

METAL & MINING SECTOR

Coal India has missed its production target for the period April-October by 5% and its sales target by 3%. Between April and October, 2017, the monopoly managed to produce 278 million tons of coal while it sold 317 million tons. The monopoly missed its sales target by almost 10 million tons during the period and its production target by almost 15 million tons.

Impact of Coal India on Power sector:

At present 73% of the power generation of the country is coal based. Of late a large number of stations had to reduce generation due to non-availability of adequate coal. To achieve loading on 250 rakes on a regular basis so that demand from both the power and non-power sector can be handled, Coal India in collaboration with the Indian Railways managed to load 250 rakes of coal on Tuesday. It is now targeting to load 266 rakes a day to achieve its targeted average loading of 250 rakes a day for the year

Impact of Coal India on Aluminum sector:

Aluminum is a highly power-intensive industry in which power contributes to 45 per cent of production cost. The investment of Rs.1.2 lakh crore in the aluminum sector is holding a debt of Rs.70000 crore and the employment for 7.5 lakh people is at a very critical risk in the coal shortage scenario. Reports suggest that coal shortfall against linkages is 57 per cent in the case of Vedanta 21 per cent for Balco and 78 per cent for Hindalco.

Import of Coal for Cement Sector:

Cement companies account for nearly 75 percent of India's annual petcoke demand of 27 million tonnes. Petcoke has been banned in some states around the Indian capital New Delhi which is battling heavy smog. Coal imports from US are seen as an alternative to petcoke. India's coal imports from North America quadrupled to 2.1 million tonnes in October from a year ago.

Hindustan Copper:

Hindustan Copper is reaping the benefits of rising copper prices. Copper prices are now touching \$7000 per ton. It is in the process of raising mine capacity to 12 million tonne per annum (mtpa) in the next four years from the existing level of 3.2 mtpa.

Finished steel export increased by 45% and import rose by 11.5% :

Export of total finished steel saw a jump of 45 per cent to 0.778 million tonnes during October 2017. On the other hand, the imports grew 11.5 per cent to 0.600 million tonnes.

Also, consumption of total finished steel in October 2017 grew by 5.5 per cent to 7.486 million tonnes.

Logistics sector gets infrastructure status

The government has granted infrastructure status to the logistics sector, enabling the industry to access cheaper finances. This is a push to developing an integrated logistics framework in the country including industrial parks, cold chains and warehousing facilities.

Electric arc furnace

Instead of using induction furnace which causes higher CO2 emissions, new technology has emerged which uses electric furnace.

JSW steel exploring tie-ups to acquire stressed asset

JSW steel may team up with external investors to set up a platform for acquiring distressed assets. Company is also actively looking at acquisitions in Europe as capital employed per million tonne is lower than what is needed in India.

Company has also announced organic growth of 18 to 23 million tonne capacity in next three years.

Tata steel seeks one year's time to start Odisha SEZ

Company has sought extension of one year, till 17 December 2018. It has stated that it could not start the activities in the zone in the absence of environmental clearance (EC) and coastal regulatory zone (CRZ) clearance.

SEZs are export hubs. Overseas shipments from these zones and export oriented units contributed about 33% to the country's total exports.

NIFTY METAL INDEX: NIFTY Metal Index was up by 0.13% at 3822.40. TATA Steel (up by 1.31%) and JSW Steel (up by 1.09%).