



ONGC News as on 05 July 2024 (Print)

Day Trading Guide | Kotak Securities



Technically, after a gap up opening entire day the market hovered between 24,280-24,400/80,000-80,390 price ranges. After a promising uptrend rally currently, market witnessing non-directional activity at higher levels, perhaps traders are waiting for either side breakout. For the day traders now, 24,400/80,390 would be the

immediate breakout level. Above which, the market could rally up to 24,500-24,525/80,700-80,800. On the flip side, below 24,280/80,000 the sentiment could change. Below the same, the market could retest the level of 24,200-24,165/79,700-79,550.

Tech Picks

SHRIKANT CHOUHAN
Head of Equity Research (Retail)

BALKRISHNA INDUSTRIES

On daily and intraday charts after a short-term correction, the stock has formed reversal formation.

LAST CLOSE ▶ ₹3,150 STOP LOSS ▶ ₹3,090

BUY
TARGET
₹3,225-
3,250

ENGINEERS INDIA

Bullish candle on daily charts and higher high and higher low on intraday charts points to uptrend.

LAST CLOSE ▶ ₹2,68.5 STOP LOSS ▶ ₹263

BUY
TARGET
₹275-
278

BANK OF BARODA

After a short-term correction currently, the stock is trading near 50 day SMA indicating fresh uptrend.

LAST CLOSE ▶ ₹269.75 STOP LOSS ▶ ₹265

BUY
TARGET
₹278-
280

ONGC

Bullish candle on daily charts and higher bottom on intraday charts supports further uptrend.

LAST CLOSE ▶ ₹277.90 STOP LOSS ▶ ₹273

BUY
TARGET
₹285-
287

Commodity Calls

ABHIJIT CHAVAN, Senior
Manager - Commodity Research

COMMODITY	STRATEGY
GOLD (AUG)	BUY in the range ₹72,250-72,150; Stop loss ₹71,999; Target ₹72,650/72,850 RATIONALE: Descending trend line breakout on the daily chart.
CRUDE OIL (JUL)	BUY in the range ₹6,925-6,900; Stop loss ₹6,850; Target ₹7,050/7,150 RATIONALE: Price has sustained above consolidation breakout, short-term bullish trend still intact.

Publication : The Hindu	Editions : New Delhi
Date :5 July 2024	Page : 15

'Divesting 49% CPSE stakes can yield ₹11.5 lakh cr.'

The Hindu Bureau
NEW DELHI

At current market capitalisation, the Centre can raise ₹11.5 lakh crore from disinvestment of Central public sector enterprises (CPSEs) while retaining a majority stake in them, Care Edge Ratings said in a report.

However, the rating agency doesn't expect a hard push on disinvestment as there is no urgency to do so as the fiscal situation is comfortable with strong non-tax receipts such as dividends from the RBI and CPSEs.

"We believe the government will stick to the 2024-25 [Interim Budget] target of miscellaneous capital receipts, which includes divestment, of ₹500 billion," it said, adding Shipping Corporation of India's divestment 'looks likely' in FY25.

CARE Edge economists calculated the divestment potential by analysing the data of 59 major listed CPSEs and 15 public sector banks and insurance firms where the government holds more than 51% stake.

The estimate is a little more than twice the total divestment of ₹5.2 lakh crore made since 2014.

"Of this, CPSEs could contribute about ₹5 lakh crore, while PSBs and insurance firms adding ₹6.5 lakh crore," Care Edge said, identifying Indian Railway Finance Corporation, Hindustan Aeronautics, Coal India and ONGC as the top companies in terms of "divestment potential mathematically."

Naidu meets PM, seeks central aid for Andhra

CM says need support to rebuild capital Amaravati; demands BPCL refinery

ARCHIS MOHAN
New Delhi, 4 July

Andhra Pradesh Chief Minister N Chandrababu Naidu met Prime Minister Narendra Modi in New Delhi on Thursday, and sought increased central assistance for the southern state — especially for rebuilding state capital Amaravati, the Polavaram Irrigation Project, and developing the state's backward regions, with a Bundelkhand-like package.

The Andhra CM, who is on a two-day visit to the national capital — his first since taking office on June 12 — termed his discussions with the PM “constructive”. Naidu also sought central handholding for the state finances in the short-term, incentives for industrial development and additional allocation under the Scheme for Special Assistance to States for capital investment, targeting essential sectors such as roads, bridges, irrigation, and drinking water projects.

