खनिज समाचार

KHANIJ SAMACHAR

Vol. 3, No-12

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

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KHANIJ SAMACHAR

A FORTNIGHTLY NEWS CLIPPING SERVICE

FROM

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INDIAN BUREAU OF MINES

VOL. 3, NO-12 , 16th – 30th JUNE , 2019

BUSINESS LINE DATE :17 /6/2019 P.N.11

GLOBAL		Change in %			52-Week	
	Price	Weekly	Monthly	Yearly	High	Low
Metals ($/tonne)						
Aluminium	1773	0.4	-0.6	-22.6	2331	1737
Copper	1733	0.0	-4.5	-23.4	2278	1720
Iron Ore	5798	0.3	-3.3	-19.2	7197	5769
Lead	104	6.1	18.1	67.0	104	58
Zinc	1876	1.8	5.1	-23.1	2464	1767
Tin	2563	-1.9	-5.6	-20.4	3220	2285
Nickel	19356	0.1	-3.2	-7.6	21914	18400

BUSINESS LINE DATE : 24/6/2019 P.N.11

GLOBAL		Change in %			52-Week	
	Price	Weekly	Monthly	Yearly	High	Low
Metals ($/tonne)						
Aluminium	1773	0.4	-0.6	-22.6	2331	1737
Copper	1743	0.6	-1.1	-20.1	2247	1719
Iron Ore	5958	2.8	-0.1	-12.2	6812	5755
Lead	111	7.4	19.8	84.5	111	58
Zinc	1898	1.1	5.8	-19.7	2432	1767
Tin	2547	-0.6	-6.5	-14.3	3021	2285
Nickel	19070	-1.5	-3.3	-7.4	21914	18400

THE HITAVADA(CITTY LINE) DATE : 17 /6/2019 P.N.10

Aluminium producers seek hike in import duty

Business Bureau

AHEAD of the budget, aluminium producers have sought steps from the Government to hike import duty on primary aluminum, scrap and downstream products and rationalise costs of raw materials.

Industry bodies such as the Aluminium Association of India (AAI) and FICCI have informed the Government that the aluminium sector of the country is going through a challenging phase and is under immense threat by rising imports, declining domestic market share, rising production and logistics costs.

Moreover, non-competitive energy costs and acute coal shortage for the industry have adversely hit the sustainability of the aluminium industry, Rahul Sharma, co- chairman of FICCI Committee on Mining and Minerals, said in a press statement. Noting that aluminiums importance is next to that of steel, but policy measures are being developed and introduced to protect the domestic steel industry in the last three years, he said.

Some of the special provisions extended to the steel industry are anti-dumping duties for Chinese imports, safeguard duties of 10-20 per cent levied on steel imports, and a minimum 10 per cent increase in the basic customs duty on all steel products.

The aluminium industry continues to suffer due to the lack of such measures, said Sharma, also an active member of the AAI.

The AAI has recently written to the Ministry of Mines to provide some relief in the form of increasing basic customs duty on aluminium products from 10 per cent to 12.5 per cent and reducing basic customs duty and correction of inverted duty structure on raw materials.

The FICCI has also conveyed similar recommendations to the Government. Stating that India's demand for aluminium is expected to double to over 7 million tonnes in the next five years, Sharma said, the industry has invested over Rs 1.2 lakh crore to enhance its capacity to 4 MTPA to cater to the increasing demand.

The sector is also one of the largest job creators with more than 8 lakh direct and indirect employment.

In the last few years, the steel industry has received policy support from the Government that has enabled the sector to immune itself from global market volatility and reduce dependence on import and excess supplies.

The Government support has resulted in a drop of steel imports by 21 per cent in last three years, he said. In contrast, a lack of similar policy support pushed the aluminium industry to post highest ever aluminium import of 23 lakh tonnes in FY19, 58 per cent of India's demand, resulting in a forex outgo of Rs 38,000 crore, Sharma said. In the current circumstances, Indian aluminium industry requires the Government to extend policy measures in line with what has been extended to the steel industry, he said.

Restrictive measures by China, USA and others to protect their indigenous markets from imports are making India more vulnerable as a dumping ground for primary metal, scrap and secondary products, adversely affecting the competitiveness of the domestic industry, he said.

"Hence, immediate measures like increased import duty on primary aluminum, scrap and downstream aluminium products are required along with rationalisation of input costs of critical raw material of aluminium value chain to help domestic industry retain competitiveness," Sharma said. AAI said the role of aluminium in energy security, defense, aerospace, automobile, electricity, packaging and consumer products makes it a sector of strategic importance.

BUSINESS LINE DATE : 17 /6/2019 P.N.11

Gold close to a crucial resistance

GURUMURTHY K

Gold prices witnessed some wild swings last week. The global spot gold prices fell initially to a low of $1,320 per ounce, but managed to claw back from there, recovering all the loss. The prices surged to a high of $1,358 on Friday, before closing the week on a flat note at $1,341.7 per ounce.

Silver, on the other hand, tumbled over 2 per cent on Monday last week. Though it later managed to move up and recovered all the loss, it failed to sustain higher. The global spot silver made a high of $15.11 per ounce and fell sharply from there, giving back all the gains. Silver closed the week at $14.88 per cent, down 0.9 per cent for the week. On the domestic front, the gold and silver futures contract on the Multi Commodity Exchange (MCX) moved in tandem with the global prices. The MCX-Gold futures contract was up 0.3 per cent for the week. The contract closed at ₹33,045 per 10 gm. The MCX-Silver futures contract closed the week at ₹37,035 per kg and was down 0.8 per cent.

Watch the Fed

Gold is now closer to a crucial resistance level of $1,360. Whether it breaks above this hurdle or not will depend largely on the outcome of the much-awaited US Federal Reserve meeting on Wednesday. Hopes of the Fed changing its stance towards cutting rates are high. The possibility of the Fed cutting rates for the rest of the year has been largely priced in the market.

So, it will be important to see the number of rate cuts the Fed projects. This will be key in deciding whether gold prices will go up further, breaking above $1,360, or fall on the back of profit-booking.

Dollar strengthens

The US dollar index managed to sustain above the key support level of 96.5 and surged above 97 again. The index was up 1.1 per cent for the week and closed on a strong note at 97.57. The near-term outlook is positive. The index can move up further to 97.75 and 98. Such an up-move can cap the upside in gold.

MCX-Gold

Supports: ₹32,500/32,000

Resistances: ₹33,500/33,750

MCX-Silver

Supports: ₹36,400/36,000

Resistances: ₹37,750/38,000

Gold outlook

The weekly candle indicates clear indecisiveness in the market over the outcome of the US Federal Reserve meeting this week. Gold could remain in the broad $1,320-1,360 range, well ahead of the Fed meeting. The outcome will decide on whether gold will cross $1,360 or fall below $1,320. A strong break above $1,360 will be bullish. Such a break can take gold initially up to $1,370 and $1,380. A further break above $1,380 will then increase the likelihood of the up-move extending to $1,400. On the other hand, if gold declines below $1,320, it can fall to $1,300 and $1,285 again.

On the domestic front, the outlook for MCX-Gold (₹33,045 per 10 gm) is positive. The resistance-turned-support level of ₹32,500 held very well last week. The contract fell to a low of ₹32,486 and reversed sharply higher again. As long as the contract trades above ₹32,500, there is a strong likelihood of it rallying to ₹33,600 and ₹33,750. The bullish outlook will get negated only if the contract declines decisively below ₹32,500. In such a scenario, a revisit of ₹31,500 and ₹31,300 levels on the downside is possible.

Silver outlook

Silver ($14.88 per ounce) has a series of resistances ahead at $15, and then between $15.15 and $15.20. A strong break above $15.20 is needed to turn the outlook to bullish. Such a break can take silver higher to $15.50 and $15.65. But as long as silver remains below $15.20, the outlook is negative and a fall to $14.5 and $14.35 is possible again.

The near-term outlook for the MCX-Silver (₹37,035 per kg) is unclear. The resistance near ₹37,750 is holding well. The contract can trade sideways between ₹36,400 and ₹37,750 for some time. A breakout on either side of ₹36,400 or ₹37,750 will then decide the direction of the next move. A break below ₹36,400 can target ₹35,500. On the other hand, if the contract manages to rise past ₹37,750, it could surge to ₹38,000 and even ₹39,000 thereafter.

BUSINESS LINE DATE : 17 /6/2019 P.N.8

Coal India in recovery mode

A break above ₹300 will arrest the downtrend and take the stock up to ₹350 over the long run

YOGANAND D

Here are answers to readers' queries on the performance of their stock holdings.

I bought Coal India early this year. It fell initially but recovered later. Should I hold on for more gains or book profit?

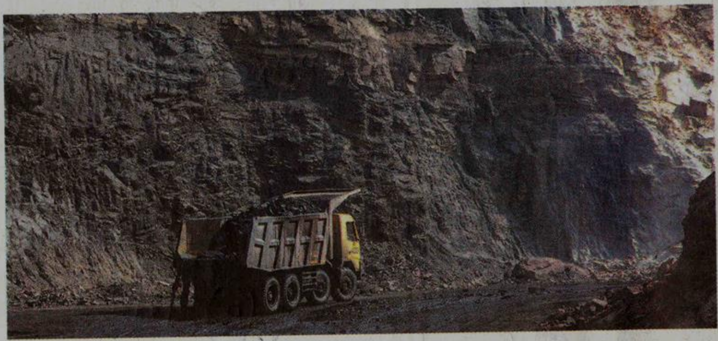
K Indira

Coal India (₹254.9): The stock of Coal India has been in a long-term downtrend since encountering key long-term resistance at ₹447 in September 2015. Intermediate-term trend is also down for the stock. However, since recording a new low at ₹212 in February 2019, the stock has been on a medium-term uptrend. Short-term trend is also up.

While trending up, the stock had decisively breached key resistance at ₹250 and continued to trend up. It is in a recovery mode. But the stock appears to have encountered next resistance at ₹270 last week, and declined 3.8 per cent. The stock can now test support at ₹250, where the 200-day moving average is also poised. A decisive fall below this support will be cue for partially booking profit and re-entering the stock at lower levels.

