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KHANIJ SAMACHAR

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INDIAN BUREAU OF MINES

VOL 1 NO-8, 1st – 15th AUG, 2017

BUSINESS LINE
DATE: 1/8/2017 P.N. 18

BUSINESS LINE
DATE: 1 /8/2017 P.N. 18

WEEKLY OUTLOOK

Near-term view negative for MCX-Aluminium

GURUMURTHY K
BL Research Bureau

The Aluminium futures contract on the Multi Commodity Exchange has reversed sharply lower after rising initially in the past week. The contract touched a high of ₹125.5 a kg on Wednesday and has come off sharply from there. It has tumbled over 3 per cent from this high and is currently trading near ₹121.5.

The near-term outlook is negative with a key resistance at ₹122. As long as it stays below ₹122, a fall to ₹120 is possible.

A further break below ₹120 will increase the likelihood of the contract extending its fall to ₹118.5. The level of ₹118.5 is a strong channel support for the contract, which is likely to limit the downside. A further fall below this support is less probable. An upward reversal from ₹118.5 will keep the channel movement that has been in place since March intact. Such a bounce-back will increase the possibility of the contract rallying to ₹124 levels once again in the coming weeks thereafter.

Traders can stay out of the market at the moment. Traders with a medium-term perspective can consider taking long positions on dips at ₹120.

Keep the stop-loss at ₹118 for the target of ₹124. Accumulate longs at ₹119 if the contract declines, breaking below the immediate support at ₹120. Revise the stop-loss higher to ₹121 as soon as the contract moves up to ₹122.

Base import price of gold, silver up; edible oils' down

COGENCIS
Mumbai, July 31

The Central government on Monday increased the base import price of gold by $15 to $411 per 10 gm and that of silver by $20 to $538 a kg, according to a notice from the Central Board of Excise and Customs.

The base import prices were last revised on July 14.

Typically revised every fortnight, base import prices are used to calculate duty on gold and silver brought into the country by individuals, who often do not carry purchase invoices.

On the rise

Since July 14, prices of gold and silver in global markets have increased 3.4 per cent and 5.8 per cent, respectively.

Currently, India levies 10 per cent import duty on gold.

On Monday, the government also cut the base import price of all edible oils, barring that of soyoil.

Cuts and hikes

The base import prices of refined, bleached and deodorised palm oil, refined, bleached and deodorised palmolein and crude palmolein have been cut by $12 per tonne each. The base import price of crude soyoil, on the other hand, has been raised by $8 a tonne to $820.

India is a net importer of edible oils. In 2015-16 (November-October), it imported a record 14.6 million tonnes of edible oils.

During the November-June period, imports were at 9.61 million tonnes, down 1 per cent on year, according to data from the Solvent Extractors' Association of India.

THE TELEGRAPH

DATE: 1 /8/2017 P.N.12

Strategic sale for Salem

OUR SPECIAL CORRESPONDENT

New Delhi, July 31: The government has decided to sell the Salem Steel Plant to a strategic buyer after it failed to get discounts on power tariff from the Tamil Nadu government.

Steel minister Birender Singh told the Lok Sabha today that an analysis of the losses of the plant showed that "the single item of power tariff caused 46 per cent of the losses".

Salem, which has been re-rolling alloy steel produced at Durgapur, uses the costly arc-furnace technology and the hike in power tariff is hitting it hard.

Singh said Salem has been losing money for several years. Consequently, "the ministry took a decision that there should be strategic disinvestment".

In a strategic disinvestment, the government sells the shares and control to a private party, while retaining a stake in the firm.

The steel minister said "we made a lot of efforts to see that the state government gives some concessional supply". However, with the attempts failing, the government decided on strategic divestment.

STEEL IN TROUBLE

The government has been for some time looking to hive off stakes in Alloy Steels Plant in Duragpur, Bhadravati (formerly VISL) in Karnataka and Salem.

Analysts said the move would improve SAIL's bottomline by reducing the losses by 20 per cent. Both Salem and VISL have been loss-making units for a long time. While Salem Steel posted a loss of Rs 349 crore in 2015-16, VISL made a loss of 115 crore. In 2014-15, when SAIL posted a healthy profit, Salem reported a loss of Rs 249 crore and VISL a loss of Rs 97 crore.

Alloy Steels was making profits for some time before slipping into losses again. Last year, its losses stood at Rs 60.86 crore, down from the previous year's Rs 117.72 crore.

Salem is seen as a prime example of how bad investment decisions can be made for political gains. S. Mohan Kumarmangalam, then steel minister, had started building the plant at his home constituency of Salem in 1972 to counter DMK's campaign of how big investments in steel were all being made in the eastern states. The plan was based on a faulty study of iron ore at the nearby Donamalai hills, which eventually was found to be commercially unviable.

THE INDIAN EXPRESS DATE: 2 /8/2017 P.N. 14

Govt to sell 4% in Hindustan Copper at ₹64.75/share today

PRESS TRUST OF INDIA
NEW DELHI, AUGUST 1

The floor price of Rs 64.75 a unit is at a 8.35 per cent discount over Tuesday's closing price of Rs 70.65 on the BSE

THE GOVERNMENT will sell 3.70 crore equity shares in Hindustan Copper at a floor price of Rs 64.75 apiece through a two-day offer-for-sale (OFS) beginning Wednesday, with an option to issue a similar number of shares in case of over subscription.

The sale of 4 per cent stake or over 3.70 crore shares at Rs 64.75 apiece would fetch about Rs 240 crore to the exchequer.

In case, the government decides to issue additional up to 3.70 crore shares, the share sale can together fetch up to Rs 480 crore to the exchequer.

The government currently holds 82.88 per cent stake in Hindustan Copper Ltd (HCL) and the stake sale with green shoe option would help the government meet the minimum public shareholding norm of market regulator Sebi.

The floor price of Rs 64.75 a unit is at a 8.35 per cent discount over Tuesday's closing price of Rs 70.65 on the BSE.

The two-day OFS would open for institutional investors on Wednesday and retail investors would get to bid on August 3. Retail investor is defined as the one who place bids for shares not more than Rs 2 lakh. The government has already raised over Rs 8,428 crore through disinvestment in five companies, and one share buyback.

The government has budgeted to raise Rs 72,500 crore through stake sale in PSUs. This includes Rs 46,500 crore from minority stake sale, Rs 15,000 crore from strategic disinvestment and Rs 11,000 crore from listing of insurance companies.

THE INDIAN EXPRESS DATE: 2 /8/2017 P.N.13

Tata Steel UK completes sale of Submerged Arc Weld

PRESS TRUST OF INDIA
LONDON/NEW DELHI, AUGUST 1

Tata Steel said it would continue to be the largest steelmaker in Britain even after the sale of the mills

TATA STEEL on Tuesday said it has completed sale of its Submerged Arc Weld (SAW) mills at Hartlepool in the UK to Liberty House Group.

Last month Tata Steel had announced it has signed definitive agreement with Liberty House Group to sell its Submerged Arc Weld (SAW) mills at Hartlepool in the UK for an undisclosed sum.

In a regulatory filing, Tata Steel said, "it has completed the sale of its 42 and 84 inch pipe mills in Hartlepool Liberty House Group".

The sale covers the 42 and 84-inch pipe mills, also known as the SAW mills, where about 140 employees manufacture pipeline for gas and oil projects around the world, the company said. Tata Steel, however, said it would retain its 20-inch tube mill at the same Hartlepool site, where a further 270 people work.

Earlier in February, Tata Steel had announced signing a definitive agreement to sell Speciality Steel business in the UK to Liberty House Group for 100 million pounds (about Rs 840 crore).

Tata Steel said the two SAW mills to be sold to Liberty Group are fed with steel plate sourced from outside Tata Steel and hence are independent of the company's strip products supply chain.

With a view to strengthen its 20-inch mill, Tata Steel said it will invest 1 million pound to increase capability to make high-strength steel tubes.

The 20-inch mill is supplied with steel coils from Tata Steels European steelworks and is part of its strip products supply chain.

Tata Steel said it would continue to be the largest steelmaker in Britain even after the sale of the mills and will employ almost 8,500 people in the UK, manufacturing advanced products for sectors like automotive and construction.

BUSINESS LINE
DATE: 2/8/2017 P.N. 16

THE INDIAN EXPRESS
DATE: 2 /8/2017 P.N.14

MCX-Zinc in a sideways move

GURUMURTHY K
BL Research Bureau

The zinc futures contract on the Multi Commodity Exchange (MCX) was volatile in the past week. The contract made a high of ₹184.45 a kg on July 26 and reversed sharply lower from there.

The contract tumbled over 4 per cent to make a low of ₹176.8 on Friday. However, it has bounced back slightly from there and is currently trading at ₹177.8 per kg.

The immediate outlook is not clear. The contract has been broadly range-bound between ₹175 and ₹185 since the last week of June. A breakout on either side of ₹175 or ₹185 will determine the next trend for the contract.

Traders can stay out of the market until the range breakout gives a clear trade signal.

A break below ₹175 will take the contract lower to ₹173 – the 21-week moving average support initially.

Further strong break below ₹173 will increase the likelihood of the contract extending its fall to ₹171 or even lower going forward.

On the other hand, if the MCX-Zinc futures contract breaks the range above ₹185 decisively, it can gain momentum.

Such a break can take the contract higher to ₹190 initially. Further break above ₹190 will increase the possibility of the contract rallying to ₹195 or even ₹200 thereafter.

Note: The recommendations are based on technical analysis and there is a risk of loss in trading

JSW Steel Q1 net slips 44% on flat output

PRESS TRUST OF INDIA
MUMBAI, AUGUST 1

SAJJAN JINDAL-led JSW Steel on Tuesday reported 44 per cent decline in net profit at Rs 624 crore during the quarter ended June 2017, following flat crude steel production and higher prices of inputs like iron ore, fluxes and power.

The total revenue increased 24 per cent to Rs 15,977 crore, with crude steel production up 1 per cent at 3.91 mt and saleable steel up 5 per cent at 3.51 mt.

The firm reported a 44.10 per cent fall in consolidated net profit at Rs.626 crore, hit by higher expenses. It had posted a net profit of Rs 1,120 crore a year ago. The operating leverage impact from lower sales volumes and higher prices of inputs like iron ore, fluxes and power led to operating Ebitda for the quarter of Rs 2,617 crore.

"The June quarter domestic sales volume was impacted by industry-wide de-stocking as customers in general adopted a cautious approach towards carrying inventories in run up to GST roll-out," JSW Steel joint MD and group CFO Seshagiri Rao told reporters here.

THE HITAVADA
DATE: 3/8/2017 P.N. 5

SC imposes 100 pc penalty on illegal mining cos in Odisha

NEW DELHI, Aug 2 (UNI)

THE Supreme Court on Wednesday imposed 100 per cent penalty on mining companies which were operating without necessary clearances in Odisha.

A division bench, headed by Justice Madan Bhimrao Lockur and also comprising Justice Deepak Gupta, passed the order after hearing in detail the arguments from various petitioners and respondents in the matter.

It asked the Central Government to have a re-look of the National Mineral Policy 2008. "We are not ordering the CBI for an inquiry on illegal mining as of now," it said. The petitioners alleged that various mining companies had operated in Odisha without the necessary forest, environment clearance and mining outside their lease area in the State. Meanwhile, the pleas filed by JSPL, Tata Steel, Essel Mining and others to resume their mining works will be heard after two weeks.


Illegal mining being carried out in Odisha

THE HINDU

DATE: 3/8/2017 P.N. 1 & 10

Illegal miners must pay back in full: Supreme Court

'Cannot have their cake and eat it too, along with icing'

KRISHNADAS RAJAGOPAL
NEW DELHI

Noting that "very powerful and vested interests or a failure of nerve" have thwarted the objective of the decade-old National Mineral Policy to prevent the theft of natural resources, the Supreme Court on Wednesday directed that mining companies and leaseholders, who have engaged in mining activities without forest or environmental clearance, will have to pay the public exchequer compensation equivalent to 100% value of the minerals they extracted illegally.

"The mining leaseholders cannot have their cake and eat it too, along with icing on the top," a Bench of Justices Madan B. Lokur and Deepak Gupta observed in its judgment. The court gave the Centre a deadline of December 31, 2017, to announce a "fresh and more effective, meaningful and implementable policy."

"It is high time the Union revisits the National Mineral Policy," the Supreme Court observed. The judgment was on the basis of a PIL plea filed by NGO Common Cause about the rampant illegal mining of iron and manganese ore in Odisha.

CONTINUED ON ▸ PAGE 10

Illegal miners must pay back in full: SC

Of a total of 187 mining lease holders in the three affected districts of Keonjhar, Sundergarh and Mayurbhanj, 102 were found to have had no environmental or forest clearance. Yet these miners had illegally extracted minerals worth ₹17,577 crore.

The court's decision to lay down the law that miners should reimburse to the public the entire value of the minerals they had extracted illegally comes despite the SC's own Central Empowered Committee's advice to reduce the compensation to 30% instead of 100%. The judgment records that the Union too had raised objections to the court's suggestion during the hearing to squeeze 100% compensation from defaulting mining leaseholders. The government had disagreed, saying it would be contrary to the statutory scheme.

"In our opinion, there can be no compromise on the quantum of compensation that should be recovered from any defaulting lessee (miner) - it should be 100%. The defaulting lessee must bear the consequences of the illegality," Justice Lokur reasoned.

