खनिज समाचार

KHANIJ SAMACHAR

Vol. 2, No-12

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KHANIJ SAMACHAR

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FROM

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INDIAN BUREAU OF MINES

VOL. 2, NO-12, 16th –30th JUNE, 2018

BUSINESS LINE DATE : 25/6/2018 P.N.18

GLOBAL		Change in %			52-Week	
	Price	Weekly	Monthly	Yearly	High	Low
Metals ($/tonne)						
Aluminium	2180	-1.2	-3.6	17.1	2603	1855
Copper	6792	-3.2	-2.3	18.7	7324	5735
Iron Ore	60	-5.3	-5.8	8.9	81	54
Lead	2406	0.6	-2.5	10.1	2683	2180
Zinc	2977	-4.6	-2.4	10.4	3619	2696
Tin	20475	-1.9	-0.5	5.9	22104	18867
Nickel	15181	0.5	3.1	69.3	15749	8883

LOKMAT DATE : 16/6/2018 P.N.11

‘वेदांता’चे गोव्यातील २ हजार कर्मचारी होणार बेरोजगार

लोकमत न्यूज नेटवर्क

नवी दिल्ली : वेदांता रिसोर्सेस कंपनीचे गोव्यातील लोखंडाच्या खाणीचे परवाने सर्वोच्च न्यायालयाने रद्द केल्यामुळे ही कंपनी अडचणीत आली असून, कंपनीच्या २ हजार कर्मचाऱ्यांवर कपातीची कुऱ्हाड कोसळण्याची शक्यता आहे. कंपनीने देशातील प्रकल्प या ना त्या कारणाने अडचणीत येत आहेत.

सर्वोच्च न्यायालयाने फेब्रुवारीत वेदांताविरुद्ध निर्णय दिला होता. पर्यावरणविषयक नियमांची पायमल्ली केल्याच्या कारणावरुन १६ मार्चपासून खाणी बंद करण्याचे आदेश न्यायालयाने दिले होते. गोव्यातील लोखंडाचे खनिज कनिष्ठ दर्जाचे समजले जाते. त्याची चीनमध्ये मोठ्या प्रमाणात निर्यात होते.

अनिल अग्रवाल यांच्या नेतृत्वाखालील लंडनस्थित वेदांता समूहाचा तामिळनाडूतील तांबे गाळप प्रकल्प गेल्या महिन्यात बंद पडला. प्रकल्पाच्या विरोधात निदर्शने करणाऱ्या लोकांवर पोलिसांनी गेल्या महिन्यात गोळीबार केला होता. त्यात १३ लोक ठार झाले होते. त्यानंतर प्रकल्प तामिळनाडूने बंद केला.

आता गोव्यातील लोह खनिजाचा प्रकल्प कायमस्वरूपी बंद होण्याची शक्यता आहे. सर्वोच्च न्यायालयाच्या निर्देशानंतर बंद करण्यात आलेला हा प्रकल्प आता किमान तीन वर्षे तरी सुरु होऊ शकत नाही.

राज्याला खाणींचा नव्याने लिलाव करावा लागेल. त्यासाठी खनिज साठ्याचे नव्याने सर्वेक्षण करावे लागेल. हा प्रकल्प बंद झाल्यास २ हजार कर्मचारी बेरोजगार होतील. कंपनी त्यांची कपात करेल.

BUSINESS LINE DATE : 16/6/2018 P.N.14

Copper eyes biggest weekly loss since April

China growth woes and trade tensions take a toll on the metal

REUTERS
LONDON, June 15

Copper hit a one-week low on Friday while the dollar retained its strength, leaving the market set for its biggest weekly drop since April on concerns about slowing growth in top metals buyer China and the impact of the US trade tariffs.

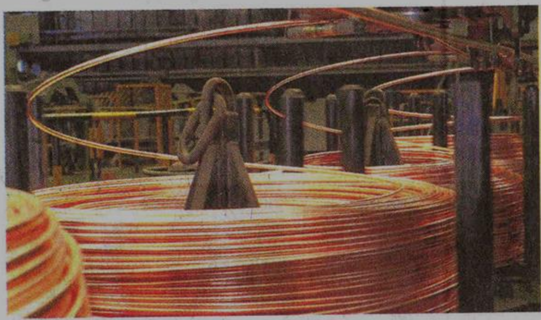
President Donald Trump on Friday announced that the United States will implement a 25 percent tariff on $50 billion of goods from China related to intellectual property and technology, and pledged to impose further levies if the Asian nation takes retaliatory measures.

Rising China-US trade tensions will put additional pressure on China's economy, which is starting to show signs of cooling under the weight of a multi-year crackdown on riskier lending.

"Now is not the time for the (copper) market to rally," said Ole Hansen, head of commodity strategy at Saxo Bank.

"The growth story is running into problems (with) recent weak data from the US, Europe and China," he said, adding that a strengthening dollar and weakening emerging market currencies were "raising concerns about growth going forward."

The dollar index hit a seven-month high earlier, getting a boost as the Euro sagged after a cautious European Central Bank signalled it will keep interest rates at record lows well into next year.



Copper pipes factory GETTY IMAGES/ISTOCKPHOTO

COPPER PRICES: Three-month copper on the London Metal Exchange was last bid down 0.5 percent in official midday rings at $7,141 a tonne, having hit a one-week low of $7,118. The industrial metal has slipped from a 4-1/2 year high hit last week on supply concerns at the world's biggest copper mine. CHINESE GROWTH: China reported weaker-than-expected industrial output, investment and retail sales for May, suggesting further weakness ahead if Beijing sustains its crackdown on factory pollution and local government spending.

CHINA METALS OUTPUT: China's output of 10 non-ferrous metals including copper, aluminium, lead, zinc and nickel rose 4.3 percent in May from a year earlier to 4.55 million tonnes. Aluminium production was up 1.5 percent at 2.79 million tonnes.

CHINA COPPER STOCKS: Copper inventories in warehouses monitored by the Shanghai Futures Exchange fell 1.2 percent from last Friday.

CHINA ZINC, LEAD STOCKS: Zinc inventories in warehouses monitored by the Shanghai Futures Exchange rose 7.6 percent from last Friday and lead gained 6 percent.

METALS PRICES: Aluminium was last bid down 1.1 percent in rings at $2,231, zinc traded down 1.2 percent at $3,150, lead was last bid down 0.5 percent at $2,442, tin traded down 0.6 percent at $20,760 while nickel was last bid up 0.3 percent at $15,330.

BUSINESS LINE DATE : 18/6/2018 P.N.8

Bullion Cues

Gold fails to act as safe haven

The yellow metal tumbles after US-China tariff war

ISTOCK.COM/ALEXLMX

GURUMURTHY K

After a silent start, gold prices suddenly turned violent towards the end of last week. The global spot gold prices were hovering in a narrow range between $1,290 and $1,300 per ounce until Wednesday even after the US Federal Reserve meeting. The Fed increased the rates by 25 basis points as expected, and indicated that there would be two more rate hikes for this year, instead of one hike as planned earlier.

Gold made a sudden spike to $1,309 on Thursday, but failed to sustain higher. The yellow metal tumbled, breaking below $1,300 on Friday, and closed at $1,279 per ounce, down 1.5 per cent for the week.

The sharp fall on Friday was triggered after the US announced 25 per cent tariff on Chinese goods worth up to $50 billion. China retaliated immediately with a levy of 25 per cent tariff on US goods worth $34 billion. Although the US dollar remained relatively stable after the tariff announcements, gold surprisingly failed to gain a safe-haven status.

On the domestic front, although the gold futures contract on the Multi Commodity Exchange fell sharply over a per cent on Friday in tandem with the global spot price, the loss for the entire week was marginal. Weak rupee aided in limiting its loss. The MCX-Gold contract rose to a high of ₹31,424 per 10 gm, and fell sharply to close the week on a flat note at ₹31,010 per 10 gm.

US dollar surge

The US dollar index had surged earlier on Thursday after the European Central Bank (ECB) announced that it will continue its bond-purchase programme beyond September, but with a reduced pace of €15 billion per month, and will end it in December this year. The market had expected the ECB to end its bond-purchasing programme by September. This triggered a sharp fall in the euro, which in turn saw the US dollar index surging from 93.5 to 95 on Thursday after the ECB meet.

The dollar index made a high of 95.15, and came off from there to close the week at 94.78. A key resistance is poised in the 95-95.15 region, which has held well and capped the upside in the past week. The 200-week moving average and trend-line resistances are placed in this region. Inability to breach this hurdle can pull the dollar index lower to 94 or even 93.5, again. Such a fall may give some relief to gold and can push the yellow metal prices higher.

On the other hand, if the dollar index decisively breaks above 95.15, it can move further higher to 95.6 or even 96 in the short term. This in turn will keep gold under pressure and pull its prices further lower in the coming days.

The short-term outlook for the global spot gold ($1,278 per ounce) remains negative. However, an immediate support is at $1,275.

Gold outlook

If gold sustains above this support, a relief rally to $1,287 or $1,290 is possible in the near term. But further rally beyond $1,290 looks less probable at the moment.

