



खनिज समाचार

KHANIJ SAMACHAR

Vol. 6, No-17

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खनिज समाचार

KHANIJ SAMACHAR



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अवैध गौण खनिज तस्करी रोखण्यासाठी चेकपोस्ट

जिल्हाधिकारी : सीसीटीव्हीसह बंदूकधारी गार्डही २४ तास राहणार

लोकमत.न्यूज नेटवर्क
नागपूर : जिल्हाधिकारी डॉ. विपीन इटनकर यांनी आता जिल्ह्यातील अवैध वाळू व गौण खनिज वाहतूक रोखण्यासाठी पाऊल उचलले आहे. या अवैध वाहतुकीला प्रतिबंध घालण्यासाठी जिल्ह्यातील महत्त्वांच्या रस्त्यांवर कायमस्वरूपी चेकपोस्ट लावण्यासोबतच सीसीटीव्ही बसविण्याचे निर्देश दिले आहेत.

जिल्हाधिकारी डॉ. इटनकर यांनी गुरुवारी ग्रामीण पोलीस अधीक्षक, रस्ते वाहतूक विभाग व महसूल विभागाच्या अधिकाऱ्यांची बैठक घेतली. यात त्यांनी अवैध गौण खनिज वाहतुकीला आळा घालण्यासाठी



कडक उपाय करण्याचे आदेश दिले. तीनही विभागांनी समन्वय साधून काम

करण्याच्या सूचना केल्या. यापूर्वीच त्यांनी सर्व तहसीलदारांकडून अवैध वाळू वाहतूक होणाऱ्या मार्गाच्या यादी गोळा करून घेतली. तहसीलदारांकडून जवळपास ४२ रस्त्यांची यादी पाठविण्यात आली.

सूत्रांकडून मिळालेल्या माहितीनुसार यातील जवळपास ३० रस्त्यांवर चेकपोस्ट लावण्यात येणार



आहे. याची नावे लवकरच अंतिम होणार आहे. या चेकपोस्टवर चौवीस तास सुरक्षारक्षक राहणार आहे. त्याचप्रमाणे सीसीटीव्ही सुद्धा लावण्यात येणार आहे. वाहतुकीचा परवाना नसलेल्या वाहनांवर कारवाई करण्याचे आदेश त्यांनी सर्व विभागांना दिले आहेत.

प्रशासनाने तयार केलेले रस्ते तालुकानिहाय

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Wait for MCX aluminium to breach ₹200

COMMODITY CALL

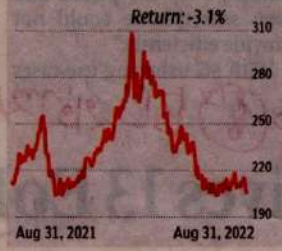
AKHIL NALLAMUTHU

BL Research Bureau

The September futures of aluminium on the MCX (Multi Commodity Exchange) has been oscillating between ₹205 and ₹215 recently.

On Thursday, the contract slipped below the support at ₹205 giving it a bearish bias. But there is support at ₹200 and until this holds, the bulls will have a chance to stage a comeback.

However, there are some bearish indications. Indicators like the



RSI and the MACD on the daily chart remain in the negative territory and the contract is trading below both 21- and 50-day moving averages.

So, the likelihood of the contract slipping below ₹200 is high.

In such a case, the aluminium futures can drop

quickly to the immediate support at ₹193. Subsequent support is at ₹186.

On the other hand, if the contract bounces off the support at ₹200 and moves above ₹205, it can rally to ₹215. But a move past this level is less likely.

Strategy

Traders can wait until the support at ₹200 is breached. Initiate fresh short with stop-loss at ₹205 when the contract invalidates ₹200.

When the price falls below ₹193, revise the stop-loss down to ₹198. Liquidate all the shorts at ₹186.

DAINIK BHASKAR DATE : 3/09/2022 P.NO.2

भास्कर ग्रांड रिपोर्ट • रबर के पेड़ मिट्टी के कटाव को रोकने में असक्षम

देशभर में भूस्खलन के 59 फीसदी केस केरल में, अवैध खनन से मुश्किलें बढ़ीं

के.ए. शाजी | तिरुवनंतपुरम

6 साल में भूस्खलन की घटनाओं में 374 की मौत

केरल में हर साल बारिश के कारण भूस्खलन के मामले बढ़ रहे हैं। केरल का क्षेत्रफल देश के कुल क्षेत्रफल का महज 1.18% है। लेकिन देशभर में भूस्खलन के कुल मामलों में से 59.2% मामले यहीं होते हैं। केंद्र सरकार के अनुसार देश में 2015 से लेकर 2022 तक 3,782 भूस्खलन के मामले सामने आए, इसमें से 2,239 अकेले केरल में हुए। केरल में बारिश के दौरान भूस्खलन के मामले में तेजी का बड़ा कारण पत्थर की खदानों में अवैध खनन और अवैज्ञानिक तरीके से किया जा रहा निर्माण कार्य है।

नेशनल सेंटर फॉर अर्थ साइंस स्टडीज के पूर्व वैज्ञानिक डॉ. केवी थॉमस ने बताया कि पश्चिमी घाट के कई जिलों में पत्थरों का अवैध खनन हो रहा है। इससे यहां की समूची भौगोलिक संरचना ही बदल रही है। थॉमस के अनुसार, भूस्खलन वाले अधिकतम इलाकों में रबर के पेड़ हैं। भारी बारिश के कारण जब मिट्टी का कटाव होता है तो ये रबर के पेड़ उसे रोक पाने में सक्षम साबित नहीं हो पाते हैं। इसलिए जरूरी है भूस्खलन वाली जगहों पर मिट्टी को खिसकने से बचाने के लिए रबर के पेड़ों के साथ-साथ बेलों वाले सब्जी वाले पौधे अधिक से अधिक लगाए जाएं। बेलों वाले सब्जी के पौधों की जड़ें मिट्टी को जकड़े रखती हैं। बारिश के कारण होने वाली भूस्खलन की घटनाएं इससे काफी हद तक रोकी जा सकती हैं। उधर, भूमि



केरल इंस्टीट्यूट ऑफ लोकल एडमिनिस्ट्रेशन के आपदा जोखिम सलाहकार एस. श्रीकुमार के मुताबिक, 1961 से 2016 तक यानी 55 साल में केवल 295 लोग भूस्खलन से मारे गए। जबकि इसके बाद के 6 साल में 374 लोग भूस्खलन से मारे गए। 2018 की बाद के बाद राज्य में बहुत तबाही है और इसमें लोगों की जान भी गई है। राज्य में मानसून का कलेंडर भी बदला है। पहले जहां अगस्त में भारी बारिश होती थी, अब सितंबर में भी भारी बारिश का दौर जारी रहता है। इससे भूस्खलन की घटनाएं बढ़ रही हैं।

और आपदा प्रबंधन विशेषज्ञ डॉ. केजी थारा का मानना है कि राज्य के स्थानीय निकायों को जल्द मैपिंग का काम देना चाहिए। मैपिंग से उन इलाकों के बारे में जानकारी मिल जाएगी जहां भूस्खलन के ज्यादा होने की आशंका है। इसमें भी वार्ड स्तर मैपिंग होनी चाहिए, ताकि छोटे से छोटे स्तर पर भी खतरे को भांपा जा सके। विशेषज्ञों का कहना है कि केरल स्टेट डिजास्टर मैनेजमेंट अथॉरिटी

(केएसडीएमए) में भी बड़े बदलावों की जरूरत है। इसका पुनर्गठन होना जरूरी है। चालकुडी में रिवर रिसर्च सेंटर से जुड़े एसपी रवि ने बताया कि आपदा प्रबंधन की नोडल एजेंसी के पास भूस्खलन की घटनाओं की जानकारी का अभाव बना हुआ है। केरल के इडुक्की, पटानमथिट्टा, कोट्टायम, वायनाड, त्रिशूर, कन्नूर और कोडीकोड जिलों में भूस्खलन की सर्वाधिक घटनाएं होती हैं।

NTPC's Coal Output from Captive Mines Rises 62% on-year in April-August

Coal dispatch from captive mines has increased by 37% to 7.52 MMT

Press Trust of India

New Delhi: NTPC has registered a 62% growth in coal production from its captive mines, the state-run power producer said on Friday.

NTPC continues to demonstrate an increasing trend in coal production from its captive mines, a company statement said.

The coal production this fiscal till August 2022, was 7.36 MMT, posting a robust growth of 62% when compared with 4.55 MMT achieved in the same period of

the last year, it stated.

With meticulous planning, resource mobilisation, and regular monitoring, NTPC could achieve substantial growth even during the monsoon period, so far, and is hopeful of maintaining similar growth, it added.

The coal dispatch from the NTPC's captive mines has been 7.52 MMT against 5.47 MMT in FY22 for the same period (April to August) registering a growth of 37%.

