खनिज समाचार

KHANIJ SAMACHAR

Vol. 5, No-14

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

The Central Library, IBM, Nagpur is providing the Classified Mineral News Service since many years on monthly basis in 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 officials made sincere efforts to make it successful. This is the **14th** issue of **Volume-5** for the service named **Khanij Samachar** for the period from **16th -31st July, 2021** .The previous issue of Khanij Samachar **Vol. 5, No.13 , 1st -15th July , 2021 is** already uploaded on IBM Website www.ibm.gov.in .

In continuation of this 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 on Pan India basis.

All are requested to give wide publicity to it and it will be highly appreciated if the valuable feedback is reciprocated to above email.

Mrs. R. S. Wakode
Assistant Library & Information Officer
Central Library
ibmcentrallibrary@gmail.com
0712-2562847
Ext. 1210 , 1206

खनिज समाचार

KHANIJ SAMACHAR

A FORTNIGHTLY NEWS CLIPPING SERVICE
FROM
CENTRAL LIBRARY
INDIAN BUREAU OF MINES

VOL. 5, NO-14 , 16th – 31st JULY , 2021

BUSINESS LINE DATE : 16/7/2021 P.N.2

AP allots 860 acres in Nellore to Jindal Steel for integrated plant

The facility will be set up at a cost of ₹7,500 crore

V RISHI KUMAR
Hyderabad, July 15

Jindal Steel Andhra, part of the OP Jindal Group, has been allotted 860 acres of land in Thamminapatnam of SPSR Nellore district of Andhra Pradesh for setting up a ₹7,500 crore, 2.25 metric tonnes per year (MTPA) integrated steel plant.

The Industries and Commerce Department, in a government order, allotted the land to Jindal Steel & Power., Gurgaon.

JSPL plant expects to employ 2,500 people directly, 15,000 people indirectly over a period of four years

The Andhra Pradesh Industrial Infrastructure Corporation (APIIC) was directed to cancel the land allotment made in favour of Kinneta Power and allot the land for the proposed steel plant. The land was cancelled as Kinneta Power could not implement a coal-based thermal power project at the APIIC allocated land.

Proposed plant will make TMT bars and wire rods

Job creation

Jindal Steel & Power proposes to set up the plant for manufacturing of TMT bars and wire rods.

It expects to provide employment to 2,500 people directly while it plans to employ 15,000 people indirectly over a period of four years.

The group has dominant presence in steel, power, mining and infrastructure sectors with a total steel production of 11.6 MTPA and has expertise in running integrated steel plants in Odisha, Chhattisgarh and Jharkhand.

Approval

As per the Land allotment Policy, the proposal was approved by the Secretaries' Committee which was later approved by the State Investment Promotion Board (SIPB) chaired by Chief Minister YS Jagan Mohan Reddy on June 29, 2021 for allotment of land to JSPL, as per the rate fixed by the Price Fixation Committee of APIIC.

However, the developer is expected to bear the costs of relief and rehabilitation.

The APIIC, Mangalagiri, the nodal agency for land allocation to industries, has been asked to take necessary action accordingly and intimate the status of the progress of work done by the unit from time to time to the government.

BUSINESS LINE DATE : 16/7/2021 P.N.3

Steel companies seek quality control

Make quality certification mandatory: ISA

SURESH P IYENGAR

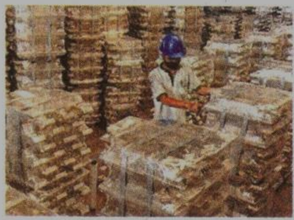
Mumbai, July 15

The Indian Steel Association (ISA) has urged the government to enforce quality control order for tin-mill steel imports.

In a submission to the Ministry of Steel, the Association said the quality certification should be made mandatory as tin steel is used for critical applications such as food, oil packaging, paint, aerosols and battery jackets. "Despite being among 145 out of 193 steel products that are included in QCO, tin-mill steel standards are still awaiting enforcement," it added.

Hamper investments

India has been a dumping ground for over 1.5 million



India has been a dumping ground for over 1.5 m tonnes of non-prime tin-mill steel

tonnes of non-prime tin-mill steel leading to closure of production facilities of reputed manufacturers, acting as a major deterrent for investments. Large-scale imports and non-enforcement of tinplate under the mandatory quality control order will hamper future investments being made under the PLI scheme, it said.

Tinplate and tin-free steel are one of the top value-added products and recyclable packaging solution to replace plastic. India has a tin plate capacity of 7.40 lakh tonnes against overall demand of about 6 lakh tonnes. Another 2.90 lakh tonne of new capacity is being added this fiscal, taking overall installed capacity to over 10 lakh tonne. Despite the growing domestic market, capacity utilisation of tin-mills was at 70 per cent even after exporting 15-20 per cent of domestic production.

About 70-75 per cent of tin steel is used for food packagings such as edible oil, ghee, baby food, canned fruits and vegetables, beverages, and many other food products. Developed economies have identified India as one of the major dumping destinations to salvage their defective steel, exploiting and managing the loopholes in the respective product standards, at the cost of safety and health of Indian consumers at large, said ISA.

THE ECONOMIC TIMES DATE : 18/7/2021 P.N.4

Back to the Gold Standard

There were almost no takers for jewellery as the pandemic ravaged India, but a recovery is in sight. Jewellers are pinning their hopes on the upcoming wedding and festive seasons

Varuni Khosla

At KS Durlabhji, a high-end jewellery store in Jaipur's upmarket C-Scheme, business is steadily picking up after the second wave of Covid1-9 knocked precious jewellery out of the consideration set — partially because of tightened finances and the drastic reduction in the size of weddings.

But Ruchi Durlabhji, partner at the iconic Jaipur store, says that sentiment is improving. Some of her clients have, in the last week alone, picked up a Ganesha gold pendant, diamond wedding bands, an emerald and diamond wedding ring, and polki rings. Durlabhji, who says business is still inching towards its 2019 level, is confident of a bounce-back soon.

In the last quarter of 2020-21, India's gold consumption was up 37% to 140 tonnes over the same period in 2020, just before the first lockdown. But for many sellers what was to follow was another death knell. The second wave dried up business, and even as it waned, higher gold prices put a damper on any possible recovery.

In June this year, gold prices hovered around the ₹49,000 mark for 10 grams of 24 carat gold and dropped only slightly in July to around ₹47,850. There has been about an 18% increase in price since January and February 2020, for instance, before the pandemic hit, when gold was pegged at about ₹39,200 and ₹41,750 respectively. To account for these fluctuations, website Candere by Kalyan Jewellers has pushed a new installment scheme, 'Double Gold Rate Protection, where it protects customers from any surges in price once they sign up for the scheme.

However, jewellers are much more hopeful now. "We have done wedding rings and jewellery, anniversary and birthday gifts, gifts for newborns etc. People have started investing in jewellery, diamonds and gemstones again," says Durlabhji.

The January-March period also coincided with the wedding season in India, but a surge in Covid-19 cases due to new variants significantly impacted key markets across the world, including India, according to the World Gold Council.

Currently, gold jewellery demand entirely depends on whether a third wave will happen or not. World Gold Council India MD Somasundaram PR says, "We know by now that Covid isn't going away. But by September, there will be a strong spike in demand even when prices remain volatile." That's when the next wedding season will begin. "Buyers who will be sitting on the fence will convert," he says.

For many organised players, the story has been no different.

For the quarter ended June 30, Titan said in a report that its jewellery division of Tanishq and Zoya grew by 107% (excluding bullion sales), compared with last year but this was primarily because of almost zero sales in April last year. May was a washout in 2020 as well as 2021 — revenue contributions for April, May and June in 2021 were about 50%, 10% and 40% respectively. Titan spokespersons were unavailable for comment for this story.

"I would term this as neutral business, which is just about 10-15% up from what we usually do in this period. A lot of people are fearful of spending and the luxury

THE ECONOMIC TIMES DATE : 18/7/2021 P.N.3

Switzerland Accounts for Half of India's Gold Imports in FY21

Gold imports from European country stand at $16.3 b during the fiscal; India is the world's second-largest consumer of yellow metal after China

Kirtika.Suneja@timesgroup.com

New Delhi: Swiss gold accounted for almost half of India's imports of the yellow metal, at $16.3 billion, in 2020-21. India imported gold worth $34.6 billion last fiscal against $28.2 billion in the previous year despite the raging Covid-19 pandemic.

Among India's top 10 import partners, inbound shipments increased from Switzerland only in the last fiscal, up 7.8% to $18.2 billion, led by gold. Moreover, the European country replaced Saudi Arabia to become the fourth-largest import partner of India while the West Asian country fell a rank.

Total imports from China fell 0.07% to $65.21 billion but the country remained India's top source of shipments, followed by the US and the UAE. Germany entered the top 10 list of India's import sources in the last fiscal, replacing Indonesia.

India is the world's second largest consumer of gold after China.

"Switzerland is the largest gold refining centre and transit hub in the world, and imports have been increasing from there for quite some time for this reason," said an official, who did not wish to be identified. Last year, India imported gold worth $4.19 billion from the UAE, followed by South Africa at $2.5 billion. Unwrought forms of gold including bars, gold plated with platinum or in semi manufactured forms and powder forms were the key items that India imported.

"Best gold refineries of the world are there in Switzerland with the finest quality gold and consumers prefer buying Swiss gold than that from other countries," said an official of the Gems & Jewellery Export Promotion Council, requesting not to be identified.

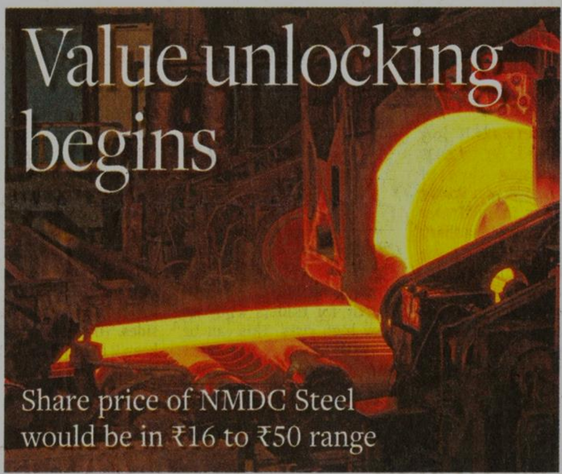
The government reduced the import duty on the yellow metal to 10% from 12.5%, including 7.5% customs duty and a 2.5% agriculture infrastructure and development cess.

In the first quarter of this financial year, India's gold imports rose a whopping 1046.7% to $7.8 billion, data released by the commerce and industry ministry showed. Gold is the second largest product in India's import basket, with about 8.8% share.

BUSINESS LINE DATE : 18/7/2021 P.N.5

MINING **NMDC ₹178.60**

SATYA SONTANAM
BL Research Bureau



Within a week of completion of offer for sale (OFS), NMDC announced the board's approval to demerge its yet-to-be-commissioned steel plant at Nagarnar in Chattishgarh state. The demerger plan is not something new. The Cabinet Committee on Economic Affairs, in October 2020, already had given its approval to the demerger of steel plant, as well as, strategic divestment by the government of its stake in the steel business.

The board's approval begins the formal demerger process, which is considered a value unlocking move for NMDC. The capex already spent by NMDC on the steel plant is about ₹18,500 crore, with the total capex plan at ₹21,300 crore.

Currently, NMDC's 3-million tonne capacity steel plant is a part of NMDC and would now need further approvals from the NCLT and the exchanges for the demerger. Post demerger, NMDC Steel would be separately listed on the exchanges.

