WEEKLY MEDIA UPDATE

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(This document comprises news clips from various media in which Balmer Lawrie is mentioned, news related to GOI and PSEs, and news from the verticals that we do business in. This will be uploaded on intranet and website every Monday.)

India's GDP expected to expand 7.5% in 2019-20: World Bank

India's GDP growth is expected to accelerate moderately to 7.5 per cent in Fiscal Year 19-20, driven by continued investment strengthening, particularly private-improved export performance and resilient consumption, the World Bank has said. The real GDP growth is estimated at 7.2 per cent in FY18/19, the World Bank said in its latest report on South Asia on Sunday ahead of the spring meeting of the World Bank and the International Monetary Fund. Data for the first three quarters suggest that growth has been broad-based. Industrial growth accelerated to 7.9 per cent, making up for a deceleration in services. Meanwhile, agriculture growth was robust at four per cent. On the demand side, domestic consumption remained the primary growth driver, but gross fixed capital formation and exports both made growing contributions. Over the last quarter, growth is expected to remain balanced across sectors, the report said. Inflation dynamics have been subdued over most of FY18/19, the report said. The World Bank said India's GDP growth is expected to accelerate moderately to 7.5 per cent in FY19/20, driven by continued investment strengthening-particularly private- improved export performance, and resilient consumption.

The Economic Times - 09.04.2019

https://economictimes.indiatimes.com/news/economy/indicators/indias-gdp-expected-to-expand-7-5-in-2019-20-world-bank/articleshow/68778127.cms

IMF: India set to retain tag of fastest-growing major economy

India's economy is estimated to grow by 7.3% in 2019-20 and 7.5% in 2020-21 supported by robust consumption and impact of reforms, the International Monetary Fund (IMF) said on Tuesday, enabling it to retain the tag of the fastest growing major economy in the world. China, the second largest economy in the world, is forecast to slow to 6.3% in 2019 and to 6.1% in 2020. The bruising trade war with the United States is taking a toll. "In India, growth is projected to pick up to 7.3% in 2019 and 7.5% in 2020, supported by the continued recovery of investment and robust consumption, amid a more expansionary stance of monetary policy and some expected impetus from fiscal policy," the IMF said in its latest World Economic Outlook (WEO). "Nevertheless, reflecting the recent revision to the national account statistics that indicated somewhat softer underlying momentum, growth forecasts have been revised downward compared with the October 2018 WEO by 0.1 percentage point for 2019 and 0.2 percentage point for 2020, respectively," it said as it scaled down the growth estimate for the current fiscal year from 7.4% to 7.3%.

The Times of India - 09.04.2019

https://epaper.timesgroup.com/Olive/ODN/TimesOfIndia/shared/ShowArticle.aspx?doc=TOIKM%2F2019%2F04%2F10&entity=Ar02105&sk=3C4BD271&mode=text

IMF cuts global growth outlook, but predicts pick up later in 2019

The IMF is forecasting a 3.3 per cent global expansion in 2019, and 3.6 per cent growth for the following year, according to the annual World Economic Outlook. The uptick in growth is expected to be fuelled by monetary policy accommodations in major economies. The organization also noted an improved outlook for United States-China trade tensions, and greater accommodations from the US Federal Reserve. Expectations were different this time last year, when the IMF saw accelerated economic growth in almost all regions and predicted a 3.9 per cent expansion in 2019. Gita Gopinath, Economic

Fiscal deficit target of 3.4% met for FY19

The government has managed to meet the revised fiscal deficit target of 3.4% of the GDP after it cut last minute expenditure and rolled over fuel subsidies to make up for the shortfall in tax collection. The interim Budget presented in February revised upward the fiscal deficit target to 3.4% from 3.3% of GDP estimated earlier for 2018-19. According to sources, the revised target has been met with the help of expenditure savings and other measures including the rollover of the fuel subsidy. As a result, the shortfall in tax collection has been matched. There has also been some increase in

Counsellor and Director of the Research Department at the Fund said it was a "delicate moment" in terms of the global economy. In a blog post, she noted that the softer outlook reflects negative revisions for several major economies, including Australia, Canada, the Eurozone, Latin America, the United States, and the United Kingdom. Global growth in 2020 is projected to rebound, as stressed developing economies like Argentina and Turkey, improve. Beyond 2020, the IMF predicts strong growth, led by China and India. The growth in advanced economies, however, is expected to slow as the impact of US fiscal stimulus fades.

UN News - 10.04.2019

https://news.un.org/en/story/2019/04/1036401

non-tax revenue collection, especially on account of disinvestment proceeds. About Rs. 25,000-30,000 crore worth of subsidies due to PSU oil companies for selling LPG and kerosene oil below the cost during 2018-19 have been rolled over and will now be paid in the current fiscal. Last week, Finance Secretary Subhash Chandra Garg said the government is close to meeting fiscal deficit target of 3.4% for 2018-19. "We are very close to meeting (fiscal deficit)," he had said. The government is estimated to have witnessed a shortfall of Rs. 50,000 crore in direct tax collection target of Rs. 12 lakh crore for 2018-19, a senior finance ministry official said.