Such a decline can drag the stock down to ₹240 and ₹230 levels in the short to medium term. Next support is at ₹215. Investors with a long-term horizon can consider buying in declines with a stop-loss at ₹215. A strong rally above ₹270 will pave way for an up-move to ₹290 or ₹300 in the medium term.

A decisive break above ₹300 will alter the intermediate-term downtrend and take the stock up to ₹320 and ₹340 and ₹350 levels over the long run. To alter the long-term downtrend, the stock needs to conclusively move above ₹350. In that case, an up-move to ₹370 and ₹400 is possible.



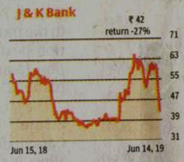
Is J&K Bank a good stock to buy with a one year perspective?

Swamynathan S

Jammu & Kashmir Bank (₹42.3): The stock of Jammu & Kashmir Bank (J&K Bank) had plummeted 28.7 per cent last week, breaking below a key support level of ₹50. It is in a downtrend across all-time frames — short, medium and long term. The stock can extend the downtrend and test the key long-term support in the band between ₹35 and ₹38. An upward reversal from this support range can take the stock up to ₹46 and ₹50 levels.

Investors with a long-term view can purchase at lower levels with a long-term stop-loss at ₹33. They can average at lower levels as well. A strong break above ₹53 will alter the short-term downtrend and take the stock higher to ₹59 and ₹65 levels. Consider booking profit if the stock fails to move beyond ₹65, which is a significant long-term resistance to note. Subsequent resistances are pegged at ₹74 and ₹85 levels. On the downside, if the stock tumbles below ₹35, it can decline to ₹30 and ₹24 over the long term.

Send your queries to techtrail@thehindu.co.in



Quickly

- Short-term trend is down
- Key support at ₹38
- Key resistance at ₹46

BUSINESS LINE DATE :18 /6/2019 P.N.14

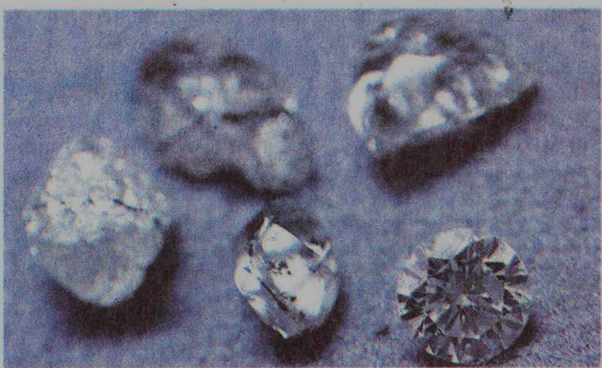
'India committed to making Kimberley process stronger'

PRESS TRUST OF INDIA

Mumbai, June 17

Even as 98 per cent diamonds are conflict-free, the rest two per cent are equally important and India will continue to play an active role in the evolution of the Kimberley Process (KP), a senior government official said.

Diamonds which were called blood or conflict diamonds have been almost completely excluded from global trade and every rough diamond is accompanied by a certificate confirming its non-conflict origin, and export-import procedures in most of the countries are now subject to rigorous control, Director General of Foreign Trade (DGFT) and KP Chair (India) Alok Vardhan Chaturvedi said on Monday.



As the largest manufacturing centre and major importer of rough diamonds, India lies in a unique position between producers of rough diamonds and consumers of cut and polished diamonds

Addressing the opening session of the Kimberley Process Intersessional Meeting 2019, Chaturvedi said India is committed to making this process stronger in terms of inclusiveness, strengthened administration and implementation, efficiency in delivery and transparent and empathetic approach towards lives of the people dependent on the production, trade and manufacture of diamonds. India is one of the prominent members of KP certification scheme and as the largest manufacturing centre and major importer of rough diamonds, the country has a unique position in between producers of rough diamonds and consumers of cut and polished diamonds.

"Importance of KPCS is immense to India, with more than 1 million people being directly employed by the industry and with diamond exports amounting to more than $24 billion," he added.

Shamiso Mtisi, Coordinator, KP Civil Society Coalition, said, where diamonds involve violence, it affects sustainability and KP is the last chance to set things on the right course.

BUSINESS LINE DATE :18 /6/2019 P.N.5

Hindustan Platinum buys ABB plant in Puerto Rico

OUR BUREAU

Pune, June 17

Hindustan Platinum, a refiner and manufacturer of precious metal products and services, has announced the purchase of ABB's Humacao electrical contacts manufacturing plant in Puerto Rico. The deal is expected to close in August.

The Humacao, Puerto Rico, plant will be Hindustan Platinum's second electrical contacts manufacturing facility besides the one in Navi Mumbai

The Humacao plant will be Hindustan Platinum's second electrical contacts manufacturing facility (besides the one in Navi Mumbai) catering to the North American and Latin American markets, said a press release.

Ashish S Choksi, Executive Vice-President, Hindustan Platinum, said: "This ambitious strategic step forward by Hindustan Platinum to a higher scale is expected to have a great deal of synergy from the enhanced competitive positioning in terms of geographical footprint, customer base and range of solutions for the electrical contact industry that will be available from both the facilities."

Hindustan Platinum has customers spread over five continents and 50 countries.

THE HITAVADA (CITY LINE) DATE :19 /6/2019 P.N.10

Steel prices dip 10-12 per cent since Feb

Business Bureau

EVEN as the authorities have been spending huge money on various infrastructure projects, the demand for steel is sliding in the markets and so are its prices. So much so that the steel prices have dipped by almost 10-12 per cent since February.

The price of steel saw a level of Rs 43,000 per tonne (including GST for 8mm bars) on Tuesday against its level of Rs 47,000 per tonne (including GST for 8mm bars) in February. Similarly, the prices for 10 mm to 25 mm bars have also came down from Rs 46,000 (including GST) to Rs 42,000 (including GST) over the same period.

Rajesh Sarda, Director - Ramsons, confirmed that the steel prices were falling. "The market is not witnessing satisfactory demand for steel. The situation is prevailing for the past four to five months. Normally, the

demand for steel is at its peak in summer when construction work gathers momentum. However, this season the situation was some what different," he said adding that the work on many Government projects was moving at a snail's pace as the country was facing Lok Sabha polls.

Apart form this, water scarcity in many regions has also brought down the construction activities which subsequently squeezed the demand for steel. It is important to note that steel and cement are considered as the major components in construction industry.

Sarda further said that steel prices were also falling in international markets due to slew of reasons. "The trade war between US and China is negatively affecting various commodities and steel is among them. Moreover other factors are also not looking favourable as far as demand of steel is concerned," he said.

Sarda felt that the Government should speed up work on infrastructure projects so that the prices would consolidate.

Another steel dealer, who preferred not to be quoted said that steel prices would fall further in coming days. "We see prices of steel and cement go down during rainy season when most of the construction activities come a standstill. Further, we are expecting deficit rainfall in the upcoming monsoon season which is going to mount pressure on prices," he said. In the meanwhile some of the other steel dealers said that the Union Budget might bring some good news for steel and prices might go up.

BUSINESS LINE DATE : 19/6/2019 P.N.10

Gold pares gains on trade-war optimism

REUTERS
June 18

Gold prices pared gains on Tuesday after U.S. President Donald Trump confirmed he would meet with Chinese President Xi Jinping at an international summit, fanning hopes that an end to the US-China trade dispute could be nearing.

Earlier in the session, gold prices had briefly surged to 1 per cent after central banks in Europe and the United States hinted at monetary easing.

Spot gold gained 0.2 per cent to $1,342.15 per ounce by 10:44 a.m. EDT (1444 GMT). Prices had risen to $1,354.20 earlier, before Trump said in a tweet he had a "very good telephone conversation" with China's Xi.

The two leaders will meet at the G20 meet later this month in Japan, where the discussions will focus on trade in the midst of a bitter tariff spat, that has upset global markets since its conception a year ago.

US.gold futures was up 0.2 per cent to $1,345.60 per ounce.

Other precious metals saw gains as well, with silver gaining 0.6 per cent to $14.93 per ounce and platinum up 0.8 per cent to $798.31.

Palladium rose 2.3 per cent to $1,483.85 per ounce, having hit $1,489 earlier in the session, its highest level since March 27.

BUSINESS LINE DATE :19 /6/2019 P.N.12

Supply snags push up copper prices

REUTERS
London, June 18

Copper prices rose on Tuesday, supported by supply disruptions as a labour strike halved output at one of the world's largest mines in Chile and Glencore's Zambian smelter shut for refurbishment.

Benchmark copper on the London Metal Exchange (LME) was up 0.5 per cent at $5,875 per tonne in official trading rings, its highest in nearly a week.

Aluminium

Aluminium was bid up 0.1 per cent to $1,761 per tonne after failing to trade in official activity.

Zinc traded 0.2 per cent higher at $2,476, lead was bid 0.2 per cent higher at $1,890, tin eased 0.4 per cent to $18,875 while nickel was mostly steady at $11,775.

THE ECONOMIC TIMES DATE :21 /6/2019 P.N.8

Over the past few weeks, a clear bull case has started to emerge with the breaking of a key resistance level

Gold Prices Rocket Toward $1,400 an Ounce

Bloomberg

Until this month, gold held claim to the title of being one of the most boring asset classes. Prices barely budged and popularity was fading.

Now that's all changed. Over the past few weeks, a clear bull case has started to emerge. A key resistance level has broken. Investors are pouring money into exchange-traded funds. The dollar is weakening and the Federal Reserve seems to be charting a path to cut interest rates. China is on a buying spree to stock up reserves.

"It has been a long wait," said Mark O'Byrne, research director at GoldCore Ltd. "Gold has finally broken out, we nearly touched $1,400."

Gold rose as much as 2.5% Thursday to the highest since September 2013, and traded at $1,381.64 an ounce at 1:03 p.m. in London.

THE FED

Although gold has gathered some momentum in the past few weeks, it was the Fed's comments Wednesday that triggered the latest spike. While the central bank left its key rate unchanged, it dropped a reference to being "patient" on borrowing costs. Lower rates boost the appeal of non-interest-bearing assets like gold.

