

# First Resources: Navigating high palm oil prices and Indonesia's export ban

DIGITAL ENGAGEMENT TEAM

12 MAY 2022

## TRADING MATTERS SERIES: STOCK HIGHLIGHT

Features a single stock and zooms in on its performance in the market

KEY METRICS	
Current Price	2.12
Latest Dividend	0.05
Dividend Ex-Date	6/5/2022
Indicated Dividend Yield	3.00%
14 Day RSI	49.97
Analysts 12M Target Price	2.28

**REFINITIV STOCKREPORTS+ AVERAGE SCORE**

**8/10**  
As of 11 May 2022

Refer to page 3 for indicator components

### First Resources (FR SP) Price Chart



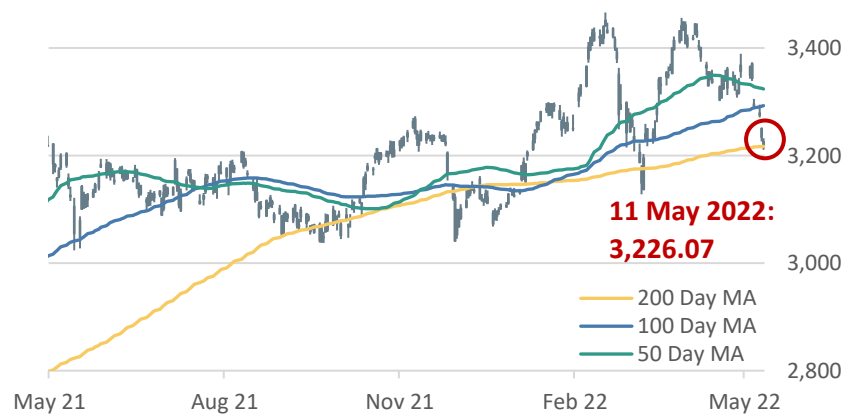
Any red lines drawn on the price charts are trendlines, which are visual representations of support & resistance levels. They are drawn by connecting a series of prices together to help indicate the data's best fit or the presence of any trend over a time frame, and are for illustration purposes only.

As of 11 May 2022 closing

### KEY MARKET EVENTS

- 16 May** SG Vesak Day Holiday
- 17 May** US Retail Sales (Apr)
- 23 May** SG CPI Release (Nov)
- 26 May** US GDP Release (Q1)
- 30 May** US Memorial Day

