खनिज समाचार

KHANIJ SAMACHAR

Vol. 3, No-16

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खनिज समाचार

KHANIJ SAMACHAR

A FORTNIGHTLY NEWS CLIPPING SERVICE

FROM

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INDIAN BUREAU OF MINES

VOL. 3, NO-16 , 16th – 31st AUGUST , 2019

BUSINESS LINE DATE : 19/8/2019 P.N.11

GLOBAL

Metals ($/tonne)	Price	Change in % Weekly	Monthly	Yearly	52-Week High	Low
Aluminium	1760	1.0	-3.9	-13.0	2247	1719
Copper	5720	-0.2	-4.7	-3.1	6572	5646
Iron Ore	93	-4.1	-21.3	45.2	119	61
Lead	2039	-2.0	3.1	1.2	2190	1767
Zinc	2249	1.1	-9.5	-5.7	3017	2238
Tin	16599	-2.1	-7.6	-10.7	21914	16800
Nickel	16222	4.6	15.8	22.6	16086	10437

BUSINESS LINE DATE :26 /8/2019 P.N.11

GLOBAL

Metals ($/tonne)	Price	Change in % Weekly	Monthly	Yearly	52-Week High	Low
Aluminium	1744	-0.9	-2.5	-15.0	2247	1719
Copper	5613	-1.9	-5.6	-5.9	6572	5646
Iron Ore	89	-3.9	-24.0	42.8	119	61
Lead	2070	1.5	1.9	1.4	2190	1767
Zinc	2253	0.2	-7.3	-9.0	3017	2225
Tin	15906	-4.2	-10.0	-17.0	21914	15887
Nickel	15723	-3.1	11.3	19.1	16086	10437

BUSINESS LINE DATE :17/8/2019 P.N.11

Singareni Collieries plans to double turnover, profits within 5 years

OUR BUREAU

Hyderabad, August 16

The Singareni Collieries Company plans to double its turnover and profit and take it to ₹50,000 crore and ₹4,000 crore respectively within five years, according to its Chairman and Managing Director N Sridhar.

The CMD of the state-owned mining company said that with the support of Telangana Chief Minister K Chandrashekar Rao and the collective effort of the workers, Singareni has achieved tremendous progress in the past five years. "Plans have been made to double the turnover and profits in the next five years by opening new mines and expanding business," he said during the 73rd Independence Day celebrations at Singareni Bhavan, Hyderabad.

He said that Singareni has achieved record growth in all areas over the past five years. In 2018-19, it achieved a turnover of ₹25,828 crore and a net profit of ₹1,766 crore. Now the company has made plans to achieve ₹50,000 crore turnover and over ₹4,000 crore profits in the next five years.

The CMD said along with the Naini Block in Orissa, efforts are being made to take up coal blocks in Jharkand and Chattisgarh with the Central Coal department, with the Chief Minister seeking to pursue new allocations.

During the last five years, Singareni's growth was on par with the Maharatna companies, and in the next five years it expects to top in coal production and power generation.

BUSINESS LINE DATE : 19/8/2019 P.N.11

Gold retains uptrend, but lacks momentum

A steep rise past $1,538 is needed to sustain the rally

GURUMURTHY K

Gold is managing to sustain above the psychological level of $1,500 per ounce. However, the yellow metal seems to lack strength to extend its upmove at a faster pace. The global spot gold prices fell to a low of $1,480 per ounce and reversed sharply higher to close at $1,513.5 per ounce on Friday, up 1.1 per cent for the week.

Silver dipped to test the key support level of $16.60 initially last week and then bounced sharply from there. The global spot silver prices have closed at $17.11 per ounce, up 0.8 per cent for the week.

Risk aversion aids

The renewed tension on the US-China trade war front has increased risk aversion in the market since the beginning of this month. As a result, the global equities have been beaten down badly so far this month. The major indices like the Dow Jones Industrial Average, Shanghai Composite, Nikkei 225 are down between 3.5 per cent 5.2 per cent. This, in turn, has helped gold to gain and the yellow metal has surged over 7 per cent over this period.

In addition to this, concerns of global growth slowing down and witnessing another recession following the recent rout in the global bond yields have given additional support to gold.

Against this background, all eyes will now be on the Jackson Hole Symposium that begins on Thursday. Market will be keen to hear from the US Federal Reserve Chairman Jerome Powell on the central bank's future policy actions. Any hint on more rate cuts in the future will give additional boost to gold, which will take the prices up further. But if Powell retains his stance that the rate cuts are just mid-cycle adjustments, gold prices could tumble on profit-booking.

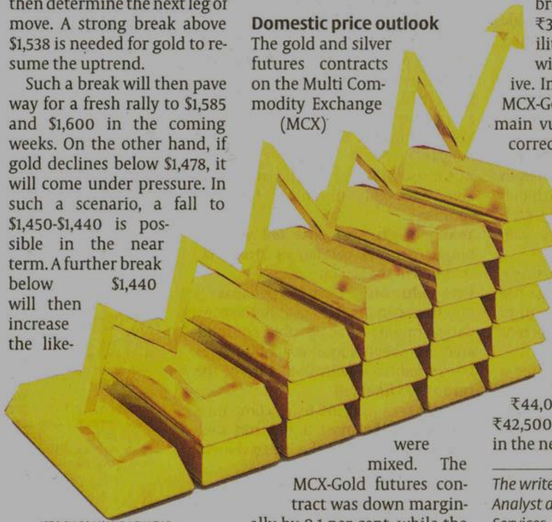
Watch the dollar

While the high risk aversion in the market is aiding gold prices to sustain higher, a strong bounce in the US dollar index last week has been capping the upside in the yellow metal prices. The US dollar index (98.15) rose sharply, breaking above the key resistance level of 97.50 in the past week. The near-term outlook is bullish and the index can test the next resistance level of 98.55. A strong break above 98.55 will pave way for a further rise to 99. Such a move can restrict the pace of rise in gold. Cluster of supports is poised in the 97.85-97.70 region for the dollar index, which can limit the downside in the near term.

Gold outlook

The near-term outlook looks mixed. The global spot gold ($1,513.5 per ounce) has a key support at $1,478 and resistance at $1,538. A range-bound move between $1,478 and $1,538 is possible for some time. A breakout on either side of $1,478 or $1,538 will then determine the next leg of move. A strong break above $1,538 is needed for gold to resume the uptrend.

Such a break will then pave way for a fresh rally to $1,585 and $1,600 in the coming weeks. On the other hand, if gold declines below $1,478, it will come under pressure. In such a scenario, a fall to $1,450-$1,440 is possible in the near term. A further break below $1,440 will then increase the likelihood of the fall extending to even $1,400 thereafter.



ISTOCK.COM/ANDACKAZAR

Silver outlook

The global spot silver ($17.11 per ounce) is managing to hold above the key support level of $16.6. As long as silver sustains above this support, the outlook is bullish for it to rise back to $17.5 and even $18 in the coming weeks. The bullish view will get negated if silver declines below $16.6. In such a scenario, a fall to $16.15-$16 can be seen.

Domestic price outlook

The gold and silver futures contracts on the Multi Commodity Exchange (MCX) were mixed. The MCX-Gold futures contract was down marginally by 0.1 per cent, while the MCX-Silver contract rose 1.2 per cent last week. The MCX-Gold closed the week at ₹37,938 per 10 gm and the MCX-Silver at ₹43,824 per kg.

The near-term outlook for the MCX-Gold (₹37,938 per 10 gm) is mixed. The contract seems to be consolidating between ₹37,300 and ₹38,700. A breakout on either side of this range will decide the next move. A strong break and decisive daily close above ₹38,500 will increase the possibility of the contract breaking above the ₹38,700 range. But inability to breach ₹38,500 will keep the bias negative. In such a scenario, the MCX-Gold contract will remain vulnerable for a sharp corrective fall to ₹37,000 and ₹36,500 in the coming days.

Similarly, the MCX-Silver (₹43,824 per kg) has to breach ₹44,000 decisively to keep the uptrend intact and rise to ₹45,000 and ₹45,750. But as long as it trades below ₹44,000 a corrective fall to ₹42,500 cannot be ruled out in the near term.

The writer is Chief Research Analyst at Kshitij Consultancy Services

MCX-Gold
Supports: ₹37,500/37,000
Resistances: ₹38,500/38,700

MCX-Silver
Supports: ₹42,800/42,500
Resistances: ₹44,000/45,000

BUSINESS LINE DATE : 20/8/2019 P.N.4

Coal production from auctioned mines set to soar to 45 mt this fiscal

Output to reach levels seen before SC cancelled 208 blocks in 2014

TWESH MISHRA

New Delhi, August 19

The Coal Ministry is hopeful of domestic production from auctioned mines to reach pre-cancellation levels when the current financial year comes to an end. The Supreme Court had cancelled allocations of 208 coal blocks in August 2014. This included 42 coal producing mines.

"The production from 42 operational coal mines during the pre de-allocation period (2014-15) was 43.22 million tonnes. Production stopped in these mines when the Supreme Court had cancelled allocations. This year (2019-20) we expect coal production from the mines auctioned or allocated after the cancellation to reach the pre de-allocation levels," a Coal Ministry official told *BusinessLine*. The Ministry estimates that in 2019-20 about 45 million tonnes of coal may be produced from these auctioned or allocated coal mines.