Since our 'accumulate' call on NMDC in December 2020, the stock has gone up by 54 per cent to Rs 178 per share. Value unlocking from demerged steel business could provide some margin of safety to NMDC's current price in case of a reversal in the commodity cycle and thus, existing investors with long term perspective can continue holding the stock.

Demerger process

As part of the demerger process, NMDC will issue to its shareholders (as of the record date of demerger - yet to be determined) 1 share of NMDC Steel for each share held by them in NMDC.

Thus, NMDC Steel's shareholding pattern will mirror the shareholding pattern of NMDC once the demerger scheme becomes effective and NMDC inevestors will own shares seperately in the mining business (NMDC) and the steel business (NMDC Steel) in lieu of their holding in combined NMDC (mining and steel).

Meanwhile, investments held by NMDC in NMDC Steel will be cancelled. Note that there will be no change in the shareholding pattern of NMDC as a consequence of the scheme.

Impact on NMDC

NMDC, in 2001, announced its plans to construct the steel plant with a view to expand into forward integration. Now, the company believes, and rightly so, that the demerger will add more value to its shareholders. NMDC thus far has funded the steel plant capex through internal accruals shifting the focus to an extent towards steel plant.

Further, the ramp up process of a steel plant can take at least a year, and there could be material costs and losses initially, which may impact the profits of the iron ore business.

Also, NMDC doesn't have any experience in running a steel business which may hinder realisations and profitability.

Hence, merger gives an opportunity for NMDC to focus back on the organic, high returns-iron ore business. The success of the steel business depends on the new independent managment/board and the prospects of the industry going ahead.

Any supply of iron ore to the steel plant, in the future, would be at arm's length pricing and provides some business to NMDC.

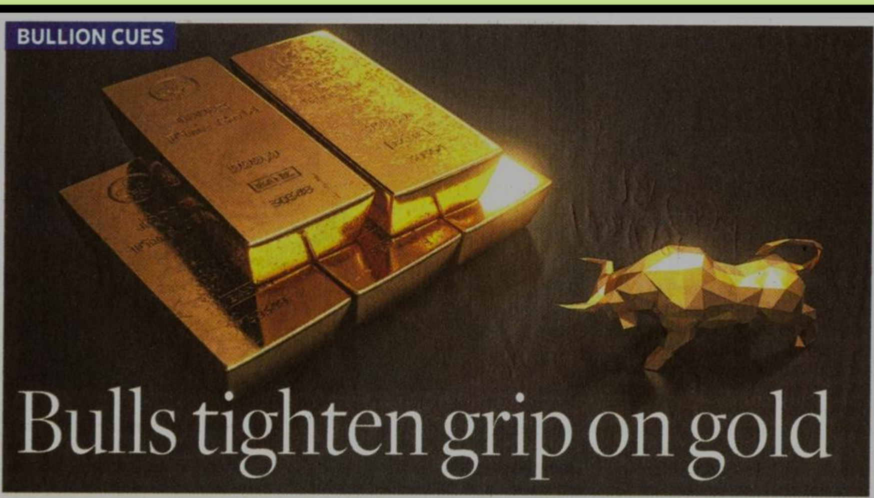
Valuations

The steel plant would have a flat steel production capacity of 3 mtpa and its product mix comprises of HRC, HR plates, pipes, cylinders, and auto grade sheets. Based on the capital work-in-progress of about ₹18,500 crore for steel business, the book value of the NMDC Steel comes to almost ₹60 per share . Considering the P/B valuation of about 0.25-0.8 (based on P/B valuations of steel PSU, SAIL in the last decade) , the share price of NMDC Steel would be in the range of ₹16 to almost ₹50 per share.

The value of steel business improves with commissioning, and when the government finds a suitable partner for the steel business. The management believes the steel plant demerger process is likely to be completed FY22 end. Delay in commissioning can create valuation overhang.

At the current market price, on the basis of forward estimates of earnings for the current fiscal, NMDC trades at about 5 times versus a three-year average of 7.6 times. While the current valuations look cheap compared to its historical average and the decent outlook in the current industry environment, risks in case of any downturn in the commodities cycle needs to be factored. Also after factoring additional premium to be paid by NMDC on iron ore sales from this year and some uncertainty on the timing of steel plant commissioning, the risk reward appears balanced with the value of to-be demerged steel business providing some margin of safety.

BULLION CUES



Bulls tighten grip on gold

GETTY IMAGES/ISTOCKPHOTO

KEY LEVEL

The MCX-Gold contract faces 200-DMA resistance at around ₹48,520 but it will most likely rally past this level

Silver continues to lag and the trend remains unclear

AKHIL NALLAMUTHU
BL Research Bureau

The World Gold Council (WGC) in its mid-year outlook has said gold is heavily influenced by interest rate movements. Increase in rates can create headwinds for the yellow metal. However, the report added that central banks can be cautious and even as there are risks, there are also opportunities. Gold could have upside potential from new variants of coronavirus, an accelerated economic recovery, or inflation. As investors have added more risk to their portfolios due to the ultra-low interest rate environment, they have a case for adding gold for downside protection and diversification. The report also shows that momentum has been the biggest driver in June quarter.

Momentum can sustain given that the net long positions for gold in the COMEX are showing signs of improvement this month. The net longs had declined in June after rising in the preceding two months. The Commitment of Traders (COT) report published by the Commodity Futures Trading Commission (CFTC) shows that net longs in July stood at 612 tonnes compared to 632 tonnes in June. Given bullish inclinations, net long positions can improve considerably in the latter half of this month.

From the perspective of weekly change in price, gold ended the week marginally higher whereas silver closed lower. Gold posted a minor gain of 0.3 per cent each in terms of dollar and rupee as it closed at $1,812.2 (per ounce) and at ₹48,053 (per 10 grams) (August futures). Silver ended the week at $25.67 (per ounce) and at ₹68,319 (per one kg) (September futures) in terms of dollar and rupee, respectively, losing about 1.5 per cent each.

MCX-Gold (₹48,053)

Gold futures, which slowed down after facing an obstacle at ₹48,000, managed to breach this level last week and closed at ₹48,053 on Friday. Although it began the week on a weak note, the contract took support of ₹47,500 and turned upwards. In subsequent sessions, the contract gradually gained and moved beyond ₹48,000 as well as the 50-day moving average and registered a fresh monthly high of ₹48,501 on Thursday. The contract appears bullish, and is likely to appreciate further.

Reinforcing bullish undertones, the daily relative strength index (RSI) has moved above the mid-point level of 50, a positive indication, and the moving average convergence divergence (MACD) on the daily chart is on the verge of entering bullish territory from the neutral region. The contract has closed in the green for four consecutive weeks and the weekly chart shows that it has formed a higher base in price range of ₹46,500 and ₹47,000, which can be an indication that the bulls are taking control. But the number of outstanding open interest (OI) of all active futures contracts dropped to 14,637 from 15,015 over the past week, a sign of caution. Unless the contract falls below ₹46,500, the trend for the rest of the year will show upward inclination.

The contract faces 200-DMA resistance at around ₹48,520. Nevertheless, considering the prevailing price action, the contract will most likely rally past this level and test the next resistance at ₹49,300 and it can even touch the critical level of ₹50,000. Hence, traders can consider going long in futures. But in case the uptrend loses traction and sellers capitalise on it and drag the contract below ₹48,000, it might decline to the support band of ₹47,250 and ₹47,500, where 21-DMA coincides. Chances of this support being breached are low.

MCX-Silver (₹68,319)

The underperformance of silver continues as it struggles to find direction and continues to trade sideways. It was held within the price levels of ₹67,700 and ₹70,000. Despite the futures charting a sideways trend at broader level, it lost about 1.5 per cent last week accompanied by an increase in the number of outstanding OI of all active futures contracts – to 13,314 on Friday compared to 11,116 before a week back. Though this is a bearish signal, the next swing in price will be unclear until the contract continues to remain within the range.

The contract carries a negative bias which can be observed on the charts as well. Indicators – the RSI and the MACD – though has remained flat since past couple of weeks, they stay in their respective bearish zones. The average directional index (ADX) shows that bears have more strength.

Thus, traders are recommended to stay on the sidelines until the futures either break ₹67,700 or ₹70,000. A clear breakout of ₹70,000 can induce substantial positive momentum and consequently, the contract can be expected to ease past the immediate hurdle at ₹71,300 and touch ₹72,000. Above this level, the price could rally to ₹73,000. On the other hand, if the contract slips below the crucial support of ₹67,700, the short-term trend can turn weak. Below this support, the sell-off can intensify and the contract can decline to ₹65,000.

Scan & Share

THE ECONOMIC TIMES DATE : 19/7/2021 P.N.7

Steel Cos for Easing GST Burden on Scrap Metal Used as Input

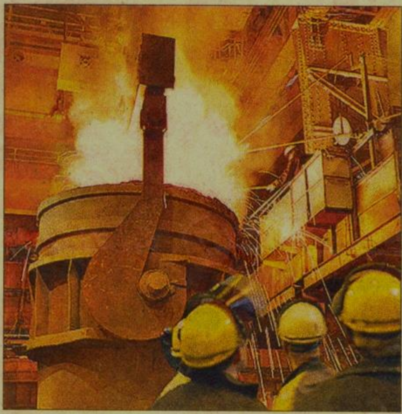
Our Bureau

New Delhi: After increased scrutiny by GST authorities, steel companies that use scrap metal as input have suggested removal of tax on sale of the raw material between dealers and imposition of the levy on its sale to manufacturers under reverse charge mechanism.

The All India Induction Furnaces Association, which represents 35% of the country's steel production capacity, has petitioned the finance ministry on the rampant action by intelligence bodies and the need for correcting the tax framework.

The representation follows the rise in instances of GST (goods and services tax) authorities unearthing fraudulent input tax credits. An industry executive said that despite taking all precautions--such as matching of invoices with details in the form GSTR-2A, actual receipt of goods, and possession of tax invoice--the credits claimed by the manufacturers have been disputed by the field formations.

Also, in multiple cases, field formations have instructed manufacturers to not receive goods from suspicious dealers, which the industry says is leading to significant disruption in the supply chain and production plans of steel manufacturers.



One of the options suggested by the association in a representation, reviewed by ET, includes exempting sale of metal scrap between scrap dealers and imposition of tax under reverse charge mechanism on sales to manufacturers, who can pay GST and claim input tax credit.

"The rationale behind this option is that all metal scrap eventually ends up with manufactures only (since there is no alternate usage of scrap), and, therefore, GST liability can be fastened on these manufacturers," said another industry executive.

The industry body has also suggested rationalising GST rate on metal scrap to 5% from the existing 18%, with all other kind of scrap--such as plastic, rubber and wood--already being in that bracket.

"The steel scrap recycling industry is struggling under GST, given the trust deficit between the government and the industry," said Sudhir Goyal, member, All India Induction Furnaces Association. "A leap of faith in the form of rate rationalisation on metal scrap will go a long way in supporting and simulating the industry."

One of the executives cited earlier said, "It is only fair to reduce the GST rate on metal scrap as well to 5% to bring all kinds of scrap at a uniform rate. This also reduces the scope for tax evaders to indulge into fraudulent practices."

