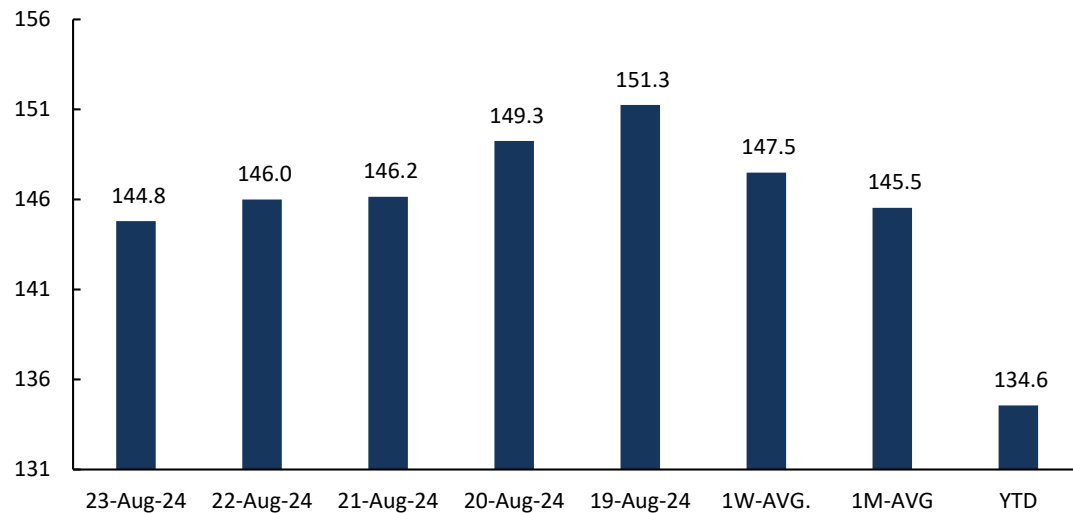


Coal Weekly (26 August 2024): USD 147/ton (-1.8% WoW)

Price Chart

(USD/Ton)



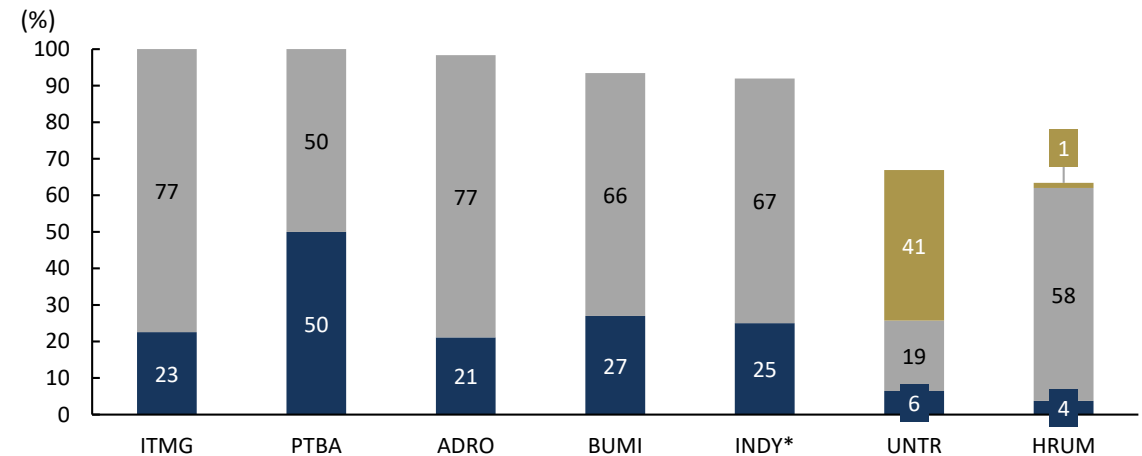
Recent Catalysts Driving the Price

- Between 19 – 23 August 2024, coal prices averaged USD 147 (-1.8% WoW) as global demand declined due to the ongoing shift towards renewable energy. Major coal consumers like China and India are increasingly investing in cleaner alternatives, with China's solar capacity rising +28% in early 2024. Furthermore, the EU plans to cut 80% of coal-fired power generation by 2030. Due to all these factors, coal's share in global energy mix is expected to decline from 27% in 2021 to around 22% in 2030.
- The industry is also facing financial & operational instability, with US coal production falling nearly 35% over the past decade and major companies like Peabody Energy filing for bankruptcy. Global investment in coal has dropped -40% since 2015 as investors continue to shift away from coal-related assets.
- Given ongoing concerns about potential global economic slowdown, we maintain our FY24 coal price forecast of USD 130/ton (YTD: USD 134.6/ton). Stock-wise, we prefer ADRO with TP of IDR 3,600 (FY24 P/E of 5.1x) as our top pick, primarily due to its green aluminum project set to commence in 2025.

Peer Comparables

Company Ticker	Market		Current Price (IDR)	1W Foreign Net Buy (Sell) (IDR Bn)	2024F			
	Cap. (IDR Tn)	Rating			PER (x)	Div. Yield (%)	EPS Growth (%)	ROE (%)
ADRO IJ	107	BUY	3,470	193.9	5.4	14.7	(28.9)	19.3
UNTR IJ	100	BUY	26,925	190.3	7.2	9.5	(22.5)	20.6
PTBA IJ	32	HOLD	2,760	26.2	5.0	10.0	(36.0)	15.8
ITMG IJ	30	HOLD	26,675	19.8	5.4	9.0	(21.2)	19.5
Sector					6.0	11.6	(26.5)	19.4

Coal Revenue Contribution, by Company



*Other revenues are coming from O&G services, logistic & infrastructure, and green business

■ Domestic ■ Export ■ Mining Services