MALAYSIAN TIN PRODUCTS QUARTERLY 2018 NEWSLETTER

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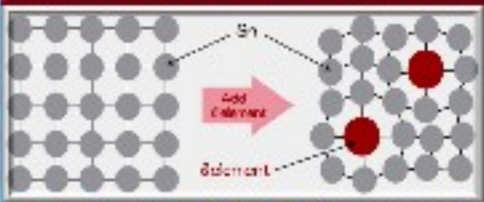

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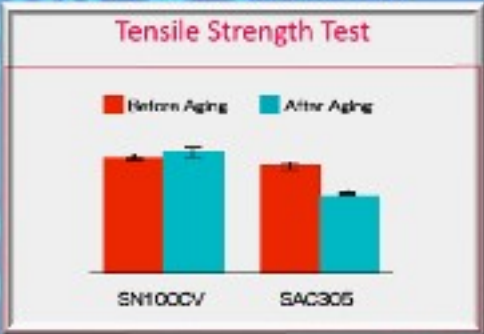

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The Malaysian Tin Products Newsletter

July — September 2018

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Inside this issue:

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President's Note

Dear Members,

Several economic reforms have been undertaken by the newly elected Government since its unexpected victory at the recent 14th General Election. These reforms are crucial to spur and accelerate investments and economic growth as well as being part of a debt management reduction programme of the country's huge debt of some RM1.1 trillion. With the re-introduction of the Sales and Services Tax (SST) to replace the Goods and Services Tax (GST), the new Government is now forced to step-up savings to cover the shortfall from the SST revenue of some RM20 billion.

YAB Tun Dr Mahathir Mohamad, since being appointed the Prime Minister of Malaysia, has been actively making working visits to several countries, namely Indonesia, Japan, Brunei, China, United Kingdom (UK) and the United States (US) to promote investments into Malaysia, and to seek assistance in the country's economic recovery.

The uncertainties brought about by the change in Malaysia's new Government coupled with the trade war between the world's two largest economies, the US and China, had affected Malaysia's economic performance. For the second quarter of 2018, it slowed down to 4.5 per cent from 5.4 per cent recorded in the first quarter of 2018. Accordingly, the 2018 growth forecast has been revised downwards to 5.0 per cent compared to the earlier estimates of between 5.5 to 6.0 per cent. Economic activities in the construction sector declined with the review of several mega projects, such as the Mass Rapid Transit (MRT) 2 and Light Rail Transit (LRT) 3 as well as the uncertainty to either continue or halt the East Coast Railway Line (ECRL) project. Growth in the agriculture sector was affected by lower production due to adverse weather conditions. The mining sector too contracted due to supply disruptions.

The tension in the trade war between the US and China exacerbated with the US placing punitive tariffs on some US$200 billion worth of Chinese imports. China retaliated by putting reciprocal tariffs on US$60 billion of US goods, on top of duties already imposed on each other's imports of some US$50 billion. Several economists believe that this would affect China in the long run, as it's exports to the US account for some 19 per cent of its total exports, whilst the US exports to China represented only 8 per cent of its total. However, some industry players felt that the trade war could benefit Malaysia's economy as China would transit their goods here before exporting to the US to escape the high duty.

Before concluding my brief note for this edition, I wish to urge all Association members to brace themselves for the challenges ahead arising from these global economic uncertainties. May I also take the opportunity to wish all Association members, a 'Happy 61st Malaysia's Independence Day' as well as a 'Happy 55th Malaysia's Day'. Let us all hope and pray for a brighter and prosperous future ahead for Malaysia.

With warmest regards,

Mat Tena'ain Abu Bakar

President

With Best Compliments

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Economic News

Malaysia Economy Slowing Down

Bank Negara has lowered Malaysia's economic growth forecast for 2018 to 5% from its earlier estimate of 5.5%-6%. For those in the loop, the move is largely unsurprising. After all, the country's economy has expanded below the 5.5%-level over the last two consecutive quarters. In fact, Malaysia's gross domestic product (GDP) growth has been decelerating since the third quarter of 2017, when the economy grew by 6.2% year-on-year (y-o-y).

The softer growth, given the fall in government development expenditure in the second quarter and the lacklustre performance of liquefied natural gas (LNG) and crude palm oil, meant that the earlier estimates could not be met. Furthermore, global purchasing manager indices and export volumes have been moderating.

In the second quarter of 2018 (2Q18), GDP growth came in at 4.5%, which was below the Bloomberg consensus of 5.2%. In comparison, GDP growth was 5.8% in the corresponding quarter of 2017 and 5.4% in 1Q18.

"Private sector activity continued to be the primary driver of growth as both private consumption and investment expanded strongly during the quarter. Growth in the mining sector contracted due mainly to unplanned supply outages, while the agriculture sector was affected by production constraints and adverse weather conditions. Nevertheless, major economic sectors, notably the services and manufacturing, remained supportive of growth," says the central bank in a statement.

On the demand side, growth was largely supported by the increase in private consumption (8%), private investment (6.1%) and public consumption (3.1%). However, public investments contracted 9.8% y-o-y, which also marks the third consecutive quarter of decline.

Bank Negara is working on a mid-term strategic plan, to further sustain the country's economic growth moving forward. Governor Datuk Nor Shamsiah Mohd Yunus hints that the plan could include the introduction of new forms of taxes to raise higher revenue for the government. This is mainly to address the shortfall in revenue, following the removal of the goods and services tax (GST).

The central bank's forecast of 5% for the year dismisses any notion of the country slipping into a contraction in the fourth quarter. Despite the moderation in GDP growth, Shamsiah expects the country's growth to be sustained, supported mainly by private sector activity.

Earlier this month, Bank Islam Malaysia chief economist Mohd Afzanizam Abdul Rashid has warned about Malaysia sinking into its first recession in 10 years by end-2018 or next year. Citing the current bond yield curve, Afzanizam believes that the next economic downturn is oncoming and urged the government to cut taxes, aside from easing the monetary policy.

