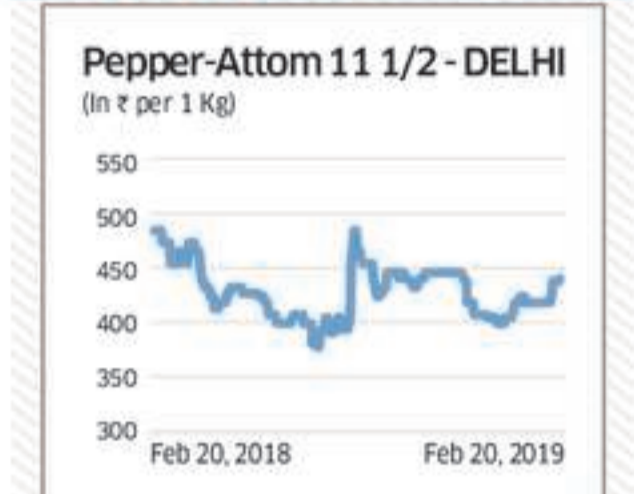


MCX base metals futures contracts
Creating value for hedgers
MCX METAL & ENERGY
Trade with Trust

Tweet of the Day

Jim Rickards @JamesGRickards
Folks ask how to use markets to predict the price of gold. It's more fruitful to use gold to predict markets. The gold price is a leading indicator. It's telling us central banks can't raise rates and some will cut, and that trade wars and geopolitical tensions will grow worse.

Quarts & Ounces



ET Index

COMMODITIES (2003=1000)

COMMODITY	CHANGE	PREV. DAYS	LAST WEEK
Bullion	15.9	5003.4	4879.7
Cement	0.00	2011.2	2011.2
Edible Oil	4.2	1629.9	1634.5
Foodgrains	4.3	2312.9	2310.4

Did You Know?
HSBC Made \$120 m in One Day During Turkish Lira Rout

HSBC Holdings earned about \$120-million in a single day during Turkey's financial crisis as it profited from the collapse of the lira, according to a regulatory disclosure made by the bank. The Turkish currency's collapse over the summer hit trading profits at some investment banks with exposure to the country, such as Barclays. HSBC, however, benefited from the fall in the lira's value. The outsized gains "driven by volatility in Turkish lira spot" were more than twice as big as predicted by HSBC's market risk models, according to a filing published on Tuesday alongside the bank's full-year results. — Bloomberg

Severe Winter Likely to Raise Apple Yield

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Chandigarh: Severe wintry condition in North West India is likely to boost the production of apples this season, ending years of slump.
Apple growers in Shimla, the hub of apple cultivation in Himachal Pradesh, are seeing favourable weather. The precipitation, caused mostly by snowfall, has been almost double the 10-year average in major apple-growing districts of Shimla, Kullu, Mandi and Kinnaur.
"More than a dozen light and moderate snowfalls have been recorded in January and February," director of the meteorological centre at Shimla, Manmohan Singh said.
The wet weather follows one of the driest winters in 2017-18. A yellow alarm forecasting heavy snowfall and rain has been raised for the next two days in the hills. Apple requires a long chilly period from December to February. The fruit yield has been on a slump through almost 10 years because of erratic weather conditions in Himachal Pradesh. While Jammu and Kashmir recorded an above-normal production of 18.5 lakh tonnes in 2018, Himachal's output was down to 3.6 lakh tonnes, bringing India's total yield to 21.5 lakh tonnes from the average of 25 lakh tonnes. With around 1.1 lakh hectares under fruit cultivation, Himachal yielded 4.28 lakh tonnes of apple in 2017 and 4.68 lakh tonnes in 2016.
"Even though the snowfall was late, it will yield a bumper crop this season," said Vidya Sagar, deputy director of state horticulture department. Snowfall in December is most beneficial for the apple crop, but that until mid-January will also help boost the output, he said. A higher local produce this year may cut import of apple from Chile, the US and New Zealand in the next year.
"While apple output was higher than normal in Jammu & Kashmir, the quality was affected by inclement weather and thus the availability will be affected in the summer months," a Delhi-based trader said.

