

(This document comprises news clips from various media in which Balmer Lawrie is mentioned, news related to GOI and PSEs, and news from the verticals that we do business in. This will be uploaded on intranet and website every Monday.)

Govt expects economy to contract 7.7% in FY21

India's economy is expected to contract 7.7% in the current financial year, according to the government's first advance estimates, putting pressure on finance minister Nirmala Sitharaman to announce measures in the February 1 budget to help turn things around. Gross domestic product (GDP) had declined 15.7% in the first half of the year, according to estimates released earlier. The full-year estimates suggest the economy will post a small decline, of about Rs 10,000 crore, in GDP in the second half from the year earlier, suggesting a sharp recovery from the first half's pandemic induced deep contraction. "The advance estimates of 2020-21 reflect continued resurgence in economic activity in Q3 and Q4, which would enable the Indian economy to end the year with a contraction of 7.7%," the finance ministry said in a statement. Strong fundamentals will help "sustain a post-lockdown V-shaped recovery," it said.

The Economic Times - 08.01.2021

<https://epaper.timesgroup.com/Olive/ODN/TheEconomicTimes/shared/ShowArticle.aspx?doc=ETKM%2F2021%2F01%2F08&entity=Ar00100&sk=D3B3F453&mode=text>

Economy to sustain V-shaped recovery

India's economy is on course to perform better in the second half of the fiscal buoyed by sustained improvement in high frequency indicators while approval of emergency use of two Covid-19 vaccines will provide tailwinds to a V-shaped recovery, the government has said. "The sustained improvement in high frequency indicators ignite optimism of an improved performance in the second half of the year," the finance ministry said in the monthly economic review of December issued on Tuesday. The impending vaccination against the coronavirus would spur momentum in economic activity globally, it said. Post-vaccination, resumption in economic activity and increased mobility are expected to drive the economic recovery in the aftermath of the pandemic, the government said. So far, two vaccines – Serum Institute of India's Covishield and Bharat Biotech's Covaxin – have

World Bank alert on informal sector

India's economy is estimated to contract 9.6 per cent in the fiscal year 2020-21, reflecting a sharp drop in household spending and private investment, and the growth is expected to recover to 5.4 per cent in 2021, the World Bank said on Tuesday. In its Global Economic Prospects report, the World Bank said that the informal sector, which accounts for four-fifths of employment, has been subject to severe income losses during the Covid-19 pandemic. "In India, the pandemic hit the economy at a time when growth was already decelerating. The output is estimated to contract by 9.6 per cent in Fiscal Year 2020/21, reflecting a sharp drop in household spending and private investment," it said. "In India, growth is expected to recover to 5.4 per cent in 2021, as the rebound from a low base is offset by muted private investment growth given financial sector weaknesses," the bank said. The informal sector, which accounts for four-fifths of employment, has also been subject to severe income losses during the pandemic.

The Telegraph - 06.01.2021

<https://www.telegraphindia.com/business/world-bank-alert-on-informal-sector/cid/1802762>

Indian economy to rebound with 8.9% growth in FY22: Report

The National Statistical Organisation (NSO) on Thursday predicted that the economy will contract 7.7 per cent in the current financial year ending in March, the worst performance in four decades. "The Indian economy suffered a severe recession in 2020," IHS Markit said in a note. "The worst contraction occurred during the period from March until August, with the economy having shown a strong rebound in economic activity since September." The GDP contracted by a record 23.9 per cent in the April-June quarter following a national lockdown to prevent the spread of the coronavirus. The contraction came down to 7.5 per cent in the September quarter. "During the fourth quarter of 2020, India's industrial production and consumption expenditure have shown a rebound. "October data showed that industrial

been approved for emergency use while various other vaccines have successfully hit trial status in India.

