खनिज समाचार

KHANIJ SAMACHAR

Vol. 5, No-10

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KHANIJ SAMACHAR

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INDIAN BUREAU OF MINES

VOL. 5, NO-10 , 16th – 31st MAY , 2021

BUSINESS LINE DATE : 16/5/2021 P.N.6

Gold, silver lack firm direction

Traders can consider adopting range-trading strategies until a clear break is witnessed

AKHIL NALLAMUTHU
BL Research Bureau

The price of precious metals did not see much change last week. India being one of the largest consumers of gold, Akshaya Tritiya, considered an auspicious day here for gold buying, is seen as an important event for the yellow metal as it can create an uptick in demand, at least temporarily. But with many States observing a complete lockdown because of the pandemic, the usual buying spree that happens around this time has not occurred. Thus, there was no trigger on the upside for domestic bullion this week.

Increase in inflation in the US limited the downside though, as precious metals are seen as a hedge against inflation. The Consumer Price Index (CPI) in US has been increasing - it stood at 0.8 per cent in April compared to 0.3 per cent in January. Treasury yields did not have an impact as they appear to have settled around 1.65 per cent level for now.

Gold in dollar terms ended the week largely unchanged at $1,842.2 per ounce compared to preceding week's close of $1,830.5 and silver closed at $27.41 per ounce as against the previous week's close of $27.43. Likewise, gold futures (June expiry) on the Multi Commodity Exchange) closed at ₹47,676 (per 10 grams) on Friday compared to ₹47,751 a week ago and silver futures (July expiry) on the MCX ended at ₹71,085 (per Kg) against ₹71,429 – the previous week's close.

MCX-Gold (₹47,676)

Despite several bullish indications, June futures of gold on the MCX could not extend a rally above the resistance band of ₹48,000 and ₹48,500 last week. Even though the contract closed with a gain on Monday, it lost ground during subsequent sessions. Nevertheless, on a weekly close basis, there was not much of a change as the contract reacted positively to the 21-day moving average (DMA) support at around ₹47,500 and recouped most of the losses.

But changes over the last week suggest that the uptrend has lost strength. The relative strength index (RSI) and the moving average convergence divergence (MACD) indicators on the daily chart, though in the bullish zone, have turned flat over the past week. This indicates a lack of trend.

The daily trading volume has seen a declining trend in the past few trading sessions, signalling reduced activity. Also, outstanding open interest across all active futures contract of gold dropped to 14,086 contracts from 14,336 contracts a week ago.

The price movement of the past month shows that ₹48,500 is acting a strong resistance whereas ₹46,500 is acting a strong support. Until either of these levels is breached decisively, the trend will remain uncertain.

A breakout of ₹48,500 can generate significant amount of buying interest which can result in a quick rally towards the crucial level of ₹50,000. On the other hand, if the contract breaks below the support at ₹46,500, it can turn the short-term trend negative wherein the contract could drop to ₹46,000 and then possibly to ₹45,400.

From trading perspective, notice that the bias will be bullish until the support at ₹46,000 holds.

GETTY IMAGES/ISTOCKPHOTO

MCX-Silver (₹71,085)

Similar to gold futures, silver futures (July expiry) declined during the week but reversed direction on Friday and ended the week on a flat note. The important support at ₹70,000 helped the contract regain some of its positive momentum. Since the 21-DMA currently lies near ₹70,300, the price band of ₹70,000 and ₹70,300 provided cushion and restricted the price fall. As the support helped in limiting the downside, it was the resistance at ₹72,500 that initially blocked the bulls, following which the price moderated.

Indicators such as the RSI and the MACD, which clearly stayed bullish on the daily chart, are now flat. Even as these indicators remain in positive territory, both turning flat implies that the contract is struggling to establish a trend.

The daily trading volume of silver futures gradually declined over the past week and like in gold futures, the number of outstanding open interests of active future contracts of silver decreased to 9,972 contracts from 10,033 contracts a week before.

Irrespective of how the above factors change in the upcoming week, the next leg of trend in silver futures will remain undecided until the contract moves out of the broad range of ₹68,000 and ₹72,500.

A breach of ₹72,500 can lift the contract to ₹75,000 – a key level. However, if the contract slips below the support at ₹68,000, it could face considerable sell-off which can potentially drag the contract to ₹66,300.

Notably, the contract has a support above the range bottom of ₹68,000 i.e., ₹70,000.

THE INDIAN EXPRESS DATE : 17/5/2021

Demand surge helps gold import jump to $6.3 billion in April

ENS ECONOMIC BUREAU
NEW DELHI, MAY 16

GOLD IMPORT, which has a bearing on the country's current account deficit (CAD), zoomed to $6.3 billion for the month of April due to a surge in domestic demand, according to the Commerce Ministry data.

Silver imports during the month, however, dipped by 88.53 per cent to about $11.9 million.

Gold import stood at $2.83 million (Rs 21.61 crore) in April 2020, the data showed.

The rise in gold imports pushed the country's trade deficit to $15.1 billion in April 2021 as against $6.76 billion in the same month a year ago. According to industry experts, increasing domestic demand is pushing up imports of gold, however, the second wave may impact the demand in the coming months.

Akshaya Tritiya, a highly auspicious day to purchase gold, also saw muted sales as compared to pre-Covid numbers.

TRADE DEFICIT

$15.1 bn

■ The rise in gold imports pushed the country's trade deficit to $15.1 billion in April 2021 as against $6.76 billion in the same month a year ago

THE ECONOMIC TIMES DATE : 18/5/2021 P.N.6

Gold Hits 3-Month High

Gold edged higher, touching a three-month high, as weaker bond yields added to the metal's allure amid signs bullion investors are turning more positive.

Spot gold added 0.2% to $1,847.87 an ounce by 1:47 pm in London, after reaching the highest since February 10.

Hedge fund managers increased their net-long gold position to the highest in three months, data showed Friday.

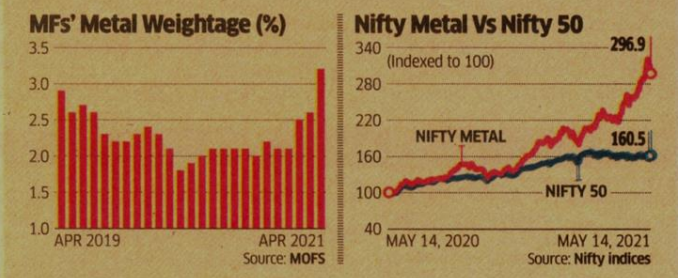
Prices have rebounded from lows set in March as the dollar retreated and the US Federal Reserve signalled it will keep interest rates low amid an uneven economic recovery, even with rising inflation expectations.

Gold nudged higher Monday as Treasury yields held losses made in the wake of Friday's US retail sales data that missed expectations. — Bloomberg

THE ECONOMIC TIMES DATE : 18/5/2021 P.N.5

SECTOR SEES BIGGEST WEIGHT ADDITION IN APRIL

MFs Hike Exposure to Metal Stocks Amid Rising Prices



Nine out of the top 20 fund houses are currently overweight on metal sector

Ashutosh.Shyam
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ET Intelligence Group: A sustained increase in metal prices prompted domestic mutual funds to double their exposure to the sector within just 13 months to 3.2% at the end of April 2021 according to data compiled by Motilal Oswal Financial Services. It was the highest in 29 months on a cumulative basis.

The sector's weight in the mutual fund portfolios increased for five months in a row. In April, it rose by 60 basis points, one of the highest among all sectors. Despite that, it is still lower when compared with its weight of 3.7% in the benchmark S&P BSE 200 index. Which means the mutual funds' portfolios still have a room of about 50 basis points at the aggregate level for the sector before it reaches neutral status from underweight.

Out of the top 20 fund houses, nine are currently overweight on the sector while the remaining funds have an allocation in the range of 1-2.5% each.

Record high prices of steel, aluminium, and copper have driven earnings upgrades of metal companies. The domestic prices of these metals are still at 15-25% discount to Chinese imported prices and prices in countries under free trade agreement (FTA). Due to this, domestic prices may not fall sharply in the near term unless demand drops precipitously.

According to estimates, every ₹1,000 per ton hike in steel price increases operating profit of steel producers by ₹1,250-1,300 crore annually. This is one of the reasons why Tata Steel and JSW Steel reported earnings upgrades of as high as 20-40% for FY22 despite the second wave of the pandemic.

The metal sector had a peak weight of 8.2% in the Nifty 50 in 2004 and that dropped to a low of 1.6% in September 2020. Since then, it has consistently improved to 3.2% in April 2021.

THE ECONOMIC TIMES DATE : 18/5/2021 P.N.5

EFFICIENT AND TRANSPARENT PRICE DISCOVERY

Sebi Proposes Framework for Gold Exchange

The yellow metal could be traded in the form of electronic gold receipts

PTI

Mumbai: Markets regulator Sebi on Monday proposed an elaborate framework for setting up a gold exchange wherein the yellow metal will be traded in the form of electronic gold receipts and will help in having a transparent domestic spot price discovery mechanism. Also, the proposed denominations -- reflecting underlying physical gold -- of Electronic Gold Receipts (EGRs) are 1 kilogram, 100 grams, 50 grams and subject to conditions, those can also be even for 5 and 10 grams.

Apart from issuing a consultation paper on the gold exchange, the watchdog has come out with draft norms for vault managers and they will be registered as a Sebi intermediaries.

The proposed gold exchange, encompassing the entire ecosystem of trading and physical delivery of gold, is extremely necessary to create a vibrant gold ecosystem in india which is commensurate with its large share of global gold consumption, according to Sebi.

Presenting the Budget for 2021-22, Finance Minister Nirmala Sitharaman had said that Sebi will be the regulator for gold exchange and Warehousing Development and Regulatory Authority (WDRA) will be strengthened to set up the commodity market ecosystem.

As per Sebi, the proposed gold exchange would lead to efficient and transparent domestic spot price discovery, assurance in the quality of gold, promotion of India good delivery standard with active retail participation, greater integration with financial markets and augment gold recycling in the country.

"Establishment of regulated gold exchange is a landmark measure and to give due prominence to the historic step, it is believed that the terminology for the instrument should be unique and one that carries a global resonance," Sebi noted.

The regulator has suggested that the instrument to be traded on the bourse can be termed as an 'Electronic Gold Receipt' (EGR) and that the entire transaction mechanism can be divided into three tranches.

In the first tranche, physical gold would be converted to EGR. In this regard, a common interface between the vault managers, depositories, stock exchanges and clearing corporations has been suggested.

The EGR will be listed for trading and the bourse will receive information pertaining to the EGR on a daily basis from the depository concerned in the second tranche. Clearing corporation will settle the trades, as per the consultation paper.

In the third tranche, the EGR will be again be converted into physical gold and the beneficial owner will have to surrender the EGR to obtain the physical gold.

Post the Budget announcement, Sebi had constituted two working groups involving the stakeholders for the proposed gold exchange framework. After taking into consideration, the two groups' recommendations, the watchdog has issued the consultation paper, on which comments have been sought till June 18.

Sebi has also come out with draft norms for vault managers and they will be registered as Sebi intermediaries

Sebi, in the consultation paper, has also sought comments on whether there should be a new exchange or existing stock bourses be allowed to deal in EGR.

The regulator noted that the vault manager should ensure that no EGR is created without the presence of physical gold in the vaults.

With regard to product denomination for trading, Sebi said to begin with, the EGRs of 1 kilogram, 100 grams and 50 grams denomination should be available with the stock exchange with same denomination for trading of EGR and conversion of EGR into physical gold.

In order to attract more players to this market, EGRs with smaller denominations such as 10 grams and 5 grams may also be allowed for trading purposes, the consultation paper said. Sebi said that considering delivery and logistics aspects, conversion of such smaller denomination of EGRs into physical gold, may be permitted only when the beneficial owner has accumulated, say, at least 50 grams (or multiples thereof) of physical gold in the form of EGRs.

THE ECONOMIC TIMES DATE : 18/5/2021 P.N.7

WPI Hits 11-Yr High of 10.49% in Apr as Metals, Fuel Prices Zoom

Indicates increase in retail inflation too; economists see further rise in wholesale index

Our Bureau

New Delhi: India's wholesale price inflation hardened to an almost 11-year high in April on the back of a sharp rise in prices of basic metals, fuel and power, indicating retail inflation may firm with a lag in response to this cost push pressure.

Data released by the commerce ministry on Monday showed wholesale price index (WPI) based inflation at 10.49% last month, up from 7.39% in March.

Inflation in fuel and manufacturing items rose to 20.94% and 9.01%, respectively, in April compared with 10.25% and 7.34% last month.

