ONGC News as on 15 November 2023 (Print)

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Day trading guide

19488 » Nifty 50 Futures

S1	S2	R1	R2	COMMENT
19470	19380	19530	19600	Go short on a break below 19470. Keep the stop-loss at 19510

₹1489 » HDFC Bank

S1	S2	R1	R2	COMMENT
1480	1460	1500	1530	Go short below 1480. Stop-loss can be kept at 1490

₹1374 » Infosys

S1	S2	R1	R2	COMMENT
1355	1330	1390	1420	Go short now and at 1385. Keep the stop-loss at 1405

₹436 » ITC

S1	S2	R1	R2	COMMENT
432	428	438	441	Outlook is mixed. Avoid trading this stock for now

₹195 » ONGC

S1	S2	R1	R2	COMMENT
192	189	199	201	Wait for dips. Go long at 193. Keep the stop-loss at 191

₹2314 » Reliance Ind.

S1	S2	R1	R2	COMMENT
2295	2280	2325	2340	Go short now and at 2320. Keep the stop-loss at 2335

₹581 » SBI

S1	S2	R1	R2	COMMENT
578	575	582	585	Go long only above 582. Stop-loss can be kept at 581

₹3332 » TCS

S1	S2	R1	R2	COMMENT
3320	3275	3345	3365	Go short now and at 3340. Stop-loss can be placed at 3355

S1, S2: Support 1 & 2; R1, R2: Resistance 1 & 2.

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State owned GAIL, India's Natural Gas gets two prestigious awards at the Asian Oil and Gas Awards event held at Kulalumpur, Malaysia. The coveted 'the Innovation Award – India' was given to GAIL for reduction in LNG Shipping cost & emissions through Ship-to-Ship (STS) transfer of LNG with backhauling. Another top notch award 'Midstream Project of the Year – India' has been given for the installation of the first floating Compressed Natural Gas (CNG) station at Varanasi. The Award recognises the most outstanding players in Asia's oil and gas sector.

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RUPEE DEPRECIATED BY OVER 9% BETWEEN APR 2022 AND SEPT 2023

Weaker rupee bumped up India's H1 oil import bill by ₹25,000 crore

SUKALP SHARMA
NEW DELHI, NOVEMBER 14

LOWER VALUE of the rupee against the US dollar in the first six months of the current financial year (FY24) vis-à-vis the corresponding period of FY23 pushed up India's crude oil imports for the former period by over Rs 25,000 crore, or 5 per cent, shows an analysis of India's official trade data.

Rupee depreciation also negatively impacted petroleum product imports in value terms, but its positive effect on value of petroleum product exports from India partly offset the hit to the country's overall oil and petroleum product trade in the first half of FY24.

India is the world's third-largest consumer of crude oil and depends on imports to meet over 85 per cent of its requirement. Crude oil also tops the list of India's merchandise imports by value.

While India does not export crude oil, it is a net exporter of petroleum products, thanks to the country's refining capacity of over 250 million tonnes per annum which exceeds its domestic demand. Like most internationally traded commodities, crude oil and petroleum products are priced in dollars. In the case of oil importing countries, a weakening of their currencies against the dollar inflates their oil imports in local currency terms.

SNAPSHOT: INDIA'S PETROLEUM TRADE

Imports	Value ($ billion)	Value (Rs crore)	Effective Exchange Rate*
Crude Oil (H1 FY24)	63.86	5.26 lakh	82.44
Crude Oil (H1 FY23)	83.57	6.56 lakh	78.49
Petroleum Products (H1 FY24)	18.42	1.52 lakh	82.46
Petroleum Products (H1 FY23)	23.06	1.81 lakh	78.56
Exports Value	**Value ($ billion)**	**Value (Rs crore)**	**Effective Exchange Rate***
Petroleum Products (H1 FY24)	41.86	3.45 lakh	82.46
Petroleum Products (H1 FY23)	50.84	3.99 lakh	78.45

*In (Rs/$). Source: Based on data from DGCI&S, Ministry of Commerce and Industry

The rupee depreciated by over 9 per cent between early April 2022 and end of September 2023. In the calendar year 2022 (January-December), the Indian currency depreciated by around 10 per cent against the dollar, mainly on account of interest rate hikes and monetary policy tightening by the US Federal Reserve and the Russia-Ukraine war. In fact, in April-September of FY23 alone, the rupee's value depreciated by around 7 per cent due to the safe haven appeal of the greenback amid fears of recession and inflation globally, and the Ukraine war. Rise in oil prices also tends to push up the value of the dollar as demand for the greenback increases. While prices have been volatile since the war broke out in Ukraine, the extent of volatility and the rise in oil and petroleum product prices was higher in April-September of FY23 than in the corresponding six months of the current financial year.