Output from auctioned and allocated mines

Financial year	Production (million tonnes)
2014-15	43.22
2015-16	11.80
2016-17	15.32
2017-18	16.20
2018-19	24.00
2019-20	45.00*

Source: Ministry of Coal *estimated

The higher production does not necessarily means lower coal imports. "There is a demand-supply gap of 120 million tonnes in the country that can be met by domestic output. If the allocation was not cancelled, we could have bridged this gap by 2021-22. Besides, there will be a remaining demand for 105-110 million tonnes of imported coal as the projects are based on those imported grades," the official said.

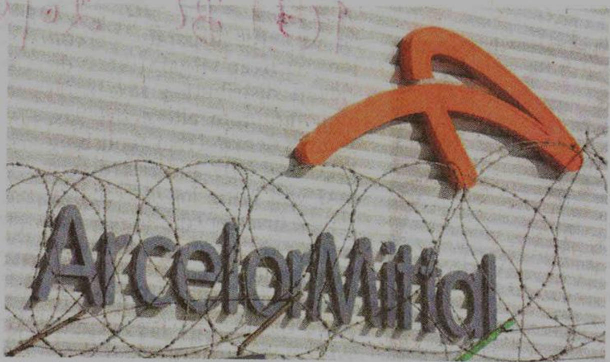
In 2014-15, coal imports stood at 217.78 million tonnes. They fell to 203.95 million tonnes in 2015-16 and 190.95 million tonnes in 2016-17. The import of coal has since increased to 208.27 million tonnes in 2017-18 and further to 235.24 million tonnes in 2018-19. But the production from these mines and imports is a fraction of the total coal production of the country. The all-India raw coal production has also increased from 565.77 million tonnes in 2013-14 to 730.35 million tonnes (provisional) in 2018-19. The absolute increase in all India coal production from 2013-14 to 2018-19 is at 164.58 million tonnes. This is largely dominated by production from Coal India Ltd and its subsidiaries.

Falling steel prices may pose a challenge for ArcelorMittal in reviving Essar

Global demand expected to be subdued due to the ongoing US-China trade war

SURESH P IYENGAR

Mumbai, August 19



Globally, steel prices have fallen 18% to $490 a tonne from about $600 in early 2018, when ArcelorMittal first placed its bid for Essar Steel

ArcelorMittal may face a tough challenge in reviving the fortunes of Essar Steel after paying a huge premium for the acquisition amidst falling steel prices and bleak outlook for the sector.

Also, global steel demand is expected to remain subdued with the ongoing trade war between the US and China and uncertainty over the US elections slated for next year.

In India, steel prices recently dipped below the ₹40,000 a tonne mark for the first time in the last two years due to weak demand. Globally, steel prices have fallen 18 per cent to $490 a tonne from about $600 a tonne in early 2018, when ArcelorMittal first placed its bid for Essar Steel. Steel demand in India may revive but will be constrained by the government's ability to spend on infrastructure projects due to the weak financials and tapering tax collections.

In this scenario, ArcelorMittal's aggressive bid submitted almost two years ago to pay ₹42,000 crore for the stressed Essar Steel and another ₹2,500 crore for the slurry pipeline in Odisha will be put to test. It has to pump in ₹15,000 crore more for reducing dependence on gas usage in iron making by migrating to blast furnace or Corex technology.

In addition, the world's largest steel manufacturer has already paid ₹8,000 crore to clear the dues of Uttam Galva to make itself eligible for the bidding process.

In all ArcelorMittal will be spending about ₹66,000 crore to put Essar Steel back on track, translating into an investment of $11 billion, which is equivalent to the overall Essar Steel debt.

"It is not yet clear when ArcelorMittal will be able complete the Essar Steel deal. Though the current situation is not conducive, I believe the company, with its able partner Nippon Steel and Sumitomo Metal, will have its own plan to tackle the situation," said an analyst.

ArcelorMittal did not respond to a questionnaire sent by *BusinessLine*. The company in a statement to investors had said it expects to close the Essar Steel acquisition in the December quarter.

The company reported an operating loss of $0.2 billion and a net loss of $0.4 billion in the June quarter.

EBITDA of $1.6 billion in the quarter was down 43 per cent reflecting a negative price-cost effect.

The company's gross debt was at $13.8 billion in June quarter, compared to $13.4 billion in the March quarter.

As of June quarter, it had cash and cash equivalent of $3.7 billion.

BUSINESS LINE DATE : 20/8/2019 P.N.14

After 9% surge so far in August, gold rally loses steam

RUTAM VORA

Ahmedabad, August 19

Having rallied by over 9 per cent or ₹3,000 per 10 grams (999 purity) in spot markets so far during August, the yellow metal took a pause on Monday in one of its sharpest rallies in recent times.

Analysts attribute this pause to an expectation of a stimulus by major central banks across the globe, leading to appreciation of the US Dollar and rising investor preference for riskier assets, including equities.

Spot gold prices as quoted by the India Bullion and Jewellers Association (IBJA) stood at ₹37,610 per 10 grams as against the last quoted ₹37,640 on August 16. The historical trend showed prices had started the month with ₹34,633 for 10 grams and rallied to a peak of ₹37,832 per 10 grams on August 13.

However, MCX October futures opened negative to trade at ₹37,745, down by ₹193 or 0.5 per cent and fell further during the day to touch ₹37,699, down 0.6 per cent from the previous close.

CME Gold for August delivery fell by about $10 during the Monday session to trade at $1,496 an oz by evening, down by $16 from the previous close.

Pullback expected

Speaking to *Businessline*, Ajay Kedia from Kedia Commodities said: "There is no fresh news in the market, which can give support to the prices. So, we expect a bit of a pullback at the level of $1,470-1480 in gold. Amid weak demand in the physical market we expect prices to remain under pressure this week. There is a possibility of a corrective drop in the prices due to domestic triggers and the international news will hold the prices."

Jewellers, on the other hand, see subdued demand due to persistently higher prices of the yellow metal.

"Prices have remained firm all through August and we see no sign of cooling off in the immediate future. However, at these high rates we see thin buying in jewellery," Rasikbhai Parekh from Rajkot told *Businessline*.

Commenting on the outlook, Angel Research, in its commodity report, said: "We expect gold and silver prices to trade lower as expectations of a stimulus by major central banks led to appreciation of the US Dollar and shifted the investors towards riskier assets."

Silver rally

Silver prices, too, have rallied during August but at a slower pace than gold. Silver prices as quoted by IBJA have gained ₹3,540 so far in August, while the rise in prices was much sharper in July, when silver jumped by ₹3,725 during the month. IBJA rates for silver quoted at ₹43,345 per kg in the spot market.

On MCX futures, Silver for September delivery skidded further on Monday to ₹43,368, down ₹456 or over 1 per cent from its previous close.

CME Silver for September delivery traded lower at $16.9 an ounce on Monday from its previous close of $17.12.

Some of the global factors influencing the price movement of precious metals include a fall in US 30-year bond yields, which supported bullion prices recently, and pushed gold up.

THE ECONOMIC TIMES DATE :21/8/2019 P.N.10

FALLS 12% Miner faces potential loss of leases due for renewal, may end up paying hefty premium in auction, fear analysts

NMDC Stock Plunges After It Loses Licence for K'taka Mine

Jwalit.Vyas@timesgroup.com

In a Slump

NMDC's June quarter performance (in ₹ cr)

	Jun Qtr FY20	QoQ Chg (%)	YoY Chg (%)
Sales	3,263	-10.40	34.70
EBIDTA	1,927	-3.70	30.30
EBIDTA (INR/tn)	2,222	13.70	2.00
Net Profit	1,283	5.60	29.80

ET Intelligence Group: Shares of state-run NMDC, India's largest iron ore miner, slumped nearly 12% on Tuesday after the Karnataka government decided not to extend the lease for its mine in Donimalai.

The Street is concerned as NMDC may have to pay a hefty premium for the mining block in the auction, which the state government is now planning to conduct. Besides, withdrawal of the approval given earlier to extend the mining lease of Donimalai could set a precedent.

Donimalai has a capacity of 6 million tones per annum, which could add nearly 20% to its production once fully operational.

While most analysts were not factoring in much contribution from this mine given the uncertainty over it, now they are worried that NMDC may also lose leases of other existing operational mines.

"We expect NMDC's profitability to be impacted by potential loss of leases in Chhattisgarh that are coming up for renewal soon," said Amit Dixit, metals analyst at Edelweiss. The miner may also have to pay a huge premium if it chooses to bid for the mining blocks.

JSW Steel, one of the largest steel producers in the country, has been aggressively looking for iron ore mines and analysts believe it will be participating in auctions for all of the NMDC mines to ensure a steady supply of iron ore. They say it may be difficult to outbid the private steel player. "While we expect the company to appeal against the decision, we believe the road ahead will not be easy," added Dixit.

In addition to these uncertainties, operational performance of NMDC has also been hit due to a slump in demand. In the June quarter, its sales volumes declined 15% quarter-on-quarter to 8.7 million tonnes. Due to this, its sales dipped 10% to ₹3,264 crore while net profit was down 6% to ₹1,280 crore.

This is despite a sharp surge in iron ore prices. Global iron ore prices jumped nearly 40% in the first four months of FY20. NMDC's realisation per tonne for the quarter was higher by 3% over the preceding quarter, thanks to price hike of ₹200-250 per tonne in May.

The company's cash is estimated at ₹6,000 crore, 20% of its market capitalisation. This also shows NMDC has sufficient cash and room for debt to bid for the mines, but that would mean a sharp reduction in the dividend to the shareholders.

Last year, the company gave a dividend of ₹5.52 per share. At the current price, dividend yield is 6%.

