



खनिज समाचार

KHANIJ SAMACHAR

VOL 1 NO-10

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

The Central Library, IBM, Nagpur provided the Classified Mineral News Service since many years on monthly basis in the print form. To expand this service to the IBM Offices all over India i.e. H.Q., Zonal & Regional Offices and to take a call of time, the Controller General, IBM desired to make this service online on fortnightly basis. The library staff made efforts to make it successful. This is the 10th Issue of this service named **Khanij Samachar Vol 1 No-10** for the period from **1st- 15th Sept 2017**. The previous issue of Khanij Samachar Vol 1 No-9 is uploaded on IBM Website.

It is requested that the mineral related news appeared in the Local News Papers of different areas can be sent to Central Library via email **ibmcentrallibrary@gmail.com** (scanned copy) so that it can be incorporated in the future issues to give the maximum coverage of mining and mineral related information.

It will be highly appreciated if the valuable feedback is reciprocated.

Mrs. D. H. Vairagare

Asstt. Library & Information Officer



खनिज समाचार

KHANIJ SAMACHAR



*A FORTNIGHTLY NEWS CLIPPING SERVICE
FROM*

CENTRAL LIBRARY

INDIAN BUREAU OF MINES

VOL 1 NO-10, 1st - 15th SEPTEMBER, 2017

MOIL eyes Pench-Nagzira forest corridor for mining

PCCF Recommends Drilling Permission

Vijay.Pinjarkar@timesgroup.com

Nagpur: Already faced with shrinking habitat, wild animals are in more trouble. Manganese Ore India Ltd (MOIL) has sought diversion of 24.37 hectares protected forest land in Lanjhera in Pench-Navegaon-Nagzira tiger reserve corridor for manganese mining.

Lanjhera in Nakadongri range of Bhandara division falls in the tiger corridor connecting Pench with Navegaon-Nagzira. There are studies by the forest department and wildlife NGOs about tiger presence here.

As per the Wildlife Institute of India (WII), Dehradun, the area also falls in the corridor of Eastern Vidarbha Landscape (EVL).

According to forest department sources, though the proposal for land diversion under the Forest (Conservation) Act 1980 was moved in 2016, files are moving fast now. MOIL is a major manganese dioxide ore producer in the country.

MOIL's senior manager (geology) Sanjay Sarkar said permission has first been sought for drilling 39 bores in 2.18 hectares forest land. "If



they show presence of ore, then land diversion will be sought. We are still in process of complying with conditions," he added.

The 24.37 hectares (60.21 acres) is equivalent to almost 80 football fields. The land is in Deulgaon-II beat of Jamkandri. The corridor connecting Pench and NNTR is popularly known as Bawanthadi forest block and is one of the crucial linkages among the protected areas of Maharashtra and Madhya Pradesh.

As per Phase IV monitoring exercise conducted by the forest department & Wildlife Conservation Trust (WCT) in 2015, the Bawanthadi forest block has resident breeding tiger population. At least nine adult tigers and 17 adult leopards were camera-trapped in this block. This 550 sqkm forest block has a density of almost 2 tigers and over 3 leopards per 100 sqkm.

"Apart from supporting resident tigers, Bawanthadi corridor facilitates gene flow

and movement of dispersing animals between Pench & NNTR. Several dispersal records have been reported over the last couple of years between these two reserves," says wildlife biologist Aditya Joshi, who conducted the joint study.

"A similar study in 2014-15 on tigers conducted jointly by Bhandara forest division and our NGO Save Ecosystem and Tiger (SEAT) revealed dispersal of four tigers from MP Pench.

"The surplus population of Pench reserves (MP & Maharashtra) disperse in Bawanthadi block," said Shahid Parvez Khan, secretary of SEAT, Bhandara. Khan added Lanjhera also fell in grid number 23 of the Pench-NNTR tiger corridor report on EVL by WII.

Bhandara deputy conservator (DyCF) Vivek Hoshing confirmed MOIL had sought permission for drilling. "The diversion of 24.37 hectares forest land will depend on availability of ore and feasibility. For this, the corporation will have to submit a fresh proposal under FCA," he said.

Interestingly, even as studies were conducted in 2014 and 2015 about ecological and wildlife importance of the area, then Bhandara DyCF recommended drilling permission on the basis of which state's nodal officer wrote to state government on August 1, 2016 allowing drilling permission on 2.18 hectares which is part of proposed 24.37 hectares.

Base metals shine on Chinese supply reforms, weaker dollar

REUTERS

London, August 31

A speculative frenzy triggered by a falling dollar, tighter supplies and healthy demand in top consumer China have in recent weeks propelled prices of industrial metals to multi-year highs.

Optimism surged in July after news of a Chinese proposal to ban imports of some scrap metal from the end of 2018.

Any ban would be part of a broader crackdown by China on imports of foreign waste, as it looks to cut pollution from heavy industries - a dominant theme as it could mean rising Chinese imports of metals.

"Robust underlying demand, supply-side reforms in China and the weaker dollar set the stage," said Ingrid Sternby, senior research analyst at Blenheim Capital Management.

The US currency's drop to four-month lows against a basket of currencies makes dollar-denominated commodities cheaper for holders of other currencies, a relation-



ship used by funds to generate 'buy' and 'sell' signals from numerical systems.

"The Chinese speculative community started to buy, the market picked up momentum and other funds followed," Sternby said. "The trend can be sustained for a few months, don't expect any negative news from China ahead of the National Congress later this year."

The ban on scrap is significant for copper as deficits are expected towards the end of the decade due to deteriorating ore grades and a dearth of new projects to produce the metal used widely in power and construction.

China accounts for nearly

half of global copper demand estimated at around 23-million tonnes (MT) this year. Copper's fortunes to a large extent rely on Chinese manufacturing.

Benchmark copper on the London Metal Exchange this week hit a near three-year high above \$6,870 a tonne, while aluminium this month climbed above \$2,120 to its highest since February 2013.

China last year accounted for 55 per cent of global output estimated at nearly 59MT from 11 per cent of 25 million at the turn of the millennium. Higher output of aluminium, used in transport and packaging in China making its way to global markets, has been behind large surpluses in recent years.

But China is clamping down on unauthorised aluminium capacity by carrying out inspections to ensure facilities meet environmental standards to cut pollution.

China's heavy investment in aluminium output led to overcapacity and a lack of profitability," BoA Merrill Lynch analysts said in a note.

NMDC to ramp up iron ore output to feed steel demand



NEW DELHI, Aug 31 (PTI)

TO CATER to the steel industry's growing appetite for iron ore, state-owned miner NMDC has decided to raise production capacity to 67 million tonnes per annum by 2021-22.

The company is producing nearly 30 mt of iron ore from three fully mechanised mines -- two in Chhattisgarh and one in Karnataka -- its homepage

showed. "NMDC has made a comprehensive plan to enhance iron ore production capacity to 67 million tonnes per annum (mtpa) by 2021-22 to meet growing requirements of iron ore of the Indian steel sector," the PSU said this its annual report for 2016-17.

To achieve its goal, the company is looking to expand its footprint in India and abroad.

The strategy focuses on growth

largely through brownfield expansion of existing mines and improving evacuation along with it. "ICVL, a JV company of SAIL, RINL, NTPC, CIL and NMDC, acquired a coking and thermal coal mine in Mozambique. Operations were discontinued due to the depressed coking coal prices from December 2015. In view of upswing in the coking coal prices, ICVL is in the process of restarting operations at the Benga mine," it said. "Besides, NMDC is in the process of setting up of a pilot scale processing plant for gold in its mining lease in Tanzania."

In India, the company has plans to develop a greenfield mine through a joint venture with the Chhattisgarh State Mining Development Corporation (CSMDC). Besides, as part of its diversification and forward integration plan, it is setting up a 3-mtpa greenfield steel plant in Chhattisgarh, which is in advanced stage of construction.

एमईसीएल देगी ₹38 करोड़ का लाभांश

व्यापार प्रतिनिधि | नागपुर

एमईसीएल ने 2016-17 के लिए भारत सरकार को 38 करोड़ रुपए लाभांश देने की घोषणा की है। यह घोषणा एमईसीएल के अध्यक्ष-सह-प्रबंध निदेशक, डॉ. गोपाल धवन ने एमईसीएल की 45वीं साधारण बैठक के दौरान कॉर्पोरेट कार्यालय, नागपुर में की।

इस अवसर पर निदेशक (तकनीकी) आर.एन. झा, निदेशक वित्त एमएसएन मूर्ति, उप महानिदेशक जीएसआई एन.बी. नितीन नवरे, निदेशक, जीएसआई

एस. डर. पाठभाजे और संविधिक लेखा परीक्षक अशोक रामानी उपस्थित थे। डॉ. धवन ने बताया कि वर्ष 2016-17 के दौरान कंपनी का भौतिक और वित्तीय निष्पादन कंपनी के स्थापना-काल से अब तक का सर्वोत्तम निष्पादन रहा है।

उसी प्रकार एमओयू निष्पादन की स्थापना-काल से अब तक का सर्वोत्तम निष्पादन रहा है। उन्होंने वर्ष 2016-17 के लिए एमओयू निष्पादन की रेटिंग उत्कृष्ट रहने की आशा व्यक्त की है। कंपनी ने 5.19 लाख मीटर समन्वयी बेधन कार्य किया है, जो गत वर्ष 4.27

लाख मीटर था, जिससे लगभग 22 प्रतिशत का सुधार प्रदर्शित होता है। एमईसीएल ने 365 करोड़ रुपए का सकल राजस्व दर्ज किया है, जबकि वर्ष के दौरान करके पूर्व लाभ का आंकड़ा 161 करोड़ रुपए है। एमईसीएल ने गवेषण गतिविधियों में तेजी लाने के लिए टोपोग्राफिक सर्वे और जियोलॉजिकल मैपिंग के लिए अनुसंधान एवं विकास आधार पर प्रारंभिक तौर से ट्रोण यूएवी प्रौद्योगिकी को भी अपनाया है।

कंपनी ने अपनी आधुनिकीकरण की योजना को जारी रखते हुए सर्वे, लेबोरेटरी, जियोलॉजिकल सर्वे

आदि के लिए हाइटेक हाइड्रोस्टैटिक ड्रिले, नए इंस्ट्रुमेंट प्राप्त किया है। लेबोरेटरी वर्कशाप और ट्रेनिंग वर्कशॉप्स हाल के लिए हमारे यूटिलिटी वर्कप्लेक्स नागपुर में नई बुनियादी-सुविधाएं विकास की जा रही हैं। अब यह अन्य तत्वों के अतिरिक्त ग्रीन फील्ड गवेषण के लिए अपेक्षित सभी तत्वों का परीक्षण कर सकेगा।

एमईसीएल गैर-कोयला क्षेत्र में नए गवेषण ब्लॉक लेने और देश में कच्चे माल की सुरक्षा सुनिश्चित करने के लिए खनिज और खनन उद्योग की मदद के लिए तैयार है।

Buy Comex gold at \$1,295-97/ounce

GNANASEKAART

Comex gold futures nudged lower on Thursday giving up some of its gains made in the previous week, as the dollar gained on positive economic data from China and the US, but it held above a key level as safe haven demand due to North Korean tensions capped losses.

Comex gold futures are moving perfectly in line with our expectations so far. As mentioned in the previous update, the critical \$1,300-05 resistance needs to be taken out convincingly to expect further bullishness ahead. This area seems to be holding attempts to decline so far. As explained previously, in the medium-term possibility exists for this move to extend to \$1,335-37, an important resistance level.

Near-term support is in the \$1,295-97 zone, and we expect this zone to hold supports and push higher again towards \$1,335 or even higher to \$1,374 in the coming sessions. Break below \$1,285 could temporarily dent the prospects of further upside. Such a move could see prices testing \$1,257-60 followed by stronger supports at



\$1,252-53. Favoured view expects prices to edge higher again after testing key support levels mentioned above. It appears more likely that supports at \$1,295-97 to hold for a push higher towards \$1,335 or even higher in the coming sessions.

Going forward

We will take a look at the wave counts now and understand the possible scenarios that can unfold going forward. It is most likely that the fall from the all-time highs at \$1,925 to the recent low of \$1,088 so far, was either a possible corrective wave A, with a possibility to even extend towards \$1,025-30, or a complete correction of A-B-C ending with this decline.

Subsequently, to this decline, a corrective wave B could unfold with targets near \$1,375 or even higher. After that, a wave C could begin lower again. Al-

ternatively, we can also expect wave B to extend to \$1,476.

If the current decline as a whole from \$1,920 can be considered as a fourth wave, then the fifth wave could begin and cross \$1,700 in the long-term. But failure to follow-through above \$1,355 has dashed any hopes of any impulsive up move.

As prices have broken certain important supports and shows weakness targeting \$975, we are tilted towards looking at this as a corrective wave C in progress. RSI is in the neutral zone now indicating that it is neither overbought nor oversold.

The averages in MACD are above the zero line of the indicator again, indicating a bullish reversal. Only a cross over again below the zero line could hint at a reversal in trend to bullish.

Therefore, Buy Comex gold on dips to \$1,295-97 with stop-loss at \$1,283 targeting \$1,335 followed by \$1,350.

Supports are at \$1,278, \$1,1265 and \$ 1,253 and Resistances at \$1,305, 1,335 & 1,351.

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

NMDC to increase iron ore output

New Delhi, August 31

To cater to the steel industry's growing appetite for iron ore, state-owned miner NMDC has decided to raise production capacity to 67 million tonnes per annum by 2021-22, the PSU said in its annual report for 2016-17. To achieve its goal, the company is looking to expand its footprint in India and abroad. The strategy focuses on growth largely through brownfield expansion of existing mines and improving evacuation.