A range-bound move between $1,275 and $1,290 can be seen for some time. But if gold decisively breaks below $1,275, it can come under more pressure. Such a break can drag it to $1,265 or even $1,255 in the coming weeks.

On the domestic front, the MCX-Gold (₹31,010 per 10 gm) has key supports at ₹30,750 and ₹30,500.

A dip to test these supports in the near term cannot be ruled out. But the outlook will turn negative only if the contract breaks below ₹30,500, which looks less probable. Resistance for the contract is at ₹31,550.

A bounce from ₹30,500 can take the contract higher to ₹31,550 in the short term. Inability to breach this hurdle can keep the contract range-bound between ₹30,500 and ₹31,550 for some time. But a strong break above ₹31,550 can boost the momentum. Such a break will take the MCX-Gold futures contract higher to ₹32,000 initially. A further break above ₹32,000 will see the contract rallying to ₹32,500 and ₹33,000 over the medium term. Silver outperformed gold in the initial part of last week. The global spot silver surged over 3 per cent to make an intra-week high of $17.30.

The prices, however, sharply reversed lower from the highs and gave back all the gains made during the week. Silver closed the week at $16.57 per ounce, down 1.2 per cent lower for the week.

Resistance is at $16.70. As long as silver remains below this resistance, a fall to $16.2 is possible in the coming days. On the other hand, if silver manages to breach the resistance at $16.7, the downside pressure would ease. In such a scenario, silver can rally to $17.2 and $17.3 levels again.

MCX-Silver (₹40,199 per kg) surged in tandem with the global prices over 3 per cent intra-week, breaking above the key resistance level of ₹41,000. It made a high of ₹41,698 of Friday, but tumbled from there, giving back all the gains made, and closed marginally lower for the week at ₹40,199 per kg.

The level of ₹41,000 will act as a resistance again. While below ₹41,000, a fall to ₹39,700 is possible. A break below ₹39,700 will then increase the likelihood of the fall extending to ₹39,200.

On the other hand, the contract will regain momentum if it decisively closes above ₹41,000. Such a break will then pave way for a fresh rally to ₹42,000, or even ₹42,500.

MCX Gold

Supports:
₹30,750/30,500
Resistances:
₹31,550/32,000

MCX Silver

Supports:
₹39,700/39,200
Resistances:
₹41,000/41,500

THE HITAVADA DATE : 18/6/2018 P.N.11

'Cement demand to grow by 7% in 2018, excess capacity a concern'

New Delhi, June 17 (PTI)

CEMENT demand in India is expected to grow by 7 per cent this year but intense competition and "not enough" consumption will lead to excess capacity, cement maker ACC said in its annual report.

The demand will grow in 2018, helped by the Centre's push on big infrastructure projects and continued focus on rural development and affordable housing schemes.

"Consequently, the demand for cement in 2018 is expected to increase from 6 per cent to 7 per cent," ACC said in its annual report for 2017. The cement industry had a growth of 6 per cent in 2017 as against 5.1 per cent in the previous year, it added.

Around 66 per cent of its demand came from the housing sector, followed by infra with 18 per cent and 16 per cent by commercial sectors.

The total installed capacity of the cement industry in India is around 465 million tonnes (MT), ACC said. However, the industry is battling with under-utilisation of the installed capacity as it is currently producing 305 MT for both domestic demand and export requirement.

"Cement industry is grappling with sub-optimal effective capacity utilisation of 70 per cent, with capacity overhang of more than 100 MT," said ACC.

While cement plants in northern, central and eastern regions of the country produced at levels above 85 to 90 per cent of capacity, excess capacity in the southern region has inhibited the industry's average capacity utilisation.

"Intense competition and not enough demand pull, will continue to lead to excess capacity in 2018," ACC Cement said adding "this situation is expected to correct itself in 2019 with the increased outlays on housing, infrastructure development and agri-sector initiatives."

While, over five-fold increase in Pradhan Mantri Awas Yojana - Urban to Rs 31,500 crore, is expected to revive urban housing demand, while generating a 30 per cent share of the overall demand for cement, it added.

"Infrastructure development outlay for highways, roads and railways has increased by 11 per cent and 22 per cent respectively. This will boost demand for cement from the infrastructure sector, which is estimated to account for 20 per cent of cement demand," ACC said.

BUSINESS LINE DATE : 18/6/2018 P.N.13

Govt working on 'alloy policy'

New Delhi, June 17

The Centre is planning to come out with an alloy policy to augment the output of special steel in the country, a top government official has said. Last year, Steel Minister Chaudhary Birender Singh had expressed unhappiness over steel PSUs' performance and asked the companies pay attention towards value addition and production of special steel that has multiple uses including in the automobile sector, defence, shipping among other areas. "We are coming up with an alloy policy," Steel Secretary Aruna Sharma told PTI. PTI

THE ECONOMIC TIMES
DATE : 18/6/2018 P.N.12

NAVBHARAT DATE : 18/6/2018 P.N.11

सीमेंट की मांग 18 प्रश बढ़ेगी

एजेंसियां

दिल्ली. इस साल देश में सीमेंट की मांग में सात प्रतिशत वृद्धि का अनुमान है. एसीसी की वार्षिक रिपोर्ट में यह अनुमान लगाया गया है. इसमें कहा गया है कि अत्यधिक प्रतिस्पर्धा और उपभोग बहुत अधिक नहीं होने की वजह से अतिरिक्त क्षमता की स्थिति बनेगी जो चिंता का विषय है. सीसी की 2017 की रिपोर्ट में कहा गया है कि 2018 में सीमेंट की मांग में सात प्रतिशत वृद्धि की उम्मीद है. वर्ष 2017 में सीमेंट उद्योग की वृद्धि दर छह प्रतिशत रही थी, जबकि इससे पिछले साल यह 5.1 प्रतिशत थी.

क्षमता से कम हो रहा उत्पादन

रिपोर्ट कहती है कि सीमेंट उद्योग की 66 प्रतिशत मांग आवास क्षेत्र से आती है. 18 प्रतिशत मांग बुनियादी ढांचा क्षेत्र की और 16 प्रतिशत व्यावसायिक क्षेत्र की होती है. देश में सीमेंट उद्योग की कुल स्थापित क्षमता 46.5 करोड़ टन की है. हालांकि, इस समय उद्योग अपनी क्षमता से कहीं कम उत्पादन कर रहा है. फिलहाल घरेलू मांग और निर्यात के लिए उद्योग का उत्पादन 30.5 करोड़ टन ही है. एसीसी ने कहा कि उत्तर, मध्य और पूर्वी क्षेत्र के सीमेंट संयंत्र अपनी क्षमता के 85 से 90 प्रतिशत का उत्पादन कर रहे हैं, लेकिन दक्षिण क्षेत्र में अतिरिक्त क्षमता की वजह से औसत क्षमता इस्तेमाल काफी कम है.

NMDC at Loggerheads with Karnataka Steelmakers Over Pricing of Iron Ore

Vatsala.Gaur@timesgroup.com

Mumbai: State-owned miner NMDC and Karnataka's steelmakers are at odds over the pricing of iron ore produced in the state.

NMDC has cut production in Karnataka after companies, including JSW Steel which buys 90% of its output, stopped purchases at the state's iron ore e-auctions.

JSW Steel has opted to buy the ore from Odisha, where it is cheaper. As a result, NMDC has been able to sell only 25% of its output through e-auctions in the state this financial year. The miner is expected to approach the Supreme Court to seek permission to sell its output outside the state.

JSW Steel, the biggest consumer of iron ore from NMDC in Karnataka, said the miner should lower its price, which is about ₹2,000 per tonne higher than Odisha iron ore, instead of asking the Supreme Court to allow it export. "Pricing has to be competitive and market dynamics have to come into play," Seshagiri Rao, joint MD at JSW Steel, told **ET**.

Even though the steelmaker is sourcing from Odisha, freight charges push up the final cost of the mineral. However, Rao said the ore from Odisha is of a better grade that increases productivity and leads to savings.

NMDC is of the view that the steel market is buoyant and firm iron ore pricing is justified. "There is a possibility that this is being done to pressurise NMDC and other major miners in Karnataka to bring down prices in the state," the miner said in a statement.

BUSINESS LINE DATE : 21/6/2018 P.N.6

Anrak Aluminium steps up effort to revive Vizag refinery

In talks with lenders to start 1.5-million tonne alumina refinery

CH RS SARMA

Visakhapatnam, June 20

Anrak Aluminium Limited (AAL), a joint venture of Penna Group and Ras Al Khaimah Investment Authority, is making all-out efforts to start operations at its refinery at Makavaripalem in Visakhapatnam district of Andhra Pradesh. AAL is planning to arrive at a one-time settlement with the SBI-led consortium of banks for commissioning the 1.5- million tonne alumina refinery.

The refinery was set up a few years ago after the acquisition of 2,300 acres through the AP Industrial Infrastructure Corporation at Rachapalli, 80 km from here. The project was completed, along with a 72x3-MW captive power plant, in 2013 with a total investment of ₹6,000 crore — almost half of it as loan through the consortium.

