

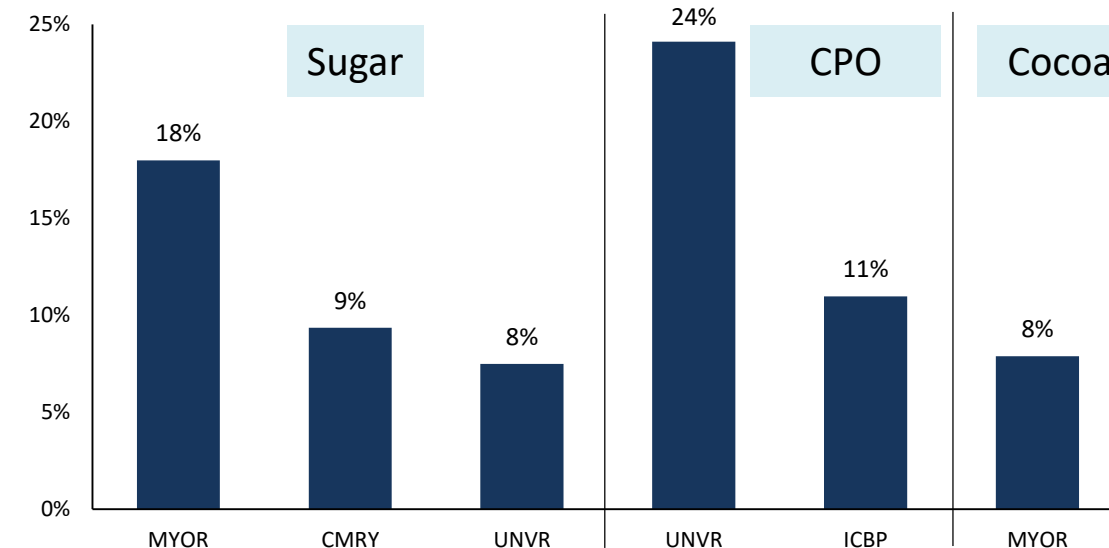
## Weekly Price Changes

Commodity	Last Price	5D chg (%)	1M chg (%)	3M chg (%)	1Y chg (%)	YTD chg (%)
CPO – Cooking Oil	4,053	-1.7	-0.5	1.4	9.9	10.7
Soybean CBT	1,048	-0.5	6.7	-8.6	-17.8	-19.0
Soybean Oil	43	-4.0	-1.3	-7.7	-25.8	-11.2
Wheat	578	-1.9	8.6	-1.9	6.8	-7.9
Cocoa	7,722	-2.9	0.7	23.7	132.9	96.3
Coffee	269	0.4	10.7	21.5	79.6	43.5
Sugar	23	-4.0	14.3	9.2	-5.5	8.5
Skimmed Milk Powder	2,625	0.5	6.3	6.3	8.2	1.9

## Soft Commodities Notes

- In the past five days, sugar prices fell -4.0%, driven by improved volume outlook in Brazil, India, and Thailand. Last Friday, UNICA reported mid-Sept sugar production in Center-South region had reached 30.327 MMT (+3.6% YoY). In Indonesia's consumer sector, lower sugar prices will benefit MYOR the most, followed by CMRY > UNVR > KLBF & SIDO > ICBP.
- In the same period, SBO prices dropped -4.0%, mainly on high old-crop soybean inventory, which based on USDA, rose to 342mn bushels in early Sept 2024 (+29% YoY). Looking ahead, we expect lower SBO prices to exert pressure on CPO prices, benefitting UNVR and ICBP.
- Over the past five days, cocoa prices retreated -2.9%, on the back of concerns over weak chocolate sales, which significantly underperformed compared to other snacks as elevated prices have prompted consumers to switch to cheaper alternatives. For Indonesian's consumer stocks, we believe that MYOR stands to benefit the most from lower cocoa prices.
- Going forward, we project raw materials prices to experience uptrends, leading to higher costs for consumer companies. Stock-wise, we maintain SIDO and ICBP as our top picks with TP of IDR 850/share (21.1x FY24F PE) and IDR 14,000/share (PE 2024F: 20.6x). SIDO stands to benefit from low USD cash cost amid IDR strength, while ICBP may benefit from lower cooking oil prices. Also, we expect these two companies to obtain purchasing power support from the government's rice aid disbursement in Aug-Dec 2024.

## Raw Materials Contribution to Total COGS



## Peer Comparables

Company	Rating	Market Cap (IDR Tn)	Last Price (IDR)	2024F				
				TP (IDR)	EPS Gwt (%)	P/E (x)	Div. Yield (%)	ROE (%)
ICBP IJ	BUY	144.9	12,425	14,000	13.3	20.6	2.9	15.4
UNVR IJ	HOLD	84.3	2,210	2,300	4.8	20.4	4.5	131.0
KLBF IJ	BUY	81.1	1,730	1,800	14.1	21.5	2.0	14.3
MYOR IJ*	BUY	66.2	2,970	3,278	15.2	19.8	1.9	20.7
INDF IJ	BUY	62.6	7,125	8,000	24.5	5.3	5.5	16.1
CMRY IJ*	BUY	43.6	5,500	5,979	22.2	28.8	1.5	23.2
SIDO IJ	BUY	20.4	680	850	24.0	21.1	7.5	32.5
<b>Sector</b>		<b>503.1</b>			<b>14.8</b>	<b>18.0</b>	<b>3.3</b>	<b>38.4</b>

\* Consensus Estimates