MECL की 38 करोड़ लाभांश देने की घोषणा

क्यापर सेवादाता

नागपुर. एमईसीएल ने 2016-17 के लिए भारत सरकार को 38 करोड़ रुपये लाभांश देने की घोषणा की है. यह घोषणा एमईसीएल के सीएमडी डा. गोपाल धवन ने एमईसीएल की 45वीं साधारण बैठक के दौरान की. इस अवसर पर निदेशक (तकनीकी) आर.एन. झा, निदेशक (वित्त) एम.एस.एन. मूर्ति, एन.बी. निहित नवरे, पाठभाजे, अशांक रामानी सहित अन्य उपस्थित थे. धवन ने बताया कि वर्ष 2016-17 के दौरान कम्पनी का भौतिक और वित्तीय निष्पादन कम्पनी के स्थापना काल से अब तक का सर्वोत्तम निष्पादन रहा है. इस तरह वर्ष के लिए एमओयू निष्पादन की रेटिंग उत्कृष्ट रहने की आशा है. कम्पनी ने 5.19 लाख मीटर समन्वयेवी वेधन कार्य किया है, जो गत वर्ष 4.27 लाख मीटर था, जिससे लगभग 22 प्रश्न का सुधार प्रदर्शित होता है. एमईसीएल ने 365 करोड़ का सकल राजस्व दर्ज किया है, जबकि वर्ष के दौरान करके पूर्व लाभ का आंकड़ा 161 रुपये है.

■ कम्पनी की प्रमुख गतिविधि-गवेषण कार्य के लिए फलस्वरूप इसने राष्ट्रीय खनिज मालसूची में विभिन्न खनिजों के लिए 3184 मिलियन टन संसाधनों की वृद्धि है. कम्पनी ने ग्रीनफील्ड गवेषण के क्षेत्र में भी कदम रखा है, जिसके अंतर्गत भारत सरकार द्वारा 30 नए ब्लॉक सौंपे गए हैं.

■ इनमें कार्य चल रहा है, जिसे इसे समयबद्ध तरीके से पूरा किया जा सके. इन ब्लॉकों को आगे नीलामी के लिए विकसित किया जाएगा. एमईसीएल ने गवेषण गतिविधियों में तेजी लाने के लिए टोपोग्राफिक सर्वे और जियोलाजिकल मैपिंग के लिए अनुसंधान व विकास आधार पर प्रारंभिक तौर से ड्रोन प्रौद्योगिकी को भी अपनाया है.

Supports may limit the downside in MCX-Lead

GURUMURTHY K

BL Research Bureau

The Lead futures contract on the Multi Commodity Exchange (MCX) has managed to bounce higher after falling initially in the past week. The contract fell to a low of ₹146.9 a kg on Monday and has reversed higher from there. It is currently trading at ₹151.3.

The 200-day moving average at ₹147 has halted the contract's sharp fall that happened from the high of ₹161.5 recorded on August 17. The 200-day moving average will be a key support to note. As long as the contract trades above this support, there is high possibility of it to test the resistance at ₹156 in the coming days.

Inability to break above this hurdle can keep the contract range-bound between ₹147 and ₹156 for some time.

The 55-day moving average is on the verge of crossing above the 200-day moving average. This is a bullish signal indicating that the downside could be limited as of now. As such, there is a strong likeli-



hood of the contract breaking above ₹156 in the coming days. Such a break can take the contract higher to ₹160 again.

Further break above ₹160 will pave way for the next targets of ₹163 and ₹165. Traders with a short-term perspective can make use of dips to go long at ₹148. Stop-loss can be placed at ₹145 for the target of ₹154. Revise the stop-loss higher to ₹149 as soon as the contract moves up to ₹151.

The outlook will turn negative only if the contract declines below the 200-day moving average support decisively. In such a scenario, the contract can fall to ₹145 or ₹143.

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

'Mechanised mining affecting workers and environment too'

■ Staff Reporter

"INCREASED mechanised mining is not only adversely affecting mining workers but the entire community and environment is also affected which is the matter of concern," said Dr N R Thote, Professor and HoD of Mining Engineering, Visvesvaraya National Institute of Technology (VNIT). He was speaking as chief guest on the occasion of inaugural function of Practicum Workshop on 'Use and Maintenance of Personal Dust Samplers, Noise and Vibration Measuring Devices' being organised by National Institute of Miners' Health (NIMH); a city-based autonomous Institute under Ministry of Mines, Government of India. It will conclude on September 2. In line with the Skill India initiative of the Government of India, NIMH has commenced a series of executive development programme on hazard monitoring and risk assessment in mining and mineral based industry. The first session of such series is exclusively arranged for executives of NMDC Limited, a renowned Navratna Central Public Sector Enterprise.

Dr Thote congratulated and lauded efforts of NIMH for regularly organising such workshops/conferences focused on improving miners' health which are instrumental in spreading awareness among mining organizations. He further stressed that our great concern is conservation of environment and health of mining population and that can only be possible by increasing and refreshing knowledge in such workshops.

Earlier, Dr Anupam Agnihotri, Director, NIMH, welcomed delegates. In his welcome address he said, "There is always gap between theory and practices which underline need of train-



Dr N R Thote, Dr B B Mandal, Dr Anupam Agnihotri and others during the inauguration of workshop.

ing programs. Mining is an important area and contributes a lot in GDP of the country hence, health of mining workers and understanding use of dust, noise and vibration monitoring devices and its maintenance is extremely important. We, as scientists and industry executives, always require refurbishing their skill and this workshop provide this opportunity to them."

Dr B B Mandal, Deputy Director and Head of Occupational Hygiene Division of NIMH and also the convener of the workshop, while speaking on the occasion said, "There was always a difference in understanding and interpretation of findings of field studies by the industry when it is prepared by a research institute. This workshop will deal in detailed understanding of methods of measurements of dust, noise and vibration in mining environment. He also expressed gratitude to the management of NMDC Limited for sending participants quoting it as an example of industry and research institute coming together for betterment of occupational health of mine workers."

Dr Sarang Dhatrak, Assistant Director and Head of Occupational Health Division of NIMH, also welcomed the delegates and introduced in brief

activities of NIMH and informed that NIMH is the only Institute devoted exclusively to the cause of Miners' Health by way of research, workplace monitoring and health surveillance programs sponsored by clients and customised training programmes.

Priyanka Mankar, Sr. Scientific Assistant, NIMH, proposed a vote of thanks and Nikhil P Kulkarni, Scientific Officer, NIMH, conducted the proceedings.

The six-day workshop covered exhaustive theoretical and practical training on various topics such as FTIR spectroscopy, demonstration of Noise mapping techniques and other issues related to dust, noise and vibration hazards in mines.

The workshop also included a session on "Legislative framework of dust control and preventive measures" by Prabhat Kumar, Director of Mines Safety, of Nagpur Region 1 of Directorate General of Mines Safety (DGMS). Shri Kumar gave detailed insight of legislative provisions relating to dust control and prevention under the Mines Act, 1952, Coal Mines Regulations, 1957 and Metalliferous Mines Regulations 1961. The first batch of delegates of NMDC Limited from all their units has participated in the workshop.

Vedanta to invest Rs 50,000 cr in India

NEW DELHI, Sept 1 (PTI)

METALS and mining conglomerate Vedanta Resources has plans to invest around Rs 50,000 crore on business expansion in India in coming years, its Chairman Anil Agarwal said on Friday. He also expressed hope that the retrospective taxation issue between Cairn Plc and the Government would soon be sorted out.

"I have promised the Government that the group will invest Rs 40,000-50,000 crore. My shareholders and my banks abroad would be very pleased with my plan," Agarwal said.

He further said that this decade would belong to India and it was the best time to invest here.

On the retrospective taxation row, Agarwal said: "The kind of image that India has all over the world, the retrospective tax is one small thing which has to be sorted out... There is a case between the Government and Cairn Plc. I highly recommend both parties to sit down and sort out this issue."

The retrospective legislation was used to levy a principal tax liability of Rs 10,247 crore on the UK-based Cairn Energy Plc. That matter, too, is before an international arbitration panel.

Highlighting some of the

reform measures taken by the Government, Agarwal said that the bankruptcy law and the Goods and Services Tax (GST) would help improve the business environment and attract global investors.

Vedanta is a major player in India's zinc industry, primary aluminium market, and refined copper with market shares of 72 per cent, 40 per cent and 35 per cent respectively.

Also, it is India's largest private sector iron ore exporter and operator of 26 per cent of India's crude oil production through Cairn India.

Meanwhile, the Income-Tax Department has seized USD 104 million dividend due to Cairn Energy Plc from the remaining stake in the erstwhile subsidiary Cairn India (now called Vedanta Limited). The Department has already adjusted Rs 1,500 crore of tax refund that was due to Cairn Energy, against the principal amount.

"The Government already has holding shares about Rs 6,000-7,000 crore and something should be done to settle the issue. Those shares were of Cairn Plc," he had said.

Vedanta Resources recently merged Cairn India with group company Vedanta Ltd.

BUSINESS LINE DATE: 2/9/2017 P.N. 3

NMDC may pick up stake in Vietnam tungsten mine

Awaits approval for due diligence

OUR BUREAU

Hyderabad, September 1

NMDC Ltd is considering picking up stake in a tungsten mine located in Vietnam and is awaiting the Union Cabinet nod to take up due diligence and then pursue the deal.

The state-owned iron ore mining major and Midhani, a strategic defence public sector undertaking, had come together last year to explore opportunities to procure tung-

sten both in India and abroad, while also working on related technologies, to make the country self-reliant on this element.

PK Satpathy, Director, Production, NMDC, said a detailed note is in the process of being prepared by the Steel Ministry. Based on the government nod, the due diligence and follow up on stake approval will be taken up. Speaking on the sidelines of an event hosted by the visiting Australian mining delegation, Satpathy said teams from NMDC and Midhani had visited Vietnam to assess the mines

and their potential. Later, proposal was sent to the Steel Ministry. Being a State enterprise, the Cabinet has to approve before NMDC initiates the due-diligence process.

NMDC in the past had acquired stake in Legacy Mine in Australia.

Referring to iron ore production targets, he said NMDC plans to produce 35 million tonnes during 2017-18 against 34 mt it produced last fiscal. It has programmed for a capital expenditure of ₹2,500 crore for the Nagarnar steel plant in Chhattisgarh.

NMDC may acquire stake in Vietnam tungsten mine

To meet defence sector requirement; waiting for Cabinet's clearance

SPECIAL CORRESPONDENT
HYDERABAD

The government-owned National Mineral Development Corporation Limited is likely to acquire stake in a tungsten mine in Vietnam and it is waiting for a Cabinet decision to conduct due diligence.

In an informal chat with the reporters here, Director (Production) P.K. Satpathy said the process can only start after the Cabinet clears it. He said teams from NMDC and Midhani have gone and visited the tungsten mine in Vietnam and sent the proposals to the Ministry. The Steel Ministry is preparing the note for the Cabinet.

He said mining of metal is nil after the closure of a mine in Rajasthan. However, the country needs around 300 tonnes per annum for usage in defence. As of now, it is being imported.

Mr. Satpathy also said that the NMDC would invest ₹ 2,500 crore in the steel plant coming up at Nargarnar in Chhattisgarh with a target to produce 35 million tonnes of iron ore.

An Australian mining delegation was in the city to explore the opportunities and to offer their services in the

mining sector.

A delegation of the Australian mining equipment technologies and solutions met with senior officials from NSL Consolidated, NMDC, Singareni Collieries, and other leading mining companies in Hyderabad on Friday.

Australian delegations

The 12-member delegation is a part of the 150-member Australian business delegation that is currently in India as part of The Australia Business Week in India-2017 (ABWI).

The Trade Commissioner of Australian Trade & Investment Commission, Tim Martin, said Australia offers innovative mining equipment, technology and services (METS) that can help India meet its ambitious new production targets and stricter safety, quality, environmental and water management regulations.

Several Indian mining companies, including those in the government sector, have close links with the Australian companies. The NMDC, India's largest iron ore miner, has an investment in Legacy Iron Ore in Perth, Australia, while SCCL has long standing technical collaborations.

SAIL eyes 10% of long products market

Bets on increased steel demand and modernisation programmes at its units to boost share

INDRANI DUTTA
KOLKATA

Public sector Steel Authority of India Ltd., (SAIL) hopes to increase its market share in long products from 7% now to 10% by early next year, riding on the increased demand and its own modernisation and revamp programmes.

The 43.3-million tonne long products market is a segment that caters mainly to the infrastructure and construction sector. It is dominated by secondary steel producers, but among the main producers, SAIL has the single-largest share.

The new units at the erstwhile Indian Iron and Steel Company (IISCO), now known as SAIL-IISCO Steel Plant, is expected to facilitate SAIL's efforts to increase its market share. "The plant has the potential to capture newer market segments with its enriched products from



Renewed vigour: SAIL-ISP is targeting construction, bridges, infrastructure and engineering projects.

the new mills", SAIL chairman P.K. Singh said on a recent visit to ISP's unit at Burnpur, West Bengal.

Slump had hit ramp-up

An erstwhile SAIL subsidiary, ISP merged with the parent in 2006. An ₹18,000 crore project was unveiled thereafter to replace the al-

most 100-year old plant. Capacity was increased from less than a million to 2.5 million tonnes per annum. However, the completion of the project in 2015 also coincided with a slump in demand in the steel sector.

The segments that SAIL-ISP is specifically targeting include construction,

bridges, infrastructure and engineering projects.