Other central banks around the world are also adopting a more dovish tone, with European Central Bank President Mario Draghi saying earlier this week that additional stimulus may be needed if the economic outlook doesn't improve.

POSSIBLE BREAKOUT

After years of bumping up against the $1,350 an ounce level, gold may finally be succeeding in a breakout. The metal has breached a five-year resistance line in a dramatic surge that brought it within spitting distance of $1,400 an ounce. Gold rallied alongside both haven and risk assets, underlining the shock impact of the Fed's dovish statement and weaker dollar. While a pullback is possible when the dollar recovers, it will most likely be short and shallow, according to O'Byrne.

"Bond markets have been telling us for a while that things are not right -- economic data has confirmed it -- and now gold has given the negative view of the economy a 24-carat seal of approval," said Ross Norman, chief executive officer of gold brokerage Sharps Pixley Ltd.

ETFS SWELL

Investors are pouring into gold-backed ETFs again, following four months of outflows. Holdings tracked by Bloomberg have already seen the biggest monthly increase since January.

Bullion producers are also catching an uplift -- the $10 billion VanEck Vectors Gold Miners ETF, which tracks shares of gold mining companies, jumped to the highest in almost five months on Wednesday.

CENTRAL BANKS

In another bullish signal for gold, central banks are continuing to buy the metal as countries diversify their assets away from the U.S. dollar. China increased its reserves for a sixth straight month in May.

Other countries have also been buying -- first-quarter purchases were the highest in six years, with Russia and China the largest buyers, according to the World Gold Council.

Gold at 5-year peak as Fed signals rate cut

Oil jumps by 3% on geopolitical tensions

AGENCIES

June 20

Gold prices surged to their highest in more than five years on Thursday after the US Federal Reserve signalled a possible interest rate cut as early as next month, pressuring US Treasury yields and the dollar.

Spot gold was up 1.6 per cent at $1,380.96 per ounce as of 1213 GMT, after hitting its highest since March 17, 2014 at $1,386.38.

Gold prices have gained about $80 so far this month.

US gold futures jumped 3 per cent to $1,389.10 an ounce, after touching their highest since April 2018 at $1,397.70.

Silver gained 1.2 per cent to $15.34 per ounce, after hitting its highest since March 27 at $15.40.

Platinum rose 1.2 per cent to $820.26 per ounce, while palladium was 1 per cent higher at $1,515.02 per ounce, having hit a 12-week high of $1,531.38 earlier in the session.

Crude oil rose by more than 3 per cent to above $63 a barrel on Thursday after Iran shot down a US military drone, raising fears of a military confrontation between Tehran and Washington.

Gold prices have gained about $80 per ounce so far this month

Oil rises

Brent crude, the global benchmark, was up $1.73 at $63.55 a barrel at 1218 GMT, having earlier gained 3.3 per cent to $63.88. US West Texas Intermediate crude rose $1.84 to $55.60.

Also propelling oil higher on Thursday was a decline in US crude inventories and the prospect of prolonged supply restraint by producer group OPEC and its allies.

US crude stocks fell by 3.1 million barrels last week, more than analysts expected, the Energy Information Administration said on Wednesday.

The Organization of the Petroleum Exporting Countries and allies including Russia agreed this week to meet on July 1-2, ending a month of wrangling about the timing.

The coalition known as OPEC+ looks set to extend a deal on cutting 1.2 million barrels per day of production. The deal expires at the end of June.

BUSINESS LINE DATE :21/6/2019 P.N.3

'Zambia will choose buyer for Vedanta's mine by next month'

BLOOMBERG
June 20

Zambia's government expects to conclude talks with potential buyers of Vedanta Resources Ltd's local copper unit within a month, President Edgar Lungu said.

His comments pre-empted a hearing by Zambia's High Court on the state's bid to liquidate the asset, Konkola Copper Mines, after a dispute between the government and the Indian company. The stand-off has rattled investors, with yields on the Eurobonds of Africa's second-biggest copper producer surging to new records last month.

The government received expressions of interest for Konkola Copper Mines from companies based in Turkey, Russia, India, Canada and China, Lungu said in an interview on Wednesday. He did not identify the firms.

"The team which we have put up is interrogating all these companies to see whether they can fit, meet our expectations," Lungu said. "I think its going on very well. By the end of this month, towards the midway next month, we should wrap up in terms of talking to the would-be investors,"the President added.

Zambia's government moved to liquidate Konkola after Lungu accused the company of cheating on its taxes and lying about its expansion plans. Vedanta, majority owned by Anil Agarwal, said it is a loyal investor that has spent $3 billion on the operations. The liquidation does not amount to nationalisation, and the government stepped in because the company had failed, said Lungu.

Vedanta reported a $165-million operating loss at Konkola in the year through March. Still, the company valued the assets at about $1.6 billion in its most recent annual report. The government is eager for a private investor to take over because running the loss-making operations would be a drain on an already strained state budget.

BUSINESS LINE DATE :22/6/2019 P.N.11

Gold at 6-year high on Iran tension, stimulus cues

REUTERS
June 21

Gold prices climbed to a near six-year high on Friday, surpassing the key $1,400 level on dovish signals from major central banks and rising dispute between the US and Iran.

Spot gold was up 0.5 per cent at $1,394.26 per ounce at 1240 GMT, after earlier hitting its highest since September 2013 at $1,410.78.

US gold futures rose 0.2 per cent to $1,399.4/ounce.

"The Iranian tensions provided the catalyst for gold to inch above $1,400, after threatening to break above that level since yesterday's dovish Fed outcome," said Howie Lee, an economist at OCBC Bank.

In the physical market, dealers in India, the second-biggest global gold consumer after China, offered the biggest discounts in almost three years this week as local prices soared to record peaks. Elsewhere, silver fell 0.6 per cent to $15.33/ounce. Platinum was up 0.2 per cent at $804.33 per ounce. Palladium climbed 1.2 per cent to $1,495.56 an ounce and was headed for a third consecutive weekly gain.

Brent oil up 5%

Brent oil rallied above $65 a barrel on Friday and was on track for a 5 per cent gain this week on fears of a US military attack on Iran that would disrupt flows from West Asia, which accounts for more than a fifth of the world's output.

Brent crude was up $0.69, or 1.07 per cent, at $65.14 a barrel at 1210 GMT. The global benchmark jumped 4.3 per cent on Thursday and is on course for its first weekly gain in five weeks. US West Texas Intermediate crude was up 24 cents, or 0.42 per cent, at $57.31 a barrel.

BUSINESS LINE DATE :22/6/2019 P.N.11

Punters, beware of gold's sudden rally

COMMENTARY

G CHANDRASHEKHAR

The time gold bulls have been waiting for seems to have arrived. In the international market, the yellow metal not only zoomed past the $1,350-an-ounce level comfortably, but has also tested multi-year highs at a little over $1,380 recently. A combination of fortuitous circumstances has helped the metal propel higher.

From the rate hike cycle of 2018, the US Federal Reserve is now ready to take a U-turn with fairly strong indication of a rate cut in the second half of the year. The debate is not whether rate will be cut and by how much, but how many times — once or twice. This has been the principal trigger for gold's sudden run upwards.

The US economy is seen losing growth momentum as the positive effects of the stimulus fade. On the currency front, the dollar is set to weaken as the monetary policy turns somewhat accommodative. The negative correlation between the dollar and gold prices is, of course, well recognised. The ECB has already signalled a possible rate cut as early as next month.

Trade spat

The ongoing trade and tariff war between the world's two largest economies — the US and China — and its consequences for global growth is another factor to reckon with. Purchases by several central banks in recent months have also helped boost the sentiment in the gold market.

The price rally has brought great cheer to traders at a time when the world is going through a series of economic, financial, geopolitical and trade-related stresses. Obviously, the haven status of gold is re-established, albeit for the time-being.

Taking cognisance of the global price spurt, the domestic market, too, has broken out of its recent range-bound behaviour. Gold is trading around ₹33,000 per 10 grams. Silver has also moved in tandem with the yellow metal.

Tread with caution

On current reckoning, the global uncertainties are unlikely to melt away any time soon. So, a little more of the upside may still be left for gold. A test of $1,400/oz is a possibility.

But there are risks to being too bullish on the yellow metal. For one, there is tremendous speculative froth in the market which can dissipate as fast, if not faster, as it accumulated. The US Fed is under pressure from the White House to cut policy rate, but Fed's decision will be data-driven.

Asian demand

The ongoing trade negotiations between the US and China need to be watched. US President Donald Trump is likely to have an 'extended meeting' with Chinese President Xi Jinping during the upcoming G-20 summit. Even an indication of a reduction in trade tensions would prove negative for gold.

But the most important factor would be demand, especially in Asia. At these elevated prices there is sure to be demand destruction in price-sensitive markets such as India. As this author has often pointed out, ₹30,000 per 10 grams is a biting point for gold demand in India, and every rise from thereon usually results in decelerating demand growth.

The other large Asian market, China, is facing an economic slowdown and its currency yuan has weakened *vis-à-vis* the dollar, making gold imports expensive.

So, punters should not get carried away by the euphoria generated by the sudden price spurt. The sustainability of the rally is suspect and, therefore, caution should be the watchword.

An expectation that the upcoming Budget may propose a reduction in import duty on gold is being created. There is hectic lobbying, too. But policy-makers are most unlikely to yield as revenue considerations far outweigh anything else.

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

Keep steel, allied products out of RCEP: CAIT

■ Business Bureau

DOMESTIC steel and other metal products should be kept out of the proposed RCEP as the mega trade pact will enable nations like South Korea and China to flood the Indian market with their goods, traders' body CAIT said on Friday.

In a meeting convened by the Commerce Ministry to discuss the impact of the Regional Comprehensive Economic Partnership (RCEP) on steel sector, the Confederation of All India Traders (CAIT) submitted a memorandum calling for India not to sign the mega trade pact, saying it will adversely affect steel trade and industry in the country. Commerce Minister Piyush Goyal attended the meeting.

CAIT said the pact will open flood gates for RCEP countries to export to India through zero duty access, making operations for domestic producers non-viable.

