



खनिज समाचार

KHANIJ SAMACHAR

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खनिज समाचार

KHANIJ SAMACHAR



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India steps up exploration of critical minerals

Abhishek Law
New Delhi

India has stepped up its exploration of critical and strategic minerals, including lithium, rare earth elements, and vanadium, among others.

Minerals such as antimony, cobalt, gallium, graphite, lithium, nickel, niobium, and strontium, among others, are critical for green technologies, high-tech equipment, aviation, and national defence manufacturing needs.

India has a high import dependence for many of these minerals.

As per the Geographical Survey of India's (GSI) field season 2023-24 report, lithium exploration projects are underway in at least three States, including Korba district in Chhattisgarh; South Garo Hills and East Garo Hills in Meghalaya; and Jammu, Ramban, Resai Rajoury and Udhampur in Jammu and

Kashmir. These explorations are mostly at the G4 stages — namely reconnaissance surveys to narrow down the area for further studies.

IN DEMAND

Lithium is in demand for the lithium-ion batteries needed to run electric vehicles, making it vital to India's EV transition in the public and private transportation space. India's only lithium find has been in Resai, to the tune of 5.9 million tonnes (mt).

Incidentally, the Mineral Exploration and Consultation Ltd is carrying out exploration of lithium and potassium (under the National Mineral Exploration Trust) at the Merak block in the Union Territory of Leh. Exploration begun in 2021-22 are at G4 stage, according to a response tabled in Parliament.

Over 50 explorations are on for rare earth elements (REE). This, incidentally, is one of GSI's biggest exploration activ-

Over fifty explorations are on for rare earth elements.

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ities in the segment in recent times.

REEs are used in industrial applications including electronics, clean energy, aerospace, automotive and defence. Manufacture of permanent magnets is the single largest and most important end-use for REEs, accounting for 43 per cent of demand in 2021.

The explorations are spread across States like Chhattisgarh (Raigarh), Maharashtra (Nagpur, Chandrapur, and Sindhurdurg), Bihar, Jharkhand

(Giridh, Simdega, and Koderna), Odisha (Nayagarh, Ganjam, and Angul), West Bengal (Purulia), Arunachal Pradesh (Kurung Kumey), Assam (West Karbi Anglong), Meghalaya (South West Khasi Hills and Ri-Bhoi), Uttar Pradesh (Lalitpur and Sonbhadra), Andhra Pradesh (Anantapur, East Godavari, Alluri Sitharama Raju, Chittoor, Annamayya, Nellore, and Prakasam), Kerala (Kottayam, Idukki, Thiruvananthapuram, Kollam, and Wayanad), Telangana (Bhadradi and Jayashankar), Tamil Nadu (Kanyakumari), Karnataka (Chamarajanagar), Gujarat (Chhota Udepur, Aravalli, Mehsana, and Banaskantha), and Rajasthan (Alwar, Udaipur, Sirahi, and Barmer), among others.

Apart from G4, explorations for REEs are also in the G3 stage (preliminary exploration) in Rajasthan and Gujarat (Bhamre Chinamuwada, Gulab Khan Kampa, and Koliyathar

Gunatha blocks). G2 or general exploration is underway for the eastern extension of the central block of Ambadunagar in Gujarat.

Since 2015, GSI has augmented REE resources by 114 mt, according to a report presented by Union Minister for Mines Pralhad Joshi in Parliament.

OTHER MINERALS

Exploration of other minerals like vanadium — used in nuclear reactors, spacecraft and aircraft — is on at the G4 stage in Madhya Pradesh, Himachal Pradesh, Arunachal Pradesh and Kerala.

In 2022-23, there were at least seven explorations for vanadium in Arunachal Pradesh, Himachal Pradesh, Uttarakhand and other places.

Niobium — used in jet engines and rockets, girders and beams — explorations have restarted in West Bengal (Purulia) and Rajasthan (Jhunjhunu and Sikar) after a gap of a year.

४० आदिवासी विद्यार्थी ऑस्ट्रेलियात शिकणार खाणीचे तंत्र लॉयड मेटल्स उचलणार खर्च : प्रकल्पातच मिळेल नोकरी

न्यूज अपडेट्स

लोकमत न्यूज नेटवर्क
गडचिरोली : खाण क्षेत्राशी संबंधित नवे तंत्रज्ञान शिकण्यासाठी येत्या काही दिवसांत ४० आदिवासी विद्यार्थी ऑस्ट्रेलियाला जाणार आहे. तीन वर्षांच्या पदवीनंतर या विद्यार्थ्यांना लॉयड मेटल्समध्येच काम करण्याची संधी उपलब्ध करून देण्यात येईल, अशी माहिती 'लॉयड मेटल्स अँड एनर्जी लिमिटेड'चे व्यवस्थापकीय संचालक बी. प्रभाकरन यांनी दिली.

बी. प्रभाकरन यांनी सांगितले की, सूरजगड लोहप्रकल्प गडचिरोलीचा कार्यापालट करणारा प्रकल्प ठरणार आहे. १९६० साली टाटा सारख्या कंपनीला



माहिती देताना बी. प्रभाकरन.

परवानगी मिळूनही पायाभूत सुविधांअभावी टेकडीवर लोहखनिज उत्खनन करता आले नाही. ६० वर्षांनी का होईना अखेर येथे खनिज उत्खनन सुरळीत सुरू झाले. यामुळे येत्या काही दिवसांत गडचिरोलीसह महाराष्ट्रातील उद्योग क्षेत्राला नवसंजीवनी मिळेल, असा विश्वास प्रभाकरन यांनी व्यक्त केला.

मायनिंग कॉरिडॉर झाल्यास वाहतुकीची समस्या सुटेल

भविष्यात प्रभावित क्षेत्रातील जास्तीत जास्त युवकांना रोजगार मिळण्यास मदत होईल. प्रस्तावित 'खाणपट्टा' (मायनिंग कॉरिडॉर) पूर्ण झाल्यास येथील नागरिकांची वाहतुकीमुळे होणाऱ्या जाचातून सुटका होणार आहे, असेही प्रभाकरन यांनी यावेळी सांगितले.

सुरुवातीला नक्षलवादांच्या दहशतीमुळे आम्हाला खाणीत कामाकरिता लोक मिळणे कठीण होते. पोलिस विभागाने दिलेल्या सुरक्षेच्या हमीमुळे आज आम्हाला काम पाहिजे म्हणून आसपासच्या गावातील शेकडो नागरिक खाणीवर येतात.

स्थानिकांच्या सहमतीशिवाय आम्ही येथे कोणतेही काम करणार नाही. ३

दशलक्ष टनांवरून १० दशलक्ष टनांची परवानगी मिळालेली आहे. दुसरीकडे कोनसरी येथे कारखान्याचा पहिला टप्पा लवकरच सुरू होणार आहे.

सध्या अडीच हजार कोटींची गुंतवणूक यात करण्यात आली असून, ती २० हजार कोटीपर्यंत वाढविण्यात येणार आहे. त्यामुळे भविष्यात कोनसरी येथेच लोह

उत्पादन घेण्याचा आमचा मानस आहे. यामुळे तब्बल २० हजार युवकांना रोजगार मिळणार. केवळ इतकेच नव्हे तर सध्या खाणीत कामाकरीता लागणारे प्राथमिक कौशल्य प्रशिक्षण देण्यासाठी टेकडीवरच केंद्र उभारण्यात आले आहे. यातून स्थानिक युवकांना रोजगारभिमुख प्रशिक्षण देण्यात येत आहे.

