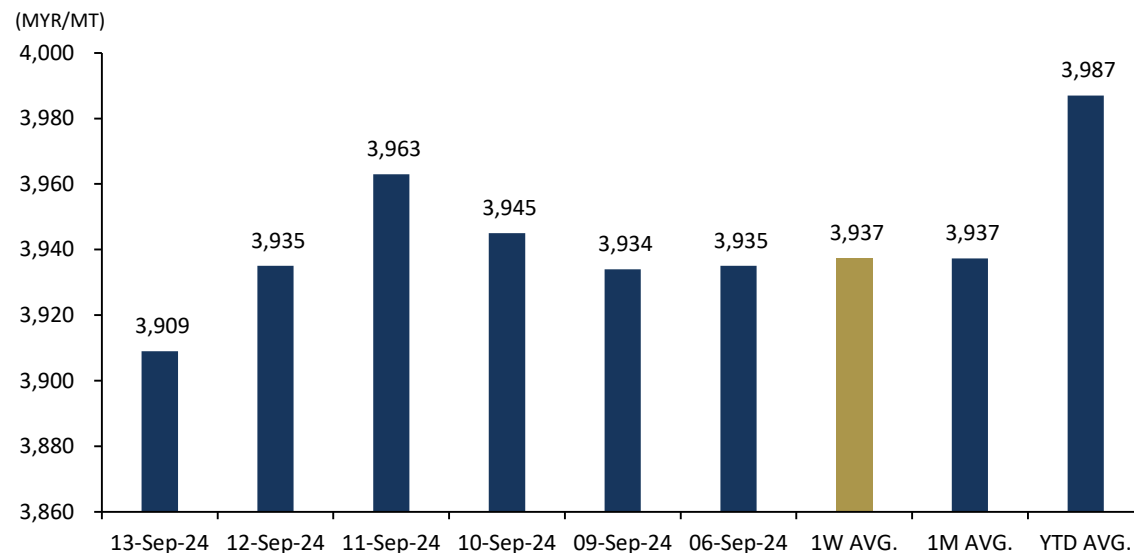
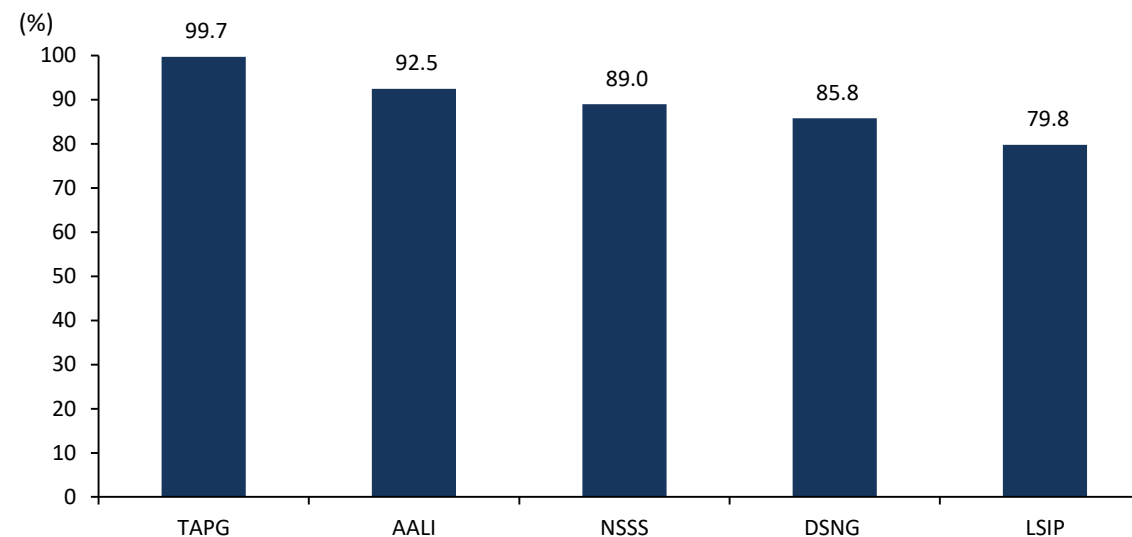


## CPO Price Performance



## CPO Contribution to 2Q24 Revenue, by Company



## Recent Catalysts Driving the Price

- Between 6-13 September 2024, CPO prices declined -0.7% WoW, averaging MYR 3,937/MT, driven by higher import tax from India and lower soybean prices.
- On 14 September, India raised basic import tax on crude and refined edible oils from 5.5% to 27.5% to protect farmers suffering from lower oilseeds prices. In 2023, 19% of Indonesia's CPO exports were delivered to India, our second biggest overseas market.
- Soybean oil prices fell -2% WoW as South America's growing season approached with its premium flipping to a discount to CPO, trading c. USD 24/ton lower on 12-Sept. In addition, MYR gained 6.8% YTD against USD expectation of Fed rate cuts.
- Given recent decline in soybean prices, we may have to cut our FY24 CPO price forecast of MYR 4,100/MT. Regarding our top picks, we continue to favor NSSS (TP IDR 265/sh) and TAPG (TP IDR 800/sh), supported by their relatively young plantation profiles (<10 years old), reflecting higher crop and extraction yields.

## Peer Comparables

Ticker	Mkt Cap (IDR Tn)	Rating	Last Price (IDR)	Rel. to JCI 5D (%)	EPS Growth (%)	2024F		
						P/E (x)	EV/Ha (USD)	ROE (%)
TAPG IJ	16.1	BUY	810	3.6	75.6	4.5	4,641	17.4
AALI IJ	12.2	HOLD	6,350	-2.4	1.5	10.7	2,798	4.8
SSMS IJ	10.1	BUY	1,060	-3.4	110.9	5.6	12,483	5.0
DSNG IJ	8.8	BUY	840	1.5	14.3	5.9	11,517	9.4
LSIP IJ	6.7	HOLD	975	-2.6	30.9	5.1	2,912	9.5
NSSS IJ*	4.4	BUY	186	-2.7	344.2	99.7	14,580	4.1
<b>Sector</b>	<b>58.3</b>			<b>-0.4</b>	<b>74.9</b>	<b>14.3</b>	<b>7,046</b>	<b>9.1</b>

\*: FY24 figures are annualized