खनिज समाचार

**KHANIJ SAMACHAR**

**Vol. 7, No-1**

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# खनिज समाचार

# KHANIJ SAMACHAR


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VOL. 7, NO –1 , 1st – 15th JANUARY 2023

BUSINESS LINE DATE:1/1/2023 P.NO.2

# Gold: Shining prospects

Akhil Nallamuthu
bl. research bureau

Gold has delivered a diverse performance in 2022. In terms of dollar, the precious metal was largely flat whereas in rupee terms it gained nearly 14 per cent, outperforming Nifty 50 and producing a double-digit gain in three of the last four years. The outperformance in the domestic market was due to 11.3 per cent depreciation in the rupee against the dollar.

In the international spot market, the yellow metal ended the year at $1824 per ounce. In the domestic market, the gold futures on the Multi Commodity Exchange (MCX) has closed at ₹55,017 per 10 gram.

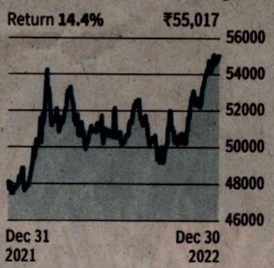
Here, we look at the factors that moved gold in 2022 and what is there on the plate for the yellow metal in 2023.

## FED ACTIONS HELD SWAY

Early last year, gold surged due to the Russia-Ukraine conflict. However, prices did not stay elevated for long and made a U-turn for a couple of reasons.

One, central banks, especially the US Federal Reserve, started hiking rates in March and the pace was more than expected. Two, the global gold ETFs (Exchange Traded Funds) have seen a net outflow of nearly 100 tonnes as on December 16 as per the data from the World Gold Council (WGC).

**MCX Gold futures** (per 10 grams)




The negative effect of the above factors outweighed the positive impact from physical demand for the precious metal. The WGC data shows that the total gold demand in the first three quarters (calendar year) of 2022 stood at 3,387 tonnes — the highest for the corresponding period since 2016.

## WHAT'S AHEAD FOR GOLD

**Positives:** Rate hike from the US Fed is set to peak in 2023. According to the latest 'Economic Projections' by the Fed, the rate hikes are likely to be capped between 5 and 5.25 per cent in 2023. Thereafter, it is likely to see a downward path. This can weigh on the US dollar and keep it subdued, a positive for gold.

A possible global economic slowdown can push other major central banks as well to ponder cutting rates. In the latest World Economic Outlook by the International Monetary Fund, released in October, the global growth expectations have been revised down to 2.7 per cent, down from 2.9 and 3.6 per cent forecast in July and April respectively. Such a slowdown might be the key to unleash the gold bulls, which appeared tamed last year despite elevated inflation.

Besides, should the global economy slip into a recession, the sentimental shift can nudge investors to start looking for safety. Historically, gold has done well during times of distress. This, coupled with a possible drop in treasury yields, will make gold very attractive.

Even the central banks stacked up gold on the back of economic uncertainties. They bought nearly 400 tonnes of gold in the third quarter of 2022 — the largest in over a decade. For the global economy, which already faces risk on the economic front, geo-political tensions could be the other factors to keep the gold prices upbeat in 2023.

**Negatives:** The risk with respect to gold is inflation peaking, which can remove the necessity of a hedge against rising prices, and the global economy performs a soft landing by avoiding recession. Overall, positive factors are expected to outweigh the negative ones, resulting in a rally in gold prices.

**Technical:** Gold found good support between $1,620 and $1,640 in October and rebounded to end the year at $1,824 an ounce. The outlook is bullish. We expect gold to touch $2,000 in 2023. If the momentum sustains and $2,000 is surpassed, retesting the all-time high of $2,075 should be easy.

On the other hand, if there is a fall from here, $1,700 is expected to hold well. In the worst case, prices could retest the support band of $1,620-1,640. A fall below $1,620 is less likely in 2023.

In the domestic market, gold futures on the MCX are forecast to hit record highs. In 2023, we anticipate prices to rally past the ₹60,000-mark and potentially appreciate to ₹61,000.

THE HITAVADA DATE:1/1/2023 P.NO.7

# Commerce Ministry seeks cut in gold import duty in Budget

NEW DELHI, Dec 31 (PTI)

THE Commerce Ministry has sought a reduction in the import duty on gold in the forthcoming budget with a view to push exports and manufacturing of the gems and jewellery sector, sources said.

In July this year, the centre hiked gold import duty to 15 per cent from 10.75 per cent to check the current account deficit (CAD) and rising import of the yellow metal. The basic customs duty on gold is 12.5 per cent. Along with the agriculture infrastructure development cess (AIDC) of 2.5 per cent, the effective gold customs duty will be 15 per cent.

"As the gems and jewellery industry has recommended the Commerce Ministry for a cut in the duty, the Commerce Ministry has urged the Finance Ministry for the same. The Ministry has also asked for tweaking import duty on certain other products to boost manufacturing and exports," the sources said. Every year, the gems and jewellery export industry seeks a reduction in import duty.

Former Chairman Gems and Jewellery Export Promotion Council (GJEPC) Colin Shah said that the industry is pinning its hope on the forthcoming Budget to push exports and generate jobs in the sector.

"Customs duty cut on gold and a progressive repair policy for jewellery will help the sector immensely. We are also very hopeful that there will be presumptive taxation on our special notified zones for rough diamonds and abolition of duty on the seed used for lab-grown production," Shah, who is also the founder and Managing Director (MD) of Kama Jewelry, said.

According to the council, India has the potential to be the repair hub of the world and this policy can help increase exports by up to USD 300-400 million.

The gems and jewellery exports rose by 2 per cent to USD 26.45 billion in April-November 2022 this year. Gold imports have dipped by 18.13 per cent to USD 27.21 billion during April-November this fiscal.Gold imports have a bearing on the current account deficit (CAD).

India is the largest importer of gold, which mainly caters to the demand of the jewellery industry.

In volume terms, the country imports 800-900 tonne of gold annually.

BUSINESS LINE DATE:2/1/2023 P.NO.4

# Gold is set to regain its lustre in 2023

## Silver is likely to enjoy strong upside potential in the new year as its industrial demand is set to rise

G Chandrashekhar

Gold has had a rollercoaster ride in 2022 with several factors, both supportive and negative, impacting the sentiment. Ultra-accommodative monetary policy resulting in massive liquidity infusion and low interest rates caused inflation which boosted the metal price in the initial months of the year.

Gold is known as a hedge against inflation. The US faced inflation in excess of 8 per cent, a 40-year high. Other countries were not far behind.

But the Russian invasion of Ukraine spooked all commodity markets. It propelled gold even higher to breach the psychological $2,000 a troy ounce in March.

In the months that followed, gold could not hold on to the gains and started to slide to reach a low of $1615/oz by September following strong appreciation of the dollar and rise in US bond yields as a result of steady hike in key interest rates by the US Federal Reserve.

During the year, the dollar reached a 20-year high to be on par with the Euro. While the strong dollar became a safe haven, holding gold became less attractive. Gold is a non-interest bearing investment. No wonder, outflow from exchange traded funds (ETFs) continued from May to November as institutional investors had other avenues.

However, in November with inflation showing signs of softening and the Fed signalling a slower pace of future rate hikes, the metal again got a boost of almost $200/oz. So, the gold market is ending the year almost flat which is an improvement over a 6 per cent negative return in 2021.

Where would the gold market go from here? In 2023, inflation rates are likely to fall from the current highs following monetary tightening. But at some stage, perhaps in the second or third quarter, the Fed may be forced to pause the rate hike to counter looming recession risk. It may also open up the possibility of a rate drop by the Fed if the economic situation warrants.

In the event, the dollar would weaken from the current levels and bond yields decline. This would create a favourable backdrop for gold prices to rise. So, for gold, 2023 would be a year of two halves.

**GOLD PRICES.** Set for a glittering run in 2023/ISTOCKPHOTO

In the first half, the yellow metal may continue to be under some pressure facing the headwinds of strong currency, bond yields, inflation and possibly two more rate hikes.

As a result, in the first half, the yellow metal is likely to trade in the $1750-1850 range. But in the second half as headwinds recede and support factors take over, the precious metal may rise higher to the $1800-1900 levels.

Silver: It is not only a precious metal but also an industrial metal with varied applications. Usually, silver hangs on to gold's coattails. In 2022 like gold, silver too had a mixed year initially rising to reach $ 27/oz by March and then steadily declined for almost six months, reaching a 2-year low of $17.5 by early September.

Silver enjoys a strong upside price potential in 2023 as the supply-demand fundamentals are tight. The market faces a deficit of about 6,000 tonne of the metal. Demand for coins, bars, jewellery and silverware is expected to pick up.

Electrification, 5G technology, green infrastructure – all these are set to boost silver demand. Inflation fears may encourage physical demand too. Silver may rise by at least 10 per cent from the current levels to first reach $25/oz and then test $27/oz in the second half of 2023.

As usual, our domestic bullion market will continue to reflect global developments as India is still a price taker and not a price setter despite large import volumes. The rupee price of both gold and silver is set for an increase during 2023. From the current levels, gold may touch ₹60,000 per 10 grams while silver has the potential to reach ₹70,000 a kg in the latter half of the year.

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

THE HITAVADA DATE:3/1/2023 P.NO.6

# MOIL registers record production

Business Bureau

BREAKING a multi-year record, MOIL has registered best December production of 141,321 tonnes in December, 2022. Producing at its rated capacity level, production increase has been to an extent of 18 per cent over November, 2022. Sales at 1,64,235 tonnes for the month has also been spectacular, with a growth of around 91 per cent over November, 2022.

Ajit Kumar Saxena, CMD MOIL, who has taken charge as Chairman and Managing Director on December 29, 2022, shared that it is heartening to see MOIL team coming together to register such a performance and expressed confidence that the same will be continued. The impact of the record production by the company was also visible in the stock market on Monday when the shares of the state-owned miniratna rallied over 5 per cent to Rs 170 in intraday trade on BSE.

MOIL Limited is a schedule-A, Miniratna category-1 CPSE under the administrative control of Ministry of Steel, Government of India. The company is the largest producer of manganese ore in the country with a market share of about 45 per cent.

At present, MOIL operates 11 mines, seven located in the Nagpur and Bhandara districts of Maharashtra and four in the Balaghat district of Madhya Pradesh. All these mines are about a century old. Except 4, rest of the mines are worked through underground method. The Balaghat mine is the largest mine of the company.

