd, the metals, mining and oil and gas conglomerate owned by Anil Agarwal, is weighing a plan to split the Indian listed firm, joining a growing number of global giants such as GE, J&J and Toshiba that recently announced similar moves.

The Vedanta board has asked the company's management to undertake a comprehensive review of the corporate structure and evaluate a range of options and alternatives including demerger(s), spin-off(s) and strategic partnerships for unlocking value and simplification of the corporate structure, the company said in a statement.

Pending a detailed evaluation, the group intends to carve out its aluminium, iron and steel, and oil and gas businesses into standalone listed entities, the statement added, noting that the board considered the potential opportunities for various verticals ahead of its decision.


Anil Agarwal, Founder, Vedanta group

"This step, whilst pending a detailed evaluation, is designed to create independent, industry-leading, global public companies, where each can benefit from greater focus, tailored capital allocation and strategic flexibility to drive long-term growth and value for customers, investors and employees," Chairman Anil Agarwal said in the statement.

Must explain why: Experts

Experts said the company should explain the reason for the move given that it had undertaken a consolidation exercise few years back.

"A few years ago, Vedanta brought various companies together under a holding company. Now, they are unravelling that and unbundling the companies," said Amit Tandon, Managing Director, Institutional Investor Advisory Services, a proxy advisory firm.

Vedanta also seeks to enable strategic partnerships, tailored capital structure and capital allocation policies based on business specific dynamics, distinct investment profiles to attract deeper and broader investor bases and accelerate emissions reduction and strong environment, social and governance (ESG) practices.

"We will continue to leverage our significant strengths in technology, operations and people to better serve our customers and all stakeholders," Agarwal said in the statement.

"Over the past few years, the Group has materially improved the operational performance of the businesses, increased cash flows, reduced debt whilst concomitantly focussing on accelerating investments in energy transition, health and safety, diversity and ESG in general," he added.

Panel formed

To pursue the plan, the board has formed a committee of directors to evaluate and recommend options and alternatives. The board has also appointed various advisors to assist it in evaluating the options.

THE TIMES OF INDIA DATE : 18/11/2021 P.N.9

Agarwal to split metals, oil biz from Vedanta

Wants To Have 3 More Cos Under Plan To Unlock Value

Reeba.Zachariah
@timesgroup.com

Mumbai: Metals tycoon Anil Agarwal plans to separate the aluminium, oil & gas and iron & steel businesses from Vedanta to form three separate entities as he reviews the flagship's corporate structure. The Rs 86,863-crore Vedanta has a play in more than half a dozen segments including zinc, lead & silver, copper, and power. The biggest revenue contributor to Vedanta in fiscal 2021 was aluminium followed by zinc, lead & silver, and copper.

Agarwal has appointed a group of Vedanta directors and external advisers to evaluate the spin-off proposal in order to unlock value within the commodity behemoth's corporate structure. This, according to Agarwal, will create three independent companies, each benefiting from greater focus, tailored capital allocation based on business-specific dynamics, and strategic flexibility to drive long-term growth and value for all stakeholders.

Agarwal's latest plan comes a year after his move to delist Vedanta failed.

A tighter grip over the cash-rich Indian commodity giant will help Agarwal reduce liabilities at his holding company.

The metals tycoon didn't specify a timeline for the proposed demerger. The move, said Vedanta, will also accelerate its plans to cut carbon emissions.

"Many funds may not like to invest in Vedanta because the aluminium business's carbon footprint is higher. Having separate entities may attract a broader and wider range of investors in their other businesses," Dolat Capital Market analyst Prashanth Kumar told Bloomberg News. Vedanta has targeted to achieve net zero carbon emissions by 2050 and has pledged $5 billion over the next 10 years to accelerate this transition.

METAL POWER

The company's shares more than trebled over the past year, from Rs 108 to Rs 338 now, as commodity prices rallied and demand for alloys boomed globally.

Its market capitalisation on the BSE grew to nearly Rs 1.3 lakh crore from Rs 39,904 crore in a year. On Wednesday, the Vedanta stock closed 1.8% higher by end of trade on the Bombay Stock Exchange.

BUSINESS LINE DATE : 18/11/2021 P.N.8

Hold on to short positions in MCX copper; stop-loss at ₹752

GURUMURTHY K
BL Research Bureau

The copper futures (₹729 per kg) contract on the Multi Commodity Exchange (MCX) has been stuck in a sideways range. The contract has been oscillating between ₹725 and ₹751 since the beginning of this month. It is now hovering above the lower end of this range. The bias on the chart is bearish. As such, we expect the contract to break this range on the downside below ₹725. Such a break can drag it to ₹700-₹690 in the coming days. The region between ₹690 and ₹680 is a good support zone. The price action in this region will need a close watch for a strong bounce-back.

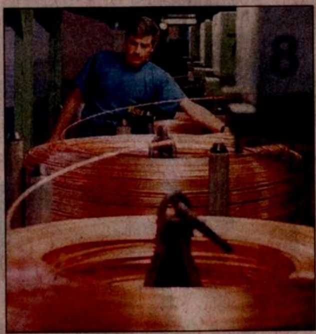
On November 3, we had recommended to take short positions on a break below ₹737. Traders can hold on to that short position. Retain the stop-loss at ₹752. Trail the stop-loss down to ₹730 as soon as the contract moves down to ₹720.

Move the stop-loss down to ₹712 as soon as the contract falls to ₹705. Exit the short positions at ₹690. The bearish outlook will get negated if the contract breaks above ₹751 decisively. Such a break can then pave the way for a fresh rise to ₹780 initially and then to ₹800-₹810 eventually. But such a strong rise looks less probable on the charts and the chances are high to see ₹700-₹690.

THE ECONOMIC TIMES DATE : 18/11/2021 P.N.6

Metals from Aluminum to Zinc are all Flashing Tight Supply Right Now

Bloomberg



For the first time in over a decade, six of the world's most vital industrial metals are flashing a rare synchronized warning over tight supply, as logistical turmoil and strong demand spark anxiety among buyers.

