

Energy Sector – Neutral

Yupapan Polpornprasert | Email: yupapan.pol@thanachartsec.co.th

News Update

Bearish week

- Inventory draw across all products
- OPEC lifts October production
- China EV makers is on track to meet its ambitious target
- Saudi Arabia may cut December oil prices

Weekly US data: Inventory draw across all products

- Administration reported an inventory draw of a modest half a million barrels for the week to October 25. The change in oil stocks compared with a build of 5.5 million barrels for the previous week, which pressured oil prices.
- In its weekly report, the EIA estimated inventory draws in gasoline and middle distillates. Gasoline stocks shed 2.7 million barrels in the week to October 25. These figures compared with an inventory build of 900,000 barrels for the previous week. In middle distillates, the authority estimated an inventory decline of 1 million barrels for last week. These compared with a stock draw of 1.1 million barrels for the previous week.

OPEC lifts October production

- OPEC lifts October production.** OPEC's production increased by 370,000 barrels per day in October, a new Bloomberg survey has found. Libya's output recovery led OPEC to raise its production to nearly 30 million barrels daily. Meanwhile, Iraq, Iran and Saudi Arabia saw lower output in October.
- OPEC+ now faces a critical choice.** The group is scheduled to begin monthly output increases by 180,000 bpd in December but given the current market fragility that several anonymous delegates spoke to Bloomberg about, there's little faith that they will follow through with this plan. The group has always maintained that its planning production cuts rollback would depend on market conditions.
- Impact.** Brent crude oil price has retreated 10% from peak in Oct to US\$73/bbl. We see that market has already price in weaker oil balance. At the same time, PTTEP share price has also fallen by 23% since April. We see current price already factored in oil price to stay at US\$70/bbl. We maintain our BUY rating on PTTEP as we see company offer high earnings visibility and cashflow.

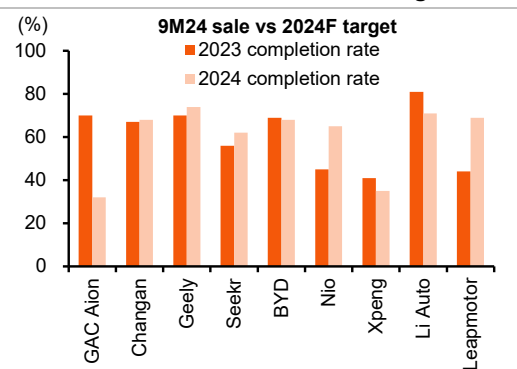
Ex 1: US Weekly data

(m bbls)	Weekly change	Consensus	Last week
Crude Oil	-0.515	1.500	5.474
Gasoline	-2.707	0.600	0.878
Distillates	-0.977	-1.590	-1.140

(k bpd)	Weekly change	% Change	Current number
Production	0.0	0.0%	13,500
Refinery Runs	-69	-0.4%	16,326

