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BRAJ BINANI GROUP

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- Steel prices may rise 10% on likely uptick in Auto, Infra

London Metal Exchange : Thursday 02, January 2020

	Pr. Sell (1)	Morning Session Buy	Morning Session Sell * (2)	Afternoon Session Buy	Afternoon Session Sell	Kerb	Change (2) - (1)	Stk(tns) change	MMR Landed Prices	Value Rs/ton
	$/ton									
Copper Grade A										
Spot	6156.00	6165.00	**6165.50**	6146.00	6147.50	6163.50	**9.5**	144,675	MMR LP	469,391
3-mth	6183.00	6190.00	**6192.00**	6171.00	6172.00	6188.00	**9.0**	-1025	14-D MA	467,260
Average	10-days - 6167.15		20-days - 6077.93		30-days - 6004.83				PP (HCL)	446,772
Tin High Grade										
Spot	16850.00	17125.00	**17150.00**	17205.00	17210.00	17189.00	**300.0**	7,130	--	--
3-mth	16855.00	17100.00	**17125.00**	17195.00	17200.00	17190.00	**270.0**	20	--	--
Average	10-days - 17171.00		20-days - 17125.75		30-days - 16851.83				--	--
Lead										
Spot	1923.50	1903.50	**1904.00**	1890.00	1891.00	1907.50	**-19.5**	66,200	MMR LP	152,281
3-mth	1937.00	1914.00	**1915.00**	1902.00	1903.00	1919.00	**-22.0**	-125	14-D MA	151,812
Average	10-days - 1903.00		20-days - 1898.85		30-days - 1915.20				PP (HZL)	162,100
Zinc Special High Grade										
Spot	2293.00	2297.00	**2299.00**	2298.00	2299.50	2322.75	**6.0**	51,200	MMR LP	187,128
3-mth	2292.00	2290.00	**2290.50**	2291.00	2292.00	2310.00	**-1.5**	-25	14-D MA	185,821
Average	10-days - 2305.70		20-days - 2274.70		30-days - 2291.37				PP (HZL)	191,200
Aluminium										
Spot	1800.00	1771.00	**1772.00**	1766.00	1767.00	1775.00	**-28.0**	1,473,025	MMR LP	147,726
3-mth	1830.00	1803.00	**1803.50**	1795.00	1796.00	1804.50	**-26.5**	-2000	14-D MA	147,216
Average	10-days - 1776.20		20-days - 1769.53		30-days - 1766.33				PP (Nalco)	150,350
Aluminium Alloy										
Spot	1330.00	1315.00	**1325.00**	NA	NA	NA	**-5.0**	7,740		
3-mth	1340.00	1330.00	**1340.00**	NA	NA	NA	**0.0**	0		
Average	10-days - 1339.10		20-days - 1362.30		30-days - 1349.70					
Nickel									Copper	10-Dec
Spot	14000.00	14070.00	**14075.00**	14110.00	14115.00	14193.50	**75.0**	153,318	Aluminium	24-Dec
3-mth	14100.00	14155.00	**14165.00**	14170.00	14175.00	14260.00	**65.0**	2628	Zinc	26-Dec
Average	10-days - 14118.00		20-days - 13823.00		30-days - 13964.83				Lead	23-Dec

Note: 1. MMR LP = MMR Landed Prices, excluding excise duty. 2. PP = Producer Prices ex-smelter, excl. excise

Minor Metals ($/LB)

Antimony	Cadmium	Cobalt HG	Moly.oxide	Selenium	Silicon	Tungsten	Fe Si Mangnesium
99.65%	99.95%	99.80%					
6,150	122.00	16.45	9.30	7.00	1840.00	245.00	150

Week ended Avg of Steel Prices : 27/12/2019 (Excl. GST)

