



BRAJ BINANI GROUP

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News & Report Analysis

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- Budget 2018 positive for the gold sector, say traders

London Metal Exchange : Thursday 01, February 2018

MMR Landed Prices

	Pr. Sell (1)	Morning Session		Afternoon Session		Kerb	Change (2) - (1)	Stk(tns) change	MMR Landed Prices	
		Buy	Sell * (2)	Buy	Sell				Value	Rs/ton
Copper Grade A										
Spot	7100.50	7026.00	7027.00	7056.00	7057.00	7077.0	-73.5	304,675	MMR LP	477,539
3-mth	7140.00	7067.00	7067.50	7096.00	7097.00	7119.0	-72.5	-900	14-D MA	479,546
Average	10-days - 7039	20-days - 7064.73		30-days - 7069.08					PP (HCL)	468,463
Tin High Grade										
Spot	21900.00	21940.00	21950.00	21745.00	21750.00	21550.0	50.0	1,925	--	--
3-mth	21750.00	21725.00	21730.00	21570.00	21575.00	21400.0	-20.0	0	--	--
Average	10-days - 21478.50	20-days - 20865		30-days - 20481.67					--	--
Lead										
Spot	2624.00	2669.50	2670.00	2667.00	2668.00	2686.0	46.0	133,250	MMR LP	187,455
3-mth	2618.00	2650.00	2652.00	2653.00	2654.00	2665.0	34.0	-1275	14-D MA	183,356
Average	10-days - 2621.95	20-days - 2597.40		30-days - 2573.70					PP (HCL)	192,800
Zinc Special High Grade										
Spot	3589.50	3587.00	3588.00	3580.00	3581.00	3606.0	-1.5	170,700	MMR LP	253,538
3-mth	3527.00	3530.00	3532.00	3531.00	3532.00	3557.0	5.0	-1875	14-D MA	247,504
Average	10-days - 3515.45	20-days - 3466.10		30-days - 3404.50					PP (HCL)	252,300
Aluminium										
Spot	2224.50	2217.50	2218.00	2224.00	2225.00	2224.0	-6.5	1,080,550	MMR LP	162,716
3-mth	2222.00	2215.00	2215.50	2225.00	2226.00	2225.0	-6.5	-925	14-D MA	163,279
Average	10-days - 2231.90	20-days - 2210.50		30-days - 2200.75					PP (Nalco)	164,450
Aluminium Alloy										
Spot	1905.00	1860.00	1860.50	NA	NA	NA	-44.5	13,680		
3-mth	1890.00	1870.00	1875.00	NA	NA	NA	-15.0	-160		
Average	10-days - 1850.55	20-days - 1827.03		30-days - 1824.52						
Nickel										
Spot	13555.00	13535.00	13545.00	13705.00	13710.00	13965.0	-10.0	355,266	Copper	01-Jan
3-mth	13550.00	13550.00	13555.00	13745.00	13750.00	14000.0	5.0	-1746	Aluminium	01-Jan
Average	10-days - 13301	20-days - 12950		30-days - 12687.33					Zinc	22-Jan
									Lead	22-Jan

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
	99.65%	99.95%	99.80%				
	8,322	106.00	36.08	9.90	18.96	2325.00	300.00

Week ended Avg of Steel Prices : 25/01/2018 (Excl. GST)

	Mandi Gobindgarh - Punjab			Mumbai			Kolkata	Delhi	Chennai	MS Ingots	Mumbai	Kanpur	Durgapur
Sponge Iron	24,000	HMS OLD	21,000	HMS	29,000	28,000	29,000	29,000	29,000		26,200	28,900	29,200
Pig Iron	34,000	HMS Fresh	32,200	CRP(LSLP)	30,000	-	-	29,700					
Alum. Alloy : Basic prices excl. CST/VAT	Mumbai Mkt rates in kgs : 29/12/2017			ADC 12	139		AISI 9 Cu3	142		LM6	158		
	Ex. Delhi Mkt rates in kgs : 29/12/2017				139.5			-			-		

