खनिज समाचार

KHANIJ SAMACHAR

Vol. 2, No-14

(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 14th issue of Volume -2 for this service named **Khanij Samachar** for the period from **16th – 31st July, 2018.** The previous issues of Khanij Samachar Vol. 2, No-13, 1st – 15th July, 2018 were 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-14, 16th –31st JULY, 2018

BUSINESS LINE DATE : 16/7/2018 P.N.8

Metals ($/tonne)						
Aluminium	2066	-2.1	-9.4	8.4	2603	1885
Copper	6217	-1.0	-14.3	6.2	7324	5858
Iron Ore	58	-0.9	-6.6	-7.2	81	58
Lead	2184	-6.2	-11.7	-4.0	2683	2138
Zinc	2596	-6.0	-20.3	-7.5	3619	2573
Tin	19858	2.4	-5.2	-0.1	22104	18867
Nickel	13881	0.2	-10.7	51.4	15749	9182

BUSINESS LINE DATE : 23/7/2018 P.N.8

GLOBAL		Change in %			52-Week	
	Price	Weekly	Monthly	Yearly	High	Low
Metals ($/tonne)						
Aluminium	2079	0.6	-4.0	9.9	2603	1886
Copper	6123	-1.5	-9.5	3.3	7324	5929
Iron Ore	59	1.4	-2.5	-14.5	81	58
Lead	2116	-3.1	-11.3	-3.2	2683	2092
Zinc	2618	0.8	-13.8	-3.7	3619	2526
Tin	19575	-1.4	-5.6	-3.2	22104	18867
Nickel	13437	-3.2	-9.8	42.3	15749	9469

BUSINESS LINE DATE : 30/7/2018 P.N.8

Metals ($/tonne)						
Aluminium	2055	-1.2	-6.0	7.2	2603	1886
Copper	6274	2.5	-6.3	-0.4	7324	5981
Iron Ore	61	4.4	2.9	-9.4	81	58
Lead	2129	0.6	-12.3	-6.9	2683	2092
Zinc	2656	1.4	-9.2	-5.0	3619	2526
Tin	20045	2.4	0.5	-3.7	22104	18867
Nickel	13770	2.5	-7.0	36.5	15749	10090

BUSINESS LINE DATE : 16/7/2018 P.N.8

Rising supply clouds zinc's prospects

Despite signs of demand up-tick, average monthly prices could be range-bound

SATYA SONTANAM

Of the base metals that have been correcting off late, Zinc has been the worst performer with 22 per cent loss on LME (London Metal Exchange) year-to-date. While it touched the decade high of $3,606 per tonne in February, the trade tensions that exerted pressure on all the base metals has dragged the white metal's prices to almost $2,596 per tonne as of date.

Zinc had outperformed other base metals in 2016 with returns of about 60 per cent and had been a low key in 2017 with about 29 per cent returns. Going ahead, despite signs of up-tick in demand, with expected increase in output from new mines, narrowing supply constraints of the refined metal and uncertainties in the user industry (steel), the average monthly prices could be range-bound between the present levels and $3,600 per tonne in the next six months.

Modest demand

The metal's usage has grown at a compounded annual growth rate (CAGR) of 1.01 per cent from 2013 to 2017.

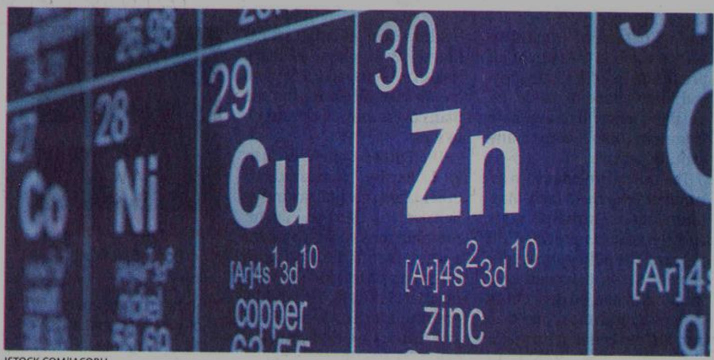
As per the International Lead and Zinc Study Group (ILZSG), global demand for refined zinc metal is forecast to rise 2 per cent to 13.97 million tonnes in 2018, after remaining stable over the past three years.

But the actual metal usage, in the first four months of 2018, has not been so encouraging. The reported zinc usage in January- April 2018 was 4.4 million tonnes, which is flat compared with the usage in the same period a year ago.

A modest 0.4 per cent increase in global usage of refined zinc metal was mainly influenced by rise in apparent demand in China and India. In Europe, Japan and the US, usage was lower than that in the first quarter (January-March) of 2017.

But the silver lining is that the Chinese imports of zinc concentrates rose 21.9 per cent to 3.62 lakh tonnes compared with the first quarter of 2017. Net imports of refined zinc metal rose by 0.82 lakh tonnes to total 1.36 lakh tonnes. China being one of the major consumers of zinc, rise in imports by the country indicates increasing demand for the metal.

Steel galvanizstion being the most important demand driver for zinc, the trend in demand for steel acts as a harbinger for the usage of this white metal.



ISTOCK.COM/JACOBH

Consumption of steel, though robust, is hazy in the near future with environment protection measures being implemented in China and uncertainties owing to trade tensions. This might pinch the demand for non-ferrous zinc metal going forward, exerting pressure on prices.

Increasing supply

Tightening in the zinc market started in 2015; contraction in mine supply affected the production and availability of the refined metal. Zinc supply has been falling over the past few years with major mines such as Australia's Century and Ireland's Lisheen reaching the end of their lives and Glencore cutting its output. But experts believe the strong zinc prices will prompt miners to bring idled capacity to work.

After increasing by 1.1 per cent in 2017, ILZSG forecasts global zinc mine production to rise 5.1 per cent to 13.62 million tonnes in 2018. Additional output is forecast to be generated mainly from Dugald River mine and New Century Resources in Queensland, Australia and Vedanta's Gamsberg mine in South Africa.

In case of metal output (metal that is produced out of ore in smelters), ILZSG anticipates an increase of 3.6 per cent in world refined zinc metal output to 13.71 million tonnes in 2018, after a reduction of 2.3 per cent in 2017. This will be mainly driven by further rise in Chinese output and recovery in Canadian production, where output in 2017 was negatively impacted by a strike at Noranda Income Fund's Valleyfield refinery.

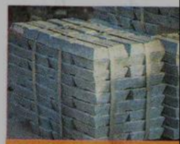
Thus, higher supplies are likely to bring down the deficit in the zinc market.

ILZSG forecasts global refined zinc market to witness a shortfall of 2.23 lakh tonnes in 2018, down from nearly 4.6 lakh tonnes in 2017.

Inventories at lower levels

After languishing in near-decade lows of 1,50,000 tonnes at LME and 1,00,000 tonnes at Shanghai in February, zinc inventories have recovered from record lows.

The lower inventory levels can act as a support for pushing up the prices from the current levels.



Outlook

- 3.6% increase in global zinc output in 2018
- Deficit expected to fall to 2.23 lakh tonnes in 2018 from 4.6 lakh tonnes in 2017
- Inventories recover from Feb 2018 lows

Potential

Researchers are looking at zinc as a replacement for lithium in batteries

BUSINESS LINE DATE : 16/7/2018 P.N.8

Gold remains under pressure

Strong dollar may drag the yellow metal to $1,200 levels in the short term

GURUMURTHY K

Gold began the week on a positive note and surged to a high of $1,265 per ounce on Monday last week. However, the bullish momentum was short-lived as the yellow metal reversed lower and continued to fall all through the week. Gold tumbled over 2 per cent intra-week to make a low of $1,236 and managed to bounce from there to close at $1,244 per ounce on Friday.

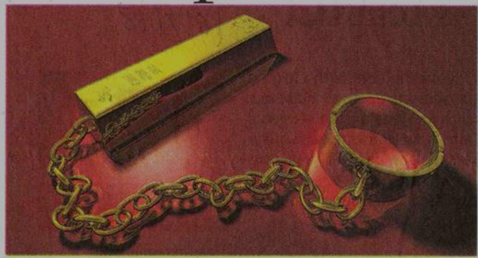
Silver underperformed gold. The prices fell, breaking below the psychological support level of $16 per ounce.

On the domestic front, both the gold and silver futures contract on the Multi Commodity Exchange moved in tandem with the global spot prices. The MCX-Gold futures contract tumbled 1.5 per cent and closed at ₹30,105 per 10 g.

A strong bounce-back in the dollar index turned the bullion prices weak and kept it under pressure all through last week. The US dollar index initially fell to a low of 93.70 in the past week, but managed to sharply reverse higher thereafter. The index closed at 94.67. Surprisingly, contrary to our expectation, gold is not gaining safe-haven status from the on-going US-China trade war.

The US dollar index (94.67) has an immediate resistance at 95.15. A strong break and a decisive close above this hurdle will boost the momentum. Such a break will increase the likelihood of the index rallying to 96.5 and 97 over the short term. In that case, gold prices can fall further in the coming days.

The outlook for the index will turn negative if it declines below 94. Such a fall can drag the index lower to 93 in the near term.



GETTY IMAGES/ISTOCKPHOTO

Gold outlook

The global spot gold ($1,244 per ounce) is hovering above a crucial support level of $1,238. If the yellow metal manages to sustain above this support, a bounce-back move to $1,260 and $1,265 is possible in the near term. A strong break above $1,265 will ease the downside pressure and will take gold higher to $1,280 over the short term. As long as the prices sustain above $1,238, a range-bound move between $1,238 and $1,280 is possible.

However, the bias on the chart is negative. The 21-week moving average is on the verge of crossing below the 55-week moving average. This is a negative signal, indicating that the upside could be limited. It also increases the possibility of gold declining below the crucial support level of $1,238. Such a fall can drag the prices lower to $1,200.

On the domestic front, the near-term view for the MCX-Gold (₹30,105 per 10 g) futures contract is negative. The 21-week moving average resistance around ₹30,800 has been capping the upside for the contract over the past three consecutive weeks.

As long as the contract trades below ₹30,800, a fall to ₹29,600 or even ₹29,500 is possible in the coming days.

Silver outlook

The near-term view is negative. The global spot silver ($15.82 per ounce) has failed to breach $16.20 — a support-turned-resistance — in the past week.

Immediate resistance is in the $15.90-16 region which is likely to cap the upside in the near term.

Support is at $15.60, a break below which can drag silver lower to $15.1 or $15 in the coming days.

The downside pressure will ease, and the outlook will turn positive only if silver manages to rise past $16.20.

In the MCX-Silver futures contract (₹39,046 per kg), a dip to test the immediate support level of ₹38,800 is likely in the near term. A bounce from this support can take the contract higher to ₹40,000 again.

In such a scenario, the contract may remain range-bound between ₹38,800 and ₹40,000 for some time.

But if the MCX-Silver futures contract breaks below ₹38,800, the down-move can extend to ₹38,450. The contract needs to decisively break above ₹40,000 to turn the outlook positive.