"It (RCEP) will damage India's export competitiveness since the trade balance in the country is already skewed to a greater extent. Therefore, we are of the considered view that India should not enter into any RCEP agreement on steel and other allied products," the traders' body said.

The RCEP bloc comprises 10 ASEAN members and their six FTA partners -- India, China, Japan, South Korea, Australia and New Zealand. ASEAN members comprise Brunei, Cambodia, Indonesia, Malaysia, Myanmar, Singapore, Thailand, the Philippines, Laos and Vietnam.

RCEP negotiations, which started in Cambodian capital of Phnom Penh, aim to cover goods, services, investments, economic and technical cooperation, competition and intellectual property rights.

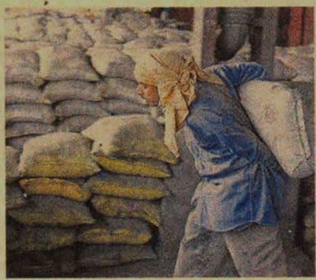
Pressure is mounting on India for early conclusion of the proposed trade pact. Member countries are looking to conclude the talks by the end of this year, but many issues, including the number of products on which duties will be eliminated, are yet to be finalised. India already has a free trade pact with ASEAN, Japan and South Korea. It is also negotiating a similar agreement with Australia and New Zealand, but has no such plans for China.

"Once the pact is enforced, India will give more market access to China, South Korea and other RCEP countries and our trade deficit will increase further," CAIT Secretary General Praveen Khandelwal said.

"It is not about being proponents of free trade or not. China has completely distorted the global steel market as they have 50 per cent of the world capacity. Hence, it will be naive to open up the sector under RCEP," he added.

THE ECONOMIC TIMES DATE :24/6/2019 P.N.11

Cement Produces More Pollution Than All the Trucks in the World



Frankfurt: The most astonishing thing about cement is how much air pollution it produces.

Manufacturing the stone-like building material is responsible for 7% of global carbon dioxide emissions, more than what comes from all the trucks in the world. And with that in mind, it's surprising that leading cement makers from LafargeHolcim Ltd. in Switzerland to Votorantim Cimentos SA in Brazil are finding customers slow to embrace a greener alternative.

Their story highlights the difficulties of taking greenhouse gases out of buildings, roads and bridges. After wresting deep cuts from the energy industry, policymakers looking to extend the fight against global warming are increasingly focusing on construction materials and practices as a place to make further reductions. The companies are working on solutions, but buyers are reluctant to pay more.

"There is so far too little demand for sustainable materials," said Jens Diebold, head of sustainability at LafargeHolcim. "I would love to see more demand from customers for it. There is limited sensitivity for carbon emissions in the construction of a building."

While architects and developers concentrate on the energy used by their buildings, it's actually the materials supporting the structure that embody the biggest share of its lifetime carbon footprint. Cement's contribution to emissions is especially immense because of the chemical process required to make it.

About two-thirds of the polluting gases that come from cement production stem from burning limestone. Kilns are heated to more than 1,400 degrees Celsius (2,600 Fahrenheit), about four times hotter than a home oven set to the self-clean cycle. Inside the kiln, carbon trapped in the limestone combines with oxygen and is released as CO_2, the most abundant greenhouse gas.

A tonne of cement yields at least half a tonne of CO_2, according to the European Cement Association. That's more than the average car would produce on a drive from New York to Miami. And a single mixer truck can carry about 13 tonnes. Hundreds or even thousands of tonnes go into ordinary office buildings. **Bloomberg**

BUSINESS LINE DATE :24/6/2019 P.N.11

Gold spikes to multi-year high...

...as the US Federal Reserve opens the door for rate cuts in the future

GURUMURTHY K

It was a memorable week for gold. The yellow metal surged to test the psychological level of $1,400 for the first time since 2013 and made a multi-year high of $1,412 last week.

The prices, however, came off slightly from the high, and closed at $1,399.63 per ounce, up 4.3 per cent for the week.

The global spot silver surged to an intra-week high of $15.55, but fell back from there. Silver closed the week at $15.35 per ounce, up 3.1 per cent for the week.

Fed triggers

The major trigger for this rally in gold came from the outcome of the US Federal Reserve meeting last week. The Fed kept the rates unchanged and opened the doors for rate cuts in the future.

However, the Fed's projections show the possibility of rate cuts only next year. This is contrary to the market expectation of seeing 2-3 rate cuts this year itself. Indeed, after last week's meeting the odds have increased in the market of the Fed going ahead and cutting rates in its next meeting (July) itself.

Fed Chairman Jerome Powell said the central bank would want to see if the recent headwinds to the economic growth continue to sustain, before deciding to lower the rates.

As such, the incoming economic data from the US and the developments on the trade war will need a close watch in the coming weeks, which would be key for the Fed to revise its stance in its next meeting.

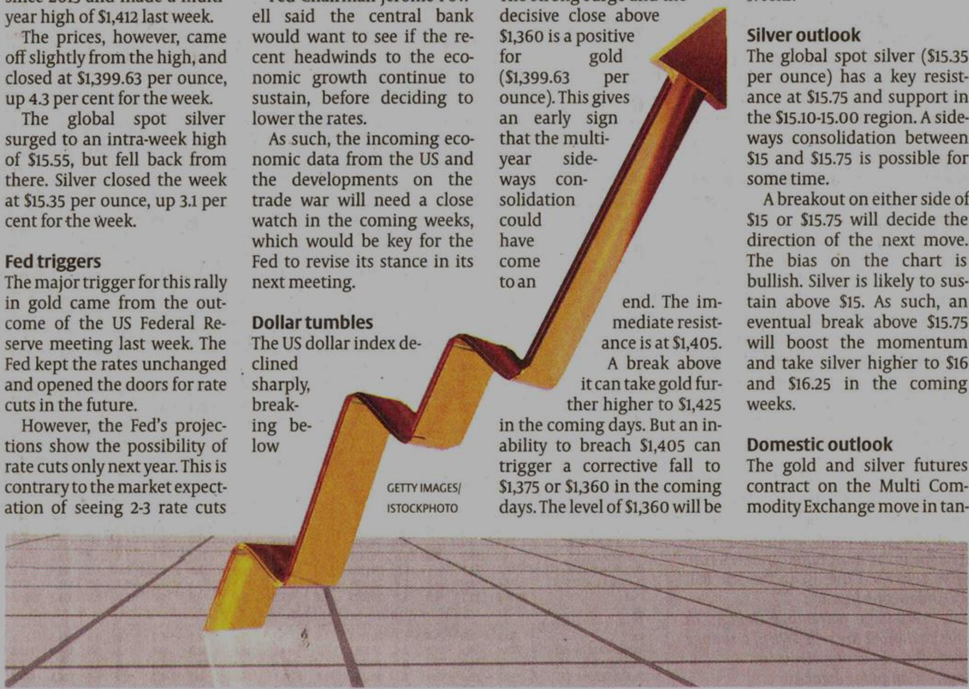
Dollar tumbles

The US dollar index declined sharply, breaking below the key support level of 96.5.

The index was down 1.4 per cent and closed at 96.22. The outlook for the index is negative. It can fall to 95.60-95.60 on a break below 96. Such a fall in the index will help gold sustain higher.

Gold outlook

The strong surge and the decisive close above $1,360 is a positive for gold ($1,399.63 per ounce). This gives an early sign that the multi-year sideways consolidation could have come to an end. The immediate resistance is at $1,405. A break above it can take gold further higher to $1,425 in the coming days. But an inability to breach $1,405 can trigger a corrective fall to $1,375 or $1,360 in the coming days. The level of $1,360 will be a crucial support to watch. Only a decline below $1,360 will turn the outlook negative again. A sideways consolidation between $1,360 and $1,405/$1,425 is also possible for some time. As long as gold sustains above $1,360, there is a strong likelihood of seeing a rise to $1,450 in the coming weeks.



GETTY IMAGES/ ISTOCKPHOTO

Silver outlook

The global spot silver ($15.35 per ounce) has a key resistance at $15.75 and support in the $15.10-15.00 region. A sideways consolidation between $15 and $15.75 is possible for some time.

A breakout on either side of $15 or $15.75 will decide the direction of the next move. The bias on the chart is bullish. Silver is likely to sustain above $15. As such, an eventual break above $15.75 will boost the momentum and take silver higher to $16 and $16.25 in the coming weeks.

Domestic outlook

The gold and silver futures contract on the Multi Commodity Exchange move in tandem with the global prices. The MCX-Gold futures contract surged 3.4 per cent last week and closed at ₹34,167 per 10 gm. The MCX-Silver futures contract closed the week at ₹37,954 per kg, up 2.5 per cent for the week.

The outlook for the MCX-Gold (₹34,167 per 10 gm) is bullish. The contract has risen above the key resistance level of ₹33,700. As long as the contract trades above ₹33,700, there is a strong likelihood of it breaking above the immediate resistance level of ₹34,400. Such a break will trigger a fresh rally to ₹35,000.

The bullish outlook will get negated if the contract declines below ₹33,700. In such a scenario, a fall to ₹33,000 and ₹32,500 is possible.

The MCX-Silver (₹37,954 per kg) has broken its ₹36,400-37,750 sideways range on the upside. The region between ₹37,750 and ₹37,500 will now act as a strong support.

As long as the contract trades above ₹37,500, there is a strong likelihood of it rallying to ₹39,000 in the coming weeks. The short-term view will turn negative only if the contract declines below ₹37,500. In that case, the contract can fall to ₹37,000 and ₹36,800.

The writer is Chief Research Analyst at Kshitij Consultancy Services

MCX-Gold
Supports:
₹33,700/33,000
Resistances:
₹34,400/35,000

MCX-Silver
Supports:
₹37,750/37,500
Resistances:
₹38,500/39,000

THE ECONOMIC TIMES DATE : 25/6/2019 P.N.6

'Vedanta to Bid Aggressively for Govt Projects in Bid to Boost its Solar Play'

Co sees renewables contributing 20% of energy it generates: chief Anil Agarwal

Our Bureau

New Delhi: The Vedanta Group plans to invest heavily in solar energy to generate 1,000 MW in a couple of years, and will bid aggressively for government projects that are tendered as the metals and mining multinational seeks to increase generation and consumption of emission-free power, chairman Anil Agarwal said.

