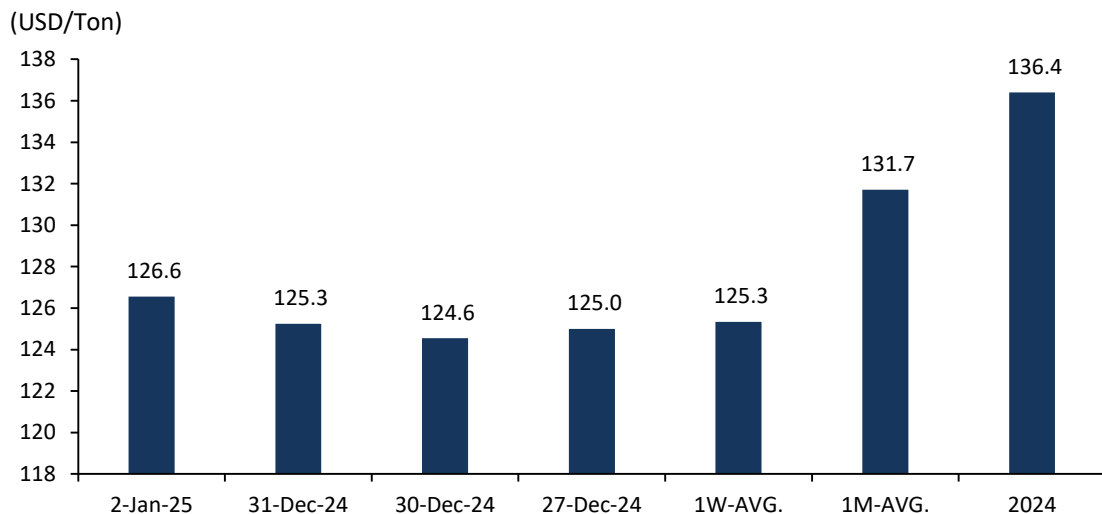


# Coal Weekly (27 December 2024 - 2 January 2025): Avg. USD 125.3/ton (-0.3% WoW)

## Price Chart



## Recent Catalysts Driving the Price

- ❑ In the last 5 trading days, avg. coal prices slipped to USD 125.3/ton (-0.3% WoW), with Newcastle coal futures nearing USD 125/ton in Jan (lowest in 10 months), as abundant supply offset demand. China's coal inventories surged +12% in 2 months (Sept – Oct), adding pressure on prices.
- ❑ China's coal output hit record 14.3 million tons/day in Nov, up sharply from 12.28 million tons/day in Oct. However, the country's demand softened due to Beijing's ineffective economic stimulus, while heavy rainfall in manufacturing hubs increased reliance on hydroelectric power over coal.
- ❑ In FY24, average coal price reached USD 136.4/t (SSI: USD 136/t). For FY25, we set our forecast at USD 125/t (YTD: USD 126.6/t), down 8.3% YoY, due to economic uncertainties and oversupply pressures. On the stock front, ADRO (TP IDR 3,400; FY25 P/E of 12.8x) is our top pick, primarily due to its initiative to venture towards green business as well as ADMR and SIS' contributions to earnings.

## Peer Comparables

Ticker	Market		Current	Target	1W	2025F			
	Cap. (IDR Tn)	Rating	Price (IDR)	Price (IDR)	Net Buy (Sell) (IDR)	EPS Growth (%)	P/E (x)	Div. Yield (%)	ROE (%)
ADRO	78	BUY	2,530	3,400	(40.2)	N/A	9.8	9.6	11.5
UNTR	96	BUY	25,700	30,850	8.4	(10.5)	5.5	7.3	17.8
BUMI	46	BUY	123	170	(8.3)	26.5	12.3	-	13.2
PTBA	31	BUY	2,680	3,200	(9.5)	(7.4)	7.9	11.3	18.3
ITMG	30	BUY	26,175	31,500	(8.3)	(17.4)	6.6	12.5	17.6
<b>Sector</b>	<b>280</b>				<b>(57.9)</b>	<b>(2.1)</b>	<b>8.2</b>	<b>7.8</b>	<b>15.3</b>

## Coal Revenue Contribution 9M24, by Company