The mine has now reached a mining depth of about 383 meters from the surface. Dongri Buzurg mine located in the Bhandara district of Maharashtra is an opencast mine that produces manganese dioxide ore used by dry battery industry.

This ore in the form of manganous oxide is used as micro-nutrient for cattle feed and fertilizers.

MOIL fulfils about 50 per cent of the total requirement of dioxide ore in India. At present, the annual production is around 1.1 million tonne which is expected to grow in the coming years. The company has ambitious vision of almost doubling its production to 3.00 million tonnes by 2030.

MOIL is also exploring business opportunities in Gujarat, Rajasthan and Odisha besides other areas in Madhya Pradesh.

**BUSINESS LINE**
**DATE:3/1/2023 P.NO.8**

COMMODITY
CALL.

# Buy aluminium futures at ₹209

**Akhil Nallamuthu**
bl. research bureau


For nearly two weeks, the prices of aluminium have been stuck in a range. Consequently, the aluminium futures (January expiry) on the Multi Commodity Exchange (MCX) has been oscillating in the narrow price band of ₹208-211.

Having said that, aluminium has not been trending since July and the chart shows that the futures have been fluctuating within ₹205 and ₹218. January futures, are now quoting at ₹209 and are near the lower boundary of the broader ₹205-218 range.

Therefore, one can consider buying as the risk-reward ratio is good for long positions.

We expect the futures to rally to ₹218 in the near-term. A breakout of this can help establish aluminium futures a leg of rally, possibly to ₹250. On the other hand, a breach of the support at ₹205 can turn the outlook negative which could lead to a fall to ₹186.

Given that the risk is lower compared to the potential upside, we recommend buying MCX aluminium futures at the current level of ₹209. Add more longs if the price dips to ₹206. Keep the stop-loss at ₹203 at first and move it up to ₹210 when the contract crosses over ₹214. Liquidate the longs at ₹218.

**THE HITAVADA**
**DATE:3/1/2023 P.NO.5**

# NMDC hikes iron ore lump rates by Rs 200/tonne

NEW DELHI, Jan 2 (PTI)

STATE-OWNED NMDC on Monday announced that it has hiked the prices of iron ore lumps by Rs 200 to Rs 4,300 per tonne. The country's largest iron ore miner has also increased rates of iron ore fines by Rs 500 to Rs 3,410/tonne, NMDC said in a regulatory filing. The prices are effective January 1, and exclude royalty, district mineral fund (DMF), National Mineral Exploration Trust (DMET), cess, forest permit fee and other taxes, the company said.

Lump ore or high-grade iron contains 65.53 per cent Fe (iron).

# Coal Ministry to take up 19 more first-mile connectivity projects

**Our Bureau**
New Delhi

The Coal Ministry on Monday said it will take up an additional 19 first-mile connectivity (FMC) projects, to be implemented by FY27, for faster evacuation of the commodity.

The FMC projects for Coal India (CIL) and Singareni Collieries Company (SCCL) have a cumulative a capacity of 330 million tonnes (mt)

So far, the Ministry has undertaken 55 FMC projects, 44 for CIL and five for SCCL and three for NLC India (NLCIL) with 526 million tonnes per annum (mtpa) capacity with an investment of ₹18,000 crore, the Ministry said in a statement.

Of these eight projects — six for CIL and two for SCCL — 95.5 mtpa capacity have been commissioned, while the remaining will be commissioned by FY25, it added.

## PRODUCTION TARGET

To ensure efficient and environment-friendly coal evacuation in future, the Ministry is working on a National Coal Logistic Plan, including first mile connectivity through railway sidings near coal mines and strengthening of rail network in coalfields.

It has set a target to produce 1.31 billion tonnes (bt) of coal by FY25 and 1.5 bt in FY30. In this context, development of coal transportation that is cost efficient, fast and environmentally-friendly is important, the Ministry said.

It has formulated a strategy to develop an integrated approach for eliminating road transportation of coal in mines and has taken steps to upgrade mechanised coal transportation and loading system under FMC projects. Coal handling plants (CHPs) and silos with rapid loading systems will have benefits such as crushing, sizing of coal and speedy computer-aided loading.

DAINIK BHASKAR DATE:3/1/2023 P.NO.7

# कोयला खानों को मुख्य लाइन से जोड़ने की 19 और परियोजनाएं होंगी शुरू

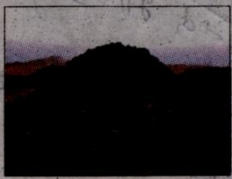
ब्यूरो| नई दिल्ली

कोयला मंत्रालय 33 करोड़ टन उत्पादन क्षमता वाली कोल इंडिया लिमिटेड (सीआईएल) और सिंगरेनी कोलियरीज कंपनी लिमिटेड (एससीसीएल) के लिए सम्पर्क की पहली कड़ी (फएमसी) वाली 19 और परियोजनाएं शुरू करेगा। कोयला मंत्रालय के अनुसार इन परियोजनाओं को वित्त वर्ष 2026-27 तक लागू किया जाएगा। मंत्रालय की एक विज्ञप्ति के अनुसार 18000 करोड़ रुपए के निवेश से 52.6 करोड़ टन वार्षिक क्षमता की 55 एफएमसी परियोजनाएं पहले ही शुरू कर चुका हैं। इनमें 44-सीआईएल, पांच-एससीसीएल और तीन-एनएलसीआईएल की हैं। जिनमें से 9.55 करोड़ टन क्षमता की आठ परियोजनाएं (छह-सीआईएल और दो-एससीसीएल) चालू की जा चुकी हैं और शेष वित्त वर्ष 2025 तक चालू हो जाएंगी। भविष्य में कुशल और पर्यावरण के अनुकूल कोयले की निकासी सुनिश्चित करने के लिए मंत्रालय कोयला खदानों के पास रेलवे साइडिंग के माध्यम से संपर्क की पहली कड़ी और कोयला क्षेत्रों में रेल नेटवर्क को मजबूत करने सहित राष्ट्रीय कोयला लॉजिस्टिक योजना के विकास पर काम कर रहा है। सरकार ने 2024-25 तक 1.31 अरब टन कोयले और तथा 2027-30 तक 1.5 अरब टन का उत्पादन करने का लक्ष्य रखा है। इस संदर्भ में, लागत प्रभावी, तेज और पर्यावरण अनुकूल तरीके से कोयला परिवहन का विकास महत्वपूर्ण है। मंत्रालय ने 2020-21 में राष्ट्रीय पर्यावरण अनुसंधान संस्थान (नीरी), नागपुर के माध्यम से अध्ययन किया गया।

DAINIK BHASKAR DATE:3/1/2023 P.NO.7

# मॉयल ने दिसंबर में 1.4 लाख रुपए टन मैगनीज अयस्क का किया रिकॉर्ड उत्पादन

**नागपुर|** सरकारी उपक्रम मॉयल ने दिसंबर, 2022 में 1,41,321 टन मैगनीज अयस्क के साथ इस माह के अब तक के सर्वाधिक उत्पादन का रिकार्ड बनाया है।



इस्पात मंत्रालय की सोमवार को जारी विज्ञप्ति के अनुसार दिसंबर, 2022 का कंपनी का उत्पादन नवंबर, 2022 की तुलना में 18 प्रतिशत अधिक रहा। कंपनी ने दिसंबर में 1,64,235 टन मैगनीज अयस्क की बिक्री की। मॉयल के चेयरमैन एवं प्रबंध निदेशक (सीएमडी) अजीत कुमार सक्सेना ने बताया कि इस तरह के प्रदर्शन को दर्ज करने के लिए मॉयल टीम का साथ काम करना बड़ी खुशी की बात है और उन्होंने भरोसा जताया कि ये प्रदर्शन जारी रखा जाएगा। श्री सक्सेना ने अभी 29 दिसंबर को सीएमडी का कार्यभार संभाला है। मॉयल लिमिटेड केंद्रीय इस्पात मंत्रालय के प्रशासनिक नियंत्रण वाली मिनीरत्न श्रेणी-1 की कंपनी है। मॉयल लगभग 45 प्रतिशत बाजार हिस्सेदारी के साथ देश में मैंगनीज अयस्क की सबसे बड़ी उत्पादक है। महाराष्ट्र और मध्य प्रदेश में इसकी 11 खाने हैं। कंपनी ने 2030 उत्पादन लगभग दोगुना करके 30 लाख टन तक पहुंचाने का महत्वाकांक्षी लक्ष्य रखा है और गुजरात, राजस्थान और ओडिशा राज्य में भी व्यापार के अवसर तलाश रही है।

NAVBHARAT DATE:4/1/2023 P.NO.5

# मॉयल ने दर्ज किया रिकॉर्ड उत्पादन

**नागपुर, बिजनेस. कनेक्ट.** बहु-वर्षीय रिकॉर्ड तोड़ते हुए मॉयल ने दिसंबर, 2022 में 1,41,321 टन का सर्वश्रेष्ठ उत्पादन दर्ज किया है. अपने निर्धारित क्षमता स्तर पर उत्पादन करते हुए नवंबर, 2022 की तुलना में उत्पादन में 18 प्रतिशत की वृद्धि की है. नवंबर, 2022 की तुलना में लगभग 91 प्रश की वृद्धि के साथ महीने के लिए 1,64,235 टन की बिक्री भी शानदार रही है. 29 दिसंबर, 2022 को सीएमडी के रूप में कार्यभार संभालने वाले अजीत कुमार सक्सेना ने कहा कि कम्पनी के इस रिकॉर्ड प्रदर्शन में पूरी टीम का सहभाग है. इसी तरह आगे भी इसे जारी रखा जायेगा.

BUSINESS LINE DATE:4/1/2023 P.NO.8

# Buy copper futures if prices drop to ₹722

## COMMODITY CALL.

Akhil Nallamuthu
bl. research bureau


Copper futures (continuous contract), which have been on a rally since the final week of September, marked a six-month high of ₹751.1 last week. Since then, it has seen a fall and is now trading at around ₹727.

Copper futures are lacking momentum on either side. The RSI and the MACD on the daily chart are flat, indicating the same. Moreover, the cumulative Open Interest (OI) of copper futures on the MCX dropped sharply to 5,044 contracts on December 31 compared to 7,095 contracts on December 23.

During this period, the price witnessed a marginal drop, which means a part of longs is being unwound. Overall, at this juncture, there is no push on either side.

That said, since the price region of ₹720-722 is a good support and the trend has been bullish over the past three months, one can risk by going long. Support below ₹720 is at ₹700.