In his meeting with Petroleum and Natural Gas Minister Hardeep Singh Puri, Naidu requested BPCL to set up a refinery in Andhra in consonance with Section 93(4) of the Andhra Pradesh Reorganisation Act, 2014. The Andhra CM said that an announcement on establishing a refinery in the state in Finance Minister Nirmala Sitharaman's Budget speech would “augur well” for increasing the refinery capacity of the country in its journey towards achieving the objective of Viksit Bharat by 2047.

According to an Andhra government statement, Naidu “reposed confidence” in the PM's leadership. He said the people of Andhra Pradesh have “emphatically placed their trust” in the National Democratic Alliance (NDA) and granted “both leaders a significant mandate to fulfil their promises and commitments”.

Naidu told the PM that Andhra continues to grapple with the “repercussions of the unscientific, unfair, and unjust bifurcation of 2014”.



Andhra Pradesh Chief Minister Chandrababu Naidu (left) meets Prime Minister Narendra Modi, in New Delhi on Thursday

PHOTO: PTI

Sources in Naidu's Telugu Desam Party (TDP) sought to highlight that their leader spent the last three weeks assessing the state's financial situation before making the trip to the national capital.

Naidu conveyed to the PM that Andhra's growth has plummeted, revenue receipts have tapered, and liabilities

peaked because of the “unproductive expenditure and fiscal hara-kiri, marked by the exploitation of natural resources for personal use and no focus on the development of human resources”, of the YSR Congress Party regime.

More on business-standard.com

Publication : Financial Express	Editions : New Delhi
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NATIONAL DOCTOR'S DAY—CENTRAL BANK OF INDIA
On National Doctors' Day, Anil Agrinohri, DGM, Central Bank of India visited Lady Harding Medical College in New Delhi & met Dr. Sarita Bhat, Dr. of Institute, Rajeshwar Lal, Dy. Dir. (Admin), Dr Anugam Parkash (CMO) & many other doctors. Additionally, many other branch heads of the Central Bank of India visited their nearby hospitals & clinics & met with doctors and their staff to inform them about various banking products & their benefits.

INDUCTION—SAIL

SAIL announced its recent induction as a member of The Leadership Group for Industry Transition (LeadIT) at the 'Engaging India at Almedalen' held in Sweden's Visby. LeadIT was launched by the governments of Sweden & India at the UN Climate Action Summit in September 2019 and is supported by the World Economic Forum.



EVENT—SECI

Intersolar Europe, the world's leading exhibition for the solar industry, is part of The smarter E Europe, the continent's largest energy industry platform. It focuses on photovoltaics, solar thermal technologies, & solar power plants. From 19-21 June 2024, the Solar Energy Corporation of India participated in this prestigious event in Germany's Munich.

INDUCTION CEREMONY—CISF

GISF took over the security of the NTPC-Coal Mining Project in Jharkhand's Hazaribagh. The induction ceremony was graced by Faiz Tayab, Head of Project, Coal Mining Project Barwadih, Dr. DP Pathar, DGM, CISF, CCL HD's Ranchi, Rajnesh Rastogi, OGM, HR CHHQ, Sandeep Kumar S, Sr. Comdt, Muthyunjaya Swamy D, DC. Other officers & personnel of CISF & NTPC-CMP Hazaribagh were present during the occasion.



CONVENTION—IREDA

PK Das, CMD IREDA, addressed the 61st National Cost & Management Accountants' Convention in Gujarat. He highlighted its pivotal role in supporting Renewable Energy growth in India, backed by substantial industry expertise & a dedicated focus on Corporate Governance, including the publication of FY24 Annual Audited Financial Results within 19 days – the fastest in India's Banking & Financial Services sector & holding of AGM within 84 days.



MOU—PNB

To strengthen further its support to the armed forces, PNB enhanced the insurance coverage & other benefits for all serving personnel of the Indian Army under its flagship scheme—PNB Rakshak Plus. The addendum to the existing MoU was signed by PNB CGM, Sunil Agrawal, & the Indian Army's Major General V K Purohit, AVSM, YSM, SM, (ADG PS).