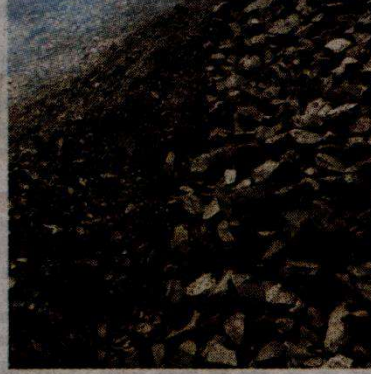
NTPC has taken various steps to augment the coal production from its coal mines.

The engagement of high-capacity dumpers as well as an increase in the existing fleet size of excavators has allowed the operational mines to increase their production, it stated.

एनटीपीसी की कैप्टिव खानों से कोयला उत्पादन में 62% की वृद्धि

एजेंसी | नई दिल्ली

सरकारी क्षेत्र की एकीकृत बिजली उत्पादक कंपनी एनटीपीसी लिमिटेड ने अपनी कैप्टिव (खुद के प्रयोग के लिए आवंटित) खानों से कोयला उत्पादन और डिस्पैच में वार्षिक आधार पर क्रमशः 62 प्रतिशत और 37 प्रतिशत की वृद्धि दर्ज की। कंपनी के शुक्रवार के एक बयान के अनुसार उसने कैप्टिव खानों से चालू वित्त वर्ष में 31 अगस्त 2022 तक 73.6 लाख टन कोयला उत्पादन किया जो सालाना आधार पर 62 प्रतिशत की वृद्धि दर्शाता है। कंपनी ने कहा कि उसकी अपने इस्तेमाल की कोयला खानों में उत्पाद में सुधार का क्रम बना हुआ है। पिछले वर्ष इसी अवधि के दौरान एनटीपीसी की कैप्टिव कोयला खानों से 45.5 लाख टन कोयला उत्पादन हुआ था। एनटीपीसी के अनुसार सावधानीपूर्वक बनायी गयी योजना, संसाधन जुटाने और नियमित निगरानी के साथ, एनटीपीसी ने अब तक मानसून की अवधि के दौरान भी अपनी कोयला खानों के उत्पादन में पर्याप्त वृद्धि हासिल करने में सफलता प्राप्त की है। कंपनी का कहना है कि कोयले का उत्पादन बढ़ने से बिजली उत्पादन की वृद्धि बने रहने की उम्मीद है और इससे निर्बाध, विश्वसनीय और सस्ती बिजली उत्पादन सुनिश्चित करने में मदद मिलेगी। बयान के अनुसार एनटीपीसी ने



इस दौरान अपनी कैप्टिव खानों से 75.2 लाख टन कोयला बिजली संयंत्रों को भेजा है, जबकि पिछले वर्ष इसी अवधि के दौरान 54.7 लाख टन कोयला भेजा गया था। इस तरह इस वर्ष अगस्त तक की अवधि में एनटीपीसी की अपनी खदानों से कोयला डिस्पैच (प्रेषण) में 37 प्रतिशत की वृद्धि दर्ज की गई है। एनटीपीसी ने अपनी कोयला खदानों से कोयला उत्पादन बढ़ाने के लिए कई कदम उठाए हैं। कंपनी ने कहा है कि उच्च क्षमता वाले डंपरों के साथ-साथ उत्खनन के मौजूदा बेड़े के विस्तार से उत्पादन बढ़ाने में मदद मिली है। एनटीपीसी के कैप्टिव कोयला ब्लॉक झारखंड और ओडिशा जैसे राज्यों में कोयला प्रचुर क्षेत्रों में हैं।

Steel prices to remain under pressure over near future: Icra

■ Domestic steel mills face a tough time ahead as the external environment is becoming more challenging in key global consumption markets

■ Business Bureau

ICRA on Friday said it expects steel prices to remain under pressure in the country over the near future as the prices in the domestic market cannot be cushioned from global trends.

The rating agency also expects the steel demand in the domestic market to grow at 7-8 per cent in the current

financial year, making the country the fastest-growing large steel markets globally this year.

"We expect domestic steel prices to remain under pressure over the near term, since domestic steel prices cannot be insulated from trends emerging in global steel markets," Icra Senior Vice-President and Group Head, Corporate Sector Jayanta Roy said.

Domestic steel mills face a tough time ahead as the external environment is becoming more and more challenging in key global consumption markets. The steel demand in China, which accounted for 52 per cent of the global demand in 2021, is witnessing a decline.

Mines Ministry wants exploration excluded from forest clearance norms

OUR BUREAU

New Delhi, September 2

The Union mines ministry has initiated discussions with the Ministry of Environment, Forests and Climate Change to keep exploration activities out of the purview of forest clearance procedures.

Usually mining commences in one of the areas where exploration or drilling activities are carried out.

Restoration of forest

The Mines Ministry is also of the view that forest areas where drilling is carried out can be restored back to their original.

According to Alok Tandon, Mines Secretary, "active consultations" are underway and "public comments have also been sought". "We have requested the Ministry of Environment and Forest to consider that exploration activity not be treated as diversion of forest area. So we are in active consultation with them. This is part of the Cabinet note and comments have been sought on this from the public, too," he



Alok Tandon, Mines Secretary

said on the sidelines of the 56th Annual General Meeting of the Federation of Indian Mining Industries (FIMI) here on Friday.

Sumit Deb, Chairman and Managing Director of NMDC—the country's largest iron-ore miner—will be the new President of FIMI.

According to Tandon, on an average, only one out of 25-50 cases of exploration would result in the discovery of mineral. Which means, only in one case would there finally be a diversion of the forest land. "So, if we exclude exploration activity and not consider it as diversion

of forest area or a non-forestry activity then exploration activity can move forward," he explained.

Tandon added that the Mines Ministry is working on a separate policy for giving incentive for the promotion of these deep-seated minerals.

During the first six years of the auction regime (FY16 to FY21) as many as 108 auctions were carried out by the States and from FY22 onwards, 95 auctions have taken place.

"The growing momentum of the auction regime can fetch rich dividends in terms of mineral production growth. However, the time taken to bring auctioned mine into production needs to be reduced further by procedural reforms," he said.

The result of the Centre's intervention through District Mineral Foundation is "quite encouraging". Around ₹64,000 crore have been collected from DMF at all-India level, of which ₹33,000 crore have been spent on completed and on-going projects.

Fall in global demand to dent profit of steel firms

FY23 exports poised to decline by 55 per cent

OUR BUREAU

Mumbai, September 2

Profit of steel companies is expected to fall 5-6 percentage points on a sequential basis in the September quarter with domestic hot-rolled-coil (HRC) prices having fallen 26 per cent so far in this fiscal.

Domestic steel companies face a bumpier road ahead as the external environment is becoming increasingly challenging in key global markets. While further drop in domestic prices in this fiscal cannot be ruled out, the government's large infrastructure spending

pipeline and significant moderation in seaborne coking coal prices are expected to partly cushion the impact of steel price decline in the second half, said an ICRA study.

Slump in China

The steel demand in China, which accounted for 52 per cent of the global steel demand, is treading on a downward slope, as the economy braces for the combined impact of the property bubble, strict zero Covid lockdown, and a severe ongoing heatwave, it added. In addition, a combination of adverse factors like unprecedented inflation due to disruptions in energy/food supply chains following the Russia-Ukraine war, and steep policy rate hikes by central bankers to counter the same



may stifle economic activities in the other key steel consumption hubs.

Jayanta Roy, Senior Vice-President, ICRA said India is the only bright spot in the pack for now, with crude steel production growing at 8.9 per cent in April-July of the current fiscal. The Central and State governments' combined capex spends is budgeted to increase by over 22 per cent in the current fiscal and this will push domestic steel demand by 7-8 per cent in

this fiscal. While domestic steel demand is strong, local spot HRC prices corrected by a steep 26 per cent in this fiscal so far, reaching ₹56,700 a tonne by August-end, levels last seen in March 2021. "We expect domestic steel prices to remain under pressure over the near term, since domestic steel prices cannot be insulated from the trends emerging in global steel markets," he said.

Another negative surprise has been that export of semis, which has been kept outside the ambit of duties, has failed to pick-up so far, reinforcing the view of a subdued external demand environment. The FY23 net steel exports are therefore poised to decline by a much sharper 55 per cent over last fiscal.

BUSINESS LINE DATE :3/09/2022 P.NO.3

WTO: India warns UK of retaliation if safeguard measures on steel not withdrawn

AMITI SEN

New Delhi, September 2

India has warned the UK that it may suspend trade concessions or other obligations equivalent to the adverse effects of the safeguard measures imposed on certain Indian steel products imposed by the country if no agreement is reached on compensation between the two within 30 days of consultations at the WTO.

"India estimates that the safeguard measures (on steel) have resulted in the decline of exports to the tune of 219 thousand metric tonnes on which the duty collection would be \$247.7 million. If no agreement is reached on the compensation within 30 days of the consultations, India reserves its right to suspend concessions or other obligations substantially equivalent to the adverse effects of the measures....," it said in a notification to the WTO's Committee on Safeguards on Thursday.

The UK disagreed with India's views on the measures but agreed to discuss adequate means of compensation, the notification pointed out. Safeguard measures include tariff increases to check increased imports of particular products that have caused 'serious injury' to domestic producers.