A country is considered to be in a technical recession if the economy recorded two consecutive quarters of negative GDP growth. The negative growth is calculated by looking at the quarter-on-quarter change in GDP. The last time Malaysia registered a technical recession was in the fourth quarter of 2008 (-3.5%) and the first quarter of 2009 (-7.8%), amid the 2008 recession.

Institute for Democracy and Economic Affairs senior fellow Carmelo Ferlito also warned about a potential recession, adding that it would be a property market-driven crisis. Concurring with Shamsiah, Malaysian Institute of Economic Research senior research fellow S. Nambiar does not think Malaysia will slip into a recession. However, he indicated that a slowdown in economic expansion is likely.

"There are some factors that are not conducive for growth. For example, the switch from the GST to the sales and services tax (SST). This might mean some costs for the small and medium enterprises, aside from the fact that the SST might not bring in the kind of revenue that the GST brought in. The cut back in projects and infrastructure investments might also mean a reduction in multiplier effects. Besides, some of the contingent liabilities might crystalise into the government's balance sheets and increase the debt level. All of these are part of the necessary costs of restructuring the economy," Nambiar tells StarBizWeek, adding that Malaysia's economy could grow by 4.8%-5% this year.

AmBank Group chief economist Anthony Dass also believes that a slowdown in economic growth will take place, rather than a contraction leading to a recession. "Looking at 2018 full-year GDP outlook, our projection for Malaysia's GDP is 4.8%-5% while for 2019 is 4.2%-4.4%, on the back of a global growth of 3.7% for 2018 and 3.6% for 2019," he says. Anthony adds that the possibility of a recession will driven more by "external noises as opposed to domestic issues".

The key threat is a full-blown US-China trade war. "A full-blown trade war added with emerging market debt crisis that becomes contagion may hit household and business sentiments. As a result, it may risk sparking household debt crisis and a strong correction to the property prices, forcing the bubble to burst," says Anthony.

In an earlier report by The Star, Alliance Bank Malaysia Bhd chief economist Manokaran Mottain cautioned that the country could fall into a recession within the next two years if the trade war goes full-blown in 2019. In providing support to the slowing economy, Nambiar foresees the government introducing a slew of fiscal measures including new ways to raise tax revenue.

"That said, I believe the government will be careful not to throw the burden of the new revenue-raising measures on the bottom 40% population or those earning less than RM4,360 per month. In reviving the industrial and services sectors, I would also expect the government to switch into a more pro-active mode towards the close of the year or starting next year," he says.

In a note, AllianceDBS Research points out that fiscal reforms such as the removal of GST and the standardisation of minimum wage across the country will likely provide favourable domestic demand conditions that will support private consumption growth towards the end of the year. "However, the boost in private consumption growth is likely to be insufficient to keep GDP growth above the 5% level. The moderation in manufacturing sector's production and possibly a drop within the construction sector due to the cancellation or postponement of mega projects will keep GDP growth subdued," says the research house, which lowered its 2018 GDP forecast to 4.8% y-o-y from 5.6% previously. Moving forward, Anthony expects the country's public investment to be weak due to lower capital spending by public corporations.

Source: The Star, 18 August 2018

Electrical & Electronic Industry News

Opti…Mi…stic on Semiconductor
Mi Equipment Positive on the Sector Despite US-China Trade War

Despite the growing uncertainties in the global economy, especially given the escalating trade war between China and the US, Mi Equipment Holdings Bhd remains optimistic on the prospects of the semiconductor industry. As Mi Equipment group CEO and executive director Oh Kuang Eng sees it, the encouraging outlook of the global semiconductor will continue to be driven by the growing demand for electronics products, which in turn, supports the demand for semiconductors and related equipment.

"The global supply chain structure for the semiconductor industry is very entrenched and cannot be easily changed in the short-term due to capex invested and the lengthy pre-qualification process," Oh explains. "Furthermore, consumer demand for electronic gadgets is inelastic. Consumers will continue to buy gadgets and they can easily switch between brands," he says in an email to StarBizWeek.

On that note, Oh says he does not expect the rising global trade tensions to have any material impact on Mi Equipment in the short term. "The impact (of global trade war) may be felt more immediately by commodities, raw materials or agricultural players who are directly affected by the tariffs," he reckons.

"However, if the policies sustain for the medium term, new investments in the semiconductor industry may be geographically restructured. If that happens, Malaysia may be a beneficiary," he points out. Mi Equipment derives the bulk of its revenue from overseas market. For instance, last year, foreign markets accounted for 83% of its revenue, with about64% of sales coming from Northern Asia.

The Penang-based group is principally involved in the design, development, manufacture and sale of wafer-level-chip-scale-packaging (WLCSP) sorting machines, with inspection and testing capabilities. These machines are used by companies in the semiconductor industry. Besides that, Mi Equipment is also involved in the provision of maintenance services and technical support for WLCSP sorting machines, as well as the sale of related spare parts and components. Mi Equipment is set to unveil its new 10-year roadmap to chart its growth by the end of this year.

Concerning the new roadmap of the company for the next decade from 2019 to 2028, Oh reckons that it is important to put forth a strategy to direct the group towards its long-term goals. "We strongly believe that planning is key to keep our focus and achieve our desired outcome," he explains. At present, Oh is the single-largest shareholder in Mi Equipment, with a 68% stake.

Bullish Stock
Mi Equipment's shares have been on a tear since making its debut on the local bourse on June 20. From an initial offering price (IPO) of RM1.42, the counter has since more than doubled in recent weeks. This easily puts it as one of the best-performing stocks in recent days.

Mi Equipment, which is the first company to be listed on the Main Market of Bursa Malaysia this year, saw its shares close 22 sen down at RM3.10 on Thursday. That offers an upside of about 12.6% to the revised target price of Affin Hwang Capital, the only brokerage that covers Mi Equipment currently. Last week, Affin Hwang Capital raised its 12-month target price for Mi Equipment to RM3.49 from RM2.57 previously, while reaffirming its "buy" recommendation on the counter.