Indicative Domestic Market Rates (Rs./kg)

Comex Copper (cents/lb)

Comex Al (cents/lb)

	Mumbai		Delhi		Chennai		Rate		Change		Rate		Change	
	01-Feb	Prev	01-Feb	Prev	01-Feb	Prev	Jan'18	Feb'18	Mar'18	Jan'18	Feb'18	Jan'18	Feb'18	Mar'18
Virgin Metals														
Copper Pat	--	--	436.0	436.0	-	-	319.70	320.90	322.00	1.3	-	-	-	-
Copper W/Bar	483.0	483.0	-	-	-	-								
Alum Ingot	160.0	160.0	160.0	160.0	156.0	155.0	Metal	Market	Unit			01-Feb	Prev	
Zinc Slab	253.0	255.0	260.0	262.0	-	-	Gold Std	Mumbai	Rs/10g			30,300	30,240	
Lead Ingot	175.0	175.0	173.0	173.0	-	-	Silver	Mumbai	Rs/kg			39,335	39,170	
Tin Slab	1,440.0	1,440.0	1,470.0	1,468.0	-	-	Gold	London	\$/tr.oz.			1,341.35	1,345.05	
Nickel (4x4)	900.0	895.0	910.0	905.0	-	-	Silver	London	\$/tr.oz.			17.19	17.23	
Scrap							Gold	Comex	\$/tr.oz.			1,344.30	1,339.00	
Copper Heavy	447.0	446.0	--	--	-	-	Silver	Comex	\$/tr.oz.			17.11	17.20	
Copper Uten.	410.0	410.0	--	--	-	-	Forex: February 01 , 2018 (Rs/Unit Currency)							
Copper Mixed	--	--	413.0	413.0	-	-								
Brass Utensil	334.0	334.0	--	--	-	-	USD	GBP	YEN					
Brass Huny	330.0	330.0	--	--	-	-	Buy	64.08	91.01					0.5844
Brass Sheet	345.0	346.0	-	-	-	-	Sell	63.98	90.91					0.5835
Alum Utensil	126.0	126.0	130.0	130.0	-	-	EURO	SGD	AUD	SFR				
							Buy	79.72	48.79	51.22				68.74
							Sell	79.61	48.71	51.16				68.63

Customs Notified Rates : January 05th, 2018 [Rs.(Imp/Exp)]: US\$ 64.50/62.80; Pound Sterling 87.55/84.65; Euro 77.70/75.05

Wall Street shares forfeit early gains as bond yields rise. Wall Street stocks gave up early gains as bond yields rose & technology stocks retreated ahead of a host of high-profile earnings. It has been a rocky week for Wall Street with mostly robust earnings met by rising bond yields as world central banks back away from easy monetary policy. The benchmark S&P 500 stock index is on track for its first week decline in five.

The Federal Reserve held the fed funds target rate steady on Wednesday but indicated it was concerned about inflation rising.

"Inflation on a 12-month basis is expected to move up this year and to stabilize" around the Fed's 2.0 % target over the medium term, the central bank said in a statement following a two-day policy meeting on Wednesday.

US Treasury yields continued to climb after economic indicators seemed to confirm the Fed's inflation views.

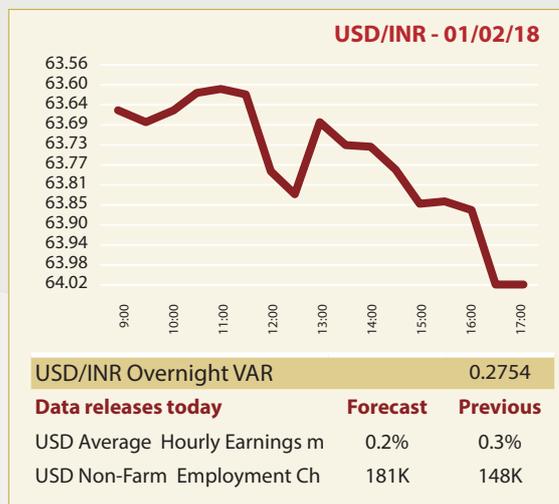
Initial claims for US unemployment benefits were below expectations, indicating a tight

labor market, while U.S. Institute of Supply Management data showed prices paid by U.S. factories hitting a near 7-year high, and fourth-quarter labor costs increased by 2.0 percent, adding to inflation concerns.