In June this year, the UK announced that the safeguard measures on five steel categories, which were due to expire in June, would be

extended for a further two years.

Thus total steel items, on which safeguard import tariffs of 25 per cent (imposed on quantities outside quotas) would continue till June 2024, increased to 15 products.

India-UK talks

India and the UK held consultations on August 5 virtually to discuss the extensions by the UK, of the safeguard on steel products

originally applied by the European Union. New Delhi expressed its concerns regarding legal inconsistencies of both the original and the extended measures by the UK, particularly with reference to, the evidence of serious injury notified to the WTO, duration of the safeguard measures exceeding three years, nature of investigation conducted by the UK on the concerned domestic industry, and non-review of the pace of liberalisation.

"India submitted its concerns to the UK regarding the manner in which safeguard measures have been extended violating the provisions of GATT 1994 and the Agreement on Safeguards, and requested compensation, under Article 8.1 of the Agreement on Safeguards," the notification stated.

The suspensions of concessions and other obligations will continue to apply until the safeguard measures of the UK are lifted, India said.



India and the UK discussed extension of safeguard measures on steel products originally applied by the EU REUTERS

Not shining

Silver looks more bearish than gold

AKHIL NALLAMUTHU

BL Research Bureau

Bullion came under pressure last week as the dollar strengthened and the US treasury yields rose. The dollar index, now at 109.6, appreciated by three-fourth of a per cent last week and the US 10-Yr yield increased to 3.195 per cent on Friday compared to 3.03 per cent a week ago.

Thus, both gold and silver prices fell. In the international spot market, gold and silver dropped by 1.4 and 4.3 per cent to close the week at \$1,712.8 and \$18.06 per ounce, respectively.

Similarly, in the domestic market, gold futures (October series) declined 1.7 per cent to end the week at ₹50,368 (per 10 gram). Silver futures (December expiry) slipped 4.9 per cent to close the week at ₹53,022 (per kg).

As prices remain weak, investors seem to be exiting from the yellow metal. According to the World Gold Council (WGC) data, the outflows in the global gold ETFs (Exchange Traded Funds) continues. For the week ended August 26, the net outflows stood at 6.2 tonnes, marking 10th week of consecutive outflows. So, there has to be some positive signs with respect to price to gain investors' confidence.

That said, on the charts, the bias is bearish although gold is in a consolidation phase. But silver is clearly bearish.

MCX-Gold (₹50,368)

The October gold futures on the MCX dropped last week and it closed at ₹50,368 versus the preceding week's close of ₹51,238. Even though the contract posted a loss of 1.7 per cent, it continues to trade within the range of ₹50,000-52,600. So, we cannot assume that the trend is bearish.

The participants too seem to be unsure of whether the contract will breach the support at ₹50,000. Because the cumulative outstanding Open Interest (OI) of all gold futures on the MCX has decreased slightly to 18,165 contracts compared to 18,937 contracts on August 12, when the gold futures began falling.

So, as the price dropped, there was some liquidation. On the other hand, when we consider the last week alone, there was an increase in OI as it stood at 17,293 contracts on August 26, which indicates that there was some bearish build-up over the past week.

However, the support at ₹50,000 holds true and we would suggest waiting for the breakdown of the



CITY IMAGES/ISTOCKPHOTO

same before initiating short positions. Note that there is a chance for the contract to bounce off this level. In such a case, it can retest the range top of ₹52,600. But if ₹50,000 is breached, the trend will turn bearish, and we can expect a quick fall to ₹47,700 initially and then to ₹46,000.

But if the contract regains positive momentum and breaks out of ₹52,600 next week, which is less likely, gold futures could rally to ₹54,000 - the nearest resistance. Subsequent resistance is at ₹55,000.

MCX-Silver (₹53,022)

The December silver futures on the MCX saw a considerable fall last week, wherein it breached the support at ₹55,500. And then it fell to mark an intra-week low of ₹51,857 before recovering a bit and closing the week at ₹53,022. Thus, the support at ₹52,000 aided the contract in arresting the decline. This is a strong support and thus, we might see a rally, at least a minor one, from the current level.

Nevertheless, participants should be wary of strong short build-ups that have been happening over the past three weeks. That is, the cumulative OI of silver futures shot up to 28,014 contracts on Friday compared to 15,923 contracts on August 12.

Also, the volume has been higher along with the fall. So, bears have positioned themselves very strongly at this juncture.

Therefore, any rally from here should be taken with a pinch of salt and rather than going in for a counter-trend trade to catch the possible rally from here, one can wait and capitalise on the rally to initiate fresh short positions. On the upside, a move beyond ₹55,500 is less likely, at least in the near term.

If the contract extends the decline and falls below ₹52,000, it can test ₹50,000 - a psychological support. Subsequent support is at ₹48,000. On the other hand, if the contract manages to cross over ₹55,500, it will face barriers at ₹58,300 and ₹60,000.

SAIL ने तोड़े सारे रिकॉर्ड

दिल्ली. सेल की सिलिकॉन स्टील मिल राउरकेला स्टील प्लांट (आरएसपी) ने एक नया रिकॉर्ड बनाया है. दरअसल अगस्त माह में इस प्लांट से 7,525 टन बिक्री योग्य स्टील का उत्पादन हुआ जो एक नया रिकॉर्ड है. यह यूनिट का सबसे ज्यादा बिक्री योग्य स्टील उत्पादन है. इससे पहले मई 2008 में 7505 टन का उत्पादन हुआ था. इस लिहाज से देखें तो करीब 14 साल बाद इतना बड़ा उत्पादन हुआ है. सिलिकॉन स्टील मिल की रिवर्सिंग मिल ने 8 अगस्त, 2022 को 470 टन का अपना अब तक का सर्वश्रेष्ठ उत्पादन दर्ज किया था.



Traders continue to import cheaper Russian steel

157,000 t imported till end-August;
another 150,000 t on high seas: Sources

ABHISHEK LAW
New Delhi, September 4

India is emerging as one of the larger importers of Russian steel over the last few months. Cheaper offerings over Indian-finished steel has been the prime draw for traders. Orders of around 300,000 tonnes of steel have been placed with most of the deliveries scheduled in September.

According to trade sources, 157,000 tonnes of imports were made by August-end, mostly by secondary steel traders. At least another 150,000 tonne of steel shipment are currently on high seas.

Three shipments, each valued between ₹50,000 and ₹60,000/tonne which were set to be delivered between

August and September, are expected to land on the western ports - either at the JNPT or Kandla. Some Indonesian shippers are reportedly bringing in the cargo, sources said.

One shipment was delivered in August; and two more are expected in September - each having a capacity of 70,000 tonne. Shipments are mostly of rolled steel, coatings, flats and long steel offerings.

"Actually, the way you have to see the Russian cargoes is that, there are five cargoes that were booked in India from Russia. They range from ₹60,000, ₹61,000, down to maybe ₹51,000. But, that's not the average. The duty also would be applicable on imports of Russian arrivals," said Jayant Acharya, Deputy MD,



Shipments are mostly rolled steel, coatings and long steel offerings

JSW Steel, post the Q1 FY23 earnings conference call.

Cheaper offerings

Incidentally, India turned net importer of steel in July - for the first time since January 2021 - following a slump in exports during the month. Around 444,000 tonnes of finished steel was imported, an 8 per cent increase y-o-y, data compiled by the Steel Ministry showed. Against this,

the export of finished steel was 380,000 tonne.

Sources said, the Russian steel, now being imported, is coming at 10-20 per cent lower cost over Indian offerings. Previously, the offerings came at a 5-10 per cent discount; but after steel prices globally saw a decline and there is an increased stock pile, some players offered higher discount to Indian buyers. Most of the steel that

is being brought in is finding use in some construction activities.

Traders have used alternate currencies like dirham or yuan or HK dollar to make settlements, it is being said.

Excess stock

"There is excess stock with Indian steel mills as exports continue to be slow. Now, imports from Russia are picking up. So, definitely there is some concern. However, we hope these are short-term bookings and will normalise over a period of time," an official at a steel major said.

Meanwhile, steel mills are said to have an excess stock of 10 - 11 lakh tonne with them. Production of finished steel rose by 9 per cent y-o-y and 2 per cent m-o-m to 9.6 million tonne (mt) in July. Consumption was over 9 mt, up 12 per cent y-o-y and 4 per cent, m-o-m.

Strong and stable steel

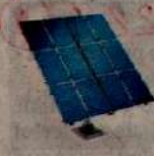


Scientists at the International Advanced Research Centre for Powdered Metallurgy and New Materials (ARCI), Hyderabad, have developed a new method for making alloys of high strength. Austenitic steel, a special alloy, is among the promising structural materials used in power plants

and reactors owing to excellent creep, corrosion and oxidation resistance compared with ferritic or ferritic-martensitic steels. It can withstand high temperatures, large stress, chemically reactive environments and intense neutron radiation fields, but suffers from inferior tensile strength and stress corrosion resistance at higher temperatures. Besides, one of the major concerns over its use in advanced nuclear power reactors is severe swelling due to irradiation, which can be reduced by introducing stable nano-oxide particles into the austenite matrix. The high-energy ball milling method used to disperse oxide particles in metal matrix invariably leads to powder sticking to the milling media and thus decreasing the milled powder yield. Using carbon-containing process control agents (PCA) such as stearic acid results in carbon pickup, which will promote coarsening of oxide particles.

