

Energy Sector – Underweight

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News Update

Optimism fading

- **US crude inventory rise**
- **Refinery margin rebound**
- **Iran nuclear deal hopes**
- **Thailand eyes more U.S. LNG via Alaska project**

Oil settled higher on Friday, notching a second straight week of gains on easing U.S.-China trade tensions, although prices were held back by expectations of higher supply from Iran and OPEC+.

Weekly US data: US crude inventory rise

- Crude Oil inventories increased by 3.5 million barrels, contrary to the anticipated 1.1 million-barrel draw
- Gasoline inventories decreased by 1.0 million barrels, while distillate stocks fell by 3.2 million barrels. This is above market expectation.

Refinery margin rebound

- **Gasoline spread shows the biggest improvement:** Singapore complex margin jumped to US\$6.45/bbl this week from US\$4.6/bbl in 1Q25, led by strong gasoline crack gains (US\$13/bbl vs. US\$7.7/bbl) due to rising U.S. demand during driving season, good progress on trade deal and Nigerian supply disruption.
- **Dangote refinery Impact:** The unplanned shutdown of the Dangote refinery from April 7 to May 11 removed around 100,000 bpd of gasoline supply from the market, which supported a sharp rise in gasoline cracks. However, with the refinery now back online and canceling its planned June maintenance, the resumed output could ease supply concerns and put downward pressure on spreads. After starting test runs in 3Q24, roughly nine months after the refinery was inaugurated, the RFCC had reached 70% of its capacity before the outage. The company now plans to ramp up the unit to its full capacity, allowing the site to finally scale crude throughput at the refinery to the site's full 650,000 bpd potential.
- **Gasoline demand indicator signals soft appetite:** According to Vortexa, which monitors the world's top 150 gasoline import ports as an indicator of demand, there has been a noticeable decline since early 2025. Year-to-date imports have dropped by 3% compared to the same period last year, with most of the decrease coming from the Atlantic Basin. This continues the slow demand trend seen in 2024, indicating that despite sufficient supply, buyers are responding mainly to immediate demand rather than stockpiling ahead of the summer season.
- **Impact:** We view the recent rally in gasoline cracks as likely temporary, mainly driven by the unplanned Dangote refinery outage and the U.S. driving season. Global refinery outages appear to have peaked in April 2025. Additionally, Dubai crude prices have fallen by US\$10/bbl since late March, which may cause stock losses that offset refinery margin gains. Overall, we remain cautious on Thai refineries.

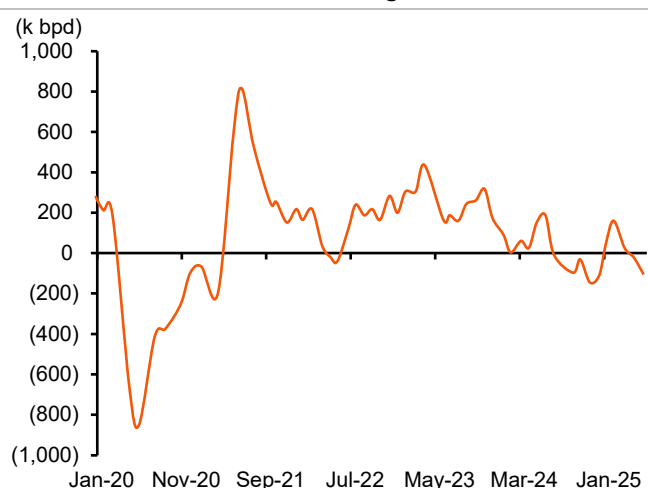
US Weekly data

(m bbls)	Weekly change	Consensus	Last week
Crude Oil	3.454	-2.000	-2.032
Gasoline	-1.022	-0.600	0.188
Distillates	-3.155	0.100	-1.107

(k bpd)	Weekly change	% Change	Current number
Production	+20	0.0%	13,387
Refinery Runs	+330	+2.0%	16,401

