ONGC News as on 01 September 2023 (Print)

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Day trading guide

19428 » **Nifty 50 Futures**

S1	S2	R1	R2	COMMENT
19400	19330	19480	19540	Buy the contract if it breaks out of 19480; stop-loss at 19400.

₹1572 » **HDFC Bank**

S1	S2	R1	R2	COMMENT
1560	1550	1580	1600	Buy the stock if it breaks out of 1580; stop-loss at 1565.

₹1434 » **Infosys**

S1	S2	R1	R2	COMMENT
1425	1410	1450	1470	Corrective decline likely to have ended; buy with stop-loss at 1420.

₹440 » **ITC**

S1	S2	R1	R2	COMMENT
440	435	450	460	Buy as the risk-reward is favourable. Keep stop-loss at 435.

₹174 » **ONGC**

S1	S2	R1	R2	COMMENT
173	170	175	177	Sell this stock if the price falls below 173; place stop-loss at 174.

₹2406 » **Reliance Ind.**

S1	S2	R1	R2	COMMENT
2385	2325	2420	2450	Consider going short as trend is bearish; stop-loss at 2430.

₹561 » **SBI**

S1	S2	R1	R2	COMMENT
555	550	565	575	Go short as the price hints at further fall; stop-loss at 567.

₹3357 » **TCS**

S1	S2	R1	R2	COMMENT
3350	3330	3410	3460	Yet to see a decisive breach of a range; stay away from trading.

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

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Fitch affirms 'BBB-' rating on ONGC, outlook stable

New Delhi: Fitch Ratings has affirmed Oil and Natural Gas Corporation's (ONGC) rating at 'BBB-' with stable outlook. "The rating reflects ONGC's scale as the largest oil and gas (O&G) producer in India, its significant reserves and production, and its vertically integrated and geographically diversified business model." PTI

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135th OSCC meeting to be held in Ahmedabad

The 135th meeting of the Offshore Security Coordination Committee (OSCC) is scheduled to be held at Ahmedabad on September 1, 2023, under the chairmanship of DG Rakesh Pal, PTM, TM, Director General Indian Coast Guard, to review the preparedness and effectiveness of the security of India's offshore installations. The meeting will be attended by stakeholders/ representatives from various organizations namely Indian Coast Guard, Indian Navy/ HQ ODAG, IAF, ONGC, DGH, IB, DG Shipping, MHA, MEA and DRDO. Important issues including opening up of EEZ for exploration and development activities, anti - drone solutions for E&P sectors are likely to be deliberated during the meeting. The OSCC was constituted in 1978 to ensure smooth and effective functioning of offshore security arrangements.

The OSCC is the apex body for reviewing and evaluating offshore security in India. The Offshore Security Coordination Committee comprises of members drawn from the Indian Coast Guard, Indian Navy, Indian Air Force, IB, MEA, police, and ONGC to examine issues related to the safety and security of offshore assets.

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ECONOMY & PUBLIC AFFAIRS P6

Russian crude oil imports fall to lowest in 7 months

Indian purchases of Russian crude oil declined by around 24 per cent in August from July to the lowest level since January, with refiners expecting volumes to drop further amid rising rates of Russian benchmark Urals grade and substantial stocks at refiners.

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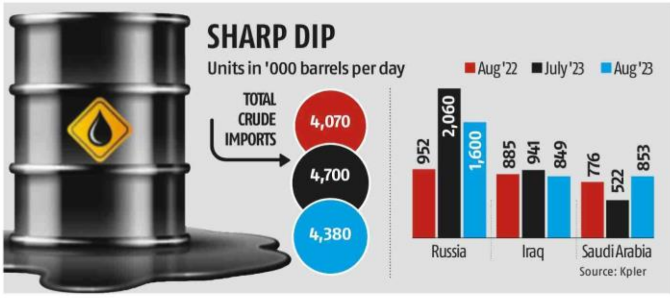
Crude import from Russia declines to lowest in 7 months



S DINAKAR
Chennai, 31 August

Indian imports of Russian oil plunged by a record in August month-on-month (M-o-M) as discounts on the fuel shrank in tandem with rising Brent oil prices. Higher crude prices will drive inflation or hurt earnings at oil companies and India's fiscal position if such spikes are not passed on to consumers.