The 0.5 million tonnes per annum wire rod mill at ISP is capable of producing quality wire rods for industrial uses, critical wire rope applications, medium carbon wires and special quality electrodes. The new universal structural mill at ISP, which enables better surface finish on materials and is used in construction, is also expected to give a fillip to SAIL. "This will strengthen SAIL's structural profile and enable the company to roll out economical products which will find wide applications," a SAIL official said.

The Bhilai Steel Plant and the Durgapur Steel Plant, into which ₹19,500 crore capital has been pumped in for modernisation and in capacity augmentation, also produce long products such as long rails, wire rods, bars and structurals.

SAIL faces competition in long products from Tata Steel, JSW, JSPL and RINL, the company said. Secondary steel producers (producers using the Electric Arc Furnace and Direct Reduction of Iron methods) have a 57% share of the long products market.

Demand uptick is seen from the government's policies such as housing for all, improved road and rail connectivity, airport connectivity in Tier-II cities and infrastructure development projects. These are expected to translate into increased demand for steel.

A recent ICRA report said that domestic steel prices have taken a cue from buoyancy in international steel prices. Demand growth has been a moderate 4.4% between April and July, 2017. However, ICRA also said that the sector was not expected to come out of its stressed condition immediately.

वेदांता करेगा 50,000 करोड़ का निवेश

एजेंसियां

दिल्ली. खनन समूह वेदांता रिस्सोर्सेज आने वाले सालों में भारत में अपने कारोबार विस्तार पर करीब 50,000 करोड़ रुपये निवेश करेगा. कम्पनी के चेयरमैन अनिल अग्रवाल ने यह बात कही. अग्रवाल ने उम्मीद जतायी कि सरकार और केयर्न के बीच पिछली तिथि से लगाये कर का मुद्दा भी जल्द सुलझ जाएगा. अग्रवाल ने कहा मैंने सरकार से वादा किया है कि समूह 40,000 से 50,000 करोड़ रुपये का निवेश करेगा. विदेशों में मेरे बैंक और मेरे शेयरधारक मेरी योजना से काफी खुश हैं. उन्होंने कहा कि यह दशक भारत का है और यह यहां निवेश करने का सबसे अच्छा समय है. पिछली तिथि से लगाए गए कर के मुद्दे पर अग्रवाल ने कहा कि भारत की दुनियाभर में उदार छवि है और यह एक छोटा सा मुद्दा है जो जल्द ही सुलझ जाएगा. मामला सरकार और केयर्न के बीच में है. उनका सुझाव है कि दोनों पक्षों को बैठकर इस मुद्दे को सुलझाना चाहिए.

Gold breaks through key hurdle

The strong break above \$1,300 paves the way for prices to rally further

CLIMURJITHY K

Gold surged, breaking above \$1,300 per ounce last week, in line with our expectation. The yellow metal surged 2.6 per cent last week and has closed at \$1,325 per ounce — its first decisive close above the psychological \$1,300 level since November 2016.

Increasing geo-political tensions between the US and North Korea aided the surge in gold prices last week. North Korea's missile that flew over Japan before falling into the ocean increased the nervousness in the market. As a result, gold rallied due to its safe-haven status.

Silver, on the other hand, snapped the two consecutive weeks of narrow sideways move. It surged 3.9 per cent last week and has closed at \$17.73 per ounce.

On the domestic front, both the gold and silver futures contract on the Multi Commodity Exchange (MCX), which were stuck in a narrow range in the previous two weeks, surged in tandem with the global spot prices last week.

The MCX-Gold contract closed at ₹29,823 per 10 gm,

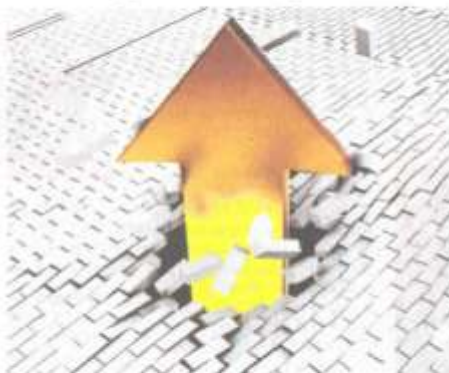
up 2.2 per cent for the week. MCX-Silver contract was up 2.6 per cent and closed at ₹40,021 per kg.

Mixed US data

The US posted a strong growth in the second quarter. The US economy grew at 3 per cent, bettering the market expectation of a 2.7 per cent growth. The GDP number helped the dollar index to surge to a high of 93.35 during the week. However, the job numbers that were released on Friday failed to meet the market expectations.

The US non-farm payroll increased 136,000 in August as against the market expectation of an increase of 186,000. Wage growth also stayed stable at 2.5 per cent for the fifth consecutive month. Though the dollar index fell after this data release, it managed to bounce back from the low of 92.10 and has closed the week at 92.85. The dollar index has a resistance at 93.20. A strong close above this hurdle can take it higher to 94 in the coming days.

Though the on-going geo-political tensions might continue to push gold prices higher, a rally in the dollar in-



WWW.BUSINESSLINE.COM

des might slow down the pace of the upmove in the bullion.

Gold outlook

Global spot gold (\$1,325 per ounce) has an immediate resistance at \$1,326. Inability to break above this hurdle can pull prices lower to \$1,320 or \$1,318 this week. The level of \$1,318 is a key near-term support.

A strong break below it can drag gold lower to \$1,310 or even \$1,300 thereafter. But a further fall below \$1,300 is unlikely as fresh buyers might emerge around this psychological support. An eventual break above \$1,326 will clear

the way for the next target of \$1,340. A further break above \$1,340 can take prices higher to \$1,360 and \$1,370 over the medium term.

The MCX-Gold (₹29,823 per 10 gm) futures contract has risen, breaking decisively above the key resistance at ₹29,450. The outlook is bullish with strong support in the ₹29,500-₹29,400 zone.

A strong break above ₹30,000 can take the contract higher to ₹30,320 — the 61.8 per cent Fibonacci retracement resistance initially. Inability to break above this hurdle can pull the contract lower to ₹30,000 or ₹29,800. That said, a strong break

above ₹30,320 will clear the way for the next target of ₹30,750. Traders with a medium-term perspective can go long on dips at ₹29,650. Accumulate dips near ₹29,500. Stop-loss can be placed at ₹29,200 for the target of ₹30,600. Revise the stop-loss higher to ₹29,400 as soon as the contract moves up to ₹30,300.

Silver outlook

The global spot silver (\$17.73 per ounce) has risen, breaking above the key resistance at \$17.25. Key support is in the \$17.5 and \$17.25 region, which can limit the downside in the near term.

Immediate resistance is at \$17.80. A strong break above it can take silver higher to \$18.350 or even \$18.50 in the coming weeks.

The MCX-Silver futures contract (₹40,021 per kg) has an immediate resistance at ₹40,115 — the 200-day moving average. A strong break above it can take the contract higher to ₹41,000. Further break above ₹41,000 will see the upmove extending to ₹42,000 or even ₹43,000 over the medium term.

The near-term outlook will turn negative only if the contract declines below ₹39,400. Such a break can take it lower to ₹38,900.



MCX Gold

Supports
₹29,400 / ₹29,000
Resistances
₹30,000 / ₹30,320

MCX Silver

Supports
₹39,400 / ₹38,900
Resistances
₹40,115 / ₹41,000

Metals (\$/tonne)						
Aluminium	2116	0.5	12.3	32.6	2134	1545
Copper	6805	2.1	7.8	47.3	6804	4573
Iron Ore	79	-0.4	7.6	37.2	95	54
Lead	2368	1.8	2.4	33.1	2466	1863
Zinc	3185	2.3	15.1	35.9	3185	2087
Tin	20830	1.0	0.9	8.7	21943	18790
Nickel	11973	2.4	16.9	21.5	12004	8710

Now, trade in diamond...

ICEX makes a comeback through futures contract in diamond

RAVADHARIMKS

In a first of its kind, Reliance Capital-led Indian Commodity Exchange (ICEX) launched the world's first diamond futures contract last week.

ICEX had suspended operation in 2014 due to dwindling volumes in the exchange.

Given that India is one of the largest exporters of polished diamonds, a futures contract to hedge price risks will help manufacturers, wholesalers and retailers and jewellery fabricators. Surat (Gujarat) is the hub for diamond trading operations in India.

Whether the ICEX diamond contracts will gain momentum and sustain the interest of investors remains to be seen. Factors such as spending capacity in India and China, consumer preferences, performance of current mines and global demand and supply influence the prices of diamonds.

Contract specifications

The diamond futures contract launched by ICEX will be traded Monday through Friday between 10 am and 11:30

pm. One lot is one cent (2mg) and the maximum order size is 3,000 cents (1 carat is 100 cents). It will be quoted in rupee per cent of HVS2 grade diamond.

HVS2 is one of the common grades of diamond which has minor visual inclusions (the marks and taints on the diamond) that are difficult to see under (10X) magnifications. It indicates near colourless diamond (and VS-very slightly). The diamond colours usually range from light tint to colourless (between grades K and D).

The diamond futures contract will expire on the 5th of every month. If you want to trade in the futures contract, an initial margin of 4 per cent along with extreme loss margin of 1 per cent has to be paid. A special margin may also be imposed on the buy side or sell side, or both, if the regulator or the exchange finds increased volatility in prices.



VICTOR MULLAS/SHUTTERSTOCK.COM

The exchange accepts graded natural untreated diamond stones without any brown, green or milky discoloration and without dark or black inclusion for delivery.

ICEX does polling for diamond prices through quotes from diamond traders, jewellers and wholesalers.

Delivery procedure

The diamond futures contract is a compulsory delivery contract.

Physical delivery, however, happens only if a trader has accumulated at least 100 e-units, where one e-unit is equivalent to one cent. For those who hold less than 100 units of the contract, the delivery will only be in electronic form.

Say, upon the expiry of contract, you have a buy position of 20 cents, you will get the delivery of the said 20 cents as e-units in your account. You can't ask for a physical delivery unless you hold a minimum of 100 e-units (i.e., one carat).

Similarly, if a seller wishes to give delivery, the diamond has to be of weight 1 carat or above and he has to get it graded from the agency designated by the exchange (International Institute of Diamond Grading and Research). Post this, the grading report and the diamond stones will have to be deposited with the exchange accredited vault (Mak-Amit, vaulting agency).

The exchange will credit e-units to the seller's account

once the confirmation from the agency is received to the exchange.

The delivery centre is at an exchange designated vault at Surat (Gujarat). Currently, three contracts of 1 carat diamonds are available with the exchange — one expiring in November 2017, one in December 2017 and the other in January 2018.

Price movements

Globally, diamond prices have been declining over the last one year.

According to Rapaport 1 carat HVS2 index, 1 carat diamond was trading at \$5,220 in September 2016 which has since declined to \$4,644 per carat now.

This is mainly due to low demand from Chinese markets, one of the largest consumers next to the US. Competition in the industry and excess supply have resulted in the price decline.

However, with the demand from the Chinese market showing signs of improvement recently, prices may edge higher now, say analysts.

Prices of diamonds in the domestic market may also move up and help volumes in the newly launched futures contract.



Know your diamond

HVS2 is one of the common grades of diamond which has minor visual inclusions (marks and taints) that are difficult to see under (10X) magnifications

सोना ₹450 और चांदी ₹1,300 चमकी

एजेंसी | नई दिल्ली. भू-राजनैतिक तनावों के बीच वैश्विक स्तर पर दोनों कीमतों धातुओं के दाम में तेज बढ़ोतरी और त्योहारों से पहले जेवरों की मांग आने से दिल्ली सराफा बाजार में गत सप्ताह सोना 450 रुपए और चांदी 1,300 रुपए की तेजी में रही। अंतरराष्ट्रीय बाजार में बीते सप्ताह सोना हाजिर 2.61 प्रतिशत चढ़कर करीब 10 महीने के उच्चतम स्तर 1,324.70 डॉलर प्रति औंस पर पहुंच गया।

दिसंबर का अमेरिकी सोना वायदा भी 33.40 डॉलर की तेजी के साथ सप्ताहांत पर 1,329.90 डॉलर प्रति औंस बोला गया। बाजार विश्लेषकों ने बताया कि परीक्षण के लिए दामों पर उतर कोरिया के मिसाइल के जापान के ऊपर से होकर गुजरने के बाद क्षेत्र में भू-राजनैतिक तनाव बढ़ने पर निवेशकों ने शेयर बाजार में जोखिम लेने की बजाय सुरक्षित निवेशक मानी जाने वाली पौली धातु का रुख किया। इससे सोने की चमक बढ़ी है। सप्ताह के



साप्ताहिक समीक्षा

दौरान चांदी हाजिर भी 3.93 प्रतिशत यानी 0.67 डॉलर चढ़कर 17.70 डॉलर प्रति औंस पर रही। आलोच्य सप्ताह के दौरान स्थानीय बाजार में तीन कारोबार दिवस सोने में तेजी और रोष तीन दिन गिरावट रही। इस दौरान सोना स्टैंडर्ड 1.50 प्रतिशत यानी 450 रुपए की साप्ताहिक वृद्धि के साथ सप्ताहांत पर 30,400 रुपए प्रति दस ग्राम पर पहुंच गया। सोना बिंदुर भी इतनी ही तेजी के साथ शनिवार को बाजार बंद होते समय 30,250 रुपए प्रति दस ग्राम रहा। सोने की

चमक से गिरी भी महीने हुई। वह 100 रुपए चढ़कर 24,600 रुपए प्रति आठ ग्राम पर पहुंच गई। चांदी में भी तीन दिन तेजी रही। सप्ताह के दौरान चांदी हाजिर 1,300 रुपए उछलकर 41,500 रुपए प्रति किलोग्राम पर पहुंच गयी। चांदी वायदा एक हजार रुपए की मजबूती के साथ 40 हजार रुपए प्रति किलोग्राम बोली गयी। सिक्का लिक्वली और बिकवाली भी एक-एक हजार रुपए की वृद्धि में सप्ताहांत पर क्रमशः 74 हजार और 75 हजार रुपए प्रति सैकड़ा पर रहे।

Vedanta builds war chest to fund metal start-ups

SAMBIT SAHA

Calcutta, Sept. 3: Vedanta Resources Plc, the world's sixth largest diversified mineral resource conglomerate, will launch a Rs 5,000-crore venture capital fund for mineral-based manufacturing start-ups in India.