The Dow Jones Industrial Average DJI rose 37.32 points, or 0.14 %, to 26,186.71, the S&P 500 .SPX lost 1.83 points, or 0.06 %, to 2,821.98 and the Nasdaq Composite IXIC dropped 25.62 points, or 0.35 %, to 7,385.86.

Banks, which benefit from higher interest rates, led the S&P 500 financials to a 1.0 percent gain, with Goldman Sachs helping to push the Dow into positive territory. Of the 11 major sectors of the S&P 500, four posted gains.

Other notable stock movers included eBay (EBAY.O), up 13.8 percent after its earnings report, and its announcement that it would move away from PayPal (PYPL.O) as its main



6 mth LIBOR	Major Currencies	Today's Crosses	Spot v/s INR	Cash	Forward Rates v/s INR (Export/ Import)					
					February	March	April	July	October	January
1.97	USD / INR		64.12/ 13	64.08/ 10	64.30/ 32	64.52/ 55	64.81/ 84	65.53/ 56	66.23/ 26	66.92/ 95
-	ATM Options (put/call)	-	-	-	0.31/0.32	0.50/0.51	0.63/0.64	0.99/1.00	1.27/1.31	1.53/1.59
0.15	EUR / USD	1.2498	80.13/ 15	80.08/ 11	80.47/ 50	80.93/ 97	81.46/ 50	82.91/ 94	84.39/ 41	85.89/ 91
0.02	USD / JPY(100)	109.57	58.51/ 53	58.47/ 50	58.75/ 77	59.08/ 11	59.15/ 18	60.47/ 50	61.51/ 55	62.59/ 63
0.60	GBP / USD	1.4269	91.49/ 52	91.43/ 48	91.82/ 86	92.26/ 32	91.67/ 72	94.17/ 22	95.54/ 58	96.91/ 95
-0.66	USD / CHF	0.9265	69.20/ 21	69.16/ 17	69.51/ 53	69.94/ 97	69.54/ 58	71.75/ 77	73.10/ 12	74.47/ 48
3.06	AUD / USD	0.8006	51.35/ 37	51.32/ 35	51.47/ 51	51.65/ 69	51.80/ 82	52.47/ 51	53.07/ 10	53.66/ 69

Source: Mecklai Financial

payments partner. PayPal shares slid 8.1 percent. UPS (UPS.N) was down 6.1 percent after it reported fourth-quarter profit that was hurt by higher holiday season shipping costs. The company was the second-biggest percentage loser on the S&P 500.

Analysts see fourth-quarter S&P 500 company earnings growth of 14.9 %, up from 12 % expected on January 1. So far, of 227 companies that have reported, 79.7 % have come in above Street estimates.

“Earnings are going very well, it demonstrates that the dramatic cut in corporate taxes are helping every one in terms of profitability,” said Stephen Massocca, Managing Director at Wedbush Securities in San Francisco.

High-profile tech companies reported after the closing bell.

Amazon.com (AMZN.O) was up over 6.0 % in after hours trading after results. Alphabet was down nearly 3.0 % in extended trade after its quarterly earnings. Apple (AAPL.O) down about 1.0 % in after hours trading after posting results. Declining issues outnumbered advancing ones on the NYSE by a 1.24 to 1 ratio; on Nasdaq, a 1.01 to 1 ratio favored advancers.

The S&P 500 posted 29 new 52-week highs and 9 new lows; the Nasdaq Composite recorded 82 new highs and 66 new lows.

Volume on US exchanges was 7.80 billion shares, above the 7.23 billion average for the full session over the last 20 trading days.