Affin Hwang Capital said the new target price was based on its revised earnings estimates for the company from financial year ending Dec 31, 2018, to 2020, as well as a higher price-earning multiple of 20 times the estimated earnings for 2019, compared with 17 times previously. "We remain positive on Mi Equipment as a proxy to growth in the adoption of wafer level packaging," the brokerage explains in its recent report.

Affin Hwang Capital notes the successful delivery of Mi Equipment's Li- and Si-series of sorting machines in the second quarter of this year represents a significant breakthrough for the company. "We had initially thought that most of Mi Equipment's newer products were primarily at the development stage and built for its customers for demo purposes only," it points out. The brokerage posits that the quicker-than-expected penetration into these new market segments - the fan out wafer level packaging equipment segment (Li-series) and testing equipment segment (Si-series) - represents goods news to Mi Equipment, as it will enable the group to grow its order-book backlog for these new equipment.

In addition, Mi Equipment will be able to make full use of its new Bayan Lepas factory capacity, once it comes on stream in the first quarter of 2019. "This should at the same time quash concerns over under-utilisation at its new plant," it says. Following the earlier-than-expected release of Mi Equipment's Li- and Si-series of sorting machines in the previous quarter, the group is now setting its hope for the commercialisation of its Ai-series machines next by the fourth quarter of this year.

According to Oh, the Ai series is currently undergoing customers' qualification process. "The Ai series, which is bonding machine, will further enhance our positioning in the assembly and packaging equipment segment," he says. "With our new machine series coming into the market, and the bigger capacity in 2019 with our new Bayan Lepas factory targeted to be operational in the early second quarter of next year, we expect to increase our market share in the near future," he adds.

At present, there is no close local competitor for Mi Equipment, as the company is one of the largest WLP players domestically, and possibly one of the largest in the Southeast Asia from a sales volume perspective. On a global front, Mi Equipment's competitors comprise advanced semiconductor equipment makers such as ASM, Muhlbauer and Ueno Seiki. Be that as it may, Mi Equipment boasts four out of five largest outsourced semiconductor assembly and test companies (OSATs) globally as its key customers.

For the first half of 2018, Mi Equipment posted a net profit of RM23.12mil, or 6.21 sen per share, on revenue of RM87.77mil. In its filings with Bursa Malaysia last month, the group noted that the strong US dollar has worked in its favour. Thus far, Mi Equipment has declared a first interim dividend of three sen per share for 2018.

The group has proposed dividend policy of paying out at least 20% of its annual audited profit after tax attributable to the shareholders of the company. Between 2014 and 2017, Mi Equipment's revenue registered a compounded annual growth rate (CAGR) of 32.6% from RM74.3mil to RM173.3mil. The group's net profit, on the other hand, grew at a CAGR of 47.7% from RM18.4mil in 2014 to RM59.3mil last year, with profit margin widening from 24.8% in 2014 to 34.2% in 2017.

Source: The Star, 22 September 2018

Renewed Interest in Perstima

Perstima, the market leader in the Malaysian tinplate market, is seeing renewed investor interest on prospects of an earnings recovery. This is following a margin rebound in its first quarter of financial year 2019 (FY19). The stock, which has been steadily rising since early last month, hit a high of RM5.22 last Thursday. Two days before that, the company announced a three-fold increase in net profit to RM12.14mil for the quarter ended June 30 as compared with the same period last year.

Traders said going by Perstima's recent quarterly results, the company has more pricing power and was able to pass on additional costs to its customers. "Notwithstanding that a challenging environment is still expected, Perstima appears to be staging a recovery. "It also has a large cash reserve, giving it enough room to brace out any potential headwinds and still pay out dividends," said a trader. The company manufactures tinplate for the domestic and export markets, with Vietnam being a key growth area.

Alliance DBS Research, the sole brokerage covering Perstima, has revised upward its earnings estimates for the company by 20%-58% for the coming two financial years. In a report early last week, it said it arrived at this estimate after imputing a higher gross profit margin assumption of 7% for both FY19 and FY20 versus its previous assumption of 4.9% and 6%, respectively. Gross profit margin for first quarter of FY19 was 7.9% as compared to 3.2% in the first quarter of FY18.

According to Alliance DBS Research, the strong recovery in its margin implied that the intense competition arising from China's exports of tinplates to Malaysia is subsiding. This should improve its earnings prospects substantially, given that the Malaysian market still contributed over 60% of the group's revenue, it added. For FY18, revenue contribution from Vietnam stood at 31%.

Perstima, in a note accompanying its quarterly results, said it expected the operating environment to remain challenging and competitive due to a higher presence of imports from overseas and the volatility of the ringgit against US dollar.

In recent years, the company faced rising competition from China's tinplate exports to Malaysia. To expand and defend its dominant market share position, Perstima strived to price its products that are mainly used for consumer-related can products competitively. But this came at the expense of margins.

On a brighter note, its balance sheet has been strong and remained in a net cash position since FY10. Cash as at end-June stood at RM134.95mil, while borrowings were RM30.9mil. Its shares closed last week two sen lower on profit taking to RM5.20, giving it a market cap of RM516mil. With its share price having surpassed Alliance DBS' target price of RM5, it is now over to the company to deliver the anticipated earnings.

