



खनिज समाचार

**KHANIJ SAMACHAR**

**Vol. 4, No-7 & 8**

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# KHANIJ SAMACHAR



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INDIAN BUREAU OF MINES

VOL. 4, NO-7 & 8 , 1<sup>st</sup> – 30<sup>th</sup> APRIL , 2020



## Trades On MCX Soar as Global Volatility Shifts Focus to Metals

Rajesh Mascarenhas  
@timesgroup.com

**Mumbai:** Multi Commodity Exchange of India (MCX) would be the key beneficiary of global market volatility as the total value of contracts traded on the exchange has increased sharply by 44% in March quarter compared with the same quarter previous year.

The medium-term prospects of MCX remain robust according to analysts as cues from the global financial crises in 2008 hint at increased interest in precious metals over a 2-3 year period following crisis. Post the global financial crises, gold prices rallied 170% in the three-year period between 2009 and 2012.



**Analysts have raised estimates of EPS by 5-7% to factor in higher volumes in metals trade**

While earnings of most of the stocks have been downgraded in India by the analysts over the outbreak of Covid-19 which is having a significant impact on businesses, MCX is among only few stocks that has seen upgrade in the earnings.

"We upgraded our EPS estimate over FY21-22 by 5%-7% to factor in the increase in volumes led by the global market volatility," said Sudheer Guntupalli, analyst, Motilal Oswal Financial Services. "Covid-19 led slowdown in global growth, soft interest rates and liquidity injections should be the key factors driving interest in gold and silver this time. Normalisation of margin requirements in the crude segment is likely to drive continued strength in volume growth."

While gold and silver volumes reported strong growth of 120% and 133% in the March 2020 quarter compared to March 2019 quarter. Crude volume has seen an increase of 66% during this period. However, most of the base metals continued to show a trend of decline year-on-year due to the compulsory delivery rule, which impacted the interest levels of speculators and arbitrageurs.

The stock which gained 30% in last one week and 19% so far this year, declined 9% on Wednesday to close at ₹1,023.

## सोने ११००, चांदीत ११ हजाराची वाढ!

**आंतरराष्ट्रीय मार्केटनुसार भाववाढ : सोने ५१ हजार, चांदी ६१,५००, भाववाढीवर भाष्य कठीण**

लोकमत न्यूज नेटवर्क

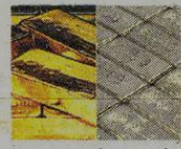
मौल्यवान

धातूच्या

किमतीवर ३

टक्के

अतिरिक्त



जीएसटी आकारण्यात येत आहे. भाववाढीमुळे सोने-चांदी सामान्यांच्या आवाक्याबाहेर गेले आहे.

नागपूर सराफा असोसिएशनचे सचिव राजेश रोकडे म्हणाले, भाववाढीनंतरही लोक खरेदीसाठी सराफांकडे जात आहेत. आंतरराष्ट्रीय दरानुसार देशांतर्गत दररोज भाव बदलत आहेत. दररोज होणारी भाववाढ सराफांच्या हातात नाही. भाव वाढत असतानाही दोन्ही मौल्यवान धातूंना मागणी वाढली आहे. भाववाढीवर भाष्य करणे कठीण आहे. भाववाढीमुळे सराफांची दुकानेही धोकादायक झाली आहेत. नागपूर सराफा असोसिएशनचे उपाध्यक्ष पुरुषोत्तम कावळे म्हणाले, सोने-चांदीचे दर का वाढत आहेत, यावर बोलणे कठीणच आहे. पण मागणी वाढल्याने आंतरराष्ट्रीय मार्केटमध्ये दरवाढ सुरु आहे. व्यापाऱ्यांसोबत ग्राहकांनीही खरेदी वाढविल्याने भाववाढ झाली आहे.

