

Energy Sector – Underweight

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

News Update

Looming risk on GRM

- **Crude stockpiles flip into a build**
- **March Arab Light OSP may hit highest since Jan 2024**
- **More demand for Middle East crude**
- **Trump imposes oil tariffs on Mexico, Canada.**

Weekly US data: Crude stockpiles flip into a build

- Crude oil inventories in the United States saw a large build of 3.5 million barrels during the week ending January 24 compare to inventories decreased of 1.0 million barrels in the previous week. The build in crude inventories is in line with seasonal trends and compares with a draw of 1 million barrels in the week prior.
- For total motor gasoline, the EIA estimated that inventories rose by 3.0 million barrels for the week. This compares with an inventory rise of 2.3 million barrels for the previous week. For middle distillates, the EIA estimated an inventory fall of 5 million barrels for last week. This adds onto the inventory loss of 3.1 million barrels for the week prior.

Likely higher crude cost for Asian refineries

- **March Arab Light OSP may hit highest since Jan 2024.** March Arab Light OSP may hit its highest level since January 2024. A Reuters survey of four Asian refiners suggests a US\$2–\$2.50 per barrel increase, with one expecting a US\$3 hike across all grades. This would mark the largest monthly jump since August 2022.
- **More demand for Middle East crude.** This increase follows a surge in benchmark prices, driven by rising demand from China and India amid U.S. sanctions that have disrupted Russian supply.
- **Trump launches trade war with tariffs on Mexico and Canada.** New 10% tariffs on Canadian oil and 25% on Mexican crude could push U.S. refiners to source more medium-sour crude from the Middle East. In 2023, Canadian and Mexican crude accounted for 28% of U.S. refinery inputs (EIA).
- **Impact.** Rising light crude costs from the Middle East, West Africa, and the Far East may pressure Thai refiners. With weaker gasoline margins and higher crude prices, 1Q25F market GRM could drop sharply. However, a tightening crude market may further push oil prices higher. We remain cautious on Thai refineries, favoring PTTEP and PTT.

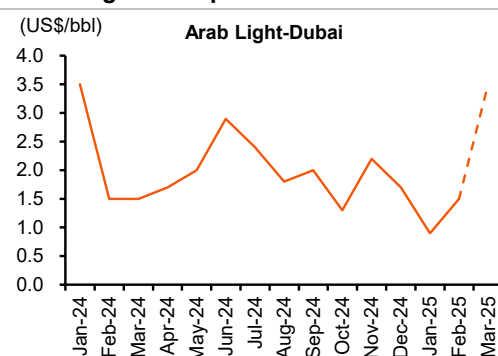
Ex 1: US Weekly data

(m bbls)	Weekly change	Consensus	Last week
Crude Oil	3.463	2.200	-1.017
Gasoline	2.957	2.000	2.332
Distillates	-4.994	-2.750	-3.070

(k bpd)	Weekly change	% Change	Current number
Production	-237	-1.8%	13,240
Refinery Runs	-444	-2.8%	15,318