BUSINESS LINE DATE : 21/8/2019 P.N. 4

Gold hallmarking to become mandatory

Kolkata, August 20

The Centre has revived its intention to make hallmarking mandatory for gold jewellery and plans to notify the regulation in WTO in a week time, a top official said. Bureau of Indian Standards (BIS) Director General Surina Rajan, however, assured the jewellery traders that the process would be done in consultation with all stakeholders. "The (Central) government once again intends to make hallmarking of gold jewellery mandatory in the country. A notification to WTO is expected in a week's time to seek comments," she said. Rajan was in the city to address an awareness event on standards and quality assurance. PTI

THE HINDU DATE : 21/8/2019 P.N.15

Gold imports up 15.4% in April-July

Except for Feb., monthly growth in 2019 in double digits

PRESS TRUST OF INDIA
NEW DELHI

The country's gold imports, which have a bearing on the current account deficit (CAD), increased by 15.4% to $13.16 billion (about ₹92,000 crore) during the April-July period of the current fiscal, according to Commerce Ministry data.

Imports of the yellow metal stood at $11.41 billion (about ₹80,000 crore) in the same period of 2018-19.

CAD, which is the difference between the inflow and outflow of foreign exchange, increased to $57.2 billion or 2.1% of GDP in 2018-19 as against 1.8% in the previous year.

It stood at $48.7 billion in 2017-18.

Since January this year, gold imports have recorded a double-digit growth, except in February, when it dipped by about 11%.

India is the largest importer of gold, which mainly caters to the demand of the jewellery industry.

Annual import

In volume terms, the country imports 800-900 tonnes of gold annually.

To mitigate the negative impact of gold imports on trade deficit and CAD, the government increased the import duty on gold to 12.5% from 10% in this year's budget.

High duty impact

According to industry experts, there are apprehensions that sectoral players may shift their manufacturing bases to neighbouring countries due to high import duty on gold in India.

The Gems and Jewellery Export Promotion Council (GJEPC) had expressed disappointment over the hike in import duty.

Gems and jewellery exports declined 5.32% to $30.96 billion in 2018-19.

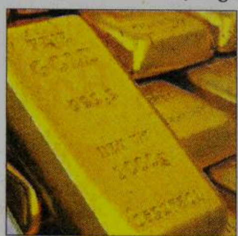
The country's gold imports dipped about 3% in value terms to $32.8 billion during 2018-19.

THE HITAVADA DATE :21/8/2019 P.N.10

Gold imports up 15.4 pc during April-July period

■ **Business Bureau**

THE country's gold imports which have a bearing on the current account deficit (CAD), increased by 15.4 per cent to USD 13.16 billion (about Rs 92,000 crore) during April-July period of the current fiscal, according to Commerce Ministry data.



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BUSINESS LINE DATE : 21/8/2019 P.N.14

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PRESS TRUST OF INDIA

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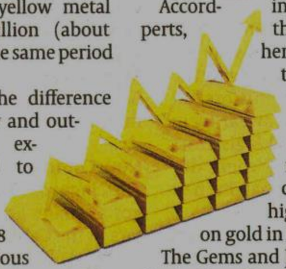

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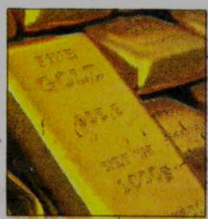
The country's gold imports dipped about 3 per cent in value terms to USD 32.8 billion during 2018-19.

THE HITAVADA DATE : 21/8/2019 P.N.11

Gold touches fresh all-time high of Rs 38,770 per 10 gm

NEW DELHI, Aug 20 (PTI)

GOLD prices on Tuesday touched a record high of Rs 38,770 per 10 gram in the national capital after gaining Rs 200 on persistent buying from jewellers even as the precious metal lost steam overseas, according to the All India Sarafa Association.



Silver, however, plunged Rs 1,100 to Rs 43,900 per kg on reduced offtake by industrial units and coin makers.

Despite weak trend overseas, the precious metal gained in the domestic spot market mainly on increase in demand from jewellers, traders said. Besides, a weaker rupee also supported the surge in the yellow metal, they added.

"Globally, spot gold held steady near USD 1,500 an ounce weighed down by a strong US dollar and higher level profit-booking. However, traders remain cautious on taking big positions ahead of the key economic events like the US Federal Reserve's July meeting minutes and Jackson Hole seminar later this week," said Hareesh V, head (commodity research), Geojit Financial Services.

The US Federal Reserve will kick off its annual Economic Policy Symposium later this week in Jackson Hole, Wyoming, where its chair Jerome Powell is expected to speak on Friday.

Hareesh further added that the meeting is expected to offer cues on further interest rate cuts that

BUSINESS LINE DATE : 21/8/2019 P.N.3

Karnataka govt cancels NMDC's Donimalai mine lease, to launch auction

V RISHI KUMAR

Hyderabad, August 20

In a setback to NMDC, the Karnataka government has cancelled its lease for the Donimalai iron ore mine.

This will mean taking a production impairment of about 6 million tonnes per annum for state-owned NMDC.

The company has filed a revision application against the Karnataka government with the Union Ministry of Mines, and the hearing has been scheduled for August 21.

The Karnataka government had initially renewed the mining lease for 20 years but later decided against it. Following this, NMDC approached the courts, which ruled in its favour.

NMDC recently informed the exchanges that it had secured a court order in its favour and that the mine would add to its production subject to Karnataka completing the formalities of signing the contact renewal.

However, the Karnataka government, in its letter dated August 17, communicated that it had withdrawn the approval accorded through a letter dated November 2, 2018. It further said it plans to auction the mine instead. NMDC has now requested the Karnataka government to withdraw its letter cancelling the lease.

Central intervention

Sources said the PSU may also seek the Centre's intervention in seeking an extension of the mining lease which will significantly add to its annual output.

NMDC shares took a hit on Tuesday, falling 11.49 per cent to close at ₹90.15 on the BSE.

THE HITAVADA DATE : 21/8/2019 P.N.5

Government of India
Ministry of Mines
Indian Bureau of Mines

PENSION ADALAT ON 23.08.2019

Indian Bureau of Mines is organising Pension Adalat on 23.08.2019 at Indian Bureau of Mines, Indira Bhawan, 3rd Floor, 'C' Block, Conference Hall, Nagpur.

All pensioners & family pensioners are requested to attend the Pension Adalat in case of any grievances related to pension or family pension.

Controller General

DAINIK BHASKAR DATE : 21/8/2019 P.N.7

Government of India, Ministry of Mines
Indian Bureau of Mines

PENSION ADALAT ON 23.08.2019

Indian Bureau of Mines is organising Pension Adalat on 23.08.2019 at Indian Bureau of Mines, Indira Bhawan, 3rd Floor, 'C' Block, Conference Hall, Nagpur.

All pensioners & family pensioners are requested to attend the Pension Adalat in case of any grievances related to pension or family pension.

Controller General

THE INDIAN EXPRESS DATE : 21/8/2019 P.N.2

Government of India
Ministry of Mines
Indian Bureau of Mines

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Controller General

NAVBHARAT DATE : 21/8/2019 P.N.4

Government of India
Ministry of Mines
Indian Bureau of Mines

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Controller General

THE TIMES OF INDIA DATE : 21/8/2019 P.N.11

Government of India
Ministry of Mines
Indian Bureau of Mines

PENSION ADALAT ON 23.08.2019

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Controller General

THE HINDU DATE : 22/8/2019 P.N.14

Centre to ease approval process for mining leases

Mining law to be amended

SPECIAL CORRESPONDENT
KOLKATA

The Centre is planning to scrap the need for State governments to take an approval from the Centre prior to granting a mining lease to companies, Union Coal Secretary Sumanta Chaudhuri said.

Kicking off a stakeholder consultation process on coal sector issues, he said this would be among the government's initiatives to speed up operationalisation of coal mines.

"This single move, to be effected through an amendment in Parliament, will reduce the entire process by around a year," Mr. Chaudhuri said, talking to reporters on the sidelines of a FICCI meeting.

Currently, before granting a mining lease, the State Governments are required to put the proposed project, through a process called 'prior approval' under which it had to file an application with the Centre seeking its nod for a project for which clearances had been already granted.

"State-level clearances are necessary but this (prior approval) amounts to duplication and time wastage," Mr. Chaudhuri said, adding that although since 2014, about 80 allocations were auctioned or nominated for coal mining "the conversion to production has not been great.. there was need to find ways to correct it", he said.

Former Coal India Ltd. chairman P. S. Bhattacharyya said as steps are taken for import-substitution and correction of structural issues in power sector, the coal sector needs to gear up for meeting an additional demand of 400–425 million tonnes per annum (MTPA) beyond the usual growth, including commissioning of power capacities in the pipeline, that can be met by securing incremental coal production of 40 – 50 MTPA between CIL and SCCL.

Mr. Chaudhuri said that among the several measures being taken to hasten coal projects in the pipeline was allowing the sale of 25% of coal in case of allocation of specified end-use plants.

Ashish Upadhyaya Joint Secretary, Union Coal Ministry, said this would boost the profitability of the firms implementing the projects.

The government is pursuing a carrot-and-stick policy by promoting ease-of-doing business on the one-hand and strict implementation of existing rules, on the other.

"There was reluctance on the part of the allottees to go the extra mile to operationalise mines as they continue to have coal linkages," Mr. Chaudhuri noted.

He said moves was afoot to bring in more players in coal exploration, in addition to Coal Mine Planning and Design Institute Ltd.

