# ONGC News as on 07 November 2024 (Print & Online)

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HIGHEST BID FOR RENEWABLE POWER CO TABLED BY ONGC

# NTPC, ONGC may Join Hands to Acquire Ayana

Sanjeev Choudhary

**New Delhi:** NTPC Ltd may join ONGC as an equal partner in the latter's bid to acquire Ayana Renewable Power, according to the people with knowledge of the matter.

Oil and Natural Gas Corporation (ONGC) has emerged as the highest bidder, ahead of JSW Neo Energy, for Ayana Renewable Power, which is co-owned by India's sovereign investment fund NIIF (51%), British International Investment (32%), and EverSource Capital (17%), the people said.

The state-run oil and gas producer is currently negotiating the share purchase agreement with Ayana's owners and, if all goes well, it may use its planned green energy joint venture (JV) with NTPC to acquire 100% stake in the renewable energy platform in an all-cash deal, they added.

On Monday, NTPC said its subsidiary NTPC Green Energy had applied to the corporate affairs ministry to incorporate a 50:50 JV company with ONGC Green after obtaining clearances from the finance ministry's divestment department and NITI Aayog. "The JV company will also seek opportunities to acquire renewable energy assets," the state-owned company added.

"The deal with ONGC will likely go through if there are no surprises in the share purchase agreement," a person familiar with the matter said on condition of anonymity, adding that the deal could still take months to close as the current Ayana shareholders might try to maximise gains.


## 'BANKERS MAY NUDGE JSW'

While ONGC seems determined to close the deal, bankers are trying to persuade JSW to improve its offer, said the people cited earlier. Only ONGC and JSW have made binding offers for Ayana, they added. ONGC, NTPC, JSW, NIIF, BII and EverSource Capital declined to comment.

The current shareholders have infused ₹3,700 crore in Ayana so far against their capital commitment of $721 million (about ₹6,000 crore at the current conversion rate), according to a report released in September by rating agency ICRA.

Ayana operates 1.6 giga watt of renewable energy capacity and is developing another 3 GW, the report added. The company posted a consolidated profit of ₹46 crore on an operating income of ₹856 crore for FY24.

A partnership with NTPC would help split acquisition risks and get ONGC access to the power sector capabilities it doesn't currently possess. The Ayana deal would herald a new era for the oil producer under pressure to go green while providing exit to private equity investors at a time when multiple renewable energy platforms are finding it hard to get new owners in the country.

## ONGC'S RENEWABLE PLAY

In August, ONGC chairman Arun Singh had said that the company intended to acquire more than 1 GW of renewable assets in this financial year. By 2030, ONGC aims to scale up its renewable portfolio to 10 GW.

BII incorporated Ayana Renewable Power in 2017. NIIF and EverSource bought a 25.5% stake each in the company in 2019. NIIF's stake rose to 51% in 2021. Ayana group's pending capital expenditure for the under-construction portfolio is about ₹13,500 crore, as per the ICRA note.

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# Civilian offshore role proposed for Made-in-India Dhruv chopper

**NEW OPPORTUNITY.** Move to give a boost to domestic aerospace manufacturing sector

**Rohit Vaid**
New Delhi

In a major boost to the 'Make in India' initiative, the Centre plans to deploy the domestically produced Advanced Light Helicopter (ALH) Dhruv Mark-III in offshore oil and gas operations.

Accordingly, the Hindustan Aeronautics Ltd (HAL)-made ALH Civil Dhruv-NG (Next Generation) is being pitched to be deployed by the state-run Pawan Hans' offshore operations.

The civilian version of the military ALH Mk-III, is powered by the 'Shakti' engines and features a civil-certified glass cockpit.

Even though, the ALH Civil Dhruv has been in service of civil operators since 2003, this will be the first time the chopper is being pitched to be deployed in offshore operations.

Speaking to *businessline*, sources said that the move will give a boost to the domestic aerospace manufacturing sector as well as provide a quality product to the state-owned Pawan Hans Ltd (PHL).

At present, the helicopter is going through a regulatory approval process.

"The licence will open opportunities for HAL in the civilian market where the demand for helicopters is there and is likely to grow in the coming years," industry sources told *businessline*.

At present, there are 300 such choppers being operated by various defence and government entities.

**FLYING HIGH.** Now, there are 300 such helicopters operated by various defence and government entities AKHILA EASWARAN

### MULTIPLE ROLES

Besides off-shore operations, the helicopter has the ability to be used in multiple roles, such as ferrying passengers, search and rescue, and a medical intensive care unit to facilitate the transfer of critically ill patients.

As per sources, the arrangement will provide PHL with a "reliable and cost-effective product", such as the ALH Civil Dhruv-NG (Next Generation), whose per unit price including life cycle and maintenance cost is lower than other choppers with similar features.

On an average these kind of choppers cost in the range of more than ₹120 crore per unit.

Presently, PHL plans to replace 17 old choppers and has asked for funds from the Centre to do so.

"The move will be a major 'Make-in-India' milestone for India, should ONGC and Pawan Hans choose to operate the Dhruv Mark-III helicopter in production flying in offshore oil and gas operations," aviation industry expert Mark D Martin, CEO of Martin Consulting, told *businessline*.

Presently, only Agusta-Leonardo, Airbus/Eurocopter and Bell choppers are used in production flying.

"India's off-shore oil and gas operations are complex as our operating standards are extremely high due to high humidity, ambient temperatures, low cloud base, haze, and visibility constantly less than 1 km. This won't be an easy process, but if achieved, the world will have another helicopter on offer for complex offshore oil and gas operations alongside Airbus/Eurocopter, Agusta-Leonardo, Bell, Sikorsky, and Russian Kazan Mil-Mi helicopters," Martin said.