MCX Gold
Supports: ₹29,650/29,000
Resistances: ₹30,800/31,200

MCX Silver
Supports: ₹38,800/38,450
Resistances: ₹40,000/40,500

THE HINDU DATE : 16/7/2018 P.N.11

Gold imports in June qtr dip 25% to $8.43 bn

NEW DELHI, July 15 (PTI)

GOLD imports fell by 25 per cent to USD 8.43 billion in the first quarter of the current fiscal due to sliding prices of the metal in both global and domestic markets. According to the commerce ministry data, gold imports had amounted to USD 11.26 billion in the corresponding quarter of last financial year, 2017-18.

The imports of the metal have been declining since January this year. Contraction in gold imports help contain the current account deficit (CAD).

CAD, which is the difference between the inflow and outflow of foreign exchange, jumped to USD 48.7 billion, or 1.9 per cent of GDP, in 2017-18 fiscal.

This was higher than USD 14.4 billion, or 0.6 per cent, CAD in 2016-17 fiscal. With rising oil prices, depreciating rupee and outflow of portfolio investments, there are concerns that CAD might rise in the current fiscal.

Rise in crude oil prices and imports too have impacted the trade deficit, which widened to USD 44.94 billion during April-June this fiscal as against USD 40 billion in the same period of 2017-18. India is the largest importer of gold, which mainly caters to the demand of the jewellery industry.

The gems and jewelery exports in June grew by about 3 per cent to USD 3.5 billion.

THE TELEGRAPH DATE : 16/7/2018 P.N.8

Power woes push up coal imports

JAYANTA ROY CHOWDHURY

New Delhi: Coal imports, which had declined over the last four years, are expected to shoot up, with power plants running short on stocks.

Earlier this month, the Union power ministry advised states to consider importing coal for the next 2-3 years to run their power plants.

Many states, including Bengal and Maharashtra, run coal-fired electricity units of their own, besides having public sector NTPC and private power producers.

Officials said that while coal imports were discouraged over the last few years, the norms would be relaxed as stocks at power plants are running out with little chances of them being fully augmented.

Electricity plants have been cutting back on imported coal which they mix with the domestic variety to produce power because of the fall in the value of the rupee and rise in global prices.

However, with India unable to generate the amount of coal needed in the near future, coal ministry officials feel there is no way but to go ahead with larger imports.

U-TURN

- Coal imports set to rise as supply inadequate to meet demand, reversing downtrend

- Power ministry has asked states to import coal
- Studies indicate import to rise to 145mt this year from 137mt in 2017
- Local sourcing rules have been altered. Private players can switch their coal source to ones that are near their mines

Coal import is likely to increase to 145 million tonnes (mt) in 2018 and the uptrend will continue in the next four years, says a report prepared by the Minerals Council of Australia. The imports stood at 137mt last year.

Power units imported 8.64mt of coal in the first two months of this fiscal. Plants, which run solely on imported coal, imported around 5mt, while the ones which mix the fuel accounted for the rest.

"After several years of declining imports, the outlook for thermal coal import demand in India is improving because of strong demand growth and the inability of domestic supply to keep pace," the report said.

Though one of the cornerstones of the Modi government's economic policy had been to reduce coal imports, domestic mining has been unable to keep pace with the demand. Last year, India imported coal worth $22 billion. This is expected to go up 20 per cent in the coming years.

Mining plans

Coal ministry officials said they were stepping up plans to auction mines to encourage private mining which may help fill the gap.

"We need to re-energise the sector as Coal India Ltd will possibly not be able to produce 1 billion tonnes by 2020. If we need to have more coal on the table to satisfy demand, private sector participation through auctions to push production is a must," said officials.

Private power producers have been allowed to switch their existing coal source with alternative mines nearer their plants to reduce time and cost of transportation as well as to ease the pressure on the railways.

LOKMAT DATE : 16/7/2018 P.N.5

किंमत वाढवण्याचा प्रकार, हजारो कोटींचा घोटाळा झाल्याची भीती

कच्च्या हिऱ्याची किंमत फुगवून परकीय चलनाचा गैरवापर

लोकमत न्यूज नेटवर्क

कमी दर्जाच्या हिऱ्यांची किंमत वाढवून देण्याच्या प्रकारात अनेकांचे संगनमत असून या साखळीद्वारे कोट्यवधींचे व्यवहार करून हिऱ्यांची विदेशातून आयात केली जाते. त्यापोटी परकीय चलन दिले जाते. देशाच्या नागरिकांची ही फसवणूक असल्याचा आरोप त्यांनी केला. या रॅकेटमध्ये अनेक मोठ्या व्यापाऱ्यांचा समावेश असल्याचा आरोप हुंडिया यांनी केला आहे. पंतप्रधान नरेंद्र मोदी यांनी या प्रकरणाची गांभीर्याने दखल घेऊन या प्रकरणात दोषी असलेल्यांविरोधात कडक कारवाई करावी, अशी मागणी त्यांनी केली आहे.

मुंबई : पैलू न पाडलेल्या हिऱ्याची (कच्च्या हिऱ्याची) विदेशातून आयात करताना कमी किमतीच्या हिऱ्यांची किंमत कितीतरी पटीने फुगवून व्यवहार केले जात असल्याचे उघड झाले आहे. त्यातून परकीय चलनाचा गैरवापर होत असून गेल्या काही वर्षांत अशा व्यवहारांत हजारो कोटींचा गैरव्यवहार झाल्याची शक्यता हिरे व्यापारातील तज्ज्ञांकडून वर्तवण्यात येत आहे. महसूल गुप्तचर महासंचालनालयाने (डीआरआय) भारत डायमंड बोर्स (बीडीबी) मधील दोन हजार कोटी रुपयांचे मनी लॉन्ड्रिंग रॅकेट नुकतेच उद्ध्वस्त केले. त्यातून या शक्यतेला दुजोरा मिळाला. अशा व्यवहारांसाठी हवाला पध्दत वापरली जात असून परकीय चलनाचा गैरवापर होत असल्याचा मुद्दा समोर आला आहे.

कमी दर्जाच्या हिऱ्यांची किंमत अनेक पटीने वाढवून दाखवून गैरव्यवहार करण्याचे प्रकार गेल्या काही काळात वाढीस लागले आहेत. नीरव मोदी व मेहुल चोक्सी प्रकरणातून हे समोर आले होते. असे प्रकार रोखण्यासाठी सरकारने कडक उपाययोजना आखण्याची व कठोर कारवाई करण्याची मागणी हिरे व्यापार क्षेत्रातील तज्ज्ञ हार्दिक हुंडिया यांनी केली आहे. डीआरआयने केलेली कारवाई म्हणजे हिमनगाचे टोक असून डीआरआयने सखोल व दबावरहित चौकशी केली, तर अनेक धक्कादायक खुलासे होण्याची शक्यता त्यांनी वर्तवली.

BUSINESS LINE DATE : 16/7/2018 P.N.16

MCX Zinc tests a key support

YOGANAND D
BL Research Bureau

Last week, the zinc futures contract on the Multi Commodity Exchange (MCX) tumbled 6.7 per cent accompanied by good volume. Reinforcing the downtrend, the contract fell by 4 per cent on Monday to close at ₹170.8 per kg.

Following a sharp fall and the daily relative strength index hovering in the oversold territory, a corrective up-move can't be ruled out at this juncture.

Moreover, the contract has a key support at around ₹170. Testing support at this level, the contract managed to gain 2 per cent today and currently trades at ₹174.2/kg. A corrective up-move from the current support level of ₹170 can take the contract higher to ₹178 and then to ₹180 in the near term.

A strong break above ₹180 can extend the corrective up-move to ₹184 and ₹187 levels. As long as the contract trades below ₹195, the short-term downtrend that has been in place from the June high of ₹219 will remain intact.

Failure to move beyond ₹180 can drag the contract down and it can re-test the support at ₹170. However, a downward break below ₹170 can drag the contract down to ₹165 and ₹160 levels in the ensuing weeks.

Traders who had taken short positions earlier can consider booking profits now.

A decisive plunge below ₹170 will be cue for initiating fresh short positions with a fixed stop-loss at ₹175. Targets are ₹165 and ₹160.

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

BUSINESS LINE DATE : 17/7/2018 P.N.3

JSW Steel restarts coking coal mining in US

Plans to ramp up production to one million tonnes

SURESH P IYENGAR

Mumbai, July 16

JSW Steel has restarted coking coal mining in the US after a gap of almost three years. Operations in the mines located in West Virginia were suspended after coking coal prices dropped below production cost.

The recent rise in coking coal prices has made it viable for the company to restart production. Though JSW Steel will not import the coking coal produced in the US to India it will provide a financial hedge as it will be sold in the open market.

Seshagiri Rao, Joint Managing Director, JSW Steel, told *BusinessLine* that the US coking coal mine has started production and the plan is to ramp up production from 2.40 lakh tonne per annum to one million tonnes gradually.

Seshagiri Rao, Joint Managing Director, JSW Steel

Uptrend in price

Coking coal prices have increased to $200 a tonne from $76 in the last few years. With a strong demand and disruption in supply due to logistics issues there are no chances of it coming down any sooner, he added.

JSW Steel had invested $35 million to set up a prep plant (washery) with a capacity of 2.4 mtpa near the coal mine.

Going ahead, Rao said JSW would source raw coal produced by small miners in the neighbourhood wash it at the prep plant and sell it in the open market to reach the one-million-tonne target.

JSW Steel acquired the concession for nine coking coal mining in the US in 2010. These mines have total resources of 123 million tonnes and estimated reserves of 45 million tonnes in the area where drilling was already done.

Rao said that the company has no plans to restart iron ore mining in Chile that has been under care and maintenance for the last few years.

Global scenario

Dwelling on global plans, he said the Group wants to have 10 mtpa steel production capacity in the US and Europe put together.

"We have taken over 1.3 mtpa rolling facility in Europe for €80 million and will invest another €150-200 million in backward integration to raise its capacity to 1.5 mtpa," he said.

The Group had already invested $150 million in modernising the existing one mtpa plate and pipe mill and another $350 million was pumped in for a slab making facility to complete backward integration at Baytown in the US.

"We have acquired 3 million tonne hot strip mill with one arc furnace and casting facility for $1 billion. These investments will take our capacity in the US to 4 million tonnes in two-three years, he said.

In all, he added the Group had invested $1.5 billion to reach 5.5 mtpa capacity.

BUSINESS LINE DATE : 17/7/2018 P.N.4

India looks to lift ban on gold imports from S. Korea

'Rules of origin' to be tightened under CEPA to check third country imports

AMITI SEN

New Delhi, July 16

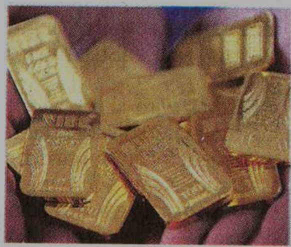
India is looking at removing the ban on gold imports from South Korea at zero customs duty under the Comprehensive Economic Partnership Act (CEPA) as soon as it introduces a compulsory regional value content (RVC) requirement in the pact to prevent third country imports from flowing in.

