खनिज समाचार

KHANIJ SAMACHAR

Vol. 3, No-5

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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.

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KHANIJ SAMACHAR

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INDIAN BUREAU OF MINES

VOL. 3, NO-5 , 1st – 15th MARCH , 2019

BUSINESS LINE DATE : 4/3/2019 P.N.11

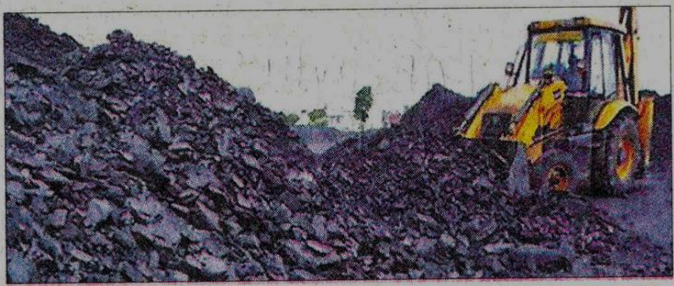
GLOBAL		Change in %			52-Week	
	Price	Weekly	Monthly	Yearly	High	Low
Metals ($/tonne)						
Aluminium	1897	0.4	2.0	-11.9	2603	1775
Copper	6525	0.1	6.7	-5.2	7324	5810
Iron Ore	82	-3.3	8.0	8.0	89	58
Lead	2131	3.2	0.8	-12.6	2545	1867
Zinc	2822	2.9	1.2	-17.4	3408	2285
Tin	21710	0.1	3.5	-0.2	22049	18400
Nickel	13115	1.5	4.2	-2.2	15749	10437

THE HITAVADA DATE : 1 /3/2019 P.N.10

Coal prices double as producers ignore non-power cos

- The coal prices are quoted between Rs 3,500 and Rs 7,000 per tonne

■ Business Bureau



AS MOST of the coal producers in the country are paying heed only to power producers, other consumers are facing shortage of the commodity. It has also led to the price escalation of coal prices in last couple of months.

As of now, the coal prices are quoted between Rs 3,500 and Rs 7,000 per tonne which are almost double compared to the prices prevailing three months back.

Market sources said that the Coal India Limited (CIL) and its subsidiaries have been giving top priority to power producing companies and supplying coal to them only. On the other hand, the coal producers are not fulfilling the demand raised by other consumers. "For the past few days, other consumers are not receiving coal as per their demand. Moreover there is a huge hike in coal prices," said the General Secretary of Central India Coal Dealers Association Rajendra Bansal adding that non-power companies including captive power plants are facing hardship.

He said further said that the price of coal in e-auction has seen sharp hike in the back drop of recent gap in demand and supply. "The coal suppliers have already raised the floor price of coal by 40 per cent recently. In addition to this, the buyers are paying about 60 per cent premium on the inflated floor price. This has eventually raised the coal price by 100 per cent," he said.

It is important to note that coal demand from power plants has gone up significantly in recent past. Accordingly, the coal producing companies have been asked to the meet the demand from power plants. On the other hand, the producers had no other option but to reduce e-auction of coal.

Adding to the woes of the non-power companies, the coal producers are not showing interest in delivery of coal sold through e-auction. "In many cases, the companies are showing no courtesy to fill railway racks and supply coal to those who bought it through e-auction. On the contrary they forfeit the auction and refund the Earnest Money Deposit (EMD) to the consumers after four to six months," said Bansal.

BUSINESS LINE DATE : 1 /3/2019 P.N.10

Short-term outlook is bullish for MCX-Lead

GURUMURTHY K
BL Research Bureau

The Lead futures contract on the MCX has risen sharply in the past week. The contract has surged about 5 per cent in the past week from around ₹145 per kg to the current levels of ₹152 per kg. The strong rally in the past week has taken the MCX-Lead futures contract well above the 200-DMA resistance level of ₹148.

The short-term outlook is bullish. Intermediate resistance is around ₹153.5. A strong break above it will increase the likelihood of the contract extending its upmove to ₹158 and ₹160 in the coming days. Such a rally will also increase the possibility of the contract revisiting ₹170 and ₹173 levels over the medium term.

The MCX-Lead futures contract has been trading in a broad range of ₹132-175 for a prolonged period of time. The sharp rise in the past week keeps this sideways range intact and has increased the possibility of the contract testing the upper end of this range in the coming weeks.

Trading strategy

High-risk appetite traders with a short-term perspective can go long at current levels and also accumulate on dips at ₹150 and ₹149. Stop-loss can be placed at ₹146 for a target of ₹160. Revise the stop-loss higher to ₹154 as soon as the contract moves up to ₹156.

Global trend

The uptrend in the Lead (three-month forward) contract on the London Metal Exchange has gained momentum in the past week. The contract has surged over 4 per cent in the past week breaking above the key the 200-DMA resistance. It is currently trading at $2,136 per tonne. The key supports at $2,110 and $2,080 can limit the downside in the short term. As long as the contract trades above these supports, a rally to $2,200 looks likely in the coming sessions.

THE HINDU DATE : 1/3/2019 P.N.13

Cabinet okays National Mineral Policy 2019

Aims at more effective regulation

SPECIAL CORRESPONDENT
NEW DELHI

The Union Cabinet on Thursday approved the National Mineral Policy 2019.

The policy is aimed at bringing about more effective regulation to the sector as well as a more sustainable approach while addressing the issues of those affected by mining.

"The aim of [the] National Mineral Policy 2019 is to have a more effective, meaningful and implementable policy that brings in further transparency, better regulation and enforcement, balanced social and economic growth as well as sustainable mining practices," the government said in a statement.

Reconnaissance permit

Some of the features in the policy include the introduction of the right of first refusal for the reconnaissance permit (RP) and prospecting license holders, encouraging the private sector to take up exploration and the auctioning of virgin areas on a revenue- sharing basis.

The Cabinet also gave its approval for the creation of a SPV for the disinvestment of Air India

In a separate decision, the Union Cabinet gave its ex-post facto approval for the creation of a special purpose vehicle (SPV) for the disinvestment of Air India and its subsidiaries and joint ventures.

The SPV, named Air India Assets Holding Ltd. (AIAHL), has been created for the purpose of warehousing the accumulated working capital loan not backed by any asset along with four subsidiaries (Air India Air Transport Services Ltd. (AIATSL), Airline Allied Services Ltd. (AASL), Air India Engineering Services Ltd. (AIESL) and Hotel Corporation of India Ltd. (HCI), according to the statement issued by the government.

BUSINESS LINE DATE : 2 /3/2019 P.N.4

Ministry junks proposal for Minimum Import Price on steel as prices firm up

TWESH MISHRA

New Delhi, March 1

The Steel Ministry has junked a proposal to levy Minimum Import Price on steel as domestic prices of the commodity have recovered.

Steel Minister, Birender Singh, told *BusinessLine* : "If you see in the last three months there was a ₹10,000 a tonne to ₹12,000 a tonne reduction in prices, so there is no situation of prices going up as being said...My personal view is that the general consumer should not feel that there is any pinch. We are very much aware of that."

Singh said the steel industry has recovered from the situation that had come about over the past three-four years. "I would say that we are on the correct path and if the industry will need more support to be competitive, we are ready for that."

He also said, "Some of the representations are with us, and a small group of industry people have suggested this to us. I don't think there is any urgent or immediate need for that. There is no MIP...when there is nothing visible, you can use the word shelved," he added. Commenting on the firming up of domestic steel prices and the inventory status of Indian steel producers, Managing Director of Tata Steel TV Narendran, said, "Steel inventories went up in November-December. They went up a little bit in January also, but since then things have changed, international prices have gone up by about $50 a tonne in the last few weeks, and so as a consequence, Indian producers are also exporting more. That is helping bring down the inventory in the country."

Growing demand

"The demand in the country is also growing. I think the auto industry is struggling a little bit. But, the other sectors are growing, the infrastructure spends continue to be quite strong and the rural markets we see are also continuing to pick up steam. So, demand is continuing to improve and this is probably the best time of the year for steel production from January to June...The inventories have already dropped in February and we expect them to drop further in March," Narendran added.

BUSINESS LINE DATE : 2/3/2019 P.N.10

Gold on course for worst week since November as dollar rises

REUTERS

March 1

Gold slipped to two-week lows and was set for its biggest weekly fall in nearly four months on Friday, pressured by a reviving dollar and as equity markets bounced back.

Spot gold is down about 1.6 per cent so far this week, which could be its biggest weekly decline since the week ending November 9. It was down 0.4 per cent at $1,307.01 an ounce at 1320 GMT, having touched its lowest since February 14 at $1,305.43.

US gold futures shed 0.6 per cent to $1,308.40.

"The news on jobs and Gross Domestic Product (GDP) was more favourable for the dollar, which has been gaining value. Because of that we are continuing to see some long liquidations," said Afshin Nabavi, Senior Vice President at MKS SA.

"We have breached $1,315 and $1,310, which are very important support levels. Won't be surprised even if we see a test of $1,300 later today."

The dollar, which gained impetus from better than expected fourth quarter US GDP data, hit a 10-week high against the yen.

"Rallies in the dollar are taking their toll on gold much more than they were a few weeks ago which is a clear sign that sentiment towards the yellow metal has shifted," OANDA senior market analyst Craig Erlam wrote in a note.

"The next test below is $1,300, a break of which could be the catalyst for another bearish move, at which point $1,275-1,280 becomes notable support."

Gold rose to a 10-month peak last week, helped by expectations that the US central bank will pause interest rate increases and hopes of a US-China trade deal, but has declined about 3 per cent since.

"After it (gold) failed last week to rise above $1,350, the gold price is nearing the psychologically important $1,300 per troy ounce mark again today," a Commerzbank analyst said.

Holdings of the SPDR Gold Trust, the world's largest gold-backed exchange-traded fund, on Thursday fell 0.52 per cent to 784.22 tonnes, their lowest level since late December.

Elsewhere, palladium was steady at $1,542.96 an ounce.

Silver fell 0.6 per cent to $15.51, having earlier hit $15.46, a low last seen on February 14. Platinum fell 0.8 per cent to $863.43.

BUSINESS LINE DATE : 2 /3/2019 P.N.12

Nalco declares interim dividend

New Delhi, March 1

Aluminium maker Nalco on Friday declared an interim dividend of ₹4.50 per share for the current fiscal. "The board of directors of the company have approved payment of interim dividend at the rate of ₹4.50 per share on the paid-up equity share capital of ₹932.81 crore for the financial year 2018-19," Nalco said in a regulatory filing. The payment of interim dividend shall be made on or before March 31, 2019 to all eligible shareholders, whose names appear in the register of members as on the record date which is March 12, 2019, the company added. Shares of the company were trading 4.25 per cent higher at ₹52.75 apiece on the BSE. PTI

BUSINESS LINE
DATE : 2/3/2019 P.N.4

Singareni to dispatch 2.2L tonnes coal a day in March

SPECIAL CORRESPONDENT
HYDERABAD

The management of Singareni Collieries Company Ltd (SCCL) has set high targets for March, the last month in the current financial year. It plans to transport at least 2.2 lakh tonnes of coal a day to meet production and dispatch of coal targets for the year.

