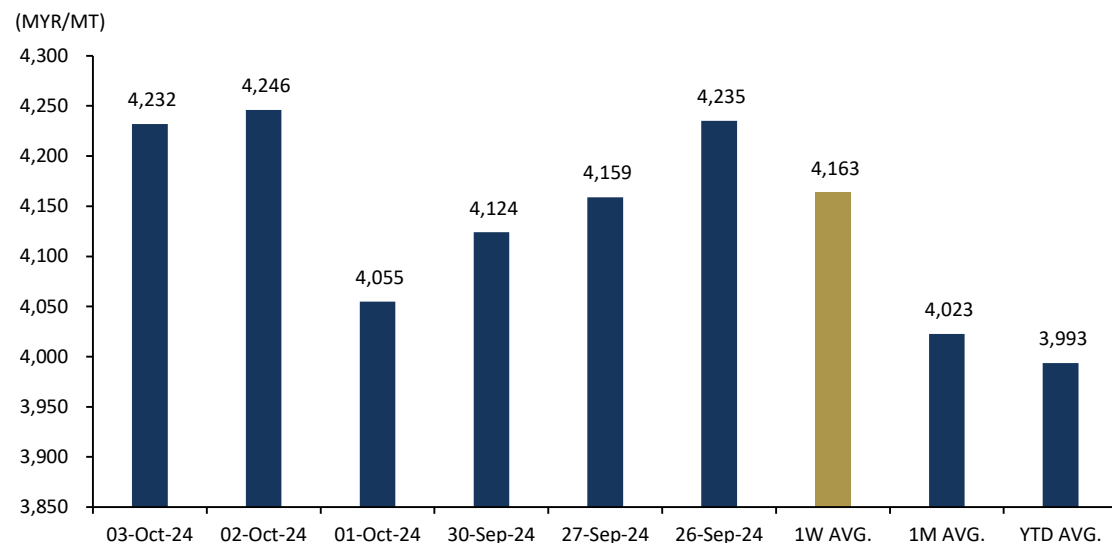
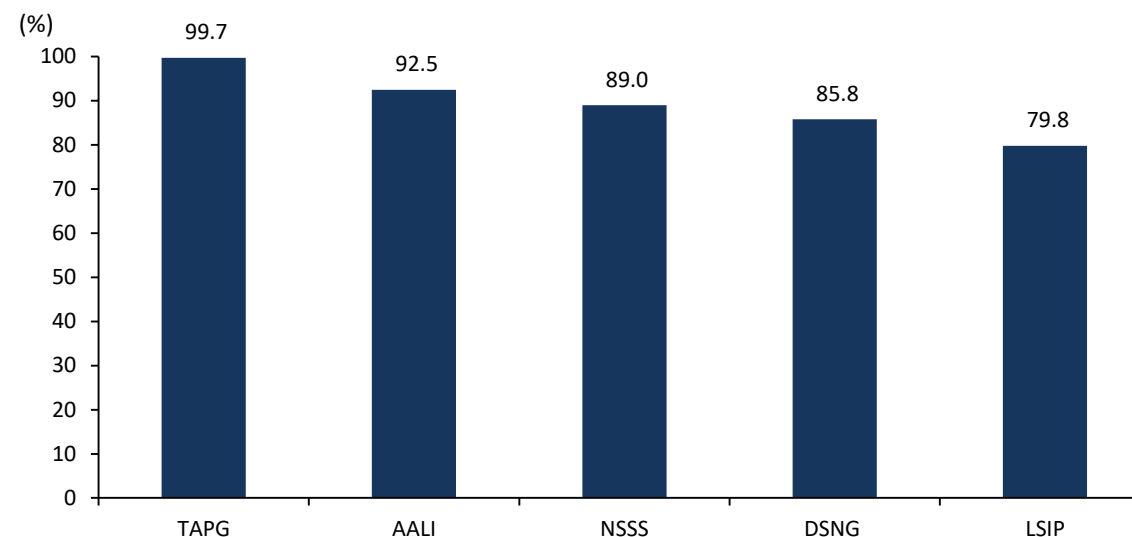


## CPO Price Performance



## CPO Contribution to 2Q24 Revenue, by Company



## Recent Catalysts Driving the Price

- In 26 September - 3 October 2024, CPO prices stayed flat (-0.1% WoW), averaging MYR 4,163/MT. Expectations of supply disruptions stemming from tensions in the Middle East, coupled with recovery in demand from EU have kept prices above YTD average of MYR 3,993/MT.
- CPO prices jumped 5% on 2 October to MYR 4,246/MT, driven by concerns over potential disruptions to shipping routes following Israel's retaliation plan against recent attacks from Iran, which could impact trade flows to and from Asia.
- In addition, demand from EU is expected to recover after the European Commission decided to postpone the implementation of the deforestation law, responding to pressures from global partners and industry.
- We retain our FY24 average forecast at MYR 4,100/MT (YTD: MYR 3,993/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), 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	16.8	BUY	845	2.0	75.6	7.7	4,317	17.4
AALI IJ	12.9	HOLD	6,700	1.5	1.5	11.1	5,739	5.1
SSMS IJ	10.4	BUY	1,090	-0.1	110.9	5.6	13,403	5
DSNG IJ	9.2	BUY	870	4.9	14.3	5.9	15,243	9.4
LSIP IJ	6.9	HOLD	1010	1.6	30.9	6.7	2,912	8.1
NSSS IJ*	4.7	BUY	198	5.2	344.2	99.7	16,024	4.1
<b>Sector</b>	<b>60.9</b>			<b>2.2</b>	<b>72.0</b>	<b>14.6</b>	<b>8,570</b>	<b>9.4</b>

\*: FY24 figures are annualized