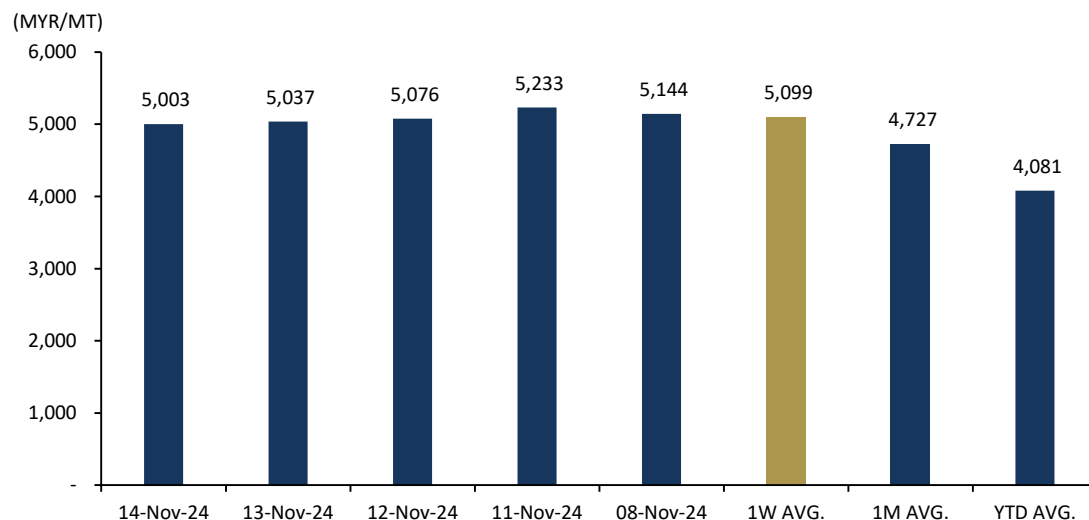


## CPO Price Performance

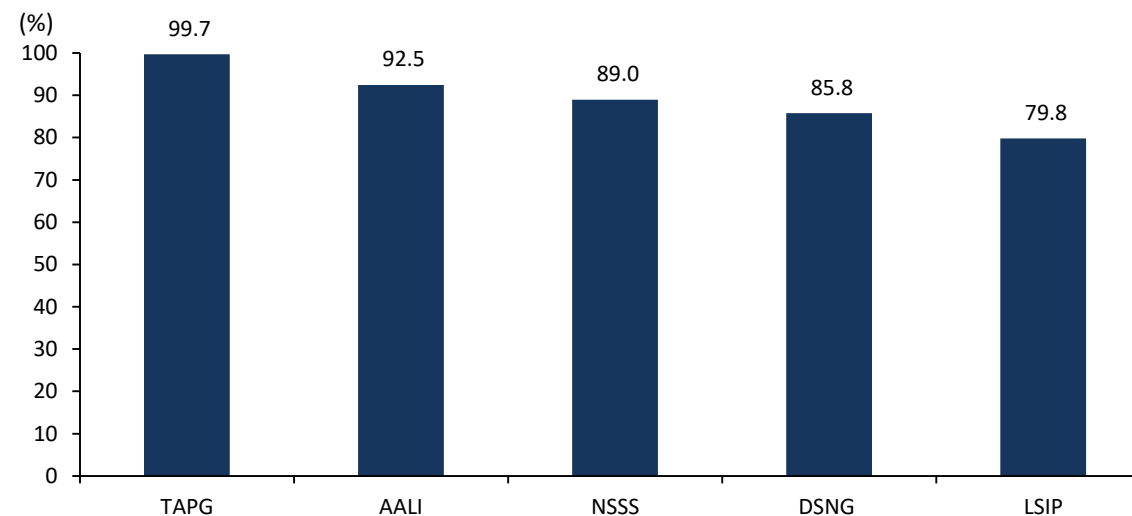


## Recent Catalysts Driving the Price

- Between 8–15 November 2024, CPO prices rose +3.4% WoW, averaging MYR 5,099/MT and hitting two-year high for the third consecutive week, primarily driven by tight supply outlook in Malaysia, the world’s second-biggest producer (25% of global supply). The country’s reserves declined -6% MoM in October to 1.88 mt, the lowest level since August, primarily due to robust demand from India, particularly amid Diwali festivity.
- However, in 12-14 November, CPO prices tumbled -4.4% over three consecutive days, mainly due to -14.57% MoM drop in Malaysia’s CPO exports during the first 10 days of November, following the conclusion of Diwali celebration. Furthermore, the onset of winter in China may adversely affect the country’s demand for CPO, as it tends to solidify in colder temperatures, complicating storage and logistics.
- The potential for higher output in December prompts us to retain our FY24 average forecast at MYR 4,100/MT (YTD: MYR 4,081/MT), with NSSS (TP IDR 265/sh) and TAPG (TP IDR 800/sh) as our top picks, supported by their relatively young plantation assets (less than 10 years old), which should translate to higher crop and extraction yields.

Sources: Companies, Bloomberg, GAPKI, SSI Research

## CPO Contribution to 2Q24 Revenue, by Company



## Peer Comparables

Ticker	Mkt Cap (IDR Tn)	Rating	Target Price (IDR)	Last Price (IDR)	Rel. to JCI 5D (%)	2024F			
						EPS Growth (%)	P/E (x)	EV/Ha (USD)	ROE (%)
TAPG IJ	17.7	BUY	800	890	-6.9	34.6	9.4	4,552	17.6
AALI IJ	12.5	HOLD	6,400	6,500	-1.9	1.1	10.8	5,171	5.4
DSNG IJ	12.4	BUY	1,200	1,170	0.4	36.7	10.1	11,129	12.6
SSMS IJ	10.2	BUY	950	1,075	-4.0	54.5	12.6	13,758	34.5
STAA IJ	9.5	N.A	N.A	875	-4.5	61.9	8.6	14,047	13.9
LSIP IJ	7.8	HOLD	900	1,150	-6.9	40.2	7.9	2,717	8.5
NSSS IJ*	5.1	BUY	265	214	3.3	2122.2	115.3	16,720	4.1
<b>Sector</b>	<b>75.3</b>				<b>-3.5</b>	<b>177.3</b>	<b>17.1</b>	<b>8,825</b>	<b>14.7</b>

\*: FY24 figures are annualized

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