BUSINESS LINE DATE : 22/8/2019 P.N.12

Centre keeps cancellation of NMDC's Donimalai mining lease in abeyance

OUR BUREAU
Hyderabad, August 21

The Ministry of Mines, Government of India, has kept in abeyance the cancellation of the mining lease of Donimalai mine by the Karnataka Government extended to NMDC.

A strong case

The Joint Secretary and Revisionary Authority of the Ministry, Anil Kumar Nayak, in his order, stated that though the State Government was not present to put forth its views, the Revisionist (NMDC) made a strong case for stay of the Impugned Order and consequent action thereon.

The order ruled that considering the order of the Karnataka High Court, which set aside the condition of levy of premium of 80 per cent for extension of lease and the submissions made by the Revisionist, this Authority comes to the conclusion that it would meet the ends of justice if the impugned order dated August 17, 2019 and consequent action thereon is kept in abeyance.

The Karnataka Government has issued a notice cancelling the mining lease extension since November 2018 and recently decided to auction it. Aggrieved by the order NMDC sought relief.

Crucial for NMDC

The Donimalai mine is crucial for NMDC and contributes about 6 mt per annum and accounted for nearly 18 per cent of the NMDC output.

After the renewal of the mining lease in November 2019, Karnataka sought premium of 80 per cent for lease extension, which NMDC declined.

Centre to amend MMDR Act to expedite coal exploration

OUR BUREAU
Kolkata, August 21

The Ministry of Coal is likely to offer four additional blocks for allocation to PSUs for coal sale. This will be over and above the 42 coal blocks for which notice inviting tender and application has been published.

The Coal Ministry had, in the first week of August, started the process of auctioning 27 coal mines and allotting 15 coal mines to Central and State PSUs. According to the objective of auctioning of coal blocks, the government is auctioning 21 coal mines for end use non-regulated sector and six coking coal mines for end use iron and steel. In the case of allotment, five coal mines are for power sector, nine for sale of coal and one for iron and steel, the Ministry had indicated.

The process of auction of the 27 coal mines will be held in three tranches.

"Four additional blocks will be offered for allocation to PSUs for coal sale in the 11th tranche," Sumanta Chaudhuri, Secretary, Ministry of Coal, told newspersons on the sidelines of a stakeholders' consultation organised by the Ministry of Coal and FICCI here on Wednesday. At Peak Rated Capacity (PRC), these 46 coal mines can produce around 100 million tonnes per annum.

Sumanta Chaudhari, Secretary, Coal Ministry DEBASISH BHADURI

MMDR Amendment

With a view to expedite the process of giving mining lease, the Coal Ministry is looking to do away with the need for taking 'prior approval' of the Centre before the State hands over the mining lease. This would call for an amendment to the Mines and Minerals Development and Regulation Act (MMDR), 1957.

"The MMDR Act has to be amended to do away with prior approval. It is a fairly simple exercise and is likely to come up in the next session of Parliament," he said.

According to Chaudhuri, under the current regime, the State government has to go for a prior approval from the Central government after receiving necessary clearances such as environment, forest etc, before it can hand over the mining lease to a company. This would delay the entire process by about 6 months to a year. Once the amendment happens, the system of clearance will become easy and expedited.

The Ministry of Coal is also looking at a system of accreditation for bringing in more players — both from public and private sectors — into coal exploration.

The Ministry of Coal is also looking at a system of accreditation for bringing in more players — both from public and private sectors — into coal exploration.

THE HITAVADA DATE : 22/8/2019 P.N.9

Gold hits new high of Rs 38,820 per 10 gm; silver jumps Rs 1,140

NEW DELHI, Aug 21 (PTI)

GOLD prices on Wednesday appreciated Rs 50 to hit a new high of Rs 38,820 per 10 gram at the bullion market here on account of consistent buying support from jewellers, according to the All India Sarafa Association.

Silver also soared by Rs 1,140 to Rs 45,040 per kg on fresh offtake by industrial units and coin makers. Traders attributed the gain in gold to increase in the domestic spot market demand. However, a weak trend in the international market restricted the gains, they said.

Besides, the decline in equity markets also aided the rally in the precious metal as investors moved towards safe-haven assets such as gold, they added.

In the national capital, gold of 99.9 per cent and 99.5 per cent purity rose Rs 50 each to Rs 38,820 and Rs 38,650 per 10 gram, respectively.

THE HITAVADA DATE : 23/8/2019 P.N.9

Gold continues bull run, nears Rs 39,000 mark

NEW DELHI, Aug 22 (PTI)

CONTINUING the record-setting trend, gold price on Thursday hit a new high of Rs 38,970 per 10 gram by gaining Rs 150 in the national capital, according to the All India Sarafa Association, mainly on account of a weaker rupee and safe-haven buying from investors due to weak equity market.

Gold prices have been hitting a fresh high everyday since Tuesday. Silver advanced by Rs 60 to Rs 45,100 per kg on increased offtake by industrial units and coin makers.

Despite sluggish overseas trend, gold prices rose on account of sustained buying from local jewellers, traders said.

Besides, weakness in rupee and equity market also aided the rally in the yellow metal, they added.

In New York, spot gold was trading lower at USD 1,498.80 an ounce, while silver was down at USD 17.09 an ounce.

"Gold prices in the international market are hovering near the psychological level of USD 1,500 an ounce as traders stayed away from taking fresh position amid the key economic events scheduled this week," Hareesh V, Head Commodity Research, Geojit Financial Services said.

In the national capital, gold of 99.9 per cent purity rose Rs 150 to Rs 38,970 per 10 gram, while that of 99.5 per cent gained Rs 170 to Rs 38,820 per 10 gram, respectively.

THE HITAVADA(CITYLINE) DATE : 23/8/2019 P.N.10

Gold, silver prices on upward swing

- Gold on Thursday was quoted at Rs 38,700 while silver at Rs 44,800

■ Business Bureau

WITH the onset of festive season, gold and silver prices have started climbing the ladder. Gold and silver prices on Thursday in the local market were quoted at Rs 38,700 per 10 gm (with GST) and silver at Rs 44,800 per one kilogram, sources said.

There is a renewed demand for silver from industrial houses and coin market which too has increased its prices. Bullion traders in the market are claiming that gold may also touch Rs 40,000 mark during Diwali and Dussehra festivals. Kishore Dharashivkar, President of Nagpur Sarafa Association said, "There is uncertainty in the market and people are buying gold in anticipation that the prices will move up in the coming days."

The other reasons, he attributed are trade war between US-China, slowdown in market and sudden spurt in demand from investors. "In 15 days, the prices of gold and silver have suddenly swelled on international level," he said. He said, there are various consultants in the market who are guiding people to invest in gold as they feel that it is best investment tool as compared to various options available in the market. Those who are having wedding of their children in the month of November and December too are visiting showrooms and placing orders for jewellery to keep disappointment at bay. "People are coming to us and giving orders for jewellery of their choice," he said.

Sources said, future trading in the market seems to be another cause for the rise in the prices.

In India, since ages people have special attraction for gold. Sources said, on social media, various companies are exhibiting jewellery of new designs which too has lifted the demand.

BUSINESS LINE DATE : 24/8/2019 P.N.12

Hong Kong unrest may propel gold in near term

COMMENTARY

G CHANDRASHEKHAR

> **There is widespread apprehension about an impending recession. The sombre mood is bound to benefit gold and silver**

Despite support from a plethora of uncertainties dogging the global economic and political landscape, gold has failed to decisively break above the psychological $1,500 an ounce level; but the gathering storm on the horizon suggests it may well gallop to higher levels sooner rather than later.

The key driver for the gold market from here on is likely to be what is now being widely seen as a high probability, if not near certainty, of China's military action to contain the disturbed situation in Hong Kong. The protests seem to be getting out of hand, having continued for several days with dire warnings ignored. China may be rather reluctant to meet Hong Kong residents' demands for more freedom and rights.

One significant option for mainland China would be strong military intervention to bring the situation under control. In the event, there will be further flight to safety and gold is sure to benefit. Also, in the event, Hong Kong's attractiveness as a financial centre may come into question.

Despite the yellow metal currently finding it tough to break above $1,500/oz, there is no selling pressure visible, while investor interest continues. This is evidenced by steady ETF inflows.

Global geo-politics

There are, of course, other supportive factors working in tandem. European political situation is becoming increasingly uncertain because of Italy and Brexit. The ECB is widely expected to loosen the monetary policy further during its meeting scheduled for September 12.

There is the rising possibility of the US Federal Reserve lowering interest rates at least two more times this year, with the earliest coming in by mid-September when the next FOMC meeting is scheduled. In other words, cost of money is going to be reduced in major economies.

Trade conflict between two of the world's largest economies — the US ($18 trillion) and China ($12 trillion) — is escalating. Other countries are at risk of getting entangled, in which case it would be a full-blown global trade war. This by itself continues to vitiate the global economic climate.

Demand growth muted

Clearly, commodity markets have all but moved to 'risk-off' mode. There is widespread apprehension about an impending recession. The sombre mood is bound to benefit precious metals, gold and silver.

At the same time, it must be highlighted that demand conditions for gold are far from favourable. Two of the world's largest importers — India and China — are buying less and less. The demand compression is triggered by high prices not seen in last five or six years. There is consumer resistance given rising internal prices. Falling value of currency in China and India is also adding to the landed cost.

However, huge amount of speculative capital has moved into gold and silver. In other words, the current price rally is substantially speculative froth. This froth can disappear sooner than many can imagine if market conditions change. By its very nature, speculative capital is fickle and has the tendency to move in and out of markets rapidly.