The Economic Times -10.04.2019

https://epaper.timesgroup.com/Olive/ODN/TheEconomicTimes/shared/ShowArticle.aspx?doc=ETKM%2F2019%2F04%2F10&entity=Ar01504&sk=3877B95F&mode=text

Exports grow 9% in FY19 on engg, pharma, petro products

India's exports grew 9% to $331 billion in 2018-19 on the back of rise in outward shipments of engineering products, pharmaceuticals, petroleum products and chemicals, data released by the commerce and industry ministry showed on Monday. This is the highest ever export number, surpassing the earlier peak of $314.4 billion achieved in 2013-14. "This has been achieved in a challenging global environment," the ministry said. With services sector exports also expected to cross $204 billion with a growth of 6.26% during 2018-19, the overall exports crossed over half a trillion mark during the fiscal. Merchandise and services exports are expected to have crossed the half trillion mark and reached a new peak of $535.4 billion this year, attaining a growth of 7.97%, it said. A commensurate increase in full year imports led to widening of the trade deficit to $176.42 billion in FY19 from $162.05 billion in the previous fiscal. FY19 imports stood at $507.44 billion. Exports rose 11% to $32.55 billion in March on account of higher growth in sectors including pharma, chemicals and engineering. Imports increased 1.44 % to $ 43.44 billion during the month leaving a trade deficit of $ 10.89 billion as compared with $ 13.51 billion in the same month last year.

The Economic Times - 16.04.2019

https://epaper.timesgroup.com/Olive/ODN/TheEconomicTimes/shared/ShowArticle.aspx?doc=ETKM%2F2019%2F04%2F16&entity=Ar01110&sk=891C07D1&mode=text

Feb factory output growth at 0.1%, slowest in 20 months

Industrial growth fell to its lowest in 20 months in February, barely rising from a year ago as manufacturing contracted following muted consumer demand, and public investment slowed toward the fiscal year-end. The index of industrial production (IIP) rose 0.1%, the slowest since a 0.3% contraction in July 2017, data released by the statistics office showed. This was well below the consensus estimate of about 2% for February. January growth was revised down to 1.4% from 1.7% estimated initially. It was 6.9% in February 2018. "Industrial growth at 0.1% came as a shock… all sectors have failed to deliver," said Madan Sabnavis, chief economist, CARE Ratings. The data will increase scrutiny of the government's economic record as it battles perceptions of poor jobs growth amid the ongoing general election. Manufacturing, which has the highest weight in IIP (77.6%), contracted 0.3% in February. Mining output rose 2% in February while electricity generation was higher at 1.2%. "It shows that the growth slump is persisting with manufacturing being the worst-hit segment," said Sujan Hajra, chief economist and executive director, Anand Rathi Shares & Stock Brokers.

The Economic Times - 13.04.2019

https://epaper.timesgroup.com/Olive/ODN/TheEconomicTimes/shared/ShowArticle.aspx?doc=ETKM%2F2019%2F04%2F13&entity=Ar00101&sk=F284EBED&mode=text

WPI inflation spikes to 3.18% in March on costlier food, fuel

Wholesale price-based inflation rose for the second consecutive month to 3.18 per cent in March on costlier food and fuel, government data released Monday showed. The Wholesale Price Index (WPI) based inflation was at 2.93 per cent in February. It was 2.74 per cent in March 2018. Inflation in food articles hardened with steep rise in prices of vegetables during March 2019. Vegetables inflation was at 28.13 per cent in March, up from 6.82 per cent in the previous month. However, inflation in potato cooled substantially to 1.30 per cent, from 23.40 per cent in February. Inflation in food articles basket was 5.68 per cent during March. Inflation in 'Fuel and power' category also spiked to 5.41 per cent, from 2.23 per cent in February. The Reserve Bank, which mainly factors in retail inflation for monetary policy decision, had earlier this month cut interest rates by 0.25 per cent. Retail inflation accelerated to 2.86 per cent in March from 2.57 per cent a month ago, data released last week showed. For April-September period, the RBI has projected retail inflation at 2.9-3 per cent, mainly due to lower food and fuel prices as well as expectation of a normal monsoon.

Business Standard - 16.04.2019

https://www.business-standard.com/article/economy-policy/wpi-inflation-spikes-to-3-18-in-march-on-costlier-food-fuel-119041500310_1.html

Retail inflation edges up to 2.86% in March on costlier food articles

India's retail inflation ticked up to 2.86 per cent in March as consumers spent more to buy food items and fuel, government data showed on Friday. The consumer price index (CPI)-based retail inflation was at 2.57 per cent in February this year. On a yearly basis, it was 4.28 per cent in March 2018. Retail inflation has been well within the RBI's comfort level of 4 per cent for about eight months now, coming down from 4.17 per cent in July 2018. The overall food inflation, measured as change in price of articles in the food basket, rose to 0.3 per cent in March, against (-) 0.66 per cent in February, data from the Central Statistics Office (CSO) of the Ministry of Statistics and Programme Implementation showed. In the 'fuel and light' category, the rate of price rise in March climbed to 2.42 per cent from 1.24 per cent in February. Fruits and vegetables continued to register deflation at (-)5.88 per cent and (-)4.90 per cent, respectively. For cereals and products, the rate of price rise slowed to 1.25 per cent from 1.32 per cent, according to the data. The Reserve Bank has cut the retail inflation forecast to 2.9-3 per cent for the first half of the current fiscal, mainly due to lower food and fuel prices as well as expectation of a normal rainy season.