"It has been almost a year since gold imports from South Korea were restricted following a surge in imports. South Korea is now getting impatient and wants a mutually agreeable solution. Tightening the rules of origin under the CEPA by introducing RVC requirement in addition to existing 'change in tariff heading' requirement could be a way out," a government official told *BusinessLine*.

At present, the CEPA provides for only 'change in tariff heading' which means that if gold is imported from a third country into South Korea, it can be subsequently exported to India at zero per cent duty if the imports have changed form to the extent that they fall into a different tariff head categorisation.

The 'change in tariff heading' norm in the absence of a RVC norm did not result in adequate checks as it meant that gold bars and rods could be imported into South Korea and then exported to India if they were changed into, say, gold medallions. This requires negligible value addition.

"Now if a RVC norm of 35 per cent is introduced, it would mean that a value addition of 35 per cent to the gold item imported from a



third country needs to take place in South Korea for it qualify for zero per cent import duty in India," the official said.

New requirement

While both sides are ready for the introduction of the new requirement, India still needs to take a final call on the RVC percentage. "While the bullion industry wants a value addition of 35 per cent or more, the jewellers want it to be lower. We have to keep both interest groups in mind," the official said.

In August 2017, the Directorate-General of Foreign Trade effectively banned import of gold from South Korea into India under the CEPA by placing it in the restricted list of products that can be imported only with government permit.

This was done as the introduction of the Goods & Services Tax on July 1, 2017, had made gold imports from South Korea at zero per cent customs duty much cheaper as the 12.5 per cent countervailing duty was replaced by just a 3 per cent GST. Other countries continued to pay a 10 per cent basic customs duty on gold.

Between July 1 and August 3, 2017, import of gold from South Korea increased by $339 million against import of $70.5 million in the financial year 2016-17.

"As South Korea is not a leading producer of gold or a big exporter, the rise in imports led India to conclude that third country shipments were finding their way in," the official said.

THE ECONOMIC TIMES DATE : 17/7/2018 P.N.1

Tata Steel in Talks to Raise $3.1 B Via Overseas Loans

Funds to replace existing high-cost debt held by its European businesses

Saikat Das & Indulal PM

Mumbai: Tata Steel is planning to raise as much as $3.1 billion via overseas loans to repay existing high-cost debt ahead of the merger of its European operations with German steel giant Thyssenkrupp. Once completed, this could be one of the largest refinancing programme by a corporate this year to drastically cut-down borrowing costs.

The new facilities will replace the existing debt held by its European businesses and the pricing would be done sometime in August, multiple sources with knowledge of the matter told ET. The group has begun negotiations with half-a-dozen banks including Barclays, JP Morgan, MUFG, DBS BANK and Citigroup, sources said. Individual banks could not be contacted immediately for comments. Tata Steel did not reply to ET's emailed query until the publication of this report.

"The aim is to replace them before September quarter. This will substantially reduce debt burden on Tata Steel's consolidated operations. The new debt will be cheaper by 30-40 basis points from the current level," said one of the sources mentioned above.

Tata may raise 2-5 year money, which could be priced after adding a markup or spread over the LIBOR (London Interbank Offered Rate).

BUSINESSS LINE
DATE : 17/7/2018 P.N.16

Gold imports in June quarter drop 25%

PRESS TRUST OF INDIA

New Delhi, July 16

Gold imports fell by 25 per cent to $8.43 billion in the first quarter of the current fiscal due to sliding prices of the metal in both global and domestic markets.

According to the Commerce Ministry data, gold imports had amounted to $11.26 billion in the corresponding quarter last fiscal. The imports of the metal have been declining since January this year.

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

The gems and jewellery exports in June grew by about 3 per cent to $3.5 billion. Silver imports grew by 104.5 per cent to $364.24 million in June.

The country imports 700-800 tonnes of gold annually.

BUSINESSS LINE
DATE : 17/7/2018 P.N.16

Iron ore may spike to $100/tonne

BLOOMBERG

July 16

High-grade iron ore may spike to $100 a tonne as China intensifies a clampdown on pollution by restraining industrial activity.

After sinking in March, top-quality ore with 65 per cent iron content gained every month, hitting $91 a tonne on Friday, and keeping it in positive territory this year even as global trade frictions mounted, according to Mysteel.com. In contrast, benchmark 62 per cent ore has flatlined in the $60s, and is down 14 per cent. The divergence has exploded the gap between the two.

In a market characterised by extraordinary quantity — global iron ore shipments top 1.6 billion tonnes a year — the sustained push for quality among buyers stands to benefit top miners Rio Tinto Group and BHP Billiton Ltd. in Australia, as well as Brazil's Vale SA.

THE TELEGRAPH DATE : 18/7/2018 P.N.18

Move to protect local steel

JAYANTA ROY CHOWDHURY

New Delhi: India may impose fresh safeguard duties on steel in retaliation against levies imposed by the US as the global trade war threatens to turn for the worse.

Officials said the government had taken cognizance of a warning that a US tariff hike and an EU plan to increase its safeguard duties would force Asian and East European steel makers with excess capacity to dump steel in India.

"This tit-for-tat 'war' on steel duties has a fallout. Producers cannot suddenly cut back output and we expect China, Korea, Japan and Ukraine among others to start dumping steel, which they cannot sell in the US, in the Indian market. Even western European manufacturers could join in certain categories of steel," said the officials.

India, which had been a net exporter of steel, witnessed a rise in imports in the first quarter of this financial year, making it a net importer, now. "We are waiting and watching and if we find a trigger that volume of imports has been reached, we will have to impose duties."

The officials said that talks at the WTO expected later this week could ease the tension and possibly stall the "tariff wars" where each country has been raising duties on steel as a reaction to the other's move.

Top officials said that India has already taken the US to the WTO as the Americans have not given India the benefit of a duty exemption which it gave to allies such as Canada and Mexico. "We are hoping this will be settled amicably. Our steel and aluminium exports to the US are not much. However, this has to be watched as we are not sure of future US moves."

India's exports of aluminium and steel products are minimal and are valued at $1.5 billion or 1 per cent of US's total steel imports. Most steel analysts believe US President Donald Trump's duty hike announcement, aimed at China and possibly the EU but which also hit other exporters, was more symbolic rather than substantial. Other nations that have raised the issue at the WTO include China, the US, Canada, Switzerland, Russia and Norway.

The US, on its part, has argued that its tariff hikes were in the interest of "national security" and they could not be brought before the WTO for review or for dispute resolution.

Washington uses its own Trade Expansion Act of 1962, Section 232(b), to investigate whether certain imports, or high levels of certain imports, pose a threat to its national security. However, this has been challenged by trade partners on occasion.

Trump had promised that he would "Make US Great Again" by "undoing unfair trade deals" and promoting US manufactures.

However, the impact of the US decision has caused ripples globally with other countries planning retaliatory tariff hikes. The European Commission has already initiated a suo moto safeguard investigation on steel imports to determine whether tariffs imposed by the US need to be countered as also to prevent Asian steel makers from flooding the market. India is a concerned party as about 40 per cent of its steel exports go to Europe. Steel ministry officials expect the EU to hike duties if the WTO talks fail.

The whole steel trade war stems partly from Trump's belief that the US is being unfairly treated on trade issues and partly from huge over-capacities in the industry, especially in China. As China's economy slows down, its demand for steel has been shrinking, producing huge excess capacities.

This in turn has forced its steel makers to increasingly push sales to the rest of the world, often at below realistic prices, allege critics.

TRADE TRAVAILS

Action: US has imposed duties on steel and EU plans levy

Reaction: Asian and East European countries have excess steel which might be dumped

India Story: New Delhi planning safeguard duty on steel

BUSINESS LINE DATE : 19/7/2018 P.N.7

Recipe for big leap in steel

JAYANTA ROY CHOWDHURY

New Delhi: India requires investment of around Rs 10 lakh crore in steel to raise production to 300 million tonnes (mt) per annum by 2031 from 102mt now.

The government will introduce policies for more foreign investment in the sector and accelerate local research and development to cut the FDI bill at the same time, steel minister Birender Singh said while speaking as the chief guest at ABP Infocom here on Wednesday.

"Of this huge sum, some Rs 4 lakh crore will have to be spent in foreign exchange to buy technology and machinery As a policy we would like to contain this bill and to do so will encourage joint ventures with foreign companies which have the latest steel technology as well as encourage research and development here to substitute for foreign technology," Singh said.

India's new steel policy aims at raising production to 150mt within just two years and to 300mt by 2031 as it estimates consumption will increase from 68 kg a person a year to 160kg by 2031.

Leading producer

According to the World Steel Association, India is now the world's third largest producer, a few million tonnes behind Japan but only around 13 per cent of the output of China, which is the top producer.

SAIL has been in talks with ArcelorMittal for a joint venture in auto-grade steel and with Posco for electrical grade steel. However, the talks have got stuck over control and royalty.

"We have (consequently) set up the STMI or the Steel Research and Technology Mission of India as an umbrella body to steer all steel-related research in India. The STMI will bring industry and academia to fast-track result-oriented research," the minister said.

"The National Steel Policy 2017 envisages to domestically meet the entire demand for high-grade automotive steel, electrical steel, special steels and alloys for strategic applications."

Companies such as SAIL and Tata Steel will tie up with the IITs and other universities to improve technology and indigenise the production of special steel.

At present, the R&D investment of leading firms in terms of the percentage of their turnover is very low, ranging from 0.05 per cent to 0.5 per cent. The ministry wants producers to raise the share to 1 per cent. "Indigenous steel technology is not highly developed," Singh said.

POLICY PUSH

- Raise production to 150mt within two years
- Target production of 300mt by 2031
- Consumption likely to rise from 68 kg a person a year to 160kg by 2031

THE HITAVADA DATE : 22/7/2018 P.N.9

Gold maintains uptrend; silver drops Rs 645/kg

NEW DELHI, July 21 (PTI)

RISING for the third straight day, gold prices shot up by Rs 130 to Rs 30,970 per 10 grams at the bullion market on Saturday on positive global cues amid increased buying by local jewellers.

However, silver plunged by Rs 645 to Rs 39,255 per kg on lack of buying support from industrial units. In the National Capital, gold of 99.9 and 99.5 per cent purity advanced by Rs 130 each to Rs 30,970 and Rs 30,820 per 10 grams, respectively. The precious metal had gained Rs 40 in the last two days. Sovereign, however, remained unchanged at Rs 24,700 per piece of eight grams. On the other hand, silver ready dropped Rs 645 to Rs 39,255 per kg, while the weekly-based delivery traded higher by Rs 315 to Rs 38,455 per kg on speculative buying.

Silver coins spurted by Rs 1,000 to Rs 75,000 for buying and Rs 76,000 for selling of 100 pieces.

Globally, gold rose 0.75 per cent to US dollar 1,231.50 an ounce and silver by 1.47 per cent to US dollar 15.51 an ounce in New York yesterday.

