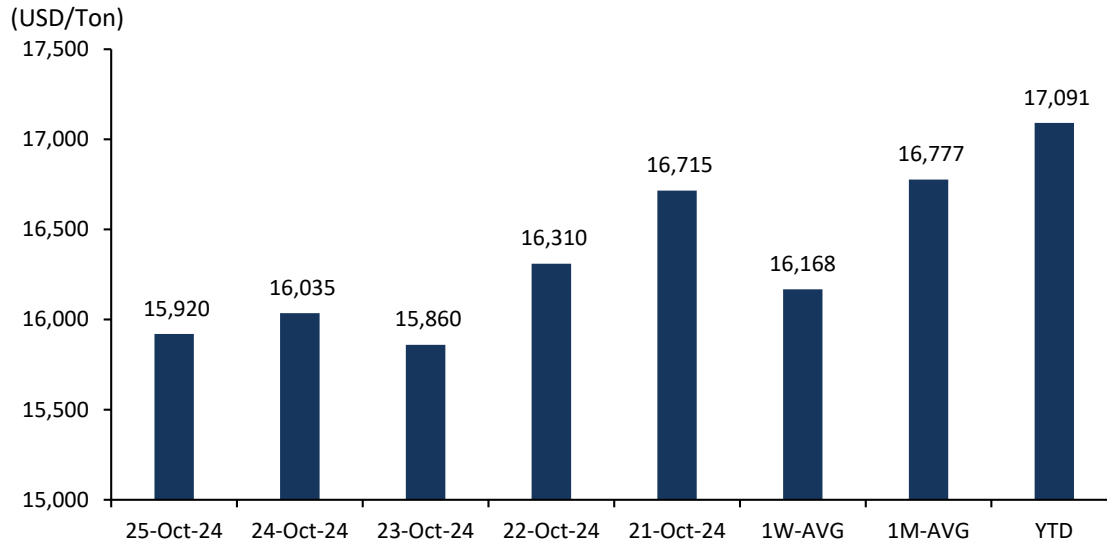


Nickel Weekly (28 October 2024): USD 16,168/ton (-4.9% WoW)

Price Chart



Recent Catalysts Driving the Price

- Between 21 – 25 October 2024, nickel prices fell -4.9% WoW, averaging USD 16,168/ton as production cuts carried out in Australia failed to stabilize prices. Weak demand, compounded by global economic uncertainties, is expected to keep downward pressure on nickel prices throughout the year.
- Rising inventories highlight the global oversupply issue, with stockpiles at LME and SHFE increasing +90% YTD, driven by production growth in China and Indonesia. This, coupled with -5.86% MoM decline in stainless steel exports from China in September 2024, further pressures nickel prices.
- We cut our FY24 nickel price forecast to USD 16,900/ton from USD 17,100/ton (YTD: USD 17,091/ton) due to persistent pressure from oversupply and weak demand outlook. Stock-wise, we maintain 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	57	525	N.R	563.0	35.1	2.3	16.4	6.4
NCKL IJ	BUY	57	905	1,200	(7.5)	10.6	2.1	8.0	21.0
INCO IJ	HOLD	43	4,070	4,000	(66.9)	27.2	0.9	6.5	3.4
ANTM IJ	BUY	38	1,585	1,800	(20.5)	13.7	1.1	10.3	8.1
HRUM IJ	BUY	18	1,310	1,600	23.5	9.7	1.1	3.8	12.3
Sector		212.5			133.0	21.0	1.7	10.0	10.5

Nickel Revenue Contribution 1H24, by Company

