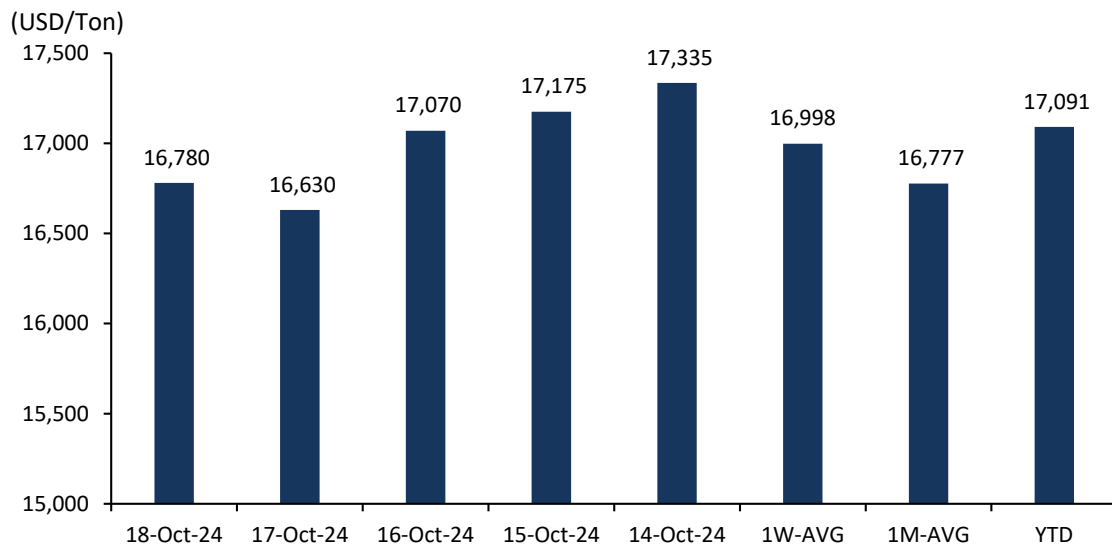


# Nickel Weekly (21 October 2024): USD 16,998/ton (-2.7% WoW)

## Price Chart



## Recent Catalysts Driving the Price

- ❑ In 14–18 October 2024, nickel prices fell -2.7% WoW, averaging USD 16,998/ton. The decline was primarily driven by the discovery of c.2.4 Mt of nickel reserves at Wedei prospect in Papua New Guinea (PNG). Results from field programs suggest significant nickel deposits, fuelling expectations of increased future supply.
- ❑ Over the weekend, China’s Ministry of Finance announced fiscal stimulus plan aimed at supporting the property sector, yet it failed to boost market confidence, mainly due to lack of clarity regarding the package's size. Additionally, nickel consumption is projected to decline as rising coking coal prices have squeezed steel mill profits, leading to fewer iron blast furnaces resuming production.
- ❑ We cut our FY24 nickel price forecast to USD 17,100/ton from USD 17,220/ton (YTD: USD 17,091/ton) due to persistent pressure from oversupply issue. Stock-wise, we retain NCKL, supported by anticipated earnings growth from capacity expansion and industry-lowest cash cost, as our top pick with TP of IDR 1,200 (FY24 P/E: 8.4x).

## Peer Comparables

Company Ticker	Rating	Market Cap. (IDR Tn)	Last Price (IDR)	Target Price (IDR)	2024F				
					EPS Gwt. (%)	PER (x)	PBV (x)	EV/EBITDA (x)	ROE (%)
MBMA IJ	N.R	58	540	N.R	563.0	35.1	2.3	16.4	6.4
NCKL IJ	BUY	58	915	1,200	(7.5)	10.6	2.1	8.0	21.0
INCO IJ	HOLD	43	4,120	4,000	(66.9)	27.2	0.9	6.5	3.4
ANTM IJ	BUY	39	1,625	1,800	(20.5)	13.7	1.1	10.3	8.1
HRUM IJ	BUY	18	1,325	1,600	23.5	9.7	1.1	3.8	12.3
<b>Sector</b>		<b>216.4</b>	<b>-</b>		<b>134.5</b>	<b>21.0</b>	<b>1.7</b>	<b>10.0</b>	<b>10.5</b>

## Nickel Revenue Contribution 1H24, by Company

