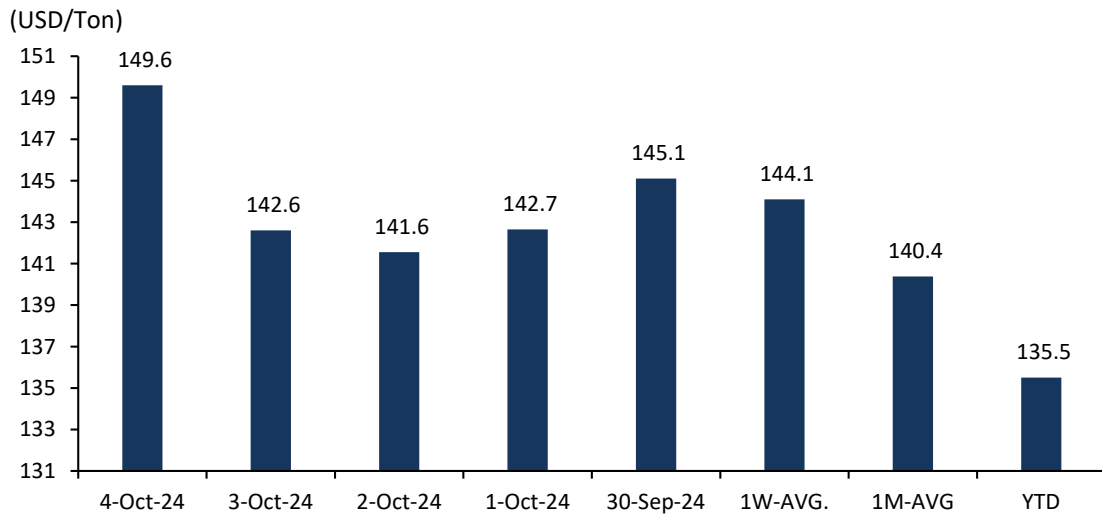


Coal Weekly (07 October 2024): USD 144/ton (+1.4% WoW)

Price Chart



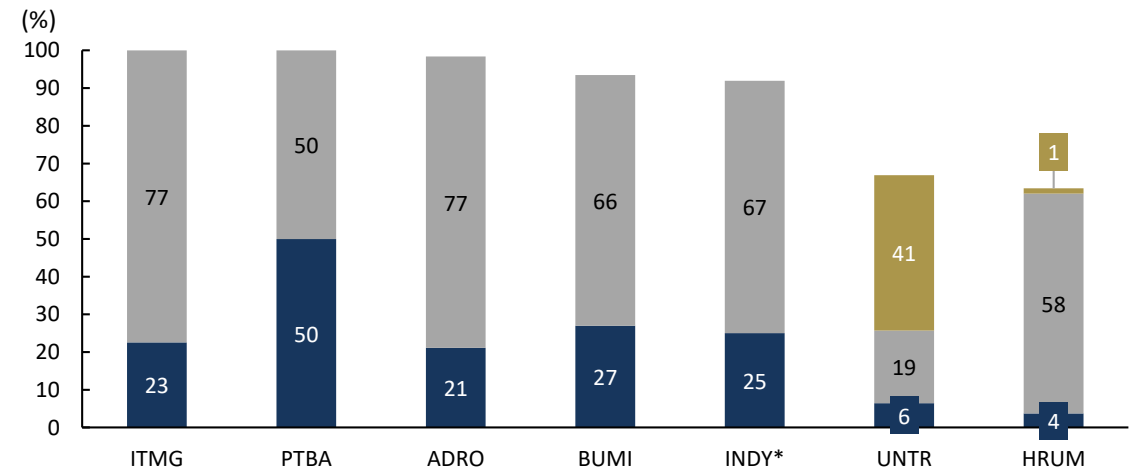
Recent Catalysts Driving the Price

- ❑ In 30 Sep – 04 Oct 2024, average coal prices rose to USD 144.1/ton (+1.4% WoW), driven by forecasts of colder-than-usual winter in Europe, which may boost heating demand in the continent.
- ❑ Potential rising coal demand from Europe, coupled with Russia’s flattish production in August of 32 million tons (flat MoM. +6.2% YoY) has created favorable environment for bullish market trend.
- ❑ Furthermore, China continues to give positive impact for coal prices, including economic stimulus, reduced production due to heavy rainfall, and heightened consumption ahead of national week-long holiday (October 1-7).
- ❑ Supported by higher imports from India and China to meet winter power needs, along with the possibility of import surge from EU during harsh winter, we maintain our FY24 coal price forecast at USD 136/ton (YTD: USD 135.5/ton) and retain ADRO (TP IDR 4,000; FY24 P/E of 5.7x) as our top pick, primarily due to its AAI spin-off plan and significant dividends.

Peer Comparables

| Company Ticker | Market | | Current Price (IDR) | 1W Net Buy (Sell) (IDR Bn) | 2024F | | | |
|----------------|---------------|--------|---------------------|----------------------------|----------------|-------------|----------------|-------------|
| | Cap. (IDR Tn) | Rating | | | EPS Growth (%) | P/E (x) | Div. Yield (%) | ROE (%) |
| ADRO IJ | 119 | BUY | 3,810 | (277.0) | (15.3) | 4.3 | 10.7 | 17.7 |
| UNTR IJ | 101 | HOLD | 27,275 | 23.6 | (13.9) | 5.6 | 8.6 | 21.1 |
| BUMI IJ | 52 | BUY | 135 | (28.7) | 1,445.5 | 49.7 | 31.1 | 23.1 |
| PTBA IJ | 36 | HOLD | 2,990 | (47.8) | (36.0) | 5.0 | 10.0 | 15.8 |
| ITMG IJ | 30 | HOLD | 25,975 | (45.6) | (34.9) | 5.5 | 18.1 | 20.7 |
| Sector | 333 | | | (375.5) | 205.5 | 11.8 | 13.8 | 19.6 |

Coal Revenue Contribution, by Company



*Other revenues are coming from O&G services, logistic & infrastructure, and green business

■ Domestic ■ Export ■ Mining Services