खनिज समाचार

KHANIJ SAMACHAR

Vol. 2, No-19

(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 19th issue of Volume -2 for this service named **Khanij Samachar** for the period from **1st – 15th Oct , 2018**,**.** The previous issue of Khanij Samachar Vol. 2, No-18, **16th – 30th** Sept**,** was already uploaded on IBM Website **www.ibm.gov.in** **.**

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. 2, NO-19, 1st –15th OCTOBER, 2018

BUSINESS LINE DATE : 1/10/2018 P.N.8

Metals ($/tonne)				
Aluminium	2048	-0.8	-2.9	-2.8
Copper	6264	-1.8	2.1	-3.2
Iron Ore	65	0.7	5.3	1.8
Lead	2023	-0.7	-2.0	-18.0
Zinc	2659	6.4	4.5	-16.6
Tin	18860	-1.1	-1.3	-9.1
Nickel	12507	-5.0	-8.0	20.7

BUSINESS LINE DATE : 8/10/2018 P.N.8

GLOBAL		Change in %			52-Week	
	Price	Weekly	Monthly	Yearly	High	Low
Metals ($/tonne)						
Aluminium	2128	3.9	4.5	-1.0	2603	1966
Copper	6167	-1.5	5.3	-7.4	7324	5820
Iron Ore	65	0.7	5.3	1.8	77	58
Lead	1977	-2.3	-2.7	-23.5	2683	1969
Zinc	2668	0.3	9.9	-20.5	3619	2285
Tin	18970	0.6	0.6	-10.2	22104	18662
Nickel	12539	0.3	1.5	20.0	15749	10487

BUSINESS LINE DATE : 15/10/2018 P.N.8

	Price	Weekly	Monthly	Yearly	High	Low
Metals ($/tonne)						
Aluminium	2034	-4.4	0.4	-4.1	2603	1966
Copper	6319	2.5	5.6	-7.9	7324	5820
Iron Ore	67	2.0	6.6	10.1	77	58
Lead	2069	4.6	3.3	-18.8	2683	1908
Zinc	2676	0.3	13.4	-19.9	3619	2285
Tin	19113	0.8	0.2	-8.4	22104	18662
Nickel	12579	0.3	0.3	10.9	15749	10790

BUSINESS LINE DATE : 1/10/2018 P.N.8

Lead price falls despite tight supply

The anticipated fallout of US-China trade war has been dragging the price since June

PARVATHA VARDHINI C

Prices of most base metals have cooled in recent months. Lead is no exception. Until early 2018, international lead prices on the London Metal Exchange (LME) had showed an increasing trend, moving from a multi-year low of $1,600 per tonne in early 2016 to $2,500 a tonne by October 2017, and to $2,600 a tonne in early 2018.

However, since then, lead prices have been on a decline, coming down to the current rate of $2,000. Much of this fall, though, has happened only since June. In India, MCX (Multi Commodity Exchange) spot prices have mirrored international trends in the above periods. Domestic lead prices stand at about ₹140 a kg now, down from the ₹170-a-kg levels seen at the beginning of this year.

What drove prices

A major reason for the recent price decline is the anticipated fallout of the trade war between the US and China, on the Chinese as well as the global economy. China is the biggest consumer of lead, accounting for about 40 per cent of the global lead usage. Apprehensions that the trade war could slowdown industrial activity in China have been running high. In the past two years, China's focus on infrastructure projects has pushed up demand for industrial metals including lead. Besides, the growing popularity of three-wheeled e-trikes in China which use lead-acid batteries, has also triggered huge demand for lead in that geography.

The fact that the trade war could have its ripple effects on the global economy, and, hence, hit demand for base metals, has also played a role in bringing down international prices in the past 2-3 months.

However, fundamentally, on the demand-supply side, things are only favourable for the metal.

Data from the International Lead and Zinc Study Group (ILZSG) indicate that global demand for refined lead metal exceeded supply by 1.65 lakh tonnes in 2017, much higher than the initial expectations of a shortage of 1.25 lakh tonnes.

According to ILZSG, decline in mine output across Australia, the US and China triggered the gap. After falling 32.6 per cent in 2016, Australian lead mine output declined by a further 22.2 per cent in 2017. Output fell 10.4 per cent in the US and 0.9 per cent in China. These reductions were sharper than the rise in mine production seen in Bolivia, India, Kazakhstan and Turkey.

Thus, overall global lead mine output fell 0.9 per cent in 2017 (over 2016), coming in at 47.49 lakh tonnes, against the originally expected 50.6 lakh tonnes. Consequently, refined lead metal production came in at 113.2 lakh tonnes in 2017, showing only a marginal 0.7 per cent increase over 2016. It was initially expected at 115.8 lakh tonnes.

Excess demand over supply saw stocks being liquidated in 2017. Inventories reported by LME, Shanghai Futures Exchange, producers and consumers decreased by 40,000 tonnes as of December-end 2017. These factors had kept lead prices red hot until the beginning of this year.

Outlook

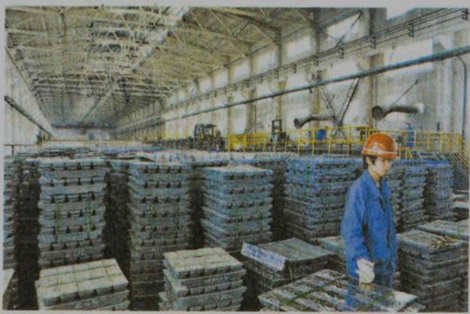
While the trade war has currently dampened prices, the tight supply conditions could cause lead prices to move up again. For the first half of this calendar year, provisional data available with ILZSG indicate that world refined lead metal demand has already exceeded supply by 39,000 tonnes.

In the outlook for the full year 2018 released in April, ILZSG expects global demand for refined lead metal to rise 2.7 per cent over 2017 to 11.90 million (119 lakh) tonnes. Usage is forecast to grow over 3 per cent in China and the US, and 2.1 per cent in Europe.

On the production side, world refined lead metal output is expected to increase 3.8 per cent to 11.88 million (118.8 lakh) tonnes in 2018. Output is forecast to rise 4.7 per cent in China, 10 per cent in the US, 13.7 per cent in Australia, and 1.6 per cent in Europe.

Demand is expected to exceed supply by 17,000 tonnes in 2018. Hence, if the trends continue on estimated lines, lead prices may not move further south.

However, a clearer picture, after taking into account the impact of the trade war, will be available once ILZSG releases its second forecast for 2018 in October-end.



BLOOMBERG

Trend

- Price was on rise till early 2018
- Trade war has dampened price
- May not cool off muc[h] due to tight supply

Short supply

According to ILZSG, demand for lead is expected to exceed supply by 17,000 tonnes in 2018

BUSINESS LINE DATE : 1/10/2018 P.N.8

Gold could oscillate within a range

A breakout on either side of the $1,180 1,210 band will decide the next move

GURUMURTHY K

Gold is struggling to get fresh buyers that would take it decisively above the psychological level of $1,200. The yellow metal tumbled last week and made a low of $1,181 per ounce. However, it managed to bounce from those levels, recovering some of the loss, and closed at $1,191 per ounce, down 0.7 per cent for the week.

