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KHANIJ SAMACHAR

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खनिज समाचार

KHANIJ SAMACHAR



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VOL. 7, NO –19 , 1st - 15th OCTOBER 2023

Bears unleashed

BULLION CUES. Gold and silver to fall more

Akhil Nallamuthu
bl. research bureau

The precious metals' prices tumbled last week. In terms of dollars, gold and silver slumped 4 per cent and 5.7 per cent to end at \$1,848 and \$22.2 per ounce, respectively.

Similarly, on the MCX, gold futures shed 3 per cent to close at ₹57,600 (per 10 gram), whereas silver futures declined 4.7 per cent to end at ₹69,857 (per kg).

The charts indicate that the trend has turned bearish.

MCX-GOLD (₹57,600)

Gold futures (December contract) posted loss in all sessions last week and broke the triangle pattern on the downside. It also breached a support at ₹58,700.

From the current level, the contract will most probably extend the downside. The nearest support can be seen between ₹54,800 and ₹55,150. Before falling to these levels, gold futures can inch up to test ₹58,700.

Trade strategy: Short gold futures now at around ₹57,600 and add shorts in case the price moves up to ₹58,500. Place stop-loss at ₹59,100 initially. When the contract touches ₹55,900, tighten the stop-loss to ₹56,600.



GETTY IMAGES/ISTOCKPHOTO

Book profits ₹55,150.

MCX-SILVER (₹69,857)

Silver December futures fell sharply and closed below the psychological level of ₹70,000. Although the close below ₹70,000 does not appear decisive on the charts, the overall bearish inclination means that we can assume the support is breached.

This has opened the room for further decline. There is a good chance for the contract to fall to ₹68,000 soon. A breach of this level can drag the contract further to ₹63,000.

Trade strategy: Sell silver futures now at ₹69,857 and add shorts if price rises to ₹71,100. Keep initial stop-loss at ₹72,000. When the contract falls to ₹68,800, tighten the stop-loss to ₹69,800. Book profits at ₹68,000.

स्वर्ण भंडार माइंस की नीलामी जल्द हाई कोर्ट ने दी मंजूरी

■ जयपुर, नवभारत न्यूज नेटवर्क. कभी काले पानी की सजा के नाम से पहचान रखने वाला बांसवाड़ा जिला जल्द ही सोने की खान वाले प्रदेश के पहले और देश के प्रमुख स्थान में शामिल हो जा ए गा . बांसवाड़ा के



भूखिया जगपुरा क्षेत्र में स्वर्ण के भण्डार मिलने के साथ ही राज्य सरकार द्वारा इस खान की नीलामी का प्रकरण न्यायालय में विचाराधीन होने के कारण नहीं हो पा रहा था. हाई कोर्ट में राज्य सरकार द्वारा प्रभावी तरीके से राज्य का पक्ष रखने का परिणाम रहा है कि न्यायालय ने प्रतिपक्ष के आवेदन को खारिज कर दिया है. जिसके चलते राज्य की पहली स्वर्ण खान की नीलामी हो सकेगी.

करोड़ों के स्वर्ण भंडार : एसीएस माइंस वीनू गुप्ता ने बताया कि बांसवाड़ा के भूखिया जगपुरा में सोने की खान की नीलामी के लिए आवश्यक औपचारिकताएं पूरी की जा रही हैं. उन्होंने बताया कि एक मोटे अनुमान के अनुसार स्वर्ण, तांबा और कोबाल्ट व निकल के डिपोजिट हैं.

Hindustan Zinc to review corporate structure to unlock its potential value

NEW DELHI, Sept 30 (PTI)

VEDANTA group firm Hindustan Zinc Ltd (HZL) on Friday said that the company's board has decided to undertake a "comprehensive review of its corporate structure for unlocking potential value".

According to a regulatory filing, the move is aimed at creating separate legal entities for zinc, lead, silver and recycling businesses.

"Considering the scale, nature, and potential opportunities for various business verticals of the company, the company should undertake a comprehensive review of its corporate structure for unlocking potential value," the filing said. The strategic objectives outlined by the company's board for undertaking such an



exercise included unlocking value for all stakeholders and creating businesses which are positioned to better capitalise on their distinct market positions and deliver long-term growth. Besides, the move aims

at forming appropriate capital structure and capital allocation policies based on business specific dynamics and sharpen focus on core competencies and appropriate realignment of the company's resources.

"The strategic objectives outlined by Board of Directors for undertaking such an exercise are...Distinct investment profiles to attract deeper and broader investor bases," and "accelerate towards sustainability focused on waste to wealth, emissions reduction and ESG practices," it said.

No festival season sparkle for diamond workers

With demand and realisation down, industry bodies have advised members to stop import of roughs

Suresh P Iyengar
Mumbai

Cut-and-polish diamond workers are staring at a bleak future ahead of the peak festival season as the industry attempts to manage the sales slump with a temporary ban on import of roughs.

Many small cut-and-polish (CP) units in the diamond hub of Surat are claiming to incur losses of 35-40 per cent and shut shop, while the larger players have reduced the number of working days to 10-12 a month.

IMPORT HALT

To cope with the adverse situation, all diamond industry bodies have advised members to stop importing roughs for two months. Polished diamond inventory at the factory level has in-



LOSING SHEEN. The overall gross exports of gems and jewellery were down 27% to \$12 billion in the five months of this fiscal compared to \$16 billion logged in the same period last year. VIJAY SONEJI

creased sharply, and some units are making distress sales just to cover their costs.

Kirti Shah, a Surat-based diamantaire, told *business-line* that it is not that easy to just completely stop buying roughs, as each unit has to mandatorily register a certain pre-determined turnover assigned by banks to remain a standard asset and draw working capital.

Further, fixed costs such as paying salaries to workers, power bills, and other expenses have to be met by running the factory at a minimal capacity, he said. If the industry shuts for 2-3 months, it would take at least eight months to return to normal operations, said Shah.

Notwithstanding the sharp fall in exports of CP diamonds, cheap import of

Russian roughs via Hong Kong and China at 40-60 per cent discount has worsened the inventory situation.

Bhupenbhai Mavani, CEO of Amrut Diamonds, said the industry's attempt to play a volume game amid the global recession has backfired as both demand and realisations plunged while fixed and other costs increased relentlessly.

Workers, who had already taken a 60 per cent salary cut, have been supportive of the industry as they understand the situation, he said.

GEM EXPORTS DOWN

The overall gross exports of gems and jewellery were down 27 per cent to \$12 billion in the first five months of this fiscal year compared to \$16 billion logged in the same period last year. Cut-and-polished diamond exports have plunged by 30 per cent to \$7 billion (\$10 billion).

The industry has tried to switch between cutting and polishing lab-grown diamonds, but this has helped only rough manufacturers, as both demand and realisation have dipped for C&P companies. Polished lab-grown diamond exports declined 27 per cent to \$563 million (\$766 million).

HZL mined metal output drops to 2.52 lakh tonnes in Q2

NEW DELHI, Oct 2 (PTI)

VEDANTA group firm Hindustan Zinc Ltd on Monday said, its production of mined metal dropped marginally by one per cent to 2,52,000 tonnes in the second quarter of the ongoing fiscal.

Hindustan Zinc Ltd's (HZL) mined metal production was 2,55,000 tonnes in the second quarter of the previous fiscal.

"Mined metal production in the second quarter at 252kt, marginally down YoY and two per cent down sequentially mainly due to lower ore production at Rampura Agucha & Kayad mine partly offset by better overall metal grades," HZL said in a filing to BSE.

The company's refined metal output in the second quar-

ter at 2,41,000 tonnes, dropped by two per cent over the corresponding quarter of previous fiscal.

"Integrated zinc production at 185kt, down 2 per cent as compared to 2QFY23 and down 12 per cent sequentially. Refined lead production at 57kt, flat as compared to 2QFY23 and up 12 per cent sequentially on account of pyro plant operations on Lead mode during this quarter," the filing said. The company's wind power generation for the second quarter at 157 million units (MU) was up 27 per cent from the corresponding quarter of previous fiscal.

Hindustan Zinc is the country's largest and world's second largest integrated zinc producer.

हिंदुस्तान जिंक का खनन धातु उत्पादन गिरा



दिल्ली. हिंदुस्तान जिंक का खनन धातु का उत्पादन चालू वित्त वर्ष की दूसरी तिमाही में एक प्रतिशत की मामूली गिरावट के साथ 2.52 लाख टन रहा है. वेदांता समूह की कंपनी ने सोमवार को यह जानकारी दी. पिछले वित्त वर्ष की

दूसरी तिमाही में हिंदुस्तान जिंक लिमिटेड (एचजेडएल) का खनन धातु उत्पादन 2.55 लाख टन था. एचजेडएल ने शेयर बाजार को बताया कि दूसरी तिमाही में खनन धातु का उत्पादन 2.52 लाख टन रहा, जो सालाना आधार पर मामूली रूप से कम है. उत्पादन तिमाही आधार पर 2 प्रतिशत कम है. उत्पादन में कमी रामपुरा अगुचा और कायड खदान में कम उत्पादन के चलते हुई. दूसरी तिमाही में कंपनी का शोधित धातु का उत्पादन 2.41 लाख टन रहा, जो सालाना आधार पर 2 प्रतिशत कम है.

JSW in Initial Talks to Cement Deal with Heidelberg Materials

Seeks to buy German co's 13.4 MT-a-year India cement business

Deborshi Chaki & Nehal Challawala

Mumbai: JSW Cement, the building-materials business of steel-maker JSW Group, is in initial talks with Germany's Heidelberg Materials to acquire the latter's 13.4 million-tonne-a-year cement business in India, industry sources aware of the talks told ET.

