

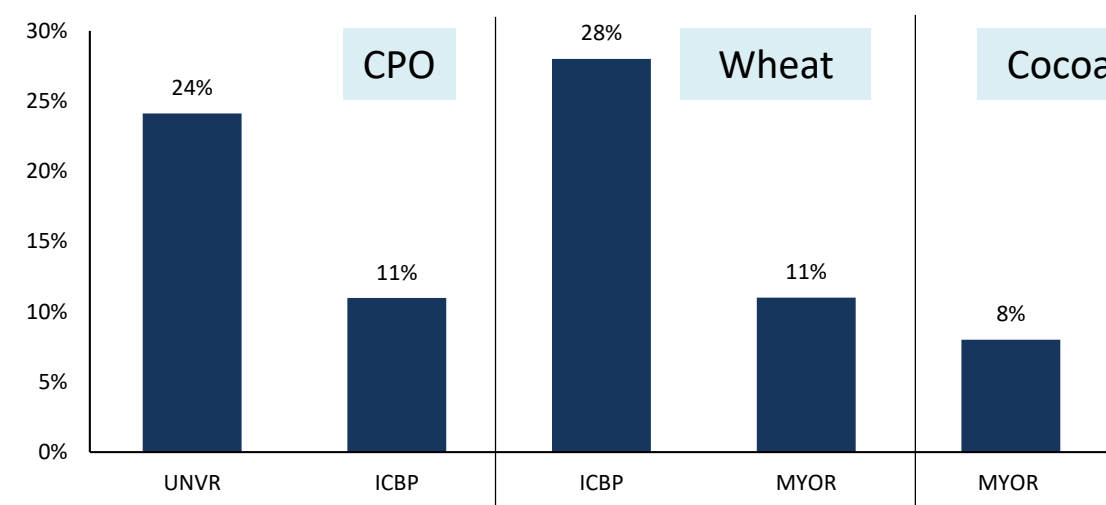
## Weekly Price Changes

Commodity	Last Price	5D chg (%)	1M chg (%)	3M chg (%)	1Y chg (%)	YTD chg (%)
CPO – Cooking Oil	4,450	1.8	10.5	10.3	19.8	21.5
Soybean CBT	980	0.0	-3.1	-12.3	-24.7	-24.2
Soybean Oil	43	3.3	1.9	-8.6	-19.4	-10.0
Wheat	567	-3.0	-0.2	3.5	-3.0	-9.7
Cocoa	7,310	-5.9	-4.5	-1.3	105.0	85.8
Coffee	255	-1.2	1.7	5.7	53.0	35.4
Sugar	22	-0.7	-4.0	17.2	-9.0	5.5
Skimmed Milk Powder	2,563	-1.1	-4.1	5.2	-5.4	-0.9

## Soft Commodities Notes

- Wheat prices saw -3.0% drop in the past 5D, mainly due to Brazil's record-breaking 24/25 agricultural season forecast. Total grain production in the country is projected to reach 322.5mn tons (+8.3% YoY vs 23/24 harvest), with grain cultivation area expanding to 81.34mn hectares (+1.9% YoY). The lower wheat prices should benefit ICBP and MYOR.
- Cocoa prices fell -5.9% WoW as deliveries of beans (reaching 193 tons, +12.8% YoY) to Ivory Coast, the world's largest cocoa producer, and improving conditions on easing rainfall for harvesting picked up. The decline in cocoa prices is expected to benefit MYOR.
- Over the past 5D, soybean oil recorded an uptick of +3.3%, driven by robust demand for US soybean crops. US weekly soybean net sales for 24/25 crop year in the week ended 10 Oct reached 1.7mn tons, increasing in YoY basis. We believe the hike in soybean oil prices could potentially lead to further hikes in cooking oil prices, affecting UNVR>ICBP> CMRY.
- Raw materials prices remained mixed, impacting consumer companies' costs in different ways. Stock-wise, we maintain ICBP as top pick with TP of IDR 14,000/share (PE 2024F: 20.6x), as the company may benefit from lower wheat prices. We also like SIDO (TP: IDR 850/share, 21.1x FY24F PE) due to its low USD cash cost as DXY continues to strengthen. Additionally, we expect these two companies to obtain purchasing power support from the government's rice aid disbursement in Aug-Dec 2024. On the flip side, we expect MYOR's gross margin to remain under pressure due to higher coffee and cocoa prices.

## Raw Materials Contribution to Total COGS



## Peer Comparables

Company	Rating	Market Cap	Last Price	2024F TP	2024F EPS Gwt	2024F P/E	Div. Yield	ROE
Ticker		(IDR Tn)	(IDR)	(IDR)	(%)	(x)	(%)	(%)
ICBP IJ	BUY	146.1	12,525	14,000	13.3	20.6	2.5	14.4
UNVR IJ	HOLD	88.5	2,320	2,300	4.8	20.4	4.5	131.0
KLBF IJ	BUY	78.8	1,680	1,800	14.1	21.5	2.0	14.3
MYOR IJ*	BUY	59.3	2,650	3,278	14.6	17.8	2.2	20.6
INDF IJ	BUY	65.2	7,425	8,000	24.5	5.3	5.5	16.1
CMRY IJ*	BUY	44.4	5,600	5,979	22.2	29.3	1.4	23.2
SIDO IJ	BUY	19.7	655	850	24.0	21.1	7.5	32.5
<b>Sector</b>		<b>501.9</b>			<b>14.7</b>	<b>19.2</b>	<b>3.2</b>	<b>37.4</b>

\* Consensus Estimates