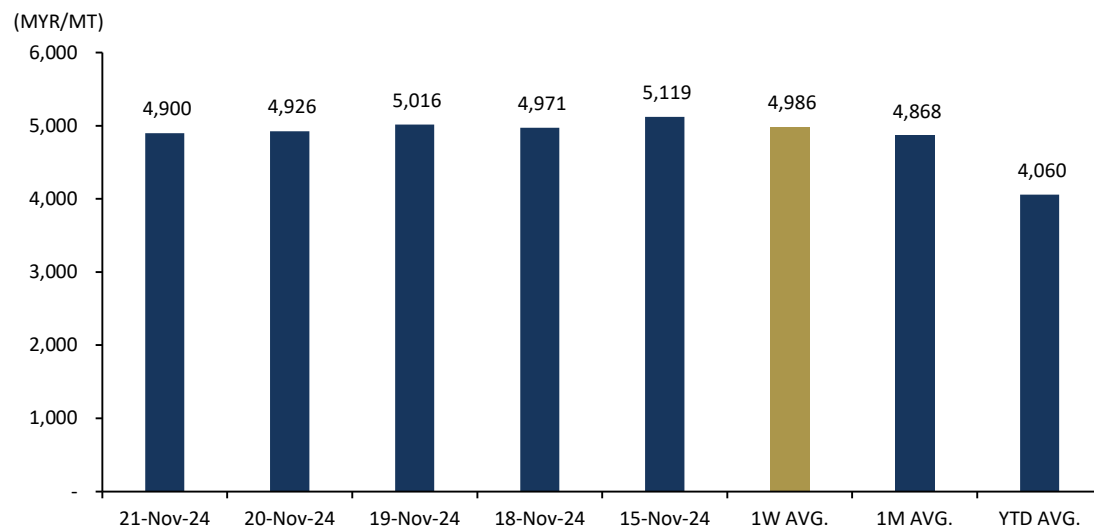


CPO Price Performance

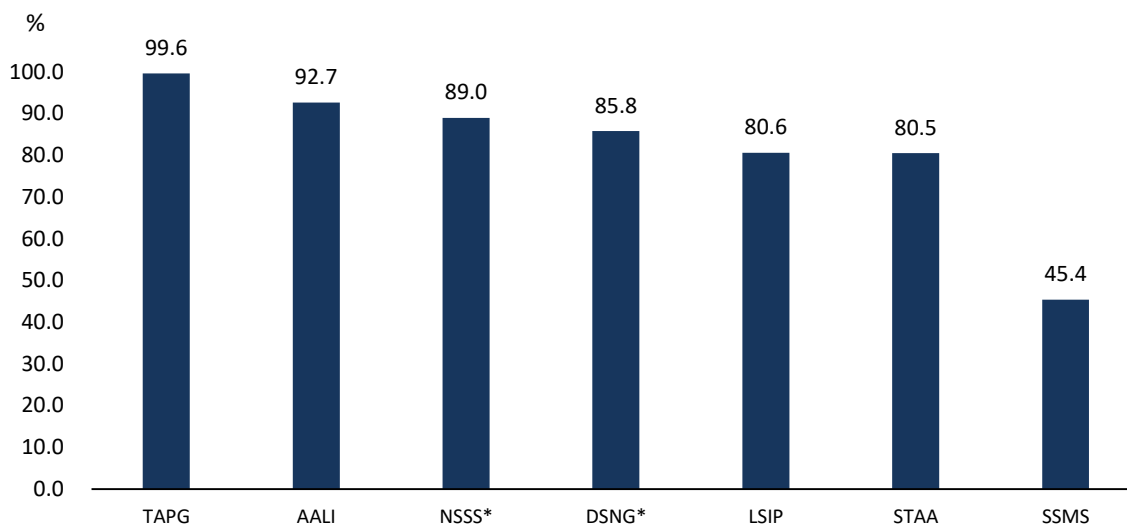


Recent Catalysts Driving the Price

- Between 15–21 November 2024, CPO price dropped -2.2% WoW, averaging MYR 4,986/MT. This marked its first weekly decline after five consecutive resilient weeks, driven by weaker soybean oil price, which appeared more attractive ahead of China's forthcoming winter season.
- Soybean oil, second-most consumed vegetable oil at 27.9% (CPO: 35.8%), dropped -4.4% WoW, averaging USD 44.5/lb, attributed to abundant South American soy harvest potential with Brazil's upcoming rainy season expected to enhance production.
- Moreover, unfavorable biofuel demand outlook under the Trump administration contributed to the soybean oil downtrend. Small refinery exemptions, prevalent in previous Trump policies, removed 20% of US Renewable Volume Obligations (RVOs).
- The potential for higher output in December prompts us to retain our FY24 average forecast at MYR 4,100/MT (YTD: MYR 4,060/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 3Q24 Revenue, by Company



*: FY24 figures are 2Q24

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	15.7	BUY	800	790	(10.2)	34.6	7.7	3,736	17.6
AALI IJ	11.9	HOLD	6,400	6,175	(4.0)	1.1	10.0	4,783	5.3
DSNG IJ	12.3	BUY	1,200	1,165	0.6	36.7	10.0	11,097	12.6
SSMS IJ	9.8	BUY	950	1,025	(3.6)	54.5	12.0	12,912	34.5
STAA IJ	9.2	N.A	N.A	845	(2.4)	61.9	8.3	12,985	13.9
LSIP IJ	7.0	HOLD	900	1,025	(9.8)	40.2	6.8	1,611	8.5
NSSS IJ	5.4	BUY	265	226	6.6	2122.2	121.8	17,776	4.1
Sector	71.3				(4.1)	193.8	17.7	8,490	14.6

*: FY24 figures are annualized

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