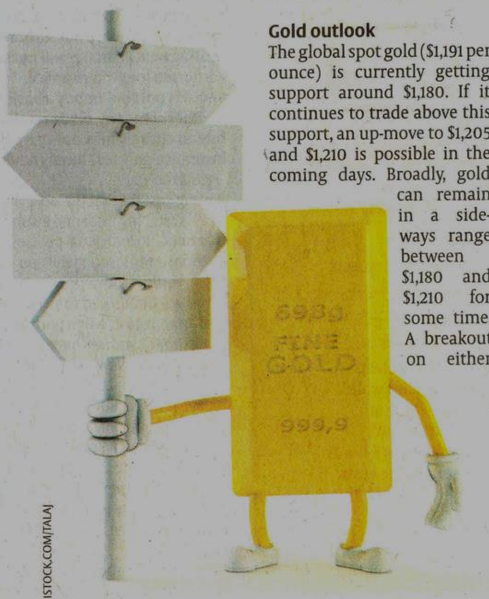
But silver outperformed gold last week, as expected. The global spot silver surged over 2 per cent to close the week at $14.65 per ounce.

Dollar drags gold

A strong surge in the US dollar index (95.13), after the GDP data release, dragged gold prices lower. The US grew at 4.2 per cent in the second quarter, the strongest in about four years. The dollar index, which was hovering in a narrow range around 94, surged after the data release to make a high of 95.35 before closing the week at 95.13.

The price action over the past couple of weeks indicate that the index is lacking fresh sellers to drag it decisively below the 94-93.85 support zone. Immediate support is at 94.75. As long as the index remains above 94.75, an up-move to 96 is possible in the coming days. A strong break of 96 will then increase the likelihood of the index extending its rally to 97 over the short term. Such an up-move in the index will keep the gold prices under pressure.

On the other hand, if the dollar index reverses lower from 96, it can fall to 95 or even 94 again. In such a scenario, a range-bound move between 93.85 and 96 can be seen for some time.



ISTOCK.COM/TALAJ

Gold outlook

The global spot gold ($1,191 per ounce) is currently getting support around $1,180. If it continues to trade above this support, an up-move to $1,205 and $1,210 is possible in the coming days. Broadly, gold can remain in a sideways range between $1,180 and $1,210 for some time. A breakout on either side of $1,180 or $1,210 will then decide the next move.

A strong break and a decisive close above ₹1,210 will ease the downside pressure. Such a break can trigger a corrective rally to $1,235 or $1,240 over the short term. On the other hand, if gold declines below $1,180, it will come under renewed pressure. In that case, the yellow metal can tumble to $1,160 and $1,155 thereafter.

On the domestic front, the near-term outlook for the MCX-Gold (₹30,481 per 10 g) is mixed. The support at ₹30,270 has held well last week. The contract made a low of ₹30,220, and bounced higher in the final trading sessions of the week. Immediate support is at ₹30,370.

If the contract manages to sustain above this support, an up-move to ₹31,000 is possible. Inability to breach ₹31,000 can drag it to ₹30,500 and ₹30,300 again. On the other hand, if the contract declines below ₹30,370, the possibility will remain high of it breaking below ₹30,270. The ensuing target on a break below ₹30,270 is ₹29,950.

Broadly, a range-bound move between ₹30,270 and ₹31,000 is likely in the near term. A breakout on either side of ₹30,270 or ₹31,000 will then determine the next move. Traders can hold the long positions taken last week. Retain the stop-loss at ₹30,175 for the target of ₹31,300. Revise the stop-loss higher to ₹30,750 as soon as the contract moves up to ₹31,100.

Silver outlook

The global spot silver ($14.65 per ounce) looks much stronger than gold and is likely to outperform in the coming weeks as expected. It seems to have formed a strong base around $14 and could be gearing up for a fresh rally. Near-term support is at $14.20. An up-move to $15 is likely in the coming days. Inability to breach $15 can drag the prices lower to $14.5. But a strong break above $15 will see the rally extending to $15.6 thereafter.

Silver will come under pressure only if it breaks below $14. The next targets are $13.8 and $13.65. However, such a fall, breaking below $14, looks unlikely at the moment.

The MCX-Silver (38,577 per kg) is hovering below a key resistance level of ₹38,750. A break above it can take the contract higher to ₹38,900 initially. A further break above ₹38,900 will then see the up-move extending to ₹39,500 in the short term.

MCX Gold
Supports:
₹30,370/30,270
Resistances:
₹31,000/₹31,400

MCX Silver
Supports:
₹37,000/36,500
Resistances:
₹37,800/37,200

THE HINDU DATE : 1/10/2018 P.N.15

Tata Steel to raise Bhushan production

Aims to produce 4 MT by March 2019

PRESS TRUST OF INDIA
KOLKATA

After acquiring debt-laden Bhushan Steel through the insolvency and bankruptcy process, Tata Steel is now aiming to raise its production to 4 million tonne (MT) by the end of the current fiscal, an official said.

Bhushan Steel's Odisha plant is presently operating at 3.5 MT against a capacity of 5 MT, the official said.

Robust demand

"The Bhushan plant in Odisha has a capacity of 5 MT but is currently operating at 3.5 MT. We are working to raise the production at least to a level of 4 MT a year by March 2019 as demand remains robust," the official, who is part of the new team installed by Tata Steel in the company, told PTI. The Bhushan Steel plant is located close to Tata Steel's Kalinganagar facility where it has a three MT capacity.

The official said the Kalinganagar plant expansion is on track despite Bhushan's takeover at ₹36,000 crore.

THE HITAVADA DATE : 2/10/2018 P.N.11

Crude steel output up 3.7 pc

■ The country had produced 8.5 MT during the same month last year, the global industry body said in its latest report

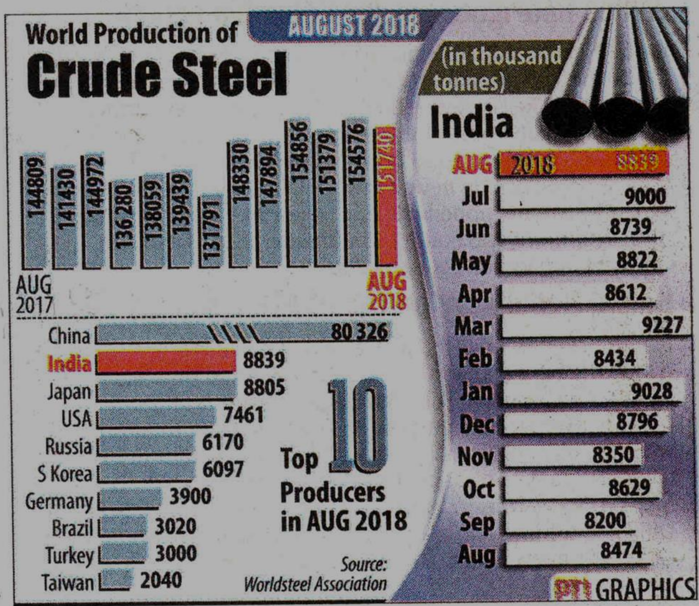
NEW DELHI, Oct 1 (PTI)

INDIA'S crude steel output increased 3.7 per cent to 8.8 million tonne (MT) in August 2018, according to the World Steel Association (worldsteel).