As per the latest available data with the Directorate General of Commercial Intelligence and Statistics (DGCI&S), India's crude oil imports in April-September of the current financial year stood at $63.86 billion, or Rs 5.26 lakh crore. This reflects an effective average exchange rate of Rs 82.44 per dollar. In the corresponding six months of FY23, crude oil imports were $83.57 billion in dollar terms and Rs 6.56 lakh crore in rupee terms, reflecting an average exchange rate of Rs 78.49 per dollar for the period. Had the average exchange rate been Rs 78.49 per dollar in April-September of this year as well, the country's crude oil imports in rupee terms would have been Rs 5.01 lakh crore, lower by over Rs 25,000 crore.

Similarly, the country's petroleum product imports in the first half of FY24 stood at $18.42 billion, or Rs 1.52 lakh crore, reflecting an effective average exchange rate of Rs 82.46 per dollar. In April-September of last year, petroleum product imports were $23.06 billion, or Rs 1.81 lakh crore at an average exchange rate of Rs 78.56 for a dollar. This suggests that just the depreciation in the rupee's value inflated the import bill for refined petroleum products by nearly Rs 7,200 crore.

Petroleum product exports, however, benefitted from the depreciation in the rupee's value. The country's total petroleum product exports for the first half of FY24 stood at $41.86 billion, or Rs 3.45 lakh crore, at an effective exchange rate of Rs 82.46 per dollar. The average exchange rate for petroleum product exports in the corresponding six months of last year was Rs 78.45 rupees per dollar. Had the exchange remained the same as in the first half of FY23, petroleum product exports in April-September of the current financial year would have been lower by around Rs 16,750 crore.

Therefore, the net impact of the fall in rupee's value in April-September of FY24 vis-à-vis a year ago on India's oil and petroleum product trade—crude oil and petroleum product imports and petroleum product exports—was nearly Rs 15,700 crore, the analysis shows.

The impact of rupee depreciation would have hit all Indian refiners depending on their respective refining capacities as all of them mostly depend on imported crude oil. However, the gains due to the weakness in the rupee in terms of petroleum product exports would have mainly benefitted export-oriented private sector refiners Reliance Industries and Nayara Energy. Public sector refining majors Indian Oil Corporation, Bharat Petroleum Corporation, Hindustan Petroleum Corporation, and their arms only account for a marginal share in India's petroleum product exports. The DGCI&S does not give refiner-wise oil and petroleum product trade data.

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IEA lifts oil demand growth forecast despite economic gloom

REUTERS
London, 14 November

The International Energy Agency (IEA) on Tuesday raised its oil demand growth forecasts for this year and next despite slower economic growth in nearly all major economies, although its 2024 outlook remains much lower than that of producer group Opec.

The Paris-based IEA said the market could shift into surplus at the start of 2024 having been kept in a "significant deficit" through year-end by voluntary cuts from Saudi Arabia and Russia which last until the end of December.

"For now, with demand still exceeding available supplies heading into the Northern Hemisphere winter, market balances will remain vulnerable to heightened economic and geopolitical risks and further volatility ahead," the IEA said in a monthly report.

Oil has weakened to around $82 a barrel for Brent crude from a 2023 high in September near $98. Concern about economic growth and demand has pressured prices, despite support from supply cuts by Opec and its allies, and conflict in the West Asia. The IEA joins the Organization of the Petroleum Exporting Countries in raising its oil demand growth forecast for 2023.

Oil has weakened to around $82 a barrel for Brent crude from a 2023 high in September near $98

Demand in 2023 has been supported by resilient US deliveries and record September demand from China, the IEA said.

In 2023, the IEA expects world demand to rise by 2.4 million barrels per day (bpd), up from 2.3 million bpd seen previously and bringing its view closer to that of Opec, which on Monday nudged up its forecast to 2.46 million bpd.