जुलै महिन्यात २३ दिवसात १० ग्रॅम शुद्ध सोन्याचे भाव १,१०० रुपयांनी तर चांदीचे भाव तब्बल ११ हजारांनी वाढले आहेत. १० ग्रॅम शुद्ध सोन्याचे दर ५१ हजारांवर पोहोचले आहेत. १९ जुलैला चांदी प्रति किलो २,५०० रुपये, २१ जुलैला ५,३०० रुपये आणि २३ जुलैला १,२०० रुपयांची वाढ होऊन ६१,३०० रुपयांवर स्थिरावली. या दोन्ही

१ जुलै	४९,५००	१५ जुलै	४९,९००
	५०,५००		५३,०००
२ जुलै	५०,५००	१७ जुलै	४९,६००
	५०,०००		५२,३००
३ जुलै	४८,९००	१९ जुलै	४९,७००
	४९,५००		५२,५००
८ जुलै	४९,३००	२१ जुलै	४९,९००
	५०,३००		५५,०००
९ जुलै	४९,९००	२२ जुलै	५०,६००
	५२,२००		६०,३००
१३ जुलै	४९,८००	२३ जुलै	५१,०००
	५२,२००		६१,५००

सोने (१९.५ स्टॅ.)  
चांदी (कि.)

(सोने व चांदीच्या किमतीवर  
३ टक्के अतिरिक्त जीएसटी)



# WCL slashes coal auction price of specific mines

■ The reduced auction price will apply for coal of Mine Specific Source for all auctions to be conducted by WCL only in April 2020

## ■ Business Bureau

IN an attempt to offer coal at cheaper price to its consumers in the current scenario, city-based Western Coalfields Limited (WCL), a subsidiary of Coal India Ltd, has taken a step to slash down its coal auction floor price by 10 per cent of its specific mines.

The reduced auction price will apply for coal of Mine Specific Source for all auctions to be conducted by WCL only in April 2020. This will help both power and non-power consumers to get coal at reduced price.

WCL had identified 11 out of its total 66 mines in November 2019 to be Mine Specific Source



specially for use of power plants at an additional add-on price of Rs 450 over notified price.

These 11 mines including 8 Greenfield- Dinesh, Makardhokra I. Gokul. Bhanegaon, Singhori, Penganga, Yekona, Pauni II and 3 Brownfield- Mungoli, Niljai, Gondagaon were opened in the last 5 years to provide coal to power consumers of Central, Western and Southern India at their doorstep at cheaper landed price.

Earlier these power plants were getting coal from mines located in Eastern India which was costly due to extra railway freight. With opening of new projects by WCL, coal became cheaper for these plants to the tune of Rs1,000 per tonne on an average.

Under a policy WCL requested power entities to share this gain by adding Rs 450 per tonne over notified price for these 11 specific mines.

No change in pricing was done

for remaining 55 mines. All linked power plants including State Gencos of Maharashtra, MP, Gujarat, Karnataka and other private power plants are getting coal at specific add on price from these 11 mines.

Coal from these specific mines are also auctioned under Special Forward e-auction for power consumers for those units who are either not linked to Western Coalfields Limited or they need more coal in excess of their defined linkage quantity.

Such auction is being done at a floor price 18 per cent over notified price.

Similarly left over coal from these mines are also offered under Spot e-auction to non-power consumers at a floor price 30 per cent over notified price.

For mines other than these specific mines, Special Forward e-auction is done at 25 per cent over notified price and 40 per cent above notified price in spot e-auction.

## Centre allows new lessees to mine for 2 years before getting fresh clearances

JAY MAZOOMDAAR  
NEW DELHI, APRIL 5

AIMED AT ensuring ease of doing business and continuity in the supply of minerals to industries, the Environment Ministry has held that the successful bidder of a mining lease "shall be deemed to have acquired valid prior environmental clearance vested with the previous lessee for a period of two years" — provided the new lessee "shall apply and obtain prior environmental clearance" within that period.

The Ministry's move, in an order issued on March 28, was necessitated by the need to align government policies after the Mines and Minerals (Development and Regulation)

### 'NEED TO ALIGN GOVT POLICIES'

■ The Environment Ministry's move, in an order issued on March 28, was necessitated by the need to align government policies after the Mines and Minerals (Development and Regulation) Act, 1957, was amended in January 2020 to include provisions for transfer of statutory clearances

Act, 1957, was amended in January 2020 to include provisions for transfer of statutory clearances.

The Supreme Court, on

February 7, 2018, directed successful bidders to obtain fresh environmental clearances while hearing the Goa Foundation versus Sesa Sterlite Limited matter. Accordingly, the Environment Ministry, on November 29, 2019, notified that new lessees would have to obtain fresh clearances through "an expeditious mechanism."

It took the Ministry four months to modify its position and allow a two-year window for continuity. The March 28 notification also clarified that "transportation of already mined out material lying within the mining leases... by the previous lessee, after the expiry of the said lease, shall not form the part of the mining capacity so permitted to the successful bidder."