From aluminum to zinc, spot prices for base metals on the London Metal Exchange are all soaring above futures — a condition known as backwardation — for the first time since 2007. Buyers are paying a premium for access to metal against a backdrop of plunging exchange inventories, supply-chain delays, production hiccups and surging demand for industrial commodities in everything from construction to consumer electronics.

In copper and tin, the scale of the backwardations has reached record highs in recent months, exacerbating the sense of panic among industrial users who have been dealing with escalating supply turmoil since the pandemic began.

Signs of tight physical supply across the metals market are also acting as a counterweight to the growing nervousness about the broader macro outlook for major industrial economies, and particularly top commodities consumer China. In the case of aluminum, spreads have tightened significantly over the past month, even as prices slumped from multiyear highs.

Given the diverse uses and supply dynamics for the individual metals, the unusual synchronized tightness across the LME's six main contracts is a sign of how widespread the logistical turmoil is, and how broad the rebound in demand has been since the early stages of the pandemic, said Oliver Nugent, a base metals analyst at Citigroup Inc.

"A big part of the tightness that consumers are facing is down to logistics, there's no doubt about it," Nugent said by phone. "But it's also indicative of very firm demand."

To be sure, the across-the-board tightness might not last for long. Backwardations in markets like copper and lead are fading, even as aluminum and nickel spreads become tighter. But one consequence of the supply-chain turmoil is that the price spreads on other global exchanges might tighten further even as the LME market softens, Nugent said.

Copper futures fell 0.9% to $9,472 a ton at 11:57 a.m. in London, with deliveries of metal into LME warehouses in the U.S. helping to partially allay concerns about supply in the wake of the squeeze.

Aluminum prices were 0.8% higher at $2,594.50 a ton on the LME on Wednesday, down from a peak above $3,200 seen last month.

THE ECONOMIC TIMES DATE : 18/11/2021 P.N.7

Vedanta may Demerge Aluminium, Iron & Steel, Oil & Gas Businesses

Our Bureau

Mumbai: Billionaire Anil Agarwal-led Vedanta is evaluating a demerger of its aluminium, iron & steel and oil & gas businesses, which will be run as standalone listed entities with separate leadership in what it called a value-unlocking exercise. On Wednesday, Vedanta announced the constitution of a committee of directors to evaluate and recommend such options and alternatives to the board.

"This step, which we announced today, whilst pending a detailed evaluation, is designed to create independent, industry-leading, global public companies, where each can benefit from greater focus, tailored capital allocation, and strategic flexibility to drive long-term growth," chairman Anil Agarwal said. After a detailed evaluation aided by one of the Big Four accounting and consulting firms, the board's intention would be to demerge and spin off the businesses into standalone listed entities, Agarwal said.

THE INDIAN EXPRESS DATE : 19/11/2021 P.N.14

Ahead of elections in Goa, why parties have made mining a key issue

MAYURA JANWALKAR
PANAJI, NOVEMBER 18

WITH ABOUT three months to go for Assembly polls in Goa, the Trinamool Congress (TMC), which has entered the race, said this week that it will back a "mining manifesto" prepared by environmentalists who took the Goa government to court over illegal mining.

Mining, which was an important source of livelihood in Goa along with tourism, came to a complete halt after a Supreme Court order in 2018. Mining had, in fact, virtually stopped in 2012 itself while the issue was under litigation. A sector that has been awaiting revival in line with the directions of the Supreme Court is now among the top poll issues, with every political player offering to revive it and restore livelihoods.

Why did mining in Goa shut down?

While mining concessions for iron ore and manganese ore were granted in perpetuity under Portuguese rule, after Goa's liberation in 1961, they were turned into mining leases that expired in 2007. When mining continued beyond 2007, the Goa Foundation filed a PIL against the "illegal mining". In September 2012, the Union Ministry of Environment and Forests kept environmental clearances granted to these lease holders in abeyance and the Goa government suspended mining activities. In 2014, the Supreme Court allowed conditional resumption of iron ore mining, capping annual extraction at 20 million tonnes. In 2015, the Goa government renewed 88 mining leases, which were again challenged in the Supreme Court and were struck down in 2018, after which there has been no mining activity. The Goa government's review petition against the 2018 order was also dismissed by the Supreme Court in July.

How many people lost their livelihood?

In its 2014 ruling, the Supreme Court recorded the submission of the senior counsel for 33 village panchayats that 1.5 lakh people were directly employed in mining, a claim that was contested by the Goa Foundation. Using various resources and methodologies, including replies to questions raised and answered in the Assembly, the Goa Foundation had said about 7,000 were rendered unemployed as a result of the ban on mining.

A mining site in Sanqem taluka of South Goa. *Express Archive*

What has the ruling BJP done to restart mining?

In March, Chief Minister Pramod Sawant said in the Assembly that the state government would recover its dues from mine owners as indicted in the Justice M B Shah Commission report on illegal mining in the state. The commission had been appointed by the Centre in 2010. Sawant said the state government had filed an affidavit in the High Court of Bombay at Goa and a special investigation team (SIT) appointed to probe the matter had so far filed 16 FIRs — chargesheets had been filed in eight, two were under investigation, three were transferred and two quashed. He said the Directorate of Mining and Geology had recovered Rs 16 crore and trials the in remaining cases were ongoing. "Recovery notices have been issued. It is going on for the last two years," he said. Sawant has said a state-run mining corporation was in the works and mining would be restored through the corporation.

What have various parties promised to do to revive mining?

CONGRESS: On his visit to Goa on October 30, Congress leader Rahul Gandhi met mining dependents, among others. "… Goa is becoming coal hub, mining-affected people also came to meet me, mines have been shut, lakhs of people have suffered. They said the same person will get the mines. They will be given to that one person by Delhi. Who stands to benefit from the coal hub that Goa is becoming? Is it the people of Goa? Airport, ports, mining, doubling of railways, all for Adani then what do the people of Goa get?" Gandhi had said.