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# GAIL shares surge over 6%

NEW DELHI: Shares of GAIL (India) Ltd on Wednesday jumped over six per cent after the firm posted a 10 per cent rise in September quarter net profit. The stock surged 6.36 per cent to settle at Rs208.90 apiece on the BSE. Intra-day, it soared 6.89 per cent to Rs209.95. On the NSE, it jumped 6.41 per cent to Rs209. State-owned GAIL (India) Ltd on Tuesday reported a 10 per cent rise in September quarter net profit after an increase in earnings from the gas transmission business and a turnaround in the petrochemical business neutralised a fall in marketing margin. Consolidated net profit of Rs 2,689.67 crore in July-September FY25 compared with Rs 2,442.18 crore in the same period a year ago, according to a stock exchange filing by the company.

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GEOPOLITICAL TENSIONS, CRUDE PRICE VOLATILITY CONTINUE TO POSE CHALLENGES

# Weak refining margins may dent profitability of OMCs in Q3 too

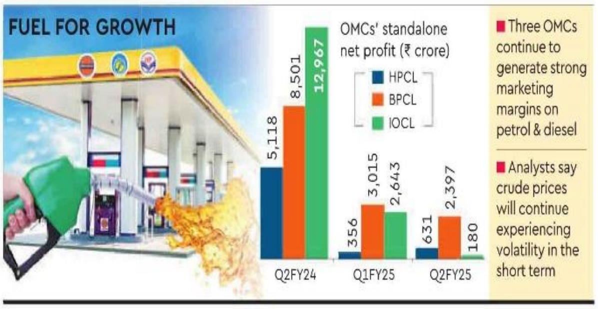
ARUNIMA BHARADWAJ
New Delhi, November 6

**RISING GLOBAL UNCERTAINTY** and a declining trend in refining margins have forced the three state-owned oil marketing companies (OMCs) to a weaker start to the current financial year. With peak earnings of FY24 fading, the three OMCs are likely to report lower gross refining margins in the third quarter of the current fiscal too, taking a hit on their profitability, according to analysts. On a sequential basis, the downstream companies may see some improvement though.

In the second quarter of FY25, the three oil marketing companies — Indian Oil Corp, Bharat Petroleum Corp and Hindustan Petroleum Corp — reported weak earnings owing to lower gross refining margins and under-recoveries made on liquefied petroleum gas (LPG).

"BPCL and HPCL's reported Q2FY25 financial performances were significantly below our expectations, mainly due to a weaker refining margin. LPG under-recoveries have largely remained in line with the Q1FY25 trend," said Motilal Oswal in its report. "Overall, the gross refining margins remain muted in October 2024, along with the oil demand outlook."

The firm highlighted that the benchmark Singapore gross refining margin has been averaging \$3 per barrel in October 2024 against \$3.6 per barrel in the second quarter of FY25, implying that refining might remain under pressure in the third quarter as well. IOCL reported a chemical EBIT (earnings before interest and taxes) loss of ₹91.6 crore as weak margins offset the 3% quarter-on-quarter volume rise, Nuvama




Institutional Equities said. "Valuations remain expensive (close to long-term average), baking in strong earnings growth of the past few quarters," it said, adding that further deterioration (in earnings) is underway.

While refining margins have taken a hit due to volatility in crude oil prices, the three OMCs continue to generate strong marketing margins on petrol and diesel, as per analysts. Despite a dismal Q2FY25 earnings performance, analysts at Motilal Oswal believe Q3FY25 profitability to improve further on a sequential basis on the back of strong marketing margins.

The OMCs made under-recoveries on LPG in the first two quarters of the present fiscal. However, LPG being a controlled product, analysts remain hopeful of financial support to OMCs from the government.

Motilal Oswal has cut its FY25 Ebitda and net profit estimates by 27% and 49%, respectively, for HPCL owing to weak refining performance. "We also reduce our FY25 and FY26 GRM (gross refining margin) estimate to \$4.6 per barrel and \$6.1, respectively," it said. HPCL took a hit of ₹2,060 crore due to LPG under-recoveries in the quarter under review.

IOCL's GRM fell 91% on-year and 75% sequentially to \$1.6 per barrel, the lowest among its peers, in the July-September quarter.

In the near-to-short term, analysts see crude oil prices to continue experiencing volatility which may come against the prospects of the OMCs. "In the short term, oil prices may continue to experience volatility. Market sentiment is likely to remain cautious, especially with Israel's potential retaliation options still unclear and global geopolitical tensions on the rise," said Narinder Wadhwa, managing director of SKI Capital.

Long-term crude outlook, however, may remain bullish due to the low global inventory levels and the possibility of renewed geopolitical pressures. "Should these tensions escalate, crude could see upward pressure despite demand concerns from economic slowdowns in major markets like China," he said. Even as robust marketing margins might be able to support growth of the three OMCs, any additional profitability for them will depend upon cheaper crude sourcing, higher share of value added products in the product slate, and better spreads of non-auto fuel products and volume growth, according to analysts.

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# Oil India posts ₹4,085.46 cr net profit in H1 FY25

**FPJ News Service**
MUMBAI

Oil India Limited (OIL), a Maharatna CPSE and leading energy company in India has demonstrated continued momentum in crude oil and natural gas production by recording 4.79% rise in crude oil output for Q2 FY25, achieving 0.875 MMT. The Crude Oil production for the half-year FY25 increased by 5.5% to 1.746 MMT while Natural gas production also grew by 3.99%, reaching 1,617 MMSCM during the period.

The Company posted Profit After Tax (PAT) of Rs 1,834.07 crore for Q2 FY25 while PAT for the half year ended 30th September 2024 is recorded at Rs 3,300.91 crore. Additionally, OIL's group turnover for the half-year FY25 increased to Rs 17,486.79 crore and PAT is recorded at Rs 4,085.46 crore. OIL's Earnings Per Share (EPS) for the half year ending September 30, 2024, stands at Rs 20.29/share.

Crude oil price realisation in the latest quarter was $79.33 per barrel.

The board of Oil India agreed to form separate joint ventures with Hindustan Waste Treatment Pvt. Ltd. and GPS Renewables Pvt. Ltd. to establish compressed biogas projects. The company will hold a 50% stake in each of the two joint ventures.

