

Oil rises on Iran sanctions and OPEC+ cuts

- Mixed movement in US inventory
- US Increases Pressure on Iran with New Sanction
- New OPEC+ output cut quota
- Polyolefin Spread Widens in the Short Term

As Easter slowed Western trading, crude prices jumped 7% this week, with ICE Brent hitting US\$68 per barrel. Optimism was driven by new OPEC+ quotas, tighter US sanctions on Iran, and positive March data—though US-China tensions still pose a risk.

Weekly US data: Mixed movement in US inventory

- U.S. commercial crude oil inventories increased by 515,000 barrels, bringing the total to 442.9 million barrels. The increase is slightly higher than market expectation.
- Gasoline Inventories decreased by 2 million barrels to 234 million barrels, surpassing analysts' expectations while distillate Stocks dropped by 1.9 million barrels to 109.2 million barrels, marking the lowest level since November 2023.

US Increases Pressure on Iran with New Sanction

- **The Trump administration has escalated its sanctions against Iran**, targeting Chinese entities involved in purchasing and refining Iranian crude oil. On April 16, 2025, the U.S. Treasury Department sanctioned Shengxing Chemical, a "teapot" refinery in Shandong province, for buying over US\$1 billion worth of Iranian crude. This marks the second Chinese refiner to face direct sanctions for such activities.
- **Impact:** By targeting Shengxing Chemical, the U.S. signals a more aggressive stance, risking further tension with China. This could tighten global oil supply and support oil prices in the short term. While the full impact on Iran's oil output is unclear, it's expected to disrupt exports. Iran's production, which reached 3.6 million barrels per day (bpd) in mid-2024, has recently dropped to 3.335 million bpd as of March 2025.

New OPEC+ cut quota

- **Updated Compensation Plan:** OPEC+ has received new plans from Iraq, Kazakhstan, and other nations to implement further oil output cuts, compensating for production exceeding agreed quotas. This is part of OPEC+'s ongoing strategy, which has involved output reductions since late 2022, ensuring that non-compliant members make up for overproduction.
- **Monthly Cuts:** The latest plan, effective from April 2025 to June 2026, requires seven countries to implement additional cuts totaling 369,000 bpd, ranging from 196,000 bpd to 520,000 bpd. These cuts are more significant than the previous range of 189,000 bpd to 435,000 bpd. If fully

Ex 1: US Weekly data

(m bbls)	Weekly change	Consensus	Last week
Crude Oil	0.515	0.400	2.553
Gasoline	-1.958	-1.600	-1.600
Distillates	-1.851	-1.200	-3.544

(k bpd)	Weekly change	% Change	Current number
Production	+4	0.0%	13,462
Refinery Runs	-74	-0.5%	15,838

Source: EIA

executed, the compensation plan would largely offset a planned 411,000 bpd increase by other OPEC+ members in May.

- **Impact:** While the cuts will likely offer some support for prices, their success hinges on full compliance from the participating countries. Given the ongoing uncertainty in global demand, particularly amid economic slowdowns, these cuts are a strategic move to stabilize oil prices. The next OPEC+ meeting is scheduled for May 5, 2025, where the group will review market developments and discuss the output plan for June.

Ex 2: OPEC+ Compensation Output Cut Plan (k bpd)

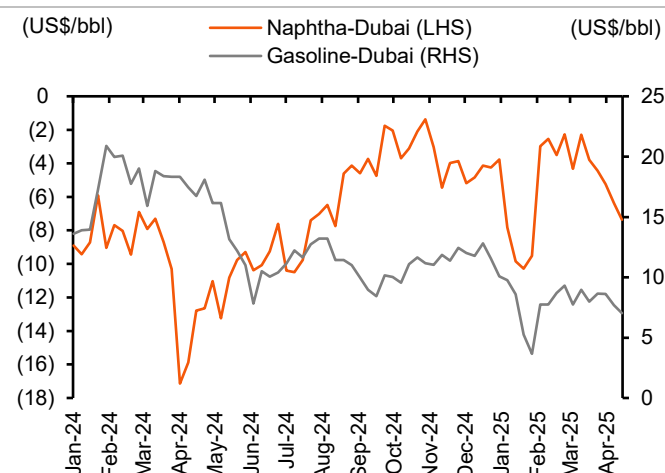
('000 b/d)	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Total
Algeria																
Iraq	120	140	140	135	130	135	135	135	130	125	125	124	120	120	120	1,934
Kuwait	8	15	23	30	38	37										151
Saudi Arabia	15															15
UAE	5	10	10	10	10	10	10	20	20	33	33	33	57	62	63	386
Kazakhstan	63	116	132	126	141	135	160	114	69	49	38	40	38	42	36	1,299
Oman	5	12	15	17	19	14	15									97
Russia	6	85	111	137	163	189										691
Total	222	378	431	455	501	520	320	269	219	207	196	197	215	224	219	4,573