A two-stage ball milling without the addition of any carbon-based PCA was employed by the ARCI scientists. The first-stage milling is aimed at dispersing the oxide particles into the ferrite matrix, which is the starting powder microstructure, and the second-stage milling is to transform the oxide dispersion strengthened (ODS) ferritic steel into austenitic ODS (AODS) steel by the addition of nickel. Nitrogen gas was used as the PCA in both stages of milling to improve the milled powder yield. The alloy developed in this method was found to have one of the best combinations of yield strength and fracture strain.

Copper for silver



The shining grid lines you see in a photovoltaic solar module is silver, a costly metal, which is only expected to become dearer because the e-mobility and 5G telecom sectors will also want it. Can you use a cheaper metal in place of silver in PV cells?

Yes, says Dr Markus Glatthaar of the Fraunhofer Institute, Germany. Glatthaar, an expert in metallisation and structuring, has developed an electroplating process for the promising heterojunction technology to replace silver with copper. Copper is many times cheaper and more readily available than silver.

"We developed a special electroplating process that makes it possible to use copper instead of silver for the busbars," explains Glatthaar. This even improves conductivity – the copper contact lines are particularly narrow on account of their laser structuring. The light-absorbing silicon layer experiences less shading than with silver lines. This improves electricity yield.

The Fraunhofer team also used aluminium as a masking layer. "We were able to adapt the process parameters and develop a special type of electrolyte which ensures that the aluminium's extremely thin, native oxide layer can reliably fulfil its insulating function. This was an important milestone for the success of our research project," says a press release

Pricier Coal may Hit Steel Cos' Margin Recovery

Prices of coking coal, a key input, have reached almost \$300 per tonne after hitting a low of around \$210 in August

Nehal Chaliwala
@timesgroup.com

Mumbai: The rising prices of coking coal, a key input for steel manufacturing, may limit the margin recovery of steelmakers who have given a guidance for better margins in the latter half of this financial year after a tough first two quarters.

Prices of coking coal, which is largely imported, have reached almost \$300 per tonne (CNF Paradip) after hitting a low of around \$210 in the first week of August, according to data from SteelMint. CNF stands for cost and freight, indicating the landed price of coking coal at the Paradip port inclusive of freight cost.

Every \$100 rise in coking coal prices per tonne results in approximately a \$70-80 cost increase

per tonne of steel for primary steelmakers. Steel mills use coking coal to produce refined iron from ore, which is then further used for making steel.

Leading steelmakers like Tata Steel had indicated at April-June quarter earnings calls that their margins, which had come under pressure, would further deteriorate in the ongoing July-September quarter before improving in the latter half of the year.

They attributed the margin recovery in the latter half, in part, to the declining prices of coking coal, which subsided from a peak of over \$600 a tonne in March to \$210 a tonne in August.

There is usually a lag of two months between a change in the price of coal and its subsequent impact on margins given the time involved in transporting the fuel and the stocking of inventory.

The Impact

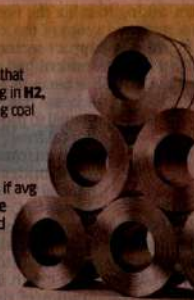
Every \$100 rise in coking coal prices/t results in \$70-80 cost increase per tonne of steel

Leading steelmakers had indicated that their margins would start improving in H2, in part due to falling prices of coking coal

Coking coal prices had hit a peak of over \$600/t in March

Cos can expect margin recovery of \$80-90 per/t in Oct-Dec compared to ongoing quarter purely from lower coal prices. ICRA

But this if avg coal price is around \$275 in next 2 months



Looking at present prices of coking coal, which will be consumed some time in November by Indian mills, if they book coal now, steelmakers can expect a margin recovery of \$80-90 per tonne during the October-December compared to

the ongoing quarter purely from lower coal prices, according to Jayanta Roy, senior vice-president and group head for corporate sector ratings at ICRA.

However, this assumes an average coal price of around \$275 pre-

vailing in the next two months. If coal prices continue their northward march, the margin recovery will be narrower than estimated, Roy said.

Coking coal prices are going up because Australia is looking at a third consecutive wet summer season in the last quarter of the current year as indicated by the latest La Nina forecasts, said Hetal Gandhi, director at Crisil Research.

"This is expected to impact production of coking coal and its evacuation from mine to port. Following the release of the forecast, traders have started procuring and stocking coking coal, fearing upward movement in the near future," she said.

Major listed steel companies that use coking coal include Tata Steel, JSW Steel, Jindal Steel and Power, and Steel Authority of India.

Industry bodies question iron ore beneficiation policy

ABHISHEK LAW

New Delhi, September 5

At least two industry bodies have written to the Union Ministry of Mines against the plan to push miners to opt for iron-ore beneficiation, failing which penalties, including mining lease cancellation, may be imposed.

Industry bodies say beneficiation is capex intensive and viability uncertain. They also contend that fines are steep and harsh.

In a note circulated on August 12, the Ministry sought comments and suggestions on a proposal "to mandate 80 per cent of the total mineral produced in a year by the holder of a mining lease, which is below 58 per cent Fe grade, may be upgraded to 62 per cent grade or higher through beneficiation."

BusinessLine has reviewed the notes. It was also mentioned that "in view of the lack of proven technology

for beneficiation in India, incentives like duty-free import of such equipment and no additional royalty on the sale of such ore should be provided".

Harsh penalties

According to a letter by the Federation of Indian Mineral Industries (FIMI), the Ministry has only provided a minor "concession of 5 per cent in the rate of royalty on the quantity of low grade ore beneficiated".

The industry body has instead sought a concession of 20 per cent on the quantity of annual production of iron ore of all grades.

Mandatory beneficiation should be made only for non-saleable ores of below 55 per cent grade, and that too on business requirements, as was pointed out by both the industry bodies. Ore having an iron content of below 58 per cent and up to 55 per cent "is directly

saleable, which the steel/pellet/sponge iron ore plants use by blending with the high grade".

High capex requirements

A one-million-tonne beneficiation plant needs ₹1,500 crore of investment. But considering the weak commodity cycle at the moment, such investments are questionable.

Investments needed for land and tailings disposal



Panel has recommended penalty for failure to adhere to mandate

may not be affordable for small and medium private miners, the industry body noted.

FICCI, said many leasees have a mine between 60 and 150 hectares only with negligible non-mineralised land. Such mines cannot set up beneficiation units within the mining lease area.

Further, beneficiation of low-grade iron ore generates 40-45 per cent tailing, which cannot be disposed of in a mine due to mineral conservation and environmental issues.

"Miners not having extra land must be facilitated to acquire additional land with necessary clearances. For miners unable to set up their own plants, the government must facilitate setting up of centralised beneficiation plants for a cluster of such mines, which will pay user charges for beneficiating as per the quantity," it noted.

Gold Firms Above \$1,700/oz on Hopes of Less Aggressive Fed

Reuters

Gold prices held above the key \$1,700 per ounce level on Monday, as hopes that the Federal Reserve might slow the pace of rate increases after mixed US jobs data helped offset pressure from a robust dollar.

Spot gold was up about 0.1% at \$1,712.89 per ounce by 1302 GMT. US gold futures rose 0.1% to \$1,724.10.

However, trading is expected to be thin with most US markets closed for Labour Day holiday.

Gold had its best day in nearly a month on Friday after US data showed moderate wage growth in August and a rise in the unemployment rate to 3.7% suggested the labour market was starting to loosen.

"Expectations around future Fed rate hikes have softened slightly but the jobs report will

have to be paired with a good inflation reading to have any material impact," said Craig Erlam, senior market analyst at OANDA. "We may see some support for gold above \$1,700 for now but with the dollar so favoured and central banks not easing off the brake, further downside pressure may still come and a break below \$1,680 looks very possible."

The European Central Bank is due to meet later this week, where it is expected to deliver a 75 basis-point interest rate hike to tame record high inflation. Fed's next policy meeting is scheduled for September 20-21.

Limiting gold's advance, the dollar index notched a 20-year high against its rivals, making bullion expensive for holders of other currencies.

Spot silver rose 0.4% to \$18.10 per ounce, platinum gained 1.4% to \$846.83, while palladium eased 0.1% to \$2,021.43.

MCX copper: Wait for the contract to rally to ₹655

COMMODITY CALL

AKHIL NALLAMUTHU

BI Research Bureau

The futures of copper on the MCX (Multi Commodity Exchange), which was on a rally since the third week of July, is facing a resistance in the ₹670-700 range.

Unable to rally past this level, the contract was consolidating a bit. In fact, it started facing selling pressure last week and it has now declined to about ₹640.

Since the overall trend is bearish, the likelihood of a decline from the current level is high. We expect the contract to slip below the nearest support, which is at ₹600, and extend the decline to ₹585. A breach of this can drag the contract to ₹550. If the contract appreciates from here, it is likely to be capped at ₹670.