The substantial growth in OIL's physical & financial performance showcases OIL's strong performance and its commitment to Energy Self-reliance in India's energy sector.

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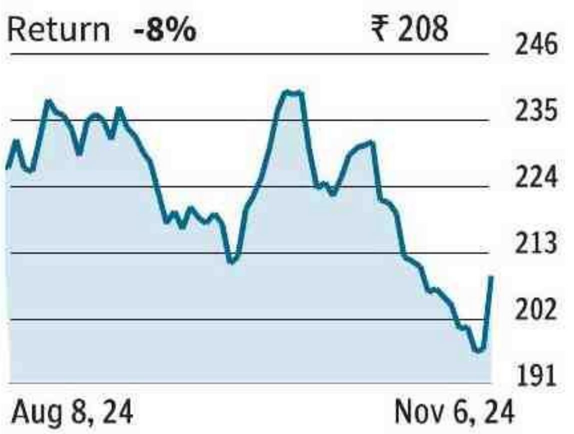
# GAIL shares jump over 6% on strong earnings in Q2

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# Brent crude trading at $74.36/bbl

CRUDE oil futures decreased Rs61 to Rs5,993 per barrel in futures trade as participants trimmed their positions on low demand. Globally, West Texas Intermediate (WTI) crude was trading 1.53 per cent lower at $70.89 per barrel, while Brent crude was trading 1.55 per cent down at $74.36 per barrel in New York. On MCX, crude oil for November delivery traded lower Rs61 or 1.01 per cent at Rs5,993 per barrel in 12,818 lots.

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# Trump's policies may have bearish impact on petroleum prices

SUKALP SHARMA
New Delhi, November 6

**AS REPUBLICAN PRESIDENTIAL** candidate Donald Trump wrested the White House from the Democrats, international oil prices declined on Wednesday. Even as the fall in oil prices had more to do with the strengthening dollar—a stronger greenback makes dollar-denominated commodities like oil dearer in other currencies—and other oil market factors, the market reaction may be seen as symbolic of the general sentiment around oil prices going forward.

While it is too early to say how Trump's second term as president will turn out to be for global oil markets, industry watchers expect the Trump administration's economic and energy policies to put limited downward pressure on oil prices. If strictly implemented, his plans to impose high tariffs on imports—particularly on those from China—could negatively impact global oil demand as China is the world's top oil importer. Moreover, Trump's push to significantly increase US oil production and even exports, for which he employed the slogan "Drill, baby, drill", could add to the global oil supply and even push major oil producers to compete for market share, which again could put some pressure on prices.

Realistically though, the incoming dispensation in Washington is likely to push for a largely balanced global oil market to keep oil prices in check while avoiding a steep decline or crash, as that would make production unviable for American oil producers as well. And although Trump has been promising voters that he will drastically cut energy bills in the US, the White House on its own has limited instruments to meaningfully sway oil prices.

To be sure, there may also be a few bullish triggers for oil prices, like crackdown on sanction evasion by Iran and a tighter sanction regime for Venezuela under Trump, which could take some barrels off the market. But their impact may be limited.

For India, which is the world's third-largest consumer of crude oil and depends on imports to meet over 85 per cent of its requirement of the commodity, downward pressure on international oil prices would be generally beneficial. Heavy dependence on imported crude oil makes the Indian economy vulnerable to global oil price volatility, apart from having a bearing on the country's trade deficit, foreign exchange reserves, rupee's exchange rate, and inflation.

S&P Global Commodity Insights (SPGCI) expects Asian buyers—including India—to witness significantly more opportunities to import "attractively priced crude from the US" as its competition with the OPEC (Organization of the Petroleum Exporting Countries) suppliers intensifies. The US is India's fifth-largest source market for crude oil behind Russia, Iraq, Saudi Arabia, and the UAE.

"The dynamics of oil flows to Asia are unlikely to change significantly in 2025, barring dramatic policy shifts following the US presidential elections...With growth in US crude production and exports, the US will continue to compete with OPEC exporters in Asia, while targeting European refiners and developing new markets in Africa and Latin America," said Benjamin Tang, head of liquid bulk at S&P Global Commodities at Sea.

Growing US crude production has posed a significant challenge for OPEC+ (OPEC and its other partner countries) in recent years, exerting downward pressure on prices, threatening the bloc's market share and prompting massive output cuts. Analysts say increased US production, as well as output increases in other non-OPEC+ countries, such as Brazil, Guyana and Canada, have nearly nullified the impact of OPEC+ production cuts in 2024, SPGCI said.

Commodity market analytics firm Kpler believes that Trump will forcefully support domestic oil and gas producers in the US, pursue a policy of aggressive energy infrastructure buildout, and could attempt to moderate emissions standards.

"Despite our expectations for a sharp decline in US oil production growth next year, Trump will still push for policies supportive of oil and natural gas drilling, even if these measures are only marginally impactful. During the campaign, Trump has reiterated plans to expedite permit issuance for drilling on federal lands and an intent to roll back regulations that prevent oil and gas extraction operations," Kpler said in a recent note.

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# Commodity prices fall on strong dollar

NAVEEN THUKRAL, EMILY CHOW & NINA CHESTNEY
Singapore/London/November 6

**COMMODITIES FROM OIL** and gas to metals and grains dropped on Wednesday as the dollar rallied and victory for Republican Donald Trump in the US presidential election stoked concerns about tariffs and economic growth.

Trump recaptured the White House by securing more than the 270 Electoral College votes needed to win the presidency, following a campaign of dark rhetoric that deepened the polarization in the country.

Oil prices fell by more than 1% on pressure from the US dollar rally, which was set for its biggest one-day rise since March 2023 against major peers.

Investors believe Trump's presidency will bolster the dollar as interest rates may need to remain high to combat inflation that would stem from new tariffs.

A stronger US dollar makes greenback-denominated commodities such as oil more expensive for holders of other currencies. Precious metals also fell, with gold sliding to a near three-week low, while copper lost more than 2%, making it the worst performer of the base metals complex.