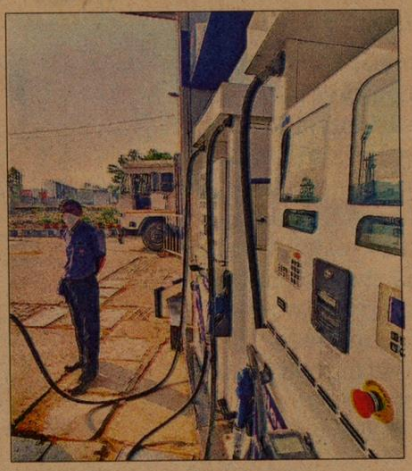
The WPI inflation in primary food articles rose to a six-month high of 4.9% in April, driven by fruits, non-vegetarian protein items and items such as tea.

The low base of wholesale inflation in April 2020 (-1.57%) magnified the commodities-led rise in inflation last month.

"The WPI inflation delivered a negative surprise for yet another month, hardening to a sharper-than-anticipated series-high 10.5% in April 2021," said Aditi Nayar, chief economist at rating agency ICRA. She attributed a part of wholesale price increase to a weakening rupee.

Retail inflation in April eased to a three-month low of 4.29%, but experts consider it temporary.

"We see the April moderation in retail inflation as temporary, as there is limit to how low perishables can go, fuel prices have started to rise, and non-perishables remain elevated," said Rahul Bajoria, chief India economist at British investment bank Barclays. He expects CPI to rise to 5.4% in May.



Economists expect a further rise in WPI as well going ahead because of an expected rise in commodity prices. Wholesale inflation in paddy, cereals, wheat, onion and pulses fell in April.

"We expect the headline WPI inflation to rise further to 13-13.5% in the current month before commencing a downtrend, whereas the core-WPI inflation may continue to rise over the next three prints to a peak of around 10.5%," Nayar said.

She said there is no space for rate cuts to support the faltering growth momentum and the monetary stance is expected to remain accommodative.

As per Bajoria, with the summer season likely to add to upward food price momentum, WPI could peak in May before moderating thereafter.

SBI Research Calls for cut in Fuel Prices

NEW DELHI: Rising fuel prices have crowded out discretionary household spending on items like health, grocery and utility services, State Bank of India Research said in a report, calling for an urgent cut in oil prices through tax rationalisation.

Consumers will feel the double pain of rising health expenditure and lower incomes in this financial year as the second wave of Covid-19 spreads across India, it said.

In aggregate terms, family health expenditure may increase by as much as ₹66,000 crore, or 11% of their consumption expenditure, this year from FY20, it said.

"This is likely to result in a squeeze in expenditure on other items of discretionary consumption, a recipe for a cutback in consumption spending," Soumya Kanti Ghosh, group chief economist at SBI, said in the report. — **Our Bureau**

BUSINESS LINE DATE : 19/5/2021 P.N.8

Iron ore's bull run may taper off in H2 this year

Current record prices unsustainable, say analysts; see slow demand growth

SUBRAMANI RA MANCOMBU

Chennai, May 18

Iron ore prices have continued to head north since the beginning of this week, taking heart from China's steel production hitting a record high, but analysts and experts wonder how long the ore's bull run can last.

A few analysts see the run ending in the second half of this year or even go through a multi-year downtrend from next year.

Trading Economics Website said that iron ore with 62 per cent iron content increased to $214.99 a tonne cost and freight at the delivery port of Tianjin, China.

Prices for iron ore with 63.5 per cent iron content was quoted at $208.50 a tonne, cost and freight Tianjin. However, the prices are off the record highs witnessed last week.

Iron ore 63.5 per cent Fe has gained 31.55 per cent since the beginning of this year, while iron ore 62 per cent Fe has increased 38 per cent. The rates have been rising despite the Chinese government efforts to restrict production and curb pollution.

WSA outlook

The World Steel Association (WSA), in its short-range outlook for 2021 and 2022 last month, forecast steel demand to grow by 5.8 per cent this year to 1,874 mt after last year's marginal decline.

According to WSA, global construction is expected to reach the 2019 level again next year when the global automotive industry returns to the 2019 level.

The WSA, however, forecast steel demand for next year to below 2019 levels. This is where analysts and experts feel that sooner or later, iron ore prices could come under pressure.

iron ore prices have been rising despite the Chinese government's efforts to restrict production and curb pollution

Dynamics to take over

In its forecast for iron ore earlier this month, the US credit rating agency Fitch Solutions said that despite prices rising to a record, there was still room for further upward movement. However, it said from the second half of this year the prices could stabilise.

London-based commodity markets analysts CRU said that it expected prices to decline as dynamics in the physical market could start taking over at some point. The timing and magnitude of the fall are challenging to predict, though.

Morgan Stanley, in its recent note, said the gains in iron ore would decline toward the end of the year after "overshooting levels that can be justified by the fundamentals."

Dutch multinational banking group ING said that the surge in iron ore prices to record levels last month was speculative.

The group's analysts said that optimism over central banks retaining supportive policies and steel production in China will remain robust (given the attractive margins on offer for mills) despite the ongoing production curbs and prove constructive for the iron ore market.

Slow demand growth

Fitch Solutions said that prices would head lower in the second half of this year on improved supply and slower growth in demand.

The US credit rating agency, which raised its iron ore prices forecast for this year and next to $160 a tonne and $130 respectively, said the current levels are unsustainable in the long term for steel producers.

CRU's Hedborg said that a fall in iron ore prices was subject to two factors in the market. One, if China continues to stimulate steel demand and its production stays higher, iron ore demand will remain at higher levels.

The other factor is supply risks, mainly from Brazil, since miners could face delays in getting licenses and seasonal ones such as shiploader availability.

But Fitch Solutions said that the demand in China from the stimulus could begin to wear off from the second half of this year as construction projects could be completed and the pressure on new projects in the pipeline could drop.

The forecasts have been supported by the interview Eduardo Bartolomeo, chief executive of Brazil's Vale, gave to Financial Times, saying "iron ore is not in the cusp of a new supercycle". He, however, sees the prices ruling at an elevated level till 2023.

BUSINESS LINE DATE : 19/5/2021 P.N.8

Consider fresh longs in MCX zinc futures

AKHIL NALLAMUTHU

BL Research Bureau

The continuous futures contract of zinc on the Multi Commodity Exchange (MCX) has been witnessing considerable amount of volatility since the beginning of 2021. Nevertheless, it has managed to stay positive and produced a year-to-date gain of 12 per cent. The latest leg of rally that began in early April from about ₹218 lost some momentum and as a result, the futures entered a consolidation phase. It was oscillating between ₹230 and ₹238 for the past three weeks.

But this week has been good as May futures have broken out of the resistance at ₹238 and therefore, the contract seemed to be regaining traction. The bullish bias is substantiated by the relative strength index (RSI) as it shows fresh uptick and lies in the positive territory. The moving average convergence divergence indicator on the daily chart, which has been inching downwards, is now turning its trajectory up. Also, the bounce is off the 21-day moving average (DMA). Moreover, the average directional index, which shows the strength of trend, signals a strong uptrend.

Taking above factors into account, traders can initiate fresh long positions on declines with stop-loss at ₹233. On the upside, the futures contract has the potential to move up to ₹250, an important level. A breach of this level can intensify the rally where the contract could touch ₹260. To manage risk better, traders who opt to hold longs above ₹250 can consider shifting the stop-loss upwards to ₹240 once the contract goes beyond ₹250.

BUSINESS LINE DATE : 19/5/2021 P.N.2

Vedanta Aluminium sets capex target of $300 m for current fiscal

KUWAR SINGH
New Delhi, May 18

Vedanta Aluminium has set a capital expenditure target of $300 million for the current fiscal , it's Chief Executive Officer Ajay Kapur has said.

"Our most significant expansion will be at our Lanjigarh alumina refinery," Kapur said. "Subject to government approvals, the majority of our projects should be completed over the next 2-3 years," Kapur told *BusinessLine*.

Vedanta Aluminium, a vertical of Vedanta Ltd, is India's largest aluminium maker, producing 1.96 million tonnes in 2020-21. The business aims to ramp up its annual aluminium production capacity to 3 million tonnes, Kapur said.

Raw material

The production of aluminium requires twice the amount of alumina as raw material. Vedanta is raising the annual capacity of the Lanjigarh refinery, which produces alumina from bauxite, to 5 million tonnes from 2 million tonnes. Additionally, Vedanta also imported around 2 million tonnes of alumina in the just-concluded financial year, Kapur said. Both the Lanjigarh refinery and the firm's flagship Jharsuguda aluminium plant are situated in Odisha.

The company aims to ramp up its annual aluminium production capacity to 3 mt

Vedanta last year won a case in the Supreme Court against public-sector alumina producer National Aluminium Company Ltd (NALCO) to be able to buy the alumina that NALCO exports. Though both NALCO and Vedanta have their production units in Odisha, the order requires NALCO to supply alumina to Vedanta at the Visakhapatnam port. Given the logistical hurdles, imports have remained a preferred way to meet the shortfall in Vedanta's in-house production of alumina, Kapur added.

The expansion of alumina capacity is aimed at plugging this gap, but the Lanjigarh refinery has also faced difficulty in sourcing its own raw material bauxite.

Bauxite reserves

Alumina production requires three times the amount of bauxite. While half of India's vast bauxite reserves are based in Odisha, no bauxite mines have been successfully auctioned across India over the past six years. Vedanta met half of its bauxite demand through domestic procurement from public-sector miners and the other half from imports during last fiscal, Kapur said.

"We have urged the State government to expeditiously bring bauxite mines into auction," he added.

BUSINESS LINE DATE : 19/5/2021 P.N.3

Lockdown impact: Cement demand may drop 20% in June

Demand from rural housing to decrease, says Fitch Ratings

OUR BUREAU

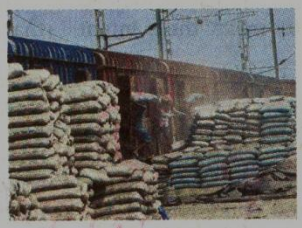
Mumbai, May 18

Cement demand in the June quarter of this fiscal is expected to drop by 20 per cent due to localised restrictions implemented by most State governments to break the Covid infection chain.

Fitch Ratings, in a report, said that the cement demand from rural housing – which accounts for nearly a third of the total domestic market – to decrease to a larger extent as it is more dependent on individual customers.

Rise in input costs

However, it said cement demand from other segments, such as urban housing, infrastructure and commercial construction, is likely to be less affected because these segments are less dependent on retail sales, it said.



Rural housing accounts for nearly a third of the total domestic market

Key energy commodities including petroleum coke, imported coal and diesel, which together account for more than 50 per cent of the cement makers' costs, rose sharply, particularly after the December quarter of the last fiscal.

However, the impact on the cement companies' costs was less apparent in the March quarter as they switched to using lower-priced imported coal and benefitted from lower-cost inventories besides lag in adjustments in the freight costs, the report said.

"We expect the impact to be more visible in the June quarter, but the mid-single-digit price increases by the cement companies after third quarter of FY21 will help to cushion the overall impact on profit," it said.

The nationwide lockdown last year caused cement production to fall by 38 per cent year-on-year in first quarter of FY'21. However, manufacturing plants and construction sites can operate during the current lockdown in most States, and there is significantly less disruption to logistics services and labour availability. The economic impact of the latest restrictions will be less severe than last year, and should drive pent-up demand for cement after the curbs are eased, the report said.

THE ECONOMIC TIMES DATE : 20/5/2021 P.N.6

VALUATION multiples are half of global peers and merger to bring in synergies and balance sheet strength to drive growth

Time's Right to Enter Jindal Stainless Twins

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ET ANALYSIS

ET Intelligence Group: If steel is in a supercycle of its own, can the stainless variety of the alloy be far behind?

So, it isn't surprising that the biggest two in the business locally — Jindal Stainless and Jindal Stainless (Hisar) — reported robust performances in the three months to March. And the stainless performance should continue, paced by strong domestic demand, better realisations and the eventual merger of the two OP Jindal group companies.

The M&A, which will likely be effective sometime in the second half of FY22, will provide the necessary cash-flow and balance-sheet strength to undergird future growth.

Current stock prices offer an opportunity to buy into both as they trade at half the valuation multiples of global peers.

In the March quarter, Jindal Stainless (JSL) reported an operating profit or earnings before interest, tax, depreciation and amortisation (Ebitda) of ₹540 crore, more than double on-year and 15% higher sequentially. Jindal Stainless Hisar (JSHL) reported an Ebitda of ₹406 crore, again doubling on-year.

Thus, the combined Ebitda is ₹946 crore. The combined volume growth was 18% on-year. Local demand remained strong from sectors as diverse as autos, pipes, tubes, and public transportation networks — the metros and state-run railroads. Higher realisation of ₹1.5 lakh per tonne, up 6% quarter on quarter and 13% year on year, helped offset cost pressures. The company ended the year with net debt of ₹3,487 crore — or net debt to Ebitda of 1.3 times.