Mandi Gobindgarh - Punjab					Mumbai	Kolkata	Delhi	Chennai		Mumbai	Bhiwadi	Kanpur
Sponge Iron	23,200	**HMS OLD**	23,600	**HMS**	27,400	24,800	25,000	22,000	**MS Ingots**	34,000	32,150	32,250
Pig Iron	31,000	**HMS Fresh**	25,700	**CRP(LSLP)**	28,500	-	-					

Alum. Alloy : Basic prices excl. CST/VAT							
	Mumbai Mkt rates in kgs : **29/11/2019**	**ADC 12**	111.5	**AlSi 9 Cu3**	113.5	**LM6**	141
	Ex. Delhi Mkt rates in kgs : **29/11/2019**		113		-		-

Indicative Domestic Market Rates (Rs./kg)

	Mumbai 02-Jan	Mumbai Prev	Delhi 02-Jan	Delhi Prev	Chennai 02-Jan	Chennai Prev
Virgin Metals					-	-
Copper Pat			**391.0**	391.0	-	-
Copper W/Bar	**459.0**	459.0	-	-	-	-
Alum Ingot	**140.0**	140.0	**142.0**	142.0	**138.0**	138.0
Zinc Slab	**184.0**	183.0	**223.0**	223.0	-	-
Lead Ingot	**157.0**	157.0	**143.0**	143.0	-	-
Tin Slab	**1,265.0**	1,275.0	**1,290.0**	1,295.0	-	-
Nickel (4x4)	**1,050.0**	1,060.0	**1,235.0**	1,240.0	-	-
Scrap					-	-
Copper Heavy	**431.0**	431.0	--	--	-	-
Copper Uten.	**402.0**	403.0	--	--	-	-
Copper Mixed	--	--	**371.0**	371.0	-	-
Brass Utensil	**313.0**	310.0	--	--	-	-
Brass Huny	**298.0**	298.0	**295.0**	295.0	-	-
Brass Sheet	**328.0**	328.0	-	-	-	-
Alum Utensil	**104.0**	104.0	**113.0**	113.0	-	-

Comex Copper (cents/lb) / Comex Al (cents/lb)

	Comex Copper Rate	Comex Copper Change	Comex Al Rate	Comex Al Change
JAN'20	**283.30**	3.9	-	-
FEB'20	**282.80**	3.2	-	-
MAR'20	**282.50**	2.8	-	-

Precious Metals : Indicative Rates

Metal	Market	Unit	02-Jan	Prev
Gold Std	Mumbai	Rs/10g	**39,215**	39,119
Silver	Mumbai	Rs/kg	**46,340**	46,145
Gold	London	$/tr.oz.	**1,527.10**	1,514.75
Silver	London	$/tr.oz.	**17.92**	18.04
Gold	Comex	$/tr.oz.	**1,524.50**	1,519.50
Silver	Comex	$/tr.oz.	**17.96**	17.82

Forex: January,02, 2020 (Rs/Unit Currency)

	USD	GBP		YEN
Buy	71.44	94.24		0.6580
Sell	71.35	94.15	---	0.6571
	EURO	**SGD**	**AUD**	**SFR**
Buy	80.21	53.12	50.10	73.89
Sell	80.13	53.02	50.04	73.77

Customs Notified Rates : December 20th 2019 [Rs.(Imp/Exp)]: US$ 71.90/70.20;Pound Sterling 94.65/91.40;Euro 80.60/77.60

U.S. stock indexes closed at new record highs on the first trading day of 2020, with bulls building on the best year for the S&P 500 since 2013 after a move by China's central bank aimed at stimulating the country's economy.

The Dow Jones Industrial Average DJIA, +1.16% rose 330.36 points, or 1.2%, to 28,868.80, while the S&P 500 SPX, +0.84% gained 27.07 points, or 0.8%, to trade at 3,257.85. The Nasdaq Composite index COMP, +1.33% rallied 119.59 points, 1.3%, to close at 9,092.20. All three indexes set new record intraday and closing highs Thursday.

Financial markets in the U.S. and much of the world were closed Wednesday for New Year's Day.

