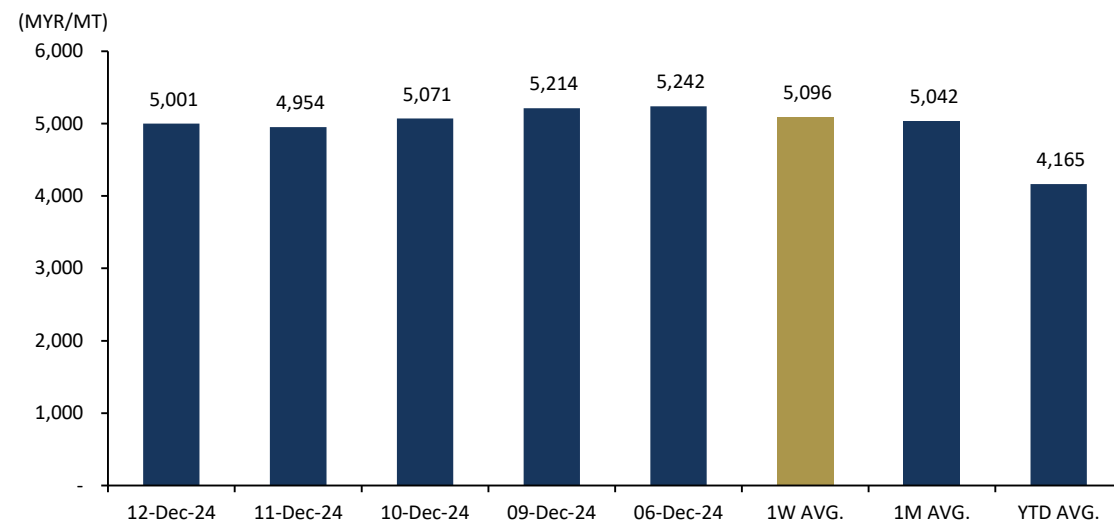


## CPO Price Performance

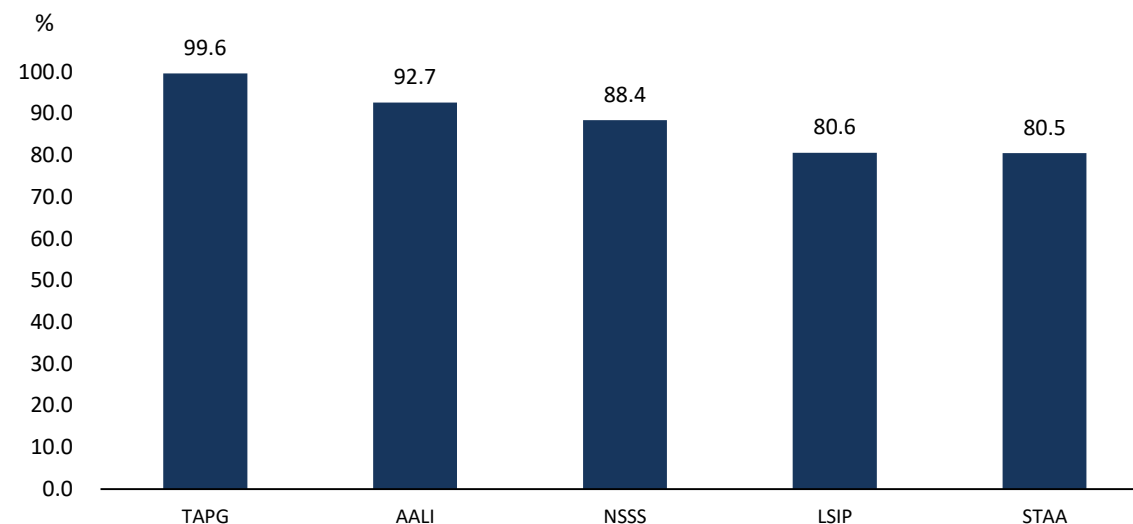


## Recent Catalysts Driving the Price

- In the last five trading days, CPO prices fell -1.9% WoW, averaging MYR 5,096/ MT, driven by higher-than-expected CPO inventory in Malaysia and shifting demand from India, the world's largest palm oil importer.
- Inventory build-up from Malaysia was higher than expected, mainly due to sharp imports from Indonesia. Reserves only declined -2.6% MoM to 1.84mn tons in November, higher than Bloomberg's median estimate of 1.80mn tons. Furthermore, exports from Malaysia dropped almost 15%, while imports spiked 35%.
- For CPO, USD 782/ton discount to soybean oil in Nov-22 has reversed to a premium since September 2024 and diminished demand from India. This CPO premium in Nov-24 caused India's crude sunflower oil imports to surge +88% YoY to 3.4 lakh tons, and its soybean oil imports to soar +172% YoY to 408k tons.
- At this stage, we retain our FY24 average CPO forecast at MYR 4,100/MT (YTD: MYR 4,165/MT) and MYR 4,200/MT in 2025F on B40 support and the resilient nature of CPO which is used for cooking. In term of stocks, NSSS (TP IDR 350/sh) and TAPG (TP IDR 1,050/sh) are our top picks, supported by relatively young plantation profiles (<10 years old), reflecting 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	15.7	BUY	1,050	805	-4.7	34.6	7.6	4,144	17.6
AALI IJ*	11.9	HOLD	7,380	6,250	-0.3	1.1	10.4	4,865	5.3
STAA IJ*	9.2	BUY	1,000	845	-1.1	61.9	8.3	13,127	13.9
LSIP IJ*	7.6	BUY	1,331	1,110	-3.4	40.2	8.0	2,383	8.5
NSSS IJ	6.6	BUY	350	276	0.1	7,802.8	36.4	20,494	4.1
<b>Sector</b>	<b>60.2</b>				<b>-2.2</b>	<b>740.2</b>	<b>12.0</b>	<b>7,625</b>	<b>14.4</b>

\*based on consensus

Analysts: Farras Farhan, Ahnaf Yassar