DAINIK BHASKAR DATE : 20/7/2021 P.N.12

राजस्थान में बड़ा घोटाला • खनिजों की श्रेणी बदलकर हुआ 'खेल'

लाइम स्टोन को मार्बल बता 1,000 करोड़ रु. की माइंस 5 करोड़ में दे दी

प्रेम प्रताप सिंह/हर्ष खटाना | जयपुर

राजस्थान में खनन विभाग में बड़े घोटाले का खुलासा हुआ है। इसमें लाइमस्टोन की माइंस (खदान) को मार्बल श्रेणी में बदलकर आरडीएसए माइनिंग को आवंटित कर दिया गया, जिससे करीब एक हजार करोड़ रु. के राजस्व के नुकसान का अनुमान है। विभाग ने प्रतापगढ़ के पिपलखूंट के दांता में 74.249 हेक्टेयर और केला-मेला में 10.4162 हेक्टेयर क्षेत्रफल में लाइमस्टोन यानी सीमेंट की श्रेणी बदलकर मार्बल कर दी और दोनों ब्लॉक आरडीएसए माइनिंग को आवंटित कर दिए। हालांकि अतिरिक्त मुख्य सचिव सुबोध अग्रवाल का कहना है कि कोई गड़बड़ी नहीं हुई।

5 बिंदुओं में जानिए घोटाले की पूरी कथा

1 1983-85 के बीच का सर्वे कहता है कि इन दोनों ब्लॉक में लाइम स्टोन है। फरवरी 2020 को दूसरी कमेटी ने कहा कि यहां मार्बल है और आवंटन कर दिए गए

2 दोनों ब्लॉक में 11.4 करोड़ टन लाइमस्टोन होने का अनुमान है। बोली एक हजार करोड़ तक जाती। पर मार्बल में 4-5 करोड़ रु. ही जमा करने पड़ते हैं।

3 कंपनी विशेष को फायदा पहुंचाने के लिए यह शर्त भी नहीं जोड़ी गई है कि निकलने वाले मिनरल का उपयोग सीमेंट कंपनी के लिए ही किया जाएगा। दिलचस्प यह भी है कि इन दोनों ब्लॉक के आसपास एक भी मार्बल की खदान ही नहीं है।

4 तर्क है कि मार्बल में 70% रिकवरी होगी और अधिक रॉयल्टी मिलेगी। पर सूबे में जितनी भी मार्बल माइंस हैं, उनसे 25 से 30% ही रिकवरी हो पाती है।

5 जैसे ही सुबोध अग्रवाल जूनियर सीएस के अंडर में काम करने के लिए विभाग में आए प्रतापगढ़ ब्लॉक व राकेश मोरदिया की फाइलें सरपट दौड़ पड़ीं।

THE HITAVADA DATE : 21/7/2021 P.N.4

DRDO indigenously develops high-strength beta Titanium alloy for aerospace applications

NEW DELHI, July 20 (PTI)

THE Defence Research and Development Organisation has indigenously developed a high-strength beta titanium alloy for manufacturing intricate components for aerospace applications, the Defence Ministry said on Tuesday.

"Some of the components which may be forged from this alloy include slat/flap tracks, landing gear and drop link in landing gear – among several others," the Ministry said. The excellent forgeability and high strength-to-weight ratio of the beta titanium alloy facilitates manufacture of intricately configured components for aerospace applications with potential for significant weight savings, it noted.

Their relatively lower lifetime cost, owing to superior corrosion resistance in comparison to steels, is an effective trade-off to justify the use of this expensive material in India too, the ministry said. The beta titanium alloy, which contains vanadium, iron and aluminium along with titanium, is used by many developed nations as a substitute for the "relatively heavier traditional Ni-Cr-Mo structural steels to achieve weight savings", it said.

Defence Minister Rajnath Singh on Tuesday congratulated the DRDO and the industry for indigenous development of the beta titanium alloy.

BUSINESS LINE DATE : 21/7/2021 P.N.6

Copper may fall below ₹700

AKHIL NALLAMUTHU
BL Research Bureau

Copper, one of the best performing commodities last year, continued to gain in 2021. However, since May, the metal has started to show signs of weakness. As a result, the continuous futures contract of copper on the Multi Commodity Exchange (MCX) has been on a downswing since mid-May after peaking at ₹812. Although the year-to-date performance is still positive, the contract, currently hovering around ₹715, has corrected to 38.2 per cent Fibonacci retracement level of the prior rally.

Looking at the price action on the daily chart, the futures has been registering lower highs and lower lows for the past couple of months. Notably though, a month ago, the contract made a low of ₹690 and recovered slightly. Nevertheless, it was unable to rally past the ₹736 resistance mark. It is largely fluctuating between ₹715 and ₹736. Though the price action appears flat, the bias is bearish until the contract remains below the resistance at ₹736. Bearish inclination is also shown by indicators such as the relative strength index (RSI) and the moving average convergence divergence (MACD) on the daily chart. While the RSI lies in the negative zone, the MACD is on the verge of turning its trajectory to the downside. Also, prolonged consolidation below ₹736 will increase the likelihood of bears taking control. Hence, traders can be bearish and short the copper futures with stop-loss at ₹736. It is likely to go below ₹700 and touch ₹675 in the near-term.

BUSINESS LINE DATE : 22/7/2021 P.N.8

Silver may continue to get support from green tech

Despite falling 15% since Feb, long-term prospects for the metal are good: Analysts

SUBRAMANI RA MANCOMBU
Chennai, July 21

Silver will likely continue to draw support from green technologies worldwide, though they have dropped over 15 per cent from the eight-year high witnessed in February this year.

Silver, which has dropped 4.65 per cent since the beginning of this year, is currently quoted at $25.12 an ounce.

"Unprecedented investor interest" in early February saw silver topping $30 a tonne before finding its levels.

The white precious metal hit a record $48 an ounce in 2011.

Under pressure

In India, spot prices topped ₹73,000 a kg then, while futures on MCX zoomed to ₹73,666 a kg. On Tuesday, spot prices ruled at ₹66,980, while September contracts ended at ₹66,597 a kg.

Silver has been under pressure since February on a surge in the Covid pandemic and concerns over recovery of the economy that can impact the precious metal's demand.

Analysts are unanimous in their view that silver's current fall is only for a short term and its long term prospects are good, particularly since the metal will find its use in various applications, including solar panels.

Silver is used in mobile phones, tablets, laptops, medical devices, industrial devices and automotive applications, besides solar panels. It has other uses, too, such as in the power industry.

According to the Silver Institute, the industry's voice, silver supply this year is likely to increase eight per cent with mine production also rising by a similar margin to 848.5 million ounces (moz) from 784.4 moz last year.

Favoured over gold

On the other hand, demand for the precious metal is set to rise by 15 per cent this year to 1,033 moz with industrial offtake alone estimated eight per cent higher at 524 moz.

Among industrial uses, photovoltaics use is expected to be 10 per cent of the total consumption at 105 moz, up four per cent from last year.

The market balance has been projected 71 per cent lower at 23.3 moz by the institute.

Physical investment demand for the white metal this year is expected to be 26 per cent higher than last year at 252.8 moz.

Bank of America, in its note for commodity investors, said that it favoured silver over gold as an investment strategy due to this reason.

Inflation could be an additional support for investment in silver as an asset as it continues to be a safe-haven investment, said Mohit Oberoi, writing in *Market Realist*.

Silver demand-supply balance

	2019	2020	2021*
Mine output	833.2	784.4	848.5
Total supply	1,018.7	976.2	1,056.3
PV demand	98.7	101	105.0
Investment offtake	185.7	200.5	252.8
Total demand	995.4	896.1	1,033.0
Market balance	23.3	80.1	23.3

Figures in million ounces *Forecast Source: Silver Institute

Haven investment

Silver remains a haven investment, too, with a record 36,706 tonnes being physically held in London vaults as of the end of June, he said, quoting the London Bullion Market Association.

Heraeus Precious Metals, in its appraisal of the sector, said a surge in raw material prices of photovoltaic (PV) modules has resulted in solar panel turning costlier and the high cost could weigh on demand for silver.

The long-term trend for silver demand in PV modules is robust as deployment of solar energy is growing.

A factor that could now come into play with regard to silver demand for PV modules is the drop in the percentage of the use in the precious metal.

In his outlook for the precious metal last year, Goldman Sachs analyst Mikhail Sprogis said that new solar panels contained 25 per cent less silver than the older ones and this could limit the growth of the white metal. Its use will not be eliminated, though.

Price forecasts

The Silver Institute has forecast silver prices to average at $27.30 an ounce against $20.55 last year.

US multinational investment bank JP Morgan has forecast silver to average at $26.5, while another Bank of America sees the metal averaging at $29.28 an ounce.

Earlier this year, a discussion among investors on "The biggest short squeeze in the world" on Reddit's Wall Street Bets group resulted in Blackrock iShares Silver Trust recording $944 million inflow on January 29.

The #silversqueeze followed a run on stocks such as Gamestop, Blackberry and AMC Entertainment on Robinhood app.

Silver surged as investors alleged that "big banks" were artificially suppressing the precious metal's price.

Cabinet Okays ₹6,322-Cr PLI Scheme to Boost Specialty Steel Production

Incentives to be provided over 5 years, likely to create over 5.25 lakh jobs; will lead to capacity addition of 25 MT

Press Trust of India

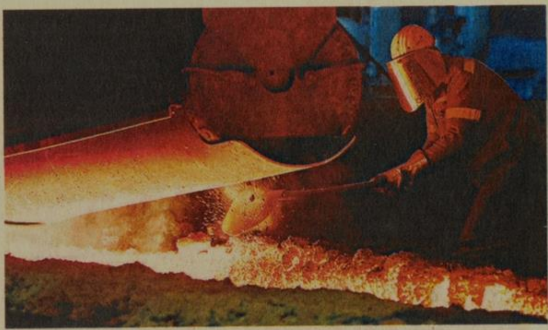
New Delhi: The government on Thursday approved a ₹6,322-crore production linked incentive (PLI) scheme to boost production of specialty steel in India.

A decision in this regard was taken during the meeting of the Union Cabinet chaired by Prime Minister Narendra Modi, Information and Broadcasting Minister Anurag Thakur informed.

He said that incentives worth Rs 6,322 crore will be provided over five years and it would create over 5.25 lakh jobs. "It will boost manufacturing and help in reducing imports," he told reporters.

In a statement, the Ministry of Steel said the scheme will also attract an additional investment of about Rs 40,000 crore and lead to a capacity addition of 25 million tonnes (MT).

The duration of the scheme will be five years, from 2023-24 to 2027-28.



The PLI scheme will cover coated/plated steel products, high strength/wear resistant steel, specialty rails, alloy steel products, steel wires and electrical steel.

These steel products are used in white goods, automobile body parts and components, pipes for transportation of oil and gas, boilers, ballistic and armour sheets meant for defence application, high-speed railway lines, turbine components, electrical steel meant for power transformers and electric vehicles.

INCENTIVISING OUTPUT

The scheme proposes to encourage eligible manufacturers by paying 4-12% incentive on incremental production

The Steel Ministry further said India presently operates at the lower end of the value chain in steel sector. Value added steel grades are largely imported in India.

"This is because of the disabilities faced by the steel industry to the tune of $80-100 per tonne, on account of higher logistics and infra cost, higher power and capital cost and, taxes and duties."

The objective of the PLI scheme for specialty grade steel is to address this challenge by incentivising production of specialty steel within the country, it said.

The scheme proposes to incentivise eligible manufacturers by paying between 4 per cent to 12 per cent incentive on incremental production.

PLI incentive will also help the Indian steel industry mature in terms of technology and move up the value chain, the ministry said.

Any company registered in India, engaged in manufacturing of the identified 'specialty steel' grades, will be eligible to participate in the scheme, according to the Steel Ministry.

The company has to ensure that the steel used for making 'specialty steel' is 'melted and poured' in the country, thereby ensuring end-to-end manufacturing keeping in view the Prime Minister's Atmanirbhar Bharat' vision.

BUSINESS LINE DATE : 24/7/2021 P.N.2

JSW Steel records highest-ever profit of ₹5,900 crore in Q1

Better realisation, higher output boost performance

OUR BUREAU

Mumbai, July 23

Sajjan Jindal-led JSW Steel has recorded the highest-ever profit of ₹5,900 crore in the June quarter, against a net loss of ₹582 crore in the same period last year, largely due to higher production and better realisation.