The people cited above said the discussions, currently bilateral, began after the JSW Group made an unsolicited offer to acquire Heidelberg's local entities that primarily have capacities in peninsular India. The world's second-biggest cement market, both by capacity and consumption, India has a highly regional and freight-intensive building-materials industry where manufacturing proximity to the end consumption market often determines profitability-linked enterprise valuation multiples in mergers and acquisitions. To be sure, Heidelberg is yet to take a final call on its India exit strategy and according to the people cited

above, it is possible it may eventually decide to opt for a bidding process for the assets to allow other potential buyers to participate and increase competitive intensity for the plants. A Heidelberg Materials spokesperson declined to comment, while the JSW Group did not respond to ET's email seeking comments.

If concluded, it will mark the exit of a second global cement manufacturer from India after Swiss building materials company Holcim Group exited India in 2022, selling Ambuja Cements and ACC to the Adani Group in a closely contested bidding in which JSW had also participated.

THE ECONOMIC TIMES DATE:3/10/2023 P.NO11

AFTER INTERACTION WITH DOMESTIC DIAMANTAIRES...

G7 Eases a Facet of India Diamond Trade

Okays sourcing of Russian roughs, but won't accept cut stones

Sutanuka.Ghosal@timesgroup.com

Kolkata: The G7 told the Indian diamond trade that there is no prohibition on purchasing roughs from Russia's Alrosa mines, even as it drew the line at accepting cut and polished Russian-origin stones of 1 carat and above.

The breakthrough was communicated by G7 representatives who were in India in the last week of September to learn more about the domestic gems and jewellery industry. The group visited Mumbai and Surat, exploring ways to help Indian diamond traders abide by G7 sanctions with minimal or no disruption, said Anoop Mehta, president of Bharat Diamond Bourse (BDB). It also interacted with members of the Gem & Jewellery Export Promotion Council and BDB.

G7 comprises the US, the UK, France, Germany, Italy, Japan and Canada.

About one-third of the world's supply of diamonds is mined in the Siberian region of Yakutia by the state-owned Alrosa.

Mehta said traders of Russian diamonds will have to adhere to a system of warranties to ensure traceability. "For this, a number of protocols laid out by different countries and agencies are being looked

Dulling Shine

Traceability of diamonds a major issue for G7 countries

This is amid sanctions on Russian over Ukraine conflict

Belgium protocol, Indian protocol and WDC protocol being explored

Two more meetings of G7 may happen to finalise protocol



into. There is the Belgian protocol, the Indian protocol and World Diamond Council protocol. G7 will have to identify the right protocol for the traceability of diamonds. There will be another two rounds of talks with G7 before it is finalised," he said.

as diamonds change hands usually several times from mine to retail

Traders said a diamond mined in Russia and traded in Belgium will find its way to Surat, where 80 percent of the world's dia-

monds are cut and polished.

Once polished, most gems are likely to end up in either the US or Hong Kong from where they will enter the Chinese market. However, diamonds can bounce between multiple other destinations. Botswana and Canada are also major producers, while Israel, Dubai, and India are significant trading hubs.

Most diamonds are initially exported as rough gems not yet been cut or polished. At first, they can be easily tracked. Complications arise when diamonds are traded multiple times between different locations. If traders in Antwerp or Tel Aviv prepare parcels of diamonds to send to a manufacturer, they can mix similar stones from Russia, Botswana, or Canada. The whole package is then labelled as being of "mixed" origin from that point onward and in this way, many Russian stones could easily fly under the radar.

G7 countries have been imposing sanctions on Russia after it invaded Ukraine last year. The sanctions on Russian diamonds have come as a setback for nearly 1.5 million Surat diamond workers already reeling under a fall in demand and global economic slowdown.

Russia is known for small diamonds that are mostly sold in very large quantities. The diamond industry contributes \$4.5 billion to the Russian economy annually.

'Chromite's current demand, consumption on anticipated lines'

Abhishek Law
New Delhi

An increased demand in chromite production could lead to a rise in dependence on imports, a Mines Ministry report has mentioned. Chromite is used to make stainless steel and heat-resistant steel. Production has been at 1 to 1.1 million tonnes (mt) over the past 4 to 5 years.

The Mines Ministry report, reviewed by *business-line*, is based on the production, export-import and other parameters relating to 2021, and adds that an Expert Committee, previously set up by the Ministry of Steel, has recommended the need for a "detailed exploration of chromite in all the potential areas" in Odisha, Karnataka and in the ophiolite (a section of Earth's oceanic crust that has been uplifted and ex-



DIG DEEP. The report has highlighted the need for a "detailed exploration of chromite in all the potential areas" in Odisha, Karnataka and in the north-eastern region

posed) belt of North-Eastern region "with a view to predict resources to a depth of 500m in Sukinda belt and estimate resources in all other potential areas".

FERRO-CHROME

At present, mining operations for chromite are restricted in the Sukinda ultramafic belt (consisting of rocks), in the Baula Nausahi chromite belt in Odisha

and in Hassan district of Karnataka.

"Addressing concerns in ferro-chrome production, which is energy intensive segment, is also essential. Setting up of such plant must strike a cost balance between raw materials and electrical energy supply," the review report mentions adding that other sectoral issues include having a consistent supply of chrome ore "at the right cost",

OUTLOOK

The report said the consumption could increase enormously in the coming years and the country may have to depend on imports even for domestic needs

steady power supply and (supply of) other input materials like low phosphorous met coke.

The report adds that in India, production of ferro-chrome or charge chrome is primarily by Ferro Alloys Corp, Shri Vasavi Industries, Balasore Industries, Tata Steel, Indian Metals & Ferro-Alloys (IMFA).

India consumes 15-30 per cent of its production and exports the rest to countries like China, South Korea and Japan. However, over the years, exports de-

clined substantially by 91 per cent, whereas imports were up by 20 per cent (from Mozambique, Russia, etc).

LOW DEMAND

Reasons for slower than expected offtake in demand at a domestic level is primarily because a majority of the players in India (apart from IMFA, Tata Steel and Balasore Industries) are in "financial difficulties"; while domestic stainless steel production - a key consumer industry - "of late is under severe duress".

Incidentally, in the future outlook segment, the report mentioned that while current status of chromite production and consumption is on anticipated lines, "the consumption could increase enormously in the coming years and the country may have to depend on imports even for the domestic needs."

NMDC increases iron-ore prices by ₹250 per tonne

India's largest iron-ore producer NMDC has increased ore prices by ₹250 a tonne. With effect from October 1, lump ore price has been fixed at ₹5,200 and that of fines at ₹4,460, the state-owned miner said in a filing on Tuesday. It had revised upwards the prices for the second consecutive month. For the six months ended September, the company had reported a 21% year-on-year rise in production to 19.56 million tonne (mt) and a 25% higher sales at 20.53 mt.

Buy aluminium if price declines to ₹206

Akhil Nallamuthu
bl. research bureau

Aluminium futures on the Multi-Commodity Exchange (MCX), which was oscillating within ₹196 and ₹204 in the past three months, broke out of the range last week. On Friday, it closed at ₹211.95 and is currently trading at around ₹209.

COMMODITY CALL.

The breakout of ₹204 has turned the near-term outlook positive. Only a breach of the immediate resistance at ₹215 will turn the medium-term



trend bullish. If such a break occurs, aluminium futures might rally to ₹225. Buy aluminium futures in case the price declines to ₹206. Place stop-loss at ₹202.

When the contract rallies to ₹212 after the buy trade is triggered, tighten the stop-loss to ₹208 from ₹202. Book profits at ₹215.

Vedanta Raises ₹2,500 cr from 2 Oaktree Funds for Capex, Refinancing of Loans

NCDS AT 12% COUPON Co pledges Sesa Iron shares and inks non-disposal pact for ESL Steel stake

Sangita.Mehta
@timesgroup.com

Mumbai: Oaktree Capital Management last week provided a debt facility of ₹2,500 crore to India-listed Vedanta amid a proposed split of its businesses into different verticals, documents reviewed by ET showed.

Two funds backed by Oaktree Capital subscribed to the non-convertible debentures maturing on March 27, 2025. Vedanta has offered a 12% upfront cash coupon and will also pay an 'arrangement coupon,' documents show. It does not disclose the details about the arrangement coupon.

Oaktree-backed OCM India Opportunities XI Alternate Investment Fund subscribed to ₹1,696.4 crore, while OCM India Opportunities XB Alternate Investment Fund subscribed to ₹803.6 crore

bonds, per the documents.

For raising ₹2,500 crore bonds, the company pledged shares it holds in Sesa Iron and Steel, and it signed a 'non-disposal arrangement' over shares it holds in ESL Steel, according to stock exchange disclosures.

Vedanta Ltd raised funds for its capex requirement and also to repay its existing term loans due this financial year, as reported by ET on September 17. The company has two separate term loans of ₹300 crore and ₹1,000 crore due November 14, 2023 and March 31, 2024, respectively.

Vedanta announced the allotment of ₹2,500 crore secured non-convertible debentures on September 28, without disclosing the investor or the terms of the bonds.

The domestic fundraising comes amidst an announcement that its board has approved splitting Vedanta Ltd's business into five units — aluminium, oil and gas, power,



FILE PHOTO

steel and ferrous metals, and base metals. Vedanta will be the holding company.

Separately UK-based parent company, Vedanta Resources, is working overtime to refinance \$3.2 billion of bonds coming up for redemptions. Vedanta Resources is in talks with bondholders to refinance its upcoming bonds. It has \$1 billion 13.875% bonds due in January 2024,

\$1 billion 6.125% in August 2024, and \$1.2 billion 8.95% in March 2025.

At a bondholders' meeting organised by Standard Chartered Bank and JP Morgan between September 11 and 19 in Singapore, Hongkong and London, it proposed extending the tenure of the bonds by three years, as reported by ET on September 12.

In the past, Oaktree has funded the mines-to-metal conglomerate owned by Anil Agarwal.