According to company officials, coal production of 58 million tonnes was achieved in the 11-month period ending on February 28 during 2018-19 with a growth rate of 6.04%. Coal production for the same period in the last fiscal was 54.6 million tonnes.

Similarly, coal dispatches were recorded at 61.3 million tonnes till February-end this year with a growth rate of 5% compared to 58.2 million tonne coal dispatches achieved till the same period last year. The dispatches, however, crossed the target of 60 million tonnes fixed by the company till February-end.

At a review meeting held here on Friday with Area General Managers, company CMD N. Sridhar said February had achieved record dispatches of 41 rakes on an average daily against the regular average of 30 to 32 rakes. Dispatch of coal in 1,152 rakes during February was an all-time record till date, he stated. He felt that dispatches of at least 68 million tonnes could be achieved, if the same tempo was maintained.

BUSINESS LINE DATE : 2 /3/2019 P.N.12

EU curbs, Sterlite plant shutdown hit metal exports: EEPC India

PRESS TRUST OF INDIA
New Delhi, March 1

The European Union's protectionist policies for import of steel products from India and other markets, coupled with shut-down of Sterlite Copper's Tuticorin plant, are among the major reasons for a sharp drop in exports of ferrous and non-ferrous metals, the EEPC India said on Friday.

The engineering exporters' body cautioned that the declining trend in outward shipments of the key metals may continue for some time.

"Exports of primary steel fell by 10.7 per cent in January and 14 per cent in the first 10 months of the current fiscal. Exports of copper and copper products dropped by 76.6 per cent in January and 69.6 per cent in first the 10 months," EEPC India said in a statement.

"It is clear from these facts that the protectionist policies adopted by EU, the US are also responsible for the decline in exports of steel," the exporters' body said.

According to EEPC India, the country's refined copper production fell significantly during the first half of 2018-19 mainly due to the shutdown of the 400 KT, Tuticorin smelter of Sterlite, which accounted for 40 per cent of India's smelting capacity.

Outward shipments of zinc and products declined by 17.6 per cent in January 2019 and 29.7 per cent in the first 10 months, according to EEPC India analysis. Despatches of tin and products fell by 54.8 per cent in January 2019 and 17.4 per cent in the cumulative months of the current fiscal, it said.

"The cumulative impact of the fall in these four product lines is $3.542 billion for the first 10 months (without any growth)," said EEPC India Chairman Ravi Sehgal.

EEPC India said the domestic industry relies heavily on imports of copper concentrate from far off countries, particularly South Africa, which increases cost of production. "The duty on the copper concentrate is presently 2.5 per cent finished goods coming at zero duty, there is a situation of inverted duty structure. The government could consider removal of this duty in order to help the industry becoming globally competitive," the body suggested.

THE HITAVADA
DATE : 3/3/2019 P.N.11

Gold slips below Rs 34,000-mark; silver also falls

NEW DELHI, Mar 2 (PTI)

GOLD prices fell by Rs 310 to Rs 33,770 per 10 grams at the bullion market on Saturday due to tepid demand from local jewellers and weak global cues. Silver rates also drifted lower by Rs 730 to Rs 39,950 per kg due to reduced offtake by industrial units and coin makers.

Traders said sentiment remained bearish on the back of a weak trend overseas as the dollar strengthened to a 10-week high against the yen, boosted by better-than-expected US gross domestic data for the fourth quarter, making bullion less attractive as a safe-haven investment.

Globally, spot gold fell 1.52 per cent to USD 1,293.90 an ounce and silver by 2.47 per cent to USD 15.29 an ounce in New York.

In the National Capital, gold of 99.9 per cent and 99.5 per cent purity dropped sharply by Rs 310 each to Rs 33,770 and Rs 33,600 per 10 gram, respectively. Gold prices had fallen by Rs 570 in the previous two days.

Sovereign, however, remained unchanged at Rs 26,500 per piece of eight grams. Silver ready fell by Rs 730 to Rs 39,950 per kg while weekly-based delivery dived Rs 840 to Rs 38,300 per kg.

Silver coin, however, remained unaltered at Rs 81,000 for buying and Rs 82,000 for selling of 100 pieces.

THE HINDU
DATE : 3/3/2019 P.N.15

JSW Steel, Duferco ink $700-million pact

PRESS TRUST OF INDIA
NEW DELHI

JSW Steel on Saturday said it had inked a 5-year advance payment and supply agreement with Duferco International Trading Holding for $700 million.

The pact, executed on February 27, entails a financing structure that would provide "JSW long-term funding to complement its plans for future growth secured by committed exports of steel products to DITH," JSW Steel said in a statement. For Duferco International Trading Holding (DITH), the transaction assures a captive supply of various steel products from JSW over the term of the agreement.

"The deal is the largest trade finance facility arranged in the Indian steel sector," it said. In the past, JSW and DITH have entered into similar pacts on a smaller scale but for longer periods, all of which have been completed.

BUSINESS LINE DATE : 4/3/2019 P.N.11

Bullion Cues

Gold tumbles on profit booking

ISTOCK.COM/TALAJ

A sharp fall below $1,310 has turned the near-term outlook negative

GURUMURTHY K

Gold began the past week on a stable note. The global spot gold prices were stuck in between $1,320 and $1,335 per ounce in the first part of the week. However, things turned around towards the end of the week as gold broke and tumbled below $1,320 on Thursday. Gold fell sharply to make a low of $1,290 and bounced up slightly from there to close the week at $1,293.4 per ounce, down 2.7 per cent.

The US growth numbers, which beat market expectations, coupled with a strong surge in the US Treasury yields, triggered a fall in gold price. The US grew at 2.6 per cent in the fourth quarter of 2018. The market had expected it to grow at a rate of 2.2 per cent.

The US 10-year Treasury yield surged from 2.64 per cent to 2.75 per cent in the past week. As a result, the US dollar index bounced up from its low of 95.82 and closed the week at 96.52. This, in turn, took the sheen off gold. Since gold had been rising consistently over the past several weeks, the break below $1,320 triggered a sharp and swift fall on the back of profit booking.

Silver, on the other hand, plummeted more than gold. The global spot silver tumbled, breaking below the key support level of $15.55 and made a low of $15.15. The prices slightly bounced back from the low and closed at $15.20, down 4.5 per cent for the week.

On the domestic front, the gold and silver futures contract on the Multi Commodity Exchange fell in tandem with the global prices. The MCX-Gold futures contract was down 2.6 per cent for the week. It closed at ₹32,640 per 10 gm. The MCX-Silver contract was down 4.9 per cent in the past week and closed at ₹38,301 per kg.

Dollar outlook

The US dollar index (96.53) made a smart recovery from its low of 95.82 in the past week. The key support in the 96-95.8 region is holding well as of now.

The bias on the chart is bullish. The dollar index can rise to 97 and 97.5 in the near term. Such an up-move in the index can keep gold under pressure.

The European Central Bank meeting on Thursday and the US Non-Farm Payroll (NFP) data release on Friday, which could drive the dollar, are the key events to watch out for.

Gold outlook

The sharp fall last week has turned the near-term outlook negative for gold. The global spot gold ($1,293.4 per ounce) has an immediate support at $1,290. If it manages to sustain above this support, a bounce to $1,300 or even $1,310 is possible in the near term. A range-bound move between $1,290 and $1,310 is also possible in such a scenario. But, if gold breaks below $1,290, the downside pressure may increase. Such a break will then increase the likelihood of gold extending its fall to $1,280 and $1,275. The region between $1,270 and $1,265 is the next key support that can halt the current fall. The yellow metal will gain strength only if it breaks above $1,310 decisively.

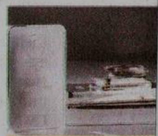
The MCX-Gold (₹32,640 per 10 gm) decisively breaking below the psychological level of ₹33,000 last week has turned the outlook negative. The level of ₹33,000 will now act as a good resistance and can cap the upside in the near term. As long as the contract trades below ₹33,000, a fall to ₹32,400 or even ₹32,000 is possible in the near term.

Silver outlook

The global spot silver ($15.20) has tumbled, breaking below the key support level of $15.55. Silver can fall to $15.00 and $14.90 this week. The level of $15.55 will now act as a strong resistance and can restrict the upside in the near term. A decisive break above $15.55 is needed now to ease the downside pressure.

The MCX-Silver (₹38,301 per kg) has fallen sharply below the key support level of ₹39,000. Key resistances are now poised at ₹38,500 and ₹39,000.

An intermediate bounce to these supports is likely to find fresh sellers coming into the market. The contract is likely to remain under pressure in the short term. A fall to ₹37,000 looks possible.



MCX Gold

Supports
₹32,500/32,000
Resistances
₹33,000/33,350

MCX Silver

Supports
₹37,500/37,000
Resistances
₹38,500/39,000

THE HITAVADA DATE : 4/3/2019 P.N.11

Coal India aiming target of 610 MT

KOLKATA, Mar 3 (PTI)

COAL India is aiming to meet the 610 million tonne production and off-take target as per the pact it signed with the coal ministry, despite a production momentum dip in the initial months of the current fiscal, officials said.

After the high production growth rate of 15 per cent in the Apr-Jun quarter of FY19, the dry fuel miner had attempted to meet an internal aspirational target of 652 MT for the year but things did not work out as per Coal India's plans, sources said.

Coal India said the memorandum of understanding (MoU) target for production and off-take is 610 MT.

Based on the trend, production could be around 590 MT, an analyst tracking Coal India said, declining to be named.

Coal stock at the pitheads of the miner was at 34.76 MT at the end of February.

Mahanadi Coalfields Ltd and South Eastern Coalfields Ltd, which were facing agitations, saw an uptrend in production in February, by 17 and 6 per cent respectively over the corresponding month of the previous year.

The two subsidiaries account for about half of Coal India's total production. But strikes and disruptions in some of the mines there impacted production.

Officials said efforts were being made to resolve issues but with the election round the corner, they are keeping their fingers crossed.

Coal India's total production as on February stood at 528 MT, up 6.6 per cent in the first 11 months of the current fiscal. Off-take was at 548 MT during the period.

A Coal India official said the company clocked 6.6 per cent growth in production which is an increase of 32.62 MT in absolute terms.

Total coal off-take to power sector in the 11 months till February 2019 was 440.8 MT, against 411.5 MT during the same period of the previous year, registering a growth of 7.1 per cent.