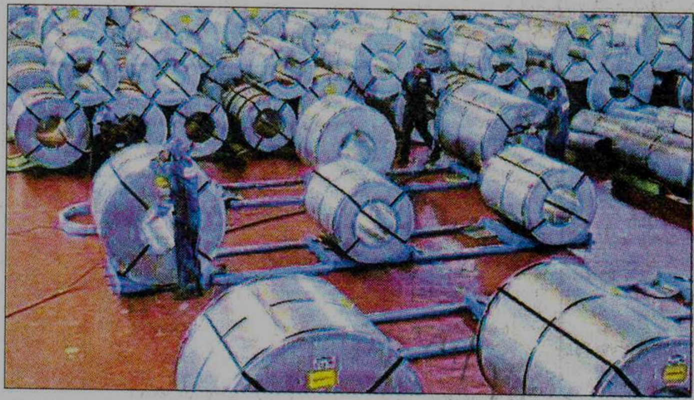
That's why retail investors must exercise utmost caution, reflex and urgency in playing the precious metals market. Otherwise, they may be left holding high-priced contracts when the market quickly corrects. In the short run, the market can witness some profit-taking.

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

THE HITAVADA(CITY LINE) DATE : 25/8/2019 P.N.12

'Increasing demand of electric vehicles will raise use of aluminium in automotive sector till 2021'

■ **By Kaushik Bhattacharya**



INCREASING demand of electric vehicles in India will also raise the need of aluminium consumption in automotive sector till 2021, revealed a study conducted by Jawaharlal Nehru Aluminium Research Development and Design Centre (JNARDDC) recently.

According to the study India's aluminium consumption pattern will change as per the changing requirements. India to achieve a whopping 5.3 million tonnes aluminium demand target by 2020-21 from the current 3,3 million tonnes.

"Aluminium demand in the country is poised to log Compounded Annual Growth Rate (CAGR) of 10 per cent in the next five years, beating the global average of six per cent year-on-year growth," the study revealed.

"In the present socio-economic scenario where the world is buzzing with issues like a soaring global population, increasing carbon emission, higher energy cost and insufficient feedstock, recycling is turning out to be the need of the hour rather than a matter of concern," said Dr Anupam Agnihotri, Director, JNARDDC, Nagpur to *The Hitavada*.

He said, "Aluminium is one metal that is 100 per cent recyclable and its natural quality does not get affected in the recycling process. This quality is raising the demand of this metal in various sectors including electrical and automotive."

By 2021, the primary demand of aluminium consumption will reduce in electrical sector from 45 per cent to 38 per cent, while it will increase in automotive sector from 18 per cent to 21 per cent respectively.

Stringent vehicular emission norms leading to manufacturers reducing vehicle curb weight as well as introduction of the light weight electrical vehicles have come as a boon to aluminium due to its known advantages in the automobile sector. Newer and stricter fuel and emission laws and regulations in several international markets have created favourable conditions for downstream aluminium manufacturers.

The study also stated that aluminium recycling in India has a great future. Secondary aluminium accounts for 30 per cent of India's overall aluminium consumption of 3.3 million tonnes per year. In the past six years, secondary aluminium demand has almost doubled to 1.1 million tonnes, of which some 90 per cent is imported. The demand is expected to reach 1.6 million tonnes by 2021.

JNARDDC is working in close co-operation with Ministry of Mines and Material Recycling Association of India to promote aluminium recycling in India and provide technological solutions for making aluminium recycling economically and environmentally friendly to make this wonder metal more sustainable, stated Dr Agnihotri.

BUSINESS LINE DATE : 26/8/2019 P.N.11

MCX Gold (₹38,765)

MCX-Gold October Futures contract was in an uptrend without much volatility, posting gradual gains in the past week. The contract was also trading within a broader range between ₹37,620 and ₹38,660. On Friday, there was a strong rally towards the end of the session, triggered by the latest trade war tensions, as the demand for safety accelerated. As a result, the price broke out of the broad range and ended the week with a 2.2 per cent gain at ₹38,765. On the back of this strong volume breakout, the yellow metal appears to have resumed its bullish trend after taking a pause over a couple of weeks. One can also observe a bullish flag, a trend continuation pattern. With renewed interest in gold, the price of the contract can appreciate to ₹39,700. On the other hand, if the price falls back into the range, the breakout could be negated and the price could depreciate to ₹38,215, where the fall could get arrested.

MCX Silver (₹44,602)

The September contract of silver traded similar to that of gold, and gained marginally along the week. The broader range of the contract extended from ₹42,850 to ₹44,520. The rally in price in Friday's session moved it to a close of ₹44,602, resulting in a 1.7 per cent weekly gain. The commodity ended the week on a very strong note with an upward breakout against the recent consolidation, increasing the possibility of further appreciation in the coming days. The major trend of the metal continues to stay positive and the September futures contract faces the nearest resistance at the psychological level of ₹45,000. However, if bulls gain traction backed by more buying, the price might move upwards to the level of ₹45,810 as indicated by the Fibonacci extension. If the metal declines back into the range, the silver futures contract might depreciate to ₹44,000, which will be a considerable support.

MCX Copper (₹440.05)

August futures of the base metal began the week on a positive note, but faced a strong band of resistance in the ₹450-452 area. Henceforth, the contract weakened and continued to decline through last week. The downtrend accelerated towards the end of Friday's session and marked a low of ₹439.50 before closing at ₹440.05, with the futures losing 1.85 per cent for the week. The contract also closed below the 20-day moving average, opening the door for further depreciation. However, the 61.8 per cent Fibonacci retracement of the previous up-trend falls at the ₹440 level and it managed to support the metal around that price level. Charts indicate a strong bear trend, and the contract price is expected to fall to ₹435.65. Below that level, ₹432.55 will act as a strong support. If the price bounces from the Fibonacci retracement, the revival will face stiff resistance immediately at ₹441.35, which is less likely to be broken.

THE HINDUDATE : 26/8/2019 P.N.7

'Children in mica mining areas abandoning education'

They work as labourers to supplement their family income, says survey; over 5,000 of them have given up education

PRESS TRUST OF INDIA
NEW DELHI

Over 5,000 children in the age group of six to 14 years have abandoned education in the mica mining districts of Jharkhand and Bihar, and a section of them have started working as labourers to supplement their family income, according to a government survey.

The survey was conducted by the National Commission for Protection of Child Rights (NCPCR) after a report by Terre Des Hommes, an international development agency working in India, revealed last year that more than 22,000 children were employed as child labourers in the mica mining areas of Jharkhand and Bihar.

In a report based on the survey conducted in the districts of Koderma and Giridih in Jharkhand and Nawada district in Bihar, the NCPCR said it had observed that a section of children were deprived of opportunities.

"As per the survey, there are 4,545 children, in the age group of six to 14 years in the area of Jharkhand, reported as not attending school," the NCPCR said.

The survey, done on the children in the mica mining areas of Jharkhand and Bihar, found that 649 children in the same age group were reported as not attending school in Nawada district, Bihar.

Lost childhood: Objective of the survey was to find out the educational status of children in the region. • KAMAL NARANG

Collection of mica scraps

The reasons included a lack of interest and also cases where the collection of mica scraps were preferred activities, said the survey. It was found that children in the age group of six to 14 years in Koderma, Giridih and Nawada collect mica scraps.

Officials say selling mica scraps is the main means of livelihood for many families in these areas.

"Several families do not see the benefit of sending their children to schools and instead prefer them collecting and selling the scraps," an official said.

Largest producer

India is one of the world's largest producers of mica, with Jharkhand and Bihar being the main producing States. Mica is used in various sectors including buildings and electronics. It is also used in the production of cosmetics and paint.

The objectives of the survey were to find out the educational status of children, the number of children not attending school, whether they are involved in collecting scraps, if vocational training is provided to the adolescents and the presence of NGOs.

The commission gave out a set of recommendations based on its findings. It said the supply chain of the mining and industry should be made free of child labour.

"No child to be engaged in any part of the mica mining process and collecting scraps. NGOs/development agencies should work with the local and district administration as well as with industries to chalk out a strategy to make the supply chain free of child labour," the NCPCR said.

It said strict action should be taken against buyers of mica scraps from children.

THE HITAVADA DATE : 27/8/2019 P.N.1

Gold, silver prices hit fresh high

NEW DELHI, Aug 26 (PTI)

Gold at Rs 39,670/10gm; silver to cost Rs 46,550/kg

RISING for the fifth consecutive day, gold prices on Monday again surpassed its previous high by surging Rs 675 to Rs 39,670 per 10 gram in the national capital, according to the All India Sarafa Association, mainly due to a weaker rupee and strong global trend.

Gold prices have been hitting a fresh high everyday since August 20.

Silver also soared Rs 1,450 to Rs 46,550 per kg on fresh offtake by industrial units and coin makers.

According to analysts, apart from persistent buying from jewellers, a weaker rupee and positive trend overseas were among the factors that aided the rally in gold prices.

The domestic currency plummeted 42 paise to 72.08 against the US dollar in early trade, due to strong dollar demand from banks and importers amid unabated foreign fund outflows. Meanwhile, spot gold in the international market was trading higher at USD 1,529 an ounce in New York and silver was up at USD 17.68 an ounce. In the national capital, gold of 99.9 per cent and 99.5 per cent purity rose Rs 675 each to Rs 39,670 and Rs 39,500 per 10 gram, respectively. Sovereign gold surged by Rs 700 to 29,500 per eight grams.

On Saturday, the bullion market in the national capital was closed on the account of 'Janmashtami'.