### TRADE STRATEGY

Stay out for now and buy when the price drops to ₹722. Place stop-loss at ₹716. Exit at the prior high which the January contract made last week. Book profits at ₹738.

BUSINESS LINE DATE:5/1/2023 P.NO.1

# India identifies two lithium, one copper mine in Argentina; evaluation report by end Feb

**Abhishek Law**
New Delhi

India has identified two lithium mines and one copper mine in Argentina for a possible acquisition or long-term lease. Commercial evaluation of the mines have begun and a report regarding this is expected by end February, a senior official of the Ministry of Mines told *businessline*.

It maybe recalled that the Centre had sent a team of three geologists to the Latin American nation "to assess potential lithium deposits" and possible acquisition opportunities in November last year. The team comprised of one geologist each from the Mineral Exploration Corporation Ltd (MECL), KABIL (Khanij Bidesh India Ltd) and the Geological Survey of India (GSI).

KABIL, a joint venture formed through the participation of National Aluminium Company (Nalco), Hindustan Copper and MECL, aims to ensure consistent supply of critical and strategic minerals in the domestic market.

**SALT POWER**

- Lithium, found in cedemine rock formations and in brine form, is called 'salar' in Latin America
- It is typically extracted from the salt flats by pumping brine into ponds and processing the lithium salts that crystallise once the water evaporates
- It requires time and investment, but the production is cheaper than the hard-rock mining practised in Australia

### PACTS INKED

According to Ministry officials, ownership (in case of acquisition or infusion of equity) or leasing rights of all the three mines will be with KABIL.

"Subsequent to preliminary assessment, KABIL expressed interest to partner with a state-owned organisation there in December for prospecting the identified areas and exploring the possibility of establishing projects for extraction of lithium in due course of time. Commercial evaluation of the same has begun at our end here," the official said.

So far KABIL has signed non-binding MoUs for sharing information on prospective acreages of lithium with three state-owned organisations of Argentina, said sources.

The north-west of Argentina together with Chile and Bolivia, forms the so-called 'Lithium Triangle' and is currently the fourth largest producer. Argentina also has the third largest world reserve of lithium, the main component of batteries and other electronics used in electric vehicles and energy storage solutions.

Australia is the top lithium producer globally. The US and China, too, are key producers of the mineral.

Argentina is already seeing substantial investment in the sector from international players, including China-backed firms.

BUSINESS LINE DATE:6/1/2023 P.NO.3

# Steel mills substitute Australian coking coal with cheaper optio

**Abhishek Law**
New Delhi

India's steel mills have substituted "costlier" Australian coking coal with alternatives, mostly from Indonesia, Russia and the US. The three countries have gained the most with supplies increasing by 187 per cent, 138 per cent and 163 per cent, respectively, for the April-November period.

Imports from Australia dropped over 18 per cent for the eight-month-period, to 23.6 million tonnes (mt), from 28.9 mt in the year-ago-period, data from Ministry and trade sources show.

On the other hand, Indonesia supplied 1.84 mt (0.64 mt) in April–November period; Russian supplies increased to 1.67 mt (0.7 mt) and that of the USA stood at 5.50 mt (2.09 mt). Canada's supplies went up by 26 per cent while and Mozambiquesaw a 36 per cent increase in orders.

However, Australia continues to be the largest supplier of coking coal, followed by the USA, Canada, Indonesia, Mozambique and Russia.

Russia and Indonesia both moved up in terms of supplies on a year-on-year basis. Russia is already a major met coke supplier— which includes coking coal, PCI and anthracite.

**ON A DECLINE.** Imports from Australia dropped over 18% for April-November from 28.9 mt to 23.6 mt REUTERS

India, the world's second largest producer of crude steel, is also one of the biggest importers of coking coal with nearly 90 per cent of the requirements being met through imports. Coking coal is a key raw material in steel making.

### PRICE RISE

Throughout CY2022 , the price of the benchmarked coking coal variant witnessed the second-highest increase — among steel-related raw materials — of almost 50 per cent.

The annual average price was \$390 per tonne against \$260 per tonne last year.

"Prices hit a high in March to \$620/t, sobered down to \$510/t and \$540/t in April and May, respectively, but remained above 2021's average almost throughout the year," as per *Coalmint*, the coal arm of *Steelmint*.

Price of coking coal witnessed an uptrend because of supply disruptions due to heavy rains in Australia. "However, prices skyrocketed as soon as the war erupted and the West imposed sanctions on Russia. As with thermal coal, Europe started sourcing coking coal fron the report mentio

According to dustry observer, orders across key seen corresponde when prices were

For instance, v coal prices we north in the Febr period of 2022, su Australia droppe cent in April to 3 (from nearly 4 n again in May to 3n

On the other ha witnessed a 440 p 125 per cent jump during April and M

BUSINESS LINE DATE:6/1/2023 P.NO.9

# Cement companies scramble to add capacity

Suresh P Iyengar
Mumbai

Cement companies are likely to add 80-100 million tonnes (mt) of fresh capacity by FY25 despite the looming challenges on rising input cost and uncertainty on the demand front.

With a deleveraged balance sheet, the industry will add an incremental capacity of 33 mt this fiscal with Aditya Birla Group's UltraTech Cement accounting for a chunk of the addition.

Gearing for growing demand and intense competition from new entrant Adani Group in the cement business, UltraTech Cement has drawn plans to increase its installed capacity to 159 mtpa by FY25 by adding 42 mtpa of capacity across the country along with grinding units and bulk terminals.

The company's capacity has already increased 41 per cent to 120 mtpa in the last fiscal from 85 mtpa in FY18.

Last May, Gautam Adani-led Adani Cement acquired majority stake in ACC and Ambuja Cement for $10.5 billion from Holcim AG. Ranked second and third largest, both the companies have a cumulative installed capacity of 70 mtpa.

GROWING NEED. Demand is expected as govt spending on infra is set to increase ahead of general election NAGARA GOPAL

Shree Cement, which has a production capacity of 43 mtpa, will add 3.5 mtpa cement capacity with an investment of ₹3,500 crore. JK Cement plans to invest ₹1,161 crore over the next two years to expand its capacity by 5.5 mtpa from 20 mtpa.

Dalmia Bharat has drawn a ₹9,000-crore plan to increase its cement capacity to over 48 mt by FY24 from the current 36 mtpa. Last month, it acquired the stressed asset of 9.4 mtpa of Jaiprakash Associates.

**MODERATE UTILISATION**

Anupama Reddy, Vice-President, ICRA, said supported by strong demand prospects, the cement capacity additions are expected to increase to about 29-32 mtpa this fiscal from about 25 mtpa in FY22.

Despite an expected increase in volumes by 7-8 per cent, the cement industry's capacity utilisation is likely to remain moderate at about 68 per cent on an expanded base, she said.

Prateek Agrawal, Executive Director, Motilal Oswal AMC, said notwithstanding the lingering challenges posed by the pandemic, long-term cement industry growth potential is intact and cement companies are favorably positioned to deliver building solutions.

**INFRA UPGRADES**

Cement demand will be driven by infrastructure upgrades, rural housing and urbanisation.

The sector will see huge demand momentum with higher government spending on infrastructure owing to general elections, he added.

India's cement demand is expected to reach 550-600 mtpa by 2025 with the housing sector accounting for about 67 per cent of the total consumption.

The other major consumers of cement are infrastructure at 13 per cent, commercial construction at 11 per cent and industrial construction at 9 per cent, sources said.

BUSINESS LINE DATE:8/1/2023 P.NO.1

# Gold bulls fly high

**BULLION CUES.** Silver does not appear as strong as gold; further consolidation expected

**Akhil Nallamuthu**
bl. research bureau


GETTY IMAGES/ISTOCKPHOTO

Gold produced a gain in the first week of trading in 2023. The spot price of gold in the international market closed the week at $1,865.7 an ounce, up 2.3 per cent. In the domestic market, the gold futures (February expiry) on the Multi Commodity Exchange (MCX) gained 1.3 per cent to end at ₹55,743 (per 10 gram).

On the other hand, silver underperformed the yellow metal as the price of global spot silver dropped 0.7 per cent to end the week at $23.81 an ounce. Similarly, silver futures (March series) on the MCX fell 0.4 per cent over the last week as it closed at ₹69,155 (per kg).

Here's an analysis based on charts. and our recommendation on what traders can do.

**MCX-GOLD (₹55,743)**

The February gold futures appreciated to hit an intra-week high of ₹56,010 last Wednesday before wrapping up the week at ₹55,743, gaining 1.3 per cent for the week.

Last week, it closed above the resistance at ₹55,000 and so, the chance for more move upwards is high.

The fund flows are indicating the same positive sentiment. The cumulative Open Interest (OI) of gold futures on the MCX has risen to 18,652 contracts by the end of last week compared with 16,921 contracts on December 23. This indicates a fresh long build-up over the past two weeks.

Therefore, the gold futures are likely to rally to ₹57,000 soon. A breach of this level can lift it further to ₹58,000. On the other hand, there are good supports at ₹55,000 and ₹54,000.

**Trade strategy:** A fortnight ago, we suggested initiating fresh longs if the contract breaks out of ₹55,000 with stop-loss at ₹54,000.

Traders who have initiated this position can hold it. But tighten the stop-loss to ₹54,500. Liquidate the longs if the price touches ₹57,000.

**MCX-SILVER (₹69,155)**

The March silver futures surpassed the critical ₹70,000-mark early last week to hit a fresh high of ₹71,120. However, the rally could not sustain as the contract closed the week at ₹69,155 i.e., below the key level of ₹70,000.

Although the overall trend remains bullish, we are likely to see a consolidation in the near-term where silver futures could stay within ₹67,000 and ₹70,000.

As the contract has largely been moving across a sideways trend over the past couple of weeks, there is a slight loss of interest among the participants. The cumulative OI dropped to 21,119 contracts on Friday as against 22,550 contracts on December 23.

So, silver futures need fresh thrust to breach ₹70,000. If this level is decisively breached, we could see a swift rally to ₹73,000. On the other hand, if the support at ₹67,000 is invalidated, bears can get an upper hand, dragging the contract to ₹64,000.

**Trade strategy:** At this juncture, we suggest staying on the sidelines. In case the contract breaches ₹70,000, take fresh longs with stop-loss at ₹68,300. Book profits at ₹73,000.

Note that this is a short-term trade recommendation.

