

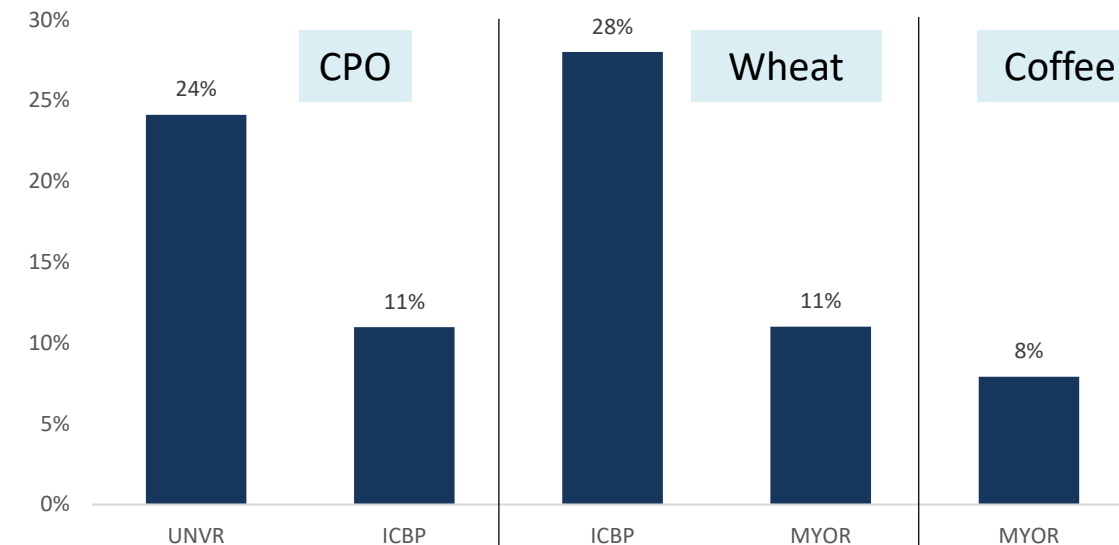
Weekly Price Changes

Commodity	Last Price	5D chg (%)	1M chg (%)	3M chg (%)	1Y chg (%)	YTD chg (%)
CPO – Cooking Oil	4,316	1.65	9.68	6.49	20.79	17.86
Soybean CBT	1,016	-3.76	1.12	-11.55	-19.73	-21.43
Soybean Oil	43	-1.26	7.16	-12.22	-22.15	-9.93
Wheat	595	-3.33	4.89	4.25	4.66	-5.29
Cocoa	7,050	-0.20	-0.44	5.95	108.77	79.21
Coffee	248	-3.24	5.17	6.91	64.75	31.81
Sugar	22	-0.84	16.71	9.87	-5.70	8.59
Skimmed Milk Powder	2,581	-0.27	-4.51	5.78	-0.58	0.16

Soft Commodities Notes

- Lower wheat prices, down -3.3% WoW in the last 5 trading days, will benefit ICBP and MYOR. This is due to positive 24/25F production outlook from US farms of 1.971 billion bushels (+9% YoY), highest since 2016-17, mainly driven by recovery in wheat acreage, spurred by 56% YoY spike in wheat prices in FY22.
- In the same period, soybean CBT prices slumped -3.7%, primarily due to the combination of less-than-expected stimulus from China and faster planting pace in Brazil and Argentina, two of the world's largest soy producers. We project the drop in soybean prices to limit the upside for CPO prices in the short term, benefitting UNVR and ICBP.
- Over the past five days, coffee prices retreated -3.2%, on the back of heavy rainfall forecasts in Brazil's coffee-growing regions, which could ease drought concerns and improve moisture, positively impacting coffee crops. Among Indonesian consumer stocks, MYOR stands to benefit the most from lower coffee prices (8% of COGS).
- Based on current trends, raw materials prices are coming down leading to lower costs for consumer companies. Stock-wise, we continue to like ICBP as a top pick with TP IDR 14,000/share (PE 2024F: 20.6x) on lower wheat and cooking oil prices. We also like SIDO with TP of IDR 850/share (21.1x FY24F PE) as it would benefit from low USD cash cost amid stronger DXY. Additionally, 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	Last	2024F				
		Cap	Price	TP	EPS Gwt	P/E	Div. Yield	ROE
Ticker		(IDR Tn)	(IDR)	(IDR)	(%)	(x)	(%)	(%)
ICBP IJ	BUY	141.4	12,125	14,000	13.3	20.6	2.4	2.5
UNVR IJ	HOLD	88.9	2,330	2,300	4.8	20.4	30.0	4.5
KLBF IJ	BUY	78.8	1,680	1,800	14.1	21.5	2.9	2.0
MYOR IJ*	BUY	62.4	2,790	3,278	15.9	18.5	3.6	2.1
INDF IJ	BUY	61.5	7,000	8,000	24.5	5.3	0.8	5.5
CMRY IJ*	BUY	42.5	5,350	5,979	22.2	28.0	6.2	1.5
SIDO IJ	BUY	20.0	665	850	24.0	21.1	3.4	7.5
Sector		495.3			14.8	19.2	7.8	3.2

* Consensus Estimates