INT'L YOGA DAY—EDCIL

EDCIL celebrated Int'l Day of Yoga—24 recently at its Noida Corporate Office, wherein M. Kumar, CMD, along with sr officers & employees participated enthusiastically. Dr. Pujá Dewan, the guest of the day & R. Khadka, a Yoga trainer, conducted a workshop & explained various useful Yoga Asanas, power yoga, yoga therapy & Pranayam to overcome health issues & how to remain fit.



PVVNL Managing Director Mrs. Isha Duhan (IAS), regularly reviewing with the officials of Airport Authority, the implementing agencies for line construction, Transmission and Distribution Corporation in the presence of Praveen Kumar Singh, Executive Engineer, Electrical Distribution Section-Saharanpur, Rakveer Singh, Executive Engineer, Electrical Testing Section-Saharanpur and Tushar Dixit from Airport Authority of India. To provide uninterrupted power supply to Saraswa Airport, an 11KV independent feeder about 8 km long was constructed from Saraswa 33/11KV power house, so that quality uninterrupted power supply can be provided to the civil terminal of Saraswa Airport located in Saharanpur district.

CORPORATE BRIEFS

INT'L YOGA DAY—KVIC

The International Yoga Day celebration brought special happiness to lakhs of Khadi artisans in rural areas of India. On the occasion, the Khadi & Village Industries Commission, M/o Micro, Small & Medium Enterprises (KVIC), Gol, sold 1,09,022 yoga mats & 63,700 yoga dresses worth Rs 8,67,82,380 to various govt. departments through 55 Khadi institutions across the country. Releasing the figures in Delhi recently, KVIC Chairman Manoj Kumar said that the brand power of PM Modi has made the Indian heritage of yoga as well as Khadi popular. He further said that this time on Yoga Day, PM Modi performed yoga in Sinagar & Union Home & Cooperation Minister Amit Shah practiced yoga in Ahmedabad wearing Khadi yoga clothes, which is a matter of pride for the Khadi artisans.



MEETING—IREDA

Pradip Kumar Das, CMD, IREDA, met with the CM of Odisha, Mohan Charan Mohli & Deputy CM, Kanak Verchan Singh Deo in Bhubaneswar. The meetings focused on IREDA's pivotal role in renewable energy financing & its commitment to sustainable development. During the discussion, PK Das emphasized IREDA's significant contributions to renewable energy project financing across the country. He elaborated on the company's initiatives aimed at promoting clean energy & explained how IREDA can further support Odisha in tapping its renewable energy potential through financing. The state's green energy goals were a key focus of the conversation, particularly the opportunities in areas such as Hydro, Floating Solar, Solar component manufacturing, Green Hydrogen and Green Ammonia, etc.



FINANCIAL RESULTS—CWC

The Board of Directors of CWC has approved Ind AS compliant financial results of the Corporation for FY 2023-24. The Corporation achieved its highest-ever operating turnover of Rs 2172.67 cr (increase by 12.06% as compared to previous yr) with total income of Rs 2303.81 cr (increase by 8.81% as compared to previous yr). The Corporation achieved Profit Before Tax of Rs 590.36 cr reflecting 32.13% growth as compared to previous yr. Profit After Tax was Rs 459.69 cr (increase by 34.29% as compared to previous yr). The net worth of the Corporation stood at Rs 3342.11 cr (increase by 9.38%) as compared to previous yr.



EVENT—WAPCOS

WAPCOS celebrated its 55th Annual Day recently, wherein the Company's New Logo, Corporate Coffee Table Booklet & Film were released by CR Paati, the Minister of Jal Shakti, in the presence of Dr. Raj Bhushan Choudhary, MoS for Jal Shakti, Debashree Mukherjee, Secy., DoWR, RD, GR, RK Agrawal, CMD, WAPCOS & Senior Officers from the Ministry of Jal Shakti and WAPCOS.



INTERNATIONAL YOGA DAY—HUDCO

HUDCO celebrated the 10th Int'l Yoga Day India at its Regional Offices & Corporate Office. The main function held in New Delhi was an enriching session led by experts from Morarji Desai National Institute of Yoga. This session explained some of the important yoga asanas, which could be practiced by all for healthy living. Delegates & employees also enjoyed a forest walk on this day. Speaking on this occasion, M. Nagaraj, Dir., Corporate Planning, impressed on the usefulness of yoga for balancing mind, body & soul. Sanjay Kulshrestha, CMD, HUDCO, emphasized the importance of yoga & encouraged all to wholeheartedly integrate it into their daily routine.