AAP: The party, which drew a blank in the 2017 Assembly polls in Goa, has promised to restart mining in six months if voted to power. AAP national convener Arvind Kejriwal has also announced that until mining jobs are restored, households dependent on it will get an unemployment allowance of Rs 5,000 a month. In fact, it is a mining front leader that the AAP wants to pit against Chief Minister Sawant. On November 7, Kejriwal inducted Puti Gaonkar, president of the Goa Mining People's Front, and said AAP will field him from Sanquelim, Sawant's Assembly seat.

TMC: The latest entrant in Goa's political landscape has thrown its weight behind a roadmap prepared by the Goa Foundation for the revival of mining. The "mining manifesto" calls for sweeping reforms in regulation: recovery of Rs 35,000 crore in dues from losses due to illegal mining; transparent and competitive bidding for extraction of ores; safeguarding of revenue by sale of ores by a state-run body, and ensuring that dividends from the revenue are paid to the people of Goa. The plan also entails monitoring the sale of ores in stockyards through CCTV cameras and electronic documentation, and generation of employment through restoration of the mining area.

BUSINESS LINE DATE : 19/11/2021 P.N.8

Thermal, coking coal prices may weaken

Pace of decline in rates likely to be slow, say analysts

SUBRAMANI RA MANCOMBU

Chennai, November 18

Thermal and coking coal prices are set to weaken in the coming months, though they are expected to rule higher than normal since the pace of the fall in rates will be slow.

Though the coal prices look bullish currently, there is underlying bearishness, according to analysts.

"While our long-term coal price forecasts remain bearish, we expect that the pace of decline will be slower over the period than we previously expected," said Fitch Solutions Country Risk and Industry Research (FSCRIR) in a commentary. Thermal coal is used for producing electricity, while coking coal is used for making steel.

Coking coal is expected to rule over $310 a tonne during the remainder of the year but Fitch Solutions said slowing coking coal import demand from China will be the main driver of lower seaborne coking coal prices over the current quarter and the next quarter.

Price forecast revision

Analysts say Chinese government plans to keep its crude steel output unchanged next year could put pressure on coking coal prices.

FSCRIR has raised its average price forecast for Newcastle thermal coal this year to $132 a tonne from $85 and for coking coal to $225 a tonne from $165.

It said China's energy shortage will likely ease during the current and next quarter which would drag thermal coal imports, resulting in weak global prices. Currently, Newcastle coal futures on Intercontinental Exchange for delivery in January are quoted at $147 a tonne.

On Zhengzhou Commodity Exchange, the January futures settled at 806.60 Chinese yuan ($126.49) a tonne on Thursday. Fitch Solutions said Chinese coking coal prices have begun to weaken from record highs posted in October following Beijing's intervention in the domestic coal mining and trading sector to improve coal supply.

On Thursday, the January futures contract on Dalian Commodity Exchange, China, was settled at 1,868 yuan ($292.94).

China's energy shortage is likely to ease during the current and next quarters, which would result in weak global prices REUTERS

An IHS Markit report on global trend said thermal coal prices are set to weaken, though there was uncertainty over the timings.

It said by spring next year, thermal coal supply would have recovered and most end-users would have restocked resulting in demand being lower than currently.

Dragon's output boost

On coking coal, Fitch Solutions said the Chinese government came up with policies aimed at lowering domestic Chinese coking coal prices.

"We expect that China's government will continue to boost domestic availability of coking coal over the coming months, which should reduce import demand and depress seaborne coal prices," it said.

BUSINESS LINE DATE : 19/11/2021 P.N.8

Lithium prices may rise further on supply shortage

OUR BUREAU

Chennai, November 18

With demand for electric vehicles (EV) battery materials rising sharply against supplies that are well short, prices of lithium, a key ingredient for EV batteries, are set to increase further despite having soared 400 per cent year-on-year.

The skyrocketing of lithium prices will likely to slow down people's adoption of EVs, analysts fear.

Projecting a further rise in prices, UK-based Data analytics and consulting firm Global Data said in its "Thematic Research: Electric vehicle batteries (2021)", that one of the core challenges for EV adoption is keeping the cost of a lithium-ion battery as low as possible. Prices of lithium carbonate that were averaging at $10,000 a tonne last year would rise to $14,000 by 2024, it said.

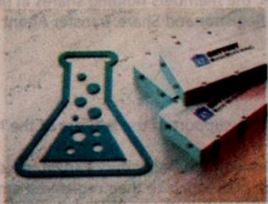
According to the Trading Economics Website, lithium carbonate is currently quoted at 195,000 yuan ($30,559), up 401 per cent year-on-year and 320 per cent since the beginning of this year.

Price outlook

Fitch Solutions Country Risk and Industry Research (FSCRIR) said in its note that lithium prices have rallied beyond its expectations, forcing the agency to raise its price outlook for the battery material.

"We are, therefore, significantly revising up our carbonate and hydroxide lithium price forecasts from 2021 to 2026. We now see carbonate prices averaging $18,050/tonne in 2021, up 183 per cent year-on-year ($13,450 previously), and averaging $21,000 in 2022, up 16.3 per cent year-on-year ($15,025 previously)... We see significant upside risks to our 2022 price forecasts," FSCRIR said.

Global Data thematic analyst Daniel Clarke said: "The rising price of lithium demonstrates



what many in the industry have warned about for some time: the growing divergence between supply and demand for lithium. Ultimately, this will lead to an increase in the price of EVs, as automakers pass the cost onto the consumer."

Rising EV sales

Bank of America recently said in its research report that the global electric vehicle industry faces an imminent threat that battery supply could run out as early as 2025. Batteries make up a significant portion of an EV's total costs, though the price of a lithium-ion battery pack has dropped nearly 90 per cent since 2010. Fitch Solutions said global EV sales are projected to be higher this year, resulting in an increase in lithium demand estimate.

