

Energy Sector – Underweight

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News Update

Bullish factors build

- **A surprise crude draw**
- **OPEC+ postpones December meeting**
- **China set to import record-high volume of coal in November**
- **China Coal demand remains robust**

Weekly US data: A surprise crude draw

- U.S. Energy Information Administration reported an inventory draw of 1.8 million barrels. The change compared with a build of 0.5 million barrels for the previous week.
- The EIA estimated a gasoline inventory build of 3.3 million barrels. These numbers compared with an inventory build of 2.0 million barrels for the previous week. In middle distillates, the EIA estimated an inventory build of 0.4 million barrels for the week. This compared with a stock decline of 0.1 million barrels.

OPEC+ postpones December meeting

- **OPEC+ Postpones December Meeting.** OPEC+ has delayed its upcoming policy meeting by 4 days to December 5 as members are reportedly discussing postponing the anticipated output hike due to start in January 2025F, simultaneously coordinating the future of compensation cuts with Iraq and Kazakhstan.
- **Impact.** The prolonged production cuts by OPEC+ are providing support to Brent Crude, creating a slight upward pressure on oil prices in the short term. However, a key uncertainty is how long the alliance can maintain these production levels as its market share continues to shrink. Some members often bypass the agreed limits and increase their output, while a potential victory for Donald Trump could drive a surge in U.S. oil production. This scenario raises the likelihood of an oversupplied market in 2025F, even as global demand is projected to remain limited.

China set to import record-high volume of coal in November

- **China coal import surge.** China is on track to import this month the highest volume of thermal coal, the one used in power generation, since at least 2017, as electricity demand is rising with the colder weather. Chinese thermal coal imports are set to be at 37.5 million metric tons for November, according to data by commodity analysts Kpler cited by Reuters's columnist Clyde Russell. This estimated volume would be significantly higher than the 32.12 million tons of thermal coal imported in October and the highest level in data compiled by Kpler going back to 2017.
- **China Coal demand remains robust.** Although the share of coal in China's electricity generation has been declining in recent years with the renewables boom, Chinese coal power generation and demand remains

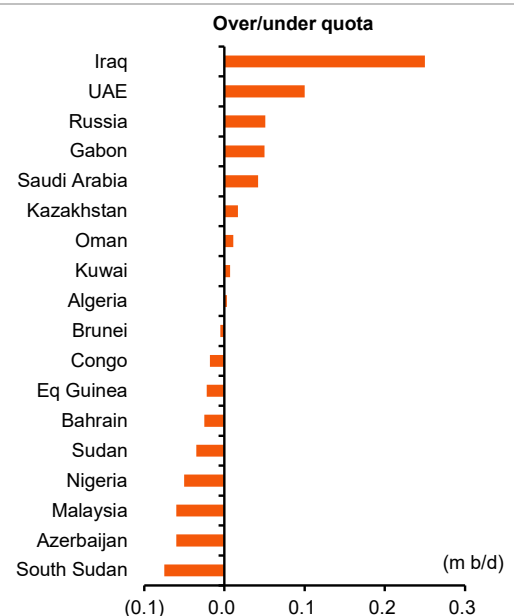
Ex 1: US Weekly data

(m bbls)	Weekly change	Consensus	Last week
Crude Oil	-1.844	-1.300	0.545
Gasoline	3.314	2.054	2.054
Distillates	0.416	-0.114	-0.114

(k bpd)	Weekly change	% Change	Current number
Production	+292.0	+2.2%	13,493
Refinery Runs	+45	+0.3%	16,581