Indian purchases of Russian crude declined by around 24 per cent in August from July to the lowest level since January, with refiners expecting volumes to drop further amid rising rates of Russian benchmark Urals grade, substantial stocks at refiners, and planned maintenance at Indian refineries, according to ship tracking data and industry officials.

Shipments of Russian oil to India dropped to 1.6 million barrels per day (bpd) in August from 2.1 million bpd in July, the steepest month-on-month drop, according to loading data from London-based market intelligence provider Vortexa and Paris-based market intelligence agency Kpler.

Volumes in August were the lowest since purchases of 1.4 million barrels per day in January.

"The decline in August is largely driven by lower Russian Urals supplies, with the crude's narrowing discounts to Brent possibly dampening Indian refiners' appetite as well," said Serena Huang, an analyst at Vortexa.

European crude benchmark Brent climbed to as high as $87.8 a barrel last month from $78 a barrel in mid-July before settling at around $86 a barrel. The surge in Brent rates has sent Urals higher. Urals is trading over $60 a barrel on a free-on-board (FOB) basis, a ceiling set by the Western powers on Russian oil sales, beyond which stringent sanctions apply.

Moreover, Russian crude output cuts have increased demand for Urals, more than halving the discounts from $10-$13 a barrel early this year. Indian refiners need at least $7-$8 a barrel as discounts on Russian Urals. "$3-$4 a barrel is not workable," a Mumbai-based refiner said.

"The economics of current levels of Russian discounts is not favourable to accelerated purchases of the crude," said R Ramachandran, a Mumbai-based oil industry consultant and former refining head of state-run Bharat Petroleum. "If refiners can get access to Russian crude at an attractive value, the scenarios will change. But that seems unlikely unless there are further output cuts in the Middle East or there is a slowdown in Chinese crude purchases," Ramachandran said.

India's total crude imports in August fell by around 7 per cent from July to 4.38 million bpd, Kpler data show. Russian supplies accounted for 36 per cent during the period, with Saudi Arabia and Iraq making up around 19.5 per cent each. Analysts expect Russian purchases to average 1.6 million bpd in September after Russia made voluntary output cuts of 500,000 barrels per day in August and 300,000 barrels per day in September, mainly of Urals grade, according to Russian officials.

Indian Oil and Reliance Industries were the two biggest buyers of Russian oil in August. But Indian Oil's purchases shrank by 11 per cent month-on-month to 543,000 barrels per day in August, and Reliance's purchases declined by 21 per cent to 404,000 barrels per day, ship tracking data show.

This week, oil minister Hardeep Puri said India will buy oil from the cheapest source.

In the past, operational teams at Indian refiners were hesitant to process newer crudes because the impact on refinery equipment from processing such crudes was unknown. A refining official said high costs and risks were involved in processing vast volumes of new grades at market rates. The paradigm shift now is that refiners have understood how to process Urals, which were available at considerable discounts last year, reducing the risk in operations, the official said.

The decline in Russian purchases may hurt India's economy by depriving the country of cheap, discounted fuel. India imports over 85 per cent of its crude needs. Russia supplied 44 per cent of imports in July. Barring Iraq, whose supplies are limited, Gulf crudes like Saudi Arabia and the United Arab Emirates cost $14-$21 per barrel more than Russian oil in June, Indian customs data show.

State-run refiners led by IndianOil, Bharat Petroleum and Hindustan Petroleum may also see an impact on July-September earnings based on higher crude costs and an inability to pass them forward to consumers amid the election season, analysts said. Oil marketing companies were planning to cut pump prices based on first-quarter results, but that will have to wait, an industry source said.