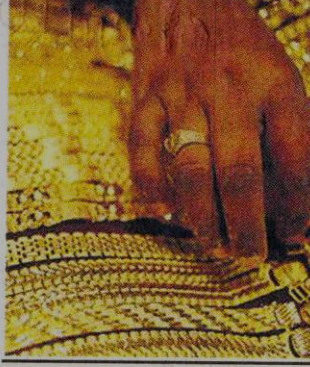
# सुवर्णनगरीला ५०० कोटींचा फटका

कोरोना इफेक्ट : ऐन लग्नसराईत दुकाने बंद

लोकमत न्यूज नेटवर्क

जळगाव : कोरोनाच्या पार्श्वभूमीवर असलेल्या लॉकडाऊनमुळे सुवर्णपेढ्याही बंद असल्याने या बंद काळात जवळपास ५०० कोटींचा फटका एकट्या जळगाव शहरातील सुवर्ण व्यवसायाला बसला आहे. जळगावातील सोने प्रसिद्ध असल्याने येथे बाराही महिने खरेदीसाठी गर्दी असते. त्यात लग्नसराईमध्ये तर सुवर्णपेढ्यांमध्ये पांय ठेवायला जागा नसते. मात्र यंदाच्या ऐन लग्नसराईमध्येच ही दुकाने बंद आहेत.

कोरोनाच्या पार्श्वभूमीवर असलेल्या लॉकडाऊनमुळे सर्वच आस्थापना बंद असण्यासह जिल्ह्याच्या सीमाही बंद असल्याने सर्व मालाची आवकही बंद आहे. त्यामुळे या लॉकडाऊनच्या काळात किमान ५०० कोटींचा व्यवसाय यंदा



नंतस्चीही चिंता

सध्या लॉकडाऊनमुळे सुवर्ण पेढ्या बंद असल्यातरी या लॉकडाऊननंतर स्थिती कधी पूर्व पदावर येईल, लग्नतिथी निघाल्या तरी कमी वेळत जास्त लग्न कसे होतील व याचा परिणाम होऊन अनेक लग्न यंदाच्या लग्नसराईत होतील की नाही, यामुळे सुवर्ण खरेदीवर परिणाम होणार असल्याचेही सांगितले जात आहे.

६६ लॉकडाऊनमुळे सुवर्णपेढ्या बंद असल्याने या काळात जळगावातील व्यवसाय ठप्प झाला आहे. लॉकडाऊननंतरही कसे चित्र राहील, हे सांगणे कठीण आहे.

- स्वरूप लुंकड, सचिव, जळगाव शहर सराफ असोसिएशन, जळगाव

बुडाला आहे.

नियमित गुंतवणूक म्हणून खरेदी करणाऱ्यांसह लग्नसराईची गर्दी यामुळे नेमका हा मोठ्या उलढालीचा हंगामच सुवर्ण

व्यावसायिकांच्या हातचा गेला आहे. असे असले तरी आज स्वतःसह ग्राहक व सर्वांचे आरोग्य महत्वाचे असल्याने त्याला प्राधान्य देणे गरजेचे असल्याचे सुवर्ण व्यावसायिकांचे

# जालन्यात स्टील उद्योगाला दोन हजार कोटींचा फटका

संजय देशमुख ।  
लोकमत न्यूज नेटवर्क

जालना : कोरोनाच्या पार्श्वभूमीवर इतर उद्योगांप्रमाणेच राज्यातील स्टील उद्योगाला फटका बसला आहे. या बंदमुळे जवळपास दोन हजार कोटींचे नुकसान झाले असून, आगामी काळात या उद्योगाला संजीवनी देण्यासाठी वीजबिलातील सवलतीसह केंद्र आणि राज्य सरकारच्या सुरु असलेल्या विविध पायाभूत विकासकामांमध्ये महाराष्ट्रातील स्टील वापरण्यासाठी स्वतंत्र जीआर काढावा, अशी मागणी महाराष्ट्र स्टील उत्पादक असोसिएशनचे राज्याध्यक्ष योगेश मानधनी यांनी केली आहे.

महाराष्ट्रात जवळपास १८० पेक्षा जास्त लहानमोठे स्टील आणि



३६ कोरोनाच्या पार्श्वभूमीवर स्टील उद्योगांकडूनही वेगवेगळ्या सामाजिक आणि शासकीय योजनांसाठी मदत दिली जात आहे. स्टील उद्योग हा महाराष्ट्राच्या एकूणच अर्थकारणामध्ये महत्वाची भूमिका निभावतो. त्यामुळे मुख्यमंत्र्यांनी सवलती देऊन दिलासा द्यावा.