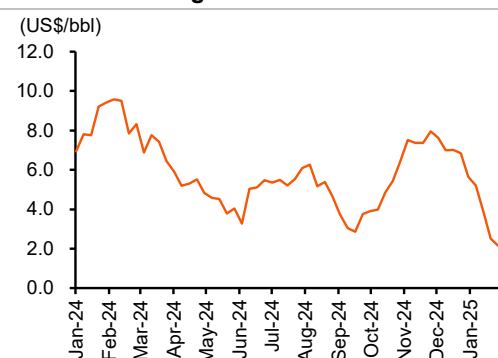
Source: EIA

Ex 2: Big Hike Expected For OSP In March



Sources: Reuter

Ex 3: Weakening SG GRM



Sources: Bloomberg, TOP

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)	81	83	-2.1%	84	82	85	79	74	81	81	80	81	
Brent (US\$/mmbtu)	77	79	-2.2%	83	82	85	79	74	78	82	80	78	
Henry hub (US\$/mmbtu)	3.0	4.0	-24.4%	2.9	2.1	2.3	2.2	3.0	3.8	2.6	2.4	3.8	
JKM Spot (US\$/mmbtu)	14.4	14.1	2.3%	15.6	9.7	11.2	13.0	14.0	14.2	13.9	11.9	14.2	
Dutch TTF (EUR/MWh)	53	50	7.1%	43	28	32	36	43	48	41	35	48	
NEX coal price (US\$/tonne)	116	116	-0.7%	136	127	136	140	139	117	188	136	117	
Crack spreads over Dubai													
Gasoline (US\$/bbl)	3.7	5.3	-30.1%	12.6	17.9	11.6	11.1	11.4	6.4	18.8	16.7	13.0	
Jet fuel (US\$/bbl)	12.5	13.1	-5.1%	23.6	21.1	13.6	13.1	14.8	13.3	30.3	22.5	15.7	
Diesel (US\$/bbl)	14.4	14.9	-2.9%	21.1	21.7	14.0	12.7	14.7	14.9	34.3	21.9	15.8	
HSFO (US\$/bbl)	(4.7)	(6.3)	-25.2%	(11.0)	(9.7)	(3.4)	(5.3)	(2.3)	(5.2)	(14.1)	(10.3)	(5.2)	
SG GRM (US\$/bbl)	2.8	1.4	103.0%	6.3	8.1	4.9	5.4	5.9	3.8	11.5	7.9	6.1	
Aromatics													
PX-naphtha (US\$/tonne)	186	206	-10.1%	349	323	336	262	174	172	299	378	274	
BZ-naphtha (US\$/tonne)	266	246	7.8%	269	326	391	352	271	236	267	267	335	
Olefin													
HDPE-naphtha (US\$/tonne)	306	296	3.1%	350	333	350	336	333	298	392	390	338	
LDPE-naphtha (US\$/tonne)	456	436	4.4%	372	454	519	550	489	438	683	427	503	
PP-naphtha (US\$/tonne)	326	306	6.2%	303	302	331	331	339	310	386	359	326	
Others													
Integrated PET (US\$/tonne)	119	105	13.7%	134	138	130	145	145	123	278	161	140	
Phenol-BZ (US\$/tonne)	17	28	-39.3%	64	(52)	(38)	68	47	35	279	80	6	
BPA -Phenol (US\$/tonne)	315	315	0.0%	327	317	303	271	307	317	551	294	300	

Sources: TOP, Bloomberg

Ex 5: Valuation

	Rating	Current price (Bt)	Target price (Bt)	Upside/Downside (%)	Market cap (US\$ m)	Norm EPS grw (%)		Norm PE (x)		EV/EBITDA (x)		P/BV (x)		Yield (%)		ROE (%)	
						24F	25F	24F	25F	24F	25F	24F	25F	24F	25F	24F	25F
BANPU	BUY	5.00	7.50	50.0	1,488	(87.3)	426.3	47.8	9.1	7.0	5.7	0.4	0.4	2.5	5.5	0.8	4.2
BCP	BUY	34.50	40.00	15.9	1,411	(48.3)	69.9	9.5	5.6	4.5	4.2	0.6	0.6	1.6	4.0	6.9	11.1
BSRC	HOLD	5.35	7.00	30.8	550	11.7	(7.0)	6.6	7.0	4.4	4.1	0.6	0.6	3.3	5.0	10.0	8.9
IRPC	SELL	1.13	1.20	6.2	686	na	na	na	na	18.6	14.1	0.3	0.3	0.0	0.0	na	na
IVL	BUY	23.00	29.00	26.1	3,835	298.1	28.1	20.3	15.8	7.1	6.4	0.9	0.8	0.0	1.9	4.5	5.8
OR	SELL	11.60	12.60	8.6	4,134	(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	7.45	6.80	(8.7)	369	(0.8)	6.0	13.2	12.5	3.5	3.6	1.3	1.3	3.4	3.6	10.5	10.5
PTT	BUY	31.50	38.00	20.6	26,720	0.7	(3.8)	9.0	9.3	4.2	3.9	0.8	0.8	6.3	6.3	8.9	8.3
PTTEP	BUY	127.50	150.00	17.6	15,032	(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	BUY	21.50	30.00	39.5	2,879	na	na	na	15.6	10.2	8.2	0.4	0.3	3.5	2.4	na	2.3
SCC	SELL	154.00	127.00	(17.5)	5,488	(77.0)	172.0	53.8	19.8	15.7	12.8	0.5	0.5	3.2	2.5	1.0	2.6
SPRC	SELL	5.30	5.90	11.3	682	na	(1.1)	7.2	7.2	4.2	4.2	0.6	0.6	4.3	3.7	8.5	7.9
TOP	SELL	26.00	21.00	(19.2)	1,725	(41.8)	(30.0)	3.6	5.2	6.8	8.0	0.3	0.3	5.9	6.4	9.5	6.9