It had provided \$750 million to Vedanta Resources against the share pledge of Vedanta Ltd in December 2020. It also provided \$850 million along with JP Morgan to THL Zinc Ventures, a wholly owned subsidiary of Vedanta Ltd, in May. In both cases, Oaktree provided funding for refinancing bonds maturing in the near term.

Oaktree also holds a position in offshore bonds due in January 2024 and March 2025.

BUSINESS LINE
DATE:5/10/2023 P.NO8**QUICKLY.****Global copper market to see 27,000-t deficit in 2023**

The global copper market is expected to see a deficit of 27,000 tonnes this year and a surplus of 467,000 tonnes in 2024, the International Copper Study Group (ICSG) said. World refined copper usage is expected to increase by about 2 per cent in 2023 and 2.7 per cent in 2024, the ICSG said.

REUTERS

Global steel output up 2.2% in Aug; big jump in India**Achuth Vinay**
Chennai

Global crude steel production increased by 2.2 per cent in August 2023 to 152.6 million tonnes (mt) against 149.5 mt in the corresponding period a year ago. For the January-August period, production in the 63 nations that account for 97 per cent of world steel output was pegged at 1,256.4 mt, up 0.2 per cent.

According to the World Steel Association, top producer China's output stood at 86.4 mt in August, up 3.2 per cent from the year-ago period. For the January-August period, China's output was 2.6 per cent higher at 712.9 mt.

India reported a 17.4 per cent surge in production at 11.9 mt. Overall, for the January-August period, India's steel output increased by 10.5 per cent at 92.2 mt.

RUSSIAN OUTPUT SOARS

Russia's production soared by 8.9 per cent to 6.4 mt. Steel production in Japan and South Korea went down by 2.9 per cent and 5.9 per cent, re-



India reported a 17.4% surge in production at 11.9 mt. Overall, for the January-August period, India's steel output increased by 10.5% at 92.2 mt

spectively, to end at 7.1 mt and 5.6 mt. While output in the US increased by 1.1 per cent at 7 mt, Germany's output declined by 1 per cent at 2.8 mt. Brazil and Türkiye reported production drop of 5.9 per cent and 2.9 per cent, respectively, at 2.7 mt and 2.8 mt year-on-year.

Iran's production plunged 24.1 per cent at 1.6 mt.

Zinc prices likely to rule stable this quarter

POSITIVE CUES. Jump in cancelled warrants on LME and recovery in Chinese demand offer hope for the galvanising metal

Subramani Ra Mancombu
Chennai

Zinc prices will likely rule stable during the current quarter to December despite having declined last quarter following poor Chinese consumption.

The London Metal Exchange (LME) zinc spot price declined to \$2,500 a tonne from an average of about \$3,100 a tonne in the previous three quarters on worries over shortages of zinc refining capacity, the Australian Office of Chief Economist (AOCE) said its resources and energy quarterly.

Currently, zinc spot price is ruling at \$2,601, while the three-month contract dropped to \$2,554 on Tuesday. The metal, mainly used as a galvaniser to prevent rusting, had surged to \$2,675 on May 10.

"The zinc price declined noticeably in the September quarter as Chinese demand

disappointed expectations. China's ongoing property crisis has weakened the prospects for demand over the outlook period, with the price forecast to average \$2,600 a tonne in 2025," the AOCE said.

However, prices are looking up currently on hopes that the Chinese economy will recover, while projections of lower production in Europe and Australia are also supporting the uptrend.

The AOCE forecast the LME zinc spot price to average at about \$2,700 a tonne in 2023.

Research agency BMI, a Fitch Solutions unit, has projected zinc prices to average \$2,550 in 2023, which implies prices averaging \$2,212/tonne over September-December.

SURPLUS SUPPLIES

"We expect prices to remain relatively stable over the coming months, as gradually improving mined and refined output helps to reduce market tight-



AIDING THE TREND. Projections of lower production in Europe and Australia are also supporting the uptrend in prices

ness," it said. According to provisional data from International Lead and Zinc Study Group (ILZSG), a UN body, world refined zinc metal supply exceeded demand by 370,000 tonnes in the first half of 2023 with total reported inventories increasing by 85,000 tonnes.

World zinc mine production fell in Burkina Faso, Canada, Sweden and Australia, where

mining activity was impacted by heavy rains in the first quarter. These declines were partially balanced by rises in Brazil, Kazakhstan, Peru and Portugal resulting in an overall reduction globally of 0.7 per cent, it said.

LME zinc stockpiles surged in August, rebounding from multi-year lows. This suggests that a structural reversal of zinc market tightness is playing

out, BMI said.

According to ING Think, the economic and financial analysis wing of Dutch multinational services firm ING, there was a sharp rise in cancelled warrants at LME warehouses.

This means the commodity was taken out of LME warehouses. A rise in cancelled warrants signals demand.

"The latest data shows that cancelled warrants for zinc jumped 15,875 tonnes to 48,150 tonnes (September 28). The increase was driven by warehouses in Singapore. The sudden jump in cancelled warrants might result in declining inventories over the coming days," it said.

Similarly, inventories also dropped on the Shanghai Futures Exchange, ING Think said.

The Australian Office of the Chief Economist said zinc prices headed south last quarter as some European zinc smelters opened. The decline

has been sustained by the underlying weakness in demand, as China failed to deliver the widely expected recovery in demand.

NEGATIVE VIEW

ILZSG said global zinc production increased 2.7 per cent in the first half of 2023 on a significant rise in Chinese refined metal production. The output was also up in Australia, benefiting from the commissioning of additional capacity at the Sun Metals Zinc Refinery, and Mexico. BMI said there are tentative signs that European smelters could begin increasing production again in 2023.

The research agency said its long-term view of zinc prices was negative. "We forecast zinc prices to average \$2,150/tonne over 2024-27," it said.

The AOCE forecast zinc prices to fall to average \$2,500 in 2024 and \$2,600 in 2025, with zinc demand growth expected to remain weak.

BUSINESS LINE

DATE:6/10/2023 P.NO10

QUICKLY.

Copper drifts as inventories rise



London: Copper prices stumbled for the fourth straight session as investors unloaded positions on persistent worries about demand in China and uncertainty about interest rates and global growth. Three-month copper on the LME was down 0.6 per cent to \$7,903 a tonne. LME copper has lost 4.5 per cent so far this week. REUTERS

As lithium prices plunge, Chinese refining firms cut output

Subramani Ra Mancombu
Chennai

With prices of lithium carbonate, a key commodity used in making batteries of electric vehicles (EVs), declining by 67 per cent year-on-year, some of the Chinese refining companies have begun to cut production or suspend operations.

As the battery material prices drop, the losses of Chinese producers have increased. Due to this, some of the firms have stopped from resorting to sharp cut in prices and have resorted to either production cut or suspend operations, Shanghai Metal Market (SMM) news said.

MAY SLOW DOWN FALL
Currently, lithium carbonate prices are ruling at 165,000 Chinese yuan (\$23,123.39) a tonne, a two-and-a-half year low due to low demand. The

Rising output, demand**

	2022	2023*	2024*	2025*
Production	737	981	1,259	1,511
Demand	797	999	1,217	1,428

Source: Office of the Chief Economist, Australia *Forecast ** in '000 tonnes

production cut will likely slow down the fall in lithium carbonate prices.

Battery making companies for EVs have, on the other hand, paused buying from the start of the third quarter as their inventories have built up and the funds that the Chinese government gave have dried up, said the Trading Economics Website.

Demand for EVs is subdued in China as consumer spending has been affected in view of its economic problems. According to reports, at least 10 Chinese EV producers have cut prices to cut their inventories.

In turn, this has dragged battery prices and lithium

carbonate rates. The European Union's move to launch a probe into predatory pricing by Chinese vehicle manufacturers has compounded the problems.

Data showed that China's lithium carbonate imports decreased four per cent year-on-year to 10,843 tonnes in August.

Amidst these developments, major Chinese lithium producer Zhicun Lithium has stopped production to "overhaul some equipment from September 29 to October 25". This will cut lithium output by 3,000 tonnes this month.

The Australian Office of Chief Economist (AOCE),

Battery material rates are now ruling at 2-1/2-year low, but likely to rule above pre-2021 levels

in its Resources and Energy Quarterly said lithium prices will decrease as the market enters a period of surplus production.

MORE DROP LIKELY

"In 2023, prices have fallen significantly as the market swings from deficit to being in balance. The high prices in 2021 and 2022 incentivised more investment in lithium production, resulting in global supply catching up to demand," the AOCE said.

High prices in 2021 and 2022 drove companies to destock and reduce the cost of carrying inventory — putting further downward pressure on prices.

"Prices are forecast to fall further by 2025 as the lithium market enters a period of surplus supply, and is expected to result in rising stockpiles," it said. However, prices are expected to remain well above levels traded in the few years prior to 2021, the Australian Office of the Chief Economist said.

Australia leads global lithium extraction and it accounted for 51 per cent of the world output in 2022.

Research agency BMI, a Fitch Solutions Union, said elevated prices over the coming five years will continue to be the main driver of higher battery technology capital expenditures, driving developers to adopt new deployment strategies.

"Of all the metals, we expect lithium to have the strongest impact on the cost of battery energy storage systems and as prices for lithium fall in the medium-term they will reduce risk to consumers," it said.

BUSINESS LINE

DATE:7/10/2023 P.NO4

Steel firms mull price rise as coking coal costs surge

Reuters
New Delhi

Steel companies plan to raise prices of various grades of the alloy due to rising import costs of coking coal, especially from major producer Australia, officials at four domestic mills said.

Steel mills are likely to raise rates by \$25 to \$50 a tonne by December, said the officials, who did not wish to be named as they are not authorised to speak to media.