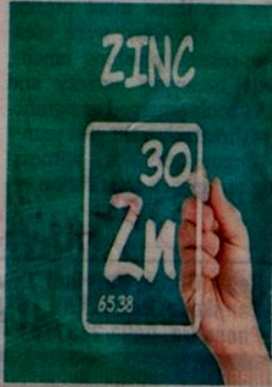
'ऑस्ट्रेलिया'तील कॅम्पस गडचिरोलीत आणणार

■ खाण क्षेत्रात गतीने काम करण्यासाठी लागणारे शिक्षण सध्या आपल्या देशात उपलब्ध नाही. त्यासाठी सध्या ४० स्थानिक विद्यार्थी आम्ही ऑस्ट्रेलियातील कर्टन विद्यापीठात पाठवीत आहोत.

■ भविष्यात शासनाने परवानगी दिल्यास सामंजस्य कारारातून गडचिरोली येथे कर्टन विद्यापीठाचे कॅम्पस चालू करू शकतो. त्यासाठी माझे सातत्याने प्रयत्न सुरू असल्याचे प्रभाकरन यांनी यावेळी स्पष्ट केले.

COMMODITY CALL.

Go short on
zinc futures at
the current
level of ₹210



Akhil Nallamuthu
bl. research bureau

Zinc futures on the Multi Commodity Exchange (MCX) witnessed a quick fall in price over the past week.

It declined after facing a resistance between ₹225 and ₹230.

On Wednesday, the contract fell below a support at ₹213 and this has opened the room for further fall in price.

As it stands, the chances of zinc futures falling to the support at ₹200 is high. After touching this level, we might see a bounce in price, possibly to ₹210.

But in case the contract falls below the support at ₹200, it is likely to trigger another downswing where the price could decline to ₹180. Note that as long as the contract lies below ₹230, the bias will be bearish.

TRADE STRATEGY

Short zinc futures at the current level of ₹210 and add more shorts in case the price inches up to ₹213. Initial stop-loss can be at ₹218.

When the contract drops below ₹205, tighten the stop-loss to ₹210. Book profits at ₹200.

Copper heads for 3rd straight weekly loss on Chinese economic woes

Reuters
London

Copper prices in London were on track for a third straight weekly decline on Friday due to disappointing economic data from top consumer China.

Three-month copper on the London Metal Exchange eased 0.1 per cent to \$8,224 per metric ton by 1052 GMT. "The outlook for industrial metals continues to deteriorate as concerns over China's economy escalate. It's a challenging environment for metals and more declines are likely as China keeps on disappointing," said ING analyst Ewa Manthey.

"Further US rate hikes could add more headwinds to an already slow demand for metals," Manthey said. LME aluminium was flat at \$2,145 a tonne. Zinc fell 0.6 per cent to \$2,284, lead eased 0.1 per cent to \$2,140, tin lost 0.8 per cent to \$25,110, and nickel declined 0.8 per cent to \$20,120.

To start mining at Devadari, KIOCL seeks Centre's intervention to resolve issues with Karnataka

Abhishek Law
New Delhi

KIOCL (Kudremukh Iron Ore Company Ltd), a CPSE under the Steel Ministry and a premiere iron-ore exporting unit, has written to the Ministry seeking its intervention to resolve issues with the Karnataka government so that mining operations can start at the Devadari Iron Ore mines.

The mine is located in the Sandur taluk of the Ballari district of Karnataka. And KIOCL had plans to produce around 3 lakh tonnes per annum in 2024-25.

The CPSE intends to enter the forest land to start operations at the mines and has accordingly sought help from the Steel Ministry to facilitate the processes by taking it up with the Karnataka Forest Department.

Regularisation of forest land to increase height of a



dam is also another issue that has been raised by the miner.

STATUTORY CLEARANCES
KIOCL obtained statutory clearances, such as mining plan from the Indian Bureau of Mines in March, 2018, environment and forest clearances from MoEF&CC in August, 2021, and December, 2022, respectively; and a consent for establishment from Karnataka State Pollution Control Board in July, 2022, for Devadari Iron Ore Mine. A mining lease was executed with Director, Mines and Geology of the Karnataka govern-

PROJECT PLANS

Regularisation of forest land to increase height of a dam in the area is also another issue that has been raised by the miner

ment in January, 2023, for 388 hectares area for a period of 50 years for iron ore and manganese ore mining.

Incidentally, the agreements were entered into when the BJP government was in power in the State, and as per officials in the know, things have not progressed since the change of power later in May.

As per a document, shared with the Ministry by KIOCL, and accessed by *businessline*, regularisation has been sought for usage of 54 hectares of forest land for laying of slurry pipeline and another 350-odd hectares will be submerged

post raising the height of a dam in the area (Lakya Dam), apart for waiver of penalty, among others.

Documents available with the Ministry state that the mine lease area of Devadari, available with KIOCL, is around 4,605 hectares. Of this 3,203 hectares is forest land taken over by the State Forest Department, 1,220 hectares are revenue land taken over by the revenue department, 67 hectares is government land and another 114-115 hectares belong to KIOCL — that the company is in possession of.

PERMIT FEES

The company is also seeking waiver of permit fees for transporting iron ore, charged by the Forest Department of the Karnataka government.

In a letter to the Ministry, KIOCL said it is also seeking appointment with senior bureaucrats in the Ministry to present its case.

'Co has nearly \$6 b of funding requirements this fiscal and next' Vedanta Resources may Explore \$ Bond Extension

Shilpy.Sinha@timesgroup.com

Mumbai: Vedanta Resources (VRL), the UK-based holding company of the eponymous mining and metals conglomerate, may explore a potential extension of outstanding US dollar bonds to mitigate pressures arising out of nearly \$6 billion of funding requirements through this financial year and the next, Standard Chartered Bank said in a recent note.

London-based VRL, the parent of Indian opco Vedanta, needs \$1.3 billion in FY24 and \$4.3 billion in FY25.

"Low opco cash balance, large maturities in FY24-25 and high cost of funding are challenges," said Standard Chartered Bank. "While the holdco still has a few options, an



eventual extension of the USD bonds cannot be ruled out."

In the note, the bank said gross debt reduction to \$6.4 billion from \$9.66 billion in just over a year was achieved through significant dividend payments from the company's Indian operating subsidiaries and a strategic stake sale in Vedanta Ltd. Debt repayments were prima-

rily funded through dividend payments of \$3.91 billion by Hindustan Zinc (HZL) and \$3.80 billion by Vedanta Limited, apart from brand and management fee inflows of \$300 million.

VRL has several avenues to tackle debt repayments. These include internal cash flows, dividends, debt raising, increased management and brand fees, inter-company loans, stake sales and asset sales. But executing many of these options could be challenging. VRL faces several hurdles, including deteriorating cash reserves at its Indian subsidiaries, substantial upcoming debt maturities, and a high cost of funding.

The company has a funding gap of \$1.3 billion from July 2023 to March 2024, and a funding requirement of \$4.3 billion in FY25.