The insolvency proceeding pending before the National Company Law Tribunal was recently stayed by the High Court of Andhra Pradesh and Telangana.

Though the Eastern Ghat areas of Visakhapatnam inhabited by Girijans contain huge deposits of bauxite ore, several attempts at mining in the area failed due to the opposition from tribals and political parties.

NPA loan

After bifurcation of the State, the Telugu Desam Government in AP scrapped the MoU signed with AAL for supply of bauxite ore from Jerrela and other blocks through the AP Mineral Development Corporation.

"Even before launching of production, the banks declared the loan borrowed from them as NPA. Now, we are in an advance stage of coming to a settlement for the removal of the NPA tag and launching the refinery operations by sourcing bauxite ore from Gujarat and Odisha and also outside India," AAL Vice-President (Works) LS Rao said in an interview.

The MoU for the investment by AAL was signed by the undivided Andhra Pradesh in 2007. The company sourced three lakh tonnes of bauxite ore through the Gujarat Mineral Development Corporation in 2012. It also bought 60,000 tonne extracted from Kodangmali mines through the Orissa Mining Company in an auction.

"We also want to source raw material from Australia, Guinea and Indonesia to ensure continuous production at our refinery," he said. He said AAL would invest over ₹8,000 crore in the second phase by building the smelter plant. The company will need 4.5 million tonnes of bauxite ore per annum to operate at full capacity.

The company provides direct employment to 200 and indirectly to 400. "Once we start the refinery, the direct employment will go up to 500 and the indirect to over 2,000, benefiting mostly the people from project-affected areas," he added.

BUSINESS LINE DATE : 21/6/2018 P.N.4

Coal supply to power sector eases even as sponge iron, cement suffer

PRATIM RANJAN BOSE

Kolkata, June 20

Consistent efforts to supply coal to the power sector on a priority basis have started paying off.

But the non-power sector — such as cement and steel — is suffering from the low availability of domestic coal and spike in international prices, leading to an impact on the bottomline. And, as growth rebounds, there may not be any immediate solution to the crisis.

Dark days Secondary steel producers using thermal coal for energy to make sponge iron are particularly hit by the coal crisis

Global prices

International coal prices were ruling strong from the beginning of this year and touched a multi-year high in early March. Though prices softened after that, the recent commodity price spike saw coal prices firming up sharply.

The 4,200 and 3,800 calorific value Indonesian thermal coal, which are mostly used in India, are now ruling over $48 a tonne and $38 a tonne respectively, marginally below the March peak.

The price of American coal, which is now replacing part of the cement industry demand for petroleum coke, increased by $2 to $109 a tonne in barely a week.

The spike in prices impacted demand for imported fuel by the steel and cement sector, which were at the forefront of the import rush last year when the coal crisis hit India.

During April-May this year, India imported 26.5 million tonnes of coal against 28.2 mt during the same period last year. In comparison, imports were up from 149 mt to 151 mt last year.

The impact is not uniform. In the steel sector, large integrated players who use multiple options for steel making, depending on cost dynamics, are less affected. The GST rollout benefited them. They are now reaping the maximum benefits of the recent growth momentum and are on a consolidation mode.

But scores of secondary steel producers using thermal coal for energy to make sponge iron (using DRI route), who were already in trouble, are doubly hit by the coal crisis. Secondary steel production was down by 6.2 per cent in April-December 2017 as against an overall robust growth in steel.

According to Subhasri Chaudhury, Secretary General of the Coal Consumers' Association of India, nearly 3,000 rakes of contracted supplies are pending to non-power consumers. "Western Coalfields stopped supplies to non-power customers. Mahanadi Coalfields didn't supply after October," she said.

Western and Mahanadi are Coal India subsidiaries. "Things are expected to be tough for the secondary steel makers in the days to come," said an industry insider who did not want to be named.

Meanwhile, the cement sector reports shrinking margin due to a rise in fuel cost. Though witnessing a demand pull, cement makers do not enjoy a spiral in product prices due to over-capacity.

In the past, cement makers found a good alternative in petroleum coke to replace demand for either imported or domestic coal. But recent restrictions on pet coke prices impacted this plan.

Among the positives, a cement maker reports improvement in wagon availability to transport fuel from ports to the plants, mostly in the hinterland. "The waiting time for getting supply of rakes at Gangavaram, one of the busiest ports on the East Coast, recently came down from five-six weeks to three weeks," a top cement company official said.

In the power generation sector, imported coal based units are surely impacted. But the overall supply position has improved between April and June, riding on a 12.3 per cent rise in total supplies (off-take) to 136 mt during the quarter so far. Production is also up 15 per cent.

Emphasis on power

Loading from CIL sidings are ruling at 241 rakes a day, up from 219 rakes last year. The emphasis on supplies to the power sector is evident from the fact that of the 285 rakes loaded a day (including own sidings and railway sidings), 261 are directed to the power sector. As a definite impact, the number of power stations having critical coal stock is down from 31 in April to barely 12 on June 18.

"With the onset of the monsoon which should enhance supplies of hydel and reduce demand for power; the availability of fuel in thermal power should improve in the coming months. But supplies to other consumer may continue to suffer," a source said.

THE HITAVADA DATE : 21/6/2018 P.N.11

'Thermal coal import may rise to 145 MT in 2018'

NEW DELHI, June 20 (PTI)

INDIA'S thermal coal import is likely to increase to 145 million tonnes (MT) in 2018, and the uptrend would continue in the next four years, says a report.

According to the report by Minerals Council of Australia, India's estimated thermal coal import in 2017 stood at 137 MT.

"After several years of declining imports, the outlook for thermal coal import demand in India is improving due to strong demand growth and the inability of domestic supply to keep pace," the report said. "Imports for both December quarter 2017 and March quarter 2018 were significantly higher year-on-year so we expect an increase in volumes in 2018, which we believe will be sustained," it added. In 2019, thermal coal import would be 150 MT, while in 2020 the figure may shoot up to 155 MT, it said. In 2021, the country may import 160 MT of thermal coal while in 2022 it is likely to go up to 165 MT, the report said.

Of the 685 MT of coal produced in India in 2017, 640 MT was thermal coal, it said.

"Indian production has grown strongly since 2012, increasing by an average annual growth rate of 5.1 per cent to 2017," it said. Indian domestic thermal coal output, it said, will continue to grow and is estimated to reach 770 MT by 2020.

THE ECONOMIC TIMES DATE : 21/6/2018 P.N.15

GEMS & JEWELLERY SECTOR UNDER STRESS

Tight Credit may Hit Diamond Exporters

Banks have cut credit limits, sought 100% collateral from SMEs in the sector; industry fears 5-10% decline in exports in FY19

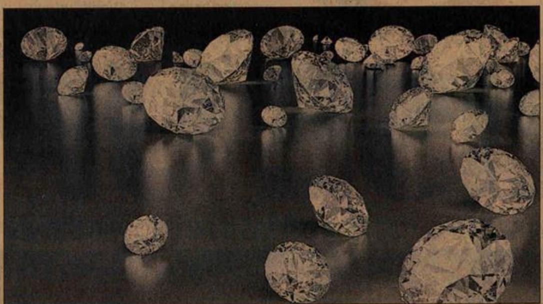
Sutanuka.Ghosal
@timesgroup.com

Kolkata: Diamond traders say banks' stance on credit limit is hurting the industry and the resulting liquidity crunch could dent exports. From April, banks have started cutting the credit limits of diamond exporting firms which have not fully utilised the credit extended in 2017-18, according to some leading diamond exporters, who said the move is now affecting business.

In FY18, India exported gems and jewellery worth ₹2,10,869.36 crore. However, with banks tightening liquidity, exports in FY19 may decline by 5-10% from a year ago, the exporters said. Banks are also seeking 100% collateral for small and medium diamond cutting and polishing units that are mostly located in Surat.

"Banks have started tightening liquidity from the beginning of the current financial year and the trade is now feeling the impact of it. Worst is that SMEs are being asked for 100% collateral," Praveen Shankar Pandya, a leading diamond exporter, told **ET**. "If this continues for long, exports will take a hit in the current fiscal because of shortage of liquidity. Exports may decline by 5-10% in FY19."

Exporters said that since the recent defaults are not due to business failures and that there is favourable growth and robust demand, banks should change their outlook on the sector to "neutral". They said banks should set up a long-term credit risk investigation team to track, monitor and provide intelligence information about trade members in order to take informed credit decisions.



In FY18, India exported gems and jewellery worth over ₹2 lakh crore, which have come down by 13.5% year-on-year in the first two months of FY19

"Banks should assess the limit in dollar terms to insulate an exporter from exchange fluctuation in line with Reserve Bank of India guidelines," said a leading diamond exporter.

The liquidity crunch comes at a time when the domestic industry is seeing robust demand from the US, which accounts for nearly 50% of India's diamond exports. "India's manufacturing business cannot grow without funds. Exports, this fiscal, are expected to drop compared with FY18 or may remain flat," said Vipul Shah, a diamond exporter.