- योगेश मानधनी, राज्य अध्यक्ष,  
महाराष्ट्र स्टील उत्पादक, असोसिएशन

## उद्योग रुळावर येण्यास चार महिने लागणार

आज डबघाईला आलेला स्टील उद्योग भविष्यात रुळावर येण्यास तीन ते चार महिन्यांचा अवधी लागणार आहे. त्यामुळे केंद्र आणि राज्य सरकारच्या विविध विकास प्रकल्पांत जागतिक मानांकनामध्ये बसणाऱ्या महाराष्ट्रातील स्टील उत्पादनाचा वापर करण्यास प्राधान्य देऊन तसा जीआर काढावा, अशी प्रमुख मागणी करण्यात आली आहे.

स्टीलपासून तयार करणाऱ्या लोखंडी सळ्या अर्थात रि-रोलिंग मील कार्यरत आहेत. या सर्वांमध्ये मिळून जवळपास प्रत्यक्ष आणि अप्रत्यक्ष २० लाख

लोकांना रोजगार मिळतो. सर्वात जास्त वीज वापर करणारा उद्योग म्हणून स्टील उद्योगाकडे पाहिले जाते. त्यामुळे आगामी काही महिने प्रतियुनिट केवळ

वीजबिलात सवलत द्या :  
राज्यातील स्टील वापरणे  
बंधनकारक करण्याची  
मागणी

तीन रुपये एवढेच शुल्क आकारावे. अवजड उद्योगामध्ये हा उद्योग समाविष्ट असल्याने शासनाने ज्या काही सवलती जाहीर केल्या आहेत, त्या सवलती याही उद्योगाला लागू कराव्यात, अशी मागणी मानधनी यांनी केली आहे. यासंदर्भात त्यांनी मुख्यमंत्री उद्धव ठाकरे, उपमुख्यमंत्री अजित पवार आणि उद्योगमंत्री सुभाष देसाई यांच्याकडे सविस्तर निवेदन सादर केले आहे. मध्य महाराष्ट्र, विदर्भ आणि मराठवाडा या भागांसाठी राज्य सरकार वीज बिलात सवलत देते. ती सवलत वाढवून १५०० कोटी करावी. राज्य सरकार एसजीएसटीचा परतावा देते. परंतु, हा परतावा दरवर्षी दिला जात होता. तो दर तीन महिन्याला मिळाल्यास त्याचा लाभ होऊ शकतो, असे मानधनी यांनी म्हटले आहे.

# लॉकडाऊनमध्येही सोने-चांदीला झळाळी

जळगाव : कोरोनाच्या पार्श्वभूमीवर असलेल्या लॉकडाऊनमुळे सुवर्णबाजार बंद असला तरी मल्टि कमोडिटी एक्स्चेंज सुरुच असल्याने सोने-चांदीत गुंतवणूक वाढत आहे. त्यामुळे या मौल्यवान धातूंचे दर लॉकडाऊन काळातही वाढत आहेत. कमोडिटी बाजारात सोने-चांदीने नवी उच्चांकी गाठत सोन्याने ४४ हजार ६०० तर चांदीने ४६ हजार रुपयांचा टप्पा गाठला आहे. विशेष म्हणजे आठवडाभरात सोन्याच्या दरात ५ हजार ६०० रुपये प्रतितोळा अशी वाढ झाली आहे.

सोने-चांदीच्या दरावर  
आंतरराष्ट्रीय घडामोडींचा मोठा

## सोन्यात ५६०० रुपयांची वाढ

मागणी वाढत असल्याने गेल्या आठवड्यात मल्टि कमोडिटी बाजारात ३९ हजार रुपये प्रती तोळा असलेल्या सोन्याचे दर बुधवारी ४४ हजार ६०० रुपये प्रतितोळ्यावर पोहोचले आहेत. अशाच प्रकारे चांदीचेही दर ४० हजारावरून ४६ हजार रुपये प्रतिकिलोवर पोहोचले आहेत. कमोडिटी बाजारात एवढे दर असतील तर ज्या वेळी सुवर्णबाजार सुरु होईल, त्यावेळी हे दर अधिकच राहण्याचे संकेत दिले जात आहेत.