The Hindu Business Line - 13.04.2019

https://www.thehindubusinessline.com/economy/retail-inflation-inches-up-286-in-march/article26820458.ece

One more headache for RBI: Oil all set to upset its inflation math

A rebound in oil prices poses a risk to India's benign inflation expectations that last week allowed the central bank to deliver its second rate cut of 2019. With crude at a five-month high, many investors are turning less confident about the Reserve Bank of India's pace of monetary easing, though a slowdown in economic growth and subdued inflation still support an easing bias. The low headline print gave Governor Shaktikanta Das and the rate-setting panel the space to cut rates by 25 basis points each in February and April to support the economy. Some economists see room for one more reduction provided food and fuel costs don't spike. Data on Friday showed headline inflation quickened to a five-month high of 2.86 percent in March from 2.57 percent in February. The RBI last week cut its inflation forecast to a range of 2.9 percent to 3 percent in the April-September period, compared with a February projection of 3.2 percent to 3.4 percent, while seeing price growth this year within its 4 percent medium-term target. It separately cut

Govt targets Rs 50,000-crore of public procurement through GeM in FY20

Three years after its inauguration, the government e-marketplace (GeM) has seen the cumulative procurement by the central and state governments reach Rs 24,183 crore at the end of 2018-19. All public sector agencies are mandated to directly purchase common-use goods and services through the online portal. Official estimates by the commerce department show a target of Rs 50,000 crore in 2019-20, ultimately hitting Rs 1 trillion worth of procurements by 2021. However, this will still be much lower than the total gamut of government procurement in the country, currently at Rs 5.5 trillion. In the last financial year, more than 1.7 million separate orders were placed on the portal, up from 300,000 orders in the preceding year. The current growth projections eye an estimate of Rs 50,000 crore worth of orders in 2019-20, of Rs 5.5-6 trillion total procurement made annually by the government. But even a single state is yet to transfer its total purchasing to the economic growth forecast to 7.2 percent for the year that began on April 1, down from 7.4 percent previously.

The Economic Times - 15.04.2019

https://energy.economictimes.indiatimes.com/news/oil-and-gas/one-more-headache-for-rbi-oil-all-set-to-upset-its-inflation-math/68870925

Govt retains GPF interest rate at 8% for Q1 FY20

The interest rate will be applicable on provident funds of central government employees, railways and defence forces. The government has retained the interest rate for General Provident Fund (GPF) and other related schemes at 8 per cent for the April-June quarter. The rate is in line with that of Public Provident Fund. The interest rate on GPF was at 8 per cent in the January-March quarter of 2018-19. “It is announced for general information that during the year 2019-20, accumulations at the credit of subscribers to the GPF and other similar funds shall carry interest at the rate of 8 per cent with effect from April 1 to June 30, 2019,” a Department of Economic Affairs notification said. The interest rate will be applicable on provident funds of central government employees, railways and defence forces. Last month, the government also retained interest rates on small savings, including National Savings Certificate (NSC) and PPF for the first quarter of current fiscal.

The Hindu Business Line - 11.04.2019

https://www.thehindubusinessline.com/economy/policy/govt-retains-gpf-interest-rate-at-8-for-q1-fy20/article26791588.ece

Twin PSU floats on table

The finance ministry, buoyed by the success of meeting the divestment target for two consecutive years, plans to invite bids for lead managers to the initial public offerings (IPO) of RailTel Corporation India and Tehri Hydro Development. “We plan to come out with the IPO of these two firms by June... plan to invite lead managers for the issue in the next two months to roll the process,” a senior finance ministry official said. In the interim budget, interim finance minister Piyush Goyal has set a target of Rs 90,000 crore for 2019-20, which is 12.5 per cent higher than 2018-19. The government had crossed the divestment target for 2018-19 by Rs 5,000 crore — the second time running, aided by Rs 10,000 crore from the fifth tranche of CPSE ETF and Rs 14,500 crore from PFC acquiring the Centre’s stake in REC. Some of the companies proposed for IPO in the current fiscal include Telecommunication Consultants India,

platform, an official said. While 20 states have signed a memorandum of understanding with the GeM authority, Uttar Pradesh, Maharashtra and Madhya Pradesh remain the largest buyers.