Stake Sale Plan of IOB, AllBank in Universal Sompoo Gathers Pace

Atmadip.Ray @timesgroup.com
Kolkata: The stake sale plans of Allahabad Bank and Indian Overseas Bank in Universal Sompoo General Insurance Company has got some momentum with the lenders hiring a consultant for the valuation exercise.
The general insurance firm is now busy working on a future business plan as a pre-requisite for valuation. "We are in the process of finalising business and growth plans for the next five years and beyond," Universal Sompoo chairman ON Singh told ET. "This will be finalised latest by March 11," he said.
Allahabad Bank and Indian Overseas Bank—both under Reserve Bank of India's prompt corrective action framework—are looking to monetise non-core assets by selling their holdings in the insurance joint venture.
"The banks may exit fully or partially depending on the valuation and also after taking their capital requirement under consideration," a person familiar with the matters said.
The government has been insisting that the lenders, especially those with weak financials and are facing challenges in raising capital, to exit their non-core businesses. The government on Wednesday said it will invest ₹6,896 crore in Allahabad Bank and ₹3,806 crore in IOB to help them get out of the restrictive PCA rules.
Sources in the know said Chennai-based IOB has hired Choice Consultant for the valuation exercise.
At present, Allahabad Bank holds 28.52% in the JV while IOB holds 18.06%. Their holding fell from 30% and 19%, respectively, as they did not participate in the ₹100 crore rights issue floated by the insurer a year back. Overseas partner Sompoo Japan Nipponkoa Insurance is the largest shareholder now with 34.6% interest.



SHAREHOLDERS IN COVER CO

Allahabad Bank:	28.52%
IOB:	18.06%
Sompoo Japan Nipponkoa Insurance:	34.6%
Karnataka Bank holds:	6.02%
Dabur Investment Corporation:	12.8%

UNIVERSAL SOMPO'S NOS

NET PROFIT	₹297 cr	₹49 cr
FY18	FY17	
NET WORTH	₹750 cr	₹354 cr
FY18	FY17	

Shriram Transport Fin Gets \$400m Via Dollar Bond Sale

The three-year bond issue was priced at a fixed rate of 5.7%

Joel.Rebello @timesgroup.com

Mumbai: Truck financier Shriram Transport Finance (STF) has raised \$400-million in its debut dollar bond sale just a month after the RBI removed qualification restrictions for companies wanting to borrow funds from abroad as it seeks to diversify its capital mix and nurture an alternate funding channel to tide over domestic volatility.

This is Shriram's first dollar bond sale and the first below investment grade issue out of India since Tata Steel raised \$1.3-billion in January last year. Global rating agency Fitch has assigned a BB+ rating on the issue in line with its long-term foreign-currency rating.

"A dollar bond gives us access to global investors which will help us diversify our funding. Though it is slightly more expensive than our similar tenure domestic funding cost, we plan to tap this source more often and a secondary market presence will only lower our costs of funds going ahead which is a big advantage for us," said Umesh Revankar, CEO at STF.
The three-year bond issue was priced at a fixed rate of 5.7% which translates into a post hedged rupee cost of around 9.6% to 9.7%, slightly higher than the 9.5% the company pays for a similar tenure of funds in the domestic bond market. 75 fund managers pledged more than \$1 billion to the issue, allowing bankers to price it tighter than the 6% initial guidance.
It takes the total raised through dollar bonds out of India beyond \$3-billion so far in 2019, almost half of the only \$6.50-billion raised in calendar 2018.
It also follows easier ECB guidelines by RBI last month

TOTAL DOLLAR BONDS FROM INDIA

\$3b In 2019 (so far) vs \$6.50b Jan-Dec 2018



REASON FOR RISE
Easier ECB guidelines by RBI last month which allowed all entities eligible to receive FDI to borrow a minimum of \$750 million per financial year.

A dollar bond gives us access to global investors which will help us diversify our funding. Though it is slightly more expensive than our similar tenure domestic funding cost, we plan to tap this source more often and a secondary market presence will only lower our costs of funds going ahead which is a big advantage for us

UMESH REVANKAR, CEO at STF

Rubber Futures Hits 9-month High

Tocom rubber futures rose to 9-month high on Wednesday, amid hopes for export curbs by producers and optimism over the US-China trade deal to de-escalate their year-long trade war



Benchmark Tocom Rubber Contract for July Delivery

\$1.78 per kg	\$1.7 per kg
Wednesday	Tuesday

21% Rise in benchmark Tocom rubber contract for July delivery

\$1,854 per tonne
Most-active rubber contract on the Shanghai futures exchange for May delivery