Gross sales jumped to ₹28,432 crore (₹11,454 crore). The company recorded ₹315 crore as share of profit from investment in its subsidiary Piombino Steel which acquired Bhushan Power and Steel in March.

Crude steel production was up 39 per cent at 4.10 million tonnes (2.96 mt) while sales increased 29 per cent to 3.61 mt (2.80 mt).

However, on a sequential basis both production and sales were down two per cent and 11 per cent respectively on back of slowing demand.

Fresh investment

JSW Steel will invest ₹750 crore in the promoters-owned JSW Paints in four tranches over next four fiscals. In the first tranche, it had invested ₹300 crore to acquire 6.88 per cent equity shares in the company.

The group captive scheme allows a waiver of the cross-subsidy surcharge and requires the buyer to hold 26 per cent equity in the power supplier.

Oxygen diversion

The average capacity utilisation at 91 per cent in the quarter was down marginally by 2 per cent compared to the March quarter due to diversion of oxygen for medical purposes, the company said.

JSW Steel registered highest-ever EBITDA of ₹9,491 crore, an increase of 18 per cent quarter-on-quarter primarily due to higher realisations which was partially offset by an increase in raw material cost, especially that of iron ore and coal.

The company expects to double Dolvi capacity to 10 mtpa by September quarter. Of the planned capex of ₹18,240 crore in this fiscal, the company has spent ₹2,688 crore.

THE ECONOMIC TIMES DATE : 24/7/2021 P.N.6

JSW Steel to Invest Rs 750 cr in Paints Venture, Eyes Synergies

Our Bureau

Mumbai: JSW Steel plans to invest around Rs 750 crore in JSW Paints in tranches over the next three years.

"In the first tranche of the strategic investment, the company will invest around Rs 300 crore and subscribe to equity shares equivalent to approximately 6.88% of the issued and paid-up equity capital of JSW Paints during Q2 of FY 22," JSW Steel said while announcing its June quarter earnings.

JSW Steel has been investing and expanding capacities in its coated business both organically as well as inorganically. Additional colour coating lines are being commissioned at Vasind, Kalmeshwar, Vijayanagar and Srinagar.

"The paint companies in India have limited expansion plans in coil coatings that are consumed by the company's colour coating business. It is important for JSW Steel to strategically secure coil coating supplies for colour coated steel, which is a profitable downstream value-added product," the company said.

Many of the paint retailers can be potential retailers for JSW Steel coated products enhancing the retail footprint for steel products, the company said.

"JSW Paints approached the company for an equity investment...Overall, this investment will be a very good strategic fit for JSW Steel - from jointly innovating, securing supplies, to having a strong competitive advantage," said JSW Steel in a statement.

JSW Steel announced a CAPEX plan of Rs 25,115 crore for the next three years and it recently acquired Asian Colour Coated Ispat in October 2020 for Rs 1,550 crore.

"...The CAPEX will help us set up a state-of-the-art colour-coated facility in Jammu & Kashmir to support local demand and development in the state," said the group's chairman Sajjan Jindal in the company's latest annual report.

THE ECONOMIC TIMES
DATE : 24/7/2021 P.N.4

JSW Steel Posts Highest-ever Quarterly Net Profit at ₹5.9k cr

Our Bureau

Mumbai: Steelmaker JSW Steel has reported the highest-ever quarterly net profit of ₹5,900 crore in the April-June period, against a loss of ₹554 crore in the same period last year.

The company posted a net profit of ₹4,191 crore in the previous quarter.

"The government continues to focus on manufacturing, with the continued rollout of the PLI scheme for various sectors, including speciality steel. Construction and infrastructure activities are expected to gain momentum in H2 FY22," the company said in a statement on Friday.

Revenue from operations more than doubled to ₹28,902 crore in the quarter

Revenue from operations more than doubled to ₹28,902 crore against ₹11,782 crore in the year-ago period. JSW Steel's total expenses were at ₹20,804 crore, up 66% year-on-year.

JSW Steel reported the highest-ever quarterly operating earnings before interest, taxes, depreciation and amortisation (Ebitda) at ₹10,274 crore, with an Ebitda margin of 35.5%.

"During the quarter, the joint venture's operations, mainly Bhushan Power & Steel and JSW Ispat Special Products, performed satisfactorily. The share of profit from JVs for the quarter stood at ₹323 crore," the company said.

The company spent ₹2,688 crore on capital expenditure, against a total planned capex spend of ₹18,240 crore for FY22. JSW Steel's 5 mtpa expansion at Dolvi was commissioned. "Completion work pertaining to the blast furnace and steel melt shop is ongoing and fully integrated operations are expected to commence from September," the firm said. "Other expansion projects at Vijayanagar, Vasind and Tarapur are progressing well."

BUSINESS LINE DATE : 25/7/2021 P.N.8

Gold-Silver ratio

AKHIL NALLAMUTHU
BL Research Bureau

Gold-silver ratio, also referred to as mint ratio, is the relative value of gold with respect to that of silver. In simple terms, the ratio is calculated by dividing the price of gold by the price of equal quantity of silver. Suppose the price of per ounce of gold is $1,800 and the price of per ounce of silver is $25, the ratio will be 72 i.e., $1,800 divided by $25. That is, with one ounce of gold, you can purchase 72 ounces of silver. This ratio can vary every day as the price of gold and silver continues to fluctuate. If gold outperforms silver, the ratio will go up and vice-versa. Since it captures the relative value, the ratio can vary even if gold and silver move in the same direction.

The reason for us to look into the ratio is that it can provide a clue as to which among the two precious metals is likely to perform better going forward. For instance, the ratio is currently at around 72 and historically it is near the base of 64, which is the lowest since 2014. While 80 to 84 has been the highest levels for most part of the last decade, the ratio skyrocketed to 117 in March 2020 as gold price zoomed. But as gold underperformed silver, the ratio gradually declined towards current level of 72. So, now the ratio is near the base levels and has more room on the upside, and this means, gold can outperform silver.

Though it can be a good tool to decide to go overweight on gold or silver, do note that the ratio may remain at extreme levels for a prolonged period of time. Thus, it should not be used in isolation.

BUSINESS LINE DATE : 25/7/2021 P.N.8

Gold inching towards consolidation

Surrendering to bearish pressure, silver breaks key base

AKHIL NALLAMUTHU
BL Research Bureau

Gold, which has been gaining this past month, faced selling pressure and posted a loss for the first time in five weeks. Silver continued its decline for third straight week.

That said, the recent report by the World Gold Council (WGC) says that the retail demand in India improved in June as lockdowns eased across states. Jewellery demand improved and so did investment demand. The subdued price attracted more Indian investors to gold, which is evident from 1 tonne demand for gold ETFs in June. Total holdings increased to 34.2 tonnes, the highest since September 2013. Besides, the accumulation of gold by the Reserve Bank of India (RBI) continued as the central bank added 9.4 tonnes, taking its gold holding to 705.6 tonnes, as per WGC.

Imports at 15.8 tonnes remain well below the five-year June average of 41.8 tonnes. Nevertheless, if the jewellery demand and ETF inflows continue it can put upward pressure on gold prices as India is one of the largest importers of the yellow metal. Gold ETFs in China too saw a healthy inflow of 2.1 tonnes in June, a positive development for gold.

But last week, both gold and silver were seen declining. While gold lost 0.5 per cent, silver lost 2 per cent to close the week at $1,801.3 per ounce and at $25.16 per ounce, respectively. Similarly, gold futures (August expiry) on the Multi Commodity Exchange (MCX) lost 1 per cent as it closed at ₹47,534 per 10 grams on Friday. Silver futures (September expiry) on the MCX fell by 1.9 per cent as it ended the week at ₹67,024 per kg.

ISTOCKPHOTO

MCX-Gold (₹47,534)

Having rallied over the past month, August expiry gold futures on the MCX faced the key barrier of 200-day moving average (DMA) at around ₹48,440. Reacting to the resistance, the bulls loosened their grip and consequently, the price started to move down as sellers stepped in. The decline continued throughout the week and now the price is below the 21-DMA. There are certain bearish indications popping up now. The relative strength index (RSI) has slipped into negative region and the average directional index (ADX) shows that the bears are at an advantage.

However, the contract has strong support at ₹47,000 below which ₹46,330 is a considerable support. The price band of ₹46,330 and ₹47,000 has been providing cushion for the contract since mid-April.

Thus, any decline cannot be categorised as downtrend until this price band holds. In fact, the contract may rebound from this price region. So, traders can wait and risk initiating fresh longs if the contract softens to these levels.

On the way up, the contract will face hindrance at ₹48,440, which can be the target for the longs.

But we should note that the price action on the daily chart hints at a possible consolidation phase with the lower and the upper boundaries possibly at ₹47,000 and ₹48,440 respectively.

Resistance above ₹48,440 is at ₹50,000 whereas support below ₹47,000 are at ₹46,330 and ₹45,000.

MCX-Silver (₹67,024)

Silver futures, that declined during the week before last week, managed to remain within the range of ₹67,700 and ₹70,000. However, the futures broke below the support of ₹67,700 on the first session of last week.

Even though it recouped some of its losses during the second half of the week after marking an intraweek low of ₹66,286, the contract fell short of closing the week above the support of ₹67,700.

So, there is a clear breakdown, and the contract can be expected to drop further in the upcoming week.

Affirming the bearish trend, the RSI and the MACD (moving average convergence divergence) indicators are showing a fresh downtick.

The ADX shows that the bears continue to have upper hand over the bears and the price is well below the 21-DMA, indicating good downward momentum.

On the daily chart, the price action – a down move followed by a consolidation and then a break down – is a bearish signal.

Nevertheless, the total number of outstanding OI of all active futures contract of silver on the MCX saw a drop to 13,265 as on Friday compared to 13,314 a week ago, hinting at possible loss in interest by sellers.

But as bearish factors outweigh bullish indications, traders can consider going short in silver futures.

The contract is highly likely to touch the important support of ₹65,000 in the coming days.

A clear breach of this level can drag the contract to ₹63,000. If buyers can push the price upwards of ₹67,700, the contract can retest the critical support at ₹70,000.

THE ECONOMIC TIMES DATE : 26/7/2021 P.N.10

Apollo Global, Synergy Fund may Invest ₹1,500 cr in JSW Cement

5-yr convertible instruments to give investors up to 19% in co valued at ₹8,750 cr, board seats

Bhavya Dilipkumar & Arijit Barman

Mumbai: Apollo Global Management is doubling down on Sajjan Jindal-led JSW Group, joining Synergy Metals Investments for a ₹1,500 crore capital raise in the conglomerate's cement business run by his son Parth, to fund its growth plans to become a 25 million tonnes scaled operations, said people in the know.

The capital raise coincides with an uptick in demand from real estate and construction after lockdown resulting in most cement stocks outperform the Nifty over the past month and past year.

Dubai-based Synergy Fund, spearheaded by Sudhir Maheshwari, a long-time Arcelor Mittal executive, had already sought clearance from the Competition Commission of India for acquiring an equity stake in JSW Cement and got its clearance under green channel route on July 15. Apollo is expected to sign its final agreement this coming week.

JSW Cement will be issuing compulsorily convertible preference shares (CCPS) to the two investors who are each putting in ₹750 crores at a post money valuation of around ₹8,500-₹8,750 crore. The CCPS have a 5-year maturity or can be converted into equity shares earlier at the time of the company's planned listing, scheduled in the next 18-24 months.

Upon conversion, the investors can own up to 19% of the company. They also get a board seat each.