Business Standard - 16.04.2019

https://www.business-standard.com/article/economy-policy/govt-targets-rs-50-000-crore-of-public-procurement-through-gem-in-fy20-119041501214_1.html

PSEs to stay PSUs even with below 51% government stake

The government is planning a major overhaul of the definition of state-run companies where an entity will continue to qualify as public sector enterprise (PSE) even if the government holding falls below 51%. Sources in the Department of Public Enterprises said the change in definition is being discussed with the Finance Ministry, and an announcement could be made by the new government. "There is a thinking that PSU definition should be maintained with government holding of, say, 40% or 26% in case of certain non-strategic entities. This will not only give flexibility to PSU boards in decision-making but also allow more room for the Centre to raise additional revenue from disinvestment," said a top PSE official aware of the proposed changes. Under the present definition, CPSEs are companies in which the direct holding of the central government or other CPSEs is 51% or more.

Mint - 10.04.2019

https://www.livemint.com/politics/policy/pses-to-stay-psus-even-with-below-51-government-stake-1554812277778.html

CPSEs to get 12 months to sell non-core assets, failure may lead to budget cuts

State-run companies will have 12 months to monetise non-core assets identified by a ministerial panel headed by the finance minister, failing which the finance ministry may restrict budgetary allocations to the CPSEs. The Department of Investment and Public Asset Management (DIPAM) Monday issued the guidelines for monetisation of non-core assets of CPSEs and immovable enemy properties, following a Cabinet decision in February. According to the guidelines, an inter-ministerial group (IMG), chaired by the secretary of DIPAM, will identify the non-core assets of the CPSEs on its own and also on the basis of recommendations of the Niti Aayog. The final call, however, will be taken by the finance minister-headed panel. Once the Alternative

National Seed Corporation India, Water & Power Consultancy Services India, FCI Aravali Gypsum and Minerals India, Indian Railway Finance Corporation, Indian Railway Catering and Tourism Corporation, IREDA and North Eastern Electric Power Corporation. The ministry also plans to march ahead with the strategic divestment of a host of CPSEs and monetise the non-core assets of state-owned companies.

The Telegraph - 15.04.2019

https://www.telegraphindia.com/business/twin-psu-floats-on-table/cid/1688780

Mechanism, comprising the finance minister, road transport minister and the minister of concerned administrative ministry, approves the assets for monetisation, it should be completed within 12 months from the date of approval. This will be the target to be achieved by the CPSEs as part of the memorandum of understanding with the Department of Public Enterprises (DPE).

Mint - 16.04.2019

https://www.livemint.com/companies/news/cpses-to-get-12-months-to-sell-non-core-assets-failure-may-lead-to-budget-cuts-1555347678445.html

Hard times for non-oil CPSEs, likely to report losses for second yr running

The last five years have not been good for listed central public sectors undertakings (PSUs). For the first time since FY04, 38 PSUs, excluding oil marketing companies, are expected to report a combined net loss for the second consecutive year in FY19. Even in FY16, this set had made a loss. These listed PSUs together reported net losses of Rs 16,279 crore during the first nine months of FY19, and analysts expect this trend to continue. For the entire PSU universe, the net profit stood at Rs 29,717 crore in the April-December 2018 period. Public sector banks (PSBs) have been the biggest losers in the last five years, as they reported losses due to the Reserve Bank of India's asset quality review, under which they had to report non-performing assets. Listed PSBs together reported a combined net loss of around Rs 31,600 crore during the April-December 2018 period. Public sector companies also continue to struggle with poor revenue growth. Combined revenues of non-oil PSUs will post a compounded annual growth rate (CAGR) of 2.7 per cent between FY14 and FY19 (nine months annualised), down from 11.6 per cent annualised growth during FY09-FY14 and 17.2 per cent annualised growth during FY04-FY09.

Business Standard - 10.04.2019

https://www.business-standard.com/article/companies/hard-times-for-non-oil-cpses-likely-to-report-losses-for-second-yr-running-119040900732_1.html

India's oil import bill in FY19 could be highest under Narendra Modi

A late surge in oil prices is expected to increase India's oil import bill to its five-year high. As per estimates, India could close 2018-19 with crude import bill shooting to $115 billion, a growth of 30 per cent over 2017-18's $88 billion. The latest estimates are based on increase in global crude oil prices from the second half of March, when prices reached a new high in 2019. Crude is hovering around $70 a barrel on the back of extended production cuts from the Organization of the Petroleum Exporting Countries (OPEC) and Russia, and expectation of demand pick-up. "The latest estimates suggest we could touch or cross $115 billion in oil imports in FY19. This is the highest level of imports in the five years of the Prime Minister Narendra Modi-led NDA government. The Modi government started with an import bill of $112.74 billion in FY15. This, however, went down in subsequent years as the global oil prices crashed," said an official source. However, contradicting apprehensions, the Oil Ministry's Petroleum Planning and Analysis Cell (PPAC) in its latest assessment has made a conservative estimate of import bill growing by 27 per cent from $88 billion in 2017-18 to $112 billion in 2018-19.