DISHA PUBLICATION

proudly welcomed UPSC-CSE 2023 Toppers-Animesh Pradhan - AIR 2, PK Sidarth Ram Kumar-AIR 4, Aishwaryam Prajapati - AIR 10 & Kunal Rastogi - AIR 15. The toppers helped shed light on the preparation strategy & hardships they faced in the exam. Disha is humbled to be part of their journey as a guiding force & help others learn from their experiences through insightful interviews. To help millions of aspirants in the country, Disha marches with a knowledgeable pool of talent to become the country's leaders by assisting them to fulfill their dreams. The aspirants must go through the interviews to get the best out of them.

APPOINTMENTS

IRCON Hari Mohan Gupta has taken over as CMD of IRCON on 01.07.2024. HM Gupta graduated in Civil Engineering from IIT (Roorkee). He is an officer of Indian Railway Service of Engineers, 1989 batch and has over 33 yrs of rich & varied experience in infrastructure works. Before joining IRCON, he was holding the position of Director (Infrastructure) of DFCCIL for almost 4 years and during this tenure 1404 Route Kms (3173 Track Kms) double line electrified with automatic signaling tracks of WDFC has been Commissioned. He worked as Executive Director (Works) in M/o Railways, Railway Board.



NBCC Dr. Surman Kumar took over as Dir. (Commercial) of NBCC on 02.07.2024. Dr. Kumar, who joined NBCC in 2016 brings over three decades of extensive experience in Civil Engineering & Project Management to his new role. His expertise & dedication have been instrumental in advancing critical infrastructure projects across various sectors, reinforcing his reputation as a visionary leader in the field of engineering & construction. As ED, Dr. Kumar was entrusted with the execution of NBCC's two major projects viz. the stalled Amrapali projects in National Capital Region & the World Trade Centre, New Delhi.



GroupM announced the elevation of Ashwin Padmanabhan as COO for South Asia. He will oversee a streamlined structure that brings together GroupM's extensive & diversified key practices. This includes Influencer Marketing, Content, OOH offering & Neus. Investments, Trading, Partnerships, Motion & Entertainment will continue to be part of his portfolio. Ashwin's strategic vision will play a pivotal role in seamlessly integrating GroupM's diversified services, to develop & deliver a best-in-class solution that unlocks value for clients & GroupM. Pranshu Kumar, CEO - GroupM South Asia said, "Ashwin's deep understanding of client requirements & industry ecosystems & his proven track record ensures a seamless alliance across respective domains."



GAIL plans to invest in start-up companies operating in identified areas through its start-up initiative, Pankh. GAIL has opened a fresh round, the 9th round, for the solicitation of investment proposals from start-ups operating in the focus areas. Details of these focus areas are available on GAIL's website under the 216; GAIL Pankh Section. Start-ups that are interested in equity investment from GAIL can apply through the link GAIL Pankh on the GAIL website.

NBCC has recently received a work order related to the construction of a new training centre and renovation of existing buildings of REC Institute of Power Management Training at Hyderabad. This is the first such assignment secured by NBCC by participating in the tender through the GeM portal as a seller. NBCC has secured this tender on the Quality Cost Based System (QCBS) method by receiving the highest marks after competing with other bidders through GeM.

NLCIL has achieved 22.12% growth in Lignite production during Q1 of FY 24-25 i.e. 61.72 LT produced when compared to Q1 of FY 23-24 i.e. 50.54 LT. The Company has raised its Coal production to 28.46 LT which is 35.27% growth during Q1 of FY 24-25 when compared to Q1 of FY 23-24 i.e. 21.04 LT. The Company has raised its Lignite & Coal production to 90.18 LT which is 25.98% growth during Q1 of FY 24-25 when compared to Q1 of FY 2023-24 i.e. 71.58 LT.