BUSINESS LINE DATE:8/1/2023 P.NO.2

# Fortified for the medium term

**STEEL.** Good demand outlook and raw material costs cooling off bode well

**Sai Prabhakar Yadavalli**
bl. research bureau

Steel Authority of India (SAIL), which accounts for 15 per cent of Indian steel production, is at a juncture where the demand outlook is healthy but the current margins are at a trough. The stock has corrected 23 per cent last year; a period where realisations have rolled off peaks and raw material costs continued to grow unrelentingly. In the medium term of five years, domestic demand should remain strong amidst structural tailwinds from international steel prices, and input costs can correct from peaks.

We recommend that investors with a medium-term view can buy SAIL, based on reasonable valuation and scope for earnings growth following the current trough.

### NARROWEST SPREADS

In Q2FY23, SAIL reported EBITDA per tonne of ₹1,750 compared to an average of ₹10,400 in the previous four quarters. From the first quarter of FY21 (Covid year), realisations have grown by 20 per cent CAGR and raw material costs grew by an overwhelming 40 per cent CAGR. This came about as realisations and raw material costs rallied post-Covid while only realisations were trimmed by Government intervention in the form of export duty taxes by Q2FY23. Raw material costs, on the other hand, rallied, led by coking coal costs.

The company can expect 10-15 per cent correction in coking coal costs in Q3FY23 itself, going by commodity costs. International coal rallied from $65 per tonne in January -2020 to $450 per tonne in September 2022 and recently declined 10 per cent to $400 per tonne in January 2023.

With central banks' concerted efforts to tame economic overheating and Europe's energy amassing drive cooling post-winter, the commodity costs should further correct. The same may not be applicable to steel prices, which have structural tailwinds to overcome central bank actions. Internationally, steel is facing lower supply from China (the largest producer) and Europe, on pollution concerns (in the form of direct regulation for China and carbon credit costs for Europe).

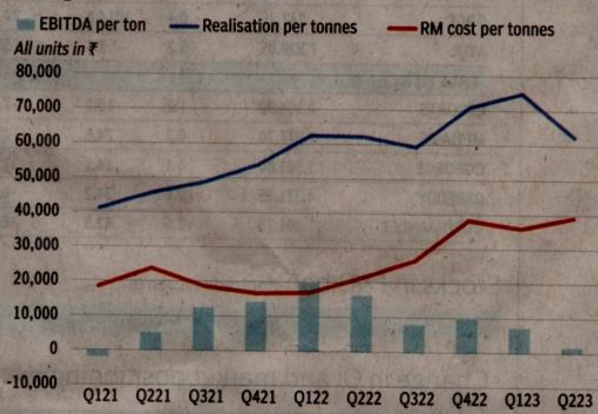
India is the only major producer that has witnessed growth in steel production compared to others during January-November 2022 as per World Steel Association. The government has also removed the export duty taxes, which should drive the export uptake gradually (SAIL has 10 per cent export contribution). Domestic demand from real estate, automobile and government capex is in a positive cycle currently. The Centre's National Infrastructure Pipeline is a strong support to domestic demand as well.

### NOMINAL CAPEX DRIVE

SAIL has not gone for significant capex plans and is planning to debottleneck its facilities to reach maximum capacity utilisation by FY23 end. It produced 16.2 million tonnes compared to potential capacity of saleable steel at 18.5 million tonnes. The company's current exercise should add 5-6 per cent by FY24 atleast. SAIL has also improved production efficiency and has regulated its employee expenses, which are expected to decline gradually to industry range of 10-11 per cent of sales from 12-14 per cent currently.

On the other hand, SAIL has deleveraged significantly in the period. From debt of ₹52,000 crore in Q1FY21 (debt to equity of 1.35 times) the company reported a debt of ₹13,400 crore (.26 times) by Q4FY22 and is currently at ₹27,470 crore (0.53 times in Q2FY23). Apart from bumper profits in FY22 adding to networth, SAIL managed working capital by reducing debtor outstandi[ng] the initial declin[e] standing. Increas[ed] purchases drove [...] crease. With cooli[ng] costs, the compa[ny] control leverage, [...]

Margins at the lowest




**Production growth only in India**

| | Production share | 2022 y-o-y growth (Jan-Nov) |
|---|---|---|
| China | 55 | -1.4 |
| India | 6.8 | 6 |
| Japan | 4.9 | -6.9 |
| US | 4.4 | -5.5 |
| Russia | 3.9 | -7 |
| South Korea | 3.6 | -6.1 |
| Germany | 2.0 | -7.9 |
| Brazil | 1.9 | -5.9 |

Source: World Steel Association
All units in percentage

**◉ BUY**

**SAIL ₹85.85**

**WHY**

- Indian steel [...] to gain mark[et] international[...]
- Coal prices r[...] peak while s[...] can sustain a[...] levels
- Strong dome[stic ...] from infra, a[...] estate

### FINANCIALS, VA[...]

The company re[...] ues of ₹26,246 cr[ore] which is 1 per cen[t] Q2FY22. With ste[el] hovering above las[t] ages of ₹45,000 p[...] current realisatio[n] at ₹58,000-60,[...] provide comfort [...] sensus revenue es[...] a moderate de-gr[...] cent CAGR till FY[...]

On the margi[n] pared to an EBIT[...] 2.8 per cent [...] Q2FY23, consen[sus] are expecting EBI[...] around 12 per c[...] which is below t[...] reported in FY22 [...] SAIL historical ra[...] pany is currently [...] times one-year [...] EBITDA, which i[...] discount to its [...] range. Consider[...] modity play invol[...] coal costs an[d] strong steel cost[...] generate decent s[...] the medium term[...]

While not p[...] stock has genera[...] dividend yield in [...] regains strong p[...] depending on it[...] the company ma[...] per cent divider[...] next two years as [...]

# WCL : घटते कर्मी, बढ़ता टर्नओवर

**नये वेतनमान से और बढ़ेगा बोझ** | **20** वर्षों में कम हुए 38,108 कर्मचारी | **800** करोड़ का इजाफा हुआ वेतन मद के भुगतान में

■ नीरज नंदन @ नवभारत

नागपुर. कोयला उत्पादन बढ़ रहा है, बिक्री में भी इजाफा हो रहा है, कारोबार में भी तेजी से वृद्धि हुई है तथा कई रिकॉर्ड बन और टूट रहे हैं लेकिन इस सबके बीच वेस्टर्न कोल फील्ड्स लि. (वेकोलि) में कर्मचारियों की संख्या में निरंतर कमी दर्ज की जा रही है. पिछले 20 वर्षों के दौरान वेकोलि में 38,108 कर्मचारी कम हो गए हैं. कर्मचारियों की संख्या इन वर्षों में आधी रह गई है. इसके बाद भी वेतन मद में भुगतान का खर्च लगभग 800 करोड़ रुपये बढ़ गया है. 2003 में वेकोलि में 72,501 कर्मचारी कार्यरत थे जो वर्तमान में 34,393 ही रह गए हैं. 2003 में इन कर्मचारियों पर वेकोलि लगभग 1,358.21 करोड़ रुपये का वेतन खर्च उठाती थी जो अब बढ़कर 2,175.41 करोड़ पर पहुंच गया है.

ऐसा नहीं है कि यह ट्रेंड केवल वेकोलि में देखने को मिल रहा हो, यह ट्रेंड पूरे कोल इंडिया में चालू है. कर्मचारी कम हो रहे हैं और उत्पादन और कारोबार बढ़ता जा रहा है. कोल इंडिया की बात करें तो पिछले 2 दशक में कोल इंडिया का मैनपावर स्ट्रेंथ भी आधा हो गया है. 2003 में कोल इंडिया में कर्मचारियों की संख्या 5.10 लाख थी जो 2022 में 2.48 लाख रह गई है. इस दौरान उत्पादन 2003 के 300 मिलियन टन से बढ़कर लगभग 900 मिलियन टन सालाना तक पहुंच चुका है. अब 1,200 मिलियन टन की बात की जा रही है.

**मशीनीकरण का बढ़ा उपयोग :** जानकरों की मानें तो अब मशीनों का उपयोग कोयला उत्पादन में बड़े पैमाने पर होने लगा है. इसी प्रकार सिस्टम भी पहले से काफी सटीक हो चुका है. प्रति व्यक्ति उत्पादन और उत्पादकता की बात हो रही है जिसके कारण अनावश्यक कर्मी कम होते चले गए. अत्याधुनिक मशीन और बेहतर नीति के कारण वेकोलि ने वित्तीय वर्ष 2021-22 में वेकोलि ने 57.71 मिलियन टन कोयला उत्पादन किया जो अब तक का एक वित्तीय वर्ष में सर्वाधिक कोयला उत्पादन है. 64.17 मिलियन टन कोयला प्रेषण और 273.24 मिलियन क्यूबिक मीटर ओवरबर्डन हटाने में सफलता हासिल की है.

### वेकोलि में कम होते गए कर्मचारी

2003 में थे **72,501**

2015 में थे **50,071**

**वर्तमान में 34,393 कर्मचारी**

### ₹ वेतन भुगतान

| **1,358 करोड़** | **2,175 करोड़** |
|---|---|
| वेतन 2003 में | वेतन 2022 में |

### कोल इंडिया की अनुसंगी कंपनियों में ठेका श्रमिक

| | |
|---|---|
| बीसीसीएल | 6,110 |
| सीसीएल | 6,461 |
| ईसीएल | 7,045 |
| डब्ल्यूसीएल | 11,107 |
| एसईसीएल | 14,912 |
| एमसीएल | 21,590 |
| एनसीएल | 20,265 |

### वेकोलि का बढ़ता टर्नओवर

| वर्ष | कारोबार (करोड़ रुपये में) |
|---|---|
| 2017-18 | 11,881 |
| 2018-19 | 13,514 |
| 2019-20 | 13,466 |
| 2020-21 | 13,411 |
| 2021-22 | 18,600 |

### वेकोलि का घटता गया कुनबा

| वर्ष | कर्मचारी |
|---|---|
| 2017-18 | 45,663 |
| 2018-19 | 43,045 |
| 2019-20 | 40,401 |
| 2020-21 | 38,097 |
| 2021-22 | 35,741 |

## कॉन्ट्रैक्ट लेबर का बोलबाला

कोल इंडिया की अनुसंगी कंपनियों में ठेका पद्धति पर मजदूर रखने की परंपरा बढ़ रही है. अनस्किल कार्यों के लिए अब ठेकेदार मजदूरों को प्राथमिकता दी जा रही है. आज पूरे कोल इंडिया में लगभग 89,079 कर्मचारी ठेकेदारी पद्धति पर कार्यरत हैं. रिटायर्ड होने वाले कर्मचारियों की जगह अब अस्थायी कर्मचारियों को प्राथमिकता दी जा रही है.