The Economic Times - 06.01.2021

<https://epaper.timesgroup.com/Olive/ODN/TheEconomicTimes/shared/ShowArticle.aspx?doc=ETKM%2F2021%2F01%2F06&entity=Ar00707&sk=B4D9379B&mode=text>

India's fiscal deficit likely to be over 7% in FY21: Report

India's fiscal deficit for year ending in March is likely to be over 7% of gross domestic product, three sources told Reuters, as revenue collections suffered from a lockdown and restrictions to rein in the spread of COVID-19. India's government had projected a fiscal deficit of 3.5% of GDP for the current year last February. It estimated government borrowing of 7.8 trillion rupees, later revised to 12 trillion rupees, to provide relief to millions of people and businesses hurt by the pandemic. A fiscal deficit of more than 7% would be higher than some private economists have projected. Many of them forecast an uptick in tax collections in the second half of the fiscal year. But government sources say the uptick won't be enough to compensate for earlier losses. "The fiscal deficit will be bigger than what is estimated by some ... Our revenue collections suffered due to the complete lockdown in the first three months and that is hard to recover," said a source with direct knowledge of budget discussions. "What we're looking at is a 7% plus."

Mint - 08.01.2021

<https://www.livemint.com/budget/news/indias-fiscal-deficit-likely-to-be-over-7-in-fy21-report-11610016655212.html>

Factory activity rises in Dec while jobs decline

The health of the India's manufacturing sector continued to strengthen at the end of 2020 with manufacturers stepping up production in December even though employment decreased and the degree of optimism weakened, a private survey. The IHS Markit India Manufacturing Purchasing Managers' Index was at 56.4 in December, a tick higher than November's reading of 56.3 and above the critical 50 threshold, that differentiates expansion from contraction, for the fifth straight month. "The latest figure was consistent with a marked improvement in business conditions across the sector," IHS Markit said in its monthly update on the country's factory sector. One area that failed to improve was employment,

production grew by 3.6 per cent year-on-year compared with a steep contraction of -55.5 per cent in April 2020," IHS said.

The Hindustan Times - 09.01.2021

https://www.hindustantimes.com/business-news/indian-economy-to-rebound-with-8-9-growth-in-fy22-report/story-bOSB70gzQ8whi8oNaDtaMI_amp.html

Push reforms, boost investor confidence: Economists to PM

The Centre should accelerate the pace of stake sales in state-run companies, unveil a fresh fiscal roadmap, recapitalise banks, reduce import duty, leading economists told PM Narendra Modi, while backing the government's structural reforms, including those related to the farm sector. The PM's meeting with economists comes ahead of the February 1 Union budget. Union finance minister Nirmala Sitharaman, Niti Aayog vice chairman Rajeev Kumar, CEO Amitabh Kant and other top officials from the PMO and finance ministry were present in the meeting, held over video-conference. Sources said there was a suggestion to undertake reforms and have a roadmap to make the country a \$10-trillion economy in 10 years. A participant suggested that the government should remain firm on farm reforms, while another suggested that it should not challenge tax arbitration awards, like the one on Vodafone. "All those present agreed that high frequency indicators are showing signs of a strong economic recovery, and that too earlier than expected.

The Economic Times - 09.01.2021

<https://epaper.timesgroup.com/olive/ODN/TimesOfIndia/shared/ShowArticle.aspx?doc=TOIKM%2F2021%2F01%2F09&entity=Ar01707&sk=C687C745&mode=text>

Services activity slows to 3-month low in December

India's services activity slowed to a three-month low in December and staff hiring came to a halt on liquidity concerns, labour shortages and subdued demand as business optimism faded, a private survey showed on Wednesday. The IHS Markit India Services Business Activity Index dropped to 52.3 in December from 53.7 in November. A reading above 50 indicates expansion while below that signals contraction. Global Covid-19 restrictions, particularly travel bans restricted international demand for Indian services at the end of 2020. New export business decreased sharply, but at the slowest pace since March, according to the survey. December saw the ninth round of job shedding

with jobs shed once again at the end of 2020, it said. As per the survey, which was conducted between December 4-17, factory orders rose last month, reflecting the loosening of Covid-19 restrictions, strengthening demand and improved market conditions. "The latest PMI results for the Indian manufacturing sector continued to point to an economy on the mend, as a supportive demand environment and firms' efforts to rebuild safety stocks underpinned another sharp rise in production," said Pollyanna De Lima, economics associate director at IHS Markit.