BUSINESS LINE

DATE: 3/8/2017 P.N.16

MCX-Nickel likely to test key resistance points

GURUMURTHY K

BL Research Bureau

The Nickel futures contract on the Multi Commodity Exchange (MCX) has surged, breaking above the resistance at ₹640 a kg as expected in the past week. The contract touched a high of ₹660.8 on Monday and has been hovering at this level since then. It is currently trading at ₹653. Key resistances are poised at ₹657 – the 38.2 per cent Fibonacci retracement level and ₹665 – the 200-day moving average.

There is a strong likelihood of the upmove that has been in place over the last couple of months coming to a halt in the coming days.

Though a test of this resistance at ₹665 cannot be ruled out, the upside is expected to be capped at ₹665 in the near term. A corrective fall in the coming days looks more evident. Such a pull-back can drag the contract lower to ₹640 or even ₹630 thereafter. An eventual upward reversal from ₹640 or ₹630 will take the contract higher to ₹660 and ₹665 levels once again.

Short-term traders with a big risk appetite can go short on a reversal from ₹665. Stop-loss can be kept at ₹669 for the target of ₹650. Revise the stop-loss lower to ₹660 as soon as the contract moves down to ₹657.

The contract will need to break above ₹665 decisively to gain fresh momentum.

Such a break will take it higher to ₹670 initially. A further break above ₹670 will increase the possibility of the upmove extending to ₹690 and ₹700 levels.

Note: The recommendations are based on technical analysis. There is a risk of loss in trading

BUSINESS LINE

DATE: 4/8/2017 P.N. 14

MCX-Lead hovers at crucial resistance

GURUMURTHY K

BL Research Bureau

The Lead futures contract on the Multi Commodity Exchange (MCX) has reversed higher in the past week. The contract made a low of ₹145.6a kg on July 28 and has risen about 3 per cent from there. It is currently trading at ₹150. There is an inverted head and shoulders pattern formed on the chart. The crucial neckline resistance of this pattern is poised at ₹150 and the contract is hovering around this level for some time now. If it manages to surpass this hurdle and close on a decisive note above ₹150, it can gain momentum. Such a break will increase the possibility of the rally extending to ₹154. Short-term traders with high risk appetite can go long on a break above ₹150. Keep the stop-loss at ₹149 for the target of ₹154. Revise the stop-loss higher to ₹152 as soon as the contract moves up to ₹153.

On the other hand, if the contract fails to break above ₹150 and reverses lower in the coming sessions, it can fall to ₹146 – a key near-term support. A strong break and decisive close below ₹146 will increase the downside pressure. Such a break will increase the likelihood of the contract declining to ₹143 or ₹142 thereafter.

Note: The recommendations are based on technical analysis and there is a risk of loss in trading

THE TIMES OF INDIA

DATE: 4 /8/2017 P.N. 1 & 6

Gadchiroli tribals oppose cluster of 4 iron ore mines

Vijay.Pinjarkar
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Nagpur: After conservationists opposing limestone mines between Tadoba-Andhari and Kawal reserves in tiger corridor in Chandrapur district, the battle against mining has spread to neighbouring Gadchiroli, where villagers disrupted public hearing for iron ore mines in Zendepar in Korchi taluka on Thursday.

The public hearing was called by the district administration to seek environment clearance for cluster of four mines coming up in survey number 82 in Zendepar.

However, the Iron Ore Project Action Committee, Korchi, alleged the administration with several manipulations. "Though hearing was for only one mine, the idea was to clear all four mines coming up in 45 hectares," alleged Nandkishore Vairagade, vice-president of the committee.

People were forced to sit on the ground during the meeting

Vairagade said the Maharashtra Pollution Control Board (MPCB) and district administration deliberately kept the hearing at Gadchiroli, which is 130 away from the mining areas. On the contrary, Korchi is just 7km away from Zendepar mining area.

"Though this was done apparently to keep mining opponents at bay, over 600 villagers turned up at the hearing, shocking the officials. There were no chairs to sit and people were forced to sit on the ground," charged Anil Kerami, chief of the committee.

He added that intimation was issued for proposal of only Anuj Mines & Chemicals Private Limited coming up in 12 hectares. However, plan was to clear all four mines.

▶Not prepared, P 6

We were not fully prepared, admits DMO

Vijay.Pinjarkar
@timesgroup.com

Nagpur: The battle against mining has spread to Gadchiroli, where villagers disrupted public hearing for iron ore mines in Zendepar in Korchi taluka on Thursday.

"Many gram sabhas did not receive any intimation about the hearing. Due to mismanagement, many villagers were unable to know what was going on in the hearing," said secretary of the committee Kachribai Kotange.

OF Bhaund, Gadchiroli district mining officer (DMO), admitted that four iron ore mines by different proponents are coming up in the same area in 45 hectares

THE HITAVADA

DATE: 4/8/2017 P.N. 8

Korchi mining lease public hearing postponed

- Amid slogan shouting and demands to hold public hearing in Korchi, it was difficult to conduct the meeting, said RDC Sonwane
- 700 people had gathered to oppose the hearing

District Correspondent

GADCHIROLI, Aug 3

OWING to opposition raised by some political parties and social organisations, the public hearing on mining lease in Korchi taluka was postponed. The meeting was convened at Gadchiroli Collectorate on Thursday but due to slogan shouting and demands to conduct meeting in Korchi, the meeting had to be postponed.

It may be recalled that the district administration had called the public hearing at the Collectorate in Gadchiroli on Thursday morning regarding mining lease to be issued in Zendepar, Nandli and other villages in Korchi taluka. Durwesh Sonwane, Resident Deputy Collector, presided over the meeting in which senior officials from the Pollution Control Board, Mining Department, representatives of the companies seeking the lease etc were specially present.

However, as soon as the proceedings of the public hearing started a large number of people who were present in the meeting hall shouted slogans opposing the hearing saying that the public hearing should have been called at Korchi itself to enable general public and members of the Gram Sabhas to put forward their say on the issue.

Tremendous chaos and slogan shouting was witnessed in the meeting hall. It became difficult for the presiding officer even to hear the voice and run the proceedings of the meeting. Finally, Sonwane declared postponement of the public hearing. Talking to *The Hitavada*, RDC Sonwane informed that the public hearing was postponed due to opposition of the people and the chaos during the meeting. The next date of the hearing will be declared later on, he added.

It should be mentioned here that the Gram Sabhas in Korchi taluka had demanded that the public hearing be held at Korchi and not at Gadchiroli so that maximum people could attend it and put forward their views. Leaders of these Gram Sabhas had submitted a memorandum to the Tehsildar a few days back but the administration went ahead of its programme and held the hearing at Gadchiroli.

More than 700 people from Korchi taluka had approached the venue for public hearing and expressed their opposition both to mining and to the hearing. Some people also raised voice in support of the mining. The company seeking the lease of mining had appealed people not to oppose the mining saying they mining would be beneficial for industrial growth of the district and for progress of the people. The company had published advertisements in this regards in the local newspapers.

Adv Lalsu Nogoti, Anil Kerami, both ZP members, Amol Marakwar, former ZP councilor, Nandkishor Wairagade, President of Korchi Taluka Sarpanch Sangathana, Dr Mahesh Kopulwar, Hiralal Yerme from the CPI, Nijamsay Katenge, leader of Gram Sabhas, Ramdas Jarate, Ramesh Korcha, Tansingh Kumoti and many others were prominently present for the public hearing.

Participants witnessing the chaos during public hearing at Gadchiroli.

THE TELEGRAPH

DATE: 4/8/2017 P.N. 9

Gold demand gets back its sheen

OUR BUREAU

Calcutta, Aug. 3: Gold demand in India has increased by 37 per cent in the April-June quarter of 2017 to 167.4 tonnes buoyed by seasonal demand and improved sentiment, according to the World Gold Council. Demand was 112.1 tonnes in the corresponding period a year ago.

A higher tax rate under GST from July had spurred advance gold purchase, which in turn improved demand.

In value terms, gold demand during the quarter was up 32 per cent at Rs 43,600 crore compared with Rs 33,090 crore in the corresponding period a year ago.

Both jewellery and investment demand was up 41 per cent and 26 per cent, respectively, during the quarter on the back of a low base in the corresponding year-ago period.

The second quarter of 2016 was also partially affected by a jewellers strike on account of an increase in excise duty.

"Though underlying concerns about GST and other transparency measures continue, predictably, positive sentiment returned with continued remonetisation and an expectation of good monsoons.

"This was evident in the sales momentum during Akshaya Tritiya supported by a relatively higher number of auspicious wedding days during the quarter," said Somansundaram PR, managing director (India) of World Gold Council.

"Towards the end of the quarter one of the biggest demand drivers was the GST rate on gold, which spurred consumers and traders to advance their gold purchases ahead of the GST roll-out," he further said.

The GST rate has been set at 3 per cent, which is around one per cent more than the previous tax rate.

Somasundaram added that in the second half of the year, as consumers and trade adapt to the next tax and compliance regime, the demand growth is expected to remain range bound even with good monsoons.

"Over the full year, demand estimates remain between 650 and 750 tonnes, the higher end of the range being more likely," he said.

Globally, gold demand during the quarter was 953 tonnes, recording a fall of 10 per cent compared with the same period of 2016.

WGC has attributed the slowdown of inflows into exchange-traded funds and lower offtake from central banks as reasons for the decline.

"There are a few things to watch out for in the rest of the year. Inflation data out of the US looks soft and markets have pushed out their expectations for a rate rise. The monsoon is looking good in India and providing the market adapts to GST, we may see solid demand around Diwali," said Alistair Hewitt, head of market intelligence at World Gold Council.

ALL THAT GLITTERS

Indian gold demand April-June quarter of 2017

	Q2 2016 (Tonnes)	Q2 2016 (Rs cr)	Q2 2017 (Tonnes)	Q2 2017 (Rs cr)
Jewellery	89.8	24350	126.7	33000
Investment	32.3	8740	40.7	10610
Total	**122.1**	**33090**	**167.4**	**43600**

BUSINESS LINE

DATE: 4/8/2017 P.N. 14

Gold demand up 37% in Q2 as jewellers stock up ahead of GST

Jewellery demand grew 41% in value terms: WGC

OUR BUREAU

Mumbai, August 3

Gold demand in India was up 37 per cent during the June quarter to 167 tonnes against 122 tonnes logged in the same period last year, due to increase in jewellery purchase ahead of GST roll-out and lower base of last year.

Jewellery demand was up 41 per cent at 127 tonnes (90 tonnes in the year ago quarter) while in value terms, it increased 36 per cent at ₹33,000 crore, according to the World Gold Council's quarterly gold demand trend report released on Thursday.

Gold price was up 13 per cent at ₹27,013 per 10 grams (₹23,903) as rupee depreciated amidst strong gold demand.

Investment demand

Total investment demand in the quarter under review was up by 26 per cent at 41 tonnes (32 tonnes) while in value terms, it increased 21 per cent at ₹10,610 crore.

Gold recycling was up at 30 tonnes (24 tonnes).

Gold imports more than doubled to 248 tonnes (120 tonnes) as jewellers rushed to build inventory ahead of GST implementation.

The World Gold Council expects imports to come down in the second half of this year.

Reacting cautiously to the jump in gold demand, Somasundaram PR, Managing Director, World Gold Council, said despite underlying concerns on GST and other transparency measures taken by the government, positive sentiment returned with continued remonetisation and an expectation of good monsoon stoking up demand further.

The GST impact

Towards the end of the June quarter, one of the biggest demand drivers was the GST rate on gold, which spurred consumers and traders to advance their gold purchases, he said.

"We believe gold demand to meet our full year demand expectations of 650-750 tonnes though the second half of this year will remain muted as the GST impact sinks in and people get used the country's historic tax reform," he added.

In fact, Somasundaram said, if enforced strictly, GST can reveal details on entire gold sales in the country at the touch of a button and with proper analytics, it can plug illegal trade and bring in the much-needed transparency.

Import duty high

However, the government should lower the import duty from 10 per cent which is acting as an incentive for people to smuggle gold into the country.

Meanwhile, global gold demand declined by 10 per cent to 953 tonnes (1,056 tonnes) due to significant slowdown in Exchange Traded Fund inflow.

THE HINDU

DATE: 4 /8/2017 P.N. 4

THE HITAVADA

DATE: 4/8/2017 P.N. 11

96,000 illegal mining cases in 2016-17

New Delhi, August 3

More than 96,000 cases of illegal mining for major and minor minerals were reported in various States, including Maharashtra, Madhya Pradesh and Andhra Pradesh, in 2016-17, Parliament was informed today. The number of such cases was 1,10,476 in 2015-16. In a written reply in the Lok Sabha, Mines Minister Piyush Goyal said state governments have been empowered to make rules for preventing illegal mining, transportation and storage of minerals. Maharashtra reported the highest number of such cases (31,173) followed by Madhya Pradesh (13,880) and Andhra Pradesh (9,703).

India's Q2 gold demand up at 167.4 tonnes

MUMBAI, Aug 3 (PTI)

GOLD demand in India jumped by 37 to 167.4 tonnes during the second quarter of 2017, buoyed by seasonal demand and improved rural sentiment, the World Gold Council (WGC) said in a report. The demand in the April-June last year stood at 122.1 tonnes, WGC said in its latest Gold Demand Trends report.

In value terms also, the demand surged by 32 per cent at Rs 43,600 crore against Rs 33,090 crore in the Q2 2016. "However, the second quarter demand is lower than the five-year average and is mainly driven by the anxiety on the Goods and Services Tax (GST) roll out, which led to advance purchase towards the end of quarter," WGC Managing Director, India, Somasundaram PR told PTI here.

The second quarter of 2016, was partially affected by the jewellers strike against one per cent excise duty on jewellery, he said. The total jewellery demand in India during Q2 this year was up 41 per cent at 126.7 tonnes as compared to 89.8 tonnes in the same period of last year, the report said.

