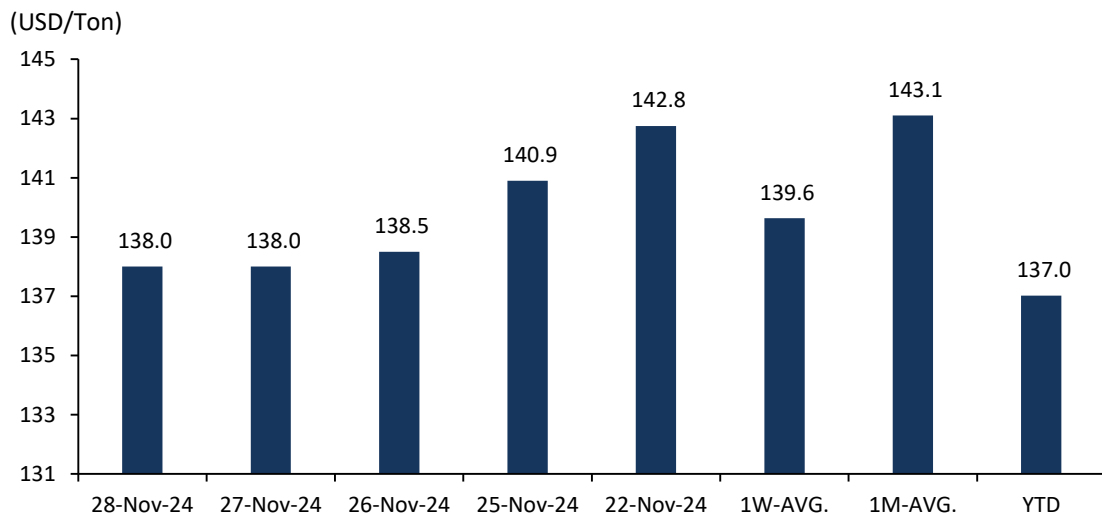


Coal Weekly (22- 28 November 2024): Avg. USD 139.6/ton (-2.2% WoW)

Price Chart



Recent Catalysts Driving the Price

- In the last five trading days, average coal prices slipped to USD 139.6/ton (-2.2% WoW). Volatility in natural gas markets, combined with warmer temperatures in Europe, has weakened coal demand outlook, leading traders to reduce coal derivative trades, as reflected by LEBA's November thermal coal derivative volumes data, which dropped to 26.05 million metric tons (-27% MoM, -24% YoY).
- Furthermore, Russian Railways (RZD) +13.8% freight tariff hike, effective 1 December 2024, is likely to squeeze thermal coal exporters' profit margins and increase logistics costs. The higher tariff could further exacerbate the downward trend in Europe coal demand, as it may prompt more countries to switch towards cheaper natural gas (USD 2.2/mmbtu, -29.9% YTD).
- In light of economic uncertainties and growing pressure of renewable shift, we maintain our FY24 coal price forecast at USD 136/ton (YTD: USD 137.0/ton), with ADRO (TP IDR 4,200; FY24 P/E of 5.7x) as our top pick, primarily due to its AADI spin-off plan and significant dividends.

Peer Comparables

Ticker	Market		Current Price (IDR)	Target Price (IDR)	1W Net Buy (Sell) (IDR)	2024F			
	Cap. (IDR Tn)	Rating				EPS Growth (%)	P/E (x)	Div. Yield (%)	ROE (%)
ADRO	67	BUY	2,760	4,200	(220.7)	(3.9)	4.7	8.5	20.1
UNTR	101	BUY	27,375	29,600	267.2	(7.4)	5.5	8.0	22.4
BUMI	50	BUY	135	170	(14.4)	1,445.5	49.7	-	23.1
PTBA	31	BUY	2,790	3,200	(4.6)	(29.4)	7.9	13.4	20.2
ITMG	31	HOLD	27,300	30,000	78.2	(32.0)	5.3	12.8	17.8
Sector	280				105.7	248.0	13.4	7.8	21.2

Coal Revenue Contribution 9M24, by Company