परिणाम होत असतो. चीनमधून जगभरात पोहोचलेल्या कोरोनाचाही परिणाम गेल्या महिनाभरापासूनच होत आहे. कोरोनामुळे गेल्या महिन्यात सुवर्ण बाजार अस्थिर होऊन दर कमी-जास्त होत होते. त्यानंतर लॉकडाऊनमुळे सुवर्णपेढ्या बंद

आहेत. असे असले तरी मल्टि कमोडिटी एक्स्चेंज सुरुच आहेत. कोरोनामुळे सर्वच देशांच्या अर्थव्यवस्थांमध्ये अनिश्चितता निर्माण झाल्याने सोन्यामध्ये गुंतवणूक वाढत आहे. यात दुकान बंद असले तरी कमोडिटी बाजारात सौदे सुरु आहे.

३६ सुवर्णपेढ्या बंद असल्या तरी आंतरराष्ट्रीय पातळीवर सोने-चांदीचे व्यवहार सुरु असून, कमोडिटी एक्स्चेंजमध्ये सौदे होत आहेत. सुरक्षित गुंतवणूक म्हणून सोने-चांदीत गुंतवणूक केली जात आहे. त्यामुळे मागणी वाढली आहे.

- अजयकुमार ललवाणी, अध्यक्ष,  
सराफ बाजार असोसिएशन, जळगाव

कोरोना विषाणू पसरण्यापूर्वी सुवर्ण व्यावसायिकांनी जे सौदे करून ठेवले आहेत, त्यांची मुदत संपत आली की, त्यांना खरेदी अथवा विक्री करावी लागते. या सौद्यांची मुदत संपत आल्याने मल्टि कमोडिटी बाजारात मोठा फायदा घेतला जात आहे.



## SAFE HAVEN PULL

# Gold's Rally Brings \$1,800 Into View

Bullion futures on Comex maintain premium over spot prices in London

**Bloomberg**

Gold extended its rally to hit the highest level in more than seven years on concern that the coronavirus pandemic will have a devastating effect on the global economy, hammering corporate earnings while supercharging demand for havens.

Futures in New York moved closer to \$1,800 an ounce, the level last seen in 2011. Spreads between futures and spot prices remain wide, suggesting thinner liquidity, which is further exacerbating price dislocation.

"Liquidity conditions are challenging and market participants are understandably cautious," Joni Teves, a strategist at UBS Group AG, said Tuesday in a note. "Gold's journey has been quite bumpy so far, but given the macro backdrop we think the destination remains higher."

Bullion has soared this year as the global health crisis tipped economies into recession and spurred central banks to launch huge stimulus measures. Since last month's wave of forced selling, as equities sank, gold has staged a recovery.

Comex gold futures for June delivery climbed as much as 1.3% to \$1,785 an ounce, the highest since October 2012, and was little changed at 10:24 am in London. Spot gold

was more than \$40 cheaper at \$1,720.34, with the huge spread a feature of trading in recent weeks amid physical market disruptions.

Overall, gold still has room to run, according to Hans Goetti, founder and chief executive officer of HG Research.

"What's happening here is that the Fed is expanding its balance sheet and every other central bank in the world is doing the same," he told Bloomberg TV. "What you're looking at is massive currency debasement in the long term. That's the major reason why gold is higher, and I would think that over the next few weeks or months, we're

probably going to retest the high that we saw in 2011."



Gold's latest upswing has come even as risk sentiment received a boost after China's trade data beat estimates, while the pace of coronavirus infections has slowed in some countries, with the focus shifting toward how lockdowns can be eased.

President Donald Trump said he has "total" authority to order states to relax social distancing and reopen their economies.

Banks including UBS Group AG have boosted price targets for the metal. Worldwide holdings in bullion-backed exchange-traded funds have ballooned to a record on rising demand, with investors seeking additional portfolio protection. On Monday, volumes in SPDR Gold Shares, the largest such fund, surged above 1,000 tons to the highest since mid-2013.

Earnings season kicks off in earnest this week.