In the first two months of the current fiscal, gems and jewellery exports were down by 13.51% from the year-ago period. Rough diamond imports too declined, falling by 7.69% in volume to 323.29 lakh carats compared with 350.23 lakh carats in April-May 2017.

While liquidity remains a major headache for the industry, the rising price of rough diamonds is adding to the industry's woes.

Rough prices have gone up by 3-4% across the board, though polished diamond prices have not gone up in tandem. "Margins of the manufacturing sector are under pressure," said Shah.

THE HITAVADA DATE : 22/6/2018 P.N.11

Finished steel export falls 33%; import grows 11%

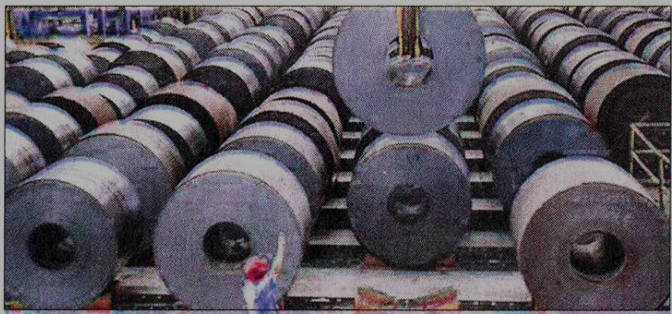
NEW DELHI, June 21 (PTI)

INDIA'S export of finished steel fell by 33 per cent to 4.30 lakh tonne (LT) in May this year, according to official data. The country had exported 6.42 LT finished steel in May last year, the Joint Plant Committee (JPC) said in a report.

JPC, under the Ministry of Steel, is the only institution that collects and maintains data on the Indian steel and iron sector.

"Exports stood at 0.43 MT (million tonne) in May 2018, down by 33 per cent over May 2017 and was down by 23 per cent over April 2018," the JPC report said.

In contrast, the imports grew by 11 per cent to 6.20 LT in May, from 5.58 LT in the year-ago-period, it said.



The production of finished steel last month stood at 10.547 MT, up 6.7 per cent, as against 9.886 MT in May 2017.

The report further said that India's consumption of total finished steel last month rose by 8.6 per cent to 8.330 MT from 7.668 MT during the same month in 2017.

Steel Minister Chaudhary Birender Singh had earlier said that India should cut down its dependence on special steel product imports through value addition and form JVs (joint ventures) with global leaders for technological know-how.

"PSUs when they have advantages like captive mines. Why don't they utilise it. Why not to put up washeries. Why not to go for value addition. Special grades of steel," Singh has earlier said stressing upon the need to curb imports.

Despite being the world's second-largest producer of steel, India is still dependent on imports for some products and there is a need to develop technologies to produce electrical grade and auto grade steel to become self-sufficient, Singh has said.

"Instead of producing just semi-finished and basic steel products, we must produce high value-added products, which also get better prices," he has said.

The Indian steel sector is "full of opportunities" and the country must aim to grab the numero uno position in quality steel production, the minister said.

THE HINDU DATE : 22/6/2018 P.N.17

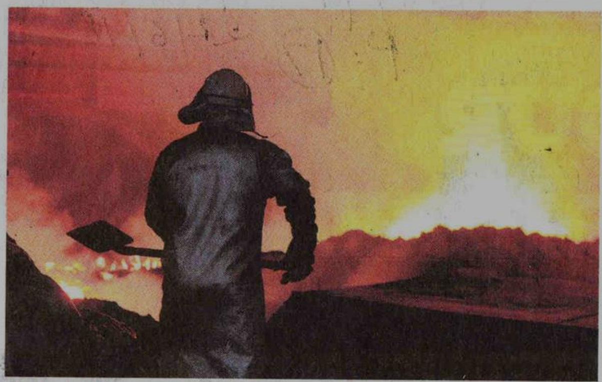
JSW Steel likely to make a bid for ArcelorMittal's plant in Romania

Indian firm may have to vie with Ukraine's Metinvest and Italy's Marcegaglia

REUTERS
LONDON/MUMBAI

India's biggest steelmaker JSW Steel is expected to make a bid for ArcelorMittal's Galati plant in Romania, three sources told *Reuters*, potentially competing against Ukraine's Metinvest and Italy's Marcegaglia.

ArcelorMittal, the world's biggest steelmaker, has had to put six European assets up for sale to get approval from European competition authorities for purchase of Italy's giant Ilva plant.



Goes under hammer: Galati plant has crude steelmaking capacity of 3.4 million tonnes a year. ▪REUTERS

Analysts' view

Analysts at investment bank Jefferies estimate the combined value of the assets up for sale at $752-940 million and Galati, the country's biggest steel plant employing about 5,600 people, is the largest of those assets.

Bank of America-Merrill Lynch is handling the sale, which it aims to complete by the end of 2018.

According to the European Commission, ArcelorMittal has agreed to provide an undisclosed amount of financing to the buyer of Galati to ensure that its steel output grows and the plant remains viable and competitive. ArcelorMittal declined to comment.

JSW, which wants to expand its steel-making capacity outside India by 10 million tonnes per annum, also declined to comment.

Bidders line up

Industry sources had previously said that Marcegaglia and Metinvest were planning a joint bid for the plant, but a Metinvest spokesman told *Reuters* that the steelmaker would be bidding alone.

"We do not consider any partnerships or consortiums. Metinvest is a financially strong group [able] to participate on [a] standalone basis in the bid for any of the assets proposed by ArcelorMittal," the Metinvest spokesman said. Marcegaglia did not respond to requests for comment. Galati has a crude steel-making capacity of 3.4 million tonnes per annum and rolling capacity of 6.2 million tonnes.

THE HINDU DATE : 22/6/2018 P.N.18

CIL notifies coal e-auction for sectors such as cement, steel

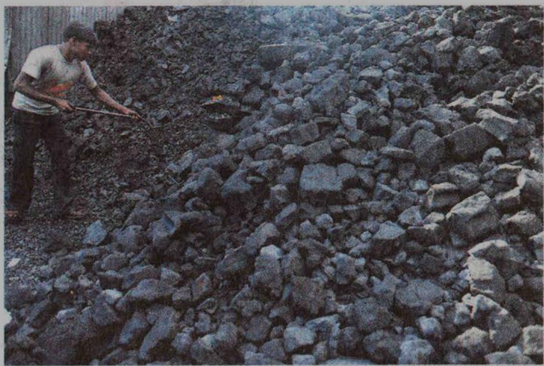
Fourth tranche of auction of linkages will include captive power plants as well

SPECIAL CORRESPONDENT
KOLKATA

Coal India Ltd. on Thursday announced the commencement of the fourth tranche of auction of coal linkages for non-regulated sectors such as cement, steel/sponge iron, aluminium and others. This includes captive power plants too, CIL said in a regulatory filing.

About 57 million tonnes of coal were earlier put on offer through the three tranches of e-auction since June 2016.

These went to the various non-regulated user sectors, including cement, sponge iron and captive power plants. The grades were that of thermal coal.



Up for grabs: About 57 million tonnes of coal were put on offer through the 3 earlier tranches of e-auction. ▪AFP

The auction is conducted by MSTC Limited (formerly known as Metal Scrap Trade Corporation).

The move to allot coal through this route follows the decision taken by the Cabinet Committee on Economic Affairs (CCEA) in this regard two years ago.

Transparent mechanism

The Cabinet Committee aimed at putting in place a transparent mechanism to enable the user sectors to secure coal linkages irrespective of the size of the industry or their geographic location, through a market mechanism.

The policy initiative followed the logic of the e-auction of coal mines after the cancellation of allocation of the 204 coal blocks in 2014.

The government sought to extend the same philosophy of non-discretionary allocation to coal linkages.

BUSINESS LINE DATE : 22/6/2018 P.N.4

Gold: Near-term feel neutral, even bearish

GNANASEKAAR T

Comex gold futures, posted a six-month low on Thursday, weighed down by a firm dollar and the US Federal Reserve Chair's outlook for higher interest rates. The dollar held near an 11-month high against a basket of currencies on Thursday, supported by a rise in the US yields, while the pound was at its lowest level since November 2017 ahead of a Bank of England monetary policy decision. Meanwhile, a developing trade war between the United States and China is weighing on business confidence and could force central banks to downgrade their outlooks, policymakers said on Wednesday at a meeting in Portugal of central bank heads, which could be the only bright spot for gold.

Comex gold futures tanked breaking key supports and stops. Though the overall picture still hints at bullishness ahead, the near-term has been neutral to mildly bearish hinting at further weakness ahead. Failure to cross \$1,310-20 could drag prices back again to \$1,278. The medium-term picture still holds some promise, so caution should be exercised on getting excessively bearish too. A positive trigger for the medium-term in sustaining the uptrend is likely to be above a close of \$1,335 . In the short-term, we got that wrong hoping for prices to sustain and push higher after consolidating in the \$1,295-1,310 range. Dip below \$1,281 has opened the possibility of prices falling to near-term supports around \$1,250-1,255 with chances of an extension even to \$1,235-40. Our favoured view now expects prices to edge lower to \$1,245-55 while \$1,278-80 caps. Only a close above \$1,310 could revive hopes for a retest of \$1,365 or even higher.

