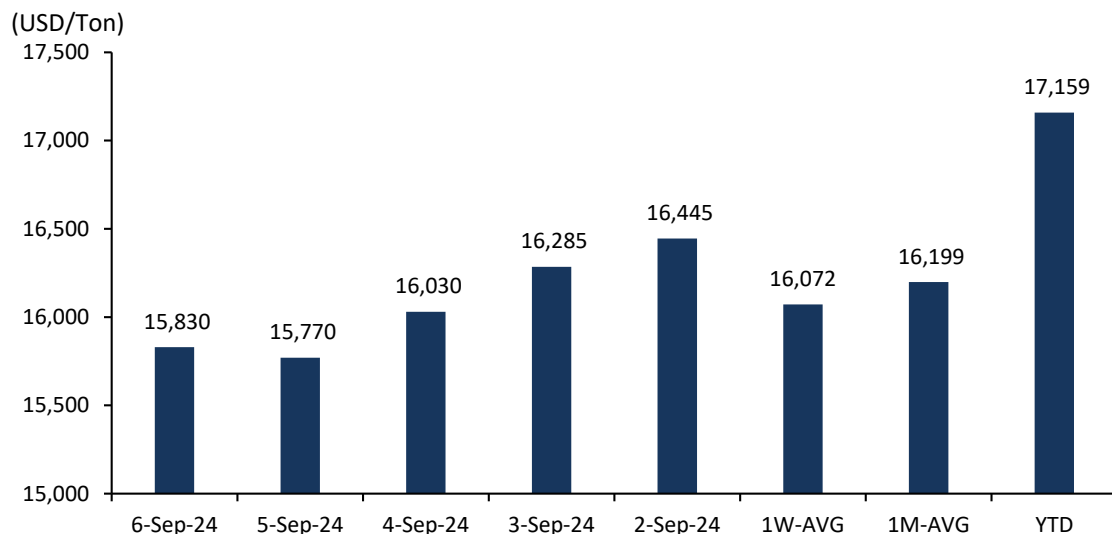


Nickel Weekly (09 September 2024): USD 16,072/ton (-4.1% WoW)

Price Chart



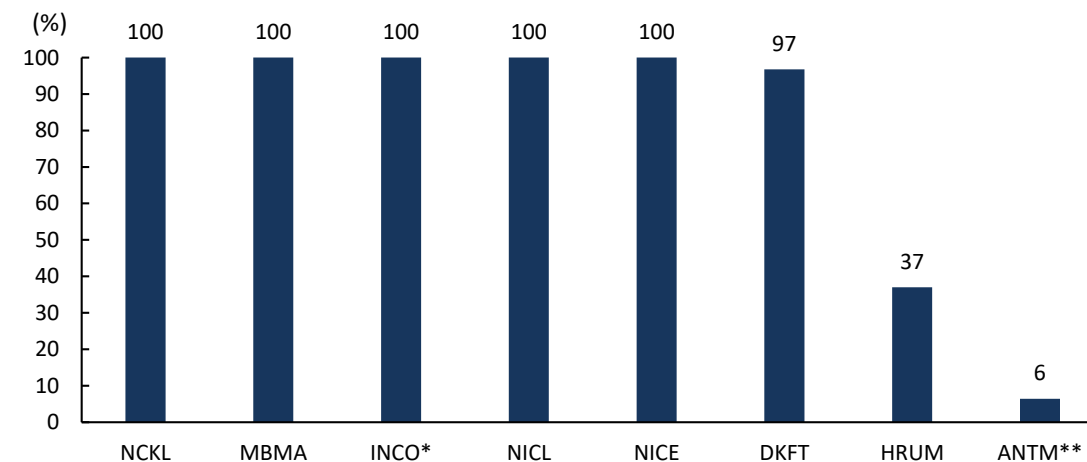
Recent Catalysts Driving the Price

- Between 02 – 06 September 2024, nickel prices declined -4.1% WoW, averaging USD 16,072/ton, largely driven by oversupply and weak demand, especially in the stainless steel sector, where inventories rose 4.9% in Q2 2024 and shipments fell 3.1% between August and September. This, coupled with reduced demand from key sectors, such as automotive, further weighed on nickel prices.
- Additionally, EV sector, which consumes about 7% of global nickel, saw considerable slowdown in growth to 15% this year, down from 30%. Furthermore, the 30% increase in Indonesia’s nickel production to over 1.4 million metric tons has added to the supply glut. Geopolitical tensions, including Indonesia’s raw nickel export restrictions and trade disputes with the EU, contribute to market uncertainty and additional downward pressure on prices.
- We retain our FY24 nickel price forecast of USD 17,220/ton (YTD: USD 17,191/ton). Stock-wise, we maintain NCKL as our top pick with TP of IDR 1,200 (FY24 P/E: 8.4x) due to anticipated earnings growth from capacity expansion and industry-lowest cash cost.

Peer Comparables

Company	Rating	Market Cap.	Last Price	Target Price	EPS Gwt.	PER	PBV	EV/EBITDA	ROE
Ticker		(IDR Tn)	(IDR)	(IDR)	(%)	(x)	(x)	(x)	(%)
MBMA IJ	N/A	58	535	N/A	1,328.6	35.5	2.4	16.6	6.4
NCKL IJ	BUY	56	890	1,200	(7.5)	10.6	2.1	8.0	21.0
INCO IJ	HOLD	39	3,680	4,000	(66.9)	27.5	0.9	6.6	3.4
ANTM IJ	BUY	32	1,335	1,415	(20.5)	13.7	1.1	10.3	8.1
HRUM IJ	BUY	18	1,340	1,185	23.5	9.6	1.1	3.7	12.3
Sector		202.9	-		361.7	21.4	1.7	10.2	10.6

Nickel Revenue Contribution, by Company



*FY23 figures; **Lower nickel contribution due to mining permit issues