

# Metals & Mining Strategy and Investment Directives

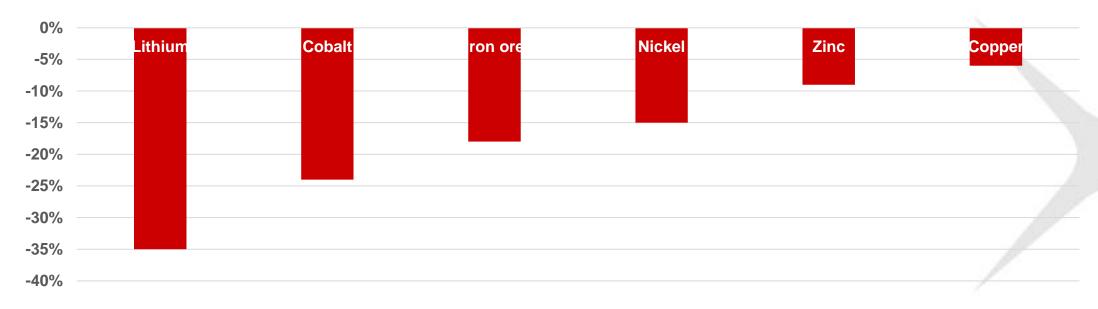
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# Global Metals & Mining 2022 Recap and 2023 Forecast / 回顾和展望

2022年初期,金属价格坚挺 - a robust period for the metals and mining sector, buoyed by record high prices for some metals, supply chain constraints and emerging energy transition-related demand.

2022年年中起, 由于需求不旺金属价格开始下行 - macroeconomic conditions soured going into midyear, however, leading to weakening near-term demand expectations and declining commodity price trends. 2023年展望, 美元加息及下游需求持续不旺,金属价格大概率下行 - by examining some of the key trends facing the industry, noting that near-term downside risks should only augment supply-side opportunities related to medium-term constraints.

### Forecast metals prices to drop YOY in 2023/ 2023金属价格展望

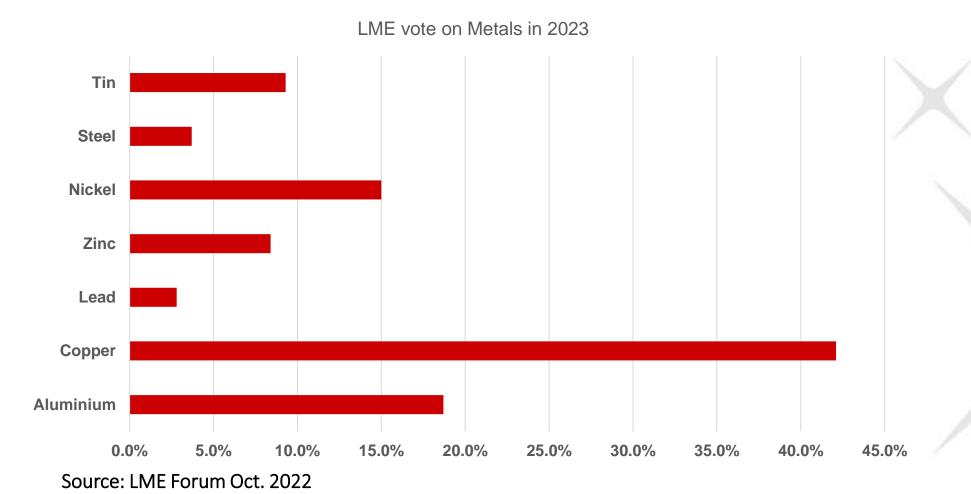


Source: S&P



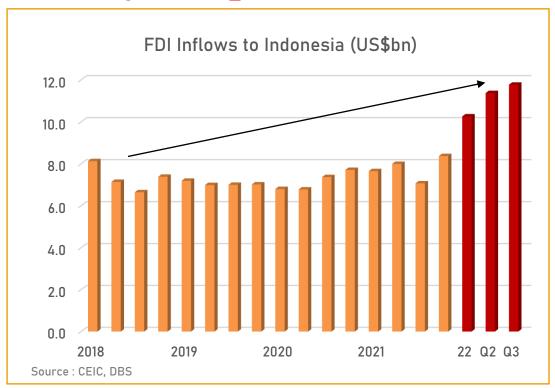
### 2023 forecast

- Copper has the most upside potential for 2023 / 金属铜最具潜力
- Steel prices have never been less predictable / 钢铁价格从未如此难以预测