"Gold will be torn between the risk of rising inflation, potentially slowing the pace of US rate cuts, as tariffs are rolled out and continued demand for safe haven assets," Ole Hansen, head of commodity strategy at Saxo Bank, said. Commodity prices started to fall overnight as traders started to price in the likelihood of a Trump win.

"This scenario is expected to bring about the promised tariffs on imported goods, particularly targeting China, potentially triggering a new wave of trade tensions and economic disruptions," Hansen added. —REUTERS

**Brent crude prices**
Intra-day ($ per barrel), Nov 6


Source: Bloomberg IST 7 pm

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# IGX sees three times jump in gas volume trade in Oct

**NEW DELHI:** The Indian Gas Exchange (IGX) traded 8 million MMBtu of gas volume in October, nearly triple as compared to the previous month, the exchange said in a statement.

Decreased administered gas allocations to the city gas sector and high global LNG prices contributed to increased trade volumes, it said.

The Gas Index of India (GIXI) for October 2024 was Rs 1,098 (USD 13) per million British thermal unit (MMBtu), lower by 4 per cent from last month. GIXI-South was Rs 986 (USD 11.7) per MMBtu and GIXI-West Rs 1,102 (USD 13.1) per MMBtu. Different spot international gas benchmark prices were recorded in October.

"A total of 124 trades were executed in October 2024. The most active delivery point for free market gas was Dahej and KG Basin for ceiling price gas, other trading delivery points were - Hazira, Suvali, Mhaskal, Ankot, and Bokaro," the statement said. Around 72 per cent of the total volume was traded at Dahej delivery.

GIXI – Dahej (October 24) was Rs 1,100 or USD 13 per MMBtu, lower by 3.4 per cent month-on-month. West India Marker (WIM)-ex Dahej settled price for October was also at similar level - USD 13.6 per MMBtu. Around 7.8 million MMBtu of free market category gas was traded during the month and about 0.14 million MMBtu domestic ceiling price gas was traded at ceiling price (Rs 854 or USD 10.16 per MMBtu) at KG Basin delivery point. MPOST

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# Copper's role in India's solar, wind energy plans

KN Hemanth Kumar

After decades of dependency on fossil fuel for energy, India has set the targets for greening its energy mix, with 500 GW of non-fossil fuel-based electricity by 2030 and possibly 1 TW by 2035. India is well on track to achieve this before the 2030 deadline, having achieved 200 GW installed non-fossil capacity in 2024.

India's push towards renewable energy is driven by both environmental and economic factors. Currently, the nation imports most of its oil and 80 per cent of its industrial coal, making it susceptible to global market fluctuations and economic instability. Additionally, the increasing impact of climate change has made the need for renewable energy more urgent than ever.

It must be noted that with a new energy transition comes a need for select appropriate materials to support emerging technologies. In the clean energy ecosystem, copper stands out as the metal that connects and delivers renewable energy to the world. Its superior properties of electrical and thermal conductivity make it indispensable in the generation, transmission, and storage of clean energy.

Copper plays a crucial role in the functioning of solar and wind energy systems, with renewable energy systems potentially requiring up to five times more copper than traditional energy generation methods.

### ENERGY TRANSITION

According to the International Copper Association (ICA), for every tonne of copper used in renewable energy systems, carbon emissions are reduced by 100 to 7,500 tonnes over the system's lifecycle. This is a testament to copper's role in not just facilitating but accelerating the global energy transition.

Per global data, a 3 MW wind turbine contains up to 4.7 tonnes of copper, with 53 per cent used in wiring and cabling, 24 per cent in turbine generation, 19 per cent in turbine transformers, and 4 per cent in regular transformers. Offshore wind farms require even more copper. In solar power systems, approximately 5.5 tonnes of copper per MW is used, primarily in heat exchangers for energy transfer, wiring for conducting electricity, and cabling for transmitting power efficiently.

**COPPER.** Vital for clean energy

Copper's unique properties make it essential for achieving the high efficiency and reliability required in renewable energy systems. Furthermore, copper can be recycled without any loss of performance, making it an environmentally sustainable choice in the transition to green energy.

According to a report by ICRA, the demand for refined copper in India is expected to grow at a robust rate of 11 per cent annually in FY25, significantly outpacing global growth rates. This surge is directly linked to the government's push for infrastructure development and the gradual shift toward renewable energy sources.

The ministries of Mines and New and Renewable Energy play a crucial role in ensuring the country secures the copper supply necessary for meeting its clean energy targets. This requires boosting domestic copper production, strengthening recycling efforts, and securing long-term supply agreements with trusted partners.

*The writer is Director, E-Mobility, International Copper Association India*

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# US oil & gas policies may have bearish impact on global petroleum prices

SUKALP SHARMA
NEW DELHI, NOVEMBER 6

File

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Moreover, Trump's push to significantly increase US oil production and even exports, for which he employed the slogan "Drill, baby, drill", could add to the global oil supply and even push major oil producers to compete for market share, which again could put some pressure on prices.

Realistically though, the incoming dispensation in Washington is likely to push for a largely balanced global oil market to keep oil prices in check while avoiding a steep decline or crash, as that would make production unviable for American oil producers as well. And although Trump has been promising voters that he will drastically cut energy bills in the US, the White House on its own has limited instruments to meaningfully sway oil prices.

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"Despite our expectations for a sharp decline in US oil production growth next year, Trump will still push for policies supportive of oil and natural gas drilling, even if these measures are only marginally impactful. During the campaign, Trump has reiterated plans to expedite permit issuance for drilling on federal lands and an intent to roll back regulations that prevent oil and gas extraction operations. Trump will likely look to revoke Biden era executive orders as well, including aggressive greenhouse gas emission reduction targets, and a plan to conserve 30 per cent of US federal lands by 2030," Kpler said in a recent note.