Source: EIA

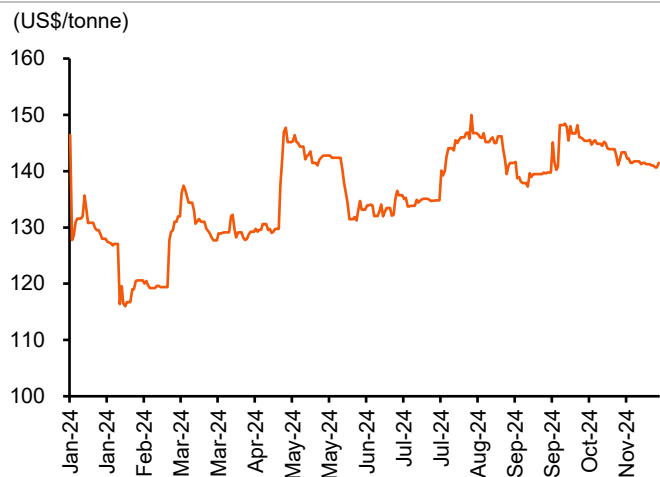
Ex 2: Compliance is the key issue



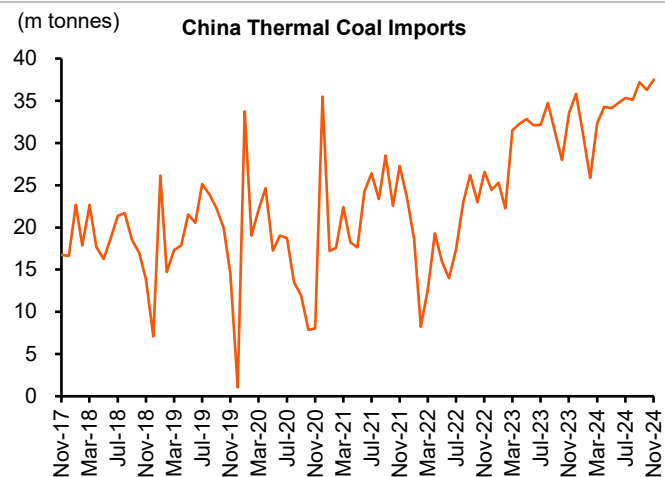
Source: SP Platts

strong. Coal still accounts for about 60% of China's power generation. China has been ramping up thermal power generation, which is mostly coal, since the beginning of the autumn, when hydropower generation began to ease.

- **Impact.** This will likely support coal price to remain strong. BANPU (BANPU TB, BUY, Bt5.7) will be the key beneficiary from higher coal price as coal accounts 66% of its EBITDA in 3Q24.

Ex 3: Nex Coal Price

Source: Bloomberg

Ex 4: China Thermal Coal import

Source: Bloomberg

Ex 5: Prices And Spreads

	Unit	This week	Last week	% chg	Quarterly						Yearly		
					3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	2022	2023	2024
Upstream													
Dubai	(US\$/bbl)	72	74	-2.2%	87	84	82	85	79	74	97	81	82
Brent	(US\$/mmbtu)	73	75	-3.0%	86	83	82	85	79	75	99	82	82
Henry hub	(US\$/mmbtu)	3.4	3.1	7.5%	2.7	2.9	2.1	2.3	2.2	2.8	6.5	2.6	2.2
JKM Spot	(US\$/mmbtu)	14.9	14.8	0.9%	12.3	15.6	9.7	11.2	13.0	13.7	34.0	13.9	11.3
Dutch TTF	(EUR/MWh)	48	47	1.7%	34	43	28	32	36	42	132	41	32
NEX coal price	(US\$/tonne)	142	141	0.2%	147	136	127	136	140	144	357	188	134
Crack spreads over Dubai													
Gasoline	(US\$/bbl)	12.4	11.4	9.3%	16.6	18.9	12.6	17.9	11.6	11.3	18.8	16.7	13.0
Jet fuel	(US\$/bbl)	17.3	16.6	3.9%	14.0	26.1	23.6	21.1	13.6	14.6	30.3	22.5	15.6
Diesel	(US\$/bbl)	17.1	16.0	6.6%	14.6	26.9	21.1	21.7	14.0	13.9	34.3	21.9	15.6
HSFO	(US\$/bbl)	(1.6)	(0.8)	98.7%	(8.7)	(5.4)	(11.0)	(9.7)	(3.4)	(1.7)	(14.1)	(10.3)	(5.0)
SG GRM	(US\$/bbl)	8.2	7.4	11.7%	5.4	10.9	6.3	8.1	4.9	6.0	11.5	7.9	6.1
Aromatics													
PX-naphtha	(US\$/tonne)	177	138	28.3%	407	407	349	323	336	177	299	378	307
BZ-naphtha	(US\$/tonne)	287	243	18.1%	275	273	269	326	391	265	267	267	356
Olefin													
HDPE-naphtha	(US\$/tonne)	357	343	4.1%	436	361	350	333	350	326	392	390	340
LDPE-naphtha	(US\$/tonne)	497	493	0.8%	443	363	372	454	519	487	683	427	508
PP-naphtha	(US\$/tonne)	357	343	4.1%	403	305	303	302	331	334	386	359	321
Others													
Integrated PET	(US\$/tonne)	141	163	-13.7%	194	114	134	138	130	156	278	161	142
Phenol-BZ	(US\$/tonne)	27	25	8.0%	79	89	64	(52)	(38)	44	279	80	5
BPA -Phenol	(US\$/tonne)	312	312	0.0%	299	270	327	317	303	271	551	294	291