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Champion IOC knocked out by Central Secretariat

Indian Oil Corporation (IOC) wouldn't have envisioned such an early exit from the 94th MCC-Murugappa Gold Cup All-India hockey tournament in Chennai on Thursday. The defending champion went down tamely 6-2 to Central Secretariat here on Thursday in a Group-A contest. The defeat meant IOC remained at seven points from four matches. Karnataka (seven points) sneaked into the last four based on a better goal difference (+1) as compared to IOC's -1. Earlier, Indian Army (nine points) topped Group-B with an authoritative 6-0 victory over Indian Air Force. Army had a superior goal difference (+9). On the other hand, Punjab National Bank's (nine points) goal difference was 0 and it ended up second in the group. Secretariat (six from four matches) failed to qualify for the semifinals, but prevented IOC from making it! In the semifinals to be held on Saturday, Railways will take on PNB while Hockey Karnataka will challenge Army. Friday is a rest day.

The results: Indian Army 6 (Sumeet Pal Singh 3, Manish Rajbhar, Harman Singh 2) bt IAF; Central Secretariat 6 (Hassan Basha, R. Manikandan, Mohd. Umar, Mohd . Shariq 2, Aniket Balasaheb) bt IOC 2 (Gurjinder Singh 2).

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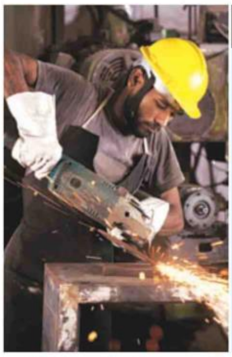
Core sector output slowed to 8% in July

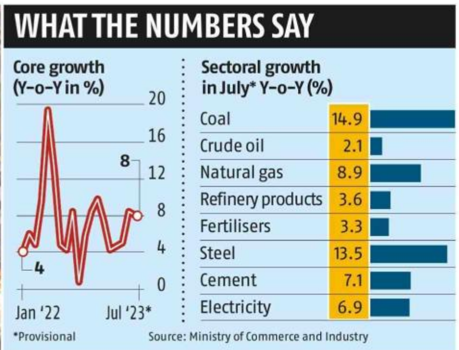
SHIVA RAJORA
New Delhi, 31 August

Output of eight key infrastructure sectors — known as the core sector — marginally slowed to 8 per cent in July from 8.3 per cent in June. This is due to a low base effect and positive growth in all the eight sectors during the month. In July last year, the core sector had grown by 4.8 per cent.

The print for June 2023 was also revised slightly upwards to 8.3 per cent from 8.2 per cent estimated earlier.

According to data released by the Ministry of Commerce and Industry on Thursday, while growth in the output of fertiliser (3.3 per cent), steel (13.5 per cent), refinery products (3.6 per cent), and cement (7.1 per cent) slowed than the previous month, that of coal (14.9 per cent), natural gas (8.9 per cent), and electricity (6.9 per cent) accelerated in July.





Crude oil production saw positive growth (2.1 per cent) for the first time in 14 months since May 2022.

Madan Sabnavis, chief economist at Bank of Baroda, said most of the core sectors showed buoyancy in July with coal production remaining buoyant, along with power generation, which reflects both steady business activity and use of diesel generator sets for agriculture in regions where rainfall has been weak.

"Both steel and cement registered good growth rates on the back of more infrastructure activity with the government driving the demand as their capex was on course. The delayed monsoon in June did keep construction work on which generated some demand for cement in particular. Normally cement demand ebbs during monsoon," he said.

Sunil K Sinha, chief economist at India Ratings, said the support to the core sector in July was broad-based as all of the sub-sectors grew year-on-year for the first time after May 2022.

When compared with the pre-pandemic level (February 2020), the core sector output stood at 13.8 per cent higher and remained higher since November 2021.