JSW Cement is wholly owned by the Jindal family. The investments are seen as a precursor to the company's initial public listing that was originally planned for last year but got pushed due to the pandemic to the second half of 2022.

Building A Foundation

Cement foray: 2009

100% promoter group co

Uses slag (blast furnace by-product) as key raw material

JSW Cement current capacity: 14 MTPA

Footprint: Karnataka, Odisha, West Bengal, Maharashtra

Expansion plans: 25 MT by 2023-2024

Usage of funds: Clinker & grinding capacity expansions

IPO proposed: H2 CY2022

RECENT CEMENT DEALS

Goldman Sachs, Cerberus Industries $221 m junk bond investment in Kesoram Industries

Nuvoco-Emami Cement buyout for ₹5,500 cr	Shree Cement-Union Cement acquisition ₹1,945 cr
UltraTech-Binani Cement acquisition ₹7,900 cr	MP Birla Cement-Reliance Cement takeover ₹ 4,800 cr

In an earlier interaction, Parth Jindal, managing director of JSW Cement had said that the JSW Group was seeking growth equity from external sources to fund its latest round of expansions before the two businesses go public. The growth plans were to be equally funded through a combination of debt and internal accruals of ₹2,000 crore and ₹1,500 crore of private equity investments.

"Currently, we are in the market for a capital raise for our paints and cement businesses," Parth Jindal, managing director of the two companies, told ET. "Citibank has been appointed as the lead banker for JSW Cement and O3 Capital, a boutique investment bank, has been mandated with the fundraising for JSW Paints," he told ET in November last year.

In FY21, the company is expected to generate ₹850-880 crore Ebitda on the back of ₹4,000-₹4,500 crore of revenues.

JSW and Apollo declined to comment.

This will be the second investment for Apollo in JSW Group, one of the largest alternative asset managers in the world. In 2018, Apollo had teamed up with Jindal to acquire Monnet Ispat through the bankruptcy process. Apollo has already monetised 20% of its ₹500 crore investment in Monnet at a 3.5X return. The funds are expected to be used to expand JSW Cement's grinder and clinker capacity in east and south that will almost double its current 14 MTPA capacity.

The group entered the cement market in 2009 as it saw synergies with its core steel operations. It uses slag, a byproduct from the blast furnace, from steel plants to produce portland slag cement.

FOR FULL REPORT, GO TO www.economictimes.com

THE HINDU DATE : 26/7/2021 P.N.4

Heavy rain hits coal production

Average daily coal output falls by almost 50%

STAFF REPORTER
BHADRADRI-KOTHAGUDEM

Though heavy rain that battered the coal belt region of Telangana last week abated since Saturday, the recent spells of heavy downpour impeded coal production and overburden removal in almost all the opencast projects (OCPs) of Singareni Collieries Company Limited (SCCL) spread across six districts including Bhadradri-Kothagudem district.

The State-owned SCCL reportedly suffered a huge production loss to an extent of more than five lakh tonnes in all the 21 OCPs together in the company's 11 areas due to heavy rainfall in the coal belt region last week, sources said.

The average daily coal output fell by almost 50% from 1.90 lakh tonnes to little over 90,000 tonnes in the past five days, sources added. Excess rains took a heavy toll on overburden removal in the OCPs as rain water flooded sumps at the deep most points of the open cast coal mines in Kothagudem region.

The Manuguru area, which has a distinguished track record in meeting the set production targets, registered a significant drop in overburden removal to the extent of 50% daily in the past few days.

The Manuguru Area comprising the Manuguru OCP, the PKOC-IV and the PKOC-II has so far produced 41 lakh tonnes of coal as against the stipulated coal production target of 112 lakh tonnes in this financial year (2021-22).

The full-scale coal production in the OCPs is expected to resume in the next few days as intensive efforts are on to drain out the stagnant rain water that accumulated at various stretches of the open cast mines, SCCL sources said.

Dozens of high-capacity pumps and graders are being used to flush out the accumulated water and remove the slush to facilitate the full-scale coal production and overburden removal in the OCPs at the earliest. In pursuit of its annual production target of 70 million tonnes of coal for the current fiscal, the SCCL management has laid renewed focus on scaling up coal production to compensate for the loss of production suffered due to the COVID-19 pandemic during April and the recent spell of heavy rains.

THE HINDU DATE : 27/7/2021 P.N.14

Commodity prices boosting exports' value: Moody's arm

'Modest fiscal support to SMEs, low-income groups may cause deep scarring'

SPECIAL CORRESPONDENT
NEW DELHI

High commodity prices have boosted the value of India's exports, which have hit a record $95 billion in the first quarter of 2021 and outbound trade is likely to lead the country towards a recovery after the pandemic's 'one-two punch' hit the economy, Moody's Analytics said in a report on Monday.

A leg-up: Higher commodity prices have helped reinvigorate India after the COVID-19 first wave, the firm said. ▪FILE PHOTO

Stating that India is struggling to accelerate COVID-19 vaccination, the firm reckoned that 'herd resilience' – when 65% of the population is fully immunised – is now expected in the fourth quarter of 2022. Only Indonesia, Philippines and Thailand are expected to reach those levels of vaccination later, among India's peers in the region. In an economic outlook report on the Asia Pacific Region titled 'The Delta Roadblock', the financial intelligence firm said the delta variant of COVID-19 is among the key factors adversely affecting economies.

'Exports, a lifeline'

It termed exports a lifeline for the region which are now well above pre-pandemic levels and continued to rise in the April-June quarter.

"Even in India and Indonesia, where exports make up relatively small shares of the economy, high commodity prices have boosted the value of exports. This is one factor that helped reinvigorate India after its first devastating wave of COVID-19," the firm said in its report.

"[India has] suffered lengthy economic shutdowns, accompanied by only modest fiscal support provided to SMEs and low-income households, that could lead to very deep and lasting scarring as they struggle to reopen businesses, pay back loans, or find employment as the economy finally recovers," it concluded.

BUSINESS LINE DATE : 27/7/2021 P.N.12

Coal prices likely to stabilise in the current quarter

Chinese demand set to normalise, more production to come online

SUBRAMANI RA MANCOMBU
Chennai, July 26

Thermal coal prices are expected to stabilise during the current quarter before easing in the fourth quarter. The extreme heat that boosted its offtake the past month-and-a-half is likely to abate, with expected increase global output.

Coal futures almost topped $150 a tonne last week, the highest in the past ten years as a heat wave swept across Zhejiang, Jiangsu and Guangdong provinces of China, *the Trading Economics* website said. The heat wave resulted in electricity consumption soaring to "unprecedented" levels in industrial regions even as local supply was limited.

Also, drought in the Communist nation affected the generation of hydropower in Yunnan province, while China's trade controversy with Australia affected imports.

Coal prices, ruling at $146.17 a tonne on Monday, have gained about 80 per cent since the beginning of the year. Since May, they have increased by 40 per cent.

Given these developments, Fitch Solutions Country Risk and Industrial Research (FSCRIR) said it had raised its average price forecast to $85 a tonne from $72. The raise also comes on "account of stronger than anticipated rise in prices over the year-to-date", it said in its recent outlook.

EIA short-term outlook

This will result in prices peaking in the current quarter as the strong Chinese demand will normalise, and Beijing will release stocks from its strategic reserves. The high prices will also encourage mining restarts adding that prices could steadily decline from the fourth quarter onwards.

Thermal coal forecasts*

	2018	2019	2020	2021
Mine offtake	6,276.30	6,509.50	6,207.90	6,184.60
Mine output	6,927.90	7,000.90	6801.80	7,221.10
Price	107.20	78.20	60.60	85.00

Source: Fitch Solutions Country Risk and Industrial Research *2018, 2019 and 2020 data are estimates and 2021 forecast. Offtake, output in million tonnes; Price in $/tonne

The US Energy Information Administration has, in its short-term outlook, pegged the average price of coal at $56.7 a tonne this year compared with $53.9 last year.

Wood Mackenzie, global energy, metals and mining research and consultancy group, said in its short-term outlook note that the coal market could see further tightness as China has relaxed coal import norms.

Prices surged in June to levels that were not seen since 2011, with demand for coal being "remarkably strong". Lack of "sufficient supply response" fuelled the surge in prices, it said.

Fitch Ratings, whose authoritative source is Fitch Solutions, said prices for the benchmark Newcastle 6,000kcal/kg grade coal had increased by 52 per cent since March to $136/tonne, supported by tight supply in China.

It said that coal prices could come under pressure as the Xi Jinping government has arranged for more supply, including the resumption of production.

The recent rally could also be attributed to demand for high-grade thermal coal from Japan and South Korea, which too were impacted by the heat wave.

Reasons for prices easing

FSCRIR said that coal scarcity would ease owing to three reasons in the coming months.

One, the heatwave will abate leading to a drop in prices in China, the world's largest consumer of energy commodities.

Two, the Chinese government will release 10 million tonnes of stocks from its strategic reserves which will impact the prices. This indicates that Beijing wants to drive the costs lower for its utility firms, it said.

Three, the price surge will help buoy global production that had gone offline during the Covid pandemic last year to come online. In particular, it sees disruption to bea minimum in India and Russia, helping to ramp up production.

FSCRIR said coal prices are expected to drop long-term, with environmental laws, particularly in China, playing a pivotal role in reducing demand for the commodity.

It estimated coal prices to average lower at $60.1 a tonne during the current decade to 2030 compared with $85 this year and $79.1 tonne in the last five years.

BUSINESS LINE DATE : 27/7/2021 P.N.12

Buy MCX zinc on declines

YOGANAND D

BL Research Bureau

The zinc futures continuous contract on MCX has breached a key resistance in the band between ₹240 and ₹243 gaining 2 per cent on Friday. Extending the momentum, the contract has advanced 1.86 per cent to trade at ₹245.9 on Monday. With this rally, the contract has emphatically surpassed the medium-term resistance at ₹243. In February this year, the contract met withresistance at around ₹240 and witnessed a corrective down-move that got arrested at ₹210 in early March. Since then, the contract has been in a medium-term uptrend. With the recent move, the contract appears have resumed its uptrend. It trades above the 21- and 50-day moving averages. The short-term trend is also up.

The daily relative strength index has entered the bullish zone. Further, the daily as well as the weekly price rate of change indicators imply buying interest. Trader with a short-term horizon can buy the contract on dips with a stop-loss at ₹223. The medium uptrend has the potential to test resistance at ₹250 initially and then ₹260.

On the downside, a conclusive fall below the immediate support level of ₹227 will alter the short-term uptrend and drag the contract lower to ₹220 levels. A further decline under the key medium-term base level of ₹220 will alter the medium-term uptrend in place since March at ₹210. Supports are ₹214 and ₹200 levels.

THE ECONOMIC TIMES DATE : 27/7/2021 P.N.4

PRODUCTIVITY-LINKED INCENTIVE SCHEME: FOUR INTERNATIONAL AND TWO DOMESTIC STEEL COS TO PARTICIPATE, SAYS MINISTER RCP SINGH

'Top 6 Steel Cos to Produce Speciality Products Soon'

Mihir Mishra & Bhavya Dilipkumar

New Delhi | Mumbai: In an endorsement for the government's Productivity-Linked Incentive (PLI) scheme for speciality steel, India's top six steelmakers are set to produce speciality steel within the first year of the announcement of this scheme, Union steel minister RCP Singh told **ET**.

"The scheme has been designed with input from the industry, and the top six companies will soon enter the speciality steel sector. Six top companies – including 4 international and 2 domestic players - will enter in (producing speciality steel) the first year itself," Singh told ET.

Singh said that there is a huge demand for speciality steel in the country, and the scheme has been designed to benefit all segments of the steel sector.

