

Energy Sector – Underweight

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News Update

Green push facing challenges

- **Crude stockpiles continue to fall**
- **Trump Freezes Energy Department Spending, Loans**
- **EU considers easing ESG rules**
- **Plummeting Gasoline margin**

President Donald Trump has pledged to roll back Biden-era climate policies, increase fossil fuel production, and impose tariffs on goods from traditional allies. At the same time, Europe is scaling back its ESG (environmental, social, and governance) ambitions.

Weekly US data: Crude stockpiles continue to fall

- Inventories of crude oil declined for the ninth straight week, with overall stocks reaching the lowest level since March 2022. Crude oil inventories decreased by approximately 1.0 million barrels, bringing the total to 411.7 million barrels. This is about 2.1% lower than the same period last year.
- In fuels, the EIA estimated mixed changes. In gasoline, the authority estimated a build of 2.3 million barrels for the week to January 17. This compared with an inventory rise of 5.9 million barrels for the previous week. In middle distillates, the EIA reported an inventory fall of 3.1 million barrels for last week. This compared with a stock build of 3.1 million barrels for the previous week.
- Despite these inventory builds, all stocks—both crude and fuels—remain below the five-year average for this time of the year, potentially contributing to oil price strength. However, prices have taken a dip this week, as the market processes the implications of a Trump presidency.

Green push facing challenges

- **Trump Freezes Energy Department Spending, Loans.** The Trump administration has halted spending and actions at the Energy Department, including grants, loans, and new policies, to ensure alignment with the president's priorities. This freeze affects the department's \$50 billion budget, which supports new energy technologies, and reflects Trump's focus on fossil fuels over climate-friendly policies.
- **US is quitting Paris climate deal.** President Donald Trump has begun withdrawing the US from the landmark Paris Agreement. The move was widely expected since Trump pulled the US from the emissions-cutting pact during his first term and had vowed to do it again during his campaign.
- **EU considers easing ESG rules.** The French government is planning to limit the EU's Corporate Sustainability Reporting Directive (CSRD), which requires companies to report on ESG metrics. The proposal aims to reduce the number of companies subject to full requirements, making the rules simpler and less expensive. Germany and other EU countries are

Ex 1: US Weekly data

(m bbls)	Weekly change	Consensus	Last week
Crude Oil	-1.017	-2.100	-1.962
Gasoline	2.332	2.500	5.852
Distillates	-3.070	0.600	3.077

(k bpd)	Weekly change	% Change	Current number
Production	-4	0.0%	13,477
Refinery Runs	-1,054	-6%	15,762

Source: EIA

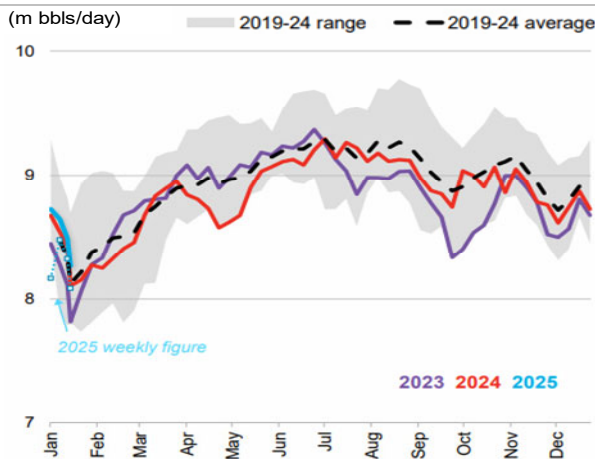
also supporting a scaling back of the CSRD, citing concerns about regulatory burdens and competitiveness.

- Impact.** A halt and review of spending under Biden’s climate law and the Inflation Reduction Act could impact BANPU’s US CCUS expansion, valued at Bt1.1/share in our DCF-based TP of Bt7.5. Despite this, we expect an earnings turnaround this year, supported by higher gas prices. US Henry Hub prices rose to US\$3.8/mmbtu QTD, up from US\$2.4 in 2024 and US\$3.0 in 4Q24. We maintain our **BUY** rating on BANPU.

Plummeting Gasoline margin

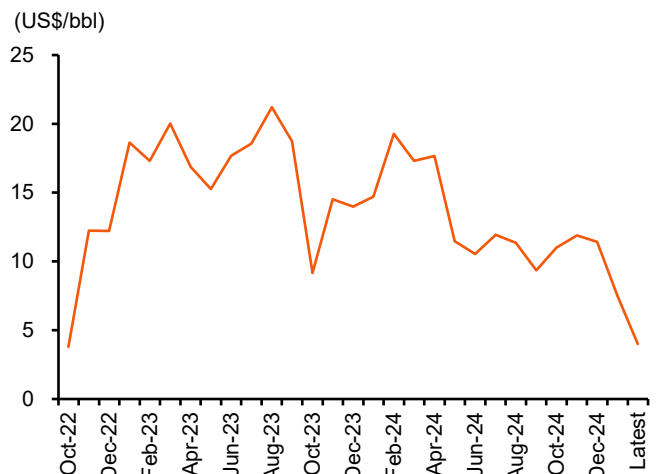
- Gasoline margin near 28-months low.** Gasoline spread over Dubai has dropped to US\$4/bbl on 24 Jan 2025 from US\$11/bbl in 4Q24 amid low season and ample supply. This also led Singapore complex refinery margin to drop to US\$1.13/bbl from US\$5/bbl in 4Q24.
- Impact.** This could create negative sentiment for Thai refiners. However, we see that the margin could rebound from lower export from China and upcoming refinery maintenance season. We maintain our cautions view on Thai refiners.

