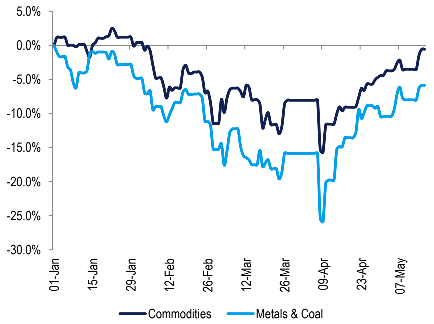
Metals & Mining

NEUTRAL *(unchanged)*

Sector update | 15 May 2025

Sector Index Performance

	3M	6M	12M
Absolute	3.8%	-2.2%	-7.6%
Relative to JCI	-2.7%	0.2%	-4.8%



Summary Valuation Metrics

P/E (x)	2025F	2026F	2027F
ANTM IJ	13.5	11.6	12.6
INCO IJ	23.0	10.5	5.5
PGAS IJ	7.5	9.6	N/A
PTBA IJ	10.5	8.9	9.0

EV/EBITDA (x)	2025F	2026F	2027F
ANTM IJ	8.3	7.6	8.1
INCO IJ	5.3	3.9	2.4
PGAS IJ	3.5	4.2	N/A
PTBA IJ	6.0	5.3	5.3

Div. Yield	2025F	2026F	2027F
ANTM IJ	5.8%	5.6%	6.5%
INCO IJ	N/A	N/A	N/A
PGAS IJ	8.9%	9.3%	N/A
PTBA IJ	11.9%	7.1%	8.5%

Ryan Winipta
PT Indo Premier Sekuritas
ryan.winipta@ipc.co.id
+62 21 5088 7168 ext.718

Reggie Parengkuan
PT Indo Premier Sekuritas
reggie.parengkuan@ipc.co.id
+62 21 5088 7168 ext.714

Gold: near-term pullback may persist; structural story remains intact

- Gold price had experienced short-term pullback to US$3.1k/oz level, following the easing of trade tension between U.S and China.
- While geopolitical uncertainties have indeed led to gold price rally YTD, concern on US debt and weaker dollar shall kept price elevated.
- So far, gold trading volume has remained robust and underpin our unchanged Buy rating on ANTM.

Gold price near-term pullback: cyclical or structural?

We don't think recent near-term gold price pullback is structural, as even without geopolitical tensions (i.e. tariffs, trade-war, etc), gold price rally has been driven by the concern on US' ability to refinance its debt – which led to decoupling correlation between gold price and US 10-year yield (Fig. 4), central bank buying, and most recently, inflows from gold ETF (Fig. 2). However, we do see a possibility for gold price to correct further from current level; although we think structural story on gold remained intact especially after talks on US debt ceiling is set to resurface in upcoming months. Another key driver would be on US CPI, and how persistent the inflation is going to be in the U.S, especially after several of the reciprocal tariffs are in effect starting Apr25. This shall be positive to gold price, in our view, as concern on stagflation may resurface again.

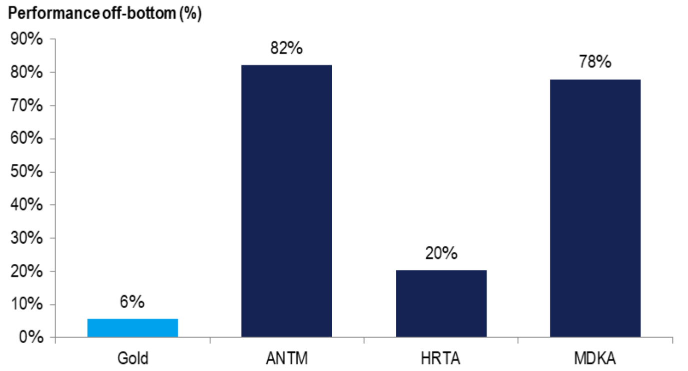
What to do with gold-proxies? Better entry price for ANTM

Among gold-proxies in Indonesia, ANTM, HRTA, and MDKA, have all been outperforming JCI since the Liberation Day tariff announcement were in effect (Fig. 1). However, we see a massive spike in daily turnover in recent weeks on ANTM, which majority came from foreign investors. While it can't be fully confirmed, we think these inflows into ANTM were mimicking the movement in gold prices, and thus near-term pullback in gold prices due to easing geopolitical tensions have all led to a profit-taking action on ANTM. Note that we still expect ANTM's NP to came above consensus forecast by at least c.40%, and only expect share price to pullback on the "risk-on" sentiment. Our discussion with management has also stated that Apr25 volume was robust, and was indicatively higher at 10-20%.

Bottom-up stories: MDKA & INCO are alternatives to ANTM

We think FY26F shall be a pivotal year for both MDKA and INCO, as MDKA would get an earnings boost from FY operation of AIM project in addition to Pani Gold project (set to commission by end of FY25F/early FY26F), meanwhile for INCO, its ore growth story would start to materialize significantly in FY26F, following the completion of its nickel mine and HPALs. We think both MDKA and INCO would also provide a similar bottom-up story – like ANTM in 1Q25, in the upcoming months. As a result, given the recent pullback in gold prices, **we shift our top pick to MDKA with the order of preference: MDKA > ANTM > INCO, all of which are Buy-rated**. Updated pre-FS on TB Copper project – which will be announced within 2Q25F, should also become a re-rating catalysts for MDKA's share price and shall come faster vs. INCO's ore story, underpinning our preference on MDKA. Downside risks include softer economic situation.