The country had produced 8.5 MT during the same month last year, the global industry body said in its latest report.

"Global crude steel production was at 151.7 MT in August 2018, a rise of 2.6 per cent compared to August 2017, it added.

China's steel production for August stood at 80.3 MT, an increase of 2.7 per cent as compared to 78.2 in the same month of 2017. Japan's output grew marginally by 0.9 per cent to 8.8 MT in the month.



The US produced 7.5 MT of crude steel in August 2018, an increase of 5.1 per cent in comparison to same month of the 2017. Spain and Italy produced 1.2 MT of crude steel in August.

France's crude steel production was 0.9 MT in the reported month. While Turkey's output fell 5.7 per cent to 3 MT, South Korea's crude steel output remained unchanged at 6.1 MT in August 2018.

BUSINESS LINE DATE : 3/10/2018 P.N.13

MCX-Zinc retains strength after crossing key points

WEEKLY OUTLOOK

GURUMURTHY K

BL Research Bureau

The Zinc futures contract on the Multi Commodity Exchange (MCX) has been retaining its strength and has surged breaking above the key resistance points at ₹190 and ₹193 per kg last week. The contract is currently poised at ₹197 per kg.

The outlook remains bullish. Immediate resistance is at ₹199. A break above this can take the contract higher to ₹202 or ₹205 in the coming days.

The ₹205 mark is a crucial medium-term resistance level. Inability to break this hurdle can trigger a pull-back to ₹200 or ₹195. But a strong break above ₹205 will increase the likelihood of the contract rallying to ₹215 over the medium term.

If the MCX-Zinc futures contract fails to break above the immediate resistance at ₹199 and reverses lower in the coming days, a corrective fall to ₹190 or ₹188 is possible in the short term.

Trading strategy

However, the downside is expected to be limited as fresh buying interest can emerge at lower levels. As such, a further fall below ₹188 is unlikely.

An upward reversal from ₹190 or ₹188 will then have the potential to breach ₹199 and take the contract further to higher levels.

Medium-term traders with long positions taken last week can hold them with a revised stop-loss at ₹187. Move the stop-loss higher to ₹195 as soon as the contract moves up to ₹199. Book profits at ₹203.

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

THE HITAVADA DATE : 4/10/2018 P.N.9

Cement output likely to grow at 6-7 per cent in FY19

MUMBAI, Oct 3 (PTI)

CEMENT production is expected to grow at 6-7 per cent in the current fiscal year, driven by pick-up in affordable and rural housing segments and infrastructure, a report said Wednesday.

However, rising costs are likely to put pressure on the operating profitability of cement firms in the coming quarters, Icra said in its report, adding the manufacturers' ability to secure price increases remains the key.

"We expect cement demand growth of 6-7 per cent in FY2019, driven by a pick-up in the affordable and rural housing segments and infrastructure, primarily road and irrigation projects," said Sabyasachi Majumdar, Senior Vice-President, Icra. According to the rating agency, cement production remained healthy in the first four months of FY19, reporting a 14.7 per cent year-on-year (YoY) growth. Production remained in the range of 27.5-28.6 million tonne (mt) during the April-June period, clocking the highest at 28.6 mt in June. It declined in July by 9.3 per cent on a month-on-month (MoM) basis owing to the monsoons, when cement consumption is on the lower side.

However, it remained high by 10.8 per cent on a YoY basis, at close to 26 MT, it said.

BUSINESS LINE DATE : 4/10/2018 P.N.16

The near-term view for MCX-Nickel is positive

WEEKLY OUTLOOK

GURUMURTHY K
BL Research Bureau

The nickel futures contract on the Multi Commodity Exchange (MCX) has been trading subdued over the last one week. The contract fell to a low of ₹901.2 per kg on Monday. It has bounced back from there and currently trades at ₹919 per kg.

The price action for over a week suggests that the contract lacks strong sellers to drag it decisively lower. Also, the price movement indicates that the contract is getting fresh buying interest around the psychological level of ₹900. This leaves the bias positive.

An up-move to ₹950 or ₹960 is likely in the near term. Key resistances are at ₹961 and ₹968. Inability to breach these hurdles can drag the contract lower to the ₹900 level again. In such a scenario, the contract may remain range-bound in the band between ₹900 and ₹968 for some time. However, the bias will continue to remain positive.

An eventual break above ₹968 will boost the momentum. Such a break will take the contract higher to ₹990. A further break above ₹990 will then increase the possibility of the rally extending to ₹1,020 and ₹1,050 levels over the medium term.

The outlook will turn negative only if the MCX-Nickel futures contract breaks below ₹900. The ensuing targets are ₹885 and ₹875.

Trading strategy

Medium-term traders who have taken long positions on dips at ₹935 and ₹925 can hold those positions.

Retain the stop-loss at ₹890 for the target of ₹1,025. Revise the stop-loss higher to ₹955 as soon as the contract moves up to ₹975.

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

BUSINESS LINE
DATE : 4/10/2018 P.N.16

BSE, LME tie up for base metal settlement price

OUR BUREAU
Mumbai, October 3

The BSE has entered into a licensing agreement with the London Metal Exchange to source its base metal prices for settlement of futures contracts.

The BSE launched trading in commodity derivatives such as gold and silver from October 1. The partnership will strengthen the BSE and LME global collaboration and support opportunities that will mutually benefit the exchanges.

The agreement is designed to facilitate closer cooperation in areas such as product development, training and the sharing of market resources.

The majority of non-ferrous metal futures business is transacted on the London Metal Exchange's platforms.

Ashishkumar Chauhan, Managing Director, BSE, said the agreement would enable a better understanding of the market dynamics of the base metals industry in India. It will integrate the Indian and global markets more effectively and foster world-class best practices in the commodity derivatives market, he said.

"The agreement will enable us to work together towards our mutual interests, enhance business opportunities, extend global reach and will gradually result in benefits for our customer base and also help in bringing exciting products to the Indian marketplace," he said.

Buy Comex gold at $1,190-95/oz

GNANASEKAAR T

Comex gold futures firmed on Thursday as recent weakness tempted some price-sensitive buyers back to the market, but the gains were capped by a sharp rise in US Treasury yields, which underpinned the dollar and weighed on stocks.

From the bottom at $1,045 in December 2015, prices have been hitting highs so far, a clear sign of a rising trend that has made us believe the bigger picture to be supportive. A positive trigger for the medium-term in sustaining the uptrend is likely to be above a close of $1,275.

In the short-term, we expect prices to be in the $1,145-1,275 range or even extend to $1,120-25 where supports can be seen again.