Sell Comex gold on rallies to \$1,275/80 with stop loss at \$1,292 targeting \$1,255 followed by \$1,235.

Supports are at \$1,255, \$1,235 & \$1,210 and Resistances are at \$1,278, 1,295 & 1,310.

The writeris the Director of Commtrendz Research. There is risk of loss in trading.

THE TELEGRAPH DATE : 23/6/2018 P.N.8

JSW Steel answers Trump call

OUR SPECIAL CORRESPONDENT

Calcutta: Betting big on President Donald Trump's "Buy American" drive, JSW Steel has committed fresh investment of \$500 million to the US, taking a pledge to pour in over a billion dollar into steel making facilities in Ohio and Texas.

The Indian company signed an agreement with the US government for the proposed investment at the SelectUSA Investment Summit at the National Harbour, Maryland, outside Washington D.C. on Thursday.

US commerce secretary Wilbur Ross and Jayant Acharya, member on the JSW Steel board and director (commercial and marketing), signed the agreement.

The fresh investment will be made in Ohio where JSW has acquired a company called Aero Junction in March for \$80 million.

In the first phase, JSW plans to revamp and restart the electric arc furnace (EAF) and the slab caster, and modernise the hot strip mill. The proposed investment, including the cost of acquisition, is expected to be approximately \$250 million.

In the second phase, depending upon the economic viability and prevailing market conditions, JSW may add another EAF as well as manufacturing equipment at the hot strip mill to make the Ohio unit a fully integrated one with three million tonnes of capacity.

The proposed investment in the second phase could be in the range of \$250 million.

Earlier this year, the company had announced a \$500-million investment in the plate and pipe mill in Texas, which was bought 11 years ago by JSW.

The loss-making unit, bought for a billion dollar from Prithviraj Jindal, elder brother of Sajjan Jindal, promoter of JSW Steel, remained a drag on the balance sheet of the India-focused company.

However, the protectionist measures taken by the Trump administration to slap a 25 per cent tax on imported steel from several companies and the "Buy American" pledge helped the Texan unit to make positive EBIDTA.

According to Parth Jindal, director JSW Steel (USA) Inc, "It is our fundamental belief that because of the rich availability of scrap metal and abundance of natural gas, making steel through the EAF route is highly competitive in the US from a global standpoint.

"Over the past few months we have announced the backward integration of our plate and pipe mill in Baytown, Texas. Through our acquisition of Acero Junction we further our product range as we will be able to supply American melted and manufactured hot rolled coils.

"It is our intention to further augment our capacity in Acero Junction over the next few years and to take the combined capacity of JSW US to 4mtpa (3mtpa at Acero and 1mtpa at Baytown), which will be 100 per cent American melted and manufactured."

VOWS \$500M TO REJIG OHIO UNIT

Commitments so far

- **March 26, 2018**: JSW Steel announced the \$500 million investment at Texas facility
- **March 30**: Plans to acquire Acero Holdings announced
- **June 14**: JSW Steel completes Acero deal
- **June 22**: Steel giant announces plans to invest \$500 million to modernise Ohio facility, which it acquired as part of the Acero deal

Wilbur Ross and Jayant Acharya in Washington on Thursday

THE ECONOMIC TIMES DATE : 23/6/2018 P.N.11

JSW Steel Proposes to Invest up to $500m in its US Facility

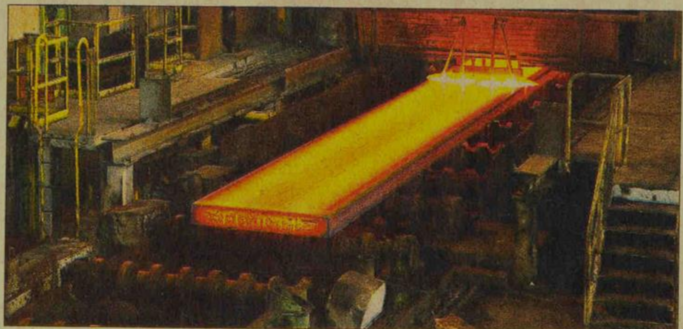
TWO PHASES Co plans to enhance & upgrade its Ohio-based manufacturing unit Acero Junction

Our Bureau

Kolkata: JSW Steel has said it proposes an investment of up to $500 million in acquiring, enhancing & upgrading Acero Junction, an integrated steel manufacturing unit with a potential capacity of 3 million tonne per annum (MTPA), located at Ohio in the US.

The company had in March announced plans to pump in $500 million to modernise its steel plate and pie unit at Baytown, Texas. The latest announcement thus takes JSW's overall investment in the US market, to up to $1 billion.

The proposed investment will be made in two phases at its Ohio steel manufacturing facility, an official statement on Friday said. In phase one, JSW will revamp & restart the electric arc furnace and the slab caster, and modernise the hot strip mill. The proposed investment including the cost of acquisition, is expected to be approximately $250 millon. In phase two, depending upon the economic viability & prevailing market conditions, JSW said it will evaluate the possibility of adding another electric arc furnace (EAF) at the hot strip mill to make the Ohio facility a fully integrated unit with 3 MTPA capacity. The proposed investment in phase two could be in the range of up to $250 million, it added.



Commenting on the development, Parth Jindal, director, JSW Steel (USA) said, "JSW is pleased to share its intention for additional investments in the US market. Rich availability of scrap metal and abundance of natural gas, making steel through EAF route is highly competitive in USA from a global standpoint."

JSW Steel's newly acquired Acero Junction Holding's steel manufacturing facility, uses EAF route to produce hot rolled coils. It includes a 1.5 MTPA EAF, a 2.80 MTPA slab caster and a 3.0 MTPA hot strip mill (HSM). The HSM is capable of producing a wide range of steel grades in widths up to 2,000 mm wide and from thickness in the range of 1.5mm–10 mm.

A certificate on the proposed investments by JSW Steel was signed by Wilbur Ross, secretary, US Department of Commerce and Jayant Acharya, director (commercial & marketing), JSW Steel at SelectUSA Investment Summit held at Maryland, outside Washington DC.

Commenting on media reports about its interest for ArcelorMittal's Romania unit, the JSW Group tweeted that it is not currently inclined to bid for any assets which are being disinvested by the Arcelor Mittal Group, globally.

THE HINDU DATE : 23/6/2018 P.N.13

JSW Steel plans to invest $500 mn in U.S. steel plant

To make it a fully integrated facility

SPECIAL CORRESPONDENT
MUMBAI

JSW Steel plans to invest up to $500 million in acquiring, enhancing and upgrading Acero Junction Inc., an integrated steel manufacturing unit with a potential capacity of three million tonnes per annum (MTPA), located at Ohio in the U.S., in phases.

"This takes JSW's overall investment blueprint for the U.S. market, to produce American melt and manufactured steel, to up to $1 billion," the company said in a statement. "The proposed investment will be made in two phases at its Ohio steel manufacturing facility."

In the first phase, JSW will revamp and restart the electric arc furnace and the slab caster and modernise the hot strip mill at an investment of $250 million.

Second phase

In the second phase, depending upon the economic viability and prevailing market conditions, JSW would evaluate the possibility of adding another electric arc furnace as well as additional manufacturing equipment at the hot strip mill to make the Ohio facility a fully integrated unit with three MTPA capacity.

The proposed investment in the second phase could be in the range of up to $250 million, subject to feasibility studies and necessary approvals, said the statement.

The integrated steel manufacturing unit was acquired as part of the recently concluded Acero Junction Holdings Inc. deal.

A certificate, evidencing the proposed investments by JSW Steel, was signed by U.S. Commerce Secretary Wilbur Ross and Jayant Acharya, board member and director (commercial and marketing), JSW Steel.

Parth Jindal

Commenting on the investments, Mr. Parth Jindal, director-JSW Steel (USA) Inc. said, "JSW is pleased to share its intention for additional investments in the U.S. market. It is our fundamental belief that due to the rich availability of scrap metal and abundance of natural gas, making steel through EAF route is highly competitive in USA from a global standpoint. Over the past few months, we have announced the backward integration of our plate and pipe mill in Baytown, Texas."

Product range

"Through our acquisition of Acero Junction, we further our product range as we will be able to supply American melted and manufactured hot rolled coils. It is our intention to further augment our capacity in Acero Junction over the next few years and, subject to necessary approvals, to take the combined capacity of JSW USA to four MTPA (three MTPA at Acero and one MTPA at Baytown), which will be 100% American melted and manufactured," he said.

BUSINESS LINE DATE : 25/6/2018 P.N.8

Gold bounces from a key support

But key short-term resistances can keep the yellow metal's price subdued

GURUMURTHY K

Gold continues to remain under pressure. Last week, the global spot gold prices tumbled, breaking below the key support level of $1,275 per ounce to make a six-month low of $1,261.5 per ounce. However, it managed to bounce from the low and recover some of the loss.

The yellow metal closed the week at $1,270 per ounce, down 0.7 per cent for the week.