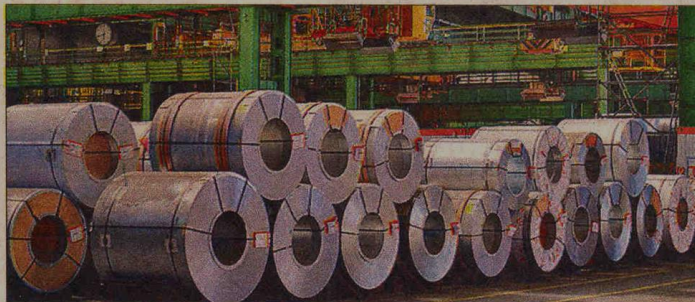


# Labour, Domestic Demand Factors in Reviving Steel, Cement Production

Rakhi Mazumdar  
& Bhavya Dilipkumar

**Kolkata | Mumbai:** Core industry sectors like steel and cement are keen to revive production in stages but are faced with weak domestic demand. With MHA guidelines, including that on road transport allowing truck movement for evacuation of finished products, steel and cement units can resume operations. While cement units will have to grapple with issues like transportation of workers, steel plants in residential townships are relatively better placed in resuming production.

However, the key issue is low domestic demand, especially from auto and construction sector. So the focus, for some time at least, will be on exports. Cement companies feel lack of clarity on transportation of workers and general fear among



employees to travel will lead to a major cut in consumption and production levels in the coming months. Hence, an immediate resumption, even if it is partial, is not possible for the cement companies.

Jayant Acharya - JSW Steel - Director, Commercial and Marketing said: "We at JSW Steel are evaluating ways to restart our facilities in a phased manner within the protocols and guidelines defined. Sectors servicing the export requirements will also be able to restart

slowly." JSPL Managing director V R Sharma said it booked export orders since February and subsequently geared its entire production towards exports due to poor domestic offtake. JSPL did around 5.7 lakh tonne (lt) in March and is poised to prody another 5.5 lt in April.

A Tata Steel spokesperson said while the situation in a "sheltered township" like Jamshedpur, is relatively better, the overall scenario is evolving on an almost daily basis.

# Tata Steel Planning to Defer Vendor Payments by 45 Days

Asian Paints seeks to delay payments by 30 days

[Saloni.Shukla@timesgroup.com](mailto:Saloni.Shukla@timesgroup.com)

**Mumbai:** Tata Steel is seeking a 45-day delay in payments to vendors, citing the Covid-19 lockdown and assuring them that they will be paid once the crisis is over.

"To ensure business continuity, we are compelled to seek an increase of payment terms of all our vendor partners by 45 days over and above the currently prevailing payment terms," it said in a letter. "We do realise that this will have an impact on our vendor partners, but wish to assure you that we will try and revert to normal business as soon as the situation allows and all due payments will be made good." ET has seen a copy of the letter.

Tata Steel told ET said it had built a relationship based on trust and transparency with various stake-

holder groups and that these were unprecedented times that needed a collaborative approach.

The 40-day national lockdown, scheduled to end May 3, has hit the production of steel, with Tata Steel temporarily closing its downstream units in Maharashtra and Uttar Pradesh. However, its plants in Jamshedpur and Kalinganagar are currently operational. The shutdown of manufacturing units, curbs on logistics and a sharp fall in demand has disrupted steel makers.

Tata Steel told vendors that while it remains operational, India's largest steel maker has been facing challenges in ensuring raw material availability and transportation.

Likewise, Asian Paints has also sought to defer payments in a bid to conserve cash. It has sought support from business partners to increase payment terms by 30 days.

## Tough Times

Lockdown has hit cos such as Tata Steel, Asian Paints

Tata Steel has temporarily shut plants in Maharashtra and Uttar Pradesh

Its plants in Jamshedpur and Kalinganagar are currently operational

Closure of industries such as construction, real estate and auto has led to a drop in steel demand, it says