Source: The Star, 6 August 2018

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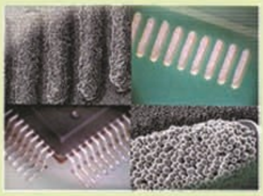

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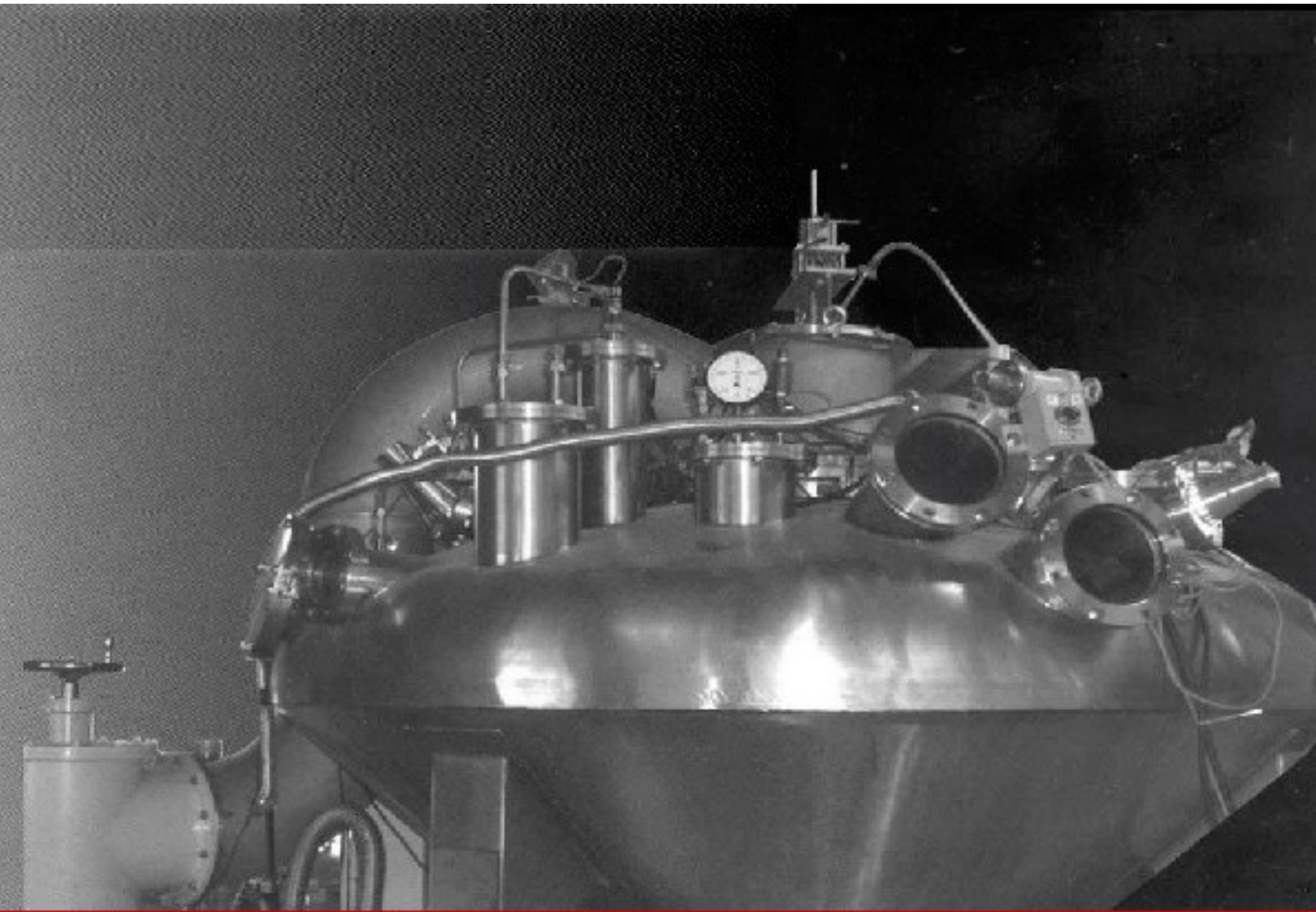

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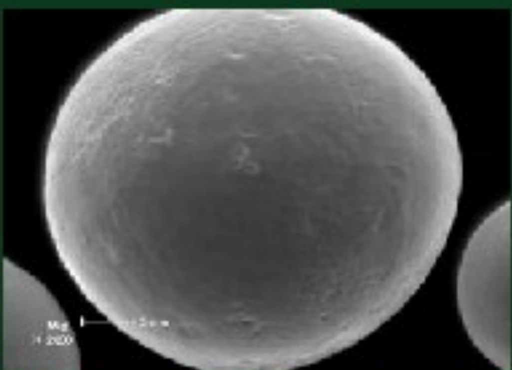
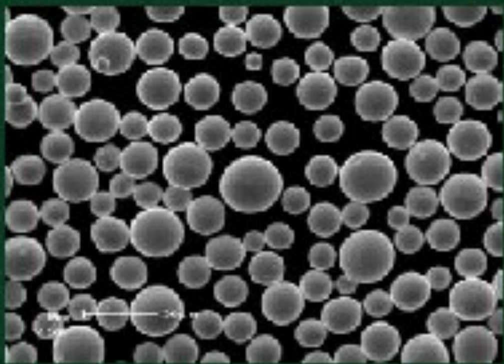
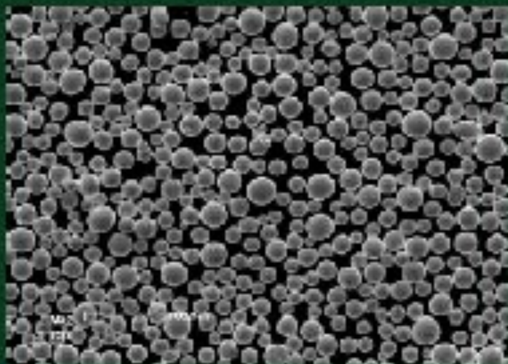