Prices for Australian coking coal have jumped 50 per cent to over \$350 a tonne due to factors such as maintenance outages, lower than usual supplies from Queensland, and a slower train network, Banmeet Khurmi, a metallurgical coal analyst at London-based CRU, a commodity-focused research group, said.

For India, Australia accounts for over half of its coking coal imports of around 55-60 million tonnes a year.

India also meets its coking coal requirements by importing from Russia and the US.

रेतीघाटांचे करार संपले, तरीही उपसा

बोडेगाव रेतीघाटावरील 'लाइव्ह' दृश्य : स्थानिक प्रशासन मात्र डोळे मिटून

लोकमत न्यूज नेटवर्क

नागपूर : नागपुरात रेतीचा पुरवठा होत असलेला महत्त्वाचा घाट म्हणजे बोडेगाव रेतीघाट. करारानुसार या घाटमालकाची नदीतून रेतीचा उपसा करण्याची मुदत १० जून २०२३ रोजी संपली. तर रेतीसाठ्यावरून विक्रीची मुदत ३० सप्टेंबर रोजी संपली. पण २ सप्टेंबरला या घाटावर नदीच्या पात्रातून रेतीचा उपसा झाला. १० फुटांचा खड्डा नदीत करण्यात आला होता. पोकलॅण्ड, जेसीबीच्या माध्यमातून उपसा करून रेतीसाठ्यावर टाकण्यात आल्याचे लाइव्ह दृश्य स्थानिकांनी टिपले. स्थानिक तहसीलदार आणि एसडीओला तक्रारीही केल्या. पण प्रशासनाने डोळे मिटल्याने नियमबाह्य, अवैध पद्धतीने रेतीची चोरी होत आहे.

बोडेगाव घाट ब्रम्हपुरी तालुक्यातील वैनगंगा नदीपात्रातील आहे. घाटाचा २०२२-२३ या वर्षासाठी मे. प्रशांत ट्रेडर्स, प्रो. प्रा. प्रशांत बोरकर रा. भंडारा यांना लिलावाद्वारे वाटप करण्यात आला होता. घाटमालकाला कराराद्वारे २



बोडेगाव येथील रेती घाटात खोदलेला हा भला मोठा खड्डा व दुसऱ्या छायाचित्रात उपसा करताना जेसीबी.

हेक्टर आर जागेमधून ७,०६७ ब्रार रेती १० जून २०२३ पर्यंत नदीपात्रातून उपसा करता येत होती. तर उपसा केलेली रेतीसाठ्यावरून विक्रीची परवानगी ३० सप्टेंबरपर्यंत दिली होती. या कालावधीत तर घाटमालकाने कराराचा भंग केलाच. पण करार संपल्यानंतरही दुसऱ्या तिसऱ्याच दिवशी नदीपात्रातून पोकलॅण्ड, जेसीबीद्वारे १० फूट खड्डा खोदून ३ हजारांच्या जवळपास रेतीचा अवैध उपसा केल्याचे निदर्शनास आले.

रॉयल्टीने रेती ६ हजार, डब्ल्यूआर ४ हजार ब्रास

- नियमानुसार करार संपल्यानंतर स्थानिक प्रशासनाने घाट ताब्यात घेऊन रेतीचा साठा व रॉयल्टी ताब्यात घेणे गरजेचे आहे.
- त्याचा पंचनामा करून ग्रामपंचायतीला साठा सुपूर्द करणे गरजेचे असल्याचे सूत्रांनी सांगितले. परंतु स्थानिक प्रशासन रेती घाटाकडे दुर्लक्ष करीत असल्याने घाटमालक अवैध उपसा करून रॉयल्टीने ६ हजार व डब्ल्यूआर ४ हजार रुपये ब्रासने विक्री करीत असल्याचे ट्रान्सपोटरने सांगितले.
- त्यामुळे नागपूर शहराला ४० हजार रुपये ट्रकने रेती मिळत आहे. अशा मनमानीमुळे शासनाचा मोठ्या प्रमाणात महसुलाचे नुकसान व ग्राहकांच्या खिशाला भुर्दंड बसत आहे.

WCL mine expansion work leaves many families in distress

Mazhar Ali | TNN

Chandrapur: Excavation work for the expansion of the open cast mine in Hindustan Lalpeth area, under Western Coalfields Limited (WCL), has sparked fear and concern among 360 families who have called this land their home for nearly three generations.

Residents are demanding proper rehabilitation and compensation to ensure their well-being. They have urged the company to reconsider and opt for underground mining. WCL has proposed to of-



Residents want rehabilitation

fer Rs5.50 lakh to each household as compensation. Citing that the amount is inadequate for purchasing land and constructing new homes, residents have demanded Rs15 lakh as compensation.

The excavation work has begun without any settlement

from WCL. Daily blasting at the mining site is leading to vibrations at homes and heavy traffic is causing inconvenience, said residents.

Following repeated complaints from the residents, the collector on Thursday sent the sub-divisional magistrate to inspect the area, hold discussions with WCL officials and around 150-200 residents. The sub-divisional magistrate directed WCL officials to take measures to minimize the impact of blasting and heavy traffic on people living in the area.

'TO IMPROVE FROM MID-OCTOBER'

Stocks at Power Plants Likely to Dip Further: Coal Secy

Shilpa.Samant@timesgroup.com

New Delhi: Recent rain spell in eastern Chhattisgarh, Uttar Pradesh, Odisha and West Bengal has affected coal production and dispatch for the last seven days, which may take coal stocks at domestic coal-based power plants further down to 20 million tonnes from the current 21 million tonnes, coal secretary Amrit Lal Meena told ET. However, the situation is not critical and stocks at power plants will start increasing mid-October onwards, he said.

Stocks in three of Coal India Ltd's subsidiaries - Northern Coalfields Ltd, Central Coalfields Ltd and Bharat Coking Coal Ltd - have gone down slightly more and fuel is being diverted from other areas like South Eastern Coalfields Ltd, he said. "This kind of diversion has been made in the last 3-4 days, but we are maintaining [the requirement]. There is no criticality per se, but a little adjustment has to be made," he said. Despite the rain, transportation from Mahanadi Coalfields Ltd has been better, he said, adding that Western Coalfields Ltd and Singareni Collieries Companies Ltd are also operating normally now. Stocks at domestic coal-based plants depleted to 21 million tonnes as of October 4 from opening stock of 33 million metric tonnes as of August 1. Last year on October 4, stocks at domestic coal-based plants were at 23.8 million tonnes.

July-September usually sees lower coal production and dispatch owing to the monsoon, but this August and September saw record-breaking peak electricity demand that led to a faster depletion of the fuel at power plants.

For the logistical constraints in transport of coal, there are long



Stocks at domestic coal-based plants depleted to 21 million tonnes as of October 4

term plans in place, Meena said. The challenge of railway rake movement is faced mainly in Jharkhand, West Bengal and parts of Madhya Pradesh, he added. The operationalization of a dedicated line from Son-nagar in Bihar to Dadri in the National Capital Region, as part of the Dedicated Freight Corridor, has improved the average time of transport to 35 km per hour from 16 km, he said. Results of this efficiency will be visible in 15 days, he said.

The four-laning of lines from Bilaspur in Chhattisgarh to Jharsuguda in Odisha and three-laning from Bilaspur to Katni in Madhya Pradesh - one the busiest sections - will also ease the transportation.

The start of Angul-Balram railway lines for transport of coal from Mahanadi Coalfields will also start showing results.

The steps taken have eased the logistical constraints, Meena said, adding that Railways have also inducted additional wagons leading to more rake availability for power plants compared with earlier.

SCCL belongs to TS, has no coal blocks in A.P., says MHA

M. Rajeev
HYDERABAD

In a major relief to Telangana, the Union Ministry of Home Affairs has ruled that Singareni Collieries Company Limited (SCCL) belongs to the State.

The Union Ministry's recent communication to the governments of the two Telugu States, Telangana and Andhra Pradesh, brings to an end the stalemate prevailing over the division of assets pertaining to the public sector mining company between the two States as part of the AP Reorganisation Act.

The Telangana government has been firm that the company belonged to it on the basis of location and this has been confirmed by the Attorney General.

The Andhra Pradesh government has been raising the issue during the high-level meetings convened by the Union Home Ministry as well as the meetings of the Southern Zonal Council held from time to time. It raised objections to the Attorney General's opinion asserting that they were factually incorrect as the coal blocks located in West Godavari and Krishna districts, were in the successor State, and are under the purview of SCCL.

"It can be concluded that SCCL is an inter-State company and its assets and



Mining in progress at a coal block in the State. FILE PHOTO

Union Ministry's communication to Telangana and Andhra Pradesh brings to an end the stalemate prevailing over the division of assets pertaining to the company.

liabilities are divisible as per Section 53 of the AP Reorganisation Act, 2014," the AP government maintained.

The Home Ministry accordingly sought the comments of the Ministry of Coal in the matter and the latter informed that only one coal block, Naini, which is situated in Odisha, has been allocated to SCCL under the Coal Mines (Special Provisions) Act 2015. "Since no coal blocks of SCCL is found in the successor State of Andhra Pradesh, the opinion of the Attorney General of India regarding the SCCL is treated as final," the Ministry said in the letter.

Bears probing supports

BULLION CUES. A corrective rally is possible

Akhil Nallamuthu
bl. research bureau

Gold and silver, in dollar terms, lost 0.9 per cent and 2.7 per cent to end at \$1,832.2 and \$21.6 per ounce, respectively.

On the MCX, gold futures and silver futures were down 1.3 per cent and 2.4 per cent to close at ₹56,871 (per 10 gram) and ₹68,170 (per kg) respectively.

MCX-GOLD (₹56,871)

Gold futures (December contract) depreciated last week and remains bearish. The nearest support for gold futures is the price band of ₹54,800-55,150.