In value, jewellery demand grew by 36 per cent at Rs 33,000 crore against Rs 24,350 crore in the corresponding quarter of 2016. The total investment demand was up 26 per cent at 40.7 tonnes against 32.3 tonnes in Q2 2016.

Similarly, in value terms, gold investment demand was recorded at Rs 10,610 crore, up 21 per cent from Rs 8,740 crore in the corresponding period last year. The total gold recycled in India in the April-June period increased at 29.6 tonnes against 23.8 tonnes in Q2 last year.

THE ECONOMIC TIMES

DATE: 5/8/2017 P.N. 8

scrap, and Amtek Auto's India units, eyeing roll out of products made with Liberty's own aluminium and steel

Metals King Sanjeev Gupta on Lookout for Stressed Assets to Feed Value Chain

Vatsala Gaur & Arijit Barman

Mumbai: The stressed assets set to flood the Indian market offer an opportunity for Sanjeev Gupta, the UK-based Indian billionaire behind the Gupta Family Group (GFG) Alliance, to make a big-bang local debut. Gupta came to prominence in his country of origin as a bidder for Tata Steel's UK units but before that he built his reputation and business empire through acquisitions of troubled assets in Britain and the US.

He runs a swathe of privately held companies including global industrial, metals, engineering and finance group Liberty House, besides SIMEC and Wyelands Bank. Liberty House has already put in a bid for auto component maker company Amtek Auto and ABG Shipyard but is looking at other opportunities in its core steel and engineering sector, said a senior company executive.

While Amtek's sprawling facilities in India and overseas fit into the group's focus of using its own steel and aluminium in engineering applications for auto parts, defence, aerospace and renewable energy, Gupta wants to use ABG for shipbreaking, melting down the scrap that's generated to make more of the alloy.

"Our model for ABG Shipyard is based more on shipbreaking, making steel (scrap) out of there rather than just making ships," Liberty House executive chairman Gupta told **ET** in a phone interview from Australia. "Eco-friendly shipbreaking is going to be a big industry in the world and there are not many opportunities available. ABG presents one of them."

Amtek and ABG Shipyard are two of the 12 big defaulters identified by the Reserve Bank of India last month for the launch of bankruptcy proceedings under the Insolvency and Bankruptcy Code (IBC).

Liberty House last month acquired three plants of Amtek Auto in the UK along with 600 people for an undisclosed sum, fortifying its position as the go-to buyer of distressed assets. These plants make aluminium castings for Jaguar Land Rover and Ford among others and clock £150 million in annual revenue.

"It integrates with our aluminium business as we are the only producer of primary aluminium in the country," Gupta said. "We are now looking at all of their operations."

With RBI including Essar Steel and Bhushan Steel in its IBC list, multi-billion takeovers of prime, scaled operations have become a distinct possibility. Asked specifically about the two companies, Gupta declined to go into specifics.

"We are looking at all steel companies for sale in India but have not decided on pursuing any vigorously yet," he said.

On Wednesday, the Ahmedabad bench of the National Company Law Tribunal (NCLT) approved initiating bankruptcy proceedings against Essar Steel.

Gupta has negotiated with Essar before, having acquired its bankrupt Minnesota operations — "one of the lowest-cost pellet producers in the world". He along with his consortium partners are building a large sponge iron plant there to integrate downstream operations.

Sanjeev Gupta, executive chairman, Liberty House Group BLOOMBERG

"US has a growing amount of recycling," Gupta said.

"Scrap exports have dropped dramatically because more and more it's being consumed domestically, so we want to supplement the supply with DRI (direct reduced iron) so that there is sufficient raw material for recycling."

DRI refers to an alternative steel production method.

Gupta's thesis is simple: Buy or invest in upstream steel and aluminium units and use that raw material for downstream expansion in engineering applications in auto components, aerospace, defence and renewable energy. And, to tie it all up, provide financing support. In markets like the UK, where there is no primary steelmaking, he focuses on recycling the "plentiful supply of steel scrap" to produce to produce low-carbon steel powered by renewable energy for engineering products. UK is the world's largest exporter of scrap.

For the US, it's more of a domestic consumption story. "We would like to have a strong component of the local market and local raw materials in our models, whether its smelt shops and rolling mills that we have acquired and are acquiring or its iron ore and pellet business — it is all local raw materials focused on the local markets."

ON BID FOR ABG

Our model for ABG Shipyard is based more on shipbreaking, making steel (scrap) out of there... Eco-friendly shipbreaking is going to be a big industry... ABG represents one of them

SHOPPING BASKET

Gupta has already spent over £500 million on acquisitions since the start of the year in his four key markets of the UK, US, India and Australia as part of a strategy of acquiring struggling businesses with potential and integrating them into the group's end-to-end businesses. He's bought three of the Tata mills in UK but is said to be building a bigger war chest at the prospect of larger, more complex deals.

He's pursued acquisitions by either structuring debt and existing cashflows of target companies, but that strategy may have to be tweaked. "We typically acquire assets and not previous debts, liabilities or legacy issues ... but there are nuances in each case," he said. "We have also been well endowed with equity to the tune of \$1.5 billion. But going forward we may have to take leverage on our balance sheet. As of now we don't have any long-term debt."

VALUE PLAY

We typically acquire assets and not previous debts, liabilities or legacy issues... We have also been well endowed with equity to the tune of \$1.5 billion. But going forward we may have to take leverage

Liberty House posted \$7 billion revenue in the year to March with Ebitda (earnings before interest, taxes, depreciation and amortisation) exceeding \$100 million.

The larger GFG Alliance posted double the Ebitda and \$10 billion in revenue.

Most of these businesses, especially the ones under his scanner in India, have positive Ebitda but their debt has ballooned and a long "unproductive era" coupled with "high interest rates" have led to severe capital and balance sheet dislocations. Restructuring the debt — through a combination of rate, tenure subventions and modifying the principal — is essential to revive them, he said.

Liberty's own foray into providing financial support to midcap companies began after it acquired Tungsten Bank in the United Kingdom last year to bridge the gap between the financial needs of mid-sector companies

THE INDIAN EXPRESS
DATE: 5/8/2017 P.N.14

₹400 CR GARNERED

Govt sells 6.83% stake in Hind Copper via OFS

Now, the govt's stake in the miner to come down to 76.05%

ENS ECONOMIC BUREAU
MUMBAI, AUGUST 3

THE GOVERNMENT has disinvested 6.83 per cent stake in Hindustan Copper, which would fetch around Rs 400 crore to the exchequer.

"The government has disinvested 6.83 per cent of paid-up equity in Hindustan Copper Limited through offer for sale. The government is likely to get approximately Rs 400 crore from this disinvestment," a finance ministry statement said.

After the sale, the government's stake in the miner will come down to 76.05 per cent.

The offer for sale (OFS) of Hindustan Copper's shares was subscribed 1.02 times by investors on Thursday, the concluding day of the offer. Investors bid for 6.45 crore shares against 6.31 crore shares on offer.

Retail investors on Thursday bid for 1.40 crore shares against 1.26 crore shares reserved for them. On Wednesday, non-retail investors had bid for 5.05 crore shares. The floor price for the shares was fixed at Rs 64.75. The stock ended Thursday's session at Rs 62.45 on BSE, falling 4 per cent. The stock fell by 11.60 per cent in the past two sessions. The benchmark Sensex fell by 0.74 per cent on Thursday and ended the session at 32,237.88.

Initially Hindustan Copper had proposed to sell up to 3.7 crore shares with an additional option to sell another 3.70 crore shares. On Wednesday, the mines ministry told the exchanges they will sell an additional 2.61 crore shares. A total of 69.84 lakh shares was traded on the two main exchanges — BSE and National Stock Exchange — and the volume was 6.68 times higher than average daily volume in six months. Hindustan Copper posted a net profit of Rs 61.94 crore for the year ended March 2017, against a net profit of Rs 37.74 crore in the previous financial year.

The company is engaged in a range of activities encompassing mining, refining and casting of refined copper metal.

Last week the government raised Rs 530 crore through stake sale in National Fertilizers. The government hopes to raise Rs 72,500 crore in FY18 through a combination of minority stake sales, strategic disinvestments and through the listing of state-owned insurance companies. So far the government has raised ₹8427.59 crore through stake sales, buyback, and through divestment of strategic holdings in SUUTI. FE & PTI

Final day: Cochin Shipyard IPO subscribed over 76 times

Mumbai: The initial public offering (IPO) of public sector Cochin Shipyard Ltd was subscribed over 76 times on the third and final day of bidding led by high net-worth individuals.

The Rs 1,468 crore IPO received bids for over 258 crore shares against the total issue size of 3,39,84,000 shares, data available with the NSE showed. The category reserved for qualified institutional buyers (QIBs) was oversubscribed 63.52 times, non-institutional investors 288.87 times and retail investors 8.28 times. The IPO was in a price band of Rs 424-432. If the offer sails through, it will make the company India's only profitable shipbuilder in the listed space.

The shipbuilder wants to use the proceeds from the offer to set up a new manufacturing facility. After the IPO, the government's stake will come down by 10 percentage points to 75 per cent. ENS

THE ECONOMIC TIMES
DATE: 5 /8/2017 P.N. 5

THE ECONOMIC TIMES
DATE: 5/8/2017 P.N. 5

Vedanta Resources to Raise $1 b via Bond Sale to Cut Debt

Offers 6.125% for the latest sale, which is part of co's plan to refinance $1.8b debt

Vatsala.Gaur@timesgroup.com

Mumbai: Metals magnate Anil Agarwal's Vedanta Resources on Friday announced raising $1 billion through a bond sale, the proceeds of which would largely be used to refinance expensive debt. On July 27, **ET** was the first to report the proposed sale and road-shows to drum up investor support for the issue.

The latest debt issuance is part of Vedanta's "comprehensive refinancing plan" of $1.8 billion announced by the company last week. Vedanta had said that it planned to raise the cash through a mix of bonds and term loans. The coupon rate for the latest sale is 6.125% and the bonds are due in 2024.

Vedanta intends to use the proceeds to buy back its outstanding loans of $774.8 million due in 2019, and $900 million due in 2021, and to "repay other indebtedness". It had accepted for purchase $522.5 million of the 2019 bonds, and $229.8 million of the 2021 bonds.

"The transaction is in line with our stated financial strategy to strengthen our balance sheet. We have taken a number of proactive measures over the last year to extend maturities, optimise our funding structure and as a result have created value for all stakeholders. We are pleased with the strong response these bonds have received, displaying investor confidence in Vedanta's credit story," Anil Agarwal, chairman, Vedanta Resources, said in a statement.

Apart from the bonds, the company has also received commitments from global and Indian banks for $840 million of term loans, with final maturity of 5 years. These funds will also be used in the refinancing.

ET reported on July 27 that bankers associated with the bond-sale exercise were conducting investor road-shows in North America, Europe, Middle East and Asia to gauge "market appetite" for the issue.

Vedanta's gross debt stood at $18.2 billion at the end of 2016, and the company reduced it further by $1.4 billion after March 31, 2017. Net debt stood at $8.5 billion. The company's Indian subsidiary Vedanta Limited reported a net debt of ₹19,024 crore at the end of the April-June quarter.

The current announcement, clubbed with the $1-billion bond sale that the company undertook in January, will extend Vedanta's debt maturity level by 1.5 years and bring down the cost of borrowing, resulting in no significant debt maturities till December, 2018.

Barclays, Credit Suisse, DBS, First Abu Dhabi, JP Morgan and Standard Chartered are acting as joint global coordinators for the exercise. Axis Bank, Barclays, Credit Suisse, DBS, First Abu Dhabi, ICICI Bank-IFSC Banking Unit, JP Morgan and Standard Chartered are also acting as joint lead managers and joint book-runners.

The new issuance was oversubscribed 2.6 times at the initial price guidance and was distributed widely, with 50% final allocation to Europe, 30% to Asia and 20% to US. The bonds were placed with global fund managers (over 70%) as well as private and commercial banks.

The closing date for the bonds is August 9 and the bonds are expected to be categorised as "B3" by Moody's and "B+" by S&P-ratings that place the bonds to be speculative.

Essar Ports Bags First Overseas Project in Mozambique

Our Bureau

Mumbai: Essar Ports on Friday said it has signed a pact for its first overseas port project in Mozambique.

The concession agreement was signed with the Mozambique government to develop a new 20 million tonnes per annum (MTPA) coal terminal in Beira Port. The port will be developed in partnership with the Mozambique government in a concession agreement to be in force for thirty years.

The first phase of the project would entail an investment of $275 million.

"There are massive coal reserves in the location and limited infrastructure. We found that a good opportunity. This has been on for the last five to six years," said Rajiv Agarwal, CEO of Essar Ports.

The project will be executed on a design, build, own, operate and transfer (DBOOT) basis through a subsidiary, New Coal Terminal Beira, SA (NCTB SA), which is a joint venture of Essar (which will own 70%) and Portos e Caminhos de Ferro de Moçambique (CFM, which will own 30%).

The project will enhance the coal handling capacity of Mozambique by 20 MTPA in two phases of 10 MTPA each.

Mozambique is estimated to have reserves of over 23 billion tonnes of coal, which makes the country a major coal exporter that is well placed to cater to the international steel & power industries.

THE HITAVADA

DATE: 7/8/2017 P.N. 10

India's bauxite production to hit 49 MT by 2021: Research

INDIA'S bauxite production is expected to increase from 22.08 million tonnes in 2016 to 49.4 million tonnes by 2021, says a BMI Research report.