Vedanta will partner top policy making body Niti Ayog and consulting firm Accenture to identify opportunities in the small and medium sector.

It hopes to get approval from the boards of the London Stock Exchange-listed company and Indian arm Vedanta Ltd for the fund by the end of this year. The plan is to launch the fund by the end of this financial year, chairman Anil Agarwal said.

"Several construction and automobile components that are being imported can be manufactured here. There are opportunities in copper, aluminium, zinc, silver, gold oil and gas. This is the time for start-up SMEs. We have been doing for technology now is the time for manufacturing. Units can start at as low as Rs 5 crore and can go up to Rs 100 crore. I will fund them for feasibility. They have to come up with a bankable document, then go to the bank, secure a loan, and if there is any equity required, we will provide. We will take the risk," Agarwal said in an interview with *The Telegraph*.

The Vedanta chairman met senior officials of the Niti Ayog last week to discuss the plan. "The government is fully

THE ROAD AHEAD

Vedanta's India presence

Mineral	Produced by
Zinc	HZL
Aluminium	Balco
Iron ore	Sesa
Copper	Sterlite
Crude	Cairn

● **The plan:** To invest \$6-7 bn to expand capacities by at least 60% in next 3-4 years

● **The aim:** To cut India's huge import bills

with it (fund). They will plan it for us. They will help us to create a platform so that youngsters can participate."

Vedanta also engaged with consulting firm Accenture which may identify the projects. The company, which posted a revenue of \$11.5 billion in 2016-17, will bear the cost of the work too.

Asked if securing debt would be a challenge at a time lenders are wary of financing because of the bad loan burden, Agarwal said, "Banks are flushed with funds. If you have good feasibility and equity, debt will not be a problem."

Agarwal's project stands apart as most funds usually bet on technology-based start ups. Vedanta seems to be focusing on metal-based industries, especially in sectors where it is the primary producer as a miner.

However, the Vedanta chairman said as he turned 60, his aim in life now would be to



Anil Agarwal in Calcutta on Saturday.

Picture by Saeed Kumar Sinha

help create 50 more Vedantas in the future.

Bengal plans

Agarwal, who spent his childhood in Calcutta, said Bengal would be the ideal place for the processing units to come up.

"We will create lot of industries through this fund. Bengal is the best place for SMEs. Power is available, best of brains is available, cost of labour is low... We will supply the raw material. Bengal is a very good place for contracting and outsourcing," Agarwal said during his 12-hour whirlwind trip to Calcutta.

Apart from meeting families and friends, he delivered a lecture at IIM Calcutta and addressed a gathering of Young President's Organisation before heading for London, where he lives.

In 2008, Vedanta had expressed willingness to build an aluminium smelter and power plant in Burdwan. But a cock-

tail of events — the global financial, Coal India's insistence to move the original location of the plants from the coal bearing area and company's inability to open a bauxite mine in the Niyamgiri hills in neighbouring Odisha — queered the pitch for the project.

Agarwal said he would look at the state afresh if and when mines come up for auction.

Mining pangs

Vedanta, which operates mines in Zambia, South Africa, Liberia, Namibia, besides India, said a lot more can be done to promote mining despite the efforts to bring in transparency by auction.

"The government should only be concerned about the environment and leave the rest to industry. Second, they should be favourable to the industry making money. Except foreigners, nobody takes away money, they put it back to work here. Forest clearance takes one year. The government should earmark forest area where mining cannot be done. The rest should be opened up," he said.

He also blasted the policy for not getting international price for Cairn India's assets in Rajasthan. "I am very passionate about oil and gas. I want to double the production. But I am selling at 10 per cent discount. Why would anyone invest here if you constrain him from getting international price. It should be linked to the benchmark Brent price," he said.

राजभाषा से ही देश की उन्नति संभव

खान सुरक्षा
महानिदेशालय में
हिन्दी पखवाड़ा

व्यापार संवाददाता

नागपुर. भारत सरकार, श्रम व रोजगार मंत्रालय के नागपुर स्थित खान सुरक्षा महानिदेशालय कार्यालय में 15 सितंबर तक हिन्दी पखवाड़ा मनाया जा रहा है।

पखवाड़े का उद्घाटन खान सुरक्षा महानिदेशालय, इंसिजीओ कार्यालय, ए. ब्लॉक, छठी मंजिल के सम्मेलन कक्ष में आयोजित किया गया। कार्यक्रम पश्चिमी अंचल खान सुरक्षा उपमहानिदेशक वी. लक्ष्मीनारायण की अध्यक्षता में हुआ। उद्घाटन मुख्य अतिथि महानियंत्रक रंजन सहाय व विशिष्ट अतिथि सुरक्षा व संरक्षण डब्ल्यूसीएल महाप्रबंधक ए.के. सिंह द्वारा किया गया, उपस्थित अधिकारियों व कर्मचारियों को संबोधित करते हुए मुख्य



अतिथि सहाय ने राजभाषा हिन्दी के कार्यालयीन कार्य में अधिकारिक के प्रयोग पर जोर देते हुए कहा कि राजभाषा को साथ लेकर ही देश की उन्नति संभव है, हिन्दी भाषा के प्रयोग को प्रोत्साहित करने हेतु इस पखवाड़े के दौरान विभिन्न प्रतियोगिताओं व कार्यशाला का आयोजन किए जाते हैं। पखवाड़े में समस्त अधिकारी एवं कर्मचारियों ने हिस्सा लिया।



मॉयल बढ़ाएगी मैंगनीज अयस्क का उत्पादन

एजेंसियां

दिल्ली. इस्पात उद्योग की ओर से बढ़ती मांग को देखते हुए सार्वजनिक क्षेत्र की अयस्क उत्पादक कंपनी मॉयल ने मैंगनीज अयस्क का उत्पादन बढ़ाकर 2030 तक सालाना 30 लाख टन करने का निर्णय किया है। कंपनी के चेयरमैन एम.पी. चौधरी ने कहा कि इस संबंध में एक रणनीतिक प्रबंधकीय योजना पहले ही बनायी जा चुकी है, उन्होंने स्पष्ट किया कि इस्पात उद्योग की ओर से मैंगनीज की मांग बढ़ रही है इसलिए यह आवश्यक है कि मैंगनीज अयस्क का उत्पादन बढ़ाया जाए, कंपनी ने अपनी वार्षिक रिपोर्ट 2016-17 में कहा गया है कि मॉयल की योजना अपने मौजूदा उत्पादन स्तर 11 लाख टन सालाना को बढ़ाकर 2021 तक 20 लाख टन, 2025 तक 25 लाख टन और 2030 तक 30 लाख टन करने की है।

August gold imports surge on duty-free buying from S Korea

REUTERS

MUMBAI, SEPTEMBER 4

INDIA'S GOLD imports in August nearly tripled from a year ago, despite sluggish domestic demand as a recent tax change that allowed importers to ship in the yellow metal from South Korea without paying customs duty saw some traders purchasing heavily from the country, provisional data from consultancy GFMS showed.

Higher purchases by India, the world's second biggest consumer, could support global prices, trading near their highest level in a year. It could also widen the country's trade deficit.

August gold imports climbed to an estimated 60 tonnes from 22.3 tonnes a year ago, GFMS said. In the first eight months of 2017, the country's imports rose

GOLD TOPS ₹30,000 ON GLOBAL CUES

Mumbai: Riding on firm global trends and increased buying by local jewellers at the domestic market, gold prices advanced by Rs 355 per ten grams, while silver prices soared Rs 690 per kg at the bullion market here on

Monday. Silver reclaimed the Rs 40,000 mark per kg due to good speculative offtake amid heavy industrial demand. Standard gold (99.5 purity) climbed by Rs 355 to close at Rs 30,110 per 10 grams. PTI

to 617.5 tonnes, up 158 per cent from a year ago.

"Trade houses imported nearly 20 tonnes from South Korea as they were not required to pay import duty," Sudheesh Nambiath, a senior analyst with GFMS, a division of Thomson, said on Monday.

India imposes a 10 per cent import duty on gold, but this does not apply to countries with

which it has Free Trade Agreements (FTAs), like South Korea. To avoid duty-free imports from those countries, India had previously imposed a 12.5 per cent excise duty. This was scrapped along with other local taxes when goods and services tax (GST) was introduced on July 1, allowing buyers to import gold from South Korea without paying import tax.

BUSINESS LINE DATE: 5/9/2017 P.N. 15

Odisha govt issues notice to 152 mine lessees for illegal extraction

PRESS TRUST OF INDIA

Bhubaneswar, September 4

Following a Supreme Court order, the Odisha government has issued demand notices to 152 mining lease holders asking them to pay within this year the full cost of minerals illegally extracted by them.

The lease holders, including 47 from Koida Mining Circle in Sundergarh district, allegedly extracted minerals beyond approved mining

plan and without statutory clearances.

"The Director of Mines has issued demand notice to 152 mines lease holders... for recovery of cost of minerals extracted without environmental clearance or beyond what was authorised by the competent authority," Steel and Mines Minister Prafulla Kumar Mallick said.

They are told to make payment on or before December 31, 2017.

MCX-Aluminium breaks above a key resistance

GURUMURTHY K

III, Research Bureau

The aluminium futures contract on the Multi Commodity Exchange reversed sharply higher in the past week.

The contract made a low of ₹130.7 per kg on August 28 and has risen sharply by about 4 per cent from there. It is currently trading at ₹135.25 per kg.

The rally in the past week has taken the contract well above the key resistance level of ₹134.5. The outlook will remain bullish as long as the contract sustains above the support at ₹134.5. Above ₹134.5, there is a strong likelihood of the contract rallying to ₹140 in the coming days.

Inability to break above ₹140 can trigger a corrective fall to ₹135 thereafter. But if the MCX-Aluminium futures contract manages to surpass

the hurdle at ₹140 decisively, the upmove can then extend to ₹145 over the medium term. But as the contract has been on a continuous surge since the second week of August, a corrective fall after testing ₹140 looks evident.

On the other hand, if the contract declines below the immediate support at ₹134.5, it can fall to ₹131 and ₹130 again. A range bound move between ₹130 and ₹135 is likely in such a scenario. A break below ₹130 can increase the downside pressure and drag the contract lower to ₹128 initially. Further break below ₹128 will then increase the possibility of the downmove extending to ₹125 levels thereafter.

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

Gold hits 2017 high of Rs 30,600 on North Korea nuclear test

NEW DELHI, Sept 4 (PTI)

GOLD prices surged by Rs 200 to trade at Rs 30,600 per ten grams -- its highest level this year -- at the bullion market here on Monday after North Korea conducted its most powerful nuclear test, escalating the geopolitical tensions.

Besides, increased buying from local jewellers lifted gold prices to this year's highest level.

Silver also moved up by Rs 200 to Rs 41,700 per kg backed by increased offtake from the industrial units and coin makers.

Bullion traders said that a firm trend overseas where the gold hit a 10-month high on mounting geopolitical tensions after North Korea's latest nuclear test drove investors towards the safe-haven assets, mainly buoyed sentiment here.

Globally, gold rose 0.71 per cent at USD 1,333.80 an ounce in Singapore.

In the National Capital, gold of 99.9 and 99.5 per cent purity climbed by Rs 200 each to Rs 30,600 and Rs 30,450 per ten gram respectively.

The precious metals had gained Rs 350 in the previous two sessions.

Sovereign, however, remained unaltered at Rs 24,600 per piece of eight grams.

Following gold, silver ready advanced by Rs 200 to Rs 41,700 per kg and the weekly-based delivery by Rs 540 to Rs 40,560 per kg.

Silver coins, however, continued to be traded at the previous level of Rs 74,000 for buying and Rs 75,000 for selling of 100 pieces.

MCX-Zinc heading north



GURUMURTHY K

BL Research Bureau

The Zinc futures contract on the Multi Commodity Exchange (MCX) has resumed its overall medium-term uptrend that has been in place since June. The contract is currently hovering at the key resistance region of ₹204-₹205 per kg and is trading at ₹204.5 per kg.

The price action on the daily chart suggests that the possibility of the stock breaching above ₹205 in the coming days is high. Such a break will increase the likelihood of the contract surging to ₹210 and ₹213 in the coming weeks. The region between ₹213 and ₹215 is a key long-term trend resistance, which is likely to halt the current rally.

A downward reversal from that resistance region can

pull the contract lower to ₹205 levels thereafter. High-risk appetite traders with a medium-term perspective can go long on dips near ₹202.

Accumulate long positions near ₹199. Stop-loss can be placed at ₹196 for the target of ₹213. Revise the stop-loss higher to ₹205 as soon as the contract moves up to ₹208.

The region between ₹198 and ₹195 is a key support for the contract.

The outlook for the MCX-Zinc futures contract will turn negative only if it declines decisively below ₹195 in the coming days. Such a break can drag the contract lower to ₹190.

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

BUSINESS LINE DATE: 7/9/2017 P.N. 4

Goyt to promote exports in 'shortest possible' time: Prabhu

Minister promises to solve exporters' GST related issues

OUR BUREAU

New Delhi, September 8

The government will look at ways to promote exports in the "shortest possible time" by mitigating GST regime challenges faced by exporters and by providing support that could facilitate increase in both value and volume of outbound shipments, said Suresh Prabhu, Commerce & Industry Minister.