Source: OPEC

Polyolefin Spread Widens in the Short Term

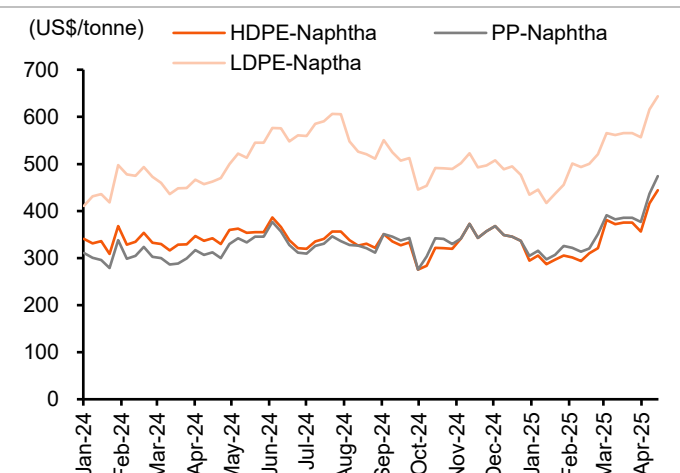
- **Naphtha spread declines sharply:** In April 2025, naphtha prices fell faster than crude oil, pushing the naphtha-Dubai spread down to US\$6.3/bbl, from US\$4.9/bbl in 1Q25. This drop is largely due to weak gasoline cracks and subdued petrochemical demand. When gasoline margins are low, refiners cut back on naphtha blending or shift to lighter crude, reducing naphtha consumption.
- **Polyolefin prices stay resilient.** Despite falling naphtha costs, polyolefin prices held steady (-1% to +1% MoM in April), supported by a wave of seasonal plant turnarounds. In April 2025, the polyolefin industry experienced a more pronounced seasonal turnaround compared to April 2024. Several significant maintenance shutdowns occurred, including at Saudi Arabia's PetroRabigh and the UAE's Borouge facilities. These shutdowns were part of a broader trend of increased maintenance activities in the region during this period.
- **Spreads rebound:** As a result, petrochemical margins improved. The HDPE-naphtha spread rose 25% quarter-to-date to US\$406/tonne, while the PP-naphtha spread climbed 27% to US\$429/tonne.
- **Impact:** While current supply constraints and lower naphtha cost are lifting spreads, the overall market remains under pressure from weak demand and economic uncertainty. We remain cautious on petrochemical outlook.