देश की आत्मनिर्भरता बढ़ाने का मकसद 4 खनिजों के निर्यात पर लग सकता है प्रतिबंध

■ दिल्ली, न्यूज एजेंसियां. रक्षा, अंतरिक्ष और बैटरी स्टोरेज उद्योगों के लिए जरूरी खनिजों के मामले में देश की आत्मनिर्भरता बढ़ाने के मकसद से सरकार 4 प्रमुख खनिजों लीथियम, बेरीलियम, नियोबियम और टैटलम के निर्यात पर प्रतिबंध लगाने की सोच रही है. वरिष्ठ सरकारी अधिकारियों ने बताया कि राष्ट्रीय सुरक्षा और तकनीकी प्रगति के लिहाज से अहम क्षेत्रों के लिए ये खनिज बहुत जरूरी हैं. इसलिए सरकार इनके निर्यात पर प्रतिबंध लगाने की योजना बना रही है. यह योजना तब सामने आई है जब सरकार ने जम्मू के रियासी जिले में मिले 59 लाख टन लीथियम भंडार की नीलामी इसी साल

कर लेने का निर्णय ले चुकी है. जम्मू कश्मीर में मिले भंडार की नीलामी की रूपरेखा इसी महीने के अंत तक आ सकती है. परमाणु ऊर्जा विभाग ने चिंता जताई थी कि निजी इकाइयां खनन करने के बाद देश से परमाणु खनिजों का निर्यात कर सकती हैं. इस पर खान मंत्रालय ने देश के भीतर निकाले गए खनिजों के निर्यात पर शुल्क लगाने का प्रस्ताव रखा है. इस फैसले के लिए भागदौड़ करने वाला खान मंत्रालय नीति में बदलाव की औपचारिक सूचना विदेश व्यापार महानिदेशालय को देने जा रहा है. फिलहाल भारत इन चारों खनिजों की जरूरत आयात के जरिये पूरी करता है.

Gold might drift lower

BULLION CUES. Silver now testing a support

Akhil Nallamuthu
bl. research bureau

Gold and silver had a contrasting week. The former depreciated, whereas the latter gained. In terms of dollars, gold lost 1.2 per cent whereas silver went up 0.4 per cent to end at \$1,889 and \$22.8 per ounce, respectively.

On the Multi Commodity Exchange (MCX), gold futures was down 0.9 per cent as it closed the week at ₹58,375 per 10 gram. Silver futures appreciated 0.4 per cent to end at ₹70,235 per kg.

MCX-GOLD (₹58,375)

Gold futures (October series) fell last week and closed below the 200-day moving average (DMA). This has strengthened the bears and the likelihood to see more fall is high.

That said, there is a chance for the contract to see a minor rally from here, possibly to ₹59,000, before falling further. We anticipate the downtrend to extend below ₹58,000 where gold futures could touch ₹57,000.

Trade strategy: Go short on gold futures now at around ₹58,375 and add shorts in case the price rises to ₹59,000. Place stop-loss at ₹59,500.

When the contract slips below ₹58,000, alter the stop-loss to ₹58,600. Further tighten the stop-loss to ₹58,000 when gold



GETTY IMAGES/ISTOCKPHOTO

futures touch ₹57,500. Exit at ₹57,200.

MCX-SILVER (₹70,235)

Silver futures (September contract) saw a limited decline as it has a support between ₹69,500 and ₹70,000. That said, the contract did not rally either.

The broader bearish bias still exists and only a breakout of ₹72,500 will turn the trend bullish. We expect the contract to see a minor rally to ₹71,800 and then resume the downtrend.

In such a case, silver futures is likely to slip below ₹69,500 and move down to ₹65,000.

Trade strategy: Traders can stay away for now. Sell silver futures with a stop-loss at ₹73,000 if the price rallies to ₹71,800. Book profits at ₹69,500.

If the contract breaks below ₹69,500, either from the current level or after a rally to ₹71,800, go short afresh. Target and stop-loss can be at ₹65,000 and ₹71,800 respectively.

Saxena assumes additional charge of CMD, MECON

AJIT Kumar Saxena,
Chairman and Managing
Director of MOIL Ltd,



assumed
additional
charge of
Chairman
and
Managing
Director of

MECON Limited with
effect from August 18.

MECON Limited is a
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Ministry of Steel,
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and project management
services to various sectors
including metallurgy,
mining, infrastructure,
energy, and environment.
MECON has its headquar-
ters in Ranchi, Jharkhand.

MECON has played a
significant role in the
development and expan-
sion of Indian industries.

Saxena is a
Metallurgical Engineering
graduate from IIT-BHU,
having more than 36
years of experience in the
steel sector and has held
key positions at Bhilai
and IISCO steel plants of
SAIL. He has also worked
as Director (Operations)
at RINL, where he spear-
headed several techno-
logical innovations lead-
ing to record production
and cost optimisation.

He is a recipient of
“Young Metallurgy of the
Year Award” for
the year 2000 from
Ministry of Steel,
Government of India.

In a short span of 6
months, Saxena has led
MOIL to record levels of
production and sales.

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ऑगस्टमध्ये चांदी स्वस्त, मात्र दिवाळीत भाव वाढण्याची शक्यता

लोकमत न्यूज नेटवर्क
नवी दिल्ली : सोन्याला आजही सर्वात सुरक्षित आणि विश्वासाची गुंतवणूक मानले जाते. परंतु २०२३-२४ हे आर्थिक वर्ष सोन्यासाठी अत्यंत निराशाजनक असे म्हणावे लागेल. मागील तीन महिन्यात सोने आणि चांदीच्या दरात सातत्याने घट होताना दिसत आहे. परंतु यामुळे सोने आणि चांदी खरेदी करणारे ग्राहक चांगलेच खूश झालेले दिसत आहेत.

मार्च २०२३ मध्ये सोन्याचे दर विक्रमी उंचीवर पोहोचले होते. हे विसरता येणार नाही. सध्या जगभरचे नागरिक अमेरिकेच्या आर्थिक स्थिरतेबाबत साशंक झालेले दिसत आहेत. तेथील अनेक बँका दिवाळखोरीत निघाल्या आहेत. फेडरल रिझर्व्ह बँकेकडून व्याजदरात कपात केली जाईल, अशी अपेक्षा व्यक्त केली जात आहे.

आता फेडरल रिझर्व्ह बँकेकडून व्याजदरात वाढ केल्याने तसेच बॉन्ड यील्ड्सह डॉलर मजबूत स्थितीत आल्याने जागतिक बाजारात सोने मागील पाच महिन्यांतील सर्वात कमी किमतीवर पोहोचले आहे.

मागील आठवड्यात जागतिक बाजारात सोन्याचे दर १.४ टक्क्यांनी घसरले आहेत. (वृत्तसंस्था)

सोमवारचे दर नेमके किती?

जळगाव : गेल्या अनेक दिवसांपासून ५९ ते ६० हजारांदरम्यान असलेल्या सोन्याच्या भावात घसरण होऊन ते मागील सव्वा महिन्यांच्या नीचांकी पातळीवर आल्याचे दिसून आले. अधिक मासामुळे सोने-चांदीच्या भावात वाढ झाली होती.

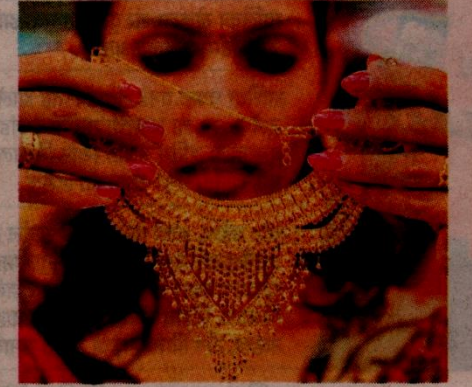
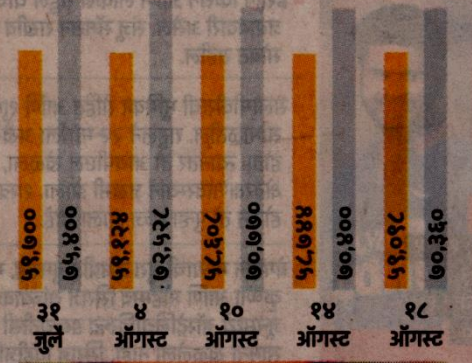
५८,८०० रुपये
सोने प्रति तोळा

७१,००० रुपये
चांदी प्रति किलो

आंतरराष्ट्रीय पातळीवर सोने-चांदीचे भाव कमी झाले. तसेच आपल्याकडे अधिक मास संपल्याने मागणीवर परिणाम झाल्यानेही भाव कमी होत आहे.