"All of them -integrated steel mills, secondary steel mills and MSMEs in the sector - will benefit from the scheme. This is a demand-driven scheme, and there is a huge demand for speciality steel," he added.

Last week, the Union cabinet approved the PLI scheme with a planned outlay of ₹6,322 crore over a period of five years. The scheme is expected to bring in investment of approximately ₹40,000 crore and will result in employment for about 525,000 people, of which 68,000 will be direct employment, the minister said.

FILE PHOTO

The scheme covers coated/plated steel products, high strength/wear-resistant steel, speciality rails, alloy steel products, steel wires and electrical steel.

DRIVEN BY DEMAND

Integrated & secondary steel mills, MSMEs in the sector will benefit from scheme. There is a huge demand for speciality steel

RCP SINGH
Union Steel Minister

"We produce around 10 mt of speciality steel, but we also import around 3-4 mt of steel used for special purposes like warships, submarines, rails and more. This scheme will open a different opportunity for steel players," said VR Sharma, managing director of Jindal Steel and Power to ET.

Indian Steel Association, the industry body representing both the primary and secondary steelmakers in India, said that Cabinet's decision to approve the PLI scheme for specialty steel would play a pivotal role in enabling growth by promoting investments for the steel industry.

"We are confident that this milestone will also strengthen Governments' vision of building a true 'Atmanirbhar Bharat, which in turn will go a long way in accentuating India's overall economic growth," said Bhaskar Chatterjee, secretary, General Indian Steel Association.

"This scheme is a win-win for all. Industry gets support to expand, the youth of this country get jobs through this scheme, which will go a long way in achieving the government's dream of Atma Nirbhar Bharat (self-reliant India)," the minister said. Singh added that there is a huge market, mainly in rural areas, where steel consumption is still low. "... the way to increase it could be by building steel houses under the government's rural housing scheme, as pre-fabricated steel houses can be built faster than brick and cement houses," he said.

Singh, however, added that there is no official discussion on this, and this is an idea that is still in its early stages.

THE ECONOMIC TIMES
DATE : 27/7/2021 P.N.5

DLF Reports ₹337-cr Profit in April-June

Faizan.Haldar@timesgroup.com

New Delhi: DLF reported a net profit of ₹337.2 crore for the quarter ended June compared to a loss of ₹71.5 crore in the corresponding quarter last year as strong demand in residential business buoyed overall sales.

The consolidated revenue of the company stood at ₹1,243 crore, reflecting a 92% Y-o-Y increase.

"We are witnessing encouraging demand in the residential business. Since the pandemic, the inherent demand for homes has gone up, it has reaffirmed that home is the safest place and is an important asset class for most families," DLF said in a statement. Net sales bookings stood at ₹1,014 crore, reflecting a Y-o-Y growth of 567%, while sales from new launches totted up to ₹542 crore. DLF said that the launch of independent floors across Gurgaon continues to garner an enthusiastic response from the market and exhibited healthy absorption trends.

"The luxury segment remains attractive, with Camellias witnessing sustained demand despite the resurgence of the pandemic," DLF said.

Consolidated revenue of the company stood at ₹1,243 crore, reflecting a 92% Y-o-Y increase

Office rental grew 12% Y-o-Y while the retail segment has been impacted again due to the second Covid-19 wave.

"The rental business is facing a temporary dislocation. With the government leading the vaccination drive and allowing corporates also to do so, it is expected that the vaccinated staff of corporates will start returning to work gradually over the next few months. The demand for office space is expected to return in the second half of the year. We believe that the long-term fundamentals for this business remain intact," the company said.

The retail business is witnessing some short-term dislocations with intermittent local lockdowns. New product development remains on track as DLF continues to work on getting DLF Cyber City Developers (DCCDL) REIT ready. "We continue to maintain a positive outlook on the sector and remain committed to bringing new products to the market," DLF said.

THE HITAVADA DATE : 28/7/2021 P.N.5

Vedanta to invest over Rs 6,600 cr in 2 years

NEW DELHI, July 27 (PTI)

VEDANTA on Tuesday said it will invest Rs 6,611 crore over the next two years to ramp up the smelter capacity of Balco. Bharat Aluminium Company (Balco) is a Vedanta Group company. In addition, its carbon plant adequacy business at Jharsuguda, Odisha, will set up a new carbon facility at a cost of Rs 635 crore.

"Vedanta has announced a major expansion at Bharat Aluminium Company's (Balco) smelter capacity, which will involve an investment of Rs 6,611 crore over the next 18-24 months," the mining major said in a statement.

Balco's smelter capacity, as a result, will increase by 414 kilotonnes per annum (KTPA), taking its total capacity to close to one million tonne.

With this fresh investment, Balco's value-added product portfolio will increase to 92 per cent. "Balco's expansion is a important project for us. We hope to ramp up the smelter capacity over the next 18-24 months. After this expansion, Vedanta's aluminium capacity will increase to 2.8 million tonnes," Vedanta Group CEO Sunil Duggal said.

In February this year, Vedanta's board of directors had approved the expansion of Lanjigarh Alumina Refinery to five million tonnes per annum (MTPA) from the current two MTPA, at a cost of Rs 3,780 crore. After this project, Lanjigarh Alumina Refinery will become one of the world's largest alumina refinery.

LOKMAT DATE : 28/7/2021 P.N.12

रद्द निविदाप्रक्रिया परत सुरू होणार : कठोर अटी हटविणार

सात वर्षांनंतर पुन्हा सुरू होणार कोळशात 'दलाली'

इन्फो स्टोरी

कमल शर्मा
लोकमत न्यूज नेटवर्क

नागपूर : २०१४ मध्ये बंद झालेली कोळशाची लियाझनिंग (दलाली) परत सुरू करण्यासाठी पावले उचलण्यात आली आहे. यासाठी जारी करण्यात आलेल्या निविदाप्रक्रियेत केवळच एकच एजंसी आल्याने त्याला रद्द करण्यात आले. मात्र महाजेनको परत निविदाप्रक्रिया राबविण्याच्या तयारीत आहे.

कोळशाची 'लियाझनिंग' हा नेहमीच वादाचा मुद्दा राहिला आहे. यात भ्रष्टाचाराचे अनेक आरोपही झाले. २०१४ मध्ये भाजप-शिवसेना सरकार आल्यानंतर कोळशाची लियाझनिंग बंद करण्यात आली होती. महाविकास आघाडीच्या सत्ताकाळात याला परत सुरू करण्यात येत आहे.

काय करतात लियाझनिंग एजंसी ?

महाजेनकोला चांगल्या दर्जाचा कोळसा मिळावा हे सुनिश्चित करण्याची लियाझनिंग एजंसी किंवा एजंटची जबाबदारी असते. कोळशाच्या प्रमाणानुसार या एजन्सी मदत करतात. लियाझनिंग पूर्ण काम कोळसा खाणीत होते. रद्द झालेल्या निविदाप्रक्रियेत कोळशाचा दर्जा खराब झाल्यावर लियाझनिंग एजंसीवर मोठा दंड ठोठाविण्याची अट आहे, असे महाजेनकोचे म्हणणे आहे. याच अटीत शिथिलता देण्याचे प्रयत्न सुरु आहेत.

वीज उत्पादन कंपनी महाजेनकोने यावर्षीसाठी ८४ कोटींची निविदा जारी केली. यादरम्यान खनिज विकास महामंडळातर्फे वाटप करण्यात आलेल्या कोल वॉशरीजवरून वाद निर्माण झाला व भ्रष्टाचाराचे आरोप लागले.

या वादामुळे सद्यस्थितीत कोल लियाझनिंगला थांबविण्यात आले आहे. दुसरीकडे महाजेनकोचे संचालक (खाण) पुरुषोत्तम जाधव यांनी मात्र याचे खंडन केले असून, एकाच एजन्सीने निविदा दाखल केल्याने त्याला रद्द करण्यात आल्याचे सांगितले. नवीन निविदाप्रक्रिया जारी होईल. आणखी एजन्सी समोर याव्या यासाठी काही अटींमध्ये शिथिलता देण्यात येईल. सातत्याने तीनवेळा एकच एजंसी आल्यास तिलाच काम देण्यात येईल, असे त्यांनी स्पष्ट केले.

THE HINDU
DATE : 28/7/2021 P.N.12

Vedanta plans ₹6,611-cr. Balco expansion

SPECIAL CORRESPONDENT
NEW DELHI

Vedanta on Tuesday said it would invest ₹6,611 crore over the next 18-24 months in expansion of smelter capacity at group firm Bharat Aluminium Company.

In addition, the company said its carbon plant adequacy business in Odisha would set up a new facility at ₹635 crore.

"Balco's expansion is a very important project for us. We hope to ramp up the smelter capacity over the next 18-24 months," Group CEO Sunil Duggal said. "Post this expansion, Vedanta's aluminium capacity will increase to 2.8 million tonnes," he added.

BUSINESS LINE DATE : 28/7/2021 P.N.1

Steel prices are a concern, hope they come down: Minister

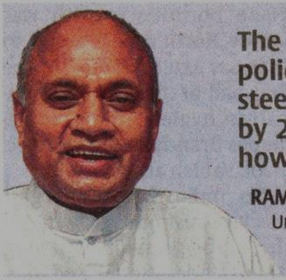
RICHA MISHRA
MONIKA YADAV

New Delhi, July 27

Prices, self-sufficiency in production and enhancing consumption are the focus areas for the new Steel Minister, Ram Chandra Prasad Singh, a bureaucrat-turned- politician.

"Steel prices are a matter of concern and we definitely hope they come down..." In an interview to *BusinessLine*, Singh explained that "steel is a deregulated sector. Market forces decide the rate. The government on its own has reduced Customs duty on many items which we are importing, to improve the supply side…"

"We are spending more than ₹1-lakh crore on importing coking coal and speciality steel. We hope our latest decision will definitely assist us in saving our foreign exchange in the days to come," Singh said, elaborating on the objectives before him and his Ministry.



The objective is that our policy of 2017 envisages steel production of 300 mt by 2030; we have to see how this will be achieved

RAM CHANDRA PRASAD SINGH
Union Minister of steel

Low consumption

"The second objective is that our policy of 2017 envisages production of 300 million tonnes by 2030, we have to see how this will be achieved. We also want that the consumption of steel increases in the country," he said.

"We are the second largest producer in the world, but our per capita consumption is declining. It is hardly 70 kg and if you see the rural area this is around 19 kg," he added. According to Singh, the scope of steel in construction activity, especially housing, is immense. "So we will try to start an awareness campaign so that use of steel products is increased in rural areas as well as steel is a green product and you can recycle it," he added.

Calling the latest Production-Linked Incentive scheme as a booster shot, he felt this will go the long way in making the industry more self-sufficient.

Full interview on p12

CONTINUED ON PAGE 20

CONTINUED FROM PAGE 19

‘Steel sector PLI scheme will be a win-win for all’

RICHA MISHRA
MONIKA YADAV

New Delhi, July 27

“It is a booster shot” – this is how Ram Chandra Prasad Singh, the bureaucrat-turned-politician, who is just 20 days old in his new role as Union Minister of Steel – describes the Production-Linked Incentive (PLI) scheme announced for the steel sector. In a conversation with *Businessline*, Singh minces no words when he says that domestic players in the steel sector have to up their performance and become more competitive globally.

THE BL INTERVIEW

While he wants the Central Public Sector Enterprises, under his Ministry, to align their business activities to remain competitive in the market, he feels that the most important task on hand is to reduce imports and increase local consumption of steel. *Excerpts*:

This is the first time something like this has happened for the steel sector. Being the backbone of the economy, do you think it came in a bit late?