"In the very near term, prices look set to continue heading higher, as the lithium market remains very tight and there is little downside for prices. Demand will keep outstripping supply for now, for both raw material (spodumene) and chemicals (carbonate and hydroxide).

"Prices could stabilise later on in 2022 following the impressive rally recorded in 2021, but we still see them averaging higher on a year-on-year basis...," it said.

The lithium market could tighten further next year as global surplus could shrink. The momentum behind the decarbonisation is robust, keeping the EV sector buoyant, and this will result in strong demand, it said.

However, EV sales could decelerate next year since recovery this year has been sharp. Still, EV sal could expand by 40 per cent ye on-year - stronger than pre-Cov growth, Fitch Solutions sa quoting its automobile tea which sees an 2.2 million EV ca addition every year. Fitch So tions said global production lithium carbonate equivale will increase 18 per cent next ye

Chinese domination

Global Data's Clarke said Chi will continue its domination another five years. This will despite the best efforts of the or the European Union.

The recent episode of UK che ical firm Johnson Matthey qu ting the battery material bu ness for the automotive indus is seen as one of the strong re ons for this.

Johnson Matthey said it v shutting its Poland operatic and dropping Finland plans ing growing competition a major reason.

Gold rises as inflation risks buoy haven appeal

REUTERS
November 19

Gold prices gained on Friday as rising inflation fears buoyed its haven appeal, although a stronger dollar and expectations that central banks would hike interest rates early kept bullion on course for its first weekly decline in three.

Spot gold rose 0.3 per cent to $1,863.10 per ounce by 1324 GMT. US gold futures edged up 0.1 per cent to $1,863.30.

The dollar was set to post its fourth week of gains, making gold more expensive for those holding other currencies, as traders wager on interest rates rising faster.

U.S. Federal Reserve policymakers are pencilling in the possibility of earlier interest rate hikes than they thought would be needed just a few months ago.

The potential for inflation to keep moving even higher could propel gold to move above $1,900 an ounce, said UBS analyst Giovanni Staunovo.

Elsewhere, spot silver was little changed at $24.77 per ounce, platinum was down 1.4 per cent at $1,033.81, and palladium fell 3.1 per cent to $2,067.03.

Oil rises

Crude oil prices rose on investor concerns that potential coordinated releases by the world's major economies of their official crude reserves to try to lower prices may have less of an impact than expected.

Brent crude was up 53 cents, or 0.7 per cent, at $81.77 a barrel by 0437 GMT, after falling to a six-week low on Thursday before rebounding to close 1.2 per cent higher.

US West Texas Intermediate (WTI) crude for December delivery was up 49 cents at $79.50 a barrel

BULLION CUES

Trend remains bullish

AKHIL NALLAMUTHU
BL Research Bureau

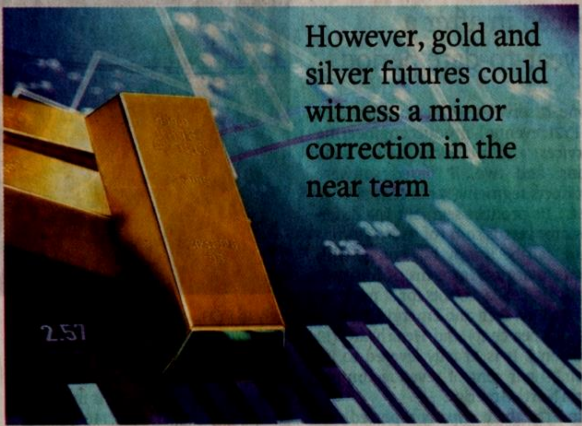
SILVER TRADE

Uptrend can initially take silver futures upward to ₹67,500 and beyond that to ₹70,000

Bullion has been performing well from the beginning of the month. To some extent, especially in the past week, US treasury yields declining helped bullion stay firm whereas the dollar strength dragged both gold and silver.

In terms of the dollar, gold lost about 1 per cent as it closed at $1,845.8 per ounce versus previous week's close of $1,864. Silver lost 2.6 per cent ending the week at $24.63 per ounce, underperforming gold. Similarly, in the domestic market, gold futures on the Multi Commodity Exchange (MCX) closed with a loss of nearly 1 per cent at ₹48,828 (per 10 grams) versus preceding week's close of ₹49,314. Whereas silver futures closed the week lower by 2.4 per cent at ₹65,556 (per 1Kg), mirroring the trend in the international market. Despite the weakness last week, the bullion held on to important levels.

Gold bulls have been supported by fresh long positions being built-up as indicated by the Commitment of Traders (COT) data. Latest data by the Commodity Futures Trading Commission (CFTC), shows that net long positions on the COMEX have increased to 835 tonnes – the highest level since the first week of January. This indicates the bullish positioning of speculative investors and thus prices can be expected to stay at higher levels in the near-term.



GETTY IMAGES/ISTOCKPHOTO

However, gold and silver futures could witness a minor correction in the near term

MCX-Gold (₹48,828)

Gold futures, after witnessing a minor decline in early November, took support at ₹47,000 and has been on a strong rally. Even though the futures lost some ground last week, it hovers around the key level of ₹49,000 and the inclination remains on the upside. The short-term trend will remain bullish until the price is above ₹48,000 and the medium-term trend will be up as long as the price is above ₹45,700.

The bullishness is supported by the relative strength index (RSI) and the moving average convergence divergence (MACD) on the daily chart as they remain in their respective positive territory. The average directional index (ADX) shows that the upward momentum is still good. However, from the perspective of trading, one should be cautious as the contract approaches the critical level of ₹50,000 because there can be some profit booking at these levels, increasing the likelihood of a price correction. Traders and short-term investors who already hold long positions can continue to hold and look to exit when price reaches ₹50,000.