"India's export-to-GDP ratio has to go up in order to increase capacity utilisation of existing manufacturing units. Exports have great ability to gener-

ate economic activity by its own stream. We have to work out what can be done to promote exports in the shortest possible time," Prabhu said in his first press conference after taking up charge as the Minister on Monday.

GST issues

The Minister said that he was aware of the issues that the exporters are facing in the GST regime and would work to mitigate them.

"There are certain challenges that the export sector is facing because of GST implementation. We are taking up these with the concerned authorities," Prabhu said.

The Ministry will also work on a support package that could in-

crease both value and volume of exports, he added.

Policy review

A mid-term review of the five year Foreign Trade Policy is scheduled to be announced this week. Fresh measures to boost exports could be part of the review.

Although exports in 2016-17 posted an increase of 4.3 per cent to \$24.64 billion after two years of continuous decline, growth has started decelerating again. In July 2017 export growth slowed down to 1.9 per cent to \$25 billion.

Agriexport policy

Prabhu has also asked his Ministry officials to prepare a agricultural export policy.

"Agriculture is the most important part of livelihood as well as employment. The paradox is that when production goes up, prices fall.



Suresh Prabhu, Minister for Commerce and Industry, said the Ministry will also work on a support package to increase both value and volume of exports. **ANAND KUMAR**

"The incomes to go up, you have to find markets for exports quickly as domestic market is not

large enough to absorb increased production," the Minister added. Prabhu, who was earlier the

Minister for Railways, said logistics was being added in the rule of business of commerce now, as the Ministry will work on this also.

"We will bring logistics to the forefront and work on that as there is a direct link between competitiveness of exports and logistics," he said.

Industry policy

A new industrial policy to support the 'Make in India' initiative of the government will also be announced soon.

On the 'Invest India' initiative of the government, the Minister said that the focus has to be on districts and not states.

He said that district-wise industrial plans need to be prepared as local situations like human resource availability, law and order situation and natural resources help attract investment more.

Push for mineral auction

JAYANTA ROY CHOWDHURY

New Delhi, Sept. 6: The government plans to fast-track the auction of non-coal mines to stimulate a flagging economy.

Top officials of the mines ministry have held meetings to finalise plans for the auction, which they hope to hold within this financial year.

These mines include major minerals such as iron ore, bauxite and limestone, said officials. Mines in Jharkhand, Odisha, Chhattisgarh and Bengal are among those to be auctioned.

Several Indian and foreign players are believed to be interested in the auction, which was earlier slated for November last year. The auctions have to be held by individual state governments or by a few states together. Officials said they were in touch with the state governments to expedite the move.

Mining leases already auctioned so far have fetched a cumulative resource value of around Rs 1,22,000 crore.

Officials said they were also working to amend the Mineral Auction Rules, 2015,



POLICY PILL

to make the bidding simpler.

The minimum net worth to participate in the e-auctions is likely to be lowered by half to bring in more bidders. At present, a company must have a net worth of at least 2 per cent of the value of the mine. This is being halved, said officials.

Companies will also be discouraged from sitting idle on the mines after winning the bids as they will be given fixed timelines to develop the mines and start operations. Also in the offing is a move to

reduce the number of minimum technically qualified bidders to two from three for bidding to proceed.

Earlier this month, the government annulled the fifth round of coal mine auction because of the tepid response.

In a notice, the government said, "The tender process for the coal mines being auctioned under the 5th tranche has been terminated in accordance with Clause 3.3.2(b) of the tender document".

Around six mines put up for auction were withdrawn as steel makers, who are the main buyers, were in financial distress.

The mines ministry is, however, confident that it will succeed in the mineral auctions this time.

Officials said they had already facilitated the auction process by getting support from IBM, the Geological Survey of India (GSI) and various PSUs such as MSTC, Mecon, MECL and SBI Cap.

India had earlier come out with a new mineral exploration policy that encourages e-auction of both mining licences and exploration blocks identified by the GSI for exploration.

BUSINESS LINE DATE: 7/9/2017 P.N. 16

Near-term view negative for MCX-Nickel

GURUMURTHY K
SE Research Bureau

The Nickel futures contract on the Multi Commodity Exchange (MCX) has reversed sharply lower after surging initially in the past week. The contract, which made a high of ₹786 per kg on Monday, has reversed sharply lower from there.

The contract fell 2.8 per cent on Tuesday to make a low of ₹763.2 per kg. It has bounced higher from this low and is currently trading at ₹767. However, with resistance at ₹775, the immediate outlook is negative. Inability to break above ₹775 can keep the contract under pressure in the near-term.

A fall to ₹755 or ₹750 is likely as long as the contract trades below ₹775. Whether the contract reverses higher again from ₹750 or not will decide the next leg of move.

A fall below ₹750 will in-

crease the likelihood of the contract extending its down-move to ₹735 or even lower. On the other hand, if the MCX-Nickel futures contract manages to reverse higher from ₹750, the downside pressure may ease.

In such a scenario, a rise to revisit ₹780 and ₹785 is possible. A strong break above ₹785 will enhance the possibility of the contract targeting ₹800 or even ₹815 over the medium-term.

Traders with a short-term perspective can wait for dips and go long if the contract reverses higher from ₹750. Stop-loss can be placed at ₹735 for the target of ₹780.

Revise the stop-loss higher to ₹755 as soon as the contract moves up to ₹763.

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

THE HITAVADA DATE: 7/9/2017 P.N. 10

Domestic steel industry to grow at 8% in 3 yrs

■ Business Bureau

THE domestic steel industry is expected to reach a growth rate of 8 per cent in 3 years, from 6 per cent at present, following various steps taken by the Government, a senior official has said. These measures have already helped some major steel producers return into black as far as operating profits are concerned, steel Joint Secretary Syedain Abbasi told PTI.

"Right now, the steel industry is growing at around 5-6 per cent. We took a lot of measures to boost the domestic steel industry," he said. "The Government has ensured that unfair means like dumping are not encouraged. Now, as most of the bottlenecks have been removed, in next 3 years we should see a significant growth which can reach to 8 per

cent," he said.

The steel industry, facing sluggish global demand for the last three years, was also hit by cheap imports. Further, because of Goods and Services Tax (GST), a lot of people stopped keeping stocks as they were not sure of the impact of the new tax regime, he added.

"The industry has geared up to the challenges. Exports which were stagnating or had shrunk, doubled in 2016-17 financial year," he said.

The imports also fell significantly, he added. As per the Joint Plant Committee's report, export of total finished steel was up by 102.1 per cent at 8.244 MT in 2016-17 as against 4.079 MT a year ago. The import of total finished steel fell by 36.6 per cent to 7.427 MT in 2016-17, from 11.712 MT in the preceding fiscal.

PRABHU READY TO HELP IN 'CHALLENGING TIMES'

'Working on Steps to Boost Exports in Shortest Time'

Our Bureau

New Delhi: Commerce and Industry minister Suresh Prabhu on Wednesday said his ministry is looking at certain measures to give a boost to India's exports which are facing "challenging times" partly because of the Goods and Services Tax (GST) rollout.

"We are trying to work out what is to be done to promote exports in the shortest possible time," said Prabhu who took charge as the commerce and industry minister on Monday. The challenges include "issues coming up because of the GST", he told reporters here.

India's export growth slowed to an eight-month low of 3.94% in July, while trade deficit widened to \$11.44 billion on account of high gold imports.

Prabhu said his ministry was working on support measures to facilitate quick increase in exports, both in terms of volume and value.

The minister said exports to GDP (gross domestic product) ratio of India has to improve substantially as the outbound shipments have a great ability to generate economic activity.

The commerce ministry is expected to announce incentives in the review of the foreign trade policy which is scheduled to be released next month.

On the rising tide of protectionism, the minister said these are challenging times as countries are creating more and more walls around them.

"Protectionist ideas are growing. They are stronger over a period time. So we will follow our trade policy in manner that we will be able to work through these walls," he said and added that the commerce ministry will have to play the role of economic diplomacy also.

Prabhu said domestic investments by the private sector have not increased considerably and one of the reasons for that is inadequate capacity utilisation.



"Unless domestic demand picks up... exports can fill in that gap," he said.

To promote investments, the minister has told the 'Invest India' team to prepare a district-wise industrial plan as local situations like human resource availability, law and order condition and natural resources help attract investors more.

He said the ministry will work on several other fronts, including bringing in new industrial policy, improving logistics for exporters, agri-export policy and integrating into global supply chains.

"Global supply chains are now become a reality. India is part of that in auto components and generic formulations," Prabhu said, adding these chains offer a great opportunity for Indian exports as well as upgrading capacities in terms of technology.

The Department of Industrial Policy and Promotion (DIPP) has floated a discussion paper on futuristic Industrial Policy 2017.

Prabhu also commented on logistics, which is the latest addition to the ministry's rules of business. "We will bring logistics to forefront and work on that as there is a direct link between competitiveness of exports and logistics," he said.

Buy Comex gold at \$1,320-25/oz

GNANASEKAR T

Comex gold futures rose higher on Thursday after US President Donald Trump agreed to a deal with opposition Democrats to temporarily extend the US debt limit, helping to weaken the dollar. Comex gold futures are moving perfectly in line with our expectations so far. As mentioned in the previous update, we expected supports to hold and push higher again towards \$1,335 or even higher to \$1,374. As explained previously, in the medium-term, possibility exists for this move to extend to \$1,374, an important medium-term resistance level.

Near-term support is in the \$1,325-26 zone and we expect this zone to hold supports and push higher again towards \$1,355 or even higher to \$1,374 in the coming sessions. A rise above \$1,374 could hint at further bullishness towards \$1,395-1,400. A break below \$1,321 could temporarily dent the prospects of further upside. Such a move could see prices testing at \$1,305-10 followed by stronger supports at \$1,290-95 now. Favoured view expects prices to edge higher again after testing key support levels mentioned above. It appears more likely that supports at \$1,325 to hold for a push higher towards \$1,355 or even higher in the coming sessions.

We will take a look at the wave counts now and understand the possible scenarios that can unfold going forward. It is most likely that the fall from the all-

time highs at \$1,925 to the recent low of \$1,088 so far, was either a possible corrective wave 'A', with a possibility to even extend towards \$1,025-30, or a complete correction of A-B-C ending with this decline. Subsequently, to this decline, a corrective wave 'B' could unfold with targets near \$1,375 or even higher. After that, a wave 'C' could begin lower again. Alternatively, we can also expect wave 'B' to extend to \$1,476. If the current decline as a whole from \$1,920 can be considered as a fourth wave, then the fifth wave could begin and cross \$1,700 in the long-term. But failure to follow-through above \$1,355 has dashed any hopes of any impulsive up move.

As prices have broken certain important supports and shows weakness targeting \$975, we are tilted towards looking at this as a corrective wave 'C' in progress. RSI is in the overbought zone now indicating that a possible downward correction is in the offing.

The averages in MACD are above the zero line of the indicator again, indicating a bullish reversal. Only a cross over again below the zero line could hint at a reversal in trend to bullish.

Therefore, buy Comex gold on dips to \$1,320-25, with stop-loss at \$1,302 targeting \$1,355 followed by \$1,374. Supports are at \$1,278, \$1,1265 & \$1,253 and resistances are at \$1,305, 1,335 & 1,351.

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

BUSINESS LINE DATE: 8/9/2017 P.N. 14

MCX-Lead likely to test key near-term supports

CURUMURTHY K
Rt. Research Bureau

The lead futures contract on the Multi Commodity Exchange (MCX) has reversed sharply lower after making a high of ₹153.4 a kg on Monday.

The contract fell to a low of ₹147.65 on Wednesday and has managed to bounce slightly higher from there. It is currently trading at ₹148.5. The 200-day moving average at ₹147 and a trend-line support at ₹146.5 are the key near-term supports.

Selling pressure

The contract will come under strong selling pressure if it declines below ₹146.5. In such a scenario, the contract can fall to ₹143.5 initially.

A further break below ₹143.5 will then increase the likelihood of the fall extending to ₹140.

Short-term traders with a high-risk appetite can wait for the contract to break below ₹146.5 and go short at ₹146. Stop-loss can be placed at ₹148.5 for the target of ₹141. Revise the stop-loss lower to ₹145 as soon as the contract moves down to ₹143.5.

On the other hand, if the MCX-Lead futures contract manages to sustain above the ₹147-₹146.5 support region, it can move up to ₹153 or ₹154. In such a scenario, a range-bound move between ₹146.5 and ₹154 is possible for some time.

Only a strong break above ₹154 will ease the downside pressure. Such a break can take the contract higher to ₹156.

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



हिन्दी में कार्य करना देश का सम्मान

भारतीय खान ब्यूरो में हिन्दी पखवाड़ा

व्यापार संवाददाता

नागपुर. आधुनिक खनिज प्रसंस्करण प्रयोगशाला व प्रयोगिक संयंत्र, भारतीय खान ब्यूरो, हिंगना रोड में हिन्दी पखवाड़े का उद्घाटन करते हुए मुख्य अतिथि भारतीय खान ब्यूरो के महानियंत्रक (प्रभारी) रंजय सहाय ने हिन्दी में कार्य करने की आवश्यकता पर बल दिया. उन्होंने कहा कि हिन्दी में कार्य करना देश के सम्मान को बढ़ाना है. इस अवसर पर निदेशक (अयस्क प्रसाधन) इंदिरा रवीन्द्रन, संध्या लाल, अचिंत गोयल सहित अन्य उपस्थित थे. गोयल ने वार्षिक समीक्षा पेश कर प्रभाग में आयोजित, तकनीकी सेमिनार व कार्यशाला के बारे में जानकारी दी. मंच संचालन श्रुति विध्वकर्मा ने किया.

