



खनिज समाचार
KHANIJ SAMACHAR
Vol. 6, 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-6** for the service named **Khanij Samachar** for the period from **16th - 31st July, 2022**. The previous issue of Khanij Samachar **Vol. 6, No.13, 1st - 15th July, 2022** 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. 6, NO – 14 , 16th – 31st JULY 2022

मॉयल की 3 माइंस को 5 स्टार रेटिंग

■ नागपुर, व्यापार प्रतिनिधि.

मॉयल को बेहतर प्रदर्शन करने के लिए मिनिस्ट्री ऑफ माइंस द्वारा 3 क्षेत्रों में फाइव स्टार रेटिंग प्रदान की गई है. दिल्ली में माइंस एंड मिनरल पर आयोजित नेशनल कान्क्लेव में पुरस्कार प्रदान किया गया. कान्क्लेव का शुभारंभ गृह मंत्री अमित शाह ने किया. मॉयल को कांद्री, चिकला और गुमगांव माइंस के लिए पुरस्कार दिए गए. मॉयल के सीएमडी एमपी चौधरी, निदेशक उत्पादन और प्लानिंग एमएम अब्दुल्ला, राजेश भट्टाचार्य, यूएस भाटी, उमाकांत भुजाडे, अनंत चौकसे, सुधीर पाठक, विक्रान्त



खेडीकर ने केंद्रीय कोयला एवं माइंस मिनिस्टर प्रह्लाद जोशी, राज्यमंत्री रावसाहब दानवे से पुरस्कार ग्रहण किए. सीएमडी चौधरी ने कहा कि फाइव स्टार रेटिंग केवल स्टेटस की

बात नहीं है बल्कि इससे जिम्मेदारी और बढ़ जाती है. भविष्य में और सुधार कर बेहतर करने की प्रेरणा भी मिलती है. यह तभी संभव होता है जब पूरी टीम मिलकर काम करती है.

THE HITAVADA DATE:16/07/2022 P.NO.6

MOIL bags 3 Five Star Rating Awards

■ Business Bureau

MOIL, a city based Schedule 'A' CPSE has recently bagged Five-Star Rating Awards under Sustainability Development Framework (SDF) from Ministry of Mines in 6th national conclave on Mines and Minerals 2022 as part of Iconic Week Celebration.

The event was organised in New Delhi on July 12, 2022. The mega conclave was inaugurated by chief guest Amit Shah, Union Home Minister and Co-operation Minister.

This year MOIL bagged 3 Five Star Awards for its Kandri, Chikla and Gurgaon mines. MOIL Chairman cum Managing Director (CMD) M P Chaudhari, Direction Production and Planning, M M Abdulla, Joint GM Mines Planning, Rajesh Bhattacharya, Group Agents U S Bhau and Umakant Bhujade and Mine



Managers Anant Chouksey, Sudhir Pathak and Vikrant Khedkar received the prestigious award at the hands of Union Minister of Coal and Mines and Parliamentary Affiars, Prahlad Joshi and Minister of State for Ministry of Mines and Coal and Railways Raosabeb Patil Danve.

Five Star Rating Status is not only a prestigious cap for the

mine operators but also helps in building confidence amongst various stakeholders and increases social acceptance and image building of mining identity amongst the common man.

MOIL Chairman cum Managing Director M P Chaudhari expressed happiness and congratulated MOIL team for the achievement.

Steel prices crash 13-15% in July

ABHISHEK LAW

New Delhi, July 15

Global steel prices, including export prices of Indian mills, have seen a 13-15 per cent downward correction, month-on-month on seasonal demand weaknesses, recessionary pressures across the globe and an economic slowdown staring at China.

For Indian hot rolled coil – the benchmark offering – prices are at \$ 639 per tonne, fob East Coast, down by \$93. The HRC prices were around \$732 a month ago, say trade sources.

Weak demand

Key steel markets like Europe are reducing offtake as geopolitical tensions (primarily Russia-Ukraine war raging on) lead to gas prices – used across homes and factories – rising by 700 per cent. This has led to unprecedented inflationary pressures leading to slowing demand for steel.

In fact, there are concerns over energy availability and energy prices in Europe later this year as the EU nations bring in place more sanctions against Russia.

In China, a key steel producer and consumer market,



long steel demand – used in construction – is weak, say trade sources. Rebar prices continue to decline there. "In Northern Europe, buyers are expected to resume restocking for September from end-July. So there is something that Indian exporters can look up to. But, there is an export duty overhang which needs to be taken care of too," said a steel mill official.

Global prices

SteelMint's data shows, China's HRC FoB prices have lost 20 per cent m-o-m to \$618 a tonne and CRCs by 15 per cent to \$710.

The Black Sea HRC FoB prices lost declined 15 per cent to \$600/tonne, while in Japan, it dropped by 20 per cent to \$650 fob.

In Vietnam, there was a 15 per cent slide drop in prices to \$640/tonne; and in Turkey, the fall (in rebar prices) was 5 per cent to \$710/tonne.

Report on mineral, energy resources assets to be published by November

28 States and one UT ready with accounts

KR SRIVATS

New Delhi, July 15

Come November, you will get a comprehensive picture – both quantity and value wise – of the mineral assets of the country under a single report.

The Government Accounting Standards Advisory Board (GASAB) will by mid-November publish a national report that would capture the Asset Accounts for Mineral and Energy Resources across 28 States and one Union Territory, its Chairman K Srinivasan has said.

The preparation of asset accounts for mineral and energy resources for 2020-21 is almost over in respect of 28 States and 1 Union Territory (J&K) and is being verified and validated by various stakeholders including the State Governments and GASAB field offices, Srinivasan, who is Deputy Comptroller and Auditor General, said here on Friday.

The asset accounts capture details of 34 major minerals, 58 minor minerals and all four fossil fuels. Once this report is published, policymakers will get a complete picture of mineral and energy resources in the country and this would help them take informed policy decisions and make appropriate interventions, Ram Mohan Johri, Additional Deputy CAG, said.

Electronic dashboard

He also said that an electronic dashboard with information (on asset accounts) will be hosted on the web. Also the work to compile the asset accounts for 2021-22 is already under way.

It may be recalled that India is a signatory to the September 2016 UN General Assembly Resolution – “Transforming the World, the 2030 agenda for Sustainable Development” which requires the preparation of Natural Resource Accounts (NRA).

Srinivasan said that India is aligned to the internationally accepted goal of putting in place natural resource accounts by 2030 under the Sustainable Development Goals set by the United Nations.

NRA has deep linkages with the Sustainable Development Goals (SDGs) as four out of the 17 goals directly relate to management of natural resources and their accounting.

“Accounting is a more necessary goal for us as it will help us understand whether we are achieving other goals or not. This goal on accounting is an enabler and would help achieve other goals better. This will give better decision-making capability to our policymakers. We will do our accounts in such a way that we can fulfill our substantial commitments say for instance net zero by 2070,” he said.

The first stage of NRA

Asset accounts is the first stage of NRA with the final third stage being environmental accounting.

Mineral and energy resources are among the four major resources that India has chosen to prepare national level asset accounts. The other three are water resources; land resources; and forestry and wildlife resources.


GASAB, which is part of CAG and constituted in 2002, is handholding the State Governments in preparation of Asset Accounts and helping them conform to the international obligations around NRA.

GASAB had prepared a concept paper on NRA in July 2020, inter-alia envisaging short, medium and long term goals starting from 2020, of which the first goal was preparation of Asset Accounts on

Mineral & Energy Resources, more importantly of the non-renewable and finite resources, which would ultimately aid in building resilience to environmental issues like climate change.

Recognising the importance of natural resources, there was an attempt to develop accounting systems to help monitor their responsible utilisation, which will in turn lead to sustainability. The UN had adopted (2012) the System of Economic and Environmental Accounting (SEEA) – central framework which is latest internationally accepted framework for NRA.





TATA POWER
The Tata Power Company Limited
(Corporate Contracts Department)

Sahar Receiving Station, Near Hotel Leela, Andheri (E), Mumbai 400 059, Maharashtra, India
(Board Line: 022-67473186) CIN: L28920MH1919PLC000567

NOTICE INVITING EXPRESSION OF INTEREST

The Tata Power Company Limited Invites Expression of Interest for eligible parties for the Annual Maintenance Contract of Railway track, Signaling and telecommunication (S&T), Operation of Railway cabin and associated systems at the Railway Siding of Maithon Power Limited (MPL), Dhanbad, Jharkhand.

Details of pre-qualification requirements, bid security, purchasing of tender document etc. may be downloaded from the Tender section of our website URL: <https://www.tatapower.com/tender/tenderlist.aspx>. Eligible vendors willing to participate in the tender may submit their Expression of Interest along with the tender fee for issue of bid document latest by 25th July 2022.

Myanmar Emerges As Key Source of Rare Earth Minerals for China

DipanjanRoy.Chaudhury
@timesgroup.com

New Delhi: Myanmar is emerging as a key source of rare earth minerals for domestic use as well as exports by China to the developed world. Illegal earth mining has surged in Myanmar's Kachin state since last year's coup in areas along the border with China controlled by a militia backed by the Myanmar military, said people aware of the matter. The mining of rare earth minerals for export to China is irreparably damaging the local environment, they said.

Myanmar is China's largest source of rare earth minerals, accounting for more than half of its supplies.

Exports of rare earth minerals, which are used in smartphones, electric cars and other high-tech products, have steadily increased. Myanmar exported more than 140,000 tonnes of rare earth deposits, worth more than \$1 billion, between May 2017 and October 2021, said an official Chinese statement.



Illegal earth mining has surged in Myanmar's Kachin state along China border since last year

Nearly 240,000 tonnes of rare earth minerals were mined globally in 2020, with China accounting for 140,000 tonnes, followed by the United States (38,000 tonnes) and Myanmar (30,000 tonnes).

China is heavily de-

pendent on medium and heavy rare earth minerals from Myanmar. Since 2018, Myanmar has been the largest exporter of the minerals to China. In December 2021, Chinese state-run Global Times reported that in 2020 imports of rare earth minerals from Myanmar had increased 23 per cent year-on-year to about 35,500 tonnes, accounting for 74 per cent of all imports. Around ten rare earth mineral mines have been opened near the Myanmar-China border.

Several illegal mines with Chinese workers were found in 2019 and 2020 in Chipwi after a series of inspections, according to the Kachin State mining department. The department has said the involvement of armed groups makes regulating the industry challenging.

मॉयलला फाइव्ह स्टार रेटिंग पुरस्कार



नागपूर : मॉयलला शाश्वत विकास फ्रेमवर्कअंतर्गत फाइव्ह स्टार रेटिंग पुरस्कार मिळाला आहे. हा पुरस्कार नवी दिल्ली येथे १२ जुलैला आयोजित आयकॉनिक वीकचा भाग असलेल्या खाण आणि खनिज-२०२२ यावर आधारित सहाव्या राष्ट्रीय परिषदेत खाण मंत्रालयातर्फे देण्यात आला. परिषदेचे उद्घाटन केंद्रीय गृहमंत्री अमित शाह यांच्या हस्ते झाले. या वर्षी मॉयलला कांद्री, चिखला आणि गुमगाव खाणींसाठी तीन फाइव्ह-स्टार पुरस्कार मिळाले आहेत. हा पुरस्कार मॉयलचे सीएमडी एम.पी. चौधरी, संचालक (उत्पादन व नियोजन) एम.एम. अब्दुल्ला, सहमहाव्यवस्थापक (खाण नियोजन) राजेश भट्टाचार्य, ग्रुप एजंट्स यू.एस. भाटी, उमाकांत भुजाडे आणि खाण व्यवस्थापक अनंत चौकसे, सुधीर पाठक, विक्रान्त खेडीकर यांनी केंद्रीय कोळसा व खाणमंत्री प्रल्हाद जोशी आणि केंद्रीय खाण, कोळसा आणि रेल्वे राज्यमंत्री रावसाहेब दानवे यांच्या हस्ते स्वीकारला. हा पुरस्कार खाण ऑपरेटर्ससाठी केवळ एक प्रतिष्ठित कॅप नसून विविध भागधारकांमध्ये आत्मविश्वास निर्माण करण्यात मदत होते. मॉयलचे सीएमडी चौधरी यांनी आनंद व्यक्त केला आणि या यशाबद्दल मॉयल टीमचे अभिनंदन केले.