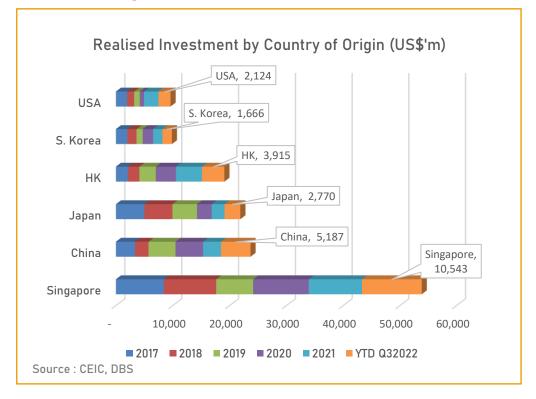


# Indonesia | Foreign Direct Investment on the rise / 外来投资逐年增加



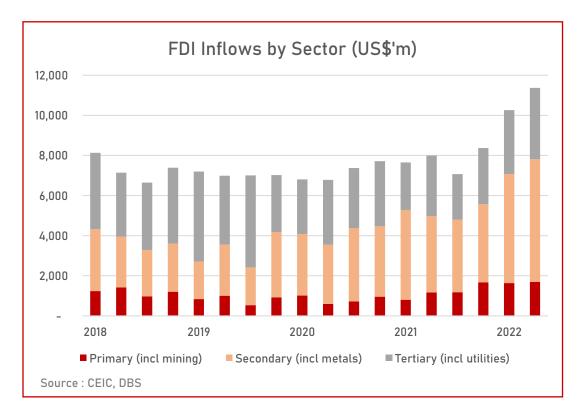


- 创纪录的外来直接投资:截至2022年三季度已达美元334 亿,已超2021年全年的311亿美元
- FDI flows have been an anchor of stability over the last 5 to 10 years, with net inflows averaging 1.5% of GDP since 2010.
- 自2010年以来,外来直接投资每年对GDP的贡献在1.5%左右



- Top countries contributing to FDI inflows are Singapore, China, Japan, Hong Kong, S. Korea and USA.
- 外来直接投资主要来自:新加坡,中国,日本等。
- Singapore remains the biggest source of FDI in Indonesia (c30% of total FDI) and since 2016, there has been increasing importance of **China** in Indonesia's investment landscape.
- 新加坡自2016年起一直是印尼最大的外来投资方,而
   来自中国的投资也在逐年加大

### FDI| Breakdown by Industry & Sector / 外来投资主要涉及领域





China's share in Indonesia FDI (US\$'bn)

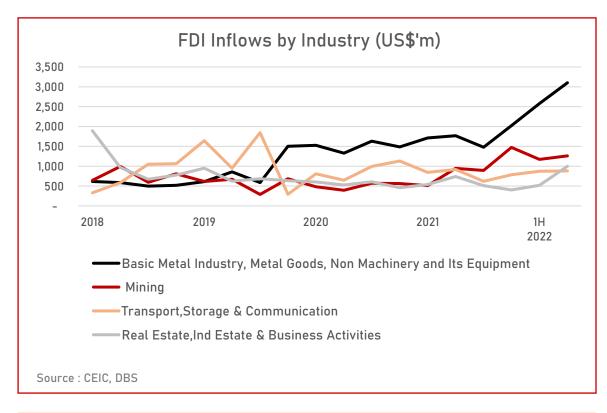
40.0

35.0

✓ FDI inflows have shifted away from Primary sectors into Secondary (ie, manufacturing) and Tertiary (ie, services) sectors. In 2012, FDI inflow to Primary sector accounted for 24% of total FDI but in 1H2022, this has declined to 15%. 第二产业比重最大