Better late than never, if you go by this dictum, then it’s not late. If you see, so many policies have been made since the government came to power in 2014 – the concept of Make in India – and the steel policy was announced in 2017.

All these measures will definitely boost the steel sector. When you take a policy decision you have to consult everyone. This Ministry has consulted all stakeholders before bringing this PLI scheme. So, it’s not that it has come late, in fact, there were a lot of deliberations, and after useful discussions with all steel producers, this has been introduced.

We believe this scheme will bring in a complete change as far as domestic production of specialised steel is concerned; our imports will go down and we will be in a position to export, too. It will bring in investments of about ₹40,000 crore by 2029-30 in ‘speciality steel’ and create employment for 5,25000, both indirect and direct.

At present, we are importing speciality steel of about ₹30,000 crore, which will be almost negligible after 5-6 years.

This is not the first policy or Cabinet decision which the Steel Ministry has taken. We recently approved an MoU between India and Russian Federation on co-operation regarding coking coal, which is used to make steel.

We spend about ₹72,000 crore on coking coal import. This MoU will help reduce the import cost on account of coking coal.

At the macro level we are spending ₹72,000 crore on coking coal and ₹30,000 crore on importing speciality steel. So, these two Cabinet decisions will definitely be game-changers, and we will achieve self sufficiency.

By when will the rules come out for the implementation of PLI?

We will have this project management agency that will monitor the PLI. We will try to come out with the rules or guidelines as early as possible, so that we can have investments coming in very soon.

The steel sector today is seen as being dominated by private sector and that, too, in a monopoly. How will you ensure that the PLI benefits are passed on to the right beneficiary?

It is a deregulated sector. Right now, as you rightly said, there are six big players – four in the private sector and two in public sector. The private sector contributes about 86 per cent of steel production and the public sector about 14 per cent.

So, they are playing their roles. The PLI scheme doesn’t discriminate. This scheme will benefit not only big players, but also secondary steel manufacturers, including MSMEs. This scheme will definitely be a win-win situation for everybody.

Under the scheme, a cap has been put on the eligibility amount. What was the intent behind it? Can a company apply for multiple products?

Yes, a company may apply for as many products categories/sub-categories as it desires. However, it needs to submit separate application for each product sub-category, along with non-refundable application fee.

The PLI is fund-limited, therefore, a cap of ₹200 crore on an eligible company across all product categories has been put. The eligible company will have to do a minimum incremental production and minimum investment.

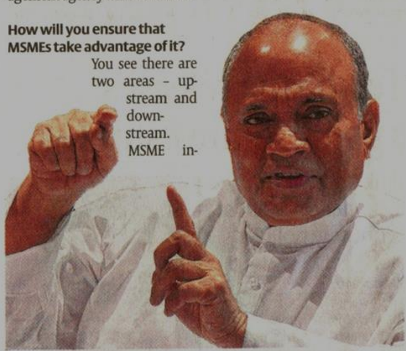
When a company achieves the prescribed incremental production, it will eligible to get PLI incentive. If a company is unable to achieve its target one year, it can still get the incentive the following year. For reasons beyond control, extension in time period can also be given. The project management agency will monitor it.

> *At present, we are importing speciality steel of about ₹30,000 cr, which will be almost negligible after 5-6 years*
>
> RAM CHANDRA PRASAD SINGH
> Union Minister of Steel

How will you ensure that MSMEs take advantage of it?

You see there are two areas – upstream and downstream. MSME involvement can be seen mostly in the downstream...Not only that, right now, these MSMEs producealloy products.

They will get enough opportunity to take advantage of this scheme and improve their performance.



The steel sector has been seeing insolvency issues. Will this scheme also be considered for those companies that are still under the IBC?

The qualification is very simple. The company, which is registered and fulfils the criteria, will get the benefit. This factor will definitely be considered while examining the application.

How competitive do you think this scheme will make Indian players vis-a-vis the most-favoured China?

You see one of objectives of this policy is to make our speciality steel competitive because unless you become competitive, you can not compete globally.

By giving this incentive our products will definitely become competitive in the global market. In fact, this scheme is meant to create global champions. So, our products will definitely compete.

How do you see the commodity price?

Steel is a deregulated sector. Market forces decide the rate. The government has reduced customs duty on many items, which we are importing, to improve the supply side. If you see the steel sector, it is very cyclic in nature.

The price of steel keeps fluctuating. In the pandemic world there was a crisis in production, supply of materials, and reduction in exports because of which prices have spiked up. However, the government has taken several decisions such as controlling customs duty.

Now, these reforms have to be taken to their logical end, that is why the PLI scheme has been announced. But steel prices are matter of concern and we definitely hope they come down.

What is your thinking on the disinvestment of Visakhapatnam Steel Plant and SAIL?

That is the mandate of the DIPAM; our job is to facilitate the process.

BUSINESS LINE DATE : 28/7/2021 P.N.11

Coal India to make sand from overburden at mining sites

OUR BUREAU

New Delhi, July 27

Coal India Ltd (CIL) will convert in to sand the overburden at its mines and sell it for construction at competitive rates, an official statement said on Tuesday.

Overburden is the topsoil and earth removed to reach the coal.

CIL has already commenced the production of sand and a roadmap of the next five years has been drawn to maximise the output of sand from different coal producing companies under it. "This will make the public sector firm one of the major suppliers of sand in the near future," the statement said.

CIL subsidiary Western Coalfields Ltd (WCL) was the first one to launch this as a pilot project. The sand has been offered to Nagpur Improvement Trust at a much cheaper price for constructing low cost houses under Pradhan Mantri Awaas Yojana (PMAY). The price of sand is almost 10 per cent of the market price even though the quality was superior.

Growing demand

Following the success of the project and with growing demand of cheaper sand, WCL launched commercial production by commissioning the largest sand production plant of the country near Nagpur. This unit produces 2,500 cubic metre of sand per day and much of it is supplied to government units such as National Highway Authority of India, while the rest is auctioned in the open market.

CIL aims to reach a production level of around 8 million tonnes of sand within the next five years by commissioning 15 major sand plants in its different coal producing subsidiaries. By the end of the current fiscal, CIL envisages to have 9 out of 15 plants with a production of around 3 lakh cubic metre.

BUSINESS LINE DATE : 28/7/2021 P.N.10

Initiate fresh long position in MCX nickel

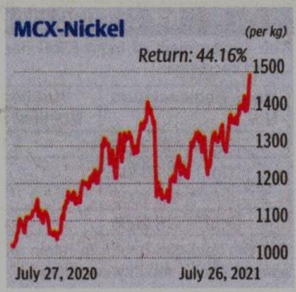
COMMODITY CALL

AKHIL NALLAMUTHU

BL Research Bureau

The continuous contract of nickel on the Multi Commodity Exchange (MCX), after an initial rally in 2021, declined sharply in the final week of February and first week of March. The price slumped from about ₹1,446 to ₹1,150 levels.

On the back of the support of ₹1,150, the contract stopped declining and after a brief period of consolidation resumed its upward movement. The rally, which began towards the end of March, is steady and while the trend seemed to slow at around ₹1,385 levels, the bulls did not give up. As a result, the contract moved above this level and retested ₹1,385 after reaching ₹1,430 levels. It hit a new high of ₹1,489.8 on Monday. Despite the contract facing a minor correction on Tuesday, the overall direction is pointing upwards.



Traders can consider initiating fresh long position in nickel futures on the MCX with stop-loss at ₹1,420. On the upside, the contract is likely to cross over ₹1,500 and touch ₹1,530 in the near-term.

BUSINESS LINE
DATE : 28/7/2021 P.N.10

Copper knocked by dollar's gains

REUTERS
London, July 27

Copper prices snapped a five-session winning streak on Tuesday under pressure from a rebounding dollar as investor focus shifted to a US Federal Reserve meeting expected to give more direction on monetary policy.

Benchmark copper on the London Metal Exchange lost 0.8 per cent to $9,727.50 per tonne in official trading, after touching its highest since June 15 at $9,924.

Goldman Sachs says copper prices are poised to grow as demand outpaces supply since the concentrate market is very tight, particularly in China.

The bank's three-month, six-month and 12-month price target for copper is $10,500, $11,000 and $11,500/tonne, respectively.

Aluminium shed 1.1 per cent to $2,962 a tonne; zinc was up 1.6 per cent to $2,962; lead ceded 1 per cent to $2,351, tin gained 0.2 per cent to $34,710 and nickel lost 1.7 per cent to $19,374.

THE ECONOMIC TIMES DATE : 29/7/2021 P.N.4

JSW Cement Inks Pacts to Raise up to ₹1,500 cr from Apollo Global and Synergy Metals

Our Bureau

Mumbai: JSW Cement has entered into definitive agreements to raise up to ₹1,500 crore from global private equity investors Apollo Global Management and Synergy Metals Investments Holding.

The transaction is a structured private equity deal wherein compulsorily convertible preference shares (CCPS) will be issued to the investors and the conversion of such CCPS into common equity of the company will be linked to the company's future performance and valuation determined at the time of the initial public offering (IPO), the company said in a release on Wednesday.

Upon conversion of CCPS, the two investors can own up to 19% of the company, industry watchers told **ET**.

The investments will help JSW Cement ramp up its cement production capacity to 25 million tonnes per annum (mtpa) from 14 mtpa in the next 24 months. The firm had increased its capacity from 6 mtpa to 14 mtpa in the last three years.

"This is a critical time for the company in our quest to be amongst the top five cement companies in India," company managing director Parth Jindal said.

ET on Monday reported about the new investments first. The investments are seen as a precursor to the company's IPO that was originally planned for last year but got pushed to the second half of 2022.

BUSINESS LINE DATE : 28/7/2021 P.N.8

Buy August zinc futures

Stop-loss: ₹240; Target: ₹252

AKHIL NALLAMUTHU

BL Research Bureau

The first two months of 2021 have been very volatile for the continuous futures contract of zinc on the Multi Commodity Exchange (MCX).

While it fell during most part of January, the contract managed to rally to mark a high of ₹241. However, the contract again fell but entered a consolidation phase in March and it was oscillating in the price range of ₹213 and ₹220.

During early April, the contract managed to break out of the resistance at ₹220 and from then on, it has been gradually appreciating. But after reaching the prior high of ₹241, it lost steam and was largely moving in a sideways trend.

The volume declined and the consolidation range was a bit broader i.e., between ₹228 and ₹243. However, last week, the contract started to gain traction and rallied past the hurdle at ₹243 and marked a high of ₹247.

Although the contract has moderated in the last couple of sessions, it is likely to be a retest of the resistance-turned-support level of ₹243 and the overall direction of the trend is northwards.

Substantiating the bullish bias, the moving average convergence divergence (MACD) on the daily chart is showing fresh upward momentum and the average directional index (ADX) indicates that the bulls are stronger.

Also, the 21-day moving average currently coincides at ₹243, making it a strong support. Considering these factors, one can be bullish on zinc and buy August expiry futures with stop-loss at ₹240 and look for a target of ₹252.