Wall Street ended 2019 on Tuesday with modest gains that capped a blockbuster year for equities. The S&P 500 SPX, +0.84% gained 28.9% and the Nasdaq COMP, +1.33%, up 35.2%, posted their strongest annual gains since 2013, while the Dow Jones Industrial Average DJIA, +1.16%, saw its biggest yearly advance since 2017, gaining 22.3%.

Gains for U.S. stocks followed a rally for Asian and European markets that analysts attributed in part to the decision by China's central bank to announce it would reduce the portion of deposits its commercial banks are required to set aside as reserves. The 0.5-percentage-point cut in the reserve requirement ratio by the People's Bank of China will inject more than 800 billion yuan ($114.9 billion) into the financial system.

"The update from the PBOC helped Chinese stocks, and that positive sentiment spilled over to Europe," said David Madden, market analyst at CMC Markets, in a note.

The Shanghai Composite Index SHCOMP, -0.30% and Hong Kong's Hang Seng Index HSI, -0.17% each jumped 1.2%.

"China has been central to the rally in global stocks in recent weeks as last month it was revealed that Beijing and Washington, D.C., agreed phase one of the trade deal," Madden added.

President Donald Trump on Tuesday announced he would sign a phase-one trade deal with China on Jan. 15.

Activity in China's manufacturing sector grew at a slower rate in December but expanded for a fifth straight month, according to the final Caixin purchasing managers index for the sector, released Wednesday, which fell slightly to 51.5 from a November reading of 51.8.

Leading stocks higher was heavy buying of sectors considered 'cyclical,' or those that tend to do well during times of healthy economic and profit growth. Technology stocks performed best Thursday, as evidenced by a 1.6% rise in the Technology Select Sector SPDR Fund XLK, +1.88% , followed by the industrial

6 mth LIBOR	Major Currencies	Today's Crosses	Spot v/s INR	Cash v/s INR	Forward Rates v/s INR (Export/ Import) January	February	March	June	September	December
1.91	USD / INR		**71.54/ 55**	71.51/ 53	71.71/ 74	71.91/ 94	72.16/ 19	73.01/ 04	73.77/ 80	74.48/ 51
-	*ATM Options (put/call)*	-	-	-	*0.36/0.37*	*0.57/0.58*	*0.74/0.75*	*1.11/1.13*	*1.38/1.42*	*1.61/1.67*
0.15	EUR / USD	**1.1172**	**79.92/ 95**	79.89/ 93	80.23/ 26	80.61/ 64	81.04/ 06	82.45/ 48	83.76/ 78	85.01/ 03
0.02	USD / JPY(100)	**108.12**	**66.16/ 18**	66.13/ 16	66.40/ 43	66.70/ 73	67.05/ 08	68.17/ 21	69.22/ 26	70.23/ 27
0.88	GBP / USD	**1.3135**	**93.97/ 00**	93.93/ 97	94.25/ 30	94.59/ 64	95.00/ 05	96.35/ 39	97.57/ 60	98.72/ 75
-0.62	USD / CHF	**0.9694**	**73.78/ 79**	73.76/ 77	74.09/ 12	74.46/ 49	74.85/ 86	76.24/ 26	77.51/ 52	78.71/ 72
3.06	AUD / USD	**0.6967**	**49.83/ 85**	49.81/ 84	49.99/ 00	50.16/ 17	50.37/ 38	51.07/ 08	51.70/ 71	52.28/ 29

Source : Mecklai Financial

sector, which added 1.4%, as measured by the Industrial Select Sector SPDR Fund XLI, +1.89% .

"Overall this is a liquidity-driven momentum rally,' said Alec Young, managing director of global markets research, in an interview. "Chinese easing overnight has gotten it kicking into high gear and folks are getting bullish on growth and that advantages large-cap tech stocks," he added.

In U.S. economic data, the number of people applying for first-time jobless benefits in the week ended Dec. 28 slipped to 222,000, matching the MarketWatch consensus forecast. The U.S. IHS Markit manufacturing purchasing managers final index for December slipped to 52.4, still a positive reading, but below the 52.6 reading notched in November.

