

## Malaysia Smelting Corporation Bhd

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### Riding on recovery in tin prices

- Regarded as one of the world's leading integrated producers of tin metal and tin-based products.
- In the midst of relocating and fully commissioning its new smelting plant in Pulau Indah, Selangor, from Butterworth, Penang by mid-2024 in bid to improve operational efficiency.
- Tin futures recovered above USD25,000/tonne due to expectations of shortages in global tin markets ahead of the upcoming prohibition of tin mining in Myanmar's Wa region and Indonesia's export ban on tin ingots bodes well.
- Technically, traders may anticipate for a potential breakout above RM2.08, to target the resistances at RM2.17-2.33 with long term target set at RM2.50.

#### MSC daily: Monitor for breakout



M+ Wiz

#### MALAYSIA SMELTING CORPORATION BHD

Last Price (RM)	2.05
5 Day Change (%)	0.5
1 Day Range Percentile (%)	1.0
30 Day Range Percentile (%)	1.1
52Week Range Percentile (%)	63.1
Volatility 30D	22.9
EMA9, EMA20, EMA60 Trend	Consolidation
Price vs. EMA20 (%)	1.4
DMI DI+	23.2
DMI DI-	25.5
ADX	10.9
Price Skew	NEUTRAL
RSI 14D	55.9
RSI OB/OS	Positive
Price vs. Bollinger Band (%)	77.8

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### 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 by mid-2024 in bid to improve operational efficiency. The group also is exploring new technologies to enhance mining productivity at its Rahman Hydraulic Tin mine
- We reckon that tin futures which has recovered above USD25,000/tonne due to expectations of shortages in global tin markets could bode well for MSC. The upcoming prohibition of tin mining in Myanmar's Wa region and Indonesia's export ban on tin ingots are set to result in tightening of the market, while demand will be supported by rising adoption of green technologies such as solar panels and electric vehicles.

#### Financial snapshot

FYE Dec	FY22	FY23f	FY24f
Revenue (RM m)	1503.6	1549.0	2036.0
Net profit (RM m)	98.3	110.0	148.0
Shares (m)	420.0	420.0	420.0
EPS (sen)	23.4	26.2	35.2
DPS (sen)	7.0	-	-
P/E (x)	8.8	7.8	5.8
DY (%)	3.4	-	-

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## Technical Outlook

- Technically, price has rebounded and hovered above SMA200 since end-March 2023. With price steadily marching higher, the higher low formation was established. For now, traders may anticipate for a potential breakout above RM2.08, to target the resistances at RM2.17-2.33 with long term target set at RM2.50. Support is pegged at RM1.90 and cut loss is located at RM1.89.

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As of **Thursday, 08 Jun, 2023**, the analyst(s), Kenneth Leong, whose name(s) appears on the front page, who prepared this report, has interest in the following securities covered in this report:

(a) nil.

## 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.
Price vs. Bollinger Band (%)	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.
	Position of the price compare to the Bollinger band in percentage