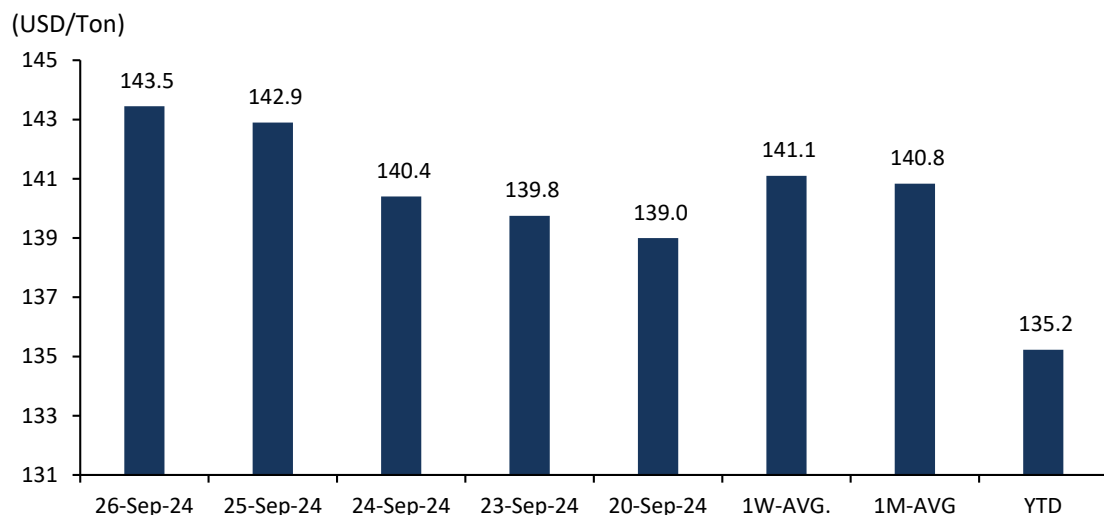


# Coal Weekly (27 September 2024): USD 141/ton (+4.4% WoW)

## Price Chart



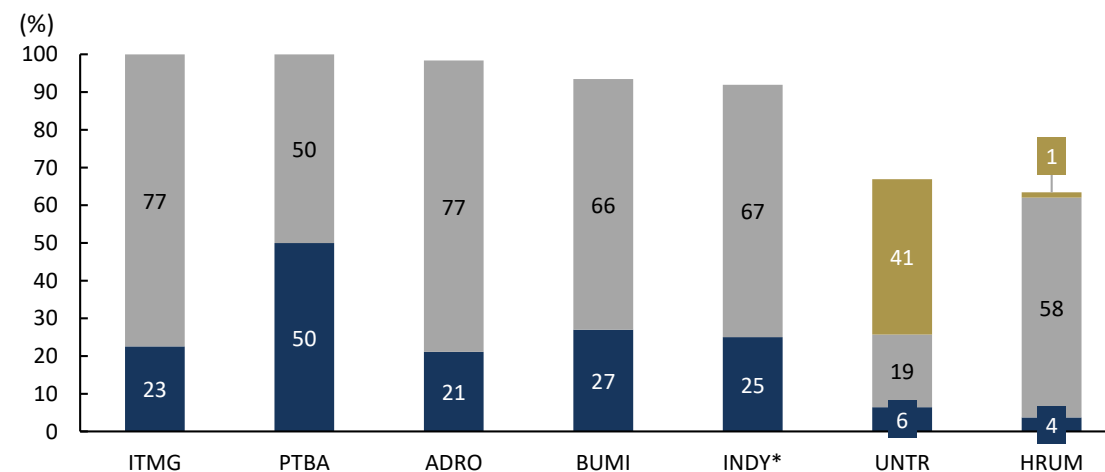
## Recent Catalysts Driving the Price

- Between 20 – 26 September 2024, average coal prices surged to USD 141.1 (+4.4% WoW), driven by +2% increase in India's thermal coal imports as the country looks to build stockpiles ahead of festive season in 3Q24. The country's imported coal consumption for power plants jumped +75% YoY to 17.69 Mt, while its thermal power generation capacity increased to 448 GW (+11% YoY).
- Another positive sentiment comes from China's stimulus plan, with the PBoC cutting reserve ratio by 50 bps and 7-day repo rate by 20 bps to 1.5%. Deposits and other interest rates in the country will also be reduced to counter deflation and boost economic growth.
- Despite ongoing concerns about potential global economic slowdown and decreased world demand, we see some upside in 4Q24 coal prices, mainly due to higher imports from India and China to generate power during winter. We thus upgrade our FY24 coal price forecast to USD 136/ton (YTD: USD 135.2/ton) and maintain ADRO (TP IDR 4,000; FY24 P/E of 5.7x) as our top pick, primarily due to its AAI spin-off plan and significant dividends.

## 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	116	BUY	3,780	421.9	(15.3)	4.3	10.7	17.7
UNTR IJ	102	HOLD	27,300	48.7	(13.9)	5.6	8.6	21.1
BUMI IJ	46	BUY	123	(65.5)	1,445.5	14.8	31.1	23.1
PTBA IJ	36	HOLD	3,110	170.9	(36.0)	5.0	10.0	15.8
ITMG IJ	30	HOLD	26,500	107.4	(34.9)	5.5	18.1	20.7
<b>Sector</b>	<b>330</b>			<b>683.5</b>	<b>154.8</b>	<b>6.2</b>	<b>13.1</b>	<b>19.6</b>

## Coal Revenue Contribution, by Company



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

■ Domestic ■ Export ■ Mining Services