BUSINESS LINE DATE:8/1/2023 P.NO.12

# India turns net importer of steel in Q3FY23

Abhishek Law
New Delhi

India turned net importer of steel for Q3FY23 (Oct–Dec), with imports outstripping exports by 7,06,000 tonnes. This is the first quarter in over two years in which India has turned net importer.

For Q3FY23, steel imports were pegged at 18,46,000 tonnes against 11,40,000 tonnes of exports, a report of the Union Steel Ministry, accessed by *businessline*, revealed. Imports at 6,53,000 tonnes for December were substantially higher than exports, that stood at 4,42,000 tonnes. Imports in November and October were 6,00,0000 tonnes and 5,93,000 tonnes while exports were 3,38,000 tonnes and 3,60,000 tonnes, respectively.

However, India still remains a net exporter for the nine months of FY23

**DISCOUNTED PRICE**

Increased imports from Russia at a lower cost of nearly 20 per cent by some trades and a drop in international steel prices at levels lower than domestic prices by some $40/ tonne made shipments coming into the country lucrative.

On the other hand, exports took a hit following global recessionary pressures and poor order for Indian mills (since their offerings were costlier than competing offers from China, Vietnam, Japan , Korea and elsewhere).

"India remained a net importer of steel for the third consecutive month in December as lower shipments, following the onset of a 15 per cent export duty on steel products in mid-May, caused export volumes to slump.

Global slowdown in metals cycle from July to September onwards and higher domestic pricing are partly the reasons," said Naveen Mathur, Director, Commodities and Currencies, Anand Rathi Share and Stock Brokers Ltd. "But mills are expected to accelerate exports following the removal of export duties in mid-November. Improving demand and rising prices in global markets are expected to increase exports in H1 2023," he added. With international prices now firming up, imports are expected to moderate.

**IMPORTS RISE**

According to the Ministry report, December steel imports were 9 per cent higher than November; and up 65.3 per cent higher on a y-o-y basis.

THE HITAVADA DATE:9/1/2023 P.NO.6

# Gold in its march towards a historical high

BY K RAVEENDRAN

THE year 2023 may well be a year of gold. This is because despite several negatives the yellow metal has outperformed everything else. And with the New Year expected to unravel all that traditionally has worked in favour of gold, this asset class appears to be non-stoppable right now.

IMF has warned that a third of the global economy is likely to fall into recession this year.

Eurozone and Britain have already shown signs of such a crisis. And this is very much the likely scenario in the United States. Stock markets have already seen a blood bath and further falls are indicated in the days to come. Central banks persisting with their tightening plans and more uncertainties are staring at the world as it descends deeper into recession.

These are conditions that gold feasts on. There were a series of negatives for gold, specifically, in 2022. Fed raised rates at the second most aggressive pace last year; the US dollar index surged 30 per cent in 17 months.

Most significantly, the rise in the US dollar and real interest rates was much greater than that recorded for 2013 and even larger than in 2008, the year when global financial crisis struck hard. But last year gold declined only 19 percent compared to 30 per cent and 34 per cent in 2008 and 2013 respectively.

Gold enthusiasts revel at the performance of gold despite strong bearish fundamentals and aver that the yellow metal is only roughly 10 per cent away from its historical high despite heavy headwinds of the past nine months and nothing seems to be capable of stopping it from breaking out to a new all-time high. That would be the most remarkable breakout in half a century's time.

The World Gold Council notes in its outlook for 2023 that the global economy is at an inflection point after being hit by various shocks over the past year and going forward, this interplay between inflation and central-bank intervention will be key in determining the outlook for gold's performance.

The council cites economic consensus that calls for weaker global growth akin to a short, possibly localised recession; falling–yet elevated–inflation; and the end of rate hikes in most developed markets. The environment carries both headwinds and tailwinds for gold. It notes that a mild recession, coupled with weaker earnings, has historically been gold-positive while further weakening of the dollar as inflation recedes could also provide support for gold.

Additionally, geopolitical flare-ups should continue to make gold a valuable tail risk hedge. Also, a likely improvement in Chinese economic growth should boost consumer gold demand.

Elaborating on the bumpy economic ride ahead, the council warns about many signs of weakening output due to the speed and aggressiveness of hiking moves by central banks, with consensus forecasts putting global GDP to rise by just 2.1 per cent this year.

Excluding the global financial crisis and Covid, this would mark the slowest pace of global growth in four decades and meet the IMF's previous definition of a global recession – i.e. growth below 2.5 per cent.

The council lists four key factors which will have a bearing on gold's performance, at least two of which are positive for the metal. These include economic expansion, which is positive form the point of view of consumption and risk and uncertainty, both of which are positive for investment in gold. The other factors are opportunity cost, which is negative for investment and momentum, which is contingent on price and positioning. It has been found that gold typically does well during times of recession. Delivering positive returns during five of the seven recessions in the past.

A sharp retrenchment in growth is sufficient for gold to do well, particularly if inflation is also high or rising. A dollar peak has historically been good for gold, yielding positive gold returns 80 per cent of the time. The council's latest Gold Demand Trends report reveals that gold demand in the third quarter of 2022 hit 1,181 tonnes, up 28 per cent year-on-year. Strong demand pushed the year-to-date total to its pre-COVID levels. Gold demand was bolstered by consumers and central banks, although there was a notable contraction in investment demand.

Jewellery consumption continued to rebound and is now back to pre-pandemic levels, reaching 523 tonnes, 10 per cent higher compared to the third quarter of 2021. Much of this growth was spearheaded by India's urban consumers who drove up demand 17 percent to 146 tonnes. Similarly impressive growth was also seen in much of the Middle East, with Saudi Arabian jewellery consumption up 20 per cent since the third quarter of 2021, and United Arab Emirates up 30 per cent for the same period. Chinese jewellery demand also saw a modest 5 per cent increase, driven by improved consumer confidence and a dip in the local gold price, prompting the release of some pent-up demand.

(IPA)

BUSINESS LINE DATE:10/1/2023 P.NO.8

# Supply deficit likely in copper this year

Subramani Ra Mancombu
Chennai

Copper will likely move into a supply deficit this year and its prices may rule higher than in 2022 targeting $10,000 a tonne, research analysts say.

"On the demand side, we expect a rebound in mainland Chinese copper demand to boost prices along with a weakening dollar. On the supply side, we expect operational issues to persist in Latin America with minimal increases in output in 2023," said research agency Fitch Solutions Country Risk and Industry Research, a unit of Fitch.

ING Think, the economic and financial analysis wing of Dutch multinational financial services firm ING, said despite its bearish short-term outlook, copper should rule above $7,500 throughout 2023 due to tightening supply.

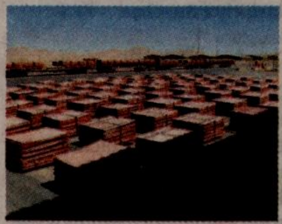
**PRICE FORECAST**

Goldman Sachs expects copper prices to average around $9,750 this year, with the average price jumping to $12,000 by 2024. Currently, copper is quoting $8,385 a tonne for the three months delivery contract and $8,362 for cash delivery.

Online trade provider IG Group's IG Bank said copper prices could benefit from the Chinese recovery and move into a supply deficit this year. It sees the red metal, which is used in wiring, plumbing, electric vehicles and industrial machinery, to top $9,500.

Fitch Solutions said it was raising its copper price forecast to $8,500 a tonne from $8,400 previously, "as demand edges higher alongside a comparatively weaker supply outlook".

IG Bank said $9,030 is the initial target from copper's upside move and breaking it could take prices to $9,770. "Should copper prices instead retrace to move below the $7,900 level, our bullish assumptions on the commodity would need to be reassessed,"



Goldman Sachs expects copper prices to average around $9,750 this year, with the average price jumping to $12,000 by 2024 REUTERS

it said. Goldman Sachs said in 2022 the sanctioned copper projects amounted to only 2,63,000 tonnes, the lowest approval in the last 15 years. "...even the extraordinarily high prices seen earlier in cannot create sufficient capital inflows and hence supply response to solve long-term shortages," it said.

IG Bank said, "China restocking its inventory that had diminished combined with copper's increased appeal through greener renewable energies could bode well for prices in 2023."

ING Think, however, said the demand for industrial metals has been hit by surging coronavirus infections in China following "an abrupt exit from Beijing's zero-Covid policy".

On 2022, Fitch Solutions said competing supply and demand factors caused considerable volatility in copper price in 2022. "Prices were driven to an all-time high of $10,674/ tonne on March 4 by concerns over supply disruptions after Russia's invasion of Ukraine," it said.

However, prices declined sharply in late April as the global macroeconomic picture worsened and concerns grew over future demand from mainland China in particular. A stronger dollar also capped demand for the commodity which is traded in the currency internationally, it said.

Analysts say fundamentally, copper looks more bullish.

BUSINESS LINE DATE:10/1/2023 P.NO.3

# After 8 months of decline, steel prices hiked

**TREND REVERSAL.** Improved market activity, increase in raw material costs and slowdown in imported steel reasons for the rise

Abhishek Law
New Delhi

After eight-odd months of decline, beginning May last year, Indian steel mills have hiked prices of hot rolled (HRC) and cold rolled coils (CRC) for mid-January deliveries.

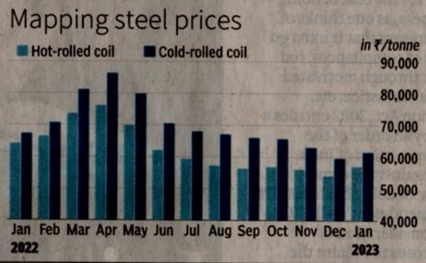
Price hikes initiated last week were to the tune of 3-5 per cent across categories and are in the ₹2,000-3,500/tonne range, sources said. The hikes are on the back of factors such as increased and improving market activities over the last two-odd weeks, an increase in raw material prices and a slowdown in imported offerings (steel) coming in at lower than domestic prices.

International prices, too, have firmed up beginning January — by $30-50/tonne — thereby providing some cushion to mills to raise prices.

**CONTINUOUS DECLINE**

According to market research agencies, including *Steelmint*, the benchmark HRC prices are currently at ₹56,000-57,000/tonne, against ₹54,000/tonne in December. On the other hand, CRC prices stand at ₹61,400-62,000/tonne, up from the ₹59500/tonne range last month.