THE HITAVADA DATE : 22/7/2018 P.N.9

Tata Steel keen to exit SE Asia ops, other non-scalable assets

- Tata Steel has snapped up Bhushan Steel for over Rs 35,000 cr and has become successful bidder for Bhushan Power & Steel for Rs 23,000 cr and it has also approved expansion at the Kalinganagar plant in Odisha to up capacity to 8 million tonnes with an investment of around Rs 24,000 crore

MUMBAI, July 21 (PTI)

ALLOY major Tata Steel is looking at divesting its Southeast Asia business as part of a strategy to exit non-scalable businesses and to focus on domestic growth strategy, a top company official said.

The steel major has been scouting for buyers for NatSteel Holdings Singapore and Tata Steel Thailand for some time now but without any success.

"We are looking at all the assets, which are either sub-scale, non-core or whatever, or which can be simplified. We are looking at divesting them," Tata Steel Chairman, N Chandrasekaran told the shareholders at the Annual General Meeting (AGM) here. But he added that the company would continue to deploy capital in any assets that had the potential to create long-term value for its stakeholders.

As part of expanding capacity in the domestic market through acquisitions (it has snapped up Bhushan Steel through an NCLT process for over Rs 35,000 crore and has become the successful bidder for Bhushan Power and Steel for Rs 23,000 crore), it has also approved expansion at the Kalinganagar plant in Odisha to up capacity to 8 million tonnes with an investment of around Rs 24,000 crore.

The expansion would be completed in 48 months, he said, adding the project would also include capability to produce value-added products including cold rolled galvanised and annealed products to serve differentiated customers.

"Bhushan Steel acquisition is a strategic investment which has the potential to enhance our product portfolio and market competitiveness in the near future," he said.

On bidding for Bhushan Power & Steel, he said, "we have bid for a price that makes sense for us. It is good if we get it. We will wait for the court process."

The company would also continue to evaluate and pursue more growth opportunities in the country through organic and inorganic options, he added.

Commenting on European operations, Chandrasekaran said, "we are waiting for anti-trust approval and hope to close the deal. We have successfully restructured the British Steel pension scheme including closing the scheme for future accruals under the regulated apportionment arrangements, with the approval of the British Pension Regulator."

On the joint venture deal signed with Thyssenkrupp of Germany last month, he said this would create a leading pan-European steel enterprise. "The joint venture will focus on driving cost synergies, technology and will have a differentiated product portfolio that will drive future value creation."

THE ECONOMIC TIMES DATE : 23/7/2018 P.N.3

ODISHA GOVERNOR ASKED TO EXERCISE SPECIAL POWERS IN TRIBALS' INTERESTS

Declare Land Acquisition for Rourkela Steel Plant Null & Void: NCST to Guv

Nidhi.Sharma@timesgroup.com

New Delhi: The National Commission for Scheduled Tribes (NCST) has asked the Odisha governor to protect the interests of tribals by declaring land acquisition for the Rourkela Steel Plant null and void with retrospective effect.

In a first, NCST has asked the governor to exercise special powers granted in the Constitution for Scheduled Areas and cancel land acquired for state-run steel plant's expansion plan. The move comes after the NCST examined complaints received from tribals living the area and numerous field visits over 18 months. The tribals of Ruputola and Luakera villages had complained that they were living in the area for over 50 years and were being wrongfully evicted after the plant's expansion plans firmed up.

After a ground visit, NCST chairman Nand Kumar Sai has sent a report to Odisha Governor Ganeshi Lal asking him to invoke special powers under Article 244 (1) and declare the area as Scheduled Area and in effect cancel land acquisition done for steel plant expansion.

"The Commission urges his Excellency Governor of Odisha to exercise special powers granted under Article 244 (1) of the Constitution of India by declaring the land acquisition process of Rourkela Steel Plant in respect of those habitations as null and void with retrospective effect," Sai has said.

THE ECONOMIC TIMES DATE : 23/7/2018 P.N.10

Diamonds should not become as common as granite; let 'em stay buried

Roughly a Quadrillion Diamonds Too Many

Dante Alighieri, Jules Verne, C S Lewis and Edgar Rice Burroughs are among the many littérateurs who imagined journeys to the centre of the earth, and conjured up elaborate subterranean worlds populated by strange flora and fauna. But none of them envisaged an underland of diamonds. And had anyone but a bunch of Massachusetts Institute of Technology (MIT) researchers averred such a thing, they would have probably been scornfully dismissed. However, they have indeed published a study that contends there are a "quadrillion tons" of the world's most coveted sparklers nestling in our planet's cratonic roots — the oldest, immovable rocks below the continental tectonic plates. The study, of course, also points out that at 140-250 km below the Earth's crust, they are too difficult to extract at present.

As annoying as that sounds, it may be just as well that trainloads of diamonds cannot be disgorged from the bowels of the earth anytime soon, not only because of its ecological consequences but also because such a preponderance of the gem would undermine its value. If diamonds are, indeed, as geologically common as sand or granite and become easily available, they will end up putting a shine on kitchen counters rather than on fingers, wrists, necks, ears and noses. It is better that these diamonds remain tantalisingly unattainable.

BUSINESS LINE DATE : 23/7/2018 P.N.8

Upside in gold could be short-lived

Cluster of resistances may cap the up-move and keep the yellow metal under pressure

GURUMURTHY K

Gold extended its fall last week, breaking below the key support level of $1,238 per ounce. A strong dollar continued to add pressure on the yellow metal and dragged the prices lower. The US dollar index surging to a high of 95.65 dragged the global spot gold prices over 2 per cent to an intra-week low of $1,211.6. However, US President Donald Trump raising concerns on the dollar strength and the US Federal Reserve's rate hikes played spoil sport for the greenback's rally. The dollar index sharply reversed lower from its high of 95.65 after Trump's comments, and closed the week at 94.48. This gave a breather to gold, and the prices reversed higher from its low of $1,211.6, recovering some of the loss. Gold closed the week at $1,229.5 per ounce.

On the domestic front, the gold futures contract on the Multi Commodity Exchange (MCX) moved in tandem with the global spot prices. The contract fell to a low of ₹29,638 per 10 g and bounced back from there to close the week at ₹29,920 per 10 g.

Watch the dollar

The US dollar movement will need a close watch as it is influencing the gold prices to a great extent at the moment. The US dollar index (94.48) has a key support at 93.9 and resistance at 95.55. A breakout on either side of 93.9 or 95.55 will decide the next move. Until then, a range-bound move between 93.9 and 95.55 is possible in the near term.

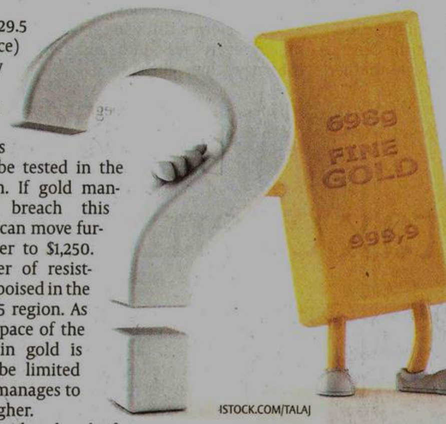
A strong break above 95.55 can take the index higher to 96 or 96.25 initially. A further break above 96.25 will then pave way for the next targets of 97.35, or even 98. On the other hand, if the dollar index declines below 93.9 in the coming days, a fall to 92.8 is possible.

The bias is bullish on the charts. The 21-week moving average is on the verge of crossing over the 55-week moving average. This is a positive sign, indicating that the downside could be limited in the short term. This leaves the possibility high for the index sustaining above 93.9 in the coming days.

As such, the upside in gold could be limited in the near term and a fall to test $1,200 looks more likely.

Gold outlook

The bounce from the low of $1,211.6 last week has given some relief to the yellow metal. But the global spot gold ($1,229.5 per ounce) has a key resistance at $1,240, which is likely to be tested in the near term. If gold manages to breach this hurdle, it can move further higher to $1,250. But cluster of resistances are poised in the $1,250-1,275 region. As such, the pace of the up-move in gold is likely to be limited even if it manages to sustain higher.



ISTOCK.COM/TALAJ

On the other hand, if gold fails to breach $1,240 and reverses lower, the downside pressure will remain intact. In such a scenario, the current down-trend can continue and a fall to test the crucial psychological support level of $1,200 is possible. Whether gold manages to bounce from $1,200 or not will decide the next move.

An upward reversal from $1,200 can trigger a relief rally to $1,250. But a break below $1,200 will increase the downside pressure and will drag the prices lower to $1,160 or $1,150.

On the domestic front, the MCX-Gold (₹29,920 per 10 g) has declined below a key support level of ₹30,200 in the past week. This level of ₹30,200 will now act as a strong resistance and will cap the upside. Indicators on the charts are also negative. The 55-day moving average has just crossed below the 100-day moving average, and the 21-day moving average is on the verge of crossing below the 200-day moving average. These indicators suggest that the upside could be limited, and fresh selling interest is likely to emerge at higher levels.

Supports for the contract are at ₹29,650 and ₹29,500. A strong break below ₹29,500 can drag the contract lower to ₹29,000 in the coming weeks.

Mixed signals for silver

Silver continues to underperform gold. The global spot silver prices tumbled 4 per cent intra-week and made a low of $15.18 per ounce. The prices, however, recovered from this low, and closed at $15.51, down 1.9 per cent for the week.

The short-term outlook remains mixed for silver. It is currently poised between a crucial support at $15 and resistance at $15.9. Silver can remain range-bound between $15 and $15.9 in the coming days. A breakout on either side of $15 or $15.9 will then decide the next trend. A break above $15.9 can take silver higher to $16.2 and $16.4. But a break below $15 will increase the likelihood of the prices tumbling to $14.

On the domestic front, the MCX-Silver (₹38,457 per kg) is hovering above a crucial support level of ₹38,000. If it manages to sustain above ₹38,000, an up-move to ₹39,000 or ₹39,300 is possible in the coming week. On the other hand, if MCX-Silver decisively breaks below ₹38,000, a fall to ₹37,500 can be seen initially. A further break below ₹37,500 will then increase the likelihood of the contract tumbling towards ₹36,500 or even ₹36,000 over the medium term.

MCX Gold
Supports: ₹29,650/29,500
Resistances: ₹30,200/30,600

MCX Silver
Supports: ₹38,000/37,500
Resistances: ₹39,000/39,300

THE ECONOMIC TIMES DATE : 24/7/2018 P.N.14

Gold Traders Hopeful of Better Demand Growth in Second-half

Good monsoon, higher MSP for kharif crops raise expectations

Sutanuka.Ghosal
@timesgroup.com

Kolkata: Higher minimum support (MSP) for kharif (summer) crops and good rains across the country have raised hopes for a better second half for the gold trade. Though demand in the first half of 2018 has been tepid, the trade is expecting a 25% growth in second half in comparison to the second half of 2017.

The growth will be largely driven by rural India that counts for 60% of country's total annual gold consumption of 800-850 tonnes.