- **भागवत भंगाळे,**
सुवर्ण व्यावसायिक

जागतिक बाजारात घसरण



६५,०००

रुपये इतका दिवाळीपर्यंत सोन्याचा दर पोहोचू शकतो.

७६,०००

रुपये प्रतिकिलो दर चांदीचा होऊ शकतो.

परकीय चलन साठ्यात सोने वाढले

■ भारताच्या परकीय चलनसाठ्यात सोन्याचा साठा वाढला आहे. ही वाढ कोरोना साथीनंतर एक टक्क्याहून अधिक इतकी आहे.

■ १८ ऑगस्ट रोजी एकूण परकीय चलनापैकी सोन्याचा साठा ७.३६ टक्के इतका होता, अशी माहिती रिझर्व्ह बँक ऑफ इंडियाने दिली.

■ सोन्याचा हाच साठा कोरोनापूर्व काळात ३ जानेवारी २०२० रोजी ६.०८ टक्के इतका होता.



Copper outlook bearish, go short

Akhil Nallamuthu
bl. research bureau

Copper futures on the MCX fell below a trendline support a fortnight ago. It also closed below the 20-day moving average (DMA) and since then, the outlook has been bearish.

COMMODITY CALL.

While the continuous contract made a low of ₹718.25 last week, it has now recovered to ₹725.



However, the trend remains bearish. Only a clear breach of the resistance at ₹742 can turn the trend bullish. Until then, the rallies can be seen as corrective ones. From the current level of ₹725, the nearest support

can be around the prior low of ₹718.

Nevertheless, we expect copper futures to fall below this level and move towards ₹705 in the near-term. Note that the price band of ₹700-705 is a support against which the contract can see a rebound. We suggest going short on futures at current level of ₹725. Short more in case the price rallies to ₹732. Place initial stop-loss at ₹736. When the contract falls below ₹718, tighten the stop-loss to ₹725. Exit the short positions at ₹708.

NMDC Steel's divestment process may pick up steam once plant is commissioned

Abhishek Law
New Delhi

The divestment process of NMDC Steel — the recently demerged Chhattisgarh-based steel making unit of NMDC Ltd — is expected to pick up pace over the next few days, "once the complete commissioning happens in the next seven days of so", Amitava Mukherjee, Chairman and Managing Director (Additional Charge) and Director (Finance), said.

NMDC is the country's largest iron ore merchant miner and a CPSE under the Ministry of Steel.

At a post analyst earnings call, Mukherjee said, there has been substantial interest in the EoIs floated by DIPAM and some five to eight people have expressed interest at a very initial stage. He, however, did not share names.

In January, DIPAM, through its official handle on micro-blogging site X (formerly Twitter), said: "Multiple Expressions of Interest received for the strategic divestment of NMDC Steel (NSL). The transaction will now move to the second stage."

An EoI is not a formal order tender. It will determine the terms of engagement and



Amitava Mukherjee, Chairman and MD (Additional Charge) and Director (Finance)

orders are awarded later. The other stages include site visits, placing financial bids, among others before the divestment process takes place. Market sources said, interested bidders include the likes of JSW, JSPL, among others.

Share purchase agreement draft is reportedly being prepared, sources said.

ADEQUATE EOIs

"The divestment process is being run by DIPAM and as we know the EoIs have been called for. This is a state-of-the-art plant and obviously there is a lot of interest. But, there has been more than adequate interest in that (EoIs)," he said during the earnings call and clarified that NMDC is not privy to the names who had placed bids.

Buy aluminium at current level of ₹198, add on dips

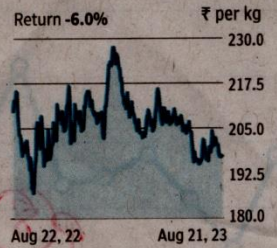
Akhil Nallamuthu
bl. research bureau

Aluminium futures on the Multi Commodity Exchange (MCX), which has been on a decline since February, began to consolidate towards the end of June. Since then, it has been oscillating between ₹196 and ₹204.

COMMODITY CALL.

We can get some cues on the next leg of trend based on the direction of the break of the above-mentioned range. Currently trading at around ₹198, it is hovering near the bottom of the range.

If the contract bounces off the range bottom, it can retest the range top of ₹204 in the coming days. A rally past ₹204 can turn the trend bullish, where the contract might rise to ₹215. On the other hand, if the contract slips below support at ₹196,



the trend can turn bearish. In such a case, the contract can initially drop to ₹186. The downswing could even extend to ₹180.

TRADE STRATEGY

As the aluminium futures is trading near the range bottom, the risk-reward is favourable for long positions. Hence, traders can buy the futures at the current level of ₹198. Add more longs in case the price dips to ₹196. Place a stop-loss at ₹194.

When the contract crosses ₹200, tighten the stop-loss to ₹197. Book profits at ₹204.

WGC chief sees a 'decent future' for gold

KR Srivats
New Delhi

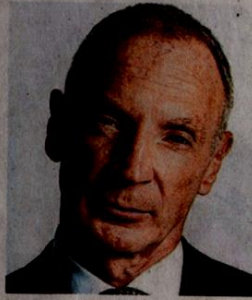
The World Gold Council (WGC) sees a decent future for gold, given the backdrop of current global geopolitical tensions and rising debt levels of some of the developed countries like the US, which is expected to keep the US dollar perky without allowing it to appreciate, said the council's Chief Executive Officer, David Tait.

These factors and the WGC's efforts to lower the barrier to entry — introduction of digital gold — are expected to support gold prices in the future, Tait told *businessline*.

The pressure on the dollar will continue and the US Fed will manage "necessary decline in employment rate" to squeeze inflation out of the system, he added.

He sees the yellow metal hitting an all-time high soon. "Probably the most important thing out there is the level of debt in most countries. If we start seeing a decline in economic activity, it is very likely that this debt burden would worry enough people that gold would be the asset of choice to go to," said Tait.

He highlighted that constant inflation and issuance of debt devalues fiat currencies over time. "If we are able to digitalise gold and make it



David Tait, Chief Executive Officer, World Gold Council

easy to invest in as other fiat currencies or other asset classes, you are going to see huge influx into gold. We are in that process now and, by next year, we should com-

plete it," Tait added. Tait also said that he expects global inflation to come down quite significantly, going to the latter part of the current year, on the back of continued monetary tightening by central banks to "drive inflation expectation out of our heads".

"We don't know what will be the outcome in Ukraine. Personally, I am rather nervous about geopolitical and economic backdrop more than ever I have been in my life. However, in the context of gold, I don't see anything drawing the rug underneath it," he said.

Asked if the current time was the right one for the average person on the street to

invest in gold, Tait said: "Yes. You have to be invested even at these levels".

WOING MILLENNIALS

In India, WGC will initiate marketing efforts to see to it that gold is attractive to a younger audience and ensure there is a pipeline of people coming into the asset class, either to buy jewellery or as an investment instrument, because this is a largely untapped market, he said.

Tait wants young India to look at having 5-10 per cent of their portfolio invested in gold, noting that this "balanced portfolio" approach will give diversification and secure their future with solid returns.

Retain short position in zinc

Akhil Nallamuthu
bl.research bureau

Zinc futures on the Multi Commodity Exchange (MCX) has been on a decline since the beginning of August. It faced resistance at ₹228 and unable to go beyond this level, it headed southwards.

COMMODITY CALL.

Extending the downside, it broke below the support at ₹213 last week and this has increased the probability of further fall. Currently trading at around ₹212, we expect the contract to decline to ₹200 in the short-term. If the contract falls below the support at ₹200, it is likely to trigger another downswing where the price could decline to ₹180.