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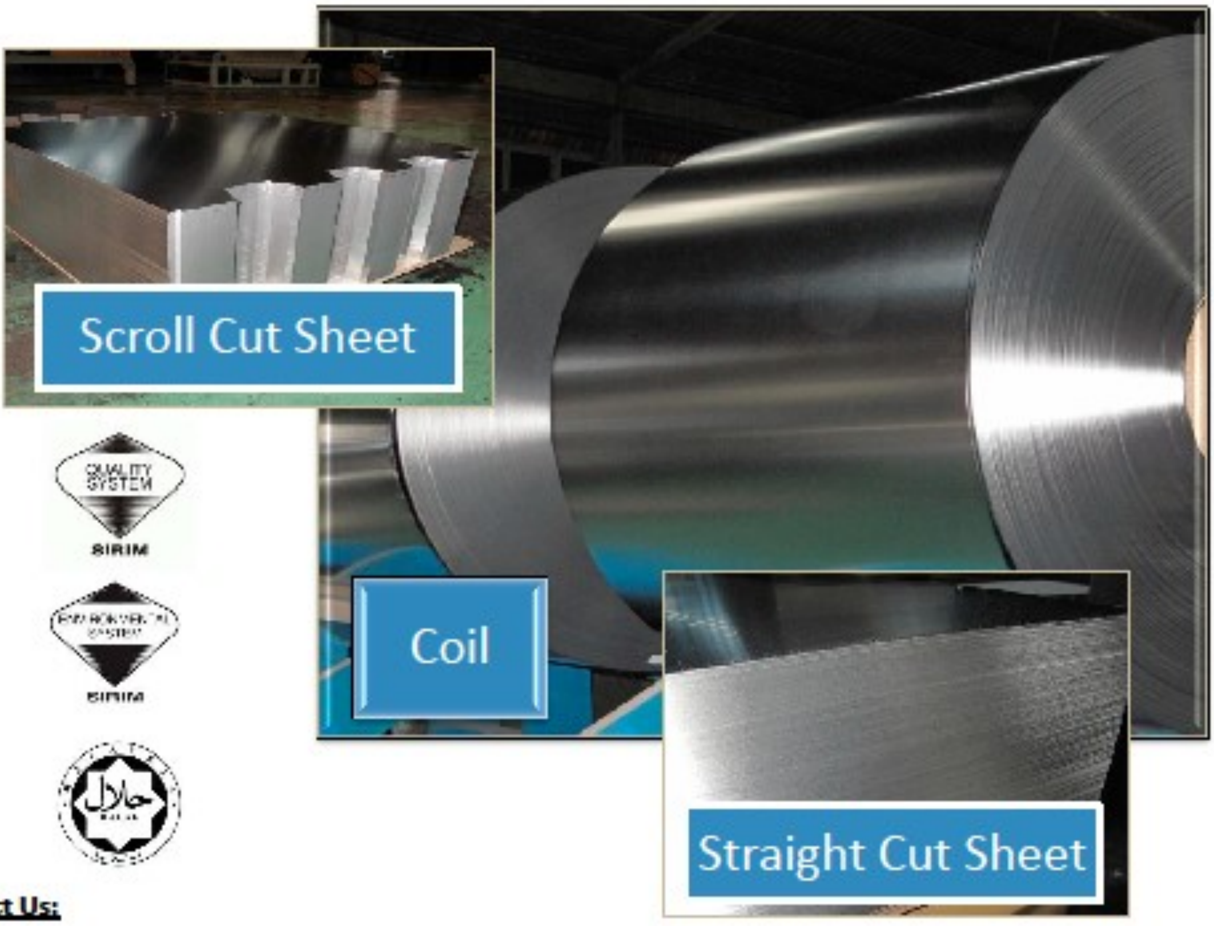

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Tin

MALAYSIAN TIN STATISTICS

(In Tonnes)

Period	Production of Tin-In-Concentrates	Imports of Tin-In-Concentrates	Refined Tin Production	Local Consumption	Exports of Tin Metal
2011	3,343	30,031	40,281	2,341	42,302
2012	3,725	26,537	37,823	2,083	37,212
2013	3,697	30,273	32,633	1,872	36,363
2014	3,777	31,610	35,018	1,581	35,221
2015	4,125	31,965	30,260	1,900	38,319
2016	4,158	30,536	26,849	2,238	27,470
2017	3,894	29,866	27,211	2,707	27,147
2015					
Jan	286	2,959	1,928	120	2,451
Feb	276	2,119	2,342	123	2,747
Mar	334	2,566	3,051	205	2,968
Apr	314	2,082	2,417	85	5,294
May	353	2,772	2,712	159	3,964
Jun	344	2,880	2,824	158	2,628
Jul	362	2,748	2,854	157	3,748
Aug	346	2,294	2,672	158	4,867
Sep	360	2,749	2,549	182	2,494
Oct	382	2,884	2,066	166	2,755
Nov	371	2,722	2,382	176	2,056
Dec	397	3,190	2,463	211	2,347
2016					
Jan	357	2,667	2,550	167	2,172
Feb	304	2,273	2,939	205	2,779
Mar	377	1,697	2,611	213	3,153
Apr	361	2,333	2,381	233	2,849
May	349	1,984	2,529	236	2,563
Jun	342	2,101	1,951	151	2,029
Jul	311	2,054	1,873	116	1,720
Aug	303	2,293	2,159	200	2,238
Sep	335	1,823	1,865	204	1,730
Oct	347	1,948	1,920	173	1,766
Nov	359	2,267	1,977	154	2,149
Dec	378	2,172	2,094	186	1,834
2017*					
Jan	351	2,377	1,683	171	1,530
Feb	316	2,033	2,167	203	2,635
Mar	306	1,723	2,044	322	2,091
Apr	275	2,441	1,832	263	1,777
May	339	2,598	2,572	218	2,326
Jun	308	2,446	2,121	258	1,732
Jul	333	3,154	2,605	320	2,768
Aug	329	2,428	2,812	178	3,106
Sep	314	2,565	2,149	179	2,275
Oct	323	2,775	2,256	225	2,116
Nov	368	2,740	2,478	204	2,510
Dec	338	2,586	2,492	166	2,281
2018*					
Jan	n.y.a	2,424	2,060	171	1,950
Feb	n.y.a	2,046	2,214	190	2,009
Mar	n.y.a	2,488	2,340	158	2,584
Apr	n.y.a	2,430	2,111	192	2,401
May	n.y.a	2,895	2,343	171	2,435
Jun	n.y.a	2,494	2,219	192	2,162
Jul	n.y.a	2,620	2,571	162	2,687
Aug	n.y.a	n.y.a	n.y.a	n.y.a	n.y.a