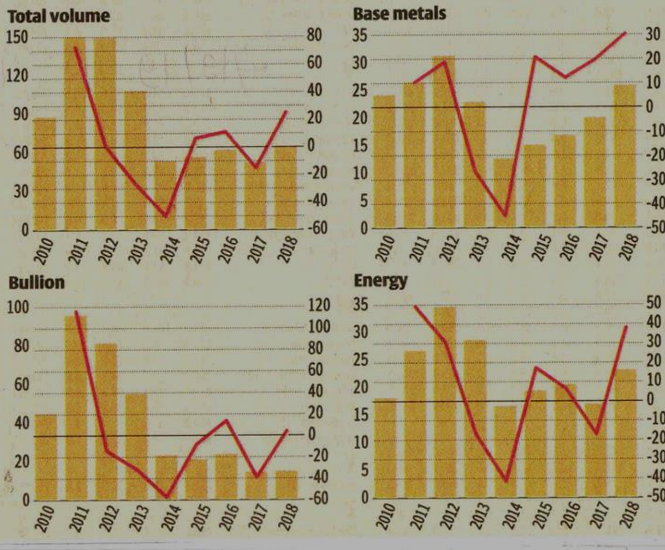
BUSINESS LINE DATE : 4/3/2019 P.N.11

A welcome change

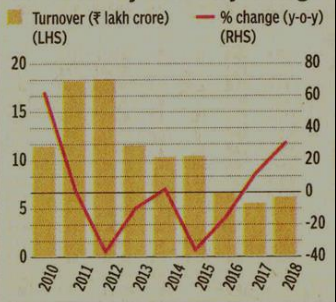
Volumes in the commodity derivative market have not risen back to the levels seen in 2012 — before the NSEL scam and the introduction of CTT on non-agri commodities. But now with SEBI waving a green flag to MFs for participation in the commodity derivative market, volumes should receive a boost

1. MCX - Turnover improved in 2018, but still far from the 2012 high

Dragged by lower volumes in bullion



2. NCDEX - Volumes are a third of what they were six years ago



3. BSE's and NSE's volumes yet to catch up

	BSE turnover (₹ crore)	NSE turnover (₹ crore)
Oct 2018	7,049.38	–
Nov 2018	7,228.2	–
Dec 2018	3,754.8	–
Jan 2019	6,538.5	448.84
Feb 2019	3,363.9	498.69

BUSINESS LINE DATE : 5/3/2019 P.N.15

MCX-Aluminium is stuck in a narrow range

GURUMURTHY K
BL Research Bureau

The Aluminium futures contract on the Multi Commodity Exchange of India (MCX) has been stuck in a narrow range between ₹145 and ₹152 per kg over the last few weeks. Within this range, it is currently trading at ₹147 per kg. A breakout on either side of ₹145 or ₹152 will decide the direction of the next move.

A break above ₹152 will boost the bullish momentum. It will then take the contract higher to ₹158 and ₹160. A further break above ₹160 will increase the likelihood of the contract targeting ₹168 and ₹170 over the medium term.

On the other hand, if the MCX-Aluminium futures contract breaks below ₹145, it can fall initially to ₹142. A break below ₹142 will then increase the possibility of the downward move extending further towards ₹138.

The Aluminium (3-month forward) contract on the London Metal Exchange (LME) has been stuck in a narrow range between $1,890 and $1,930 per tonne in the past week. It is currently trading at $1,918 per tonne. The near-term outlook is unclear. A breakout on either side of $1,890 or $1,930 will decide the next move. A break below $1,890 can take it to $1,870. A further break below $1,870 can then test $1,860 and $1,845.

On the other hand, if the LME-Aluminium contract breaks above $1,930, it can target $1,985 and $2,000.

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

THE TIMES OF INDIA
DATE : 5/3/2019 P.N.10

Bhushan Power, Essar Steel a/cs put up for sale

New Delhi: State-owned Central Bank of India has put up for sale four stressed accounts, including Bhushan Power & Steel and Essar Steel India, to recover dues of Rs 3,321 crore.

Alok Industries and Bombay Rayon Fashions are the two other stressed assets that the lender wants to get rid of.

According to the bid document, Bhushan Power & Steel has an outstanding of Rs 1,550 crore towards the bank. Alok Industries owes Rs 1,251 crore, Essar Steel India Rs 424 crore, while Bombay Rayon Fashions has an outstanding due of Rs 96 crore. The e-auction of all these accounts will take place on March 20.

The auction of these accounts is through the Swiss challenge method, under the Securitisation and Reconstruction of Financial Assets and Enforcement of Securities Interest (SARFAESI) Act, 2002, on the without-recourse basis based on an existing offer of firm bid from an investor, who will have the right to match the highest bid, the bank said. AGENCIES

THE HINDU DATE : 6 /3/2019 P.N.6

Centre incorporates TS inputs in National Mineral Policy

State revenue from mining touched ₹ 3,704 crore in 2017-18

SPECIAL CORRESPONDENT
HYDERABAD

Telangana government's strides in controlling illegal mining and ramping up its revenue from the sector every year played an important role in the preparation of the National Mineral Policy (NMP) 2019, which was cleared by the Union Government on Thursday.

The government's regulatory mechanism helped increase the revenues from mining sector which touched ₹ 3,704 crore in 2017-18.

Various other State governments also studied the mining policies of Telangana. Punjab Minister for Local Bodies Navjot Singh Sidhu, who was here last year, said his State will emulate the policy of Telangana.

In this background, the Ministry of Mines invited suggestions form public, State governments, Union Territories, mining industry and industry associations in framing the NMP 2019 to replace the extant NMP of 2008.

Therefore, the Director of Mines of Telangana B.R.V. Susheel Kumar provided inputs to Ministry.

The framing of the NMP 2019 was spearheaded by a committee under the chairmanship of K. Rajeswara Rao, Additional Secretary, Ministry of Mines, who is a native of Nalgonda.

It is expected that the policy initiatives will boost the growth of mining industry in Telangana, a press release said.

Some of the major highlights of NMP 2019:

- Encourage private sector to take up exploration
- Auction in virgin areas for composite Reconnaissance Permit-cum-Prospecting Licence on a revenue sharing basis.
- Rationalise areas given to public sector units which have not been used and put these areas to auction
- Effective mining surveillance system to curb illegal mining activity
- Formulation of geological and mineral database repository

BUSINESS LINE DATE : 6/3/2019 P.N.15

Gem export body breaks ground for jewellery park in Mumbai

To employ over 1 lakh workers

OUR BUREAU

Mumbai, March 5

The Gem and Jewellery Export Promotion Council plans to set up 'India Jewellery Park' with an investment of ₹14,467 crore at Navi Mumbai on the outskirt of Mumbai.

GJEPC, which conducted the ground-breaking ceremony on Tuesday, will construct the jewellery park through a special purpose vehicle.

Expected turnover

Spread over 21 acres, the park is expected to generate an annual turnover of ₹41,467 crore, with the major income coming from exports. It will employ over one lakh workers, enhance manufacturing, investment, export growth and overall economic development of Maharashtra and India. Chief Minister Devendra Fadnavis said Mumbai is the largest exporter of gem and jewellery, accounting for $28.32 billion or 69 per cent of the total export of gems and jewellery from India.

Diamond bourse

Maharashtra has the largest diamond bourse in the world, Bharat Diamond Bourse, in Mumbai and now the first-of-its-kind India Jewellery Park will come up in Navi Mumbai, he said.

Suresh Prabhu, Union Minister of Commerce and Industry said jewellery industry, which accounts for 7 per cent of GDP and 14 per cent of merchandise exports from the country, plays an important role in the economy.

India Jewellery Park will have manufacturing units, commercial areas, residences for industrial workers and commercial support services. By providing the right support, he said the gem and jewellery exports will achieve the annual target of $75 billion from current level of $40 billion.

Pramod Kumar Agrawal, Chairman, GJEPC said benchmarked with the best-in-class jewellery parks in China, Turkey, Italy and Thailand, the India Jewellery Park will contribute significantly to the economic development by drawing investments from across India and abroad.

Maharashtra Chief Minister Devendra Fadnavis, Commerce Minister Suresh Prabhu, Maharashtra Industries Minister Subhash Desai, and Gem Jewellery Export Promotion Council Chairman Pramod Kumar Agrawal at the foundation stone laying ceremony of India Jewellery Park in Navi Mumbai on Tuesday PTI

BUSINESS LINE DATE : 6/3/2019 P.N.10

MCX-Zinc can dip before resuming the uptrend

GURUMURTHY K
BL Research Bureau

The Zinc futures contract on the MCX moved higher as expected last week breaking above the resistance at ₹199 per kg. However, the contract has come off after making a high of ₹201 per kg on Friday. The contract has declined over 2 per cent from the week's high and is currently trading at ₹196 per kg.

The recent pullback move indicates that the contract is lacking fresh follow-through buyers above the psychological level of ₹200. This leaves the near-term outlook negative. Though the overall view remains bullish, a corrective fall is likely before the contract resumes its uptrend.

As such, as long as the contract trades below ₹200, a dip to ₹193 is possible in the near term. A break below ₹193 will then increase the likelihood of the contract extending its downmove to ₹191 and ₹190. A further fall below ₹190 looks unlikely at the moment.

An upward reversal from ₹193 or the ₹191-190 support region will see the contract retesting ₹200 levels. The region between ₹202 and ₹203 is a crucial resistance. A strong break and a decisive close above ₹203 is needed for the MCX-Zinc contract to gain fresh momentum. Such a break will then pave the way for a fresh rally targeting ₹210 over the medium term.

Global trend

The Zinc (three-month forward) contract on the LME made a high of $2,804 per tonne on Monday and has come off from there. It is currently trading at $2,751 per tonne. Immediate support is at $2,735. A break below it can drag the contract to $2,700 and $2,685.

On the other hand, if the LME-Zinc contract sustains above $2,735, a sideways move between $2,735 and $2,800 is possible. An eventual break above $2,800 can take it initially to $2,835. A further break above $2,835 will pave the way for the medium-term target of $3,000.

BUSINESS LINE DATE : 6/3/2019 P.N.5

Cement prices rise as demand looks up

OUR BUREAU
Mumbai, March 5

After a long lull, cement prices soared by ₹25 per 50 kg bag last month across India on rising demand.

The southern region saw the steepest hike of ₹52 a bag in Bengaluru, ₹62 in Chennai and ₹77 in Hyderabad.

Price hikes in other regions were less comparatively at ₹26 a bag in the West and ₹12 in the East. The central and northern regions were up by ₹7 a bag and ₹4, respectively.

However, prices rise in the North was moderate due to moderate growth in demand. Moreover, new owners of stressed assets are ramping up production at stressed assets.

Prasad Koparkar, Senior Director, Crisil Research, said the price hike, coupled with falling costs and rising demand growth will lead to 200-250 basis points improvement in margins in the current quarter.

THE HINDU DATE : 6/3/2019 P.N.16

Hind Copper reviews tender terms for Malanjkhand mine

Firm seeks to improve participation, extends last date

INDRANI DUTTA
KOLKATA

Hindustan Copper Ltd. (HCL), which has adopted the operational contract route for production of copper ore from Malanjkhand underground mine at Madhya Pradesh, has extended the last date of the tender to March 11, 2019 from from February 28.

This follows a review of the tender conditions to improve participation, sources said. The companies can participate either as a single entity or as a consortium. This would be the first such contract on this scale. The party winning the global bid would also have to bring in the latest efficient loading and hauling equipment and state-of-the-art sophisticated drilling technology, the sources added.

The 8-million-tonne capacity underground project would be implemented in two phases. It would gradually replace the open cast mining at this place, which holds the country's single-largest copper deposit. This tendering is for the initial five million tonne phase.