According to the report, bauxite production is projected to be at 26.1 MT this year, about 18 per cent higher than 2016.

The metal's production is expected to reach to 49.4 MT in 2021, the data showed.

"We forecast Indian bauxite production to grow from 26.1 MT in 2017 to 49.4 MT in 2021, averaging an annual growth rate of 17.5 per cent during 2017-2021, significantly higher than the annual average 3.9 per cent growth over 2012-2016," the Fitch Group company said.India's bauxite production growth will accelerate to serve growing demand from the domestic aluminium industry, it said.

The growth is projected due to the five-fold increase in mining lease area in Odisha, the report further said.

"The Ministry of Mines increased the lease area for mining of bauxite from 10 sqkm to 50 sqkm in the state of Odisha to encourage development, and as part of the Union Budget, India reduced export duties for bauxite from 20 per cent to 15 per cent," the report said. However, "despite this positive outlook for India's bauxite mining sector, tightening environmental regulations and tribal tensions pose downside risks by slowing down new projects," it added. Bauxite is an important ore of aluminium, a metal widely used by automobile and other industries.

BUSINESS LINE

DATE: 7/8/2017 P.N. 16

Hind Zinc to become 'fully underground mining company'

PRESS TRUST OF INDIA

New Delhi, August 6

Vedanta Group's Hindustan Zinc Ltd (HZL) is on its way to becoming a fully underground mining company by early next financial year, a top official of the company said.

The leading zinc producer is also expanding metal production capacity to 1.2 million tonnes (mt) by 2019-20 from around 1 mt. The company plans to convert its Rampur Agucha block, which contributes 75 per cent of its output, to under-ground mine by shutting all open cast operations.

BUSINESS LINE

DATE: 7/8/2017 P.N. 8

GLOBAL		Change in %			52-Week	
	Price	Weekly	Monthly	Yearly	High	Low
Metals ($/tonne)						
Aluminium	1889	0.2	-1.7	17.2	1962	1545
Copper	6348	0.8	8.2	31.8	6348	4573
Iron Ore	73	8.4	17.7	22.0	95	54
Lead	2342	1.9	2.8	31.3	2466	1787
Zinc	2802	-1.2	0.3	24.3	2971	2087
Tin	20630	-0.5	1.9	14.6	21945	17924
Nickel	10210	0.5	11.7	-3.4	11735	8710

NAVBHARAT

DATE: 7/8/2017 P.N. 7

MECL ने किये त्रिपक्षीय करार पर हस्ताक्षर

व्यापार संवाददाता

नागपुर. 'एमईसीएल' ने तमिलनाडु सरकार और एनएमईटी के साथ एक त्रिपक्षीय करार पर हस्ताक्षर किए, जो राज्य में विभिन्न खनिज ब्लाकों के समन्वेषण के लिए है. करार पर हस्ताक्षर तमिलनाडु, भूविज्ञान व खान विभाग के कमिश्नर डा. आर. पल्लाविस्वामी व एमईसीएल महाप्रबंधक (गवेषण) एस.के. ठाकुर ने एमईसीएल के सीएमडी डा. गोपाल धवन की उपस्थिति में किए. अब तक एमईसीएल खनिज ब्लॉकों के समन्वेषण के लिए महाराष्ट्र, ओडिसा, छत्तीसगढ़, आंध्रप्रदेश, मध्यप्रदेश, तेलंगाना और राजस्थान राज्यों के साथ इस तरह के करार पर हस्ताक्षर कर चुका है. संशोधित एमएमडीआर अधिनियम, 2015 के कारण देश में खनिज ब्लॉकों की नीलामी प्रक्रिया में अधिकाधिक पारदर्शिता अधिरोपित की जा रही है और राज्य सरकारों से अपने-अपने राज्यों में खनिज ब्लॉकों का पता लगाने को कहा गया है. समन्वेषण गतिविधियों का वित्तपोषण करने के लिए नेशनल मिनरल ट्रस्ट (एनएमईटी) बनाया गया है व एमईसीएल को एक नोडल एजेंसी घोषित किया गया है. एमईसीएल राज्यों के संबंध में और अधिक नीलामी योग्य खनिज उपलब्ध कराने के लिए अन्य राज्यों के साथ इस तरह के करार करने के लिए सोच रहा है.

BUSINESS LINE

DATE: 7/8/2017 P.N. 1

FinMin rejects Commerce Ministry pitch for lower gold import duty

Basic customs duty to stay at 10%

KR SRIVATS

New Delhi, August 6

The Finance Ministry has turned down the Commerce Ministry's pitch for a reduction in import duty on gold, citing improved data in respect of the current account deficit (CAD), official sources said.

Backing demands by gold traders, the Commerce Ministry had been keen on a 2-percentage point cut in gold import duty, either in phases, or in one go.

The Ministry had argued that since August 2013, when a runaway CAD led to the import duty being raised to 10 per cent — where it has remained ever since — the situation had improved, and there was a case for paring the levy. Moreover, such a move could lead to a drop in gold smuggling, it claimed.

In 2016-17, about 650 tonnes of gold were imported, resulting in tax revenues of ₹20,000 crore

In 2016-17, about 650 tonnes were imported into the country, resulting in tax revenues of about ₹20,000 crore. The World Gold Council (WGC) estimates that 120 tonnes of gold was smuggled into India in 2016.

Gold imports more than doubled in the first half this calendar year to 518.6 tonnes, the WGC said. They usually go up in the second half of the year, when festivals such as Diwali and Dussehra are celebrated.

The WGC has, however, pegged the full-year demand at 650-750 tonnes, lower than the 10-year average of 845 tonnes.

In its latest Gold Demand Trends Report, the industry-funded WGC said global demand for gold fell 14 per cent in the first half of this year, mainly on account of sharp decline in purchases by exchange-traded funds.

The GST on gold jewellery was recently pegged at 3 per cent, effective July 1. Prior to its implementation, the total levy stood at 12.4 per cent. With GST, it has risen marginally, to 14 per cent.

BUSINESS LINE

DATE: 7/8/2017 P.N. 17

Graphite India bets on strong demand with rise in global steel production

Profit surges to 164% in first quarter

SHOBHA ROY

Kolkata, August 6

Kolkata-based graphite electrodes maker Graphite India expects a better demand for its graphite electrodes on the back of a steady rise in the production of ferro alloy steel globally.

The closure of steel capacities in China leading to the decline in exports of both steel and graphite electrodes from the region will further strengthen the demand.

Graphite electrodes are primarily used in the manufacturing of ferro alloy steel through the Electric Arc Furnace (EAF) route.

According to KK Bangur, Chairman, the recent decline in exports from China has led to a rise in steel production through the EAF route globally.

Firm prices

In India, the growth in the steel industry is supported by the government's initiatives such as anti-dumping duties on major steel products and increased expenditure on affordable housing, roads and infrastructure, he pointed out.

The steady demand will help keep the prices firm. "Prices have doubled in the last one year and we expect it to stay firm this year," Bangur told *BusinessLine* on the sidelines of the company's annual general meeting here recently.

An Edeweiss report on Graphite India suggests that the demand for graphite electrodes was on a downswing between 2006 and 2015 on account of excess steel capacity created by China through the blast furnace route. This in turn exerted pressure on prices. "Dumping of steel products by China across the world resulted in lot of smaller capacities in the developed countries facing closures during the period," the report said.

Any further consolidation will help achieve better price realisations, Bangur said.

Financial performance

Riding on the back of higher sales and better capacity utilisation, Graphite India posted 164 per cent rise in net profit to ₹29 crore for the quarter ended June 30, 2017.

EBITDA margins improved to 16.1 per cent during the first quarter of FY-18 compared with 10.3 per cent in the same period last year. The company had a capacity utilisation of 95 per cent in the first quarter of FY-18 against 68 per cent in the same period last year.

The improvement in margins was primarily on account of achieving better economies of scale due to higher capacity utilisation, Bangur pointed out.

THE HITAVADA

DATE: 7 /8/2017 P.N. 10

'Mining Industry-Vision 2030 and Beyond' from Dec 6

■ Business Bureau

THE Mining Engineers Association of India (MEAI) is a professional association of mining engineers, geologists, mineral processing and metallurgical engineers. The organisation is recognised for its outstanding contribution to the growth of mining sector in India.

The Nagpur Chapter of Mining Engineers' Association of India, had successfully organised a national conference on 'Challenges in 21st Century Mining - Environment and Allied Issues' in February 2013 under the patronage of Ranjan Sahai, Controller General, IBM.

Since then many changes have taken place in the policy and legislation of the mineral sector of the country. Presently, India stands at the threshold of a new horizon. Closely following the Prime Minister's 'Make in India' programme, the Ministry of Mines brought about various changes in the policy framework, legislations and regulations.

Mines and Minerals Development and Regulation Amendment Act, 2015 has been a revolutionary step in revival of mining sector in the country. The provisions such as auction mode of mineral concessions to bring in greater transparency, simplification and transferability to attract private investment, stricter penalties for illegal mining, establishment of National Mineral Exploration Trust (NMET) to give impetus to exploration, removal of prior approval of the centre to eliminate delays, and provision for District Mineral Foundation (DMF) to address the concerns of mining-affected people. The Nagpur Chapter has once again taken the initiative to host an international conference at Nagpur between December 6 and December 8, 2017.

The broad theme of the conference revolves around the future of mining industry in 2030 and beyond. A conference brochure launching ceremony was organised at Hotel Tuli Imperial. The meeting was attended by all the office bearers of the MEAI Nagpur Chapter and the organising committee of the conference. The brochure was formally launched by Ranjan Sahai, Controller General, IBM; Dr Gopal Dhawan, CMD, MECL; D K Sahni, Chairman MEAI, Nagpur Chapter; C S Gundewar, former Controller General, IBM and G P Kundargi, former CMD, MOIL Ltd. The occasion was graced by N. Kutumba Rao, ADG, GSI; R S Kalamkar, Director, Directorate of Geology and Mines, Maharashtra; Dr Anupam Agnihotri, Director, JNARDDC; D Shome Director, MOIL and S M Bothra, former Chairman, MEAI Nagpur Chapter. S K Adhikari Chief Mining Geologist, IBM and gave a brief account of the themes of conference to the audience.

BUSINESS LINE

DATE: 7/8/2017 P.N. 8

Gold falls as dollar reverses higher

The US job numbers take the sheen off the yellow metal

GURUMURTHY K

After hovering at $1,270 per ounce all through the week, gold prices fell sharply over one per cent on Friday after the US jobs data. The prices fell over one per cent to a low of $1,254 and recovered from there to close the week at $1,259 per ounce, down 0.8 per cent. The US Non-Farm Payrolls increased by 209,000 in July as against the market expectation for an increase of 183,000. The unemployment rate fell to 4.3 per cent in July from 4.4 per cent a month earlier. The US job numbers beating the market expectation took the sheen off from gold, as the US dollar reversed sharply higher after the data release.

Silver, on the other hand, was beaten down much harder than gold last week. Silver prices tumbled 3 per cent last week and closed at $16.27 per ounce.

On the domestic front, the gold futures contract on the Multi Commodity Exchange (MCX) was broadly range-bound. The contract has closed at ₹28,465 per 10 gm, down 0.4 per cent for the week. The MCX-Silver futures contract moved in tandem with the global prices and fell sharply by 3.1 per cent to close at ₹37,262 per kg.

Dollar eases

The dollar index (93.54) which had fallen sharply over the last three weeks, got a breather on Friday after the positive US job numbers. The index reversed higher over one per cent from the low at around 92.5 and has closed at 93.54. This rally was also on the back of short-covering. As long as the index trades above the imediate support level at 93, a rise to 94 looks likely. Further break above 94 can take the index higher to 94.50. The region around 94.5 is a key hurdle for the dollar index. Inability to break above this level can pull the index down again to93.5 and 93in the near term. The 200-week moving average at 93.30 is a crucial support. A strong break below this support is needed for the index to come under pressure again and resume its downtrend.

Gold outlook

The global gold ($1,259 per ounce) has key supports at $1,250 and $1,247. A test of these supports is possible in the initial part of the week. If gold manages to reverse higher from $1,250 or $1,247, the downside pressure may ease. Such a reversal will increase the possibility of the prices moving up to $1,270 and $1,275 levels once again. But gold will come under fresh selling pressure if it breaks below $1,247 and can fall to $1,244 initially. Further break below $1,244 will increase the likelihood of the fall extending to $1,240 or even lower thereafter.

MCX-Gold (₹28,465 per 10 gm) can remain range-bound between the support at ₹28,250 and resistance at ₹28,650. A breakout on either side of this range will decide the next move. A break below ₹28,250 can take the contract lower to ₹27,950 initially. Further break below ₹27,950 can drag it to ₹27,700 or even ₹27,500. On the other hand, if the contract manages to break the range above ₹28,650 it can rise to ₹29,000.

