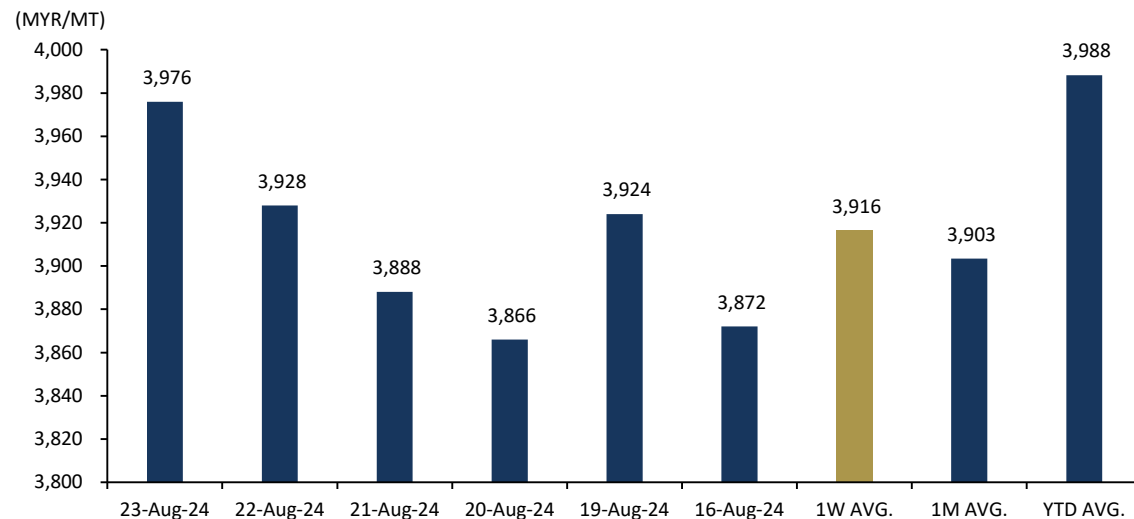
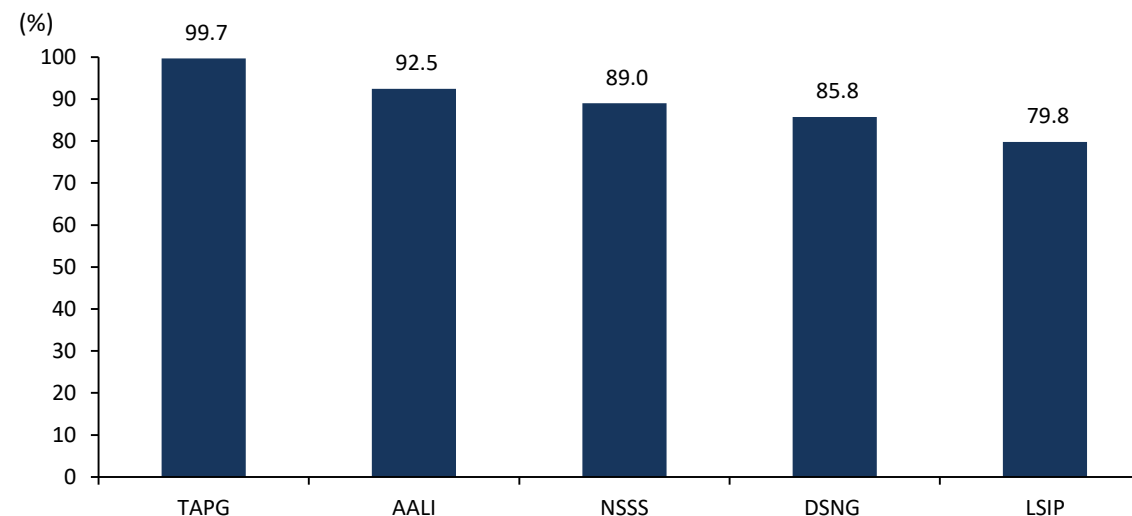


## CPO Price Performance



## CPO Contribution to 2Q24 Revenue, by Company



## Recent Catalysts Driving the Price

- Between 26-30 August 2024, CPO prices rose +2.7% WoW, averaging MYR 3,916/MT, driven by concerns over supplies from the world's top CPO producers (Malaysia and Indonesia) and potential recovery in demand.
- According to MPOB, Malaysia's CPO output between 1-20 Aug rose only 4% (normally 15-16%) from the same period in the previous month (1-20 Jul). Additionally, Indonesia plans to revise its biofuel policy from B35 (35% palm oil) to B40 (40% palm oil) starting January 2025. These developments have raised concerns about possible decline in global CPO supply.
- By region, India and China have recently ramped up their CPO purchases. Chinese importers have secured some cargoes for December delivery, while India has increased its CPO stockpile in preparation for several upcoming religious festivals.
- We retain our FY24 average forecast at MYR 4,100/MT (YTD: MYR 3,988/MT) with NSSS (TP IDR 265/sh) and TAPG (TP IDR 800/sh) as our top sector's picks, supported by their relatively young plantation profiles (<10 years old), which should translate to higher crop and extraction yields ahead.

## Peer Comparables

Company Ticker	Market		Last Price (IDR)	2024F			
	Cap (IDR Tn)	Rating		EPS Growth (%)	P/E (x)	EV/Ha (USD)	ROE (%)
TAPG IJ	13.7	BUY	690	75.6	4.5	4,641	17.4
AALI IJ	11.8	HOLD	6,125	1.5	10.7	2,798	4.8
SSMS IJ	10.1	BUY	1,065	110.9	5.6	12,483	5.0
DSNG IJ	8.3	BUY	780	14.3	5.9	11,517	9.4
LSIP IJ	6.0	HOLD	885	30.9	5.1	2,912	9.5
NSSS IJ*	4.5	BUY	188	344.2	99.7	14,580	4.1
<b>Sector</b>	<b>54.4</b>			<b>74.9</b>	<b>14.3</b>	<b>7,046</b>	<b>9.1</b>

\*: FY24 figures are annualized