Strong Show

Combined financials of Jindal Stainless and Jindal Stainless Hisar

(₹ cr)	Q4 FY21	FY21
Revenues	7,017	21,588
EBIDTA	948	2,551
Net Profit	644	1,115

India's stainless steel demand is **2.6 MTPA** and both companies produce **1.8-1.9 MTPA**

Recent reduction in rebates on stainless steel exports by **China** may not push cheap imports into **India**, which is a positive

Analysts expect the companies to log ₹3,200 cr Ebitda in FY22, against ₹2,550 cr in FY21, and an even higher operating profit in FY23 with merger synergies flowing in

India's total consumption of flat stainless steel is 2.6 million tonnes. The two companies have a combined capacity of 1.9 million tonnes and produce around 1.8-1.9 million tonnes per annum (based on the Q4 run rate). The rest comes from smaller players and some imports, mainly from China and Indonesia. The recent reduction (in February 2021) in export rebates on stainless steel exports by China may not push cheap imports into India, which is positive for the domestic steel producers.

Analysts expect the companies to log ₹3,200 crore Ebitda this financial year, against ₹2,550 crore in FY21, and an even higher operating profit in FY23 with merger synergies flowing in. For instance, JSL has raw material and port proximity and JSHL has a better domestic presentation.

Furthermore, shareholders have not been very comfortable with the inter-corporate loans between the two companies that will go away with the merger. JSL also has 800 acres of developable land in Odisha, which would allow the company to expand brownfield at one-third the cost. The company intends to add 1 MT capacity post-merger. All these could help a re-rating in the two stocks.

At the current prices of ₹94 and ₹184 apiece, shares of JSL and JSHL are trading at 3.8 times forward EV by Ebitda multiples. Their global peers such as Outokumpu, Aperam and Acerinox trade at 6-6.5 times forward multiples. The gap may narrow as the merger nears.

THE ECONOMIC TIMES DATE : 21/5/2021 P.N.6

DEMAND EXPECTED TO STAY RESILIENT

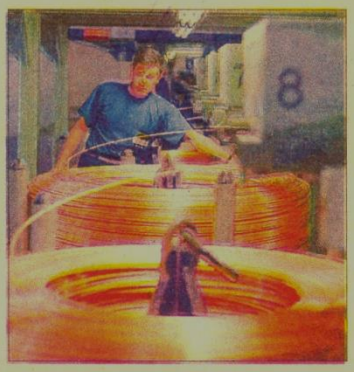
Copper Rebounds as Optimism Overcomes Fed, China Concerns

Bloomberg

Copper rebounded from Wednesday's slump, buoyed by expectations that demand will remain resilient in the face of possible tapering by the US Federal Reserve and China's stepped-up efforts to jawbone prices lower.

Sentiment improved with equities climbing and US a report showing applications for state unemployment insurance fell last week to a fresh pandemic low. A falling dollar also helped underpin gains in metals.

Copper slid the most since October on Wednesday amid worries that inflation threatens the economic recovery. Despite the pullback, major metal producers remain optimistic. The Chilean government's copper agency Cochilco lifted its 2021 average price projection, saying a tight market and investor flows could send the metal to new all-time highs in the short term.



"For the time being, global commodity demand signals are still firing on all cylinders, with the recent weakening still consistent with noise," TD Securities analysts led by Bart Melek said in a note. But "the context points to risks of normalizing growth."

Minutes of the Fed's last meeting released Wednesday indicated some Fed officials may be open "at some point" to discussing adjustments to the pace of massive bond purchases if the US economy keeps progressing rapidly.

In China, the cabinet expressed concerns Wednesday about the rise in commodities prices for a second week in a row, calling for more effort to curb "unreasonable" gains and preventing any impact on consumer prices. The meeting, chaired by Premier Li Keqiang, also called for a crackdown on speculation and hoarding.

Copper rose 0.4% to $10,038 ton as of 3:01 p.m. on the London Metal Exchange, after climbing as much as 1.8%. The metals slumped 3.9% on Wednesday, the most since Oct. 1. Most other LME metals advanced on Wednesday, while aluminum slipped 0.7%.

Alcoa Co.'s Chief Executive Officer Roy Harvey said demand for aluminum is "firing on all engines" this year and continues to grow "really, really quickly" in China and the rest of the world.

THE HINDU DATE : 22/5/2021 P.N.11

Hindalco Q4 net rises 3x to ₹1.9k cr

New Delhi: Hindalco Industries, the Aditya Birla Group metals flagship company, on Friday reported a nearly threefold rise in its consolidated profit-after-tax (PAT) at Rs 1,928 crore for the quarter to March 2021, mainly on account of higher volumes and lower input costs. Its consolidated revenue increased to Rs 40,507 crore from Rs 29,318 crore. PTI

JSW Steel Q4 net zooms 2,129%

Mumbai: JSW Steel's Q4 profit rocketed 2,129% to Rs 4,191 crore on the back of improved metal prices and strong domestic demand and exports. Revenue from operations rose 51% to Rs 26,934 crore. Q4FY20 earnings were low as the nationwide lockdown impacted JSW Steel's operations. TNN

THE ECONOMIC TIMES DATE : 22/5/2021 P.N.7

JSW Steel Sees Record Q4 Profit at ₹4,191 cr

Our Bureau

Mumbai: Sajjan Jindal's JSW Steel registered its highest-ever profit for the fourth quarter at ₹4,191 crore, an increase of 22 times against a net profit of ₹188 crore in the same period last year mainly on account of a strong domestic demand supplemented by exports, and improved steel prices.

The company's net profit for FY21 was ₹7,873 crore, up 101% from ₹3,919 crore in FY20. "The global and Indian economies showed remarkable recovery supported by large fiscal and accommodative monetary stimulus extended by governments and central banks that facilitated faster V-shaped recovery," the company said in a statement on Friday.

JSW Steel has announced a dividend at Rs 6.50 per equity share on the 241,72,20,440 equity shares of Rs 1 each for the year ended March 31, 2021, subject to the approval of the members at the ensuing Annual General Meeting.

"The total outflow on account of equity dividend will be Rs 1,571 crore, vis-a-vis Rs 483 crore paid for FY20," the company said.

JSW Steel's consolidated revenue from operations stood at Rs 26,934 crore — an increase of 51% YoY, with operating earnings before interest, taxes, depreciation and amortization (Ebitda) at Rs 8,440 crore.

The Company's consolidated net debt to EBITDA stood at 2.61X against 4.5X at the end of 4Q FY20.

"The company's debt has come down by Rs 858 crore even after spending on CAPEX expenditure/ acquisitions aggregating to around Rs 15,000 crore during FY 2021," the company said.

In Q4 of FY 21, JSW Steel's Saleable Steel for the quarter stood at 4.06 million tonnes, higher by 11% YoY and crude steel production was at 4.19 mt. In FY 21 the company's crude steel production was at 15.08 mt down 8% YoY. The Company exported 4.23 million tonnes of steel in FY2021, an increase of 36% YoY and exports accounted for 28% of total sales (compared to 21% in FY2020).

The company has guided a consolidated crude steel production of 22.94 million tonnes in FY 22 with saleable steel at 21.63 mt.

The expansion project at Dolvi from 5 MTPA to 10 MTPA steelmaking capacity has been operationalized, the company said. However, the completion work pertaining to the Blast Furnace and Steel Melt Shop has been impacted by the ongoing Covid disruption. The company now expects full integrated operations by September 2021.

"The 8 MTPA Pellet plant at Vijayanagar Karnataka was fully commissioned in March 2021 and pellet production is underway,", the company said.

JSW Steel's board has approved a CAPEX of Rs 25,115 crores (including sustenance & other CAPEX of Rs 6,565 crores) spread over 3 years from FY22 to FY24.

Hindalco Q4 Profit Zooms About 3-Fold to ₹1,928 cr

Our Bureau

Mumbai: Hindalco Industries, the Aditya Birla Group's metals flagship, announced its highest-ever consolidated net profit after tax of ₹1,928 crore in Q4 of FY 21 which is up 3 times the net profit of ₹668 crore in the same period last year.

For the whole financial year 2021, the company reported a PAT of ₹3,483 crore down 8% year-on-year (YoY) from ₹3,767 crore in FY 20, mainly on account of Covid-19 impact on the operations.

"The results were driven by a strong performance by Novelis and India Aluminium Business, supported by higher volumes and better product mix, lower input costs, stability in operations and cost-saving actions," said Satish Pai, the company's managing director on Friday.

Hindalco reported an earnings before interest, taxes, depreciation and amortization (EBITDA) at Rs 5,597 crore (vs Rs 4,216 crore), up 33% YoY. The company's consolidated revenue for the fourth quarter stood at ₹40,507 crore (vs ₹29,318 crore), up 38% YoY. Hindalco's consolidated gross debt declined by ₹18,187 crore and Net Debt fell by ₹14,883 crore as of March 31, 2021 from its peak on June 30, 2020.

"Consolidated net debt to EBITDA ratio improved significantly to 2.59x on March 31, 2020, from a peak of 3.83x on June 30, 2020," the company said in a statement.

The company has planned a Capex of ₹2,700 crore of FY 22.

"Our expansion strategy is downstream, we announced Silvassa last quarter we will be announcing an investment in rolled products pretty soon. In terms of capital allocation, we wanted to focus on deleveraging and we did that. We have also announced a Rs 3 per share of Divided. And the rest will be for growth capex," Pai said in an interaction with ET.

Last year the company guided about ₹1,500 crore and spent about ₹1,600 crore for the whole FY 21." We spent ₹1,600 crore because in Q4 we saw things picking up. Next year it is around ₹2,700 crore for India operations and around $630 million for Novelis," Pai said.

The firm's aluminium India business recorded metal output of 316 Kt and aluminium metal sales were higher by 5% YoY at 329 Kt (vs 314 Kt in Q4 FY20). Aluminium value added product segment (excluding wire rods) sales volumes were at 92 Kt (vs 76 Kt), up 21% YoY, driven by a sharp recovery in the domestic market.

BUSINESS LINE DATE : 22/5/2021 P.N.2

JSW Steel net rises to ₹4,191 crore in Q4

OUR BUREAU

Mumbai, May 21

JSW Steel's consolidated net profit jumped to ₹4,191 crore in the March quarter, against ₹188 crore in the same period last year, due to higher realisation.

Sales increased 51 per cent to ₹26,456 crore (₹17,556 crore).

The company made impairment provision of ₹83 crore relating to the US coal business towards the value of property, plant and equipment and goodwill on the basis of values determined by independent external valuers using cash flow projections of respective businesses and assets.

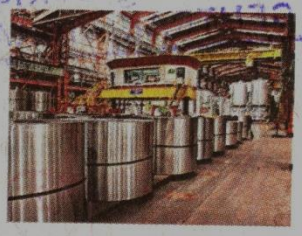
Operating EBITDA was up 149 per cent at ₹8,021 crore led by enhanced spreads, favourable product mix and continued upward trend in steel prices. Overall volume of iron ore from captive mines accounted for 42 per cent of total requirement.

The recovery in global and domestic demand recovered with large fiscal and accommodative monetary stimulus extended by governments and central banks that facilitated faster V-shaped recovery.

However, the emergence of a second wave of Covid in India has dampened the sentiment due to widespread localised lockdowns in several parts of the country, said the company.

Fundraising

The company plans to raise ₹5,000 crore through rights issue and another ₹7,000 crore through issue of non-convertible securities to institutional investors to fund its growth plans.



The company will invest ₹25,115 crore over the next three fiscal in various projects. It will expand steel-making capacity by 5 mtpa at Vijayanagar to 17 mpta with an investment of ₹15,000 crore.

In a bid to boost captive iron ore supply, it plans to invest ₹3,450 crore to improve efficiency at the four iron ore mines in Odisha by creating infrastructure to reduce reliance on outsourced mining, implement digitalisation and set up grinding and washing facilities to improve the quality of the ore which will lead to higher productivity at the steel-making operations.

JSW Steel will invest ₹100 crore in the 0.12 mtpa colour coated downstream steel facility in Jammu and Kashmir to meet the growing demand and support economic development.

The company has commissioned pellet plant, coke oven battery and Hot Strip Mill for plate rolling as part of doubling capacity to 10 mtpa at Dolvi.

However, the work on blast furnace and steel melt shop has been impacted by Covid disruptions and the company expects to have fully integrated operations by September.

BUSINESS LINE DATE : 22/5/2021 P.N.2

Hindalco Q4 net triples to ₹1,928 cr on better realisation, lower cost

Revenue up 38% at ₹40,507 crore

OUR BUREAU

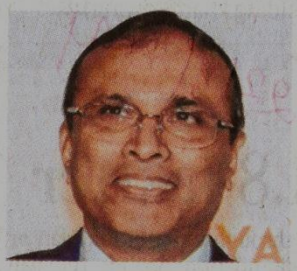
Mumbai, May 21

Hindalco Industries, an Aditya Birla group company, reported that its consolidated net profit in the March quarter nearly tripled to ₹1,928 crore, from ₹668 crore logged in the same period last year, largely due to lower cost and better realisation.