Agarwal, who was in Delhi for a pre-budget meeting with Prime Minister Narendra Modi and top officials, said he was inspired by the government's aggressive push for increasing renewable energy generation in the country which will reduce India's dependence on imported fuel and help reduce pollution. "Our maximum focus for energy is in the renewables domain. We will be participating in large government tenders that are coming. I'm looking at renewable energy sources contributing 20% of the energy we generate," Agarwal told **ET**.

Vedanta will continue to invest in oil and gas. It has bid and won many oil and gas exploration blocks, from which it hopes to add to its sizeable production from its oilfields in Rajasthan.

India will continue to need oil and gas for a long time, and the government needs to give incentives to firms involved in natural resources as the sector has a phenomenal potential to create wealth, reduce imports and create jobs, he said.

In addition to investment in the conventional energy sector, Vedanta wants to step up renewable energy generation to balance its energy portfolio between fossil fuels and clean electricity generation, he said.

Vedanta aims to expand its existing portfolio of 300 MW of wind and solar energy capacity by participating in new projects offered by the government, Agarwal said. "From 300 MW, our first goal is 1,000 MW. When we get there depends on government tenders. We are looking at a couple of years, or three years," Agarwal said.

Agarwal said he fully supported the government's aim to significantly increase renewable energy generation in the country because it was a clean, emission-free source and costs had fallen rapidly in recent years making it a viable option.

"The prime minister's dream is that 50% of India's energy will come from renewable sources. That's a great dream. We fully support it."

The government's programme of tendering solar and wind energy projects has helped India expand its renewable energy capacity rapidly and attracted companies from Europe, the Middle East and Africa, but project developers have complained that cut-throat competition had reduced their margins considerably because companies bid recklessly to win projects.

Many large industrial houses, which were excited by prospects of renewable energy, have stayed away from tenders as they did not find them attractive enough.

However, Agarwal is not deterred by such concerns and is confident that the sector would be viable, given the government's resolve to rapidly adopt clean energy.

BUSINESS LINE DATE :25/6/2019 P.N.16

Gem and jewellery sector urges Centre to revamp gold monetisation scheme, cut duty on yellow metal

OUR BUREAU

Kolkata, June 24

The All-India Gem and Jewellery Domestic Council (GJC), an apex body of the domestic gems and jewellery industry, has urged the Centre to revamp the Gold Monetisation Scheme (GMS).

The government in 2015 had launched GMS to mobilise the gold held by households and institutions. The scheme allows bank customers to deposit their idle gold holdings for a fixed period in return for an interest in the range of 2.25-2.5 per cent.

According to Shankar Sen, Vice-Chairman, GJC, under the revamped scheme, jewellers across the country should be allowed to operate as "bank agents" and collect

Shankar Sen, Vice-Chairman of All India Gem and Jewellery Domestic Council DEBASISH BHADURI

gold from customers. The jeweller, post due assaying, can then issue a certificate on behalf of the bank.

As the scheme stands now, a customer has to give gold to a hallmarking centre, which works as a collection and assaying centre. The gold is then forwarded to a refinery, which then sends them to banks in the form of bars. Based on the hallmarking centre's receipts, the bank opens the customer's gold deposit account.

It is to be noted that since the launch of the scheme only around 15 tonnes of gold have been mobilised.

"There are five lakh jewellers across the country. If we can engage these jewellers and make them work as collection agents for banks, then we can mobilise more gold from customers," Sen said on Monday.

GJC recently met key offcials in the Union Finance Ministry and submitted a detailed road map for a revamped GMS.

Sen was talking to newspersons on the sidelines of a function to announce GJC's flagship event 'Manthan 2019' which is to be held on July 2-3 in Mumbai.

The revamped scheme would aim to reduce dependence on imports and harness a part of the 25,000 tonnes of gold held by residents, he said.

Reduce import duty

GJC also proposed bringing down import duty on gold to 4 per cent from the present 10 per cent in order curb smuggling of the yellow metal.

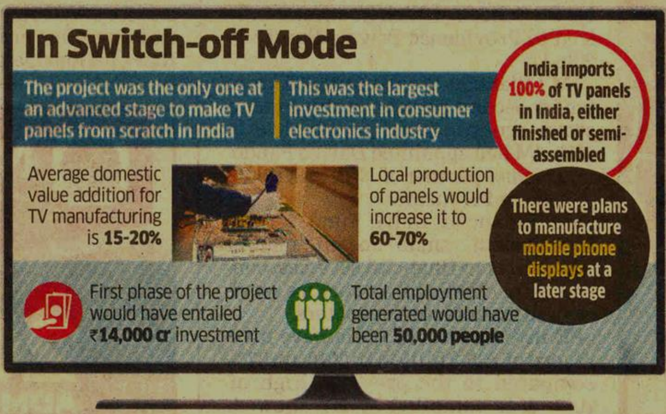
"Lowering the duty structure will not only boost customer demand and uplift business sentiments for the trade, but also help industry become more organised and compliant," he said.

THE ECONOMIC TIMES DATE :25/6/2019 P.N.6

Vedanta May Scrap its $10-b LCD Plant for Want of Sops

Co's application seeking subsidies turned down as its project didn't meet conditions

Writankar.Mukherjee
@timesgroup.com



Kolkata: The Vedanta Group's $10-billion project to set up India's first plant to make flat panel displays for televisions from scratch is likely to be scrapped after failing to obtain subsidies under the government's Modified Special Incentive Package Scheme (M-SIPS), two senior executives said. The ministry of electronics and IT had turned down the application for subsidies because it didn't meet conditions, they said.

India currently imports TV display panels from China, Taiwan and South Korea, resulting in an estimated outflow of about $6 billion. While the government is trying to promote localisation of TV panel manufacturing under the Make in India initiative, this was the only project at an advanced stage of implementation. Some other proposals for making such displays are said to be under evaluation. TV manufacturers undertake some end-stage assembly of panels imported in the open-cell state.

Vedanta Group company Twin Star Display Technologies was expecting a 25% capital subsidy and reimbursements of duties and taxes under M-SIPS, said the executives, who were earlier attached to the project. These incentives once approved were to be available for 10 years but without them the financial viability of the country's largest electronics manufacturing investment was called into question.

Vedanta, LG Electronics and the ministry of electronics and IT didn't respond to queries. LG was providing technology for the plant.

In a communication to Twin Star in March 2019, the ministry had said it would not process the subsidy request. To qualify for M-SIPS, a project needed to have land ownership besides including details of manufacturing plans and the technology being used in the application.

Vedanta co Twin Star Display was expecting a 25% capital subsidy and reimbursements of duties under M-SIPS

The ministry was also not satisfied with information provided on funding for the project, said the people cited above.

The Maharashtra government had reserved 200 acres for the project and another 150 acres were earmarked for ecosystem partners near Nagpur, they said. But the land was yet to be transferred to the company since the state's fabrication policy does not allow allotment of land until the Centre clears any subsidies sought.

Twin Star had also signed a technology licensing agreement with South Korea's LG Electronics and it could not provide specifics because there were non-disclosure agreements signed between both parties, they said.

"Twin Star had stated these facts and had provided all the necessary financial closure documents but the ministry was not convinced," one of them said. "The ministry said that it would not continue with further appraisal of the project since it lacks basic application documents, thereby indicating subsidies won't be available. This has impacted the project's financial viability."

The ministry had issued a public notice last September that it will close applications seeking incentives under M-SIPS after giving due notice in case there are insufficient or missing documents to reduce the backlog. The scheme was also active until December 2018.

The Cabinet Committee on Economic Affairs chaired by Prime Minister Narendra Modi had approved Twin Star's ₹9,000 crore FDI proposal in 2017.

THE HITAVADA
DATE :25/6/2019 P.N.10

Gem and jewellery industry seeks lower customs duty on gold

THE gem and jewellery industry Monday approached the government for reduction in customs duty on gold in the Union Budget for the fiscal 2019-20, to be tabled in Parliament on July 5.

At present, the customs duty on gold is 10 per cent.

"We have sent recommendations to the Ministry of Finance for lowering it to four per cent," Vice-Chairman of All India Gem & Jewellery Domestic Council, Shankar Sen, said.

Sen told reporters here that reduction of duty on gold would check smuggling in a big way.

"We have done calculations and found that the resultant loss of Government revenue will be compensated by reining in smuggling activities, which will become less attractive," he said.

Another positive outcome would be lower prices of gold, Sen said.

The All India Gem & Jewellery Domestic Council has also urged the Government to allow Equated Monthly Installment (EMI) purchases of jewellery, which the RBI currently does not allow, as gold is declared an asset class.

Sen added that the gem and jewellery body has suggested implementation of the gold monetisation scheme in a revised manner. The council also said it will organise a two-day conclave 'Manthan' on July 2 and July 3 in Mumbai.

BUSINESS LINE DATE :25/6/2019 P.N.16

Gold rises for fifth day in a row amid growing US-Iran tension

REUTERS
June 24

Gold climbed on Monday towards the near six-year high reached in the previous session, driven by dovish signals from global central banks and increased tensions between the United States and Iran.

Spot gold was up 0.5 per cent at $1,405 an ounce by 1240 GMT, heading for a fifth straight session of gains. Gold prices hit $1,410.78 on Friday, their highest since September 4, 2013. US gold futures rose 0.7 per cent to $1,410 an ounce. Holdings of the world's largest gold-backed ETF, SPDR Gold Trust, rose 4.6 per cent on Friday from a day earlier, its biggest one-day percentage gain since September 2008.

Gold prices have risen nearly eight per cent so far this month, and more than $70 just over the past week.

Silver edged 0.3 per cent lower to $15.31 per ounce and platinum was up 0.5 per cent at $813.68. Palladium rose 1.2 per cent to $1,517.23 an ounce.