"Overall, the recovery in the infrastructure industries appears to be ticking off on a pervasive note that bodes well for the private sector capex cycle, which is on the cusp of a pickup. The agency expects the core sector output to record over 7 per cent growth in August on the back of favourable signs from high-frequency indicators (such as power generation, etc) and sustained capex frontloading by the general government," he said.

The eight core industries account for 40.27 per cent of the weighting of items included in the Index of Industrial Production (IIP) and, thus, have a significant impact on the index. Expressing optimism for the IIP growth, Sabnavis said he expected the IIP growth in the range of 5-6 per cent for July.

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As G20 head, India can fashion an equitable transition to clean energy

Amrita Singh

India will be starting the G20 meet under its Presidency in New Delhi in September. This is a golden opportunity for India to reinforce its commitment for a just energy transition while shaping international collaborations towards a sustainable future.

The 15th BRICS Summit has already made a positive attempt in addressing issues of climate change. The Johannesburg II Declaration has agreed to address "challenges posed by climate change while also ensuring a just, affordable and sustainable transition to a low carbon and low-emission economy in line with the principles of Common but Differentiated Responsibilities and Respective Capabilities (CBDR-RC), in light of different national circumstances."

The BRICS Summit also declared that the member nations share a common view, taking into consideration national priorities and circumstances, on the efficient use of all energy sources, which are crucial for a just transition towards more flexible, resilient and sustainable energy systems. Since India is an integral party to this declaration, it lays down a clear roadmap for India to harness on 'just transition' commitment in the upcoming G20 meet.

GREEN DRIVE. India can lead

The meet assumes greater importance as India positions itself as a frontrunner in the global climate agenda. India has set an ambitious target of achieving net-zero emissions by the year 2070 and meeting 50 per cent of its energy needs from renewable sources by 2030. This goal is not only essential for combatting climate change but also for addressing the three conflicting challenges of energy security, energy equity and environmental sustainability.

The commitments align seamlessly with the principles of a just transition, which emphasises the need to balanced economic development with environmental stewardship and social equity. Therefore, in India's energy transition journey, a vital facet that cannot be overlooked is the intersection of justice with these transformative efforts.

CRITICAL JUNCTURE

India's presidency at the G20 comes at a critical time, offering a platform to showcase that its commitments are action-oriented and it can smoothly lead a mission for sustainable and equitable transition as it efficiently discharged its presidency commitments under G20.

India can also leverage this opportunity by presenting its successful models, best practices of achieving net zero emissions and progress in expanding renewable energy capacity. This could be more challenging than it sounds but even if India can present reasonable initiatives made in this direction, it can serve two purposes. First, it could be a moral win over G20 member-states and, second, it may offer India a head-start on the negotiation tables to bet for technology share, capacity building, and sustainable investments in renewable energy projects.

This can be in line with India's voluntary action plan for doubling the pace of energy efficiency by the year 2030 which it also proposed in the 4th and last Energy Transitions Working Group Meeting of the G20 in Goa in July. The working group also acknowledged and took note of India's proposal for establishing a Green Hydrogen Innovation Centre and the Global Biofuel Alliance in India.

India's energy landscape is undergoing a paradigm shift over the past decade, marked by a growing commitment to reduce its carbon footprint and increase the share of renewable energy in its power mix. However, the transition to cleaner energy sources presents both opportunities and challenges in terms of social and environmental justice and India has the chance to create a legacy that transcends borders and ushers in a brighter and more inclusive world.

The writer is Consultant, NITI Aayog

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Largest indigenously developed N-plant unit in Gujarat starts ops at full capacity

ANIL SASI
NEW DELHI, AUGUST 31

THE THIRD unit of the indigenously developed 700-megawatt electric (MWe) nuclear power reactor at the Kakrapar Atomic Power Project (KAPP3) in Gujarat has commenced operations at full capacity.