The Economic Times - 05.01.2021

<https://epaper.timesgroup.com/Olive/ODN/TheEconomicTimes/shared/ShowArticle.aspx?doc=ETKM%2F2021%2F01%2F05&entity=Ar00712&sk=350F3580&mode=text>

Indian exports show signs of revival, up 16.2% to \$6.2 bn in Jan first week

The country's exports grew 16.22 per cent year-on-year to USD 6.21 billion in the first week of January, mainly driven by healthy growth in pharmaceuticals, and engineering sectors, reflecting signs of revival, an official said on Sunday. The exports during the first week of January last year were at USD 5.34 billion. Imports during January 1-7 this year too increased by 1.07 per cent to USD 8.7 billion as against USD 8.6 billion in the same period of 2020, the official said. Imports, excluding petroleum, increased by 6.56 per cent during the week, the official added. Exports of pharmaceuticals, petroleum and engineering grew 14.4 per cent (USD 61.62 million), 17.28 per cent (USD 114.72 million), and 51.82 per cent (USD 636.77 million), respectively. The rate of contraction in the outbound shipments was 8.74 per cent in November 2020. The country's exports had shrunk marginally by 0.8 per cent in December 2020. The improvement was mainly due to the increase in shipments of certain sectors such as gems and jewellery, engineering and chemicals.

Business Standard - 10.01.2021

https://www.business-standard.com/article/economy-policy/indian-exports-show-signs-of-revival-up-16-2-to-6-2-bn-in-jan-first-week-121011000466_1.html

Modi govt likely to set ambitious disinvestment target

The Modi government is likely to set an ambitious disinvestment target in Budget 2021-22 even as it looks set to miss the target for the current fiscal by a huge margin. The disinvestment plans of the current fiscal were hit by the Covid-19 pandemic,

in 10 months. "Although the news that the service sector remained in expansion mode during December is welcome, the fact that growth lost momentum yet again shouldn't be disregarded," said Pollyanna De Lima, economics associate director at IHS Markit. The slowdown is particularly notable given the size of the sector and the fact that the recovery only began in October.

The Economic Times - 07.01.2021

<https://epaper.timesgroup.com/Olive/ODN/TheEconomicTimes/shared/ShowArticle.aspx?doc=ETKM%2F2021%2F01%2F07&entity=Ar00703&sk=0D21980B&mode=text>

Q3 preview: India Inc to see a smart rebound

Driven by festive fervour, pent-up demand, sharp cost cuts and regulatory breaks, corporate earnings for the three months to December 2020 are expected to rebound smartly. With very little of the country now under a lockdown and business activity picking up nicely, companies, across the board, should report good revenue growth, better than in Q1 and Q2FY21. Sectors such as capital goods are expected to have seen a rebound in order inflows and also execution. High frequency data suggest a somewhat uneven recovery with volumes falling in one month and rising in the next. However, certain products, two-wheelers for instance, may not have fared well in the home market but have done well in the export market. Again, while domestic demand for steel remained weaker than in the October-December 2019 period, steelmakers would have benefited from a rise in prices and should report healthy margins. Retailers, too, should have done well, cashing in on the festive demand as also the wedding season with the store hours having been lengthened. In general, retailers have reported a gradual recovery in footfalls.

The Financial Express - 11.01.2020

<https://www.financialexpress.com/industry/q3-preview-india-inc-to-see-a-smart-rebound/2168362/>

India's December retail inflation likely fell to within RBI target

India's retail inflation likely fell sharply in December, landing within the Reserve Bank of India's target range, due to a significant drop in vegetable and food prices, a Reuters poll predicted. The Jan. 5-7 poll of around 45

but that would not deter the government on its reform agenda, finance ministry officials said. They said the finer details of the exercise were being discussed and the target would be a realistic one given the state of the economy. Finance minister Nirmala Sitharaman in May had said the Centre would come up with a new public sector policy and open up all the sectors to private companies. In the new policy, the government will have a list of strategic sector companies, where at least one and a maximum of four central public sector enterprises will be allowed to operate, meaning the others will be privatised. In the other sectors, all PSUs will be privatised. Analysts said at present about 57 PSU listed companies excluding those in the banking and financial sector have an average equity holding by the government of about 71 per cent. Their average market capitalisation is more than Rs 10 lakh crores.

