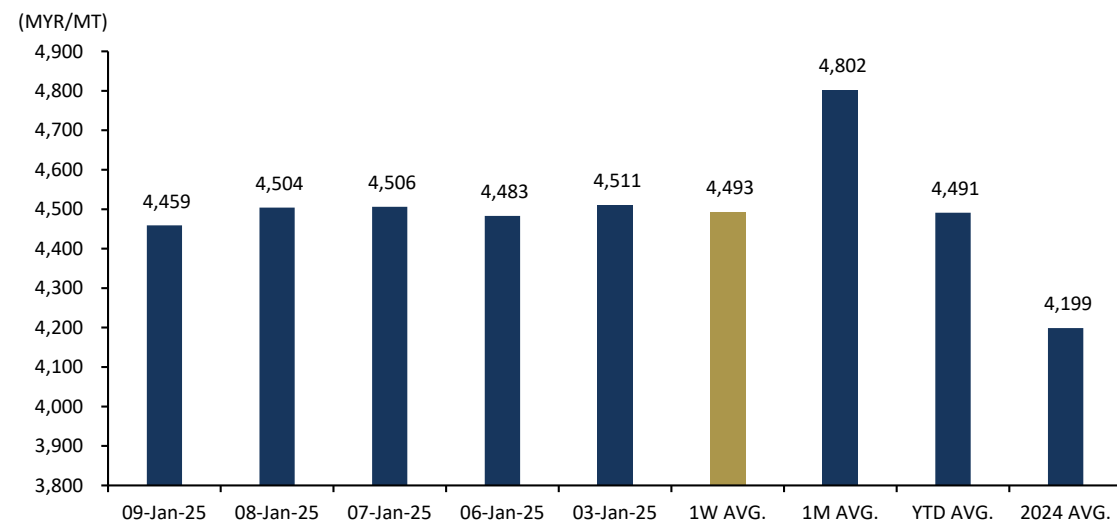


CPO Price Performance

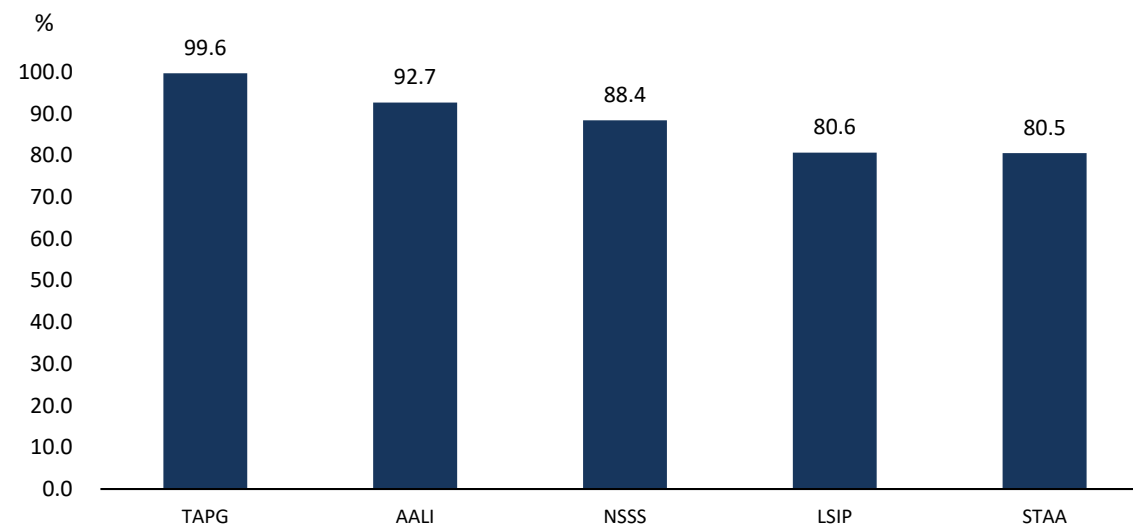


Recent Catalysts Driving the Price

- ❑ In the last five trading days, CPO prices dropped -7.0% WoW, averaging MYR 4,493/MT, mainly due to the decline in SBO prices (the closest substitute to CPO).
- ❑ The price discount of soybean oil to palm oil now stands at c. USD 47 per ton, marking a significant reversal from 2024 average premium of USD 66/ton. Furthermore, stronger USD (YTD DXY average: 108.9 vs. 2024 average: 104.2) has reduced the attractiveness of commodities priced in USD, including CPO.
- ❑ Malaysia's January CPO export outlook exerted further pressure on prices, with overseas sales slumping 15% MoM in the first five days of this month. Exports to India, Malaysia's biggest CPO buyer, fell 82%, following the conclusion of Diwali.
- ❑ 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 4,491/MT), up 7.2% YoY, on the back of B40 program and CPO's defensive nature. Stock-wise, NSSS (TP: IDR 350/sh) and TAPG (TP: IDR 1,050/sh) are our top picks due to their young plantation profiles (<10 years), allowing for 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	14.9	BUY	1050	750	2.0	30.8	23.1	6,352	23.1
AALI IJ*	11.5	HOLD	7,377	5,975	-1.5	-1.5	4.8	3,518	4.8
STAA IJ*	8.9	BUY	1000	815	0.8	25.4	7.9	12,164	12.4
LSIP IJ*	6.5	BUY	1311.88	955	-0.7	2.6	7.8	1,213	7.8
NSSS IJ	6.4	BUY	350	270	-4.2	32.4	30.5	19,597	6.2
Sector	48.2				-0.2	18.5	14.9	7,818	12.4

*based on consensus

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