### Straits Times Index Price Chart



As of 11 May 2022 closing

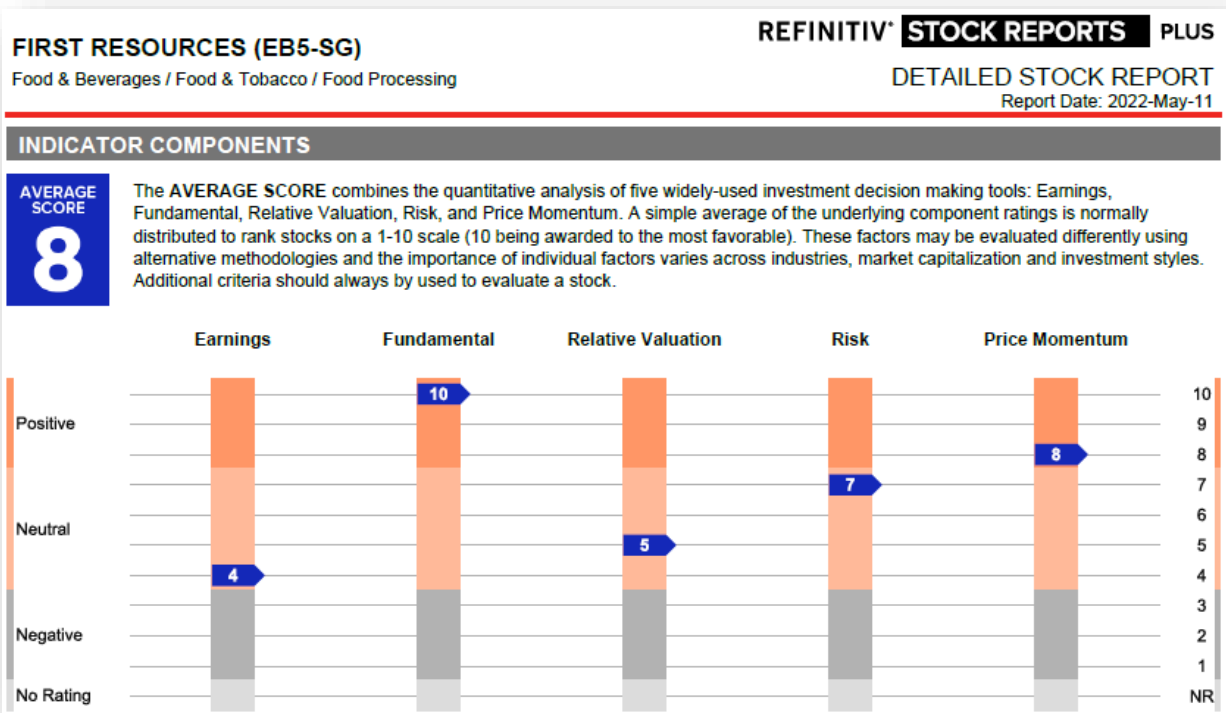
## Headline News & Information

- First Resources Limited produces crude palm oil. The Company is an upstream operator with primary business activities in the cultivation and harvesting of oil palms, and the processing of fresh fruit bunches into crude palm oil for local and export sales (Bloomberg)
- First Resources' profit to surge on easy comparison against 2021 (10 May 2022, Bloomberg Intelligence)
  - First Resources' profit may be set for a bump this year on record average palm oil prices, helped by an easy comparison against 2021 as it partly missed out on last year's lucrative prices
  - First Resources has an integrated upstream-downstream palm-oil operation, with 80-90% of Ebitda coming from the upstream plantation and palm-oil mill business
- Global palm oil market to reach US\$92.3 billion by the year 2026 (11 May 2022, GlobeNewswire)
  - Global demand for palm oil has more than doubled over the last two decades owing to continuous expansion of the food processing sector and growing population across emerging markets
  - Amid the COVID-19 crisis, the global market for Palm Oil estimated at US\$74.9 Billion in the year 2022, is projected to reach a revised size of US\$92.3 Billion by 2026, growing at a CAGR of 6%
- Indonesia seeks to balance international, local palm oil demand: Official (11 May 2022, CNA)
  - Indonesia is seeking a balance between capitalising on high global palm oil prices while ensuring food at home is affordable
  - The world's top palm oil producer, has since 28 Apr 2022 halted exports of crude palm oil and refined products in order to control soaring prices of cooking oil at home

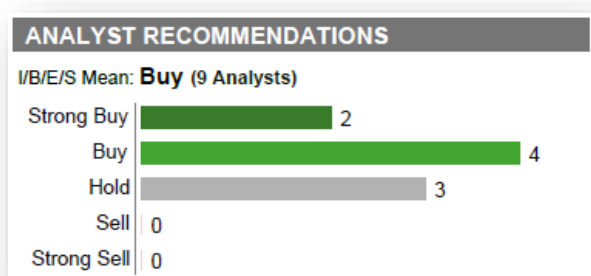
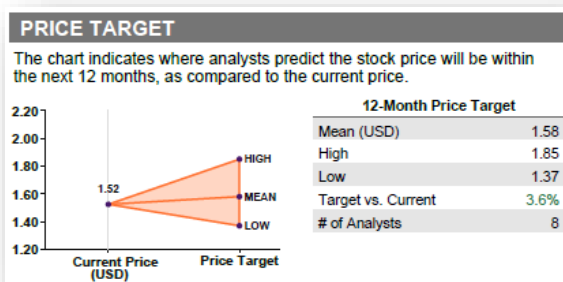
TRADING FLOWS	RESISTANCE LEVELS	SUPPORT LEVELS
<ul style="list-style-type: none"> <li>• Shares fell 7% in the past 5 days but rose 5% in the past 30 days</li> </ul>	<ul style="list-style-type: none"> <li>• 2.22 (Mar 2022)</li> <li>• 2.37 (May 2022)</li> <li>• 2.50 (Mar 2014)</li> </ul>	<ul style="list-style-type: none"> <li>• 2.08 (50 Day MA)</li> <li>• 2.00 (Mar 2022)</li> <li>• 1.86 (100 Day MA)</li> </ul>