Silver ready on Monday surged Rs 1,450 to Rs 46,550 per kg, while weekly-based delivery jumped Rs 1,625 to Rs 45,291 per kg. Silver coins were in good demand and traded higher by Rs 3,000 to Rs 94,000 for buying and Rs 95,000 for selling of 100 coins.

Sensex soars 793 points; Nifty reclaims 11,000 mark

MUMBAI, Aug 26 (PTI)

BSE benchmark Sensex skyrocketed 793 points on Monday, led by gains in banking stocks after the Government rolled back the enhanced surcharge on foreign portfolio investors, and unveiled a slew of measures to boost the economy.

After gyrating 1,052 points, the 30-share Sensex ended 792.96 points, or 2.16 per cent, higher at 37,494.12. It hit an intra-day high of 37,544.48 and low of 36,492.65.

Similarly, the broader NSE Nifty reclaimed the 11,000-level, advancing 228.50 points, or 2.11 per cent,

(Contd on page 9)

BUSINESS LINE DATE : 27/8/2019 P.N.15

Sops will boost steel sector: RINL CMD

Visakhapatnam, August 26

The Visakhapatnam steel plant—Rashtriya Ispat Nigam Ltd is taking several steps to cut costs, improve efficiency and survive and thrive in the present difficult market conditions, according to Chairman and Managing Director PK Rath. He was reviewing the performance of the plant on Monday with senior officials. Rath said steps were being taken to improve the cash flow. The recent incentives announced by Finance Minister Nirmala Sitharaman will give a boost to the economy in general and the steel sector also, he added. Producing steel at the lowest cost was of the utmost importance. The company is also focussing on production of special steels and exports. OUR BUREAU

Gold price at new life-time high, inches closer to ₹40,000/10 gm

RUTAM VORA

Ahmedabad, , August 26

Tailing the global rally, gold prices in India made a new all-time high at ₹38,715 per 10 grams (999 purity) in spot markets on Monday, rallying by nearly ₹4,100 so far in August.

Prices as quoted by the India Bullion and Jewellers Association (IBJA), showed spot gold hitting a high of ₹38,960 during the day.

Gold has gained momentum after multiple global events since Friday, which have triggered safe-haven demand for the yellow metal.

Also, adding the to fuel for gold rally is the depreciating rupee against the dollar, which was quoted at ₹72.02 against the dollar.

"The rupee depreciation pushed up the gold prices. Two major global events, the US-China trade war and the Fed Chairman's speech on measures to sustain the US economic expansion, accelerated the rally.

We saw Comex gold rallying after this to touch$1543, which was echoed in the Indian market and we saw the gap-up opening today," said Ajay Kedia, Director, Kedia Commodity.

Spot Gold and Silver prices as quoted by IBJA

(in ₹)

Date	Gold per 10 grams	Silver per 1 kg
June 17, 2019	32895	36,915
June 26, 2019	34055	37,640
July 1, 2019	33673	37,395
July 17, 2019	34591	39,010
July 26, 2019	34932	40,900
Aug 1, 2019	34621	40,015
Aug 16, 2019	37640	43,735
Aug 26, 2019	38,715	45,215

Source: IBJA

Firm trend

Kedia expects gold prices to stay firm going forward and may test $1,580 in near term in international markets, triggering prices in India to inch towards ₹40,000.

Industry players believe that besides the currency and the US-China trade war escalation factors, a weak economic outlook and geo-geopolitical tension in West Asia and India-Pakistan tensions indicate one-sided worry.

"There is no immediate relief in sight from these tensions in near future. Comex gold will touch about $1,580 from current levels. So in India we may see ₹41,000-41,500 levels even if there is a festive season. Such high price levels will affect the festive buying as well and we may not see a sparkling festival season for the gold and jewellery sector this year," Haresh Acharya, director, IBJA told *Businessline*.

He added that due to reduced discretionary spend by consumers, gold buying will remain under pressure.

In Futures market, MCX October Gold opened firm and traded around ₹39275 in early hours, but moved lower at ₹38,993 by later hours. Futures prices have rallied by over ₹1,500 within a week from ₹37,745 recorded last Monday.

CME Gold for August delivery has also witnessed a rally of over $50 an oz during past one week.

On Monday trades, CME Gold for August traded at$1525 an oz, marginally down from previous close.

Indicative of sentiment, holdings of SPDR Gold Trust, the world's largest gold-backed exchange-traded fund, have increased by about 27 tonnes so far this month.

BUSINESS LINE DATE : 27/8/2019 P.N.12

Trump's tweets push gold prices higher

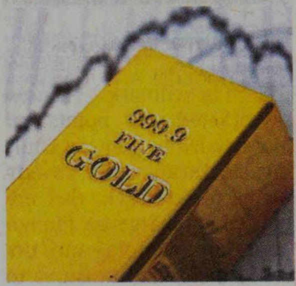
RAJALAKSHMI NIRMAL
BL Research Bureau

Gold prices have hit a fresh high for 2019. The yellow metal crossed the $1,555/ ounce today on intensifying trade tensions between the US and China. Year-to-date, the metal's returns stands at a high 21 per cent now.

In India, given a sharp drop in rupee, gold prices have scaled even higher. On MCX, the gold futures is at ₹39,319, up 1.4 per cent now over Friday's close.

China on Friday announced retaliatory tariffs of between 5-10 per cent on $75 billion of US goods. It also said that a 25 per cent tariff on US automobiles will be reinstated from December 15. These were in response to Donald Trump's announcement on August 1 of a 10 per cent tariff on $300-billion worth of Chinese goods.

After China's fresh moves on tariffs, Trump took to twitter making a series of comments that sent global markets into jitters.



US treasury yields drop

The US 10 year treasury yield has witnessed a sharp slide. It is at 1.4543 per cent, down from 1.6131 on Thursday. The 2-year treasury yield is at 1.4588. The spread between the 10-year Treasury yield and the 2-year yield inverted multiple times throughout Friday — which sent alarm bells ringing for investors as this is a sign of recession.

There are now expectations that the Federal Reserve will be under pressure to cut rates in its next meeting and start a rate easing cycle. Currently, the Fed fund futures show market expectations for a 25 basis points rate cut on September 18th.

THE INDIAN EXPRESS DATE : 29/8/2019 P.N.13

Gold nears ₹40K/10 gram; silver up ₹2,110 a kg

PRESS TRUST OF INDIA
NEW DELHI, AUGUST 28

RESUMING ITS record-setting streak, gold price jumped Rs 300 on Wednesday to a fresh all-time high of Rs 39,970 per 10 gram here, according to the All India Sarafa Association, on higher demand from local jewellers and the yellow metal's appeal as safe-haven amid global economic concerns.

Silver skyrocketed Rs 2,110 to Rs 48,850 per kg, helped by positive trend overseas and strong demand from industrial units and coin makers. Traders and analysts said higher uptake by local jewellers ahead of festive season and investors preferring the yellow metal as a safe-haven asset helped the yellow metal touch its new all-time high level. "Spot gold held steady near a six-year high in the international market supported by increased safe haven demand," said Hareesh V, head (commodity research), Geojit Financial Services.

In the national capital, gold of 99.9 per cent and 99.5 per cent purity jumped Rs 300 each at Rs 39,970 and Rs 39,800 per 10 gram, respectively. Sovereign gold soared Rs 300 to Rs 29,800 per eight grams. Silver ready skyrocketed Rs 2,110 to Rs 48,850 per kg, while weekly-based delivery jumped 1,289 to Rs 46,416 per kg.

Silver coins were in good demand and traded higher by Rs 2,000 at Rs 98,000 for buying and Rs 99,000 for selling of 100 coins.

Global gold eases as investors book profits, dollar firms

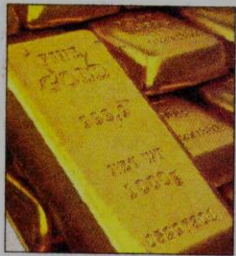
Bengaluru: Gold eased on Wednesday as the US dollar strengthened and as investors locked in profit following a more than 1 per cent jump in the last session, but uncertainty over US-China trade dispute and the global economy kept safe-haven bullion near a multi-year peak. Spot gold fell 0.1 per cent to $1,541.20 per ounce at 1736 GMT. The dollar rose 0.2 per cent, making gold more expensive for holders of other currencies. **REUTERS**

THE HITAVADA DATE : 29/8/2019 P.N.9

Gold nears Rs 40,000; silver soars Rs 2,110

NEW DELHI, Aug 28 (PTI)

RESUMING its record-setting streak, gold price jumped Rs 300 on Wednesday to a fresh all-time high of Rs 39,970 per 10 gm here, according to the All India Sarafa Association, on higher demand from local jewellers and the yellow metal's appeal as safe-haven amid global economic concerns.



Silver skyrocketed Rs 2,110 to Rs 48,850 per kg, helped by positive trend overseas and strong demand from industrial units and coin makers. In the US market, the white metal was trading 0.61 per cent up at USD 18.38 an ounce. Globally, the yellow metal was almost flat at USD 1,543 an ounce in New York.

Traders and analysts said higher uptake by local jewellers ahead of festive season and investors preferring the yellow metal as a safe-haven asset helped the yellow metal touch its new all-time high level.

"Spot gold held steady near a six-year high in the international market supported by increased safe haven demand," said Hareesh V, head (commodity research), Geojit Financial Services.