Only a close above $1,275 in the bigger picture could revive bullish hopes once again for $1,335 or even higher. Prices have been moving in a narrow range, a typical phenomenon before a breakout happens either way, and in this case most likely on the upper side.

In the coming sessions, crucial support will come into play around $1,190-95 and we expect prices to stabilise and move higher towards $1,236, or even higher to $1,255. Only a fall below $1,180 could take prices lower to $1,160 or ideally to $1,125, which is not our favoured view.

Wave counts

It is most likely that the fall from the record $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, a corrective wave "B" could unfold with targets near $1,375 or even higher. After that, a wave "C" could begin lower again.

Alternatively, we can also expect wave "B" to extend to $1,476. If the current decline as a whole from $1,920 can be considered as a fourth wave, then the fifth wave could begin and cross $1,700 in the long-term. An eventual break above $1,355 could see the Wave "B" scenario emerge in the coming sessions.

While $1,270 holds, we still favour prices rising towards $1,450-75 in the form of wave "B". We will re-assess around $1,450-70 on the potential for a wave "C" decline subsequently. RSI is in the neutral zone hinting that it is neither overbought nor oversold.

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

Therefore, buy Comex gold around $1,190-95 with the stop-loss at $1,180, targeting $1,225 followed by $1,236.

Supports are at $1,180, 1,160 and 1,145. Resistances are at $1,212, 1,236 and 1,265.

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

BUSINESS LINE DATE : 8/10/2018 P.N.8

Australia's mining success matters for India

Australia can supply India cleaner thermal coal, as well as equipment and technology for India's mining sector

MARK CULLY

In 1964 Donald Horne published his bestseller *The Lucky Country*. It was not an ode to Australia, it was an assault on mediocrity and complacency. Australia's prosperity, Horne argued, came from its natural bounty and its Commonwealth ties, not from its leaders.

Abound it certainly does: Australia has the world's largest economically proven deposits of iron ore, gold, nickel, and uranium, and is in the world's top five for coal, copper, tin and lithium.

Australia got lucky again when the resources boom began at the start of this century. Luck, though, is what you make of it. The cold hard truth of bringing goods to market must be confronted. Horne's error was to think that this was easy, something that could be done by second-rate leaders. That is not right. Australia has shown that its mining sector is, in fact, world leading.

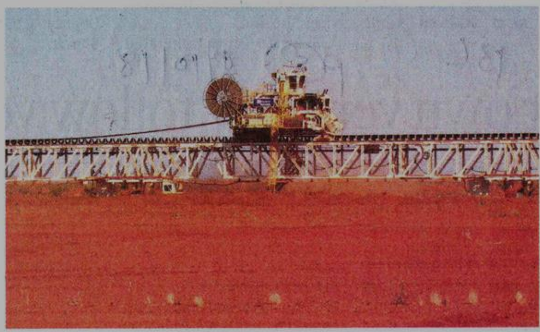
It has the infrastructure, the transport and logistics, the technology and the skills to consistently deliver — and grow. In 2000, Australia produced 155 million tonnes of iron ore. We forecast that Australia will produce over 900 million tonnes of iron ore this year, on the back of a huge increase in investment in new mines, in research and development, and in digital technologies. Remarkably, it will do so at a cost per tonne lower than in 2000. Australia may not produce much steel, but a huge fraction of the world's steel is elementally Australian.

India is poised on the edge of greatness. It has gone past Japan to become the world's third largest economy. If it can lift its poorest out of poverty the way China has, India could become the largest. But it will need material resources to realise this promise, and it is unlikely to be able to do this on its own.

Import pressures

India has more than enough thermal coal reserves to meet its own needs. But it struggles to do so. This year it will import over 160 million tonnes, despite the government's goal of self-sufficiency. From next year India is also set to become a net importer of iron ore as its demand for steel is about to escalate and will outstrip growth in domestic supply of iron ore.

Australia can be a steady partner. Peter Varghese, former High Commissioner to India, recently set out a detailed Indian Economic Strategy to 2035 for the Australian government. Its goals are ambitious: to lift India into the top three export markets for Australian goods and services, to make India a significant destination for Australian investors and, above all, to cement the Australia-India relationship as a strategic partnership. It identifies 10 sectors and 10 Indian States where opportunities exist for greater economic cooperation.



Mining resources Cutting edge technology BLOOMBERG

In the mining and energy sectors there are four major opportunities to seize.

First, most evidently, Australia has plentiful material resources to supply. It is already the major supplier of coking coal to India. These resources can underpin the Make in India strategy.

Second, India's energy demand is set to skyrocket. Australia can provide coal, gas and uranium, as well as its expertise in deploying renewable energy. On any plausible scenario of India's future energy demand and mix, thermal coal consumption will increase considerably. What is at issue is by how much and the extent to which imports will be needed. Australian thermal coal has higher energy content than domestic coal in India and imported coal from Indonesia and South Africa. That means less pollution for any given amount of energy generated, a major issue for residents of New Delhi.

Third, Australia has an advanced mining equipment and technology services sector. India needs to dramatically improve its mine efficiency, health and safety performance and environmental management, all areas in which Australian companies have deep expertise: like GroundProbe which uses radar to detect unstable slopes in open-pit mines as it is doing with Coal India Ltd.

Fourth, Australian universities and researchers are a leading source of Australia's comparative advantage in mining. They can work with Indian mining companies to train their workforces and deepen their skills and solve applied problems. The Australia-India Mining Partnership at the Indian School of Mines provides a good template.

Australia is well-placed, willing and able to work with India to navigate its growth challenges in the decades to come.

The writer is Chief Economist in the Australian Department of Industry, Innovation and Science

BUSINESS LINE DATE : 8/10/2018 P.N.8

Gold remains in a sideways range

Bias turns increasingly bullish for a break-out above $1,210

GURUMURTHY K

Gold continued to oscillate around the psychological $1,200-per-ounce mark for most part of the week. Though prices fell in the initial part of last week, global spot gold managed to reverse higher from its low of $1,185. The yellow metal made a high of $1,208 and came off slightly from there to close the week over 1 per cent higher, at $1,203 per ounce. The US dollar index's weakening towards the end of the week helped gold sustain at higher levels.

Surprisingly, silver underperformed gold last week for the first time over past several weeks. Global spot silver surged to a high of $14.90, but reversed, giving up its gains. The price closed at $14.63 per ounce, down 0.2 per cent for the week.

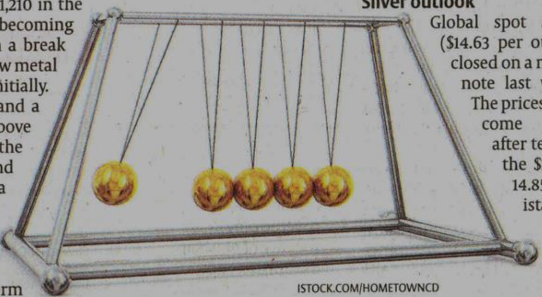
On the domestic front, the Indian rupee weakening to a record low of 74.22 on Friday sharply pushed up the MCX-Gold and Silver futures contracts on the Multi Commodity Exchange last week. MCX-Gold, which closed the previous week at ₹31,090 per 10 g, was up 2 per cent. The MCX-Silver contract surged 1.8 per cent to close the week at ₹39,274 per kg.