AKHIL NALLAMUTHU
BL Research Bureau

The adage "Sell in May and go away" would have made sense had someone gone short on commodities in May. Results would've been even better had they sold in March as most of the commodities peaked in that month! Specifically, all base metals are now in the bear market territory after falling over 20 per cent from their peak (see table).

In our yearly outlook published in early-January when all metal prices were continuing their bull run, we projected that the prices could top out in the first quarter and could see a drop for the rest of the year. While the price moved in line with our expectations, the fall was so sharp that all metals have now dropped to the levels we expected them to reach only by the end of 2022.

"What kept the bulls going early this year? What led to the sudden change in trend and the subsequent slump in prices? Will the bears punch more?"

Here are our answers.

Far-led rally

The year 2021 was a great one for metals. The prices rallied significantly on the back of supply disruptions caused by the pandemic, central bank liquidity and the economic recovery following easing of lockdowns. The Bloomberg Base Metal Spot Price Index was up nearly 33 per cent for the year.

In early-2022, expectations of the central banks – especially the US Fed, embarking on a rate hike cycle and then pulling the plug on liquidity, were gaining traction. One would expect such steps to weigh on asset prices including metals.

But then, the Russia-Ukraine war gave the bulls one last push, as supply concerns propped up again. Metals went on to hit further highs. At its peak, on March 7, the Bloomberg Base Metal Spot Price Index was up 27 per cent year-to-date. However, the rally did not sustain as several headwinds came to the fore.

Inflation, the Fed, and the dollar

Among all, inflation became a major point of discussion as it started spiking above the upper limit of central banks. What was thought to be transitory at first, proved otherwise across geographies.

Global inflation continued to rise in 2022 and hit 9.1 per cent in June, according to Bloomberg data. The US inflation, too, was in an upswing and, notably, hit a four-decade-high 9.1 per cent in June. Similarly, Euro area inflation shot up to 8.6 per cent in June.

So, concerns of inflation staying at elevated levels nudged central banks, especially the US Fed, to turn hawkish. The policy changes in the US are critical for the global economy and the saying, "When the US sneezes, the world catches cold," stays true till date.

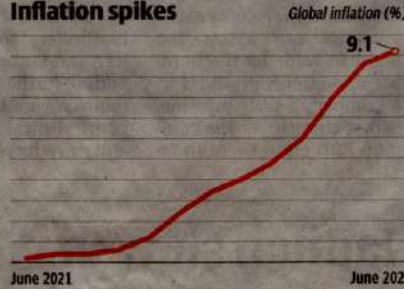
Faster rate hikes were carried out and the Fed raised the policy rate from 0.25 per cent in January to 1.75 per cent in June. Consequently, treasury yields shot up from 1 per cent by the end of last year to 3 per cent in June. Hence the tightening has been quicker than anticipated, fears that the Fed might tighten far too quickly pushing the economy into a recession, and hampering demand for commodities, pulled metal prices down.

Metals in bear market

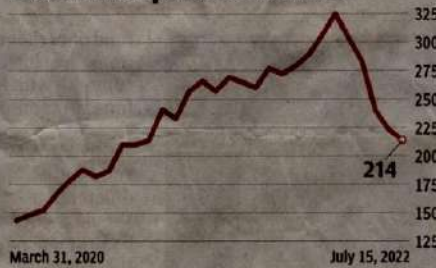
Commodity	Price (as on July 15) (\$/tonne)	Year-to-date return (%)	2022 peak price (\$/tonne)	Fall from peak (%)
Copper	7,190.5	-26	10,845	-34
Aluminium	2,343.0	-17	4,073	-42
Zinc	2,915.0	-18	4,896	-40
Lead	1,944.0	-16	2,700	-28
Nickel	19,385.0	-7	55,000	-65

All prices are of 3-month rolling forward contract on LME

Inflation spikes



Base metals spot index tumbles



Source: Bloomberg

At the same time, investor sentiments weakened, and they turned to safety. The US dollar, being a safe haven, surged, and rising US treasury yields resulted in higher demand for the dollar. The dollar index, now at around 108, has gained nearly 13 per cent so far in 2022. This too hit metal prices as they are quoted in dollars in the international market.

Recessionary concerns have also shifted the narrative for metals to 'weaker consumption' rather than 'tight supply' which dominated in the first quarter of this calendar year.

No growth push

The International Monetary Fund (IMF) expects the global growth to slow significantly in 2022 to 3.6 per cent from 6.1 per cent in 2021 as a consequence of the Russia-Ukraine war.

The IMF expects the economic growth rate in China, the world's biggest producer and consumer of commodities, to be at a much lower 4.4 per cent this year compared to 8.1 per cent in 2021. Even if China recovers

and the consumption of metal improves from here may not counterbalance the potential demand from the US and Europe as they go through monetary tightening.

Growth in the US and Euro area is expected to drop 3.7 per cent and 2.8 per cent in 2022 as against 5.1 per cent and 5.3 per cent, respectively in 2021, according to the IMF.

Slowdown in major economies like China, the US and Europe means weak demand and thus, consumption of key commodities is expected to lag supply in 2022.

The International Copper Study Group (ICSG) projects the global refined copper balance to be at a surplus of 1.42 lakh tonnes in 2022 and the International Nickel Study Group (INSG) estimates that the global nickel balance will be at a surplus of 67,000 tonnes this year.

Similarly, the International Lead and Zinc Study Group (ILZSG) expects the demand for lead to fall by 10 per cent of supply by 17,000 tonnes by the end of 2022. Zinc supply is anticipated to be at a deficit of 2.92 lakh tonnes. Yet, zinc was not spared of the commodity market slaughter as they fell along with other non-ferrous metals, likely, on concerns about global growth.

Weak economic growth will not only impact the demand for base metals, but it can also result in increased demand for crude oil, another key commodity.

Crude uncertainty

As global oil consumption outpaced supply in mid-2020, the prices of crude oil soared. Higher demand led to inventories decreasing by an average 1.4 million barrels per day (MMbpd) between the third quarter 2020 and first quarter of 2022, according to the Energy Information Administration (EIA). But they forecast inventories to increase by 1.2 MMbpd in the second half of this year due to increase in oil production and slowing growth in consumption. So, EIA expects the average price of crude oil, which was at \$123 in June, to drop to \$97 in the final quarter of 2022.

However, there are a lot of uncertainties such as much Russian oil will reach the global market in the coming months and how well can the OPEC Plus countries meet their production targets.

Nevertheless, at this juncture, it appears that crude oil could gradually decline in the coming months, as demand is expected to weaken because of slowing growth. A fall in crude oil prices can be good in a way, as it helps cool down the inflation.

Outlook

Although the current sell-off in metal prices could be temporary, the lack of demand and strong dollar will continue to put downward pressure. If this happens, the price of metals as inputs may get some breather from the margin pressures that they have been facing. However, as metal producers have been profiting from rising commodity prices in the last couple of years, they might find it difficult to maintain performance in the upcoming quarters.

Possibility of a downside in crude oil prices can be a supportive factor for metal companies because of savings in energy costs which go into the production of metals.

Below are our price projections for each commodity based on technical analysis.

Ferro chrome prices dip further on slack demand

Cut in production and slowing export orders drag prices down by 2-5%

ABHISHEK LAW

New Delhi, July 17

Price of ferro chrome, a key raw material in stainless steel making, saw a 2-5 per cent dip on a month-on-month basis to around ₹103,000 per tonne on the back of slack demand. Prices were at ₹107,000 per tonne, a month-back.

Some of the stainless steel makers have also cut back on production by 25-30 per cent, in view of impending monsoon, generally seen as a lean season for the alloy.

According to trade sources, prices ex-Jaipur are down in the ₹2,500-3,000 per tonne range. Stainless steel prices continue to be under pressure

down by approximately 3-5 per cent month-on-month, in the ₹235,000/tonne range (versus ₹242,000).

A person aware of the developments said increase in export duty of 15 per cent too has played some role in weakening of demand and softening of prices.

Export – Import data

Provisional data from the Union Steel Ministry show that alloy and stainless steel exports saw a 32 per cent jump y-o-y for the April to June period to 306,000 tonnes (versus 232,000 tonnes).

On the other hand, imports (of alloyed and stainless steel) for the same period was up nearly 44 per cent to 555,000 tonnes.

The stainless steel industry has been apprehensive of cheaper imports coming in from other Asian markets.

ADANI ENTRY Analysts divided on sector's profitability amid capacity addition talk, but positive on big cos such as UltraTech, Ambuja & ACC Smaller Cement Cos may Come on M&A Radar in Hard Market

Rajesh Mascarenhas
@timesgroup.com

Mumbai: Market participants are divided on the future dynamics of the cement sector following the entry of Adani Group. While one section expects aggressive capacity addition and higher competitive intensity that will keep sector profitability muted, others believe profitability will be prioritised over volumes, thus keeping realisations steady or better.

But the bottomline is that the smaller players will find the going tough.

Cement stocks, excluding a few such as ACC and Ambuja, have corrected by 25-40% over the last six months, driven by a muted pricing scenario in a cost inflationary environment. But the current trading multiple of the sector is higher than the long-term median multiple. Still, analysts remain positive on UltraTech, Ambuja, ACC, Dalmia Bharat, Shree Cement and JKLakshmi Cement.

"The larger players are expected to experience a tug of war for market share and the push on volumes, which will drive decline in profitability as the players undercut each other," said Sandeep Tulsiyan, analyst, JM Financial. "The smaller players are expected to witness deterioration in their fundamentals - cash flows and return ratios - thereby derailing their capacity expansion plans. Further, with the deterioration

Performance on D-Street



Stock	LTP (₹)	YTD Returns (%)	PE	5Y Avg PE
UltraTech Cement	5,838.9	-24.41	23.44	35.14
Ambuja Cements	367.0	-5.18	26.25	24.52
Shree Cement	20,014.6	-26.54	30.99	45.88
ACC	2,168.4	-3.69	21.85	23.53
Dalmia Bharat	1,453.2	-22.78	23.90	25.10
JK Cement	2,284.3	-35.16	25.70	24.31
Ramco Cements	654.1	-36.29	16.76	26.51
Nuvoco Vistas Corp	295.9	-39.89	320.38	-
Birla Corp	906.4	-36.52	17.76	18.46
Prism Johnson	108.5	-18.24	59.42	84.72

in the fundamentals, smaller players with a strong regional presence could become acquisition targets."

Adani Group's entry into cement space is expected to expedite capacity addition plans for ACC and Ambuja. The industry is expected to add over 90 mtpa in capacities over FY2023-25 per plans announced by major players. This implies 5% compounded annual growth rate (CAGR) in installed capacity, while demand is estimated to post 6-7% CAGR over FY2023-25. Apart from organic expansions, the industry may undergo inorganic expansions with a realigning of the existing mid and large players.

With the rise in supply almost equivalent to demand growth, analysts expect industry capacity utilisation

levels would stay almost flat at 67-68% over FY2023-25.

"We estimate weighted average Ebitda/tonne to grow at 4% CAGR during FY2023-24 although the same may remain lower than peaks seen in FY2021," said Ronald Siyoni, analyst, Sharekhan. "Going by historical anecdotes, cement prices will remain in an uptrend despite capacity additions over the next three years."

The smaller players would have a lower say in pricing products and have to mimic the pricing trend set up by mid and large players. According to analysts, they may face an intensely competitive environment in the wake of increased supply driven by capacity additions in their region of operations.