Sources: TOP, Bloomberg

Ex 6: Valuation

	Rating	Current	Target	Upside/	Market	Norm EPS grw		Norm PE		EV/EBITDA		— P/BV —		— Yield —		— ROE —	
		price	price	(Downside)	cap	24F	25F	24F	25F	24F	25F	24F	25F	24F	25F	24F	25F
		(Bt)	(Bt)	(%)	(US\$ m)	(%)	(%)	(x)	(x)	(x)	(x)	(x)	(x)	(%)	(%)	(%)	(%)
BANPU	BUY	5.70	8.00	40.4	1,665	(32.2)	9.5	10.2	9.3	6.0	5.7	0.4	0.4	5.9	5.4	4.3	4.6
BCP	BUY	30.75	40.00	30.1	1,234	(48.3)	69.9	8.4	5.0	4.4	4.1	0.6	0.5	1.8	4.5	6.9	11.1
BSRC	HOLD	7.35	7.00	(4.8)	741	11.7	(7.0)	9.0	9.7	5.4	5.1	0.9	0.8	2.4	3.6	10.0	8.9
IRPC	SELL	1.38	1.20	(13.0)	822	na	na	na	na	19.6	14.8	0.4	0.4	0.0	0.0	na	na
IVL	BUY	25.00	29.00	16.0	4,091	298.1	28.1	22.1	17.2	7.3	6.6	0.9	0.9	0.0	1.7	4.5	5.8
OR	SELL	14.10	12.60	(10.6)	4,932	(44.7)	50.0	27.6	18.4	11.3	8.6	1.5	1.5	2.0	3.1	5.6	8.1
PTG	SELL	8.65	6.80	(21.4)	421	(0.8)	6.0	15.3	14.5	3.8	3.9	1.6	1.5	2.9	3.1	10.5	10.5
PTT	BUY	32.25	38.00	17.8	26,850	0.7	(3.8)	9.2	9.5	4.2	4.0	0.8	0.8	6.2	6.2	8.9	8.3
PTTEP	BUY	127.50	150.00	17.6	14,754	(6.1)	(13.7)	6.9	7.9	2.1	2.4	0.9	0.9	7.5	7.1	14.2	11.4
PTTGC	SELL	25.25	23.00	(8.9)	3,319	na	na	na	23.0	11.6	9.0	0.4	0.4	3.0	1.6	na	1.8
SCC	SELL	183.50	175.00	(4.6)	6,419	(44.9)	76.8	26.7	15.1	22.7	11.4	0.6	0.6	1.9	3.3	2.3	3.9
SPRC	SELL	6.80	5.90	(13.2)	859	na	(1.1)	9.2	9.3	5.3	5.3	0.8	0.7	3.3	2.9	8.5	7.9
TOP	SELL	37.75	39.00	3.3	2,458	(41.5)	(16.6)	5.3	6.3	7.5	8.8	0.5	0.5	4.1	5.3	9.6	7.7

Sources: Company data, Thanachart estimates