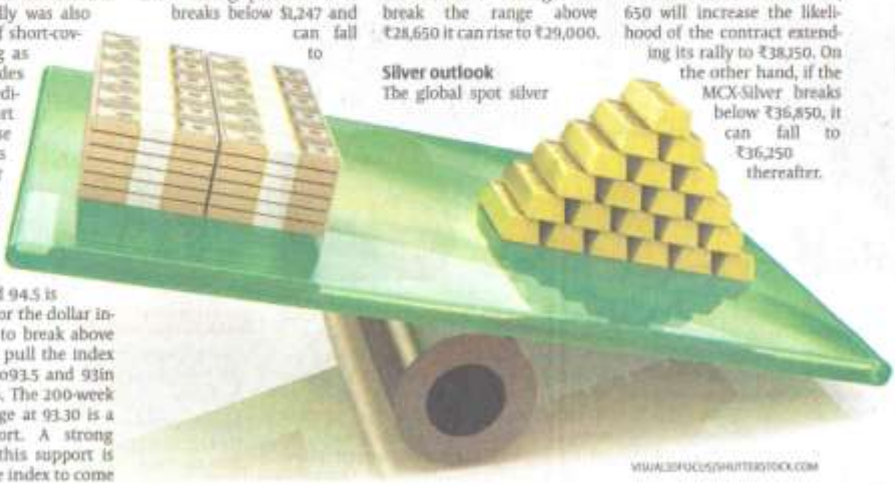
Silver outlook

The global spot silver ($16.27 per ounce) has a support at $16.20. A break below it can take the prices lower to $16 or even $15.70.

But if it manages to sustain above $16.20, a bounce to $16.50 is possible. Further break above $16.50 can take the prices higher to $16.75 thereafter.

MCX-Silver (₹37,262 per kg) has support at ₹36,850, which can be tested in the initial days. If the contract manages to reverse higher from there, a relief rally to ₹37,650 is possible.

Further break above ₹37, 650 will increase the likelihood of the contract extending its rally to ₹38,150. On the other hand, if the MCX-Silver breaks below ₹36,850, it can fall to ₹36,250 thereafter.



VISUALSOFOCUS/SHUTTERSTOCK.COM

MCX Gold

Supports
₹ 28,250/₹27,950

Resistances
₹28,650/₹29,000

MCX Silver

Supports
₹36,850/₹36,250

Resistances
₹37,650/₹38,150

THE ECONOMIC TIMES
DATE: 7/8/2017 P.N. 10

LIMITED DOWNSIDE About two-thirds of participants said they do not expect market to correct more than 5%, mainly because of relentless buying by mutual funds

Time to Buy Bank, Cement, Auto & Metal Stocks: Experts

▶▶ From Page 1

Fewer poll participants were willing to assign aggressive targets to the Nifty for the year end. The most optimistic —10% of participants — felt the Nifty would cross 12,000 by December, which is 19% above the index's Friday closing price. A fifth of poll participants expect the Nifty to end the year between 10,800 and 11,000, which is a nearly 10% upside, while 14% said the index could close at 10,500 to 10,800.

"The Indian stock market is priced to perfection," said Nilesh Shah, CEO, Kotak Mutual Fund. "The upside is capped by valuations and geopolitical events while the downside is limited by liquidity, smooth implementation of GST and expectation of a better demand in the forthcoming festive season."

About two-thirds of participants said they do not expect a correction of more than 5% in the near term. This is mainly because of uninterrupted purchases from domestic mutual funds, the equity schemes of which have been inundated with inflows from retail investors, who are continuously shifting investments from debt, real estate and gold to stocks, where the bull run will enter its fifth year in September. Brokers said what was different in this rally compared with the previous one is the absence of a correction.

ET POLL

"Markets are overheated but reluctant to fall as uninterrupted flow of liquidity limits fall in every weakness," said Motilal Oswal, chairman and managing director, Motilal Oswal Financial Services.

Kotak's Shah said he does not expect a "major correction in near term except a few technical ones".

So far in 2017, the Sensex and Nifty have gained 23%. While Reliance Industries has outperformed the markets so this year with 50% returns, ICICI Bank and SBI have gained 29% and 23%, respectively.

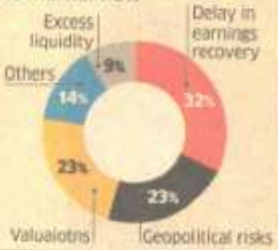
Domestic mutual funds have invested nearly ₹53,000 crore since January, while foreign portfolio investors (FPIs) have pumped ₹58,000 crore into Indian stocks so far compared with ₹38,000 crore in the similar period last year. Foreign inflows slowed down in July but few overseas investors have been in a hurry to sell despite clear indications of the US Federal Reserve signaling that it intends to roll back its loose monetary policy. Higher interest rates in the US could lead to a stronger dollar, eroding foreign investors' share portfolio values in India.

WHAT TO BUY

Poll participants are advising investors to stick to banks — especially private ones — automobiles, consumption, cement and metal themes. Sectors such as information technology and pharma may continue to underperform the market. Among mid-caps, RBL Bank, Exide Industries, Voltas, Graphite India and Ramco Cement are likely to be outperformers.

What Market Fears

Biggest concern for the market now



Sectors that will outperform

- Banking
- Auto
- Consumer
- Metals
- Cement

3 Nifty stocks that will lead the next phase of rally

Reliance Industries, ICICI Bank, State Bank of India

Top midcap picks

- RBL Bank
- Exide Industries
- Voltas
- Graphite India
- Ramco Cement

Participants: Ajcon Global, Anand Rathi, Angel Broking, Axis Securities, Birla MF, Centrum, Dolat Capital, Edelweiss, Equinomics Research, Geojit, GEPL Capital, HDFC Securities, HSBC MF, ICICI Securities, IDBI Capital, IIFL, Kotak MF, Kotak Securities, Motilal AMC, Quantum MF, Reliance Securities, SBI MF, Sharekhan, Systematix Shares, Tata AMC, Way2wealth

BUSINESS LINE
DATE: 8/8/2017 P.N. 17

Iron ore worth ₹1,900 crore illegally extracted in Goa: CAG

PRESS TRUST OF INDIA
Panaji, August 7

The Comptroller and Auditor General (CAG) report has pointed out that overall ₹1,900 crore worth illegal extraction of iron ore was reported in the State between 2009-16 in violation of the mining plan and environment clearances (ECs).

The performance audit on systems and controls in collection of minerals receipts has revealed a number of system and compliance deficiencies, the CAG report which was tabled on the floor of the House today mentioned.

"We observed violation of the provision of the Acts and Rules made for regulation of mining operation in the State.

"Violating the provisions of the MCD (Mineral Conservation and Development) rules and MC (Mineral Concession) rules the lessees had extracted minerals valued ₹1,529.64 crore in excess of the mining plan," the report said.

"The lessee had also extracted minerals valued ₹374.99 crore in excess of quantity allowed under environment clearances," it added.

Green clearance

CAG has said the audit team checked 38 cases to ascertain whether the environment clearances limit has been observed by lessee during the period from 2009-16.

"We observed in five cases, the lessee had extracted 30.02 lakh metric tonnes of iron ore valued at ₹374.99 crore in excess of the limit. No reason for extraction of iron ore in excess to environment clearance limit was found," he said.

"In respect of seven leases the quantity as per the approved mining plan was 25.94 lakh MT during the period 2009-13 against this the quantity actually extracted during the period was 98.35 lakh MT. This resulted in unauthorised extraction of 72.41 MT of iron ore valued at ₹1,529.64 crore," the CAG has pointed out.

The mining industry in Goa had faced ban due to Supreme Court order in September 2012, which was later lifted in April 2014.

The actual extraction of iron ore began only in November 2015. The CAG report which audits various departments and their performance till March 2016 has castigated State Directorate of Mines and Geology (DMG) for not taking action to recover the penalties under MMDR Act, 1957 for excess extraction over the limits.

"The DMG failed to monitor unauthorised extraction, transportation and storage of minerals effectively. Due to poor monitoring, the short declaration of 27.7 lakh MT iron ore valued ₹118.01 crore extracted by lease holders was not detected by it," CAG has said.

The audit report also states that the DMG failed to detect the suppression of closing stock iron ore which resulted in short collection of royalty of ₹35.53 crore.

THE INDIAN EXPRESS
DATE: 8 /8/2017 P.N. 13

Tata Steel back in the black

ENS ECONOMIC BUREAU
MUMBAI, AUGUST 7

TATA STEEL has posted a consolidated net profit of Rs 921.09 crore for the quarter ended June 2017 on the back of higher revenue from operations as against a consolidated net loss of Rs 3,183 crore in the year-ago period.

"Our sales were up by 28 per cent on a y-o-y basis as the smooth ramp up of our Kalinganagar facility helped us increase our volumes and increase our market share," T V Narendran, MD, Tata Steel India and South East Asia said. The consolidated revenue from operations during April-June quarter was at Rs 30,973 crore, registering an increase of 19 per cent.

During the quarter, the company sold its stake in Tata Motors for a gross consideration of around Rs 3,778 crore. "With this sale, we have monetised over Rs 14,266 crore of divestments over the last 5 years. Tata Steel Europe strategic portfolio restructuring of focusing on strip business is now completed with the sale of 42-inch and 84-inch pipe mills in Hartlepool, UK to Liberty House Group," Koushik Chatterjee, Group Executive Director (Finance and Corporate), said.

"We saw strong growth in our branded products, retail and solutions segment ...," Narendran said.

BUSINESS LINE

DATE: 8/8/2017 P.N. 16

Immediate outlook unclear for MCX-Aluminium

GURUMURTHY K
BL Research Bureau

The Aluminium futures contract on the Multi Commodity Exchange is witnessing some volatility. The contract declined in the past week as expected.

Though the contract moved up in the initial part of the weekto a high of ₹123.65 a kg on Wednesday, it failed to sustain higher and had reversed to a low of ₹120.95 on Friday. However, the contract bounced back on Monday and is currently trading at ₹122.6.

The immediate outlook is not clear for the contract. Traders can continue to stay out of the market until a clear trade signal emerges.

A range-bound move between ₹121 and ₹126 is possible for some time. A breakout on either side of this range will decide the next move. Within this range intermediate resistance is at ₹123.5. A strong break above it will increase the likelihood of the contract moving up to ₹126.

On the other hand, inability to break above ₹123.5 and a subsequent downward reversal can keep the contract in a narrow range between ₹121 and ₹123.5 in the near term. As long as the contract remains below ₹123.5, it is highly possible that it will decline below ₹121.

Such a fall can drag the contract lower to ₹120 initially. A further decline below ₹120 will see the downmove extending to ₹119 and ₹118.5.

Note: The recommendations are based on technical analysis. There is a risk of loss in trading.

BUSINESS LINE

DATE: 8 /8/2017 P.N. 13

Tata Steel swings to profit in Q1

REUTERS

Tata Steel Ltd. returned to profit in the first quarter of this year after a loss a year ago, helped by the ramp up of its Kalinganagar plant in Odisha.

Revenue in the quarter jumped 19% aided by increased capacity in India and Tata's restructuring efforts in Europe, Koushik Chatterjee, group executive director (Finance and Corporate), said.

The steelmaker's net profit came in at ₹921 crore in the quarter ended June 30, compared to a loss of ₹3,183 crore a year earlier.

In the quarter ended June last year, Tata Steel registered a loss of ₹3,296 crore related to the sale of its long products business in Britain to Greybull Capital LLP in May 2016.

The company said total steel deliveries in the first quarter had risen about 9%, with domestic deliveries accounting for 47% of the total.

THE ECONOMIC TIMES DATE: 8 /8/2017 P.N. 9

PAIN POINTS After spectacular show, company maintains positive outlook on India & Europe, but says Southeast Asian business may be subdued

Tata Steel Q1 Just the Spark, Rebound to Gain Strength

ET ANALYSIS

Jwalit Vyas and Rakhi Mazumdar

Mumbai/Kolkata: Tata Steel, India's oldest maker of the alloy, is adding more strength to its turnaround that's underpinned by improving capacity utilisation and a more profitable product mix.

In the June quarter, the Mumbai-based steelmaker exceeded Street expectations on all parameters of operating efficiency. At ₹31,129 crore, consolidated revenues beat expectations by 9 percentage points, and rose 23% on year. EBIDTA or operating profit was at ₹4,939 crore, up 50% against expectations of 16% growth. EBIDTA margins stood at 16%, compared with 12.7% last year, on better realisation.

Consolidated net profit, adjusted for exceptional items, was ₹1,550 crore against expectations of ₹1,150 crore. Deliveries for the quarter were at 5.83MT against 5.37MT last year, driven by 28% higher dispatches in India. Standalone net profit fell 12% in the quarter, even though turnover rose to ₹14,422 crore from ₹10,323 crore. Standalone EBIDTA increased 31% to ₹2,922 crore.

The stock crossed Rs 600 for the first time in six years, reflecting the Street's confidence in the company's turnaround initiatives.

"The Tata Steel Group witnessed an increase of 19% in revenues over last year due to increased capacity in India and ongoing restructuring in Europe. Raw material prices were volatile, particularly coking coal, which rose up to $220/ tonne in April, and has since moved to the $150-$180/tonne range. A marginal decline in steel prices in Europe is expected to lead to lower spreads in second quarter," said Koushik Chatterjee, group executive director (finance and corporate).

In a post-earnings call with the analysts, the management maintained a positive outlook for Indian as well as European operations, citing New Delhi's thrust on infrastructure and affordable housing. Structural reforms in China would also likely benefit Tata Steel, although the rising rupee is a likely risk. Southeast Asian business for Tata Steel may remain subdued in the medium term due to higher competition.

Against this backdrop, earnings should increase by about 20% between FY17 and FY20.

Analysts expect incremental volume growth from the Odisha plant and brownfield expansion in the Jamshedpur plant.

"A smooth ramp up of Kalinganagar facility helped us increase volumes and market share," said T V Narendran, managing director Tata Steel India and S E Asia.