However, in dollar terms, it found a support on the back of which the price consolidated for most part of last week. If there is a recovery, which is likely to be a corrective one, MCX gold futures will face resistance at ₹57,850 and ₹58,250. Above these levels is the critical barrier of ₹58,700.

Trade strategy: We suggested selling gold futures at ₹57,600 last week with a stop-loss at ₹59,100. Since there is a chance for a corrective rise, tighten the stop-loss to the entry price of ₹57,600.

When the contract touches ₹55,900, tighten the stop-loss to ₹56,600. Target at ₹55,150.



GETTY IMAGES

MCX-SILVER (₹68,170)

Silver futures (December) dropped to mark a low of ₹65,666 early last week. However, it recovered to close the week higher at ₹68,170. There is a support for silver in dollar terms which restricted the fall last week. This might lead to a corrective rally.

In such a case, MCX silver futures too could see an up move. The nearest resistance is the price band of ₹70,000-71,000. Subsequent resistance is at ₹72,650. Notable support levels are at ₹65,600 and ₹63,000.

Trade strategy: The target level of ₹68,000 for the shorts taken at ₹69,857 was triggered last week. Now, we recommend staying out. If there is a rally, initiate short at ₹70,000 with a stop-loss at ₹71,200. Exit at ₹65,600.

But if the contract slips below ₹65,600, go short for a target of ₹63,000. Stop-loss at ₹67,000.

India turns a net steel importer, the first time in 3 years

Abhishek Law
New Delhi

India turned net importer of steel in the July-September period (second quarter) of FY24, the first time in about three years, with nearly 1.50 million tonnes (mt) of finished offerings coming in during the period. This is up 8 per cent on a year-on-year basis. Steel imports were higher than exports by 0.34 mt (exports were 1.16 mt).

Price pressure from China, slowing European demand because of recessionary pressures, lack of clarity on Carbon Border Adjustment Mechanism (CBAM) reporting guidelines, and better realisations in domestic market continued to weigh on exports. In the year-ago period (second quarter), exports



According to a report by the Steel Ministry accessed by *businessline*, September remained one of the worst months for Indian mills, as outbound shipments (exports) slid by over 73 per cent y-o-y to just 0.16 mt, while imports, despite a 24 per cent drop, remained at 0.38 mt.

MUTED DEMAND

gust show that steel exports were 0.52 mt and 0.48 mt, against which the corresponding imports were at 0.59 mt and 0.53 mt, respectively.

"There is some price pressure across global markets which have impacted exports. Demand remains subdued and with no immediate price change in key markets expected, offers in the EU, Middle East and South-East Asia (Vietnam) are on hold. Domestic market realisations are more attractive at the moment over exports and that is where Indian mills are concentrating on," said a trader.

For the first half of FY23 (April-September), exports dipped 10 per cent y-o-y to 3.2 mt, while imports jumped 13 per cent to 2.9 mt, the Ministry report said.

with European buyers seeking more clarity on hot rolled coil shipment volumes, specially with regard to carbon emission/usage standards. Offers there are range-bound at \$685-700 per tonne, indicative of a slowdown and expected further drops in prices.

In Vietnam—a key buyer market—there is poor demand and high influx of low-cost Chinese offerings, which forced mills to turn to Indian markets for selling excess stocks over the last few months. Hoa Phat, the largest steel maker there, has further cut prices. In the Middle East, lower-priced Chinese products were coming in at \$585-595 per tonne or cheaper by nearly \$25 per tonne over Indian offers. At \$620-630 per tonne, Indian steel is the costliest among South-East

Sai Prabhakar Yadavalli

bl. research bureau

Jindal Steel and Power is in the midst of a large capex drive that scales up its capacity and improves its margin profile as well. With an improved balance sheet and strong growth outlook in the next two years, the stock is trading at a reasonable 6 times FY25 EV/EBITDA. We recommend that investors accumulate the stock presently when the full-scale of the expansion is yet to be baked into earnings.

CAPEX PLANS

The company plans to invest close to ₹24,000 crore till FY27 (current market cap of ₹69,000 crore). It expects to move from current capacity of 9.6 MTPA steel capacity to 15.9 MTPA by FY25, which is a 60 per cent growth. This encompasses projects adding to finished product capacity (outlay of ₹15,900 crore) and margin improvement (₹8,100 crore). In an optimal fashion, the company has planned coal mines and iron ore pellet manufacturing capacity first. This will be complemented by blast furnace, iron slab caster, hot strip mill (HSM), and other downstream capacity.

As per its timelines, the company expects completion by FY25, but one can anticipate delays, considering the significant regulatory red tape involved in the projects. The pellet plant has been commissioned in Q1FY24 and the second phase is expected to come online by year-end and HSM by Q3FY24. This pellet plant may generate external sales as well (5-7 per cent of sales) apart from supplementing even the expanded finished steel capacity.

On the demand side, Indian steel market is among the few facing positive demand growth — 14 per cent YoY in 1H CY23. The large national capex plans and revival in home and auto markets is expected to sustain demand at the higher level.

The domestic prices, though, have come off, from peaks of ₹75,000 per tonne reached last year, to current prices of ₹58,000 per tonne for finished steel products. The longer-term pricing will be dependent on domestic demand (positive), international demand and Chinese supplies. While international demand is also a positive for India on account of energy-con-

Fired up for more growth

STEEL. A well-structured expansion is on the cards, improving outlook for Jindal Steel's top and bottom line

and the West, the Chinese supplies will be a key determinant. If the Chinese steel production (currently in excess due to low domestic demand) reverts to a stable state, international, and hence domestic pricing, can sustain from current levels.

MARGIN TAILWINDS

Iron ore and coking coal have also come off from peak prices in domestic markets, aiding steel companies' margin profile. But for Jindal Steel, the expected commissioning of close to 15 MTPA of coal mines will ensure a cheaper supply of coal and lower cost of raw materials aiding margins. Coking coal should account for 40-50 per cent of cost of steel making. The mines were long expected to add to production but have been delayed on regulatory complexities. Apart from coal supplies, an expanded pellet capacity and a captive power plant (expected by H2FY25), should make Jindal Steel a leading, cost-competitive producer of steel domestically, complemented by higher capacities of finished products.

FINANCIALS

Jindal Steel, similar to other steel companies, turned over its balance sheet strength in the

ACCUMULATE

Jindal Steel and Power
₹683.30

WHY

- Improving margins
- Capacity expansion
- Demand to sustain

last three years. From a net debt of ₹39,000 crore in FY19 (4.65 times net debt to EBITDA), it is at ₹6,800 crore in Q1FY24, which is 0.75 times to EBITDA. For the future, including the high capex plans for next three years, the company plans to limit its leverage to a maximum of 1.5 times net debt to EBITDA.

With improved margins and higher capacity including value added products, the company should improve its cash flows, supporting a higher internal funding to the projects.

The company is currently trading at 6 times one-year forward EV/EBITDA, which is in line with the industry; Tata Steel is at 6.3 times and JSW Steel at 7.3 times. More than reasonable valuation, investors can look forward to earnings estimates moving higher with Jindal Steel.

RM costs to decrease aiding margins



Planned capacity in next two years

	Capacity (MTPA)	Expected date
Margin Expansion 8,100 crore	Pellet Plant - I	6
	Hot strip mill	5.5
	Slurry pipeline	18
	Pellet plant - II	6
Capacity expansion 15,900 crore	Basic oxygen furnace	3.3
	Blast Furnace - II	4.25
	Power plant - II	1050 MW
	Basic oxygen furnace	3
	Direct reduced Iron mill	2

FY24/FY25 revenue growth estimates seem modest at 14-15 per cent compared to 60 per cent capacity expansion on the cards in the next two years.

The EBITDA margin expansion estimate is also limited to 150-200 bps despite higher coal

linkages, power generation and raw material supplies moving in-house. This could be on account of conservative estimates, but investors can accumulate the stock on corrections to provide a margin of safety in execution of the large capex plans.

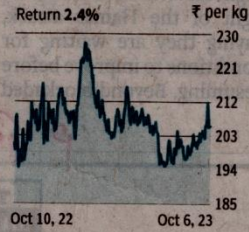
Aluminium futures: Go long, stop-loss at ₹202

Akhil Nallamuthu
bl. research bureau

Aluminium futures on the Multi Commodity Exchange (MCX) lost 2.9 per cent last week as it closed at ₹205.75 on Friday. This was in line with our expectations. That said, further decline from the current level is less likely since ₹206 is a strong support. The 20-day moving average currently lies at ₹205.60, denoting that the region around ₹206 is a support. The trend will turn bearish only if the contract decisively falls below ₹204. Therefore, the price band of ₹204-206 can be viewed as a support band.

COMMODITY CALL

We anticipate a recovery in the upcoming sessions where aluminium futures could appreciate to ₹215, a



COMMODITY CALL.

Go long in zinc, stop-loss at ₹216



Gurumurthy K
bl. research bureau

Zinc prices have been stuck in a sideways range for almost a month now. The contract on the Multi Commodity Exchange (MCX) has been oscillating between ₹219 and ₹230 per kg over the last few weeks. It is currently trading at ₹221 per kg.

The sideways range remains intact. Going forward, we expect the downside to be limited to ₹219. If the contract manages to sustain above ₹219, a fresh rise to ₹227 and ₹230 can be seen over the next one-two weeks.

We have to wait for a breakout on either side of ₹219-230 range to get a cue on the next leg of move. A break below ₹219 can take the contract down to ₹217. A further break below ₹217 will increase the downside pressure.

On the other hand, a decisive break above ₹230 can boost the bullish momentum. In that case, the contract can rise to ₹235 and ₹240.

TRADE STRATEGY

We had recommended short positions earlier a couple of weeks back at around ₹223. We suggest traders to exit the short positions with a minimum profit at current levels.