On the domestic front, gold futures contract on the Multi Commodity Exchange (MCX) was beaten down more than the global spot prices. The contract was down 1.3 per cent and closed the week at ₹30,610 per 10 gm.

The Indian rupee recovering sharply above 68 towards the end of the week, dragged down the MCX futures contract.

Dollar eases

A pull-back in the US dollar index towards the end of the week helped gold to recover from its low. The dollar index made a high of 95.53 on Thursday and has come-off from there to close the week at 94.52.

The price action on the chart signals that the dollar index lacks fresh buyers to take it decisively above 95.

As long as the index remains below 95, a dip to 94 is likely in the near term. A break below 94 will then increase the likelihood of the index falling to 93 over the short term. This fall will ease the pressure on gold and can trigger a relief rally.

Broadly, the dollar index can remain range-bound between 93 and 95 for some time. A breakout on either side of 93 or 95 will decide the next trend.

Gold outlook

The bounce in the global spot ($1,270 per ounce) price from last week's low of $1,261.5 is technically significant. Though it has given some relief to the prices, significant resistances at $1,278 and at $1,290 can cap the upside in the short term. If gold manages to breach $1,278, an up-move to $1,290 is possible. But further rally beyond $1,290 looks unlikely at the moment.

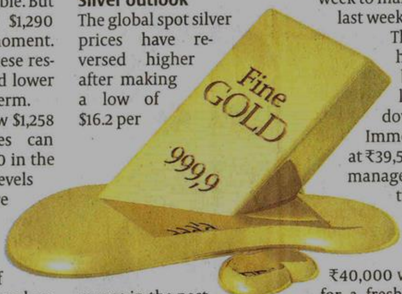
A pull-back from these resistances can drag gold lower to $1,258 in the short term.

If gold breaks below $1,258 decisively, the prices can tumble towards $1,240 in the coming weeks. The levels of $1,258 and $1,240 are strong supports for gold. The current downtrend is likely to halt at either of these levels and a trend reversal may be on the cards.

On the domestic front, the MCX-Gold (₹30,610 per 10 gm) came off sharply last week, breaking below the psychological support level of ₹31,000. The contract has been broadly range-bound between ₹30,500 and ₹31,500. If it manages to reverse higher, the sideways range will remain intact and a rally to ₹31,200 and ₹31,500 is possible. But if the contract breaks below ₹30,500, a fall to ₹30,100 or ₹30,000 is likely in the short term.

Silver outlook

The global spot silver prices have reversed higher after making a low of $16.2 per ounce in the past week. The prices have bounced from this low to close the week at $16.45. This keeps the broader sideways range intact. An up-move to $16.6 or $16.7 looks likely in the coming days.



A strong break above $16.70 will boost the momentum. This will take silver higher to $17 and $17.2 levels again. The prices will come under pressure only if it breaks below $16.20 decisively. Such a break can drag silver lower to $16 or $15.95 thereafter. The MCX-Silver (₹39,796 per kg) fell sharply about 2 per cent intra-week to make a low of ₹39,391 last week.

The contract has, however, bounced back from this low, easing the downside pressure. Immediate support is at ₹39,500. If the contract manages to sustain above this support, a test of ₹40,000 is likely. A strong break above ₹40,000 will then pave way for a fresh rally to ₹41,000 over the short term.

On the other hand, if the MCX-Silver futures contract breaks below ₹39,500, it can fall to ₹39,200 or ₹39,000. Further break below ₹39,000 will then increase the likelihood of the contract falling towards ₹38.600.

MCX Gold

Supports
₹30,500, ₹30,000
Resistances
₹31,200, ₹31,500

MCX Silver

Supports
₹39,500 / ₹39,200
Resistances
₹40,000 / ₹41,000

BUSINESS LINE DATE : 26/6/2018 P.N.17

NMDC working on iron ore evacuation via slurry pipeline

National Steel Policy sets output target of 300 MTPA by 2030

OUR BUREAU

Hyderabad, June 25

To achieve the projected target of 300 million tonnes per annum (MTPA) of steel by 2030-31 under the National Steel Policy, iron ore miner NMDC has identified the need to develop a more efficient, cost-effective and environment-friendly iron ore evacuation infrastructure.

NMDC's presentations about iron ore transportation and complications of reserve estimation of iron ore were appreciated by the mining fraternity at the 25th World Mining Congress in Astana, Kazakhstan.

Narendra K Nanda, Director (Technical), and PK Satpathy, Director (Production), presented technical papers on 'Alternate transport system for Indian iron ore mining industry' and 'Reserve estimation complications in a heterogeneous iron ore body and its mitigation' respectively.

The National Steel Policy's aim to enhance production will raise the projected requirement of iron ore to 437 MTPA

Nanda said the National Steel Policy of India aims to enhance production to 300 MTPA by 2030-31 for which the projected requirement of iron ore will be around 437 MTPA. This calls for more thrust on evacuation of iron ore from the mines to the steel plant in a cost-effective, safe and environment-friendly manner.

He emphasised the advantages of evacuation of iron ore fines through slurry pipeline against the conventional evacuation methods through railways, roads and ports.

Benefication

With increased fines ratio and depleting quality, beneficiation and agglomeration are the way forward for the Indian steel industry.

The details of NMDC's initiative for laying of a slurry pipeline from its Bailadila mines to Visakhapatnam were also part of the presentation in the World Mining Congress.

BUSINESS LINE
DATE : 26/6/2018 P.N.17

AP seeks steel plant at Kadapa; mines for RINL

CH RS SARMA

Visakhapatnam, June 25

The Centre should immediately take steps to set up a steel plant in the public sector in Kadapa district of Andhra Pradesh, as promised in the AP Reorganisation Act, 2014, and also allocate captive iron ore mines to the Visakhapatnam Steel Plant - RINL.

The demand was made at a meeting convened here on Monday by the CITU-affiliated Steel Plant Employees' Union. Representatives of other unions and some political parties including YSR Congress participated in the meet.

The majority recognised union of Visakhapatnam Steel Plant also decided to hold a solidarity rally here on June 29 to express support to the agitation being organised by the TDP and other parties for establishing a steel plant in Kadapa. The meeting also resolved to launch a campaign for allotment of captive iron ore mines to the RINL.

CPI(M) State Secretariat member Ch Narsinga Rao said the Kadapa steel plant was promised in the AP Re-organisation Act, 2014 and the Centre should honour the promise. He said that according to estimates made by Bureau of Mines, there were enough iron ore reserves in the Rayalaseema region of the State to set up the steel plant at Kadapa and there need not be any doubts over the feasibility.

BUSINESS LINE DATE : 26/6/2018 P.N.17

Oil drops after OPEC+ output deal, but markets to stay tight

REUTERS

London, June 25

Brent crude oil fell on Monday as investors prepared for an extra 1 million barrels per day (bpd) in output to hit the markets after OPEC and its partners agreed to raise production.

Despite the increase, which is intended to stop the gap between global supply and demand from becoming too wide, analysts said global oil markets would likely remain relatively tight this year.

Brent crude futures fell $1.15 to $74.40 a barrel by 1448 GMT, while US light crude rose 20 cents to $68.78 a barrel, supported in part by a Canadian supply outage.

Prices initially jumped after an OPEC deal to increase output was announced late last week, as it was not seen boosting supply by as much as some had expected.

Increase in supply

OPEC and non-OPEC partners including Russia have since 2017 cut output by 1.8 million bpd to tighten the market and prop up prices.

"OPEC are really going all-out to prevent oil prices from biting in the second half of the year," SEB head of commodities Bjarne Schieldrop said.

"It was a very strong message — we are going to meet demand and we're not going to disappoint consumers."

After the officially meeting, OPEC gave a press conference that implied a bigger increase in supply.

"Saturday's OPEC+ press conference provided more clarity on the decision to increase production, with guidance for a full 1 million bpd ramp-up in 2H18," Goldman Sachs said in a note.

"This is a larger increase than presented Friday although the goal remains to stabilise inventories, not generate a surplus," the US bank added.

Largely because of unplanned disruptions in places such as Venezuela and Angola, the group's output has been below the targeted cuts, which it now says will be reversed by supply increases, especially from OPEC leader Saudi Arabia. Analysts warn however there is little spare capacity for large-scale output increases.

THE HITAVADA DATE : 26/6/2018 P.N.11

Cement output to grow at 6%, but margin pressure may continue: Icra

MUMBAI, June 26 (PTI)

DOMESTIC cement production is expected to grow at 6 per cent this fiscal, however, rising input costs are likely to put pressure on the operating profitability of cement companies in the coming quarters, according to rating agency Icra. On the capacity side, it expects around 1922 million tonnes per annum to get added in FY2019, primarily in the eastern part of the country.

While the additions have been relatively on the lower side during FY2017-FY2018, the capacity overhang and moderate demand growth is likely to continue to keep the capacity utilisation level below 70 per cent over the next two years, it said.

The domestic cement production was higher by 6.3 per cent at 298 million tonnes in FY2018, as compared to 280 million tonnes in FY2017, with most of this growth recorded during the second half of FY2018, driven largely by better demand in key markets.