Gold outlook

Global spot gold ($1,203 per ounce) stays within its $1,180-$1,210 sideways range. However, the possibility of gold breaking above $1,210 in the coming days is becoming more likely. Such a break can take the yellow metal higher to $1,215 initially. A further break and a decisive close above $1,215 will boost the momentum and pave the way for a fresh rally to $1,230 and $1,240 over the short term.

Strong near-term support is at $1,190, which is likely to limit the downside in the near term. The price action over the past couple of weeks indicates that gold is drawing fresh buying interest around this support. The outlook will turn negative only if gold decisively declines below $1,180. But such a fall looks unlikely at the moment.

On the domestic front, the outlook for the MCX-Gold (₹31,090 per 10 g) remains positive. Though there may be a dip to ₹30,700, or even lower, the downside may be limited. Strong support is in the ₹30,700-30,500 region. A fall below ₹30,500 seems unlikely now. A rally to test the ₹31,500-31,600 is likely in the short term. An eventual break above ₹31,600 will take the contract higher to ₹32,500 and ₹33,000 over the medium term.


ISTOCK.COM/HOMETOWNCD

Trading strategy

Traders with a medium-term view can buy on dips at ₹30,750 and ₹30,550. Stop-loss can be placed at ₹29,800 for the target of ₹32,500. Revise the stop-loss higher to ₹31,300 as soon as the contract moves up to ₹31,750.

Silver outlook

Global spot silver ($14.63 per ounce) closed on a mixed note last week. The prices have come off after testing the $14.80-14.85 resistance region. An intermediate dip to $14.40 or $14.35 cannot be ruled out. However, the downside is expected to be limited as the overall view remains positive. An upward reversal from the $14.40-14.35 support can take silver higher to $14.85 levels again. A strong break above $14.85 will then take the prices to $15 or even higher thereafter.

The MCX-Silver (₹39,274 per kg) remains strong. Significant support is in the ₹38,800 and ₹38,600 region, which is likely to limit the downside in the near term. Resistance is between ₹39,400 and ₹39,500. A strong break above ₹39,500 will trigger a fresh rally to ₹41,000 in the coming weeks.

Trading strategy

Medium-term traders can make use of dips in MCX-Silver to go long at ₹39,000 and ₹38,650. Stop-loss can be placed at ₹37,850 for the target of ₹41,000. Revise the stop-loss higher to ₹39,300 as soon as the contract moves up to ₹39,700.

MCX Gold
Supports
₹30,800/30,400
Resistances
₹31,500/32,000

MCX Silver
Supports
₹38,600/38,000
Resistances
₹39,500/41,000

THE HITAVADA DATE : 8/10/2018 P.N.11

Govt plans to auction over 100 mineral blocks by March 2019

NEW DELHI, Oct 7 (PTI)

HAVING secured Rs 1.81 lakh crore in its kitty from e-auction of 50 mineral blocks, the Government is looking to put on block another 100 mines in the next six months, according to the Ministry of Mines.

The Government so far has auctioned 50 mines, including 23 limestone, 17 iron ore, 4 gold, 2 each of manganese and graphite blocks and one bauxite and diamond block each.

There are 102 blocks in pipeline to be auctioned by March 2019 in Andhra Pradesh, Chhattisgarh, Gujarat, Jharkhand, Karnataka, Madhya Pradesh, Maharashtra, Odisha, Rajasthan, Telangana and Assam, as per a report by the Ministry of Mines on progess of block auction.

These include 42 limestone, 19 bauxite, 11 manganese ore, 8 copper, 6 iron ore, 6 graphite, 3 zinc, 2 emerald, 2 gold, 1 iron ore and manganese, 1 dolomite / limestone and 1 copper ore.

As per the report, Jharkhand will auction the highest 20 blocks followed by 16 by Rajasthan and 13 each by Madhya Pradesh and Maharashtra. Of these 102, the Government plans to auction two limestone blocks in October. Of the two blocks, one is in Andhra Pradesh and the other is in Gujarat. The Chintalayapalle-Abdullapuram-Korumanipalli (CAK) limestone block in Andhra Pradesh with reserves of 104.68 million tonnes (MT) will be auctioned on October 12.

The Bhatvadiya block in Gujarat with reserves of 477.2 MT will go under the hammer on October 17.

The Centre had earlier said it was considering granting all approvals, including environmental clearance, to mineral blocks before putting them up for sale, a move that may give a push to the auctions.

The idea is to fast-track auctioning and iron out issues related to green clearances and land rights are addressed upfront.

It has given in-principle approval to provide single clearance for environment and forest to the new lease holders of the 288 mining leases expiring in two years. From the 50 mineral blocks auctioned so far since 2015, the government will earn a revenue of Rs 1.81 lakh crore over the lease period. To ensure transparency in the mineral sector, Mines and Minerals Development and Regulation) Amendment Bill, 2015 was passed by Parliament in 2015.

BUSINESS LINE DATE : 8/10/2018 P.N.8

Base metal settlement price: BSE, LME tie up

BSE has entered into a licensing agreement with the London Metal Exchange to source its base metal prices for settlement of futures contracts. On October 1, BSE launched trading in commodity derivatives such as gold and silver. The partnership will strengthen BSE and LME's global collaboration, and support opportunities that will mutually benefit the exchanges.

The agreement is designed to facilitate closer cooperation in areas such as product development, training and sharing of market resources. The majority of non-ferrous metal futures business is transacted on the London Metal Exchange's platforms.

It will integrate the Indian and global markets more effectively and foster world-class practices in the commodity derivatives market.

BUSINESS LINE DATE : 9/10/2018 P.N.16

MCX Aluminium hovers above a key support

GURUMURTHY K
BL Research Bureau

It was a volatile week for the Aluminium futures contract on the Multi Commodity Exchange (MCX). The contract surged above the key resistance level of ₹152/kg in the past week as expected. News of the closure of Norsk Hydro's alumina refinery in Brazil — the world's largest — increased the fear in the market on supply disruption. This, in turn, triggered a strong rally in aluminium prices.

The MCX Aluminium contract surged about 10 per cent intra-week and made a high of ₹167.8 on Thursday last week. It has, however, come off sharply from the high, wiping out most of the gains and is currently trading at ₹153.8/kg. The contract is hovering above a key ₹154-₹152 support zone.

If the contract manages to reverse higher, an up-move to ₹158 or ₹160 is possible. A strong break above ₹160 will then trigger a fresh rally to revisit ₹166 and ₹168 levels in the coming weeks.

On the other hand, if the contract breaks below ₹152 decisively, it can fall to ₹150. A further break below ₹150 will increase the likelihood of the contract extending its down-move to ₹147 or ₹145. The bias is bullish on the chart. The 55-day moving average has crossed over the 200-day moving average.