20% Rise in front-month rubber contract on Singapore's SICOM exchange for March delivery

166.1 yen per kg
TOCOM's TSR 20 futures contract for August delivery

REASONS
The recent rally was backed by expectations that producing countries may agree on some measures to help bolster prices and that China and the US would strike a deal, said an analyst

Source: Reuters

Govt Sets Wheat Procurement Target at 35.7 MT

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New Delhi: The government has set a target of procuring 35.7 million tonnes of wheat this year amid indications of record production, said a senior food ministry official.
The ministry had held an internal meeting on wheat procurement on Tuesday, the official told ET on condition of anonymity.
The procurement for this season will start from March 15 in Madhya Pradesh. However, in Punjab and Haryana, which contribute more than 50% to the central pool, the purchase will start from April 1.

"Last year, the government procured 35.5 million tonnes, as against the target of 32 million tonnes. The highest procurement was in 2012-13, when it purchased 38.1 million tonnes," the official said.
As for rice, the government has already purchased more than 35 million tonnes from over 7.6 million farmers in 2018-19, against the target of 37.5 million tonnes.
"The procurement is still on," the official said. "With elections round the corner and aggressive purchasing by states such as Chhattisgarh, Punjab, Haryana and Uttar Pradesh, the purchase may cross 40 million tonnes."
According to the Food

Wheat Procurement Target 2019-20: 35.7 million tonnes

12.5mt	5mt
PUNJAB	UTTAR PRADESH
8.5mt	1.7mt
HARYANA	RAJASTHAN
7.5mt	
MADHYA PRADESH	



Corporation of India, the agency that buys grain for the central pool for public distribution and other welfare schemes, the stock of rice and wheat together has already crossed 47.72 million tonnes—the

highest in February since 2013, when the stocks had touched 66.23 million tonnes.
Food minister Ram Vilas Paswan said the stock will swell further since a bumper crop is likely. "We

haveno shortage of food grain," he said. "This year, wheat production is likely to cross 100 million tonnes. Our public distribution system is working well. In fact, we are now worried about storage."
Food secretary Ravi Kant said storage may pose some problem at the peak of procurement. "As of now, we are comfortable with storage capacity," he told ET. "But in view of record wheat output, we are making arrangements for proper storage. We are focusing on creating storage facilities at consumption centres like Andhra Pradesh, Karnataka and Gujarat rather than at producing centres like Punjab and Haryana, which are already saturated."

Sugar Production Up by 7.7% till Feb 15

Maharashtra and Karnataka started crushing early, which has raised the output this season

Our Bureau

Pune: India's sugar production in 2018-19 season till February 15 has increased by 7.7% over the same period of the previous year as the total production has hit 21.93 million tonnes, said industry body Indian Sugar Mills Association (ISMA).

A release from ISMA said: "As on 15th February, 2019, 507 sugar mills in the country have produced 219.30 lakh tonnes of sugar, as compared to 203.55 lakh tonnes produced by 494 mills on the corresponding date last year. Higher production this year is mainly because Maharashtra and Karnataka sugar mills started their crushing earlier this year. Overall, the country is expected to produce less sugar this season as compared to last season."

"The production of sugar in Maharashtra, Karnataka and Gujarat has been on a slump through almost 10 years because of erratic weather conditions in Himachal Pradesh. While Jammu and Kashmir recorded an above-normal production of 18.5 lakh tonnes in 2018, Himachal's output was down to 3.6 lakh tonnes, bringing India's total yield to 21.5 lakh tonnes from the average of 25 lakh tonnes. With around 1.1 lakh hectares under fruit cultivation, Himachal yielded 4.28 lakh tonnes of apple in 2017 and 4.68 lakh tonnes in 2016.
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"Due to early start of mills in Maharashtra, mills there are expected to close earlier than last year, especially when the sugar production from Maharashtra will be less than last year.
In UP, 117 sugar mills are in operation and they have produced 63.93 lakh tonnes of sugar till 15th February 2019, compared with 64.54 lakh tonnes produced by 119 mills on the corresponding date of last year. The sugar recovery achieved this season is about 0.77% more than what was achieved so far during the last season, but the yield per hectare is lower than last year, because of which the total production in UP will be less than last year.
In Karnataka, till 15th February, mills have produced 38.74 lakh tonnes of sugar; 10 mills have closed their operations in the state while 57 mills are in operation. During the corresponding period last year, 52 mills produced 30.73 lakh tonnes of sugar.
In case of Tamil Nadu, 33 sugar mills are in operation and have produced 3.50 lakh tonnes of sugar, as compared to 2.9 lakh tonnes produced by 28 sugar mills in 2017-18 sugar season on the corresponding date. Gujarat has produced 7.78 lakh tonnes of sugar till 15th February 2019 with 16 sugar mills in operation."