Revenue in the quarter under review was up 38 per cent at ₹40,507 crore (₹29,318 crore).

The company announced a dividend of ₹3 per share.

EBITDA in the March quarter was up 33 per cent at ₹5,845 crore (₹4,173 crore). Finance cost reduced to ₹903 crore (₹1,429 crore).



Satish Pai, Managing Director

Satish Pai, Managing Director, Hindalco, said the sharp rise in top and bottomline has further strengthened the balance sheet absorbing the Aleris acquisition and restoring consolidated net debt to EBITDA ratio to pre-acquisition levels.

The demand for aluminium was higher than pre-Covid levels in the March quarter, he said.

Gross debt of the company declined by ₹18,187 crore and net debt fell by ₹14,883 crore as of March 31 from the peak of last June.

Sale of metals

Metal sales were up 5 per cent at 3.29 lakh tonnes (3.14 lakh tonnes). Value added aluminium product sales in India was up 21 per cent at 92,000 tonnes while aluminium EBITDA in India was at all-time high at ₹1,610 crore. Copper cathode production at 97,000 tonnes was up 28 per cent while copper cathode rod output increased 7 per cent to 76,000 tonnes.

Novelis has raised €500 million through Senior Unsecured Green Bonds in Europe for 8 years due in 2029. It registered an all-time high shipments of 9.83 lakh tonne, up 21 per cent. Novelis adjusted EBITDA per tonne was at $514 up 9 per cent.

Integration of Aleris continues with $79 million run-rate combination cost synergies already achieved till the March quarter. Total synergy potential is estimated at $120 million.

BUSINESS LINE DATE : 23/5/2021 P.N.12

Hindalco to invest ₹2,700 cr on capex

Plans to restart all projects put on hold due to pandemic

SURESH P IYENGAR

Mumbai, May 22

Hindalco Industries, an Aditya Birla Group company, plans to restart all projects put on hold due to the pandemic and invest about ₹ 2,700 crore this fiscal against ₹1,600 crore made in FY'21.

The company had cut the proposed capex from ₹ 2,500 crore last June due to Covid and paused the downstream project at Hirakud in Western Odisha. It also went slow on the 34,000-tonne ₹730-crore aluminium extrusion plant at Silvassa.

Satish Pai, Managing Director, Hindalco Industries, said the demand for aluminium has surpassed pre-Covid levels and the company is confident that revival in demand will sustain in despite Covid concerns.

Unlike last year, the company has not seen any exodus of workforce this time and plants were running to the optimal level, he said. The biggest challenge now is to get the entire workforce vaccinated at the earliest rather than stopping the exodus, he added.

Despite the local Covid restrictions, demand for aluminium has been strong from packaging, building and construction, while sales to the automobile sector have slowed down since April, said Pai.

"We expect aluminium prices to remain firm as supply side is constrained by shut down of inefficient plants in China due to its environmental, social and governance (ESG) commitments," he added.

Huge demand, poor supply

On fall in copper demand, Pai said the sharp increase in the prices of the metal has pushed up the working-capital need of user industries, leading to slowdown of few projects. The copper demand is about 85 per cent of the pre-Covid levels.

Robust demand and shortage of supply have been driving prices in the international market and the user industry needs to cope with this situation.

BUSINESS LINE DATE : 23/5/2021 P.N.6

BULLION CUES

Gold sets its eye on the sky

Declining base metals casts shadow over silver which needs to break out of key resistance

AKHIL NALLAMUTHU
BL Research Bureau

Gold made progress last week and posted a weekly gain after witnessing a minor correction the week before. The yellow metal relied on a weak dollar, though the FOMC (Federal Open Market Committee) meeting minutes showed that some participants suggested that it might be appropriate to start discussing the pace of asset purchases. Although this sparked speculation on the Fed hinting about tapering, there was no roadmap or timetable to come to a conclusion. While the US dollar rallied on Wednesday, it swiftly reverted to a downward path. Hence, it could not impact gold which continued to inch upwards.

Silver, however, did not reflect the same sentiment. Its prices were kept under check as all metal prices declined towards the end of the week. Silver, which carries the characteristics of industrial metals due to its applications, faced pressure following a statement by China about increasing commodity prices. As the prices of metals have been soaring over the past year, the Chinese cabinet seems to have decided to come up with mechanisms to check unreasonable increases in price.

Gold ended the week with a gain of 2 per cent as it closed at $1,880.3 (per ounce) on Friday compared to $1,842.2 a week ago. But because the rupee gained versus the dollar, gold (August expiry futures) on the Multi Commodity Exchange (MCX) posted a lower gain of 1.5 per cent in terms of rupee. It closed at ₹48,889 (per 10 grams) on Friday. Silver, after gaining during the early part of the week, gave up gains and ended the week flat at $27.52 (per ounce). On the MCX, the July futures contract wrapped up the week flat at ₹71,049 (per kg).

ISTOCKPHOTO

MCX-Gold (₹48,889)

The futures contract of gold on the MCX began the week on a positive note and the August series rallied and closed above the key resistance of ₹48,600 on Monday. This could trigger a fresh bout of buying in the coming week that can lift the contract towards the important level of ₹50,000. The contract was able to sustain above ₹48,600 through the entire week and the price rise has come on the back of the 21-day moving average support which was at around ₹47,650.

Other positive signs include price action on the daily chart, which has been forming higher highs and higher lows since April and indicators such as the relative strength index (RSI) and the moving average convergence divergence (MACD) on the daily chart as both these indicators are showing fresh uptick. These indicators show steady advancement on the weekly chart as well. Besides, the total outstanding open interest of all active futures contracts increased with the price last week to 14,556 contracts from 14,086 contracts a week ago.

Because of the above reasons, it can be assumed that the gold futures is set to further rally during the week and so traders can consider initiating fresh long positions. While the immediate resistance is the strong hurdle at ₹50,000, a breach of this level can intensify the rally. Above ₹50,000, the futures contract is likely to quickly jump to ₹51,000. The nearest support is at ₹48,600, below which notable supports are at ₹47,650 and ₹47,000.

MCX-Silver (₹71,049)

The July futures contract of silver on the MCX, which was largely treading a horizontal path between ₹68,000 and ₹72,500, opened last week with a gap-up and rallied. The upward movement extended on the ensuing trading session as well. However, after it registered an intra-week high of ₹74,222, the contract overturned the direction and fell back below the critical level of ₹72,500 and closed the week at ₹71,049, thereby underperforming gold.

Nevertheless, there are certain indications that give silver a bullish inclination. The price is above the 21-DMA, the price pattern since the beginning of May hints at positive bias and the RSI and the MACD remain in their bullish terrain. But the bullishness is not as strong as that is in gold. The average directional index (ADX), which demonstrates the strength of a buyers and sellers, is showing that the bulls hold advantage over bears.

Despite the above indications, it is recommended to wait until the July futures decisively breaks out of the resistance at ₹72,500. Once this happens, traders can go long. A clear breach of ₹72,500 in the coming week could lift the contract towards ₹75,000, which is an important level. If the contract moves past this level, it can rally to ₹77,500. From current levels, the supports are at ₹70,000 and ₹68,000.

THE ECONOMIC TIMES DATE : 24/5/2021 P.N.6

'JSW Steel's Counter-cyclical Investment Strategy Pays Off'

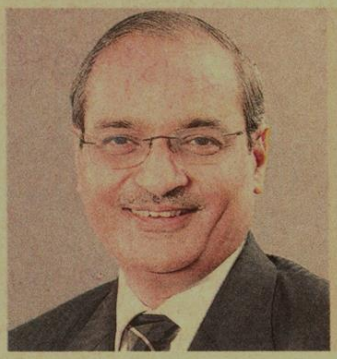
It has helped co reap benefits of record commodity prices, gain better margins: Joint MD Rao

Bhavya.Dilipkumar
@timesgroup.com

Mumbai: JSW Steel's strategy to invest during the counter-cyclical environment in the steel sector has helped the company to reap the benefits of record-high commodity prices and achieve better margins with increased capacities, said the company's joint managing director, Seshagiri Rao.

"If you see JSW Steel's track record, we always differentiate ourselves as the investors who does investment in the counter-cyclical environment...We took a capital expansion plan of ₹48,000 crore for the last three years and we have done it at the right time," Rao said in an interaction with **ET**.

JSW Steel in the last quarter of FY 21, reported a 22 times increase in quarterly profit, its highest ever at ₹₹4,191 crore compared with ₹188 crore a year ago. Its net profit for FY21 was ₹7,873 crore, up by 101% from ₹3,919 crore in FY 20.



AGAINST THE TIDE

If you see our record, we always differentiate ourselves as investor who does investment in counter-cyclical environment

SESHAGIRI RAO
Joint MD, JSW Steel

The company for the FY22, has announced a capex of ₹25,115 crore, including sustenance and other Capex of ₹6,565 crore spread over three years from FY22 to FY24. The company has plans to increase its capacity in Vijayanagar by 5 mtpa with an investment of ₹15,000 crore, the company is planning to invest ₹3,450 on increasing efficiencies in mining assets and is planning to set up a 120 ktpa colour coated facility in Jammu and Kashmir for ₹100 crore.

"We are an 18 million tonne steel company, just before all the expansion. Now an additional 5 mt of Dolvi, 2.5 million tonnes of Bhushan Power and Steel and 1 million tonnes of Monnet makes us a 27 million tonne company," said Rao.

However, after all the current and new expansion the company will be at around 37 mtpa in the next three years, Rao said.

The company's debt as of March 2021 is around ₹52,615 crore, as against ₹53,473 crore in the same period last year. Rao said that as the capacities go up, the increased cash generation will help in paring down the debt. The company's debt to equity has improved from 1.48 times in FY 20 to 1.14 times in FY 21.

"There is ₹800 crore of reduction. It has happened after investing ₹15,000 crore in Asian Colours, ₹5,200 crore in Bhushan and ₹8,233 crore of sustenance and other CAPEX...The cash generation out of 18 million tonne capacity and out of 27 million tonne capacity will be different," he said.

JSW Steel had been guiding a Debt to Ebitda of 3.75 times but has changed the target to 2.75 times for FY 22, Rao said "our focus is to deleverage, but at the same time growth should not be compromised".

Steel prices have hit record-high levels in the last year, with top steelmakers announcing atleast 7-9 price hikes in the last 6 months. Indian HRC prices is around ₹57,000 to ₹58,000 per tonne currently.

THE ECONOMIC TIMES DATE : 24/5/2021 P.N.9

Analysts expect aluminum market to enter a multi-year deficit period; Hindalco likely to see 30% EBIDTA expansion and 70% net profit surge

Hot Metals, Strong Earnings to Sustain Hindalco Stock

Earnings Review

Jwalit.Vyas@timesgroup.com

Mumbai: Four out of five elements populating the periodic table would qualify as metals. Without them, you wouldn't have the shining infra to underpin economies that run into trillions of dollars in aggregate. Yet, they collectively have only a tiny combined weighting on the major stock indices.

But metals are now shining again — riding an unprecedented super-cycle. That has added sheen to aluminium major Hindalco, which should continue to build more wealth for investors. Globally, prices of the metal are showing no signs of heading south. That should be a sufficient invitation for those currently on the sidelines.

Higher earnings will help the company deleverage faster and maintain its dividend payouts

At present, the London Metal Exchange (LME) aluminum prices are about a fifth higher than Hindalco's aluminium realization for the March quarter, leaving room for further upside.

In the March quarter, Hindalco's consolidated EBIDTA of Rs 5,845 crore was 6% higher sequentially, and 40% on year. Growth was mainly driven by the Indian operations of aluminum and copper, which benefits from rising commodity prices. That's unlike Novelis, the aluminum convertor business that has limited benefits from a super-cycle.

Novelis contributed only 63% to EBIDTA as compared to 67% in the preceding quarter. For the whole year, EBIDTA stood at Rs 18,896 core, 22% higher. Net revenues and net profit for the whole year stood at Rs 131,985 crore, 12% higher year on year, and Rs 5,180 crore, 40% higher.

For FY22, analysts expect even higher growth — 30% EBIDTA expansion and 70% net profit surge.

"We forecast the aluminum market to enter a multi-year deficit period from CY2022E. Declining inventory led by deficit market and lean supply pipeline would keep prices elevated," said Sumangal Nivetia, senior analyst with Kotak securities.

Higher earnings will help the company deleverage faster and maintain its dividend payouts. Its net debt at the end of FY21 was Rs 51,290 crore and net debt to EBIDTA was 2.9 times, which is expected to come down to less than 2 times by the end of FY22.