Nikkei falls, bank shares weak after BOJ's operation: Japan's Nikkei share average fell on Friday morning led by weakness in most sectors, with banking stocks down on worries domestic yields would be kept low after the central bank conducted a special bond purchase operation.

The Nikkei dropped 1.3 % to 23,188.25 in midmorning trade. For the week, it has dropped 1.9 %. The broader Topix shed 0.9 % to 1,853.89, with 32 of its 33 sectors falling.

The Bank of Japan on Friday conducted a special bond purchase operation to stem the rise in Japanese bond yields, offering to buy an unlimited amount of JGBs with more than five to ten years left to maturity.

Bank shares, which rose the previous day after some banks posted brisk earnings results, lost ground. Mitsubishi UFJ Financial Group shed 1.8 percent, Sumitomo Mitsui Financial Group fell 1.4 percent and Mizuho Financial Group declined 1.2 percent.

Bucking the weakness, Kobe Steel jumped more than 9 percent after it reinstated its annual profit forecast. (Editing by Sam Holmes)

China stocks open weaker, small-cap rout deepens amid margin call fears: Chinese stocks fell in early trade on Friday, with small-cap firms struggling and trading suspended in a slew of companies, amid concerns about a pending wave of margin calls and as some announced share purchase schemes to bolster fading confidence.

The CSI300 index fell 0.3 % to 4,235.33 points at 0209 GMT, while the Shanghai Composite Index lost 0.8 percent to 3,420.85 points.

ChiNext, China's Nasdaq-style start-up board, opened roughly 0.8 % lower, but erased losses within 15 minutes of trading. Still, the gauge is heading toward its worst weekly loss in 21 months, and threatens to plumb 3-year lows.

ChiNext volatility appears to have dampened sentiment in the broader market. Trading in at least 20 companies was suspended on Friday in an apparent effort to avoid margin calls.

Meanwhile, major shareholders of a growing list of companies have announced plans to buy shares in their firms, stirring memories of the 2015 stock market crash that sent shockwaves across global financial markets. (Samuel Shen and John Ruwtich; Editing by Sam Holmes)

Currency Market

The U.S. dollar extended losses into a third straight day Thursday as hawkish noises from the U.S. Federal Reserve did little to prop up the struggling buck.

The British pound and euro rose against the greenback as UBS lifted its forecasts for the two European currencies.

The ICE U.S. Dollar Index DXY, +0.08% fell 0.6% to 88.581, adding to a small loss from Wednesday when the benchmark logged its biggest one-month loss since March 2016. The WSJ U.S. Dollar Index BUXX, +0.13%, which measures the buck against a broader basket of currencies, was down 0.4% at 82.93.

The euro EURUSD, -0.0640% inched higher throughout the day and touched the three-year high it first hit last week. The shared currency last bought \$1.2517, from \$1.2414 late Wednesday in New York, back to trading around its highest level since December 2014.

The pound GBPUSD, +0.0140% rose to \$1.4276 from \$1.4191 on Wednesday.

Precious Metals

Gold on Thursday, spot gold prices rose 0.31 percent to close at \$1348.8 per ounce as markets anticipated U.S. jobs data due at the end of the week for guidance on monetary policy for the remainder of the year. The dollar index inched lower after the Fed signalled its confidence



Market Highlights - Gold (% change)

as on Feb 01, 2018

Gold	Unit	Last	Prev. day	WoW	MoM	YoY
Gold (Spot)	\$/oz	1348.8	0.31	0.1	2.0	10.9
Gold (Spot-Mumbai)	Rs/10 gms	30500.0	0.99	0.0	3.7	4.8
Comex	\$/oz	1348.2	0.29	-0.3	2.1	11.8
MCX Gold (Apr'18)	Rs/10 gms	30446.0	1.60	0.6	4.2	5.5

Source: Angel Broking

about inflation and growth in the U.S. economy, reinforcing views it will raise rates several times this year. Holdings of the world's largest gold-backed exchange-traded fund, SPDR, fell another 4.1 tonnes on Wednesday, data from the fund showed, cutting its inflow for January to just 3.9 tonnes.