A week ago, we had recom-



mended a short position at ₹665 and suggested to add shorts when the contract rallies to ₹700.

Traders who initiated this trade can continue to hold the shorts. As a move above ₹700 looks very low now, tighten the stop-loss to ₹715. Modify this to ₹670 once the contract slips below ₹600. Revise it further down to ₹615 when price touches ₹585. Liquidate all the shorts at ₹550.

For fresh trades, wait for the contract to rally to ₹655 and then go short with stop-loss at ₹715.

As steel exports slump, govt to rethink duty issues

Steel Ministry seeks details from industry on categories hit, demand outlook

ABHISHEK LAW

New Delhi, September 5

The Steel Ministry has sought a detailed presentation and additional information from the industry on various issues relating to exports, that include product categories that have been impacted post imposition of duty and also the future demand outlook of the commodity.

At the meeting held last week, presentations were made on "product wise details that includes HS code 4-digit level or more, analysis of capacity, production, demand and export for consideration of removal of export duty", noted the minutes of the meeting. Some "additional note/presentation" were sought on the "dynamic market condi-

tions where exports could alter industry from being a price taker to a price maker, due to change in demand and supply conditions".

BusinessLine has reviewed the minutes.

Demand, price expectation

Details have also been asked on domestic demand expectations with increased spending in infrastructure and capex; the expected increase in price of raw materials that include iron ore and coking coal and the international steel production outlook that may be muted.

Steel demand is expected to follow seasonal patterns and post Q2, demand is expected to rise. The period following the monsoons, coupled with festive season are generally seen as a better time. At the meeting, it was also noted that export possibilities appear to be limited due to import barriers in certain countries and lower costs elsewhere. Accordingly, more details on this were sought.



Steel demand is generally expected to follow seasonal patterns and post Q2 (September-end) demand is expected to rise

With its abundant natural resources, consisting of high-grade iron ore, bauxite, chromite, manganese, etc, Odisha is the leader in the production of several minerals



Irene.Saha@timesgroup.com

Odisha is one of the richest states in India in terms of mineral wealth. It is also one of the fastest growing economies in the country. According to IBEF, the state's economy witnessed high growth rates between 2016-17 and 2020-21, with GSDP of the state growing at a CAGR of 8.53%. Cumulative FDI inflows in the state amounted to \$69.52 million between October 2019-December 2021. This progress can be largely attributed to the utilisation of the mineral and metal reserves in the state.

STANDING STRONG

♦♦ RICH RESERVES

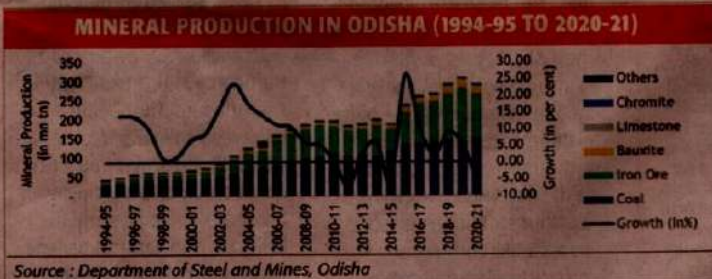
The state is the leading producer of

promising if we compare the numbers with other mineral rich states like Jharkhand, and Chhattisgarh.

As per Indian Bureau of Mines, the state contributed 35.07% of the total mineral production in the country. In terms of reserves in India, Odisha accounts for 96% of Chromite, 92%

of mineral production (excluding fuel oil and atomic minerals) in the country. It is endowed with rich mineral resources with a variety of metallic and non-metallic minerals that include Chromite, Bauxite, Graphite, Iron ore, Manganese Ore and many more. The mining and quarrying subsector contributed 8.29% of state GVA (relative to 2.26% at the all-India level) as per the advance estimates (AE) for 2021-22 at current prices.

Odisha's industries are based mainly on the natural resources in the state. It carries more than 35% of country's natural resources. The state has significant reserves of iron ore, bauxite, nickel, coal, etc. Hence, it is an attractive destination for mineral-based industries.



Source : Department of Steel and Mines, Odisha

bauxite and iron ore, and accounts for almost the entire production of chromite. Odisha's mineral resources have been largely catering to the production needs of other states. As Odisha is a mineral rich state, mining and quarrying contributed nearly 8.4% to state's growth in the last decade, which is

of Nickel, 51% of Bauxite, 33% of Iron Ore, 43% of Manganese Ore & 24% Coal reserves in the country.

♦♦ MINING SUBSECTOR


As per Economic Survey 2021-22 report of the Government of Odisha, Odisha contributes the largest value

♦♦ MINERAL PRODUCTION

Of the total mineral production in Odisha, Coal and Iron Ore collectively constituted over 90% in 2020-21. Until 2010-11, the mineral production continued to grow consistently year after year. Since then, for few

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REVENUE COLLECTIONS FROM MINERALS

Revenue collection in 2020-21 is ₹ 32,485 crore upto December, 2021

Year	Revenue (in ₹ Crore)
2011-12	4,587
2015-16	5,798
2020-21	13,918

Source: Directorate of Mines, Odisha

years, the state experienced contraction in mineral production such as in 2012-13, 2014-15, and in 2020-21 due to Covid-19. On an average since 2011-12, the mineral production has grown at 4.4% annually relative to 10% growth in the period before that (since 1994-95). The abundant reserves of minerals make Odisha one of the frontline exporting states. The state government is taking active interest in the

initiation and promotion of export activities in the state. As a result, the export turnover of Odisha increased from ₹ 47,242.28 crore in 2019-20 to ₹ 75,718.33 crore in 2020-21. Odisha's share of exports in the country has significantly risen from 2.21% in 2016-17 to 4.04% in 2021-22. If we compare the figures from 2019-20 to 2020-21, the percentage increase in exports is highest among all major exporting states in the country. There has also been a marked growth in the percentage of exports from 2020-21 to 2021-22.

•• ODISHA EXPORT STORY
The major exports from the state are minerals and metallurgical products.

In 2019-20, Odisha exported metallurgical products worth ₹ 24,811.40 crore which increased to ₹ 38,122.95 crore in 2020-21, amounting to 47.46% share in value of exports. Similarly, the mineral export was ₹ 14,627.10 crore in 2019-20 which increased to ₹ 26,189.58 crore in 2020-21, amounting to 32.61% share in value of exports. Also, there has been an increase in the export destinations across all sectors. The number of destinations has increased from 40 in 2015-16 to 92 in 2020-21 for metallurgical products and from 5 to 41 for mineral products, during the same period.

MOVING ON
Odisha earns maximum revenue from the metal and mineral sector. As per media reports during the financial year 2021-22, the state earned over ₹ 48,000 crore from the mining and metal sector. Due to the pandemic, lockdowns were effective in several export destinations and so exports suffered. Despite the hindrances, the mining industry picked up pace, and in the last financial year, Odisha earned about ₹ 7,000 crore from mineral exports which is 252% more than what it earned in the 2000-21 financial year.

(Inputs by Pragnya Patnaik)

Iron Ore	Chrome Ore	Bauxite Ore
Production Sales 27.51 MT 25.16 MT	Production Sales 1.16 MT 0.95 MT	Production Sales 7.00 MT 7.63 MT



SHRI JAGANNATH STEELS & POWER LIMITED

- ▶ Shri Jagannath Steel & Power Ltd (SJSPL), is a leading IPellets & DRI 5manufacturer based in Odisha.
- ▶ SJSPL the pioneers in exploration, development & operation of iron ore mines with an enviable track record of over forty years.
- ▶ Combined capacity of 12 MTPA till March,2020 and quite SJSPL known in Indian iron ore Industry for the same.
- ▶ SJSPL become one of the fastest growing iron & steel conglomerate of Odisha.
- ▶ Ahluwalia group runs & supports several charitable institutions in Odisha During Covid pandemic, Ahluwalia group was one of leading donors for medicines, hospital equipment's and other supplies to Government & local society in state of Odisha.



PRASANT AHLUWALIA

Shri Jagannath Steels & Power Limited

- ▶ SJSPL is the largest manufacturing establishment & a crown jewel of Ahluwalia group. Currently, our product ionfacilityis based in city of Barbil,dist- Keonjhar, the mining capital of India.
- ▶ Our State of the art Russian origin product ionfacility sourced from Ural Mashhasa capacity of 1.2 Million MT Pellets Per annum. Known for its consistent quality, our pellets are well accepted in international & domestic market.
- ▶ Apart from pellets production facility, at SJSPL we also have two sponge iron kilns of 500 TPD & 350TPD for manufacturing of sponge iron.
- ▶ Have in house steel melting shop with three induction furnaces of 15 MT each to manufacture MS Billets.
- ▶ In process of installing a 200,000 MT PA bar rolling mill in our plant which will becommissioned soon.

Viraj Steel & Energy Ltd.