Fresh long positions can be taken at ₹220 and ₹218. Keep the stop-loss at ₹216. Trail the stop-loss up to ₹222 as soon as the contract moves up to ₹224. Move the stop-loss further up to ₹224 when the contract touches ₹226. Exit the long positions at ₹228.

A METAL PROVES ITS METTLE

Though not a precious metal, titanium has been given a brand upgrade thanks to its positioning by Apple's iPhone 15 Pro. **Shannon Tellis** mines the reasons why the metal is finally in its element

While introducing the iPhone 15 Pro, Apple CEO Tim Cook called it 'the most Pro iPhone' they have ever created. One of the factors emphasised was the phone's titanium body, which makes it lighter as well as more durable — a key concern in the past for iPhone users. The bonus? The titanium casing is stylish, giving the metal a cool quotient from one of the world's top brands.

"Titanium is 50% stronger and 45% lighter than steel, offering exceptional strength, lightweight properties, corrosion resistance and a hypoallergenic nature. It has been proven in the industry that titanium ticks all the boxes for diverse applications, from aerospace to medical implants," says **Amit Khatri**, co-founder of smart wearable brand Noise. The company just launched a titanium smart ring that tracks sleep patterns, movement and heart rate.

Could Apple's move to titanium set off a ripple effect across industries? Is it poised to become the new cool metal on the block?

THE APPLE EFFECT

"Apple using something will obviously make it go around the world. I think it will make titanium a bit more sought after," says **Piyush Pandey**, executive chairman of Ogilvy India.

"TITANIUM'S STRENGTH IS FAR BEYOND ITS WEIGHT, WHICH IN COMMUNICATION TERMS, AND IN THE CANNES LIONS CONTEXT, MEANS THAT IT CARRIES MORE SUBSTANCE THAN ANYTHING ELSE."

PIYUSH PANDEY, executive chairman, Ogilvy India

"Titanium is not an easy metal to work with, which adds to its mystery," says **Siddhartha Sacheti**, CEO of Jaipur Gems. The luxury brand has dabbled with titanium jewellery for almost a decade. "Working with titanium is almost exclusive and not many have been able to explore this in the mainstream, which poses an advantage for luxury brands."

Although Apple declined to comment on whether their phone could have an effect on the metal's popularity, Sacheti believes that now more people will appreciate a piece made in titanium "and we,

as a brand, really don't have to work so hard to explain the beauty of this lovely metal".

Khatri says some industries — such as smartphones, laptops and wearables — are already seeing

titanium becoming a top choice for high-quality materials in product development due to its sleek appearance and strong properties. "It represents innovation and luxury, appealing to consumers who want advanced technology that combines durability with elegance," he says.

A NEW TIER OF PREMIUMNESS

For some time now, brands have viewed titanium not just as a metal or a colour. A number of them, ranging from travel to banking, have successfully used the word 'titanium' to evoke feelings of durability and premiumness. Luxury watch brands like Hublot, Breitling and Breguet among others, have titanium offerings in their range.

The Marriott Bonvoy has a Titanium elite tier where members can receive bonus points on hotel stays and suite upgrades, subject to availability. Interestingly, Marriott's Titanium tier is ranked higher than their Platinum elite tier — a Titanium status requires 75 nights annually, while a Platinum status requires 50. Vietnam Airlines offers a Lotusmiles Titanium membership, which allows passengers to get priority check-in and onboarding services, seating, extra baggage allowance and award tickets for relatives. In India, nearly all banks have a Titanium-level credit card or debit card.

"After brands have exhausted options such as bronze, gold and platinum, and they still feel the need to create an exclusive tier, titanium could be an option," explains brand consultant **Subhash Kamath**. "It evokes an immediate association with strength, premiumness and exclusivity and can go a long

COLOUR QUOTIENT 'AN ELEGANT SIMPLICITY'



THE SLEEK elegance of a titanium finish could have a spillover effect on other industries, particularly fashion and interior design. "Titanium presents a softer alternative to black, signifying a new elevated minimalism," says **Laurie Pressman**, vice president of the Pantone Color Institute.

Pressman says the colour has seen its ups and downs over the years and often sees a surge in popularity during periods of economic and social uncertainty. "As a shade, titanium plays to our desire for colours that, from a psychological standpoint, represent stability. Such colours are practical and pragmatic, yet also display an elegant simplicity. We've seen titanium come to the forefront in fashion during the 1960s and the 1980s. In the 1990s, these deep greys played a role in the grunge movement and in minimalist design for fashion as well as in home interiors. This could be attributed to the economic plunge that took place during that era."

Pressman says that recently, these deeper greys have come to be seen as sophisticated — "they make an impactful monochromatic statement and do quite well in enhancing colours they are paired with". Apple's switch to titanium could only cement the importance of these reliable core tones that are already predicted to play a role in design for Spring-Summer 2024.

way if 'used right," adds **Raj Kamble**, founder of ad agency, Famous Innovations.

AND THE GOLD GOES TO TITANIUM?

Kamble, however, says the likelihood of iPhone 15 Pro's impact on the popularity of the metal seems far-fetched. "Apple's brand pull is just too big. Everybody wants to buy the new iPhone no matter what casing it has or what upgrades are provided. The news of the launch has far overshadowed what's being launched," he says.

He also points out the uphill battle that titanium faces against other metals. "India's love for gold runs in its veins. I have experienced first-hand how consumers are willing to even



buy white gold over platinum, just because of the word 'gold' in its branding, even though platinum is a better purchase on all parameters. Titanium hasn't even entered the consideration set yet."

"IT EVOKES AN IMMEDIATE ASSOCIATION WITH STRENGTH, PREMIUMNESS AND EXCLUSIVITY AND CAN GO A LONG WAY IF USED RIGHT."

RAJ KAMBLE, founder, Famous Innovations



Another factor is that titanium still operates in very niche segments when it comes to everyday use. "Unlike other metals which are ornamental — gold, diamond, platinum — there isn't much day-to-day use for titanium. It is only recently that we've started to use it in electronics [laptops, mobiles, hair dryers] and other products [beauty]. For it to become a household name, it would take much more usage," adds Kamath.

The future for titanium may be brighter if brands find the right application for it, observes Kamble. "Owing to its association with strength, lightness and a certain futuristic appeal, it could be great for the wearable market. Maybe Apple's first step will spark off that trend," he shares.

SUM AND SUBSTANCE

No matter what, titanium seems to have made enough of a brand statement worldwide.

Pandey, who was part of the Dan Wieden Titanium Lions jury at Cannes Lions 2023, believes that the usage of the word at the international festival of creativity was a nod to the metal's incredible strength-to-weight ratio.

"This is the trait that makes titanium special — its strength is far beyond its weight, which in communication terms, and in the Cannes Lions context, means that it carries more substance than anything else," says Pandey. "That's why the points for Titanium are higher than those for Gold."



Add to that, the dimension of myth-making. Featuring on Group 4 of the periodic table, the chemical element with the symbol Ti got named after Titans, the sons of the Earth goddess in Greek mythology.

On the planet, only a handful of countries boast of titanium deposits. India is one of them, with 21% of the global deposits along its 7,000-km coastline, according to a 2015 news report. But with the brand-building success around titanium, the metal could soon be going places.

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With inputs from Mukta Lad and Glynda Alves

Copper Prices Rebound on Weaker US Dollar, New Chinese Demand

Sutanuka Ghosal
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Kolkata: Amid the ongoing geopolitical tension in Israel, prices of copper rebounded on Wednesday due to a weaker US dollar and on hopes of renewed demand from China as there is the possibility of the world's top metal consumer issuing new stimulus to boost its economy. Increasing demand for copper in the green energy sector is also giving support to the metal.

On the MCX, copper for October 31 expiry touched a high of Rs 711.30 per kg Wednesday before closing at ₹705.50, compared with the previous close of ₹705. Three-month copper on the London Metal Exchange was up 0.6% to \$8,068 a tonne at 0158 GMT, reversing a 1% loss in the previous session.

Gnanasekar Thiagarajan, co-founder & CEO of Commtrendz Research, said copper continues to be the flavour among investors as the metal, which is needed in the alternative energy sector, might still be in deficit considering the lack of expansion in mining for the past few decades.

Dovish comments from Federal Reserve officials led investors to believe there could be a pause to the US central bank's interest rate hike cycle, sending the dollar lo-



AP PHOTO

wer. A weaker dollar makes it cheaper for non-dollar holders to buy the greenback-priced commodity. Meanwhile, policymakers in China are weighing the issuance of at least 1 trillion yuan (\$137 billion) of additional sovereign debt for spending on infrastructure such as water conservancy projects, Bloomberg News reported on Tuesday. This too could boost consumption of copper.

"Copper is used extensively in construction and manufacturing, and massive amounts will be needed to wire the shift to green energy. In recent times, traditional copper demand in construction and manufacturing has been disappointed by the tepid recovery in the world's biggest metals consumer (China)," said Saumil Gandhi, senior analyst (commodities), HDFC Securities.

Gandhi said: "However, demand from the green energy front keeps supporting the copper price and balancing the copper market. As the world turns towards green energy, demand is set to surge. Global copper demand for alternative energy sources is expected to rise to 4.3 million metric tonnes in 2030, which is double that of 2020. We believe copper will continue to be in high demand as the globe transitions to new energy sources."

Tushar Chaudhuri, a research analyst at Prabhudas Lilladher, said the demand for copper is increasing in India for the electrical vehicle sector: "However, prices of copper will be determined by how the crude oil prices behave following the geopolitical tension in Israel. That will create uncertainty all over," he said.

