

Malaysia Smelting Corporation Bhd

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Riding on higher tin prices

- Involved in the upstream and downstream sector of the tin industry through tin mining and custom tin smelting and was ranked as the third world largest supplier of tin metal supplier in 2020, having produced 22,325 tonnes of tin metal.
- In the midst of relocating and fully commissioning its new smelting plant in Pulau Indah, Selangor, which will improve production capacity by 50% to 60,000 tonnes per year.
- Prevailing low inventories and tightness in the global tin supply chain arising from shipping constraints may continue to sustain tin prices at record high levels. Technically, price has formed a flag-formation breakout above RM2.33, targeting the resistances at RM2.49-2.65 with long term target set at RM2.86.

MSC daily: Flag-formation breakout



M+ Wiz

Trading Catalyst

- Malaysia Smelting Corporation Bhd (MSC) is regarded as one of the world's leading integrated producers of tin metal and tin-based products, involved in the upstream and downstream sector of the tin industry through tin mining and custom tin smelting. In 2020, MSC produced 22,325 tonnes of tin metal; making it the third largest supplier of tin metal in the world.
- Moving forward, MSC is in the midst of relocating and fully commissioning its new smelting plant in Pulau Indah, Selangor, from Butterworth, Penang. Upon completion targeting by end-2021 or early-2022, the new plant will be able to produce 60,000 tonnes per year; 50% higher than the current plant.
- We believe that the prevailing low inventories and tightness in the global tin supply chain arising from shipping constraints may continue to sustain tin prices at record high levels. Meanwhile, demand is expected to remain firm, premised to the

MALAYSIA SMELTING CORPORATION BHD

Last Price (RM)	2.39
5 Day Change (%)	0.4
1 Day Range Percentile (%)	100.0
5 Day Range Percentile (%)	90.0
52Week Range Percentile (%)	76.1
Volatility 30D	48.6
EMA9, EMA20, EMA60 Trend	Uptrend
Price vs. EMA20 (%)	4.9
DMI DI+	30.5
DMI DI-	17.5
ADX	33.9
Price Skew	DOWN
RSI 14D	65.7
RSI OB/OS	Positive
Price vs. Bollinger Band (%)	79.4

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Financial snapshot

FYE Dec	FY21	FY22f	FY23f
Revenue (RM m)	813.4	1304.0	1208.0
Net profit (RM m)	15.2	58.4	71.9
Shares (m)	420.0	420.0	420.0
EPS (sen)	3.6	13.9	17.1
DPS (sen)	1.0	3.5	4.3
P/E (x)	66.2	17.2	14.0
DY (%)	0.4	1.5	1.8

Bloomberg

increasing usage of tin solder for the semiconductor market and electronics due to the rising demand for consumer electronics, such as smartphones, home appliances, and computing devices.

Technical Outlook

- Technically, price has rebounded since June 2021. The recovery has led to the re-establishment of the uptrend formation with price demonstrating the higher-high and higher-low formation. Coming closer, price has formed a flag-formation breakout above RM2.33, targeting the resistances at RM2.49-2.65 with long term target set at RM2.86. Support is pegged at RM2.21 and cut loss is located at RM2.20.

Glossary

Last Price (RM)	Last closing price
5 Day Change (%)	Percent change in price over the last five days. The formula is: [(Last Trade - Closing Price Five Days Ago) / Closing Price Five Days Ago] x 100.
1 Day Range Percentile (%)	Calculates the percentile value within the 1-day range
5 Day Range Percentile (%)	Calculates the percentile value within the 5-day range
52 Week Range Percentile (%)	Calculates the percentile value within the 52-week range
Volatility 30D	A measure of the risk of price moves for a security calculated from the standard deviation of day-to-day logarithmic historical price changes. The 30-day price volatility equals the annualised standard deviation of the relative price change for the 30 most recent trading days closing price, expressed as a percentage. If EMA9 is greater than EMA20 and EMA20 is greater than EMA60 it will be stated as Uptrend. If the EMA9 is lesser than EMA20 and the EMA20 is lesser than EMA60, it will be stated as Downtrend, otherwise Consolidation.
EMA9, EMA20, EMA60 Trend	Position of the price away from the EMA20 level
Price vs. EMA20 (%)	Positive directional movement.
DMI DI+	Negative directional movement.
DMI DI-	ADX is a moving average of the directional movement index.
ADX	If the average of 20 days closing price is greater than 20 days Median price, it will be stated Up.
Price Skew	If the average of 20 days closing price is lower than 20 days Median price, it will be stated Down.
RSI 14D	RSI measures the momentum of a security to determine whether it is in an overbought or oversold condition.
RSI OB/OS	If RSI 14 days is greater or equal to 70, it will be stated Overbought. If the RSI 14 days is greater or equal to 50, but lower than 70, it will be stated Positive. If the RSI 14 days is greater than 30, but lower than 50, it will be stated Negative. If the RSI 14 days is lower or equal to 30, it will be stated Oversold.
Price vs. Bollinger Band (%)	Position of the price compare to the Bollinger band in percentage