Domestic steel prices began their slide since May over concerns of a global economic slowdown due to the ongoing Russia-Ukraine conflict. The Centre's imposition of export duty, as an anti-inflationary measure, further hit mills. From ₹76,000/tonne in April, HRC prices were at their lowest in December.




Source: Steelmint

Except in October, when some mills managed to keep prices at September levels of ₹56,500-56,800/ tonne, the decline was consistent. The rise in raw material prices since mid-December is also being factored-in by the mills now.

For instance, *SteelMint's* Odisha iron ore fines (0-10mm, Fe 63 per cent) index has increased to ₹4,750/ tonne ($58) ex-mines on December 31, from ₹3,700/ tonne ($45) ex-mines November 12.

Average price of Australian premium hard coking coal increased $39/ tonne to $302 in December-end (against November-end). "Coking coal prices were around $318/tonne in the first week of January," sources told *businessline*.

**GLOBAL SENTIMENTS**

The other concern for mills was rising imports as Indian traders went for cheaper shipments over higher priced domestic offerings in select categories. For the October-December quarter, India was a net importer of steel.

But, now international offers have firmed up at around $670-680/tonne for Europe and around $630-640/tonne for Vietnam offers.

In November, India removed the export duty which led to an improvement in sentiments, specially with queries increasing from the European market, which are now witnessing depleting stocks.

*businessline* had earlier reported that 50,000-70,000 tonnes were booked for January deliveries.

BUSINESS LINE DATE: 10/1/2023 P.NO.4

# A rare-earth shock could kneecap economies

## Rare earths are the building blocks of the modern world. With monopoly over supplies, China could arm-twist other nations

**Andreas Kluth**

"The Middle East has oil. China has rare earth metals." So said Deng Xiaoping, the architect of China's post-Maoist opening and rise, in the 1980s, with remarkable foresight and precision. The rest of the world is only now grasping the implications of his insight for geopolitics in the 21st century.

The natural resource that shaped world politics in the long 20th century — which, for these purposes, started in the late 19th and hasn't quite ended yet — has been oil.

The Chinese, since the 1980s, have been mining those rare earths Deng was talking about. They include 17 elements most ordinary people have never heard of, and could barely find on the Periodic Table.

They have exotic names — ytterbium, erbium, praseodymium, neodymium, samarium, dysprosium — that sound like the cast of villains in a bad *Star Wars* sequel.

Despite their label, these "earths" are not actually all that rare. Some, such as cerium, are more abundant than copper or lead, and even one of the scarcest, thulium, is more common than gold. But they're much harder to mine, because they tend to be spread out in their ores. Building the infrastructure to get them out of the ground and apart from other rock takes decades. Even then, the process is expensive, messy and bad for the environment.

China, starting with Deng, decided to tolerate all of this. It has about a third of the world's deposits, most of them in one gigantic lode in Inner Mongolia. Patiently investing in all parts of the production process, it displaced the former market leader, the US, in the 1990s. By 2010, China in effect had a global monopoly on supply, with market shares above 90 per cent.

That rang alarm bells in Western capitals. Rare earths are used in everything from fibre optics and lasers to medical scanners and the hard discs in our computers — they're the building blocks of the modern world.

They're also inside state-of-the-art weapons systems, and thus a prerequisite to military prowess. Each American F-35 fighter plane, for example, contains about 920 pounds of rare earths.

**VITAL RESOURCE.** Rare earths are used in a wide range of products

Above all, some of the 17 elements are crucial for success in the coming green revolution. To phase out fossil fuels — that is, to exit the era of oil, gas and coal — we need to harness vastly more energy from wind and use the resulting electricity to power our cars and trucks. But turbines and electric vehicles run on super magnets made in part from praseodymium, neodymium, samarium, and dysprosium. A rare-earth shock, therefore, could in the 21st century kneecap economies, armies and countries as much as — or more than — the oil shocks of the 1970s did. Beijing knows and likes that prospect.

The good news is that the penny has dropped and more countries are now trying hard to unearth their own supplies and diversify away from China. The US is back in the business, as are Australia, Myanmar, Canada and others. Japan has discovered a huge lode, although it's under the sea bed and hard to get to. Turkey has found its own trove in central Anatolia. But building the infrastructure and know-how takes years.

While China's market share in rare earths is trending down, it's still huge — amounting to 60 per cent of world extraction as of 2019, and 87 per cent of processing. From the US to the European Union, governments are working on adding new supply chains.

The 21st century is young. It would be a pity if we allowed rare earths to do to it what oil did to the 20th. BLOOMBERG

NAVBHARAT DATE:11/1/2023 P.NO.11

# इस माह 132 कोयला खदानों की नीलामी

■ दिल्ली, न्यूज एजेंसियां. कोयला खदानों की इस महीने होने वाली नीलामी के छठे चरण में ओडिशा, झारखंड, छत्तीसगढ़ और पश्चिम बंगाल समेत कई राज्यों में 132 कोयला खदानों की नीलामी की जाएगी. एमएसटीसी के चेयरमैन एवं प्रबंध निदेशक (सीएमडी) सुरिंदर कुमार गुप्ता ने यह जानकारी दी. एमएसटीसी इस्पात मंत्रालय के तहत विभिन्न सामग्रियों और खनिजों तथा खदानों की ई-नीलामी करता है. गुप्ता ने बातचीत में कहा कि यह कोयला खदानों की नीलामी का छठा चरण होगा. छठें चरण के तहत कोयले की 132 और लिग्नाइट की नौ खदानों समेत कुल 141 खदानों की नीलामी की जाएगी. उन्होंने साफ किया कि एमएसटीसी केवल कोयला खदानों की सूची और कोयला मंत्रालय द्वारा प्रदान की गई संबंधित अधिसूचनाओं के अनुसार ही नीलामी आयोजित करती है. इसके साथ ही उन्होंने बोलीदाताओं को बोली से संबंधित सभी अधिसूचनाओं को पढ़ने का सुझाव भी दिया. गुप्ता ने कहा कि एमएसटीसी कोयला मंत्रालय की किसी भी नीति-निर्माण प्रक्रिया में शामिल नहीं है. राष्ट्रीय हरित अधिकरण (एनजीटी) के 27 फरवरी 2020 के आदेश को नीलामी पोर्टल पर डाल दिया गया है. सभी बोलीदाताओं को एनजीटी के आदेश सहित पोर्टल पर अपलोड की गई सभी अधिसूचनाओं की जांच करने का सुझाव दिया जाता है. गुप्ता ने कहा कि छठे चरण की नीलामी में 133 कोयला खदानें हैं। पांचवें चरण में बिक नहीं पाईं आठ खदानों को भी छठे चरण की नीलामी में शामिल किया गया है.

BUSINESS LINE DATE:11/1/2023 P.NO.8

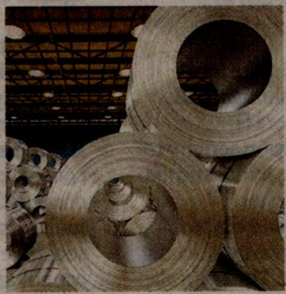
## Copper retreats after rally on weak demand

**London:** Copper prices pulled back from a six-month peak on Tuesday due to lacklustre demand in China and as bullish investors trimmed their positions. Three-month copper on the London Metal Exchange slipped 0.8 per cent to $8,790 a tonne in official open-outcry trading after hitting $8,870 on Monday. REUTERS

BUSINESS LINE DATE:11/1/2023 P.NO.3

# Steel exports up 30% sequentially in December

Abhishek Law
New Delhi



Exports of Indian steel mills increased 31 per cent in December over November, indicating improved sentiments post withdrawal of export duty by the Centre from November 19.

Key export offerings of non-alloyed steel saw their highest ever sequential growth this fiscal, in December, of 271 per cent (over the previous month), while alloyed steel exports halved. However, global recessionary pressures and previous impact of duty levy on exporters continued to impact the overall numbers, with exports nearly halving (down 54 per cent year-on-year) for the April-December period, a report of the steel ministry accessed by *businessline* shows.

A 15 per cent export duty was levied in May as an anti-inflationary measure.

## EXPORT NUMBERS

For the first nine month period of FY23, steel exports plunged to 4.74 million tonnes (mt) from 10.33 mt in the same period of the preceding fiscal. In December, India exported 442,000 tonnes against 338,000 tonnes in November, the report said.

In December, alloyed steel export was around 324,000 tonnes (81,000 tonnes in November) and non-alloyed was 118,000 tonnes (251,000 tonnes in November). "Sentiments improved visibly after export duty withdrawal was announced. It will take some time for these to reflect in numbers. December saw increased queries coming in from Europe and shipments are set for deliveries in January. Because of the holiday season coming in the Western world, order placements were a bit lower than expected," a trade source said.

## BETTER PRICING

Indian hot rolled coil producers reportedly withdrew their existing quotes from the market in December on anticipation of better prices in January.

International prices, too, have firmed up beginning January – by \$30-50 a tonne — thereby providing some cushion to mills to raise prices. In fact, deliveries for Vietnam is being quoted at \$630-640 per tonne; while offers from Europe are at \$670-680 per tonne.

In December, some of the mills concluded deals at \$640-650 per tonne for Europe.

THE HITAVADA
DATE:11/1/2023 P.NO.7

# MSTC to conduct auction of 132 coal blocks this month

NEW DELHI, Jan 10 (PTI)

AUCTION of as many as 132 coal mines will be conducted this month under the sixth tranche in states including Odisha, Jharkhand, Chhattisgarh, West Bengal among others, according to MSTC CMD Surinder Kumar Gupta. MSTC, under the Ministry of Steel, conducts e-auction of various materials and minerals and mines.

This will be the sixth tranche of auction under which a total of 141 blocks, including 132 coal and nine lignite mines will be put on the block, he told PTI. The CMD clarified that MSTC only conducts auctions as per the list of coal mines.

BUSINESS LINE DATE:11/1/2023 P.NO.8

# Bet short on zinc futures at ₹280, stop loss at ₹294

COMMODITY CALL.

Akhil Nallamuthu
bl. research bureau

The continuous contract of zinc on the MCX rallied on Monday to a high of ₹285.85. It has softened a bit and is now trading around ₹280. The price band of ₹286-292 will see a considerable resistance and a rally beyond these levels is less likely. Notably, the contract has not rallied past these levels since August last year. Going forward, we expect zinc futures to fall from the current level. While there is minor support at ₹272, the likelihood of a fall to ₹266 is high. Immediately below this level is a support at ₹262.