On the MCX, gold prices rose 1.6% to close at Rs. 30446 per 10 gms. Silver Spot silver prices declined 0.5% to close at \$17.2 per ounce in contrary to the rise in gold prices while strength in Nickel prices failed to support silver price. On MCX, silver prices closed flat at Rs.39822 per kg.

We expect gold prices to trade higher today as markets keenly await the non-farm payrolls data due tonight while holdings of the SPDR gold trust are falling giving strange signals for gold prices. On the MCX, gold prices are expected to trade higher today, international markets are trading lower by 0.08% at \$1347/oz.

Base Metals

Base metals traded higher on Thursday as weaker DX post status quo in FOMC statement buoyed dollar denominated commodities. MCX base metals traded higher yesterday in line with international trends. Copper LME Copper prices traded flat at \$7119/t yesterday as weakness in the dollar after Federal Reserve's decision to keep interest rates unchanged in Janet Yellen's last meeting as the Fed chief, supported the metal. Further, halt in sharp surge in LME

stocks came as a relief. Copper stocks at the LME warehouses have surged for five trading sessions in a row, pushing inventories higher by 8 percent. Also, Shanghai stocks witnessed gains of 5.3 percent, indicating that the market is away from tightness at present.

MCX Copper prices traded higher by 0.8 percent on Thursday to close at Rs.454.7/kg. Nickel prices surged 3.4 percent on the LME as data showed LME funds' net long nickel positions at 47,708 lots or 286,248 tonne on Jan. 26, the highest since a year ago and well above the 13,000 lots recorded in early December. Outlook LME Copper prices are currently higher by 0.1 percent at \$7127/t. Steady manufacturing activity in China coupled with no surprises in the FOMC Statement will be supportive although global investors will cautiously watch US NFP data due tonight. MCX Copper prices will likely trade higher today.

Energy Market

Crude Oil WTI oil prices rose 1.7 % to close at \$65.8 a barrel after a survey showed OPEC's commitment to its supply cuts remains in place, even as US production topped 10 million barrels per day (bpd) for the first time since 1970. In January, both benchmarks rose for a fifth month in a row with Brent up 3.3 % and WTI up 7.1 %, marking the strongest start to a year for Brent in five years and WTI in 12 years. On the MCX, oil prices rose 2 % to close at Rs. 4195 a barrel.

We expect oil prices to trade higher today as OPEC compliance on oil output and inventory withdrawals in the US are positive factors in the near term.

On the MCX, oil prices are expected to trade higher today, international markets are trading 0.4 percent higher at \$66.06 a barrel.

News & Report Analysis

Steel industry unhappy over no reduction in customs duty on raw material

The steel industry largely expects to benefit from the government's massive thrust on infrastructure spends, with an allocation of Rs 5.97 lakh cr proposed in the budget this year. A slew of measures to boost domestic manufacturing, a step up in allocation for Smart Cities mission, higher expenditure on Railways infrastructure and affordable housing are also slated to drive demand for steel. However the industry which is suffering from high input costs is disappointed that its demand for a reduction in customs duty on key raw materials has not been met.

TV Narendran, MD, Tata Steel said : "Higher spending on infrastructure with a focus on airport capacity expansion and transportation especially de-bottlenecking of the railways will definitely boost steel demand as will the focus on affordable housing . We also believe

Market Highlights - Crude Oil (% change) as on Feb 01, 2018

Crude Oil	Unit	Last	Prev. day	WoW	MoM	YoY
Brent (Spot)	\$/bbl	68.3	0.9	-4.1	-1.4	22.7
Nymex Crude (Jan'18)	\$/bbl	65.8	1.7	0.4	6.1	22.1
ICE Brent Crude (Feb'18)	\$/bbl	69.7	0.9	-1.1	2.3	23.1
MCX Crude (Feb'18)	Rs/bbl	4195.0	2.0	0.1	7.0	16.1

Source: Angel Broking



that the spending on infrastructure will further help reduce the cost of doing business as it will drive greater efficiencies in logistics." "The FM has presented a budget which is both balanced and positive. Focus on rural infrastructure, agricultural output and farmer income will help reduce the agrarian distress and boost the rural economy. Emphasis on health, education and employment generation would promote inclusive growth, he said.