Against this backdrop, the stock is likely to see sustained interest. At the current price of Rs 389, the stock is trading at 5.6 times FY22 estimated EV by EBIDTA. Analysts are assigning multiples of 6.5 to 7 times, implying potential upside of even 25%.

Enter the Upcycle

Hindalco Financials (in Rs cr)

	Q4 FY21	QoQ chg	YoY chg	FY21	YoY chg
Revenues	40,507	16%	38%	1,31,985	12%
EBIDTA	5,845	6%	40%	18,896	22%
Net Profit	1,945	3%	191%	5,182	38%

BUSINESS LINE DATE : 25/5/2021 P.N.8

After hitting a month's low, copper prices may recover

China says price surge is 'unreasonable'; speculators cut long positions

SUBRAMANI RA MANCOMBU

Chennai, May 24

Copper prices rose to a record $10,724.5 a tonne on May 10 before dropping 6.5 per cent to $10,027.50 during the weekend but this declining trend may not last for long.

Analysts see copper ruling firm or heading up a little more during the later part of this year, particularly once the Covid-19 pandemic subsides in Europe.

On Monday, copper prices were near a month's low after China said it will manage its commodity supply and demand to control any unreasonable increase in prices.

China has been forced to act after Chinese consumers began to complain about high prices. This has led to producers dipping into their inventories, which are being reduced now.

Declared as the "new oil", copper has been under pressure over the last fortnight, and it became intense last week when prices dropped nearly 4.5 per cent.

Speculators cut 'longs'

This has resulted in speculators cutting their long position in copper for the second week in running, as per Commodities Futures Trading Commission (CFTC) data. Bets on copper rising further were cut by 9,000 lots last week, leaving the net long positions at over 51,500.

There are other factors that are putting pressure on the metal, which is witnessing demand from the power, electric vehicles (EVs) and construction sectors.

According to the International Copper Study Group (ICSG), world copper mine production increased 3.5 per cent during January-February this year with the concentrate output rising five per cent.

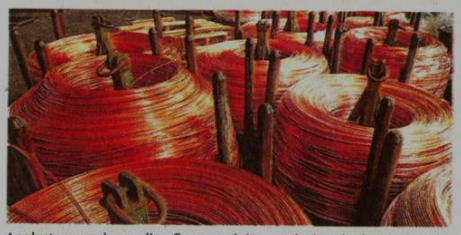
Though production in Peru and Chile declined, it was offset by higher output in Indonesia, Congo, Mongolia, Panama and Russia.

Refined copper surplus

Refined copper production increased 2.9 per cent in the first two months but usage of refined copper was up only 1.7 per cent. This has left a surplus of 1.3 lakh tonnes (lt) of refined copper globally and if stocks in Chinese warehouses are taken into account it is 1.4 lt.

According to Chile copper agency Cochilco, demand for refined copper this year is expected to total 24.2 million tonnes (mt), up 3.4 per cent over last year. This will be mainly from countries other than China, which are expected to raise their consumption.

Mine production, at the same time, is projected to increase by two per cent to 21 mt as output recovers post-Covid-19. According to Dutch multinational financial services ING economic and financial analysis, imports of copper concentrate by China fell 4.8 per cent year-on-year and 11.5 per cent month-on-month to 1.92 mt in April going by Chinese import data. But, imports during January-April were up 4.4 per cent year-on-year.



Analysts see prices ruling firm or edging up during the later part of this year, once the Covid-19 pandemic subsides in Europe

Bank of America, in its outlook on copper, said that current stock levels of copper are at 15-year low that can last just three weeks. Demand-supply rebalance is expected only during 2023-24 before another deficit creeps in. In fact, analysts are split in their view over copper with some projecting a decline in prices but some like Bank of America projecting prices to top $25,000 by 2025. Sterlite Copper Chief Executive Officer Pankaj Kumar told *Business-Line* in an email response that the supply and demand factors are driving the ongoing price trend in copper with both aspects casting their influence.

Cochilco has also acknowledged the problems that could arise out of the pandemic, especially in top producers Chile and Peru.

Kumar said that mining production is set to go up with the world overcoming Covid. Demand will come from big economies such as the US and China as they pump investments into their economies in order to boost revival.

Impact on India

On what the impact of the surge in copper prices could be, the Sterlite Copper CEO said that the Indian market is very price sensitive.

"If the copper price continues to rise there is bound to be a drop in demand as manufacturers opt for cheaper alternatives instead of refined copper. We may see copper scrap increasingly replacing the use of refined copper, which will affect quality standards," he said.

"High working capital costs can be a concern for domestic industries if India continues to rely on imports for production," Kumar added.

THE HINDU DATE : 25/5/2021 P.N.12

India Cements posts ₹71.6 cr. net

Expecting pent-up demand, prices are holding well, says MD

SPECIAL CORRESPONDENT

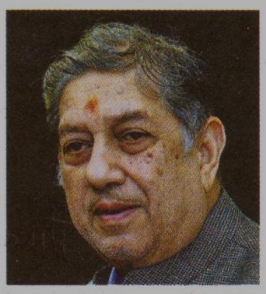
CHENNAI

India Cements Ltd. (ICL) reported standalone net profit of ₹71.6 crore for the quarter ended March 31, compared with a loss of ₹111 crore a year earlier.

Total income grew to ₹1,461.44 crore compared with ₹1,169.92 crore in the fourth quarter of the previous year.

"Our performance has been creditable given that we operated only at 50% capacity for whole year," said vice chairman and managing director N. Srinivasan, who was reappointed as MD for five years effective May 26, subject to approvals.

"Capacity utilisation rose from 35% in Q1 to 77% in the fourth quarter," he added.



N. Srinivasan

He pointed out that the company had repaid debt of about ₹550 crore during the year. "We reduced both inventory and receivables."

For FY21, ICL recorded ₹222 crore in net profit (₹35.5 crore loss) on a total income of ₹4,460 crore (₹5,085 crore). The company declared a dividend of ₹1/- per share for FY21.

On localised lockdowns, he said, "In the west and north parts of India, there is relaxation taking place and gradual relaxation in the middle of June is expected in the south also."

On the outlook for the current fiscal, he said, "We are expecting pent-up demand. We hope to generate more [sales], prices are holding; volumes may be better than last year." He added that the company was aiming to repay ₹600 crore more of debt this year.

He also said that input cost pressures may persist this year but the costs could be passed on to the market. "We raised the price per bag by ₹10 in May. In June, it may go up by a similar amount."

BUSINESS LINE DATE : 25/5/2021 P.N.2

Ramco Cements clocks ₹761-cr profit in FY21 on better margins

OUR BUREAU

Chennai, May 24

The Ramco Cements Ltd reported an impressive performance including some new milestones in FY21, while the March 2021 quarter also saw good growth in bottomline.

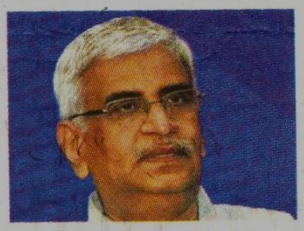
For 2020-21, the company reported a standalone net profit of ₹761 crore compared to ₹601 crore in the previous year.

EBIDTA up

In 2020-21, EBIDTA grew 35 per cent at ₹1,582.60 crore against ₹1,173.82 crore in FY20 due to improved margins. Blended EBIDTA per tonne was ₹1,586 (₹1,048). For the first time, the company achieved a PBT of more than ₹1,000 crore and it stood at ₹1,140 crore for FY21.

The company achieved quarterly EBIDTA in excess of ₹400 crore for three consecutive quarters in FY21.

"In spite of tough challenges caused by the worst-ever pandemic the company's all teams contributed their best performance to post record profit for the year and for the quarter. Now, the second wave seems to be more challenging, and our team is well equipped to meet the situation," AV Dharmakrishnan, Chief Executive Officer, The Ramco Cements, told *BusinessLine*.



AV Dharmakrishnan, CEO, Ramco Cements

Net revenue for FY21 was ₹5,303 crore against ₹5,406 crore in 2019-20.

Though the volume degrowth for the year is 11 per cent, the drop in net revenue is only two per cent because of favourable market conditions and improvement in sale of premium products.

Ramco Cements' strategy in offering its customers right products for right applications has helped to reinforce its market position with better market mix and premiumisation of its products, the company said.

For the quarter ended March 31, 2021, the company's standalone net profit zoomed to ₹214 crore compared to ₹146 crore in the year-ago period. EBIDTA for quarter grew 58 per cent to ₹459 crore as against ₹291 crore in the year-ago quarter, helped by improved margins and increase in sale volumes. Blended EBIDTA per tonne was ₹1,428 (₹991 in March 2020 quarter). Revenue grew 17 per cent at ₹1,640 crore compared to ₹1,401 crore.

Expansion projects

The company's expansion projects in Jayanthipuram and Kurnool are delayed due to the pandemic and resultant challenge in the availability of manpower. In FY21, it incurred a capex of ₹1,766 crore mostly in the on-going capacity expansion programmes.

As on March 31, the company's gross debt was ₹3,102 crore, of which ₹217 crore was soft/interest-free debt. The average cost of interest-bearing borrowings for the current year is reduced to 6.10 per cent from 6.71 per cent in the previous year.

BUSINESS LINE DATE : 25/5/2021 P.N.2

India Cements posts ₹72-cr Q4 net

OUR BUREAU

Chennai, May 24

Announcing a strong performance for March quarter and FY21, India Cements presented a positive outlook for cement demand for the current fiscal amid disruption caused by the second Covie-19 wave.

Helped by stable prices and tight cost control measures, the company registered a net profit of ₹222 crore for the full year 2020-21 compared with a net loss of ₹36 crore in the previous fiscal.

In FY21, total volume of clinker and cement fell 19 per cent at 89.02 lakh tonnes (110.22 lakh tonnes in FY20). Revenue stood at ₹4,437 crore against ₹5,057 crore in FY20.

Net plant realisation

Improvement in net plant realisation (up 16 per cent) together with reduction in fixed cost more than made up the shortfall in cement sales and resulted in higher EBIDTA of ₹830 crore as compared to ₹613 crore in the previous year.

For the quarter ended March 31, the company posted

N Srinivasan, Vice-Chairman and Managing Director

a net profit of ₹72 crore compared with a net loss of ₹111 crore in the year-ago period on the back of EBIDTA of ₹213 crore, which was significantly higher when compared with ₹85 crore in March 2020 quarter. Revenue stood at ₹1,450 crore (₹1,152 crore).

However, the company faced pressures on variable costs which went up by 10 per cent due to higher input prices and other factors in Q4. The cost pressures continue.

"We increased cement price by about ₹10 a bag in May and June month may also see an increase of ₹10-15 a bag," N Srinivasan, Vice-Chairman & Managing Director of India Cements, said.

He termed the current disruption as temporary and expressed hope that the lockdown will start to ease from June starting from Northern and Western regions, followed by Southern region.

Pent-up demand

"This is a minor setback and pent-up demand will come back after June due to bigger thrust on infrastructure development by the Central Government. Before the second wave, several parts of the country witnessed cement shortages. So, demand is natural, and the only question is how long the lockdown will continue," he added.

Srinivasan said the company will complete the capex plans in Sankar Nagar and Waste Heat Recovery Project in Chilamkur in Andhra Pradesh. But will take a call on expansion in the northern region later.

The Board approved a dividend of ₹1 per equity share of ₹10 each for FY21. It also approved the reappointment of N Srinivasan as Managing Director of the company for a period of five years with effect from May 26.

BUSINESS LINE DATE : 25/5/2021 P.N.8

MCX copper in corrective dip

COMMODITY CALL

YOGANAND D
BL Reserch Bureau

Support: ₹725, ₹730
Resistance: ₹800

The copper continuous futures contract on the Multi Commodity Exchange of India (MCX) had registered a 52-week high at ₹812.6 on May 10.

Since then, the contract has been in a near-tern corrective downtrend and it has declined some nine per cent from the peak. Recently, the contract has breached a key support at ₹760 as well as the 21-day moving average. The contract has recorded an intraday low at ₹733 and has started to recover from the low. It is trading at around ₹742.

The contract has a key support ahead in the band between ₹725 and ₹730 that could provide base in the coming weeks.

An upward reversal from this support zone can keep the contract sideways for a while before taking a clear short-term direction.

An emphatic downward break of ₹725 will strengthen the downtrend that commenced from the 52-week high and pull the contract down to ₹712 and then to ₹700 over the short term.

Key supports thereafter are placed at ₹686, ₹673 and ₹660 levels. The medium-term uptrend that started from the February low of ₹585 will be in place as long as the contract trades above the significant support level of ₹660 levels.

The long-term uptrend has been intact since copper continuous futures contract took support at ₹335/kg in March 2020. This uptrend will stay in placed as long as the commodity price trades above ₹520 levels.

Traders with a short-term view should tread with caution.

A conclusive break above ₹760 will alter the corrective decline and take the contract northwards to ₹774 and then to ₹787 levels. Next resistance is at ₹800.