Publication : Mint	Editions : New Delhi
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Top oil PSUs in talks for Petrobras crude

IOCL, HPCL, BPCL officials visit Brazil; long-term deal likely

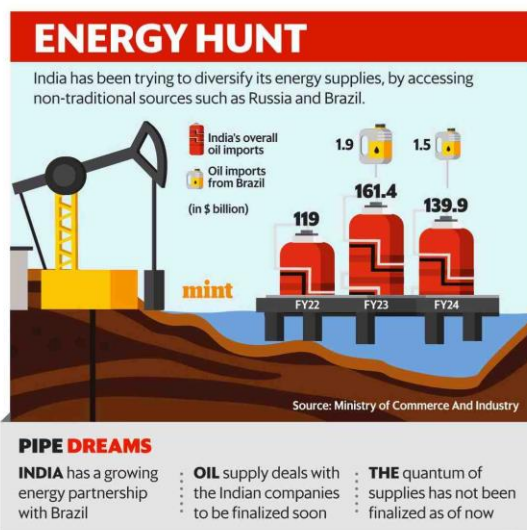
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NEW DELHI

State-run Indian Oil Corp. Ltd (IOCL), Hindustan Petroleum Corp. Ltd (HPCL) and Bharat Petroleum Corp. Ltd (BPCL) are in talks with Brazilian energy major Petroleo Brasileiro SA (Petrobras) to secure guaranteed crude oil supplies over the long term, two people aware of the matter said.

India, the world's third-largest oil importer, has been trying to diversify its energy supplies, by accessing non-traditional sources such as Russia and Brazil. The country has a growing energy partnership with Brazil, the world's seventh-largest crude oil producer and exporter.

"Officials from the oil marketing companies (OMCs) visited Brazil in April. A deal with BPCL was on the table; the company is now testing the crude in its refineries. The contracts are expected to be signed soon," said one of the two persons mentioned above, adding the quantum of supplies has not been finalized as of now.

The three OMCs are holding talks as a consortium, and although separate contracts would be signed between the Indian companies and



SARVESH KUMAR SHARMA/MINT

their Brazilian counterpart, the terms would largely be the same, while the quantum would change, the person added. The oil supply deals with the Indian companies are expected to be finalized soon.

"Brazil is being looked at among other countries for diversification of import sources. India is largely

looking at long-term contracts. However, term contracts with shorter duration, even for five years, would be beneficial," the second person added.

Firms such as IndianOil, HPCL and BPCL, which import crude oil,

TURN TO PAGE 4

Petrobras may sell oil to PSUs

FROM PAGE 1

refine and market them, prefer term contracts as they offer stability amid volatile energy markets. Long-term deals are usually signed for at least 10 years.

Queries sent to IndianOil, HPCL, BPCL, Petrobras and the petroleum ministry remained unanswered till press time.

"India has been trying to diversify its import basket. This move also is on the same lines. Due to distance and logistics, West Asian countries have traditionally been favoured. But when the companies negotiate as a consortium, they have a better bargaining position and may get attractive terms and credit lines," said Prashant Vasisht,

senior vice-president and co-group head, corporate ratings, ICRA Ltd.

The long-term contract negotiations come at a time when the crude oil prices have been on an upward trajectory amid conflict in West Asia and

Ukraine, and supply concerns around the Strait of Hormuz. Brazil is currently not a major supplier to India, with its oil exports accounting for only \$1.46 billion in FY24, out of India's total oil import bill of \$139.85 billion. Russia emerged as India's largest supplier in the last fiscal, surpassing the traditional suppliers like Saudi Arabia, Iraq and others.

The visit of the executives from the three oil marketing companies in April this year also came in the backdrop of a sharp output cut by the Organization of the Petroleum Exporting Countries (Opec) Plus grouping. In April, an

Russia emerged as India's largest supplier in the previous fiscal, surpassing the traditional suppliers

OPEC+ ministerial meeting decided to keep its output policy steady.

Brazil's oil production has been increasing in the past few years. Data from the Brazilian

National Agency of Petroleum, Natural Gas and Biofuels (ANP), showed that the country's crude oil production jumped nearly 13% to over 3.4 million barrels per day in 2023.

BPCL partners with IOA as principal sponsor

Bharat Petroleum Corporation Limited (BPCL) announced its partnership with the Indian Olympic Association (IOA) on June 30, 2024. BPCL is the official principal sponsor for IOA for four years (2024-2028). G. Krishnakumar, C&MD BPCL, stated, "We are extremely happy to be partnering with Indian Olympic Association. It gives us immense pride to be associated with the celebrated champions of the country." IOA President PT Usha said, "We thank BPCL for partnering with the Indian Olympic Association, as a principal partner for a four-year journey

starting from Paris Olympics '24. This partnership signifies our shared commitment to nurturing sports talent and cultivating role models for India." Sukhmal Jain, Director (Marketing), added, "The sense of nationality that the Olympics fosters is what turns the games into a worldwide phenomenon."