# Fundamental Viewpoint

## An Extract from STOCKREPORTS+



## Analyst Price Target and Recommendations



Source: REFINITIV STOCKREPORTS+, extracted 11 May 2022

## SG Peer Analysis (STOCKREPORTS+)

PEER ANALYSIS													Currency in SGD
Average Score	Ticker	PRICE MOMENTUM				Market Cap	VALUATION		FUNDAMENTAL		ANALYSTS		# of Analysts
		Price (2022-05-10)	1-Mo Return	3-Mo Return	1-Yr Return		Trailing PE	Forward PE	Dividend Yield	Net Margin	LTG Forecast	I/B/E/S Mean	
6	F34	4.18	-11.1%	-6.1%	-14.9%	27.8B	10.1	11.2	3.7%	2.9%	-- Buy	12	
NR	VC2	1.56	-9.8%	--	--	6.5B	7.7	--	--	--	--	--	
10	ESH	0.29	-6.6%	1.8%	11.8%	4.0B	5.4	8.9	5.6%	4.7%	-- Hold	5	
8	EB5	2.12	5.0%	27.7%	45.2%	3.3B	15.0	11.4	3.0%	15.6%	-- Buy	8	
6	F99	1.37	0.0%	-2.8%	-5.5%	2.0B	14.3	--	3.7%	6.5%	--	--	
10	P8Z	0.74	-3.9%	25.4%	55.8%	1.4B	7.9	6.7	5.1%	14.1%	-- Strong Buy	4	
5	UD2	0.58	-16.1%	-11.5%	-33.1%	1.2B	10.0	7.8	1.7%	1.8%	-- Hold	3	
9	MV4	0.39	-8.2%	4.0%	-18.8%	608M	5.4	--	2.8%	1.8%	--	--	
8	5JS	0.33	-16.7%	3.2%	0.0%	499M	8.4	--	2.5%	3.8%	--	--	
8	BLW	0.21	5.0%	20.0%	5.0%	55M	8.1	--	4.8%	13.4%	--	--	
NR	HQU	0.21	-4.7%	--	--	31M	--	--	--	12.4%	--	--	
7.8	Average	1.09	-6.1%	6.9%	5.1%	4.3B	9.2	9.2	3.6%	7.7%	-- Buy	6.4	

PEER COMPANIES			
5JS	Indofood Agri Resources	HQU	Oiltek International
BLW	Global Palm Resources	MV4	Mewah International Inc
E5H	Golden Agri-Resources	P8Z	Bumitama Agri
F34	Wilmar International	UD2	Japfa
F99	Fraser and Neave	VC2	Olam Group

Source: REFINITIV STOCKREPORTS+, extracted 11 May 2022

## Global Peer Analysis (Bloomberg)

Ticker	Name	Mkt Cap (USD) (Millions)	Last Px	P/E	P/E 5Yr Avg	P/B	P/B 5Yr Avg	Indicated Yield (%)
<b>Average</b>		<b>2,336</b>	<b>835.13</b>	<b>13.27</b>	<b>14.02</b>	<b>1.82</b>	<b>1.65</b>	<b>4.43</b>
FR SP	FIRST RESOURCES	2,413	2.12	14.99	16.81	2.02	1.62	3.00
SMAR IJ	SINAR MAS AGRO RES & TECH	930	4,700.00	3.87	4.00	0.88	0.87	7.87
IOI MK	IOI CORP BHD	6,190	4.36	17.77	20.21	2.64	2.51	2.75
GGR SP	GOLDEN AGRI-RESOURCES LTD	2,654	0.29	5.58	17.15	0.57	0.44	3.71
TAPG IJ	TRIPUTRA AGRO PERSADA PT	957	700.00	N/A		1.66		2.16
SDPL MK	SIME DARBY PLANTATION BHD	7,885	4.99	14.85	16.80	1.98	1.76	4.06
FAPA IJ	FAP AGRI TBK PT	885	3,540.00	33.42		4.28		N/A
UPL MK	UNITED PLANTATIONS BHD	1,371	14.52	11.97	13.48	2.26	2.21	6.54
200019 CH	SHENZHEN CEREALS HOLDINGS-B	1,232	3.60	8.27	8.26	0.79	0.82	8.11
KRB IN	KRBL LTD	629	206.40	8.69	15.44	1.32	2.94	1.70
002852 CH	DAODAOQUAN GRAIN AND OIL C-A	545	10.20	N/A		1.59		N/A

Source: Bloomberg, extracted 11 May 2022 closing

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