The Economic Times - 16.04.2019

https://energy.economictimes.indiatimes.com/news/oil-and-gas/indias-oil-import-bill-in-current-fiscal-could-be-highest-under-narendra-modi/68891657

India's LNG import volumes fell 9 per cent in February

India's Liquefied Natural Gas (LNG) imports fell 9.1 per cent year-on-year (y-o-y) to 68 million metric standard cubic meter per day (mmscmd) in February 2019, India Ratings said in a report. This happened despite a reduction in Henry Hub prices. "The Henry Hub prices reduced gradually to $2.7 per metric million British thermal unit (mmbtu) in

India's 2018/19 Iran oil imports up 5% despite US sanctions

India imported about 5% more oil from Iran in the last fiscal year through March as companies raised purchases ahead of US sanctions against Tehran from November, preliminary tanker arrival data obtained from shipping and industry sources showed. Despite Washington restricting India's purchases from Tehran, refiners shipped

February 2019 from $4.0 per mmbtu in November 2018. This is in contrast to the historical trends seen where LNG imports have increased on a reduction in Henry Hub prices," the report said. According to the research and ratings agency, the marginal improvement in domestic natural gas (NG) production in the past few months coupled with a reduction in consumption demand was likely responsible for the trend of LNG imports. Henry Hub prices again increased in March 2019, which could have further led to a reduction in LNG imports in the month. LNG prices moderated in January and February 2019, owing to a reduction of the winter season demand which generally peaks in the months of November and December. In February 2019, crude oil production in India decreased 6.1 per cent y-o-y.

The Economic Times - 09.04.2019

https://energy.economictimes.indiatimes.com/news/oil-and-gas/indias-lng-import-volumes-fell-9-per-cent-in-february/68797171

in about 479,500 barrels per day (bpd) of Iranian oil in 2018/19 compared with about 458,000 bpd a year before, according to the data. The United States introduced sanctions in November but gave a six-month waiver to eight nations, including India, which allowed them to import some Iranian oil. India was allowed by Washington to continue to buy about 300,000 bpd oil until early May. In March India's oil imports from Iran rose to about 405,000 bpd, about 56 percent higher than February, the data showed. March volumes were however about 6 percent lower than the purchase in the same month a year earlier. A lack of ships delayed lifting of some cargoes to end-February, leading to higher arrivals in March, sources said. BPCL could not lift a cargo from Iran as tanker was not available, a company source said.

Mint - 13.04.2019

https://www.livemint.com/news/india/india-s-2018-19-iran-oil-imports-up-5-despite-us-sanctions-1555071706162.html

India delays May order for Iran oil, awaits clarity on sanctions waiver: Report

Indian refiners are holding back from ordering Iranian oil for loading in May pending clarity on whether Washington will extend a waiver from US sanctions against the Opec-member, four sources said. In November, US President Donald Trump withdrew from the 2015 Iran nuclear deal and re-imposed broad economic sanctions. Washington, however, gave a six-month waiver to eight nations including India, allowing them to import some Iranian oil until early May. India, Iran's top oil client after China, was allowed to buy about 9 million barrels a month. India hopes to get clarity in seven to 10 days on any extension of the waiver, as well as the amount of oil that could be purchased if an extension is given, the sources said. "We don't know about US thinking, whether they will allow India to buy oil or not," said one of the sources, all of whom declined to be named due to the sensitivity of the issue. Under the current waiver, India can buy about 300,000 bpd of Iranian oil - about half the amount before the sanctions were imposed - and New Delhi wants to keep buying Iranian oil at that level, Indian sources said last month.

The Economic Times - 09.04.2019

https://energy.economictimes.indiatimes.com/news/oil-and-gas/india-delays-may-order-for-iran-oil-awaits-clarity-on-sanctions-waiver-report/68792167

Polls may have forced oil cos to bear losses

In contrast with highest international crude oil prices so far this year, the domestic fuel prices have seen fewer revisions, indicating that the policy of market-determined retail pricing of petroleum products has been put on hold till the elections. Energy experts have said the price of transport fuels, petrol and diesel may shoot up post polls if the international prices remain high. The state-run oil marketing companies will also jump to balance their books. Indications are that these companies might be keeping the prices artificially low at the behest of the government so as to prevent consumer outrage. Since January, the benchmark, Brent crude has surged nearly 30 per cent while the price of petrol in the national capital has witnessed an uptick of merely 6 per cent. While the prices remained unchanged for several days at a stretch, these were reduced twice last week when the Brent hit a 5-month high. An India Oil Corporation spokesperson said the domestic prices don't entirely depend on the international crude prices. Domestic prices are usually affected in a fortnight after the global swing.