Similarly, the 21-day moving average has crossed the 100-day moving average. This is a bullish signal indicating that the downside could be limited in the short-term. As such, the possibility remains high of the contract reversing higher from the ₹154-₹152 support zone.

Trading strategy

Traders with a high-risk appetite can go long on dips at ₹153. A stop-loss can be placed at ₹148 for the target of ₹163.

Revise the stop-loss higher to ₹156 as soon as the contract moves up to ₹159.

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

BUSINESS LINE DATE : 9/10/2018 P.N.3

Tata Steel's Q2 output flat at 7.33 mt

PRESS TRUST OF INDIA
New Delhi, October 8

Tata Steel Monday said its consolidated steel output remained almost flat at 7.33 million tonnes during the second quarter of the ongoing financial year.

During July-September 2017-18, the company's output on consolidated basis stood at 7.26 mt, Tata Steel said in a statement.

Sales during the quarter also came down to 7.22 mt from 7.38 mt in the year-ago period, registering a fall of about 2 per cent.

Tata Steel India produced 3.27 mt in July-September 2018 against 3.20 mt. Its sales were at 3.18 mt against 3.08 mt in July-September 2017, the statement said.

"Automotive and special products sales grew 17 per cent year-on-year...mainly driven by higher demand from the auto sector," it said.

THE INDIAN EXPRESS DATE : 10/10/2018 P.N.11

'SAIL workers at risk for lack of sand mining leases in Jharkhand'

Coal production also affected at Chasnalla, Jitpur mines: SteelMin

DEEPAK PATEL
NEW DELHI, OCTOBER 9

THE MINISTRY of Steel has requested the Ministry of Coal to arrange sand mining leases for Steel Authority of India Limited (SAIL) in Jharkhand as sand's absence is affecting the "coal productions as well as safety of workmen" in company's underground mines, which are situated in Chasnalla and Jitpur.

According to a steel sector executive, sand is required to fill up the empty area in an underground mine so that the surface does not cave in. "Sand is mixed with water and then this mixture is flown down to the empty area of the underground mine. The water then comes up and the sand remains at the bottom. This way the mine is filled up and this process is called "backfilling" or "stowing". This process is done to avoid the surface to cave in," he added. Chasnalla and Jitpur mining areas come under Dhanbad district.

SAIL, which operates under steel ministry, has been requesting various departments of Jharkhand government and Central government for last three years to provide sand mining leases. In response to specific queries sent by *The Indian Express*, SAIL stated: "Required safety norms are being followed for safety of workers." India's worst mining disaster happened on December 27, 1975, in Chasnalla only when 375 people died at a coal mine due to an explosion and subsequent flooding.

India's worst mining disaster happened on December 27, 1975, in Chasnalla when 375 people died at a coal mine due to an explosion and subsequent flooding

In a letter dated August 28, 2018, the steel ministry told the coal ministry: "In absence of sand mining lease, coal productions as well as safety of workmen in underground mines are getting affected. SAIL vide letter dated December 12, 2015, requested District Mining Officer, Dhanbad for reservation of sand mining lease inn favour of SAIL for the leases pertaining to Dhungri Ghat (36.06 Hectares), Het Kandra Ghat (16.34 Hectares), Chasnalla Ghat (30.63 Hectares) and Tasra Ghat (51.60 Hectares) on the bank of river Damodar for sand stowing of underground mines of Chasnalla and Jitpur."

On May 25, 2017, Jharkhand government forwarded the SAIL's proposal of reservation of these four sand mining leases for approval of Ministry of Coal. On November 13, 2017, the coal ministry asked the Jharkhand government to furnish information regarding specific boundaries/coordinates of the area. SAIL submitted the boundary coordinate plan to Director of Mines and Geology in Jharkhand government on July 4, 2018. This plan was also submitted to District Mining Officer of Dhanbad district on July 24, 2018.

BUSINESS LINE DATE : 10/10/2018 P.N.16

MCX Zinc faces a key resistance point ahead

GURUMURTHY K
BL Research Bureau

The Zinc futures contract on the Multi Commodity Exchange (MCX) is retaining its strength and has extended its rally in the past week as expected. Though the contract witnessed an intermediate dip, the down-move was short-lived.

The contract has reversed sharply higher after making a low of ₹193.3 a kg on Monday. It is currently trading at ₹203.

The sharp bounce-back indicates that the contract is getting strong buying interest at lower levels. This keeps the overall bullish outlook intact. However, a key resistance is ahead in the ₹205-₹206 region. This hurdle is likely to be tested in the coming sessions.

But whether the MCX-Zinc futures contract breaks above ₹206 or not will be key in deciding the next move. Traders can stay out of the market until a clear trade signal emerges. A pull-back from the ₹205-₹206 resistance region can trigger a corrective fall in the coming days. In such a scenario, the contract can decline to ₹195 or ₹193 again.

A bounce from the ₹195-₹193 support region can take the contract higher to ₹200 again. In that case a range-bound move between ₹193 and ₹206 can be seen for some time.

But if the contract breaks below ₹193, the corrective fall can extend to ₹189 or ₹188.

On the other hand if the contract manages to breach ₹206 decisively, the up-move can gain further momentum. Such a break will then increase the likelihood of the contract extending its rally to ₹210 or even ₹215 levels in the coming weeks.

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

BUSINESS LINE DATE : 11/10/2018 P.N.16

MCX Nickel poised for a bullish breakout

K GURUMURTHY
BL Research Bureau

The nickel futures contract on the Multi Commodity Exchange (MCX) has reversed higher after falling in the initial part of last week.

The contract fell to ₹911.7 per kg on Friday last week and managed to surge to ₹963.3 on Tuesday but has come off slightly from there to the current levels of ₹957/kg.

A key resistance is at ₹968 which is likely to be tested in the coming days. This resistance has been capping the upside in the contract since July.

However, the indicators and the price action on the chart suggest that the contract is likely to breach this hurdle.

Strong bounce-back in the past week indicates that the contract is getting fresh buyers around the psychological level of ₹900. The 21-day moving average is on the verge of crossing over the 200-day moving average. These are positive signals indicating that the downside could be limited. It also leaves the possibility high of the contract breaking above ₹968 in the coming days.

Such a break will take the contract higher to ₹990. Further break above ₹990 will then increase the possibility of the rally extending to ₹1,020 and ₹1,050 levels over the medium-term.

On the other hand, if the contract fails to break above ₹968, a pull back to ₹920 or even lower levels is possible.

In such a scenario, a range-bound move between ₹900 and ₹968 can be seen for some time. The outlook will turn negative only if the contract breaks decisively below ₹900.

The next targets are ₹880 and ₹860. However, a fall breaking below ₹900 looks less probable at the moment.

Trading strategy

Medium-term traders can hold the long positions taken at ₹935 and ₹925. Retain the stop loss at ₹890. Revise the stop-loss higher to ₹955 as soon as the contract moves up to ₹975. Book profits at ₹1,025.