Publication : The Times of India	Editions : Bangalore
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From funds to refinery, Naidu calls on PM with list of demands

New Delhi: Just weeks after the NDA govt was sworn in, Andhra CM N Chandrababu Naidu, who heads TDP, the second largest member of the coalition, came calling to the Capital with a long wish-list of demands from the Centre — from short-term funds to additional capex support for infrastructure, money for the capital city of Amaravati and a new oil refinery — suggesting that some of the announcements be made in the Union budget, **reports Sidhartha.**

Sources in AP govt described the meeting between PM Modi and Naidu as “very positive and focussed on positive outcomes for the state”, and refrained from stating whether there was any demand for a package.

► **In several pages, P 12**

List of items for which TDP sought Centre's help runs into several pages

► Continued from page 1

The CM highlighted how Andhra is grappling with the repercussions of the unfair and unjust bifurcation of 2014. Additionally, the miserable governance of the previous administration marked by malice, corruption and mis-governance has dealt a more deleterious blow to the state than the bifurcation," said a source.

Accusing the earlier YSRCP govt of "financial hara-kiri", which left little money for investment, during his meeting with the PM, Naidu sought "financial handholding" from the Centre to tide over the financial crisis in the state and focus on investments in specific projects and backward regions. Naidu argued that there was "no other way to face such a challenge".

The list of items for which the TDP govt has sought the Centre's "cooperation" runs into several pages — covering short-term assistance as well as an additional allocation under the



Andhra chief minister N Chandrababu Naidu with PM Modi, in New Delhi on Thursday. Without making any reference to the special category status, Naidu asked for industrial incentives and a special package for backward regions, that was promised at the time of state bifurcation

Scheme for Special Assistance to States for Capital Investment, meant to build core infrastructure.

Besides, project-specific support to build the govt complex and trunk infrastructure in Amaravati, which was chosen by Naidu to be

the capital after the loss of Hyderabad to Telangana, the Polavaram irrigation project and development of Dugirajapatnam port also figure in the list.

Naidu also met home minister Amit Shah, road transport and highways mi-

nister Nitin Gadkari, commerce and industry minister Piyush Goyal, oil minister Hardeep Puri, power minister Manohar Lal, agriculture minister Shivraj Singh Chouhan and 16th Finance Commission chairman Arvind Panagariya and had specific demands from each of them, including projects and release of funds that are due to the state.

For instance, when he met Puri, he demanded that state-run BPCL set up an oil refinery in the state, in line with the AP Reorganisation Act of 2014, and suggested that an announcement by finance minister Nirmala Sitharaman would "augur well" for increasing the refinery capacity in the country.

During his meeting with the home minister, the Andhra CM flagged division of assets with Telangana as an issue, along with bifurcation of several institutions and a resolution of financial issues between APGENCO, the power generation company, and Telangana power discoms.

Publication : Financial Express	Editions : New Delhi
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BRENT ABOVE \$87, SETS HIGHEST LEVELS SINCE APRIL



BRENT CRUDE OIL prices hit their highest level since April on Thursday, holding above \$87 after data the previous day showed a decline in US inventories. Brent crude futures were up 13 cents, or 0.2%, at \$87.47 a barrel by 1543 GMT. US West Texas Intermediate crude futures were up 3 cents at \$83.91 in trade thinned by the US Independence Day holiday.



Publication : Financial Express

Editions : New Delhi

Date : 5 July 2024

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RUPEE PARES LOSSES, ENDS ALMOST FLAT

THE RUPEE PARED its initial losses and settled for the day on an almost flat note at 83.50 against the US dollar on Thursday, resisting pressure from elevated crude oil prices. Forex traders said a positive trend in domestic equities, wherein benchmark indices touched all-time high levels, and significant foreign fund inflows supported the rupee and restricted the fall.

LNG imports at 44-month high as gas-based power output jumps

SUKALP SHARMA
New Delhi, July 4

INDIA'S LIQUEFIED NATURAL gas (LNG) imports touched a near four-year high in June as gas-based power plants operated at notably higher run rates than their usually subdued capacity utilisation levels amid a surge in electricity demand due to the severe heatwave. Reasonable prices and ample availability of LNG, or super-chilled gas, in the international spot market and the government's thrust on raising power production to meet high summer demand evidently led to higher-than-usual electricity generation by gas-based units, thereby pushing LNG purchases higher.