DAINIK BHASKAR DATE : 26/5/2021 P.N.2

भास्कर Original • चीन से निर्भरता कम करने के लिए जापान तैयार

जापान ने समुद्र में दुर्लभ खनिज ढूंढे इससे 500 वर्षों की जरूरत पूरी होगी

टोक्यो से भास्कर के लिए
जूलियन रायल

जापानी शोध पोत काइमी ने 8023 मीटर समुद्री गहराई को छूने का नया रिकॉर्ड बनाया है। यह पोत टेक्टोनिक्स प्लेट और बड़े भूकंप आने की वजहों की पड़ताल कर रहा है। लेकिन काइमी की यह छलांग जापान के समुद्र में 6 हजार किमी की गहराई में मिले दुर्लभ खनिजों को निकालने का पहला बड़ा कदम है। ताकि दुर्लभ खनिजों के लिए चीन पर निर्भरता खत्म हो सके। दरअसल, जापान की यह सारी कवायद चीन के इर्दगिर्द घूमती है। राजनयिक विवाद के बाद चीन ने दुर्लभ खनिजों के निर्यात को प्रतिबंधित कर दिया था। वर्तमान में, जापान में आयातित सभी दुर्लभ धातुओं में चीन की हिस्सेदारी करीब 58 फीसदी है। टोक्यो के इंटरनेशनल क्रिश्चियन यूनिवर्सिटी में अंतरराष्ट्रीय संबंधों के एसोसिएट प्रोफेसर स्टीफन नेगी कहते हैं कि 2000 में जब पूर्वी चीन सागर में द्वीपों पर चीन और जापान के बीच विवाद भड़क गया, बीजिंग ने जापान को बेचे जाने वाले दुर्लभ-पृथ्वी खनिजों पर प्रभावी रूप से प्रतिबंध लगा दिया था। ये खनिज नेस्क्ट जेनेरेशन टेक्नोलॉजी के लिए अहम हैं। तभी से टोक्यो ने नए स्रोतों की तलाश शुरू कर दी थी।

दुर्लभ खनिजों के मामले में दुनिया का नेतृत्व करेगा जापान

दो दशक से समुद्र में दुर्लभ खनिज खोज रहा जापान।

- जापान एजेंसी फॉर मरीन-अर्थ साइंस एंड टेक्नोलॉजी के वैज्ञानिकों ने बताया है कि ओगासावारा द्वीप समूह के समुद्र तल में दुर्लभ खनिज और येट्रियम मिले हैं। करीब 400 वर्ग किमी के इलाके को चिह्नित किया गया है।
- 16 मिलियन टन दुर्लभ ऑक्साइड है। जिसमें 780 साल की घरेलू जरूरत जितना येट्रियम है। 620 वर्षों की जरूरत जितना यूरोपियम, 420 वर्षों का टर्बियम और 730 साल का डिस्प्रोसियम का भंडार है।
- ये दुर्लभ धातुएं नेक्स्ट जनरेशन टेक्नोलॉजी, रक्षा और परमाणु क्षेत्रों के लिए अहम हैं। ये ई-व्हीकल और संचार उपकरणों के लिए जरूरी मांग को पूरा करेंगे।

जापान 34 दुर्लभ खनिजों का स्टॉक 60 दिन से बढ़ाकर 180 कर रहा है

जापान दुर्लभ खनिजों के भंडार को तेजी से बढ़ा रहा है। वो घरेलू फर्मों को विदेशी माइन में हिस्सेदारी और ई-व्हीकल, संचार डिवाइस व अन्य मूल्यवान खनिजों के लिए कच्चे माल को संसाधित करने की क्षमता में मदद करेगा। जापान टर्बियम, यूरोपियम, येट्रियम और लिथियम सहित 34 दुर्लभ खनिजों के लिए दूसरे देशों पर निर्भर है। फिलहाल जापान के पास इन खनिजों का रणनीतिक भंडार 60 दिनों को था, नई सरकार इसे बढ़ाकर 180 दिन कर रही है। ताकि घरेलू फर्मों का काम प्रभावित न हों।

चीन दुनियाभर में करार कर रहा, कांगो का 60% कोबाल्ट चीन में गलाया जा रहा

दुर्लभ खनिजों के लिए चीन पर निर्भरता जापान के लिए खतरनाक है। बीजिंग घरेलू जरूरतों का हवाला देकर दुर्लभ खनिजों का निर्यात सीमित कर देगा। बीजिंग भी प्राकृतिक संसाधनों के भंडार तक पहुंच बनाने के लिए अन्य सरकारों से साथ करार कर रहा है। मिसाल के लिए, कांगो गणराज्य दुनिया में कोबाल्ट का सबसे बड़ा उत्पादक है, लेकिन चीन ने कांगो सरकार के साथ एक समझौता किया है ताकि देश में खनन किए गए सभी कोबाल्ट का 60 प्रतिशत गलाने के लिए चीन भेज दिया जाए।

THE ECONOMIC TIMES DATE : 26/5/2021 P.N.6

HIGH RISK TAKERS CAN ALLOCATE 5%

Correction in Metals Right Entry Point into DSP NRNE Fund

Firm prices over the short term likely to boost the scheme's prospects: Advisers

Prashant.Mahesh@timesgroup.com

Mumbai: The 8% decline in metal stocks could be an entry point for investors to park money in the DSP Natural Resources and New Energy Fund (NRNE), said financial planners.

The fund has allocated 48% of its corpus to metals, 26% to domestic energy and 22% to international energy. With inventory in metals low and no new capacity additions over the next 12-18 months, analysts believe prices are likely to remain firm. As the developed world moves closer to reopening, there is likely to be a steady demand for oil which augurs well for stocks in the portfolio.

The fund has gained 117% in the last year, while in the past three years it has returned 14.7%. In the past fortnight, the Nifty Metal index fell 8% against the 1.7% gains in the benchmark Nifty50.

"New supply will take time to hit the market. In India, the announcement for new capacity and capex in metals have begun but it is still some time away. In fact, deleveraging is likely to continue till FY23," said Rohit Singhania, co-head-equities at DSP MF.

Analysts believe while the commodity rally of 2020 was driven primarily by China, the rise in 2021 has been driven by western economies. China's efforts to decarbonise its economy and cut down the output of aluminium and steel is also contributing to the rally in these metals

Fund managers believe even if prices do not go up from here, steel companies will continue to post strong earnings. Singhania said debt levels for major steel companies are likely to come down significantly, improving their business outlook. The top holdings are Tata Steel, Jindal Steel and Hindalco.

Demand for oil is set to rise, which is positive for stocks in the portfolio

"Companies in the space are available at reasonable valuations. Many are globally competitive," said Shyam Sekhar, chief ideator, Ithought Advisory.

The fund has an allocation to domestic oil marketing firms, gas distribution and BlackRock Global Funds and BGF-Sustainable Energy Fund.

Financial planners said such funds with concentrated thematic portfolios are meant only for investors with risk appetite. "Investors should not expect last year's performance to repeat. High-risk takers can allocate 5% of their equity portfolios to such themes, and expect higher returns than the broad market over a three-year frame," said Vijay Kuppa, founder, OroWealth.

THE ECONOMIC TIMES DATE : 27/5/2021 P.N.9

Diamond Production in Surat Recovers as Migrants Return

Sutanuka.Ghosal
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Kolkata: Slowly and steadily the sparkle is getting back in the diamond city of Surat. Production of cut and polished diamonds in Surat has improved in the last fortnight as the migrant workers have started returning to their workplace.

Diamond production, which had dwindled by 30% in the first half of May, has now recovered and leading diamond exporters say that production is now down by only 10-15%, which they think will recover by the first week of June as Covid cases come down and vaccination picks up.

Talking to ET, Vipul Shah, vice-chairman, Gem & Jewellery Export Promotion Council, said, "Production has improved in the last fortnight as Covid cases have started declining. This declining trend is bringing back the confidence of the workers to rejoin work. Also, vaccination has picked up in the city."

Exporters say it is now only 10-15% down and will recover by first week of June as Covid cases drop & vaccination picks up

Of the 2.5 lakh migrant workers, who had left by the first week of May due to the surge in Covid cases, 80,000 have returned.

Surat, which cuts and polishes 14 out of 15 diamonds in the world, employs around 8 lakh people. Talking to ET, Bhavesh Tank, vice -president of Diamond Workers Union, said, "Before the lockdown of 2020, there were 4 lakh migrant workers at Surat. But after the lockdown was withdrawn, only 2.5 lakh migrant workers had returned and the rest 1.5 lakh stayed back at their hometowns. This time too, they went back home when the cases surged.

BUSINESS LINE DATE : 28/5/2021 P.N.8

Pandemic fallout: Steel output, offtake down by over 20% in April

OUR BUREAU
New Delhi, May 27

Domestic production of finished steel in April this year fell 23 per cent on a month-on-month basis to 7.01 million tonnes (mt), while consumption decreased 26 per cent to 6.73 mt, according to the monthly report by the Ministry of Steel.

The production of crude steel also fell 21 per cent on a month-on-month basis to 7.96 mt during April. "This decline is in part due to the seasonal factors due to which production and consumption of steel in April is, in general, lower than that in March and also partly due to the second wave of Covid-19 adversely affecting economic activities," the Ministry said. The domestic production and sales during April 2021 showed a sharp growth on a year-on-year basis "over the lower base performance during April 2020 lockdown period," the report said. However, the April 2021 levels remained lower than during the corresponding period of the pre-Covid fiscal years 2019-20 and 2018-19.

Iron ore prices soar

During April, the price of iron ore lumps rose 30 per cent on a month-on-month basis to ₹6,950 per tonne. The price of iron fines rose 17.4 per cent to ₹5,060.

This has been "due to domestic demand-supply situation as well as increasing prices in international market during the month," the report said. Both global and domestic iron ore prices have soared manifold during the past twelve months of strong upcycle in several commodity prices.

The retail Mumbai prices of Rebar, HRC and CRC steel during April increased by seven per cent, eight per cent and nine per cent, respectively, the Ministry added.

Steel Authority of India Ltd's production of hot metal, crude steel and saleable steel during the month stood at 1.37 mt, 1.23 mt and 1.25 mt, respectively. Iron ore production and sales by NMDC Ltd stood at 3.13 mt and 3.09 mt, respectively.

JABALPUR EXPRESS LINE DATE : 28/5/2021

ऑनलाइन 30वा खान पर्यावरण एवं खनिज संरक्षण सप्ताह सम्पन्न

भरवेली (जबलपुर एक्सप्रेस)।

28 मई को तीसवां खान पर्यावरण एवं खनिज संरक्षण सप्ताह 2020-21 का समापन समारोह मनाया गया जो कि आन लाईन वर्चुअल मोड मे आयोजन किया गया । यह सप्ताह भारतीय खान ब्यूरो, जबलपुर क्षेत्र के तत्वाधान मे 16 मई 2021 से 22 मई 2021 तक आयोजित था जिसमे वर्चुअल मोड मे ही खदानो का निरीक्षण आन लाईन किये गये । समापन समारोह दिनांक 28 मई 2021 को दोपहर 3:30 बजे से 5:30 बजे तक आयोजित था जिसमे मुख्य अतिथि के रूप मे भारतीय खान ब्यूरो के मुख्य खान नियंत्रक (प्रभारी) पीयूष नारायण शर्मा उपस्थित थे तथा साथ ही भारतीय खान ब्यूरो के खनिज अर्थशास्त्री डॉ. पी.के. जैन जी भी उपस्थित हुए, मॉयल लिमिटेड के अध्यक्ष-सह-प्रबंध निदेषक मुकुन्द पी. चौधरी एवं निदेशक (वाणिज्य) पी.वी.वी. पटनायक तथा खान पर्यावरण एवं खनिज संरक्षण सप्ताह समिति के संयोजक पुखराज नैनीवाल, क्षेत्रीय खान नियंत्रक जबलपुर क्षेत्र, भारतीय खान ब्यूरो, समिति के उपाध्यक्ष सी.बी.अतुलकर, कार्यपालक निदेशक[तकनीकी] मॉयल लिमिटेड, समिति के समन्वयक संदीप सिंग, उपखान नियंत्रक, भारतीय खान ब्यूरो, जबलपुर क्षेत्र, समिति आयोजन सचिव ए.वी. मसादे, संयुक्त महाप्रबंधक (सुरक्षा एवं पर्यावरण) मॉयल लिमिटेड, मुख्य रूप से उपस्थित हुए । कार्यक्रम का आरम्भ खान पर्यावरण एवं खनिज संरक्षण सप्ताह के ध्वजारोहण कर तदुपरांत दीप प्रज्वलन द्वारा किया गया,

