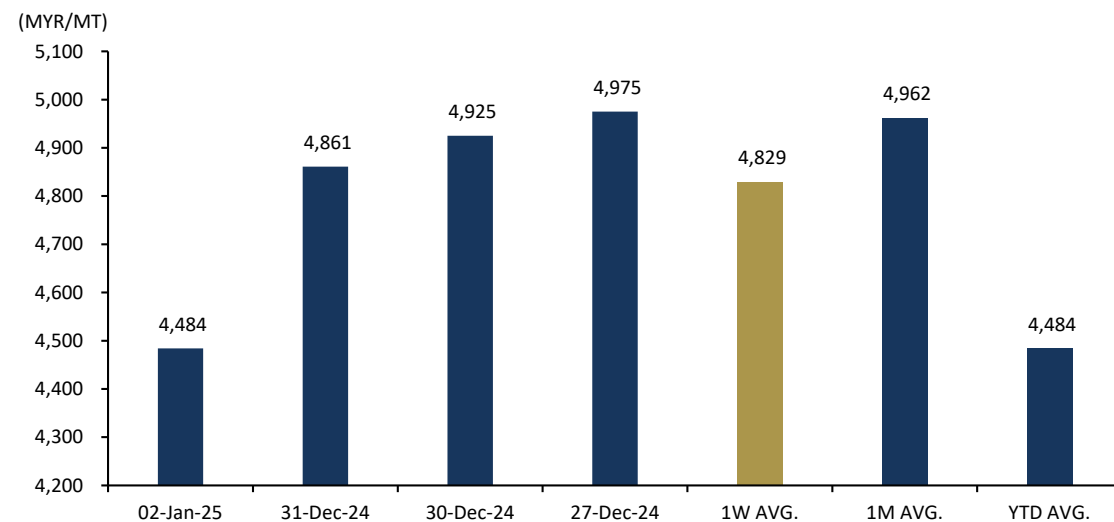


CPO Price Performance

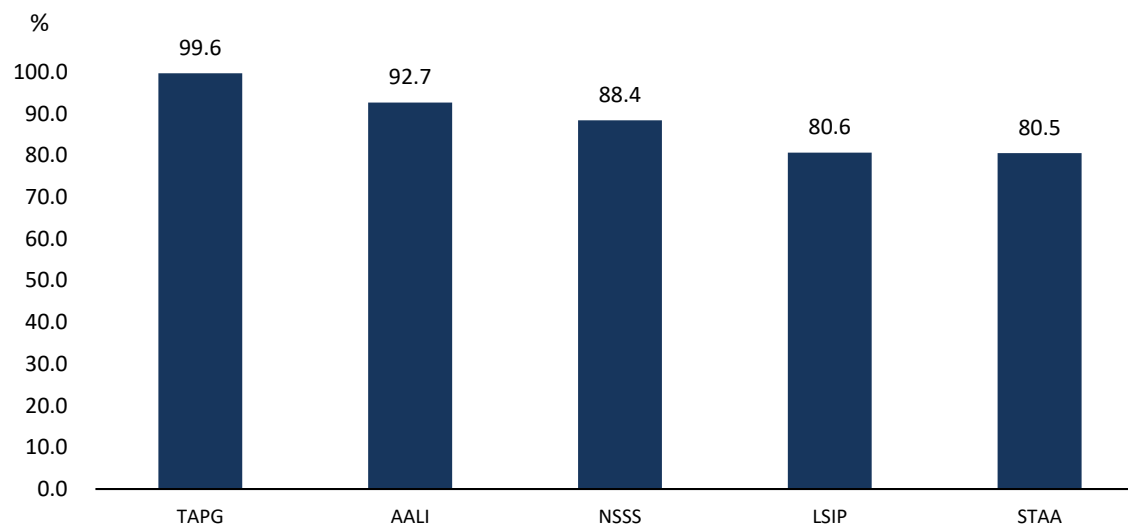


Recent Catalysts Driving the Price

- ❑ In the last five trading days, CPO prices rose +0.6% WoW, averaging MYR 4,829/MT, mainly due to delays in the implementation of Indonesia's B40 biofuel program.
- ❑ The Indonesian government previously committed to roll out the B40 policy on 1 January 2025. However, at the time of this writing, the final regulations are yet to be completed, with authorities aiming to soon finalize.
- ❑ Despite earlier gains, CPO prices have declined since 30 December, dropping to MYR 4,484/MT on 2 January 2025, amid weaker demand. Malaysian exports decreased approximately 8% MoM in December, with flows to India — the biggest buyer — down around 18% post Diwali, according to cargo surveyor Intertek Testing Services.
- ❑ In FY24, avg. CPO price reached MYR 4,199/MT (SSI: MYR 4,190/MT). For FY25, we set our forecast at MYR 4,500/MT (YTD: MYR 4,484/MT), up 7.2% YoY, on B40 program upcoming implementation and the edible oil's defensive nature. Stock-wise, NSSS (TP: IDR 350/sh) and TAPG (TP: IDR 1,050/sh) are our top picks, due to young plantation profiles (<10 years), 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 (%)	2025F			
						EPS Growth (%)	P/E (x)	EV/Ha (USD)	ROE (%)
TAPG IJ	14.6	BUY	1,050	745	1.6	24.8	23.1	6,266	23.1
AALI IJ*	11.2	HOLD	7,380	6,150	3.0	-1.5	4.8	3,596	4.8
STAA IJ*	8.6	BUY	1,000	820	-0.7	25.4	7.9	12,301	12.4
NSSS IJ	6.8	BUY	350	286	1.1	32.4	30.5	20,282	6.2
LSIP IJ*	6.6	BUY	1,331	975	0.1	2.6	7.8	1,338	7.8
Sector	47.6				1.2	16.6	14.8	7,988	12.3

*based on consensus

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