Provisional LNG vessel tracking data from commodity market analytics firm Kpler shows that India imported 2.60 million tonnes (mt) of LNG in June, the highest in as many as 44 months. As per data from the Central Electricity Authority (CEA), power generation from gas-based units in June was 4.60 billion units (1 unit is 1 kilowatt hour), nearly 52 per cent higher than 3.03 billion units in the corresponding month of last year. In June 2023, LNG volumes delivered to India stood at 1.77 mt.

For the April-June quarter (Q1)—the peak summer quarter in most parts of India—



power generation by gas-based plants jumped 62.5 per cent year-on-year to 13.49 billion units. The overall plant load factor (PLF)—capacity utilisation of power generation units—for gas-based plants in Q1 this year was almost 25 per cent, up from 15.3 per cent in the year-ago quarter. PLF for gas-based power plants in June this year was 25.8 per cent, up from 17 per cent in June 2023.

To be sure, gas-based power plants use domestic natural gas as well as imported LNG as feedstock. The CEA's provisional data for June did not mention the total natural gas volumes consumed by the power sector as well as the split

between domestic natural gas and LNG. In June of last year, over 53 per cent of natural gas consumed by gas-based power plants was imported LNG. In April 2024—the last month for which detailed fuel consumption data for gas-based units is available—imported LNG accounted for nearly 56 per cent of the total natural gas consumed by power plants.

As domestic natural gas production is able to meet just around half of India's total gas consumption, the cheaper local gas is allocated as per a priority list in which city gas distribution and fertiliser sectors have a higher priority than the power sector. As imported LNG

is usually costlier than domestic gas, gas-based power plants have been operating at very low capacity use levels mainly due to unfavourable economics.

In anticipation of a severe summer, the Power Ministry had invoked the Section 11 of the Electricity Act, 2003, on April 12, issuing a set of instructions to the power generation companies to ensure that electricity demand is met. As part of the instructions, idling gas-based power plants were asked to operate from May till the end of June. At almost 25 gigawatts, India's gas-based power generation capacity accounts for 5.6 per cent of the country's overall

installed generation capacity, as per Power Ministry data.

In May, S&P Global Commodity Insights had said that with subdued prices of LNG in the spot market and growing demand for the fuel in India, there was a ramp-up in India's spot LNG purchases, with deliveries for a number of cargoes scheduled in June.

"India has already set several all-time highs this year when it comes to power generation as coal-based energy alone cannot meet the country's rising needs. It is a combination of more coal, more gas, more renewables, anything that is handy to avoid shortages," said Viktor Katona, head of crude analysis at Kpler.

Going forward, however, LNG deliveries to India are expected to be lower than volumes seen in June due to relatively higher spot prices of the fuel as well as expectations that power demand in the country will cool off slightly in the main monsoon months.

"LNG prices across Asia have edged higher in June amid widespread heatwaves and consequently higher power generation needs...maximizing LNG imports is no longer that attractive commercially. Current outflows en route to India suggest both July and August would be lower than June (in terms of LNG import volumes)," Katona said.



Publication : Mint

Editions : New Delhi

Date :5 July 2024

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Soft Chinese demand clouds global oil market outlook

The global oil market faces soft spots in the outlook for Chinese demand this half, potentially adding a headwind for crude prices. Taken together, a slower-than-expected return of refineries from seasonal maintenance, softer purchases from key suppliers in July, and a potential drop off in monthly import volumes suggest that there's a lack of vigour in the world's largest crude importer. Global crude prices have advanced more than 12% this year as the Organization of the Petroleum Exporting Countries and allies curtailed supply to shore up the market, and traders bet that US monetary policy would ease. Against that backdrop, key metrics suggest tightness in the near term, and US crude stockpiles just tumbled. Still, conditions in China—which accounts for one barrel in six of global oil consumption—remain a point of concern. State refiners are expected to raise their daily processing volumes by just 1.3% this month.