Sources: Company data, Thanachart estimates

General Disclaimers And Disclosures:

This report is prepared and issued by Thanachart Securities Public Company Limited (TNS) as a resource only for clients of TNS, Thanachart Capital Public Company Limited (TCAP) and its group companies. Copyright © Thanachart Securities Public Company Limited. All rights reserved. The report may not be reproduced in whole or in part or delivered to other persons without our written consent.

This report is prepared by analysts who are employed by the research department of TNS. While the information is from sources believed to be reliable, neither the information nor the forecasts shall be taken as a representation or warranty for which TNS or TCAP or its group companies or any of their employees incur any responsibility. This report is provided to you for informational purposes only and it is not, and is not to be construed as, an offer or an invitation to make an offer to sell or buy any securities. Neither TNS, TCAP nor its group companies accept any liability whatsoever for any direct or consequential loss arising from any use of this report or its contents.

The information and opinions contained herein have been compiled or arrived at from sources believed reliable. However, TNS, TCAP and its group companies make no representation or warranty, express or implied, as to their accuracy or completeness. Expressions of opinion herein are subject to change without notice. The use of any information, forecasts and opinions contained in this report shall be at the sole discretion and risk of the user.

TNS, TCAP and its group companies perform and seek to perform business with companies covered in this report. TNS, TCAP, its group companies, their employees and directors may have positions and financial interest in securities mentioned in this report. TNS, TCAP or its group companies may from time to time perform investment banking or other services for, or solicit investment banking or other business from, any entity mentioned in this report. Therefore, investors should be aware of conflict of interest that may affect the objectivity of this report.

Note: Thanachart Securities Public Company Limited act as a Market Maker and Derivative Warrants Issuer. At present, TNS has issued Derivative Warrants underlying securities before making investment decisions.

Note: Thanachart Capital Pcl (TCAP) holds an 89.96% of Thanachart Securities (TNS). TCAP holds a 100% of Thanachart SPV1 Co. Ltd. TCAP and Thanachart SPV1 combinedly hold a 60% stake in THANI.

Note: Thanachart Capital Public Company Limited (TCAP), TMBThanachart Bank Public Company Limited (TTB), are related companies to Thanachart Securities Public Company Limited (TNS). Thanachart Securities Pcl is a subsidiary of Thanachart Capital Pcl (TCAP) which holds 24.35% of the shareholding in TMBThanachart Bank Pcl.

Note: Thanachart Capital Public Company Limited (TCAP), Ratchthani Leasing Public Company Limited (THANI), MBK PUBLIC COMPANY LIMITED (MBK) and PATUM RICE MILL AND GRANARY PUBLIC COMPANY LIMITED (PRG) are related companies to Thanachart Securities Public Company Limited (TNS) . Since TNS covers those securities in research report, consequently TNS incurs conflicts of interest.

Note: Thanachart Securities Public Company Limited (TNS) acts as an underwriter of “Debentures of SC ASSET CORPORATION PUBLIC COMPANY LIMITED No. 1/2025 (B.E. 2568), therefore investors need to be aware that there could be conflicts of interest in this research.

Note: Thanachart Securities Public Company Limited (TNS) acts as an underwriter of “Debentures of MUANGTHAI CAPITAL PUBLIC COMPANY LIMITED No. 1/2025 (B.E. 2568) tranche 1-3 which its maturity at 2028, 2030, 2032 (B.E. 2571, 2573, 2575)”, therefore investors need to be aware that there could be conflicts of interest in this research.

Note: Thanachart Securities Public Company Limited (TNS) acts as an underwriter of “Debentures of SRISAWAD CAPITAL 1969 PUBLIC COMPANY LIMITED No. 1/2025 (B.E. 2568) tranche 1-3 which its maturity at 2027-2029 (B.E. 2570-2572)”, therefore investors need to be aware that there could be conflicts of interest in this research.

Disclosure of Interest of Thanachart Securities

Investment Banking Relationship

Within the preceding 12 months, Thanachart Securities has lead-managed public offerings and/or secondary offerings (excluding straight bonds) of the securities of the following companies: