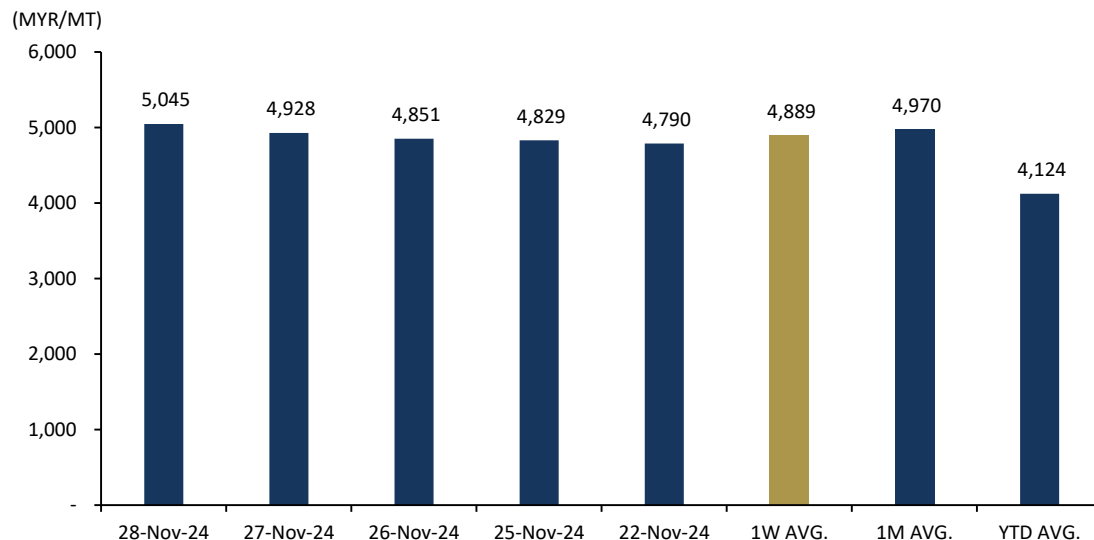


## CPO Price Performance

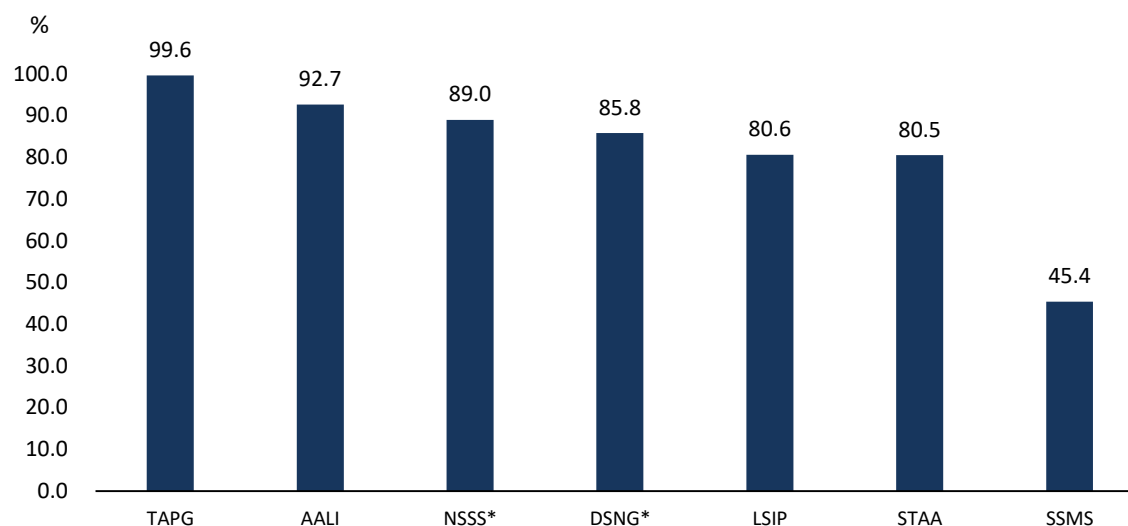


## Recent Catalysts Driving the Price

- In the last 5 trading days, CPO prices dropped -2.0% WoW, averaging MYR 4,889/MT, which we attribute to weaker demand following end of the Indian festive season and winter starting in China (CPO is prone to freeze at colder temperatures). Furthermore, Malaysia, the world's second-largest CPO producer, reported declining CPO exports in the first 20 days of November to 981,687 MT (-5.32% MoM) on considerable drops in shipments to India (-42%) and EU (-30%).
- However, in 25-28 November, CPO prices improved to MYR 5,045/MT (+4.5%), driven by worse-than-expected weather conditions in Malaysia. The country's meteorological department has issued warnings of heavy precipitation in several regions, which could negatively impact CPO production.
- Potential for higher CPO output in December has paved the way for 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	15.4	BUY	775	790	(4.6)	34.6	6.7	3,663.8	17.6
AALI IJ	11.9	HOLD	6,200	6,175	(0.3)	1.1	10.0	4,803.2	5.3
DSNG IJ	12.2	BUY	1,155	1,165	(4.0)	36.7	10.0	11,033.0	12.6
SSMS IJ	9.8	BUY	1025	1,025	(4.0)	54.5	12.0	12,912.0	34.5
STAA IJ	9.2	N.A	845	845	(0.9)	61.9	8.3	12,985.1	13.9
LSIP IJ	7.2	HOLD	1055	1,025	(0.7)	40.2	7.0	1,765.2	8.5
NSSS IJ	5.9	BUY	224	226	13.6	2122.2	125.0	18,949.5	4.1
<b>Sector</b>	<b>71.6</b>				<b>(1.3)</b>	<b>206.9</b>	<b>18.5</b>	<b>8,634</b>	<b>14.5</b>

\*: FY24 figures are annualized

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