NAVBHARAT DATE:18/07/2022 P.NO.9

नेचुरल रिसोर्स की नहीं हो पाएगी चोरी

■ दिल्ली, न्यूज एजेंसियां. अपने यहां खनिज पदार्थों के मामले में कुछ राज्य बेहद अमीर हैं. इन राज्यों में झारखंड, छत्तीसगढ़, ओडिशा, राजस्थान, बंगाल आदि आते हैं. लेकिन इन राज्यों में इन प्राकृतिक संसाधनों की चोरी भी खूब होती है. ऐसा इसलिए होता है क्योंकि राज्य सरकारों को अपने नेचुरल रिसोर्सेज की सही-सही जानकारी ही नहीं है. इस समय झारखंड, बंगाल, छत्तीसगढ़ आदि राज्यों में खनिज पदार्थों की चोरी की अक्सर खबर आती है.

'Indian steel mills losing clients to competing countries like China

ABHISHEK LAW

New Delhi, July 19

Imposition of export duty on Indian steel companies has made overseas offerings "uncompetitive", according to Ranjan Dhar, Chief Marketing Officer, ArcelorMittal Nippon Steel (AMNS) India. Calling the move a "big blow", Dhar said historic data suggest that Indian mills "only turn to export markets once they have fulfilled the needs of the domestic market". In an interview to *BusinessLine*, he spoke about the impact of the export duty, domestic steel prices bottoming out and AMNS India's strategy for the domestic market. Excerpts:

What is the impact of export duty on Indian steel companies?

Export duty imposition made our overseas sales uncompeti-

ve. Indian industry expanded its global market share over the years. For instance, AMNS India has been a key supplier to several marquee global projects across infrastructure, energy and automotive segments. The duty has come as a big blow, disrupting this flow and bringing exports far below the 15 per cent of the total production - a goal set by the National Steel Policy, which encourages companies to build capacities for domestic use and

exports.

Indian (steel) mills are losing clients to competing countries like China and others. Prices saw major corrections in the recent past. Immediate withdrawal of duty can restore India's image as a dependable source of high-quality steel.

Since the duty is in force for

Steel prices have bottomed out. Further reduction is not viable for companies.

RANJAN DHAR,
Chief Marketing Officer,
ArcelorMittal Nippon Steel India



nearly three months now. Are steel companies feeling the pinch?

Price in the global markets is under pressure for the last four months, owing to multiple factors including demand dip in China because of Covid-led lockdowns. Domestic price saw an over 20 per cent dip in a short span. Without exports, the industry will be forced to cut down on production, which deters growth plans as steelmakers may choose to

avoid risk, and opt to wait for domestic demand to revive.

Has the industry reached out to Centre for duty withdrawal?

Representations have been made to the government explaining all the points. I'm optimistic that the Centre will understand the rationale which is for the long-term good of the nation.

Is it possible for Indian mills

to hold on to 25 per cent export growth of FY22?

Multiple lockdowns in 2020 and 2021 caused a huge dent in domestic demand. But because the export markets were available, Indian steel industry could sustain that extremely tough period. When lockdowns were stringent, exports were as high as 50 per cent; but came down sharply to less than 10 per cent once domestic demand revived.

Historic data suggests that Indian mills only turn to export markets once they've fulfilled needs of the domestic market. Going forward, if domestic demand fully revives and duty is withdrawn, then growth rate of exports will remain lower.

How is India's domestic demand shaping up?

Demand in India is strong and outlook looks attractive for the years to come, supported by

the Government's various infrastructure initiatives, including rail (freight corridors), roads, aviation, gas pipeline, housing and water infrastructure. Buying activities are returning as price gets settled at new levels and market stock levels are low.

Do you think domestic steel prices have bottomed out?

Steel prices have bottomed out. Further reduction is not viable for companies.

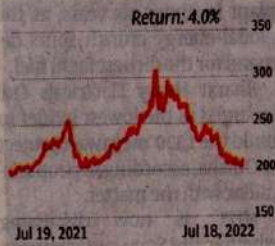
Price of coking coal, a key raw material, has come down but are not coming down further thereby keeping the cost of production high. There have been production cuts in China by more than 50 million tonne per annum and in other regions like Ukraine & Russia. Global demand was muted, but we expect it to come back now. We expect both restocking demand and consumption de-

mand to provide a industry.

What is AMNS doing to improve domestic sales include exports? Another initiative to be introduced unpermart brand is our semi urban reach.

Anything targeting MSMEs, the backbone of the economy? Last year an MoU with the Small Industries Corporation to provide credit products to MSMEs. The Hypermart brand has been received well. It is an open chain where MSME quality steel at low prices, with swift transparency in co-

Aluminium futures: Stay on the sidelines



AKHIL NALLAMUTHU

BL Research Bureau

Aluminium futures on the MCX hit a high of ₹325.4 in March. However, ever since the contract has declined. By closing at ₹210.45 on Monday, it lost about 35 per cent from the peak of ₹325.4 indicating bearish sentiment. For the past month, the contract has been charting sideways between ₹200 and ₹215. The next leg of the short-term trend depends on which direction it traverses.

On breaching the support at ₹200, it has nearest support at ₹187 and the subsequent one is ₹160. In case futures breaks out of ₹215, it can turn bullish in the near-term, wherein the contract can rally to ₹235. If this resistance is invalidated, it can move towards resistance band of ₹250-254. The 38.2 per cent Fibonacci retracement of the recent downtrend coincides at ₹250, making it a significant hurdle for the bulls. A rally above the resistance band is less likely. The contract is likely to begin next leg of downtrend either at ₹235 or in ₹250-254 price region. Traders can stay on the fence now. Consider fresh shorts if the support at ₹200 is breached or if contract witnesses a correction to ₹235 or ₹250.

THE ECONOMIC TIMES DATE:21/07/2022 P.NO.9

Gold Duty Increase to Impact Demand: Crisil

Sutanuka.Ghosal@timesgroup.com

Kolkata: The recent hike in basic import duty on gold to 12.5% will impact profitability of gold jewellery retailers by about 50 basis points and bring down volume of gold consumption by 5% on-year this fiscal, Crisil said on Wednesday.

The rating agency said retailers will have to pass on the duty hike to customers, which will curtail demand and drive away many discretionary buyers.

However, jewellers' credit profiles are expected to remain stable, an analysis of 82 Crisil-rated gold jewellery retailers that account for 40% of industry sales showed.

The government had on June 30 increased the basic custom duty on gold to 12.5% from 7.5%, reversing a 5% cut effected in February 2021 after the pandemic-led disruptions abated to help trigger a sharp rebound in sales that continued into the first quarter this fiscal. The effective import duty is 15%, including agriculture infrastructure development cess (AIDC) of 2.5%. The import duty hike will lead to higher gold prices for end-consumers, given the expectation of a complete passthrough. This may curtail demand and cause a volumetric decline of 5% this fiscal to 550 tonnes, Crisil said.

अरावली का दर्द: माफिया 128 में से 31 पहाड़ खा गया, सुप्रीम रोक भी बेअसर

राजेश खोहर, गोविंद सैनी | पानीपत

दुनिया की सबसे पुरानी अरावली पर्वत श्रृंखला अपना अस्तित्व बचाने के लिए संघर्ष कर रही है। खनन माफिया के अवैध खेल ने पहाड़ों का सीना छलनी कर दिया है। सर्वोच्च अदालत की रोक के बावजूद धड़ल्ले से खनन हो रहा है। पिछले 8 साल में खनन माफिया 400 मीटर तक बड़े 31 पहाड़ों को खा गया। यह खुलेआम खेल अब भी जारी है। मंगलवार को डीएसपी सुरेंद्र सिंह की डंपर से कुचलकर हत्या के बाद हरियाणा के नूंह के तावड़ कस्बे में सत्राटा है। यहां साफ दिखता है कि प्रशासन की नाक तले कैसे खनन हो रहा है। पंचगांव और चिला गांव के बीच पहाड़ 350 मीटर ऊंचे हैं। इन्हें इस तरह काटा गया है कि मिट्टी भी नहीं छोड़ी। सोहना से आगे राजस्थान का भिवाड़ी और हरियाणा का रेवाड़ी है। यहां भी जमकर ओवरलोड डम्पर चल रहे हैं। हालांकि सबसे ज्यादा बेपरवाह खनन माफिया का खेल गुड़गांव के मानेसर कस्बे से थोड़ा आगे चलते नौरंगपुर में देखने को मिलता है। यहां एक दर्जन से अधिक क्रैशर हैं, जिनमें से कुछ एनओसी न होने के कारण चोरी छिपे चल रहे हैं तो कुछ

2009 में सुप्रीम कोर्ट ने खनन रोक, पर कागज में ही रुका



सुप्रीम कोर्ट से नियुक्त समिति के मुताबिक, खनन से अरावली की 128 पहाड़ों में से 31 महज 50 साल में गायब हो गई हैं। कोर्ट के 2009 के आदेश के बाद गुड़गांव, फरीदाबाद, नूंह में खनन बंद किया गया, पर कागजों में ही बंद हुआ। अरावली बचाओ मूवमेंट संस्था का दावा है कि नूंह की 6, गुड़गांव की 8 और फरीदाबाद की 2 लोकेशन पर खनन माफिया पहाड़ों को गायब कर रहा है। इस पर सुप्रीम कोर्ट ने 24 अगस्त तक विस्तृत रिपोर्ट मांगी है। वहीं एनजीटी को सौंपी रिपोर्ट बताती है कि गुड़गांव में 10 हजार एकड़ प्राकृतिक संरक्षण क्षेत्र तबाह हो चुका है।

राजस्थान में बनते हैं कागज, इनसे फर्जी कागज बना हरियाणा में पत्थर ढोते हैं

हरियाणा नंबर के डम्पर के ड्राइवर ने बताया, कागज राजस्थान से बनवाते हैं। रोज उन्हीं से फर्जी कागज तैयार कराते हैं। राजस्थान की वैध खानों से पत्थर महंगा पड़ता है। यहां सस्ता मिल जाता है, जो ज्यादा सफेद और मजबूत है। इसलिए अवैध खनन होता है।

के पास एनओसी है। यहां पहुंचते ही सभी क्रैशर वालों के कान खड़े हो गए और सभी एक ही बात पूछ रहे थे कि यहां क्या करने आए हो। कोई मालिक को फोन पर सूचना

देने लगा तो किसी ने क्रैशर बंद करा दिया। यहां जमकर ओवरलोड डम्परों में पत्थर आ रहा है। इनमें से ज्यादातर पर नंबर प्लेट गायब मिली। पत्थर किसी को न दिखे,

क्रैशर में कोई पूछताछ नहीं, तय मात्रा से काफी ज्यादा पत्थर भर लेते हैं डंपर

ड्राइवर के साथ सहयोगी बनकर भास्कर संवाददाता क्रैशर तक गए तो देखा कि किसी ने कागज नहीं मांगे। कागज पर जिलना पत्थर लिखा है, उससे ज्यादा क्रैशरों में जाता है। यहां ड्राइवर को कहा गया कि कुछ दिन सख्ती है। फिर रात को काम शुरू करना है।

इसलिए ऊपर ग्रीन कपड़ा ढंकाकर ला रहे थे। ओवरलोड डम्पर इतने ज्यादा आ रहे थे कि सड़क में गड्डे नहीं, बल्कि गड्डों में सड़क दिख रही थी।

'Stainless steel demand likely to top 10% this fiscal'

Changing lifestyles aiding its growth, says JSL Lifestyle CEO



Rajesh Mohata, CEO and ED, Jindal Stainless Lifestyle Ltd

ZOSUBRAMANI RA MANCOMBU

Chennai, July 20

Demand for stainless steel in the country will likely to be over 10 per cent this fiscal with people becoming familiar with the metal's use. The product's sustainability and durability are also reasons for its increased use.

"If we look at the development in the last two decades, people have started understanding the stainless steel uses and where it can be used. Again, the aesthetic sense is there, though stainless steel is considered a core material. But, it is much better than the normal steel," said Rajesh Mohata, Chief Executive Officer and Executive Director, JSL Lifestyle Ltd.

Consumers have now begun using stainless steel in view of its sustainability, durability and other issues such as corrosion. "So that is where it is getting replaced and year-on-year growth is happening," said Mohata

pushing up the demand for normal steel.

Another push could come from the industrial segment once investments by private players begin. Currently, not much expansion is taking place, particularly, he said. "However, if you look from the real estate point of view where the stainless steel, sorry, where the steel requirement is more that is where the real estate is booming," he said.