स्वागतीय भाशण श्री मसादे द्वारा किया गया, सी.बी. अतुलकर ने अध्यक्षीय भाषण प्रेषित किया, पुखराज नैनीवाल संयोजक रिपोट प्रस्तुत कि जिसमे बताया की जबलपुर क्षेत्र कि 112 खदानो को इस सप्ताह मनाने के लिए चिन्हित किया गया था जिसमे कुल 96 खदानो ने भाग लिया जिसमे 11 बाक्साइट, 16 आरन ओर, 52 चूना पत्थर, 13 मैंगनीज, एक-एक कॉपर तथा हीरा, एवं रॉक फास्फेट की 2 खदानो ने भाग लिया । जिसमे खदानो द्वारा ड्रोन सर्वे कराकर वीडीयो बनाया गया और पॉवर पाईन्ट द्वारा आन लाईन खदानो का निरीक्षण कराया गया। विशेष अतिथी मुकुन्द पी.चौधरी , अध्यक्ष-सह-प्रबंध निदेषक मॉयल लिमिटेड ने अपने सम्बोधन मे बताया की मॉयल लिमिटेड पर्यावरण एवं खनिज संरक्षण के कार्य करने के लिए हमेशा तत्पर है । मुख्य अतिथी पी.एन. शर्मा , आई.बी.एम. ने अपने उदभोशण मे पर्यावरण की महत्ता पर प्रकाश डाला एवं श्री पुखराज नैनीवाल जी क्षेत्रीय खान नियंत्रक जबलपुर क्षेत्र, भारतीय खान ब्यूरो, एवं मॉयल लिमिटेड जो कि इस सप्ताह की आयोजक है की भूरी-भूरी प्रशंसा करते हुए कहा कि इस कोविड मे जहॉ लॉकडाउन के नियम पालन करते हुए यह खान पर्यावरण एवं खनिज सप्ताह, आन लाईन वर्चुअल मोड मे करना बहुत ही अच्छा एवं नायाब तरीका है । कार्यक्रम का पुरस्कार वितरण संदीप सिंग उपखान नियंत्रक, भारतीय खान ब्यूरो, जबलपुर क्षेत्र, द्वारा किया गया जिसमे पुरस्कार भूमिगत (मैनुअल, ओ टी एफ एम तथा एफ एम) एवं ओपनकास्ट 6मैनुअल,ओ टी एफ एम तथा एफ एम8 श्रेणियों मे किया गया जिसमे भूमिगत मे ओ टी एफ एम बालाघाट जिले की पांडरवानी, मेसर्स डी.पी. राय द्वितीय, तथा मेसर्स ए.पी. त्रिवेदी की रमरमा मैंगनीज माईन प्रथम स्थान प्राप्त किया । उसी प्रकार भूमिगत (मैनुअल) श्रेणी मे गुल्ला पहाडी, मेसर्स जे.के. मिनरल्स, भूमिगत (?? एम) श्रेणी मे हिन्दुस्तान कॉपर लिमिटेड कि मलाजखंड को द्वितीय तथा मॉयल लिमिटेड की बालाघाट (भरवेली) मैगनीज खदान को प्रथम स्थान प्राप्त हुआ । ओपनकास्ट (मैनुअल) श्रेणी मे तृतीय पुरस्कार हथोडा मैंगनीज माईन मेसर्स षकुनतला कासल, द्वितीय पुरस्कार बीरपुर बाक्साइड माईन मेसर्स कृश्णादास टिकाराम एवं प्रथम पुरस्कार मेसर्स छिंदवाडा माईन्स एन्ड मिनरल्स गोवारी वधोना को प्राप्त हुआ, उसी प्रकार ओपनकास्ट (ओ टी ?? एम) श्रेणी मे तृतीय पुरस्कार नौगॉन बाक्साइड माईन मेसर्स हीरालाल रामेष्वर प्रसाद, द्वितीय पुरस्कार मैहर सिमेंट लाईमस्टोन मेसर्स मैहर सिमेंट एवं प्रथम पुरस्कार पीपरहाट लाईमस्टोन मेसर्स के.जे.एस. सिमेंट को प्राप्त हुआ तथा ओपनकास्ट (??एम) श्रेणी मे तृतीय पुरस्कार सितापुरी लाईमस्टोन माईन, द्वितीय पुरस्कार अमिलिया लाईमस्टोन एवं प्रथम पुरस्कार जे.पी. लाईमस्टोन माईन मेसर्स अल्ट्राटेक सिमेंट लिमिटेड (युनिट-बेला सिमेंट वर्क्स) को प्राप्त हुआ ।

कार्यक्रम की समाप्ति के पूर्व राष्ट्रगान गाया गया और अन्त मे आभार व्यक्त राजेश भट्टाचार्य, अभिकर्ता एवं संयुक्त महाप्रबंधक (खान) समुह-1 द्वारा किया गया। इस तरह का खान पर्यावरण एवं खनिज संरक्षण सप्ताह 2020-21 आन लाइन वर्चुअल मोड मे मनाया गया है जिसमे बीना भौतिक रूप से किसी भी व्यक्ति ने कही नही जाकर, बीना कोई पेपर आदि उपयोग करते हुए आन लाईन वर्चुअल आयोजन किया गया ।

JAGPRERNA DATE : 28/5/2021

आन लाइन तीसवां खान पर्यावरण एवं खनिज संरक्षण सप्ताह सम्पन्न..

जगप्रेरणा बालाघाट।

दिनांक 28 मई 2021 को तीसवां खान पर्यावरण एवं खनिज संरक्षण सप्ताह 2020-21 का समापन समारोह मनाया गया जो कि आन लाईन वर्चुअल मोड मे आयोजन किया गया। यह सप्ताह भारतीय खान ब्यूरो, जबलपुर क्षेत्र के तत्वाधान मे 16 मई 2021 से 22 मई 2021 तक आयोजित था जिसमे वर्चुअल मोड मे ही खदानो का निरीक्षण आन लाईन किये गये।

समापन समारोह दिनांक 28 मई 2021 को दोपहर 3:30 बजे से 5:30 बजे तक आयोजित था जिसमे मुख्य अतिथि के रूप मे भारतीय खान ब्यूरो के मुख्य खान नियंत्रक (प्रभारी) पीयूष नारायण शर्मा उपस्तिथि थे तथा साथ ही भारतीय खान ब्यूरो के खनिज अर्थशास्त्री डॉ. पी.के. जैन जी भी उपस्थित हुए, मॉयल लिमिटेड के अध्यक्ष-सह-प्रबंध निदेषक मुकुन्द पी. चौधरी एवं निदेशक (वाणिज्य) पी.वी.वी. पटनायक जी तथा खान पर्यावरण एवं खनिज संरक्षण सप्ताह समिति के संयोजक पुखराज नैनीवाल, क्षेत्रीय खान नियंत्रक जबलपुर क्षेत्र, भारतीय खान ब्यूरो, समिति के उपाध्यक्ष सी.बी.अतुलकर, कार्यपालक निदेशक तकनीकी मॉयल लिमिटेड, समिति के समन्वयक संदीप सिंग, उपखान नियंत्रक, भारतीय खान ब्यूरो, जबलपुर क्षेत्र, समिति आयोजन सचिव ए.वी. मसादे, संयुक्त महाप्रबंधक (सुरक्षा एवं पर्यावरण) मॉयल लिमिटेड, मुख्य रूप से उपस्थित हुए। कार्यक्रम का आरम्भ खान पर्यावरण एवं खनिज संरक्षण सप्ताह के ध्वजारोहण कर तदुपरांत दीप प्रज्वलन द्वारा किया गया, स्वागतीय भाशण मसादे द्वारा किया गया, सी.बी. अतुलकर जी ने अध्यक्षीय भाषण प्रेषित किया, पुखराज नैनीवाल जी संयोजक रिपोट प्रस्तुत कि जिसमे बताया की जबलपुर क्षेत्र कि 112 खदानो को इस सप्ताह मनाने के लिए चिन्हित किया गया था जिसमे कुल 96 खदानो ने भाग लिया जिसमे 11 बाक्साइट, 16 आरन ओर, 52 चूना पत्थर, 13 मैंगनीज, एक-एक कॉपर तथा हीरा, एवं रॉक फास्फेट की 2 खदानो ने भाग लिया। जिसमे खदानो द्वारा ड्रोन सर्वे कराकर वीडीयो बनाया गया और पॉवर पाईन्ट द्वारा आन लाईन खदानो का निरीक्षण कराया गया।

विशेष अतिथी मुकुन्द पी.चौधरी , अध्यक्ष-सह-प्रबंध निदेषक मॉयल लिमिटेड ने अपने सम्बोधन मे बताया की मॉयल लिमिटेड पर्यावरण एवं खनिज संरक्षण के कार्य करने के लिए हमेशा तत्पर है। मुख्य अतिथी पी.एन. शर्मा, आई.बी.एम. ने अपने उदभोशण मे पर्यावरण की महत्ता पर प्रकाश डाला एवं पुखराज नैनीवाल जी क्षेत्रीय खान नियंत्रक जबलपुर क्षेत्र, भारतीय खान ब्यूरो, एवं मॉयल लिमिटेड जो कि इस सप्ताह की आयोजक है की भूरी-भूरी प्रशंसा करते हुए कहा कि इस कोविड मे जहाँ लॉकडाउन के नियम पालन करते हुए यह खान पर्यावरण एवं खनिज सप्ताह, आन लाईन वर्चुअल मोड मे करना बहुत ही अच्छा एवं नायाब तरीका है।

कार्यक्रम का पुरस्कार वितरण संदीप सिंग उपखान नियंत्रक, भारतीय खान ब्यूरो, जबलपुर क्षेत्र, द्वारा किया गया जिसमे पुरस्कार भूमिगत (मैनुअल, ओ टी एफ एम तथा एफ एम) एवं ओपनकास्ट 6मैनुअल,ओ टी एफएम तथा एफएम8 श्रेणियों मे किया गया जिसमे भूमिगत मे ओ टी एफ एम बालाघाट जिले की पांडरवानी, मेसर्स डी.पी. राय द्वितीय, तथा मेसर्स ए.पी. त्रिवेदी की रमरमा मैंगनीज माईन प्रथम स्थान प्राप्त किया। उसी प्रकार भूमिगत (मैनुअल) श्रेणी मे गुल्ला पहाडी, मेसर्स जे.के.

मिनरल्स, भूमिगत (फएम) श्रेणी मे हिन्दुस्तान कॉपर लिमिटेड कि मलाजखंड को द्वितीय तथा मॉयल लिमिटेड की बालाघाट (भरवेली) मैगनीज खदान को प्रथम स्थान प्राप्त हुआ।

ओपनकास्ट (मैनुअल) श्रेणी मे तृतीय पुरस्कार हथोडा मैंगनीज माईन मेसर्स षकुनतला कासल, द्वितीय पुरस्कार बीरपुर बाक्साइड माईन मेसर्स कृश्णादास टिकाराम एवं प्रथम पुरस्कार मेसर्स छिंदवाडा माईन्स एन्ड मिनरल्स गोवारी वधोना को प्राप्त हुआ, उसी प्रकार ओपनकास्ट (ओ टी फ़एम) श्रेणी मे तृतीय पुरस्कार नौगॉन बाक्साइड माईन मेसर्स हीरालाल रामेष्वर प्रसाद, द्वितीय पुरस्कार मैहर सिमेंट लाईमस्टोन मेसर्स मैहर सिमेंट एवं प्रथम पुरस्कार पीपरहाट लाईमस्टोन मेसर्स के.जे.एस. सिमेंट को प्राप्त हुआ तथा ओपनकास्ट (फ़ एम) श्रेणी मे तृतीय पुरस्कार सितापुरी लाईमस्टोन माईन, द्वितीय पुरस्कार अमिलिया लाईमस्टोन एवं प्रथम पुरस्कार जे.पी. लाईमस्टोन माईन मेसर्स अल्ट्राटेक सिमेंट लिमिटेड (युनिट-बेला सिमेंट वर्क्स) को प्राप्त हुआ।

कार्यक्रम की समाप्ति के पूर्व राष्ट्रगान गाया गया और अन्त मे आभार व्यक्त राजेश भट्टाचार्य, अभिकर्ता एवं संयुक्त महाप्रबंधक (खान) समुह-1 द्वारा किया गया। इस तरह का खान पर्यावरण एवं खनिज संरक्षण सप्ताह 2020-21 आन लाइन वर्चुअल मोड मे मनाया गया है जिसमे बीना भौतिक रूप से किसी भी व्यक्ति ने कही नही जाकर, बीना कोई पेपर आदि उपयोग करते हुए आन लाईन वर्चुअल आयोजन किया गया।