- ▶ Viraj Steel & Energy Ltd is group's second integrated steel plant, located in Jharsuguda District of Odisha State. Currently operating two sponge iron Klins of 350 TPD & 4 furnaces of 12 MT each.
- ▶ In a process of commissioning of200,000MTPA Bar Re-rolling millin existing factory premises.
- ▶ Actively pursuing other expansion opportunities in Odisha and have earmarked another project to set up a 2.4 MTPA Iron ore pellets facility in Barbil entailing an investment ofRs 1,000-1,200 cr. The facility will provide direct employment to almost 2,500 people andindirectly engage about 10,000 people.
- ▶ Ahluwalia group is a100% debt free company with consistent profitability and performance.



THE ECONOMIC TIMES
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DAINIK BHASKAR
DATE :8/09/2022 P.NO.2

KEY FACTS

» Odisha is one of the most mineral-rich states in India. Key minerals found in the state are iron, coal, bauxite, manganese, nickel, chromite, limestone, dolomite, graphite, decorative stones, beach sand, China clay, and tin ore. Odisha has emerged as a key state with regard to the mineral and metal-based industries

» Odisha accounts for over 55% of India's bauxite reserves, making it an ideal location for setting up aluminium and aluminium-based companies. The state ranks first in India in terms of both production capacity and actual output of aluminium

» Odisha's industries are based mainly on the natural resources available in the state. It carries more than 35% of country's natural resources. The state has significant reserves of iron ore, bauxite, nickel, coal, etc. Hence, it is an attractive destination for mineral-based industries

इंडोनेशिया में अभियान

समुद्र में जहाज से खोजे जा रहे अयस्क के भंडार

जकार्ता | तस्वीर इंडोनेशिया के सुंगई लियाट में मत्रास बीच क्षेत्र की है। वहां माइनर (खदानों में काम करने वाले कामगार) लौह अयस्क की खोज कर रहे हैं। इस काम में सैकड़ों कामगारों का दल लगा हुआ है। अयस्क खोजने का काम करीब 30 नॉटिकल मील दायरे में चल रहा है। दरअसल,

24 फीसदी हिस्सा दुनिया के कुल निकल का इंडोनेशिया में।

40 हजार करोड़ टैरन खरीदेगी इंडोनेशिया से। इससे ईवी की बैटरी बनेंगी।

10 साल पहले 2.2 करोड़ टन था निकल उत्पादन, अब ये 10% बढ़ा।

दुनिया में इस वक्त इंडोनेशियाई धातुओं की मांग बढ़ी है। चीन से सप्लाई घटने और गुणवत्ता अच्छी होने का भी उसे फायदा मिला है। इस कारण इंडोनेशिया ने उत्पादन बढ़ाने के लिए जमीन के बाद अब समुद्री क्षेत्र को खंगालना शुरू किया है। वैसे भी दुनिया के सबसे बड़े कोयला निर्यातक इंडोनेशिया शामिल है। इंडोनेशिया से निकलने वाले

कोयले का सबसे बड़ा आयातक भारत है। देश में आयात होने वाला 50 फीसदी कोयला अकेले इंडोनेशिया से आता है।

इंडोनेशिया में निकल के बड़े भंडार: बता दें कि इंडोनेशिया कोयले के अलावा निकल का भी बड़ा उत्पादक है। निकल का इस्तेमाल स्टेनलेस स्टील बनाने में होता है। इसका सबसे बड़ा आयातक अमेरिका है। उसके अलावा कनाडा, नॉर्वे, फिनलैंड और ऑस्ट्रेलिया में भी पाया जाता है।

MCX-Zinc: Go short now



AKHIL NALLAMUTHU

BL Research Bureau

The zinc futures on the MCX (Multi Commodity Exchange) has been in a downtrend since April this year from about ₹380. The current leg of downtrend began nearly a month back after the corrective rally faced a resistance at ₹330.

The contract has begun today's session with a gap-down and notably, it is now trading at ₹282—below the support band of ₹286-292.

Since the overall trend is bearish and the contract has slipped below the support, the probability of further fall is high. Supporting the bearish bias, the cumulative open interest (OI) of zinc futures on the MCX has increased to 1,835 contracts compared to 1,596 contracts two weeks back. A price decline along with increase in OI indicates short build-up.

From the current level, the nearest notable support is at ₹262, and we expect the contract to touch this level within a couple of months. But there is a possibility of a corrective rally to ₹292 from here.

We suggest initiating fresh shorts at the current level of ₹282 and add more shorts when price rallies to ₹292. Place stop-loss at ₹305. When the price touches ₹270, revise the stop-loss down to ₹280. Liquidate the shorts when the contract falls to ₹262. Since ₹262 is a strong support, we will most probably see a rebound after touching this level.

Steel-makers margins to nearly double: Report

■ Business Bureau

STEEL-MAKERS are in for better times from the second half of the current fiscal as lower input cost and robust domestic demand will ease their margin pressure and lift operating margins to over 25 per cent, as per a report.

The industry was hit by high input costs in the first quarter and is still under pressure in the ongoing second quarter, the rating agency said in the report. As a result, their operating margins of primary steel-makers are likely to fall to 14-16 per cent in the first half of this fiscal -- massively down from 30 per cent last fiscal, which was a decadal best -- due to high input costs, lower realisations and imposition of export duty on finished steel

products, among other reasons, Crisil added.

However, from the second half onwards the margin pressure is expected to ease due to lower production costs because of declining raw material prices and steady realisations backed by robust domestic demand, lifting it above 25 per cent, the report said. This will have the full-year operating margin at a robust 22-24 per cent, which will still be 700-800 bps lower from the last year, but higher than the pre-pandemic average of 20 per cent logged between fiscals 2017 and 2020.

The first quarter saw a decline in steel prices with high input costs. Though input prices have corrected, their impact will be felt only towards the end of the second quarter, leading to a subdued first half.

BUSINESS LINE

DATE :9/09/2022 P.NO.8

'Margins of aluminium cos likely to contract'

OPERATING margins of the domestic primary aluminium companies are likely to shrink by 400-500 bps sequentially in the second quarter of 2022-23 due to factors like high input costs, rating agency Icra said on Thursday.

"Owing to a twin onslaught of correction in aluminium prices and elevated input costs, the estimated operating profitability of ICRA's sample set of domestic players is likely to contract by almost 400-500 bps in Q2 FY2023 compared to Q1 FY2023," Icra said.

Bet short on MCX aluminium futures contract



AKHIL NALLAMUTHU

Bl. Research Bureau

The continuous futures of aluminium on the MCX (Multi Commodity Exchange) has been on a downtrend since early March this year, after reversing lower on the back of resistance at around ₹325.

Towards the end of June, the downtrend lost a bit of momentum and started to consolidate.

Until last week, it was oscillating in the range of ₹205-215.

Last week, the bears gathered momentum and pulled the contract below support at ₹205.

This has turned the outlook negative and indicates that the bears have regained strength.

Therefore, the probability of a further decline is high, with the nearest support at ₹186. Subsequent support is at ₹170.

We forecast aluminium futures to depreciate to ₹186 within a couple of weeks. If this level is breached, the price could touch ₹170.

Strategy

Consider initiating fresh short positions at the current level of ₹200. If there is a corrective rally to ₹210, add more shorts and place stop-loss at ₹220.

When the contract touches ₹186, liquidate half of the shorts and tighten the stop-loss to ₹200. Liquidate the remaining shorts when the price falls to ₹170.

Gold stays flat

Silver likely to fall from here

AKHIL NALLAMUTHU

Bl. Research Bureau

Bullion prices went up as the US dollar retreated from its highs last week. More than gold, silver seems to have made use of the dollar weakness as it outperformed the yellow metal last week. Gold on the international spot market gained 0.4 per cent to end at \$1,717.6 an ounce, whereas silver appreciated 4.6 per cent to close the week at \$18.85 per ounce.

Similarly, in the domestic market, gold futures on the Multi Commodity Exchange (MCX) was up 0.3 per cent as it closed at ₹50,529 on Friday. Silver, on the other hand, went up 3.8 per cent to close the week at ₹55,050 (per kg).

The overall sentiment of investors on the yellow metal does not seem to improve. The data by the World Gold Council (WGC) shows that the global gold ETFs (exchange-traded funds) saw a net outflow of 6.2 tonnes for the week ending August 26. Also, the net long positions on gold futures on the COMEX continues to remain below 500 tonnes, hinting at an inherent bearishness.

MCX-Gold (₹50,529)

Although the October gold futures on the MCX was up 0.4 per cent last week, the price action shows that it was largely trading in a narrow sideways range of ₹50,000-50,700. So, the support at ₹50,000 remains valid and so does the broader range of ₹50,000-52,600. But the price is below both the 20- and 50-day moving averages (DMAs) showing a bearish inclination. However, we can assume the next leg of trend based on the direction of the breach of the ₹50,000-52,600 range.

If the existing bearish bias strengthens



GETTY IMAGES/ISTOCKPHOTO

resulting in the contract slipping below ₹50,000, it can see a quick drop to ₹47,700 initially and then to ₹46,000, which are the notable supports. On the other hand, if the contract rallies from the current level, it has a strong hurdle at ₹52,600. If this is taken out, the trend will turn bullish, and gold futures can move up to ₹55,000.