"There have been rains across the country, which is good for kharif crop production. This also augurs well for the gold trade as we are expecting demand picking up from August 15. If the crop is not damaged due to excessive rains, then we are expecting a 25% growth in gold demand in the second half of this year compared to the same period last year. Also, higher MSP will also help increase the cash in hand among the farmers," said Nitin Khandelwal, chairman of All India Gem and Jewellery Trade Federation (GJF).

The government increased MSP of 14 kharif crops for the 2018-19 marketing season beginning of this month. Seven of these 14 crops have seen a 20% or more jump in the MSP from 2017-18. The MSP for the most popular kharif crop, paddy, was hiked nearly 13% from ₹1,550 per quintal in 2017-18 to ₹1,750 per quintal in 2018-19.

Gold is regarded as an important asset class in rural India. Khandelwal said at present the demand is soft from the high networth category as well as from the agrarian sector. "There is steady buying of gold by the middle class families mostly for wedding purpose."

The recently published World Gold Council's mid-year outlook 2018 said in the first half of this year gold's performance has been driven mainly by three factors — strengthening US dollar, higher investor threshold for headline risk and soft physical gold demand.

WGC said gold's recent pullback is likely to support consumer demand as lower prices have historically increased jewellery buying. For investors, gold's current price range may offer an attractive entry level, the council feels. According to the council, macroeconomic trends like positive but uneven global economic growth, trade wars and their impact on currency and rising inflation and an inverted yield curve will support gold in the second half of 2018.

THE ECONOMIC TIMES DATE : 24/7/2018 P.N.9

'DEVALUATION' MAY LOWER GLOBAL COMMODITY PRICES

Yuan's Fall to Hit Indian Metal Cos' Pricing Power

Jwalit.Vyas@timesgroup.com

ET Intelligence Group: Until about a couple of weeks ago, metal analysts had generally backed local producers to make money for investors despite the sharp recent cuts in stock prices. For them, the pronounced slide was less structural than transitory, masking the likely effects of competitive currency devaluation by the 'factory to the world'.

But with Beijing devaluing the Chinese Yuan to unprecedented levels to help its producers hurdle the newly erected tariff walls, Indian manufacturers are staring at potentially lower prices for their output.

Since mid-June, the yuan has fallen more than 6%, while aluminium, zinc and copper on the LME are down 19.4%, 9%, and 14.5%, respectively. China remains the biggest consumer and producer of metals and its currency movements can impact global commodity prices.

This is because commodities are traded in USD. With a weaker Chinese unit, commodity prices in the local currency increase, leading to eventually declining demand and consequently lower global commodity prices in USD. Hence, the Chinese currency depreciation is highly deflationary for commodities across the planet.

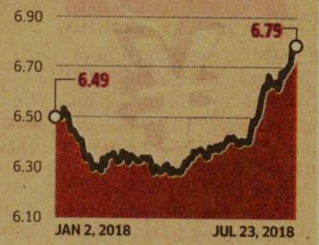
The US Fed, too, has become more active in the currency market, and its involvement may temporarily arrest the fall in commodity prices. But the bigger question concerns the future trend.

Analysts tracking Vedanta, Hindalco and Hindustan Zinc have retained 'BUY' or 'HOLD' on these stocks through the recent fall. These ratings have been based on earnings estimated at certain price levels. LME metal prices are now at levels below which the estimated earnings of these companies will be much lower than expected.

Most analysts, for instance, have assumed LME Aluminum prices of around $2,100 per tonne. Currently, LME Aluminum prices are $2,080 per tonne. Similar is the situation with other base metals that are now trading sharply below their 100 and 200 DMA.

Lower realisation could not only impact the profits of these companies, but also lead to de-rating for these stocks.

Dollar's Gain against Renminbi



BUSINESS LINE
DATE : 24/7/2018 P.N.4

Gold imports dip 31% in April-May

New Delhi, July 23

Gold imports dipped 31.25 per cent to $6.05 billion during April-May 2018 on account of various curbs introduced by the government to check inbound shipments, Parliament was informed on Monday. The government has introduced several measures to restrict the import of gold in the country and those steps include imposition of restriction on duty free gold imports from the South Korea as allowed under the existing India-Korea free trade agreement, and imposition of self-use condition on Première Trading House/Star Trading House authorised to import the precious metal (gold) directly from overseas bullion supplier. PTI

BUSINESS LINE
DATE : 24/7/2018 P.N.4

Copper body to study impact of TN Sterlite unit's closure

PRESS TRUST OF INDIA

New Delhi, July 23

The International Copper Association (ICA) India has commenced a study on the "possible impact" on domestic industry of the closure of Vedanta's Sterlite Copper unit in Tamil Nadu.

The State government in late May ordered permanent closure of the smelter after 13 people among protesters demanding its shutdown on environmental concerns were killed in police firing.

"Vedanta's plant closure...will have a direct impact on supplies to the downstream and ancillary industry. We are conducting a study to assess the possible impact of closure," Sanjeev Ranjan, ICA India Managing Director, told PTI.

Vedanta unit is one of the three primary copper producers in the country, Ranjan said.

BUSINESS LINE DATE : 24/7/2018 P.N.18

Resistance may cap the upside in MCX Aluminium

GURUMURTHY K

BL Research Bureau

The crucial long-term support in the ₹138-₹139 per kg region is holding well for the Aluminium futures contract traded on the Multi Commodity Exchange. The contract has been stuck in a narrow range between ₹138 and ₹143 over the last one week. Within this range, it is currently poised at the upper end of ₹143/kg range.

The contract is lacking fresh sellers to drag it decisively below ₹138. Key resistance is at current levels in the ₹143-₹144 zone. If it manages to decisively breach ₹144, a corrective rally to ₹147 or ₹148 is possible on the back of short covering. Further rally beyond ₹148 looks unlikely at the moment.

On the other hand, if it fails to break above ₹144 and reverses lower, it can dip to ₹139 and ₹138 again. In such a scenario, a range-bound move in the band between ₹138 and ₹144 is possible.

As long as the contract trades below ₹144, the possibility of it declining below ₹138 is high. A strong break below ₹138 will drag the contract lower to ₹132 or ₹130.

Short-term traders with a high-risk appetite can go short at ₹144 and ₹146. Stop-loss can be placed at ₹149 for the target of ₹134. Revise the stop-loss lower to ₹140 as soon as the contract moves down to ₹138.

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

THE ECONOMIC TIMES DATE : 24/7/2018 P.N.6

Hindustan Zinc Q1 Profit Marginally Up

Our Bureau

Kolkata: India's largest zinc maker Hindustan Zinc (HZL), part of Anil Agarwal's Vedanta group, saw net profit grow only 2% to ₹1,918 crore for the first quarter of FY19 due to lower investment income from mark-to-market losses on debt investments led by a spike in interest rates.

HZL's income in Q1 was ₹5,359 crore against ₹4,576 crore in the same period last year. HZL's earnings before interest taxes depreciation and amortisation (EBITDA) was ₹2,785 crore in the quarter in question, up 16% from ₹2,404 crore in the year-ago period. HZL said revenues from operations touched ₹5,310 crore, a rise of 16% Y-o-Y, mainly due to higher prices of zinc on the benchmark London Metal Exchange, rupee depreciation and higher lead & silver volumes, partly offset by lower zinc volume.

Lower metal volumes led to a sequential decline in revenue. The cost of production before royalty (COP) for zinc during the quarter was ₹69,907, up 11% Y-o-Y. The increase was primarily on account of lower overall volume due to open-cast closure, an almost 20% increase in prices of metcoke, coal and diesel and also due to the impact of long-term wage settlement, an official statement said.

BUSINESS LINE DATE : 24/7/2018 P.N.4

India raises with EU concern over proposed steel safeguard duty

The tariffs will magnify fears of cross-dumping, says Steel Secretary

OUR BUREAU

New Delhi, July 20

India is in talks with the European Union to mitigate the impact of a safeguard duty tariff on steel imports that the EU seeks to impose. The EU's proposed retaliatory duty comes ahead of the US imposing a 25 per cent import duty on steel imports that will be in effect from August 4.

Aruna Sharma, Secretary, Steel Ministry

Steel Secretary, Aruna Sharma, told presspersons that India is concerned more about the European Union tariffs as India exports nearly 6 per cent of its domestic steel production to Italy. India's steel exports to the US are less than 1 per cent of its total domestic production. The EU's tariffs will also magnify the fears of steel cross-dumping into India.

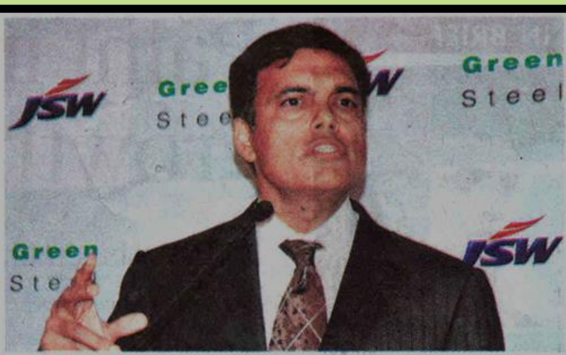
Sharma said: "The European Union is thinking on tariff lines. So that is a matter of concern because we export nearly 6 per cent of the domestic production to the EU, especially to Italy. Therefore it is very important for us. So, we are watching. There will be a hearing of their safeguard duty in mid-September and let's see how that proceeds."

Sharma also said India will be red-flagging the investigation period that is being considered for the imposition of duty by the EU. She said: "The EU is considering a three-year period for assessing the imports."

The Steel Secretary said India has objected to this as 2015 was not a good year internationally for the steel sector. "It is an aberration year so it will not be appropriate to take the figures of three years. We are insisting they take the figures of two years, 2016 and 2017, to work out the exports which were going from India," she said.

"The actual hearing will be on September 14, and then it will come into finality. We have put forward our objections to it because they have proposed a blanket order," she added.

THE HINDU DATE : 25/7/2018 P.N.13



Stategic move: JSW Steel will expand capacity via organic and inorganic routes, says Sajjan Jindal. • SHASHI ASHIWAL

JSW Steel plans to invest ₹45,000 crore

Targets merger with Monnet Ispat

SPECIAL CORRESPONDENT
MUMBAI

JSW Steel is planning to invest about ₹45,000 crore over a period of four years from FY2017-18 to FY2020-21, to expand steel making capacities, besides modernising and expanding capacities of its downstream businesses.

"These projects will further enhance our efficiencies and generate superior returns. The completion of these projects will take our overall capacity from 18 MTPA currently to 24.7 MTPA by March 2020," JSW Steel chairman Sajjan Jindal said while addressing shareholders at the company's 24th AGM on Tuesday.

The company is looking for inorganic growth, both in domestic and international markets to expand capacities as part of its strategy.

"In the domestic market, our consortium, along with a financial partner, has emerged as the successful bidder for acquiring Monnet Ispat and Industries Limited, a 1.5 MTPA steel-making facility in Chhattisgarh," Mr. Jindal said. The National Company Law Tribunal (NCLT) recently approved a ₹2,875-crore bid by a consortium of Aion Investments and JSW Steel to acquire the bankrupt Monnet Ispat and Energy, which owes more than ₹11,000 crore to lenders.

