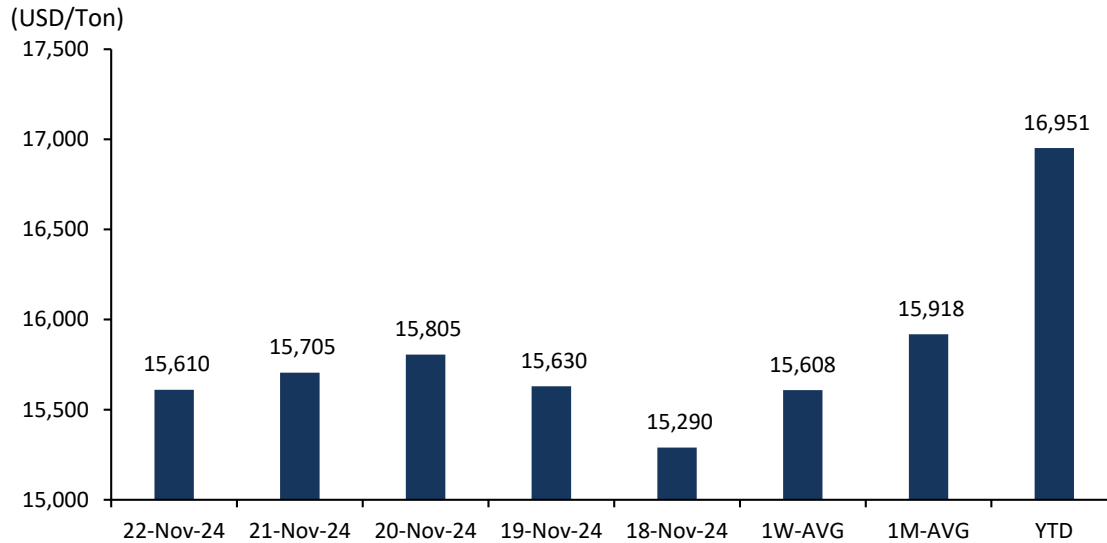


# Nickel Weekly (18-22 November 2024): Avg. USD 15,608/ton (-0.1% WoW)

## Price Chart



## Recent Catalysts Driving the Price

- ❑ In the last five trading days, avg. nickel prices remained unexciting at USD 15,608 (-0.1% WoW), despite potentially lower nickel production caused by the -19.5% drop in Indonesia's RKAB approvals for 2024-2026 (to 198,539 Mt nickel ores). Added uncertainty to the market was also reduced license fees for low-grade nickel ore (<1.5% Ni), primarily used in battery production expected to drive nickel demand. This could constrain supplies for stainless steel manufacturing.
- ❑ In October, China's nickel imports showed significant decline totaling 690,900 mt of FeNi (-6.3% MoM, -23.7% YoY) with 85,000 mt of metal content (-5.8% MoM, -26.6% YoY). Meanwhile, Indonesia's NPI production rose significantly (+7.5% MoM, +13.5% YoY) due to increased nickel ore supplies and the shift from high-grade nickel matte to NPI, boosting overall output. The supply-demand imbalance may exert downward pressure on prices.
- ❑ Lack of market stimulus, persistent oversupply issues, and possible US-China trade war prompt us to maintain FY24 nickel price forecast at USD 16,900/ton (YTD: USD 16,951/ton). With minimal downside on nickel, we retain NCKL as our top sector pick, driven by anticipated earnings growth from capacity expansion and industry-lowest cash cost, with TP of IDR 1,200 (FY24 P/E: 8.6x).

## 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	59	550	N.R	563.0	35.1	2.3	16.4	6.4
NCKL IJ	BUY	53	835	1,200	(6.0)	10.2	2.1	8.0	21.5
INCO IJ	SELL	39	3,660	3,400	(66.9)	27.0	0.9	6.8	3.4
ANTM IJ	BUY	35	1,450	1,800	(23.6)	16.4	1.3	10.0	7.9
HRUM IJ	SELL	15	1,130	1,100	(38.2)	12.0	1.2	5.3	7.6
<b>Sector</b>		<b>200.8</b>			<b>145.1</b>	<b>22.0</b>	<b>1.7</b>	<b>10.4</b>	<b>10.1</b>

## Nickel Revenue Contribution 1H24, by Company