The Economic Times - 12.04.2019

https://energy.economictimes.indiatimes.com/news/oil-and-gas/polls-may-have-forced-oil-cos-to-bear-losses/68824996

No end in sight for petrol, diesel price hike? Crude oil price may soar, says top brokerage

With Brent touching five-month high on Monday, Goldman Sachs has raised its crude oil price forecast for this year, in what could worry for the Indian government and consumers alike, who may have to face a higher inflation and rising fuel prices at home. Brent crude oil price has been on continuous rally owing to tensions in Libya — one of the largest oil producers in the world, decline in supply by OPEC countries, and US sanctions against Iran and Venezuela. Considering that India is a major importer of crude oil, the trade tensions between the developed economies and supply cuts by OPEC countries may have an impact on oil prices in India going forward. The rise in oil prices will have a direct impact on the current account deficit, while some of the effect might rub off on the fiscal deficit too. On the other hand, higher crude oil prices may spell trouble for people as well. inflation is under RBI's medium term target of 4% for now. But the rise in crude oil prices may lead to a surge in petrol and diesel prices, and an accompanying recovery in food prices may stoke inflation going ahead.

The Financial Express - 12.04.2019

https://www.financialexpress.com/market/no-end-in-sight-for-petrol-diesel-price-hike-crude-oil-price-may-soar-says-top-brokerage/1544888/

Saudi Aramco set to become world's biggest crude consumer

Saudi Aramco is well known as the world's top crude exporter. If all goes to plan, it may also become the biggest user of the fossil fuel. More than a third of Aramco's oil is currently fed into its fully-owned and joint venture refineries, according to its bond prospectus. The company plans to double its refining network to handle as much as 10 million barrels a day by 2030, locking in a friendly buyer for the kingdom's crude. Aramco's "goal is to provide a reliable destination for its future oil production," said John Stewart, an analyst at consultant Wood Mackenzie Ltd. The expansion "would make it the biggest refiner in the world by some margin." Saudi Arabia is leaning on Aramco's coffers to build its sovereign wealth fund and help develop new industries that can break the kingdom's reliance on oil. For its part, Aramco is trying to wring more profit from the crude it pumps by turning it into gasoline and diesel as well as plastics and other materials used in consumer goods. The company is spending $69 billion for a majority stake in petrochemicals maker Saudi Basic Industries Corp.

The Economic Times - 13.04.2019

https://economictimes.indiatimes.com/markets/commodities/news/saudi-aramco-set-to-become-worlds-biggest-crude-consumer/articleshow/68842525.cms?from=mdr

OPEC could raise oil output if prices increase, shortages mount: sources

OPEC could raise oil output from July if Venezuelan and Iranian supply drops further and prices keep rallying, because extending production cuts with Russia and other allies could overtighten the market, sources familiar with the matter said. Venezuelan crude production has dropped below 1 million barrels per day (bpd) because of US sanctions. Iranian supply could fall further after May if, as many expect, Washington tightens its sanctions against Tehran. The combined supply cuts have helped to drive a 32 percent rally in crude prices this year to nearly $72 a barrel, prompting pressure from US President Donald Trump for OPEC to ease its market-supporting efforts. OPEC has been saying the curbs must remain, but that stance is now softening. "If there was a big drop in supply and oil went up to $85, that's something we don't want to see, so we may have to increase output," one OPEC source said. OPEC could raise oil output from July if Venezuelan and Iranian supply drops further and prices keep rallying, because extending production cuts with Russia and other allies could overtighten the market, sources familiar with the matter said.

Oil market is headed for 'balance': Saudi minister

Saudi Energy Minister Khalid al-Falih said on Monday the oil market was "moving towards balance", and that producers may not need to make additional output cuts. As oil prices hit a five-month high at more than $70 a barrel, Falih told a conference in Riyadh that non-OPEC member Russia and other countries have met their production cut obligations. Falih said he did not "think we need to" when asked if the kingdom was prepared to make additional cuts to support the oil market. "I think the market is moving towards balance," he said. The Saudi minister however insisted that it was still premature to say that a crucial meeting in June for OPEC and its allies will extend the 1.2 million barrels per day cuts. The 25-member group, called OPEC+, agreed to cut output by 1.2 million bpd from the beginning of 2019 after oil prices dipped by more than 30 percent late last year. The oil producers have been debating whether it was necessary to extend the cuts beyond the June deadline or even make additional cuts.

Millennium Post - 09.04.2019

Moneycontrol - 12.04.2019
https://www.moneycontrol.com/news/business/opec-could-raise-oil-output-if-prices-increase-shortages-mount-sources-3811341.html

http://www.millenniumpost.in/business/oil-market-is-headed-for-balance-saudi-minister-348065

IOC sets up trading desk at Delhi office to buy crude on real-time basis

India's top refiner Indian Oil Corp (IOC) has set up a trading desk at its office here to buy crude oil from international market on a real-time basis, helping it cut import price by locking in best price and quality, its Director (Finance) A K Sharma said. IOC, which buys 30 per cent (15 million tonne) of its oil requirement from spot or current market, had set up a trading office in Singapore in 2017 but has now developed in-house software and trading team to buy crude oil on a real-time basis. It made the first purchase through the desk on March 25 when it bought one million barrel of Nigeria's Agbami crude, he said. While private sector firms like Reliance Industries have had a local trading desk for buying of crude and exporting fuel it produces, IOC would be the first state-owned refiner to set up such a desk. Sharma said the Singapore desk was used to buy crude oil on a short-tender basis where the purchase was decided in two-hour time after receipt of offers from an international seller. This is compared to 10 hours taken to decide on purchase in traditional tenders.