JSW plans to merge Monnet Ispat with itself in a year's time after the turnaround of the company. The company is awaiting the judgment of the National Company Appellate Law Tribunal (NCLAT) with respect to bids of Essar Steel, where it joined the Numetal consortium as partner.

Steel demand

Mr. Jindal is optimistic about the steel demand in the country. "We are very constructive about the long-term growth potential for steel consumption in India. Even at a reasonable rate of growth of around 7% p.a. for the overall steel demand, India will need to create over 150 million tonnes of new steel capacity in the next 10 years. As one of the most competitive and efficient players with a healthy balance sheet, your company will be looking to capitalise on this opportunity and invest in capacity expansion through both organic and inorganic routes and grow our market share," he told shareholders.

BUSINESS LINE DATE : 25/7/2018 P.N.4

'Centre must consider classifying aluminium as ninth core industry'

Report says the sector contributes to 2% of manufacturing GDP, creates about 8 lakh jobs

OUR BUREAU

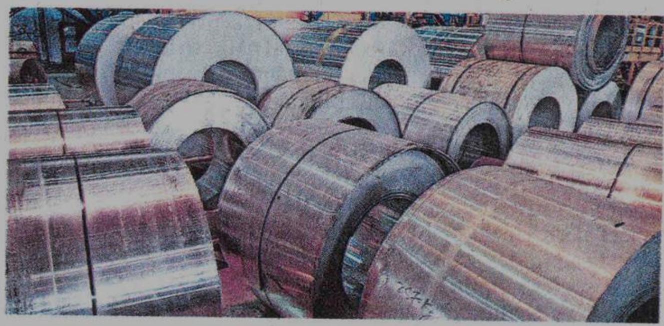
New Delhi, July 24

The Centre must actively consider classifying the aluminium sector as India's ninth core industry, according to a report by VK Saraswat, NITI Aayog member, and Aniruddha Ghosh, a Delhi-based economist.

The aluminium sector contributes to nearly 2 per cent of manufacturing GDP and is a high direct and an indirect employment multiplier creating close to 800,000 jobs.

Currently, India identifies coal, crude oil, natural gas, refinery products, fertiliser, steel, cement and electricity as the eight core industries.

The report recommends that aluminium plants are generally based in the hinterlands of the country and aid in generating peripheral employment and economic development of the region. "Therefore, we recommend into looking actively into the possibility of classifying aluminium as a core industry," the report suggested.



Important role Aluminium plants are mostly based in the hinterland and aid in generating employment and economic development of the region

Separate energy policy

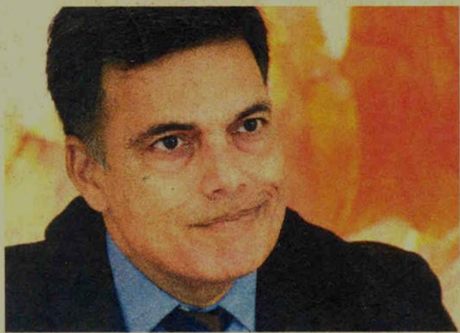
A separate energy policy also needs to be developed for the energy-intensive sectors. "High energy intensive sectors are being penalised by paying high carbon tax through various cesses and duties. A separate energy policy for these industries should ensure they receive power at globally competitive rates so that they can compete with global players," the report recommended. In order to aid the aluminium sector, rake availability in the Railways needs to be addressed. "N-BOX and BTAP wagons are in shortage; their poor availability affects coal movement and results in working capital blockage. Several mineral-rich areas of the country are yet to be connected with durable transportation infrastructure." The report also said that India lacks a robust geological database which can be mined for bauxite exploration. It also recommends the creation of an ecosystem for fly-ash be created around these aluminium production plants which can used as a feedstock for brick, gravel and cement-manufacturing industries.

THE ECONOMIC TIMES DATE : 25/7/2018 P.N.6

JSW Steel will Merge Monnet Ispat with Itself: Sajjan Jindal

The chairman hopes to turn around asset in one year, says company will be looking at acquiring coking coal mines

Vatsala.Gaur@timesgroup.com



FILE PHOTO

Mumbai: JSW Steel will merge the recently acquired distressed asset, Monnet Ispat & Energy, with the company, chairman Sajjan Jindal said on Tuesday, adding that he hopes to turn the asset around in one year.

Speaking to reporters after addressing shareholders at the company's annual general meeting, Jindal said JSW Steel will be looking at acquiring coking coal mines over time, although raw material security is not its core focus area right now.

"We will eventually merge Monnet Ispat into JSW Steel and use the JSW brand," Jindal said. "Our past experience has been that we normally turn around (an asset) within one year and we hope that should happen (here, too)."

In 2010, when JSW Steel acquired a stressed Ispat Industries, he had given a similar promise of turning the business around in one year.

Last Friday, the insolvency tribunal approved the Aion Capital-JSW Steel resolution plan for the 1.5-million-tonne Monnet Ispat and Energy for which the company has offered around ₹3,875 crore including ₹1,000 crore as equity and working capital.

Jindal's plan of merging the distressed asset into the company is different from rivals Tata Steel and Vedanta's plans for Bhushan Steel and Electrosteel Steels, respectively.

While Bhushan Steel will be acquired by Bamnipal Steel, a wholly owned subsidiary of Tata Steel, Vedanta will acquire a controlling stake in Electrosteel via its fully owned unit, Vedanta Star.

JSW Steel has charted an elaborate expansion plan for the Indian market according to which it will be spending ₹45,000 crore over the next three years to take its capacity to 25 million tonnes from the current 18 million tonnes, along with investments planned for downstream capacity additions.

In the past year, it announced a total investment of $1 billion in the US for the backward integration of existing plates and pipe mills facility in Texas as well as in acquiring an Ohio-based steel plant, Acero Junction Holdings. It also acquired Italian steelmaker Aferpi for ₹441 crore.

Jindal, however, said the company's focus is India which is a "high growth market". The overseas acquisitions are to serve customers in those countries that have put protectionist measures like anti-dumping duties in place, he said.

Jindal also hinted at JSW Energy entering into a joint venture for battery storage under his electric vehicle plan.

THE HINDU DATE : 25/7/2018 P.N.14

Copper shortage puts small, medium units in a bind

Deliverables hit hard due to Sterlite unit closure: association

SPECIAL CORRESPONDENT
CHENNAI

Copper consuming units in the South, especially small- and medium-sized ones, find themselves in a jam.

An acute shortage of copper has not only thrown their cost calculations haywire but also impacted their delivery schedules.

'Escalating pain'

Articulating their 'escalating pain' at a press conference here on Tuesday, representatives of Copper Consumers' Association of South India said the closure of the Thoothukudi unit of Sterlite had pushed the 75-odd member units into a crisis. The Sterlite unit, they said, accounted for almost 40% of the country's total production. The small and medium copper consuming units in the south depended on the Sterlite unit for their copper needs. The closure of Sterlite's factory had forced many of these units to default on their delivery schedules.

To a question, Hemanth Mehta, treasurer of the association, said, "Import of copper at such short notice is not possible as most of the contracts are already done.

"Transit time is long and the overall cost of imports is much higher compared to sourcing from within."

Also, imported copper pushed up costs close to 10%, he said. The situation could have cost implications for their downstream clients, he said. The 75-odd members of the association together employ about 15,000-20,000 people.

THE INDIAN EXPRESS DATE : 25/7/2018 P.N.12

NCLAT questions Tata on eligibility in Bhushan Steel case

ENS ECONOMIC BUREAU
NEW DELHI, JULY 24

THE NATIONAL Company Law Appellate Tribunal (NCLAT) on Tuesday asked Tata Steel to furnish reasons as to why it would not be ineligible under 29 (A) of the Insolvency and Bankruptcy Code (IBC) to take over Bhushan Steel and how it proposed to distribute the amount earmarked for the operational creditors under its resolution plan for the debt-ridden company.

The steel major has also been asked to submit reasons as to why it intended to terminate the power purchase agreement between Bhushan Steel and its subsidiary Bhushan Energy, another insolvent firm where Tata Steel is the lone bidder. The pact was slated to end in 2024.

While approving Tata Steel's resolution plan to take over Bhushan Steel on May 15, National Company Law Tribunal (NCLT) dismissed questions raised on Tata Steel's eligibility and Larsen and Toubro's (L&T) upgrade plea. It also rejected a plea by Bhushan Energy to continue its power purchase agreement with Bhushan Steel.

Bhushan Steel owes ₹56,080 crore to its financial creditors and ₹1,332 crore to operational creditors

Tata Steel, which has already deposited Rs 35,200 crore to the financial creditors of the debt-ridden firm, has also offered to pay Rs 1,200 crore to the operational creditors of Bhushan Steel.

However, had earlier said that it would pay Rs 1,200 crore to operational creditors over a period of 12 months, but did not mention the proportion in which the amount would be distributed to operational creditors. Bhushan Steel owes Rs 56,080 crore to its financial creditors and Rs 1,332 crore to operational creditors. The two-member NCLAT bench headed by Justice S J Mukhopadhyay has placed the matters for further hearing on July 26. Bhushan Steel promoter Neeraj Singal had moved the NCLAT, questioning Tata Steel's eligibility to bid for the company under Section 29A of the IBC. **FE**

BUSINESS LINE DATE : 25/7/2018 P.N.16

Upside could be limited for MCX Zinc contract

GURUMURTHY K
BL Research Bureau

The zinc futures contract on the Multi Commodity Exchange (MCX) got a breather in the past week. It had reversed higher from its low at around ₹171 per kg and made a high of ₹182.55 last week on Friday. But, the contract has come-off slightly from this high and is currently trading at ₹179/kg.

The bounce-back move witnessed in the past week is technically significant as it has happened from a significant long-term support level of ₹175. Whether the contract manages to sustain above ₹175 or not will be key in deciding the next move.

If it continues to trade above ₹175 and manages to break above the immediate resistance level of ₹183, an upmove to ₹186 or ₹190 is possible. Further rally beyond ₹190 looks less probable at the moment. It can remain range-bound in the band between ₹175 and ₹90.

But if the contract breaks decisively below ₹175, it can come under renewed pressure. Such a break will then increase the likelihood of the contract tumbling to ₹170 or even ₹165 in the coming weeks. Short-term traders with a high-risk appetite can wait for a bounce and go short at ₹186 and ₹189. Stop-loss can be placed at ₹194 for the target of ₹175. Revise the stop-loss lower to ₹184 as soon as the contract moves down to ₹180.

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

BUSINESS LINE DATE : 26/7/2018 P.N.1

NCLAT upholds ₹6,700-crore penalty on 11 cement firms

Competition panel had fined them over cartelisation charges

OUR BUREAU

Mumbai, July 25

The National Company Law Appellate Tribunal (NCLAT) has upheld the Competition Commission of India's (CCI) decision to impose a ₹6,700-crore penalty on 11 cement companies for cartelisation.

