

11 Nov 2025

Gan Huey Ling, CFA
gan-huey-ling@ambankgroup.com
+603 2036 2305

PLANTATION

Palm inventory inched up in November

11 Nov 2025

NEUTRAL
(Maintained)

Rationale for report: Sector Update

Investment Highlights

Key Indicators

2025F CPO Price:
RM4,250/tonne

Stock Universe

Johor Plantations
TP: RM1.72
Rec: BUY
Upside/Downside: +11.0%

IOI Corp
TP: RM4.05
Rec: HOLD
Upside/Downside: -0.5%

Genting Plantations
TP: RM5.84
Rec: BUY
Upside/Downside: +14.5%

TSH Resources
TP: RM1.29
Rec: HOLD
Upside/Downside: -3.7%

Kim Loong
TP: RM2.91
Rec: BUY
Upside/Downside: +24.9%

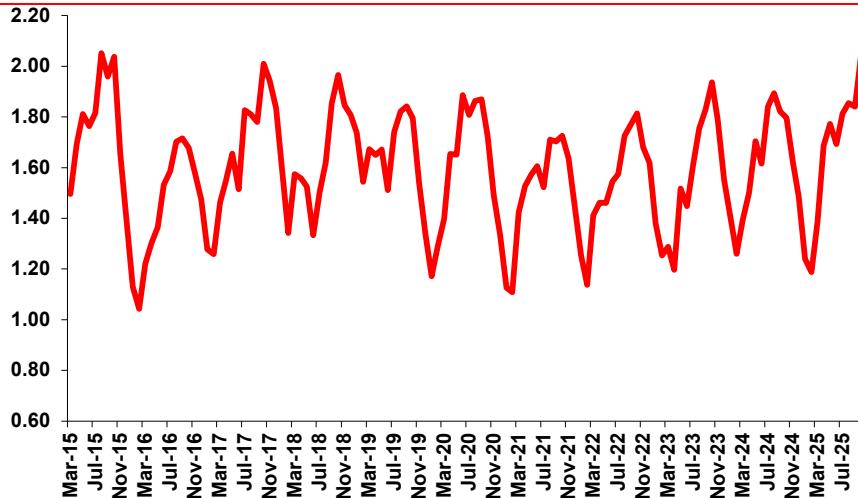
KL Kepong
TP: RM20.70
Rec: HOLD
Upside/Downside: -2.0%

SD Guthrie
TP: RM6.20
Rec: BUY
Upside/Downside: +14.0%

The Malaysian Palm Oil Board (MPOB) has released the palm statistics for October 2025. The country's palm stockpiles rose by 4.4% to 2.5mil tonnes in October from 2.4mil tonnes in September as CPO production expanded by 11%. October's inventory of 2.5mil tonnes was within *Bloomberg* consensus. We expect CPO output to start softening from November onwards as the monsoon season sets in. This would keep CPO prices above RM4,000/tonne until FFB yields recover in 2Q2026. We maintain our 2025F average CPO price assumption of RM4,250/tonne (10M2025: RM4,357/tonne) with BUYs on SD Guthrie (TP: RM6.20/share), Johor Plantations Group (TP: RM1.72/share), Kim Loong Resources (TP: RM2.91/share) and Genting Plantations (TP: RM5.84/share).

