INDOPREMIER

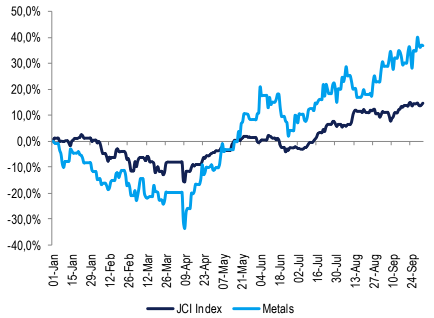
Metals

OVERWEIGHT *(unchanged)*

Sector update | 4 November 2025

Sector Index Performance

	3M	6M	12M
Absolute	14.4%	56.0%	23.2%
Relative to JCI	4.0%	35.3%	13.0%



Summary Valuation Metrics

P/E (x)	2025F	2026F	2027F
ANTM IJ	11.2	12.5	13.4
EMAS IJ	N/A	44.1	32.6
MDKA IJ	N/A	N/A	57.7

EV/EBITDA (x)	2025F	2026F	2027F
ANTM IJ	7.0	8.2	8.7
EMAS IJ	N/A	27.5	20.9
MDKA IJ	15.7	8.7	6.6

Div. Yield	2025F	2026F	2027F
ANTM IJ	4.6%	6.7%	6.0%
EMAS IJ	N/A	N/A	N/A
MDKA IJ	N/A	N/A	N/A

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Oct25 recap: correction in gold, robust industrial metal prices

- In Oct25, gold price corrected by –8% to US$4k/oz from a record-high of US$4.3k/oz, following the easing of Trump's tariffs on China.
- Industrial metals were robust: copper (+6% mom), aluminium (+7% mom), cobalt (+39% mom); coking-coal gradually improved (+3% mom)
- Oct25 also marks the submission of RKAB quotas for FY26F, with INCO and MBMA set to significantly increase their volumes next year.

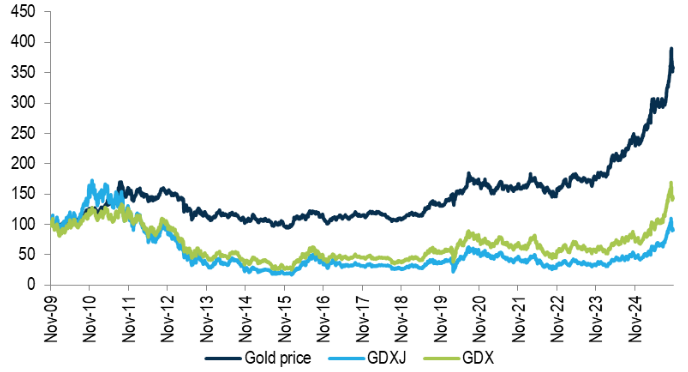
Oct25 review: gold price corrected; industrial metal remained robust
During Oct25, gold price reached a record high of US$4.3k/oz; however, they have since corrected by –8% to around US$4k/oz, following the easing of Trump's tariffs. In the short-term, we believe gold prices would remain volatile, with potential price pullbacks after the U.S government shutdown is lifted. On the other hand, potentially soft U.S jobs data could support gold prices, and combined with ongoing concern over the U.S fiscal situation, we believe gold prices are structurally poised to rise (see report). Industrial metals, however, were robust in Oct25, with copper (+6% mom), aluminium, (+7% mom), and cobalt (+39% mom) rallying during the month, supported by a weaker dollar along and the export ban on cobalt from the DRC.

Aluminium: ADMR as a proxy; production to ramp-up in FY26F
Aluminium price rose by +7% mom in Oct25 amid potential production caps in China. A weaker DXY outlook also contributed to higher prices during the month. Among covered names, we think ADMR is the only aluminium proxy, with production set to ramp-up significantly in FY26F. We estimate its production/sales could reach 325kt in FY26F, equivalent to c.70% utilization, during the to ramp-up period. At current price of US$2.9k/t, we expect ADMR's EPS to grow by +46% in FY26F, assuming a conservative US$2.3k/t cash-costs due to ramp-up, before normalizing to ~US$2k/t the following year. We estimate that every 1% increase in aluminum price could raise ADMR's overall EPS by +1%.