While Malanjkhand mine now contributes about 60% of HCL's annual ore production, over the time, open cast mining will become unviable, necessitating a shift to underground mining operations from here.

Minimum production

Sources said that under the operational contract, the contractor would have to assure a certain level of annual ore production.

The cost of developing the project, manpower and equipment would be that of the operator.

However, the manpower for meeting statutory obligations would be provided by HCL. There is a penalty clause for underproduction. Excess ore production would be taken by HCL.

BUSINESS LINE DATE : 6/3/2019 P.N.12

Tata Steel hoarding mines, says PIL

SURESH P IYENGAR
Mumbai, March 5

The Odisha High Court will hear a public interest litigation on March 25 filed against Tata Steel for holding excess mining rights in Odisha and the State government's move to increase the maximum area limit for lessee of iron ore mines from 10 sq km to 75 sq km.

In a petition to the High Court, Bijaya Kumar Mishra from Angul district of Odisha said it is pertinent to note that out of 56 sq km of mining lease area held by steel companies in Odisha, Tata Steel owns 49.61 sq km of iron ore and manganese mines which account for 89 per cent of total mining leases ever allotted to steel companies.

Interestingly, Section 6 of Mining and Mineral Development (Regualtion) Act restrict mining area to be held by a miner at 10 sq km. The State government recently recommended to the Centre to raise the maximum area limit for iron ore lessees to 75 sq km. The Centre had increased area limit for bauxite deposits to 50 sq km.

In response to a *BusinessLine* questionnaire, a Tata Steel spokesperson said: "We have no comments to offer as the matter is sub-judice". But, owning mines above the prescribed limit has not deterred Tata Steel from participating in an auction last year and increasing the holding limit will help Tata Steel to amass more mines, said the petition.

Tata Steel currently has 3 million tonnes per annum steel production capacity in Odisha and plans to increase it to 8 mtpa.

Even after expansion, it requires only 13.12 mtpa of iron ore. It is startling that Tata Steel is being allotted a 75-year-old iron ore mine with reserve of 438 million tonnes, said the petition.

BUSINESS LINE DATE : 7/3/2019 P.N.2

NMDC, Geological Survey of India in pact for mineral exploration data

OUR BUREAU
Hyderabad, March 6

NMDC has signed a memorandum of agreement with Geological Survey of India for sharing of Aero-Geophysical Data (Magnetic) for Mineral Exploration in part of Obvious Geological Potential (OGP Block-2) in Madhya Pradesh.

The agreement was signed by M Mahadevan, Executive Director, NMDC and Dayanand, DDG and HoD, GSI, according to a NMDC statement.

With its expertise in mining, NMDC was identified as a nodal agency by the Ministry of Mines for specialised mineral exploration works.

The data thus generated through this association will be processed jointly by NMDC-Centre of Exploration Geophysics, Osmania University, Hyderabad, for obtaining more areas/targets in the 18 diamondiferous blocks allocated to NMDC.

NMDC has already identified 45 target areas for drilling for diamondiferous kimberlites in Madhya Pradesh. It also identified iron-bearing areas in Sidhi-Singrauli Block in MP.

Recently, Hyderabad-based National Remote Sensing Centre and NMDC developed a mobile app to collect field data with location and field photo and catalogue to collect geological information and for viewing in Bhuvan Portal.

The signing of this agreement with Geological Survey of India will be a step towards generating the processed data that may provide clues for hidden deposits.

BUSINESS LINE DATE : 7/3/2019 P.N.13

'Steps underway to reopen Sterlite plant'

Legal process in progress: Vedanta

PRESS TRUST OF INDIA
NEW DELHI

Vedanta Ltd. on Wednesday said legal processes are in progress through state courts for reopening Sterlite Copper plant in Tuticorin.

The Tamil Nadu government had, in May last year, ordered the State pollution control board to seal and "permanently" close the mining group's copper plant following violent protests over pollution concerns.

"At Sterlite Copper, legal processes are underway through the state courts to reopen this plant," it said.

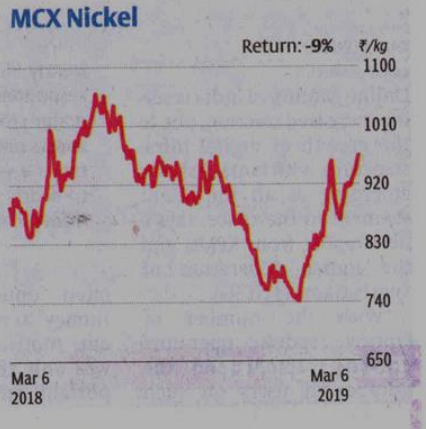
In the alumina vertical, the company said, it had seen increase in volumes, decrease in costs and margin improvements as a result. "In fact, several new performance records have been set," it said.

Within six months of acquisition, Electrosteel Ltd. has turned around to achieve a run rate of 1.5 million tonne per annum with healthy EBITDA margins, largely as a result of cost and volume improvements.

"Hindustan Zinc is on track to achieve a design capacity of 1.2 MTPA... by commissioning a new concentrator and pastefill plants and ramping up development," it added.

BUSINESS LINE
DATE :7/3/2019 P.N.10

Uptrend gains momentum in MCX-Nickel



GURUMURTHY K
BL Research Bureau

The Nickel futures contract on the MCX has been on a strong surge over the last three weeks. The contract has surged about 4 per cent in the past week and is currently trading at ₹961 per kg. The strong rally in the past week has taken the contract decisively above the key resistance level of ₹955. The recent upmove keeps the overall uptrend that has been in place since the beginning of the year intact.

The level of ₹955 will now act as a good support and can limit the downside. The next supports are at ₹935 and ₹930.

The outlook is bullish. The indicators on the charts are also bullish. The 21-DMA has crossed over the 200-DMA. This is also a bullish signal indicating that downside could be limited.

The current rally can extend to ₹985 and ₹990. A further break above ₹990 will then increase the likelihood of the contract extending its upmove towards ₹1,020 and ₹1,035.

Trading strategy

Traders with a medium-term perspective can go long at current levels and also accumulate at ₹955 and ₹945. Stop-loss can be placed at ₹920 for the target of ₹1,030. Revise the stop-loss higher to ₹970 as soon as the contract moves up to ₹985.

Global trend

The Nickel (three-month forward) contract on the London Metal Exchange has risen sharply in the past week. The contract has surged 5 per cent in the past week and is currently trading at $13,650 per tonne.

The outlook is bullish. Key supports at $13,380 and $13,270 can likely limit the downside in the near term. The current upmove is likely to extend in the coming days targeting $14,300 and $14,400. Inability to breach $14,400 can trigger a pullback move to $13,400 and $13,300 thereafter.

THE ECONOMIC TIMES
DATE : 8/3/2019 P.N.11

Cartelisation Causing Cement Price Surge: Experts

Vatsala.Gaur
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Mumbai: As cement prices report a spurt across the country after displaying softness for more than a year, experts say the surge is driven more by a curtailment of supply, hinting at "cartelisation", than a growth in demand.

The hike that followed over a year of struggle for cement companies, is not likely to sustain beyond the next 1-2 months.

According to research reports, cement prices in February increased by ₹24-25 per bag of 50 kg. The increase was more pronounced in south India where prices rose by more than ₹60 per kg over January as cement companies witnessed two price hikes in February.

In east India, the price increase has been flat on a yearly basis while rising by ₹11 since January. In western and central India, prices have increased by ₹10 and ₹6 per bag, respectively.

"The companies are indulging in cartelisation which is evident as the demand has also not dramatically gone up," said WS Habib, president of Confederation of Real Estate Developers Association of India (Credai), Chennai.

According to a cement analyst who did not wish to be named, the price hike was a result of a "supply shock" or curtailment in supply and it cannot be said with certainty whether the demand has increased on ground.

"It is not fundamentals at play and the price hike is less likely to be sustainable," said Ritesh Shah, lead analyst for materials at Investec Securities.

In a research report by Crisil, petcoke prices had come down to $91 per tonne compared with $110 per tonne a year ago in the same quarter.

The hike in cement prices has coincided with a hike in steel prices as well; another key raw material used in construction and infrastructure. Steelmakers will be increasing prices in the range of ₹1,000-₹1,500 per tonne in March.

THE ECONOMIC TIMES DATE : 8/3/2019 P.N.1

Gitanjali Gems Resolution to Continue

Story So Far

- **Feb 2018:** PNB discloses ₹12,000-crore fraud
- **June 2018:** ED files chargesheet against Mehul Choksi & 13 others
- **Provisional** order of attachment (POA) granted in favour of ED
- **Dec 2018:** PMLA court upholds POA in favour of ED
- **Feb 2019:** Appellate tribunal stays attachment of assets; directs banks to continue insolvency resolution

Tribunal stays order allowing ED to attach assets of fugitive jeweller Choksi's co

Mohit.Bhalla@timesgroup.com

New Delhi: An appellate tribunal stayed an order allowing the Enforcement Directorate (ED) to attach the assets of fugitive jeweller Mehul Choksi's Gitanjali Gems after lender ICICI Bank argued that this was preventing the bankruptcy process from going ahead.

"The resolution process cannot be blocked," he said.

A Prevention of Money Laundering Act (PMLA) court had on December 11 affirmed a provisional order of attachment (POA) enabling ED to attach property, bank accounts and jewellery in connection with the Rs 12,000 crore Punjab National Bank fraud case.

"The trial in the matter may take a number of years," said tribunal chairman justice Manmohan Singh. "No one is aware when the borrowers will return... and pay the due amount and face the criminal trial and how much time will take to complete the trial... The amount due against the security cannot be delayed." The ruling was in response to a plea by ICICI Bank and resolution professional Vijay Kumar Garg.

THE HITAVADA
DATE : 8/3/2019 P.N.5

Gold, silver fall on tepid demand

NEW DELHI, Mar 7 (PTI)

GOLD prices on Thursday declined Rs 360 to Rs 33,070 per 10 grams at the bullion market in the national capital on account of tepid demand from local jewellers amid weak global market. Following gold, silver saw a fall of Rs 520 to Rs 38,980 per kg due to reduced off-take by industrial units and coin makers. In the national capital, gold of 99.9 and 99.5 pc purities dropped Rs 360 each to Rs 33,070 and Rs 32,900 per 10 grams, respectively. However, sovereign gold held steady at Rs 26,400 per 8 grams. Silver ready fell Rs 520 to Rs 38,980 per kg, while weekly-based delivery declined Rs 507 to Rs 38,202.

THE TIMES OF INDIA (CITY LINE) DATE : 9/3/2019 P.N.2

Gadkari launches Moil's expansion plan

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Plan would generate around 1000 direct and indirect jobs

Nagpur: Country's largest manganese producer Manganese Ore India Ltd (Moil), headquartered here, has embarked on an expansion and diversification plan that would generate around 1000 direct and indirect jobs soon.