Source: EIA

Ex 2: China EV Makers Sale Vs. Target

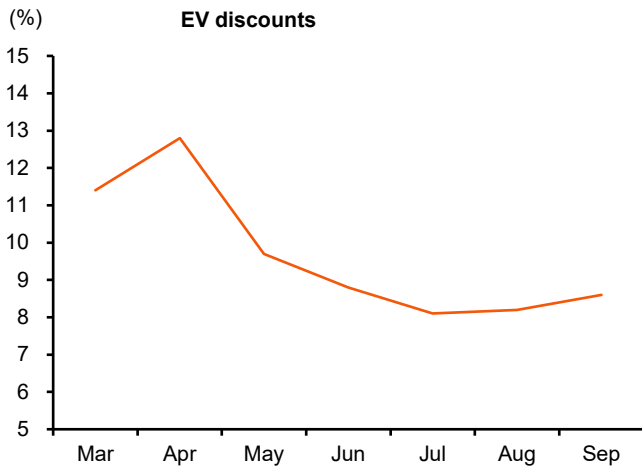


Source: Bloomberg

China EV makers is on track to meet its ambitious target

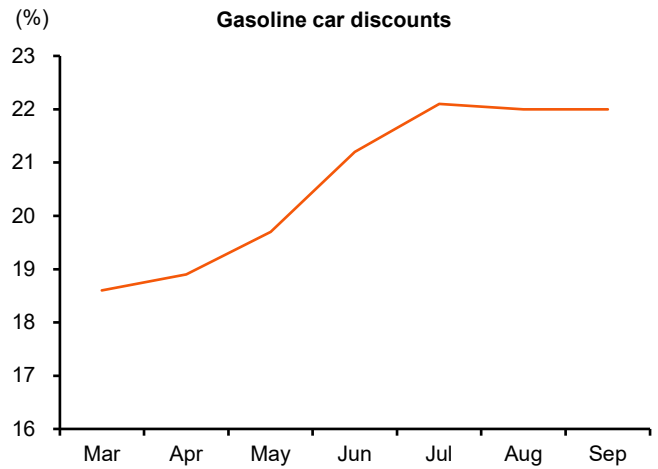
- **China's electric-vehicle makers are on track to hit ambitious annual sales targets.** EV and hybrid vehicle sales more broadly are surging fueled by expanded national and local subsidies to encourage consumers to trade in older cars. The policy contributed to Tesla Inc.'s best quarter yet for Chinese shipments, while EVs and hybrids reached around 53% of total new monthly car sales in September.
- **Impact.** The rise in EV car sale would impact gasoline demand. Based on Kepler estimate China EV fleet is forecast to displace 248k bpd (1% of global gasoline consumption) of gasoline demand this year.

Ex 3: EV Price War Slow



Source: Bloomberg

Ex 4: Gasoline Price Discount Remains At Peak

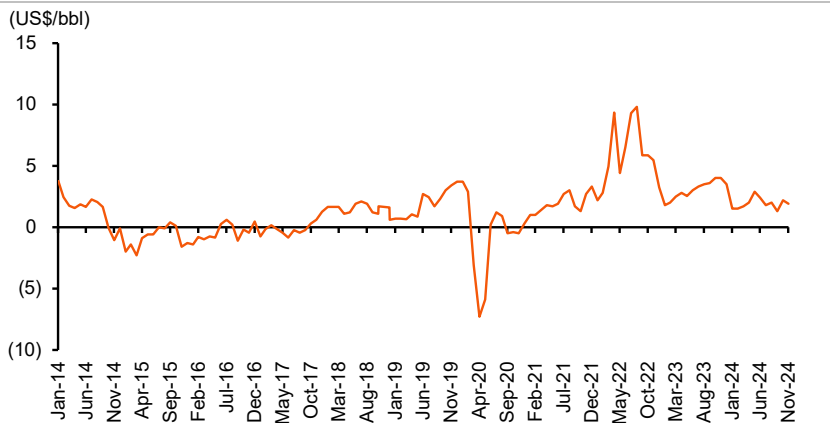


Source: Bloomberg

Saudi Arabia may cut December oil prices

- **Arab Light OSP may fall by 30-50 cents a barrel.** Top oil exporter Saudi Arabia may cut prices for most of the crude grades it sells to Asia in December, tracking weakness in Middle East benchmark Dubai, trade sources said.
- **Impact.** Price cuts for Saudi oil would signal weak demand and provide more evidence for the Organization of the Petroleum Exporting Countries, led by Saudi Arabia, and its allies including Russia, a group known as OPEC+. This will likely continue to pressure refinery margin.