Asian Paints too has sought to defer payments to business partners by 30 days

This is a proactive measure to conserve cash, it says



# Why gold prices have been rising before and during outbreak, what next

NEW DELHI, APRIL 10

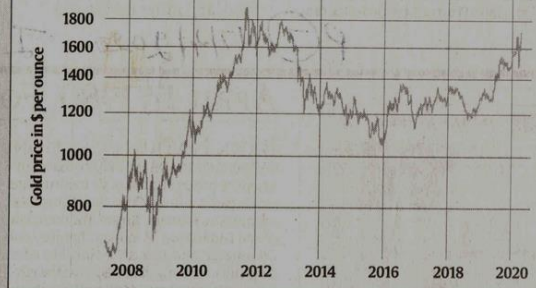
MUCH BEFORE COVID-19's impact reverberated across economies and led to a crash in global stock markets, gold prices had started an upward glide since May 2019 to culminate in a nearly 40% jump in less than a year, from \$1250 per ounce to \$1700-plus per ounce now. The present gold prices in India are even higher, as they jumped from around Rs 32,000 per 10 grams to nearly Rs 46,800 per 10 gram during the same period, or by nearly 45%. Since gold is a mostly imported commodity in India, the depreciation of the rupee vis-à-vis the US dollar of around 7% since last September pushed the gold prices in India even higher. The rupee on Wednesday closed at a record low of Rs 76.86 to a dollar, from Rs 76.44 Tuesday.

## Why are gold prices rising?

In the last year, intermittent reports

based on economic indicators have suggested that the US economy could enter into recession. This apprehension sowed the seeds of the gold rally, and the COVID-19 impact added momentum as a major global recession now looks certain. The nearly 40% crash in benchmark equity indices led to the US Fed announcing a record amount of liquidity injection and bond buying programme of more than \$3 trillion. On March 27, the Reserve Bank of India too cut its key policy rate by 75 basis points and announced liquidity injection of Rs 3.74 lakh crore in the financial markets. Any expansion in the paper currency tends to push up gold prices. Apart from this, major gold-buying central banks of China and Russia have, over the last two years, supported higher gold prices. While stock prices have risen over 20% from the March crash levels, gold has resumed its uptrend after falling initially from \$1,700 an ounce on March 9 to \$1,450 on March 20. This happened as an extreme reaction of investors to move towards cash.

## RIISING FOR A YEAR, STEEPER NOW



## Is there a trend in rising gold prices?

While gold by itself does not produce any economic value, it is an efficient tool to hedge against inflation and economic un-

certainties. It is also more liquid than real estate and many debt instruments which come with a lock-in period. After any major economic crash and recession, gold

prices continue their upward run. Analysts feel gold could now overtake the previous peak of around \$1,900 per ounce. The empirical findings suggest that gold prices fall with a rise in equity prices. Gold prices also move in tandem with heightened economic policy uncertainty, indicating the "safe haven" feature of the asset, the RBI said in its latest Monetary Policy Report. After the collapse of Lehman Brothers in September 2008 in the US, which led to a worldwide economic crisis, gold prices jumped from around \$700 an ounce in October 2008 to peak at around \$1,900 an ounce in September 2011. In the next four years, gold was on a steady decline and crashed to nearly \$1,000 an ounce in December 2015. Between 2015 and 2019, gold was in a range of \$1,000 an ounce and \$1,350 an ounce, after which it started its steady run.

## Can gold prices crash?

Given the economic uncertainty, gold is expected to touch an all-time high, which will be over \$1,900 an ounce. In India, the prices

will also be supported by any further weakness in the rupee. Any sudden sale of gold holdings by central banks to tide over the economic crisis, and any crisis in other risk assets prompting investors compensate their losses through sale of gold ETFs (exchange traded funds), are key events that could stall the gold rise. For this year, the International Monetary Fund projects growth in advanced economies at -6.1%, while emerging market and developing economies with normal growth levels well above advanced economies are also projected to have negative growth rates of -1.0 percent in 2020, and -2.2 percent excluding China.

The economic impact of COVID-19 is expected to continue longer. As and when the economic recovery picks up pace, which is now expected only in late 2021, investors will start allocating more funds to risk assets like stocks, real estate and bonds and pull out money from safe havens such as gold. As per historical trends, when equity and risk assets start an upward trend, gold typically falls significantly as was the case from 2011 till 2015.



## Vedanta Sesa Goa Extends Plant Closure

**MUMBAI:** Sesa Goa Iron Ore, a Vedanta group company, has extended shutdown of its operations for three more days following orders from the government of Goa, the company said. "In pursuance of the fresh directive of the government of Goa for extending the janata curfew for three more days and extending the furnaces shutdown for a longer period, necessary job for taking proper furnace shutdown will be taken tonight (Monday) so that furnace shutdown can be extended for three more days," he company said.