THE HITAVADA DATE :26/6/2019 P.N.10

Cement prices dip by Rs 15-20 per bag in eight days

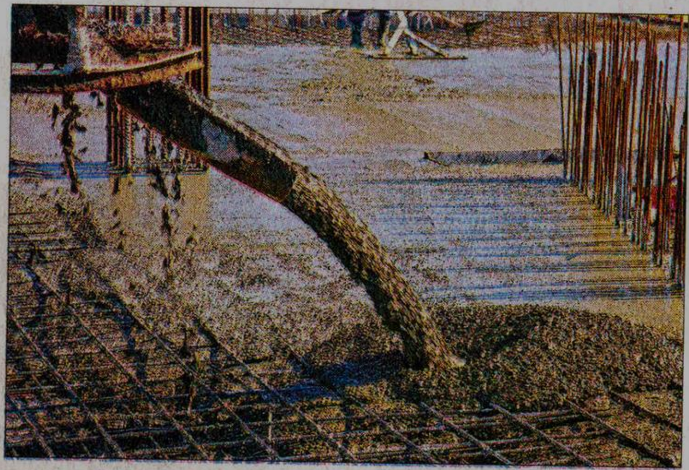
■ Business Bureau

AS THE climatic conditions in the region are changing rapidly, the prices of cement are also witnessing a change. The prices that were flying high during summer are now falling giving sigh of relief to buyers.

Cement prices were at its peak in May and first two weeks of June. But for the past eight days, the prices are gradually falling because of various factors including rainy season.

On Tuesday, cement was traded at a rate of Rs 260-270 (including GST) per bag of 50 kg in bulk buy category against its price of Rs 280-290 per bag quoted eight days back. Similarly, in retail category the prices have dropped down to a level of Rs 300 (including GST) per bag of 50 kg from Rs 315 per 50 kg bag.

"We are witnessing a poor demand for cement and steel in the markets. It seems that the construction activities have come to standstill. At many places there is shortage of water and thus people are on the back foot. Moreover, work on various Government projects is also moving at a snail's pace," said one of the cement dealer who preferred not to be quoted.



He also said that the shortage of labour is also affecting the projects and thus demand for cement falling every passing day. "This is the time when many labour return back to their respective villages as they get engaged in agricultural activities there," he added.

Market observers told The Hitavada that the prices would further fall in coming days. "We normally see fall in cement price during rainy season. The current price fall is just a beginning and we are likely to see price reduction of Rs 15-20 per bag in July. Apart form this, the prices are not expected to rise till Diwali when construction activities start getting momentum," said another dealer who also refused to disclose his identity.

In the meanwhile, market sources also said that the cement manufacturing companies have formed a cartel to support the prices. "Taking into consideration, the prices should fall by at least Rs 50 per bag. But is not happening because all the leading manufacturers have joined hands. They are not diluting the prices despite of the poor demand for the commodity," said the sources. It is important to note that the manufacturers have manipulating the prices for the past many months. On various occasions, cement prices of different brands change simultaneously which shows that the companies together decide the prices.

THE ECONOMIC TIMES DATE :26/6/2019 P.N.10

CLSA MAINTAINS its 'sell' rating on Tata Steel and JSW Steel which are trading at a steep EV/Ebitda to their global peers

'Weak Global Prices and Muted Local Demand Hit Indian Steel'

Our Bureau

Mumbai: Indian steel prices have come under pressure due to weak global prices and some moderation in domestic demand, said foreign brokerage firm CLSA. Maintaining sell rating on Tata Steel and JSW Steel, the brokerage sees a downside risk to its below-consensus estimates. Tata Steel & JSW Steel stocks are trading at steep EV/Ebitda to global peers, said CLSA.

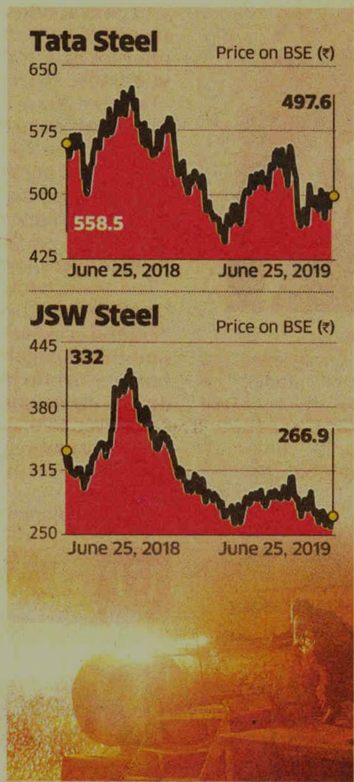
"Domestic steel demand has also softened in recent months led by funding constraints in government-led infra projects around elections. This should improve but the September quarter is seasonally weak due to rains and an uptick is likely to happen only by December quarter," said CLSA. "Demand in other sectors such as autos and residential property remains muted," the brokerage said. CLSA has retained sell rating on Tata Steel with a target price of ₹395. It has also retained sell rating on JSW Steel with a target price of ₹225.

The brokerage said rising iron ore prices are seen as beneficial for Tata's backward-integrated India business but have not manifested in higher steel prices so far. European steel industry margins have fallen sharply, which poses further headwinds, especially given the joint venture with Thyssenkrupp is not going through, said CLSA.

The brokerage said JSW Steel should see a sharp decline in earnings in FY20 given weak steel prices. Any disruption in India's iron ore supply post the expiry of privately-owned non-captive mines in March 2020 also poses a risk, it added. JSW has turned aggressive for Bhushan Power, which could be value dilutive and stretch its balance sheet further, the brokerage said.

Domestic steel demand should improve but Sept quarter is seasonally weak and an uptick is likely to happen by Dec quarter, says CLSA

"Valuations for Indian steel companies are at a steep premium to global peers despite much higher leverage (net debt/ebitda). EV/Ebitda multiples of global steel companies have come down from 5-6 times historically to 4 times now, while Tata and JSW still trade at 6.2 times and 7.4 times FY20 EV/Ebitda," the brokerage said.



NAVBHARAT DATE :27/6/2019 P.N.7

सर्वसामान्य को हो संविधान की जानकारी

पुलिस आयुक्त भूषण कुमार उपाध्याय ने कहा

व्यापार संवाददाता

नागपुर. विदेशों में भारत की प्रतिष्ठा भारतीय संविधान के कारण है. आज इसी संविधान के मूल्यों का पालन अनेक देश कर रहे हैं. विविधता से समृद्ध देश को एकता में रखने का कार्य संविधान द्वारा किया जा रहा है. डा. बाबासाहब द्वारा लागू की गई संविधान संस्कृति को देश में अपनाना और सर्वसामान्य तक इसकी जानकारी पहुंचाना ही समय की मांग है. उक्त विचार पुलिस आयुक्त डा. भूषणकुमार उपाध्याय ने व्यक्त किये. वे केंद्रीय खान मंत्रालय के तहत सिविल लाइंस स्थित आई.बी.एम (भारतीय खान ब्यूरो) मुख्यालय में डॉ. बाबासाहब आंबेडकर की 128वीं जयंती महोत्सव अवसर पर बतौर प्रमुख अतिथि के रूप में संबोधित कर रहे थे. कार्यक्रम के अध्यक्ष खान नियंत्रक (कंट्रोलर ऑफ माइन्स) पी. शर्मा व सम्मानीय अतिथि डॉ. बाबासाहब आंबेडकर महाविद्यालय के अर्थशास्त्र विभाग के प्रमुख डॉ. गौतम कांबले प्रमुखता से उपस्थित थे.

प्रेम और विचार से ही परिवर्तन

उपाध्याय नें कहा कि व्यक्ति के जीवन में परिवर्तन प्रेम व विचारों के कारण होता है. महापुरुषों की जयंती धूमधाम से मनाये जाने के कारण कारावास के कैदियों के विचारों में भी परिवर्तन हुआ है. वहीं कांबले ने कहा कि बाबासाहब ने 'द प्रॉब्लेम ऑफ रूपी' ग्रंथ में रिजर्व बैंक ऑफ इंडिया की संकल्पना रखी. सायमन कमीशन, साउथ ब्यूरो कमेटी के सामने डॉ. आंबेडकर केवल शोषित समाज के नेता के रूप में नहीं, बल्कि एक विशेषज्ञ व अर्थशास्त्री के रूप में गये थे. शर्मा ने कहा कि आज उनके शिक्षा से संबंधित विचारों को आत्मसात करना चाहिए. आई.बी.एम. की खान संस्करण विभाग की संचालिका ने बाबासाहब के महिला सक्षमीकरण संदर्भ में अपने विचार रखते हुए कहा कि उनके वजह से ही महिला को सभी क्षेत्र में समान अधिकार मिले हैं. इस अवसर पर रोकडे, बेग, अशोक गवई, कर्मचारी सहित अधिकारी उपस्थित थे.

THE TELEGRAPH DATE :27/6/2019 P.N.15

Vedanta eyes Bengal

OUR SPECIAL CORRESPONDENT

Calcutta: Bengal may emerge as one of the locations for an integrated greenfield steel plant to be set up by metal and mining giant Vedanta Ltd. The acquisition of Electrosteel Steels Ltd (ESL) under an insolvency process has fired up the ambition of billionaire Anil Agarwal-promoted Vedanta to become a top steel player in India and build a 10-million-tonne (mt) capacity in 5-6 years.

It would have to find a new location to achieve the target as Vedanta can only reach up to 6 million tonnes at ESL's plant in Bokaro unless it can acquire more land nearby.

"We are evaluating options for locations. It could be Bengal or in the south," Pankaj Malhan, deputy CEO of Vedanta-led Electrosteel Steels Ltd, said.

Vedanta has already undertaken the first phase of expansion at ESL, which will be renamed soon to reflect the change of ownership, to take its capacity to 3mt at an investment of Rs 4,000-5,000 crore. In the second phase, the capacity would be ramped up to 6mt.

Vedanta is scouting for a suitable location for the next phase of growth, which would ultimately take its capacity to 10mt.

Malhan, who joined Vedanta from Tata Steel, said Bengal could be looked at if land and government approvals were made available fast. He reminded that JSW had considered Salboni for an integrated steel plant despite not having iron ore in Bengal.