The Telegraph - 11.01.2021

<https://www.telegraphindia.com/business/union-budget-2021-22-selloff-zeal-stays-amid-poor-mop-up/cid/1803284>

2021 oil prices seen hovering around \$45 per barrel in 2021: Moody's Investors Service

Oil and natural gas prices will on average remain within the medium-term price ranges in 2021 -- Brent at \$45 per barrel and Henry Hub gas prices around \$2 per mmbtu -- as markets continue to rebalance amid an uneven global economic recovery, according to Moody's Investors Service. "Sharply diverging growth trajectories between Asia and the US and Europe, and across different industries, will extend an uneven recovery in demand by geography and by fuel type, and will keep oil and gas prices volatile," Moody's said in a report today. It added that Asian economies, including China and India, are leading the rebound in industrial and transportation demand for oil and should keep the oil market on the rebalancing path, even if a return of coronavirus lockdowns leads to zigzagging US and European demand. The report said relief measures by governments to soften the economic impact of the pandemic led to higher fiscal costs and debt burdens in 2020 and for 2021, higher payments to their sponsors would add to the National Oil Companies' stress at a time of elevated capital spending to help speed up post-pandemic recoveries.

The Economic Times - 06.02.2021

<https://energy.economicstimes.indiatimes.com/news/oil-and-gas/2021-oil-prices-seen-hovering-around-45-per-barrel-in-2021-moodys-investors-service/80117664>

economists suggested retail inflation fell to 5.28% in December from 6.93% in November. "Food inflation - particularly vegetable prices - are beginning to correct since supply lines are being restored in food aided by good monsoons," said Prithviraj Srinivas, chief economist at Axis Capital in Mumbai. Inflation had been above the central bank's target range of 2%-6% for the eight months since April, a streak not seen since August 2014. If it matches the poll forecast, December would be the lowest inflation print since November 2019, giving some relief to the RBI, which has been caught between boosting economic growth and curbing high inflation.

The Economic Times - 09.01.2021

<https://economicstimes.indiatimes.com/news/economy/indicators/indias-december-retail-inflation-likely-fell-to-within-rbi-target/articleshow/80164951.cms>

Oil & Gas sector to post robust volume growth in FY22; Expect more tax incentives in budget

The Covid-19 pandemic and subsequent lockdowns coupled with economic slowdown had severely impacted the demand for petroleum oil products which are now on a firm recovery path. The demand for these products is expected to register robust growth of 8-10% over FY2021 levels. The demand for Aviation Turbine Fuel (ATF) will however, remain a key laggard in view of flight operations and air travel restrictions. Its demand is expected to remain significantly below pre-Covid levels in FY2022. Better days ahead are also expected for refineries and their capacity utilisations will be healthy, though gross refining margins will remain subdued owing to global supply overhang amid demand recovering from the pandemic. As for the demand for natural gas, the same is expected to expand by ~10% in FY2022 driven by commencement of operations by several fertilizer plants, increase in city gas distribution (CGD) operations as several GAs complete their initial infrastructure building phase and new customers getting connected to the gas grid post the expansion in the trunk pipeline network.

