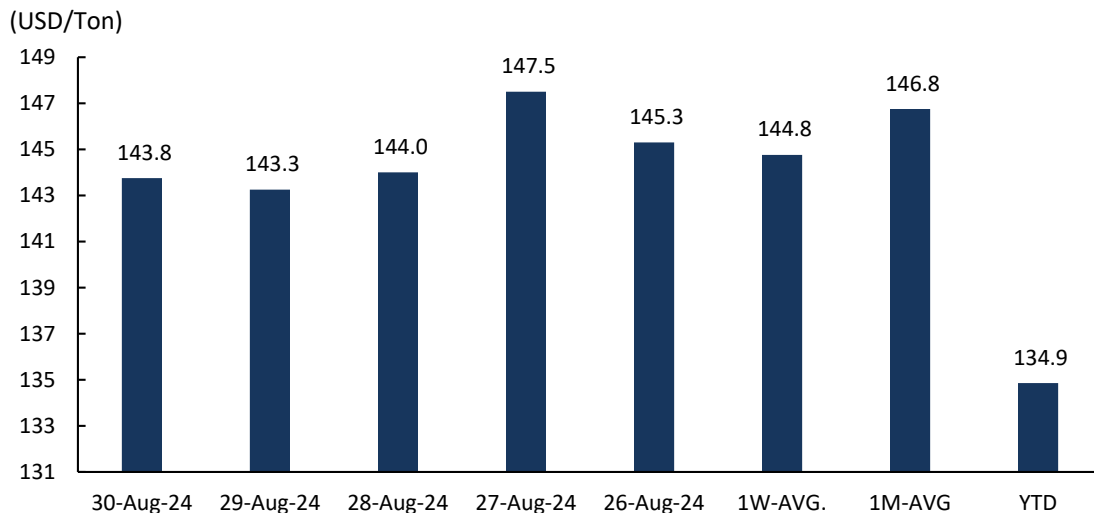


Coal Weekly (02 September 2024): USD 145/ton (-1.9% WoW)

Price Chart



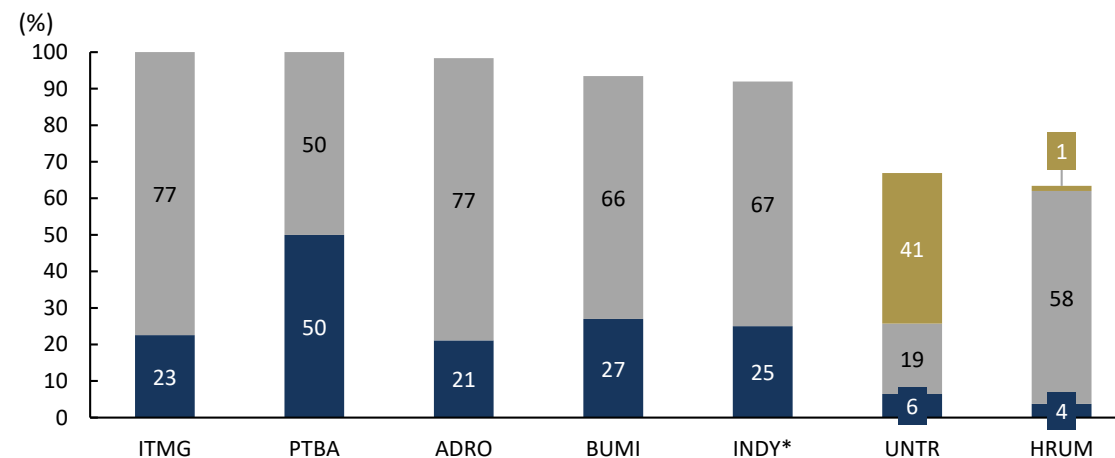
Recent Catalysts Driving the Price

- Between 26 – 30 August 2024, coal prices averaged USD 144.8 (-1.9% WoW), affected by demand stagnation as new coal plant construction outside China reached a record low, with less than 4 GW of new projects initiated, compared to 2015-2022 annual average of 16 GW.
- Global coal industry is facing significant challenges, particularly in the US where coal usage at power plants continues to decline sharply. Additionally, coal stockpiles have surged, due to low utilization in Europe and US as both regions transition to ESG-friendly power. The EIA forecasts substantial decline in 2024 coal demand, potentially reaching the lowest levels since the 1960s.
- Given ongoing concerns about potential global economic slowdown and decreased global demand, we maintain our FY24 coal price forecast of USD 130/ton (YTD: USD 134.9/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			EPS Growth (%)	P/E (x)	Div. Yield (%)	ROE (%)
ADRO IJ	110	BUY	3,560	193.9	(15.3)	4.3	10.7	17.7
UNTR IJ	101	BUY	27,050	190.3	(13.9)	5.6	8.6	21.1
BUMI IJ	33	BUY	89	(4.7)	1,445.5	14.8	31.1	23.1
PTBA IJ	31	HOLD	2,730	26.2	(4.7)	4.7	31.1	23.1
ITMG IJ	31	HOLD	27,225	19.8	(34.9)	5.5	18.1	20.7
Sector	306				148.5	5.0	13.1	19.9

Coal Revenue Contribution, by Company



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

■ Domestic ■ Export ■ Mining Services