MCX-Silver (₹55,050)

The December silver futures on the MCX rallied last week to almost nullify the decline it saw in the preceding week. However, the contract, currently hovering around ₹55,000, has a strong barrier at ₹55,500.

Last week, we indicated that there could be a rally, but it may not take the contract beyond ₹55,500 and these up-moves can be seen as an opportunity to short. Notably, the 20-DMA is currently at ₹55,680 and thus, the price band of ₹55,500-55,680 is a considerable resistance band. Therefore, from here, the silver futures will most likely resume the downtrend.

It will most probably retest the prior low of ₹51,857 in the next couple of weeks. A break below ₹51,800 can accelerate the fall. Supports below ₹51,800 are at ₹50,000 and ₹48,000.

BUSINESS LINE
DATE :10/09/2022 P.NO.9

2-day Mines Ministers' meet begins

OUR BUREAU

Hyderabad, September 9

Union Minister of Mines, Coal and Parliamentary Affairs Pralhad Joshi inaugurated the two-day National Mines Ministers' Conference here on Friday.

He launched 'The Mining Arena', an interactive digital platform that provides information on various activities of the Ministry and organisations promoted by it.

Mines Ministers from 11 States, top government officials from 19 States and the Union Ministries of Mines, Coal and Steel attended the conference.

The conference will discuss strategies to increase the effectiveness of the new policy reforms strengthening the ties between the Ministry and States and ways to achieve the goals being set for the mining sector in the next 25 years.

Well-positioned for the long term...

.....but near-term global macro challenges may keep a lid on upside

SAI PRABHAKAR YADAVALLI
BL Research Bureau

Tata Steel stock price has returned 280 per cent from Covid lows, riding on an elongated steel cycle in the period. The recovering global demand post-Covid, hampered by supply restrictions in the wake of the pandemic, and later the Russia-Ukraine war, have allowed favourable pricing in the sector. The spreads in the sector (price realisation minus costs) have reached significant highs and later corrected as input price inflation surprised the industry, and continue to be on the higher side.

The stock is now trading 25 per cent below last 5-year average one-year forward EV/EBITDA while discounting a correction from peak spreads in the next two years. In such a scenario, we recommend that investors can hold the stock. The cost side outlook looks even grimmer in the short term, but structural factors of limited steel supply globally can support steel prices in the longer term. Tata Steel operates from two primary regions, Tata Steel standalone contributing to 53 per cent of

FY22 revenues and 79 per cent of EBITDA and Tata Steel Europe (37 per cent revenue and 19 per cent EBITDA). The company operates from Thailand as well.

Rising realisations

Tata Steel's consolidated realisations have nearly doubled from ₹47,331/tonne in Q1FY21 to ₹95,816/tonne in Q1FY23, which was also 11 per cent QoQ growth from Q4FY22.

The domestic steel prices were tracking international trends which, over the last two years, saw robust demand in steel as core sectors of infrastructure and capital goods benefited from stimulus packages announced across economies.

China, which accounts for half of global steel industry, and Europe, were on a path of decarbonisation, which further impeded the availability of steel in the international markets. Russia and Ukraine, both of which also have strong contribution to steel output, saw their volumes decline in the last phase of the two-year period.

Steel realisations are expected to correct 15-20 per cent from the peak in the next two years.

Domestically, steel prices may have already corrected 15-20 per cent from Q1FY23 as new export duty limits announced will impact prices realised in the market. With recovering domestic demand from auto and infrastructure, and tracking international prices, further decline in realisations is not much expected.

Internationally, input prices have started correcting which should lead to a correction in realisations as well.

On the supply side, either by European decarbonisation (using fossil fuels to be made prohibitively expensive) or by self-regulated limits on production in China, strong export market flooding is a remote possibility compared to the previous decade. The high cost of 'green steel' production should sustain above average realisations internationally.

Spike in input costs

The primary input costs are iron ore and coking coal. The spike in coking coal has been consistent with rise in steel prices in the last two years but has spiked significantly in the last two quarters. Driven by energy costs, raw material cost per tonne has increased to ₹35,000 range in Q1FY23 from ₹20,000 in Q1FY21. The industry has witnessed coal prices nearly tripling to \$600 per tonne from an average range of \$200 per tonne. This is in comparison to steel prices in the range of \$800-1,000 per tonne and coking coal required at 0.7-1x of steel production.

The recent spike can again be attributed in part to Russia-Ukraine war. With restricted supply from Russia to Europe and the strain shared by all other sources of energy (gas, LPG and nuclear), energy costs, especially in Europe, will remain elevated. The region's energy stockpiling, to last through the upcoming winter, will pressure energy prices globally, which may have started receding from the peak at the end of Q1FY23 (expected to be reflected with a lag). Despite the near-term relief, coal prices are expected to be elevated.

Financials and Leverage

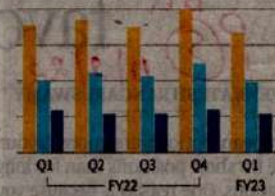
Tata Steel net debt has come down from ₹1 lakh crore in FY20 to ₹54,500 crore in June 2022, which is 0.87x net debt to EBITDA. The company continues to target \$1 billion (₹7,800 crore) in debt reduction every year and has so far managed to exceed the targets. The company has completed a ₹12,000-crore acquisition in Neelachal Ispat and expects to reignite the 1 MTPA capacity in the next three months. Tata Steel operates capacity of 30 MTPA currently and plans to increase the same to 40 MTPA in the next decade.

The company's Kalinganagar facility has 3 MTPA capacity which it plans to increase by 5 MTPA. Tata Steel sees additional 4 MTPA capacity that can be unlocked in Neelachal capacity as well. The company reasons that with much of the

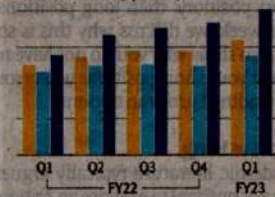
Operational metrics

Consolidated India Europe

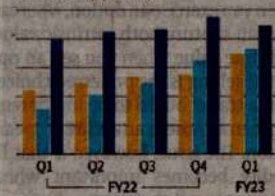
Steel deliveries (million tonnes)



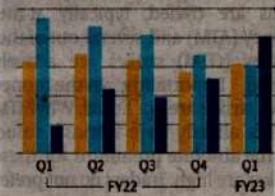
Realisation (₹/tonne)



RM cost (₹/tonne)



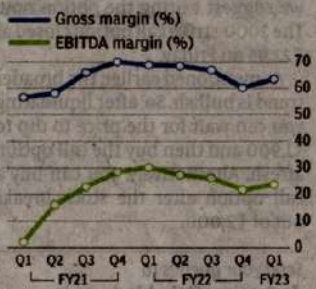
EBITDA (₹/tonne)



Source: Company filings

growth sourced in-house, the company can phase out the expansion v getting overleveraged again if the cycles turn. In the midst of a steep the company is trading at 4.3 times EV/EBITDA. Consensus estimate also factored in unfavourable material prices, going forward, with mild contraction in revenues will cent CAGR decline to FY24 and cent EBITDA decline. Investors can the stock trading at such low valuations and with much of negative commodity impact priced in.

Growth deceleration with margin pressures



Go short on copper futures

COMMODITY CALL

AKHIL NALLAMUTHU

Bt Research Bureau

The continuous futures of copper on the MCX (Multi Commodity Exchange) turned its trend downward in March from about ₹880. It fell to mark a fresh 52-week low of ₹601 in mid-July.

But then, the bears lost traction and consequently, the prices started to rise.

However, since the price band of ₹675-700 is a strong hurdle, the contract was unable to extend the recovery beyond these levels.

Currently trading at around ₹660, we expect the

MCX-Copper (per kg)



contract to see a decline from here. That is, the recent rally is more of a corrective one and the broader bearish inclination unchanged.

Strategy

But note that there could be some consolidation before

it could resume the next leg of downtrend.

We had already suggested initiating short positions at around ₹660 with stop-loss at ₹715.

Continue to hold these shorts positions. One can also initiate fresh shorts now with the same stop-loss of ₹715.

Bring the stop-loss down to ₹670 when the contract slips below the support of ₹600. Tighten it further to ₹615 when the contract touches ₹585. Exit the shorts at ₹550.

The price level of ₹550 is a strong support against which the contract could see a bounce.

Illegal sand mining in border areas threat to security: Punjab Governor

AMRITSAR, Sept 12 (PTI)

PUNJAB Governor Banwarilal Purohit on Monday said that a case of treason should be registered against those found guilty of indulging in illegal sand mining in the border areas of the State as it jeopardises national security.

Purohit, who was on a tour to the border villages of the State, addressed Sarpanchas (village heads) of the border villages and other prominent people of the district.

He said, illegal mining in border areas is a threat to the security of the country.

He instructed the officials to keep a hawk eye over illegal mining near the border and opined that along with other charges, a case of treason should also be registered against those guilty of mining in the areas that jeopardize national security.

"The security of the country is paramount and no negligence will be tolerated," he asserted. "There are reports of the existence of police-criminal nexus in some border areas and in the interest of the country this alliance needs to be broken effective-

ly," he said.