"We are expecting a better 2019," Binod Mohan, chairman at Darjeeling Tea Association, told ET. Traders said foreign buyers, especially from Germany and the UK, have entered into forward contracts with planters at higher prices compared with last year, indicating a rising demand for Darjeeling tea abroad.
Demand for Darjeeling tea is also rising among Indian tea drinkers but local political unrest and climate issues have kept the production restricted. Darjeeling tea output was hit in 2017 when a strike called by Gorkha Janmukti Morcha forced closure of tea estates for four months. The industry managed to recover only some of the lost ground in 2018. "Last

HEAVY BREW The tea is being sold at ₹3,500/kg compared to ₹1,500/kg last year

Darjeeling Tea Rates up 43% as Demand Rises



3,500 per kg
Current price of Darjeeling tea
Darjeeling tea is produced in 87 tea estates in West Bengal
The estates produce about 8-8.5 m kg of teas annually

Sutanuka.Ghosal@timesgroup.com
Kolkata: Prices of early harvest, or first flush, Darjeeling tea have jumped nearly 43% on improved quality and strong overseas as well as domestic demand, spreading optimism among the planters that 2019 will be a good year.
Darjeeling tea is selling at ₹3,500 per kg as against ₹1,500 a kg a year ago. First flush teas from lower elevation gardens, though not in big volumes, have started arriving in the market and its quality is much better this year, traders said, adding that a Tea Board directive issued on October 31, 2018 to close gardens by early December seems to have paid off.

"We are expecting a better 2019," Binod Mohan, chairman at Darjeeling Tea Association, told ET. Traders said foreign buyers, especially from Germany and the UK, have entered into forward contracts with planters at higher prices compared with last year, indicating a rising demand for Darjeeling tea abroad.
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year, the estates had produced less than 8 million kg of tea," said Mohan. "The production of Darjeeling tea is not going up. On the contrary, it is shrinking. Therefore, we need to get better prices to survive and meet the higher cost of production."
Mohan said the rising cost of production is a major concern for planters. "If we compare with 2016, there has been a 45% increase in cost of production," he said. Darjeeling tea is produced in 87 tea estates in Bengal. These estates produce 8-8.5 million kg of tea annually. SS Bagaria, a Darjeeling planter, said foreign buyers are offering 5-10% higher prices for first flush tea that will enter the market in March.

Compulsory Hallmarking of Gold Jewellery to Kick in Soon

Jewellery buyers might have reason to cheer with compulsory hallmarking of gold ornaments and artefacts likely to be introduced soon. Currently, hallmarking is voluntary. Ram Vilas Paswan, consumer affairs minister, will discuss the issue with trade stakeholders on Feb 28 in Delhi. The Bureau of Indian Standards has put up a draft quality control order—Hallmarking of Gold Jewellery and Gold Artefacts Order, 2018—on its web site seeking comments from stakeholders. BIS will be the certifying and enforcing authority along with an officer of joint secretary rank from the ministry. Surendra Mehta, secretary, IBJA, one of the invitees, said he hoped the government would give jewellers time to melt and sell gold jewellery of caratage apart from 14, 18 and 22 carats, before hallmarking is made mandatory. Many in the trade believe compulsory hallmarking will kick in from April. —Our Bureau

Dollar Pauses Before Fed Minutes

LONDON The dollar paused on Wednesday as traders positioned ahead of the release of Federal Reserve policy minutes. The dollar, measured against a basket of currencies, held steady at 96.494, away from two-month highs hit last week. Demand for the liquid greenback has ebbed.