Fig. 1: Share price performance post Liberation Day (tariffs)

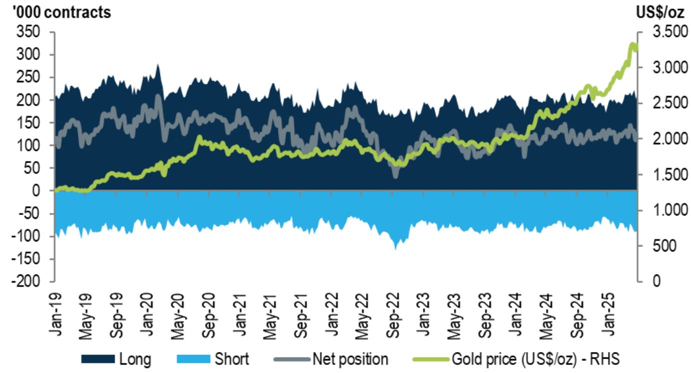


Source: Bloomberg, Indo Premier

Fig. 2: Gold price vs. ETF holdings

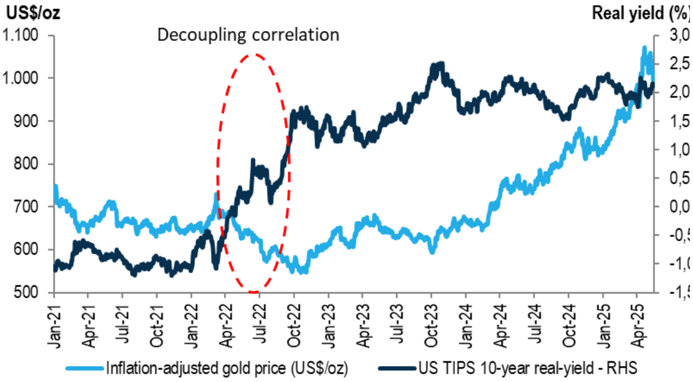
Source: Bloomberg, Indo Premier

Fig. 3: Gold speculators' positioning



Source: Bloomberg, Indo Premier

Fig. 4: Gold price vs. US 10-year yield (%)



Source: Bloomberg, Indo Premier

Fig. 5: Companies under our coverage & recommendation

Ticker	Company	Rating	Target price (Rp/share)	P/E			EV/EBITDA			Dividend yield (%)		
				25F	26F	27F	25F	26F	27F	25F	26F	27F
Metals												
ADMR IJ	Adaro Minerals Indonesia	Buy	1,500	7.9	5.2	4.0	8.7	6.7	5.5	N/A	N/A	N/A
ANTM IJ	Aneka Tambang	Buy	2,500	13.5	11.6	12.6	8.3	7.6	8.1	5.8%	5.6%	6.5%
HRUM IJ	Harum Energy	Hold	1,450	5.4	4.1	N/A	4.8	3.2	N/A	N/A	N/A	N/A
INCO IJ	Vale Indonesia	Buy	3,650	23.0	10.5	5.5	5.3	3.9	2.4	N/A	N/A	N/A
MBMA IJ	Merdeka Battery Materials	Buy	560	54.6	9.9	3.7	12.3	5.8	2.1	N/A	N/A	N/A
MDKA IJ	Merdeka Copper Gold	Buy	2,400	N/A	13.6	9.4	10.2	5.9	4.9	N/A	N/A	N/A
NCKL IJ	Trimegah Bangun Persada	Buy	1,100	5.7	4.6	4.6	4.2	3.4	3.0	4.5%	5.2%	6.5%
Coal												
AADI IJ	Adaro Andalan Indonesia	Buy	12,000	3.1	3.1	N/A	2.7	2.0	N/A	14.3%	14.4%	N/A
ITMG IJ	Indo Tambangraya Megah	Hold	21,000	7.9	15.0	15.5	2.4	4.3	4.2	14.5%	6.3%	4.3%
PTBA IJ	Bukit Asam	Sell	2,000	10.5	8.9	9.0	6.0	5.3	5.3	11.9%	7.1%	8.5%
UNTR IJ	United Tractors	Hold	24,000	6.0	5.3	5.3	1.6	1.3	N/A	10.8%	11.1%	N/A
Oil & Gas												
AKRA IJ	AKR Corporindo	Buy	1,480	9.6	8.1	7.6	7.0	5.2	4.5	8.7%	6.8%	0.0%
MEDC IJ	Medco Energi Internasional	Hold	1,200	8.7	5.3	4.7	3.6	3.5	3.1	3.6%	3.7%	2.0%
PGEO IJ	Pertamina Geothermal	Hold	850	14.5	12.7	11.7	7.9	7.1	6.4	5.4%	5.2%	0.0%
PGAS IJ	Perusahaan Gas Negara	Hold	1,500	7.5	9.6	N/A	3.5	4.2	N/A	8.9%	9.3%	N/A
ESSA IJ	ESSA Industries	Buy	900	20.8	18.1	17.8	7.3	6.9	7.7	N/A	N/A	N/A

Source: Bloomberg, Company data, Indo Premier

SECTOR RATINGS

OVERWEIGHT	:	An Overweight rating means stocks in the sector have, on a market cap-weighted basis, a positive absolute recommendation
NEUTRAL	:	A Neutral rating means stocks in the sector have, on a market cap-weighted basis, a neutral absolute recommendation
UNDERWEIGHT	:	An Underweight rating means stocks in the sector have, on a market cap-weighted basis, a negative absolute recommendation

COMPANY RATINGS

BUY	:	Expected total return of 10% or more within a 12-month period
HOLD	:	Expected total return between -10% and 10% within a 12-month period
SELL	:	Expected total return of -10% or worse within a 12-month period

ANALYSTS CERTIFICATION

The views expressed in this research report accurately reflect the analyst's personal views about any and all of the subject securities or issuers; and no part of the research analyst's compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed in the report.

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