His remark came days after the Border Security Force (BSF) had told the Punjab and



Haryana High Court that mining activity in the border areas with Pakistan was being carried out round-the-clock.

Besides affecting the course of river Ravi, it was posing a huge threat to the security of the international border fence, the BSF had said. Governor Purohit said Punjab being a border State is very important from the point of view of security.

Coal Ministry to hold e-auction of 10 mines today

OUR BUREAU

New Delhi, September 12

The Coal Ministry on Monday said that it will launch the e-auction for 10 commercial coal mines on Tuesday. The technical evaluation of the bids has been completed.

"E-auction for eight coal mines will be conducted on September 13 and for two coal mines on September 14. Total peak rate capacity (PRC) of the mines being put up for e-auction is 39.31 million tonnes per annum (mtpa)," Coal Ministry said in a statement.

The Nominated Authority, Ministry of Coal has till now successfully auctioned 43 coal mines with PRC of 85.54 mtpa. The coal sector has been opened up for commercial coal mining in 2020 and the first ever successful auction of commercial mining was launched in June 2020.

Last month, Coal Minister Pralhad Joshi said that in the near future more than 107 coal blocks will be made available for auction.

India's cumulative coal production increased by 8.27 per cent (Y-o-Y) to 58.33 million tonnes in August 2022 com-



Total peak rate capacity of the mines being put up for e-auction is 39.31 million tonnes per annum

pared to 53.88 mt in August 2021.

As per provisional statistics, during August, Coal India (CIL) and captive mines/ others registered a growth of 8.49 per cent and 27.06 per cent by producing 46.22 mt and 8.02 mt, respectively. However, SCCL registered a negative growth of 17.49 per cent during the month.

Of the top 37 coal producing mines in the country, 25 mines produced more than 100 per cent while the production level of five mines stood between 80 and 100 per cent.

By 2030, India's coal requirement will be 1.5 billion tonnes.

Steel Prices Set to Rise After 5-month Fall

Nehal.Challawala@timesgroup.com

Mumbai: After continuous week-on-week decline in steel prices for over five months, domestic integrated steelmakers are hiking the price of the alloy for the first time this financial year, indicating a

probable bottom to the declining trend.

ArcelorMittal Nippon Steel India (AM/NS) has increased prices by around ₹500-1000 per tonne, said people in the know. Other leading players like JSW Steel, Tata Steel and Jindal Steel & Power are expected to follow suit this week, they said. An emailed query sent to AM/NS India went

answered. Traders and market participants said that the primary steelmakers had sent out feelers since last week about an impending price hike.

The uptrend in prices comes at a time when the margins of steelmakers have been shrinking due to lower prices and elevated input costs.

मप्र के पोर्टल की नकल कर करोड़ों की चोरी का मामला

सूचना पत्र ने उड़ाई रेत माफियाओं की नींद

सीबीआई जांच की भनक से घाट मालिक सकते में

भास्कर संवाददाता | नागपुर



जिले के रेत घाटों से हो रही रेत चोरी के मामले में घाट मालिकों को पुलिस निरीक्षक डिक्टेसन यूनिट क्र.-

3 अपराध शाखा, नागपुर शहर द्वारा सूचना पत्र देकर अधिकारियों के समक्ष पेश होने को कहा गया है। बावजूद घाट मालिक तय तारीख पर अधिकारियों के समक्ष पेश होने के बजाय देवदर्शन के लिए निकल गए। इसके अलावा कुछ लोग अपनी सुविधा अनुसार भूमिगत हो गए। उनके फोन नॉट रिचेबल बता रहे हैं। बताया जा रहा सभी एक-दूसरे के पेश होने के इंतजार में समय काट रहे हैं।



रेत चोरी आम

बात : जिले के सावनेर तहसील अंतर्गत लगभग 10-12 रेतघाट आते हैं। प्रशासन द्वारा कुछ ही रेतघाट की नीलामी की जाती रही है। बचे रेत घाटों से रेत चोरी होना आम बात हो गई है। सरकारी अधिकारियों से लेकर जन्मप्रतिनिधि तक रेत चोरी के धंधे में लिप्त होने की चर्चा जोरों पर है।



200 करोड़ की रेत चोरी : कुछ माह पूर्व रेत माफियाओं ने मध्यप्रदेश के सरकारी रेत पोर्टल की नकल कर अवैध रॉयल्टी पर महाराष्ट्र सरकार की करोड़ों रुपए की रेत चुरा ली थी। एक अनुमान के मुताबिक इसकी कीमत लगभग 200 करोड़ रुपए बताई जा रही है। जिसे लेकर प्रशासन ने कुछ रेत माफियाओं को गिरफ्तार भी किया था। कुछ जमानत पर बाहर भी आ गए।

इन धाराओं में घाट मालिकों पर दर्ज है मामला

सूत्र बताते हैं 200 करोड़ रुपए के राजस्व को लेकर प्रशासन ने कड़ा रुख अख्तियार कर लिया है। प्रशासन 200 करोड़ की वसूली को लेकर घाट मालिकों पर 25-25 करोड़ रुपए का जुर्माना लगा सकती है। इसके अलावा सीबीआई से जांच करने के संकेत भी मिले हैं। इसके बाद रेत घाट मालिक सकते में हैं। रेत माफियाओं की चल-अचल संपत्ति को लेकर भी जांच चल रही है। रेत माफियाओं ने अवैध रेत बेचकर करोड़ों रुपए की संपत्ति अर्जित की है। मामूली रेत चोरी करने वाले कुछ ही महीने में पेट्रोल पंप मालिक भी बन बैठे हैं। अपराध शाखा द्वारा रेत घाट मालिकों पर धारा 465, 466, 467, 468, 471, 420, 34, 379, 13(1)(बी), सहधारा 48(7) व 48(8) के तहत मामला चल रहा है।

Go short on zinc with stop-loss at ₹305

COMMODITY CALL

AKHIL NALLAMUTHU

BL Research Bureau

The continuous zinc futures on the MCX (Multi Commodity Exchange) is moving across a horizontal trend for little over a week i.e., it has been oscillating in the range of ₹280-292.

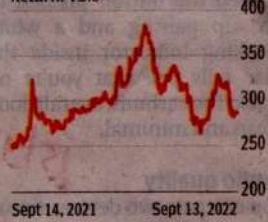
Nevertheless, the broad trend is bearish and the likelihood of the contract declining below ₹280 is high. Moreover, there are series of resistances on the upside. Above the range top of ₹292 lies the barrier of ₹300. Just above that i.e., at ₹303, the 20- and 50-weekly moving averages coincides, making it a strong hurdle. Therefore, the bulls seem to be on the back foot.

That said, the nearest support below ₹290 can be spotted at ₹260. But it is worth to note that this is a strong support against which the

MCX-Zinc

Return: 15%

₹ per kg



contract can see a rebound.

These factors reveal initiating short-term trades can be ideal rather than going for medium or long-term contracts.

Strategy

We recommend traders to go short on MCX zinc futures at the current level of ₹286 and add more shorts if the price inches up to ₹292. Place the stop-loss at ₹305 initially and tighten it to ₹280 when the contract drops to ₹270. Exit all the shorts at ₹260.

Govt auctions 10 commercial coal mines

Jaiprakash Power, Vedanta among successful bidders

RISHI RANJAN KALA
New Delhi, September 14

The Coal Ministry has successfully auctioned 10 coal mines for commercial exploitation, of which eight were auctioned on Tuesday.

The Ministry had launched the auction for commercial mining under the second attempt of the fourth tranche of CMSP Act & the MMDR Act as well as the fifth tranche of CMSP Act & MMDR Act on March 30, 2022, Coal Ministry said in a release.

Mines explored

Seven coal mines are fully explored, while 3 mines are partially explored. The total geological reserves for these 10 coal

mines are 3,445.76 million tonnes with a cumulative Peak Rate Capacity (PRC) of around 39.31 mtpa, it added.

The mines are spread over Maharashtra, Odisha, Chhattisgarh, Jharkhand and Madhya Pradesh.

Auctions

On Day 1 (Tuesday), eight coal mines were auctioned of which five mines are fully explored and three are partially explored. Their total geological reserves are 2157.48 mt and the cumulative PRC for these coal mines is 19.31 million tonnes per annum (mtpa).

The successful bidders of these mines include Jaiprakash Power Ventures, Avassa Ferro Alloys, Madhya Bharat Minerals and Jhar Mineral Resources.

On Wednesday, the second day of the auction, mining con-

glomerate Vedanta was the winner of two coal mines. Both the mines are fully explored. The total geological reserves are 1,288.28 mt, while the PRC is 20 mtpa.

Commercial mining

Under the commercial coal mining auction process, a total of 57 coal mines, including these 10 mines, have been successfully auctioned till date with a total cumulative PRC of 140.75 mtpa.

With operationalisation of these mines the private sector will have a significant share in domestic coal production and dependency on imported coal will reduce. The commercial auctions will generate a huge revenue to the government treasury and will help in the social development of the population surrounding the coal bearing areas.

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