Real estate demand

The real estate segment was witnessing a 22 per cent growth in demand for steel. "I believe that is one area which will also help improve steel demand, and of course, the national steel demand as well," he said.

Dwelling on the developments during the Covid pandemic, he said in view of the lockdown, people stayed indoors thinking about what they really require.

"One thing we have seen a very good growth in the home appliances segment (for JSLL). So that has grown almost by 26 per cent because of this (for JSLL). That is one area where we have seen good growth," Mohata said.

The hygiene aspect in view of the pandemic has made people aware of the stainless steel utility.

"So, people have started looking into hygiene products. That is where we have seen good demand after the lockdown got over. Last year was a good one for us and this year again we are seeing good demand. That way, while Covid year was a bad year, we have seen demand growing sharply after that," the JSLL CEO said.

Growth due to changes

Changing lifestyles has resulted in people spending more time on this. "Earlier, you might have seen in front of the houses, there were only steel gates which were made up of normal mild steel. Now, people try to put stainless steel gates because they look good and fancy. Similarly, MS railing was getting painted every 3-4 years," he said.

Close to 10 per cent of the growth in stainless steel demand is coming due to these changes. The good growth in demand is seeing the parent firm Jindal Stainless Steel expanding its capacity. Currently, its capacity is at nearly two million tonnes (mt).

Mohata said with a lot of infrastructure projects coming up as part of the Centre's initiative, particularly the Gati Shakti scheme, quite a number of construction activities were

Go short in MCX copper futures if prices top ₹670

COMMODITY CALL

MCX-Copper (per kg)

Return: -19.1%



AKHIL NALLAMUTHU

BL Research Bureau

Copper futures on the MCX ended their losing streak by gaining about 1.8 per cent to close at ₹627 last week. Prior to that, the contract posted loss for six weeks in a row.

That said, whether there will be a bullish reversal is still far from certain, as the contract is still below some key levels. A decisive breach of ₹700 could turn the outlook positive. Until then, the bias will remain bearish.

In fact, we do not expect the resistance at ₹700 to be breached. The contract, currently trading around ₹638, might rally to ₹670, and possibly to ₹700, but will eventually resume its downward movement. But since there is a chance that the contract will appreciate to ₹700, we suggest

waiting for now, and initiating fresh short positions at ₹670 and ₹700. Go short worth half of the intended amount, when the contract moves to ₹670. Add shorts for the remaining amount at ₹700 and then place stop-loss at ₹745.

After you short the contract, when it reverses lower and slips below ₹600, tighten the stop-loss to ₹670. Liquidate all the shorts when the contract touches ₹550. This is a considerable support level and there is a good chance that the contract will rebound from this level.

Zinc futures prospects bearish

AKHIL NALLAMUTHU

BL Research Bureau

Zinc futures on the MCX (Multi Commodity Exchange) have been falling ever since it hit a high of ₹383.4 in April.

Towards the end of June, it slipped below the support at ₹300. Last week, it dipped to a low of ₹260.65 before recovering to the current level of ₹276.

Losing momentum

However, the downtrend seems to have slowed over the past couple of weeks.

Indicators like RSI and MACD on the daily chart hint it as they show loss of traction with respect to the downtrend.

At the same time, there are no signs of bullish reversal yet, leaving the door open for the contract to stay sideways in the near-term.

Going ahead, we expect zinc futures to consolidate for some

time within ₹260 and ₹283. The direction along which the contract moves out of the range can lend us some clues about the next leg of the trend.

A breach of the support at ₹260 can drag the contract to the nearest support at ₹242. Subsequent support is at ₹228.

But if the contract breaks out of ₹283, it can appreciate to ₹300. A rally beyond this level is less likely, and there is a good chance for zinc futures to resume the downtrend from ₹300. If the resistance at ₹300 is invalidated, the short-term trend could turn bullish wherein the contract can rise to ₹340.

That said, our overall view is still bearish as we expect the contract to consolidate for some time and break down below ₹260. Or, it could see a corrective rally to ₹300 and resume the downtrend.

Now, steel industry looks to Mozambique for coal supply

Hopes to tackle price volatility in South African coal, uncertainly in domestic linkage

ABHISHEK LAW

New Delhi, July 20

In a novel initiative, Indian steel and sponge-iron mills are considering bringing in thermal coal from Mozambique as an alternative to South African imports - which is witnessing high price volatility - and to get around the uncertainty in domestic supplies.

Market sources say, a trading company is already in touch with mills for getting the coal.

While one steel mill has successfully experimented with the new offerings, at least two other sponge iron mills in Chhattisgarh have placed orders for supplies.

"We are in touch with more sponge iron mills in Chattisgarh and Odisha. Its a cheaper

alternative to South African coal," an official of the trading company told *BusinessLine*.

Price volatility

Coal from Mozambique will be at a lower cost to that from South African sources while being mostly of the same grade.

Price volatility in South African coal - the RB 2 variant - has been high, up by 12 per cent since July 1 at around \$224 - \$250 per tonne versus \$200 per tonne. Demand from European nations have been high as they look to increase sourcing for their power sector requirement.

Australian thermal coal, though cheaper, is generally not used by Indian mills because of grading and quality issues.

Indian sponge iron mills have expressed apprehensions over non-renewal of mine linkages by Coal India. Linkages from some are expected to expire in the July - August period. The miner (Coal India) has also

not announced renewal of linkage auctions.

'New source suitable'

Interestingly, one of the India's top steel-maker successfully experimented with VT 1 grade coal from its captive mines in Mozambique, sources said.

Reports shared with industry users, and accessed by *BusinessLine*, show "usage of VT 1 grade coal or Mozambique steam coal to have positive in sponge iron kilns" that have capacities to the tune of 500 tonnes per day (TPD), 350 TPD and 100 TPD.

Across these kilns, no mixing or blending of Mozambican coal is required. With 57 per cent carbon content, it has low carbon emissions and lower wastage.

The average consumption is 700-800 kg / tonne of sponge iron. Against this, Indian coking coal, sourced from Coal India is 1,500 kg / tonne (of Sponge iron); while South African coking coal consumption is 700-800 kg / tonne of sponge iron.

भास्कर एनालिसिस : अगले 3-6 महीनों में 48,000 रुपए का लेवल देख सकता है गोल्ड

अंतरराष्ट्रीय बाजार में सोना 15 माह के निचले स्तर पर, घरेलू बाजार में भी 50,000 से नीचे

बिजनेस संवाददाता | नई दिल्ली

दुनियाभर में ब्याज दरों में लगातार बढ़ोतरी और डॉलर बेतहाशा मजबूत होने का सीधा असर सोने पर हुआ है। अंतरराष्ट्रीय बाजार में सोना 15 माह और घरेलू बाजार में 5 महीनों के निचले स्तर पर आ गया है। विश्लेषकों के मुताबिक यह गिरावट जारी रह सकती है और अगले 3-6 महीनों में सोना 48,000 रुपए प्रति 10 ग्राम का लेवल देख सकता है। अंतरराष्ट्रीय बाजार में गुरुवार को सोना बीते एक महीने में 143 डॉलर (7.8%) गिरकर 1,700 डॉलर प्रति आउंस के सपोर्ट लेवल से नीचे आ गया। घरेलू बाजार पर भी इसका असर देखा गया। इंडिया बुलियन एंड ज्वेलर्स एसोसिएशन के मुताबिक सराफा में सोना 49,970 रुपए प्रति 10 ग्राम रह गया। इससे पहले सोना इसी साल फरवरी में 50,000 से नीचे आया था। करीब 23 महीने पहले 7 अगस्त 2020 को यह 56,126 रुपए के रिकॉर्ड लेवल पर था।

घरेलू बाजार के मुकाबले इंटरनेशनल गोल्ड मार्केट में ज्यादा उतार-चढ़ाव देखा गया है। इसी साल मार्च में सोना 2,078 डॉलर प्रति आउंस के रिकॉर्ड लेवल पर था। बीते चार महीनों में इसमें 18% से ज्यादा करीब 388 डॉलर प्रति आउंस की गिरावट आ चुकी है। इसके मुकाबले भारतीय बाजार में रिकॉर्ड लेवल से 10% से भी कम गिरावट देखी गई और इसमें 23 महीनों का वक़्त लगा।



...तो 40,000 से भी नीचे आ जाता सोना

केडिया एडवाइजरी के अजय केडिया के मुताबिक, देश में रुपए की कमजोरी और आयात शुल्क बढ़ने की वजह से सोने को अतिरिक्त सपोर्ट मिल रहा है। डॉलर के मुकाबले रुपए की विनिमय दर यदि एक साल पहले के स्तर पर होती तो देश में सोने की कीमत 40,000 रुपए प्रति 10 ग्राम से भी नीचे आ जाती। 21 जुलाई 2021 को रुपया 74.52/ डॉलर था, जो अभी 80 के आसपास है।

सोने के दाम घटने के चार बड़े कारण

1. अमेरिका में मार्च से अब तक ब्याज दरों में 1.5% बढ़ोतरी, 27 जुलाई को एक बार फिर 0.75% बढ़ोतरी की आशंका।
2. इस बात की गहरी आशंका कि यूरोपीयन सेंट्रल बैंक 21 जुलाई देर रात की बैठक में 11 साल में पहली बार दरें बढ़ाएगा।
3. महंगाई के चलते ज्यादातर विकसित देशों में सोने की डिमांड में कमी आना और चीन में भी मांग कमजोर पड़ने के संकेत।
4. यूरोपीय संघ के 27 देशों ने रूस से सोना आयात पर पाबंदी लगा दी, जिसके चलते बाकी देशों में इसकी सप्लाय बंद गई।

सोने के दाम बढ़ने की संभावना कम

इन्वेस्को में वैश्विक बाजार के मुख्य रणनीतिकार क्रिस्टीना हूपर ने कहा, 'डॉलर में मजबूती जारी रहने की संभावना है।' इसका सीधा मतलब है कि अंतरराष्ट्रीय बाजार में सोने के दाम और घटने की आशंका है। घरेलू बाजार को लेकर अजय केडिया का कहना है कि अगले तीन महीनों तक गिरावट जारी रह सकती है। हालांकि उनका यह भी कहना है कि सोने के लिए त्योहारों का सीजन हमेशा अच्छा रहता है, जिसकी शुरुआत अगस्त से हो रही है।

कोळशाच्या संकटामुळे बंद होताहेत वीज युनिट

पुरामुळे वेकोलितून पुरवठ्यावर परिणाम : एसईसीएल अन् एमसीएलकडून पुरवठा

कमल शर्मा

लोकमत न्यूज नेटवर्क
नागपूर : कोळशाच्या तुटवड्याचा सामना करीत असलेल्या विदर्भातील औष्णिक वीज केंद्राचे वीज युनिट बंद होत आहेत. शासकीय कंपनी महाजेनकोसोबतच खासगी युनिटही कोळशाच्या संकटामुळे प्रभावित झाले आहेत. दरम्यान, वेकोलिच्या खदानीत अतिवृष्टीमुळे पाणी भरल्याने कोल इंडियाने एसईसीएल आणि एमसीएलला वीज केंद्रांना कोळशाचा पुरवठा करण्याचे निर्देश दिले आहेत.

महाजेनकोनुसार भुसावळ औष्णिक वीज केंद्राचे युनिट क्रमांक ३ कोळसा नसल्यामुळे बंद करण्यात आले आहे. तसेच नाशिकचे युनिट क्रमांक ४ आणि ५ कोळसा ओला

दोन केंद्रांत तीन दिवसांपेक्षा कमी स्टॉक



मान्सूनमध्ये खदानीत पाणी भरते. कोळशाची वाहतूक कठीण होते. अशा स्थितीत मान्सूनपूर्वी कोळशाचा स्टॉक वाढविणे गरजेचे असते. परंतु या वर्षी स्टॉकची स्थिती संवेदनशील आहे. दोन वीज केंद्रांत तर तीन दिवसांचाही स्टॉक उरलेला नाही. कोराडी (६६०) मध्ये ३.४ दिवस, कोराडी (२१०) मध्ये १.५० दिवस, खापरखेडा ७.७६, चंद्रपूर ६.५३, पारस ८.२४, परकी २.३६ दिवस उपयोग होऊ शकेल इतकाच कोळसा शिल्लक आहे.