BLOOMBERG



Publication : Mint	Editions : New Delhi
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LNG imports set to slump as monsoon hits power demand

India's booming liquefied natural gas (LNG) imports are likely to slow as cooler weather due to monsoon rains crimps electricity demand and increases in hydropower crowd out expensive gas-fired generators. "Electricity demand won't be as high as it was in May and June, which is the prime driver of higher LNG imports," said Ayush Agarwal, LNG analyst at S&P Global Commodity Insights. **BLOOMBERG**

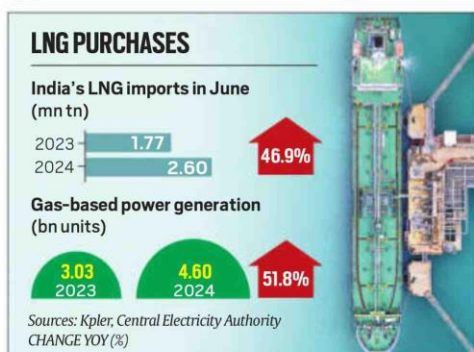
AMID SURGE IN ELECTRICITY DEMAND DUE TO THE SEVERE HEATWAVE

India's LNG imports at 44-month high in June as gas-based power output jumps

SUKALP SHARMA
NEW DELHI, JULY 4

INDIA'S LIQUEFIED natural gas (LNG) imports touched a near four-year high in June as gas-based power plants operated at notably higher run rates than their usually subdued capacity utilisation levels amid a surge in electricity demand due to the severe heatwave. Reasonable prices and ample availability of LNG, or super-chilled gas, in the international spot market and the government's thrust on raising power production to meet high summer demand evidently led to higher-than-usual electricity generation by gas-based units, thereby pushing LNG purchases higher.

Provisional LNG vessel tracking data from commodity market analytics firm Kpler shows that India imported 2.60 million tonnes (mt) of LNG in June, the highest in as many as 44 months. As per data from the Central Electricity Authority (CEA), power generation from gas-based units in June was 4.60 billion units (1 unit is 1 kilowatt hour), nearly 52 per cent higher than 3.03 billion units in the corresponding month



of last year. In June 2023, LNG volumes delivered to India stood at 1.77 mt.

For the April-June quarter (Q1)—the peak summer quarter in most parts of India—power generation by gas-based plants jumped 62.5 per cent year-on-year to 13.49 billion units. The overall plant load factor (PLF)—capacity utilisation of power generation units—for gas-based plants in Q1 this year was almost 25 per cent, up from 15.3 per cent in the year-ago quarter. PLF for gas-based power plants in June this

year was 25.8 per cent, up from 17 per cent in June 2023.

To be sure, gas-based power plants use domestic natural gas as well as imported LNG as feedstock. The CEA's provisional data for June did not mention the total natural gas volumes consumed by the power sector as well as the split between domestic natural gas and LNG. In June of last year, over 53 per cent of natural gas consumed by gas-based power plants was imported LNG. In April 2024—the last month for which detailed fuel consumption data for

gas-based units is available—imported LNG accounted for nearly 56 per cent of the total natural gas consumed by power plants.

As domestic natural gas production is able to meet just around half of India's total gas consumption, the cheaper local gas is allocated as per a priority list in which city gas distribution and fertiliser sectors have a higher priority than the power sector. As imported LNG is usually costlier than domestic gas, gas-based power plants have been operating at very low capacity use levels mainly due to unfavourable economics.

In anticipation of a severe summer, the Power Ministry had invoked the Section 11 of the Electricity Act, 2003, on April 12, issuing a set of instructions to the power generation companies to ensure that electricity demand is met. As part of the instructions, idling gas-based power plants were asked to operate from May till the end of June. At almost 25 gigawatts, India's gas-based power generation capacity accounts for 5.6 per cent of the country's overall installed generation capacity, as per Power Ministry data.

In May, S&P Global Commodity Insights had said that

with subdued prices of LNG in the spot market and growing demand for the fuel in India, there was a ramp-up in India's spot LNG purchases, with deliveries for a number of cargoes scheduled in June.

"India has already set several all-time highs this year when it comes to power generation as coal-based energy alone cannot meet the country's rising needs. It is a combination of more coal, more gas, more renewables, anything that is handy to avoid shortages," said Viktor Katona, head of crude analysis at Kpler.

Going forward, however, LNG deliveries to India are expected to be lower than volumes seen in June due to relatively higher spot prices of the fuel as well as expectations that power demand in the country will cool off slightly in the main monsoon months.

"LNG prices across Asia have edged higher in June amid widespread heatwaves and consequently higher power generation needs...maximizing LNG imports is no longer that attractive commercially. Current outflows en route to India suggest both July and August would be lower than June (in terms of LNG import volumes)," Katona said.