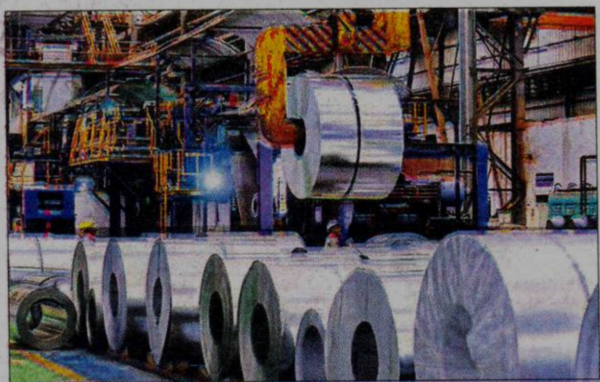
He added that recession fears accompanied by weak global growth outlook and trade talk uncertainties between the US and China have been boosting the yellow metal's safe haven demand. Moreover, a weaker rupee vis-a-vis dollar is also supporting the rally, he said.

In the national capital, gold of 99.9 per cent and 99.5 per cent purity jumped Rs 300 each at Rs 39,970 and Rs 39,800 per 10 gram. Sovereign gold soared Rs 300 to Rs 29,800 per eight grams. Silver ready skyrocketed Rs 2,110 to Rs 48,850 per kg.

THE HITAVADA (CITYLINE) DATE : 29/8/2019 P.N.10

Crude steel output rises 1.7% in July: Report

■ **Business Bureau**



INDIA'S crude steel output increased by 1.7 per cent to 9.215 million tonne in July 2019, according to World Steel Association's report.

The country had produced 9.059 MT of crude steel during the same month a year ago, the global steel industry body said in its latest report.

Global steel production for the 64 countries reporting to the association stood at 156.697 MT in July 2019, registering 1.7 per cent increase over 154.009 MT in July last year, the report said.

China's production for July 2019 was at 85.223 MT, as against 81.180 MT in the year-ago-month.

"India produced 9.215 MT of crude steel in July 2019, an increase of 1.7 per cent compared to 9.059 MT in July 2018," the report said. It said, in July 2019 Japan produced 8.387 MT of the metal as compared to 8.420 MT during same month previous year.

South Korea produced 6.041 MT in July 2019, followed by the US 7.514 MT, Brazil 2.449 MT, Turkey 2.925 MT and Ukraine 1.784 MT. World Steel Association (worldsteel) is one of the largest industry associations in the world, with members in every major steel-producing country.

It represents steel producers, national and regional industry associations, and research institutes.

Its members represent around 85 per cent of global steel production.

THE HINDU DATE : 29/8/2019 P.N.5

DGF urged to reverse uranium mining order

AICC secretaries meet Siddhantha Das

SPECIAL CORRESPONDENT
HYDERABAD

Mining will not only destroy the tiger zone but also cause huge ecological imbalance.

AICC secretaries and former MLAs Challa Vamshichand Reddy and Sampath Kumar have represented to Director General of Forests Siddhantha Das to reverse the orders given for uranium mining in Nallamalla forests respecting the people's fight against mining.

The former MLAs met Mr. Das in New Delhi and requested him to reconsider their decision on the preliminary permission given on the recommendations of the State government. They said that the proposed excavation zone covered nearly 20,000 acres of the Nallamalla forests that is home to Amrabad tiger reservoir. Mining will not only destroy the tiger zone but also cause huge ecological imbalance affecting thousands of Chenchu tribals, they said.

Moreover, the Krishna river will be highly polluted with mining and it may cause severe damage to the lives of millions of people dependent on the river for drinking water and irrigation purposes, they said in the representation.

Later, Mr. Reddy and Mr. Sampath claimed that Mr. Das assured them to seriously look into the issues raised by them. They also said that a mass movement would be launched by the Congress government if the decision was not taken back.

NAVBHARAT(NAGPUR PLUS) DATE : 29/8/2019 P.N.7

NMDC : 3264 करोड़ का कारोबार

नवभारत समाचार सेवा

हैदराबाद. वर्ष 2019-20 की पहली तिमाही में पिछले वर्ष की इसी अवधि की तुलना में भौतिक तथा वित्तीय निष्पादनों में शानदार प्रगति हुई है. पहली तिमाही में लौह अयस्क का उत्पादन 8.43 एमटी रहा, जबकि 2018-19 की पहली तिमाही में यह 6.98 एमटी था. इस प्रकार 21% की वृद्धि दर्ज की गई. लौह अयस्क की बिक्री, जो 2018-19 की पहली तिमाही में 6.78 एमटी थी, वह वर्ष 2019-20 की पहली तिमाही में बढ़कर 8.67 एमटी हो गई. यह 28% की वृद्धि दर्शाता है. ये परिणाम स्थापना से लेकर अब तक पहली तिमाही के सर्वश्रेष्ठ परिणाम हैं. वर्ष 2019-20 की पहली तिमाही में कुल बिक्री 3264 करोड़ रुपये रही, जो पिछले वर्ष की इसी अवधि के 2422 करोड़ रुपये की तुलना में 35% अधिक है. वास्तव में यह परिणाम पिछले 5 वर्षों में सर्वोत्तम है तथा यदि दोणिमलै के राजस्व को छोड़कर देखें तो स्थापना से लेकर अब तक पहली तिमाही का यह सर्वोत्तम टर्नओवर है. एनएमडीसी के सीएमडी एन. बैजेन्द्र कुमार ने कहा कि कर्नाटक में दोणिमलै खान बंद होने तथा छत्तीसगढ़ में बैलाडीला कॉम्प्लेक्स में चुनौतियों का सामना करने के बावजूद भौतिक तथा वित्तीय निष्पादनों में उत्कृष्टता तथा नए बेंचमार्क स्थापित करने में कंपनी के लिए यह गौरव का क्षण है.

BUSINESS LINE DATE : 29/8/2019 P.N.7

Coal auctions still far from transparent

The SHAKTI scheme, meant to improve coal linkages to power plants, has not revealed bidding details

MARIA CHIRAYIL
ASHOK SREENIVAS

The SHAKTI (Scheme for Harnessing and Allocating Koyala Transparently in India) policy was approved in May 2017 with the intent of better allocation of coal to present and future power plants. It aimed to phase out the present Letter of Assurance and Fuel Supply Agreement (FSA)-based regime, and instead introduce a more transparent and competitive coal allocation policy. The policy also offered a potential solution to the lack of coal linkages to 17 power plants with capacity of about 15,000 MW, which were part of the 34 power plants (of about 40,000 MW) declared as stressed.

The policy was amended in March 2019 specifically to aid stressed projects based on the recommendations of a High Level Empowered Committee. But two years since the policy's launch, how has it played out on the ground?

Status quo

Section B(i) of the policy allows granting of coal linkages to Central and State PSUs as well as JVs formed amongst them. Linkages have been granted to 18 projects (22,160 MW) until June 2019 under this section.

Under Section B(ii) of the SHAKTI policy, coal linkages are auctioned to independent power producers (IPPs) who do not have coal linkages but have power purchase agreements (PPAs), based on discounts quoted on the PPA tariff. Over the last two years, there have been two rounds of bidding for coal linkages under this section. For the first round, held in September 2017, 31 applications from IPPs were received, of which 14 were deemed eligible and 10 participated in the auction.

This resulted in allocation of about 27 million tonnes per annum (MTPA) of coal to a capacity of 11,549 MW, at tariff discounts ranging from 1-4p per unit. No information is publicly available regarding the second round of bidding, which took place in May 2019.

Section B(iii) of the policy provides for auction of coal linkages to IPPs that do not have PPAs. No rounds of auction have been held under this provision yet.

Objectives not met

Transparency is a part of the scheme's name and also a major objective. However, in reality, it is conspicuously absent. For example, the limited information available about the B(i) linkage allocations has to be gleaned from the Ministry of Coal (MoC)'s monthly summaries for Cabinet reports, and even they provide only aggregate figures and not linkage-wise source, recipient and quantity.

Even with regard to allocations under Section B(ii) of the policy, few details are available in the public domain. This includes the quantity on offer from each mine, the bidders participating in the auction, approved quantities for each participant and the year-on-year discount submitted by the successful participants. Indeed, even information about successful bidders in the first round of auctions was only available through news reports rather than official channels, and there are no details available at all for the second round of auctions. Full transparency about these details is necessary, not only because it is a central objective of the policy, but also because it has a direct impact on electricity tariffs, and citizens have a right to know such information.

Another objective of the policy is to effectively address the coal supply problem in the sector, and by extension, one aspect of the problem of stressed assets. According to the Parliamentary Standing Committee on Energy's report on stressed/non-performing assets in the electricity sector,

CONTD... ON PAGE 24

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BUSINESS LINE DATE : 29/8/2019 P.N.7

Providing relief SHAKTI was meant to help address the problems of stressed assets in the power sector

the first round of B(ii) auctions resolved seven (7,250 MW) of the 17 stressed projects (15,200 MW) which were affected by the lack of coal supply. In the absence of information regarding results from the second round of auctions, it is not clear whether the linkage problem of the remaining stressed capacity of about 8,000 MW has been addressed. Even out of the projects addressed by the auction, one FSA still remains to be executed, though 22 months have passed since the auctions.

Regarding coal linkage auctions under Section B(iii), Coal India Limited (CIL) had invited expressions of interest back in January 2018. Now, 1.5 years later, there still have been no auctions. While the reasons for this are unclear, this could be due to remaining uncertainties in the process or because there is insufficient interest in procuring coal linkages by IPPs.

In short, SHAKTI has not been transparent; it has not yet helped address the coal linkage problems of all stressed power plants; and it has not been able to conduct any auctions for IPPs without PPAs.