On Friday, Union minister Nitin Gadkari performed the e-bhoomipuja for a new opencast mine to be started at Parsoda, besides increasing Gumgaon mine's capacity with a high speed shaft. The diversification will involve starting of a ₹155 crore ferro-alloys plant at Gumgaon. Foundation stone was also laid for a school at Mansar.

Gadkari, in his hectic pre-election schedule, hopped from Katol to Gumgaon by helicopter to attend the launch ceremony organised by Moil. In a brief speech, he told the public-sector manganese company's management to recruit only local youths in the expansion-cum-diversification since agrarian crisis in the area had led to large-scale unemployment.

Moil chairman-cum-managing director Mukund Chaudhary said production would be doubled in next six to seven years and modernisation efforts had led to a 30% increase in output last year.

The production target for next year is 15 lakh tonnes, an increase of 50% compared to year 2016-17. A 25,000 MTPA ferro alloy plant is envisaged at Gumgaon, 35 km from Nagpur, as a value addition and forward-integration project.

The plant is expected to be commissioned by 2021. This will be Moil's second ferro-alloy plant with one at Balaghat operational at 10,000 MTPA capacity.

Installing a new high speed shaft of 6.5m. diameter and 330 mtrs depth at Gumgaon mines at an estimated capital cost of ₹194 crores would be achieved by 2021. A total ore reserve of around 4.2 million tonnes is available at the mine. With annual production of 2.5 lakh tonnes, life of this mine is more than 20 years. This project will generate additional direct and indirect employment of 400.

Moil was granted mining lease of Parsoda, 46 kms from Nagpur in 2016. The lease extends over an area of 53.75 ha for 50 years. Environmental clearance for the mine for production of 40,000 TPA has been obtained along with other statutory approvals.

THE HINDU DATE : 9/3/2019 P.N.14

ArcelorMittal to take over Essar Steel

Earlier, in October 2018, the deal was approved by Essar Steel's Committee of Creditors (CoC).

Since then the deal was pending before the tribunal for final approval amid several litigations including the final last-ditch bid from the Ruia family with an offer of ₹54,389 crore for debt settlement to retain their family jewel.

The erstwhile promoters offered to clear all dues of lenders and vendors in full if the CoC dropped the insolvency proceedings and allowed the family to retain the facility. The lenders rejected the settlement plan as did the tribunal.

However, while rejecting the Ruias's offer, the NCLT had said that the ₹54,389-crore offer by Essar Steel Asia Holding, which was much higher than ArcelorMittal's bid, was not maintainable as the only way to make a proposal to withdraw from the insolvency process is through Section 12A.

Also, the provisions of Insolvency and Bankruptcy Code (IBC) prevented the promoters from making the bid.

Section 29A of the IBC, which bars promoters of a defaulting company from bidding in the insolvency process meant the Ruias were not allowed to place a bid for the company despite making a settlement offer of over ₹54,000 crore.

THE ECONOMIC TIMES DATE : 9/3/2019 P.N.5

Hike in Steel Prices to Compound Cost Woes of Automakers

Vatsala Gaur & Ketan Thakkar

Mumbai: Domestic steelmakers' decision to hike prices is likely to compound cost woes for Indian automakers already experiencing a spiralling of costs to prepare for the implementation of Bharat Stage VI emission norms on top of declining sales.

While auto companies are monitoring price contracts with steelmakers, any cost escalation beyond a level will make vehicles dearer for consumers, which may further impact demand, industry insiders said. The auto industry reported a 5% overall fall in sales in January, and demand remained tepid in February even in an environment of heavy discounting by original equipment manufacturers (OEMs).

"We would like the raw material costs to be stable, which will allow us to maintain stable vehicle pricing to the end consumers," said N Raja, deputy managing director at Toyota Kirloskar. "Any adverse price hike will likely impact end prices to the consumers."

Indian steelmakers have decided to increase steel prices by at least Rs 1,000 per tonne starting March with some having already implemented the price hike. Steel manufacturers had hiked prices twice in February by a total of Rs 1,750 per tonne after prices started falling from end of November.

OEMs are negotiating with steelmakers and it is yet to be decided how big the price hike will be, if it takes place.

Steel companies are taking their cue to raise prices primarily from an increase in global iron ore prices that have increased 30% to $90 per tonne between December and February. State-owned miner National Mineral Development Corporation (NMDC) has also increased prices of lumps and fines by Rs 400 per tonne and Rs 300 per tonne, respectively.

According to a report by rating agency Crisil, iron ore prices are further expected to rise 3-4% in 2019.

The Indian auto industry has seen steel prices increase Rs 15 per kg, or 40%, in the last three years. On an average a car uses about 700 kg of steel but according to Ranjan Dhar, chief marketing officer at Essar Steel, the cost of steel in a vehicle is only in the region of 6-8%.

Dhar also said that auto industry follows a norm of long term contract for buying steel enabling them to average out the increase or decrease over a period. "Steel price asked is basis this logic and will have either negligible or no impact on the cost of an automobile", he said.

Some automakers also complain that the steel industry is taking "undue advantage" of the minimum import duties put in place to protect them from cheap imports and requests for further such duties should not be entertained.

ECONOMIC TIMES
DATE : 9/3/2019 P.N.10

NCLT Told to Give Bhushan Steel Order by Mar 31

Rakhi Mazumdar & Mohit Bhalla

Kolkata/New Delhi: The appellate bankruptcy court has directed the National Company Law Tribunal (NCLT) to pronounce an order in the Bhushan Power & Steel insolvency case by March 31.

The National Company Law Appellate Tribunal (NCLAT) issued the order on Friday, responding to an appeal by the company's creditors who expressed concern over a delay in the insolvency process. Almost 1,800 operational creditors have approached the NCLT with their grievances.

JSW Steel, which has offered an upfront payment of ₹19,300 crore to the lenders of Bhushan Power & Steel, has the overall approval of over 90% of the committee of creditors. JSW's offer includes another ₹350 crore earmarked for operational creditors. Following the CoC's nod, the resolution professional had issued a letter of intent to JSW Steel on February 12. JSW's resolution plan remains to be approved by the NCLT.

The resolution process has been delayed on account of the appeals of operational creditors and a surprise last-minute bid by Bhushan Power & Steel's promoter Sanjay Singal, who has offered a settlement to the lenders to clear their dues.

LN Mittal set to gain hold of Ruias' Essar

Maulik Pathak & Kalpesh Damor

Ahmedabad: Setting the stage for steel tycoon LN Mittal's entry into Indian steel industry, the Ahmedabad bankruptcy court on Friday cleared the decks for ArcelorMittal and Nippon Steel's ₹42,000-crore offer to take over debt-ridden Essar Steel.

The Ahmedabad bench of National Company Law Tribunal on Friday approved the resolution plan submitted by the world's largest steel-maker ArcelorMittal to the Committee of Creditors (CoC) and Resolution Professional (RP) of Essar Steel. The verdict has paved the way for acquisition of the biggest asset under the new bankruptcy law.

Essar Steel has witnessed a hard-fought battle, with its promoters, the Ruia family, seeking to regain control of their family jewel.

▶600-day process, P 11

Nod for RIL takeover of Alok Industries

The decks have been cleared for Mukesh Ambani-led RIL to take over textiles player Alok Industries, which owed lenders ₹29,500cr, with NCLT okaying RIL and JM Financial's ₹5,050cr resolution plan. P 11

It took 600 days to close Essar case

▶ From P 1

The company owes over Rs 49,000 crore to over two dozen banks, led by SBI, which had referred the case for insolvency resolution to recover their dues.

"We continue to believe that our settlement proposal of Rs 54,389 crore is the most compelling one available to Essar Steel creditors and fulfills the IBC's declared overriding objective of value maximisation, which has been established time and again by courts at all levels. We are also confident of the legal validity of our said offer made under Section 12A, which provides for the withdrawal from the IBC process by making full payment to the creditors. We are awaiting a copy of the NCLT order and will take a call on the next steps after examining the same," said an Essar group spokesperson.

ArcelorMittal will jointly own and operate Essar Steel in partnership with Nippon Steel & Sumitomo Metal Corp, Japan's largest steel producer and the third-largest steel producer in the world respectively, in line with the joint venture formation agreement. "We welcome today's pronouncement by NCLT Ahmedabad. While we will need to review the full written order once it becomes available, we hope to complete the transaction as soon as possible," an ArcelorMittal official said in a statement. While the statutory requirement is to close insolvency cases within 270 days, it took about 600 days for the process to conclude in this case.

THE TELEGRAPH
DATE : 9/3/2019 P.N.10

De Beers aims big

A STAFF REPORTER

Calcutta: Diamond major De Beers Group is eyeing a 50 per cent growth in sales in India under its Forevermark brand in 2019, which is expected to take India closer to market leader China.

At around a lakh pieces, India made up 25 per cent of global sales last year. "We have been growing our brand in India at 50 per cent in the last three years. In volume terms, India represents around 25 per cent of global sales. China would be just above but India is gaining rapidly," said Stephen Lussier, executive vice-president, marketing, De Beers Group, and chief executive Forevermark.

"We are very optimistic that we will grow 50 per cent again this year," said Sachin Jain,

Lussier in Calcutta on Friday. A Telegraph picture

president, Forevermark India.

A combination of factors such as increased retail presence coupled with more volume from retail partners, improved designs and omni-channel marketing will drive growth.

Jain said Forevermark planned to expand its reach to 275 stores from 240 stores in India, which is 10 per cent of the global footprint.

Lussier said demand has recovered in the fourth quarter after a weak first-half of 2018. He said large Indian jewellers have been able to adapt to the GST, though currency volatility and bank financing remain major concerns.

The oversupply of smaller sized diamonds globally resulting from large production in Russia and Australia is expected to ease in the coming months as demand improves.

"Demand should be steady in America. Fourth quarter in India was strong after a weak first half of 2018. We heard Chinese New Year was pretty good. So its all looking relatively positive at this point. We are reasonably encouraged," Lussier said.

NAVBHARAT DATE : 11/3/2019 P.N.7

IBM में खनिज दिवस मनाया

व्यापार प्रतिनिधि

नागपुर. भारतीय खान ब्यूरो ने अपना 72वां स्थापना दिन मनाया. इस दौरान आयोजित समारोह में नीरी के पूर्व निदेशक डा. एस.आर. वटे मुख्य अतिथि थे. डा. मनीष बोथले, आईबीएम के मुख्य नियंत्रक (खदान) मंटू बिस्वास मुख्य रूप से उपस्थित थे. अतिरिक्त खान सचिव डा. के. राजेश्वर राव की ओर से कर्मचारियों को शुभकामनाओं का संदेश दिया गया. अपने संदेश में उन्होंने कहा कि खनन उद्योग से जुड़े विभिन्न स्टेक होल्डर्स के बीच समन्वय का काम आईबीएम कर रहा है. निदेशक इंदिरा रवींद्रन ने टेक्नालाजी की आवश्यकता पर जोर दिया. बोथले ने जीवनशैली से जुड़ी बीमारियों और मधुमेह पर जानकारी दी. अध्यक्षीय संबोधन में बिस्वास ने एमटीएस और एसडीएफ रेटिंग क्षेत्र में हुए हालिया विकास पर जानकारी दी. इस दौरान स्वास्थ्य जांच और रक्तदान शिविर का आयोजन किया गया. कर्मचारियों ने इसमें बढ़ चढ़कर हिस्सा लिया. कुल 52 कर्मचारियों ने रक्तदान किया. पैदल चलने के महत्व पर जागरूकता के लिए सुबह वाकथान का भी आयोजन किया गया. इस अवसर पर कंपनी के अधिकारी, कर्मचारी और सेवानिवृत्त अधिकारी भी उपस्थित थे.

