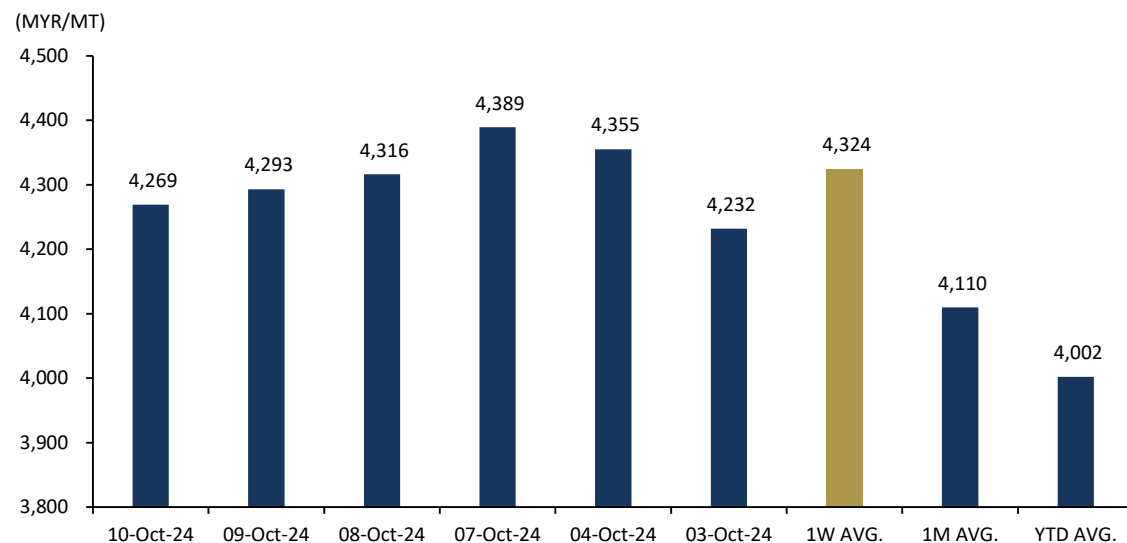


## CPO Price Performance

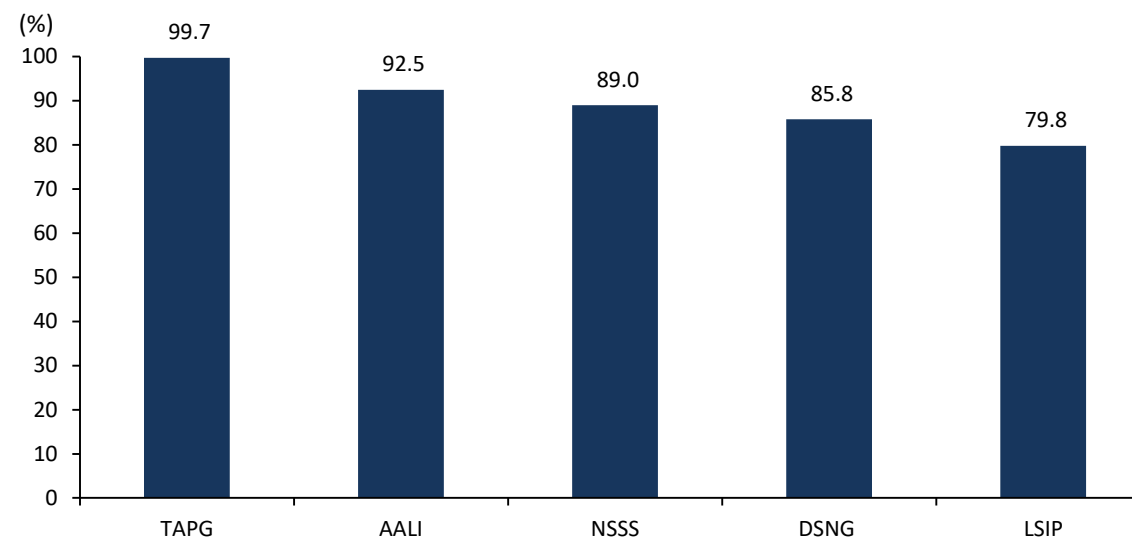


## Recent Catalysts Driving the Price

- In 3-10 October 2024, CPO prices rose +0.9% WoW, averaging MYR 4,324/MT, on expectations of supply disruptions on consumers shifting to biodiesel from tensions in the Middle East which led to oil having surged (Brent: +6.3% WoW; WTI: +6.9% WoW).
- CPO, a key ingredient in biofuel, saw considerable increase in demand, pushing its price to 6-month high of MYR 4,389/MT. In addition, India, the world's biggest CPO importer, is expected to increase purchases ahead of Diwali celebrations.
- Palm oil inventories in Malaysia climbed to their highest level since January, as consumption in the world's second-largest grower slumped. Stockpiles jumped 6.9% MoM to 2.01mn tons in September, potentially applying pressure on prices.
- We retain our FY24 average forecast at MYR 4,100/MT (YTD: MYR 4,002/MT), with NSSS (TP IDR 265/sh) and TAPG (TP IDR 800/sh) as our top sector's picks, supported by their relatively young plantation profiles (<10 years old), reflecting higher crop and extraction yields.

Sources: Companies, Bloomberg, SSI Research

## CPO Contribution to 2Q24 Revenue, by Company



## 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	17.4	BUY	875	4.4	75.6	10.0	4,460	14.2
AALI IJ	12.6	HOLD	6,525	-1.8	1.5	11.1	5,597	4.8
SSMS IJ	10.7	BUY	1,120	3.6	110.9	5.6	13,628	5.0
DSNG IJ	10.0	BUY	940	8.9	14.3	9.2	22,664	9.9
LSIP IJ	7.2	HOLD	1050	4.8	30.9	7.7	1,678	7.4
NSSS IJ*	4.9	BUY	206	4.9	344.2	99.7	16,491	4.1
<b>Sector</b>	<b>62.6</b>			<b>3.8</b>	<b>72.9</b>	<b>16.1</b>	<b>9,770</b>	<b>8.5</b>

\*: FY24 figures are annualized

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