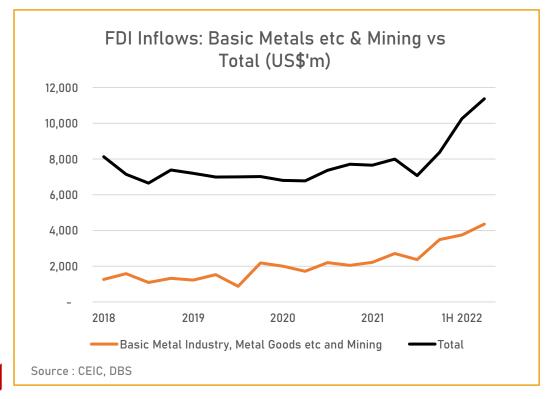
- ✓ FDI inflows from China was US\$2.7bn in 2016 (ie, 9% of total FDI), this has grown substantially to US\$4.8bn in 2020 (18% of total FDI). 2020年,来自中国的投资占比18%
- ✓ Due to Covid-19 which caused investment delays in 2021, FDI from China was US\$3.2bn (10% of total FDI) but jumped to US\$5.2bn in YTD Q3 2022, making up 17% of total FDI. 新冠疫情减缓了中国在2021投资步伐,2022年重新起步,截至3季度已达52亿美金,占比17%

## FDI| Breakdown by Industry & Sector / 金属和矿业投资比重逐年加大



Notwithstanding, FDI was drawn to Secondary sectors led by Basic Metal, Metal Goods, Non-Machinery & Equipment which accounted for 22% in 2021 and 26% in 1H 2022 while Primary sector, FDI was 12% in 2021 and 11% in 1H 2022. Transport, Storage & Communication are the other key sectors.

金属和矿业相关占比逐年上升





✓ Widening importance in Base Metals and Mining industries with 35% of FDI in 2021 and 38% in 1H 2022 flowing into these industries, as compared to 18% in 2018.

基础金属和采矿业占比已从2018年的18%增长到2022年的38%

# Indonesia | Priority Sectors for Investment / 投资印尼主要选择领域



金属矿业 Mining Industry which will create added value



基础设施 Infrastructure





劳动密集性制造业 Labour-Intenstive Manufacturing

- Pharmaceutical and Medical Devices Industry
  - Automotive Industry
  - Electronic Industry

Source: Ministry of Investment / Indonesia Investment Coordinating Board

### Market Updates in Indonesia

## Metals & Mining Sector Overview /印尼金属和矿业概要

### Fundamental 基本概况

- Natural resources rich country / 矿产资源丰富
- Close geographical proximity to China and India / 地理位置靠近中国和印度
- Low labour costs (young & technically trained work force) / 劳动力资源丰富但需培训
- Improved and Open investment climate/condition / 投资环境改善

### Opportunity 业务机会

- Government strategy to go downstream and EV ecosystem / 政府推行产业链政策吸引更多投资
- World's largest nickel supplier to support EV ecosystem/ 镍储量和供应领先全球
- China's steel & aluminium production cap / 中国钢铁和铝行业产业政策推动更多中国投资选择印尼

### Headwinds 善意提醒

- Government interventions (eg price control measures, taxes etc) /政策风险
- Geopolitical issues / 地缘政治影响
- ESG concerns (carbon-emission restrictions) /潜在的ESG风险





# DBS Group (星展银行集团)

### 东南亚最大银行,连续五年被评为"全球最佳银行"

As one of Asia's leading banks, DBS innovates to deliver a new kind of banking for our global clients that is simple, seamless and invisible.

Robust financials

As the Safest Bank in Asia, DBS is consistently rated "AA-" and "Aa1" by S&P and Moodys. Global leadership

We are internationally recognised for our leadership in the industry.

Worldwide network

We serve over 12.1 million clients globally, in a broad range of industries and sectors.