The Economic Times - 08.01.2021

<https://energy.economicstimes.indiatimes.com/news/oil-and-gas/opinion-oil-gas-sector-to-post-robust-volume-growth-in-fy22-expect-more-tax-incentives-in-budget/80149284>

69% people want reduction in excise duty on petrol and diesel: Survey

A survey has said that 69 per cent respondents want the government to cut excise duty on petrol and diesel to bring down the fuel prices that have touched record highs. As central excise is one of the two major components of the prices of fuel, moderation in the duty will provide succour to people who are facing the heat of economic slowdown and income disruption due to the COVID-19 pandemic, according to the survey conducted by Local Circles, a community social media platform. "The aggregate percentage of responses from 69 per cent citizens want the government to reduce excise duty on petrol and diesel. Of which, the majority of citizens want the prices to be reduced by 20 per cent or by Rs 6 or more for both petrol and diesel," it said. If done, it will reduce the price of petrol to Rs 78 per litre and diesel to Rs 68 per litre in Delhi and similarly across India where the impact to the citizens is even higher, it said, adding, Delhi has one of the lowest prices of diesel and petrol in the country.

The Economic Times - 08.01.2021

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/69-people-want-reduction-in-excise-duty-on-petrol-and-diesel-survey/80153878>

Early inclusion of natural gas into GST fold likely

With states coming on board over GST compensation issue, the Centre is gearing up to get their consent over inclusion of petroleum products under the new indirect tax fold. Sources privy to the development said that based on Petroleum Ministry's suggestion, the Centre may take up with GST Council the issue of bringing natural gas under the Goods and Services Tax (GST) regime to begin with before entire oil and gas sector is brought under it. Though the dates for next GST Council meeting is yet to be finalised, finmin sources said its due and may take place any time after the budget presentation. With revenue position already strained due to Covid-19 outbreak, states have been reluctant to consider bringing high revenue generating petroleum products under GST fold. But the dual tax treatment is affecting the sector and hampering government's plan to develop a gas-based economy in the country. Sources said that with this in mind, a phased approach to inclusion of petroleum products under GST may be adopted with natural gas falling first in the queue.

The Economic Times - 06.01.2021

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/early-inclusion-of-natural-gas-into-gst-fold-likely/80131162>

Share of natural gas in energy basket will be more than doubled: PM Modi

Enunciating his energy roadmap, Prime Minister Narendra Modi on Tuesday said the share of natural gas in India's energy basket will be more than doubled, energy sources diversified and the nation will be connected with one gas pipeline grid to help bring affordable fuel to people and industry. Inaugurating a 450-km natural gas pipeline between Kochi in Kerala to Mangaluru in Karnataka, he said India under his government is seeing unprecedented work on highways, railway, metro, air, water, digital and gas connectivity which will aid economic development. The government has an "integrated approach to energy planning. Our energy agenda is all-inclusive," he said. While on the one hand, the natural gas pipeline network is being doubled to about 32,000 km in 5-6 years, on the other, work on the world's biggest hybrid renewable plant combining wind and solar power has started in Gujarat. Also, the emphasis is being laid on manufacturing biofuels as well as electric mobility, he said.

The Economic Times - 06.01.2021

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/share-of-natural-gas-in-energy-basket-will-be-more-than-doubled-pm-modi/80125552>

India's fuel demand at 11-month high in December amid economic recovery

India's fuel demand rose for the fourth straight month in December as the resumption of economic activity took consumption to 11-month high, but it was about 2 per cent lower than pre-COVID levels. The total demand for petroleum products in December 2020 fell to 18.59 million tonnes from 18.94 million tonnes a year back, according to provisional data published by the oil ministry's Petroleum Planning and Analysis Cell. Fuel consumption, however, posted a month-on-month increase for the fourth straight month, helped by reviving transportation and business activity. India had consumed 17.86 million tonnes in November. The consumption in December was the highest since February 2020. While petrol had reached pre-COVID levels in September, diesel consumption returned to normal in October. However, its demand fell again in November and now in December. Diesel demand, which had soared 7.4 per cent year-on-year in October, dropped 6.9 per cent in November and by 2.7 per cent in December to 7.18 million tonnes.