झाल्याच्या कारणाने बंद करण्यात आले आहे. खासगी युनिटमध्ये तिरोडा येथील अदानीच्या वीज केंद्राचे युनिट क्रमांक ३ आणि ४ कोळशाच्या तुटवड्यामुळे बंद आहेत. एमकोच्या एका युनिटचीही हीच स्थिती आहे. साई बर्धाचे दोन युनिट कोळशाच्या तुटवड्यामुळे बंद आहेत. जे युनिट सुरू आहेत त्यांचे उत्पादन कोळसा ओला झाल्यामुळे

प्रभावित झाले आहे. तर वेकोलिच्या अनेक खदानीत पाणी भरल्यामुळे कोळशाच्या पुरवठ्यावर परिणाम झाला आहे. एसईसीएल आणि

एमसीएलला पुरवठा वाढविण्याचे निर्देश देण्यात आले आहेत. परंतु आतापर्यंत हे शक्य होऊ शकले नाही.

मागणी वाढताच होणार परिणाम

मान्सूनमुळे प्रदेशातील विजेची मागणी कमी होऊन १७३३७ मेगावॅटपर्यंत पोहोचली आहे. उन्हाळ्यात ही मागणी २५ हजार

मेगावॅटपर्यंत पोहोचली होती. भारनियमन टाळण्यासाठी महागडी वीज खरेदी करावी लागली. त्याचा भार इंधन समायोजन शुल्काच्या वसुलीमुळे सामान्यांवर पडला. पाऊस थांबताच विजेची मागणी वाढणार आहे. जाणकारांच्या मते प्रदेशात पुन्हा विजेचे संकट उभे राहणार आहे.

JSW Steel net plunges 86% on weak demand

Company cuts capex for current fiscal to ₹15,000 cr against ₹20,000 cr planned earlier

OUR BUREAU

Mumbai, July 22

JSW Steel's net profit in the June quarter plunged 86 per cent to ₹839 crore, against ₹5,900 crore logged in the same period last year, on the back of lower realisation, a fall in exports and weak demand.

Gross sales were up 32 per cent at ₹37,500 crore (₹28,432 crore). It reported an EBITDA of ₹4,309 crore (₹10,274 crore). The overall cost zoomed to ₹36,977 crore

(₹20,804 crore) as power and fuel expenses more than doubled to ₹4,433 crore (₹2,010 crore).

Given the current market conditions, the company has cut the planned capital expenditure to ₹15,000 crore for this fiscal, against ₹20,000 crore planned earlier. It had spent ₹3,702 crore in the June quarter.

Raw material costs increased sharply to ₹25,597 crore (₹10,831 crore). The company also accumulated



an inventory of stock worth ₹6,315 crore (₹4,274 crore) as the demand in the domestic market was weak in the quarter under review. Payment of royalty and premium fell 60 per cent to ₹2,115 crore (₹5,349 crore).

The net debt of the company increased to ₹67,221 crore, against ₹56,650 crore

in the March quarter.

Given the weak demand trend, the company pre-poned certain shutdowns that were scheduled during the year. This lowered the average capacity utilisation to 93 per cent, against 98 per cent achieved in the March quarter. The 5 mtpa Dolvi Phase-II expansion is being ramped up and will drive volume growth as demand recovers in the coming quarters, it said.

Sales volume was up 12 per cent at 4.03 mt (3.61 mt), though it was down 21 per cent compared to the March quarter.

Lower volume of sales, one-off expenses and falling global steel prices hit company's margins; Exports declined 26%

JSW Steel's Net Falls 86% in Q1 on High Input Costs

Our Bureau

Mumbai: High input costs hurt the margins of JSW Steel as the company on Friday reported an 86% fall in net profit for the April-June period compared to the year ago quarter.

Consolidated profit declined to ₹839 crore compared to ₹5,900 crore a year ago.

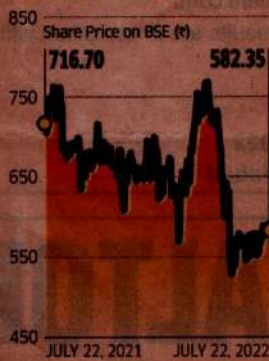
However, favourable steel prices helped the company improve its topline by 32% to ₹38,086 crore. Earnings before interest, tax, depreciation and amortisation (EBITDA) more than halved to ₹4,309 crore. EBITDA margin declined by over 29 percentage points to 11.3%.

"The fall in EBITDA was attributable to lower volume of sales, one-off items such as FX (foreign exchange) loan translation losses, NRV provisions, etc," the company said in a press release. Further, the domestic steel industry was impacted by falling global prices and the imposition of a 15% duty on steel export in May 2022, the company said. Exports declined 26% compared to the previous quarter, it said.

JSW Steel also preponed maintenance shutdowns that were sche-



JSW Steel



duled for later during the year due to low demand for steel in the market. This reduced the company's average capacity utilisation for the quarter to 93% compared to 98% in the preceding quarter.

Despite the shutdowns, the company's standalone crude steel production during the quarter grew by 22% year-on-year to 5 million tonnes, but remained flat sequentially.

JSW Steel is looking to prune its planned capital expenditure during FY23 to ₹15,000 crore from ₹20,000 crore planned earlier. During the first quarter, the company spent ₹3,702 crore.

The company said its 5-metric-tonne-per-annum (mtpa) capacity expansion at its Vijayanagar plant was progressing well. The project is expected to be completed by FY24 end. At subsidiary Bhushan Power and Steel Limited (BPSL), the capacity expansion to 3.5 mtpa is expected to be completed during the ongoing quarter and further expansion to 5 mtpa will be completed by the next fiscal year, the company said.

The stock of JSW Steel declined by 0.99% to ₹582.35 on the BSE on Friday. The benchmark Sensex ended the day 0.7% higher.

Gold stays flat

Silver testing an important support

AKHIL NALLAMUTHU

BL Research Bureau

Gold produced a marginal gain last week as the dollar retreated from the high. However, silver continues to struggle and saw a marginal drop. In the international spot market, gold was up 1.2 per cent last week, as it closed at \$1,727.6 an ounce on Friday. Silver, on the other hand, lost 0.5 per cent to end the week at \$18.59 an ounce.

Similarly, in the domestic market—on the Multi Commodity Exchange (MCX), gold futures appreciated 1.1 per cent to end the week at ₹50,644 (per 10 gram). But silver futures posted a loss of 0.8 per cent as it wrapped up the week at ₹55,131 (per kg).

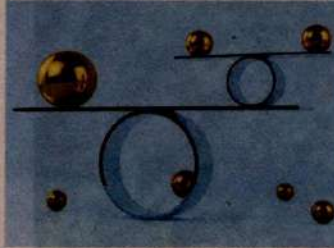
Fundamentally, there seems to be no push for the bullion. Looking at the latest World Gold Council (WGC) data, demand from India, one of the largest consumers of the yellow metal, saw muted retail demand in June as the wedding season ended. Thus, the imports in June, at about 44 tonnes, were 55 per cent lower month-on-month. According to WGC, demand remained subdued in July so far because of soft rural demand and gold Exchange-Traded Funds (ETFs) in India witnessed net outflow of 0.6 tonnes in the first two weeks of July.

Technically too, the charts do not seem to be promising, as there are no signs of a bullish reversal.

MCX-Gold (₹50,644)

Since early May, the gold futures on the MCX (August expiry) has been tracing a sideways trend—it has been oscillating between ₹50,000 and ₹52,000. So, until either of these levels are breached, the next leg of trend will remain uncertain.

But note that the contract rebounded



GETTY IMAGES/ISTOCKPHOTO

from ₹50,000 last week, where the 200-day moving average coincides. Also, there is a rising trendline which could offer support at around ₹49,500, making the price area of ₹49,500-50,000 a good support band.

Therefore, in the coming week, we can expect gold futures to inch up. If it gathers enough momentum to breach the hurdle at ₹52,000, we can expect a rally to ₹54,000 within a couple of weeks. On the other hand, if it slips below ₹49,500, it can drop to ₹47,700, the nearest support.

MCX-Silver (₹55,131)

The silver futures (September expiry), which has been on a downtrend since past three months, is currently testing a support at ₹55,000. If the contract rebounds from this support and rallies, it can find resistance at ₹58,500 and at ₹60,000. Essentially, the price area of ₹58,500-60,000 is a considerable resistance band and a rally beyond these levels is less likely. Resistance above ₹60,000 can be spotted at ₹63,000.

But if the contract falls below ₹55,000, it can see a swift drop towards the support at ₹52,000. A break down below this can drag the contract to ₹50,000. This is critical support, from where the contract will most likely see a bounce.

Hindustan Zinc to switch to renewables to reduce power costs, improve margins

Company sticks to its cost of production guidance range of \$1,125-1,175/tonne

ABHISHEK LAW

New Delhi, July 24

Hindustan Zinc, a Vedanta group firm, is looking to bring down the cost of production by \$80-90 per tonne as it eyes reduction in power costs by switching to renewable power. It is also looking at better coal mine linkages.

The company's power and fuel costs were at ₹900 crore in Q1 FY23, up around 15 per cent q-o-q, led by higher coal prices as "fuel supply agreement materialisation" was only 8 per cent during the quarter. The company continued to import the balance coal from Australia and Indonesia.

Cost of production

According to Arun Misra, CEO, Hindustan Zinc, the company is sticking to its cost of production (ex-royalty) guidance in the \$1,125-1,175/t range (v/s \$1,264/t in Q1 FY23). This implies that the cost of production could be lower by about 13 per cent for the rest of FY23.

"Cost of coal continues to be steep and has not reduced meaningfully so far. While we are sticking to our guidance, there will be some reduction in costs that we bring in by using renewables and biomass thereby replacing coal," he told *BusinessLine*.

Backlog

Coal India clearing backlogs - to the tune of 1 million tonnes - would also help bring down production costs. Coal available from the miner (through mine linkages) is nearly 66 per cent (two-thirds) cheaper than imported ones.

"We have a fuel supply agreement of 0.7 mt that we entered into in February. But now the backlog is 1 mt. We would be looking to make spot coal purchases across auction wherever prices are lower," Misra added.

As a part of the switch to renewables, it is already looking at 200 MW of renewable power by FY24. Contract details, including, price, are be-



Arun Misra, CEO, Hindustan Zinc

ing worked out. Production guidance for FY23 has been maintained at 1,050-1,075 kilo tonnes (KT) for mined metal production and 700-720 tonnes for silver (versus 647 tonnes in FY22).

For the April-June quarter, the company reported a 56 per cent increase in profit after tax (PAT) on a y-o-y basis to over ₹3,000 crore, while EBITDA stood at ₹5,100 crore (up 44 per cent y-o-y).

"Zinc prices are expected to hover around current levels for some time before moving down due to expected demand slowdown in H2 FY23. Though Hindustan Zinc's Q2 FY23 zinc cost of production will remain elevated, it

should come down in H2FY23 with availability of higher proportion of linkage coal from Coal India helping offset lower zinc costs," a report by brokerage firm Centrum Broking said.

Slowdown fears

Global zinc demand has been impacted because of high inflation and rising interest rates.

On the London Metal Exchange (LME), zinc prices fell from a high of \$4,500/t to around \$2,900-3000/t, on fears of a slowdown and amid rising interest rates globally. This is despite low inventories at LME warehouses.

Capex plans

According to Misra, the management has approved the setting up of a 0.5 mtpa fertiliser plant and a roaster plant having a capacity of 160 ktpa capacity.

The capex is estimated at ₹1,300-1,400 crore for the fertiliser plant and around ₹700-800 crore for the roaster plant. The two plants are expected to be commissioned in 2024.

'Diamond industry to witness 15-20 pc dip in revenue in FY23'

■ Business Bureau

INDIA'S diamond industry is likely to witness 15-20 per cent decline in revenue in this financial year due to falling demand and rising prices of rough gemstone globally, according to a report.