* : preliminary
n.y.a. : not yet available
Sources : Department of Statistics, Malaysia
Department of Minerals and Geoscience, Malaysia
Malaysia Smelting Corporation Bhd

DOMESTIC TIN CONSUMPTION
(In Tonnes)

Period	Total Consumption	Solder (*)	Tinplate	Pewter	Others (*)
2011	2,341	1,458	665	108	110
2012	2,083	1,333	573	104	73
2013	1,835	1,078	561	100	96
2014	1,581	922	520	82	57
2015	1,900	1,133	608	77	82
2016	2,238	1,314	750	86	88
2017	2,707	1,348	737	63	559
2015					
Jan	120	67	47	2	4
Feb	123	78	38	5	2
Mar	205	128	63	6	8
Apr	85	33	37	11	4
May	159	108	35	4	12
Jun	158	105	51	0	2
Jul	157	99	31	14	13
Aug	158	82	66	2	8
Sep	182	101	66	4	11
Oct	166	90	55	13	8
Nov	176	102	65	4	5
Dec	211	140	54	12	5
2016					
Jan	167	97	63	3	4
Feb	205	140	46	12	7
Mar	213	144	63	3	3
Apr	233	150	62	15	6
May	236	117	69	14	36
Jun	151	82	59	3	7
Jul	116	44	58	11	3
Aug	200	133	59	6	2
Sep	204	152	45	3	4
Oct	173	79	73	13	8
Nov	154	83	67	0	4
Dec	186	93	86	3	4
2017					
Jan	171	102	54	12	3
Feb	203	133	64	2	4
Mar	322	139	76	13	94
Apr	263	100	72	2	89
May	218	150	61	3	4
Jun	258	108	61	12	77
Jul	320	143	76	1	100
Aug	178	79	62	2	35
Sep	179	101	40	1	37
Oct	225	104	68	4	49
Nov	204	95	49	1	59
Dec	166	94	54	10	8
2018**					
Jan	171	101	57	3	10
Feb	190	133	54	1	2
Mar	158	93	49	13	3
Apr	192	103	78	1	10
May	171	106	56	1	8
Jun	192	116	61	13	2
Jul	162	99	60	0	3
Aug	n.y.a	132	n.y.a	1	7

Sources : Department of Minerals and Geoscience, Malaysia
Malaysia Smelting Corporation Bhd

* : The figures include high-grade tin (99.9% Sn) imported for consumption.
** : Preliminary.

Note : Local consumption of tin metal refers to the use of tin in a particular application.

Sales to manufacturing industries have been used as proxy for consumption except in the case of manufacture of tinplate for which actual consumption data available.

WORLD STOCKS OF REFINED TIN

(In Tonnes at Period End)

Period End	LME Stocks	Country Stocks	US Strategic Stockpile
2011	12,095	19,327	4,020
2012	12,800	20,947	4,020
2013	9,660	17,312	4,020
2014	12,135	22,132	4,020
2015	6,140	9,956	4,020
2016	3,800	18,600	4,020
2017	2,235	19,245	4,020
2015			
Jan	11,840	22,119	4,020
Feb	10,875	22,119	4,020
Mar	9,930	9,685	4,020
Apr	9,070	9,754	4,020
May	7,315	9,851	4,020
Jun	7,635	10,265	4,020
Jul	6,640	10,301	4,020
Aug	6,730	10,323	4,020
Sep	4,800	10,340	4,020
Oct	5,015	10,475	4,020
Nov	5,180	10,427	4,020
Dec	6,140	9,956	4,020
2016			
Jan	5,470	10,049	4,020
Feb	3,655	10,299	4,020
Mar	4,810	21,114	4,020
Apr	5,690	20,279	4,020
May	7,235	21,057	4,020
Jun	5,985	18,443	4,020
Jul	5,540	18,427	4,020
Aug	4,460	18,218	4,020
Sep	3,510	18,391	4,020
Oct	2,895	18,391	4,020
Nov	3,185	18,500	4,020
Dec	3,800	18,600	4,020
2017			
Jan	5,800	18,902	4,020
Feb	5,560	18,769	4,020
Mar	3,510	18,227	4,020
Apr	2,865	18,189	4,020
May	1,910	18,469	4,020
Jun	1,690	19,336	4,020
Jul	1,985	19,374	4,020
Aug	1,910	19,436	4,020
Sep	2,070	18,814	4,020
Oct	2,095	18,818	4,020
Nov	2,395	18,983	4,020
Dec	2,235	19,245	4,020
2018*			
Jan	1,955	19,318	4,020
Feb	1,720	19,318	4,020
Mar	2,060	19,087	4,020
Apr	2,225	19,025	4,020
May	2,420	15,387	4,020
Jun	3,130	14,304	4,020
Jul	2,970	n.y.a	n.y.a