DAINIK BHASKAR

DATE : 29/7/2021 P.N.3

गोवा में खनन पर लगा प्रतिबंध हटाने की मांग संसद में उठी

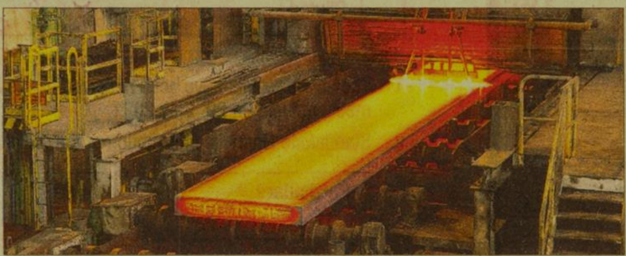
ब्यूरो | नई दिल्ली. आम आदमी पार्टी के सांसद संजय सिंह ने बुधवार को गोवा में खनन कार्य पर लगे प्रतिबंध का मसला राज्यसभा में उठाया और सरकार से इस प्रतिबंध को तत्काल हटाने की मांग की। उन्होंने यह मसला विशेष उल्लेख के तहत उठाया। संजय सिंह ने कहा कि गोवा का दो-तिहाई रोजगार खनन पर प्रत्यक्ष या परोक्ष रूप से आश्रित है। कोरोना महामारी ने राज्य में पर्यटन उद्योग को लगभग खत्म कर दिया है। हालत यह है कि महामारी और खनन पर लगे प्रतिबंध ने गोवा के लोगों को भुखमरी की कगार पर लाकर खड़ा कर दिया है। खनन पर लगे प्रतिबंध से न केवल वहां के लोगों के जीवन यापन पर असर डाला है बल्कि सरकारी राजस्व को भी नुकसान पहुंचा रहा है।

THE ECONOMIC TIMES DATE : 30/7/2021 P.N.8

TARGETS 38 MT capacity by 2024; in talks with five foreign banks for 3-5 year loans

JSW Steel Plans to Raise up to $300 m in Offshore Loans to Fund its Expansion

Saikat Das & Bhavya Dilipkumar



Mumbai: JSW Steel is planning to raise about $200-300 million in offshore loans as the company seeks to shore up cash levels for its planned capital expenditure over the next few quarters.

It is in talks with about five foreign banks to raise five-year loans, market sources said. The syndication has not yet started formally.

"The company looks to shore up cash levels as it is readying expansion plans," one of the persons cited above told ET.

JSW Steel completed the acquisition of Bhushan Steel and Power earlier in March this year. The company is currently in an expansion mode to reach around 38 million tonnes of steelmaking capacity by 2024, making it the largest steelmaker in the country, with Tata Steel currently at 33 million tonnes and SAIL around 22 million tonnes. JSW Steel did not respond to ET's queries.

"Today, we are at 18 MTPA in JSW Steel, another 3 MT in Bhushan and 1 MT at Monnet. Another 5 MT at Dolvi gets completed in September of this year," said joint managing director Seshagiri Rao in an earlier interaction with ET.

The company spent ₹2,688 crore on capital expenditure, against a total planned capex spend of ₹18,240 crore for FY22. The company earlier said that it is planning to invest another ₹25,115 crore by 2024-25 to ramp up capacity.

CARE, a local rating company, revised the steel maker's creditworthiness to AA from AA-. The outlook remains stable. This rating revision was for long term bank facilities.

The revision in ratings reflects sustained improvement in the operational and financial performance of the company, on the back of revival in demand and steel prices from Q2-FY21 onwards, CARE said in a note. "Though leveraged, the capital structure has also witnessed an improvement," it said.

The revision factors in the rating company's expectations of a revival in steel demand and completion of the enhanced capacity of 5 MTPA at Dolvi. This would result in a considerable increase in the company's sales volumes.

JSW Steel last week reported a record quarterly net profit at ₹5,900 crore against a loss of ₹554 crore in the year-ago period. JSW Steel's net debt stood at ₹54,89 crore, up marginally by 0.8%. Its cash balance is at ₹8,602 crore.

THE ECONOMIC TIMES DATE : 30/7/2021 P.N.5

AM/NS Posts $607 million Operating Profit in June Qtr as Demand Revives

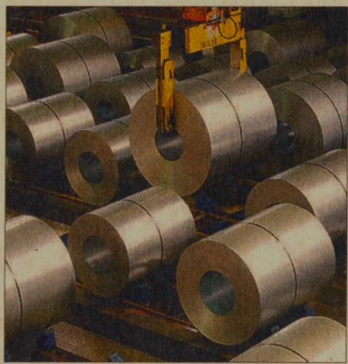
Co's crude steel output increased to 1.8 mt, up 50% from a year earlier

Our Bureau

Mumbai: ArcelorMittal Nippon Steel India (AM/NS), the Indian steelmaker jointly owned by ArcelorMittal and Nippon Steel, reported an operating profit of $607 million (around ₹4,500 crore) for the April-June period, its fiscal second quarter, compared with $107 million a year earlier.

Its earnings before interest, taxes, depreciation and amortisation for the last quarter was also higher than the previous three months, when it had reported $403 million.

"AM/NS India's progress in the 18 months since its inception is an excellent foundation to advance our plans to pursue both organic expansion and strategic opportunities in support of India's growing economy," chairman Aditya Mittal said.



The company's crude steel production increased to 1.8 million tonnes in the June quarter, up 50% from a year earlier.

"Towards the end of the quarter, the business saw encouraging signs of domestic demand revival, particularly from the automotive, white goods and infrastructure sectors," the company said.

AM/NS announced its numbers along with the results of ArcelorMittal, the Luxembourg-based group that holds a 60% stake in the Indian steelmaker.

ArcelorMittal posted a net profit of $4 billion for the quarter and $6.3 billion for the first half of the year, the best half-year performance since 2008, the company said. Sales rose 19% to $19.3 billion.

In India, AM/NS has announced a capital expenditure programme which will take its overall pellet capacity to 20 million tonnes per annum from 14 MTPA.

"At Odisha, we are nearing the completion of doubling the capacity of our pellet plant to 12 MTPA; commissioning is expected in the third quarter of 21," the company said in a media statement.

The company has also signed an MoU with state government of Odisha to set up a 12 MTPA greenfield integrated steel plant.

Operations at our Sagasahi iron ore mine in Odisha are due to come on stream in the third quarter, it said.

"We continue to advance plans to expand steelmaking capacity in India to up to 30 MTPA," the company's statement said, adding that the doubling of steel production capacity at Hazira, Gujarat, to 18 MTPA and debottlenecking of existing operations were under way to achieve 8.4 MTPA in the long term.

BUSINESS LINE DATE : 31/7/2021 P.N.2

'Steel demand will be subdued in Sept quarter due to monsoon'

Post September, it is expected to pick up sharply, says JSW Steel's Seshagiri Rao

SURESH P IYENGAR

Mumbai, July 30

THE BL INTERVIEW

Having achieved a record profit of ₹5,900 crore in the June quarter, JSW Steel has set its eye on next phase of growth. The upturn in steel prices has come when doubling of its Dolvi plant to 10 MTPA is close to completion. Seshagiri Rao, Joint Managing Director, JSW Steel, spoke to *BusinessLine* on the future outlook. Excerpts:

Have high steel prices led to record prices?

More than the high prices, the profit was driven by complete turnaround in our overseas subsidiaries. In the US, last quarter, we had an EBITDA loss of ₹322 crore; it turned out to be ₹282 crore positive EBITDA. The Indian subsidiaries contributed ₹1,145 crore against ₹321 crore in the previous quarter. In all, there was a swing of ₹825 crore from subsidiary companies itself. Joint ventures chipped-in another ₹322 crore. Bhushan Power and Steel has made a profit ₹745 crore; and ₹63 crore by Monnet Ispat. In these, the share of JSW Steel's profit was ₹322 crore.

Do you think assets acquired under IBC will turn around faster than expected?

In Monnet Ispat, we expected a turnaround in three years which ends this September. The last step for turning the asset around is currently going on.

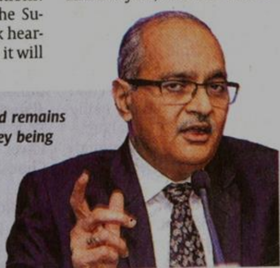
We took over BPSL during the upturn in steel demand and it will become profitable much faster. While the turnaround of Monnet Ispat will be delayed by a year, BPSL will be ahead of our expectations. We have approached the Supreme Court for a quick hearing of the BPSL case and it will be taken up in the third week of August.

Do you expect demand to slow down with monsoon setting in?

We are expecting the demand in the September quarter to be subdued due to the monsoon. After September, demand will pick-up sharply. Like last year, steel demand increased from 12 million tonnes in June quarter to 24 MT the following quarter. The monsoon impact will be more on the construction and infrastructure side. The demand in automotive, yellow goods, tin plates and packaging are doing well compared to the first wave of Covid.

Overall, global demand remains very strong with money being spent on infrastructure by the government or energy transition.

SESHAGIRI RAO
Joint MD, JSW Steel



Will high steel prices sustain?

We have seen some fall in prices in July. The series of steps taken by China has led steep fall in prices. In the last one week, China prices have started moving up. Interestingly, prices in the US and Europe never came down. Fall in prices is limited only in Asia. Both the US and Europe have built strong restrictions on imports from China. US has put import duty ranging from 25 per cent to 50 per cent on Chinese imports. Europe has levied anti-dumping duty and imposed quota against all other countries. So, exports cannot happen to these countries anymore. Overall, global demand remains very strong with money being spent on infrastructure by the government or energy transition. Steel prices are to remain strong due to heavy consumption by these two sectors and cost-push from iron ore and coking coal.

Will you go slow on Odisha greenfield project?

We will look at it once the Dolvi expansion is completed. We have applied for environment clearance. We expect to get all the clearance and get the land transferred to us by end of this fiscal.

BUSINESS LINE DATE : 31/7/2021 P.N.2

Government reviewing if anti-dumping duties on steel wire rods from China can be withdrawn

Domestic industry fears dumping will resume if duties are withdrawn

AMITI SEN
New Delhi, July 30

The government has initiated a sunset review investigation on continuing imposition of anti-dumping duties on steel wire rods originating from China.

This follows concerns raised by the domestic industry, including SAIL and RINL, about possible recurrence of dumping of the items once duties are withdrawn.

In a gazette notification put up on July 28, the Directorate General of Trade Remedies (DGTR), under the Commerce & Industry Ministry, has said that it had initiated a review as the domestic industry has provided *prima facie* evidence substantiating the likelihood of continuation or recurrence of dumping and injury to domestic producers in case the anti-dumping duties were allowed to lapse. "The domestic producers namely, RINL, SAIL and JSW Steel Limited have provided the prescribed information in the application. Further, Tata Steel Long Products Limited and Jindal Steel and Power Limited have supported the application," the notification stated.

Anti-dumping duties are imposed when it is conclusively proved that a particular item is being exported at a price lower than what is prevailing in the domestic market of the exporter and is leading to disruption in the domestic market, injuring the local producers.

Duties to lapse this year

Preliminary anti-dumping duties on steel wire rods from China were first imposed in November 2016. After detailed investigation, definitive anti-dumping duties of $546 per tonne were imposed in October 2017 for five years from when preliminary duties were imposed. The anti-dumping duties would, therefore, lapse this year-end if they are not renewed.

"There is *prima facie* evidence of likelihood of continuation/recurrence of dumping and injury to the domestic industry in the event of cessation of duty, considering the volume and price of imports of subject goods (steel wire rods) from China, positive dumping margin, significant unutilised capacities in subject country, existence of trade remedial measures imposed by other countries against the subject country, potential trade diversion, price attractiveness of Indian market and reduction of basic custom duty by India on imports of product under consideration," according to the notification.

Steel wire rods, made from both alloy or non-alloy steel, are used in many applications and sectors such as automotive components, welding electrodes, springs, wire mesh, fasteners including nuts and bolts, nails, railway sleepers, general engineering, binding wires for construction industry, armoured cables etc.

The sunset review investigation will undertake likelihood analysis of dumping and injury. A period of investigation of 18 months from October 1, 2019 to March 31, 2021, has been fixed. All affected parties, including exporters of the items and importers and users of the products, have been given 30 days to give their submissions on the matter.

++++++++++++++++++++++