Issues that persist

In addition to these issues with implementation, the structural limitations of SHAKTI's design continue. Its architecture continues to provide differential treatment to PSUs, which can get linkages based on MoP recommendations at CIL-notified prices. On the other hand, IPPs have to bid for coal by either offering discounts on existing PPAs or by quoting a premium on the notified price. This fragments public and private generation and prevents competition. Moreover, allocations to PSUs continue to be discretionary and opaque, despite SHAKTI's claim to optimally allocate a vital natural resource.

The policy also continues to privilege medium- and long-term PPAs with distribution companies, though the 2019 amendment allows for linkages to power plants that sell power on the Day Ahead Market or through the Discovery of Efficient Energy Price (DEEP) portal up to two years, but under special circumstances. Since DEEP restricts the buyers as distribution utilities, SHAKTI essentially continues to restrict coal availability to generators who sell to distribution utilities, preferably on a long-term basis. This can hinder development of electricity markets and merchant capacity, discourage open-access contracts and saddle distribution companies with baseload capacity addition through PPAs. This is at odds with the objectives of the Electricity Act, 2003, which sought to encourage competition and open-access.

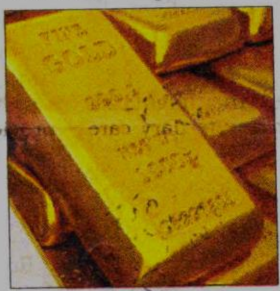
SHAKTI was conceptualised with the intention of moving to a transparent and effective system for coal linkage allocation that could partially address stressed assets and encourage a competitive coal-thermal sector. However, two years after the policy was announced, those objectives still do not seem to be realised.

The writers are with the Prayas (Energy Group), Pune

Gold crosses record Rs 40,000 mark as recession fears seep in

NEW DELHI, Aug 29 (PTI)

GOLD prices on Thursday jumped Rs 250 to breach the record Rs 40,000 per 10 gram level for the first time at the bullion market here on strong demand from investors amid growing fears of global economic slowdown.



Maintaining its record-breaking run for the second day, gold spurted by Rs 250 to a fresh life-time high Rs 40,220 per gram, according to the All India Sarafa Association. The precious metal had soared by Rs 300 to close at Rs 39,970 per 10 grams on Wednesday.

Closing in on the Rs 50,000-mark, silver rose by Rs 200 to Rs 49,050 per kg on robust demand from industrial units and coin makers amid strong overseas trend.

Lingering worries over a possible global recession and uncertainty over the US-China trade talks boosted the demand for safe-haven bet gold, traders said.

Fresh buying by jewellers ahead of the festive season also aided the rally in the precious metal. HDFC Securities Senior Analyst (Commodities) Tapan Patel said gold prices have kept the firm trading so far on mixed global cues as inverse bond yields from the US and Germany have raised economic slowdown fears.

"The development on Brexit will be the next thing for the markets to watch out while progress in US-China trade talks and US Federal Reserve's stance (on rate cuts) are constant factors to determine the price trend for gold," Patel added.

In the national capital, gold of 99.9 per cent and 99.5 per cent purity jumped Rs 250 each to Rs 40,220 and Rs 40,050 per 10 gram, respectively. Sovereign gold soared Rs 400 to Rs 30,200 per eight grams.

BUSINESS LINE DATE : 30/8/2019 P.N.8

HIGHLY LEVERAGED companies such as Tata Steel and SAIL face the danger of losses, while JSW is placed better, which can spell trouble for their lenders, say analysts

Unexpected Fall in Global Prices to Hurt Indian Steel Cos in Q2

Jwalit.Vyas@timesgroup.com

ET Intelligence Group: Tata Steel, Asia's oldest maker of the infrastructure alloy, faces the danger of slipping into the red in the September quarter after nine straight quarters of profit, analysts said.

That means three out of India's four largest steel producers could head into a loss in the quarter, the others being SAIL and Jindal Steel and Power. JSW Steel, too, could see a sharp dip in earnings but will be profitable, given its lower costs and interest outgo.

Total net debt of these top four steel companies alone is ₹2.4 lakh crore, and losses for them could mean more trouble for lenders.

An unexpected fall in steel prices could dent the heavily leveraged steel players, analysts warn. Tata Steel's debt exceeds ₹1 lakh crore, and the move to offload debt in its European business has been shelved after talks with Thyssenkrupp were called off.

Average global steel prices are down €30 since June, which translates into ₹2,370 per tonne. Tata Steel sold 2.3 million tonnes in Europe in the previous September quarter. Assuming similar volumes for the current September quarter, its operating profit before tax (EBITDA) would fall by ₹550 crore.

In the Indian business, analysts expect EBITDA to fall by ₹1,350 crore in the September quarter based on management guidance. This means its EBITDA from the two businesses together could be lower by ₹1,900 crore. After deducting this number from the June quarter's EBITDA of ₹5,515 crore, EBIDTA for the September quarter can be estimated at ₹3,615 crore. By contrast, its interest and depreciation costs are about ₹3,900 crore.

JSW Steel sold 3.66 million tonnes last September. Prices are down by ₹1,500 per tonne from the June quarter's average prices. This would result in EBITDA fall of ₹550 crore from the preceding June quarter. In the June quarter, its EBITDA was ₹3,700 crore. Its interest and depreciation together were ₹2,100 crore. JSW Steel's net debt is ₹47,000 crore.

Similarly, SAIL, which sold 3.5 million tonnes in the previous September quarter, would see a drop in EBITDA of ₹525 crore. It logged EBITDA of ₹1,590 crore in the June quarter, and its interest and depreciation for the quarter were ₹1,660 crore. Other income of ₹220 crore and no tax due to past losses resulted in a ₹100-crore profit in the June quarter, but that would not be the case in the current quarter. SAIL has net debt of ₹47,000 crore.

Jindal Steel and Power posted a loss of ₹87 crore in June against a net profit of ₹110 crore last year. Jindal Steel had net debt of ₹38,000 crore.

Stocks of Tata Steel, SAIL, Jindal Steel & Power and JSW Steel are down 35%, 44%, 42% and 29%, respectively. The downtrend is likely to continue.

Gold slips below Rs 40,000

NEW DELHI, Aug 30 (PTI)

AFTER crossing record Rs 40,000-mark, gold price on Friday declined Rs 500 to Rs 39,720 per 10 gram in the national capital, according to the All India Sarafa Association, as positive developments in US-China trade talks reduced safe-haven appeal of the yellow metal.

The yellow metal on Thursday rose by Rs 250 to touch a record high of Rs 40,220 per 10 gram in the national capital.

Silver also dropped Rs 450 to Rs 48,600 per kg on reduced off-take by industrial units and coin makers. Easing in demand from jewellers in the domestic spot market amid sluggish trend overseas mainly led to a decline in gold prices, traders said.

Besides, appreciation in the rupee also weighed on precious metal, they added. In the early trade on Friday, the rupee was trading 12 paise higher at 71.67 vis-a-vis dollar. "Globally, spot gold corrected slightly but hovering well above USD 1,500 an ounce due to positive comments from US President (Donald Trump) on US-China trade discussions which eased gold's safe-haven appeal," said Hareesh V, head (commodity research), Geojit Financial Services.

In the national capital, gold of 99.9 per cent purity reduced by Rs 500 to Rs 39,720 per 10 gram while that of 99.5 purity fell Rs 520 to Rs 39,530 per 10 gram, respectively.

THE HITAVADA DATE : 31/8/2019 P.N.11

NTPC creates separate co for coal mining

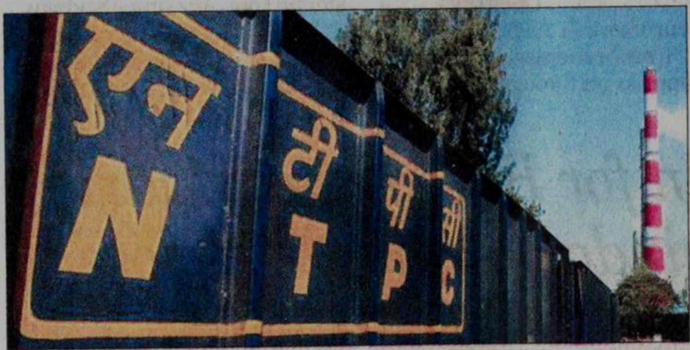
NEW DELHI, Aug 30 (PTI)

STATE-OWNED power giant NTPC on Friday announced incorporation of a subsidiary NTPC Mining Ltd, paving the way for its foray into commercial coal mining.

The power sector behemoth also has plans to list the coal subsidiary on stock exchanges.

"NTPC Ltd has incorporated a wholly owned subsidiary in the name of 'NTPC Mining Ltd' with Registrar of Companies, NCT of Delhi on August 29, 2019 for taking up coal mining business," the company said a BSE filing.

An official on the condition of anonymity said NTPC has the plan to set a coal subsidiary, which would cover operations of its all coal mines and will be run like a coal company.



The official also said the coal mining arm will have a culture of coal mining and will eventually help in recruiting professional with a different cadre as it would help in their career progression.

The power PSU has been allotted 10 coal mines to meet its fuel requirement, and operations five mines have already started.

Last year, the Niti Aayog had already given its approval for setting up a separate subsidiary for coal mining business. However, the approval of the Coal Ministry was awaited on this.

The official further said that since the Coal Ministry has approved the proposal to set up an arm for coal mining, the NTPC went ahead to incorporate a separate firm.