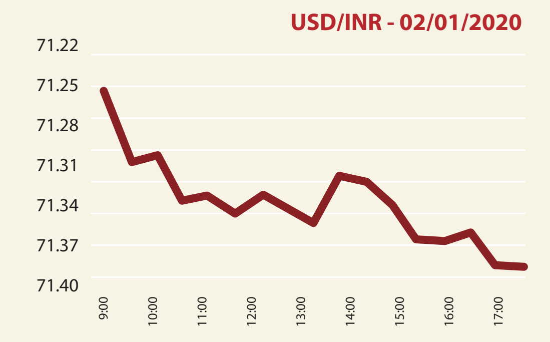
Currency Market

The dollar had an awful December and things may only get worse.

The currency is set to extend losses as a truce in the U.S.-China trade war and signs that global growth is improving sap demand for haven assets, according to ABN Amro Bank NV. At the same time, the Federal Reserve has taken a dovish tilt, which will help shrink the yield premium offered by U.S. Treasuries, says M&G Investments Ltd.

"You had safe-haven support for the dollar in 2019, but we have a trade truce now," said Georgette Boele, senior foreign-exchange strategist at ABN Amro Bank in Amsterdam. "The dollar is on a path of long-term weakness."

The Bloomberg Dollar Spot Index, which tracks the U.S. currency against 10 global peers, slid 2% in December, the biggest monthly decline in almost two years. The gauge's failure to sustain gains made earlier in 2019 appears to have drawn a line under a rally that saw it surge about 40% from a low in 2011 to a peak in early 2017. The U.S. currency started to weaken from October amid signs the U.S. and China



USD/INR Overnight VAR		0.2987
Data releases today	**Forecast**	**Previous**
USD Crude Oil Inventories	-3.1M	-5.5M
EUR German Prelim CPI m/m	0.4%	-0.8%

Source : Mecklai Financial

were closing in on an initial deal to end their long-running trade dispute. The agreement was finally confirmed by President Donald Trump in December.

Another major pillar behind the dollar's multi-year advance was also undermined last year as the U.S. central bank halted a series of rate hikes by cutting its benchmark in July, September and October to support slowing growth.

"The Fed does have some room to move lower in 2020, and for this reason I would expect a weaker dollar," said Jim Leaviss, head of fixed-income at M&G Investments in London. There may also be "more pressure on the Fed if growth remains mediocre going into the U.S. elections," he said. The Fed's dovish pivot has seen the U.S. two-year yield advantage over similar-maturity German debt shrink to 216 basis points from around 350 basis points in late 2018, according to data compiled by Bloomberg.

"We expect to see better growth in the rest of the world ex-USA," said Jack McIntyre, a portfolio manager at Brandywine Global Investment Management in Philadelphia. "The primary driver of dollar weakness will be a shift in relative economic growth rates between the U.S. and the rest of the world."

Precious Metals

Gold firmed on Thursday, edging back towards the three-month peak it reached earlier in the week on the back of dollar weakness, with the market focusing on minutes of the U.S. Federal Reserve's December policy meeting.

Spot gold was up 0.4% to $1,523.12 per ounce as of 1248 GMT, having touched its highest since Sept. 25 at $1,525.20 on Tuesday. U.S. gold futures were up 0.2% at $1,525.80.

"We are seeing a bit of a bounce-back in the dollar but if you look at the movements that we saw (in the past few days), it is probably supporting gold in the interim," said OANDA analyst Craig Erlam.

The negative correlation between the dollar and bullion is what really propelled gold from $1,480 to $1,520, he said, but further upside in the U.S. currency could put pressure on gold.

Against key rivals, the dollar was up 0.3% this session, but was trading not far from the six-month low it touched on Tuesday.

Beijing's decision to ease monetary policy further supported bullion, Erlam added.

China's central bank on Wednesday said it was cutting the amount of cash that all banks must hold as reserves, releasing funds to shore up the slowing economy.