Business Standard - 16.04.3019
https://www.business-standard.com/article/pti-stories/ioc-sets-up-trading-desk-at-delhi-office-to-buy-crude-on-real-time-basis-119041500352_1.html

Climate goals could sink oil demand from mid 2020s -LGIM

Legal and General Investment Management (LGIM), which manages assets worth 1 trillion pounds ($1.3 trillion) worldwide, said oil demand could start to decline from 2025 if countries impose strict policies to curb climate change. The impact of moves to ensure the global rise in temperature remains below 2 degrees could be such that by the early 2040s oil demand would have dropped by around 40 percent from current levels to below 60 million barrels a day, LGIM said in a report published on Thursday. However, if no new climate policies are implemented, oil demand could plateau at around 110,000 million barrels a day from around 2030, according to the study. LGIM, the fund arm of insurer Legal & General, carried out the research with management consultancy Baringa Partners to identify companies that could benefit from efforts to curb climate change, but that would not be negatively impacted if such policies fail to materialise. "It's hard to argue that if oil demand starts to go into free fall, which is what we see as plausible, that ... the oil and gas industry as a whole remains as intrinsically as profitable as it does today," said Nick Stansbury, LGIM's head of commodity research.

The Economic Times - 11.04.2019
https://energy.economictimes.indiatimes.com/news/oil-and-gas/climate-goals-could-sink-oil-demand-from-mid-2020s-lgim/68824262

India turns net importer of steel despite being world’s second largest producer

In a setback to the government, India has emerged as a net importer of steel during FY19, despite being the second largest producer, for the first time in three years. This is primarily on the back of demand for better quality steel in the domestic market and reduced exports which fell by more than a third due to imposition of safeguard duties by the two biggest buyers of alloy — the United States of America and Europe during the last year, reported Reuters. India is the second largest steel producing nation with a total production of 106.4 million tonnes. The steel industry has performed well even amid slowdown in the industrial production during the last few months. However, finished steel exports fell 34 percent from the previous year to 6.36 million tonnes between April 2018 and March 2019,

India's steel demand to grow by over 7% in 2019 & 2020, forecasts industry body

India's steel demand is likely to grow by over 7 per cent in 2019 and 2020, driven by sectors like construction, capital goods and railways, as per the Indian Steel Association. "The Indian Steel Association has forecast India's steel demand to grow by 7.1 per cent in calendar year 2019 and by 7.2 per cent in calendar year 2020," the domestic steel body said. As for financial year, the forecast for steel demand growth is 7.2 per cent in both 2019-20 and 2020-21, the Indian Steel Association said. It also forecast that India's steel consumption is likely to cross 100 million tonnes (MT) mark in 2019. Steel Minister Chaudhary Birender Singh has earlier this year said that growth trend in steel consumption in India will continue, due to according to Reuters. On the other hand, India became a net importer of finished steel with increase in its imports by 4.7 percent to 7.84 million tonnes. Exports have also fallen because of the loss of middle-east and African market to other competitors who were also ousted from the US and Europe markets such as China, Japan, South Korea and Indonesia, according to Reuters. Similarly, imports from these nations also increased in the Indian domestic market.

The Financial Express - 13.04.2019

https://www.financialexpress.com/economy/india-turns-net-importer-of-steel-despite-being-worlds-second-largest-producer/1546466/

strong manufacturing sector, diversified demand demographics, accelerated expenditure on infrastructure, anticipated increase in GDP and strong focus on 'Make in India'. "Investment driven sectors such as construction, capital goods and railways are likely to maintain the healthy growth momentum driven by infrastructure programmes such as Bharatmala, Sagarmala, railway track electrification, dedicated freight corridors, metro rails, etc," the statement said.

Millennium Post -10.04.2019

http://www.millenniumpost.in/business/indias-steel-demand-to-grow-by-over-7-in-2019-2020-forecasts-industry-body-348382

India steel demand is holding up well against a sluggish global growth

Demand for steel has been resilient. Compared to the global slowdown, Indian demand has shown resilience. Provisional figures compiled by analysts show a 7.5% rise in FY19 sales, making India one of the fastest-growing steel markets among large economies. Even though this is marginally lower, it still compares well with a 7.9% rise in FY18. Contrastingly, global steel demand is projected to slow to 1.4% in 2019, more than halving from the 3% increase in 2018. Data from Joint Plant Committee showed a 7.8% rise in steel consumption from April 2018 to January 2019. According to SBICAP Securities Ltd, demand in the subsequent two months increased 7.7% and 8.8%, respectively. This pegs consumption growth during January-March (Q4 FY19) at 6.4%, points out Emkay Global Financial Services Ltd, notably better than the December quarter when demand decelerated. Inventory restocking and the seasonal upswing in demand have driven volumes in the last three months. Tata Steel Ltd’s India operations reported a 56% jump in sales volume last quarter. The growth was partly aided by capacity expansion following its acquisition of Bhushan Steel Ltd last year. Even so, higher volumes should help mitigate the impact of subdued prices.