FULL REPORT ON
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# A win that will affect the global economy

## Trump's victory could mean a multiplicity of shifts for several key economies

Kunal Shankar

The return of Donald Trump as President of the world's largest economy accounting for more than a quarter of the global GDP could mean a multiplicity of shifts, some of them detrimental, for several key economies, including India. It would mean a return to escalating trade wars; a continuation of economic protectionism; jettisoning multilateralism; and imposing restrictions on immigration into the U.S., which could hinder India's IT services sector.

The U.S. is India's second largest trading partner, accounting for $118.3 billion. But, much to Mr. Trump's dismay, it is the only country with which India has a trade surplus ($36.74 billion in the same period) among its top five trading partners.

While the U.S. counts India among its top 10 trading partners, its share of total exports to India accounts for less than 3%. More importantly, the U.S. has remained the largest source of Foreign Direct Investment for India ($103 billion in the last fiscal).

These numbers become important now with the return of Mr. Trump, as fears resurface about his focus on bilateral trade and circumvention of agreements negotiated through the WTO, such as his unilateral imposition of import duties on aluminium and steel in 2018 that affected many countries, including India. While India attempted to retaliate in 2019 with higher tariffs on farm produce like apples and walnuts, it did not follow through with its threat.

During his election campaigns, Mr. Trump called India a "major abuser" of trade ties. He targeted both China and India in his first term with measures ranging from outright bans to consistently increasing tariffs on a range of

goods. A major flash point with China occurred when he banned Huawei's 5G mobile devices in 2018. He also sought his NATO allies to follow suit, even while his policies towards Western partners turned negative.


Mr. Trump's 'America First' campaign calls for escalating such trade wars with its allies and adversaries. His proposed 10% tax on all imports and 60% on Chinese-made products would have a worldwide inflationary effect. This follows a Federal Reserve rate cut of 50 basis points on September 18, the first in four years, as inflation eased and the job market began cooling in the U.S. Mr. Trump's proposed tariffs would most likely get passed onto consumers, triggering a return to high inflation domestically and leading to similar pressures globally. The rise in prices in the U.S. will seep through global supply chains as the U.S. commands a large export share for top technology and agricultural products.

The biggest impact would likely be on China, which for decades has been U.S.'s largest trading partner with a surplus of more than $380 billion in 2022, according to the office of the U.S. Trade Representative. This is a surplus that Mr. Trump would move quickly to bridge, but he would be doing so at a time when the Chinese economy has been reeling from the bottoming out of its property market and a general decline in growth, which led the People's Bank of China to cut interest rates as recent as in September to enhance liquidity and support lending.

China has already been looking at other markets for its exports, but it faces stiff opposition for many of its products, such as electric vehicles, in the European Union and iron and steel in India.

For India, Mr. Trump's return could affect a range of products, from generic drugs to IT services. A key concern would be a return of restrictions to the highly skilled worker, or the H1B and L1 visa programmes that Mr. Trump effected in his first term. Denial rates for Indian IT professionals seeking H1B visas surged under Mr. Trump's administration, which led companies such as Infosys to hire about 10,0000 American workers. While Infosys called it a "strategic human asset investment", that it was triggered by the U.S. government's attempts to tighten immigration was apparent.

Mr. Trump has also pledged to raise oil and natural gas drilling, which would mean that the U.S. would once again retreat from its climate goals. This would most likely also alter global supply chains as the EU continues to attempt to move away from depending on Russian LNG, which has already reduced from 40% in 2019 to 15% in 2024. In the same period, the U.S.'s share increased to 46% of EU's natural gas supplies. It would be interesting to watch how Mr. Trump negotiates with the EU's Carbon Border Adjustment Mechanism, which attempts to reduce the carbon footprint of EU's imports, as the U.S. under his administration may return to fossil-fuel based power generation and production processes.

*kunal.shankar@thehindu.co.in*

# Online

| Headline | NTPC, ONGC may join hands to acquire Ayana | | |
|---|---|---|---|
| Publication | ET | Edition | Online Coverage |
| Published Date | 6 Nov 2024 | | |

## NTPC, ONGC may join hands to acquire Ayana

https://economictimes.indiatimes.com/industry/energy/oil-gas/ntpc-ongc-may-join-hands-to-acquire-ayana/articleshow/115027215.cms?from=mdr

ONGC, in a bid to acquire a 100% stake in Ayana Renewable Power, is considering utilising its joint venture with NTPC. While ONGC emerged as the highest bidder, surpassing JSW Neo Energy, bankers are encouraging JSW to enhance its offer.

New Delhi: NTPC Ltd may join ONGC as an equal partner in the latter's bid to acquire Ayana Renewable Power, according to the people with knowledge of the matter. Oil and Natural Gas Corporation (ONGC) has emerged as the highest bidder, ahead of JSW Neo Energy, for Ayana Renewable Power, which is co-owned by India's sovereign investment fund NIIF (51%), British International Investment (32%), and EverSource Capital (17%), the people said. The state-run oil and gas producer is currently negotiating the share purchase agreement with Ayana's owners and, if all goes well, it may use its planned green energy joint venture (JV) with NTPC to acquire 100% stake in the renewable energy platform in an all-cash deal, they added.

On Monday, NTPC said its subsidiary NTPC Green Energy had applied to the corporate affairs ministry to incorporate a 50:50 JV company with ONGC Green after obtaining clearances from the finance ministry's divestment department and NITI Aayog. "The JV company will also seek opportunities to acquire renewable energy assets," the stateowned company added. "The deal with ONGC will likely go through if there are no surprises in the share purchase agreement," a person familiar with the matter said on condition of anonymity, adding that the deal could still take months to close as the current Ayana shareholders might try to maximise gains.

'Bankers may nudge JSW' While ONGC seems determined to close the deal, bankers are trying to persuade JSW to improve its offer, said the people cited earlier. Only ONGC and JSW have made binding offers for Ayana, they added. ONGC, NTPC, JSW, NIIF, BII and EverSource Capital declined to comment.