Showing the Mettle

Tata Steel June Quarter Performance (₹ crore)

	Actual	YoY Growth	Expected
Sales	311.29	23%	28,466
EBIDTA	4,939	49.50%	4,939
EBIDTA Margin	16%	330 bps	15%
Adj. PAT	1,150	NA	1,550

Region Wise break - up

	India	Europe	"South East Asia"	ROW
Sales	16,252.9	16,069.0	1,991	118.76
EBIDTA	3,126.3	2,070.2	25.77	-25.5

THE HITAVADA DATE: 9/8/2017 P.N. 9

Tatas bullish on domestic steel sector

MUMBAI, Aug 8 (PTI)

STEEL major Tata Steel on Tuesday said it is optimistic about prospects of the domestic steel sector, and hopes to ramp up the production capacity of its Kalinganagar plant to capture growing opportunities.

Addressing shareholders at the company's 110th annual general meeting here, Tata Steel chairman N Chandrasekaran said the global steel demand is expected to grow at 1.3 per cent in 2017 and 0.9 per cent in 2018. The demand for steel in China will remain flattish while in Euro zone it will be mildly positive. Steel demand in the country is expected to grow significantly at 6-7 per cent per annum in the next two years, he said. "We are optimistic of 2017-18 being a better year for the domestic steel industry and we are set to capture these opportunities. We will endeavour to ramp up our production capacity, particularly at Kalinganagar, and leverage our new and differentiated product range," Chandrasekaran said.

Tata Sons Chairman, Natarajan Chandrasekaran addresses Tata Steel's 110th Annual General Meeting, in Mumbai on Tuesday. (PTI/Shashank Parade)

The plant achieved the fastest ramp-up for a greenfield project and it will be an important growth driver for the company, he said. The company intends to enhance its focus on innovation, research and development, technology, digital transformation and employee engagement.

"While we performed well this year, we must bear in mind that the steel industry is highly cyclical and we will continue to be impacted by macroeconomic volatility," he said.

Commenting on challenges, he said the company's consolidated debt is Rs 83,014 crore and it needs to work towards reducing it to a long-term sustainable level. The company also needs to focus on building sustainable European operations, he said.

In domestic market, Tata Steel's deliveries grew by 15 per cent.

THE ECONOMIC TIMES DATE: 9/8/2017 P.N. 14

POSITIVE TRIGGERS US arm Novelis' performance continues to improve, helped by lower input and interest cost; firming aluminium prices a welcome boost

Street is Quick to Take Note of Hindalco's Improved Prospects

Jwalit.vyas@timesgroup.com

ET Intelligence Group: Earnings prospects of Hindalco, the country's largest aluminium producer, look brighter than before following consistent improvement in the performance of Novelis, its US subsidiary, and firm aluminium prices.

This promising future has prompted investors to make fresh purchases in its counter on Tuesday even though the overall mood on Dalal Street was sombre. Hindalco's stock gained 3.3% on the BSE at the end of the day's session while the benchmark S&P BSE Sensex lost 0.8%.

Novelis, which produces aluminium products, such as sheets and cans, reported 16% jump in revenue and 8% growth in operating profit before depreciation (EBIDTA) on year-on-year basis. EBIDTA was 6-8% higher than analysts' expectations as pricing pressure in the beverage cans segment was offset by lower raw material cost and improved contribution by the higher margin auto sheets segment.

Although the company does not share the exact segment-wise financial break-up, analysts believe that though the auto segment contributes just under one-fifth to revenue, its margin is at least twice that of the can segment, which contributes nearly two-third to revenue. As a result, EBIDTA per tonne for the company increased 4% to $365. Incidentally, EBIDTA per tonne is a key parameter used for the operating performance.

Further, the 23% year-on-year drop in the interest expense due to debt refinancing resulted in the fourfold jump in net profit at $101 million. The extent of free cash outflow (cash burn) reduced to $77 million from $146 million in the year-ago quarter.

Improving cash flow and expected drop in the FY18 debt-EBIDTA ratio to less than four has made the management to change its stance from being capex conservative to looking at new growth opportunities.

"As more automakers turn to aluminium to produce the next generation vehicles, we are actively looking to increase capacity and reinforce our leadership position in this growth market," said Steve Fisher, chief financial officer, Novelis.

Buoyed by the improved performance, Hindalco's stock closed at a six-year high of ₹235.1 on the BSE on Tuesday. At this price, the company's enterprise value was 6.8 times FY18 expected EBITDA and 5.8 times considering FY19 estimates. The multiple may improve given better growth prospects.

THE TELEGRAPH
DATE: 9/8/2017 P.N. 11

Gold import duty to stay for now

R. SURYAMURTHY

New Delhi, Aug. 8: The finance ministry has turned down a commerce ministry proposal to bring down the import duty on gold.

Backing the gems and jewellery sector's appeal, the commerce ministry had argued that the import duty on the yellow metal should be brought down to 2 per cent from the present 10 per cent, either in a phased manner or at one go.

The gems and jewellery sector feels that a cut in the duty will reduce the cost of jewellery and curb the smuggling of the precious metal.

However, the finance ministry had stated that any such reduction would have an adverse impact on the current account deficit (CAD).

North Block had argued that CAD had steadily come down since the time the government decided to increase the duty in 2013 and now remains at a comfortable level.

As of March 2017, CAD stood at 0.6 per cent of the gross domestic product (GDP), down from 1.1 per cent in 2015-16.

The government had raised the import duty on gold three times in 2013 to 10 per cent to curb imports, narrow a record current account deficit and stop a slump in the rupee.

Ballooning imports of the yellow metal had pushed up CAD to 4.8 per cent of GDP in 2012-13. In 2011-12, CAD stood at 4.3 per cent.

According to Japanese financial services firm Nomura, CAD is likely to widen to 1.3 per cent of GDP in 2017-18 from last fiscal's 0.6 per cent, largely due to a stronger domestic growth in the second half of this year.

RATE BLOW

It said import demand is expected to resume once disruptions due to the implementation of the goods and services tax (GST) ebb out after July.

"We expect India's CAD to widen to 1.3 per cent of GDP in 2017-18 from 0.6 per cent in 2016, as import growth should pick up in the second half of 2017 due to a stronger domestic recovery, while protectionist policies will likely hurt services exports," the report said.

According to the Reserve Bank of India data, CAD soared to $3.4 billion, or 0.6 per cent of GDP, in the fourth quarter of 2016-17 from $0.3 billion in 2015-16.

The government data indicate that gold imports, during the first quarter of the current fiscal, more than doubled to $11.25 billion, driven by seasonal and festival demand. Gold imports stood at $4.90 billion in April-June 2016-17, according to the data of the commerce ministry. The increase in imports has an adverse effect on CAD.

In June, the import of the precious metal had risen to $2.45 billion from $1.20 billion in the same month of the previous year. This surge contributed to the widening of trade deficit in June to $12.96 billion against $8.11 in June 2016.

In 2016-17, about 650 tonnes of gold were imported into the country, resulting in tax revenues of about Rs 20,000 crore.

The World Gold Council (WGC) estimates that 120 tonnes of gold were smuggled into India in 2016. According to the council, gold imports more than doubled in the first half of this calendar year to 518.6 tonnes. Gold imports usually show an uptick in the second half of the year, during the festival season.

THE INDIAN EXPRESS
DATE: 9/8/2017 P.N. 16

Tata Steel bullish on domestic steel sector

PRESS TRUST OF INDIA
MUMBAI, AUGUST 8

STEEL MAJOR Tata Steel on Tuesday said it is optimistic about prospects of the domestic steel sector, and hopes to ramp up the production capacity of its Kalinganagar plant to capture growing opportunities.

Addressing shareholders at the company's 110th annual general meeting here, Tata Steel chairman N Chandrasekaran said the global steel demand is expected to grow at 1.3 per cent in 2017 and 0.9 per cent in 2018.

The demand for steel in China will remain flattish while in Euro zone it will be mildly positive. Steel demand in the country is expected to grow significantly at 6-7 per cent per annum in the next two years, he said. "We are optimistic of 2017-18 being a better year for the domestic steel industry and we are set to capture these opportunities. We will endeavour to ramp up our production capacity, particularly at Kalinganagar, and leverage our new and differentiated product range," Chandrasekaran said.

Tata Steel chairman N Chandrasekaran with others at the AGM in Mumbai on Tuesday. *Ganesh Shirsekar*

The plant achieved the fastest ramp-up for a greenfield project and it will be an important growth driver for the company, he said.

The company intends to enhance its focus on innovation, research and development, technology, digital transformation and employee engagement.

"While we performed well this year, we must bear in mind that the steel industry is highly cyclical and we will continue to be impacted by macroeconomic volatility," he said.

Commenting on challenges, he said the company's consolidated debt is Rs 83,014 crore and it needs to work towards reducing it to a long-term sustainable level. The company also needs to focus on building sustainable European operations, Chandrasekaran said.

In the domestic market, Tata Steel's deliveries grew by 15 per cent, significantly better than the broader market and reached a level of 11 million tons.

"We expect to increase this further to around 12.5 million tonnes this year," he said.

BUSINESS LINE
DATE: 9 /8/2017 P.N. 11

We need to 'galvanise' the economy

SUNIL DUGGAL

Consumption of zinc has grown in India over time, helping sectors such as infrastructure, cosmetics, medicines, paints, rubber, surgical tools, plastics, textiles, soaps and batteries expand and grow. But corrosion losses impact India's GDP considerably every year.

This can be checked if we promote galvanisation (cover metals with zinc) in construction. Western countries mandate the use of galvanising for steel structures used in building bridges, highways, airports, metro stations, railway stations, etc.

Zinc is the fourth most widely consumed metal in the world — after iron, aluminium and copper. Almost 50 per cent of the zinc mined across the world is used for galvanising, 17 per cent for zinc alloying, 17 per cent for brass and bronze making, 6 per cent in zinc semi-manufactures, 6 per cent in chemicals, and 4 per cent for other miscellaneous purposes.

India's consumption of zinc is rising day by day as new sectors are being explored to take advantage of zinc. But its potential remains unrealised. .

Coastal infrastructure

Use of Galvanised rebars in construction near coastal areas: Corrosion is one of the major reasons for deterioration of concrete structures built near coastal areas. Coastal salts coupled with humidity can corrode exposed metal surfaces and penetrate any opening in the building.

Coastal infrastructure within a range of 5 km is more prone to corrosions and becomes progressively worse closer to the marine source.

According to a study by the American Institute of Architects, it is essential to use hot dip galvanised steel to make such coastal infrastructure-decay resistant. Galvanised steel provides the much needed strength to rebars.

Auto sector

Use of galvanised car bodies: Globally there has been a discrepancy in using galvanised car bodies. Indian car manufacturers use about 3 per cent galvanised steel for cars manufactured and sold in the domestic market. However, they over 70 per cent galvanised steel in exports to markets in Europe, Asia and Africa.

Indian consumers don't demand galvanised steel due to lack of awareness on the long term benefits of galvanised vehicles.

Car makers in Europe, North America, Korea and Japan have been using galvanised steel for car body panels for decades and provide anti-corrosion and perforation warranties for a minimum of 10 years.

In India, the customers are advised to pay for extra coatings to protect the body of the car after purchase. More than 60 per cent of the cars in India have surface-rust which reduces steel strength and the life of the car, leading to safety hazard.

Steel has been used to make automobiles since the early 1900s but corrosion resistance features became standard in vehicles beginning in the early 1980s when Japanese cars gained entrance to the US market.

Globally, the annual consumption of zinc for auto-bodies today is roughly 120,000 tonnes. There is almost no galvanised steel on Chinese-made vehicles except for exports from China by Volkswagen, General Motors and others which also means that 20 million cars in China are not using galvanised steel.

Globally, galvanised steel car bodies have been shown to experience minimal corrosion attack which protects the structural integrity and safety of the vehicle, improves the resale value, provides consumer protection due to anticipated warranty improvements by the car companies, lowers maintenance costs of under-body and structural components due to the use of zinc coated steel, and saves consumers the costs of after-market anti-corrosion treatments and annual inspections.

Roll on Galvanisation must become mandatory in construction in India

The railways

Corrosion of rails and fish plates: Galvanising of railway tracks would not only be a significant initiative towards safety of trains but would also give more life to the railway tracks. India's rail tracks, spanning over 125,000 km, happen to be the world's third largest. The annual loss due to pre-replacement of corroded rails is about ₹440 crore. Many accidents have been attributed to fish-plates. Not just the fish-plates, even the bolts need protection, protection from corrosion.

Experts have estimated losses of almost 4 per cent of GDP per year on account of corrosion which may be avoided if the railway tracks are galvanised. One of the significant aspects of railway track maintenance is the detection of corrosion and the replacement of corroded rails.

Corrosion reduces the life of rails to nearly half its expected life. The rails have a life of 800 gross million tonnes which works to approximately 12-13 years under normal traffic conditions in India. The shorter life of rails resulting from absence of galvanising increases track maintenance workload. Corrosion increases the pace of rails replacement and interferes with normal railway movement causing inconvenience to passengers and freight movers and revenue losses to the Railways.

According to a site inspection carried out by the Commissioner of Railway Safety (eastern circle) PK Acharya, rusted rails could have caused derailment near Kanpur that left 146 people dead and over 200 injured. The International Zinc Association advocates that Indian Railways require corrosion-free tracks in case India is considering Bullet Trains.

Energy sector

Zinc powers the electricity distribution network: Since the advent of high voltage lines, hot-dip galvanised steel has been used in the electric utility market. Whether in a generation facility, substation, lattice tower, or renewable energy components, galvanised steel has been a backbone of any global economy.

According to a study by the American Iron and Steel Institute, close to 1 million steel distribution poles have been installed in the United States since 1998 and are being used by more than 600 US electric utilities. India might be having more poles but how many are galvanised is still to be assessed.