Bullion prices posted their biggest annual rise in nearly a decade in 2019, boosted by the drawn-out trade war between the United States and China that dragged on global economic growth. Many analysts said prices were likely to rise further in 2020, with shaky growth and global stock markets potentially looking unsustainable at record highs.

"A key thing to look out for is stock markets, which have been setting new highs," said Brian Lan, managing director at dealer GoldSilver Central in Singapore. "In case there is some correction, we (could) see some capital flows into gold."

Brexit, the U.S. presidential election, protests in Hong Kong and tensions with North Korea would be the other key factors for the market this year, he said. Investor focus has now turned to the minutes of the Federal Reserve's Dec. 10-11 policy meeting, due at 1900 GMT on Friday. Lower interest rates encourage the buying of non-interest-paying bullion.

"Friday's U.S. manufacturing ISM and the December Federal Open Market Committee (FOMC) minutes could provide an impulse," Stephen Innes, a market strategist at AxiTrader said in a note.

Among other precious metals, silver gained 0.5% to $17.92 per ounce, while platinum rose 1.7% to $979.65 and palladium edged up 0.4% to $1,947.37 per ounce

Market Highlights - Gold (% change) *as on Jan 02, 2020*

Gold	Unit	Last	Prev. day	WoW	MoM	YoY
Gold (Spot)	$/oz	1528.9	0.79	2.00	3.71	18.64
Gold (Spot-Mumbai)	Rs/10 gms	39100.0	0.64	1.30	2.46	23.15
Comex	$/oz	1484.4	#N/A	-0.98	0.71	15.36
MCX Gold	Rs/10 gms	39277.0	0.54	1.65	2.88	24.11

Source: Angel Broking

Base Metals

Shanghai aluminium prices fell in early trade on Friday, having hit a more than two-week low under 14,000 yuan ($2,009.96) a tonne overnight on signs that stocks in top consumer China were rising again after a protracted drop over 2019. Chinese aluminium inventories climbed by 18,000 tonnes, or 3%, to 610,000 tonnes between Dec. 26 and Jan. 2, according to industry data provider SMM.

The Shanghai Futures Exchange (ShFE) is due to report its own stocks data later on Friday. ShFE aluminium stocks were at 185,127 tonnes on Dec. 27 and fell more than 70% last year.

Stocks tend to rise in the run-up to China's Lunar New Yearholiday, which this year falls in late-January, as construction activity slows.

The most-traded February aluminium contract on the ShFE fell as much as 1.1% in night-time trading to 13,960 yuan a tonne, its lowest since Dec. 17, and stood at 14,000 yuan, as of 0215 GMT. Three-month aluminium on the London Metal Exchange was down 0.3% at $1,800 a tonne.

Chinese supply, meanwhile, continues to rise, with Henan Shenhuo Group putting its new smelter in Yunnan into production on Dec. 31.

U.S. aluminium producer Alcoa said it had agreed to sell its Gum Springs waste treatment facility in Arkansas to Veolia ES Technical Solutions for $250 million. The plant has traditionally processed spent potlining for the North American smelter industry.

London copper eked out a 0.1% rise to $6,196 a tonne, but the LME complex was broadly lower, with nickel losing 0.6%, lead down 0.5% and zinc falling 0.4%. ShFE copper slipped 0.4% to 49,030 yuan a tonne.

Energy Market

The question of how much crude U.S. producers may be able to add this year could be pivotal for oil prices in 2020, analysts told CNBC, while warning of the potential for “vicious corrections” in the coming months.

Speaking to CNBC’s “Squawk Box Europe” on Thursday, Chris Weafer, a senior partner at Macro-Advisory, suggested three “critical factors” were set to have the greatest influence over crude futures this year.

The first two factors were identified as oil demand growth and the current deal between OPEC and its allied partners.

The group, often referred to as OPEC+, agreed to cut oil production by an additional 500,000 barrels per day (b/d) from Jan. 1, further deepening their previous cut of 1.2 million b/d.