Ex 2: US Gasoline Demand



Source: Bloomberg

Ex 3: Gasoline-Dubai



Source: Company data

Ex 4: Prices And Spreads

	Unit	This week	Last week	% chg	Quarterly						Yearly		
					4Q23	1Q24	2Q24	3Q24	4Q24	1Q25	2023	2024	2025
Upstream													
Dubai	(US\$/bbl)	83	83	-0.7%	84	82	85	79	74	81	81	80	81
Brent	(US\$/mmbtu)	79	82	-4.5%	83	82	85	79	74	79	82	80	79
Henry hub	(US\$/mmbtu)	4.0	4.1	-1.5%	2.9	2.1	2.3	2.2	3.0	3.8	2.6	2.4	3.8
JKM Spot	(US\$/mmbtu)	14.1	14.1	-0.1%	15.6	9.7	11.2	13.0	14.0	14.2	13.9	11.9	14.2
Dutch TTF	(EUR/MWh)	50	47	5.7%	43	28	32	36	43	48	41	35	48
NEX coal price	(US\$/tonne)	116	114	1.7%	136	127	136	140	139	118	188	136	118
Crack spreads over Dubai													
Gasoline	(US\$/bbl)	5.3	8.6	-38.9%	12.6	17.9	11.6	11.1	11.4	7.5	18.8	16.7	13.0
Jet fuel	(US\$/bbl)	13.1	13.9	-5.6%	23.6	21.1	13.6	13.1	14.8	13.6	30.3	22.5	15.7
Diesel	(US\$/bbl)	14.9	15.4	-3.6%	21.1	21.7	14.0	12.7	14.7	15.3	34.3	21.9	15.8
HSFO	(US\$/bbl)	(6.3)	(5.2)	21.0%	(11.0)	(9.7)	(3.4)	(5.3)	(2.3)	(5.4)	(14.1)	(10.3)	(5.2)
SG GRM	(US\$/bbl)	2.5	3.9	-35.6%	6.3	8.1	4.9	5.4	5.9	4.3	11.5	7.9	6.1
Aromatics													
PX-naphtha	(US\$/tonne)	206	157	31.6%	349	323	336	262	174	168	299	378	274
BZ-naphtha	(US\$/tonne)	246	212	16.3%	269	326	391	352	271	228	267	267	335
Olefin													
HDPE-naphtha	(US\$/tonne)	296	287	3.3%	350	333	350	336	333	296	392	390	338
LDPE-naphtha	(US\$/tonne)	436	417	4.7%	372	454	519	550	489	433	683	427	503
PP-naphtha	(US\$/tonne)	306	297	3.2%	303	302	331	331	339	306	386	359	326
Others													
Integrated PET	(US\$/tonne)	105	111	-5.5%	134	138	130	145	145	124	278	161	140
Phenol-BZ	(US\$/tonne)	28	43	-34.9%	64	(52)	(38)	68	47	39	279	80	6
BPA -Phenol	(US\$/tonne)	315	325	-3.1%	327	317	303	271	307	318	551	294	300

Sources: TOP, Bloomberg

Ex 5: Valuation

	Rating	Current price	Target price	Upside/Downside	Market cap	Norm EPS grw		Norm PE		EV/EBITDA		P/BV		Yield		ROE	
						24F	25F	24F	25F	24F	25F	24F	25F	24F	25F	24F	25F
		(Bt)	(Bt)	(%)	(US\$ m)	(%)	(%)	(x)	(x)	(x)	(x)	(x)	(x)	(%)	(%)	(%)	(%)
BANPU	BUY	5.30	7.50	41.5	1,578	(87.3)	426.3	50.6	9.6	7.1	5.8	0.4	0.4	2.4	5.2	0.8	4.2
BCP	BUY	35.50	40.00	12.7	1,453	(48.3)	69.9	9.7	5.7	4.5	4.2	0.7	0.6	1.6	3.9	6.9	11.1
BSRC	HOLD	6.35	7.00	10.2	653	11.7	(7.0)	7.8	8.4	4.9	4.6	0.8	0.7	2.8	4.2	10.0	8.9
IRPC	SELL	1.17	1.20	2.6	711	na	na	na	na	18.8	14.2	0.3	0.3	0.0	0.0	na	na
IVL	BUY	23.70	29.00	22.4	3,956	298.1	28.1	20.9	16.3	7.2	6.4	0.9	0.8	0.0	1.8	4.5	5.8
OR	SELL	11.60	12.60	8.6	4,138	(44.7)	50.0	22.7	15.1	8.9	6.8	1.3	1.2	2.5	3.7	5.6	8.1
PTG	SELL	7.60	6.80	(10.5)	377	(0.8)	6.0	13.5	12.7	3.5	3.6	1.4	1.3	3.3	3.5	10.5	10.5
PTT	BUY	30.75	38.00	23.6	26,109	0.7	(3.8)	8.8	9.1	4.1	3.8	0.8	0.7	6.5	6.5	8.9	8.3
PTTEP	BUY	122.50	150.00	22.4	14,457	(6.1)	(13.7)	6.6	7.6	2.0	2.3	0.9	0.9	7.8	7.3	14.2	11.4
PTTGC	BUY	22.40	30.00	33.9	3,002	na	na	na	16.3	10.3	8.3	0.4	0.4	3.3	2.3	na	2.3
SCC	SELL	156.00	175.00	12.2	5,565	(44.9)	76.8	22.7	12.8	21.3	10.7	0.5	0.5	2.2	3.9	2.3	3.9
SPRC	SELL	5.60	5.90	5.4	722	na	(1.1)	7.6	7.6	4.4	4.4	0.6	0.6	4.1	3.5	8.5	7.9
TOP	SELL	27.00	21.00	(22.2)	1,793	(41.8)	(30.0)	3.8	5.4	6.9	8.1	0.4	0.3	5.7	6.1	9.5	6.9

Sources: Company data, Thanachart estimates

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