LOKMAT DATE : 25/4/2020 P.N.8

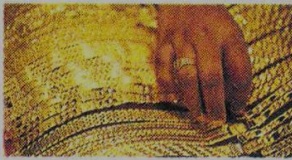
# अक्षय्यतृतीयेचा परिणाम : चार दिवसांत ११०० रुपयांची वाढ सोन्याचे दर ४७ हजारांच्या दिशेने

लोकमत न्यूज नेटवर्क

**जळगाव :** मल्टि क्मॉडिटी बाजारात सोने-चांदीत मोठी उलाढाल सुरुच असून अमेरिकन डॉलरचे वधारलेले दर व अक्षय्यतृतीयेच्या मुहूर्तावर खरेदीकडे वाढत असलेला कल यामुळे सोन्याच्या भावात पुन्हा वाढ झाली आहे. चार दिवसात सोन्याच्या भावात तोळ्यामागे ११०० रुपयांची वाढ होऊन दर ४६,७०० रुपयांवर पोहोचले आहेत. चांदीमध्ये मात्र घसरण होऊन दर ४२,१०० रुपये प्रति किलोवर आले आहेत.

कोरोनामुळे सर्वच देशांच्या

## चांदीच्या दरामध्ये मात्र घसरण



अर्थव्यवस्थेत अनिश्चितता निर्माण झाल्याने सोन्यामधील गुंतवणूक वाढत आहे. दुकाने बंद असली तरी क्मॉडिटी बाजारात सौदे सुरु आहेत. २४ एप्रिल रोजी डॉलरचा दर ७६.३४ रुपयांवर पोहोचल्याने सोन्याच्या भावात वाढ झाली. यासोबतच दोन दिवसांवर

सोन्याच्या दरामध्ये वाढ होत असताना चांदीत मात्र घसरण होत आहे. ८ एप्रिल रोजी ४६ हजार रुपये प्रति किलो असलेली चांदी आता ४२,१०० रुपये प्रति किलोवर आली आहे.

आलेल्या अक्षय्यतृतीयेच्या मुहूर्तावर सोन्यात गुंतवणूक वाढण्याची शक्यता असल्याने क्मॉडिटी बाजारात दलालांकडून सोने खरेदी करण्यावर भर दिला जात आहे.

सुवर्ण पेढ्या बंद असल्यातरी या दिवशी अनेक जण गुंतवणूक

करण्याची शक्यता असल्याने या दिवशी आता खरेदी करून ठेवलेले सोने विक्रीला काढून सौदे वाढण्याची शक्यता आहे. त्यामुळे आतापासूनच सोन्याचे भाव वधारत असल्याचे जाणकारांनी सांगितले.

क्मॉडिटी बाजारात आठवडाभरात सोन्याचे भाव ४४,६०० रुपयांवर पोहचले. १९ एप्रिल रोजी ४६ हजार ७०० रुपयांवर पोहचले. आता २४ एप्रिल रोजी दर ४६,७०० रुपये प्रती तोळा झाले आहेत. खरेदीचा कल पाहता क्मॉडिटी बाजारात सोने ४७ हजार रुपयांवर पोहोचण्याची शक्यता वर्तविली जात आहे.

## Tata Steel Seeks £500-m Bailout from UK Govt

Our Bureau

**Kolkata:** Tata Steel has sought a £500 million assistance from the UK government in the wake of the Corona virus pandemic, media reports said. Tata Steel, one of the largest employers in the steel industry, has asked the UK and Welsh governments for a bailout after its big European customers halted production, The Guardian said quoting a Sky News report on Saturday.

Discussions are said to be underway with the Treasury and the Department of Business, Energy and Industrial Strategy. Tata Steel operations in the UK involve a four-million tonne per annum facility at Port Talbot in south Wales. The company employs 8,385 people across the UK, out of which, the steel-works at Port Talbot accounts for nearly 4,000 employees. In the UK, the government is providing loan assistance to businesses under Coronavirus large business interruption loan scheme (CLBILS), which is limited to £50 million.

A section of the UK media reported Aberavon MP Stephen Kinnock has urged the government to raise its limits on the scheme, as the company would require an assistance worth almost 10 times the amount.

"The government [CLBILS] is capped at £50m, which is only one 10th of what Tata Steel believes will be the cashflow impact on the company over a six-month period," he said, according to the report. "Will the government now urgently take steps to lift the loan cap to a level that will give our steel industry a fighting chance of surviving this crisis?" Kinnock said.

Tata Steel is yet to respond to ET's query on the issue. However, during a recent interview with ET, Tata Steel's Global CEO T V Narendran had said: "In Europe (UK and the Netherlands), we are discussing with the governments in these countries on the kind of support they can give us."

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