BUSINESS LINE DATE : 11/3/2019 P.N.10

Gold recovers from a key support

Weak US job data pushes up the yellow metal

GURUMURTHY K

Gold extended its fall, as expected, last week to test $1,280 per ounce levels. However, the prices reversed sharply high on Friday, recovering all the loss.

The weak US jobs data on Friday helped the yellow metal surge above $1,290 and test the psychological level of $1,300. Gold made a high of $1,300.8 before closing the week at $1,298.3 per ounce, up 0.4 per cent for the week.

Silver, on the other hand, reversed higher after testing the $15-14.95 per ounce support zone. The global spot silver prices made a low of $14.97 per ounce on Thursday and bounced sharply from there to close at $15.34 per ounce, up 0.9 per cent for the week.

On the domestic front, the gold futures contract on the Multi Commodity Exchange (MCX) was beaten down badly as the rupee strength played a spoil sport. The rupee's strengthening over a per cent against the dollar last week dragged MCX-Gold to an intra-week low of ₹31,777 per 10 gm. However, the surge in the global gold price helped the MCX contract to bounce from the low and close at ₹32,167 per 10 gm, down 1.45 per cent for the week. The MCX-Silver contract managed to recover all the loss after making an intra-week low of ₹37,701 per kg. The contract closed the week at ₹38,728 per kg and was up 1.1 per cent for the week.

Dollar gains

The US dollar index traded strong all through the week. The European Central Bank (ECB) slashing the growth forecast last week triggered a sharp rally in the dollar index. But the weak non-farm payroll data release on Friday halted the rally. This pulled the dollar index slightly low from the high of 97.71, to close the week at 97.31.

The dollar index has a key resistance at 97.7. A strong break above this hurdle is needed for the index to gain fresh momentum. Such a break can take the index initially higher to 98.3.

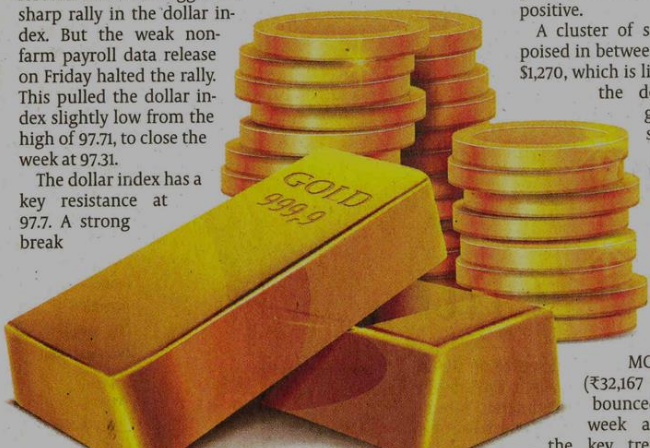
A further break above 98.3 will then increase the likelihood of the index targeting 99 or even 100 thereafter. In such a scenario, the upside in gold could be capped. But if the dollar index fails to breach 97.7, a fall to 96.7 and 97.5 is possible in the near term.

Gold outlook

The sharp rally on Friday has given a breather for gold. The price action last week indicates that the global spot gold ($1,298) lacks fresh sellers to drag it decisively below $1,280. The near-term support is at $1,290 which is likely to be tested if gold continues to trade below $1,300. A range-bound move between $1,290 and $1,300 can be seen for some time. A strong break above $1,300 can take gold higher to $1,310 and $1,315. The region between $1,310 and $1,315 is a crucial resistance. Only a decisive break above $1,315 will ease the downside pressure and turn the outlook positive.

A cluster of supports are poised in between $1,280 and $1,270, which is likely to limit the downside in gold. Only a strong break below $1,270 will bring renewed pressure on the yellow metal.

On the domestic front, the MCX-Gold (₹32,167 per 10 gm) bounced back last week after testing the key trend support level of $31,830. This leaves the possibility high of the contract witnessing a corrective rally to ₹32,500-32,600. A further break above ₹32,600 will then pave way for the next target of ₹33,000.



Silver outlook

Silver ($15.33 per ounce) bounced sharply last week from around the psychological level of $15. A near-term support is at $15.15 — the 200-day moving average which is likely to cap the downside in the near term. As long as silver trades above this support, an up-move to $15.55 is possible. The inability to breach $15.55 can trigger a pull-back move to $15.3 or even lower. But a strong break above $15.55 will increase the likelihood of silver extending its rally to $15.75 and $16.

The MCX-Silver (₹38,728 per kg) has a key resistance at ₹39,000. The contract has to breach this hurdle to gain fresh momentum. A strong break above ₹39,000 will take the contract higher to ₹39,500 or even ₹40,000. But as long as the contract trades below ₹39,000, a range-bound move between ₹37,800 and ₹39,000 is possible. A break below ₹37,800 will bring renewed pressure on the contract and will drag it to ₹37,500 and ₹37,150 thereafter.

CX Gold
Supports
₹31,945/31,830
Resistances
₹32,600/33,000

MCX Silver
Supports
₹37,800/37,500
Resistances
₹39,000/39,500

BUSINESS LINE DATE : 11/3/2019 P.N.7

'Base' still strong

Near-monopoly status in zinc production gives the company an edge

SATYA SONTANAM

With the on-going trade tensions between the US and China, metal stocks, globally, have been under pressure over the last year.

In Hindustan Zinc's case, loss of production due to transition from open pit mining to underground mining, coupled with market volatility, led to a fall in the company's stock price by around 15 per cent since our last 'buy' call in April 2018.

However, a ramp-up of production in underground mining, zinc and lead deficit in the global market and the company's near-monopoly in the domestic market will help it capitalise on the increasing demand for the metals.

At the current market price of ₹267, the stock is reasonably valued at about 13 times its trailing 12-month earnings, which is in line with the average for the past three years.

Also, the dividend yield of 7.5-9 per cent over the past couple of years makes it a good buying opportunity for investors with a high-risk appetite.

Deficit increases scope

Zinc accounts for 70 per cent of Hindustan Zinc's overall revenues, with lead and silver contributing 15 per cent and 12 per cent respectively, in the first nine months of FY19.

The outlook for these metals is based on the function of international demand and supply factors.

As per the International Lead & Zinc Study Group estimates, global deficit for zinc and lead in 2018 was 3,84,000 tonnes (4,42,000 tonnes in 2017) and 98,000 tonnes (1,48,000 tonnes in 2017) respectively.

China's (the world's largest producer of Zinc) output for 2018 was 4.53 million tonnes — a fall of 4.6 per cent over 2017. This has been primarily due to the ongoing environmental crackdown in China, which is expected to continue. China's steel production increased despite the ongoing US-China trade stand-off, supporting global zinc consumption.

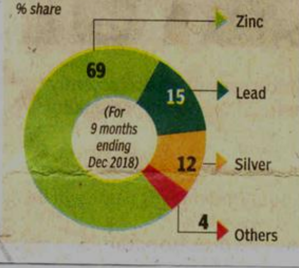
Domestically too, the steel industry is expected to be healthy with an increase in demand in segments like pre-engineered buildings, general engineering, railway, and other government-aided infrastructure projects. The recent GST rate cut announced on real-estate projects too, should help revive consumer demand.

Further, the prices (at which sales are made) of these metals in the London Metal Exchange will take support from the supply shortage and depleted stocks. Last year, LME prices of zinc fell the most among all metals, by about 24 per cent and are now trading at $ 2,600-2,750 per tonne. This was largely due to the global trade tensions between China and the US than due to the metal-specific trade dynamics.

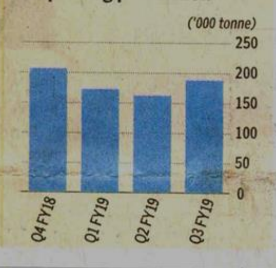
Experts believe that the zinc prices will rally to at least $3,000 per tonne going forward. If the trade agreement between China and the US is settled, the prices are expected to go beyond $3,500 per tonne.

Affected by transitioning from

Healthy revenue mix



Improving production



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BUSINESS LINE
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CONTD.. FROM PAGE 24

open pit mining to absolute underground mining, Hindustan Zinc's production of zinc has fallen, while the share of lead and silver has increased since the beginning of FY19.

Ramping up production

Though the production in the current financial year is expected to be around one million tonne — flat compared to the previous fiscal — the management is confident of meeting the production target of 1.2 million tonnes by FY20, by ramping up mining activities and with the availability of better grades (high quality ore) from underground mining.

Further, increase in the production capacities will be from brownfield expansion projects. This is being planed in phases from 1.2 to 1.25 to 1.35 million tonnes per annum by digitising the mines and improving efficiencies of operations. Beyond 1.35 million tonnes, the company seeks new licences for mining operations, which is under progress.

Capex allocated for the expansion of mining operations and de-bottlenecking of capacities is $350 million for 2019.

In terms of increasing the operating profit, the company is also focussing on reducing the cost of production and increasing the share of value-added products such as silver and auto components.

Blip in operational performance

For the nine months of FY19, Hindustan Zinc's revenue was ₹15,627 crore, down 1 per cent compared with the same period a year ago.

While zinc sales fell by 8 per cent Y-o-Y, sales of lead and silver increased by 20 per cent and 24 per cent Y-o-Y respectively. This was due to lower volumes and realisations of zinc and higher lead content in the mined ore production.

The company's overall operating profit fell by 14 per cent to ₹6,568 crore due to increase in cost of production (CoP) in addition to lower realisations.

The CoP of zinc went up by 12 per cent Y-o-Y significantly due to rupee depreciation as two-thirds of the company's costs are dollar-linked.

THE TELEGRAPH DATE : 11/3/2019 P.N.2

Miners dying in tunnel to power your mobile

CHRISTINA LAMB

Kolwezi: Solange Kanena sits on her broken orange sofa, heavily pregnant, resting. Looking around her three-room shack, she wonders how she will feed her eight children. Her husband died in a mining accident 10 days ago.

She has never held an iPhone and has no idea what an electric car is. But when the deep, muddy tunnel collapsed on her husband, he was digging for a commodity that is critical to the batteries of both: cobalt.

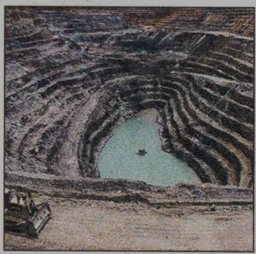
Last year about 70 per cent of the world's supply came from the Democratic Republic of Congo, one of the poorest, most violent and corrupt places on Earth. Much of its cobalt comes from around this town.