When India is looking ahead providing electricity in every village and progressively moving towards Smart Cities project, Digital India and Make in India, the very basis of infrastructure, the power transmission, needs to be protected for many years.

If these four sectors mandate to address the issue of corrosion and related safety, it would lead to not just efficiency and savings worth millions of dollars for the Indian economy, but also build long-lasting infrastructure.

The writer is CEO of Hindustan Zinc

BUSINESS LINE

DATE: 9/8/2017 P.N. 18

MCX-Zinc stuck in a sideways range

WEEKLY OUTLOOK

GURUMURTHY K

BL Research Bureau

The Zinc futures contract on the Multi Commodity Exchange (MCX) retains its ₹175-₹185 a kg sideways range for the fifth consecutive week.

After hovering below ₹180 over the last few days, the contract surged above this resistance on Tuesday. It is currently trading at ₹183.25 and is on the verge of testing the upper end of the range, which is ₹185. Whether the contract manages to break above ₹185 in the coming sessions or not will decide the next move.

A strong break and a decisive close above ₹185 will confirm the range breakout. Such a break will also keep the overall uptrend that has been in place since June intact and signal the resumption of this uptrend.

An immediate rise to ₹190 is possible in such a scenario. A further break above ₹190 will see the uptrend extending to ₹195 or even higher levels. On the other hand, if the MCX-Zinc futures contract fails to break above the resistance at ₹185 in the coming days and reverses lower, then the sideways range will continue for some time.

Such a pull-back from ₹185 will increase the possibility of the contract falling to ₹180 and ₹175 levels once again.

Note: The recommendations are based on technical analysis and there is a risk of loss in trading

THE ECONOMIC TIMES

DATE: 10/8/2017 P.N. 10

IN GOOD HEALTH Co's second successive quarter of Ebitda growth, its Angul plant coming on line and firm steel prices allay concerns over ability to service debt and future growth

JSPL's Q1 Numbers Show It's Getting Back on Track

ET ANALYSIS

Jwalit.Vyas@timesgroup.com

ET Intelligence Group: Jindal Steel and Power (JSPL) has reported strong performance for the second consecutive quarter. In addition, it has commissioned the Angul steel plant recently, which is expected to boost production by 50% in the next three quarters. These factors together with firm steel prices should help in allaying concerns over the company's ability to service debt and its future growth prospects.

In the June quarter, JPSL's consolidated operating profit before depreciation (EBITDA) grew by 33% year-on-year to ₹1,350 crore, marginally lower than analysts' expectations but still higher than the interest expense of ₹900 crore.

Strong performance in the power business — 47% higher generation and 157% higher EBITDA of ₹470 crore — was the key earnings driver.

The performance of the steel division was relatively muted with 13% jump in EBITDA at ₹750 crore driven by 4% growth in volume and better realisation. Its steel business in Oman grew by 3% while the mining business was weak due to discontinued coking coal operations in Australia. In the coming quarters, the company's mining operations in Africa may benefit from the rising coking coal prices.

"The Angul plant commissioned last week and we expect to see its full benefit in the third and the fourth quarters," said Ravi Uppal, CEO, JSPL. Uppal claims that JSPL was the most efficient steel producer in the country with EBITDA per tonne of ₹9,300.

Revival Signs

JSPL's June Qtr Performance (₹ cr)

	JUN FY18	YOY CHG
Net Sales	5,936	26%
EBIDTA	1,353	33%
Net Income	-421	-1,240
EBIDTA Margin	22.80%	160 bps

The company's power segment operated at 46% utilisation. Uppal expects a pickup in the power business in the next three quarters.

If the steel prices remain firm and the company is able to ramp up production, it may outperform peers such as JSW Steel and Tata Steel.

Analysts expect JSPL to deliver 35% EBITDA growth for the next two years in comparison with 18-20% expected growth for Tata Steel and 15% growth for JSW Steel.

JSPL is expected to operate at 73% capacity utilisation in steel and may continue to do so in the following years without major capex, provided that steel demand continues to grow.

After valuing JSPL's power business at 30% discount to replacement cost, its steel business is valued at 5.9 times FY19 expected EBITDA as compared with 5.4 times in case of Tata Steel and 6.9 times for JSW Steel. If JSPL delivers expected earnings growth, its valuation multiple may exceed that of its peers in the coming quarters.

BUSINESS LINE
DATE: 10/8/2017 P.N. 16

THE HITAVADA
DATE: 10/2017 P.N. 11

MCX-Nickel uptrend intact, gaining momentum

GURUMURTHY K
BL Research Bureau

The uptrend in the Nickel futures contract on the Multi Commodity Exchange (MCX) has gained momentum over the past week. After consolidating in a sideways range between ₹645 and ₹665 a kg for about a week, the contract has risen sharply, breaking above ₹665 on Tuesday. The contract has surged 4.7 in the past week and is currently trading at ₹690.

The uptrend that has been in place since June is intact. Support is in the band between ₹675 and ₹672. Intermediate dips to this support zone may find fresh buyers coming into the market. A test of the psychological resistance at ₹700 is likely in the near term. A strong break above this hurdle can take the contract higher to ₹715 and ₹720.

Short-term traders can make use of dips to go long at ₹680. A stop-loss can be placed at ₹665 for the target of ₹710. Revise the stop-loss to ₹690 as soon as the contract rises to ₹700. The afore-

mentioned rally will be negated if the MCX-Nickel futures contract declines below ₹670.

Such a break can take the contract lower to ₹655 or ₹650. However, the outlook will turn negative only if the contract declines below ₹650. Such a sharp fall looks unlikely at the moment.

Note: The recommendations are based on technical analysis. There is a risk of loss in trading

Jindal Stainless Q1 net profit at Rs 41.50 crore

NEW DELHI, Aug 9 (PTI)

JINDAL Stainless Ltd (JSL) swung into black by posting a net profit of Rs 41.50 crore during the first quarter ended June 30, 2017. The company had reported a net loss of Rs 78.21 crore in the year-ago period. Its total income rose to Rs 2,203.86 crore during the quarter under review from Rs 2,157.08 crore during the April- June quarter of the preceding fiscal, the company said in a BSE filing on Wednesday. Total expenses of the company were at Rs 2,121.58 crore as against Rs 2,261.34 crore, it said. Jindal Stainless Ltd is one of the largest manufacturers of stainless steel in India with a capacity of one million tonnes per annum.

BUSINESS LINE
DATE: 10/8/2017 P.N. 2

NMDC posts ₹969-crore net in Q1

OUR BUREAU
Hyderabad, August 9

NMDC Ltd has posted a profit of ₹969.20 crore for the first quarter ended June 30, 2017, against a profit of ₹711.34 crore for the corresponding quarter last year.

The iron ore mining major registered total income of ₹2970.13 crore for the first quarter against ₹2065.82 crore for the same period a year ago.

In the last financial year ended March 31, 2017, NMDC had closed with a total profit of ₹2589.14 crore and income of ₹9738.45 crore.

In the notes accompanying the results filed with the BSE, Devinder Singh Ahluwalia, Director, Finance, NMDC, has informed ₹41.16 core has been included under the head other expenses towards expenditure in enabling facilities towards doubling of railway line between Kirandul and Jagdalpur and another railway line between Jagdalpur and Ambagaon, required for augmentation of evacuation capacity of the Bailadila sector. The company's scrip closed at ₹126.25, down one per cent, on the BSE.

THE ECONOMIC TIMES
DATE: 11/8/2017 P.N. 19

Exports of Gold Jewellery to Gulf Likely to Take a Hit

Wholesalers in UAE set up mfg units to avoid paying 5% duty on imported jewellery

Sutanuka.Ghosal@timesgroup.com

ET ARCHIVES

Kolkata: Exports of plain gold jewellery to the Gulf region may take a hit, with jewellers in the UAE setting up manufacturing units to avoid paying 5% duty on imported gold jewellery.

Besides, Indian exporters fear that a 10% import duty on gold in India and a 3% goods and services tax (GST) is making Indian jewellery less attractive to buyers in the UAE, where there is no import duty on gold as a raw material.

Industry executives said a number of jewellery wholesalers in the Gulf have started employing jewellery artisans from India who are adept in handcrafted jewellery, which sees good demand in the Gulf region.

"It is a matter of concern that exports of plain gold jewellery have declined in the UAE," said Praveen Shankar Pandya, chairman, Gem & Jewellery Export Promotion Council (GJEPC). "This will definitely have an impact on the overall gold jewellery exports in the current financial year."

In the first quarter of 2017-18, gold jewellery exports in value terms dropped by 41.67% from a year ago to ₹10,631.74 crore. "The UAE has contributed to a large extent to this drop. Falling crude oil prices too have taken away the disposable income from the hands of UAE buyers," said Pandya.

Rajiv Popley, director of Mumbai-based jewellery firm Popley & Sons, who has stores in Dubai, said that though they are not setting up a manufacturing unit there, they have entered into strategic tieups with manufacturing facilities in the UAE to supply jewellery to their stores.

In the first quarter of 2017-18, gold jewellery exports in value terms dropped by 41.67% from a year ago to ₹10,632 crore

According to Popley, most of the manufacturing in the UAE is done by wholesalers and not jewellery retailers, who have opted out of importing gold jewellery from India.

Ahammed MP, chairman of Malabar Gold & Diamonds, said that after the introduction of GST in India, there is a perceptible increase in sale of gold in the UAE market and Indians are said to be among the top buyers.

"The immediate trigger is the revised tax structure for gold in India. Prices the UAE continue to be much lower in comparison," said Ahammed MP.

"Three categories of Indian buyers are on the rise. Apart from those settled in the Gulf, the swelling number of Indian tourists to the Middle East and the transit passengers travelling from the US and Europe also tend to purchase gold from Dubai. It is not just the UAE market, but Singapore and Sri Lanka are also witnessing increased buying interest for gold from Indian travellers."

BUSINESS LINE

DATE: 12/8/2017 P.N. 4

Jindal Steel and Power gears up to prove it did not do any illegal mining in Odisha

Company operated in full compliance with prevailing environment norms, says MD Ravi Uppal

SURESH P IYENGAR

Mumbai, August 11

Jindal Steel and Power plans to submit documentary evidence to the Supreme Court to prove that it has not done illegal mining in Odisha.

Earlier this month, the Supreme Court levied 100 per cent penalty on companies including Tata Steel, JSPL and SAIL for illegally extracting iron and manganese ore in Odisha since 2000-01.

Ravi Uppal, Managing Director and Group CEO, told *BusinessLine* that the company has mined in full compliance with the prevailing environment norms and has not extracted more than the specified quantity.

"We will be making our submission soon, and hence, no financial provision was made," he said. Tata Steel has provided ₹617 crore over the mining-related litigation during the June quarter.

The Supreme Court judgment was on the basis of a public interest litigation filed by the NGO Common Cause.

Debt restructuring

The board has approved a proposal to raise ₹5,000 crore through issue of non-convertible debenture on private placement and another ₹5,000 crore through issuance of securities. As part of the Strategic Debt Restructuring Scheme, the board also gave rights to lenders to convert loan into equity in case of default.

Despite high debt of ₹45,000 crore, the company has managed to service the interest cost of ₹900 crore in June quarter with the Ebitda of ₹1,353 crore and generated cash profit of ₹453 crore.

Deal with JSW Energy

The company also plans to increase the share capital from ₹200 crore to ₹300 crore with additional ₹100 crore preference shares. These are enabling resolutions that needs shareholder approval, said the company.

JSPL has managed to cut losses in June quarter to ₹421 crore (loss of ₹1,240 crore) on the back of better steel realisation and improved power generation. Total income was up 20 per cent at ₹6,127 crore (₹5,125 crore).

Despite volatile coking coal prices, JSPL has managed to ramp up steel production. With the international steel prices quoting $15-20 a tonne higher than India, there is enough headroom for domestic producer to hike prices, said Uppal.

The company is waiting to sign power purchase agreement with state electricity board for its Tamnar plant in Chhattisgarh.

BUSINESS LINE

DATE: 12/8/2017 P.N. 4

Marginal drop in Hindalco Q1 profit on ₹104-cr provisioning in mining case

OUR BUREAU

Mumbai, August 11

Hindalco Industries, an Aditya Birla Group company, has reported marginal drop in June quarter net profit at ₹290 crore (₹294 crore) largely due to one-time provisioning of ₹104 crore towards a mining litigation case.

Revenue during the quarter was up 28 per cent at ₹10,407 crore (₹₹8,159 crore) on better realisation and higher volume.

Satish Pai, Managing Director, said the company has relied more on export market as the demand in domestic market was weak ahead of GST roll-out.

The company anticipates that the recent Supreme Court judgment on mining may have an implication on its existing litigation and the provision has been taken, said the company.

Hindalco has pre-paid ₹4,505 crore in April and another ₹894 crore in July on the Utkal Alumina Refinery loan account. Interest outgo during the quarter was down 19 per cent at ₹488 crore (₹600 crore) due to prepayment of loan.

Earnings before Interest, Tax, Depreciation and Amortisation was up 4 per cent at ₹1,404 crore.

The company has further strengthened coal security for aluminium business with new coal linkage of 2.9 million tonnes during the June quarter.

Revenue from aluminium business was up by 9 per cent at ₹5,008 crore, while Ebitda was flat at ₹875 crore.

Aluminium metal production was up 4 per cent at 3.21 lakh tonnes and output at Utkal Alumina increased 2 per cent to 7.24 lt.

The revenue from copper segment was up 51 per cent at ₹5,403 crore, driven higher copper LME realisation. Ebitda increased 22 per cent at ₹322 crore.

Cathode production at 1.09 lt was up 67 per cent.