On the other hand, if



there is a recovery, the contract is likely to face resistance at ₹218, where the 20- and 50-day moving averages coincide. A breach of this level can lift the contract to ₹222.

TRADE STRATEGY

Last week, we suggested going short on zinc futures at ₹210. Retain this and add more shorts if the contract touches ₹213. Initial stop-loss can be at ₹218. When the contract drops below ₹205, tighten the stop-loss to ₹210. Book profits at ₹200.

Steel Cos Raise Concern Over Imports from S Korea, China

Twesh.Mishra
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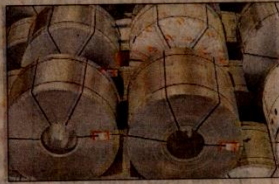
New Delhi: The domestic steel industry has flagged imports from South Korea and China which are said to be causing a price distortion hurting local producers.

South Korea continues to be the highest steel exporter to India, followed by China in the first quarter of the current financial year.

Total steel products coming into the country stood at 2.23 million tonnes (mt) in Q1, 31% more than the 1.70 mt import during the comparable period of fiscal 2023.

The sharp increase in import of metal products including finished steel, scrap and ferro alloys on an annual basis has been flagged to the centre by the industry representatives.

"A sharp rise in the imports



of finished steel was recorded in the first quarter of the current financial year. This surge has caused a significant price distortion, subsequently exerting an adverse impact on our domestic price realisations," said Ranjan Dhar, Chief Marketing Officer at Arcelor Mittal Nippon Steel.

According to official data, South Korea exported 6.86 lakh tonnes (lt) of steel to India, down from 7.13 lt in the first quarter of the current fiscal. During the same period, Chinese steel exports to India zoomed to 5.70 lt, up from 3.52 lt in the same months last year.

He says this goes beyond a supply-demand alteration. "It is a case of predatory pricing, a tactic that poses a formidable challenge to our industry's sustainability and growth," Dhar told ET.

According to steel traders, there is a sequential drop of ₹5,000-6,000 per tonne in Hot Rolled (HR) Coil prices from earlier this year. Since HR Coil is used as an input for most steel products, its price is

used as an industry reference.

"Domestic steel prices had climbed up to ₹65,000 per tonne in the first quarter of the previous fiscal. This has now come down to ₹56,000 per tonne. But despite the fall, imported steel from Vietnam, Japan, China, and Russia is trading at ₹54,000 per tonne, and is expected to come down further next month," said Vedant Goel, MD, Neo Mega Steel, a trading company.

BUSINESS LINE DATE:25/8/2023 P.NO3

At meet with USTR, Goyal to press for opening govt procurement to Indian firms, co-operation in key minerals

Amiti Sen
Jaipur

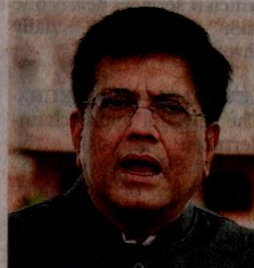
India will press the US to speed up the qualification process for the country's participation in the US government procurement market and intensify partnership in critical minerals at the bilateral meeting between US Trade Representative Katherine Tai and Commerce & Industry Minister Piyush Goyal scheduled on Saturday, sources have said.

The US may take up the matter of import restrictions placed on laptops and computers by India, among other issues, as its industry is unhappy with the move,

the source told *businessline*.

The two countries are also likely to discuss possible ending of their seventh WTO dispute on poultry products, after recently ending six on-going WTO disputes, another official said.

"Indian and US officials are discussing the process in which Indian companies can participate in the US government procurement market. India has to gain a TAA (Trade Agreements Act) equivalence from the US and the terms for that have to be agreed to. This important issue is likely to be on top of the agenda during the Indian Commerce & Industry Minister and USTR's meet," the source said.



Commerce & Industry Minister Piyush Goyal

Prime Minister Narendra Modi, too, had discussed opening of US government procurement for Indian companies in his meeting with US President Joe Biden in June this year.

Being included amongst

countries that qualify for participation in US government procurement is important for India as US federal spends are substantial, estimated at about an annual \$665 billion in 2020, per US government estimates.

US SEEKS ROLLBACK

The USTR may take up industry's disappointment with India's decision to impose licensing restrictions on import of some electronic items including laptops, computers and tablets.

While the implementation has been postponed until November 1, the US industry advocates for a reversal of the decision, cit-

ing it as contrary to WTO's non-discrimination rules.

New Delhi had argued that the decision to allow imports of the restricted items through import licences has been taken to ensure that items that come into the country are compliant with India's security requirements and don't expose consumers to risk of information breach.

Biden and Modi had also agreed to work together to ensure that the two countries are well-supplied with the essential critical minerals needed to achieve climate, economic and strategic technology co-operation goals which will now be taken up by the two Ministers.

Aluminium prices unlikely to recover in H2 2023

Subramani Ra Mancombu
Chennai

With aluminium demand likely to be slack in view of a slow recovery in the global economy, the metal's prices are unlikely to recover for the remainder of this year after having declined 6 per cent since January.

"The LME aluminium spot price is forecast to fall by 13 per cent year-on-year in 2023, to average \$2,365 a tonne. Slowing world growth is expected to be a significant driver of lower aluminium prices," said Australia's Office of the Chief Economist (AOCE).

PRICE OUTLOOK

Research agency BMI, a unit of Fitch Solutions, said a slow recovery of Mainland China's commodity-intensive sectors and a poor global demand outlook have put pressure on prices in recent months, which is likely to continue for the remainder of 2023.



BAD PHASE. A slow recovery of China's commodity-intensive sectors and poor global demand have put pressure on prices

ING Think, the economic and financial analysis wing of Dutch multinational financial services firm ING, said the fundamental picture for aluminium has not changed. "In Europe, however, we don't expect major restarts before 2025, while demand for aluminium remains weak," it said. Taking stock of the situation, BMI said, "We are making a downward revision to our aluminium price forecast for 2023 to an annual average of \$2,300/tonne from \$2,500 previously."

Currently, 3-month alu-

minium contracts on the London Metal Exchange (LME) is ruling at \$2,157 a tonne, while in spot trade, it is quoted at \$2,119.

CHINESE EXPORTS SLIP

The prices of the metal are hovering near a 5-week low after Chinese July data disappointed the market.

After peaking in January on hopes that the rebound in the Chinese economy will be strong, aluminium prices have been on a steady downslope.

"Prices have averaged \$2,327/tonne in the year-to-

date as of August 21, lower than the average of \$2,711/tonne seen in full year 2022," BMI said. "Chinese exports of aluminium products did not improve in July, signalling weak demand for aluminium products globally," ING Think said. A contraction in the commodity-intensive manufacturing sector can be attributed to weak export demand outside China due to the poor global economic environment, BMI said. "As a result, we expect to see declines in the factory activity of aluminium-intensive products weigh on internal demand in the short term and put downward pressure on prices," the research agency said. BMI said China has been the major contributor to aluminium price weakness.

On the supply side, BMI estimates Chinese production to rise 2.2 per cent year-on-year (y-o-y) to 41.3 million tonnes (mt) in 2023 compared with a 4 per cent y-o-y rise to 40.5 mt in 2022.

Bears to gain grip

BULLION CUÉS. Gold and silver futures can fall

Akhil Nallamuthu
bl. research bureau

While both gold and silver gained last week, the latter outperformed the former by a significant margin. In terms of dollars, gold appreciated 1.3 per cent to end the week at \$1,914.5 per ounce, whereas silver shot up 6.1 per cent to close at \$24.4 an ounce.