Cobalt: DRC Congo export quota; HPAL players to benefit
On October 16th, DRC Congo (~70% global supply) decided to impose an export quota on cobalt, after imposing export suspension, driving LME Cobalt prices soaring to US$48k/t (+39% mom). As a result, Huayue Nickel Cobalt, which reported an improvement of ~US$700/t in MHP cash costs in 3Q25 – noted that cobalt credits could rise by another ~US$700/t in Oct25 following recent cobalt price surge. HPAL players such as NCKL (125ktpa via HPL/ONC) and MBMA (30ktpa via ESG) are poised to benefit. We estimate that every US$1k/t increase in cobalt prices would raise NCKL's NP by Rp70bn (+1% EPS), and MBMA's NP by US$0.8mn.

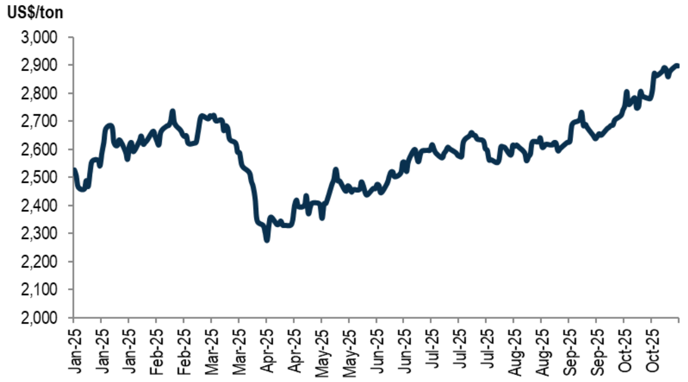
Maintain sector Overweight; MDKA/MBMA/INCO as top picks
We prefer MDKA/MBMA/INCO as our top picks and maintain our sector Overweight as we think underlying commodity prices are set to benefit from softer DXY outlook. We like MDKA as a gold and copper proxy, while preferring MBMA and INCO as both are set to raise their RKAB quotas to ~44mn/22mn, respectively, from 18-22mn and 2.2mn in FY25F. We also expect MBMA and INCO to benefit from potential premium in limonite ore, as previously discussed in this report. Downside risks include better-than-expected U.S jobs data, softer demand outlook, and delay in RKAB quota approval.

Fig. 1: Gold (XAU/USD) spot vs GDX & GDXJ performance



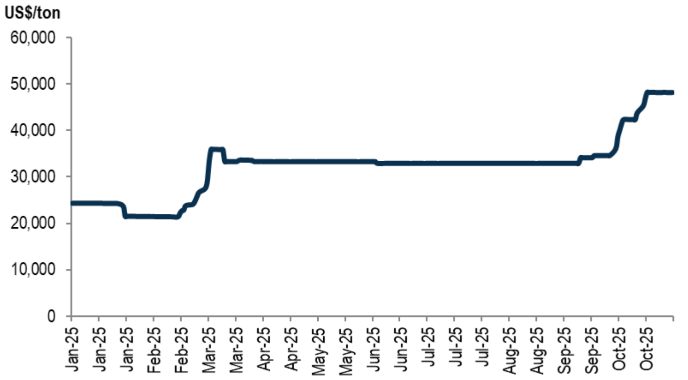
Source: Bloomberg, Indo Premier

Fig. 2: LME Aluminum price



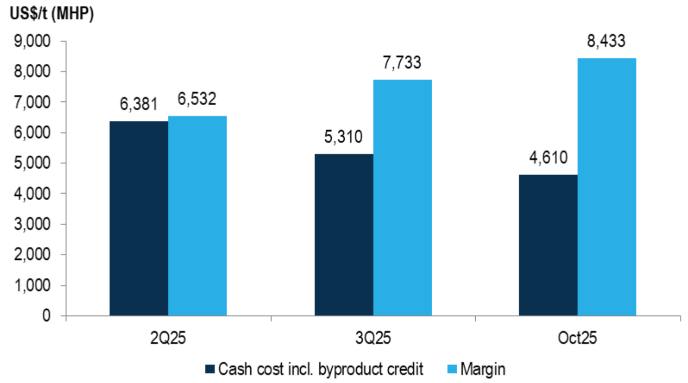
Source: Bloomberg, Indo Premier

Fig. 3: LME cobalt price



Source: Bloomberg, Indo Premier

Fig. 4: Huayue Nickel Cobalt (HNC) profitability



Source: NIC, Indo Premier estimates

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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