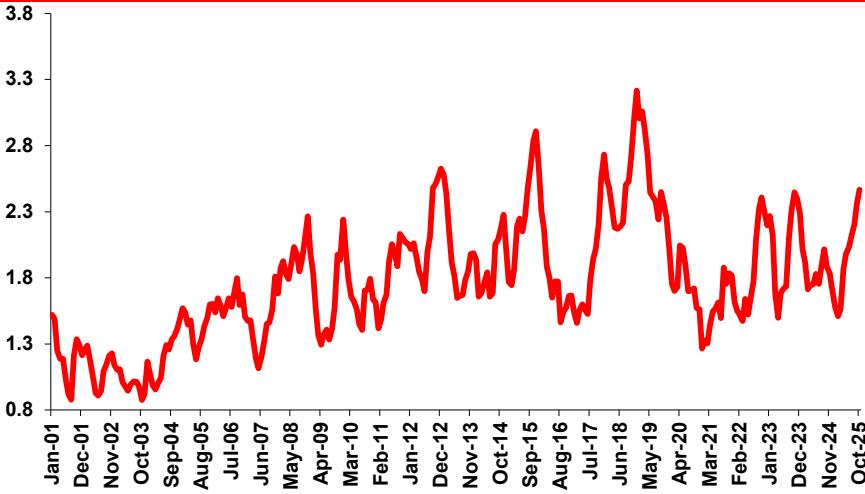
- **Peak production is over.** We believe that Malaysia's CPO production achieved its highest level in October, which is later than August last year. We expect CPO output to ease going forward. CPO output increased by 11% MoM to 2mil tonnes in October after a small 0.7% drop in September. CPO production in Sabah surged by 19.5% MoM to 445,587 tonnes in October while in Peninsular Malaysia, CPO output rose by 6.6% to 1.1mil tonnes. CPO production in Sarawak grew by 14.6% MoM to 481,185 tonnes in October.
- **Palm demand has been unexciting so far this year.** While CPO production edged up by 1.8%, exports of Malaysian palm products slid by 9.3% YoY to 12.8mil tonnes in 10M2025. We attribute this to weaker demand from China. According to Intertek, China's imports of Malaysian palm products plunged by 25.3% YoY to 846,350 tonnes in 10M2025. According to China's General Administration of Customs, the country's palm imports fell by 15.8% YoY in 9M2025 compared to a 5.3% rise in soybean imports.
- **CPO's price discount to US soybean oil eased in October.** The average price discount narrowed to 6% in October from 7% in September. The price discount eased marginally as CPO price climbed while US soybean oil price slid dragged by uncertainties over the country's blending mandate for 2026F.
- **India bought more soybean oil from Argentina due to a few reasons.** First compared to Argentinean soybean oil, CPO was just slightly cheaper in October. Also, Argentina scrapped its export duties on soybean products in September. The export tax was reinstated on 1 November. India's soybean oil imports grew by 40% from June to September while palm imports retraced by 13.3%.
- **Downstream companies in Malaysia may continue importing CPO from Indonesia.** This is due to the huge difference between the price of CPO in Malaysia and Indonesia. CPO export tax and levy in Indonesia amounts to US\$220/tonne or RM928/tonne currently. This means that CPO price in Indonesia is at least RM928/tonne cheaper than Malaysia.

EXHIBIT 1: CPO PRODUCTION



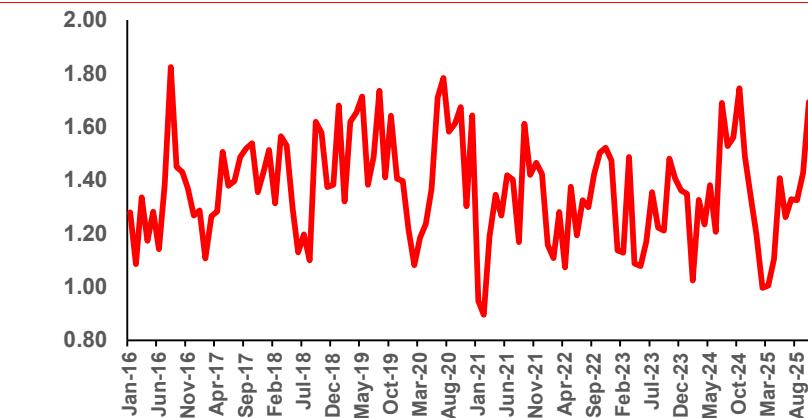
Source: MPOB

EXHIBIT 2: PALM INVENTORY (MILLION TONNES)



Source: MPOB

EXHIBIT 3: PALM EXPORTS (MILLION TONNES)



Source: MPOB

EXHIBIT 4: CPO'S DISCOUNT/PREMIUM OVER SOYBEAN OIL (%)