Slowdown in view

For 2024, the IEA raised its oil demand growth forecast to 930,000 bpd from 880,000 bpd. Expectations are underpinned by hopes of interest rate cuts and the recent fall in crude prices, the IEA, the energy adviser to industrialised nations, said.

This is still well below Opec's forecast of 2.25 million bpd. The difference — 1.32 million bpd — is equivalent to roughly 1 per cent of daily world oil use and translates into more than the daily production of an Opec member such as Libya.

Opec and the IEA, which represents industrialised countries, have clashed in recent years over issues such as the long-term oil demand outlook and the need for investment in new supplies.

The IEA said the 2024 demand slowdown will arise as "the last phase of the pandemic economic rebound dissipates and as advancing energy efficiency gains, expanding electric vehicle fleets and structural factors reassert themselves." The 2024 outlook will be in focus at the next meeting of Opec and its allies, known as Opec+, on November 26.

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60% businesses 'off track' to meet green goals: Report

PRESS TRUST OF INDIA
New Delhi, November 15

OVER 60% OF businesses surveyed are "off track" to meet their sustainability goals, said a report by Bain & Company. It also found consumers are willing to shell out a premium for sustainable products.

According to the report, a large number of people surveyed in India say they have a high level of concern about environment sustainability. This could be driven by the spiking levels of pollution in major cities and the rising incidence of flash floods in different parts of the country.

Consumers in fast-growing markets, where Bain found environmental concerns to be highest, including India, were willing to pay a greater premium (between 15 and 20%), compared to markets like the US and the UK.

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CENTRE TO INVITE BIDS IN TWO WEEKS

20 critical mineral blocks to go under the hammer

Lithium blocks' auction key to boost domestic EV battery production

FE BUREAU
New Delhi, November 14

THE GOVERNMENT WILL invite bids for 20 critical mineral blocks, including lithium and graphite mines, in next two weeks, a top official said on Tuesday.

This will mark the first attempt to transfer these under-utilised assets to the private sector, after Parliament in early August empowered the Centre to auction concession rights for these critical minerals.

Mines secretary V L Kantha Rao said the government is planning to issue the auction notice in a couple of weeks.

Speaking after the inauguration of the Mining Pavilion at India International Trade Fair (IITF) here, the secretary said 10-12 players in the country have the technology to produce and process "critical minerals".

A workshop will be organised immediately, bringing all stakeholders together to frame a national-level strategy on mining and processing of critical minerals, he said.

Continued on Page 16

KEY COMPONENTS

10-12 players in country have technology to produce and process critical minerals, such as lithium and graphite

30% EV penetration target by 2030 from current **1%**

6 new critical minerals opened up to private sector with amendment to Mines Act in 2023

70% of India's need for lithium — key to EV batteries — met via imports

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20 critical mineral blocks to go under the hammer

The Mines and Minerals (Development and Regulation Amendment) Act, 2023, opened up six more critical minerals — beryllium, lithium, niobium, titanium, tantallium, zirconium — to the private sector for exploration and mining. The amended law empowers the Centre government to exclusively auction mining lease and composite licence for specified critical minerals.

This is with a view to facilitate and incentivise private sector participation in all spheres of mineral exploration.

Critical minerals have gained significance in view of India's commitment towards energy transition and achieving net-zero emission by 2070. The idea is to reduce the country's import dependence for lithium, the key element for the manufacturing of EV batteries, to the extent possible.

India meets about 70% of its lithium requirement via imports, even as it seeks to increase the EV penetration from 1% now to 30% by 2030.

The current share of deep-seated minerals like copper, zinc, lead, gold, silver, diamond, nickel, cobalt and the platinum group of minerals in total mineral production of India is insignificant. Most of the requirements are fufilled through imports.

Concessions for these critical minerals would increase the pace of auction and early production of the minerals, which have become indispensable for new technologies such as space, electronics, information technology, energy transition and food security.

Even though auction would be conducted by the central government, the mining lease or composite licence for these minerals to the successful bidders will be granted by the state government concerned and the auction premium and other statutory payments will continue to be received by the states.

Last month, the Centre had approved royalty rates of 3% each for lithium and niobium and one per cent for rare earth elements (REEs).