Sources : Metal Bulletin / World Bureau of Metal Statistics

n.y.a : not yet available

KLTM & LME TIN PRICES				
	KLTM			LME CASH
	Average Price (*)		Total Turnover	Average Price
	(USD / Tonne)	(RM / Kg)	(Tonnes)	(USD/Tonne)
2011	26,235	80.03	11,387	26,113
2012	21,193	65.38	10,206	21,114
2013	22,322	70.30	9,530	22,316
2014	21,737	71.19	10,822	21,916
2015	16,015	62.45	12,679	16,084
2016	17,528	72.75	11,568	17,982
2017	20,029	86.12	8,890	20,098
2015				
Jan	19,449	69.72	1,165	19,463
Feb	18,295	65.70	946	18,292
Mar	17,527	64.49	1,011	17,460
Apr	16,084	58.54	836	15,986
May	15,884	57.26	980	15,827
Jun	15,172	56.72	1,038	15,015
Jul	14,884	56.60	1,220	14,962
Aug	15,221	61.74	1,017	15,229
Sep	15,150	65.41	1,059	15,481
Oct	15,763	67.34	894	15,848
Nov	14,694	63.19	1,139	14,743
Dec	14,629	62.62	1,374	14,702
2016				
Jan	13,745	59.62	1,269	13,777
Feb	15,324	64.19	1,294	15,654
Mar	16,848	68.60	1,334	16,996
Apr	17,029	66.42	1,050	17,068
May	16,908	68.35	817	16,757
Jun	16,909	69.06	956	16,985
Jul	17,786	71.44	758	17,845
Aug	18,373	74.03	824	18,413
Sep	19,466	80.08	849	19,590
Oct	20,003	83.60	755	20,182
Nov	21,001	91.17	897	21,235
Dec	21,011	93.77	765	21,286
2017				
Jan	20,801	92.92	722	20,750
Feb	19,548	86.99	658	19,492
Mar	19,762	87.80	744	19,832
Apr	19,885	87.59	687	19,991
May	20,104	86.84	744	20,231
Jun	19,707	84.39	625	19,702
Jul	20,178	86.64	711	20,273
Aug	20,438	87.67	774	20,570
Sep	20,729	87.39	722	20,855
Oct	20,450	86.58	780	20,469
Nov	19,477	81.46	923	19,575
Dec	19,353	78.93	800	19,440
2018				
Jan	20,415	80.77	973	20,711
Feb	21,558	84.37	756	21,694
Mar	21,049	82.15	933	21,214
Apr	21,151	82.22	744	21,340
May	20,740	82.36	710	20,900
Jun	20,616	82.43	907	20,663
Jul	19,687	79.79	857	19,700
Aug	19,299	78.99	642	19,281
Sep	18,905	78.29	736	18,999

Sources : Kuala Lumpur Tin Market/ Malaysia Smelting Corporation Bhd
Note : As from 1 February 2001, KLTM price is quoted in US Dollar
(*) KLTM's monthly average price is arrived at on a weighted average against total tonnage basis.
Malaysian Ringgit to US Dollar exchange rate was unpeged on 22.8.2005

LEAD

LME PRICES & STOCKS		
	Cash Settlement (US$/Tonne)	Stocks Period End (Tonnes)
2013	2,142.26	234,246
2014	2,099.08	209,883
2015	1,786.50	183,608
2016	1,870.75	186,363
2017	2,317.54	164,329
2015		
Jan	1,829.17	214,850
Feb	1,804.68	214,700
Mar	1,784.98	232,900
Apr	1,999.80	171,575
May	2,003.84	160,150
Jun	1,836.34	174,000
Jul	1,762.35	218,775
Aug	1,692.90	186,800
Sep	1,682.05	162,425
Oct	1,724.57	147,225
Nov	1,615.98	128,250
Dec	1,701.29	191,650
2016		
Jan	1,646.95	188,125
Feb	1,771.57	211,475
Mar	1,808.02	155,975
Apr	1,728.67	174,325
May	1,714.43	185,375
Jun	1,713.91	185,150
Jul	1,834.88	187,075
Aug	1,838.89	187,275
Sep	1,942.02	190,250
Oct	2,039.93	188,700
Nov	2,178.84	187,725
Dec	2,230.83	194,900
2017		
Jan	2,236.69	189,050
Feb	2,321.73	189,600
Mar	2,277.30	184,275
Apr	2,231.31	169,425
May	2,131.67	180,275
Jun	2,131.18	164,150
Jul	2,266.40	152,800
Aug	2,357.32	148,425
Sep	2,377.29	157,475
Oct	2,506.30	149,250
Nov	2,464.41	145,000
Dec	2,508.82	142,225
2018		
Jan	2,589.77	133,250
Feb	2,580.83	125,225
Mar	2,397.00	129,100
Apr	2,357.38	130,775
May	2,363.88	133,475
Jun	2,440.74	131,775
Jul	2,212.91	127,025
Aug	2,064.86	122,925
Sep	2,028.23	115,700

COPPER

LME PRICES & STOCKS		
	Cash Settlement (US$/Tonne)	Stocks Period End (Tonnes)
2013	7,325.73	533,323
2014	6,859.69	196,483
2015	5,501.69	303,719
2016	4,863.23	235,752
2017	6,162.77	254,817
Jan	5,815.83	250,025
Feb	5,702.08	297,200
Mar	5,925.84	332,125
Apr	6,028.48	339,625
May	6,300.61	320,950
Jun	5,833.61	323,450
Jul	5,456.91	346,525
Aug	5,088.93	367,650
Sep	5,208.09	320,400
Oct	5,222.61	267,850
Nov	4,808.24	243,025
Dec	4,629.00	235,800
Jan	4,462.75	239,400
Feb	4,595.48	193,475
Mar	4,947.55	143,400
Apr	4,851.12	154,675
May	4,708.35	154,350
Jun	4,630.64	189,125
Jul	4,855.79	210,075
Aug	4,758.20	304,775
Sep	4,707.18	371,775
Oct	4,732.14	319,475
Nov	5,443.25	236,675
Dec	5,666.25	311,825
Jan	5,737.43	260,850
Feb	5,941.55	200,725
Mar	5,821.52	283,900
Apr	5,697.67	253,675
May	5,591.50	308,000
Jun	5,699.48	278,275
Jul	5,978.60	295,525
Aug	6,478.18	223,500
Sep	6,583.19	295,500
Oct	6,797.39	273,675
Nov	6,825.57	183,525
Dec	6,801.16	200,650
Jan	7,080.30	304,675
Feb	7,001.80	328,000
Mar	6,795.76	383,025
Apr	6,838.55	325,525
May	6,821.76	317,950
Jun	6,954.79	289,875
Jul	6,248.18	251,950
Aug	6,039.75	262,475
Sep	6,020.03	199,125