"Without DR Congo there is no electric car industry and no green revolution," said Anneke Van Woudenberg, head of Rights and Accountability in Development (Raid), a UK-based campaign group.

It is estimated that 125m electric vehicles will be on the road by 2030, about 40 times more than at present. Britain is among a number of countries planning to phase out petrol and diesel in the next 20 years.

However, while electric car owners might feel happy about cutting carbon emissions, the dark side of the green revolution is all too visible in Kolwezi's modern-day gold rush.

In the shadow of shafts dug by huge multinational companies is what looks like a



A cobalt mine in Congo

human anthill, the artisanal mines accounting for 20 per cent of production. Child labour is common and safety standards are non-existent.

In the Cinq Ans district, beneath every house is a warren of tunnels and holes, covered with sheets of orange tarpaulin, as hundreds of men and women dig into the red mud and children scurry about, bringing yellow jerrycans of water. There is even a hole beside a church where a gospel choir is in full song.

Known as "creuseurs", or diggers, the miners use no equipment more sophisticated than spades, shovels and plastic head torches as they burrow into the ground looking for the tell-tale blue veins of cobalt.

Two holes sink to a dizzying depth in Tabue Joseph's garden, where scrawny chickens peck at the earth.

"The conditions of mines are terrible," said Josue Kashal, a lawyer for miners. "Any time a tunnel can collapse, but they keep going."

Kanena knew how dangerous the job was. "I knew it was risky, particularly these days when it is raining," she said. "But there is no other work."

On February 28, when Alain did not come home she went to the hospital. "I found his dead body and collapsed crying," she said.

There were nine bodies in all. But no accident was reported. According to Kashal, accidents are often kept secret: "They know the government and other partners may use it as an excuse to close the artisan mines and take over the land." This, he added, is why many of the diggers are hostile to outsiders.

It is common for children as young as nine to work in the mines, according to the lawyers. But the problem is not just child labour and accidents.

Van Woudenberg pointed out the irony: "The place we hope will clean up our planet is one of the most polluted on Earth."

Once cobalt is found it is taken to a stream for washing by the women — in the same place where others are washing clothes and fetching drinking water.

The World Health Organisation says that exposure to cobalt can cause long-term health problems such as asthma, hard metal lung disease, dermatitis and decreased pulmonary function.

For all the risks the diggers take, they do not make the real profit. Most have what they call "sponsors" who pay them to dig the tunnels but then take a large cut of the profit.

The Sunday Times, London

BUSINESS LINE DATE : 12/3/2019 P.N.10

Supports can limit the downside for MCX-Aluminium

GURUMURTHY K
BL Research Bureau

The Aluminium futures contract on the MCX fell in the past week. The contract had failed to breach ₹150 per kg, tumbling over 3 per cent last week. It is currently trading around ₹145 per kg.

Though the near-term view remains negative, a series of supports can arrest the pace of fall and limit the downside in the coming days. Key support is in the ₹143-142 region which can be tested in the near term. However, a break below ₹142 looks less probable at the moment. The downside is likely to be limited to ₹140 even if the contract declines below ₹140.

As such an upward reversal from the ₹143-142 support zone or from ₹140 can take the MCX-Aluminium contract higher to the crucial ₹152-153 resistance region.

A strong break and a decisive close above ₹153 will then boost the momentum. Such a break will then pave the way for a fresh rally targeting ₹160 and ₹165 over the medium term.

Trading strategy

Traders with a medium-term perspective can make use of dips to go long at ₹143.5 and ₹142. Stop-loss can be placed at ₹138 for the target of ₹151.

Global trend

The Aluminum (three-month forward) contract on the LME fell in the initial part of last week and remained stable thereafter. The contract fell from around $1,915 per tonne and is currently trading at $1,872 per tonne.

The contract is retaining its $1,850-1,930 sideways range. It has been stuck inside this range since mid-January. A breakout on either side of $1,850 or $1,930 will decide the next move.

A strong break above $1,930 will pave the way for a fresh rally to $2,000. On the other hand, if the contract declines below $1,850, a fall to $1,800 is possible.

THE TELEGRAPH DATE : 12/3/2019 P.N.8

Tata Steel BSL move

NEW DELHI: Tata Steel BSL said on Monday its board has approved an increase in the company's authorised share capital, and given nod for the issuance of 11.09 per cent shares to Tata Steel on a private placement basis. The proposals were approved in an extraordinary general meeting, chaired by Tata Steel BSL chairman T. V. Narendran. PTI

BUSINESS LINE DATE : 13/3/2019 P.N.10

MCX-Zinc is range-bound with bullish bias

GURUMURTHY K
BL Research Bureau

The Zinc futures contract on the MCX fell in the past week as expected to test the ₹191-190 per kg support zone. The contract made a low of ₹189.15 on Friday and has bounced from there. It is currently trading at ₹195 per kg.

The near-term outlook is mixed. There is an equal chance of the contract moving higher to ₹200-202 or even falling to ₹190-188 again from current levels. So, traders can stay out of the market until a clear trend emerges.

However, the indicators on the charts are positive, signalling that the downside could be limited. A cluster of moving average supports are at ₹187, which can arrest the fall even if the contract declines below ₹190. Also, such dips to the ₹190-187 band will be a good opportunity to buy the contract from a medium-term perspective.

On the other hand, a strong break and a decisive close above ₹203 is needed for the MCX-Zinc contract to gain fresh momentum. Such a break will see the contract targeting ₹215 and ₹220 over the medium term.

Broadly, the MCX-Zinc futures contract can trade sideways between ₹187 and ₹203 before we seen an eventual rally targeting ₹215 and ₹220 in the coming weeks.

Traders with a medium-term perspective can make use of dips and go long at ₹191 and ₹188. Stop-loss can be placed at ₹181 for the target of ₹213. Revise the stop-loss higher to ₹195 as soon as the contract moves up to ₹201.

Global trend

The Zinc (three-month rolling forward) contract on the LME has been facing strong resistance at $2,800 per tonne. It is currently trading at $2,730. A fall to $2,630 or $2,600 is possible as long as it trades below $2,800.

A strong break above $2,800 is needed to gain fresh momentum. The next target is $2,900.

BUSINESS LINE DATE : 13/3/2019 P.N.14

ICEX turnover jumps 5-fold in six months to ₹5,332 crore

Turnover of diamond futures contract on the exchange surges over 14 times to ₹4,531 cr

OUR BUREAU
Mumbai, March 12

The Anil Ambani-controlled Indian Commodity Exchange has recorded a five-fold increase in turnover to ₹5,332 crore in the last six months, largely due to robust trading in diamond contracts.

The largest commodity exchange in diamond futures trading has seen a steady increase in turnover from ₹1,090 crore logged last September to a high of ₹5,332 crore in February.

Nearly 85 per cent of the turnover generated in February was attributed to trading in diamond futures contracts, which were launched on the platform in August 2017. Traded only on ICEX, the diamond contract provides a hedging tool for exporters.

Turnover of the diamond futures contract on the exchange increased over 14 times in the last six months to ₹4,531.50 crore in February from about ₹318 crore.

Diamond exports rebound

Though exports of cut and polished diamonds from India suffered due to various issues in the industry, they have picked up pace in the last few months, rising 10 per cent to ₹1.37 lakh crore ($19 billion) in the first 10 months of this fiscal year.

Sanjit Prasad, CEO, ICEX, said several factors, including price volatility, launch of new commodities for trading and change in contract design in the flagship diamond contract contributed to the increase in turnover.

Last month was a record-breaking month for ICEX in terms of daily turnover till date, he added.

Daily turnover on the exchange hit a lifetime high of ₹418 crore on February 27.

The exchange recorded an average daily volume of ₹267 crore in February, five times higher than the ₹55 crore logged last September.

The exchange has handled diamond delivery of 980.45 carats since November 2017, of which 127.67 carats was delivered in March.

BUSINESS LINE DATE : 13/3/2019 P.N.14

Brexit, China, boost gold, copper, zinc

REUTERS
March 12

Gold prices rose on Tuesday as the dollar weakened against the pound after the European Commission accepted amendments to the UK's Brexit deal, although gains were limited as the agreement also buoyed sentiment for riskier assets.

Spot gold rose 0.1 per cent to $1,294.90 per ounce as of 0756 GMT, while US gold futures added 0.3 per cent to $1,294.70 an ounce.

Among other precious metals, palladium was up 0.2 per cent at 1,539.12 per ounce, while Platinum gained 0.4 per cent to $827.74 per ounce.

Copper rises

Prices of copper rose on Tuesday, helped by a weaker dollar and optimism about demand from China, the largest metals consumer. Benchmark copper on the London Metal Exchange traded up 1.2 per cent at $6,483 a tonne in official rings, nearing a 7-month high of $6,540 touched on Feb. 25.

Benchmark zinc on the LME was up 2.8 percent at $2,818 a tonne at 1413 GMT after touching $2,830, the highest since July 3 last year.

THE ECONOMIC TIMES DATE : 13/3/2019 P.N.12

Sensible Move Away From Captive Mining

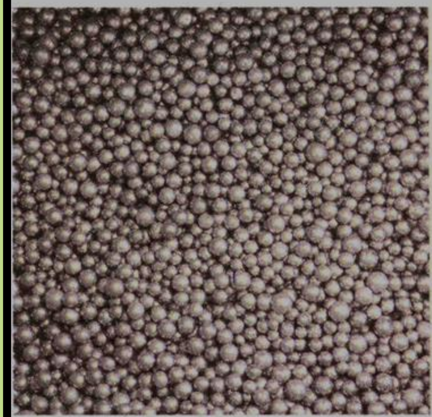
The National Mineral Policy approved by the Union Cabinet last month is pragmatic and forward-looking. It rightly seeks to grant industry status for mining activity so as to boost private sector access to finance, and lead to acquisitions of mineral assets abroad. The new government needs to do away with the absurd mandatory norms for captive mining, so that professional mining concerns can rev up value addition in the minerals economy for the greater good.

The National Mineral Policy 2019 seeks to encourage merger and acquisition of mining entities, provides for the transfer of mining leases and also calls for the creation of dedicated mineral corridors to step-up private sector mining activity. The plan to invite bids for composite reconnaissance permit, prospecting licence and mining lease on a transparent revenue-share basis makes perfect sense. Also on the anvil is rationalisation of unused mining areas earmarked for public sector entities, which would be put up for auction and private sector participation. The mineral policy further envisages harmonising taxes, levies, cess and royalty charges with global benchmarks.

The way ahead is to scrap compulsory captive mining, which discourages scale economies. The policy forces non-specialists, say, metal producers, to foray into a risky, capital-intensive sector like mining, never mind higher costs, added risks or the lack of expertise. All such captive mines need to be operated by specialist miners, release from captivity fast-forwarded on non-utilisation of mines. We do require an open-acreage mining policy for minerals, as is already in place for hydrocarbons. Better targeted usage of a portion of royalty funds earmarked for local development in mining areas needs proper expediting as well.