On the other hand, if the contract breaks out of ₹292, the trend will turn bullish for a rise to ₹325, a resistance level. Subsequent resistance is at ₹340. Since the probability of a decline from the current level is high, we recommend going short on MCX zinc futures now i.e., at ₹280. Add shorts if the price rallies to ₹285. Keep stop-loss at ₹294.

When the contract slips below ₹272, modify the stop-loss downwards to ₹280. Exit all the shorts at ₹266 as the contract might rebound from anywhere within the price band of ₹262-266.


THE HITAVADA
DATE:12/1/2023 P.NO.7

# Govt approves Rs 155 crore for mineral exploration

NEW DELHI, Jan 11 (PTI)

THE Government on Wednesday said it has sanctioned Rs 154.84 crore to National Mineral Exploration Trust for mineral exploration and boosting capabilities.

The financial help to the exploration agencies will provide auctionable mineral blocks to the nation and will aid in realising self reliance in the mining sector. "Executive committee meeting of National Mineral Exploration Trust, Ministry of Mines, was held. Projects of mineral exploration and enhancing institutional capabilities in exploration worth Rs 154.84 crore were approved," the Ministry said in a statement.

The projects include exploration of minerals like graphite, iron, coal, zinc and bauxite. Financial help for enhancing mineral exploration and institutional capabilities of Geological Survey of India among others was also approved.

NAVBHARAT DATE: 12/1/2023 P.NO.3

# BHIM-UPI से ट्रांजेक्शन पर अब मिलेगा इंसेंटिव

## कैबिनेट ने 2,600 करोड़ रुपये की योजना को दी मंजूरी

■ **दिल्ली.** एजेंसियां. केंद्रीय मंत्रिमंडल ने बुधवार को यूपीआई पेमेंट को लेकर बड़ा फैसला लिया है. भीम यूपीआई से ट्रांजेक्शन पर आपको इंसेंटिव भी मिलेगा. केंद्रीय मंत्रिमंडल ने बुधवार को रुपे डेबिट कार्ड और भीम यूपीआई के जरिये कम राशि के लेन-देन को बढ़ावा देने के लिये 2,600 करोड़ रुपये की योजना को मंजूरी दी. योजना के तहत बैंकों को चालू वित्त वर्ष में रुपे और यूपीआई का उपयोग करके 'पॉइंट ऑफ सेल' यानी दूकानों पर लगी भुगतान मशीन और ई-कॉमर्स लेन-देन को बढ़ावा देने के लिए वित्तीय प्रोत्साहन दिया जाएगा. इससे मजबूत डिजिटल भुगतान परिवेश तैयार करने में मदद मिलेगी. योजना के तहत कम खर्च वाला और उपयोग के लिहाज से सरल यूपीआई लाइट और यूपीआई 123 पे को भी बढ़ावा दिया जाएगा. एक आधिकारिक ट्वीट में कहा गया है, 'मंत्रिमंडल ने रुपे डेबिट कार्ड और भीम-यूपीआई के जरिये व्यक्तियों और कारोबारियों के बीच कम राशि के लेन-देन को बढ़ावा देने के लिये प्रोत्साहन योजना को मंजूरी दी.'

**अन्य महत्वपूर्ण निर्णय :** 3 नई सहकारी समितियों के गठन को हरी झंडी दी गई है. सरकार जैविक उत्पाद, बीज और निर्यात को बढ़ावा देने के लिए 3 नई सहकारी समितियों का गठन करेगी. मंत्रिमंडल की बैठक के बाद केंद्रीय श्रम एवं रोजगार, पर्यावरण, वन और जलवायु परिवर्तन मंत्री भूपेंद्र यादव ने कहा, 'किसानों, कृषकों की आय और कृषि उत्पादन से संबद्ध सहकारिताएं ग्रामीण भारत का एक महत्वपूर्ण हिस्सा हैं. मंत्रिमंडल ने सहकारिता के क्षेत्र में 3 मुख्य फैसले लिए.' उन्होंने कहा कि मंत्रिमंडल ने राष्ट्रीय निर्यात समिति, राष्ट्रीय जैविक उत्पाद सहकारी समिति और राष्ट्र स्तरीय बहुराज्यीय बीज सहकारिता समिति की स्थापना को मंजूरी दी. उन्होंने कहा कि ये सहकारी समितियां 'सहकार से समृद्धि' (सहकारिताओं के माध्यम से समृद्धि) के दृष्टिकोण को साकार करने में मदद करेंगी और ग्रामीण विकास और किसानों की आय को बढ़ावा देंगी.

### 155 करोड़ खनिज खोज, क्षमता बढ़ाने के लिए मंजूर

- केंद्र सरकार ने बुधवार को कहा कि उसने खनिज अन्वेषण और क्षमता को बढ़ाने के लिए राष्ट्रीय खनिज अन्वेषण न्यास के लिए 154.84 करोड़ रुपये मंजूर किए हैं.
- इस वित्तीय मदद से देश को नीलामी योग्य खनिज ब्लॉक मिल सकेंगे और खनन क्षेत्र में आत्मनिर्भर होने में मदद मिलेगी.


### खान ब्यूरो की क्षमता बढ़ाने राशि को मंजूरी

खान मंत्रालय ने बयान में कहा, 'खान मंत्रालय के तहत राष्ट्रीय खनिज अन्वेषण न्यास की कार्यकारी समिति की बैठक में खनिज अन्वेषण और अन्वेषण में संस्थागत क्षमताओं को बढ़ाने से जुड़ी 154.84 करोड़ रुपये की परियोजनाओं को मंजूरी दी गई.' ये परियोजनाएं ग्रेफाइट, लौह, कोयला, जिंक और बॉक्साइट जैसे खनिजों की खोज की हैं. बयान में बताया गया कि भारतीय भूवैज्ञानिक सर्वेक्षण और भारतीय खान ब्यूरो की क्षमताओं को बढ़ाने के लिए भी राशि को मंजूरी दी गई.

BUSINESS LINE DATE:12/1/2023 P.NO.8

# Buy aluminium futures now and on dips till ₹209

COMMODITY CALL.

bl. research bureau
Gurumurthy K


Aluminium prices have begun the week on a strong note. The aluminium futures contract on the MCX has surged 3 per cent in the first two days of the week, paring the losses from the previous week. The contract is currently trading at ₹211 per kg.

The near-term outlook is bullish. Immediate support is at ₹208.30. Below that, ₹205 — the 21-week moving average — is the next important support, which has been limiting the downside this week. As long as the contract trades above these supports, it is highly likely to move further up in the coming days. The MCX aluminium contract can target ₹217-218 on the upside.

The region between ₹217 and ₹218 is a strong support. The 200-day moving average, 100-week moving average, and a trendline resistance are all present in this region. This makes ₹217-218 a strong and crucial resistance zone. So, the likelihood of a pullback from ₹217-218 cannot be ruled out. A decisive rise past ₹218 will be needed for an extension of the current upward movement. As such the price action around ₹217-218 will need a close watch. Traders can go long at current levels. Accumulate longs on dips at ₹209. Keep the stop-loss at ₹207. Trail the stop-loss up to ₹212.5 as soon as the contract moves up to ₹215. Exit longs at ₹216.

BUSINESS LINE DATE:13/1/2023 P.NO.8

# Gold imports plunge 79% in Dec on weak demand, high prices

**Suresh P Iyengar**
Mumbai

India's gold imports declined 79 per cent in December to 20 tonnes against 95 tonnes a year ago amid sharp rise in prices in rupee terms, weak demand and a surge in smuggling.

A as result, gold imports in 2022 dropped 34 per cent to 706 tonnes from 1,068 tonnes a year ago, bullion sources said.

In the first three quarters of 2022, gold imports were down 26 per cent at 559 tonnes against 752 tonnes during the same period in 2021, according to the World Gold Council which is yet to release its report for the third quarter.

Imports hit the lowest in two decades in December as the demand plunged due to high prices. Gold prices increased by ₹1,815 per 10 grams or three per cent during December-end to

**GREY TRADE.** Shipments hit the lowest in two decades as smuggling also played spoilsport

₹54,935 per 10 grams against ₹53,120 registered on December 1, according to the Indian Bullion and Jewellers Association.

Prices have further rallied to ₹56,110 so far this month in line with the global markets. In the US, gold rose to eight-month high of $1,881.41 an ounce on weak dollar on Thursday.

Moreover, lack of any wedding or festival season sapped gold jewellery demand in December

In November, the government increased the gold import prices for calculating duty at $56,200 per kg from $53,100 fixed in October. The price of gold in any form except medallions was raised to $56,200 a kg from $53,100.

## REFINERS' WOES

The trend is in tune with gold refining coming to a standstill as refiners have been unable to sell bullion despite a busy wedding season ahead. Refiners say due to widespread smuggling and a hefty import duty of 18 per cent on gold, refiners are unable to record any bullion sales over the past six weeks.

The World Gold Council has estimated gold smuggling to increase by 33 per cent to 160 tonnes in 2022 compared to the pre-pandemic period. Gold refining capacity of the 33 refiners in the country is 1,800 tonnes.

BUSINESS LINE
DATE:13/1/2023 P.NO.8

COMMODITY CALL.

# Lead: Go short at the current level of ₹189

Akhil Nallamuthu
bl. research bureau


Lead prices have been trading flat for the past three weeks. The continuous contract of lead on the Multi Commodity Exchange (MCX) has been oscillating between ₹187 and ₹190.

That said, the contract has a strong resistance band between ₹192 and ₹195. If the contract breaks out of ₹195, the outlook will turn bullish, where prices could rally past ₹200-mark to touch ₹210 quickly.

However, as mentioned earlier, the resistance band of ₹192-195 could be too strong for the bulls. Notably, this barrier has been blocking the bulls since September 2021.

Therefore, the likelihood of the price falling off these levels is high. In such a case, lead futures could decline to ₹180 – its nearest notable support. Subsequent support is at ₹175.

**TRADE STRATEGY**

Considering the strength of the resistance region of ₹192-195, one can short lead futures.

That is, short at the current level of ₹189 and add more shorts if the price inches up to ₹192. Place stop-loss at ₹196 at first.

Move the stop-loss down to ₹191 when the price falls below ₹187.

Similarly, when the price touches ₹183, tighten the stop-loss further to ₹186. Liquidate the shorts at ₹180.

BUSINESS LINE DATE:13/1/2023 P.NO.10

# 'Share of India's steel imports from Russia very low at 6%'

**WHAT'S MORE WORRYING.** Imports from Korea and China a bigger challenge: ICRA

**Suresh P Iyengar**
Mumbai

The market share of steel imports to India from Russia still remains very low at 6 per cent, compared to the other major exporters such as Korea, China and Japan.