SILVER

LONDON SPOT PRICES	
	London Spot (US Cents / Troy Oz)
2013	2,382.92
2014	1,907.83
2015	1,544.83
2016	1,709.67
2017	1,705.33
Jan	1,710.00
Feb	1,684.00
Mar	1,622.00
Apr	1,632.00
May	1,380.00
Jun	1,610.00
Jul	1,507.00
Aug	1,494.00
Sep	1,472.00
Oct	1,571.00
Nov	1,451.00
Dec	1,405.00
Jan	1,402.00
Feb	1,507.00
Mar	1,542.00
Apr	1,626.00
May	1,689.00
Jun	1,718.00
Jul	1,993.00
Aug	1,964.00
Sep	1,928.00
Oct	1,767.00
Nov	1,742.00
Dec	1,638.00
Jan	1,681.00
Feb	1,787.00
Mar	1,759.00
Apr	1,804.00
May	1,676.00
Jun	1,696.00
Jul	1,614.00
Aug	1,691.00
Sep	1,745.00
Oct	1,694.00
Nov	1,701.00
Dec	1,616.00
Jan	1,717.00
Feb	1,666.00
Mar	1,647.00
Apr	1,661.00
May	1,647.00
Jun	1,652.00
Jul	1,571.00
Aug	1,501.00
Sep	1,426.00

Source : London Metal Exchange
The Silver Institute

Association Members

Currently, the Association comprises one associate and 15 ordinary members covering the three main sectors of Malaysia's tin-based products manufacturing industry, namely the tinplate, solder and pewter sectors as listed below:

ORDINARY MEMBERS:

TINPLATE

Perusahaan Sadur Timah Malaysia Bhd (PERSTIMA)

SOLDER

Henkel (M) Sdn Bhd
Metahub Industries Sdn Bhd
Nihon Superior (M) Sdn Bhd
RedRing Solder (M) Sdn Bhd
Selayang Metal Industries Sdn Bhd
Selayang Solder Sdn Bhd
Senju (M) Sdn Bhd
Shen Mao Solder (M) Sdn Bhd
Premium Metal Sdn Bhd

PEWTER

Oriental Pewter Sdn Bhd
Present & Artifact Sdn Bhd
Royal Selangor International Sdn Bhd
Selwin Pewter Sdn Bhd
Tumasek Pewter Sdn Bhd

ASSOCIATE MEMBER:

Malaysia Smelting Corporation Bhd

MSC – A Global Integrated Tin Mining and Smelting Group

The MSC Group is currently one of the world's leading integrated producers of tin metal and tin based products and a global leader in custom tin smelting since 1887.

The Malaysia Smelting Corporation Berhad ("MSC" or "the Company") and its subsidiaries ("MSC Group" or "the Group") is currently one of the world's leading integrated producers of tin metal and tin based products and a global leader in custom tin smelting since 1887. In 2017, the Group produced 27,172 tonnes of tin metal thus maintaining its position as the third largest supplier of tin metal in the world. MSC is listed both on the Main Market of Bursa Malaysia since 15 December 1994 and the Main Board of Singapore Exchange ("SGX-ST") since 27 January 2011. MSC is a subsidiary of The Straits Trading Company Limited ("STC") of Singapore.

With the Group's core expertise and solid foundation over a century of smelting excellence to its credit, the Group's smelting facility in Butterworth operates one of the most low cost smelting plants in the world, converting primary, secondary and often complex tin bearing ores into high purity tin metal for industrial application. The plant has a production capacity of approximately 40,000 tonnes of refined tin a year and still uses reverberatory furnace technology. But this may change as the plant is preparing to introduce modern smelting technology using Top Submerged Lance ("TSL") furnace.

This will significantly increase the plant's smelting capacity and drive operating cost down. The refining flowsheet has undergone major changes and is currently capable of processing crude metal with a myriad of impurities.

In the mid-90's the Group started a tin marketing and trading arm under the smelting division. The downstream unit provides the Group with hedging, pricing and marketing linkages to the Kuala Lumpur Tin Market ("KLTM")/London Metal Exchange ("LME") as well as the end-user markets worldwide. MSC Straits refined tin brand which is registered at KLTM and LME is accepted worldwide and has purity ranging from the standard Grade A (99.85% Sn) to the premium grade electrolytic tin (99.99% Sn).

In November 2004, MSC expanded upstream in mining through the acquisition of Rahman Hydraulic Tin Sdn. Bhd. ("RHT"), Malaysia's long established and currently the largest operating open-pit hard rock tin mine. Since the takeover, extensive exploration works and improvements of milling/concentrator circuits and recovery operations have been undertaken and today RHT is a sustainable and significant tin producer in Malaysia.

The Group's 40% equity interest in Redring Solder (M) Sdn. Bhd. ("Redring Solder") provides vertical integration to its tin smelting business and an entry into a profitable downstream solder manufacturing business with significant growth potential. Redring Solder's principal activities are the manufacture and sale of solder products for jointing and semi-conductor applications in the electrical and electronics industries.

GROWTH STRATEGY

The Group's niche expertise in tin is continually being strengthened in all areas over the entire global tin supply chain covering geology, mining, mineral processing, smelting, marketing, resource management and financing.

MSC will pursue its growth strategy on its core business in tin through strategic acquisitions and organic growth where its core expertise, skills and capabilities can add value and make a difference particularly in increasing operating efficiencies, innovating products and services as well as forging global commercial and marketing networks to ensure its continued leadership position in the industry.

Investment opportunities will continue to be evaluated and the Group may in future decide to invest in selective projects that meet its investment criteria. Main emphasis will be on opportunities in regions where the country risks could be effectively managed and that the mines could be developed and operated with relatively lower cost structure.

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MSC
Malaysia Smelting Corporation Berhad