Fresh long positions can be executed if the contract decisively breaches ₹50,000. Stop-loss can be placed at ₹49,000. The nearest resistance can be spotted at ₹51,820. Yet, the contract is expected to cross over this level as the breakout of ₹50,000 can induce enough momentum to lift the contract to ₹52,500. One can consider booking partial profits at this level, shift the stop-loss to ₹51,500 and look for the next target at ₹54,000.

Instead of breaching ₹50,000 if the contract sees price moderation, go long at ₹48,300 with an initial stop-loss at ₹47,000. Once the price moves above ₹50,000, revise the stop-loss to ₹49,000 and can exit at ₹52,500 and at ₹54,000.

MCX-Silver (₹65,556)

Unlike gold futures, silver futures saw a price drop last week, losing 2.4 per cent. The contract faced a resistance at ₹67,500 last week from where it started depreciating. However, the trend remains bullish and from current levels, there is a strong support band of ₹64,300-65,000. The 21-day moving average (DMA) coincides at ₹65,000 making the support stronger. Subsequent support is at ₹62,500 and the near-term trend will be positive until the contract stays above this level.

The price action on the daily chart since mid-August resembles that of an inverted head and shoulder pattern with an angled neckline, hinting at a bullish reversal. The neckline currently coincides at ₹67,500, making it a significant level.

Importantly, the RSI and the MACD on the daily chart are now showing little bit of weakness even as they remain in the positive region. Thus, the contract will most probably extend the decline and then reverse upwards within the price area of ₹64,300-65,000.

So, one can hold existing longs with stop-loss at ₹62,500. Fresh longs can be initiated if the price softens to ₹64,300 and stop-loss can be at ₹62,500.

A revival of the uptrend can initially take the contract upward to ₹67,500. While ₹68,550 can act as a barrier above this level, the futures is expected to ease past this level as a breakout of ₹67,500 can induce fresh upward momentum. So, the contract can swiftly appreciate to ₹70,000. Once the contract rallies past ₹67,500, shift the stop-loss upwards to ₹65,000. Liquidate the buys at ₹70,000 since there can be a correction after the futures hitting this level.

One should keep an eye on gold futures at ₹50,000 because a correction in gold can also weigh on silver futures, irrespective of its support and resistance levels.

Scan & Share

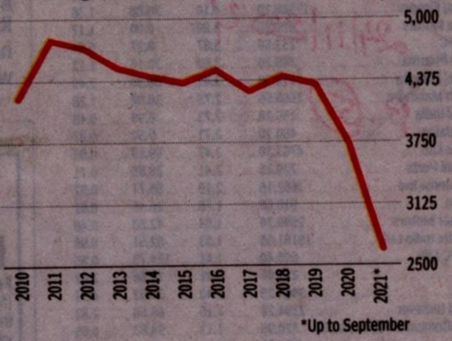
BUSINESS LINE DATE : 24/11/2021 P.N.5

STATISTALK

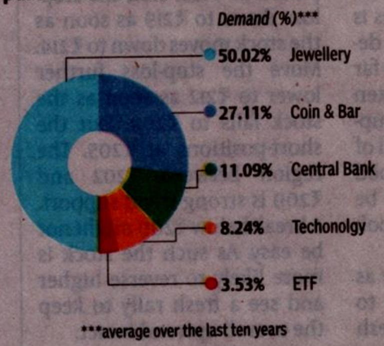
Gold demand losing sheen

The World Gold Council in its recent report indicated a 7 per cent fall in gold demand in the third quarter of 2021. We take a look at how the demand for the yellow metal has been so far in 2021.

Gold demand down sharply following the pandemic

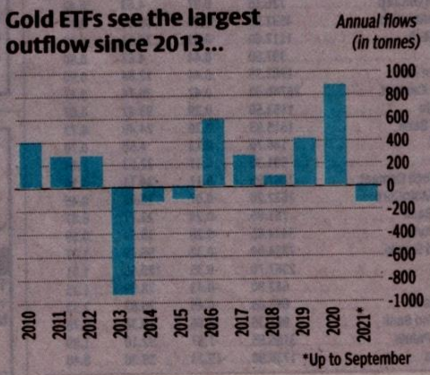


Jewellery forms the major part of demand...

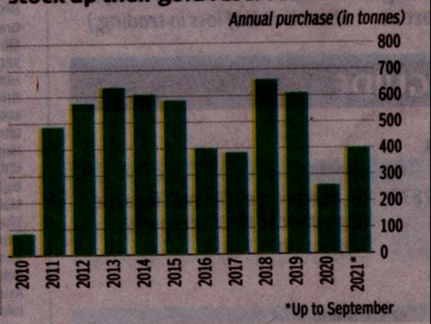


...but loses lustre due to Covid-19 outbreak

Gold ETFs see the largest outflow since 2013...



...while the central banks stock up their gold reserves



Graphic: Visveswaran

Source: World Gold Council

THE INDIAN EXPRESS DATE : 25/11/2021 P.N.7

CM: Goa to auction 6-8 mining blocks by Dec 15

MAYURA JANWALKAR
PANAJI, NOVEMBER 24

THE GOA government will auction six to eight mining blocks by mid-December through the state-run mining corporation, Chief Minister Pramod Sawant announced on Wednesday.

In July, the Goa Assembly had passed the Goa Mineral Development Corporation Bill for the formation of a state-run corporation "to carry out mining operations in an orderly, scientific and ecological(ly) sustainable manner".

"It is almost finalised. By December 15, we should be able to complete the auction procedure for about six to eight (mining) blocks. It will be done through the corporation but State Bank of India has been taken on board for the auction," Sawant said after a meeting of the Cabinet on Wednesday.

The announcement comes at a time when the resumption of mining has become a key promise in poll-bound Goa.

Mining, an important source of livelihood in the state along with tourism, came to a complete halt after a Supreme Court order in 2018. The activity, in fact, had virtually stopped in 2012 itself when the issue was under litigation.

The Goa government had earlier signed a MoU with Mineral Exploration Corporation Ltd (MECL), a public sector undertaking, to inspect and identify the mining leases that the government could auction through the state-run Goa Mineral Development Corporation.