Mainland

China

Dubai

Bangladesh

India Macationg Kong

Malaysia Vietnam

Taiwan

Australia

Purpose-driven

We advance the sustainability agenda, with innovations aimed at promoting financial inclusion and multiplying its social impact.

SGD 50 billion Sustainable Financing Target

Zero Thermal Coal Commitment by 2023

SGD 686 billion In Assets

SGD 6.8 billion Net Profit

SGD 14.3 billion Total Income



World's Best Bank Euromoney, 2019 & 2021



Best Bank in the World Global Finance, 2018, 2020, 2022

US



Asia Safest Bank Award Global Finance, 2009 - 2022

Singapore: 109 branches 新加坡总行: 109家分行,超 过2万员工

Presence in 18 Markets

Globally

Indonesia : 31 branches

印尼: 31家分行

China: 12 branches & 23 sub-branches 中国: 12家分行和23家支行,近2干

员工





## Metals & Mining | Expertise to support your industry's needs

Best-in-Class specialists supporting businesses across sectors



### Metals & Mining

The Metals & Mining industry team offers comprehensive and specialised products and services to meet the needs of companies in the entire metals and mining ecosystem.

The only Asian bank with a pure play global industry team, our coverage includes upstream mining, mid-stream manufacturing, smelting/refining, and trading.

We have a portfolio of >400 Borrowing Clients, Banking >100 Borrowing Groups with >USD10 bn of banking facilities, providing integrated solutions from Trade Finance, Cash & Liquidity management, Treasury & Markets, Commodity Hedging, Project Finance, Strategic Advisory and Capital Markets.

DBS has a world-class ESG Strategy and the Metals & Mining Industry Team has been working with clients along the value chain to create long term value for its stakeholders in a sustainable and scalable way, including green loans, bonds and exploring sustainable supply chain solutions.

We are also among the top banks with the capacity to provide you with commodity hedging solutions and clearing services, as well as clearing iron ores contracts with the annual volume of approximately 100 - 200 million tonnes.

金属和矿业行业部提供覆盖金属和矿业产业链的全面和针对性的金融产品和服务以满足客户的全方位的需求。

星展银行目前是唯一一家总部在亚洲,透过专业性的行业团队,提供针对性和全方位覆盖产业链的银行。

我们的客户覆盖上游采矿及矿业,中游的冶炼及制造业,金属和矿业贸易商。为超过400家客户,提供数百亿美元信贷额度和融资服务。

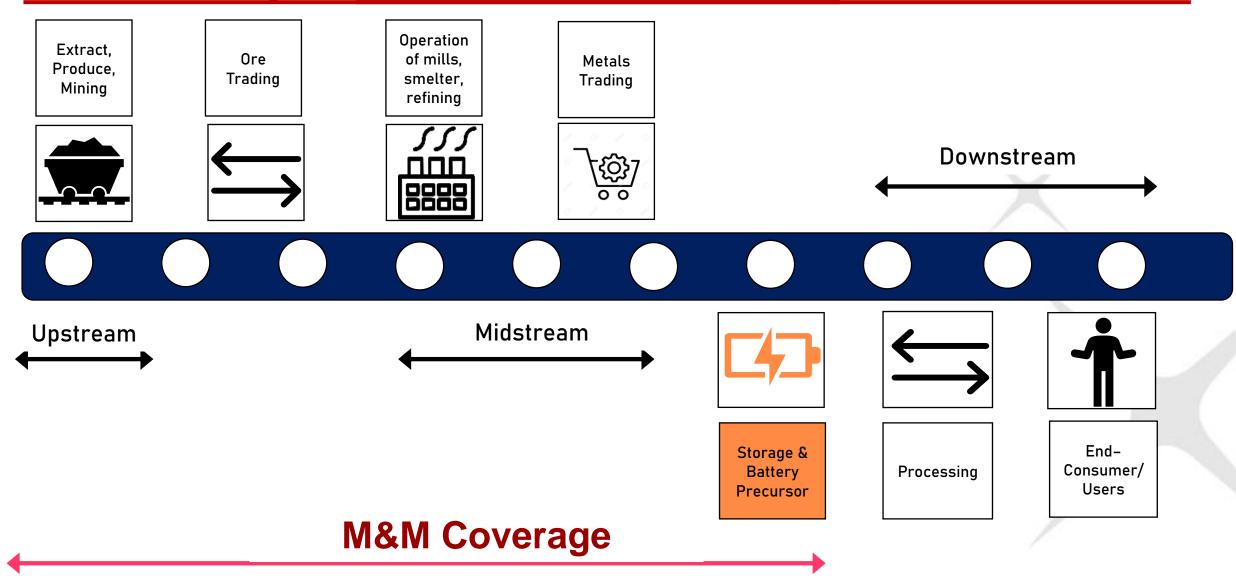
我们的金融产品包括贸易融资,现金及流动性管理,外汇及利率掉期他,大宗商品套期保值,项目财务顾问及项目融资,财务顾问服务,债券及资本市场服务,等等。