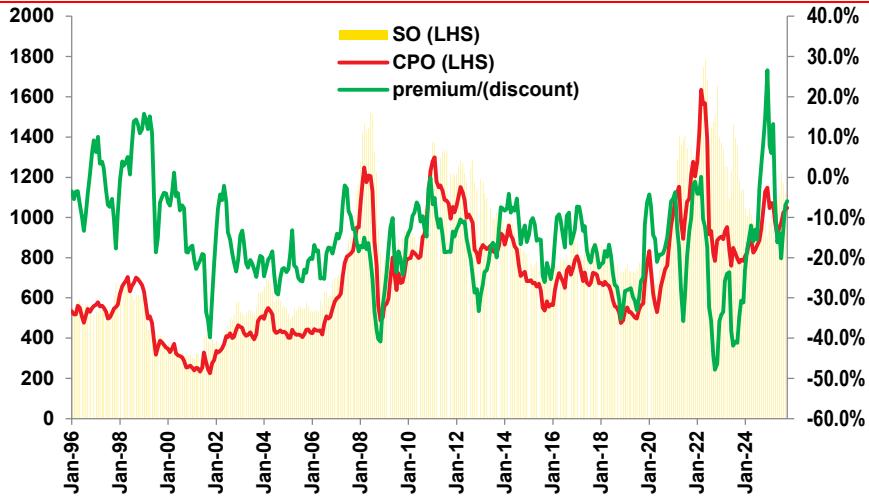
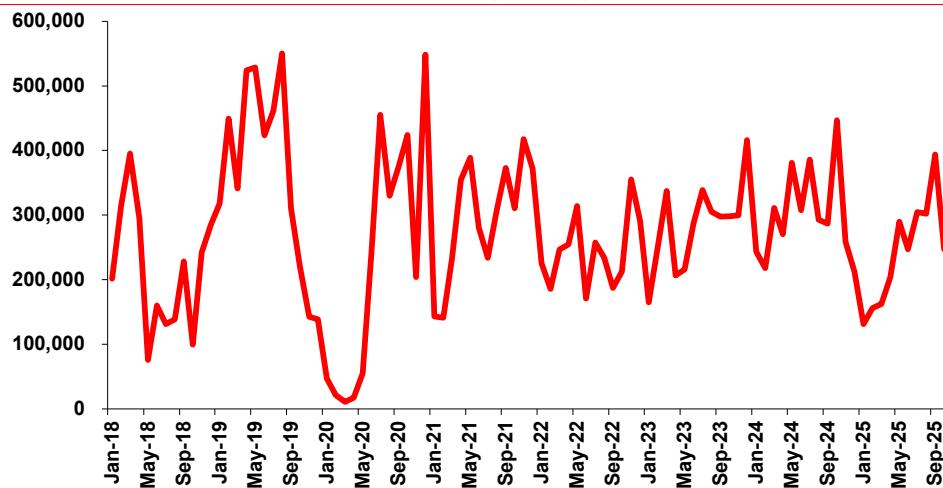
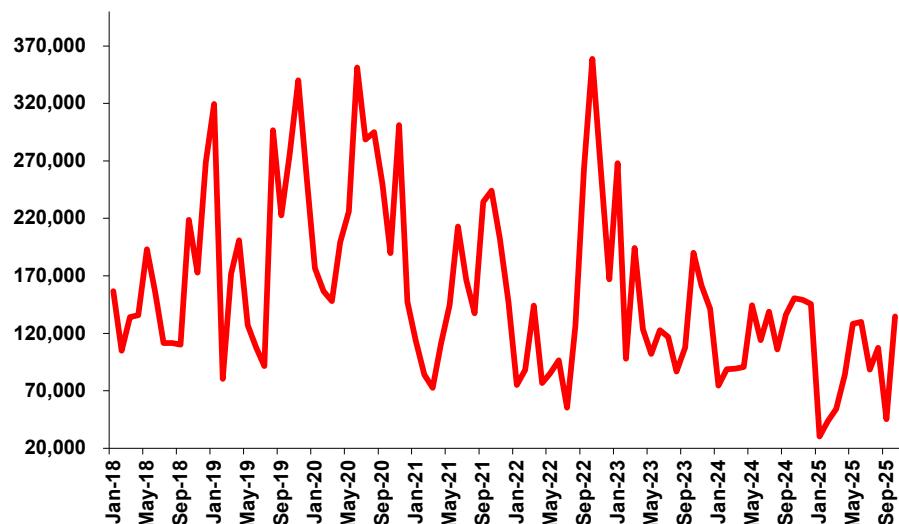


EXHIBIT 5: MALAYSIA'S PALM EXPORTS TO INDIA (TONNES)



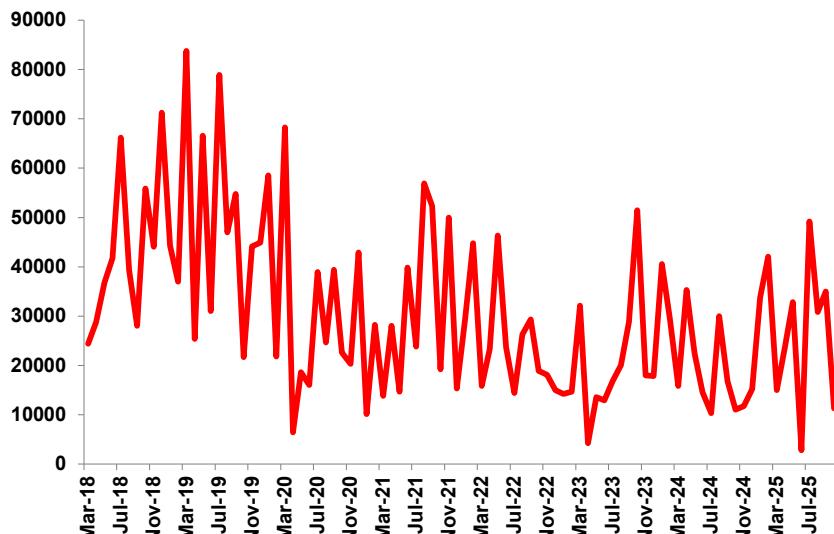
Source: MPOB, Intertek

EXHIBIT 6: MALAYSIA'S PALM EXPORTS TO CHINA (TONNES)