Now, the Centre can exclusively auction mining lease and composite licence for critical minerals, namely molybdenum, rhenium, tungsten, cadmium, indium, gallium, graphite, vanadium, tellurium, selenium, nickel, cobalt, tin, the platinum group of elements, minerals of "rare earth" group (not containing uranium and thorium); fertiliser minerals such as potash, glauconite and phosphate (without uranium) and minerals being removed from the list of atomic minerals.

(With PTI inputs)

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Tata Power adds 561 EV charging points in Q2

G Balachandar
Chennai

As the EV (electric vehicle) momentum gathers pace, Tata Power continues to ramp up its charging infrastructure across the country and in the September 2023 quarter, the company expanded its number of charging stations by 22 per cent compared with the June 2023 quarter.

Now, the company has 4,932 public and captive charging points, of which 561 were added during the September 2023 quarter. With the addition of 11,529 new home charging points in Q2 of this fiscal, the total home charging units stand at 61,959.

Tata Power added 180 e-bus charging points in the quarter, marking the highest-ever deployment of charging points for e-buses in a quarter. With this addition, the total e-bus charging points have increased to 464.

As of September 2023, the company had covered 442 cities and towns with its EV

ALL CHARGED UP. Long-term EV volume growth would depend solely on availability of adequate charging stations REUTERS

charging network, which has more than 1.7 lakh registered users.

In the June 2023 quarter, the company's total charging points stood at 55,085, including 4,371 public charging points, 50,430 home charging units, and 284 electric bus charging points.

ADDING INFRA

The company has implemented numerous bus charging facilities in Kashmir Jammu and Srinagar. Additionally, charging facilities are in several other cities, including Delhi, Jaipur, Ahmedabad, Bengaluru, and Mumbai.

"I think with widespread bus charging projects, we'll see more and more public transportation transitioning to EV," said Praveen Sinha, MD & CEO, Tata Power, during the company's Q2FY24 earnings call.

GROWTH DRIVERS

While barriers such as price, choice, and range in the EV space were being addressed, and there have been tremendous improvements in all those areas, long-term volume growth in EVs would depend solely on the availability of adequate charging stations.

"The biggest impediment to the growth of EVs has been the charging infra. The very fact that 93 per cent of people charge at home indicates that they are currently comfortable driving in cities. However, we anticipate a drastic increase in public charging, especially on highways in the next two years or so," according to Shailesh Chandra, Managing Director, Tata Motors Passenger Vehicles and Tata Passenger Electric Mobility.

"A mainstream buyer will buy an EV only when he or she feels comfortable traveling on highways," he added.

While Tata Power and several other charge point operators have chalked out aggressive expansion plans, the oil marketing companies' plans to set up 22,000 charging stations on the highways by 2024 will pave the way towards making EVs mainstream.

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Govt to auction critical mineral blocks soon

Our Bureau
New Delhi

Mines Ministry is in the process of auctioning 20 critical mineral blocks, Secretary, VL Kantha Rao, said. The blocks on auction will include lithium and graphite.

Speaking to media while inaugurating the mining pavilion "Connecting Beyond Mining" at the India International Trade Fair 2023 (IITF), Rao said for mining and processing of critical minerals indigenous technology will be explored.

"We are almost ready to issue the auction notice and in two weeks time it should be done. Blocks (on auction) would include minerals like lithium, graphite, molybdenum, etc," he said.

So far, India's only discovered source of lithium, nowadays called as white gold, is in the Jammu and Kashmir at the moment, while searches are on in Karnataka and Rajasthan. Lithium remains a cornerstone for the country's transition to green mobility and push for electric vehicle adoption.

GRAPHITE-RICH EAST

The possible blocks for graphite could come up in the east Indian States, primarily covering Jharkhand, Odisha and Bihar. Graphite is used across industries covering categories like writing instruments, lubricants, refractory, batteries, nuclear reactors and graphene sheets.

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Crude oil climbs as IEA lifts demand growth forecast

London: Crude oil prices firmed on Tuesday after the International Energy Agency (IEA) raised its demand growth forecasts, adding to bullish sentiment from the previous day's OPEC guidance, while US data showed inflation in the world's biggest economy was slowing. Brent crude futures were up 0.7 per cent to $83.13 a barrel by 1429 GMT. REUTERS