Revenue of the Indian diamond industry is set to be cut 15-20 per cent to USD 19-20 billion this fiscal, compared with a decadal high in the last financial year, following a double blow from falling demand and rising prices of roughs across the globe, Crisil Ratings said in a report.

While volatility in rough diamond prices is typically passed on to the polished diamond prices -- albeit with a lag due to the long operating cycle in the trade -- tepid demand has



kept polished prices from fully catching up with rough prices this time around.

"This could squeeze the operating profitability of Indian diamond polishers by 75-100 basis points to 4-4.25 per cent this fiscal. Accordingly, interest coverage may weaken marginally," Crisil Ratings Chief Ratings Officer Subodh Rai said.

According to the report

regarding China, a surge in COVID-19 cases has led to lockdowns in several regions in China, which is one of the largest consumers of Indian polished diamonds.

Further, it noted that inflation and opening up of other avenues of discretionary spending such as travel and hospitality will dampen demand growth in the US and Europe in the near term.

As for prices, the US sanctions on Russian diamond mining company Alrosa following the invasion of Ukraine has cut supplies of rough diamonds by almost 30 per cent.

The state-owned company is the largest diamond producer in the world and the supply constraint will continue amid sanctions on Russia, the report said.

कमजोर मांग के बीच कच्चे हीरे के दाम बढ़ने का असर डायमंड इंडस्ट्री की आय 20 प्रतिशत तक घटने की आशंका



बिजनेस संवाददाता | सुरत

30% महंगा हुआ कच्चा हीरा

यूक्रेन पर हमले के बाद रूस की डायमंड माइनिंग कंपनी अलरोसा पर अमेरिका ने प्रतिबंध लगा दिया है। इसके चलते अंतरराष्ट्रीय बाजार में कच्चे हीरे की सप्लाई कम हो गई क्योंकि अलसोरा दुनिया का सबसे बड़ा रफ डायमंड सप्लायर है। नतीजतन कच्चे हीरे की कीमतों में करीब 30% उछाल आया है।

2022-23 में भारतीय डायमंड इंडस्ट्री दो बड़ी चुनौतियों का सामना कर रही है।

रूस-यूक्रेन युद्ध के चलते जहां कच्चे हीरे के दाम बढ़ रहे हैं वहीं मांग कमजोर पड़ती जा रही है। दरअसल कोविड महामारी की नई लहर की वजह से चीन के कुछ राज्यों में लॉकडाउन से मांग घट गई है, जो भारतीय पॉलिशड डायमंड का सबसे बड़ा बाजार है। इसके अलावा अमेरिका और यूरोप में बढ़ती महंगाई के बीच लंबे समय बाद पर्यटन और हॉस्पिटलिटि जैसे सेक्टरों में विवेकाधीन खर्च शुरू होने से डायमंड की मांग घटने की आशंका है।

चालू वित्त वर्ष में देश की डायमंड इंडस्ट्री की आय 15-20% घटकर 1.5-1.6 लाख करोड़ रूपए रह सकती है। इसके उलट बीते वित्त वर्ष दुनियाभर में मशहूर देश की इस इंडस्ट्री की आय एक दशक के ऊंचे स्तर पर पहुंच गई थी।

सोमवार को आई क्रिसिल रिसर्च की एक रिपोर्ट के मुताबिक, चालू वित्त वर्ष यानी

कोयला आयात का सबसे ज्यादा ऑर्डर अदाणी एंटरप्राइजेज को

राजेश कुमार सिंह | नई दिल्ली

देश में कोयले की कमी पाटने के लिए बड़े पैमाने पर हो रहे आयात का सबसे ज्यादा फायदा अरबपति उद्योगपति गौतम अदाणी की कंपनी अदाणी एंटरप्राइजेज को हो रहा है। देश की

सबसे बड़ी बिजली कंपनी एनटीपीसी है। सूत्रों के मुताबिक, इसमें से 1.73 करोड़ टन का ऑर्डर अकेले अदाणी एंटरप्राइजेज को मिला है।

ने चालू वित्त वर्ष के लिए 2 करोड़ टन कोयला आयात का ऑर्डर दिया

Tata Steel Q1 net dips 21% on weak demand

Expects volatility in steel price, input cost to stabilise in the second half of the year

OUR BUREAU

Mumbai, July 25

Tata Steel reported a 21 per cent dip in consolidated net profit for the June quarter to ₹7,714 crore, against the ₹9,768 crore logged in the same period last year, largely due to weak demand and higher costs.

Income from operations was up 19 per cent at ₹63,128 crore (₹53,142 crore). The 10:1 stock split, announced earlier, will come into effect from July 29, said the company.

Productions costs rise

Overall production cost increased 25 per cent to ₹51,912 crore (₹41,491 crore) as inventory increased to ₹8,099 crore (₹3,292 crore) and cost

of raw material jumped to ₹26,320 crore (₹16,034 crore).

Sales volume dipped to 6.62 million tonne (7.11 mt), while production was at 7.74 mt (7.88 mt). Ebitda per tonne reduced to ₹22,661 (₹22,366) despite high margins in its European business.

On a standalone basis, the net profit was down 37 per cent at ₹5,783 crore (₹9,112 crore) even as income increased 16 per cent to ₹34,015 crore (₹29,377 crore). Ebitda per tonne plunged to ₹21,326 (₹32,712).

Gross debt of the company increased to ₹82,597 crore (₹75,561 crore). Net debt of the company was at ₹54,504 crore. TV Narendran, Man-



Ray of hope The European business of Tata Steel delivered a sharp improvement in performance

aging Director, Tata Steel, said it has been a challenging quarter for the economy with rising interest rates, supply chain con-

straints and slowdown in China due to Covid.

Despite these multiple headwinds, Tata Steel margins improved as it managed

to increase domestic sales and countered the 15 per cent export duty on steel in the middle of the quarter, he said.

The European business delivered a sharp improvement in performance as long-term contracts and product mix helped drive a strong increase in realisations, he added.

The commissioning of 6 mtpa pellet plant at Kalinganagar in December quarter will drive cost savings, and it will be followed by the CRM complex and the 5 MTPA expansion project said Narendran.

The company expects the volatility in steel price and input cost to continue in this quarter and stabilise in the second half of the year. It has earmarked an capex of ₹2,725 crore in Kalinganaga expansion.

Bet short on lead futures

COMMODITY CALL

AKHIL NALLAMUTHU
BL Research Bureau

The continuous futures of lead on the MCX, which hit a fresh one-year low of ₹166 a couple of weeks ago, recovered and has rallied to the current level of ₹179.

The chart indicates that the upside is limited as the contract faces strong barriers at ₹180 and at ₹186. A falling trendline is projected to coincide at ₹186, making it a significant resistance.

Therefore, going ahead, lead futures are expected to resume the downtrend at ₹180 or ₹186. Either way, the overall bearish bias is expected to stay and therefore, participants can plan fresh trades accordingly. On the downside, the contract might fall to ₹150 before the end of this



year. Short lead futures on the MCX at the current level and add more shorts when the contract rallies to ₹186. Place stop-loss at ₹192. If the contract moves according to our expectation and falls below ₹170, modify the stop-loss to ₹182.

Revise the stop-loss further down to ₹170 when the price declines to ₹160. Exit all your shorts at ₹150 because this is important support against which the contract can witness a rebound.

Coal mine leases of 45 firms cancelled

Includes those of NTPC, West Bengal PDC, Monnet Ispat for missing deadlines

OUR BUREAU

New Delhi, July 25

The Coal Ministry has terminated the mining leases of West Bengal Power Development Corporation, Monnet Ispat & Energy and state-run NTPC for delays in operationalising coal blocks and missing production targets, Parliament was informed on Monday.

The Ministry penalised a total of 45 companies for delay in commencing operations and missing production targets, according to the data provided by Coal and Mines Minister, Pralhad Joshi, in a written response to a question in the Rajya Sabha.

Besides these three companies, mine termination orders have also been slapped on GMR Chattisgarh Energy and OCL Iron and Steel, with both orders being sub-judice. The ministry has also de-

ducted the bank guarantees of companies such as Calcutta Electric Supply Corporation (CESC), Damodar Valley Corporation, Hindalco Industries, Essar Power MP, Tata Steel Long Products, and Jaypee Cement Corporation. While orders for deducting bank guarantees of Bharat Aluminium Company, Adani Power, GMR Chhattisgarh Energy, Jaiprakash Associates and others have been issued, but not deducted as the matter is sub-judice, the data showed.

Show 'cause'

The Coal Ministry has also slapped show cause notices on 107 companies for not adhering to the timeline. The companies include NALCO, Vedanta, BALCO, Hindalco Industries, JSW Steel, UltraTech Cement, Birla Corp, Adani Power, and Monnet Ispat &



Show cause notice has been issued to 107 lease holders for delays in starting mining operations PTI

Energy. The Ministry of Coal had issued an amnesty scheme in May 2022, granting a one-time window to allottee government companies to surrender non-operational coal mines without penalty, Joshi said. "Till date, the Ministry is in receipt of requests for surrender for 11 coal blocks, of which three are Central PSUs and five are State PSUs," he added.

The Minister, in a separate question, informed the upper house that 64 coal blocks (52

under the Coal Mines (Special Provisions) Act and 12 blocks under the Mines and Minerals (Development & Regulation) Act) have been auctioned. The cumulative peak rated capacity for all the 46 auctioned coal mines is 101.04 million tonnes per annum.

Besides, 106 coal blocks (35 under the CMSP Act and 71 under the MMDR Act) presently under auction process are situated in areas that are granted protection under the

Fifth Schedule of the Constitution, Joshi noted.

Commercial mining

Joshi said that since the launch of the commercial coal mining auction in June 2020, the auction of 47 coal mines has been successfully conducted.

"Out of these 47 coal blocks, the auction of one coal mine was cancelled since the preferred bidder did not comply with the conditions, and vesting orders have been issued for 27 coal mines," he added.

In accordance with the efficiency parameters specified in the CMDPA which are to be adhered to by the successful bidders, the time limit for obtaining the Mine Opening Permission is 66 months in the case of mines where a Geological Report is to be prepared (Partially Explored Mines) and 51 months in the case of mines where GR is available (Fully Explored Mines), the Minister said.

DOUBLE WHAMMY Chinese exports surged while local buying fell; effects to spill into Q2 as well as high-cost inventories yet to be fully absorbed

Steel Levy Trips Indian Exports in Q1, China Sells More Abroad

Jwalit.Vyas@timesgroup.com

ET Intelligence Group: The latest trade data show that India's steel exports fell by 26% sequentially in the June quarter following the government's decision to impose an export duty. China's steel exports, on the other hand, shot up by 54% during the period aided by higher production amid muted local demand. The moot question is whether China benefited from the duty on Indian steel exporters.

In May, India imposed a 15% duty on exports of steel products to curb inflation by increasing supply in the domestic market. On a year-on-year basis, India's steel exports fell by 39% while China's

rose by 3% in the June quarter. The trend was the other way round in the preceding quarters. Until the end of the March 2022 quarter, India had reported rising steel exports taking advantage of higher global commodity prices while Chinese exports were dwindling.

During the June quarter, China increased production by 16% amid the Russia-Ukraine war in anticipation of commodity shortage since both the warring nations are major steel producers. However,



China's domestic consumption did not keep pace with production despite the stimulus. China's steel production increased by 40 million tonnes while that for the rest of the world fell by 4 MT. In comparison, domestic demand in China increased by only 29 MT.

However, China was able to route the excess production to overseas markets amid the export duty on Indian steel makers.

During June, though China produced 6 MT less, exports remained at a similar level as in May. As a result of higher supply by the world's largest producer, steel prices fell from ₹77,000 per tonne in May to ₹59,000 a tonne currently.

The imposition of duty limited Indian exports, while buying in the domestic market fell in anticipa-

tion of a further drop in global prices. This came as a double whammy for Indian steel makers including Tata Steel and JSW Steel amid higher raw material prices. Their net profit fell by 21% and 68%, respectively, in the June quarter compared with the preceding quarter. India's third largest steel producer, SAIL, is yet to announce results for the quarter.