Similarly, on the MCX, gold futures was up 0.5 per cent and silver futures rallied 4.8 per cent, as they closed at ₹58,640 (per 10 gram) and ₹75,011 (per kg) respectively.

MCX-GOLD (₹58,640)

Although gold futures (October expiry) inched up last week, the overall trend remains bearish. It will remain so until the contract decisively breaches the barrier at ₹59,500.

So, we expect the contract to resume the decline either from the current level or after extending the upside to ₹59,000. Post this, the downswing can drag gold futures to ₹57,000.

Trade strategy: We suggested initiating a short position on gold futures at around ₹58,375 last week. Hold this trade and short more if the price rises to ₹59,000. Keep a stop-loss at ₹59,700.

When the contract slips below ₹58,000, tighten the stop-loss to ₹58,600. Further tighten the stop-



loss to ₹58,000 when gold futures touch ₹57,500. Exit at ₹57,200.

MCX-SILVER (₹75,011)

We expected a minor rally followed by a decline in silver futures. But contrary to this, the December contract saw a sharp rise. Having said that, from the current level, the scope of further rally looks limited because of a supply zone.

The contract faces a resistance band between ₹76,000 and ₹76,600. So, the contract could either fall from the current level of around ₹75,000 or after extending the upswing to ₹76,000.

Such a decline can take the contract down to ₹73,000 quickly. A break of this support can pull the contract further down to ₹71,000.

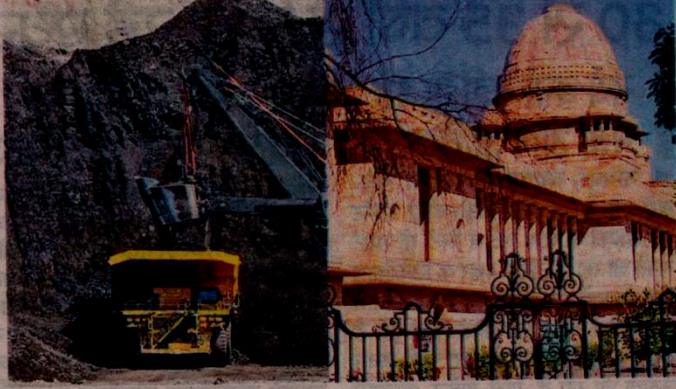
Trade strategy: Considering the above factors, traders can short silver futures now at around ₹75,000 and add more shorts in case the price moves up to ₹76,000. Keep a stop-loss at ₹77,500. Book profits when the contract falls to ₹73,000.

सुरजागढ़ : याचिकाकर्ता का हाई कोर्ट में खुलासा पर्यावरण मंजूरी नहीं, फिर भी उत्खनन

■ नागपुर, नगर संवाददाता. सुरजागढ़ में अवैध उत्खनन का मामला हाल ही में हुए शीत सत्र के दौरान विधानसभा में जमकर गरमाया रहा. अब इसी मुद्दे को लेकर समरजीत चैटर्जी ने हाई कोर्ट में जनहित याचिका दायर की. याचिका पर सुनवाई के दौरान अब याचिकाकर्ता की ओर से पुनः अर्जी दायर की गई है जिसमें उत्खनन करने वाली कंपनी लायड के पास पर्यावरण क्लियरन्स नहीं होने के बावजूद निरंतर उत्खनन जारी होने का खुलासा किया गया है. इस संदर्भ में जवाब दायर करने के लिए समय मांगे जाने पर न्यायाधीश अतुल चांदूरकर और न्यायाधीश वृषाली जोशी ने 6 सितंबर तक का समय प्रदान कर सुनवाई स्थगित कर दी. उल्लेखनीय है कि हाई कोर्ट ने केंद्र सरकार, केंद्रीय कोयला व खान मंत्रालय के सचिव, केंद्रीय पर्यावरण मंत्रालय के सचिव, विशेषज्ञों की समिति के चेयरमैन, राज्य पर्यावरण मंत्रालय के प्रधान सचिव, जल विभाग के सह संचालक को भी जवाब दायर करने के आदेश दिए. याचिकाकर्ता की ओर से अधि. वैरागडे और केंद्र सरकार की ओर से एनएस देशपांडे ने पैरवी की.

2011 तक ही थी अनुमति

याचिकाकर्ता द्वारा बताया गया कि प्रति वर्ष 3 मिलियन टन का उत्खनन करने के लिए कंपनी ने 29 मई 2006 को पर्यावरण



उत्खनन पर रोक की गुहार

याचिकाकर्ता ने अर्जी में कंपनी द्वारा किए जा रहे उत्खनन पर रोक लगाने की गुहार लगाई. याचिकाकर्ता की ओर से बताया गया कि उक्त कंपनी की उत्पादन क्षमता की तुलना में उसे उससे अधिक 50 प्रतिशत उत्खनन करने की अनुमति केंद्र

सरकार की ओर से प्रदान की गई है. यह उत्खनन के लिए निर्धारित दिशानिर्देश और नियमों के विपरीत है. प्रशासन को इस संदर्भ में सचेत करते हुए जापान भी सौंपा गया किंतु इसे दरकिनार कर अनुमति प्रदान की गई है.

संबंधी मंजूरी प्राप्त की थी जो केवल 5 वर्षों के लिए केवल 2011 तक ही थी. किंतु कंपनी ने इसके बाद भी उत्खनन जारी रखा है. आश्चर्यजनक यह है कि बिना आवेदन वन व पर्यावरण मंत्रालय ने पर्यावरण संबंधी मंजूरी प्रदान की गई थी. कंपनी द्वारा अब तक अवैध रूप से 6 मिलियन टन का उत्खनन किया जा चुका है. इसे देखते हुए पहले दी गई पर्यावरणीय

मंजूरी की अवधि के बाद दोगुना उत्खनन किया गया है. अर्जी में बताया गया कि महाराष्ट्र पर्यावरण प्रदूषण नियंत्रण बोर्ड ने कंपनी के खिलाफ अहैरी स्थित प्रथम श्रेणी न्याय दंडाधिकारी के पास शिकायत भी दर्ज कराई जिस पर सुनवाई कर प्रथम श्रेणी न्याय दंडाधिकारी ने 11 जुलाई 2023 को सीआरपीसी के तहत कंपनी के खिलाफ आदेश जारी किया.

India's Steel Exports Down by a Third on Weak Demand, Chinese Competition

Higher domestic sales to compensate for dip in exports, keep prices stable, say experts

Nikita Periwal & Nehal Challawala

Mumbai: Tepid demand for steel around the world and increasing competition from China has resulted in India's steel exports falling by a third, but local steel producers will have a limited impact given robust demand in the domestic markets, experts said.

The robust domestic demand will help in keeping the prices of the alloy stable in the country even as lower global consumption, especially from the world's largest consumer of steel China, is impacting prices across the world.

China's exports to the world, including India, have seen a sharp jump in recent months. The country's steel exports to India, for instance, hit a multi-year high in the June quarter.

Chinese mills are also reported to be undercutting other steel pro-

ducers in terms of prices. This, in turn, has had an impact on exports by Indian steel companies, with countries in the Middle East and Vietnam buying more steel from China.

India's steel exports have plunged by almost by a third between January and July, with the country exporting 780,000 tonnes of finished steel and billets each month

between January and July on average, as against an average of 1.08 million tonnes in the comparable period last year, data from SteelMint show.

Industry watchers, though, say that there will be little impact on margins of Indian steelmakers despite dipping exports.

"The margin impact of not having strong exports is not material,

because domestic prices are strong, and demand is strong enough to sustain this," said an analyst with a leading city-based brokerage, who did not wish to be named. "India is the only bright spot in the world in terms of demand — there is no demand in China, US or even the European region," he said.