In their order on Wednesday, Justice SJ Mukhopadhaya, NCLAT Chairperson, and Justice Bansi Lal Bhat, Member (Judicial), said the cement companies had reduced production and dispatches across all sectors during a period when the demand from the construction sector was positive.

"Some of the cement companies...stopped booking in the non-trade segment and there was a shortage of supply of cement," the order noted.

The Builders' Association of India filed a petition with the CCI in August 2016 against 11 leading cement companies for allegedly keeping prices high.

"So far as the quantum of penalty order is concerned," the NCLAT said, "as we find that the Commission has imposed a mere minimum penalty, no interference is called for against the same. We find no merit in these appeals. They are accordingly dismissed."

The verdict by the appellate tribunal comes two years after the CCI imposed the penalty. The Builders' Association of India filed the petition in August 2016 against 11 leading cement companies. The CCI had also asked the cement companies to desist from reducing production to keep prices high.

The 11 companies that have to cough up the penalty include Aditya Birla Group company UltraTech Cement (₹1,175 crore), Jaypee Cement (now acquired by UltraTech: ₹1,323 crore), ACC (₹1,148 crore), Ambuja Cement (₹1,163 crore), JK Cement (₹128 crore) and Century Textiles (₹274 crore).

Binani Cement, which may be acquired by UltraTech under insolvency proceedings, was also penalised ₹167 crore.

According to industry sources, most of these companies will now take the fight to the Supreme Court.

"While the company is yet to receive the order of the NCLAT, it believes that on merits it has sufficient grounds for a successful appeal and intends to file the same with the Supreme Court," Ambuja Cement said in a statement to the stock exchanges. ACC issued a similar statement.

Added woes

The NCLAT order will add to the woes of the cement industry. Despite an increase in demand, cement companies' profitability is under pressure due to a rise in production costs.

Higher power and fuel (increase in coal and pet coke prices) and freight costs (increase in diesel prices) are expected to put further pressure on the profitability margins and debt metrics of cement companies.

BUSINESS LINE DATE : 26/7/2018 P.N.1

Environment undermined as coal comes more and more from opencast mines

PRATIM RANJAN BOSE

Kolkata, July 25

Shatrughan Sinha and Amitabh Bachchan toiling in the dark caverns of a deep coal mine in the 1979 hit *Kala Patthar* has more or less come to represent life in the Indian coal industry.

The image now needs a makeover, as underground (UG) mining, once the mainstay and a relatively environment-friendly option, has become rare in India.

In FY18, the nation's two commercial miners—Coal India Ltd (CIL) and Singareni Collieries Co Ltd (SCCL)—produced 629 million tonne of fuel. Of this, barely 39 mt, or 6 per cent, came from underground sources, down from 16 per cent in FY05 and nearly 9 per cent in FY14. Among the top coal-producing nations, only Indonesia has a lower UG share. Considering 25 per cent of India's coal assets are deep-seated, UG should ideally contribute a quarter of production.

Dramatic decline in CIL

The decline is more prominent in CIL, which contributes 90 per cent of India's commercial production. Last fiscal, a little over 5 per cent of CIL's total production (567 mt) came from UG, down from 11.5 per cent in FY08 and 7.8 per cent in FY14.

Barring South Eastern Coalfields, no major CIL subsidiary has respectable UG production. Some, like Northern Coalfields, have no UG mines.

This is both due to a rise in opencast production and a sharp decline in underground production, from as high as 70 mt (90 per cent of total production) in 1975, when CIL was created through nationalisation, to 30 mt in FY18. The trend is not new and is partly attributed to improvement in opencast technologies, allowing the company to convert assets up to 250 metres deep into opencast mines. In comparison, technology absorption was low in UG.

Underground mines in India are required to acquire the overhead surface area, which makes them all the more unviable

But that alone doesn't explain the dramatic fall in UG share over the past decade. In the first 30 years following nationalisation, UG production dropped by 23 mt. The rate of decline has doubled since 2005, as CIL lost 17 mt UG production in 13 years.

One of the reasons behind the sharp drop in production is the closure of unviable UG mines acquired during nationalisation.

The production trend could have been reversed by opening new mines or introducing mechanisation in existing mines, which didn't happen due to lack of commercial interest.

Coal prices are practically government-dictated in India. And the government is focussed on keeping fuel prices low for the power sector, which consumes at least 80 per cent of CIL's production. Naturally, producing thermal coal through the underground mode becomes unviable.

Also, unlike in countries such as Australia, UG mines in India are required to acquire the overhead surface area. This make them all the more unviable.

The biggest deterrent, however, is the government. Since 2005, India has been on a massive thermal power capacity addition programme. Between 2007 and 2017, its total generation capacity increased by 1.5 times.

The period also coincided with major controversies and policy *faux pas* in the coal sector. As a face-saver, the government put pressure on CIL to step up production quickly. CIL obliged.

Since FY07, India's coal production has increased by 200 mt; nearly half of it came in the past four years, and opencast was the easiest way to do it. Roughly 3,000 hectare of India's mountains and forests are plundered every year for opencast mines while the UG version slips into oblivion.

The last time CIL made media statements about opening new UG mines was in 2009, when half-a-dozen high capacity (3-5 mt) projects were lined up. None saw the light of day.

A ray of hope

A number of former senior executives believe CIL's opencast share has reached environmentally unsustainable levels and a correction is necessary. SCCL's 2-mt Adriala project shows there are economic reasons, too. The UG mine taps reserves located below an opencast project. There are similar resources in CIL, too.

A CIL official told *BusinessLine* the declining trend in UG production may be arrested this year. The company is planning to introduce continuous miners in 10 more mines this year, to step up productivity.

BUSINESS LINE DATE : 26/7/2018 P.N.4

Goa mining bodies pin hopes on a resolution in State Assembly to resume operations

Likely to meet ministers' panel headed by Gadkari

TWESH MISHRA

New Delhi, July 25

Lobbies pushing for an immediate revival of mining in Goa are expecting to meet a Group of Ministers appointed by the Prime Minister and headed by Union Minister for Road, Transport, Highways, Shipping and Water Resources, Nitin Gadkari.

According to Puti Gaonkar of the Goa Mining People's Front (GMPF), the Goa Assembly will consider a resolution that will be moved by Bharatiya Janata Party (BJP) Member of Legislative Assembly (MLA), Nilesh Cabral this week.

> **The Centre can enable an immediate resumption of mining in the State by issuing an ordinance to the Goa, Daman and Diu Mining Concessions (Abolition and Declaration as Mining Leases) Act, 1987**

Cabral represents Curchorem, one of the mining regions in the State, and has been in favour of restarting mining in the State. Gaonkar had contested the 2007 Assembly elections from Valpoi constituency under the BJP banner.

Gaonkar said the meeting with Gadkari is expected to take place on August 4 for the way ahead after this resolution from the Goa State Assembly.

The resolution if adopted by the Goa Assembly will ask the Centre to find a way to resume mining in Goa which was halted from March 15 after a February 2018 Supreme Court order. The apex court had quashed the renewal of 88 mining leases.

Gaonkar said that the Centre can enable an immediate resumption of mining in the State by issuing an ordinance to the Goa, Daman and Diu Mining Concessions (Abolition and Declaration as Mining Leases) Act, 1987.

In a letter to the Union Mines Minister, Narendra Singh Tomar, Gaonkar said an ordinance which makes Section 2 of the Goa, Daman and Diu Mining Concessions (Abolition and Declaration as Mining Leases) Act, 1987 prospective from May 22, 1987 will allow mining in Goa for two more decades. At present, the Act has been applicable from December 20, 1961.

"Mining leases are for 50 year so if the ordinance is passed, there will be no need to renew leases," he explained.

THE ECONOMIC TIMES DATE : 27/7/2018 P.N.1

Hindalco's Novelis to Buy Aleris in $2.58-b Deal

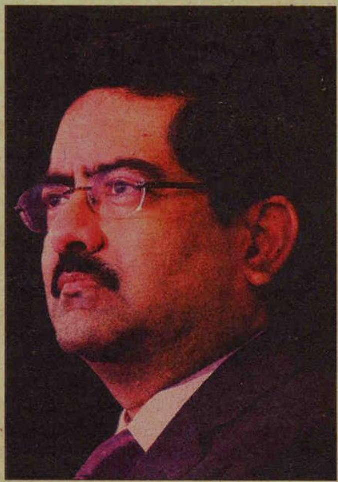
Our Bureau

Mumbai: Aditya Birla Group flagship Hindalco's US subsidiary Novelis on Thursday signed an agreement to buy American aluminium products maker Aleris Corporation in a deal valued at $2.58 billion.

The deal is expected to strengthen Novelis' leadership position in aluminium value-added business and will help increase the share of premium value-added products in its portfolio. It will also protect the parent company from the volatility of the London Metal Exchange by de-risking its portfolio.

The deal size includes $775 million worth equity contribution by Novelis. Novelis will also assume $1.8 billion worth of Aleris' debt on its books. The deal will be fully debt-funded and there will be no equity issuance by the company and the debt coming from Aleris will be refinanced by Novelis.

There will also be no assistance by parent company Hindalco in the financing of the deal. There will also be $50 million earn-out linked to achievement beyond base plan between 2018 and 2020 for North America. "The acquisition of Aleris is the next phase of our aluminium value-added products growth strategy," chairman Kumar Mangalam Birla said at a conference organised on Thursday. "It is a value accretive acquisition whereas the acquisition of Novelis had been accretive from the first year itself both in terms of cash flow as well as net profit," Birla said.



Factoring in the expected ebitda of $360 million by Aleris, the acquisition multiple of the deal stands at 7.2x. The expected ebitda is revised from the current base of $200 million based on investments already in place by Aleris of $900 million, which will start "driving earnings and cash flow momentum" from the next financial year, Hindalco and Birla group officials said.

On the debt front, the combine that will reach a net debt to ebitda multiple of less than 4x at the time of closing will come down to nearly 3x after two years.

With Hindalco's debt put together, the multiple will fall to less than 3x after two years, Birla said. The consolidated debt of Hindalco will be Rs 43,000 crore.

The acquisition is expected to get completed in the next 9-15 months post which the combined capacity of the company, including Hindalco in India, will be 4.7 MT with a consolidated revenue of $21 billion and employee base of 40,000.

The potential benefits of this acquisition in terms of synergies is about $150 million on a recurring basis and these will be achieved through integration of operations of both companies in Asia, supply chain and SG&A optimisation, Birla said.

"Acquisition of Aleris is a great strategic move by Hindalco–Novelis," said Anjani Agarwal, partner and global steel leader at EY.

"Consolidation of both players with focus on technology and knowhow will be immensely value accretive over a long term for the entire aluminium business. The timing seems opportune as capital investments by Aleris within the USA will be leveraged in a more favourable trade policy environment," Agarwal said.