Steel prices have stabilised over the past few weeks. Raw material prices, especially coking coal, have also halved from their June quarter peaks. However, the benefit will be visible in the December quarter as high-cost inventories will have to be absorbed first. This is likely to affect September quarter earnings.

Steel stocks, therefore, will continue to remain under pressure with those of top producers down 18-25% over past three months.

ET ANALYSIS

Big pink diamond discovered in Angola, largest in 300 years

JOHANNESBURG, July 27 (AP)

A BIG pink diamond of 170 carats has been discovered in Angola and is claimed to be the largest such gemstone found in 300 years.

Called the "Lulo Rose", the diamond was found at the Lulo alluvial diamond mine, the mine's owner, the Lucapa Diamond Company, announced on Wednesday on its website.

The Lulo mine has already produced the two largest diamonds ever found in Angola, including a 404-carat clear diamond. The pink gemstone is the fifth largest diamond found at the mine where 27 diamonds of 100 carats or more have been found, according to Lucapa, which



is based in Australia.

The pink diamond will be sold by international tender by the Angolan state diamond marketing company, Sodiam. Angola's mines make it one of the world's top 10 producers of diamonds.

"This record and spectacular pink diamond recovered from Lulo continues to showcase Angola as an important player on the world stage for diamond mining and demonstrates the potential and rewards for commitment and investment in our growing diamond mining industry," Diamantino Azevedo, Angola's Minister of Mineral Resources, Petroleum and Gas said, according to the Lucapa website.

Aluminium: Go short if it drops below ₹200 on MCX

COMMODITY CALL

AKHIL NALLAMUTHU

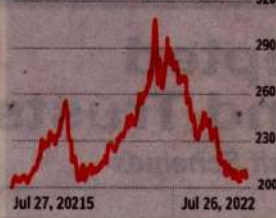
BL Research Bureau

Aluminium futures on the MCX, after hitting a high of ₹325.4 in March, has been moving southwards. It hit a low of ₹202.25 a couple of weeks ago, losing 39 per cent from the top i.e., ₹325.40. However, the price action over the past few weeks suggests that the downtrend has halted, at least temporarily, and the contract is now oscillating in the range of ₹200-215. While this may not be an indication of a reversal of the bullish trend, the consolidation improves the chances for a corrective rally.

That said, technically, the aluminium futures should move out of the ₹200-215 range for us to assume the next leg of the trend. Suppose the contract falls below the support at ₹200, it can decline to ₹187 and possibly to ₹160 which are the nearest sup-

MCX-Aluminium (per kg)

Return: 3.8%



ports below ₹200. On the other hand, if the aluminium futures break out of ₹215, it can appreciate to ₹235, the immediate barrier. A breach of this can lift the contract to the ₹250-254 range — a resistance band. But a rally beyond this price band is less likely.

So, traders can consider fresh short positions if the support at ₹200 is breached. Or short if futures rallies to ₹235 and ₹250 i.e., split the entries into two legs and initiate one leg of short at ₹235 and another leg at ₹250 so that the average short price would be around ₹243.

Iron ore, steel to remain under pressure

Chinese demand slack, production in Europe hit by high energy prices: Experts

SUBRAMANIRA MANCOMBU

Chennai, July 27

Iron ore and steel prices will likely be under pressure for the remaining part of the year on slack demand from China for ferrous metals, besides high energy prices affecting production in Europe, experts have said.

Iron ore prices have dropped 9.5 per cent in the past month and over 45 per cent year-on-year, though they have gained 9 per cent this week. Steel prices have declined 12.5 per cent in the past month and over 30 per cent year-on-year. This week, they are up 2 per cent.

Steel rebar prices, which had surged to \$875 a tonne in October last year, are currently ruling at \$575 a tonne. Hot rolled coils, which had topped \$1,900 a tonne in September last year, are quoted at \$918 now. Iron ore prices, which had zoomed to a high of \$239 a tonne in May last year, are currently hovering just above \$100.

Caught in sell-off

"Iron ore has been unable to escape the broader sell-off in com-

modities. Macro concerns have been key to driving prices lower," said Warren Patterson, Head, Commodities Strategy at ING Think, the economic and financial analysis wing of Dutch multinational financial services firm ING.

"A negative sentiment surrounding the Mainland Chinese economy and weak physical demand hammered prices. Indeed, second quarter GDP data this year showed that the Mainland Chinese economy expanded by 0.4 per cent year-on-year, reflecting a sharp slowdown from 4.8 per cent year-on-year in Q1," said Fitch Solutions Country Risk and Industry Research (FSCRIR), a research unit of US-based Fitch.

Tough Beijing curbs

With China being the world's largest consumer of steel as well as iron ore, Fitch Solutions said it expects further weakness in the prices of steel and iron ore in the coming weeks, especially as the country has extended lockdowns in numerous cities as Covid-19 cases continue to rise.



Steel prices have declined 12.5 per cent in the past month and over 30 per cent year-on-year

According to World Steel Association, China's steel production in the first half of 2022 has declined by 6.5 per cent to 526.9 million tonnes (mt). It has been one of the primary factors affecting global steel output since July 2021. "China's attempts to squash outbreaks of Covid-19 have seen fairly tough restrictions, which have not been supportive for demand. In addition, there are growing concerns over the macro-outlook," Patterson said.

Soaring inflation is seeing central banks, particularly the US Federal Reserve having to take a more aggressive approach to monetary tightening, the ING Commodities Strategy head said. "Ultimately though

the iron ore outlook is going to largely depend on how China approaches any further Covid outbreaks through the year as well as the scale of stimulus we see the government unleashing," he said.

Fitch Solutions said Brazil's leading producer Vale has cut its iron ore production guidance for this year to 310-320 mt. The pruning of its guidance will not have any impact on iron ore prices as demand is seen cloudy.

Bearish long-term outlook

"We are likely to revise downwards our forecasts for iron ore and steel in the coming weeks," it said.

Patterson said fundamentals have not been great either.

"However, low Chinese stocks and hopes of a China recovery in the second half should provide support in the near term. The medium to long-term outlook is more bearish," he said.

Vandita Pant, Chief Commercial Officer, BHP, told *Business Line* that developments relating to the Ukraine war and the Covid pandemic were causes for concern for ferrous metals sector. "Steel outlook is stable for the year, though the margins were underpinned in the second quarter," she said.

Covid lockdowns have weighed further on both steel demand and supply, Patterson said, and added that China's state planner has made it clear that it wants crude steel production capped at below 2021 levels which looks like a bearish for iron ore.

The ING commodities chief said the lower steel output this year leave some headroom to increase output.

Pant said demand is likely from the perspective of end users such as electric vehicles, machinery makers and real estate. "Chinese stimulus which will come over a period of time will also help the demand," she said.

'Boron' Comes to Rescue of Steel Cos Hit by Export Levy

Chemical makes steel harder and brings it out of the purview of new 15% duty

Nehal.Chaliawala@timesgroup.com

Mumbai: At a time when a new 15% export duty on steel has brought sale of the alloy overseas under pressure, one exception has come to the rescue of Indian steel mills in the form of boron, a brownish dark powder that makes steel harder and, more importantly, brings it out of the purview of the new levy.

The exports of electrical steel, which includes boron-added alloy steel, grew eight-fold year on year to about 1,40,000 tonnes during the fiscal first quarter ended June, as per data from SteelMint.

By one estimate, about 1,30,000 tonnes of these exports happened in June, following the levy of the new export duty from May 22. This compares to the overall steel exports of 6,40,000 tonnes in June.

"If there are customers who are willing to accept some amount of boron in the steel, then for such customers prices remain competitive and not have this extra levy of 15%," said TV Narendran, managing director and chief executive of Tata Steel. "So that's how some of the exports have happened."

Finding an Alternative

6,40,000 tonnes Overall steel exports in June

8-fold YoY rise in exports of electrical steel, which includes boron-added alloy steel, to about **1,40,000 tonnes** during Q1, FY22

About **1,30,000 tonnes** of these exports happened in June

New export duty was levied from May 22 to rein in domestic steel prices

Following levy, exports of steel in June fell 50% from a year ago

To be sure, some exports of steel also happened after paying the 15% duty as not all customers were willing to accept boron-added steel — especially for important long-standing customers that steelmakers wouldn't want to lose, since the export duty is expected to be a temporary measure.

The Indian government announced immediate imposition of the export duty in May to rein in domestic steel prices in its effort to contain inflation. Following the levy, exports of steel in June declined to a half compared to the preceding year.

"SteelMint understands that whatever volumes were exported in June we-

re boron-added with the trade in regular grades of carbon steel having come almost to a standstill," the publication said in a report.

However, not everyone in the steel industry agrees to the practice of pushing boron-added steel as an alternative to overseas customers.

"I don't think every customer will accept boron. Because, technically, boron steel is not the same for application purposes," said Seshagiri Rao, joint managing director at JSW Steel. "So, the industry as a whole continues to add boron to avoid export duty, but I do not agree with that view at all."

Accumulate shorts in MCX zinc futures at ₹290

COMMODITY CALL

GURUMURTHYK

BL Research Bureau

The Zinc Futures contract on the Multi Commodity Exchange (MCX) is currently on a corrective bounce within its broad downtrend.

Charts show that the contract has been in a strong downtrend since April this year. The recent corrective rise has room to move up further from current levels.

The MCX Zinc futures contract is currently trading at ₹284 per

tonne. Strong resistance is in the ₹287-₹290 region. The contract can rise in the next couple of days to test this resistance zone. We expect the corrective rally to halt anywhere in the ₹287-₹290 region and reverse lower. The region around ₹290 is the neckline support level of the head and shoulder reversal pattern visible on the chart.

So, a break above ₹290 might not be easy and would need some strong trigger. So, a reversal will mark the beginning of a fresh leg of down move. That move can take the contract down to ₹280 initially. A break below ₹280 will have the potential to drag the MCX Zinc futures contract lower to ₹270 and ₹260 over the next two-three weeks.

Since the broader trend is down, it is preferable to be on the sell side of the market rather

than going long at current levels.

Trading strategy

Traders can wait for a rise and go short at ₹287 and accumulate shorts at ₹290. Keep the stop-

loss at ₹294. Trail the stop-loss down to ₹285 as soon as the contract falls to ₹281. Move the stop-loss further down to ₹282 as soon as the contract touches ₹278. Exit the short positions at ₹276.



Tata Steel sees new materials biz fetching \$1 b

Developing knowledge-driven business, says MD

SURESH P IYENGAR
THOMAS K THOMAS

Mumbai, July 28

Tata Steel expects ₹8,000-crore revenue from its new materials business (NMB) which includes graphene, fibre reinforced polymers and medical materials such as hydroxyapatite and collagen. The company has been developing the intellectual property-driven business to overcome cyclical nature of steel business.

Tata Steel had set up the NMB division four years ago to explore business opportunities other than steel. The composites business of NMB focuses on three segments - industrial, infrastructure and railways. The product offerings in industrial segment include pressure vessels, tanks and customised chemical handling equipment. The infrastructure segment has



TV Narendran, MD, Tata Steel

products like pipes, poles, smart architecture and pultruded products. The offerings in the railways segment are panels, windows and troughs.

TV Narendran, MD, Tata Steel, told *BusinessLine* that even while growing the steel business, the company is developing knowledge-driven business by leveraging its understanding of materials such as ceramics which does not need much capital but involves lot of IP. Revenue from new materials will double to about ₹600 crore this year as demand grows mainly for graphene, fibre reinforced polymers and medical materials. Each of these products

will have a turnover of ₹4,000 crore. In five years, the new material business will be worth \$1 billion (₹8,000 crore).

Innovative products

Earlier, N Chandrasekaran, Chairman, Tata Group, said the company aims to accelerate innovation in new materials business and wants to grow adjacent revenue streams by commercialising in-house intellectual property. Tata Steel has already started working on building a world-class facility to produce medical materials with a focus on healthcare.

लोहारा ईस्ट कोल ब्लॉक आवंटन में फर्जीवाड़ा

सीबीआई कोर्ट में चार दोषी

3.3 करोड़ की नेटवर्थ को 120 करोड़ बताकर कांटेक्ट लिया तत्कालीन कोयला सचिव व संयुक्त सचिव को भी मिलीभगत का दोषी पाया



भास्कर संवाददाता | नागपुर.