Business Standard - 10.01.2021

<https://www.business-standard.com/article/economy-policy/india-s->

Centre mulls excise duty cut to ease oil ache

The oil ministry on Thursday indicated that the government could consider a cut in duties to provide some relief to motorists if global crude prices continue to spike. Petrol prices in Delhi scaled an all-time high of Rs 84.20 per litre on Thursday while diesel in Mumbai touched a record high of Rs 81.07. Data showed that a motorist in Calcutta would have to pay Rs 85.68 for a litre of petrol and Rs 77.97 for a litre of diesel. The price of petrol rose 24 paise per litre and diesel by 27 paise a litre in Calcutta in a day, according to a price notification from oil marketing companies. Oil ministry sources said they have suggested that an excise duty cut can be considered. However, the finance ministry would have to take a call given its fiscal and inflationary impact. Petrol had last touched Rs 84 in Delhi on October 4, 2018. On that day, diesel too had scaled an all-time high of Rs 75.45 a litre. The government had then responded by cutting excise duty on petrol and diesel by Rs 1.50 per litre in a bid to ease inflationary pressure and boost consumer confidence.

The Telegraph - 08.01.2021

<https://www.telegraphindia.com/business/centre-mulls-excise-duty-cut-to-ease-oil-ache/cid/1802988>

OMCs may see earnings erode in Q3FY21

After having a good run in most parts of the Covid-19 affected year, oil marketing companies may see an squeeze in their earnings in the October-December quarter of 2020-21 financial year. OMC have had a good run in the first half of FY21 with higher inventory gains, fortunes may turn against the companies as lower oil prices in October and November months would result in inventory losses for companies such as IndianOil, Bharat Petroleum, Hindustan Petroleum. This even though, the companies continued to maintain good levels of marketing margin on dale of petrol and diesel. "We estimate OMCs' earnings to be lower qoq due to a fall in refining inventory gains. Upstream would suffer due to a decline in gas prices. GAIL would benefit from higher LPG-petchem prices and improved LNG trading. GSPL would be affected by RIL's volume cut," an analysis done by Emkay Global Financial Services said. The average Brent price rose 4 per cent qoq to \$ 44.6/bbl in Q3 though closing higher at \$ 51.2/bbl. The higher prices prevailed only on the month of December.

Strong recovery in oil and gas volumes likely in 2021-22: ICRA

The domestic demand for petroleum products is expected to increase at a healthy rate of 8 to 10 per cent in FY22 on a year-on-year basis, ratings agency ICRA said in a report. Accordingly, the report said a growth in economy and pick-up in industrial activity. The report explained that growth in Motor Spirit (MS) consumption is expected due to preference for personal mobility while higher off-take of High Speed Diesel (HSD) and industrial fuel would likely be driven by a pick-up in economic activity. As per the report, Aviation Turbine Fuel (ATF) demand is expected to lag due to the discretionary nature and the perceived risk of air travel. According to Prashant Vasisht, Vice President and Co-Head, Corporate Ratings, ICRA, "Though, refinery capacity utilisation levels are recovering and were 89 per cent in October 2020, refining margins remained weak due to the global supply overhang." Besides, Vasisht cited that gross under-recoveries are expected to be moderate at Rs 15 billion in FY2022.

The Economic Times - 11.01.2021

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/strong-recovery-in-oil-and-gas-volumes-likely-in-2021-22-icra/80194473>

India in no hurry to seek US nod for oil supplies from Iran, Venezuela

India may not push for resumption of oil supplies from sanction-hit Iran and Venezuela once the Joe Biden administration take charge in the US but would rather wait for it to clear its stand on the issue before making a case for exemptions. Sources privy to the development said that with oil market globally turning into a buyer's market amid oversupplies and Covid-19 related demand destruction, India sees no point in immediately seeking exemption from sanctions but would rather wait for an opportune time to make its case. As a big importer of oil, India wants to have a diversified market for crude and in this if traditional market like Iran and Venezuela is revived, it would only be for good. But the Covid-19 related disruptions have affected oil demand globally and producers are saddled with inventories that they are willing to liquidate at attractive pricing. This has converted oil from sellers' to a buyers' markets giving ample ammunition to oil