One senior executive at a leading steel company backed this.

They said that despite the dip in export, local production between January and July actually increased supported by higher domestic consumption of steel in India. "The first six months data (January-June) reveals a rise in both the production and consumption of steel in India while exports volume has declined. This underscores the fact that Indian steel mills have always prioritised meeting domestic market requirements," Ranjan Dhar, senior vice-president and chief marketing officer at AM/NS India.



BUSINESS LINE

DATE:29/8/2023 P.NO8

'Aluminium demand may grow 9% till next fiscal'

Our Bureau
Mumbai

Domestic aluminium demand is expected to grow 9 per cent in the next two fiscal years, given the Government's thrust on infrastructure development.

Domestic demand growth would sharply outpace the rate of global growth in aluminium demand, said ICRA.

In the domestic market, a major portion of aluminium is consumed in the power transmission and distribution sectors. ICRA notes that the Central Electricity Authority has outlined a planned capacity expansion of 16,600 circuit kilometres (ckm) for the current financial year, which is an increase of over 13 per cent compared to FY23.

In addition, the Government's target to achieve 500 GW of renewable energy capacity by 2032 augurs well for domestic aluminium demand in the foreseeable future, ICRA said.

NEW CAPACITIES HAVE COST ADVANTAGES: CEO

'Adani Cement Set to Improve Profitability by 45-50% in 5 Years'

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AJAY KAPUR
CEO, Adani Cement



We will be addressing two essential levers of value creation and one of them is costs. We are

ensuring that as we build our company from 70 MT to 140 MT, we are one of the lowest cost producers of cement, not just in India, but around the world

Mumbai: Adani Cement's profitability is set to improve by as much as 45-50% over the next five years as it builds new capacities with a substantial cost advantage, while strategic initiatives boost the profitability of its existing plants, chief executive officer Ajay Kapur said.

"The Ebitda (earnings before interest, tax, depreciation and amortisation) (per tonne) we are looking at is from ₹1,000 to ₹1,450-1,500 over the next five-year cycle. Our current Ebitda margin is 20%, and this should improve to 25%," he told ET in an exclusive interaction.

The Adani group — through its buyout of ACC and Ambuja Cements — is the second largest manufacturer of cement in the country. It plans to double its existing capacity to 140 million tonnes in five years with an estimated capital expenditure of ₹47,000 crore.

"We will be addressing two essential levers of value creation and one of them is costs. We are ensuring that as we build our company from 70 MT to 140 MT, we are one of the lowest cost producers of cement, not just in India, but around the world," Kapur said.

Adani Cement had an operating profit of around ₹1,000 per tonne at the time of the acquisition of these plants, and it expects about ₹300-400 of savings per tonne over the next 36 months, helped by various initiatives. Its additional capacities of around 70 MT are likely to be "substantially" lower in terms of costs, and once the entire 140-MT capacity is in place, additional savings are seen flowing in from logistics costs, Kapur said.

Apart from its profitability targets, Adani Cement plans to have a sales volume of 120 MT, revenue of ₹70,000 crore, and opera-

ting profit of ₹17,500 crore by March 2028.

Of the ₹47,000 crore capital expenditure planned by the company, around ₹12,000 crore will come in from its cash and cash equivalents, while the rest will be funded from the operating profit generated from existing operations, through the course of the capacity expansion.

With its recent buyout of Sanghi Industries and existing brownfield expansions, the company is set to have a capacity of over 100 MT by the end of 2025.

While the buyout of Sanghi has accelerated the pace of the company's capacity expansion plans, Kapur said that the 140-MT target has been "very clearly" laid out on brownfield expansions.

He, though, said that the company would be open to looking at cement assets. "Should a good target come in at a good valuation and in a value-accretive format, we will be very happy to look at it," Kapur said.

He sees demand for cement growing in high-single digits over the next few years and expects it to be driven by three major areas — mass housing, construction of buildings and complexes, and government-led infrastructure and commercial institutions.

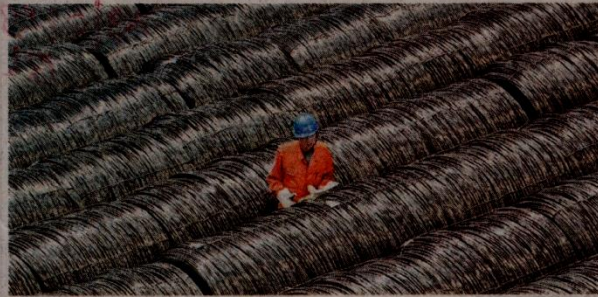
Global steel production up by 6.6% in July on boost from India, China

Achuth Vinay
Chennai

Global crude steel production increased by 6.6 per cent in July to 158.5 million tonnes (mt), compared to 148.9 mt in the same period a year ago. For the January-July period, production in the 63 nations that account for 97 per cent of world steel output was pegged at 1103.2 mt, down 0.1 per cent.

According to the World Steel Association (world-steel), top producer China produced 90.8 mt in July, up 11.5 per cent compared with the year-ago period. For the January-July period, China's output was 2.5 per cent higher at 626.5 mt.

KOREA & BRAZIL OUTPUT
India reported a 14.3 per cent



SURPRISING JUMP. For the January-June period, India's steel output increased by 9 per cent to 79.9 mt. REUTERS

rise in production at 11.5 mt. Overall, for the January-June period, India's steel output increased by nine per cent to 79.9 mt. Steel production in Japan and United States went up by 0.9 per cent and 0.5 per cent, respectively, to 7.4 mt and 6.9 mt. Output in South Korea and Brazil dropped by nine per cent and 4.7 per cent, respectively, at 5.7 mt and 2.7

mt. Production in the US and Russia was pegged at 6.9 mt and 6.3 mt, respectively, up by 0.5 per cent and 5.8 per cent year-on-year (y-o-y).

Germany's production took a slight dip, going down by 0.5 per cent to 3.0 mt. Turkey production has shot up 6.4 per cent at 2.9 mt but Iran's output dipped by 1.5 per cent to two mt.

Gold Steadies Near 3-week High as Traders Await US Data

Reuters

Gold was perched atop a three-week high on Wednesday as traders positioned for more US economic readings that could further alter the odds of another interest rate hike by the Federal Reserve.

Spot gold was flat at \$1,936.94 per ounce by 1020 GMT, near its highest level since August 7 hit on Tuesday. US gold futures remained unchanged at \$1,965.10.

US job openings dropped in July to approach pre-pandemic levels, raising hopes that the Fed could lower inflation without a sharp rise in unemployment.

"The chances of another rate hike before the end of the year dropped ... and this caused a drop in US Treasury yields and also in the US dollar," said ActivTrades senior analyst Ricardo Evangelista. "Bad news for the economy will be good news for gold."

Benchmark 10-year yields came off their lowest in more than two weeks, while the dollar hovered near lows hit during its worst session since Aug. 4 on Tuesday.

Dollar-priced bullion, which bears no interest, finds support when bond yields fall.

Investors now await the Commerce Department's second take on April-June GDP the PCE price index on Thursday, and the non-farm payrolls report on Friday.

BUSINESS LINE
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Copper gains after China's move to support housing market, bourses

Reuters
London

Copper prices rose as funds cut bets on lower prices after top consumer China moved to boost its struggling housing and stock markets ahead of data from the manufacturing sector. Benchmark copper on the LME was up 0.9 per cent at \$8,428 a tonne at 1031 GMT.

Industrial metals markets are awaiting surveys of purchasing managers (PMIs) in China's manufacturing sector.

In other metals, zinc prices climbed to a two-week high of \$2,448 a tonne.