Govt Imposes Duty on Steel Imports

Rakhi.Mazumdar@timesgroup.com

Kolkata: India has imposed a five-year countervailing duty on certain stainless steel products to rein in cheaper imports and help boost local output of the alloy.

As part of the decision, imports from China would attract 18.95% countervailing duty on the landed value of stainless steel flat products, said a finance ministry notification issued September 7. This duty will remain effective for a period of five years. It would be imposed on both hot- and cold-rolled stainless steel products in any form.

The note said that Directorate of Anti-Dumping & Allied Duties (DGAD) had found that the domestic industry suffered 'material injury' due to the subsidisation of certain hot-rolled and cold-rolled stainless steel products. It also found that the 'material injury' has been caused by the subsidised imports of these goods originating in or exported from the subject country - China.

The decision was taken by the government after nearly a year-long DGAD investigation. The directorate said that subsidised imports from China had increased significantly, which also led to financial losses for the domestic industry.



Jindal Stainless vice-chairman, Abhyuday Jindal said: "This decision will provide much needed safeguard from imports. We may also expect better quality compliance since large quantities of substandard stainless steel were being imported from China".

Incidentally, countervailing duty is country specific and is imposed to safeguard domestic industry against unfair trade subsidies provided by the local governments of the exporting country. The decision is part of a series of protective measures taken by New Delhi over the past 18 months to protect the domestic steel industry against 'unfair' imports.

Ahead of festival season, demand for gold hit by sky-high prices

REUTERS

Mumbai/Bengaluru, September 8

Demand for physical gold in Asia could pick up in the coming weeks, as India's festival season drives interest in the metal, after high prices kept buyers at bay again this week.

Gold's 'safe haven' appeal has prevented a steep drop in buying across Asia amid tensions over North Korea, but dealers in India, the second-biggest consumer of gold, were offering discounts of up to \$8 an ounce this week, \$2 wider than last.

"Supplies are sufficient but demand is very weak. Prices need to come down to attract buyers," said Ashok Jain, the proprietor of Mumbai-based wholesaler, Chenaji Narsinghji.

Local prices jumped to 30,474 per 10 grams on Friday, the highest level in 10 months. The domestic price includes a 10 per cent import tax.

"In the last few weeks, demand has been weak, but still, trading houses aggressively imported gold. As prices have moved up, importers can sell at [a] discount," said a Mumbai-based dealer with a private bank.

Imports

India's gold imports in August nearly tripled from a year ago, as a recent tax change that allowed importers to ship it from South Korea without paying customs duty saw some traders purchasing heavily

from the country. Demand will get a boost from the upcoming festival season, with Dusshera in late September, and buying is likely to peak during Diwali and Dhanteras next month, the dealer added.

In top consumer China, premiums were being offered in the \$3-\$5 range, the same as that of last week.

"Demand has been fairly steady in China this week, but it would probably start to pick up starting next week ahead of a national holiday," said a Hong Kong-based dealer.

In Hong Kong, premiums were between 30 and 60 cents over benchmark rates, little changed from the 30 to 70 cents range in the previous week.

Benchmark spot gold hit an over one-year high at \$1357.54 an ounce on Friday on geopolitical tensions.

In Singapore, unlike elsewhere in Asia, premiums increased to about 80 cents this week, up from a 30-60 cents range last week.

"People are buying and so are businesses. There's also safe haven buying," said Brian Lan, the managing director at dealer GoldSilver Central in Singapore.

"If gold pulls back, we'll see more buying because people are worried about what's going to happen in terms of political tensions from North Korea."

Gold in Japan was being sold with discounts of up to \$1 over the benchmark rates, unchanged from the previous week, a Tokyo-based trader said.

Gold gains from gloom

OUR SPECIAL CORRESPONDENT

Mumbai, Sept. 8: Gold prices today rose by Rs 990 to Rs 31,350 per ten gram in Delhi, tracking higher global prices as the US dollar weakened. The fresh gains come at a time when the yellow metal is being seen as a safe haven because of tensions between North Korea and the US.

In the Mumbai bullion market, standard gold prices (99.5 purity) jumped Rs 235 per 10 gram to touch an 11-month high of Rs 30,360 against Thursday's close of Rs 30,125. The level has not been seen since November 11, 2016.

Pure gold (99.9 purity) also jumped by the same amount to settle at Rs 30,510 per 10 grams from Rs 30,275 earlier. Silver (.999 fineness) surged Rs 500 to finish at Rs 41,240 per kg against Rs 40,740 yesterday.

In Calcutta, pure gold (99.9 purity) price rose by Rs 230 to close at Rs 30,895.

These gains came even as demand was capped because of the ongoing inauspicious fortnight of 'Shradh'.

In Delhi, gold prices (both

RISE AND SHINE

Pure gold (24 carat) price* (per 10 gm in Rs)



*Calcutta price

99.9 and 99.5 per cent purity) rose by Rs 990 each to Rs 31,350 and Rs 31,200 per ten gram, respectively — a level last seen in November 2016. The precious metal had lost Rs 240 in the previous two days.

Global prices of gold rose to their highest today in more than a year as weak economic data reduced expectations of another interest rate increase in the US this year.

Data from the US showed an increase in jobless claims to an over two-year high of 298,000 for the week ended September 2. This was because of Hurricane Harvey which

economists fear could also affect US economic growth in the third quarter. There are worries that Hurricane Irma could also have a negative impact on the US economy.

Stocks end flat

Stocks consolidated further today as absence of any big trigger forced investors to stay cautious, with both Sensex and Nifty closing on a flat note with a positive leaning.

Unabated FII selling because of premium valuation, lacklustre earnings season and geopolitical headwinds remained the sticking points. Worries on the North Korea front persisted, too.

However, the good part was inflows by domestic institutional investors (DIIs) and strength in the rupee, which offset the downside.

The Sensex today closed with a meagre gain of 24.78 points — 0.08 per cent — at 31687.52. It had edged up 0.77 point yesterday to close at 31662.74. Similarly, the Nifty resumed higher, but surrendered gains before ending at 9,834.80, up 4.90 points, or 0.05 per cent.

Rupee rides to new high

OUR BUREAU

Mumbai, Sept. 8: Steering its spectacular run for the third straight session, the rupee today surged by 27 paise to hit a fresh one-month high of 63.78 against the dollar as the beleaguered US currency continued its incessant free-fall worldwide.

This was the best close for the domestic currency seen since August 8, when it had settled at 63.63 per dollar.

A massive unwinding of dollar long positions by exporters and corporates predominantly lifted the rupee sentiment, also backed by extremely bearish dollar overseas undertone.

Continued optimism of fund inflows against the backdrop of improving macro-economic environment also supplemented the rally.

STELLAR SHOW

Rupee against dollar



The broad-based US dollar sell-off remained a key theme during the forex session on Friday.

The home currency resumed with a gap-up at 63.85 against Thursday's close of 64.05 at the Interbank Foreign Exchange (forex) market.

Maintaining its stellar momentum, it rallied strongly throughout the day and finished at 63.78, a sharp gain of 27 paise, or 0.42 per cent.

On a weekly basis, the rupee appreciated by a good 24 paise against the US currency.

The RBI, meanwhile, fixed the reference rate for the dollar at 63.8664 and for the euro at 77.0057.

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

Metals (\$/tonne)						
Aluminium	2072	-2.1	2.7	31.7	2314	1545
Copper	6672	-1.9	1.4	43.6	6906	4573
Iron Ore	78	-0.3	-0.8	38.2	95	54
Lead	2224	-5.7	-9.4	16.7	2466	1863
Zinc	3029	-4.9	3.8	31.4	3194	2087
Tin	20670	-0.8	1.9	5.2	21945	18750
Nickel	11524	-3.7	8.8	11.9	12146	8710

Coal imports to stay muted

A STAFF REPORTER

Calcutta, Sept. 10: Coal imports are expected to remain subdued because of low demand from coal-based units and the rise in renewable energy capacity.

According to research firm Fitch Ratings, the decline in coal imports is expected to continue as the government maintains its push for self-sufficiency and the output of renewable energy increases.

"This is amid lower-than-expected demand because of the reduced offtake from financially stressed power distribution companies and subdued industrial performance," the report said.

Between April and August this year, provisional coal imports stood at 85.31 million

FUEL FUTURE

Coal imports in April-August (Figures in million tonnes)

Firm	2016	2017
Coking coal	18.17	18.11
Non-coking	70.23	58.92
Other	11.87	8.28

Reasons for low imports

- Higher production by state-owned Coal India
- Poor offtake by power firms
- Rise in renewable energy capacity



tonnes against 100.27 million tonnes in the corresponding period a year ago, a decline of 15 per cent.

Coal ministry officials have attributed the fall largely to higher production by government-owned miner Coal India.

But the rise in production has not been in the same pace as the increase in demand from power distribution companies. The utilisation level of thermal power plants continue to decline with the plant load factor at around 60 per cent in the first half of 2017.

Fitch Ratings said.

India added 25GW of capacity in 2016-17, 58 per cent of which was in renewable energy that has seen significantly low level of tariffs, the report added.

A slowdown in import demand along with China, another major coal importer, looking to step up domestic production is expected keep imported coal prices under pressure over the next couple of years, the report said.

According to industry sources, sea-borne thermal coal prices are currently moving in a narrow range in the international market amid cautious trading by Indian buyers who remain tentative about going for fresh contracts because of high prices and adequate domestic supply.

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

Gold retains sheen on geo-political tensions

Weak US dollar is another factor that can push prices higher

GURJUNMURTHY K

Gold continues to hold on to its strength. North Korea conducting a hydrogen bomb test last Saturday (September 2) helped the yellow metal to open with a gap-up on Monday at \$1,316 per ounce. After trading in a sideways range initially, gold got further boost from a weak dollar on Thursday after the European Central Bank (ECB) meeting. Bullion prices surged to a high of \$1,357.6 per ounce after this event by Friday and gave back some of the gains to close at \$1,346.5 per ounce, up 1.6 per cent for the week.

Silver, on the other hand, surged to a high of \$18.22 per ounce on Friday before closing at \$17.97, up 1.4 per cent for the week. The gold futures contract on the Multi Commodity Exchange (MCX) moved in tandem with the

global spot price. The contract breached the psychological \$10,000 per 10 grams and touched an intra-week high of ₹30,474.

It gave up some of the gains in the final trading session to close the week 15 per cent higher at ₹30,268.

MCX-Silver futures outperformed by surging 3.9 per cent last week. The contract has closed at ₹41,550 per kg.

Dollar weakens

The US dollar index tumbled 15 per cent last week as the euro got a boost after the ECB meeting. The index tumbled to a low of 91, bouncing back slightly from there to close the week at 91.32. This bounce-back may extend in the initial part of this week to 91.7 or 92.

Key resistances are at 92 and 92.5 which can cap the upside in the short term. An eventual break below 91 will see the dollar index falling to

90.3. As such, a weak dollar index may help limit the downside in gold and keep the yellow metal bullish for further rise.

Gold outlook

Global spot gold (\$1,346 per ounce) can dip initially to test the support at \$1,340. A break below this support will increase the likelihood of the fall extending to \$1,330. It may further fall below \$1,330 as the possibility is high for fresh buyers to emerge at lower levels.

Resistance is at \$1,350. A strong daily close above this hurdle can boost the momentum. Such a break will clear the way for the next targets of \$1,360 and \$1,370. The level of \$1,370 is a key long-term resistance which may halt the current rally. MCX-Gold (₹30,268 per 10 gm) has key supports at ₹30,000 and then between ₹29,900 and



₹29,800. An immediate fall below ₹29,800 is unlikely. Resistance is at ₹30,320. A strong break above it can take the contract higher to ₹30,500 and ₹30,700 in the coming weeks. Traders can go long on dips at ₹30,100. Stop-loss can be placed at ₹29,775 for the target of ₹30,600. Revise the

stop-loss higher to ₹30,350 as soon as the contract moves up to ₹30,500.

Silver outlook

Global spot silver (\$17.97) has a strong support at \$17.75 which is likely to limit the downside in the near-term. The outlook remains bullish for a rally to \$18.55. The MCX-Silver (₹41,570 per kg) futures contract may consolidate sideways between ₹41,200 and ₹42,000 for some time.

A breakout on either side of this range will decide the next move. A strong break above ₹42,000 can take the contract higher to ₹42,700 and ₹43,000. On the other hand, if the contract declines below ₹42,000 it can fall to ₹40,850 initially. A further break below ₹40,850 can drag it to ₹40,350 and ₹40,000 thereafter.



MCX Gold

Supports
₹30,000 / ₹29,800
Resistances
₹30,320 / ₹30,700

MCX Silver

Supports
₹41,200 / ₹40,850
Resistances
₹42,000 / ₹42,700

MCX-Aluminium stuck in a range

GURUMURTHY K
B1, Research Bureau

The aluminium futures contract on the Multi Commodity Exchange is trading volatile. The contract tumbled from a high of ₹136.2 a kg on September 4 to make a low of ₹132.3 on Wednesday. The contract has been trading volatile by moving up and down between ₹132 and ₹135 since then. It is currently trading at ₹134.85. Technically, the 21-day moving average and a trend line support around ₹132.5, is providing support for the contract and is limiting the downside.

The contract is stuck in a sideways range between the support at ₹132.5 and resistance at ₹135. A breakout on either side of these levels will determine the next move. Traders can stay out of the

market until a clear trend emerges. The contract will gain fresh momentum if it breaks and close above the immediate resistance at ₹135 decisively. Such a break will pave way for a rally to ₹140 in the coming days. Inability to break above ₹140 can pull the contract lower to ₹137 and ₹135 again. But a strong break above ₹140 will increase the possibility of the contract extending its rally to ₹143 levels thereafter.