“The big uncertainty this year and it is already beginning to be talked about is: Can or will U.S. producers be able to continue to add as much extra volume as they have been for the last seven or eight years?”

“This is a huge question,” Weafer said.

The International Energy Agency projected last month that total U.S. oil production growth will slow to 1.1 million b/d in 2020, down from 1.6 million b/d in 2019.

In such a scenario, Weafer said that, assuming the OPEC+ deal remains in place, oil prices should trade in the $60 to $70 price range.

Nonetheless, he warned many were becoming concerned that U.S. production growth might have passed its peak, amid speculation the industry will not be able to increase production at the same rate in 2020 as it has done in previous years.

Increased output from shale formations has helped the U.S. to become the world’s largest oil producer and one of the leading exporters.

In the last decade, the U.S. has more than doubled oil production to 12.66 million b/d, according to data published by the Energy Information Administration on Tuesday

Market Highlights - Crude Oil (% change) *as on Jan 02, 2020*

Crude Oil	Unit	Last	Prev. day	WoW	MoM	YoY
Brent (Spot)	$/bbl	70.8	3.54	-0.38	5.57	24.94
Nymex Crude	$/bbl	61.2	0.20	0.11	4.71	26.09
ICE Brent Crude	$/bbl	66.3	0.38	-1.41	5.16	15.56
MCX Crude	Rs/bbl	4360.0	-0.46	0.09	4.21	26.67

Source: Angel Broking

News Report & Analysis

ArcelorMittal informs Essar Steel investors about cancellation of their holding in company

The shattered investors of Essar Steel had finally received the communication from ArcelorMittal Nippon Steel Company through their brokers stating that their holding has been cancelled as per the insolvency resolution plan approved by the Supreme Court.

Earlier, investors had expressed their shock when they found that the shares suddenly went missing from their demat account without any intimation.

"While banks have made a big achievement by burning Rs 7,000 crore to settle its outstanding Essar Steel loan of Rs 49,000 crore for Rs 42,000 crore, the poor small investors and operational creditors are left in lurch," said an investor with 200 shares of Essar Steel.

In the contrary, wealthy corporates have designed a business model by buying stressed asset at a throw away price from banks and make a killing when the loans are settled, he added.

In fact, State Bank of India (SBI) last February had put its outstanding Essar Steel loan of Rs 15,431 crore on auction but had to shelve it.

About 10 per cent of Essar Steel shares were held by small investors even after the company had made an open offer for de-listing the shares as the offer price then was very low.

In an e-mail statement to investors, Pankaj S Chourasia, Company Secretary, Essar Steel India said in connection with the corporate insolvency resolution process of Essar Steel India, the resolution plan submitted by ArcelorMittal India has been approved by the Supreme Court through its judgment dated November 15, 2019, after considering the judgment of the National Company Law Tribunal (NCLT), Ahmedabad and National Company Law Appellate Tribunal.

Section X, Part B of the Resolution Plan provides for the capital reduction of the entire existing issued, subscribed and paid-up share capital (both equity and preference) of the company held by the existing promoters and public shareholders such that ArcelorMittal India (along with its nominee shareholders) will be the sole shareholder of the company.

Accordingly, it said the entire existing issued, subscribed and paid-up share capital (both equity and preference) of the company stood cancelled and extinguished with effect from December 16, 2019.Pursuant to such capital reduction and cancellation, the shares of the company held by investors have been debited from demat account, it added.

JSPL clocks highest-ever quarterly production in Q3

Jindal Steel & Power Ltd has recorded its highest-ever quarterly domestic production of crude steel and related products, with a 22 per cent year-on-year growth in the third quarter-ended December 2019.

This comes from a “strong and consistence performance” across all locations, especially in its Angul operations, the company said in a regulatory filing.

The total crude steel and related production stood at 1.61 million tonne, compared to 1.32 million tonne in the corresponding period last year.