Mint - 12.04.2018

https://www.livemint.com/market/mark-to-market/india-steel-demand-is-holding-up-well-against-a-sluggish-global-growth-1555031079470.html

Major decline in India's steel export to US, increase in aluminium: Report

India's steel export to the US in 2018 declined by 49 per cent to USD 372 million, while that of aluminium increased by 58 per cent to USD 221 million, the independent Congressional Research Service (CRS) said in its latest report. In 2018, the US imports of steel and aluminium products totalled USD 29.5 billion and USD 17.6 billion respectively, the report said adding that over the past decade steel imports have fluctuated significantly by value and quantity, while imports of aluminium have generally increased. “The largest declines in US steel imports, by value, were from South Korea (-USD 430 million, -15 per cent), Turkey (-USD 413 million, -35 per cent) and India (-USD 372 million, -49 per cent) with significant increases from the EU (+USD 567 million, +22per cent), Mexico (+USD 508 million, +20 per cent) and Canada (+USD 404 million, +19 per cent)," the report said. "The largest declines in aluminium imports were from China (-USD 729 million, -40 per cent), Russia (-USD 676 million, -42 per cent), and Canada (-USD 294 million, -four per cent) with major increases from the EU (+USD 395 million, nine per cent), India (+USD 221 million, 58 per cent) and Oman (USD 186 million, +200 per cent)," the report added.

The Economic Times - 16.04.2019

https://economictimes.indiatimes.com/news/economy/foreign-trade/major-decline-in-indias-steel-export-to-us-increase-in-aluminum-report/articleshow/68883316.cms

Bid to check surge in airfares

The aviation regulator plans to ask airlines to come up with immediate and medium-term plans to increase domestic flights and check the spike in fares. Official sources said the regulator would be meeting the airlines on Wednesday. They have been asked to come out with an “immediate and

Additional Secy, MoHUA takes charge of CMD, NBCC

Additional Secretary, Ministry of Housing and Urban Affairs (MoHUA), Government of India, Shiv Das Meena assumed office as Chairman-cum-Managing Director (CMD) of Navratna CPSE, NBCC (India) Ltd., with effect from April medium-term plan to augment the additional capacity in the market". The regulator will also discuss ways to increase capacity, which would be over and above the flights approved for the summer schedule. It had approved last month a nearly seven-month-long summer schedule beginning March 31 Data showed airfares had increased substantially compared with the spot ticket prices available during the same period last year. A travel portal said the Delhi-Mumbai spot fare was now over Rs 11,000. Similarly, Mumbai-Bangalore fares have increased to about Rs 13,000. "In the last few weeks, fares have been higher by 15 per cent year-on-year on an average for last minute bookings," Balu Ramachandran, head — air and distribution, Cleartrip said. The shortage of planes and high seat occupancies are expected to push fares higher in the short term.

The Telegraph - 10.04.2019

https://www.telegraphindia.com/business/bid-to-check-surge-in-airfares/cid/1688487

5, 2019. After assuming the charge, Meena visited the NBCC Corporate office along with Durga Shanker Mishra, Secretary, MoHUA; K Sanjay Murty, Additional Secretary, MoHUA and other senior officials of the Ministry on Monday, to attend the formal farewell function of Anoop Kumar Mittal who laid down the office of CMD, NBCC on April 5, 2019. Speaking at the farewell function, Durga Shanker Mishra dwelt at length about the Company's remarkable performance during the tenure of Dr. Mittal and complimented the entire NBCC team for their dedication and efforts in bringing about a holistic change in the overall operations of the Company and its tremendous contributions to the Infrastructure Development of the country. Meena in his remarks also appreciated the entire NBCC team led by Dr. Mittal so far for their excellent performance enabling the organization to attain many milestones.

Pioneer - 10.04.2019

https://www.dailypioneer.com/2019/business/additional-secy--mohua-takes-charge-of-cmd--nbcc.html

S K Sadangi new CVO of Coal India Ltd

S K Sadangi, has taken over as chief vigilance officer of Coal India Limited. A 1988 batch Indian Railway Stores Service (IRSS) officer, Sadangi holds a BTech (Hons) Degree from IIT (Kharagpur) and has completed Master's Degree in Public Policy from National University of Singapore (NUS) and Kennedy School of Government, Harvard, USA. Sadangi has vast experience in Governance, Vigilance & Anti-corruption in various Zones of Indian Railways, Ports of Kolkata, Haldia, Chennai, Paradip, Kamarajar Port Limited, Andaman Lakshadweep Harbour Works and Indian Maritime University. For his excellence in the field of investigation and systemic reform, Sadangi has been conferred with several prestigious awards by various organizations in the country.

Millennium Post - 13.04.2019

http://www.millenniumpost.in/business/s-k-sadangi-new-cvo-of-coal-india-ltd-348744