The current shareholders have infused ₹3,700 crore in Ayana so far against their capital commitment of $721 million (about ₹6,000 crore at the current conversion rate), according to a report released in September by rating agency ICRA. Ayana operates 1.6 giga watt of renewable energy capacity and is developing another 3 GW, the report added. The company posted a consolidated profit of ₹46 crore on an operating income of ₹856 crore for FY24. A partnership with NTPC would help split acquisition risks and get ONGC access to the power sector capabilities it doesn't currently possess. The Ayana deal would herald a new era for the oil producer under pressure to go green while providing exit to private equity investors at a time when multiple renewable energy platforms are finding it hard to get new owners in the country.

ONGC's renewable play In August, ONGC chairman Arun Singh had said that the company intended to acquire more than 1 GW of renewable assets in this financial year. By 2030, ONGC aims to scale up its renewable portfolio to 10 GW. BII incorporated Ayana Renewable Power in 2017. NIIF and EverSource bought a 25.5% stake each in the company in 2019. NIIF's stake rose to 51% in 2021. Ayana group's pending capital expenditure for the under-construction portfolio is about ₹13,500 crore, as per the ICRA note.

| Headline | Indian Gas Exchange traded 8 million MMBtu gas volume, up by 160% in October | | |
|---|---|---|---|
| Publication | ANI News | Edition | Online Coverage |
| Published Date | 6 Nov 2024 | | |

## Indian Gas Exchange traded 8 million MMBtu gas volume, up by 160% in October

https://www.aninews.in/news/business/indian-gas-exchange-traded-8-million-mmbtu-gas-volume-up-by-160-in-october20241106182309

New Delhi [India, November 6 (ANI): The Indian Gas Exchange IGX ) traded 8 million MMBtu (Metric Million British Thermal Unit), equivalent to 201

MMSCM of gas, in October this year, marking a 160 per cent increase on a month-on-month (MoM) basis, IGX announced on Wednesday.

Reduced APM gas allocations to the CGD sector, coupled with high global LNG prices, contributed to the increased trade volumes, IGX said in a release.

A total of 124 trades were executed in October 2024. The most active delivery point for free-market gas was Dahej, while KG Basin was the primary point for ceiling-price gas. Other trading delivery points included Hazira, Suvali, Mhaskal, Ankot, and Bokaro. Approximately 72 per cent of the total volume was traded at Dahej.

The GIXI for October 2024 was Rs 1,098 or USD 13 per MMBtu, down 4 per cent from the previous month. The GIXI-South index was Rs 986 or USD 11.7 per MMBtu, while GIXI-West stood at Rs 1,102 or USD 13.1 per MMBtu.

International spot gas benchmark prices for October recorded (monthly average) were: HH at USD 2.6/MMBtu, up 9 per cent MoM, and TTF at USD 12.9/MMBtu, up 13 per cent MoM. The LNG benchmark indices included WIM-Ex Dahej at USD 14.3/MMBtu, down 1 per cent MoM.

GIXI-Dahej for October 2024 was Rs 1,100 or USD 13/MMBtu, showing a 3.4 per cent decrease MoM. The WIM-Ex Dahej settled price for October 2024 was similarly priced at USD 13.6/MMBtu.

Around 7.8 million MMBtu of free-market category gas was traded during the month, with approximately 0.14 million MMBtu of domestic ceiling price gas traded at the ceiling price (Rs 854 or USD 10.16/MMBtu) at the KG Basin delivery point.

Additionally, about 0.2 million MMBtu of domestic gas with full pricing freedom was traded at Bokaro (CBM), Hazira (ONGC Hazira), and KG Basin delivery points.

In October, IGX facilitated gas deliveries totalling 6.1 million MMBtu (approximately 5 MMSCMD).

IGX currently offers trades at 15 delivery points, including four LNG terminals, three pipeline interconnection points, and eight domestic gas field landfall points. Delivery-based trades are available across six contracts: Day-Ahead, Daily, Weekday, Weekly, Fortnightly, and Monthly, with options for trade execution over twelve consecutive months.

In October, the highest number of trades (40) was executed in the Daily contract, followed by 29 trades each in the Fortnightly and Monthly contracts, 16 trades in the Weekly contract, 8 trades in Day-Ahead, and 2 trades in the Weekday contracts.

Indian Gas Exchange Limited ( IGX ), established in 2020, is India's first automated national-level gas exchange for the physical delivery of natural gas. (ANI)

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| Headline | India's petrochemical sector to grow over three-fold to USD 1 trillion by 2040: Hardeep Puri | | |
| Publication | ANI News | Edition | Online Coverage |
| Published Date | 6 Nov 2024 | | |

## India's petrochemical sector to grow over three-fold to USD 1 trillion by 2040: Hardeep Puri

[https://www.aninews.in/news/business/indias-petrochemical-sector-to-grow-over-three-fold-to-usd-1-trillion-by-2040-hardeep-puri20241106171149](https://www.aninews.in/news/business/indias-petrochemical-sector-to-grow-over-three-fold-to-usd-1-trillion-by-2040-hardeep-puri20241106171149)

New Delhi [India, November 6 (ANI): India's petrochemical sector is on track to touch USD 300 billion next year, with the potential to reach upwards

of USD 1 trillion in 2040, Union Minister for Petroleum and Natural Gas Hardeep Singh Puri.

India is transforming into a global petrochemical powerhouse under Prime Minister Narendra Modi's leadership, said the minister in an X post, attaching a video highlighting the works that are underway and or are in the plans.

"Our petrochemical sector, once valued at USD 220 billion, is on track to reach USD 300 billion by 2025, with potential to touch USD 1 trillion by 2040," Puri said.

The growth in the sector means more jobs, growth, and a sustainable, self-sufficient future for every Indian, Puri said.

With initiatives like Petroleum, Chemicals and Petrochemicals Investment Regions (PCPIRs) and 100 per cent FDI, India is paving the way for global investors and building a cleaner, greener tomorrow.

With a rising population and an expanding middle class, the demand for products, from fertilizers to electronics, is skyrocketing in India.