During the third quarter, JSPL has recorded a growth of 30 per cent in sales at 1.66 million tonne, as against 1.27 million tonne in the same period last year. Export rose to more than 3 lakh MT, an increase of 213 per cent (Y-o-Y) in Q3.

"We are going to start our DRI-CGP (Coal Gasification plant) unit at Angul during January 2020, and together with a favourably evolving product mix, we expect to further drive growth in sales and profit," JSPL Managing Director VR Sharma said.

"Increased demand from infrastructure projects especially for segments like railways, defence, petroleum and pipelines will certainly drive steel demands for JSPL," Sharma added.

SAIL stock zooms nearly 10% post Dec sales data

Shares of Steel Authority of India Ltd (SAIL) on Thursday jumped nearly 10 per cent after the company recorded 47 per cent rise in sales during December.

The scrip climbed 9.67 per cent to close at Rs 47.05 on the BSE. During the day, it zoomed 10.95 per cent to Rs 47.60.

At the NSE, it advanced 9.67 per cent to close at Rs 47.05.

In terms of traded volume, 51.88 lakh shares were traded on the BSE and over 9 crore shares on the NSE during the day.

"The company has achieved the highest-ever sales in a month during December 2019. With sales of 1.68 million tonne in December 2019, the company clocked a growth of 47 per cent over corresponding period last year," SAIL said in a statement on Wednesday.

SAIL also posted a jump of 36 per cent year-on-year in sales during November and the company is consistently maintaining the growth momentum in sales, it said.

Company's Chairman Anil Kumar Chaudhary said despite the challenging steel market conditions, SAIL has exhibited resilient performance consistently and will continue to do so in the future.

Steel prices may rise 10% on likely uptick in Auto, Infra

Domestic prices of steel, of which India is among the three top global producers, are expected to climb 10-12% this year, with the government's measures to revamp infrastructure and consumption likely reviving demand for the alloy from carmakers and construction companies.

In anticipation of a turnaround, steel shares have climbed 32-79% from their October lows, in kilter with buoyant domestic and international prices of the commodity. The Centre's decision to invest Rs.102 lakh crore in infrastructure projects over the next five years is expected to buoy steel demand, while a likely deal between the US and China on tariffs should ease global trade concerns on the primary infrastructure alloy. "The downward trend in steel prices should stop in 2020 and a gradual upward move has already started from the last week of December," said Manoj Jain, head of commodities at IndiaNivesh Research. "Demand from the automobile and real estate sectors will also revive on the prospect of better domestic rabi crop production this year. We expect a 10-12% upside move in steel prices in 2020."

Steel longs for February expiry were trading at Rs.32,020 per tonne on Thursday. Analysts said the price could increase to Rs.35,600 per tonne this year. In the physical market at Mandi Gobindgarh in Punjab, steel prices opened at Rs.32,400 a tonne and traded in the range of Rs.32,500- 32,600 a tonne on Thursday.

Measures to revive consumption should boost physical demand, while investors should expect decent returns due to attractive valuations. Leading producers expect a northward trend in output and demand.

"The December quarter and the next should be good, given the numbers reported by auto companies, IIP numbers or GST figures. It took six months for inventory de-stocking until September, when the inventory levels reached the lowest. Once this restocking is complete, demand needs to sustain," said Seshagiri Rao, group CFO of JSW Steel. Domestic steel prices rose 2% in the past two weeks, while export prices for Indian steel makers rose even higher by 7%. Stocks of Tata Steel, JSW Steel, Jindal Steel & Power and SAIL climbed 3.5% to 10% on Thursday after the announcement on boosting infrastructure. Attractive valuations these four stocks trade about 12% below their five-year average price multiples make steel a decent investment option now. Sales of automobiles, one of the biggest high-grade steel consumers, largely declined last year, but a demand revival is anticipated, with factories taking fewer planned shutdowns in the third quarter. That has prompted price increases by manufacturers.