Sarkaritel.com - 11.01.2021

<https://www.sarkaritel.com/omcs-may-see-earnings-erode-in-q3-fy21/>

India now looks to build strategic gas reserve

After oil, India may now build strategic reserve of natural gas to further strengthen the country's energy security and shield itself from supply disruptions and frequent price fluctuations coming from perennial political risks in the prime energy supplying countries in the Middle East and Africa. The reserve will also help the country cope with demand spike and price rise in the event of border skirmishes and war like situations that played out recently with China. Sources privy to the development said a conducive global energy market where oil and gas prices are stable had given fresh push for building strategic gas reserves in the country. An announcement in this regard may be made as early as in the Budget 2021-22. The country had already taken advantage of low oil prices in the first quarter of FY21 (April-June) to fill its existing strategic oil reserve, making big savings. And the government now feels that it's time for similar infrastructure for gas. Spot LNG prices are currently at around \$6 per mmBtu (million British thermal unit), though a little higher than early last year, still attractively priced to push the initiative on strategic reserve.

The Economic Times - 11.01.2021

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/india-now-looks-to-build-strategic-gas-reserve/80206401>

Goldman says Saudi's extra oil output cuts signal demand risks

Saudi Arabia's pledge to cut its oil output by more than required under its pact with other OPEC+ producers points to weakening oil demand following new COVID-19 lockdowns and sets the stage for a tighter market in the second quarter, Goldman Sachs said in a note released on Tuesday. "Saudi's action and the prospect for a tight market in 2Q21, as the rebound in demand stresses the ability to restart production, will likely support prices in coming weeks, leading us to reiterate our bullish oil view," the analysts wrote. Benchmark Brent oil prices on Wednesday hit their highest level since February after Saudi Arabia, the world's biggest oil exporter, said it would cut by an additional, voluntary 1 million barrels per

importers to get requisite quantities on time at very attractive pricing.

The Economic Times - 06.01.2021

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/india-in-no-hurry-to-seek-us-nod-for-oil-supplies-from-iran-venezuela/80126452>

Oil and gas deal-making peaks in Q4 as pandemic spurs consolidation

Deal making among oil and gas producers was at its highest for the year in the fourth quarter of 2020 as the pandemic-driven fallout in commodity prices spurred a wave of consolidation between explorers looking to scale up and drive down costs, a report from analytics firm Enverus said. Oil and gas producers made deals worth \$27.1 billion in the quarter, up from \$21 billion in the third, helped by three multi-billion dollar acquisitions in the prolific Permian basin of West Texas and New Mexico. ConocoPhillips acquired Concho Resources for \$13.3 billion, the biggest pure shale acquisition by any company since 2011, topping the list. It was followed by Pioneer Natural Resources' deal to buy Parsley Energy for \$7.6 billion. Diamondback Energy also took over publicly-traded QEP Resources and private equity-backed Guidon Operating for just over \$3 billion. Data from Enverus also showed deal flow, or the number of deals announced, was only 140 in 2020. It was the lowest since at least 2006, as a number of buyers focused on preserving cash to pay down debt or returning capital to shareholders.

The Economic Times - 08.01.2021

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/oil-and-gas-deal-making-peaks-in-q4-as-pandemic-spurs-consolidation/80144669>

Steel prices continue northward movement, hit all-time high

The northward movement of the steel prices remains unabated, with the rate touching an all-time high of Rs 58,000 per tonne (ex-Mumbai) for benchmark hot-rolled coil (HRC) product. This is amid constrained supply and pick-up in demand from construction, automotive and white goods sectors. "Domestic HRC prices rose by a further Rs 2,750/tonne compared to previous week as major producers calibrated their notified prices with wholesale ones. As a result, steel dealers also increased prices to preserve their margins," brokerage firm Edelweiss said in a report on January 6. According to SteelMint, as on January 1, 2021, the price of 2.5-8 mm HRC in the Mumbai

day (bpd) in February and March. Two OPEC+ members - Russia and Kazakhstan - will bump up their output by a combined 75,000 bpd while other producers will hold production steady. Producers are wary of the impact of new lockdowns on oil demand. China on Wednesday introduced more restrictions near Beijing following tougher measures announced by Germany and Britain.