Ex 5: Arab Light OSP



Source: Bloomberg

Ex 6: Prices And Spreads

	Unit	This week	Last week	% chg	Quarterly						Yearly		
					2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	2022	2023	2024
Upstream													
Dubai	(US\$/bbl)	73	74	-0.9%	87	84	82	85	79	75	97	81	82
Brent	(US\$/mmbtu)	73	76	-3.9%	86	83	82	85	79	76	99	82	82
Henry hub	(US\$/mmbtu)	2.7	2.6	4.0%	2.7	2.9	2.1	2.3	2.2	2.6	6.5	2.6	2.2
JKM Spot	(US\$/mmbtu)	13.5	13.8	-2.3%	12.3	15.6	9.7	11.2	13.0	13.4	34.0	13.9	11.3
Dutch TTF	(EUR/MWh)	39	44	-10.0%	34	43	28	32	36	41	132	41	32
NEX coal price	(US\$/tonne)	144	145	-0.7%	147	136	127	136	140	146	357	188	134
Crack spreads over Dubai													
Gasoline	(US\$/bbl)	11.2	11.7	-4.2%	16.6	18.9	12.6	17.9	11.6	11.0	18.8	16.7	12.7
Jet fuel	(US\$/bbl)	13.8	12.2	12.9%	14.0	26.1	23.6	21.1	13.6	12.1	30.3	22.5	14.7
Diesel	(US\$/bbl)	12.4	11.8	5.2%	14.6	26.9	21.1	21.7	14.0	12.2	34.3	21.9	14.9
HSFO	(US\$/bbl)	(0.7)	(3.1)	-77.7%	(8.7)	(5.4)	(11.0)	(9.7)	(3.4)	(4.3)	(14.1)	(10.3)	(5.8)
SG GRM	(US\$/bbl)	6.4	5.4	18.2%	5.4	10.9	6.3	8.1	4.9	4.6	11.5	7.9	5.7
Aromatics													
PX-naphtha	(US\$/tonne)	165	161	2.6%	407	407	349	323	336	187	299	378	307
BZ-naphtha	(US\$/tonne)	250	241	3.8%	275	273	269	326	391	264	267	267	356
Olefin													
HDPE-naphtha	(US\$/tonne)	320	321	-0.3%	436	361	350	333	350	304	392	390	340
LDPE-naphtha	(US\$/tonne)	490	491	-0.2%	443	363	372	454	519	474	683	427	508
PP-naphtha	(US\$/tonne)	330	341	-3.2%	403	305	303	302	331	318	386	359	321
Others													
Integrated PET	(US\$/tonne)	154	166	-7.1%	194	114	134	138	130	161	278	161	143
Phenol-BZ	(US\$/tonne)	35	90	-61.1%	79	89	64	(52)	(38)	52	279	80	8
BPA -Phenol	(US\$/tonne)	315	280	12.5%	299	270	327	317	303	239	551	294	283

Sources: TOP, Bloomberg

Ex 7: Valuation

	Rating	Current	Target	Upside/	Market cap	Norm EPS grw		Norm PE		EV/EBITDA		P/BV		Yield		ROE	
		price	price	(Downside)		24F	25F	24F	25F	24F	25F	24F	25F	24F	25F	24F	25F
		(Bt)	(Bt)	(%)	(US\$ m)	(%)	(%)	(x)	(x)	(x)	(x)	(x)	(x)	(%)	(%)	(%)	(%)
BANPU	BUY	6.30	8.00	27.0	1,862	(32.2)	9.5	11.3	10.3	6.1	5.8	0.5	0.5	5.3	4.9	4.3	4.6
BCP	BUY	33.75	53.00	57.0	1,371	(2.8)	11.7	4.9	4.4	4.2	3.9	0.6	0.5	4.9	5.4	12.5	12.8
BSRC	BUY	7.20	11.00	52.8	735	27.2	38.5	7.7	5.6	5.3	4.1	0.8	0.8	4.8	6.7	11.1	14.2
IRPC	SELL	1.52	1.50	(1.3)	916	na	104.6	50.8	24.8	11.3	10.1	0.4	0.4	0.0	0.8	0.8	1.6
IVL	BUY	25.75	20.00	(22.3)	4,264	183.0	57.2	32.0	20.3	7.4	6.7	1.0	0.9	0.0	1.5	3.4	5.2
OR	SELL	15.40	13.80	(10.4)	5,451	(5.3)	6.4	17.6	16.6	9.0	8.5	1.6	1.6	3.2	3.4	9.4	9.6
PTG	SELL	9.60	6.80	(29.2)	473	(0.8)	6.0	17.0	16.1	4.1	4.2	1.7	1.6	2.6	2.8	10.5	10.5
PTT	SELL	33.75	29.00	(14.1)	28,435	(9.8)	2.1	10.7	10.5	4.2	3.8	0.9	0.8	5.9	5.9	8.0	8.0
PTTEP	BUY	126.50	188.00	48.6	14,813	(2.5)	(7.6)	6.5	7.1	1.8	1.9	0.9	0.9	7.5	7.1	14.7	12.6
PTTGC	SELL	26.50	25.00	(5.7)	3,524	na	720.0	129.5	15.8	10.2	8.0	0.4	0.4	2.8	2.4	0.3	2.7
SCC	BUY	209.00	275.00	31.6	7,398	(3.7)	66.5	17.4	10.4	16.8	9.0	0.7	0.7	2.9	4.8	3.9	6.3
SPRC	BUY	6.70	9.80	46.3	857	na	(3.3)	8.5	8.8	5.0	4.5	0.7	0.7	3.0	3.1	9.1	8.3
TOP	SELL	41.50	39.00	(6.0)	2,734	(41.5)	(16.6)	5.8	6.9	7.8	9.1	0.5	0.5	3.7	4.8	9.6	7.7

Sources: Company data, Thanachart estimates

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