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

NAVBHARAT DATE : 11/10/2018 P.N.7

देश की रीढ़ है खान व खनिज क्षेत्र

इस्पात मंत्री ने कहा

नवभारत समाचार सेवा

दिल्ली. इस्पात मंत्री चौधरी बीरेंद्र सिंह ने कहा कि खान व खनिज क्षेत्र देश की रीढ़ की हड्डी होने के साथ आर्थिक प्रगति को गति प्रदान करते हैं. उत्पादन से पूर्व तथा उत्पादन के बाद के कार्यों से यह देश में रोजगार के सबसे बड़े सृजकों में से एक है. वे दिल्ली में एनएमडीसी द्वारा आयोजित खनिज तथा धातुओं पर अंतरराष्ट्रीय सम्मेलन-परिदृश्य-2030 के उद्घाटन सत्र पर संबोधित कर रहे थे. उन्होंने कहा कि यह क्षेत्र वैश्विक वातावरण में प्रगति की बहुत बड़ी संभावनाएं पैदा करता है. यह सम्मेलन समयानुकूल है तथा भारत सरकार द्वारा राष्ट्रीय इस्पात नीति-2030 में निर्धारित किए गए विजन के अनुरूप है. दो दिवसीय सम्मेलन में 16 देशों के 500 से अधिक प्रतिभागी शामिल हो रहे हैं तथा 30 से अधिक अंतरराष्ट्रीय वक्ता संबोधित कर रहे हैं. एनएमडीसी के सीएमडी आईएएस एन. बैजेंद्र कुमार ने कहा कि खनिजों तथा धातुओं पर अंतरराष्ट्रीय सम्मेलन स्थानीय तथा अंतरराष्ट्रीय धातु उत्पादकों तथा खनिकों के लिए एक महत्वपूर्ण मंच है. समापन समारोह के मुख्य अतिथि इस्पात राज्य मंत्री विष्णु देव राय रहेंगे. कार्यक्रम में बिनय कुमार ने अध्यक्षता की. दो दिवसीय सम्मेलन में सज्जन जिंदल, डा. एडविन वस्सन, नवीन जिंदल, जतिन्दर मेहरा जैसे दिग्गज संबोधित करेंगे.

THE HINDU DATE : 11/10/2018 P.N.14

Jindal Stainless to make foray into long product segment

Move to enter different category part of diversification plan

N. ANAND
CHENNAI

The ₹21,000-crore Jindal Stainless group is planning to make a foray into long product segment of stainless steel, said a senior official.

"Currently, we produce 1.6 million tonnes of flat products in two plants," said Vijay Sharma, senior vice-president, head - sales and distribution, Jindal Stainless Corporate Management Services Pvt. Ltd. "Now, we are foraying into different category to produce long products (rods, bars and structural products) in stainless steel."


Vijay Sharma

"The stainless steel long and flat products go hand-in-hand. The entry into long products is part of our diversification. Further, the distribution channel for both are the same," he said.

Worldwide, the production mix of flat and long products are in the ratio of 80:20 and in India also it is in the same proportion.

According to him, the market size of Indian stainless steel flat products is estimated to be 25 lakh tonnes per annum, which is growing at a steady rate of 9-10% per annum against 5% globally.

"The per capita consumption of stainless steel in India is around 2 kg per person against 5 kg per person globally. So, there is a lot of potential to grow," he said.

At Hisar in Haryana, Jindal Stainless has a traditional plant producing 0.8 million tonnes per annum of flat product. It is now planning to produce 50,000 tonnes of long products by investing ₹40 crore. It would start production by Q4 of 2019.

THE HINDU DATE : 11/10/2018 P.N.14

Coal shortage hits aluminium units

Association tells govt. to stop prioritising supply to power plants, says others deprived of raw material

TCA SHARAD RAGHAVAN
NEW DELHI

The Aluminium Association of India (AAI) has written to the government asking it to stop prioritising coal supply to power plants. The exclusion of other industries that required coal was depriving them of the much-needed raw material essential for their functioning, the association said.

The government on September 22 directed State-run coal companies to first send coal rakes to power plants as they were facing acute shortage of coal.

Challenges galore: Power outages could result in shutting down of a unit for at least six months. ▪REUTERS

Struggling with scrap

The issue has come at a time when the aluminium sector is already struggling with the dumping of scrap from the U.S. and China, as both countries have raised import tariffs on each other's products. "As per recent developments, the coal supplies and rakes for CPPs (captive power plants), especially from MCL, SECL, CCL, etc, are again being diverted to power sector resulting in coal- crunch situation for aluminium sector,," the AAI wrote in a letter to the Coal Secretary, a copy of which is with *The Hindu*.

"This new ad hoc decision without any advance notice has brought the industry to a standstill and industry has been left with no time to devise any mitigation plan to continue sustainable operations," AAI added. The decision to prioritise coal supply to power plants was made during a high-level meeting on September 22 and communicated via an internal order to all the general managers of the public sector coal companies.

"The issue with coal supply to power plants has two parts," said Sabyasachi Majumdar, senior vice-president at ICRA.

"Electricity demand has grown strongly and so the power plants' coal off-take has also increased. There are also some logistical issues affecting coal supply to these plants."

The association said that aluminium smelting required uninterrupted power supply and that any power outage of two hours or more would result in the freezing of the aluminium pots and shutting down of the plant for at least six months. But, this isn't all that is affecting the industry.

"One major issue affecting the industry is that, since the U.S. and China have levied import tariffs on each other, the other large economy they can send their aluminium scrap to is India," a senior official of one of the largest aluminium companies in India said on condition of anonymity.

"There is wide-scale dumping happening now, which is badly hurting the domestic players."

Poor mining output drags IIP growth to 3-mth low of 4.3%

NEW DELHI, Oct 12 (PTI)

INDUSTRIAL production growth slipped to a three-month low of 4.3 per cent in August mainly due to a sharp decline in the mining sector output and poor offtake of capital goods, according to the Central Statistics Office (CSO) data. The industrial production measured in terms of Index of Industrial Production (IIP) was 4.8 per cent in August last year, the CSO data released on Friday showed. The mining sector production contracted by 0.4 per cent in August compared to a growth of 9.3 per cent in the year-ago month. Similarly the capital goods output growth decelerated to 5 per cent during the month from a 7.3 per cent expansion year ago.

The IIP growth is the lowest since May when industrial production grew at 3.9 per cent. Industrial production expanded by 6.8 per cent in June and 6.5 per cent in July. The manufacturing sector output grew at 4.6 per cent in August compared to 3.8 per cent a year ago.

Power generation grew at the rate of 7.6 per cent in the month as against 8.3 per cent in the year-ago month. In terms of industries, 16 out of 23 industry groups in the manufacturing sector have shown positive growth during August 2018 as compared to the corresponding month of the previous year. As per use-based classification, the growth rates in August 2018 over August 2017 are 2.6 per cent in primary goods, 2.4 per cent in intermediate goods and 7.8 percent in Infrastructure/ Construction Goods.

The consumer durables and consumer non-durables have recorded growth rates of 5.2 and 6.3 pc respectively.

According to data, IIP growth in April-Aug was 5.2 pc, up from 2.3 pc in corresponding period in the previous fiscal.