我们致力于可持续发展的目标,为客户提供符合可持续发展 融资方案,包括绿色信贷。绿色债券,可持续供应链融资方 案等。

我们也是少数能够提供全方位大宗商品套期保值业务的银行,在新交所每年为客户操作超过一亿吨的铁矿石套期保值清算业务,我们在伦敦金属交易所的交易席位,能够为客户提供金属套期保值及清算业务。



### Metals & Mining | Coverage by Value Chain: Include Storage & Battery Precursor





# Metals & Mining | Industry value chain by Product type

FERROUS		NON-FERROUS (incl. Ores & Metal Intermediates)			OTHERS
Iron ore	Steel	Alumin- ium	Copper	Nickel	Precious Rare Earth
Coking Coal	Coke	Zinc	Lead	Lithium	Storage & Battery Precursor / Intermediates
		Cobalt	Mangane se	Silicon	



### Metals & Mining | Relationships & Experience in M&M Ecosytem









### Metals & Mining | Product Suite & Capability

Loan/贷款和融资

Project Finance+ Working Capital; Syndication/Club Loan; Sinosure Coverage/Corporate Guarantee Loan, Green and sustainability lending

GTS/贸易融资和现金 管理服务

LC for Goods or Machinery; Pre-shipment Financing; DocTrade Banker's Guarantee, Collection; Operating Cash Accounts & Cash management

T&M/财资市场

To mitigate mismatch currency risk (purchase & sell), interest rate risk, raw material pricing (DCE products) and invest as part of cash management

Capital Markets/资本 市场

IPO, Corporate Bond, Green Bonds

Advisory/顾问服务

Financial Advisory, M&A and ESG advisory



### Metals & Mining | Notable Deals & Achievements in 2022



Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers

















### Metals & Mining | Milestone Deals in Indonesia







PT Well Harvest Alumina Winning Refinery USD 395M PF Facility

Alumina refinery

Financial Advisor to Honggiao Group

### 2021 / Ongoing







USD 625M Term Loan (existing) USD 186.5M Term Loan (new)

Nickel Cobalt Processing Project

Joint Lead Coordinator

#### 2018



PT Amman Mineral Nusa Tenggara **USD 1.3B Term Loan Facility** 

> Batu Hijau copper mine (Phase 7) Mandated Lead Arranger

### 2022







USD 530M Term Loan

Nickel Pig Iron Smelting Project

Mandated Lead Arranger

### 2019



PT HALMAHERA PERSADA LYGEND **USD 250M Bridge Financing** 

Nickel-Cobalt Processing Plant

Joint Lead Coordinator & MLA

#### 2022

Nickel Pig Iron **Smelting Project** 

USD 254M Term Loan

Nickel Pig Iron Smelting Project

**Participant** 

### 2019





PT Well Harvest Alumina Winning Refinery USD 595M Term Loan Facility

Alumina refinery (Phase 2 expansion) Financial Advisor & MLA

### 2022





USD 1.02B Term Loan & USD 325M LC

Copper Smelter & Precious Metals Refinery Project

Fin Advisory & Hedging Coordinator



DBS, your first choice 携手共进,共创辉煌

