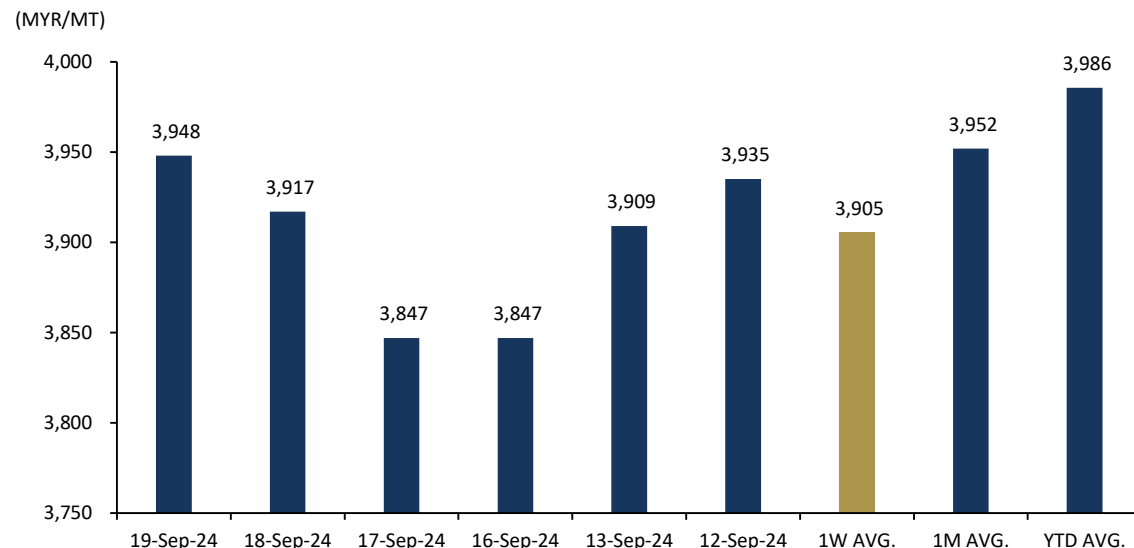
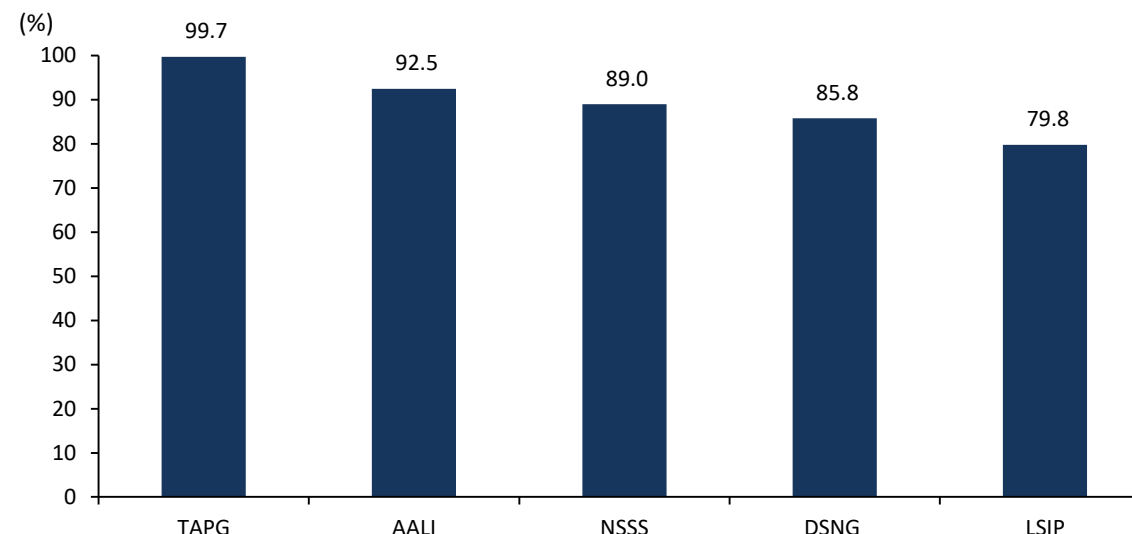


CPO Price Performance



CPO Contribution to 2Q24 Revenue, by Company



Recent Catalysts Driving the Price

- In 12-19 September 2024, CPO prices rose +0.3% WoW, averaging MYR 3,905/MT, driven by concerns on lower Malaysia's CPO production. At this stage, we retain our FY24 average forecast at MYR 4,100/MT (YTD: MYR 3,986/MT).
- Preliminary estimates suggest that production in Malaysia fell 4% MoM during the first half of September due to dry weather. Recent rallies in soybean oil prices also supported CPO prices. Soybean oil, although still trading at a discount to CPO, gained +5% within the space of four days.
- To increase exports, the Indonesian government reduced its export levy to 7.5% (current: 8.1-16.8%) with MoF Regulation No.62/2024, effective from 21 Sept. The levy for processed palm products has also been lowered to 3-6%.
- This export levy reduction will benefit upstream CPO players like TAPG (TP IDR 800/sh) and NSSS (TP IDR 265/sh), which are our top picks, supported by their relatively young plantation profiles (<10 years old), which should translate to higher crop and extraction yields.

Peer Comparables

Ticker	Mkt Cap (IDR Tn)	Rating	Last Price (IDR)	Rel. to JCI 5D (%)	2024F			
					EPS Growth (%)	P/E (x)	EV/Ha (USD)	ROE (%)
TAPG IJ	16.1	BUY	810	1.8	75.6	7.7	2,798	17.4
AALI IJ	12.5	HOLD	6,475	1.4	1.5	11.1	4,610	5.1
SSMS IJ	10.2	BUY	1,075	0.1	110.9	5.6	12,483	5
DSNG IJ	8.8	BUY	830	1.5	14.3	5.9	11,517	9.4
LSIP IJ	6.6	HOLD	975	0.6	30.9	6.7	2,912	8.1
NSSS IJ*	4.5	BUY	188	2.2	344.2	99.7	14,580	4.1
Sector	58.7			1.3	72.3	14.7	7,090	9.4

*: FY24 figures are annualized