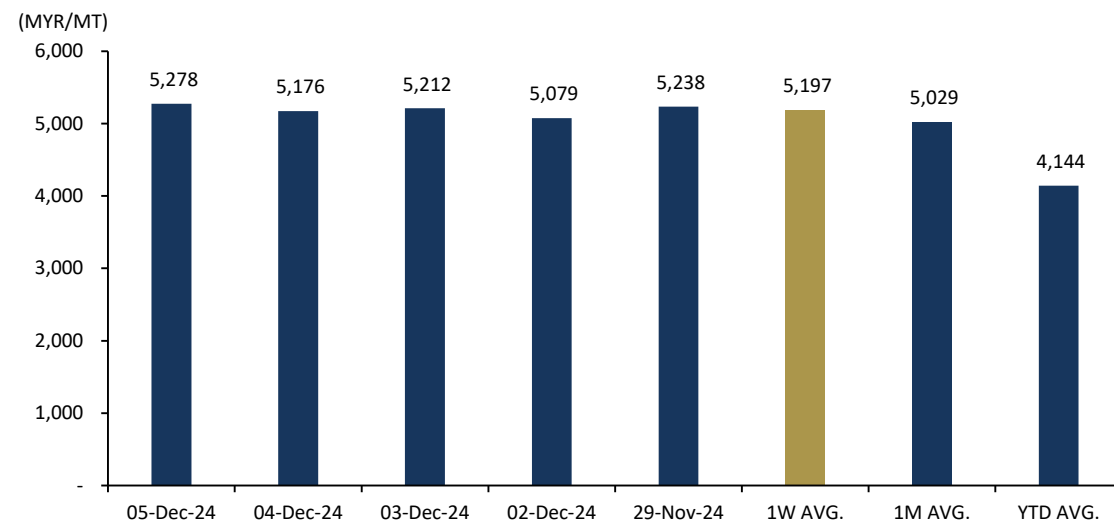


CPO Price Performance

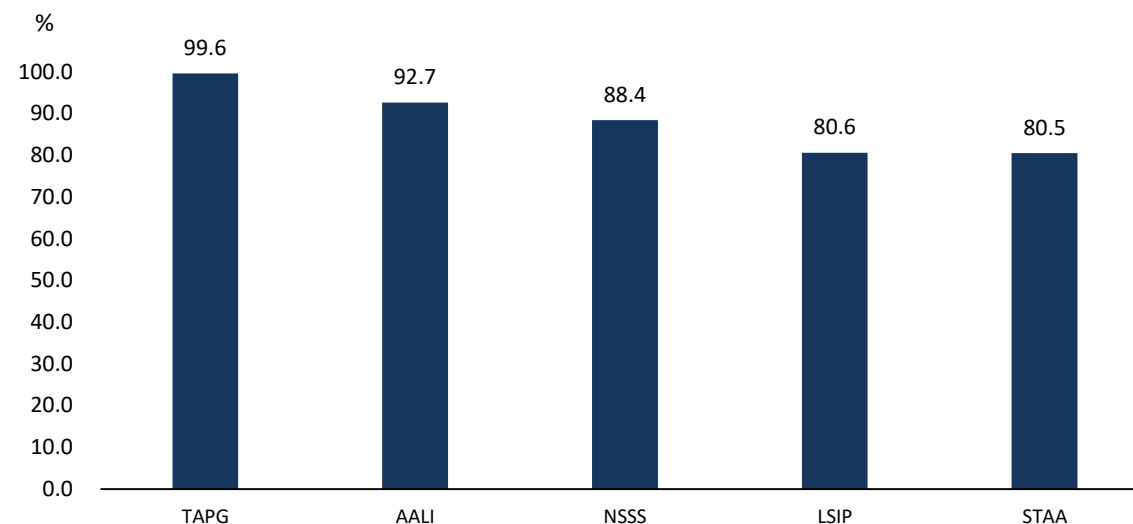


Recent Catalysts Driving the Price

- In the last five trading days, CPO prices surged +6.5% WoW, averaging MYR 5,196/MT, the highest since June 2022, driven by weather conditions and tight supplies in Indonesia and Malaysia (collectively account for 80% of global CPO production). Thus, we retain our FY24 average estimate at MYR 4,100/MT (YTD: MYR 4,144/MT).
- With the rainy season peaking in late December, Indonesia's weather agency reported that rainfall levels could surge 20% above normal due to heavy monsoon.
- Additionally, CPO stockpiles in Malaysia dropped to their lowest level since July as heavy rains disrupted FFB harvesting and transportation. According to Bloomberg survey, inventories contracted -25% YoY/-4.3% MoM to 1.80 mn tons in November. The survey also indicated that crude palm oil production in Malaysia decreased 5.6% to 1.70 mn tons in November, marking three consecutive months of declines.
- At this stage, we maintain our positive view on CPO as we expect price support from the upcoming CNY and Lebaran festivities. NSSS (TP IDR 350/sh) and TAPG (TP IDR 1,050/sh) are 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, SSI Research

CPO Contribution to 3Q24 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	17.4	BUY	1,050	875	10.9	34.6	7.6	4,144	17.6
AALI IJ*	12.1	HOLD	7,380	6,250	(0.1)	1.1	10.4	4,865	5.3
STAA IJ*	9.3	BUY	1,000	860	(0.2)	61.9	8.3	13,127	13.9
LSIP IJ*	8.0	BUY	1,331	1,170	9.5	40.2	8.0	2,383	8.5
NSSS IJ	6.6	BUY	350	276	10.8	7,802.8	36.4	20,494	4.1
Sector	53.4				6.3	740.2	12.0	7,625	14.4

*based on consensus

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