

SSI Surveillance: Raw Materials (27 November – 03 December 2024)

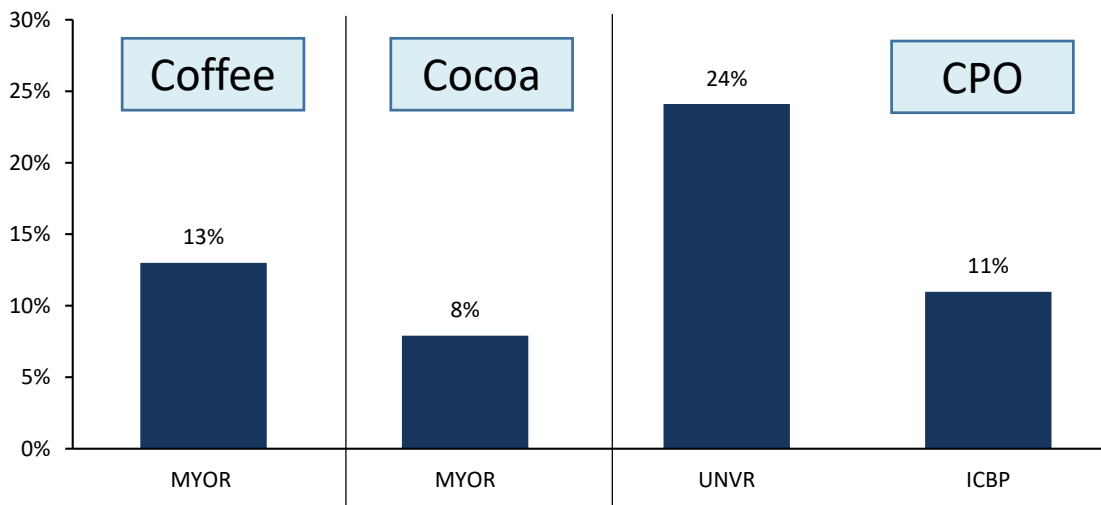
Weekly Price Changes

Commodity	Last Price	5D chg	1M chg	3M chg	1Y chg	YTD chg
CPO Malaysia (MYR/MT)	5,210	5.7	6.0	31.4	36.2	42.3
Soybean CBT (USD/lbs)	991	0.3	(0.3)	(2.1)	(25.2)	(23.4)
Soybean Oil (USD/bu.)	42	3.1	(9.2)	1.3	(18.3)	(12.2)
Wheat (USD/bu.)	551	2.5	(2.7)	(2.7)	(8.5)	(12.0)
Cocoa (USD/MT)	9,442	4.1	35.9	54.2	147.2	147.4
Coffee (USD/lbs)	297	(8.1)	22.4	23.1	59.3	56.2
Sugar (USD/lbs)	21	(1.4)	(3.1)	8.0	(8.7)	3.3
Skimmed Milk (EUR/MT)	2,730	3.9	5.3	1.3	3.5	5.9

Soft Commodities Notes

- ☐ Coffee plummeted -8.1% over the past 5D, as investors started to pull back from their coffee futures investments. According to Ganes Consulting, recent moves in coffee prices were caused by 'financial plays' than by actual supply and demand. Market participants now believe high margin calls have prompted coffee exporters to unwind hedges. The decline in prices will benefit MYOR, as coffee constitutes ~13% of its raw materials costs.
- ☐ +4.1% WoW jump in cocoa prices to USD 9,442/MT has brought YTD avg. price to USD 7,845/MT, up +147.4% YoY, which is also a 50-year high price average. The jump was mainly driven by ICCO's deficit estimates of ~478k MT, the largest in over 60 years. Higher cocoa prices are expected to impact MYOR the most among consumer companies.
- ☐ CPO prices rose +5.7% in the past 5D, mainly due to worse-than-expected weather conditions in Malaysia. The country's meteorological department has issued warnings of heavy precipitation in several regions that could negatively impact CPO production. Heightened CPO prices should impact UNVR > ICBP > CMRY.
- ☐ Raw materials prices remained mixed, impacting consumer companies' costs in various ways. Stock-wise, we retain ICBP as top pick with TP of IDR 14,000 (PE 2024F: 20.6x), as the company may benefit from lower wheat prices (YTD: -12.1%). Meanwhile, we expect MYOR's gross margin to remain under pressure due to high coffee and cocoa prices.

Raw Materials Contribution to Total COGS



Peer Comparables

Company	Rating	Market Cap	Last Price	TP	EPS Gwt	P/E	2024F P/B	Div. Yield	ROE
Ticker		(IDR Tn)	(IDR)	(IDR)	(%)	(x)	(x)	(%)	(%)
ICBP IJ	BUY	139	11,925	14,000	13.3	20.6	2.4	2.5	14.4
UNVR IJ	SELL	72	2,320	1,800	(24.0)	18.9	20.3	6.9	148.8
INDF IJ	BUY	68	7,775	8,400	24.5	5.3	0.8	5.5	16.1
KLBF IJ	BUY	69	1,480	1,800	14.1	21.5	2.9	2.0	14.3
MYOR IJ*	BUY	61	2,740	-	(2.9)	19.7	3.7	2.2	19.2
CMRY IJ*	BUY	44	5,500	-	21.9	28.8	6.2	1.6	23.1
SIDO IJ	BUY	17	580	830	13.8	23.0	7.0	7.5	30.6
Sector		471			7.9	18.9	5.7	3.6	37.2

* Consensus Estimates