NAVBHARAT DATE : 27/7/2018 P.N.14

खनन घोटाला 4,000 करोड़ का

शाह आयोग गलत : परिंकर

एजेंसियां

पणजी. गोवा विधानसभा में अवैध खनन से राज्य को सिर्फ 50 से 100 करोड़ रुपये का नुकसान होने का बयान पहले देने के बाद गोवा के मुख्यमंत्री मनोहर पर्रिकर ने कहा है कि वास्तव में यह घोटाला 3,500 से 4,000 करोड़ रुपये का है. वहीं न्यायमूर्ति एम.बी.शाह ने इस घोटाले के 35,000 करोड़ रुपये के होने का अनुमान जाहिर किया है. पर्रिकर ने कहा कि 50 से 100 करोड़ रुपये की राशि राजस्व नुकसान के एक पहलू तक सीमित है, जो खनन क्षेत्र की अवैध गतिविधियों की वजह से हुई है. उन्होंने कहा कि इसका मतलब यह नहीं है कि खनन का नुकसान सिर्फ 100 करोड़ रुपये हैं. मैंने कहा था कि मैंने 300 करोड़ रुपये रिकवर कर लिए हैं. अगर मैंने कहा था कि नुकसान 100 करोड़ रुपये है तो मैंने कैसे 300 करोड़ रुपये रिकवर कर लिया.

दस अलग तरह के नुकसान के क्षेत्रों में से एक खास क्षेत्र में नुकसान शाह आयोग के संकेत की तरह नहीं है. विधानसभा में प्रश्न काल के दौरान बोलने के बाद पर्रिकर ने प्रेस कॉन्फ्रेंस करते हुए अपने बयान पर सफाई में कहा, नुकसान उस समय के दौरान निकाले गए अयस्क व निर्यात के बीच अंतर, खनन के ढेर की वजह से है.

विशेष जांच समिति करेगी आकलन

पर्रिकर ने कहा, पीएसी की 3,500 से 4,000 करोड़ रुपये के सरकार को नुकसान की रिपोर्ट सही है, और इसके अनुसार उन्होंने 1,500 से 2000 करोड़ रुपये के नुकसान का अनुमान किया है. उन्होंने कहा, कुछ नुकसान पर विशेष जांच टीम स्पष्टीकरण मांग रही है. बहुत से लोग फरार हैं. एसआईटी ने आठ मामलों में आरोप लगाए हैं. एसआईटी व चार्टर्ड एकाउंटेंट की एक टीम कुल नुकसान का आकलन करेगी, जो मेरे अनुसार करीब 3,000 से 4,000 करोड़ रुपये का है. मुख्यमंत्री ने न्यायमूर्ति एम.बी.शाह आयोग द्वारा गोवा खनन घोटाले के 35,000 करोड़ रुपये होने के अनुमान को गलत बताया. उन्होंने दावा किया कि आयोग द्वारा सर्वेक्षण कर जुटाया गया आंकड़ा गलत है.

THE TIMES OFINDIA DATE : 27/7/2018 P.N.14

Hindalco to acquire Aleris for $2.6bn in second US deal

Creates $21Bn Aluminium Co, Awaits Approval In Trump Era

Reeba.Zachariah
@timesgroup.com

Mumbai: Hindalco, the metals flagship of the Aditya Birla Group, has agreed to acquire the US-based Aleris for $2.6 billion, solidifying its position as one of the largest aluminium players in the world. The company will acquire Aleris through its American outfit Novelis in a debt-financed deal. The transaction will make Hindalco a $21-billion entity in terms of revenues, with an employee base of 40,000.

Aleris will be Hindalco's second acquisition in the US after Novelis, which it had bought for $6 billion in 2007. The Aleris transaction, subject to approval from regulators including antitrust agencies, is expected to be closed within 15 months. The Aditya Birla Group doesn't see any obstacles in getting antitrust clearances, but sees a "political risk" to the Aleris buyout.

Before Hindalco struck a deal for Aleris, its private equity owners Oaktree Capital, Apollo and Sankaty Advisors had entered into a pact with Chinese aluminium billionaire Liu Zhongtain for $2.3 billion in 2016. But the transaction failed to materialise after it got caught in regulatory crosshairs following criticisms that a Chinese connection could compromise proprietary technology used by US defence services. Aleris makes materials that are used in American battle tanks and armoured vehicles.

However, the Aditya Birla Group hopes to succeed in getting all clearances for the Aleris buyout. "We don't see any reason why we won't get a clearance in the US, given the presence Novelis has in the US combined with our parent company in India," Novelis chief executive Steve Fisher said.

Aleris gives Hindalco a foothold in the aerospace segment through its technological, research and manufacturing capabilities in Germany and China. Aerospace accounts for 14% of Aleris' revenue of $3 billion.

Trump's protectionist trade policies are prompting companies to acquire businesses in the US as Asian nations lose some of their competitive advantage. Aleris will increase Hindalco's total downstream aluminium capacity to 4.7 million tonnes.

BIRLA BOOSTS M&A PLAY

Hindalco · Aleris

Revenue* (in $bn): 18 · 3

Employees: 34,600 · 5,400

Operations# (units): 30 · 13

OTHER TOP BIRLA ACQUISITIONS

Year	Target	Sector	Value
2007	Novelis	Aluminium	$6bn
2008	Spice Comm	Telecom	₹2,724cr
2011	Columbian Chemicals	Commodities	$875m

"Over a decade ago, with the Novelis acquisition, Hindalco leapfrogged into the global aluminium arena ... Aleris will solidify our position as the world's No.1 aluminium value-added products player"

Kumar Mangalam Birla | CHAIRMAN, ADITYA BIRLA GROUP

*Based on FY18 results for Hindalco and calendar year 2017 results for Aleris | #Across the US, South America, Europe and Asia

BUSINESS LINE DATE : 30/7/2018 P.N.8

Near-term view remains negative for gold

Outcome of the US Fed meeting may determine the trend for the metal

GURUMURTHY K

It was relatively a calm week for gold as the prices were broadly range-bound. Though the global spot gold prices inched higher in the initial part of the week, it failed to sustain higher.

The prices faced strong resistance around $1,235 per ounce and reversed lower after testing this hurdle several times during the week. Gold tested $1,235 on Thursday and came off from there to close the week at $1,224 per ounce, down 0.4 per cent for the week.

However, the overall downtrend remains intact, and gold is continuing to move lower, but at a slower pace.

Silver was also range-bound in the past week. The global silver prices were stuck in a narrow range between $15.32 and $15.67 per ounce. The price closed on a flat note for the week at $15.50 per ounce.

On the domestic front, the gold and silver futures contract on the Multi Commodity Exchange (MCX) moved in tandem with the global spot prices.

The MCX-Gold futures contract was down 0.47 per cent for the week and closed at ₹29,780 per 10g. MCX-Silver, on the other hand, closed at ₹38,326 per kg and was down 0.34 per cent for the week.

Dollar mixed

The US dollar index has been stuck inside a sideways range between 93.9 and 95.65 over the last few weeks. A breakout on either side of this range will decide the next move.

Within this range, the index dipped to 94.08, and has bounced higher. There is a strong likelihood of the index inching further higher within the range in the near term to test 95.65. Such an up-move can cap the upside in gold and keep its prices subdued.

The US Federal Reserve meeting is due on Wednesday. The outcome of this event could possibly be a trigger to create a breakout in the dollar index.

The movement in the dollar index after this event will play a significant role in setting the trend for gold.

If the dollar index breaks below 93.9, a fall to 93 is possible. On the other hand, a strong break above 95.65 can take the index higher to 96 and 96.35.

Gold outlook

The global spot gold ($1,224 per ounce) can remain range-bound between $1,215 and $1,235. Within this range, the bias is bearish. A decisive daily close below $1,220 will increase the likelihood of the prices breaking the range below $1,215. Such a break can drag gold lower to $1,205 or $1,200 in the short term.

Whether gold breaks below $1,200 or not will then decide the next move. If gold manages to bounce from $1,200, a corrective rally to $1,250 is possible. But a break below $1,200 can drag the prices lower to $1,160 or $1,150.

The MCX-Gold (₹29,780 per 10 g) has key supports at ₹29,650 and ₹29,500.

The price action on the daily chart leaves the bias bearish. As such, the possibility is high of the contract breaking below ₹29,500 in the coming days. Such a break can drag the contract lower to ₹29,000. Strong resistance for the contract is in the ₹30,000-30,200 region. The MCX-Gold contract has to breach ₹30,200 to turn the sentiment positive.

Silver outlook

The near-term view for silver is mixed. The global spot silver ($15.50 per ounce) has a key resistance at $15.65. As long as the prices remain below this resistance, a dip to test $15 is likely in the short term. On the other hand, if silver manages to break above $15.65, a relief rally to $16.20 is possible.

On the domestic front, the MCX-Silver (₹38,326 per kg) is hovering above a key support level of ₹38,000. This bias is negative on the charts. A break below ₹38,000 can drag the contract lower to ₹37,500, or even lower levels in the coming weeks.

MCX Gold

Supports: ₹29,650/ 29,500

Resistances: ₹30,000/ 30,200

MCX Silver

Supports: ₹38,000/ 37,500

Resistances: ₹38,700/ ₹39,300

NAVBHARAT

DATE : 30/7/2018 P.N.11

होगी 12 खनिज ब्लाकों की नीलामी

एजेंसियां

दिल्ली. सरकार की अगले दो महीने में आठ लौह अयस्क ब्लाक समेत 12 खनिज ब्लाक की नीलामी की योजना है. सरकारी दस्तावेज से यह जानकारी मिली है. इस 12 ब्लाक में झारखंड में तीन ग्रेफाइट ब्लाक, आंध्र प्रदेश में चूना पत्थर ब्लाक तथा शेष आठ लौह अयस्क खदान कर्नाटक में हैं. जहां ग्रेफाइट तथा चूना पत्थर ब्लाक को अगले महीने नीलामी के लिये रखा जाएगा शेष आठ ब्लाक की नीलामी सितबर में होगी. दस्तावेज के अनुसार लौह अयस्क ब्लाक के संदर्भ में स्पांजी, पिग आयरन, इस्पात और पेलेट्स (गोला) बनाने वाली अंतिम उपभोक्ता कंपनियां ही नीलामी में भाग ले सकेंगी. चूना पत्थर ब्लाक की नीलामी में राज्य के भीतर निजी खपत के लिये नये और पुराने सीमेंट कारखानें भाग ले सकते हैं. इससे पहले, केंद्र ने कहा था कि वह नीलामी से पूर्व सभी खनिज ब्लाक के मामले में पर्यावरण समेत सभी मंजूरी देने पर विचार कर रहा है. इससे नीलामी को गति मिलने की उम्मीद है.

BUSINESS LINE

DATE : 30/7/2018 P.N.13

Govt to auction 12 mineral blocks

New Delhi, July 29

The government plans to auction 12 mineral blocks, including eight iron ore mines, in the next two months, according to an official document. Of the 12 blocks, three are graphite blocks in Jharkhand, one is a limestone block in Andhra Pradesh and the remaining eight are iron ore mines in Karnataka, the document said. While the graphite and limestone blocks will be put up for auction next month, the remaining eight blocks would go under the hammer in September. With regard to the iron ore blocks, only the end-users engaged in the production of sponge, pig iron, steel and pellets will be eligible to take part in the auction, it said. PTI