Vedanta will participate in the auction of iron ore mines when it takes place in Odisha or Jharkhand. "We are eagerly waiting for mines when they are put up for auction in 2020," Malhan said.

Previous attempt

During the Left rule, Vedanta wanted to build an aluminium smelter and a captive power plant in Bengal at Panagarh. But the project failed to take off as the company neither got land or coal mines.

Vedanta owns Sesa Goa which has iron ore mines in Goa and Karnataka. The group on Wednesday relaunched TMT rods, ductile iron pipes and wire rods in Calcutta.

BUSINESS LINE DATE :27/6/2019 P.N.13

Gold will continue to remain volatile

COMMENTARY

G CHANDRASHEKHAR

Gold's over-extended rally, triggered by a host of supportive factors, is now beginning to come off. The excessive speculative froth that had accumulated in the global gold market in a rather short period has started to dissipate thanks mainly to a statement by the US Federal Reserve Chairman that dampened rate-cut expectations. Such is the fragility of the gold market.

Many gold bulls expected the Fed to cut rates by as much as 50 basis points as early as July on the assumption that the Fed may buckle under President Trump's pressure. But that is not to be.

After sharp correction from the high of $1,440 an ounce, prices are closer to the $1,400/oz mark. The decline was not wholly unexpected though (See June 21 *BL Commentary*, 'Punters beware of gold's sudden rally').

Gold prices have the potential to fall even further if the scheduled talks between the presidents of the US and China this week during the G-20 summit signal some kind of an understanding to halt the ongoing trade war.

Meanwhile, trade data are hardly supportive. Import data point to a fall in China's gold arrivals in May because of sluggish demand. According to reports, net imports were down by a whopping 50 per cent on a monthly and annual basis.

While the Chinese economy is widely seen to be losing growth momentum, which has a negative impact on demand, especially jewellery sales, there is also the factor of import restrictions for gold on banks.

The India situation

On the other hand, gold imports to India were strong in May at close to $5 billion, showing a rising trend this year. Clearly, given the fragile foreign exchange situation, the country cannot afford to splurge on an unproductive asset like gold.

However, the import trend is likely to wane in the second half of the year as consumption demand is also seen enervated due to generally slowing growth, employment issues and weak rural incomes.

Taking a cue from global trends, the Indian market too is seen falling in rupee terms from its recent all-time high. If anything, higher local prices — in excess of ₹34,000 per 10 grams — in recent days have not only compressed demand but also encouraged a higher amount of scrap sales adding to supplies.

This would suggest India's import in June is likely to be less than in May given the price sensitivity of the market. In the next three months rural India would be busy with agricultural operations when demand usually ebbs.

It is interesting that gold's recent rally has not had a marked impact on silver, which usually tags on to gold's coattails. The rise in silver has been somewhat muted, trading at around $15.5/oz. Even ETF inflows of about 300 tonnes this month have not imparted much upward momentum to the metal. Platinum, too, has failed to gain from gold's rally.

Looking ahead, the yellow metal will continue to remain volatile. Simultaneous operation of bullish and bearish factors is seen tearing the market apart. Correction is imminent in any commodity in which huge speculative long positions are built. So, once again, caution. Gold's rally may fizzle out sooner than punters can imagine.

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

THE HINDU DATE :27/6/2019 P.N.13

Vedanta eyes 10 mn tonnes in steel output

Firm in talks with several States for greenfield plant, also open to acquiring units

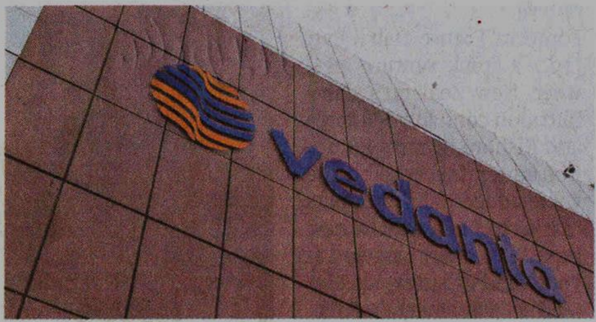
SPECIAL CORRESPONDENT
KOLKATA

Vedanta Ltd., a subsidiary of Vedanta Resources Ltd., is exploring options for an inorganic or organic route for expanding the capacity of Electro Steels Ltd. (ESL) by another four million tonnes within the next six years, according to Pankaj Malhan, deputy CEO, ESL said.

Vedanta, which got ESL in 2018 through the insolvency resolution process, had already announced a phased capacity expansion programme in ESL's plant at Bokaro in Jharkhand to three million tonnes in two years (from 1.5 million tonnes now) and then to eight million tonnes annually. It takes an investment of about ₹7,000 crore to set up a one-million tonne steel capacity.

"In five to six years, we plan to have a steel capacity of 10 million tonnes... while we are in talks with various State governments for a greenfield plant, we are also looking at inorganic expansion routes... our ambition is to be big," he told the media on the sidelines of a meeting to announce the launch of some branded long products by ESL.

Mr. Malhan added there could be some plans later on to rename ESL, without divulging details.



Eyeing big: Vedanata will double capacity at ESL's plant in Jharkhand from 1.5 million tonnes. ▪ REUTERS

Eyeing top 4 slot

He said Vedanta wanted to become one of the top four steel players in the long term and eventually ESL, now known as a manufacturer of long products only, will also make flat steel products such as hot rolled coils, cold rolled sheets and galvanised products.

He added new products would come to market in the next 2-3 months.

THE HINDU
DATE :28/6/2019 P.N.13

NMDC to terminate ₹1,395-crore BHEL contract

SPECIAL CORRESPONDENT
HYDERABAD

Public sector miner NMDC on Thursday said it was invoking the termination clause of a ₹1,395 crore contract awarded to state-owned engineering major BHEL following a delay of more than five years in completion of the work.

Pertaining to the 3 million-tonne integrated steel plant that NMDC is setting up in Nagarnar in Bastar district of Chhattisgarh, the Raw Material Handling System (RMHS) Package contract was awarded to BHEL on August 1, 2011.

The original date of completion of the ₹1,395 crore work was February 28, 2014. However, "there is a huge delay of more than five years in completion of this package. Even after continuous follow up at NMDC and at Ministry level, BHEL is not accelerating the progress of the project," NMDC said.

Stating that a notice had been issued to BHEL on Wednesday for termination of the contract, a release from NMDC said: "the progress of work has been abysmal and after approximately 94 months since commencement of the contract, the RMHS is far from completion."

The iron ore mining major said "the work of BHEL is lagging inordinately, and is lacking intent to complete the project. BHEL is negligent towards the completion of the project. Therefore, NMDC has [invoked] the termination clause."

NMDC will now take steps through new options for expeditious completion of the work, the company said in a release.

BUSINESS LINE DATE :28/6/2019 P.N.20

Gold falls as hopes of a thaw in US-China trade impasse make riskier assets attractive

REUTERS
June 27

Gold prices fell on Thursday as hopes of a truce in the US-China trade spat ahead of a weekend meeting at the G20 summit rekindled investors' interest in riskier assets, weighing on safe-haven bullion.

The South China Morning Post, citing sources, said Washington and Beijing were laying out an agreement that would help avert the next round of tariffs on an additional $300 billion of Chinese imports.

Spot gold was down 0.3 per centat $1,404.85 per ounce by 1203 GMT, after shedding more than 1 per cent in the previous session.

US gold futures fell 0.5 per cent to $1,408.70 an ounce.

Gold has fallen more than $35 since touching a more than six-year peak on Tuesday, especially after officials from the US Federal Reserve signalled they would not resort to a big interest rate cut in July.

However, gold prices are still up 7.6 per cent so far this month, with prices gaining nearly $70 since last week alone on hopes there will be at least a quarter percentage point reduction in July by the Fed.

"Gold was heavily overbought after this run towards $1,450 and a correction has ensued," said Rhona O'Connell, an analyst with INTL FCStone.

Meanwhile, holdings of SPDR Gold Trust, the world's largest gold-backed exchange-traded fund, fell 0.22 per cent to 797.85 tonnes on Wednesday. Still, the holdings have risen 7.4 per cent so far this month.

Among other precious metals, silver fell 0.2 per cent to $15.21 per ounce and platinum rose 0.2 per cent to $815.79

Palladium rose 0.2 per cent to $1,526 an ounce.

Trade war makes India a haven for aluminium scrap dumping

'Country overtakes China in imports; trend hurts industry'

TCA SHARAD RAGHAVAN
NEW DELHI

India has overtaken China as the preferred destination for aluminium scrap with imports growing 18.8% in the January-March 2019 quarter compared with the same quarter of the previous year.

This, according to industry players, is hurting Indian industry and is the direct result of the trade war between China and the U.S.

India imported 3,34,725 tonnes of aluminium scrap in the January-March 2019 quarter compared with China's 3,30,567 tonnes in the same period, according to a report by S&P Global Platts. While India's imports grew 18.8% over this period, China's declined by 32.1%.

"The U.S. had imposed an import duty of 10% on aluminium in March 2018 and in response, China had implemented a 25% duty on the import of aluminium scrap from the U.S.," said Rahul Sharma, vice-president, Aluminium Association of India.

"This means that the scrap is being diverted and dumped in India. Imports of scrap from the U.S. have gone up by about 148% from 2017-18 to 2.6 lakh tonnes in 2018-19." Commerce Ministry data shows that this rising trend of aluminium scrap imports coincides strongly with the tariff war between the U.S. and China.

"China is also classifying aluminium scrap as a restricted import, which will be implemented from July 1, 2019," he added. Industry players say that the other reason for the dumping of aluminium scrap in India is the duty structure in place, something they want the government to revisit in the upcoming Budget.

While other metals like zinc, copper, lead, and nickel all have the same import duties for their primary and scrap variants, this is not so for aluminium. Aluminium scrap imports are taxed at just 2.5%, while primary aluminium is taxed at 7.5%.

