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Steel stocks roar again

The Star, Malaysia

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Fresh anti-dumping duties seen supporting earnings recovery

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PETALING JAYA: Steel-related counters on Bursa Malaysia began the week with further big gains after the government announced the second round of anti-dumping duties on foreign steel products in less than a week.

With the fresh anti-dumping duties, investors seem to be expecting an improvement in demand for locally-made steel products, which could further support the earnings recovery in the steel sector moving into 2021.

A quick check on the stock exchange's list of most active counters showed that many steel players appeared among the top 30 stocks.

These include Melewar Industrial Group Bhd, Malaysia Steel Works (KL) Bhd (Masteel), Hiap Teck Venture Bhd, Lion Industries Corp Bhd and Mestron Holdings Bhd.

Despite the market rally that took place in most part of this year, share prices of steel-related counters have largely stagnated as investors stayed away from the sector.

However, thanks to the anti-dumping duty news and the recovery play in the sector, such counters are finally waking up from deep slumber.

Yesterday, Masteel jumped 34.58% to 72 sen, its highest in over two years, while Lion Industries gained 17.46% to 74 sen, its highest since mid-2018.

Melewar surged by 74.63% to 58.5 sen, Mestron Holdings Bhd gained 10.26% to 21.5 sen, Mycron Steel Bhd rose by 52.69% to 71 sen and Hiap Teck was up by 5.49% to 48 sen.

The country's largest steel maker by market

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International Trade and Industry Ministry

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capitalisation, Ann Joo Resources Bhd, leapt by 12.24% to RM1.65 per share.

Malaysia announced yesterday that it would be imposing provisional anti-dumping duties on imports of cold-rolled stainless steel in coils, sheets or any other form (subject merchandise) from Indonesia and Vietnam.

The International Trade and Industry Ministry (Miti) said it had completed the preliminary determination of the anti-dumping investigation concerning imports of the subject merchandise originating or exported from the alleged countries and found there was sufficient evi-

dence for further investigation.

"The government, therefore, has decided to impose a provisional measure, which shall be in the form of provisional anti-dumping duties guaranteed by a security equivalent to the amount of the dumping margins determined in the preliminary determination.

"Provisional anti-dumping duties ranging from 7.73% to 34.82% will be applied on imports of subject merchandise from the alleged countries and shall be effective not more than 120 days from Dec 26, 2020," Miti said in a statement yesterday.

Last week, the government had imposed anti-dumping duties on certain flat-rolled steel products from China, South Korea and Vietnam for five years.



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SUMMARIES

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