

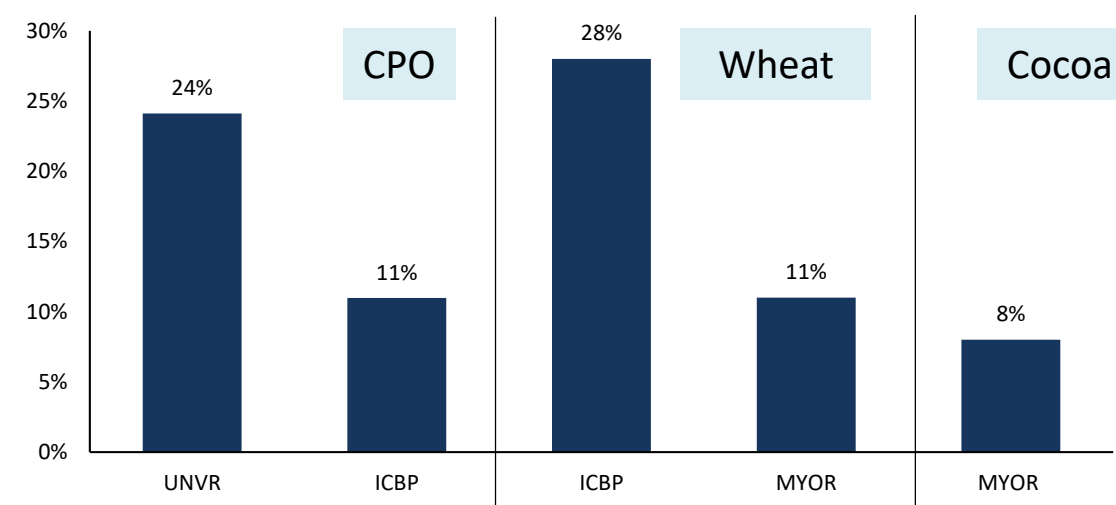
Weekly Price Changes

Commodity	Last Price	5D chg (%)	1M chg (%)	3M chg (%)	1Y chg (%)	YTD chg (%)
CPO – Cooking Oil	4,737	3.8	13.9	17.8	28.9	29.4
Soybean CBT	978	-2.0	-8.3	-7.3	-24.6	-24.4
Soybean Oil	43	0.0	3.0	1.3	-16.9	-9.3
Wheat	563	-2.7	-3.0	6.0	-2.2	-10.4
Cocoa	6,667	4.0	-1.4	10.0	82.2	74.7
Coffee	249	-1.3	-7.4	8.6	52.1	32.3
Sugar	22	-1.0	-2.3	14.4	-8.9	6.7
Skimmed Milk Powder	2,555	0.8	-2.0	5.2	-1.6	-0.9

Soft Commodities Notes

- Over the past 5D, cocoa prices rose +4.0%, primarily due to heavy rainfall in Ivory Coast, which flooded several plantations in the country and caused a surge in mortality rate of cherelles (immature cocoa pods) and cacao flowers to ~60-70% (average: ~25%), leading to lower production forecasts. The increase in cocoa prices will adversely impact MYOR.
- Wheat prices declined -2.7% over the week on the back of prospects for much-needed rainfall in drought-ridden Central US, with the added precipitation expected to help bolster winter wheat crops. The decline in wheat prices should benefit ICBP and MYOR.
- CPO saw an uptick of +3.8% in the past 5D, driven by concerns regarding tight supply outlook from Indonesia and Malaysia, coupled with rising biodiesel demand. We believe the increase in CPO prices could lead to further hikes in cooking oil prices, negatively 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	29.9	20.6	2.5	14.4
UNVR IJ	HOLD	88.5	2,320	2,300	-14.7	20.4	4.5	131.0
KLBF IJ	BUY	78.8	1,680	1,800	16.5	21.5	2.0	14.3
MYOR IJ*	BUY	59.3	2,650	3,278	3.9	17.8	2.2	20.6
INDF IJ	BUY	65.2	7,425	8,000	15.1	5.3	5.5	16.1
CMRY IJ*	BUY	44.4	5,600	5,979	22.0	29.3	1.4	23.2
SIDO IJ	BUY	19.7	655	850	20.6	21.1	7.5	32.5
Sector		501.9			13.9	19.2	3.2	37.4

* Consensus Estimates