Sponge iron declines on weak demand from steel mills

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Sustained weak demand from the steel industry has pushed sponge iron prices down by 6 per cent in June to touch the cost of production. Experts believe the price of the raw material used to make steel will rebound after the lean season.

Data compiled by OreTeam Exim, a Delhi-based research firm, showed sponge iron prices fell in the Raipur market by ₹1,100 since June 1 to trade currently at ₹16,800 a tonne.

The fall was largely attributed to the proportionate decline in the prices of iron ore and coal.

"While generation of steel scrap from local sources has improved, imports have also jumped. Also capacity utilisation in the steel industry is trending down. These factors are resulting in the decline in sponge iron prices," said Amitabh Mudgal, vice-president, marketing and corporate affairs, Monnet Ispat.

The price of iron ore (ex-Qingdao, China port) declined by 12 per cent since June 1 to trade currently at ₹55.63 a tonne. Bloomberg data showed. During the same period, the Richard Bay coal futures price fell by 6 per cent to ₹59.20 a tonne.

The April-June quarter is expected to remain weak for steel players, with raw material prices falling with a lag and domestic demand expected to pick up. Non-integrated players like JSW Steel are better placed over the next few years due to operational efficiency and continued focus on selling value-added products," Kunal Motishaw, an analyst with Reliance Institutional Equity Research, said in a report. Sponge iron producers with integrated coal linkage are earning negligible profits at the current price. But producers that buy coal in auctions are breaking even as their production cost works out to ₹16,500-16,800 a tonne.

"Steel demand is plagued by cheap exports from Korea and Japan. The recent 2.5 per cent import duty hike by the government is negligible. Immediately after the duty hike, the steel price corrected by ₹6. To protect the interest of steel producers, the government should hike the import duty. Once that happens, steel demand will grow and so will sponge iron," said Mudgal.

Steel prices have declined since June 1. The benchmark MS ingot fell to ₹28,600 a tonne from ₹39,200.
NDMC community centre unveiled

New Delhi: The Union minister Harsh Vardhan on Saturday inaugurated a new two-storey municipal community centre in Civil Lines area in north Delhi’s Azadpur Colony. Constructed with an approximate cost of ₹2.1 crore, the centre has been developed by the North Delhi Municipal Corporation in an area of 1,333.26 sqm, the officials at the civic body said. Each floor on the facility has one hall, one office room and two toilet blocks each. The first floor also has a separate toilet for the differently abled. While opening the facility in Azadpur Colony, Union minister of science and technology Harsh Vardhan said, “The community centre would definitely help local residents in organising their social and other functions at nominal charges.”
Import restrictions on gold-silver alloy to be scraped; RBI and Govt in talks

NEW DELHI: The Reserve Bank of India and the Finance Ministry are in talks to scrap bulk import licences for a gold-silver alloy used by domestic refiners, months after relaxing curbs on gold imports, officials with direct knowledge of the discussions told Reuters.

Gold is India's second-highest import in value terms, and a jump in imports widened the current account deficit in 2013, sparking the country's worst currency turmoil since a balance of payments crisis in 1991.

An alloy of gold and silver, called 'dore,' from which refineries produce pure gold, forms about 150 tonnes of imports each year and attracts a duty of 18.24 per cent, which is less than the duty of 10.39 per cent on refined gold.

The RBI wants to remove all restrictions on refiners while the Finance Ministry has raised concerns over tax evasion, the sources said.

Government and RBI officials met late last month to examine the proposal.

"The Finance Ministry is not in favour of relaxing conditions for import of gold dore as it could lead to tax evasion," said a senior Finance Ministry official, who declined to be identified because he is not authorised to speak to the media.

Government officials worry that buyers may try to exploit the difference in import duties by declaring pure gold as dore.

"As of now, refineries like us need to get a licence from the Directorate-General of Foreign Trade to import bulk of gold dore," said Rajesh Khosla, Managing Director of MMTC-PAMP, India's biggest gold refiner.

"This policy was to prevent any misuse as dore gets a concessional import duty. Now there is a possibility of scrapping the need for a licence for dore as gold can be imported freely anyway."

In November 2014, the government scrapped an unpopular rule, the 80:20 requirement that forced traders to export 20 per cent of all gold imported into the country.

Separately, India now plans to issue sovereign bonds linked to the bullion price, in a bid to divert some of the estimated 300 tonnes of annual demand for gold bars and coins.

Reuters
विकास का जहर पीता चिल्का होट

तक से फैली गगन के हिस्से पर लगातार अभियांत्रिकीय खेल जारी है। इनका नाम विकास का जहर है और यह भारतीय राष्ट्रीय चिल्का होट के रूप में जाना जाता है। 

शहरी क्षेत्र में विकास का जहर नोएडा में केवल एक साइट पर अपनी जान रखता है। ऐसे विकास का जहर पीता चिल्का होट जहाँ हर साल फलीफल देने वाला है, उनके साथ-साथ उन्हें जहर का टिक करने का निश्चय है। इसी वजह से इस रास्ते पर भी हमें यह पता चलता है कि विकास का जहर पीता चिल्का होट की क्षेत्र का जहर क्षेत्र बन गया है। इसी के लिए इस विकास का जहर पीता चिल्का होट के साथ-साथ उनके साथ-साथ उन्हें जहर का टिक करने का निश्चय है।

इसका जहर पीता चिल्का होट का विकास और उनके साथ-साथ उन्हें जहर का टिक करने का निश्चय है।