DAINIK BHASKAR DATE:12/10/2023 P.NO14

हिंदी पखवाड़े का पुरस्कार वितरण समारोह



नागपुर। भारतीय खान ब्यूरो (मुख्यालय) पी.एन. शर्मा, मुख्य खान नियंत्रक की अध्यक्षता में हिंदी पखवाड़ा के समापन एवं पुरस्कार वितरण समारोह का आयोजन किया गया। पंकज कुलश्रेष्ठ, मुख्य खान नियंत्रक, विशिष्ट अतिथि के रूप में उपस्थित थे। डॉ. योगेश काले, खान नियंत्रक (मध्य), राजभाषा अधिकारी एवं अन्य वरिष्ठ अधिकारी तथा कार्मिक उपस्थित थे।

आरंभ में गृह एवं सहकारिता मंत्री अमित शाह और संसदीय कार्य, कोयला एवं खानमंत्री प्रह्लाद जोशी का संदेश अधिकारियों द्वारा वाचन किया गया। पी.एन. शर्मा ने राजभाषा हिंदी के अधिकाधिक प्रयोग पर बल दिया। पंकज कुलश्रेष्ठ ने कहा कि हिंदी को बढ़ाने के लिए

हमें निरंतर प्रयास करना चाहिए। डॉ. योगेश काले ने संपर्क भाषा के रूप में हिंदी की महत्ता बताई। अभिनय कुमार शर्मा, संपादक ने भारतीय खान ब्यूरो मुख्यालय में हिंदी के कार्यों की उपलब्धियां गिनाईं। संचालन विनय कुमार सक्सेना, वरिष्ठ पुस्तकालय एवं सूचना सहायक ने किये आभार किशोर डी. पारधी, कनिष्ठ अनुवाद अधिकारी ने माना। समारोह के आयोजन में हिंदी अनुभाग की मिताली चटर्जी, सहायक निदेश (राजभाषा), असीम कुमार, कनिष्ठ अनुवाद अधिकारी, वीनू खड्क, कनिष्ठ अनुवाद अधिकारी, सुबोध कुमार, आशुलिपिक, प्रदीप कुमार सिन्हा तथा राहुल कौशिक, उच्च श्रेणी लिपिक और एम.एन. मो. प्रेसमैन का पूर्ण योगदान रहा।

Silver breaches barrier

BULLION CUES. But resistance ahead for gold

Akhil Nallamuthu

bl. research bureau

The precious metals' price surged last week and produced the best weekly performance since the third week of March this year. In terms of dollars, gold and silver appreciated over 5 per cent each and ended at \$1,932.8 and \$22.7 per ounce, respectively.

Similarly, on the MCX, gold and silver futures rallied 4.5 per cent each and closed the week at ₹59,408 (per 10 gram) and ₹71,287 (per kg) respectively.



avourable for fresh long positions at this juncture. Hence, we advise staying out.

MCX-SILVER (₹71,287)

Last week's rally led to silver futures (December) closing above the resistance band of ₹70,000-71,000. Compared with gold futures, which has a resistance nearby, silver futures is better placed to rally as it has crossed over the hurdles.

The nearest notable resistance from the current level is at ₹73,500. Subsequent resistance is at ₹76,500. In case silver futures makes a U-turn and falls below ₹70,000, it might decline to ₹68,200. Next support is at ₹66,600.

Trade strategy: Traders with high-risk appetite can buy silver futures now at ₹71,287 and add longs if the price dips to ₹70,000. Target and stop-loss for this trade can be at ₹73,500 and ₹69,200, respectively.

MCX-GOLD (₹59,408)

Gold futures (December contract) rallied sharply and moved above a resistance at ₹58,700. While the momentum appears strong, the contract has a couple of strong resistance. One is the falling trendline resistance at ₹59,600, where the 200-day moving average also coincides. The other one is at ₹60,000.

A breakout of ₹60,000 can lead to another leg of rally, possibly to ₹61,500. On the other hand, if there is a decline, the immediate support is at ₹58,700. A breach of this can bring back the bearish sentiment, possibly dragging the contract to ₹57,500.

Trade strategy: Although the bullish momentum is strong, gold futures is facing a barrier ahead. Moreover, the risk-reward is unfavourable.

Centre sets lithium mining royalty at 3% of LME price

HIDDEN WEALTH. Union Cabinet sets royalty rates for niobium, rare earth elements, too

Our Bureau
New Delhi

The Cabinet on Wednesday set the royalty rates for mining three sets of critical minerals such as, lithium, niobium and rare earth elements (REE). These are key minerals that will be used in various applications that will propel India's switch to clean energy and its net zero emission target.

The royalty rates for lithium extraction by mining companies will be fixed at 3 per cent of the prices prevailing on the London Metal Exchange (LME). Royalty rates for niobium mining were approved at 3 per cent of the average sale price; and for REE at 1 per cent of the average sale price of rare earth oxide, as per a statement by the Centre.

CRITICAL MINERALS

Lithium, an alkali metal, is one of the key components in rechargeable batteries that find usage in mobiles, laptops, electric vehicles, and medical devices like pacemakers. It is also used in energy storage solutions.

Conversely, Niobium is used in jet engines and rockers, beams and girders for



FRESH BEGINNINGS. India has been exploring ways to secure lithium supplies and found its first deposits in J&K REUTERS

buildings, and oil rigs, and oil and gas pipelines. This element also has superconducting properties and is used in superconducting magnets for particle accelerators, MRI scanners and Nuclear Magnetic Resonance equipment (spectroscopy).

Rare earth elements refer to a group of 17 minerals including scandium, yttrium, and cerium. Most of these are used as catalysts and magnets, with the most common usage being in alloys, glass, electronics, petroleum extraction, electric motors of hybrid and EVs and wind turbines, among others.

"Critical minerals such as lithium and REEs have gained significance in view of India's commitment towards energy transition and achieving net-zero emission by 2070. Lithium, Niobium and REEs have also emerged as strategic elements due their usages and geo-political scenario," the Centre said in a statement, adding that encouraging indigenous mining would lead to reduced imports and setting up related industries and infrastructure projects. It is also expected to increase employment in the mining sector.

Incidentally, India has

been exploring ways to secure lithium supplies, the critical raw material used to make electric vehicle batteries, and found its first deposits in Jammu & Kashmir. It is also in talks for securing supplies from overseas, like Argentina and Australia.

EXPLORATION REPORTS

So far, India imports all major components into lithium-ion cell manufacturing. The country's lithium-ion import bill for FY23 was ₹23,171 crore. It covered electric accumulators, including separators. In FY22, imports for lithium-ion were ₹13,673.15 crore.

According to Mines Ministry officials, the Geological Survey of India (GSI) has recently handed over the exploration report of REE apart from lithium blocks. Other exploration agencies are conducting exploration for critical and strategic minerals.

"The Centre is working to launch the first tranche of the auction of critical and strategic minerals such as Lithium, REE, Nickel, Platinum Group of Elements, Potash, Glaucinite, Phosphorite, Graphite, Molybdenum, shortly," said an official.

THE HINDU DATE:12/10/2023 P.NO14

Govt. sets lithium mining royalty at 3% of LME prices

The Centre set royalty rates for the mining of three critical minerals, including lithium, that are key to its clean energy ambitions. The royalty rates for lithium extraction by mining firms will be fixed at 3% of prices prevailing on the London Metal Exchange (LME), the government said. The government also set the royalty for niobium mining at 3% of the average sale price, and for rare earth elements at 1% of the average sale price of rare earth oxide. REUTERS

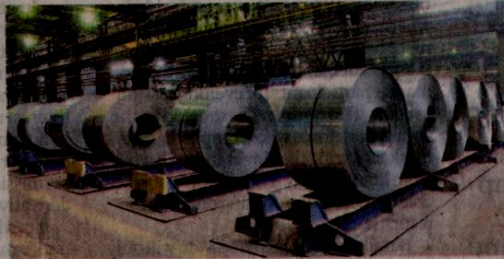
India, Sweden to collaborate on green steel projects;

Abhishek Law
New Delhi

Sweden has expressed willingness to partner with India on green steel-making with the scope of collaboration that includes carrying out joint studies, small scale pilots and experiments with new technologies like switching to hydrogen-based steel making processes as against existing coal-fired ones.

According to the draft documents with the Ministry of Steel, which was accessed by *businessline*, while India and Sweden will be the key partner countries, there will be "other partner countries" supporting these pilot projects (on green-steel making).

Funding sources to be explored through international



ALL SET. As per the draft sent to the Ministry of Steel, the pilot phase will run during the 2023-25 period

agencies include UNIDO (United Nations Industrial Development Organisation), IEA or OECD, World Bank, among others, as well as possible partnerships with private fund managers.

Ministry officials said that the pilots are to be carried out under the Industry Transition Platform: India Pilot,

with specific focus on hard to abate sectors that are key stakeholders in the global climate action, and specific interventions will be explored.

Incidentally, the Ministry of Environment, Forests and Climate Change, have sought suggestions from the Ministry of Steel on various proposals of the project follow-

ing which finalisation of the letter of intent with the Swedish side will be carried out.

REDUCING EMISSIONS

According to an initial report by the Swedish Research Institute for Mining, Metallurgy and Materials (Swerim), in India, large amounts of iron ore produced are below the 58 per cent (iron content) grade and hence processes must be developed to use lower grade ore in steel making through technological interventions.

Reducing dependence or usage of coal fired blast furnaces have also been mentioned in the report.

It has also pointed out that the most cost-effective way to reduce carbon emissions in steel making is to replace the

traditional ore-based blast furnaces with direct reduction technologies (like electric melting). This brings down usage of coke, carbon and the use of hydrogen or bio-carbon-based reductants (bio-mass, bio-fuel, bamboo) are to be explored.

As per government data, India's aluminium greenhouse gas emission intensity is amongst the highest in the world.

For instance, the top two corporates (aluminium smelters) in India have emit 20.92 tonnes of CO₂ per tonne of aluminium produced (tCO₂e/t aluminium) and 19.76 tCO₂e/t aluminium. Against this, Rio Tinto has 6.19 tCO₂e/t aluminium and Alcoa Corp just 5.76 tCO₂e/t aluminium.