Ex 3: Naphtha Spread Over Dubai And Gasoline Spread



Source: Bloomberg

Ex 4: Key Polyolefin Spread Over Naphtha



Source: Bloomberg

Ex 5: Prices And Spreads

Unit		This week	Last week	% chg	Quarterly						Yearly		
					1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	2023	2024	2025
Upstream													
Dubai	(US\$/bbl)	67	65	3.2%	82	85	79	74	76	68	81	80	76
Brent	(US\$/mmbtu)	68	65	4.9%	82	85	79	74	75	67	82	80	75
Henry hub	(US\$/mmbtu)	3.2	3.5	-8.0%	2.1	2.3	2.2	3.0	3.9	3.6	2.6	2.4	3.9
JKM Spot	(US\$/mmbtu)	11.9	12.5	-5.1%	9.7	11.2	13.0	14.0	14.0	12.6	13.9	11.9	14.0
Dutch TTF	(EUR/MWh)	36	33	6.6%	28	32	36	43	47	36	41	35	47
NEX coal price	(US\$/tonne)	95	95	0.2%	127	136	140	139	108	97	188	136	108
Crack spreads over Dubai													
Gasoline	(US\$/bbl)	7.0	7.7	-8.6%	17.9	11.6	11.1	11.4	7.7	8.6	16.7	13.0	8.0
Jet fuel	(US\$/bbl)	12.3	12.8	-3.8%	21.1	13.6	13.1	14.8	13.2	11.4	22.5	15.7	12.7
Diesel	(US\$/bbl)	13.7	13.8	-1.4%	21.7	14.0	12.7	14.7	13.2	12.5	21.9	15.8	13.4
HSFO	(US\$/bbl)	0.4	(0.4)	-194.6%	(9.7)	(3.4)	(5.3)	(2.3)	(2.0)	(2.7)	(10.3)	(5.2)	(2.2)
SG GRM	(US\$/bbl)	4.6	4.9	-5.9%	8.1	4.9	5.4	5.9	4.7	4.5	7.9	6.1	4.6
Aromatics													
PX-naphtha	(US\$/tonne)	164	246	-33.4%	323	336	262	174	188	197	378	274	188
BZ-naphtha	(US\$/tonne)	209	256	-18.4%	326	391	352	271	245	221	267	335	245
Olefin													
HDPE-naphtha	(US\$/tonne)	444	416	6.7%	333	350	336	333	324	406	390	338	324
LDPE-naphtha	(US\$/tonne)	644	616	4.5%	454	519	550	489	497	606	427	503	497
PP-naphtha	(US\$/tonne)	474	436	8.7%	302	331	331	339	338	429	359	326	338
Others													
Integrated PET	(US\$/tonne)	145	152	-4.2%	138	130	145	145	123	140	161	140	128
Phenol-BZ	(US\$/tonne)	135	155	(0.1)	(52)	(38)	68	47	54	114	80	6	69
BPA -Phenol	(US\$/tonne)	350	350	0.0%	317	303	271	307	325	350	294	300	331

Sources: TOP, Bloomberg

Ex 6: Valuation

	Rating	Current price (Bt)	Target price (Bt)	Upside/ Downside (%)	Market cap (US\$ m)	Norm EPS grw		Norm PE		EV/EBITDA		— P/BV —		— Yield —		— ROE —	
						25F (%)	26F (%)	25F (x)	26F (x)	25F (x)	26F (x)	25F (x)	26F (x)	25F (%)	26F (%)	25F (%)	26F (%)
BANPU	HOLD	4.34	4.00	(7.8)	1,300	na	400.4	77.3	15.4	7.0	5.9	0.4	0.4	0.8	3.9	0.5	2.5
BCP	SELL	36.25	29.00	(20.0)	1,492	(38.8)	26.5	12.3	9.7	3.9	4.1	0.8	0.7	2.0	2.6	6.6	8.0
BSRC	SELL	5.55	4.70	(15.3)	574	40.5	23.6	12.8	10.4	6.2	4.4	0.7	0.7	1.7	2.5	5.9	7.1
IRPC	SELL	0.85	0.70	(17.6)	519	na	na	na	na	12.9	8.6	0.3	0.3	0.0	0.0	na	na
IVL	BUY	19.60	22.00	12.2	3,290	(10.1)	40.9	19.9	14.1	6.5	6.1	0.8	0.8	1.5	2.1	4.9	6.4
OR	SELL	12.70	10.40	(18.1)	4,557	(13.9)	22.5	22.9	18.7	7.8	7.2	1.4	1.3	2.7	3.4	6.0	7.2
PTG	SELL	6.60	5.80	(12.1)	330	(12.8)	6.9	12.4	11.6	3.4	3.4	1.2	1.1	3.6	3.9	9.6	9.8
PTT	BUY	31.00	35.00	12.9	26,476	(6.8)	(5.5)	10.4	11.0	4.1	3.8	0.8	0.8	6.5	6.5	7.4	6.9
PTTEP	SELL	103.00	93.00	(9.7)	12,227	(29.4)	(8.9)	7.4	8.1	2.0	2.2	0.7	0.7	6.8	6.6	10.0	8.7
PTTGC	HOLD	18.10	16.00	(11.6)	2,440	na	na	na	17.7	8.8	7.1	0.3	0.3	4.1	1.8	na	1.8
SCC	SELL	155.00	110.00	(29.0)	5,562	(41.7)	41.7	39.6	27.9	17.8	15.4	0.5	0.5	3.2	3.9	1.3	1.9
SPRC	HOLD	5.30	4.80	(9.4)	687	6.5	(13.6)	9.2	10.6	4.8	4.5	0.6	0.6	5.6	4.8	6.4	5.5
TOP	SELL	24.60	20.00	(18.7)	1,643	(43.5)	(7.3)	5.6	6.1	8.4	9.0	0.3	0.3	5.3	5.5	5.9	5.9

Sources: Company data, Thanachart estimates

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