On the other hand, if the contract fails to break above ₹135, a range-bound move between ₹132.5 and ₹135 is possible for some time.

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

Marginal fall in JSW Steel output

New Delhi, September 11

JSW Steel today reported a marginal fall of 1 per cent in its crude steel production at 13.37 lakh tonnes for August. It had produced 13.52 lakh tonnes of crude steel in the same month a year ago and 12.78 lakh tonnes in July 2017. Production of flat-rolled products rose by 1 per cent to 9.79 lakh tonnes last month, from 9.71 lakh tonnes in August 2016, it said in a BSE filing today. Long-rolled products registered a 10 per cent growth in output at 2.78 lakh tonnes against 2.51 lakh tonnes in August last year. JSW Steel has an installed steel-making capacity of 18 million tonnes per annum (mtpa). **PII**



इस्पात आयात पर शुल्क का स्वागत

घरेलू उद्योगों को हो रहा था नुकसान

एजेंसियां

दिल्ली. इंडियन स्टेनलेस स्टील डेवलपमेंट एसोसिएशन ने चीन से कुछ इस्पात उत्पादों के आयात पर प्रतिपूरक शुल्क लगाए जाने का स्वागत किया है. एसोसिएशन का कहना है कि सरकार को इस पहल से घरेलू कंपनियों को अपने घाटे की भरपाई में मदद मिलेगी साथ ही रोजगार सृजन को भी बल मिलेगा. उल्लेखनीय है कि वित्त मंत्रालय ने हाल ही में हॉमिंगरोबो व सम्बद्ध शुल्क

महानिदेशालय (डीजीएडी) की सिफारिश पर चीन से इस्पात की चढ़ सहित कुछ उत्पादों के आयात पर 5 साल के लिए प्रतिपूरक शुल्क लगा दिया. आईएसएसडीए के अध्यक्ष के के पाहुजा ने कहा है कि एसोसिएशन प्रतिपूरक शुल्क लगाए जाने का स्वागत करती है. उन्होंने कहा कि चीन से सब्सिडी वाले आयात से घरेलू कंपनियों को भारी घाटा हो रहा था और कुछ को तो अपना कारोबार बंद करना पड़ा.

To open coal mining sector, Govt set to auction 10 mines

DEEPAK PATEL

NEW DELHI, SEPTEMBER 12

BREAKING THE 41-year-old stranglehold of state-owned Coal India Ltd (CIL), the government has decided to offer 10 mines for auction as a first step in opening up India's commercial mining market for coal. This comes seven months after the Centre had an-

nounced that the coal mining sector would be opened for commercial mining in 2017-18.

Four coal mines from Odisha are likely to be auctioned in the first phase — Chendipada, Chendipada-II, Mahanadi and Machhakata; four coal mines from Chhattisgarh — Shankarpur Bhatgaon II Extension, Durgapur II/Taraimar, Durgapur II/Sariya, Madanpur (North) —

and one each from Madhya Pradesh (Dongri Tal-II) and Jharkhand (Mednirai). "The Centre is yet to decide the timeline to auction these ten coal mines," sources said.

While coal mines such as Chendipada and Machhakata have fairly high estimated extractable reserves of 1244.37 million tonnes (MT) and

CONTINUED ON PAGE 2

Coal mining

474.34 MT respectively, mines such as Shankarpur Bhatgaon II Extension and Mednirai have estimated extractable reserves of 80.14 MT and 80.832 MT respectively.

In the beginning of 2015, the Coal Ministry had begun preparing for the auction of a few of the 214 coal mines that were de-allocated following the Supreme Court order of September 24, 2014. The top court stated that the companies would have to return the coal blocks by March, 2015. Subsequently, the Coal Mines (Special Provision) Act was passed in 2015 that allowed the government to auction mines to private entities for mining and commercial sale.

The three phases of the coal auction for nearly 45 coal-producing blocks were conducted in the seven-month period of February-August, 2015, but all of these were auctioned for captive usage by the company only and sale of coal on commercial basis was disallowed.

Although the decks are now being cleared for commercial mining of coal, the demand for coal in the near future is likely to remain tepid. In April this year, state-run CIL was forced to cut its production target for 2017-18 from 660 MT to 600 MT due to lacklustre demand. According to the July 2017 India Ratings report, domestic coal consumption growth in India is expected to remain "tepid on account of subdued demand from thermal power plants, with an expectation of plant load factor remaining sub-65 per cent in the medium term".

Asked about the feasibility of commercial mining given the current coal demand scenario, Kameswara Rao, Leader, Energy, Utilities and Mining at PwC India told The Indian Express: "For commercial coal mining to be truly successful, ideally, power trading and retail supply should be free from any restrictions. However, power sales to consumers are heavily regulated and utili-

Coal India may enter metals mining sector

Iron ore and bauxite among options

SPECIAL CORRESPONDENT
KOLKATA

Coal India Ltd. is planning to enter metals mining, according to a top official. CIL is also open to making an overseas acquisition if there is an opportunity, the official, who did not wish to be identified, said.

"This is a proposal. The segments we are looking at include iron ore, bauxite, copper and nickel," the official said. CIL's core competence was mining and this was a diversification move as part of its shift from a coal producing firm to an energy producing one. He said that if techno-economic

feasibility studies supported the move it could be done. Senior officials said the move was in the conceptual stage and would be taken to the board once some clarity emerged. CIL had recently mandated KPMG to prepare its 2030 vision document.

"With government's efforts to push renewable energy due to international conventions on climate change, increase in carbon cess and other initiatives for lesser use of coal, there is a need for Vision 2030 for the coal sector, which takes into account the environmental factors such as reduction of carbon footprint," CIL said.

Coal India may diversify into mining metals

OUR BUREAU

Kolkata, September 12

The country's largest miner Coal India may look at diversification of other metals like copper and nickel through overseas mines, its Director (Marketing), SN Prasad, said.

According to him, the company is firming up such plans and geographies like Africa.

"We are finalising plans. We have the core competencies," he told reporters on the sidelines of a coal conference organised by 'mjunction'. He, however, did not elaborate further.

In an earlier instance, the company's African subsidiary, Coal India Africana Limitada (CIAL), was granted prospecting licences for two

leaseholds in Mozambique.

However, it surrendered the licences, stating that these leasehold areas were not techno-economically viable for commercial mining.

Coal India, along with a consortium of Fertilizer Corporation of India Ltd (FCIL), GAIL and Rashtriya Chemicals and Fertilizers, is also looking to revive the sick plant of FCIL's Talcher unit.

The JV company, named Talcher Fertilizers Ltd (TFL), has been formed to set up an ammonia-urea plant, Prasad said.

THE HITAVADA DATE: 14/9/2017 P.N. 11

Coal stocks dip on short supply: Govt

NEW DELHI, Sept 13 (PTI)

THERE has been a dip in coal stocks at power plants due to sudden rise in electricity generation amid restrained output and supplies on account of "excessive rainfall", the Government said on Wednesday.

In order to tackle the situation, one arm of CIL has been given the role of lead firm for every power plant as about a dozen power plants in the country face a bleak scenario. "The lead company shall be responsible to monitor and ensure that the power plants linked to it are out of crit-



icality," the coal ministry said in a statement. CIL has also been directed that coal loading via railway rakes shall be hiked to 250 rakes/per day, it said, adding that "of these, 225 rakes per day shall be supplied to the power sector".

Thermal power plants (TPPs) had earlier reduced their coal intake but "presently when the production in the coal companies and off-take is restrained on account of excessive rainfall, there has been a sudden increase in coal based power generation which has resulted in dwindling coal stock at the TPPs".

MCX-Nickel comes under selling pressure



GURUMURTHY K

IL Research Bureau

The Nickel futures contract on the Multi Commodity Exchange (MCX) has been volatile in the past week. After testing ₹784 a kg for two consecutive days, the contract slumped 5.7 per cent on Friday.

Though it managed to recover slightly for the next two trading days, the contract reversed lower again on Wednesday.

The contract made a high of ₹764 on Tuesday and has come off from there to trade currently at ₹738. The 21-day moving average support at ₹740, which was limiting the downside since Friday, is broken now. Next key support is at ₹736.

If the contract manages to reverse higher from this support, a range-bound move between

₹736 and ₹765 is possible for some time. But if the MCX-Nickel futures contract breaks below ₹736 decisively, the selling pressure may intensify. Such a break will confirm that the contract has entered into a correction phase.

The contract can then fall to ₹725 and ₹720 initially. Further fall below ₹720 will increase the likelihood of the fall extending to ₹700 levels thereafter.

Short-term traders with a high-risk appetite can go short on a decisive break below ₹736. Stop-loss can be placed at ₹741 for the target of ₹725.

Revise the stop-loss lower to ₹733 as soon as the contract moves down to ₹729.

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

Many sponge iron units in Karnataka facing closure

Non-availability, high cost of ore choke units

ANILURS

Bengaluru, September 13

Many sponge iron units in Karnataka are facing closure because of the non-availability and high cost of iron ore.

"Due to cap on iron production in Karnataka and because of the high cost at auctions, the survival of sponge iron units is becoming untenable," said Sanjay Pattanaik, president of the Federation of Indian Mineral Industries (FIMI).

He said 20 to 30 sponge iron units in the State are set to shut shop. They are located in Ballari, Hospet and Chitradurga.

Sitaram Kemmannu, Associate of FIMI based in Hospet, said, "About 50 mines have not shown interest in continuing business or to adopt R&R plan. The reason cited by these 50 mining lease holders is that the cost of R&R plan implementation is high. Low pro-



Nearly 20 to 30 sponge iron units in the State are set to shut shop around Ballari, Hospet and Chitradurga

duction level fixed by CEC is not economical and the cut in mining lease period has also discouraged the lease holders."

Mining Mazma

FIMI is to hold its annual three-day meet on 'Mining, Exploration Convention & Trade Show (Mining Mazma 2017)' from September 14 to 16 at Bangalore International Exhibition Centre (BIEC), Bengaluru.

RK Sharma, secretary general, FIMI, said that to attract FDI and expertise in exploration, companies having the latest technology should be given incentives.

On the auctioning of potential blocks and poor responses, he said factors for tepid response is mainly due to lack of credibility of the quality of exploration data and geographical reports, mineral grade, land ownership issue and

linking the same with end use reservation besides depressed commodity markets. Pattanaik said that currently the mining industry in India is highly taxed and effective tax rate works out to be 60 per cent. Over and above this, there are other taxes such as 18 per cent GST on royalty, 10 per cent tax levied by SC in Goa and Karnataka, besides charges payable towards statutory clearances and local taxes/cess.

THE TELEGRAPH DATE: 14/9/2017 P.N. 6

Coal sale via auction starts

A STAFF REPORTER

Calcutta, Sept. 13: Coal India will allocate 27.18 million tonnes every year to power producers who have participated in its first auction under the Centre's fuel linkage distribution scheme called Shakti (Scheme for Harnessing and Allocating Koyla Transparently in India).

Before the Shakti scheme, coal to the power sector was governed by the provisions of National Coal Distribution Policy, where letter of assurances were issued by the Centre's standing linkage committee to the generating companies based on the recommendations of the power ministry. Accordingly, fuel supply agreements were signed between Coal India and the power generators.

The Shakti scheme replaces the regime of letter of assurances and fuel supply agreements with the long-term of auction of coal linkages.

AT A GLANCE

Discount	Quantity booked (MTPA)
4 paise	6.00
3 paise	9.08
2 paise	9.22
1 paise	2.89
Total	27.188*

*Maximum allocable quantity



Following cabinet approval in May, Coal India had invited expression of interests from independent power producers having power purchase agreements by August 19, 2017.

CIL sources said that 31 applications were received which were scrutinised by Central Electricity Authority and among them, 14 bidders were found eligible.

Subsequently, the public sector miner conducted the auction on September 11-12. Among the eligible bidders, 10 power producers participated with a cumulative generation capacity of 9000 MW to draw coal from 8 available sources.

Under the auction scheme, independent power producers bid for a discount on their existing tariffs, which is intended to lower the costs for those consumers who are sourcing power from these entities.

The scheme also offered bidders quoting higher discount to the existing tariff, the priority on the source from where it would like to receive coal. At this round of linkage auction, power producers who participated offered to reduce their tariffs by 4 paise per unit on the higher side and 1 paise per unit on the lower side. At least 21.5 per cent of the total coal on offer amounting to 6 million tonnes per year would be allocated to the bids where discount on tariff were 4 paise per unit.

Industry in a Fix Over Cheap Indonesian Gold

Local players seek govt help, say lower-priced gold is disrupting the organised trade

Sutanuka Ghosal
@timesgroup.com

Kolkata: Less than three weeks after the government placed curbs on the import of gold under a free trade agreement with South Korea, some traders have found a loophole and are supplying the metal at a lower price through Indonesia, which has a similar accord with India.

Almost 150 kg of gold from Indonesia landed in India last week and the industry has brought the matter to the notice of the government, traders said.

"We had a meeting with senior officials of the Directorate General of Foreign Trade recently on this issue," said a senior executive of the Gems & Jewellery Export Promotion Council, who did not want to be identified. "Jewellers were importing gold jewellery from South Korea under Indo-Korea Comprehensive Economic Partnership Agreement, which has now been restricted post-issuance of the DGFT notification. Hence, Indonesia's now the new source market."

As a gold-producing nation, Indonesia fulfils the local value-addition norms required under the free trade agreement. Of 1,000 tonnes of gold produced globally every year, Indonesia supplies about 100 tonnes.