"They (MECL) will complete their exploration and decide how to do it (auction). After that the auction will be carried out through the State Bank of India. They have started the work and it will be finalised soon," the Chief Minister said.

He said that the payment of fees to the MECL will be made through the Directorate of Mining and Geology.

THE HITAVADA DATE : 25/11/2021 P.N.6

MOIL bags Five Star Rating awards

■ Business Bureau

MOIL a city-based Schedule 'A' CPSE has recently bagged 5 Star Rating Awards under 'Sustainability Development Framework' (SDF) from Ministry of Mines in the 5th National Conclave on Mines and Minerals 2021. The event was organised in the country's capital, New Delhi on November 23, 2021.

MOIL bagged 5 Five Star Awards for its Kandri, Chikla, Dongribuzurg, Gumgaon and Munsar mines. MOIL CMD-M P Chaudhari, Director Commercial and I/C Production and Planning P V V Patnaik and Joint GM-Mines Planning Rajesh Bhattacharya received this prestigious award from Union Minister of Coal and Mines and Parliamentary Affairs, Pralhad Joshi.

The 5 Five Star Rating status is not only a prestigious cap for the mine operators but it will also help in building confidence amongst various stakeholders and increase social acceptance and image building of mining identity amongst the common man.

MOIL CMD Director M P Chaudhari, Director Commercial & I/C Production & Planning P V V Patnaik and Jt GM Mines Planning Rajesh Bhattacharya receiving the award at the hands of Union Minister of Coal and Mines and Parliamentary Affairs Pralhad Joshi.

THE ECONOMIC TIMES DATE : 26/11/2021 P.N.4

JSW Group to Invest ₹250 crore in Ecomm Store

One Platforms will sell steel, cement, paint products; co's targeting GMV run-rate of ₹500 cr by March

Bhavya.DilipKumar
@timesgroup.com

Mumbai: JSW Group will be investing ₹250 crore to commence its ecommerce store, JSW One Platforms which will sell steel, cement and paint products. The platform is targeting an annual gross market value run-rate of ₹500 crore by March 2022. "Through our ecommerce foray, we are leveraging our unique position to offer our customers quality products in the most convenient way," said SW Group's official spokesperson to **ET**.

The company has begun the rollout of the ecommerce business in Tamilnadu. The ecommerce business will operate two different technology platforms servicing the specific requirements of B2B and B2C customers. Under its B2B category, JSW is setting up JSW One MSME platform which will offer an ecommerce marketplace for small and medium-sized manufacturers and contractors including facilitating online trans- [illegible] its online platform Ashiyana for the B2C segment, primarily targeted at individual home builders. The company said that around 20-25% of the sales come through its online platform. Arcelor Mittal Nippon Steel India too launched eSales which takes up online orders for a range of premium steel products like hot rolled, pickled and oiled, galvanised coated steel, shot blasted plates, cold rolled, accompanied with mill issued quality certificates (MTC). State-owned SAIL also [illegible] recently started fulfilment operations in Tamil Nadu. During the current fiscal it is planning to expand in key markets of South & West, like Maharashtra, Andhra Pradesh and Karnataka.

"The JSW One MSME platform plans to have a pan-India presence by March 2023," the company said.

JSW is also in the process of setting up JSW One Homes technology platform to provide home-building solutions for individual home-builders.

BUSINESS LINE DATE : 16/11/2021 P.N.5

JSW Energy Board Okays Rejig of Green, Grey Operations

NEW DELHI The board of JSW Energy has approved reorganisation of green (renewable) and grey (thermal) businesses, the company said on Thursday. As a result, all the existing and upcoming renewable energy businesses will be housed under JSW Energy Neo, a wholly-owned subsidiary, JSW Energy said.

This is in line with the announcement made by the company on July 30, 2021, stating the board had approved the evaluation of re-organisation of green and grey businesses, it stated. This move will help JSW build and streamline its renewable portfolio and set up a holding structure, which is efficient for fund-raising and unlocking value for shareholders, it stated. — **PTI**

COMMODITY CALL

Bet long on MCX nickel

AKHIL NALLAMUTHU
BL Research Bureau

The price of nickel, which saw a sharp rally in the first half of October, witnessed a swift decline in the last week of October.

Consequently, December futures on the Multi Commodity Exchange (MCX) fell from a high of ₹1,625.9 to mark a low of ₹1,472 in early November.

But then, the decline was arrested and the contract started to move in the sideways range of ₹1,472 and ₹1,530.

Last week, the contract picked up considerable momentum resulting in the breakout of ₹1,530. On Wednesday, the contract closed above another important level of ₹1,575 as well, exhibiting strong bullish bias.

Supporting the same, the outstanding number of open interests (OIs) of all active nickel futures on the MCX increased to 2,590 contracts on Wednesday compared to 1,727 contracts a week ago. The price rise along with increase in OIs is a bullish sign. Also, the contract has bounced off the 50-day moving average and indicators like the RSI and the MACD are showing fresh uptick.

Thus, the contract is likely to extend the rally, move past the previous high of ₹1,625.9 and touch ₹1,700 in the near-term. Yet, it can pause at ₹1,670 briefly.

So, traders can buy nickel December futures at current level of ₹1,600 and accumulate if it falls to ₹1,570. Initial stop-loss can be at ₹1,540. On the upside, if the contract reaches ₹1,670, revise stop-loss to ₹1,625. Liquidate longs at ₹1,700.

BUSINESS LINE DATE : 27/11/2021 P.N.8

Tin prices set to zoom further

Indonesia plans to halt refined tin exports from 2024

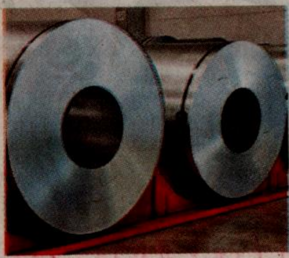
SUBRAMANI RA MANCOMBU

Chennai, November 26

After having surged to record highs with rates topping $40,000 a tonne on Wednesday, tin prices are expected to rule firm over the next few weeks as Indonesia plans to stop the soldering metal's exports from 2024 to attract investments in downstream industries.