"We expect demand in FY2019, to be driven by a pick-up in the affordable and rural housing segments and infrastructure, primarily road and irrigation projects. The Budget of FY2019 also supports with higher rural credit, increased minimum support price, increased allocation for the rural, agricultural and allied sectors, along with continued focus on the Pradhan Mantri Awas Yojana and infrastructure investments," Icra Senior Vice-President and Group Head, Sabyasachi Majumdar said.

He added that cement demand from rural housing saw a pick-up, post monsoons, following an improvement in rural economy as a result of normal monsoons.

The agency noted that lumpy capacity additions in recent past have led to an increase in debt levels and some deterioration in credit metrics, although they still remain at comfortable levels for most of the larger players.

THE ECONOMIC TIMES DATE : 27/6/2018 P.N.9

Local Demand may Cushion Steel Makers from Higher Import Tariffs

Building up inventories to meet rising local demand gives Indian cos option to mitigate the loss in exports

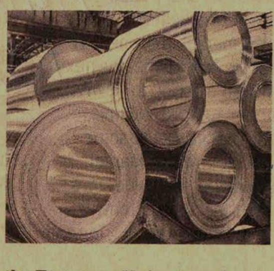
Vatsala.Gaur@timesgroup.com

Mumbai: Indian steelmakers are unlikely to feel the pinch of the recent double whammy inflicted on them by the safeguard investigation of European Commission and the US higher import tariffs, thanks largely to a spurt in the domestic demand for the alloy.

The ripple effect of the safeguard investigation on steel ordered by the European Commission has reduced Indian steel exports to Europe since March but rising domestic demand has made sure the production is absorbed closer home.

With the steel demand picking up, Indian steel producers are replenishing inventories to meet rising local demand, giving them an option to mitigate the loss in exports to the US and the EU, as Indian steel loses its value proposition after the imposition of higher import levies.

The US, under the Trump administration startled the world in March by imposing a 25% tariff on the import of steel into the country, thus provoking the European Commission that manages day to day business for



the European Union to order its own safeguard investigation on steel products to counter any dumping that may arise by steel exporters to the US looking for new markets.

Since then, Indian steel exports to the EU have declined by 25% according to industry experts. The investigation is supposed to pan over nine months from March but caution has already set in.

"Initiation of safeguard measures has slowed down exports to the EU as people have turned cautious in buying and selling," said Jayant Acharya, director of commercial and marketing at JSW Steel. "However, domestic demand has been buoyant which is why the industry has been re-orienting produce to feed the domestic demand," Acharya added.

Essar Steel which exports about 25,000 tonne steel per month to Europe has also seen its exports to the EU decline by 10% since the safeguard investigation, said Ranjan Dhar, chief marketing officer at Essar Steel, but said rising domestic demand has managed to offset the decline in exports.

THE ECONOMIC TIMES DATE : 27/6/2018 P.N.7

JSW Steel to Invest ₹7.5k cr to Boost Vijayanagar Plant Capacity

Our Bureau

Kolkata: JSW Steel has said it will raise steel manufacturing capacity at its Vijayanagar Works plant to 13 million tonnes per annum (mtpa) by March 2020 at an investment of ₹7,500 crore. At 12 mtpa, the plant is currently the largest single steel manufacturing unit at one location in the country.

The expansion plans include the company's current project to revamp and upgrade capacity of the Blast Furnace-3 that will improve hot metal availability, the company said.

The company also plans to increase the capacity of its steel melting shop, and flat and long products mills, along with allied facilities to utilise the additional hot metal.

"With steel consumption in India expected to grow these capacity enhancement initiatives will ensure our readiness to promptly service emerging customer demand," said Vinod Nowal, deputy managing director, JSW Steel.

The company also plans to set up a 1.5 mtpa coke oven plant at Vijayanagar, which is likely to be commissioned by March 2020, to bridge the current and expected gaps in coke availability.

Besides, as part of growth strategy, the company is expanding its basket of value-added products by raising the capacity of its cold rolling mill-1 (CRM-1) complex at Vijayanagar Works from 0.8 mtpa to 1 mtpa and setting up a 0.3 mtpa colour coated line.

The company has already installed a new state-of-the-art cold rolling mill (CRM-2) at Vijayanagar Works to service various customer requirements, including various specialised requirements of the automobile sector. The CRM-2 unit at Vijayanagar Works produces ultra-high strength steel – which helps make cars lighter – and supplies it to carmakers in India. JSW Steel is the only steel manufacturer in India capable of supplying this product grade which had earlier been largely imported by carmakers.

In a significant move that will reduce its dependence on the market for raw materials, JSW Steel said it has commenced operations at Tunga and Nandi iron ore mines in Karnataka, with a total capacity of 0.71 mtpa, for which it has already received statutory clearances.

THE HITAVADA DATE : 28/6/2018 P.N.11

JSW Steel to invest Rs 7,500 cr to expand Vijayanagar facility

MUMBAI, June 27 (PTI)

JSW Steel on Wednesday announced plans to invest Rs 7,500 crore until March 2020 to increase the production capacity at its Vijayanagar facility in Karnataka to 13 million tonnes per annum (mtpa).

The plant, which currently has a 12-mtpa capacity, is the largest single-location steel manufacturing unit in India, the company claimed in a release.

"We plan to expand the steel manufacturing capacity of the Vijayanagar unit in Karnataka to 13 mtpa by FY20," the release said, adding, the capacity expansion and project upgrades will entail a capital investment of Rs 7,500 crore until March 2020.

JSW Steel said its current project to revamp and upgrade capacity of blast furnace-3 at the Vijayanagar plant is on track, which will improve hot metal availability. It will also modify and enhance capacity of its steel melting shop, the flat and long products mills, along with allied facilities to utilise this additional hot metal. The company also plans to set-up a 1.5-mtpa coke oven plant in Karnataka to bridge the current and expected gaps in coke availability, which is likely to be commissioned by March 2020, according to the release.

It expects the coke oven unit to provide significant cost savings over the long term.

"With steel consumption in India expected to grow, these capacity enhancement initiatives will ensure our readiness to promptly service emerging customer demand," said Vinod Nowal, Deputy Managing Director, JSW Steel.

THE HINDU DATE : 28/6/2018 P.N.16

JSW Steel to spend ₹7,500 cr. to raise production capacity

Company plans to boost manufacturing capacity at Karnataka plant to 13 MTPA

SPECIAL CORRESPONDENT
BENGALURU

JSW Steel, a part of the diversified $13 billion JSW Group, announced on Wednesday it plans to increase the annual steel manufacturing capacity of JSW Vijayanagar Works in Karnataka to 13 MTPA at a cost of ₹7,500 crore.

Steely resolve: JSW hopes to meet emerging demand with these initiatives, says deputy managing director Vinod Nowal.

2020 deadline

The expansion is likely to be completed by March 2020, the company said in a statement. At 12 MTPA currently, JSW Vijayanagar Works is the largest state-of-the-art single location steel manufacturing unit in India.

The company would also set up a 1.5 MTPA coke oven plant at Vijayanagar to bridge the current and expected gaps in coke availability. The plant is likely be commissioned by March 2020.

The coke oven unit is expected to provide significant cost savings for the company over the longer term. It would also modify and enhance capacity of its steel melting shop, the flat and long products mills, along with allied facilities to utilise the additional hot metal.

"With steel consumption in India expected to grow, these capacity enhancement initiatives will ensure our readiness to promptly service emerging customer demand," said Vinod Nowal, deputy managing director, JSW Steel.

The company's current project to revamp and upgrade the capacity of blast furnace-3 at JSW Vijayanagar Works is also on track. This would improve hot metal availability.

JSW Steel has also started operations at two iron ore mines (Tunga & Nandi Mines) in Karnataka, for which it has already received statutory clearances.

DAINIK BHASKAR DATE : 28/6/2018 P.N.8

माइनिंग माफिया पर सरकार निरुत्तर

• चंडीगढ़

मुख्यमंत्री कैप्टन अमरिंदर सिंह पंजाब में रेत माफिया पर सख्ती करने के दावों के बावजूद पूर्व अकाली-भाजपा सरकार के बाद अब कांग्रेस सरकार भी रेत माफिया पर कंट्रोल नहीं कर पा रही है। पंजाब में रेत माफिया की गतिविधियां बढ़ती जा रही हैं। अब तो रेत माफिया के हौसले इतने बुलंद हैं कि उसने विपक्षी दल के विधायकों पर हमले तक शुरू कर दिए हैं। ऐसे में माइनिंग माफिया पर शिकंजा कसे जाने को लेकर सरकार से कोई जवाब देते नहीं बन रहा है।

THE BUSINESS LINE DATE : 28/6/2018 P.N.18

Buy Comex gold on dips to $1,235/40/oz

GNANASEKAAR T

Comex gold futures, hit their lowest in more than six months on Thursday as the green back held near one-year highs amid mounting US-China trade friction. Gold prices, which usually rise in times of political and economic uncertainty, have hardly benefited from the ongoing global trade tensions, while expectations that the US Federal Reserve will hike interest rates pulled down the bullion.