AGNIVARSHA DATE : 28/5/2021

आन लाइन तीसवां खान पर्यावरण एवं खनिज संरक्षण सप्ताह सम्पन्न

बालाघाट अग्निवर्षा।

बालाघाट दिनांक 28 मई 2021 को तीसवां खान पर्यावरण एवं खनिज संरक्षण सप्ताह 2020-21 का समापन समारोह मनाया गया जो कि आन लाईन वर्चुअल मोड मे आयोजन किया गया। यह सप्ताह भारतीय खान ब्यूरो, जबलपुर क्षेत्र के तत्वाधान मे 16 मई 2021 से 22 मई 2021 तक आयोजित था जिसमे वर्चुअल मोड मे ही खदानो का निरीक्षण आन लाईन किये गये। समापन समारोह दिनांक 28 मई 2021 को दोपहर 3:30 बजे से 5:30 बजे तक आयोजित था जिसमे मुख्य अतिथि के रूप मे भारतीय खान ब्यूरो के मुख्य खान नियंत्रक (प्रभारी) पीयूष नारायण शर्मा उपस्तिथि थे तथा साथ ही भारतीय खान ब्यूरो के खनिज अर्थशास्त्री डॉ. पी.के. जैन जी भी उपस्थित हुए, मॉयल लिमिटेड के अध्यक्ष-सह-प्रबंध निदेषक मुकुन्द पी. चौधरी एवं निदेशक (वाणिज्य) पी.वी.वी. पटनायक जी तथा खान पर्यावरण एवं खनिज संरक्षण सप्ताह समिति के संयोजक पुखराज नैनीवाल, क्षेत्रीय खान नियंत्रक जबलपुर क्षेत्र, भारतीय खान ब्यूरो, समिति के उपाध्यक्ष सी.बी.अतुलकर, कार्यपालक निदेशक[तकनीकी] मॉयल लिमिटेड, समिति के समन्वयक श्री संदीप सिंग, उपखान नियंत्रक, भारतीय खान ब्यूरो, जबलपुर क्षेत्र, समिति आयोजन सचिव ए.वी. मसादे, संयुक्त महाप्रबंधक (सुरक्षा एवं पर्यावरण) मॉयल लिमिटेड, मुख्य रूप से उपस्थित हुए।

कार्यक्रम का आरम्भ खान पर्यावरण एवं खनिज संरक्षण सप्ताह के ध्वजारोहण कर तदुपरांत दीप प्रज्वलन द्वारा किया गया, स्वागतीय भाशण मसादे जी द्वारा किया गया, सी.बी. अतुलकर ने अध्यक्षीय भाषण प्रेषित किया, पुखराज नैनीवाल संयोजक रिपोट प्रस्तुत कि जिसमे बताया की जबलपुर क्षेत्र कि 112 खदानो को इस सप्ताह मनाने के लिए चिन्हित किया गया था जिसमे कुल 96 खदानो ने भाग लिया जिसमे 11 बाक्साइट, 16 आरन ओर, 52 चूना पत्थर, 13 मैंगनीज, एक-एक कॉपर तथा हीरा, एवं रॉक फास्फेट की 2 खदानो ने भाग लिया। जिसमे खदानो द्वारा ड्रोन सर्वे कराकर वीडीयो बनाया गया और पॉवर पाईन्ट द्वारा आन लाईन खदानो का निरीक्षण कराया गया। विशेष अतिथी मुकुन्द पी.चौधरी, अध्यक्ष-सह-प्रबंध निदेषक मॉयल लिमिटेड ने अपने सम्बोधन मे बताया की मॉयल लिमिटेड पर्यावरण एवं खनिज संरक्षण के कार्य करने के लिए हमेशा तत्पर है। मुख्य अतिथी पी.एन. शर्मा, आई.बी.एम. ने अपने उदभोशण मे पर्यावरण की महत्ता पर प्रकाश डाला एवं पुखराज नैनीवाल जी क्षेत्रीय खान नियंत्रक जबलपुर क्षेत्र, भारतीय खान ब्यूरो, एवं मॉयल लिमिटेड जो कि इस सप्ताह की आयोजक है की भूरी-भूरी प्रशंसा करते हुए कहा कि इस कोविड मे जहाँ लॉकडाउन के नियम पालन करते हुए यह खान पर्यावरण एवं खनिज सप्ताह, आन लाईन वर्चुअल मोड मे करना बहुत ही अच्छा एवं नायाब तरीका है।

कार्यक्रम का पुरस्कार वितरण संदीप सिंग उपखान नियंत्रक, भारतीय खान ब्यूरो, जबलपुर क्षेत्र, द्वारा किया गया जिसमे पुरस्कार भूमिगत (मैनुअल, ओ टी एफएम तथा एफएम) एवं ओपनकास्ट 6मैनुअल,ओ टी एफ एम तथा एफ एम8 श्रेणियों मे किया गया जिसमे भूमिगत मे ओ टी एफएम बालाघाट जिले की पांडरवानी, मेसर्स डी.पी. राय द्वितीय, तथा मेसर्स ए.पी. त्रिवेदी की रमरमा मैंगनीज माईन प्रथम स्थान प्राप्त किया। उसी प्रकार भूमिगत (मैनुअल) श्रेणी मे गुल्ला पहाडी, मेसर्स जे.के. मिनरल्स, भूमिगत (फ़एम) श्रेणी मे हिन्दुस्तान कॉपर लिमिटेड कि मलाजखंड को द्वितीय तथा मॉयल लिमिटेड की बालाघाट (भरवेली) मैगनीज खदान को प्रथम स्थान प्राप्त हुआ। ओपनकास्ट (मैनुअल) श्रेणी मे तृतीय पुरस्कार हथोडा मैंगनीज माईन मेसर्स षकुनतला कासल, द्वितीय पुरस्कार बीरपुर बाक्साइड माईन मेसर्स कृश्णादास टिकाराम एवं प्रथम पुरस्कार मेसर्स छिंदवाडा माईन्स एन्ड मिनरल्स गोवारी वधोना को प्राप्त हुआ, उसी प्रकार ओपनकास्ट (ओ टी फ़ एम) श्रेणी मे तृतीय पुरस्कार नौगाँन बाक्साइड माईन मेसर्स हीरालाल रामेष्वर प्रसाद, द्वितीय पुरस्कार मैहर सिमेंट लाईमस्टोन मेसर्स मैहर सिमेंट एवं प्रथम पुरस्कार पीपरहाट लाईमस्टोन मेसर्स के.जे.एस. सिमेंट को प्राप्त हुआ तथा ओपनकास्ट (फएम) श्रेणी मे तृतीय पुरस्कार सितापुरी लाईमस्टोन माईन, द्वितीय पुरस्कार अर्मिलिया लाईमस्टोन एवं प्रथम पुरस्कार जे.पी. लाईमस्टोन माईन मेसर्स अल्ट्राटेक सिमेंट लिमिटेड (युनिट-बेला सिमेंट वर्क्स) को प्राप्त हुआ ।

कार्यक्रम की समाप्ति के पूर्व राष्ट्रगान गाया गया और अन्त मे आभार व्यक्त राजेश भट्टाचार्य, अभिकर्ता एवं संयुक्त महाप्रबंधक (खान) समुह-1 द्वारा किया गया। इस तरह का खान पर्यावरण एवं खनिज संरक्षण सप्ताह 2020-21 आन लाइन वर्चुअल मोड मे मनाया गया है जिसमे बीना भौतिक रूप से किसी भी व्यक्ति ने कही नही जाकर, बीना कोई पेपर आदि उपयोग करते हुए आन लाईन वर्चुअल आयोजन किया गया।

BUSINESS LINE DATE : 28/5/2021 P.N.8

Take risk going long on MCX copper

COMMODITY CALL

Stop-loss: ₹730
Potential targets: ₹780, ₹800

AKHIL NALLAMUTHU
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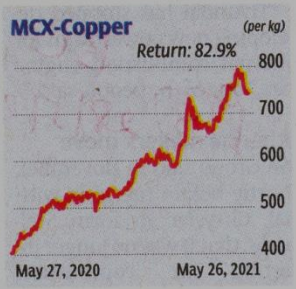
Copper has been one of the best performing commodities since March 2020 and consequently, the continuous contract of copper on the Multi Commodity Exchange (MCX) started to rally from about ₹350.

Though there were intermittent moderations in price, the overall trend has remained bullish.

Therefore, the futures continued to head north and hit a high of ₹815 before a couple of weeks.



However, over the past couple of weeks, the contract started to decline and is currently trading around ₹750, down nearly 8 per cent from its high.

The price is now below the 21-day moving average (DMA) and indicators like relative strength index (RSI) and the moving average convergence divergence (MACD) also shows a downtick.

But there are no clear cut signs of trend reversal and the fall in price is likely to be a correction as the price is above the 50-DMA and it lies above the 50 per cent retracement level of the previous trend. The MACD stays in the positive territory and the average directional index shows that the bulls are bears are possessing equal strength at this moment.

Given the above factors, traders can risk going long on the back of the support at ₹730.

That is, buy the contract with stop-loss at ₹730 and look for a potential targets of ₹780 and ₹800 in the near-term.

BUSINESS LINE DATE : 30/5/2021 P.N.5

True as steel

Risk-reward continues to be balanced for the stock

SATYA SONTANAM
BL Research Bureau

The stock of Jindal Steel & Power (JSPL) has risen more than sixfold since its lows in April 2020. The buoyancy in the stock performance was in line with other steel stocks on account of favourable conditions for the industry both globally and domestically..

JSPL reported highest ever consolidated profit (from continuing operations) in the FY21 of ₹5,527 crore, as against the loss of about ₹574 crore in the previous year. In fact, the company posted positive net profits after six years of losses. FY21 also marked a year of earning highest ever consolidated EBITDA of ₹14,444 crore, more than double compared to the previous year.

The domestic demand for steel is expected to be decent going ahead. Further, China government's recent announcement to cut the export rebates on 126 steel products will be favourable for Indian steel players to cater to export demand. With JSPL's expansion plans to increase the installed steel producing capacity of the company at Angul from about six million tonne (mt) now to 12 mt by FY25 — that would be operationalised in a phased manner — the company is well-placed to cater to the growing demand.

Further, focus of the management on steel production in India by Oman business stake sale closure and proposed divestment of the power segment and plans to deleverage are positives for the company.

HOLD

Why

- Stock is priced at a discount to peers
- Promising business performance
- Well-placed to benefit from infra push

At current levels of ₹396 the stock appears to be priced at discount to its major peers in the industry. The EV/EBITDA of the company at 4.1 times its FY23 estimated earnings (Bloomberg Consensus), is lower than the 6.6 times and 4.8 times recorded for JSW Steel and Tata Steel respectively. Hence, investors with a three- to five-year horizon can hold on to the stock.

Exiting power business

Jindal Steel & Power, in April, said it will sell its 96.42 per cent stake in electricity-generation subsidiary Jindal Power Ltd to one of the promoters of the company, Worldone Private Ltd. The deal comprises an all-cash offer of ₹3,015 crore for 96.42 per cent stake in Jindal Power, including 3.4GW coal-fired power capacity in Chhattisgarh.

in FY21, the power segment, which is to be divested by the company, generated about 11.8 per cent of revenue (against 12.3 per cent in FY20), but contributed only 9.12 per cent to the company's operating profits (EBIDTA) (18 per cent in FY20).

Despite positive EBITDA, the segment net loss increased in FY21 at ₹1,258 crore as against loss of ₹229 crore in FY20 dragging down the consolidated profit of JSPL. Currently, the deal seems to be under-valued considering the likely prospects for the power sector.

Currently the AGM is postponed and the divestment decision is still pending – with no new date announced yet. Having said that, a divestment at an appropriate price would be positive for the company, with more focus on the steel sector.

Outlook

The turnaround witnessed in the company's performance has been impressive after it had a jolt in 2014 in which the Supreme Court cancelled its coal blocks with an additional levy of ₹3,500 crore. Currently, JSPL seems promising with expansion plans and deleveraging measures. The company has announced an ₹18,000 crore towards capex to expand its total steel capacity to 15.9 mtpa by FY25 (about 8.6 mtpa in FY22).

While the prospects of the steel sector looks decent in terms of demand, current higer steel prices is a point of concern. The more than 75 per cent jump in last one year to ₹65,250 per tonne of hot rolled coil (HRC) is expected to stabilise/downside from hereon. Per a recent ICICI Securities' report, the current spreads for US HRC steel is at $965 — a 70-year high after adjusting for inflation..

Further, JSPL's exhaustion of Sarda iron ore inventory may warrant the company to source the raw material at higher cost may exert some pressure on the current level of margins With strong operating performance in FY21, the company reduced its net debt by ₹13800 crore in FY21 to Rs 22100 crore. At the current levels, the net debt to EBITDA is around 1.4, better than the peers in the industry.

Given company's relatively cheaper valuation versus peers, expectations for good growth in the medium term; balanced with expectaions of moderation in commodity prices, the risk-reward appears balanced for the stock and we recommend a hold on the stock. Key factors to watch for are the price at which the power business is divested and higher than anticipated cooling off in steel prices.

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