The metal ran up to fresh highs this month on tight supplies, strong demand from sustainability sectors such as solar power, electric vehicles industries and the electronic industry.

Complicating the scenario further are China closing a land port with Myanmar, its biggest supplier on the back of rising Covid pandemic cases, and inventories at the London Metal Exchange (LME) and Shanghai Metal Exchange declining to multi-year lows.



A ban on refined tin exports will cause global shortage since Indonesia is the largest shipper

95% gain YTD

On the LME, tin was quoted at $41,000 for cash and the three-month contract at $39,750-55 a tonne. The metal has gained a little over 95 per cent year-to-date The tin market went into a spin on Wednesday after Indonesia President Joko Widodo, citing the example of his country's success with nickel, said Jakarta might stop shipments of bauxite next year, followed by copper in 2023 and tin, the year after.

Dutch multinational financial and investments bank ING's economic and financial analysis arm, Think, said Widodo's announcement was part of an ongoing plan by Indonesia to attract investment in the downstream sectors, which would see the export of higher value semi-finished or finished products, rather than raw materials.

Outperformer

Fitch Solutions Country Risk and Industry Research (FSCRIR) said the uptrend in tin prices will continue as Indonesia's move has roiled the market. It pointed out that the South-East Asian nation has already banned exports of unprocessed tin from 2018, allowing only shipments of the metal with 95 per cent refined content.

A ban on refined tin exports would result in a severe global shortage since Indonesia is the largest shipper besides being the second-largest producer of China.

Indonesia makes up a little over 20 per cent of global refined tin production.

Fitch Solutions said it has raised its forecast for tin prices for this year and next from $28,000 and $26,000, respectively, to $30,500 and $32,500 a tonne, respectively.

"In the long-term too, prices will be heading north," the ratings agency said.

BUSINESS LINE DATE : 27/11/2021 P.N.8

Steel prices to fall, except in the US

Biden's $1 tn infra stimulus likely to support the metal

OUR BUREAU

Chennai, November 26

US President Joe Biden's approval of an infrastructure stimulus programme on November 15 will support steel prices in the US, though they are likely to drop further in other parts of the world to $750 a tonne for longs and flats.

Fitch Solutions Country Risk and Industry Research (FSCRIR), in a commentary, said the rally in steel prices has ended globally, barring in the US.

Last month, the World Steel Association (worldsteel) said steel could seem more upside if the US President enacted the $1-trillion infrastructure bill, but the effect may not be felt until late-2022.

The global average in 2021 has mainly been boosted by US steel prices

Price forecast up

Fitch Solutions, however, has raised its steel price forecast a tad this year, to $950 a tonne from $920 earlier. A long-standing mismatch between the supply and demand in the first half of the year pushed up steel prices higher than expected.FSCRIR said it had rightly predicted that prices would cool in the second half, with European and Asian prices declining, though US steel prices have begun to stabilise since October. The global average in 2021 has mainly been boosted by the US steel prices, which have been breaking historical records.

Global steel prices have, thus far, averaged $959 a tonne since the beginning of the year, against the 2020 average of $582. On Tuesday, the American steel index ended at 1555.19, up 20.35 per cent since the beginning of the year. Over the past three months, the index has declined 13.11 per cent.

Chinese output rebound

Fitch Solutions said Chinese steel production will rebound next year after slipping since July. According to worldsteel data released on Tuesday, China's steel production dropped for the fourth consecutive month in October by 23.3 per cent, the sharpest fall yet this year. Chinese steel production has been affected by the energy crisis that the Communist nation suffered due to high coal prices and the dry weather in some regions.

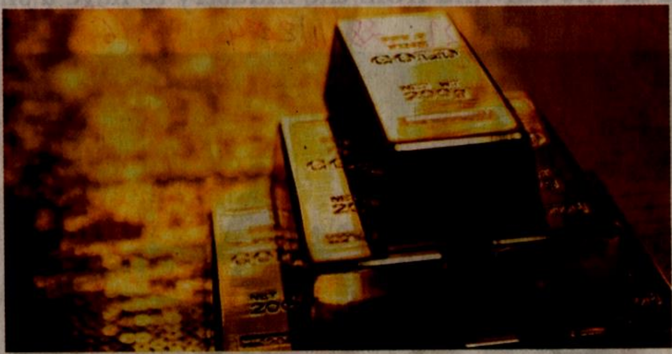
FSCRIR said the Xi Jinping administration's intervention in the coal sector has eased the energy crisis in China and steel production is expected to rebound from the steep declines witnessed till October. On Tuesday, prices of iron ore, the steel-making raw material, increased by over five per cent on hopes that steel production in China will rebound. They increased by $5 on Wednesday to 96.59 (617 yuan) a tonne.

BUSINESS LINE DATE : 28/11/2021 P.N.6

Correction to continue

Key support for gold and silver futures at ₹47,000 and ₹62,500 respectively

AKHIL NALLAMUTHU
BL Research Bureau



Gold and silver prices declined sharply last week along with the equities on the back of the fresh concerns of rising coronavirus cases in Europe. Also, there are apprehensions about the new variant 'Omicron' which is feared to be more infectious than the Delta variant.

On the trading front, both gold and silver ended with a weekly loss. That is, in terms of dollar, gold lost 2.9 per cent and silver depreciated 5.9 per cent, ending the week at $1,791.8 and $23.13 per ounce, respectively.

Similarly, on the Multi Commodity Exchange (MCX), gold futures lost 2.3 per cent and ended the week at ₹47,960 (per 10 grams) whereas silver futures declined 5.5 per cent and closed at ₹62,965 (per kg).

Nevertheless, going forward, gold may not decline further and might see gradual appreciation in price. But silver could remain weak and is likely to underperform the yellow metal.