India is the world's sixth largest chemicals producer, there is still room to grow. India's per capita consumption is far below developed countries, which means massive potential.

The government is paving the way with major policies and investments. PSUs like ONGC and BPCL are joining forces with private players, pushing nearly USD 45 billion into new projects. And over the next decade, the video presentation said that the government expects another USD 100 billion in investments.

With 100 per cent foreign direct investment allowed automatically, India has become a top destination for global investors who see its potential.

But there is one challenge as India still imports around 45 per cent of its petrochemical intermediates.

Speciality chemicals are another high-growth area, expanding at 12 per cent each year. India is taking inspiration from global chemical hubs, learning how to create clusters that drive innovation, achieve economies of scale, and develop world-class facilities. (ANI)

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| Headline | India's petrochemical sector to grow over three-fold to USD 1 trillion by 2040: Hardeep Puri | | |
| Publication | DD India | Edition | Online Coverage |
| Published Date | 6 Nov 2024 | | |

## India's petrochemical sector to grow over three-fold to USD 1 trillion by 2040: Hardeep Puri

https://ddindia.co.in/2024/11/indias-petrochemical-sector-to-grow-over-three-fold-to-usd-1-trillion-by-2040-hardeep-puri/

India's petrochemical industry is projected to surge to USD 300 billion next year, with the potential to grow to a staggering USD 1 trillion by 2040, according to Union Minister for Petroleum and Natural Gas, Hardeep Singh Puri. Highlighting the sector's rapid transformation, Puri shared in a recent post that India is becoming a global petrochemical powerhouse under Prime Minister Narendra Modi's leadership.

Our petrochemical sector, once valued at USD 220 billion, is on track to reach USD 300 billion by 2025, with potential to touch USD 1 trillion by 2040, Puri said. He added that the sector's growth would contribute significantly to job creation and a sustainable, self-reliant future for India.

To attract global investors, the government has launched initiatives like the Petroleum, Chemicals, and Petrochemicals Investment Regions (PCPIRs) and allowed 100 percent Foreign Direct Investment (FDI) in the sector. India's increasing population and growing middle class are fueling demand for a variety of productsfrom fertilizers to electronicswhile positioning India as the world's sixth-largest chemicals producer, though with considerable room to expand.

The government has implemented strategic policies and investments to support this growth, with Public Sector Undertakings (PSUs) like ONGC and BPCL collaborating with private companies on nearly USD 45 billion in new projects. Over the next decade, the government expects an additional USD 100 billion in investments in the petrochemical sector.

Despite its progress, India faces challenges, with around 45 percent of its petrochemical intermediates still imported. Speciality chemicals are another high-growth area, expanding at 12 per cent each year. India is taking inspiration from global chemical hubs, learning how to create clusters that drive innovation, achieve economies of scale, and develop world-class facilities.

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| Headline | India's Petrochemical Surge: Towards a Trillion-Dollar Future | | |
| Publication | Devdiscourse | Edition | Online Coverage |
| Published Date | 6 Nov 2024 | | |

## India's Petrochemical Surge: Towards a Trillion-Dollar Future

**https://www.devdiscourse.com/article/business/3147633-indias-petrochemical-surge-towards-a-trillion-dollar-future**

India's petrochemical industry, under Prime Minister Modi's leadership, is projected to expand significantly, reaching $300 billion by 2025 and potentially $1 trillion by 2040. Efforts include major investments, 100% FDI, and initiatives like PCPIRs, aiming for job creation and a sustainable, self-sufficient future.

India's petrochemical sector is poised for significant expansion, with projections suggesting its value could reach $300 billion by 2025 and potentially surge to $1 trillion by 2040, according to Union Minister for Petroleum and Natural Gas, Hardeep Singh Puri. The minister, in a social media post, highlighted the transformative impact of Prime Minister Narendra Modi's leadership on the industry, supported by a video detailing ongoing projects and future plans.

Once valued at $220 billion, the sector's anticipated growth promises job creation and a move toward a sustainable, self-sufficient future for all Indians, Puri noted. Key initiatives like the Petroleum, Chemicals and Petrochemicals Investment Regions (PCPIRs) and policies allowing 100% foreign direct investment are making India an enticing prospect for global investors, aligning with the country's goals to establish a cleaner and greener future.

Despite being the world's sixth-largest chemicals producer, India still sees significant growth potential with its per capita chemical consumption far below that of developed nations. Government initiatives, alongside $45 billion investments from public sector undertakings like ONGC and BPCL in collaboration with private enterprises, signal robust industry expansion. The government expects an influx of $100 billion in investments over the next decade, aiming to reduce reliance on imports and boost specialty chemical production, currently expanding at a rate of 12% annually.

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| Headline | Essential proxy inventory for an vitality safety watchlist | | |
| Publication | Hospitality Career Profile | Edition | Online Coverage |
| Published Date | 6 Nov 2024 | | |

## Essential proxy inventory for an vitality safety watchlist

**https://www.hospitalitycareerprofile.com/essential-proxy-inventory-for-an-vitality-safety-watchlist/**

The affect of most of those macro occasions will even out in the long run, showing as noise relying in your investing horizon. Nevertheless, there may be one occasion that has as soon as once more dropped at the forefront the query of India's vitality safety.

Lately, themes like electrification and inexperienced vitality have diluted considerations on this side.

But, the reality is we're nonetheless depending on imports for 85% of vitality necessities. And any provide disruption or sharp value rise is unfavorable for India's development story.

Bottomline  We must be self-sufficient for our vitality wants. To be truthful, insurance policies have been amended to maneuver on this course.

A living proof is the shift from NELP (new exploration and licensing coverage) to OALP (open acreage licensing coverage) in 2016-17 for oil and pure fuel exploration.

Amongst different variations, one was that beneath NELP, it was the federal government that used to place a hydrocarbon (oil and fuel) block on tender.