MCX FUTURE PRICES

PRODUCT	EXPIRY DATE	OPEN	HIGH	LOW	CLOSE	VALUE (LAKH)	VOLUME (LOTS)	OPEN INT. (LOTS)
ALUMINIUM-1KGS (Lot-1 MT)	28-Feb-19	131.50	131.85	130.90	131.15	8780.31	6682	7788
29-Mar-19	132.90	133.05	132.15	132.30	1286.21	970	4838	
30-Apr-19	133.35	133.35	133.00	133.20	2.66	2	203	
ALUMINIUM-1KGS (Lot-5 MT)	28-Feb-19	131.60	131.85	130.90	131.20	17839.14	2715	4510
29-Mar-19	147.60	148.15	146.65	146.80	1960.58	266	1009	
30-Apr-19	146.00	146.00	145.10	145.90	37.97	26	208	
CARDAMOM-1KGS (Lot-100 KGS)	15-Apr-19	3428.00	3428.00	3405.00	3412.00	1454.40	5.82	4
COPPER-1KGS (Lot-1 MT)	28-Feb-19	453.50	453.90	451.25	452.60	60925.54	13457	12634
29-Mar-19	458.00	458.00	453.25	453.25	2892.84	633	4229	
30-Apr-19	460.25	460.25	460.25	460.25	4.60	1	29	
COPPER-1KGS (Lot-250 KGS)	28-Feb-19	453.50	453.90	451.25	452.65	14396.14	12720	10054
29-Mar-19	458.00	458.00	453.25	453.25	1480.55	1290	4200	
30-Apr-19	459.25	461.15	459.25	460.65	11.52	10	254	
COTTON-BALES (Lot-25 BALS)	28-Feb-19	20120.00	20170.00	20070.00	2010.00	9775.22	1943	6482
29-Mar-19	20370.00	20470.00	20360.00	20430.00	10725.47	2100	7718	
30-Apr-19	20390.00	20740.00	20650.00	20720.00	1443.69	279	1672	
CPO-1KGS (Lot-10 MT)	28-Feb-19	571.80	571.80	565.00	567.50	4475.19	790	2237
29-Mar-19	572.10	573.80	569.50	571.90	569.50	549.50	962	4260
30-Apr-19	573.70	579.00	573.30	577.90	1310.10	28.24	105	353
CRUDEOIL-1BBL (Lot-100 BBL)	18-Apr-19	4059.00	4102.00	4057.00	4059.00	1558.25	382	384
CRUDEOIL-1BBL (Lot-10 BBL)	18-Apr-19	4059.00	4102.00	4057.00	4059.00	1558.25	382	384
CRUDEOIL-1BBL (Lot-10 BBL)	18-Apr-19	4059.00	4102.00	4057.00	4059.00	1558.25	382	384
CRUDEOIL-1BBL (Lot-10 BBL)	18-Apr-19	4059.00	4102.00	4057.00	4059.00	1558.25	382	384
COAL-10GRMS (Lot-1 KGS)	05-Mar-19	3394.00	3403.10	3386.20	3391.10	202836.90	5981	16741
28-Feb-19	3412.00	3412.00	3404.00	3412.00	1074.85	315	6491	
GOLD-10GRMS (Lot-8 GRMS)	28-Feb-19	27169.00	27169.00	27010.00	27082.00	70.41	260	708
29-Mar-19	27169.00	27169.00	27010.00	27082.00	70.41	260	708	
30-Apr-19	27169.00	27169.00	27010.00	27082.00	70.41	260	708	
GOLD-10GRMS (Lot-10 GRMS)	05-Mar-19	3394.00	3403.10	3386.20	3391.10	202836.90	5981	16741
28-Feb-19	3412.00	3412.00	3404.00	3412.00	1074.85	315	6491	
GOLD-PETAL-1KGS (Lot-1 KGS)	05-Mar-19	3394.00	3403.10	3386.20	3391.10	202836.90	5981	16741
28-Feb-19	3412.00	3412.00	3404.00	3412.00	1074.85	315	6491	
30-Apr-19	3412.00	3412.00	3404.00	3412.00	1074.85	315	6491	
LEAD-1KGS (Lot-5 MT)	28-Feb-19	143.90	144.20	143.00	143.85	33750.07	4703	3195
29-Mar-19	145.10	145.10	144.20	144.60	456.04	63	204	
LEADMINI-1KGS (Lot-1 MT)	28-Feb-19	143.90	144.20	143.00	143.85	12473.51	8691	5765
29-Mar-19	145.10	145.10	144.20	144.60	456.04	63	204	