The Indian Bullion & Jewellers Association (IBJA) and All India Gems & Jewellery Trade Federation (GIJF) have made representations to the government.

"We are hoping that the government will take appropriate action to stop entry of cheap gold from Indonesia," said Sandeep Mehta, national secretary of IBJA.

Cheap imports disrupt the organised gold trade. Banks, nominated agencies and bullion dealers had said earlier there should be a comprehensive policy on gold imports from ASEAN nations with which India has free trade agreements. The entry of gold through



through the grey route and keep a check on unscrupulous traders."

Duty-free imports of gold under FTAs were facilitated after the introduction of the goods and services tax on July 1, which substituted a countervailing duty of 12.5% applicable under FTA. In the new tax regime, gold attracts a 3% GST.

The government decided last month to place gold and silver imports from South Korea in the restricted category to curb surging imports. Traders must get government permission before importing all forms of gold and silver including coins and jewellery.

Gold prices dropped to the lowest level in almost two weeks on Thursday on waning risk aversion and as the dollar steadied ahead of US consumer inflation data that could offer clues on the timing of further interest rate hikes. Spot gold was down 0.1% to \$1,211.65 an ounce. US gold futures for December delivery declined 0.2% to \$1,225.00 an ounce.

NAV BHARAT DATE: 15/9/2017 P.N.17

हिंदी अपनाने से काम में मिलेगी मदद : डा. जैन

नागपुर | जवाहरलाल नेहरू एल्युमिनियम अनुसंधान विकास एवं अभिकल्प केन्द्र, नागपुर में हिंदी राजभाषा प्रखण्डों का आयोजन किया गया। उद्घाटन भारतीय खान भूरो के मुख्य खनिज अर्थशास्त्री डा. पी. के. जैन ने किया। डा. जैन ने कहा कार्यालय में हमें हिंदी राजभाषा को मजबूत करना चाहिए तथा इससे कार्यालयीन काम सरलता से करने में मदद मिलेगी। हिन्दी एक बहुत ही सरल तथा जन साधारण की भाषा है। इसे सीखने समझने में बहुत आसानी होती है। यह एक देश की मुख्य संपर्क भाषा बन सकती है। निदेशक डा. अनुपम अग्निहोत्री ने सभी कार्यालयीन कार्य हिंदी भाषा में करने की अपील कर्मचारियों से की।



डा. अग्निहोत्री ने डा. उपेन्द्र सिंह और आर.एन. चौहान को औपचारिक काम में उनके योगदान के लिए सम्मानित किया। शिव कुमार प्रजापति, राजभाषा एनआईएमएच अधिकारी भी उपस्थित थे। केन्द्र के वरिष्ठ वैज्ञानिक डा. सुरेश पुट्टेवार ने कर्मचारियों का आभार माना।

Gold retakes Rs 31,000 level on demand push

NEW DELHI, Sept 14 (PTI)

GOLD on Thursday took strength from a positive trend overseas by surging Rs 650 per 10 grams to seize the Rs 31,000 level, driven up by fresh local buying.

But silver fell sharply by Rs 350 to Rs 41,500 per kg, mainly due to softening demand by industrial units and coin makers.

Bullion traders said robust demand from local jewellers as well as retailers too fed the rally in gold prices.

In the national capital, gold of 99.9 per cent and 99.5 per cent purity surged Rs 650 each to Rs 31,000 and Rs 30,850 per 10 grams, respectively.

The precious metal had lost Rs 650 in the last two days.

BUSINESS LINE
DATE: 15/9/2017 P.N. 2

Vedanta told to close 5 power units in Odisha

PRESS TRUST OF INDIA

New Delhi, September 14

Metals and mining conglomerate Vedanta today said the State Pollution Control Board (SPCB), Odisha, has directed it to temporarily close five units of its power plants which may marginally have an impact on the cost of production of aluminium. The SPCB has asked the company to submit "concrete plan" to comply with certain conditions, it said.

In a filing to the BSE, Vedanta said: "Following a breach in the Ash Pond dyke wall at Jharsuguda at the end of August, the SPCB, Odisha, on September 13, 2017, served a direction resulting in temporary closure of three units of 135 MW each of the 1215-MW power plant and two units of 600 MW each of the 2400-MW power plant."

Permission has been given to operate the remaining units of the 1215-MW power plant to operate until October 12, 2017.

THE HITAVADA
DATE: 15/9/2017 P.N. 11

SAIL reports 18 pc rise in August sales

New Delhi, Sept 14 (PTI)

STEEL Authority of India Ltd (SAIL) on Thursday reported a 18 per cent jump in sales during August over the corresponding month last year. "SAIL is running a nationwide campaign. Which is aimed at boosting steel consumption in country. This has started to reflect positively through the dealer sales numbers, which recorded an 18 per cent jump in the month of August 2017 over CPLY (corresponding period last year)," the PSU said in a statement.

BUSINESS LINE
DATE: 15/9/2017 P.N. 3

SAIL sales up 18% in August

OUR BUREAU

New Delhi, September 14

Steel Authority of India Ltd (SAIL) has reported an 18 per cent jump in sales during August over the corresponding period, last financial year.

According to the company, it sold 91,000 tonnes in August and targets to sell 1 million tonnes through its dealer network in the current financial year and aims to double it in the next three years.

SAIL had identified the potential of rural markets for enhancing steel consumption which is currently around 10 kg per capita per year against around 150 kg per capita consumption in urban India.

SAIL said that this is a result of the company's campaigns aimed at boosting steel consumption in the country.

Through its campaign initiated at Nalbari, Assam, SAIL aims to cover more than 100 locations by the year-end.

TECHNICAL ANALYSIS

Buy Comex gold at \$1,305/oz

GNANASEKAART

Comex gold futures steadied above an earlier two-week low on Thursday as the dollar softened ahead of US consumer inflation data, which will be closely watched for the likely pace of interest rate increases by the Federal Reserve.

Comex gold futures are moving in line with our expectations so far. As mentioned in the previous update, favoured view expects prices to edge higher again after testing key support levels. As explained previously, in the medium-term possibility exists for this move to extend to \$1,374, an important medium-term resistance level. Prices have corrected from \$1,357 and near-term weakness is seen, where it could be seen testing important supports around \$1,310-15 and failure to hold here could take it even lower to \$1,295-1,300 in the coming sessions.

However, we expect a good rebound from there eventually heading higher again. Prices could head towards our potential near-term targets around \$1,375. A direct rise above \$1,374 could hint at further bullishness towards \$1,395-1,400. Favoured view expects prices to drift lower towards \$1,305-10. It appears more likely that supports at \$1,300-05 to hold for a push higher towards \$1,355 or even higher towards \$1,374 in the coming sessions. Unexpected fall below \$1,287-90 could dent our bullish expectations.

We will take a look at the wave counts now and understand the possible scenarios that can unfold

going forward. It is most likely that the fall from the all-time highs at \$1,925 to the recent low of \$1,088 so far was either a possible corrective wave 'A', with a possibility to even extend towards \$1,025-30 or a complete correction of A-B-C ending with this decline.

Subsequently, to this decline, a corrective wave 'B' could unfold with targets near \$1,375 or even higher. After that, a wave 'C' could begin lower again. Alternatively, we can also expect wave 'B' to ex-

tend to \$1,476. If the current decline as a whole from \$1,920 can be considered as a fourth wave, then the fifth wave could begin and cross \$1,700 in the long-term. But failure to follow-through above \$1,355 has dashed any hopes of any impulsive up move. As prices have broken certain important supports and shows weakness targeting \$975, we are tilted towards looking at this as a corrective wave 'C' in progress. RSI is in the neutral zone now indicating that it is neither overbought nor oversold. The averages in MACD are still above the zero line of the indicator again, indicating a bullish reversal. Only a cross over again below the zero line could hint at a reversal in trend to bullish.

Therefore, buy Comex gold on dips to \$1,305 with stop loss at \$1,287 targeting \$1,355 followed by \$1,374.

Supports are at \$1,305, \$1,295 & \$1,265 and Resistances are at \$1,335, \$1,355 & \$1,374.

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

WEEKLY OUTLOOK

MCX-Lead stuck in a narrow range

GURUMURTHY K
 BL Research Bureau

The Lead futures contract on the Multi Commodity Exchange (MCX) tumbled 3.6 per cent on Friday. Since then, the contract has been stuck in a narrow range between ₹143 and ₹147 a kg.

Technically, the contract is stuck in between the 100-day moving average



support at around ₹143 and the 200-day moving average resistance at around ₹147. A breakout on either side of ₹143 or ₹147 will decide the next leg of move.

If the contract manages to break above the 200-day moving average at ₹147 decisively, the downside pressure may ease. A rise to ₹150 is possible in that case. Further break above ₹150 will increase the likelihood of the upmove ex-

tending to ₹154 or ₹157 thereafter. However, cluster of resistance is seen at around ₹147 with less possibility of the contract breaking above ₹147. As such there is a strong likelihood of the contract breaking below the 100-day moving average support

level of ₹143 in the coming days. Such a break can take the MCX-Lead futures con-

tract lower to ₹140 initially. Further fall below ₹140 will increase the downside pressure and drag the contract lower to ₹135.

Short-term traders with high risk appetite can go short on a break below ₹143. Stop-loss can be placed at ₹144 for the target of ₹140.

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

कोयला उत्पादन में वृद्धि

एजेंसियां

दिल्ली. कोयला उत्पादन में वृद्धि होने से सरकारी खनन कंपनी कोल इंडिया को 25,900 करोड़ रुपये की विदेशी मुद्रा की बचत हुयी है. कोल इंडिया लिमिटेड के अंतरिम चेयरमैन और प्रबंध निदेशक गोपाल सिंह ने कहा कि पिछले तीन वर्षों में कोयला उत्पादन में वृद्धि होने से कंपनी को बाहर से कम कोयला आयात करना पड़ा है जिससे विदेश मुद्रा बचाने में मदद मिली है. शेयरधारकों से कहा, पिछले तीन सालों में कोयला उत्पादन में वृद्धि हुयी है, जिसके कारण आयात में 25,900 करोड़ रुपये के बराबर विदेशी मुद्रा की बचत हुयी. उन्होंने बताया कि 2015-16 में देश की कुल उपभोग का 25 प्रतिशत और 2016-17 में 23 प्रतिशत कोयला आयात किया गया. हाल ही में केंद्रीय विद्युत नियामक आयोग ने अपनी रिपोर्ट में कहा था कि कम से कम एक दर्जन से अधिक तापीय विद्युत संयंत्रों में कोयला भंडार दयनीय स्थिति में है. सिंह ने भविष्य में कोयला की मांग को पूरा करने और आयात को कम करने के लिए घरेलू भंडार के इस्तेमाल पर जोर दिया है.



25,900 करोड़ की विदेशी मुद्रा बची

सिंह ने कहा कि 2015-16 में देश की वाणिज्यिक प्राथमिक ऊर्जा आपूर्ति में कोयले का हिस्सा 55 फीसदी था और 2040 तक यह 48-54 फीसदी तक रहने का अनुमान है. कोल इंडिया ने 2022 तक सालाना एक अरब टन कोयला उत्पादन का लक्ष्य रखा है. कंपनी ने 2016-17 में 55.41 करोड़ टन कोयले का उत्पादन किया था, जबकि इसी अवधि में 54.32 करोड़ टन कोयले का उत्पादन हुआ था.

Coal India plan to feed power need

OUR BUREAU

Calcutta, Sept. 14: Coal India is planning to ramp up domestic production to meet the fossil fuel requirement of thermal power producers.

"The planned coal-based thermal capacity expansion is likely to put pressure on coal resources," Coal India's interim chairman Gopal Singh said while addressing the shareholders at the company's annual general meeting here today.

"In 2012, coal-based power generation capacity was 125 gigawatt (GW). This is likely to go up to more than 330-441 GW by 2040," he said.

"The demand for these power plants is likely to be

first met by domestic coal, which will require quick exploitation of our reserves," Singh said.

According to estimates, the country had been able to save Rs 25900 crore in foreign exchange over the past three years by cutting down coal imports. "Import dependence in oil and gas is understandable given the poor reserves we have. But dependence on imported coal, particularly non coking coal, is something that can be addressed by quick exploitation of domestic coal reserves," Singh said.

Imports contributed 25 per cent of coal supply in 2015-16 and 23 per cent in 2016-17.

According to Singh, the share of coal in the country's



CAPACITY COUNT

commercial energy supply was 55 per cent in 2015-16 and is expected to remain high at 48-54 per cent even in 2040.

Singh said the public sector miner needs to achieve a double-digit growth rate in order to meet the production

targets. The company produced 554.14 million tonnes of coal in 2016-17, while coal off-take was 543.32 million tonnes during the same period.

Diversification drive

Betting on the core competence in mining, the coal behemoth is planning to foray into mining of iron ore, bauxite, copper and nickel.

Coal India sources said the modalities are being worked out and could involve mining of assets overseas as well.

GST impact

On the impact of the goods and services tax (GST) on Coal India, director (finance) C.K. Dey said, "we have estimated that on an average, the reduc-

tion in rate on local sales is about 5 per cent and on inter-state sales the rate of reduction in taxes is about 3 per cent. This will give an advantage to customers to the tune of Rs 6,000 crore (annually)".

He said the state-run miner is facing an inverted tax structure under the GST regime as its output is taxed at a lower rate while inputs are taxed on higher rates.

"Coal has been made taxable at 5 per cent in the GST regime while taxes are raging between 18-28 per cent on our inputs. Our output is taxed at 5 per cent while out inputs are taxed at higher rates. This is a kind of an inverted tax structure and going forward, this will lead to refund situation."