"We welcome the Union Budget 2018-19 which gives special impetus to the infrastructure sector. With increased spending in infrastructure at Rs 5.97 lakh crore, the sector is being pegged as a key growth driver. Various initiatives to encourage domestic manufacturing will boost overall investment in infrastructure and in turn drive demand for domestic steel," Rita Singh, CMD, Mesco Steel said. She welcomed the proposal of increased expenditure on smart cities, rail and road sector, affordable housing and leveraging the India infrastructure finance corporation to fund major projects. "However, as the steel industry, we were hoping for reduction in duty structure to reduce raw material cost which would in turn benefit the industry and the economy as a whole," she added.

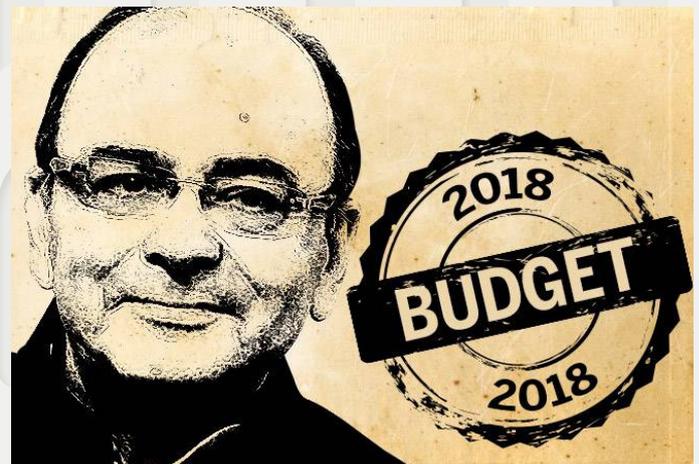
Subhrakant Panda, managing director, Indian Metals & Ferro Alloys (IMFA), a leading ferro alloys producer said: "The Union Budget announced by the Finance Minister Arun Jaitley has a strong focus on infrastructure creation including rural electrification & housing and roads. This will boost the manufacturing sector and help create demand for steel / stainless steel and other building materials. Social sector allocation towards health insurance benefitting 50 crore people will provide a much needed safety net and, along with other measures such as in education, help create a strong foundation for sustainable long term growth."

Hakimuddin Ali, chairman, Indian Refractory

Makers Association (IRMA) also felt the accent on infrastructure will help boost steel and cement sector, which are primary consumers of refractories that are used to line kilns and furnaces. "This budget clearly established the government's focus on infrastructure improvement with a lot of planning for railways, roads and ports. This will push steel and cement consumption creating new avenues for refractory industry," he said. IRMA said refractory manufacturing will get a boost from rationalization of customs duty on refractory items. Duty on refractory items has been increased to 7.5% from 5% in the budget this year, thus meeting a long-standing demand of the industry. "However, a few critical bricks imported from China have a custom duty reduction from 10% to 7.5% and this will affect local manufacturing," Ali added.

Union Budget 2018: A comprehensive gold policy to be formulated

The centre will formulate a comprehensive gold policy in order to develop it as an asset class, finance minister Arun Jaitley announced on Thursday in his Budget speech. He added that the Central government is going to revamp the gold monetisation scheme and develop "trade-efficient system of regulated gold exchanges in



the country". Moreover, the Central government has imposed social welfare surcharge of 3 per cent on the "aggregate" custom duty, which is currently being levied on gold that is in unwrought form or in semi-manufactured form or in powder form.

