

# Wilmar: Indonesia's palm-oil ban resulted negative knee-jerk reaction

DIGITAL ENGAGEMENT TEAM

27 APRIL 2022

## TRADING MATTERS SERIES: STOCK HIGHLIGHT

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

| KEY METRICS               |           |
|---------------------------|-----------|
| Current Price             | 4.33      |
| Latest Dividend           | 0.11      |
| Dividend Ex-Date          | 26/4/2022 |
| Indicated Dividend Yield  | 3.58%     |
| 14 Day RSI                | 29.29     |
| Analysts 12M Target Price | 5.91      |

**REFINITIV STOCKREPORTS+ AVERAGE SCORE**

**7/10**  
As of 26 Apr 2022

Refer to page 3 for indicator components

### Wilmar International (WIL SP) Price Chart



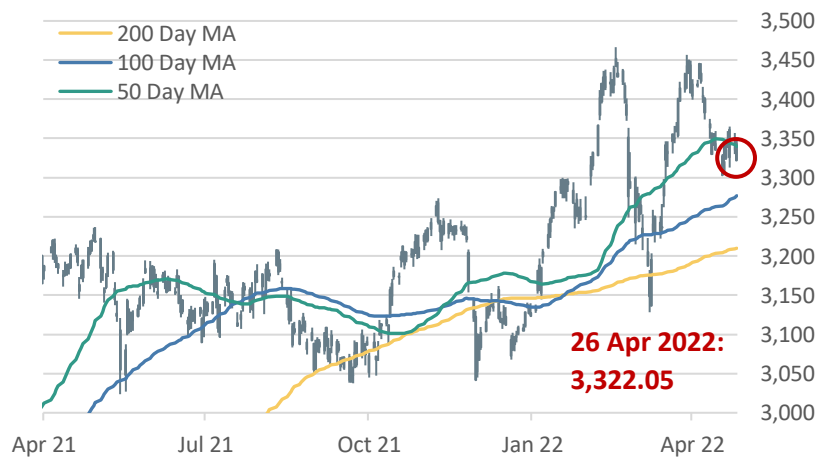
Any red lines drawn on the price charts are trendlines, which are visual representations of support & resistance levels. They are drawn by connecting a series of prices together to help indicate the data's best fit or the presence of any trend over a time frame, and are for illustration purposes only.

As of 26 Apr 2022 closing

### KEY MARKET EVENTS

- 05 May** US Fed Interest Rate Decision
- 6 May** US Unemployment Rate (Apr)
- 9 May** China Trade Balance (Apr)
- 11 May** China CPI Release (Apr)
- 16 May** SG Vesak Day