Though Russia has been diverting distress steel cargo at a huge discount to India of late, it could not make deeper inroads due to multiple challenges, including settlement of payment and procuring insurance for shipments.

Of the overall 3.73 million tonnes of steel imported to India between April and November, Russia exported only 2.20 lakh tonnes, accounting for just six per cent of the overall imports, according to data sourced from ICRA.

Russia started tapping the Indian market after its traditional markets in Europe imposed economic sanction on it post the war on Ukraine, said a steel company official.

Moreover, he added that the demand in China — alternative export destination of Russia — faced huge economic turbulence with its zero Covid policy. Amid the problem of plenty, Russia's exports to India increased by about five times on a low base of 38,400 tonnes in the first eight months of FY22.

While imports from Russia may ease out after the Chinese economy bounces back, what is more worrying is the rising steel shipments from Korea, he added. Korean steel exports to India increased 15 per cent in the first eight months of this fiscal to 1.49 mt against 1.29 mt logged in the same period last fiscal.

Priyesh Ruparelia, Vice-President and Co-Group Head, Corporate Ratings, ICRA, said imports from Korea remain high as it has a free trade agreement with India that allows duty free imports of steel, and provides an arbitrage opportunity to importers against 7.5 per cent import duty levied on China.

**FACING THE MUSIC.** Russia started tapping the Indian market after Europe imposed sanctions over the Ukraine war

## EUROPE SANCTIONS

On the other hand, Ruparelia added that Russia has started diverting steel volumes to alternative markets such as India and China, as Europe imposed sanctions on steel imports after the Ukraine war outbreak.

BUSINESS LINE
DATE:14/1/2023 P.NO.8

## Copper set to gain on China optimism, weaker dollar

**London:** Copper prices paused their rally on Friday but were set to end the week with a more than six per cent gain — thanks to a weaker dollar and hopes that China's dismantling of Covid-19 restrictions will lift demand. Benchmark copper was down 0.6 per cent at $9,129 a tonne in official trading, retreating from Thursday's seven-month high of $9,240. REUTERS

BUSINESS LINE DATE:14/1/2023 P.NO.9

# 110 mt of coal stocks to be maintained at mine pitheads, power plants by March 2023: Coal Secy

**Our Bureau**
New Delhi

The Coal Ministry is working on maintaining a cumulative stock of 110 million tonnes (mt), which includes 65 million tonnes (mt) at pitheads of mines run by Coal India (CIL), and 40-45 mt of reserve stocks at thermal power plants (TPPs), by March 2023.

Speaking to media on Thursday, Coal Secretary Amrit Lal Meena said: "We also follow CEA projections. Accordingly, a slightly higher requirement of coal based on higher power generation was worked out. It was around 5 mt (projected by CEA). The question is not on the supply side, but of evacuation. The Power Minister has set a target and we should see that a closing stock of 40-45 mt is maintained at TPPs by March 2023."

**RISING DEMAND.** The govt expects coal demand to rise, particularly during the peak summer months of April-June PTI

### POWER DEMAND

The government expects coal demand to rise further in anticipation of rising power consumption, particularly during the peak summer months of April-June.

The 20th Electric Power Survey of India, published by the Central Electricity Authority (CEA) in November 2022, said the all-India peak electricity demand for FY24 beginning March 2023 is projected to be around 230 GW. On Ministry's plans for coal stocks, he said: "The minister has also desired that 65 mt of coal be kept at CIL pitheads. So, we plan to have 65 mt at the CIL end, 40-45 mt at the power plant end and another 7-8 mt in transit till March 2023. So we have tentative plans for total stocks of 110 MT. It may be slightly compromised due to higher consumption at the power plant end. Our stock at the CIL pithead is around 34 mt at present. At plants, the reserve is 30.6 mt as of Thursday.

He said the Power Ministry's directive for plants to import 6 per cent of their coal requirement was based on an "abundance of caution".

BUSINESS LINE DATE: 14/1/2023 P.NO.8

# Gold futures zoom on hopes of US easing rate hike

**Our Bureau**
Mumbai

Gold futures on the Multi Commodity Exchange (MCX) rose to a record new high of ₹56,245 per 10 gram on Friday, breaching the previous high of ₹56,191 registered in August 2020. It mirrored the bullish trend in the global markets where the bullion topped $1,900 an ounce. A weakness in the dollar index, too, drove the bullion metal higher.

The yellow metal is gaining traction on hopes that the recent fall in inflation will lead to the US Federal Reserve turning dovish on its monetary policy stance in the coming days as its economy faces the risk of slipping into a recession.

The yellow metal for February delivery on NYMEX touched a high of $1,903 an ounce on Thursday as the annual inflation rate in the US slowed for the sixth straight month to 6.5 per cent in December, in line with market forecasts. This may lead to the US Fed cutting down on the quantum of rate hikes in the coming days.

**INDIA TRENDS**

Gold prices in the spot market jumped ₹ 365 per 10 grams to

₹56,462 on Friday against ₹56,097 on Thursday, according to the Indian Bullion and Jewellers Association.

In the past month, gold prices have jumped five per cent from ₹54,030 on December 13.

Ajay Kumar, Director, Kedia Commodity, said domestic gold prices have gained over 17 per cent in the past year even as the demand remained lacklustre with no immediate trigger such as festival or wedding season round the corner.

**IMPORTS PLUNGE**

India's gold imports in December plunged 79 per cent to 20 tonnes, the lowest in last two decades while overall imports dropped to 706 tonnes last year from 1,068 tonnes logged in the previous year, he said.

Ghazal Jain, Fund Manager-Alternative Investments, Quantum AMC, said the cooling off of the US dollar and yields have been supporting gold while the robust buying by global central banks and the opening up of the Chinese markets will have further positive impact on the demand for the precious metal.

While the Federal Reserve continues to maintain that it will not back off on its inflation fight till it sees price pressures come down meaningfully, markets are pricing in peak Fed aggressiveness to settle down by mid-2023 given the deteriorating economic situation, he said.

BUSINESS LINE DATE:15/1/2023 P.NO.6

# Gold eyes ₹57,000

## BULLION CUES. Silver continues to consolidate

**Akhil Nallamuthu**
bl. research bureau

Gold continued its ascent last week as the dollar depreciated. The international spot price of gold was up 2.9 per cent as it closed at $1,920.2 per ounce on Friday. In the domestic market, the gold futures (February expiry) on the Multi Commodity Exchange (MCX) gained 1 per cent to end the week at ₹56,324 (per 10 gram).

Silver made less gains. The price of global spot silver was up 1.8 per cent last week as it ended at $24.25 per ounce. On the MCX, the silver futures (March series) closed the week at ₹69,427 (per kg), up 0.4 per cent.

**MCX-GOLD (₹56,324)**

The MCX gold futures hit a fresh all-time high of ₹56,370 on Friday before wrapping up the session little lower at ₹56,324. Yet, we expect the contract to hit ₹57,000 this week. A breach of this can lift the price further to ₹58,000. On the other hand, if there is a decline, it can find support at ₹56,000 and ₹55,000.

**Trade strategy:** As per our suggestion, traders would now be holding longs initiated at ₹55,000 with revised stop-loss at

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₹54,500. Continue to hold the longs, but tighten the stop-loss further to ₹55,200. Exit at ₹57,000.

**MCX-SILVER (₹69,427)**

The March silver futures appreciated 0.4 per cent last week. However, it remains below the key ₹70,000-level. On the other hand, it has not fallen either and stays above the support of ₹67,000.

If the bulls can lift the price above ₹70,000, we might see a rally to ₹73,000. But if the support at ₹67,000 is invalidated, there could be a fall to ₹64,000. Overall, the contract should breach either ₹67,000 or ₹70,000 to establish a trend.

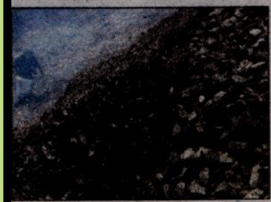
**Trade strategy:** Take fresh longs only above ₹70,000. Target and stop-loss can be ₹73,000 and ₹68,300 respectively.

DAINIK BHASKAR DATE:15/1/2023 P.NO.7

# नई कोयला खनन कंपनियों को कार्य निष्पादन संबंधी बैंक-गारंटी के नियम में ढील

**एजेंसी | नई दिल्ली**

कोयला मंत्रालय ने उद्योग जगत की मांग तथा कारोबार करने की सुगमता (ईओडीबी) को बढ़ावा देने के लिए कोयला नीलामी में आवंटित कोयला ब्लाकों में कार्य निष्पादन बैंक गारंटी (पीबीजी)



की पहली समीक्षा खदान खोलने की अनुमति के बाद ही करने का निर्णय लिया है। इससे ऐसी कंपनियों पर बैंक गारंटी का वित्तीय दबाव कम होगा जो कारोबार चालू करने में लगी हैं लेकिन अभी परिचालन पूर्व की प्रक्रिया में हैं। इससे नीलामी के चालू दौर में निवेशकों का आकर्षण बढ़ने की उम्मीद है। मंत्रालय ने 141 कोयला खदानों के लिए तीन नवंबर, 2022 को वाणिज्यिक कोयला खदानों की नीलामी के छठे दौर तथा पांचवे प्रयास का दूसरा प्रयास शुरू किया था। इसके बदले में और नीलामी के जारी दौर में इस संशोधन को लागू करने के लिए मंत्रालय ने नीलामी बोली की नियत तिथि 13 जनवरी, 2023 की अपनी पिछली बोली की नियत तिथि से बढ़ाकर 30 जनवरी, 2023 कर दी है। कोयला ब्लाकों की नीलामी के निविदा-पत्रों में प्रावधान है कि नीलाम हो गयी कोयला खदान के लिए प्रस्तुत की जाने वाली निष्पादन बैंक गारंटी को वर्ष के प्रारंभ में अप्रैल महीने के लिए राष्ट्रीय कोयला सूचकांक (एनसीआई) के आधार पर वार्षिक रूप से संशोधित किया जाना है, लेकिन इस प्रावधान की समीक्षा किए जाने की मांग उठने लगी थी। कोयला मंत्रालय के अनुसार चूंकि 2020 में पहली वाणिज्यिक कोयला खदान की नीलामी शुरू होने के बाद से एनसीआई दोगुना हो गया है, इसलिए पीबीजी संशोधन प्रावधानों में छूट के लिए उद्योग जगत की ओर से कई अभ्यावेदन प्राप्त हुए थे।

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