Aluminium was up 0.9 per cent at \$2,169; lead was flat at \$2,161; tin fell 1.4 per cent to \$25,130, and nickel was down 0.3 per cent at \$20,735.

BUSINESS LINE DATE:30/8/2023 P.NO10

Retain longs in aluminium with stop-loss at ₹194

Akhil Nallamuthu
bl. research bureau

Aluminium futures on the Multi Commodity Exchange (MCX) has been charting a sideways trend since June. That is, the contract has been fluctuating between ₹196 and ₹204.

So, until the contract breaches either end of the price band, the next leg of trend will remain uncertain.

COMMODITY CALL.

If aluminium futures breaks out of ₹204, the short-term trend can turn bullish, and the contract can initially rally to ₹215.

On the other hand, if the price slips below the support at ₹196, the contract



will likely witness a downward trend. In such a case, the contract could initially drop to ₹186. The downswing could even extend to ₹180.

TRADE STRATEGY

We recommended fresh longs at ₹198 last week. Retain this trade with stop-loss at ₹194. That said, add more longs in case the price dips to ₹196.

When the contract rallies above ₹200, tighten the stop-loss to ₹197. Book profits at ₹204.

QUICKLY.

Copper recoils on unease over soft economic data

London: Copper prices slipped as investors worried about weaker economic growth and metals demand, but the losses were moderated by measures to support China's troubled property sector. Three-month copper on the London Metal Exchange (LME) was down 0.2 per cent at \$8,433 a tonne. On the Shanghai Futures Exchange, the most traded October copper contract rose 0.4% to 69,380 yuan (\$9,514.93). REUTERS

Steel mills seek curbs on Chinese imports

Abhishek Law
New Delhi

As India turned a net importer of steel in July, primarily on account of a fall in exports and the continued pressure of lower priced offerings, Indian mills have sought the Steel Ministry's intervention to impose restrictions on offerings from China, while seeking reciprocal trade benefit clauses in FTAs with countries such as Japan and South Korea.

India imported 5,87,000 tonnes of steel in July, against exports of 5,13,000 tonnes in the month.

In a letter to the Ministry (a copy of which is with *business-line*), one of the largest domestic steel makers has asked for temporary suspension of concessions on import tariff

offered under the Preferential Trade Agreement — Asia-Pacific Trade Agreement (APTA) — covering iron and steel products.

It has also argued that imports under the PLI scheme for steel and steel products should be discouraged; and the Basic Custom Duty should be raised to a minimum of 15 per cent (for all steel products under the PLI scheme). Concessional tariffs under all existing and ensuing FTAs under the PLI scheme need to be withdrawn.

PLI items include coated and plated steel products, high-strength steel, specialty rails, alloy steel products and electrical steel that are used in sectors like automobile, defence and power.

The industry has also called for a CVD investigation against the Chinese steel in-



dustry. "Channelise imports of all non-prime steels and steel products, along with all products not complying with the quality control order, through select ports to facilitate a thorough testing and inspection," a steel exporter said, requesting anonymity.

THE CHINA FACTOR

Steel mills have argued that China is exporting at lower than its cost price. Back of the envelope calculations suggest that Chinese export prices in July (export-FOB of HR Coil)

stood at \$550/tonne. Taking out local freight and clearing, handling charges and VAT, the mill price works out to \$465 per tonne. Against an ex-mill price of \$465/tonne, the average median cost is \$502/tonne. "This means the export price of Chinese mills was below cost by \$37/tonne or 7 per cent lower than the production cost," an exporter said.

Further, China exports steel under FTA to various South-East Asian countries, which could get re-exported to India. Coming in through FTA countries, there is a duty arbitrage, too.

The industry has also called for Rules of Origin for all existing FTAs to be "revised to Melted and Poured" steel for products. "Indo-Japan and Indo-Korea FTAs to be made reciprocal in terms of steel trade," the exporter said.

Can PRANAM reduce fertiliser subsidy bill?

Kushankur Dey
Kaushik Basu

Union Budget 2023-24 launched the PM-PRANAM (PM Programme for Restoration, Awareness, Nourishment and Amelioration of Mother Earth) to promote the balanced use of chemical and alternative fertilisers, generating awareness of regenerative agriculture (RA).

RA is an outcome-based food production system that nurtures and restores soil health, protects the climate and water resources and biodiversity, and enhances farms' productivity and profitability.

Will PRANAM reduce the fertiliser subsidies and boost the RA? Can alternative fertilisers maintain higher productivity and ecological safety?

It is worth noting that the subsidy burden on chemical fertilisers is about ₹2.25-lakh crore for FY 2022-23, which is 39 per cent higher than FY 2021-22's figure (₹1.62-lakh crore).

While the PRANAM scheme has no separate budget, a 50 per cent subsidy savings will be provided to States/UTs. Most of it will likely be used for infrastructure creation and (green) technology innovation. The rest will be paid as incentives to farmers,

Fertiliser consumption in India ('000 tonnes)

Year	N (Nitrogenous)	P ₂ O ₅ (Phosphate)	K ₂ O (Potash)	Total
2012-13	16,820.90	6,653.40	2,061.80	25,536.10
2013-14	16,750.10	5,633.50	2,098.90	24,482.50
2014-15	16,949.60	6,098.90	2,532.90	25,581.40
2015-16	17,372.30	6,978.80	2,401.50	26,752.60
2016-17	16,735.90	6,705.50	2,508.50	25,949.90
2017-18	16,959.30	6,854.40	2,779.70	26,593.40
2018-19	17,637.80	6,910.20	2,680.30	27,228.30
2019-20	19,101.30	7,662.00	2,607.00	29,370.30
2020-21	20,404.00	8,977.90	3,153.70	32,535.60
2021-22 (P)	19,438.30	7,828.50	2,529.50	29,796.30
CAGR (%)	1.62	1.82	2.30	1.73

Source: Fertilizer Association of India, P-Provisional

panchayats, FPOs, and SHGs who can help reduce input costs and generate awareness toward RA adoption.

PLUSES AND MINUSES

The PRANAM scheme may encounter a few challenges amid some opportunities.

Fertiliser consumption (see Table) shows that nitrogenous fertiliser consumption, especially urea, has not declined from 2012-13 until 2021-22 (P). However, the subsidy bill has increased significantly.

So, promoting PRANAM will help the government reduce subsidy bills and fiscal deficits if it picks up.

Nevertheless, the efficacy of alternative fertilisers to enhance crop yield or productivity remains a concern. Thus, a gradual phase-out of subsidies on chemical fertilisers can stimulate alternative or bio-fertiliser adoption. The retention pricing scheme, which safeguards chemical fertiliser (urea) manufacturers, can be phased out to promote alternative fertiliser production. A 12 per cent

return on the fertiliser (chemical) firms fixed under the retention scheme will disappear, possibly resulting in a knee-jerk reaction of chemical fertiliser firms for their survival.

On the contrary, farmer fertiliser cooperatives can exploit this as an opportunity since they have been into bio-fertiliser production, although on a small scale, since 2009-10. PRANAM can increase its economies of scale and help the extant distribution network stock alternative fertilisers. However, the margin on bio-fertiliser sales should be worked out to incentivise sales and distribution networks.

Demonstrating alternative fertilisers on farmer fields is critical, especially after the Sri Lankan food crisis, to showcase higher productivity, and certification of such products can help farmers or their organisations realise a remunerative price.

To this end, Finance Minister Nirmala Sitharaman, in Budget 2023-24, said that 10,000 Bio-Input Resource Centres will be set up over the next three years, creating a national-level distributed micro-fertiliser and pesticide manufacturing network.

Dey teaches at IIM Lucknow, and Basu is the Senior Vice President of Virenia. Views are personal

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