Comex gold futures have hit key supports and seem to be holding for now at least. As mentioned earlier, fall below $1,281 has opened the possibility of prices falling to near-term supports around $1,250-1,255 with chances of an extension even to $1,235-1,240 .. Fall below $1,278 saw prices declining further to $1,250 so far. More declines to $1,235 looks likely from where a strong rebound can be expected. The medium-term picture still holds some promise, therefore caution should be exercised on getting excessively bearish too. A positive trigger for the medium-term in sustaining the uptrend is likely to be above a close of $1,335 . In the short-term, we expect a pullback from present levels to $1,270-1,275 or even extend to $1,281 where good resistances can be seen. Our favoured view now expects prices to edge higher initially to $1,270-75 while $1,235 holds attempts to downside. Only a close above $1,300 could revive bullish hopes again.

It is most likely that the fall from the all-time highs at $1,925 to the recent low of $1,088 so far, was either a possible corrective wave "A", with a possibility to even extend towards $1,025-1,030 or a complete correction of A-B-C ending with this decline. Subsequently, to this decline, a corrective wave "B" could unfold with targets near $1,375 or even higher. After that, a wave "C" could begin lower again. Alternatively, we can also expect wave "B" to extend to $1,476 . If the current decline as a whole from $1,920 can be considered as a fourth wave, then the fifth wave could begin and cross $1,700 in the long-term. An eventual break above $1,355 could see the Wave "B" scenario emerge in the coming sessions. While $1,270 holds, we still favour prices rising higher towards $1,450-75 in the form of wave "B". We will re asses around $1,450-70 on the potential for a wave "C" decline subsequently. RSI is in the oversold zone hinting at a upward correction in the offing before more declines can be seen.

Therefore, Buy Comex gold on dips to $1,235/40 with stop loss at $1,222 targeting $1,270-75 followed by $1,289.

Supports are at $1,235, $1,225 & $ 1,210 and Resistances are at $1,255, 1,275 & 1,290.

The writer is the Director of Commtrendz Research. There is risk of loss in trading.

Steel Ministry to revive VISL

Karnataka govt offers 160-acre mine in Bellary

OUR BUREAU

Bengaluru, June 29

The Union Mnister of Steel, Choudhary Birender Singh, on Friday said that the Karnataka government has offered an 160-acre captive mine in Bellary for reviving and modernising Visveswaraya Iron & Steel Ltd (VISL) and to increase its capacity to 1 million tonnes from the current 0.4 million tonnes.

The integrated plant is expected to cost ₹6,000 crore. The Ministry has deputed a team of Steel Authority of India Ltd (SAIL) and MECON to assist VISL's revival.

Birender Singh said KIOCL, which is a pellet manufacturer, has now been given permission to produce DI (ductile iron) Pipes.

He said a delegation from the Telugu Desam Party met him for a plant in Kadapa and a similar request from Telangana has also been made. In the interest of both the States, a task force has been set up to work out a mechanism to set up a plant in one of the States after examining the logistics and the availability of ore.

The Steel Ministry is in talks with the Tamil Nadu government to reduce the electricity and production cost at Salem Steel for its revival. The plant has been incurring ₹200-crore loss annually for the last 10 years.

The Ministry of Steel, he said, has launched a mobile app — M3 (MSTC Metal Mandi) at the National Steel Consumers' Council. The app is expected to bring the buyer closer to the seller, removing the many constraints for small buyers.

Singh said forums like the Steel Consumer Council have an important role to play, as both producers and users come together to find innovative and out-of-the-box ideas to carry the industry forward. Talking about policy interventions, he said the government has brought in amendments to the General Financial Rules to consider the life-cycle cost of a project in government procurements.

He pointed out that considering the advantages of steel-based structures like lower life-cycle cost and high design flexibility with better aesthetics, steel remains a major material component in infrastructure development. The Government's initiatives planned in various sectors are expected to improve the GDP, which will ultimately provide the additional push required to increase domestic steel demand in the short to medium term. The steel industry and users must work together to promote the usage of steel in areas like crash barriers in hilly areas for Railways, and development of special grades for energy.

The issues of demand, supply, product innovations and logistics will require serious deliberations. Logistics is a critical area and the Consumer Council must draw up a roadmap of logistics for seeking priority attention of policy makers.

Chaudhary Birender Singh (right), Union Minister for Steel, at *BusinessLine*'s office in Bengaluru on Friday. R Srinivasan (left), Editor, *BusinessLine*, is also seen SOMASHEKAR GRN

BUSINESS LINE DATE : 30/6/2018 P.N.16

Copper rebounds as bearish traders book profits after a torrid run

BLOOMBERG
June 29

Tight supply Concerns on availabilty protect copper from a drop

Copper climbed from a three-month low as some traders closed out bearish bets to profit from the metals torrid run, while fundamentals pointed to a tightening spot market.

The metal, often seen as a bellwether for the global economy, has taken a hit recently on concerns that escalating trade tensions will hurt demand. Prices rose 0.5 per cent to $6,656 a tonne in London Friday, after slumping as much as 10 per cent from a four-year high set just three weeks ago.

The bounce came as some some bearish traders booked profits at the end of the quarter, capitalising on price declines as a trade spat between the US and China ratcheted up ahead of the July 6 start date for tariffs on $34 billion worth of Chinese goods. Those trade tensions have offset signs of stronger demand in the physical market, where inventories are falling and spot prices are at the biggest premium to futures in two years.

Positioning in copper was turning to the short side by mid-week, and given the volatility of the news flow around trade issues, its inevitable that you'll get phases of short-covering, Nicholas Snowdon, an analyst at Deutsche Bank AG, said by phone from London.

Smelter closures

One factor supporting fundamentals is a slew of smelter closures that have left physical traders looking for alternative sources of the metal, Snowdon said. That's contributed to a 24 per cent drop in London Metal Exchange inventories in the past three months, and tighter spreads. LME cash contracts traded at a $20 premium to three-month futures on Friday, the most in two years.

Tighter near-term supplies could insulate copper from further losses as a gauge of industrial metals heads towards the biggest monthly decline since 2016. Zinc entered a bear market this week on concerns about deteriorating demand and rising supply.

Escalating global trade tensions bring a risk of demand destruction across commodity markets as costs rise for end-users and access to material is restricted, Morgan Stanley said in a report received Friday. Copper looks best positioned to weather the storm, given a looming shortage in mine supply, the banks analysts said.

In other metals on Friday, lead and nickel gained, while zinc declined. Aluminum and tin were little changed.

BUSINESS LINE DATE : 30/6/2018 P.N.1

₹5,000 cr saved on imports by making high-end steel in India, says Birender Singh

OUR BUREAU
Bengaluru, June 29

India has been able to save ₹5,000 crore worth of foreign exchange through domestic substitution of high-end steel over imports, according to Union Steel Minister Choudhary Birender Sigh.

In an interaction with *BusinessLine* and *The Hindu* journalists here on Friday, Singh said the savings have been achieved by boosting production of high-end steel for the application, shipping, defence, medical equipment and infrastructure sectors.

He said the government has been able to incentivise high-end steel makers and this has resulted in reduction of import by 36 per cent to 7.48 million tonnes in 2017-18 compared from 11.7 mt in 2015-16.


Chaudhary Birender Singh, Steel Minister

High-quality substitution

"We are on the job of substitution of high-quality steel. With substantial production of steel locally and reduction in imports, our dependence on other countries has to come down."

Singh said that as and when the scrappage policy comes into force, domestic steel will get a big boost. He also pointed out that Steel Authority of India Ltd (SAIL) has tied up with Arcelor Mittal to produce high-grade steel for the automobile sector, which will help automakers buy it in the domestic market instead of importing it.

To meet the nation's needs, substantial R&D, innovation is required and the Steel Ministry has set up Steel Research and Technology Mission of India for this purpose.

According to the new National Steel Policy 2017, India is projected to have a capacity of 300 mt by 2030-31 with a production of 255 mt, with finished steel per capita consumption of around 160 kg during the same period.

The per capita steel consumption is around 68 kg, which is much lower than the world average of around 208 kg.

Besides, the thrust of the government on infrastructure development is sure to have a positive impact on the domestic demand, the Minister said.

The Minister was accompanied by Joint Secretary, Steel, Ruchika Govil, and private secretary Sameer Shukla, IAS. *BusinessLine* Editor Raghavan Srinivasan moderated the discussion.

BUSINESS LINE
DATE : 30/6/2018 P.N.5

NMDC sets up joint venture with Kopano Logistics

OUR BUREAU
Hyderabad, June 29

Iron ore mining major NMDC Ltd and Kopano Logistics Services (Proprietary) Ltd have established a 50:50 joint venture company by the name Kopano-NMDC Minerals (Pty) Ltd with the objective of undertaking exploration and development of mineral properties in South Africa.

The board meeting of Kopano-NMDC Minerals (Pty) Ltd was held earlier this week at Hyderabad.

Speaking about the venture, NK Nanda, Director (Technical), NMDC and Deputy Chairman of the joint venture company, stated that with clarity appearing on the new mining law 2018 of South Africa, the joint venture company is actively scouting for exploration and development of various mineral assets in South Africa.