Diammonium phosphate production was down 29 per cent at 67 lt due to operational issues, said the company.

Hindalco's US subsidiary Novelis reported net income of $101 million ($24 million) on the back of 4 per cent increase in shipments.

The company's scrip was down 7 per cent at ₹221 on Friday.

BUSINESS LINE
DATE: 12/8/2017 P.N. 4

SAIL net loss widens to ₹801 crore in Q1

OUR BUREAU
New Delhi, August 11

Steel Authority of India Ltd has reported a ₹801.38-crore net loss for the first quarter of the financial year 2017-2018.

This is higher than the ₹535.52-crore net loss reported in the corresponding period of the last financial year.

The higher loss is despite the 25.4-per-cent increase in total income during the quarter under review.

Total income stood at ₹13072.77 crore during the first quarter of the financial year against ₹10424.95 crore during the same quarter in the last financial year.

In a statement to the bourses, SAIL said, "The company is certain that it will be able to improve its physical and financial performance in the future…

"The company is of the opinion that it is probable that sufficient future taxable profit would be available against which unabsorbed tax losses can be set off.

"Consequent to which, Deferred Tax Assets (net) of ₹484.76 crore during the current quarter and ₹4490.60 crore up to June 30, 2017, have been reorganised."

THE ECONOMIC TIMES
DATE: 12/8/2017 P.N. 4

Hindalco Net Stays Almost Flat in Q1, Shares Dip 6%

Co's total revenue for Q1 rose to ₹10,663.4 cr from ₹8,385.6 cr a year ago, but expenses increased too

Press Trust of India

New Delhi: Aluminium maker Hindalco on Friday reported a marginal fall of 1.5% in standalone net profit to ₹289.6 crore for the first quarter ended June 30.

The Aditya Birla Group flagship had clocked a net profit of ₹294.3 crore in the year-ago period, it said in a BSE filing.

Its total income rose to ₹10,663.4 crore in April-June quarter of the current fiscal, from ₹8,385.6 crore during the same period of 2016-17.

Total expenses of the company were at ₹10,126.2 crore in the quarter under review as against ₹7,972.4 crore during the year-ago period.

In a statement, the company said with new coal linkage in FY17, coal security improved to two-thirds of annual requirement of the aluminium business and stable operations helped the company achieve highest aluminium production at 1,266 kilo tonne.

The company's standalone aluminium revenue for the fiscal year 2017 was up by 9% to ₹19,986 crore, driven by higher sales of aluminium metal and increased realisation.

Shares of the company ended 6.67% down at ₹221.95 on BSE.

BUSINESS LINE

DATE: 13/8/2017 P.N. 10

Gold options

Mumbai, Aug. 12 (PTI): The BSE-promoted India International Exchange (India INX) will launch trading in gold options from August 30, a move that will allow investors an opportunity to hedge their risks without worrying about daily market volatility.

India INX, which has received market regulator Sebi's approval to launch the product, has estimated that gold options, along with other gold contracts, would clock a daily average turnover of $35 million on the exchange's platform.

Recently, domestic commodity exchange MCX also said it had received Sebi's approval to begin trading in gold options contracts. The bourse is likely to launch the product by August-end.

"Gold options will give participants an opportunity to hedge their risks without worrying about daily volatility," India INX managing director and chief executive officer V. Balasubramaniam said in a statement.

"This instrument will give buyers the right to buy or sell an underlier at a preset price on a future date," he added.

In June, Sebi had allowed options trading in commodities to deepen the market but permitted each exchange to launch options on futures of only one commodity initially.

BUSINESS LINE

DATE: 14/8/2017 P.N. 8

Gold surges on safe haven demand

Geopolitical tensions and hopes of fewer rate hikes by the Fed are stoking prices

GURUMURTHY K

The support at $1,250 per ounce had limited the downside in gold last week. The global spot prices reversed sharply higher from the low of $1,251.6 per ounce to close the week at $1,289.30 per ounce, up 2.4 per cent for the week. The global spot silver prices surged 5.2 per cent and closed at $17.11 per ounce.

This is thanks to the increasing geopolitical tensions between the US and North Korea. The US Consumer Price Index inflation missing the market expectation also aided gold prices. The US CPI rose 0.1 per cent in July, lesser than the market expectation for a rise of 0.2 per cent. A slow-down in the inflation increases hopes in the market that the US Federal Reserve might slow down its pace of raising the interest rates, going forward.

On the domestic front, the MCX-Gold futures contract rose 2.2 per cent last week and closed at ₹29,203 per 10 gm. The MCX-Silver futures contract, on the other hand, surged 5.2 per cent last week and closed at ₹39,194 per kg.

Weak dollar to help

The US dollar index (93.07) failed to sustain higher in the past week and reversed lower from around 93.90. A revisit of the crucial 93.10-93.25 support zone is likely in the coming days.

The pull-back move last week increases the possibility of the index breaking below this crucial support zone this time. A strong break below 93.25 can bring selling pressure on the index and knock it down to 91 or even 90.3. Such a fall in the dollar index can boost the gold prices further and take it above $1,300.

Gold outlook

The global spot gold ($1,289 per ounce) has an immediate support at $1,284 level.

As long as it trades above this support, a rise to $1,295 or $1,298 is possible. Key resistance is poised in the $1,295-$1,298 zone. Inability to breach this hurdle can drag the prices lower to $1,280 and $1,275 once again.

But if gold manages to surpass the resistance at $1,298 decisively, a fresh rally to $1,325 can be seen. A further break above $1,325 will increase the likelihood of the prices hitting $1,350. The yellow metal will come under pressure only if it declines below $1,275. Such a fall can drag the prices lower to $1,250 levels once again.

MCX gold (₹29, 203 per 10 gm) has risen sharply in the past week, breaking above the key resistance around ₹28,650. Immediate support is at ₹29,000 and the next key support is at ₹28,800. Dips to these supports will find fresh buying interest. A rise to ₹29,450 or ₹29,650 is likely in the near term. Inability to break above ₹29,650 can drag the contract lower to ₹29,000 or ₹28,800. But a strong break above ₹29,650 will pave way for the next target of ₹29,900.

Silver outlook

The global spot silver ($17.11 per ounce) has support at $16.85. A rise to test the key resistance at $17.5 is likely in the coming days. A strong break above this resistance can take silver to $18 or even higher. But a pull-back from $17.5 can drag the prices lower to $17 or $16.85 thereafter.

On the domestic front, the MCX-Silver futures (₹39,194 per kg) contract has risen breaking above the key resistance level of ₹38,750. An inverted head and shoulders bullish reversal pattern has been formed on the daily chart. The neck line support of this pattern is at ₹38,750.

As long as the contract stays above this support, a rise to ₹40,000 or ₹40,250 is likely. However, if it declines below ₹38,750, it can drop further to the level of ₹38,000 or 37,850.

MCX Gold

Supports
₹29,000/₹28,800
Resistances
₹29,450/₹29,600

MCX Silver

Supports
₹38,750/₹37,850
Resistances
₹40,000 / ₹40,250

THE INDIAN EXPRESS
DATE: 14/8/2017 P.N. 13

'Gold imports to rebound in 2017 on restocking'

REUTERS
PANAJI, AUGUST 13

INDIA'S GOLD imports are likely to jump by a third in 2017 to 750 tonnes on restocking by jewellers and as good monsoon rainfall is expected to boost demand in rural areas during the upcoming festive season, a leading refiner told *Reuters*.

Higher imports by the world's second biggest consumer will support global prices, which are trading near their highest level in two months, but could widen the country's trade deficit.

"Demand and imports are normalising after taking a hit last year. Jewellers are restocking after destocking last year," said Rajesh Khosla, managing director of MMTC-PAMP India, the country's biggest refinery.

India, whose gold consumption is rivalled only by China's, imported 557.7 tonnes of gold in 2016, the lowest in 13 years, according to the World Gold Council.

In the first seven months of the 2017, imports more than doubled to 550 tonnes from the same period a year earlier, according to provisional data from consultancy GFMS.

But import growth would taper off in coming months as jewellers had restocked earlier than usual this year, fearing higher taxes, Khosla said on the sidelines of the International Gold Convention in Panaji, capital of India's western resort state of Goa.

BUSINESS LINE
DATE: 9/8/2017 P.N. 4

Mining, construction equipment sector likely to grow 13-17% in 2017 on infra spend: ICRA

PRESS TRUST OF INDIA
Mumbai, August 14

With the demand for mining and construction equipment (MCE) continuing to grow mainly due to the increase in infrastructure spends, the sector is likely to grow by 13-17 per cent during 2017, says ICRA.

According to the rating agency, the demand for MCE grew by over 35 per cent during CY2016, overcoming four consecutive years of weak demand, giving a boost to the sector which is likely to grow by 13-17 per cent in 2017.

It, however, noted that the industry growth this year has been somewhat curtailed despite strong growth during January-February 2017 as the markets were temporarily hit by emission related ambiguity and GST during April and July 2017, respectively.

It further expects the sector's growth to lower in 2018 with it growing by 8-10 per cent. For 2019, ICRA said that industry growth may slow down to around 4 per cent due to Union elections and high base effects.

"Infrastructure investments in roads, irrigation, railways and metro drove demand whereas coal and iron ore mining, power, oil and gas and real estate tampered demand," said Subrata Ray, ICRA Senior Group Vice-President, Corporate Sector ratings.

He said the improvement in average per day execution of NHAI projects to 10.33 km in fourth quarter of financial year 2017 despite demonetisation and investments by Indian Railways helped in the growth in demand for MCE.

"The sector outlook is improving given the 20 per cent plus growth witnessed in the construction equipment industry during Q1CY2017 mainly due to higher infrastructure spend, particularly in roads, raised equipment utilisation and subsequently demand for new equipment which led to a sharp reduction in the delinquency data for CE financiers," Ray said.

On the flip side focus on renewable energy and high coal inventory impacted equipment demand both in power plants and mines, the outlook on the same continues to be negative.

Though iron ore production has grown at a healthy rate during FY2017, demand from the domestic steel industry has remained subdued.

"This is expected to keep demand from the iron ore mining segment muted in CY2017. Demand from the real estate segment, however, continues to be weak," ICRA noted.

BUSINESS LINE DATE: 15/8/2017 P.N. 16

Gold seen jumping to $1,400/ounce

BLOOMBERG

Gold prices are set to jump to a four-year high of $1,400 an ounce by the end of the year over mounting tensions between North Korea and the US, and surging demand in the world's biggest consumers, according to the head of precious metals at a Russian investment bank.

Bullion could rise to $1,360 within three months before climbing higher, fuelled by global political risks and buying from China and India, said Evgeny Ananiev at VTB Capital JSC, the investment-banking unit of Russia's second-largest lender VTB Group.

"We may see some correction, but I don't think gold will drop below $1,200 as it's well supported," he said in a weekend interview in Goa.

The metal traded at $1,281.86 on Monday. Prices have climbed 12 per cent this year, driven by worries over a potential nuclear conflict between the US and North Korea, and subdued inflation in the US, which is cooling chances of a further increase in interest rates.

North Korea impact

President Donald Trump has intensified warnings to North Korea, promising a massive response to any strike against the U.S. or its allies. Hedge fund billionaire Ray Dalio recommends investors place 5 to 10 per cent of their assets in gold. The upbeat sentiment was shared by other participants at the conference. "Fundamentally, we have been very bullish on the market," said Chirag Sheth, an analyst at an independent precious-metals research firm based in London.

"What North Korea has done is given gold the legs to go above the $1,300 level and sustain above that level," he said in an interview.

Sheth expects prices to advance to $1,400 in six to nine months as the situation in North Korea sees investors coming back to the market in search of a haven.

The US Federal Reserve, which was hawkish on interest rates, has now softened its stance, providing further support to bullion, he said.

The US consumer-price index rose 1.7 per cent in July from a year earlier, trailing the 1.8 per cent median estimate of economists surveyed by Bloomberg.

Indian demand has also recovered after a poor performance in 2016 and jewellery consumption may climb by about 6 percent this year, said Sheth, who provides supply and demand data to the World Gold Council. Imports may jump about 30 percent to as high as 800 mt in 2017, he said.

Demand for gold bars in China, the world's biggest bullion market, soared by more than half in the first six months of the year, while overall gold consumption climbed almost 10 percent to 545.2 tonnes, according to the China Gold Association.

BUSINESS LINE DATE: 15/8/2017 P.N. 16

MCX-Aluminium hovers above key resistance level

GURUMURTHY K

BL Research Bureau

The Aluminium futures contract on the Multi Commodity Exchange shot up 7.6 per cent last week. The strong surge has helped the contract to break above the key ₹125-₹126 per kg resistance zone decisively.

The contract touched a high of ₹130.70 on Thursday and has come off slightly from there.

It has been hovering around ₹130 over the last few days and is currently trading at ₹129.50 per kg.

A key resistance point is at ₹130.50. The contract will need a strong break and a decisive close above this hurdle in order to extend its upward move in the coming days.

Such a break can take the contract higher to ₹132 or ₹133 in the near-term.

But if the MCX-Aluminium futures contract fails to break above ₹130.5 and remains lower, it can come under pressure.

In such a scenario, there is a strong likelihood of the contract reversing lower to ₹125 in the coming days.

The level of ₹125 is a key resistance-turned-support trendline. An immediate break below it looks less probable.

An upward reversal from this support can take the contract higher to ₹130 levels once again.

But, if the contract declines below ₹125, the possibility of it falling further towards ₹123 or ₹121 will rise.

Traders can stay out of the market and watch the price action in the coming days to get a clear trading signal.

Note: The recommendations are based on technical analysis. There is a risk of loss in trading.