BUSINESS LINE DATE : 15/10/2018 P.N.14

Buy Comex gold if it touches $1,190/oz

GNANASEKAAR T

Comex gold futures rose on Thursday as a sell-off in global stock markets prompted investors to seek safety in the metal, with a softer dollar further supporting the bullion.

Comex gold futures has been moving in line with our expectations so far. The medium-term picture still holds some promise, therefore caution should be exercised on getting excessively bearish too.

From the bottom at $1,045 per ounce in December 2015, prices have been making highs so far, a clear sign of a rising trend, which has made us believe the bigger picture to be supportive despite strong corrective declines from time to time.

A positive trigger for the medium-term in sustaining the uptrend is likely to be above a close of $1,275. In the short-term, we expect prices to be in the $1,145-1,275 range or even extend to $1,120-25 where supports can be seen again. Only a close above $1,275 in the bigger picture could revive bullish hopes for $1,335 or even higher. Prices have continued to move in a narrow range, a typical phenomenon before a breakout happens either ways ,

and in this case most likely on the upside. In the coming sessions, crucial support will come into play around $1,180-85 and we expect prices to stabilise and move higher towards $1,236, or even higher to $1,255 Only a fall below $1,180 could force us to abandon our mildly bullish view. Such a fall could take prices lower to $1,160 or ideally to $1,125 , which is not our favoured view.

Wave counts: It is most likely that the fall from the record $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, 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 from $1,920 can be considered as a fourth wave, then the fifth wave could begin and cross $1,700 in the long-term.

An eventual break above $1,355 could see the Wave "B" scenario emerge in the coming sessions. While $1,170 holds, we still favour prices rising towards $1,350-75 in the form of wave "B". We will re-assess around $1,400 on the potential for a wave "C" decline subsequently.

RSI is in the neutral zone hinting that it is neither overbought nor oversold. The averages in MACD are still below the zero line of the indicator again, indicating bearishness to be intact. Only a cross over again above the zero line could hint at a bearish reversal in trend.

Therefore, buy Comex gold around $1,190-95 with the stop-loss at $1,180 targeting $1,225 followed by $1,236.

Supports are at $1,185, 1,160 and 1,145. Resistances are at $1,212, 1,236 and 1,265.

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

Gold breaches a key hurdle

There are early signs that the recent downtrend has come to an end

GURUMURTHY K

As expected, gold rose past the key resistance level of $1,210 per ounce last week. Global spot gold prices surged to a high of $1,226 an ounce on Thursday. Though prices dipped slightly on Friday, gold closed the week on a positive note at $1,217 per ounce, up 1.1 per cent for the week.

Global equity markets' witnessing a strong sell-off, coupled with a sharp fall in the US dollar index, helped gold gain sheen. The sudden and sharp fall in the US equity markets on Wednesday jolted global bourses. The Dow Jones Industrial Average tumbled 831 points (3.1 per cent) on Wednesday, stretching its fall on Thursday by another 2 per cent (546 points).

The US dollar index failed to breach 96, sliding over one per cent from its high of 96.15 to touch a low of 94.95. The index did, however, recover some of the loss on Friday to close the week at 95.22, down 0.42 per cent for the week. The sharp fall both in global equities and the dollar index helped gold move to safe-haven territory, and surge above the key resistance level of $1,210 last week. If the sell-off in the global indices extends in the coming week as well, gold will sustain above $1,210 and rise further.

On the domestic front, the gold futures contract on the Multi Commodity Exchange surged in tandem with global prices. Indeed, the gains in the domestic markets were higher as the rupee fell to a record low of 74.48 against the dollar before recovering towards the end of the week. MCX-Gold futures contract closed the week on a strong note at ₹31,846 per 10 g, up 2.2 per cent.

Dollar outlook

The US dollar index has been stuck in a sideways range between its support at 94.80 and resistance at 96.15 over the past couple of weeks. A strong breakout on either side of 94.80 or 96.15 will determine the next move. If the index declines below 94.80, a fall to 94.20 or 94 is possible.

Such a fall will take gold prices even higher. If the dollar manages to decisively rise past 96.15, it will surge to 97 or even higher.

Gold outlook

The short-term outlook for gold is positive. Global spot gold ($1,217 per ounce) has immediate support at $1,213 and then a cluster of supports poised between $1,210 and $1,200. Though an intermediate dip to $1,213 or $1,210 cannot be ruled out, the downside may be limited. An eventual bounce-back will take gold higher to $1,235 or $1,240 in the short term. An inability to breach $1,240 can trigger a pull-back to $1,220 or $1,215 thereafter. But a strong break above $1,240 will see the upmove extending to $1,260. On the domestic front, the outlook for the MCX-Gold (₹31,846 per 10 g) futures contract is bullish. Significant support is in the ₹31,500-31,450 region, which is likely to limit the downside in the near term. The next key support is at ₹31,000. As long as the contract trades above these supports, a rally to ₹32,500 and ₹33,000 is likely in the coming weeks.

Trading strategy

Traders with a medium-term perspective can go long at current levels and also accumulate on dips at ₹31,600 and ₹31,300. Stop-loss can be placed at ₹30,900 for the target of ₹33,000. Revise the stop-loss higher to ₹31,950 as soon as the contract moves up to ₹32,500.

Silver underperforms

Silver continued to underperform gold for the second consecutive week. Global spot silver prices tumbled over 2 per cent, and made a a low of $14.24 per ounce. Prices, however, recovered to close at $14.58 per ounce, down 0.4 per cent for the week. On the domestic front, the MCX-Silver futures contract fell sharply early in the week, reaching a low of ₹38,485 per kg. The contract recovered towards the end of the week, closing at ₹38,918 per kg, down 0.91 per cent.

Silver outlook

The near-term outlook for silver is mixed. Global spot silver ($14.58 per ounce) could remain in a sideways range between $14 and $15 for some time. A breakout on either side of $15 will decide the next move. A strong break above $15 will take prices higher to $15.35 and $15.60.

On the other hand, a strong break below $14 can drag the prices lower to $13.65 thereafter.

However, the outlook for the MCX-Silver (₹38,918 per kg) futures contract remains positive. The bounce-back from the low of ₹38,485 indicates that the uptrend from September will remain intact.

Resistance is at ₹39,400, which is likely to be tested in the near term.

An inability to break this hurdle can drag the contract lower to ₹38,500 and ₹38,300 levels. But a strong break above ₹39,400 can initially take the contract higher to ₹40,200.

A break above ₹40,200 will see the upmove extending to ₹41,000 in the coming weeks.

Trading strategy

Medium-term traders who have taken long positions in MCX-Silver at ₹39,000 and ₹38,650 can hold them.

Retain the stop-loss at ₹37,850 for the target of ₹41,000. Revise the stop-loss higher to ₹39,300 as soon as the contract moves up to ₹39,700.

MCX Gold

Supports:
₹31,450/31,000
Resistances:
₹32,500/33,000

MCX Silver

Supports:
₹38,400/37,800
Resistances:
₹39,400/40,200