The Economic Times - 06.01.2021

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/goldman-says-saudis-extra-oil-output-cuts-signal-demand-risks/80131132>

World Bank sees city as logistics hub

The World Bank feels Calcutta has potential to become a major transport and logistic hub linked to the north eastern region and neighbouring countries if it can develop an integrated system with corporations running the show. The Eastern Dedicated Freight Corridor (EDFC), the exclusive rail network to move freight, will end in Dankuni near Calcutta and an intermodal system that connects the corridor with rail, road and waterways can transform the city, it added. Earlier this week, the bank signed a tripartite agreement to extend \$105 million of soft loan to develop inland waterways in and around greater Calcutta on the river Hooghly. However, this is just a beginning, says Junaid Ahmed, country-director of the World Bank in India. Speaking at an e-seminar organised by the Bengal Chamber of Commerce & Industry, Ahmed said: "We are beginning a programme and hopefully there will be several stages to it in the future. We will partner with the state government to convert Calcutta into a transport and logistic hub of the sub-region linking the Northeast."

The Telegraph - 09.01.2021

<https://www.telegraphindia.com/business/world-bank-sees-kolkata-as-logistics-hub/cid/1803084>

Sanjay Khanna takes over as BPCL-Kochi Refinery head

Sanjay Khanna has taken over as the head of BPCL Kochi Refinery. As Executive Director, Kochi Refinery, Bharat Petroleum Corporation Limited, he would lead the largest public sector Refinery in the country. Prior to taking the present position, he was heading BPCL Mumbai Refinery. He is a chemical engineering graduate from National Institute of Technology, Tiruchirapalli and Post graduate in finance management from Mumbai University. He joined Mumbai refinery of BPCL as a graduate engineer trainee in 1991 where he got extensive experience in Operation and Technical Services departments.

The Hindu Business Line - 09.01.2021

<https://www.thehindubusinessline.com/news/sanjay-khanna-takes-over-as-bpcl-kochi-refinery-head/article33535440.ece>

wholesale market was Rs 55,250 a tonne; the price hike effected from January 5 took the wholesale price to Rs 58,000 a tonne. Rating agency Icria's Jayanta Roy said HRC prices were never higher in the domestic market. "It is unprecedented," he said. On January 1, 2020, the price for same grade of HRC in the Mumbai wholesale market was Rs 37,500 per tonne. The current price is higher by 55%.

The Financial Express - 08.01.2021

<https://www.financialexpress.com/industry/steel-prices-continue-northward-movement-hit-all-time-high/2166635/>

Cargo traffic at 12 major ports falls for 9th month in December; down 9% in April-December

Impacted by COVID-19 pandemic, India's top 12 ports witnessed a considerable decline in cargo traffic for the ninth straight month in December to 478 million tonnes (MT), according to ports apex body IPA. Cargo traffic at 12 major ports that are under the control of the Centre dropped by 8.80 per cent to 477.75 million tonnes (MT) during April-December this fiscal compared to 523.84 MT in the same period last financial year. Ports, Shipping and Waterways Minister Mansukh Mandaviya had recently said the cargo traffic at 12 major ports declined considerably March onwards due to the adverse impact of COVID-19 pandemic. All ports barring Mormugao -- which recorded a 23.28 per cent increase in cargo handling to 14.53 MT -- saw negative growth. Cargo handling at Kamrajar Port (Ennore) nosedived 26.60 per cent during April-December to 17.19 MT, while ports like Mumbai, Chennai and Cochin saw their cargo volumes dropping by over 14 per cent during the said period.

The Economic Times - 11.01.2021

<https://energy.economictimes.indiatimes.com/news/coal/cargo-traffic-at-12-major-ports-falls-for-9th-month-in-december-down-9-in-april-december/80206886>