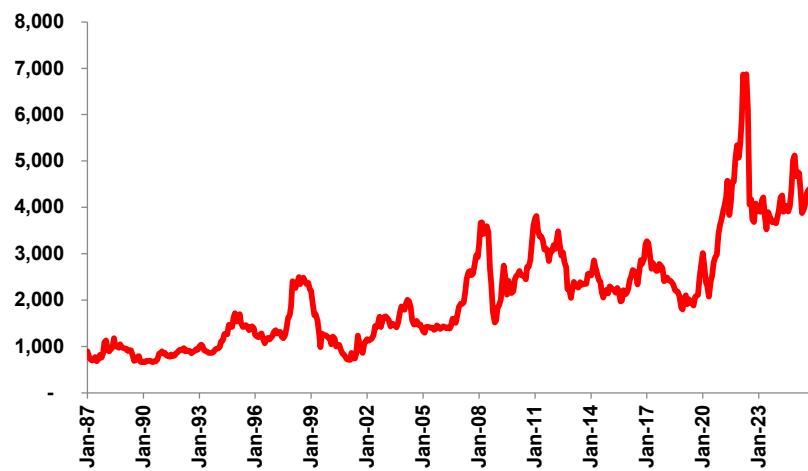
Source: MPOB, Intertek

EXHIBIT 7: BIODIESEL EXPORTS (TONNES)



Source: MPOB

EXHIBIT 8: HISTORICAL CPO PRICE CYCLE (RM/TONNE)



Source: MPOB

EXHIBIT 9: VALUATION MATRIX

	Share price (RM)	EPS (sen) FY25F	EPS (sen) FY26F	PE (x) FY25F	PE (x) FY26F	Target price (RM)	Upside	Rec
IOI Corp	4.07	21.6	23.4	18.8	17.4	4.05	-0.5%	Hold
KLK	21.12	90.9	114.1	23.2	18.5	20.70	-2.0%	Hold
SD Guthrie	5.44	33.2	34.4	16.4	15.8	6.20	14.0%	Buy
Gent Plant	5.10	37.2	38.9	13.7	13.1	5.84	14.5%	Buy
Johor Plantations	1.55	11.4	11.5	13.6	13.5	1.72	11.0%	Buy
TSH Resources	1.34	10.8	10.8	12.4	12.4	1.29	-3.7%	Hold
Kim Loong	2.33	17.9	18.2	13.0	12.8	2.91	24.9%	Buy

Source: AmInvestment Bank

DISCLOSURE AND DISCLAIMER

This report is prepared for information purposes only and it is issued by AmInvestment Bank Berhad ("AmInvestment") without regard to your individual financial circumstances and objectives. Nothing in this report shall constitute an offer to sell, warranty, representation, recommendation, legal, accounting or tax advice, solicitation or expression of views to influence any one to buy or sell any real estate, securities, stocks, foreign exchange, futures, investment or other products. AmInvestment recommends that you evaluate a particular investment or strategy based on your individual circumstances and objectives and/or seek financial, legal or other advice on the appropriateness of the particular investment or strategy.

The information in this report was obtained or derived from sources that AmInvestment believes are reliable and correct at the time of issue. While all reasonable care has been taken to ensure that the stated facts are accurate and views are fair and reasonable, AmInvestment has not independently verified the information and does not warrant or represent that they are accurate, adequate, complete or up-to-date and they should not be relied upon as such. All information included in this report constitute AmInvestment's views as of this date and are subject to change without notice. Notwithstanding that, AmInvestment has no obligation to update its opinion or information in this report. Facts and views presented in this report may not reflect the views of or information known to other business units of AmInvestment's affiliates and/or related corporations (collectively, "AmBank Group").

This report is prepared for the clients of AmBank Group and it cannot be altered, copied, reproduced, distributed or republished for any purpose without AmInvestment's prior written consent. AmInvestment, AmBank Group and its respective directors, officers, employees and agents ("Relevant Person") accept no liability whatsoever for any direct, indirect or consequential losses, loss of profits and/or damages arising from the use or reliance of this report and/or further communications given in relation to this report. Any such responsibility is hereby expressly disclaimed.

AmInvestment is not acting as your advisor and does not owe you any fiduciary duties in connection with this report. The Relevant Person may provide services to any company and affiliates of such companies in or related to the securities or products and/or may trade or otherwise effect transactions for their own account or the accounts of their customers which may give rise to real or potential conflicts of interest.

This report is not directed to or intended for distribution or publication outside Malaysia. If you are outside Malaysia, you should have regard to the laws of the jurisdiction in which you are located.

If any provision of this disclosure and disclaimer is held to be invalid in whole or in part, such provision will be deemed not to form part of this disclosure and disclaimer. The validity and enforceability of the remainder of this disclosure and disclaimer will not be affected.