Nevertheless, beneath OALP, the explorer can choose the exploration block independently. That is prone to convey extra space beneath exploration and manufacturing. To encourage this, geoscientific information is made accessible to all gamers beneath the Nationwide Knowledge repository.

If the block chosen by an organization is appropriate for award, aggressive bids are held beneath twice a yr bidding system. In contrast to NELP the place authorities's revenue was from revenue sharing that led to distinction of opinion about prices, OALP goes for income sharing.

The brand new system additionally adjusts for dangers and issue in exploring completely different sorts of blocks.

The ninth spherical of OALP concluded in September. The subsequent spherical is predicted early subsequent yr. Within the tenth spherical, areas that had been termed no-go' earlier will probably be supplied, opening up extra alternatives for exploration and manufacturing firms.

To make certain, the gestation interval right here could be lengthy. The outcomes are usually not sure.

Therefore, as a substitute of dwelling on oil and fuel exploration and manufacturing firms, allow us to give attention to the businesses within the oil and fuel exploration and manufacturing ecosystem.

That brings us to a particular smallcap  Deep Industries.

For over three many years, Deep Industries has been offering varied oil and fuel help companies.

These embody pure fuel compression (to make sure move of pure fuel by way of pipeline) and dehydration (regulatory requirement for fuel manufacturing and transportation to keep away from blasts), workover and drilling rigs companies, and built-in undertaking administration companies.

Its choices discover purposes from exploration and manufacturing to midstream companies. Throughout most of those choices, it's the pioneer, the one participant, or the market chief.

Its newest trade phase is EPC (engineering, procurement and development) of whole fuel processing amenities on a constitution rent foundation.

With these choices, Deep Industries covers over 70% of submit exploration within the oil and fuel service worth chain. Its shoppers embody nearly all main oil and fuel gamers like ONGC, Cairn, Oil India, GSPC, Gail, Vedanta, Reliance, Essar, GSPL, and Selan Exploration.

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| Headline | MoPNG notifies domestic natural gas price for November 2024 | | |
| Publication | Indian Infrastructure | Edition | Online Coverage |
| Published Date | 6 Nov 2024 | | |

## MoPNG notifies domestic natural gas price for November 2024

https://indianinfrastructure.com/2024/11/06/mopng-notifies-domestic-natural-gas-price-for-november-2024/

The Ministry of Petroleum and Natural Gas (MoPNG) has notified the price of domestic natural gas for the period November 1, 2024 to November 30, 2024 as $7.53 per million metric British thermal unit (mmBtu) on gross calorific value (GCV) basis.

Besides, for the gas produced by Oil and Natural Gas Corporation Limited (ONGC)/ Oil India Limited (OIL) from their nomination fields, the administrative price mechanism price will be subject to a ceiling of $6.50/mmBtu on GCV basis for the same period.

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| Headline | Decreased APM gas allocation, high LNG prices push up trade volumes on IGX in Oct | | |
| Publication | PSU Watch | Edition | Online Coverage |
| Published Date | 6 Nov 2024 | | |

## Decreased APM gas allocation, high LNG prices push up trade volumes on IGX in Oct

https://psuwatch.com/newsupdates/decreased-apm-gas-allocation-high-lng-prices-push-up-trade-volumes-on-igx-in-oct

Decreased APM gas allocations to the CGD sector and high global LNG prices pushed up trade volumes on IGX in October  Published on

New Delhi: Decreased APM gas allocations to the City Gas Distribution (CGD) sector and high global Liquefied Natural Gas (LNG) prices pushed up trade volumes at the Indian Gas Exchange (IGX) in October as it traded 8 million MMBtu (201 MMSCM) of gas volumes. This was higher by 160 percent on month-on-month basis. Around 7.8 Million MMBtu of free market category gas was traded during the month and about 0.14 million MMBTU of domestic ceiling price gas was traded at the ceiling price (Rs 854 or USD 10.16/MMBtu) at KG Basin delivery point. About 0.2 Millon MMBtu domestic gas with complete pricing freedom was traded at Bokaro (CBM), Hazira (ONGC Hazira) and KG Basin delivery points. During the month, IGX-traded gas deliveries were 6.1 million MMBtu (~5 MMSCMD).

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GIXI for October lowers 4% vis--vis September

GIXI for October was Rs 1,098/USD 13 per MMBtu, lower by 4 percent last month. GIXI- South was Rs 986/USD 11.7 per MMBtu and GIXI-West Rs 1102/USD 13.1 per MMBtu. Different spot international gas benchmark prices recorded were (monthly average): HH at ~USD 2.6/MMBtu (up by 9 percent month-on-month), TTF at USD 12.9 /MMBtu (up by 13 percent month-on-month), whereas LNG benchmark indices were: WIM  Ex Dahej ~14.3 USD/MMBtu (down by 1 percent month-on-month).

A total of 124 trades were executed in October. The most active delivery point for free market gas was Dahej and KG Basin for Ceiling Price gas, other trading delivery points were- Hazira, Suvali, Mhaskal, Ankot, and Bokaro. Around 72 percent of the total volume was traded at Dahej delivery. GIXI  Dahej (Oct-24) was Rs 1,100 or USD 13/MMBtu, lower by 3.4 percent month-on-month. WIM-Ex Dahej settled price for October was also at similar level: USD 13.6/MMBtu.

IGX currently offers trades at 15 delivery points. Out of which, four are LNG terminals, three are Pipeline Interconnection Points and eight are domestic gas field land fall points. It offers delivery-based trade in six different contracts: Day-Ahead, Daily, Weekday, Weekly, Fortnightly and Monthly, under which the trade can be executed for twelve consecutive months. During the month, 40 trades (maximum number) were executed in Daily, followed by 29 trades in each Fortnightly & Monthly, 16 trades in Weekly, 8 trades in Day-Ahead and 2 trades in Weekday contract, respectively.

PSU Watch  India's Business News centre that places the spotlight on PSUs, Bureaucracy, Defence and Public Policy is now on Google News. Click to follow. Also, in your Telegram. You may also follow us on and stay updated.)