BUSINESS LINE DATE : 14/3/2019 P.N.10

MCX-Nickel tests a key support



YOGANAND D

BL Research Bureau

The Nickel futures contract on the MCX recorded a high of ₹969 per kg last week and began to decline. It fell 2.25 per cent last week. The contract is now testing support at ₹900 per kg. It fell about 1 per cent on Wednesday and is now trading at ₹901 levels. The 200-day moving average is poised at ₹895, a level that could act as a base for the near term.

The medium-term uptrend that commenced from ₹735 in January appears to have come to an end at ₹969. The contract is now in a corrective fall. A strong plunge below the ₹895-900 band will strengthen the corrective fall and drag the contract down to ₹880 and then to ₹860 in the short term. The indicators on the daily charts are showing mixed cues.

The contract faces key resistance in the band between ₹950 and ₹960. A strong rally above this band is needed to underpin the medium-term uptrend and take the contract higher to ₹985 and ₹1,000 in the medium term. On the downside, failure to find support at ₹860 can drag the contract further down to ₹840 and then to ₹825 over the medium term.

Traders with a short-term view can initiate fresh short positions on a decisive fall below ₹895 with stop-loss at ₹905. Short-term targets are ₹880 and ₹860.

Global trend

The Nickel (three-month forward) contract on the LME has been in a corrective decline over the last one week. It is currently testing support at $13,000 per tonne. An emphatic fall below this level can pull the contract down to $12,800 and then to $12,500 in the short term. On the upside, a strong rally above $13,500 can reinforce the bullish momentum and take the contract higher to $13,600 and $13,700 levels.

BUSINESS LINE DATE : 14/3/2019 P.N.14

Platinum: Higher surplus, strong demand to persist in 2019

COMMENTARY

G CHANDRASHEKHAR

Suddenly, platinum is attracting investor attention even though the market is in clear surplus. Despite the fact that prices had been falling in recent years — widening the differential with gold and palladium — investor interest in platinum is increasing possibly because of 'perceived value'.

For instance, platinum ETFs (exchange traded funds) have registered robust inflows - estimated at about 400,000 ounces — since the start of this year, reversing the falling trend of recent years.

A report released by the World Platinum Investment Council (WPIC) recently showed that for the third year running, the world platinum market will face high levels of surplus supply. At 680,000 ounces, the surplus estimated by WPIC is seen as significantly higher. In 2018, the surplus was 645,000 ounces. Supplies from South Africa and increased recycling of auto-catalysts are also seen contributing to augmented availability. This level of supply should put downward pressure on the price of the metal.

Industrial demand

However, the demand side is not looking weak. If anything, demand is set to grow by about five per cent to about 7.74 million ounces this year. Admittedly, demand for the metal from the automotive industry is expected to decline this year as experts cite more stringent emission standards that require higher loadings of platinum in auto-catalysts as well as stabilisation of the diesel market share in Western Europe as reasons.

Interestingly, high palladium prices are helping platinum. The WPIC asserts there is increased likelihood of more platinum being used in gasoline engines in future, replacing, even if partially, the currently expensive palladium. Demand from the chemical industry too is seen rising.

Yet, the supply growth will overwhelm demand growth which should put downward pressure on prices.

Price outlook

Notwithstanding this, the metal was trading at $834/oz, significantly higher than late December 2018 rate of $789/oz.

Two reasons may explain the price developments in the platinum market: one is a $700-per-ounce price differential with its kindred metal palladium which makes the former an attractive proposition. The second is the likelihood of a strike in South African platinum mines. The origin accounts for as much as 70 per cent of world supplies.

In the last four weeks — that is after the strike call — price of the metal has spurted. The pace has been accelerated by a swift flow of speculative funds into the derivatives market.

Interestingly, platinum is currently trading about $450 lower than gold. However, the differential is unlikely to boost jewellery demand for platinum.

Although platinum may not exactly enjoy a bull-run because of the surplus, in the months ahead the metal is likely to trade firm within the broad range of $800-900 an ounce. Demand growth considerations and potential of supply disruption, if strike in South African mines materialises, will combine to keep the metal in focus in the next few quarters.

Outlook for palladium

On the other hand, palladium currently trading at a record $1,549/oz (as of March 12) is set for a correction. One can imagine the massive spurt by comparing with $1,260/oz traded late last year. The metal is holding up well despite negative news of a decline in Chinese auto sales. But most believe, palladium has overshot to the upside and a correction is imminent.

The writer is a policy commentator and commodities market specialist. Views are personal.

BUSINESS LINE DATE : 14/3/2019 P.N.14

Deliverable metal contracts, a double advantage

Commodity users can hedge and also take delivery and be worry-free

OUR BUREAU

Chennai, March 13

The Commodity Conclave 2019 promoted by MCX in association with *BusinessLine*, held in Chennai on March 12, deliberated on the benefits of hedging for corporates and also dealt at length on the exchange's compulsory deliverable contracts in aluminium and zinc.

S Muralishankar, Managing Director, Super Auto Forge, who delivered the keynote address, said, "hedging will help domestic auto-component makers mitigate commodity price risk and get quality supply."

Chittaranjan Rege, Head-Base Metals, MCX, said even the least volatile base metal like aluminium had a volatility rate of 26 per cent last year against the average 15-17 per cent. "It is pertinent for companies to have an insurance or a financial module to mitigate risks arising out of such volatility," he added. The risk mitigation tool offered by MCX has in-built coverage against currency risk and foreign exchange risk blended into one.

In the panel discussion titled, 'Metal contracts at India-discovered price — the advantage for users', R Krishnan, Vice-President-Materials, Aquasub, acknowledged that the delivery option in metal contracts can help small businesses have an assured supply.

(from left) M Aravind, Risk management expert and CPAI representative; R Krishnan, VP- Materials, Aquasub; Rajalakshmi Nirmal, Deputy Editor, The Hindu BusinessLine; Ashish Bansal, MD, Pondy Oxides & Chemicals; VA George, Managing Director, Thejo Engineering; and Chittaranjan Rege, Head- Base Metals, MCX, at the Commodity Conclave 2019 organised by The Hindu BusinessLine in association with MCX in Chennai on Tuesday BIJOY GHOSH

"Sterlite closure had a huge impact on Tier-2 and -3 companies with many of the suppliers tweaking the contracts, withholding delivery and even altering the standardised output quality. If there is option to take delivery through the exchange, it should help SMEs...," he said.

VA George, Managing Director, Thejo Engineering, while admitting to problems faced by SMEs in sourcing metals from the open market, questioned Rege on how the exchange will handle delivery defaults. Rege replied, "If there is a default by the seller and he fails to fulfil his obligation, he will be charged a penalty. In addition, he will also be required to pay the replacement cost, i.e., the difference between the then spot market price and the actual settlement price of the contract. MCX Clearing Corporation can also take penal action against any intentional delivery default."

Ashish Bansal, MD, Pondy Oxides & Chemicals, raised the issue of warehouse rent which has to be borne by the owner of the e-receipt (warehouse receipt). To this, Rege replied, "the rent cost is part and parcel of the exchange ecosystem world over..."

Aravind M, a CPAI (Commodity Participants Association of India) representative and a risk management expert, suggested that corporates dealing in commodities should have a comprehensive risk management policy. Selecting the right hedging instrument along with hedge accounting can reduce P&L volatility, he added.

The panel discussion was moderated by Rajalakshmi Nirmal, Deputy Editor, *BusinessLine*.

THE HINDU DATE : 14/3/2019 P.N.5

Steel unit of Sujana Group seized

Consortium of banks initiates move for recovery of ₹1,300 crore loan

SPECIAL CORRESPONDENT
HYDERABAD

A steel unit of a Sujana Group company in Nalgonda district of Telangana has been seized as part of the loan recovery process initiated by banks.

One of the 11 production facilities the company, Splendid Metal Products Ltd (formerly Sujana Metal Products Ltd) has in Telangana, Andhra Pradesh and Tamil Nadu, the unit is located in Chikatigudem, Kethepally mandal of the district. The action has cast a shadow on the livelihood of 130 persons employed at the unit.

Y. Sujana Chowdary

According to sources, the action pertains to the recovery of around ₹1,300 crore loan by a consortium of banks. The unit, which is located about 130 km from Hyderabad on National Highway 65, was issued notices about three weeks ago and March 9 was set as the last date for responding to them. As of March 31, 2018, secured loans issued by banks total ₹1,227 crore. Figuring in the list of banks are Andhra Bank, Indian Bank, Indian Overseas Bank, Lakshmi Vilas Bank, Oriental Bank of Commerce, and Punjab National Bank.

A listed company, Splendid Metal Products was incorporated in May 1988 as Sujana Steel Re-rolling Industries Pvt Ltd. In March 1992, the name was changed to Sujana Steels Pvt Ltd and in April of the same year the company was converted into a public limited company. In November 2001, the company changed its name as Sujana Metal Products Ltd, which was changed to Splendid Metal Products Ltd in November 2016.

According to information available in public domain, the company, incorporated with an object to manufacture of steel re-rolled products, was promoted by Y.S. Chowdary, his associates and relatives. SMPL is engaging in the business of manufacturing and marketing value added steel products.

THE HITAVADA DATE : 15/3/2019 P.N.10

'Iron ore imports rose 157% during Apr-Dec 2018'

Business Bureau

DESPITE being the fourth largest producer of iron ore, India's imports of mineral rose a whopping 157 percent during April-December 2018 mainly due to higher logistics costs for sourcing it domestically and lower import duties, says a report.

Out of the total imports of 11.75 million tonne in 9M FY19, which was a 157 per cent rise as compared to a year-ago, Australia's share was highest at 57 per cent, which has more than tripled compared with corresponding period last year, domestic rating agency CARE Ratings said.

The other countries from which India imports iron ore and its shares are South Africa (19 percent), Brazil (15 percent) and Bahrain (5 percent).

In July 2018 alone, imports peaked at 1.93 million tonne, the highest in any month in past five years, the agency said in its report.

"Surge in imports can be attributed to varying ore grades in multiple iron ore producing states, which leads to price differences. While the logistics cost for steel plants located on coastal areas rose, steel players shifted to imports for sourcing their key raw material, instead of buying at inflated domestic prices," it said.

In addition to this, a significantly low import duty of 2.5 percent encouraged iron ore imports in the country, it said.

The country, however, witnessed a decline in imports from August 2018, mainly due to the strengthening of US dollar, which reduced spreads between landed cost and domestic prices of iron ore, making imports less preferred by Indian steel makers during the period.

India's exports, on the other hand, declined 32 per cent to 12.7 million tonne between April 2018-January 2019, compared with a fall of 17 percent in the same period last fiscal.

China was the principal iron ore importer from India with 74 percent share or 9.4 million tonne, followed by Japan, South Korea, Oman and Malaysia. Export duty in India for iron ore is high at 30 percent currently.

The agency noted that iron ore pellets exports to China have also declined 18 percent in 9 month period of FY19, compared with corresponding period last year.

"Uncertainty of winter output cuts in China and slow enquiries from non-Chinese market resulted in a drop in pellet exports from India," it said.

The agency further noted that domestic iron ore demand will be dependent on domestic steel demand, which has seen strong growth during the year.