दिल्ली की विशेष सीबीआई कोर्ट ने महाराष्ट्र के लोहारा ईस्ट कोल ब्लॉक आवंटन मामले में पूर्व कोयला सचिव एच.सी. गुप्ता, पूर्व संयुक्त सचिव (कोल) के.एस. क्रोफा, मेसर्स ग्रेस इंडस्ट्रीज लिमिटेड नागपुर और उसके निदेशक समेत चार को दोषी करार दिया है। सजा का ऐलान 4 अगस्त को सुनवाई के बाद होगा। सीबीआई ने महाराष्ट्र के लोहारा ईस्ट कोल ब्लॉक आवंटन मामले में 20 सितंबर 2012 को मामला दर्ज किया था।

3.5 किमी में फैला था कोल ब्लॉक : कोल ब्लॉक 3.5 वर्ग किलोमीटर में फैला था और 57 मिलियन टन अनुमानित भंडार था। मेसर्स ग्रेस इंडस्ट्रीज को मेसर्स मुरली इंडस्ट्रीज लिमिटेड के साथ संयुक्त रूप से कोल ब्लॉक आवंटित किया गया था। जांच के दौरान पता चला कि, मेसर्स ग्रेस इंडस्ट्रीज लिमिटेड ने शुद्ध मूल्य, क्षमता, उपकरणों और संयंत्र की खरीद और स्थापना के बारे में झूठी जानकारी पेश कर लोहारा पूर्वी कोल ब्लॉक में 16.14 मिलियन टन कोयला भंडार का आवंटन हासिल किया था। कंपनी ने अपने आवेदन में 120 करोड़ रुपये के शुद्ध मूल्य का दावा किया था, जबकि इसकी अपनी नेटवर्थ 3.3 करोड़ थी। 30,000 टीपीए की परियोजना को 1,20,000 टीपीए के रूप में बताया गया था।

आवंटन के बाद 20 करोड़ के मुनाफे पर शेयर बेच दिए

कंपनी ने उत्पादन में 02 भट्टों और इंस्टालेशन के तहत 03 भट्टों का दावा किया था, जबकि 07 सितंबर 2006 को कंपनी के पास केवल एक भट्टे का संचालन था। कोल ब्लॉक के आवंटन के बाद कंपनी के निदेशक मुकेश गुप्ता ने अपनी कंपनी की पूरे इक्विटी-शेयर लगभग 20 करोड़ के मुनाफे पर अन्य को बेच दिए थे। 51 निजी कंपनियों ने उक्त कोयला ब्लॉक के लिए आवेदन किया था। आवंटन के लिए जरूरी मापदंडों का पालन नहीं हुआ था। कंपनी ने अपूर्ण आवेदन पेश किया था, जिसे अस्वीकार किया जा सकता था। कोयला मंत्रालय के संबंधित अधिकारियों ने आवेदनों की स्कूटनी सुनिश्चित नहीं की थी।

4 अगस्त को होगा सजा का ऐलान

सीबीआई ने 28 अक्टूबर 2014 को आरोप पत्र विशेष कोर्ट में दाखिल किया था। आरोपियों के खिलाफ 07



जून 2016 को आरोप तय किए गए थे। अदालत ने चार आरोपियों को दोषी पाते हुए दो आरोपियों को बरी कर दिया। कोर्ट 04 अगस्त को सुनवाई के बाद सजा का ऐलान करेगा।

ऊर्जा मंत्रालय की सिफारिश के बगैर हुआ था आवंटन : कंपनी के आवेदन को मूल्यांकन के लिए इस्पात मंत्रालय को भी नहीं भेजा गया था। इस्पात मंत्रालय, ऊर्जा मंत्रालय और राज्य सरकार की सिफारिशों के बिना कोल ब्लॉक का आवंटन किया गया था। अन्य कंपनियों की लिखित शिकायत के बावजूद कंपनी को अतिरिक्त कोयला आवंटित किया गया था।

Gold Heads for Biggest Weekly Gain Since March

Bloomberg

Gold headed for its biggest weekly gain since March amid speculation that the Federal Reserve will slow the pace of interest rate increases as the US economy slows.

Bullion's climb, supported by a weaker dollar and declining Treasury yields, saw prices hit a three-week high. While the Fed raised rates by 75 basis points again this week, data showing that the US is in a technical recession signaled that the central bank could become less aggressive as it combats inflation.

ve as it combats inflation.

Despite the rebound, gold remains on track for a fourth straight monthly loss, with bullion-backed exchange-traded funds set for the biggest outflow in July since



March 2021. Treasury Secretary Janet Yellen gave a glass-half-full assessment of the economy, acknowledging a slowdown she called necessary to tame inflation while rejecting the notion the country had entered a recession.

Investors will turn their focus to next week's monthly jobs report from the US government.

दुर्लभ रंगीन हीरों को बहुमूल्य रत्न में बदलती है ऑस्ट्रेलिया की खदान



2.5
करोड़ का यलो
डायमंड हाल ही
में तराशा

केनबरा। दुनिया की अधिकांश हीरा खदानें जहां माइनिंग के बाद कटिंग पॉलिशिंग के लिए उसे दूसरी जगह भेजती हैं वहीं ऑस्ट्रेलिया की मेसन माजेरिया नाम की माइनिंग कंपनी की विशेषज्ञता दुर्लभ रंगीन डायमंड को खुद ही जमीन से निकालकर कटिंग और पॉलिशिंग करके बहुमूल्य रत्नों में बदलने की है। इस कंपनी ने दुनिया के कुछ सबसे बड़े और महंगे रंगीन डायमंड तराशे हैं। हाल ही में 7.5 कैरेट के यलो डायमंड की कटिंग और पॉलिशिंग की गई है, जिसकी कीमत लगभग 2.5 करोड़ रुपए मिल सकती है।

कोळसा घोट्यात माजी सचिव एच. सी. गुप्तांसह चौघे दोषी

सीबीआयच्या विशेष न्यायालयाचा निकाल : ४ ऑगस्ट शिक्षेवर युक्तिवाद

लोकमत न्यूज नेटवर्क

नवी दिल्ली : महाराष्ट्रातील लोहारा कोळसा खाणपट्टा वाटपातील अनियमितता प्रकरणात माजी कोळसा सचिव एच. सी. गुप्ता, मंत्रालयाचे माजी सह-सचिव के. एस. क्रोफा आणि नागपूर येथील ग्रेस इंडस्ट्रिज लिमिटेड व त्याचे संचालक मुकेश गुप्ता यांना भ्रष्टाचार व फसवणुकीच्या आरोपाखाली सीबीआयच्या विशेष न्यायालयाने शुक्रवारी दोषी ठरविले, तर दोघांची निर्दोष मुक्तता केली आहे.

विशेष न्यायाधीश अरुण भारद्वाज यांनी आता ४ ऑगस्ट रोजी दोषींना शिक्षेविषयी युक्तिवाद ऐकून घेतील. याआधी एच. सी. गुप्ता यांना अन्य तीन घोट्यांत दोषी ठरविण्यात आले आहे. त्याविरोधातील त्यांचे अपील दिल्ली उच्च न्यायालयात प्रलंबित असून, ते आणि अन्य दोषी सध्या जामिनावर आहेत.

जीआयएलवर विशेष मेहेरनजर दाखवल्याचा ठपका

सीबीआयच्या चौकशी अहवालात खाण पट्टा वाटप प्रक्रियेच्या अनुषंगाने ठपका ठेवण्यात आला होता, की ग्रेस इंडस्ट्रीजने एकूण संपत्ती, क्षमता, उपकरण, खरेदीस्थिती आणि संयंत्राच्या स्थापनेबाबत चुकीची माहिती देऊन लोहारा पूर्ण कोळसा खाण पट्ट्यातील १६,१४ दशलक्ष मेट्रिक टन कोळशाचा परवाना मिळवला. कंपनीच्या अर्जात एकूण संपत्ती १२० कोटी रुपये नमूद असताना प्रत्यक्षात ती फक्त ३.३ कोटी रुपयांची आढळले. कंपनीने वार्षिक क्षमता १, २०, ००० टन दाखविली. प्रत्यक्षात ती ३० हजार टन इतकीच होती. सर्वोच्च न्यायालयाने २५ ऑगस्ट २०१४ रोजी कोळसा खाण पट्ट्याचे वाटप रद्द केले होते.

शुक्रवारच्या निकालात न्यायालयाने म्हटले आहे, की गुप्ता यांनी पंतप्रधानांच्या तत्कालीन प्रधान सचिवांसोबतच्या चर्चेत तीन मुद्द्यांवर विपर्यास केला. शिवाय जीआयएलचा अर्ज पोलाद मंत्रालयाच्या अनिवार्य अभिप्रायासाठी पाठविला नसल्याची माहिती लपविली. तसेच कंपनीच्या वीज संयंत्रासाठीच्या शिफारशीसंदर्भातही दिशाभूल केली. एच. सी. गुप्ता हे तत्कालीन छाननी समितीचे अध्यक्ष

होते. न्यायालयाने नमूद केले की, सचिवांना आरोपी कंपनीविरुद्ध गंभीर तक्रारीचे पत्र मिळाले होते. त्या तक्रारींना कागदोपत्री पुराव्याचा आधार होता. या पत्रानंतर ठोस पावले उचलल्या गेली पाहिजे होती. परंतु, असे घडले नाही. हे पत्र कोळसा मंत्रालयात दडपण्यात आले, असे न्यायाधीशांनी नमूद केले. सचिव आणि सह-सचिव या दोन्ही अधिकाऱ्यांनी कारवाईसाठी तक्रार पत्रावर टिपण नोंदविले नाही.

Hurdles ahead

Gold stays range bound

AKHIL NALLAMUTHU
BL Research Bureau



The World Gold Council released the gold demand trends last week. Overall, there was a marginal increase in the total demand in the second quarter of this calendar year. According to the latest data, the demand went up by about 5 per cent to 1,193 tonnes in Q2. This is primarily because of jewellery demand which was up 6 per cent to 484 tonnes. However, the investment demand dropped 28 per cent to 206 tonnes as gold prices were on a decline in that quarter.

That said, bullion rallied last week, largely driven by a weak dollar. Gold and silver in the international spot market appreciated 2.3 per cent and 9.3 per cent to end the week at \$1,765.2 and \$20.32 per ounce, respectively. In the domestic market too, both gold and silver moved northwards. Gold futures (October expiry) on the MCX (Multi Commodity Exchange) went up 1.5 per cent to end the week at ₹51,626 (per 10 gram) and silver futures (September series) gained 5.9 per cent as it wrapped up the week at ₹58,370 (per kg).

MCX-Gold (₹51,626)

Although gold October futures on the MCX rallied, it continues to stay within the range of ₹50,000-52,000. Immediately above ₹52,000 lies the resistance at ₹52,600. Therefore, until the contract breaches ₹52,600, we cannot call the trend bullish and similarly, it should break down below ₹50,000 to turn the short-term outlook bearish.

So, the price movement within the

range will not have much of a significance.

If gold futures extend the gain this week and break out of ₹52,600, it can rise to ₹54,000 and then possibly to ₹55,000, the nearest barriers. On the other hand, if the contract declines below ₹50,000, it can drop to ₹47,700. Subsequent support is at ₹46,000.

MCX-Silver (₹58,370)

The silver futures (September expiry), which has been on a downtrend since the past three months, bounced off the support at ₹55,000 and produced a strong rally. It snapped an eight-week loss by gaining 5.9 per cent in the last week. Thus, it has closed in on the resistance band of ₹58,500-60,000.

If the contract moves past ₹60,000-mark, it can see another leg of a rally, possibly to ₹63,500 from where there could be a minor correction. Resistance above ₹63,500 is at ₹65,000 where the 200-day moving average coincides. But if the contract starts to fall on the back of the above-mentioned resistance band, it can retest support at ₹55,000. Below this, price could see a drop to ₹52,000.

+++++