Currently, the central government has imposed 10 per cent customs duty on gold. Therefore, it means that if someone imports gold worth Rs 1000 now, she would be paying Rs 100 as customs duty and Rs 3 as social welfare surcharge for it (because 3 per cent surcharge is imposed on aggregate customs duty amount).

In his budget speech, Jaitley said, "The Government will formulate a comprehensive Gold Policy to develop gold as an asset class. The Govt will also establish a system of consumer friendly and trade efficient system of regulated gold exchanges in the country. Gold Monetisation Scheme will be revamped to enable people to open a hassle-free Gold Deposit Account."

In 2015, the government launched the GMS with the objective of mobilising the gold held by households & institutions in the country. The scheme allows a bank's customers to deposit their idle gold holdings for a fixed period in return for interest in the range of 2.25 % to 2.50 %.

Gem & Jewellery Export Promotion Council (GJEPC) Chairman Pramod Agarwal welcomed the government's initiative to formulate a Gold Policy and said that this will ensure a new era of development for the gold market and exports in the sector.

He added that it was good that the government was planning to establish a "consumer friendly and trade efficient system of regulated gold exchanges in the country", while reiterating that the Council would "continue to seek a reduction in basic import duty on gold, silver and precious metals and hope that it will be considered as part of the Gold Policy announcement".

The GMS has replaced the Gold Deposit Scheme, 1999. However, the deposits outstanding under the Gold Deposit Scheme have been allowed to run till maturity unless the depositors prematurely withdraw them. Under GMS, the minimum deposit at any one time can be raw gold, which includes bars, coins, jewellery that does not contain stones and other metals, equivalent to 30 grams of gold. There is no maximum limit for deposit under the scheme.

Metal stocks extend fall; Hindustan Copper cracks 4%

Most of the metal stocks including Hindustan Copper (down 4.29 per cent), APL Apollo Tubes (down 2.93 per cent), Jindal Stainless (Hisar) (down 2.39 per cent) and Hindustan Zinc (down 2.37 per cent) continued their downward movement in afternoon trade on Thursday.

The Nifty Metal index was trading 1.5 per cent down at 4,005 around 12:30 PM (IST).

Vedanta (down 1.90 per cent), Tata Steel (down 1.71 per cent), Coal India (down 1.70 per cent), Steel Authority of India (SAIL) (down 1.29 per cent), Hindalco Industries (down 1.23 per cent), National Aluminium Company (NALCO) (down 1 per cent), Jindal Steel & Power (down 0.98 per cent) and NMDC (down 0.57 per cent) were also down in the index.

Budget 2018: Focus on rural sector is good economics: Koushik Chatterjee, Executive Director & CFO, Tata Steel

Budget 2018: The global economy is currently in a sweet spot and in the best position since the global financial crisis in 2008. The commodity cycle is recovering, there is stability in economic performance in most geographies, and the geopolitical situation, though fragile, is not as vulnerable as was feared to be. India

currently stands tall in the global economy with stable political environment, a promising story for the economy against the backdrop of several structural reforms that is currently underway. The finance minister, therefore, had a fair degree of space to chart the future course of India's economic strategy.

On a first view of his speech and announcements, it became clear that there is also a political reality that had to be factored in while approaching the Budget strategy. Having said that, I believe the government has stuck to its principle of pursuing inclusive growth for the entire economy and has also taken upon itself to drive growth with very significant public spending targets. The most important headline of the Budget is the massive allocation to the rural economy in very essential areas of livelihood, rural infrastructure, quality of life, education and health. The focus on rural investment is not only good politics, but also good economics as rural consumption is also the foundation of a sustainable economy.

The other very major focus area is the spending targets in infrastructure, including railways and roads. Even after 70 years of Independence, India continues to struggle with its infrastructure deficiency and consequential impact on productivity and costs. Therefore, the renewed focus on programmes like the Bharatmala project will be critical for the future. The areas where there is disappointment from the Budget is the relaxation in the target for the fiscal deficit to 3.3% rather than 3.2% set earlier. While it is not something that is fundamentally alarming, it creates a perception that the targets set for fiscal discipline may not be followed based on discretion of the government. The other area that needs more focus is on the strategic disinvestment process.