### Straits Times Index Price Chart



As of 26 Apr 2022 closing

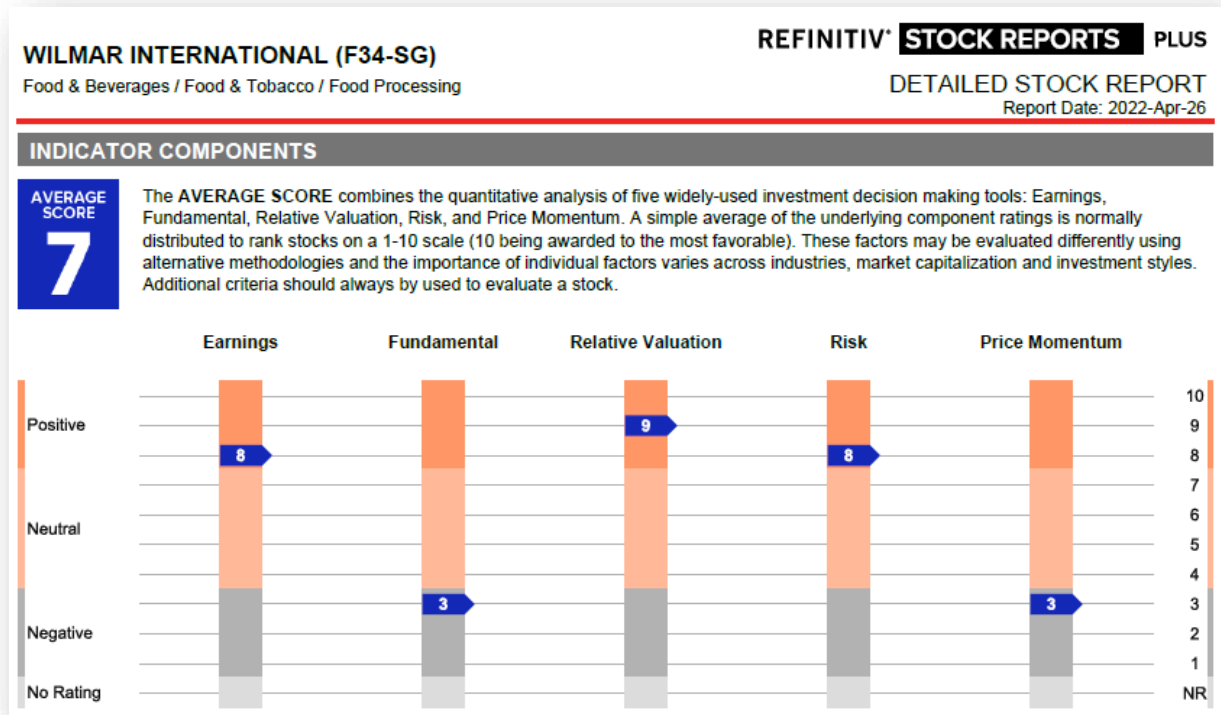
## Headline News & Information

- Wilmar International Limited operates as a food processing company. The company offers oil palm cultivation, edible oil refining, crushing, and gains processing services, as well as provides sugar, flour, and rice. Wilmar International serves customers worldwide (Bloomberg)
- Indonesia's Palm-Oil Move May Hit Wilmar Shares, But Boost Earnings (25 Apr 2022, Dow Jones)
  - Wilmar International's shares could take a hit from Indonesia's move to restrict palm-oil exports, but its earnings stand to gain from the resulting rise in global prices of the commodity, Citi analyst Jame Osman says in a note
  - The ban result in a negative knee-jerk reaction to Wilmar's shares, given that the Indonesian palm-oil market accounts for around 10% of the Singapore-listed Agri company's sales
- Indonesia probes Wilmar staff, trade ministry in palm oil corruption case (20 Apr 2022, The Straits Times)
  - Indonesia has detained suspects including the commissioner of a Wilmar International unit and a senior trade ministry official as part of a corruption case involving palm oil exports
  - The case involves the approval of export permits that did not meet requirements and a lack of local palm oil distribution as required by the domestic market obligation rule
  - Wilmar is the world's biggest trader of palm oil, used in about 70 per cent of cosmetics and prepared foods globally

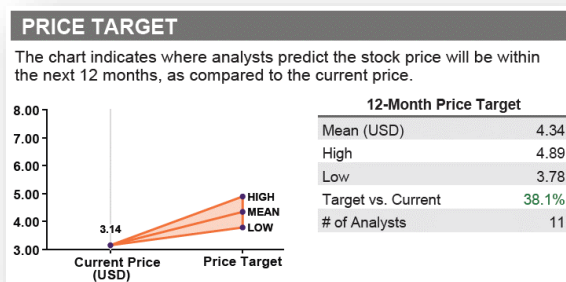
| TRADING FLOWS  | RESISTANCE LEVELS   | SUPPORT LEVELS  |
|--|---|---|
| <ul style="list-style-type: none"> <li>• Shares fell 4.4% in the past 5 days and are down 10% in the past 30 days</li> </ul> | <ul style="list-style-type: none"> <li>• 4.90 (Mar 2022)</li> <li>• 5.50 (Apr 2021)</li> <li>• 5.60 (Feb 2021)</li> </ul> | <ul style="list-style-type: none"> <li>• 4.20 (Jan 2022)</li> <li>• 4.00 (Dec 2021)</li> <li>• 3.80 (Jun 2020)</li> </ul> |

# Fundamental Viewpoint

## An Extract from STOCKREPORTS+



## Analyst Price Target and Recommendations



ANALYST RECOMMENDATIONS

I/B/E/S Mean: **Buy (13 Analysts)**

|             |   |  |
|-------------|---|--|
| Strong Buy  | 5 |  |
| Buy         | 8 |  |
| Hold        | 0 |  |
| Sell        | 0 |  |
| Strong Sell | 0 |  |