"Global steel prices are moving up now and as far as India is concerned, there was a sequential improvement in the automotive sector's production and sales," said Jayant Acharya, director, commercial, marketing and corporate strategy, JSW Steel. "In December, the shutdowns were fewer. Various construction projects opened up after the monsoon season and all put together, we see a demand pick-up. Thus, we have decided to increase prices by around 4% for both flat and long products."

The sector's profitability should improve marginally on lower iron ore prices after normal operations resumed at Brazilian miner Vale, said Ajay Kedia, director at Kedia Advisory. But steel output may trail demand, likely pushing prices northward. "The market does not see Vale capacity to return as quickly as anticipated, which could keep the seaborne market tighter than expected and prices can see recovery again to the extent of Rs.34,500-35,000 per tonne that we saw in March 2019," he said.

Focus on cost of business to make industries more competitive: Tata Steel CEO to Govt

The chief executive officer and managing director of Tata Steel, T V Narendran has suggested to the government to focus on "cost of business" to make industries, particularly the manufacturing sector, more competitive.

"As the government has focused on ease of doing business, it should also focus on 'cost of business' to make industries, particularly the manufacturing sector, more competitive in the prevailing market," Narendran told reporters on Wednesday.

"We have been controlling the cost of business inside the work but outside the plant, it is not in our hands but the Central and state governments," the Tata Steel CEO said.

He said that such an initiative would certainly improve the competitiveness of the domestic industries, particularly the manufacturing units.

Referring to the prevailing scenario in the steel sector, Narendran said that 2019 had been a difficult year for the steel sector and "the Tata Steel is not an exception as we have our own set of challenges to deal with".

However, Narendran said, "We have seen some signs of improvement in the last few months of 2019, which reflected with improved demand of steel shot up a bit and steel prices going up again."

He said that the steel prices almost shot up to Rs 10,000 per tonne during the last six to eight months.

As far as the development of the steel city of Tatanagar is concerned, he said that the Tata Steel has not slowed down investment despite difficult times of the company, demonstrating the company's commitment.

Narendran urged the city to make sacrifices to make the company sustainable, profitable and competitive., Demand for steel

He expressed confidence that the company will improve its performance in the last quarter (January-March) of the current fiscal as 'demand for steel is okay'.

The January to June months would be favorable for the steel sector in view of the activities in construction and infrastructure sectors, he said.

Commenting on the prevailing economic slowdown, he said. April to October had been the worst period for the steel sector, which has started looking up from November.

"We are expecting to perform well in the last quarter of the current fiscal," he said, adding the government has also taken various decisions such as a cut in corporate taxes and the recent announcement of investment in the infrastructure sector.

Gold imports dip 7% in April-November to $20.57 billion

India's gold imports, which have a bearing on the current account deficit (CAD), fell about 7 per cent to USD 20.57 billion during April-November period of the ongoing financial year, according to the commerce ministry data. Imports of the yellow metal stood at USD 22.16 billion in the same period of 2018-19. The decline in gold imports has helped in narrowing the country's trade deficit to USD 106.84 billion during the eight-month period under review as against USD 133.74 billion in the year-ago months.

Gold import had been recording a negative growth since July this year. However, it grew about 5 per cent to USD 1.84 billion in October and 6.6 per cent to USD 2.94 billion in November.

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.

To mitigate the negative impact of gold imports on trade deficit and CAD, the government increased the import duty on the metal to 12.5 per cent from 10 per cent in this year's Budget.

Industry experts claim that businesses in the sector are shifting their manufacturing bases to neighbouring countries due to this high duty.

The Gems and Jewellery Export Promotion Council has asked for a reduction in import duty to 4 per cent.

Gems and jewellery exports declined about 1.5 % to USD 20.5 billion in April-November this fiscal.

The country's gold imports dipped about 3 per cent in value terms to USD 32.8 billion in 2018-19.

The CAD narrowed to 0.9 per cent of GDP or USD 6.3 billion in July-September, 2019-20 from 2.9 per cent or USD 19 billion in same period last year, according to the RBI data.