Prime Minister Narendra Modi said on social media platform X, "India achieves another milestone. The largest indigenous 700 MWe Kakrapar Nuclear Power Plant Unit-3 in Gujarat starts operations at full capacity. Congratulations to our scientists and engineers."

This comes a little over three years since the unit achieved its 'first criticality' — a technical term that signifies the initiation of a controlled, but sustained nuclear fission reaction — in July 2020. On June 30 this year, the unit had started commercial operations.

In India's civilian nuclear programme, this is seen as a landmark event, given that KAPP-3 is the country's first 700 MWe unit and the biggest indigenously developed variant of the Pressurised Heavy Water Reactor (PHWR). The PHWRs, which use natural uranium as fuel and heavy water as moderator, constitute the mainstay of India's nuclear power fleet.

Till now, the biggest reactor of indigenous design was the 540 MWe PHWR, two of which have been deployed in Tarapur, Maharashtra.

Four units of the 700MWe reactor are being constructed at Kakrapar (KAPP-3 and 4) and Rawatbhata (RAPS-7 and 8) site in Rajasthan.

The 700MWe reactors are slated to be backbone of a new fleet of 12 reactors that the NDA government accorded approval and financial sanction in 2017 and that are to be set up in fleet mode.

As India works to ramp up its existing nuclear power capacity of 7,480 MWe to 22,480 MWe by 2031, the 700MWe capacity would constitute the biggest component of this expansion plan. Currently, nuclear power capacity constitutes around 2 per cent of the total installed capacity of 4,17,668 MW (May 31).

Significantly, as India's civilian nuclear sector gears up to its next frontier — building a 900 MWe Pressurised Water Reactors (PWRs) of indigenous design — the experience of executing the larger 700MWe reactor design would come in handy, especially with respect to the improved capability of making large-size pressure vessels, alongside India's own isotope enrichment plants being developed to supply a part of the required enriched uranium fuel to power these reactors, according to DAE officials.

FULL REPORT ON
www.indianexpress.com

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DERC's pro tem chairman takes charge, challenging tenure ahead

TIMES NEWS NETWORK

New Delhi: Retired Delhi High Court judge **Jayant Nath** took charge as the pro tem chairperson of Delhi Electricity Regulatory Commission (DERC) on Thursday. He was administered the oath of office by power minister Atishi at a function at Delhi Secretariat.

Congratulating Nath on taking charge as the new chairperson of the power regulator, chief minister Arvind Kejriwal assured him of full cooperation.

"I wholeheartedly welcome Retd Justice Jayant Nath ji as the new chairperson of DERC. Congratulations and best wishes. Electricity is a very vital sector and we have been trying our best to keep improving it. I assure full cooperation of my govt," Kejriwal tweeted.

Retired from the Delhi high court in November 2021, Nath was nominated to the post of DERC chief by the Supreme Court on August 4 after the elected dispensation and LG VK Saxena failed to reach a consensus to pick a candidate to head the city's power regulator. The term of the former DERC chairman, retired Justice Shabihul Hussain, had ended on January 9, 2023 and the position remained vacant after that.

After taking oath, Nath assumed charge at the DERC office (Viniyamak Bhawan) in Malviya Nagar, officials said.

In a statement, Atishi said she looked forward to working with Nath to improve the power sector.

According to officials, Nath's immediate responsibilities would include announcing the new power tariff for the current financial year. The tariff could not be announced last year because of several reasons, including posts of the chairperson and a member of the three-member DERC being vacant.

DERC had recently started the process to decide the power tariff for the financial year of 2023-24, and invited comments and suggestions from consumers and other stakeholders. However, the issue may take some time to resolve due to an ongoing case in the high court and the submission of the DERC counsel that the tariff order will not be passed till the next date of hearing, sources said.

Taking a call on issues like regulatory assets of discoms and their demand for a power hike, ensuring compliance of various directives issued by the Supreme Court and APTEL, and direct benefit transfer of subsidy to consumers, among others, are some of the challenges before Nath.