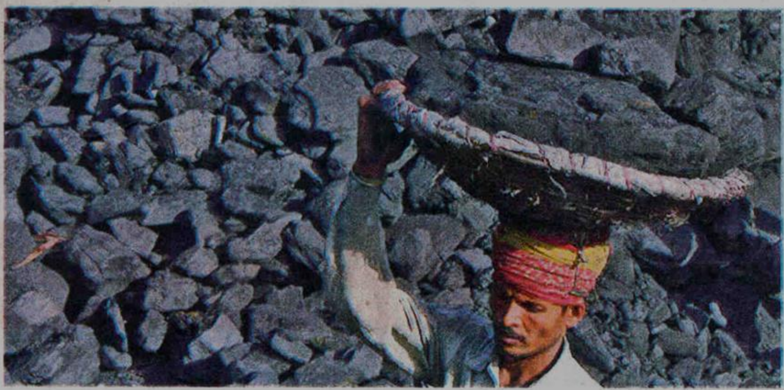
"What is also happening is that scrap is eating into the primary market," Mr. Sharma explained. "That is, impure scrap is being used in place of pure primary scrap in consumer-facing sectors such as consumer durables, utensils and also in sectors of national importance such as power transmission."

NAVBHARAT DATE :29/6/2019 P.N.5

20 वर्षों से नहीं बनी खनिज नीति

विदर्भ को हो रहा भारी नुकसान

अधिकांश राज्यों ने बनाई नीति



व्यापार प्रतिनिधि

नागपुर. महाराष्ट्र जैसे औद्योगिक रूप से उन्नत राज्य में पिछले 20 वर्षों से खनन नीति नहीं बन पाई है. इसका मुख्य कारण है खनिजों की अधिकता विदर्भ में होना, जबकि यह मंत्रालय अक्सर मुंबई, पश्चिम महाराष्ट्र के नेताओं के पास रहा है और उन्हें खनन नीति से कोई लेना देना नहीं रहा. इसकी सर्वाधिक खामियां भी अगर किसी को उठानी पड़ी है, तो वह है विदर्भ. आश्चर्य तो यह है कि राज्य के मुख्यमंत्री पद पर पिछले 5 वर्षों से नागपुर के देवेंद्र फडणवीस बैठे हैं, उन्होंने भी इस ओर ध्यान नहीं दिया. मुख्यमंत्री ने भले ही देर-से ही, परंतु महाराष्ट्र राज्य खनिकर्म महामंडल के अध्यक्ष पद पर विदर्भ के व्यक्ति को बैठाया हो, परंतु इससे बहुत अधिक लाभ मिलता दिखाई नहीं दे रहा है, क्योंकि पहले कुछ माह केंद्रीय चुनाव में निकल गए और शेष बचा हुआ वक्त राज्य के चुनाव में निकल जाने की पूरी-पूरी संभावना है. राज्य के कुल खनिज का 80 फीसदी हिस्सा विदर्भ में है. इसलिए खनन नीति विदर्भ के लिए काफी महत्वपूर्ण है. आज इस नीति के नहीं होने के कारण ही विदर्भ के खनिजों से अपेक्षित परिणाम नहीं मिल रहे हैं. न तो उद्योगों को आकर्षित करने के लिए कोई कदम उठाया जा सका है और न ही कोई प्रयास पिछले कुछ वर्षों में किए गए हैं.

राज्य का खनिज निगम बैठा खाली हाथ

खनन क्षेत्र से जुड़े लोगों का कहना है कि सबसे प्रगतिशील राज्य महाराष्ट्र को छोड़ दिया जाए, तो देश के अधिकांश राज्यों ने अपने-अपने राज्यों के लिए खनन नीति बना ली है. केंद्र सरकार की पहल पर सभी राज्यों को नीति बनाने को कहा गया था, परंतु राज्य इस मामले में पिछल्लू रह गया. आज खनन नीति के कारण ही अधिकांश बड़े खनिजों पर राज्य के महामंडलों का अधिकार बढ़ रहा है. रेती जैसी चीज भी महामंडल के जरिए बेची जा रही है. वहीं मैंगनीज सहित अन्य प्रमुख खनिज का उत्खनन राज्य के निगम कर रहे हैं, परंतु महाराष्ट्र का खनिज निगम खाली हाथ बैठा हुआ है.

रोजगार और आय प्रभावित

खनिज नीति नहीं बनना विदर्भ के लिए सबसे दुखदायी है, क्योंकि हम खनिज से संपन्न है. इसके नहीं होने से हजारों लोगों को रोजगार से वंचित रहना पड़ रहा है, वहीं जो आय मिलनी चाहिए थी वह भी नहीं मिल रही है. खनिज होने के बाद ही राज्य को जो लाभ मिलना चाहिए था वह नहीं मिल पा रहा है, क्योंकि उद्योगों को हम आकर्षित ही नहीं कर पा रहे हैं. जो करोड़ों की रायल्टी राज्य को मिलनी चाहिए थी, वह भी प्रभावित हो रहा है. एमएसएमसी ने नीति बनने की पहल की है, मसौदा तैयार है और जल्द ही इसे सरकार को सौंपा जाएगा ताकि एमएसएमसी की ताकत बढ़ सके और राज्य के खनिजों का सही उपयोग, प्रोसेस कर अधिकतम लाभ उठाया सके.

-आशीष जायस्वाल, एमएसएमसी अध्यक्ष

ध्यान नहीं, रुका विकास

खनन नीति की उपेक्षा का सबसे बड़ा शिकार विदर्भ बना है. वेद लगातार इस मुद्दे को उठाता आया है, लेकिन किसी ने इस ओर ध्यान नहीं दिया. यही कारण है कि खनन क्षेत्र में समृद्ध होने के बाद भी हम पिछड़ते जा रहे हैं. न तो उद्योग आ रहे हैं और न ही विकास को गति मिल पा रही है. अगर यही हाल रहा, तो हम विकास की कल्पना कैसे कर पाएंगे. कोल स्कैम के कारण कोई हाथ नहीं डालना चाहता, परंतु अब वह समय नहीं है और मुख्यमंत्री को इस विषय पर ध्यान देना चाहिए. मिनकान सम्मेलन में भी हमने इस मुद्दे को रखा था. विदर्भ के हित में इस नीति पर तुरंत पहल करने की जरूरत है, ताकि विदर्भ के साथ न्याय हो सके.

-शिव राव, उपाध्यक्ष, वेद

THE HITAVADA DATE :30/6/2019 P.N.9

INDUSTRY STUDY

Metals

Steel to outperform base metals

DESPITE **recent headwinds**, we believe that the domestic steel industry is in a better position than global peers. Though demand-related issues (weak auto, trade war and possibly below average monsoon) will put pressure on steel companies in the short term. 2H demand will improve on the Governments continued focus on infrastructure, construction and housing, which represents +50% of Indias steel use. Incorporating auto weakness, Indian steel should grow 6% in FY20 against FY19s 7.5%. It will pick up pace to 7% in FY21. This growth would still entail multi-year-high industry utilisation, as major capacity additions are still over a year away and a large part of incremental production from the resolution of stressed assets has already been absorbed (most plants are running at utilisation levels of 80%, so further growth would need fresh investments). **Ferrous players will perform better than non-ferrous ones due to the formers better domestic steel demand dynamics, higher Government support, and less reliance on exports.**

What do we like? We are bullish on the ferrous space and prefer companies that are poised to take advantage of the domestic demand-supply gap. We favour companies that can provide significant earnings growth in the next couple of years on volume ramp up and de-leveraging. **JSPL, Tata Steel and NMDC are our top picks on improving domestic profitability and possible significant debt reduction. SAIL is also an interesting pick as it will benefit from demand pull, but volume execution capabilities need to be tested.**

In the non-ferrous segment, we are more inclined towards Hindalco, based on stable business and expected continuation of de-leveraging after the Aleris purchase. Vedanta is also trading at a discount to its historical average and can be a good dividend yield story. However, we are cautiously optimistic on this stock based on recent corporate governance issues, zinc market moving to surplus, and the tricky nature of the oil and gas business. *(NMS)*

SCCL to supply 8 m tonnes coal to NTPC

NTPC plants in 8 States; MoU with SCR to prevent delay in coal dispatches

SPECIAL CORRESPONDENT
HYDERABAD

Singareni Collieries Company Ltd (SCCL) will supply 8 million tonnes of coal to power generation plants of National Thermal Power Corporation (NTPC) located in eight States during 2019-20.

The quantity is about 11.43% of the coal production target, 70 million tonnes, set for itself by the company for 2019-20 and about 11.76% of the total coal despatches, about 67.7 million tonnes, made by the company during 2018-19.

A memorandum of agreement on coal supply was signed by the two companies here on Friday. The SCCL will supply coal to NTPC's power generation plants in Telangana, Karnataka, Maharashtra, Madhya Pradesh, Uttar Pradesh, Chhattisgarh, Odisha and Haryana as part of the agreement.

Coal loading at an underground mine of SCCL at Yellandu of Bhadradri Kothagudem district. ▪FILE PHOTO

The agreement was signed by Chief General Manager (Fuel transport) of NTPC S.D. Prasad and General Manager (Marketing and Coordination) of SCCL Anthony Raja. According to SCCL officials, different grades of coal would be supplied to NTPC from its Sattupalli, Manuguru, Mandamarri, Ramagundam and other mines. Officials from the two sides also held discussions on the details of number of rakes required for coal supply to different NTPC units.

Mr. Prasad stated that Singareni had been supplying coal to NTPC for decades in time for generation of power. The coal supply signed up would be used in the existing as well as upcoming power plants of NTPC.

Engine on load

Meanwhile, Singareni has also signed an "engine on load" agreement with South Central Railway (SCR) for uninterrupted loading and transportation of coal to its clients, as part of which the engine that brings wagons for coal loading would remain till the loading was over and thereafter take the rake (wagons) to the scheduled destinations.

The agreement was signed by Principal Chief Operations Manager K. Shiva Prasad and Principal Chief Commercial Manager John Prasad on behalf of SCR and Executive Director (Coal Movement) J. Allwyn for Singareni on Friday.

Under the agreement, coal loading has to be completed within three hours of arrival of the rake.

The agreement has been reached at in case of five major CHPs – two at Ramagundam and one each at Asifabad, Kothagudem and Manuguru.