Budget 2018 positive for the gold sector, say traders

Indian gold traders feel Union Budget 2018 is "positive" for the sector. A comprehensive gold policy to develop gold as an asset class and establishing regulated gold exchanges have been cited as the "positives" by Surendra Mehta, national secretary, India Bullion & Jewellers Association (IBJA).

Certain trade officials speculated whether as part of the gold policy a separate regulator would be set up to regulate the trade and spot gold exchanges. Spot exchanges in a state can be regulated by state authorities such as APMCs for agri spot markets, etc. Some even speculate whether Sebi can get a remit to regulate a spot gold exchange.

"The budget has met all IBJA's demands like Gold policy, spot gold exchange and tweaking of GMS," said Mehta. "The minimum crop price and free health facilities will leave lot of surplus in hands of farmer and middle class, which in turn would be spend on gold. Govt also moved gold from demrit goods to an asset class, which is extremely positive for industry."

Budget doubles import duty on polished diamonds, upsets trade

Doubling of import duty on cut and polished diamonds to 5% has caused consternation among diamond traders. Though consumption of polished diamonds in the country is marginal compared to exports from it, trade worries that such imposition if reciprocated by countries which import polished diamonds from India could hamper Indian exports.

"The consumption and trading of polished stones is marginal, but 5% is a bit stiff," said Anoop Mehta, president Bharat Diamond Bourse, the hub for diamond trading in Mumbai. "A lot of loose diamonds are imported from the US consequent to melting of studded jewellery there. This trade could suffer.

"If the US or other countries like Israel choose to impose import duty on Indian polished diamonds, in reaction, that could impact India's position as the world's leading manufacturer and exporter of polished diamonds," said Mehta

Budget 2018: Bharat-India gap bridged, says Vedanta's Anil Agarwal

It is a balanced Budget, with an added focus on the poor and farmers. The aim of doubling the household income of marginal farmers by 2022, providing minimum support price for farm produce to insulate farmers from the vagaries of agriculture, better marketing and trading infrastructure for agri produce and health care for the poor are bold commitments indeed.

At the same time, the focus on infrastructure connecting all habitation with roads and affordable housing, both in the rural and urban areas, are good moves.

The decision to reduce the base rate of income tax to 25 per cent is a welcome concession and a motivation to small and medium enterprises. At the same time, this is a disciplined government; fiscal deficit targets are well in control at 3.5%. The salaried class has got some help through the standard deduction; this will benefit low-income wage earners.

The introduction of 10 per cent tax on long-term capital gains on the equity market is understandable, given that we need to fund the welfare schemes while also invest in infrastructure and growth.



In letter, US steel firms urge Donald Trump to curb steel imports

The chief executives of top American steel companies and related groups urged President Donald Trump on Thursday to urgently impose trade measures to curb excess steel capacity and surging imports they say are undermining the US industry. The American Iron and Steel Institute, or AISI, called on Trump in a letter to immediately act under "Section 232" of a 1962 US trade law, which allows for restrictions to protect national security.

"We urge you to implement a remedy that is comprehensive and broad based, covering all major sources of steel imports and the full range of steel products, with only limited exceptions for products not currently available in the United States," according to the letter seen by Reuters.

Companies that signed the letter included Alton Steel, AK Steel Corp, Cleveland-Cliffs Inc, TimkenSteel Corp, Nucor Corp, and ArcelorMittal USA. The letter was the second in five months from the steel industry to Trump, who promised in his presidential campaign to protect American steelworkers from imports and ordered an investigation of foreign steel imports under Section 232.

The results of the investigation were handed to Trump last month. He has 90 days to respond. A White House spokeswoman did not immediately respond to a request for comment. Forcing a reduction of excess production in China, which now supplies half the world's steel, is a key goal of any potential restrictions.

The United States, the world's biggest steep importer, and China have long been at odds over how to combat excess capacity in the global steel sector.