MCX-Gold (₹47,960)

Gold futures began last week on a weak footing and witnessed a swift fall throughout the week. However, it rebounded on Friday which prevented the short-term trend turning bearish. The bullish bias will be retained until the contract trades above ₹47,000. But at the other end, it is facing resistances at ₹48,450 and ₹49,000. Thus, the bulls can be assumed to have come back only if the contract crosses over ₹49,000.

A breach of ₹49,000 can induce fresh momentum which can lift the contract above the psychological level of ₹50,000 and touch ₹52,500 -a resistance level – before the end of this year. Subsequent resistance can be spotted at ₹54,000.

On the other hand, a breach of ₹47,000 can turn the near-term outlook negative wherein the futures may drop to the support at ₹46,500. Below this is the crucial base of ₹45,920, a breach of which can turn the medium-term trend bearish.

Given the above factors, participants who have long positions can continue to hold with stop-loss at ₹47,000. With respect to fresh traders, one can wait for a strong indication on either side before pulling the trigger.

In the event of the contract breaking above ₹49,000, go long with initial stop-loss at ₹47,900.

Exit the longs when futures touch ₹52,500. Consider shifting the stop-loss to ₹48,900 if the contract rallies above ₹50,000.

Alternatively, if the futures break down below ₹47,000, initiate short positions with stop-loss at ₹48,000 – its 200-day moving average (DMA). Exit if the contract drops to ₹45,920.

MCX-Silver (₹62,965)

Silver futures, which lost 5.5 per cent, saw its biggest weekly loss since the second week of September. Unlike gold futures, silver futures failed to rebound on Friday and the bears seem to be gaining considerable ground against the bulls.

Nevertheless, by closing at ₹62,965 on Friday, the contract is hovering around the 50-DMA and it has a strong support at ₹63,000. Immediately below is an important level at ₹62,500. Thus, the price area of ₹62,500 - ₹63,000 can act as a considerable support band. A bounce from these levels can take the contract to ₹65,000 – its nearest hurdle. Resistances above this level can be seen at ₹67,000 and ₹68,340. But note that the futures should at least rally past the 21-DMA (currently at ₹65,560) for the bulls to regain their control back.

A break below ₹62,500 can change the short-term trend bearish and silver futures could see a fall to ₹60,000 and possibly to ₹58,700. The price level of ₹61,530 can be a minor support.

Hence, traders who are long can retain the position but keep tight stop-loss at ₹62,400. But for fresh trades, one should wait for further development.

Traders can initiate fresh buys if futures move above the 21-DMA i.e., ₹65,560. In this case, stop-loss can be pegged at ₹63,000. A rally above ₹65,560 can take the contract to ₹68,340 and potentially to ₹70,000. When price touches ₹68,340, liquidate 50 per cent longs, revise stop-loss to ₹65,500. Exit the remaining positions at ₹70,000. Alternatively, if the contract slips below ₹62,500, sell the contract with stop-loss at ₹64,000. At ₹60,000, liquidate 50 per cent and revise the stop-loss to ₹62,000. Exit the remaining at ₹58,700.

Silver ETFs norms announced

The Securities and Exchange Board of India (SEBI) has released guidelines for silver exchange traded funds. This will enable investors to take exposure on silver in small quantities and will be able to hold for longer period unlike say, a futures contract. The physical silver that the Asset Management Companies (AMCs) hold should be of standard 30 kg bar with 99.9 per cent purity i.e., in accordance with London Bullion Market Association (LBMA) delivery standards. Also, the pricing will be based on LBMA silver daily spot fixing price.

The norms say that under silver ETFs, AMCs shall invest at least 95 per cent of the net asset value (NAV) in silver and silver related instruments which includes Exchange Traded Commodity Derivatives (ETCDs). Yet, exposure to ETCDs should not be more than 10 per cent of the NAV. Although it can be above 10 per cent if AMCs intend to take delivery. On the other hand, the cumulative gross exposure should not exceed 100 per cent of the NAV. The rules also say that the tracking error should not go above 2 per cent and in case if that occurs, it should be disclosed prominently on the website of AMC. Moreover, a dedicated fund manager is to be appointed for silver and gold ETFs. NAV shall be disclosed on daily basis on AMCs' website. Further, the ETF units will be listed on stock exchanges where the NAV will be disclosed on continuous basis during trading hours.

THE ECONOMIC TIMES DATE : 29/11/2021 P.N.9

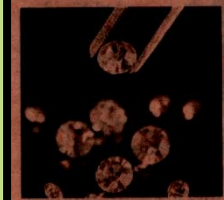
Rough Diamond Prices Up 10% on Supply Concerns

Sutanuka.Ghosal@timesgroup.com

Kolkata: Rough diamond prices have risen about 10% owing to supply concerns amid a new Covid-19 variant, Omicron, spreading in South Africa and Botswana. These two nations have some of the biggest mines of De Beers, the largest diamond miner in the world.

The surge in diamond prices coupled with a possible supply side constraint has sparked concerns among the diamond exporters of Surat and Mumbai, as they have robust orders in hand from the US, China and Far East.

Gems and jewellery comprise the second largest export earner for India, with diamonds accounting for more than 63% of this. India cuts and polishes 14 out of 15 diamonds in the world.



"Demand is outstripping supply," Vipul Shah, VC, GJEPC, told ET. "The supply side is under pressure since the outbreak of Covid-19 last year. The situation was getting normalised. But now this new Covid variant has surfaced in South Africa and Botswana. It will further put a pressure on the supply side."

Prices of rough diamonds have risen 5-10% in the past few days, prompting India's diamond processors to hold back their stock. They are not keen to replace the stock since they will have to buy rough diamonds at a higher price.

Diamond cutting and polishing units in Surat had announced a longer Diwali vacation this year so as to put a check on polished diamond production. The units reopened on November 22. Though rough diamond prices have gone up, polished diamond prices have not gone up in the same proportion.

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