Source: REFINITIV STOCKREPORTS+, extracted 26 Apr 2022

## SG Peer Analysis (STOCKREPORTS+)

| PEER ANALYSIS |         |                    |             |             |             |            |             |            |                |            |               | Currency in SGD |               |
|---------------|---------|--------------------|-------------|-------------|-------------|------------|-------------|------------|----------------|------------|---------------|-----------------|---------------|
| Average Score | Ticker  | PRICE MOMENTUM     |             |             |             | Market Cap | VALUATION   |            | FUNDAMENTAL    |            | ANALYSTS      |                 | # of Analysts |
|               |         | Price (2022-04-26) | 1-Mo Return | 3-Mo Return | 1-Yr Return |            | Trailing PE | Forward PE | Dividend Yield | Net Margin | LTC Forecast  | I/B/E/S Mean    |               |
| 7             | F34     | 4.33               | -10.2%      | 1.4%        | -17.8%      | 29.1B      | 10.9        | 11.1       | 3.6%           | 2.9%       | -- Buy        | 12              |               |
| NR            | VC2     | 1.69               | -7.7%       | --          | --          | 6.6B       | 8.5         | --         | --             | --         | -- --         | --              |               |
| 10            | E5H     | 0.33               | 3.2%        | 30.0%       | 41.3%       | 4.4B       | 6.3         | 10.4       | 4.9%           | 4.7%       | -- Hold       | 5               |               |
| 8             | EB5     | 2.22               | 6.7%        | 31.4%       | 45.1%       | 3.6B       | 15.2        | 11.3       | 2.9%           | 15.6%      | -- Buy        | 8               |               |
| 5             | F99     | 1.37               | -0.7%       | -2.1%       | -8.7%       | 2.0B       | 14.3        | --         | 3.7%           | 7.5%       | -- --         | --              |               |
| 6             | UD2     | 0.63               | -5.3%       | 3.3%        | -30.9%      | 1.3B       | 8.0         | 8.4        | 1.6%           | 2.6%       | -- Hold       | 3               |               |
| 6             | Y03     | 0.88               | 2.3%        | 1.2%        | -5.9%       | 502M       | --          | --         | 2.3%           | -0.9%      | -- --         | --              |               |
| 4             | F03     | 0.53               | 12.8%       | -24.3%      | -43.3%      | 287M       | 10.4        | 6.9        | 3.1%           | 6.1%       | -- Strong Buy | 2               |               |
| NR            | 533     | 0.48               | 1.1%        | -2.1%       | -26.9%      | 95M        | 38.4        | --         | 2.1%           | 3.3%       | -- --         | --              |               |
| NR            | K03     | 1.36               | -8.1%       | -8.1%       | -8.7%       | 36M        | --          | --         | 1.5%           | -1.8%      | -- --         | --              |               |
| 3             | 5EG     | 0.03               | -3.4%       | 3.7%        | -17.6%      | 30M        | --          | --         | --             | 26.4%      | -- --         | --              |               |
| 6.1           | Average | 1.26               | -0.8%       | 3.4%        | -7.4%       | 4.4B       | 14.0        | 9.6        | 2.8%           | 6.6%       | -- Buy        | 6               |               |

| PEER COMPANIES |                          |     |                  |
|----------------|--------------------------|-----|------------------|
| 533            | ABR Holdings             | F99 | Fraser and Neave |
| 5EG            | Zhongxin Fruit and Juice | K03 | Khong Guan       |
| E5H            | Golden Agri-Resources    | UD2 | Japfa            |
| EB5            | First Resources          | VC2 | Olam Group       |
| F03            | Food Empire Holdings     | Y03 | Yeo Hiap Seng    |

Source: REFINITIV STOCKREPORTS+, extracted 26 Apr 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>9,430</b>             | <b>1028.51</b> | <b>40.98</b> | <b>39.86</b> | <b>2.76</b> | <b>3.44</b> | <b>1.99</b>         |
| WIL SP         | WILMAR INTERNATIONAL         | 19,868                   | 4.33           | 10.51        | 13.19        | 1.00        | 1.11        | 3.58                |
| AWLTD IN       | ADANI WILMAR LTD             | 13,630                   | 803.15         | 126.08       | N/A          | 2.78        | N/A         | N/A                 |
| 2607 JP        | FUJI OIL HOLDINGS            | 1,226                    | 1,790.00       | 13.07        | 19.33        | 0.88        | 1.42        | 2.91                |
| KYGA ID        | KERRY GROUP PLC-A            | 19,396                   | 102.55         | 23.82        | 34.34        | 3.24        | 4.18        | 0.93                |
| 2815 JP        | ARIAKE JAPAN CO              | 1,299                    | 5,060.00       | 21.41        | 29.42        | 1.56        | 2.20        | 1.52                |
| AGR AV         | AGRANA BETEILIGUNGS AG       | 1,146                    | 17.15          | 21.80        | 22.25        | 0.84        | 0.88        | 4.37                |
| CRBN NA        | CORBION NV                   | 1,871                    | 29.54          | 22.16        | 46.74        | 3.14        | 4.35        | 1.90                |
| 2802 JP        | AJINOMOTO CO INC             | 14,184                   | 3,376.00       | 23.50        | 23.55        | 2.81        | 2.48        | 1.42                |
| 600305 CH      | JIANGSU HENGSHUN VINEGAR I-A | 1,596                    | 10.42          | 88.55        | 84.35        | 4.63        | 6.92        | 1.51                |
| MKC US         | MCCORMICK & CO-NON VTG SHRS  | 27,430                   | 102.37         | 33.12        | 28.80        | 5.97        | 5.39        | 1.45                |
| 603317 CH      | SICHUAN TEWAY FOOD GROUP-A   | 2,088                    | 18.12          | 66.73        | 96.61        | 3.50        | 5.50        | 0.28                |

Source: Bloomberg, extracted 26 Apr 2022 closing

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