Similarly in steel, CO₂

other nations to team up

emissions average out at 2.55 tonnes of CO₂ per tonne of steel produced against a global average of 1.85 tonnes. Ministry data shows, the company wise emission intensity stand at 2.5 for SAIL, 2.12 for Tata Steel, 2.59 for JSPL and 2.49 for JSW.

As per the draft sent to the

Ministry of Steel, the pilot phase will run during the 2023-25 period, with the reporting on progress happening at COP29 and results being declared at COP30.

"An evaluation will conclude the pilot phase and a decision should be taken to proceed or end the pilot in India,"

it mentions. Bilateral discussion (between Sweden and India) and the approach towards to be project will be taken up in Q3 and Q4 of 2023 (July - Sept and Oct - Dec) and development of assistance request will take place in Q4 of 2023 and Q1 of 2024 (Jan - Mar).

Chinese stimulus may lift steel prices

TURNAROUND HOPE. Beijing likely to offer sops for construction sector as global demand dips

Subramani Ra Mancombu
Chennai

Global steel prices will likely increase marginally from current levels till December on hopes that the Chinese property sector will witness a turnaround with Beijing likely to announce some stimulus.

Global steel demand has continued to slow, driven by China's ongoing property sector weakness, as well as lower demand from European manufacturing and construction, the Australian Office of the Chief Economist (AOCE) said in its quarterly review.

"Global steel producers are expected to face subdued demand and moderating prices over the rest of 2023," it said.

PRICES MAY IMPROVE

Despite a recovery in the Chinese economy, physical demand for metals including steel has been tepid at best in the first half as growth was largely led by the service

Global steel production vs offtake**

	2022	2023*	2024*	2025*
Production				
China	1,018	1,032	1,026	1,020
India	125	134	142	151
EU	136	129	134	135
World	1,885	1,908	1,941	1,968
Consumption				
China	965	965	967	961
EU	159	156	162	165
India	118	122	129	138
World	1,895	1,904	1,943	1,971

Source: Office of the Chief Economist, Australia *Forecast ** All figures in million tonnes

sector, said research agency BMI, a Fitch Solutions unit.

Though the Chinese property sector is still in contraction, "we are seeing signs of a turnaround in Mainland China's steel consumption growth," said the research agency.

The *Trading Economics* Website said steel rebar futures fell below 3,600 Chinese yuan (CNY) per tonne in October — a 2-month low — as markets continued to assess the Chinese resources demand amid its uncertain outlook. "Concerns of liquidation for

Evergrande and Country Garden's efforts to restructure debt for a second time stoked fears of financial contagion for China's debt-ridden constructors," it said.

BMI said, "We are holding on to our 2023 global average steel price forecast of \$730/tonne and expect prices to improve slightly from current levels in the coming months into 2024."

On NYMEX, HRC steel futures continuous contract is currently quoting at \$697 a tonne. Weak residential construction and falling industrial output in advanced

nations is likely to be only partly offset by growth in infrastructure and non-residential construction activity, said AOCE.

SUBDUED PRODUCTION

Many steel producers have already cut back production and global production is expected to remain relatively subdued through 2023 and into 2024, it said.

However, production growth is expected to be the strongest in countries and regions such as India, South-East Asia and West Asia.

But *Trading Economics* said financial concerns have already driven key developers to halt construction in a series of uncompleted and yet-to-start projects in China, hampering steel buying from one of its primary sources.

ING Think, the economic and financial analysis wing of Dutch financial services firm ING, said recent data from the China Iron and Steel Association show that steel inventories at Chinese steel mi

15.2 million tonnes (mt) in late September, down 3.24 per cent from mid-September.

On the other hand, crude steel production at major mills fell 3.2 per cent from mid-September to 2.07 mt a day in late September due to weak profit margins, lower steel prices and higher inventories.

"Crude steel production is now at its lowest level since February as demand from China remains weak," said ING Think.

"Despite some promising signs in the March quarter 2023, the expected stabilisation and turnaround of China's now multi-year property sector decline has not eventuated," said the Australian Office of the Chief Economist.

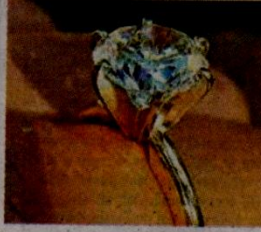
"Industrial production has been particularly weak in the EU, Japan and South Korea during 2023. Weakening demand has seen the Eurozone construction sector slide into deep contraction over the past six months," the Australian Office of Chief Economist said.

दाम 35% घटने से सॉलितेयर डायमंड की बिक्री 20% बढ़ी

बिजनेस संवाददाता | मुंबई

दुनिया में जारी उथल-पुथल के बीच पिछले डेढ़ साल में कीमतें 35% घटने के बीच सॉलितेयर डायमंड की बिक्री 20% तक बढ़ी है। किसी ज्वेलरी के पीस में जड़ा हीरे को सॉलितेयर डायमंड कहते हैं। फिलहाल 25-30 साल की उम्र के कई लोग शादी के लिए सॉलितेयर हीरे की ज्वेलरी खरीद रहे हैं। जबकि 40-45 साल की उम्र के अमीरों के लिए यह सालगिरह पर गिफ्ट देने का पसंदीदा विकल्प बन गया है। सेनको गोल्ड एंड डायमंड्स और मालाबार गोल्ड एंड डायमंड्स जैसी घरेलू रिटेल चेन का अनुमान है कि देश में सॉलितेयर, या वन-पीस डायमंड की मांग में कोविड-पूर्व के मुकाबले 20% तक की वृद्धि होगी।

सेनको गोल्ड एंड डायमंड्स के एमडी-सीईओ सुवांकर सेन ने कहा, सिर्फ 1 कैरेट ही नहीं, 20 सेंट और 30 सेंट के वन-पीस डायमंड भी लोकप्रिय हो गए हैं। लोग इन्हें आगामी शादी के सीजन में खरीदेंगे।



5 लाख का हीरा 1.5 लाख के डिस्काउंट में बिक रहा

इंडस्ट्री सोर्सेज के अनुसार एक कैरेट डायमंड की कीमत 2004 में लगभग 7,000 डॉलर थी, वर्तमान में लगभग यही कीमत है। यह निवेश और खरीदारी के लिहाज से एक अच्छा मौका कहा जा सकता है। 5 लाख रु. का सॉलितेयर डायमंड 1.5 लाख रु. के डिस्काउंट पर मिल रहा है। मालाबार गोल्ड एंड डायमंड्स के चेयरमैन एमपी अहमद ने कहा, 'अंतरराष्ट्रीय बाजार के रुझान के अनुरूप सॉलितेयर डायमंड की मांग में उल्लेखनीय वृद्धि हुई है। कंपनी की बिक्री वर्ष 2021 और 2023 के बीच बढ़कर दोगुनी से अधिक हो गई है।'

BUSINESS LINE DATE:14/10/2023 P.NO8

Iron ore prices seen rebounding on non-property sector support

Subramani Ra Mancombu
Chennai

Iron ore prices will likely rebound over the next couple of months to 2024 despite their recent decline from a 5-month high of \$122.2 a tonne in mid-September as the commodity has exhibited resilience against odds.

"Spot iron ore prices have been volatile in the September quarter, but generally moderated since the start of the year, driven by slowing global economic growth and China's property sector weakness," said Australia's Office of the Chief Economist (AOCE).

Research agency BMI, a Fitch Solutions unit, said despite China's uneven economic growth, blast furnace steel production and iron ore demand have shown a defiance of all odds, through support from non-property sectors in-

cluding shipping, machinery, autos and infrastructure.

IMPROVED SENTIMENT

"We expect some more upside to iron ore prices in the fourth quarter of 2023 ahead of the winter holidays as steel mills continue restocking," it said.

ING Think, the economic and financial analysis wing of Dutch multinational services firm ING, said iron ore prices held above the \$100-mark in August despite China's worsening property crisis, which in typical years makes up about 40 per cent of demand. China has continued its efforts to boost the steel-intensive property sector, it said.

AOCE said despite the worsening outlook for global steel demand, iron ore prices strengthened again in September. "The resilience in prices appears to reflect improved market sentiment due to the potential for new gov-

Global iron ore trade**				
	2022	2023*	2024*	2025*
Total trade				
	1,574	1,646	1,672	1,699
Imports				
China	1,108	1,162	1,129	1,101
Japan	107	109	111	110
EU	114	100	113	115
South Korea	69	71	73	74
India	7	27	36	51
Rest of Asia	63	61	74	94
Exports				
Australia	884	906	917	946
Brazil	344	365	388	411
Canada	55	57	59	61
South Africa	58	59	60	61
India	16	28	30	32

Source: Office of Chief Economist, Australia *forecast

ernment measures to support China's economy," it said.

In the first half of 2023, total shipments for the four major exporting countries - Australia, Brazil, South Africa and Canada - were around 666 million tonnes, up 4.4 per cent

compared with the same period in 2022.

CHINESE INSTABILITY

The Trading Economics website, however, said there were mounting concerns over the instability of Chinese prop-

erty developers. "Missed bond payments by Evergrande and Country Garden triggered fresh fears of financial contagion within the sector, hampering the outlook on construction materials," it said.

Iron ore prices with 62 per cent iron content are currently quoted at \$118.31 a tonne cost and freight, Qingdao, China. Prices are up from \$108 witnessed in August.

"We maintain our 2023 iron ore price forecast at an annual average of \$110/tonne, but we note strong upside risks to this forecast in light of continued resilience in prices over favourable fundamentals and positive sentiment," said research agency BMI.

BMI said on the supply side, major iron ore miners posted strong production growth in 2021-22 and announced positive guidance for 2023, which will work to limit the upside for iron ore prices.

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