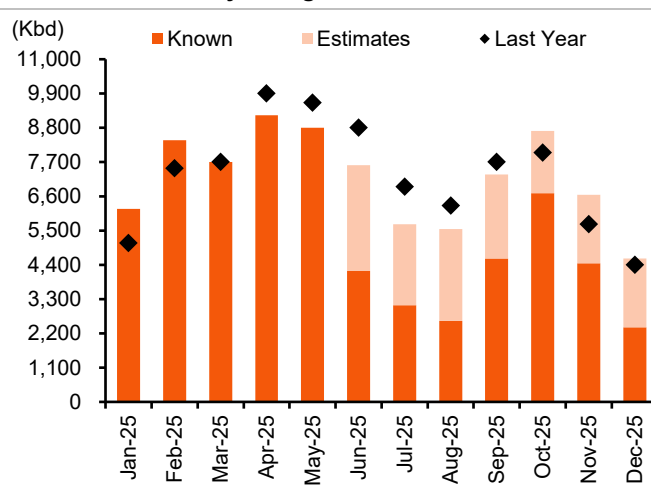
Source: EIA

Ex 1: Gasoline Demand Y-Y Change



Source: Vortexa

Ex 2: Global Refinery Outage



Source: ING

Iran nuclear deal hopes

- Likely raise oil supply by 400k bpd:** President Trump that the US and Iran were moving closer towards a nuclear deal. A nuclear deal that lifts sanctions will obviously remove a lot of the supply risk hanging over the market for some time now. In addition, it would allow Iran to increase oil output with more willing buyers for its oil. This could result in additional supply in the neighborhood of 400k bpd.
- Several uncertainties:** Concerns over the potential for additional Iranian supply come as OPEC+ are also ramping up supply. In addition, there are plenty of concerns over the demand outlook for the market. This was evident in the International Energy Agency's (IEA) monthly oil market report, released yesterday. The IEA estimates that global oil demand growth will slow from 990k b/d in the first quarter to 650k b/d for the remainder of the year. This sees 2025 demand growing by 740k b/d. Slowing growth reflects economic headwinds and strong EV sales.
- Impact:** As optimism around the deal fades, we expect limited support for oil prices amid weak market fundamentals.

Thailand eyes more U.S. LNG via Alaska project

- Energy Security and Trade Strategy:** Thailand is pushing forward with plans to import more LNG from the U.S. under the Alaska LNG Project, aiming to enhance energy security and reduce its reliance on dwindling domestic gas supplies. This initiative also aligns with government efforts to address the trade imbalance with the U.S., which has led to increased tariffs on Thai exports. Thailand is currently evaluating imports of 3–5 million tonnes per year, subject to price and supply conditions.
- Strategic Appeal of Alaska LNG:** The Alaska LNG Project offers competitive logistics, with transport times to Thailand estimated at 10–15 days—significantly shorter than from the Middle East. Backed by over 40 trillion cubic feet of gas reserves, the project could produce over 40 million tonnes of LNG annually.
- Thailand Considers Investing in Alaska LNG:** Thai officials are evaluating potential investments in the US\$44 billion Alaska LNG Project, which includes

upstream gas development and infrastructure. PTT Plc, Egat, and Egco are actively involved in exploring this opportunity as part of Thailand's broader strategy to secure long-term LNG supply.

- Impact:** While additional U.S. LNG imports would support Thailand's growing energy needs, we view the investment outlook as neutral to cautious. The Alaska LNG Project, despite securing all major permits and aiming for a final investment decision in 2025 with first gas by 2030, still faces significant hurdles—including high capital requirements, project complexity, and the absence of binding offtake agreements. We await more clarity on PTT's role and commitment before assessing the full investment implications.

Ex 3: Prices And Spreads

Unit	This week	Last week	% chg	Quarterly						Yearly		
				1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	2023	2024	2025
Upstream												
Dubai (US\$/bbl)	64	64	0.2%	82	85	79	74	76	65	81	80	71
Brent (US\$/mmbtu)	65	64	2.3%	82	85	79	74	75	65	82	80	70
Henry hub (US\$/mmbtu)	3.3	3.8	-12.1%	2.1	2.3	2.2	3.0	3.9	3.5	2.6	2.4	3.7
JKM Spot (US\$/mmbtu)	11.9	11.5	3.8%	9.7	11.2	13.0	14.0	14.0	11.9	13.9	11.9	13.0
Dutch TTF (EUR/MWh)	35	35	1.6%	28	32	36	43	47	35	41	35	41
NEX coal price (US\$/tonne)	99	99	0.1%	127	136	140	139	108	97	188	136	102
Crack spreads over Dubai												
Gasoline (US\$/bbl)	13.1	12.2	6.6%	17.9	11.6	11.1	11.4	7.7	11.1	16.7	13.0	9.1
Jet fuel (US\$/bbl)	14.6	15.5	-5.6%	21.1	13.6	13.1	14.8	13.2	13.9	22.5	15.7	13.5
Diesel (US\$/bbl)	15.6	16.3	-4.3%	21.7	14.0	12.7	14.7	13.2	14.9	21.9	15.8	14.2
HSFO (US\$/bbl)	2.3	2.5	-7.7%	(9.7)	(3.4)	(5.3)	(2.3)	(2.0)	1.3	(10.3)	(5.2)	(0.7)
SG GRM (US\$/bbl)	6.5	6.4	-0.4%	8.1	4.8	4.8	6.4	4.6	5.9	7.9	6.1	5.2
Aromatics												
PX-naphtha (US\$/tonne)	205	162	26.3%	323	336	262	174	188	183	378	274	188
BZ-naphtha (US\$/tonne)	140	127	9.9%	326	391	352	271	245	184	267	335	245
Olefin												
HDPE-naphtha (US\$/tonne)	375	372	0.7%	333	350	336	333	324	395	390	338	324
LDPE-naphtha (US\$/tonne)	595	602	-1.2%	454	519	550	489	497	608	427	503	497
PP-naphtha (US\$/tonne)	415	442	-6.2%	302	331	331	339	338	435	359	326	338
Others												
Integrated PET (US\$/tonne)	135	147	-8.6%	138	130	145	145	123	146	161	140	132
Phenol-BZ (US\$/tonne)	111	122	(0.1)	(52)	(38)	68	47	41	115	80	6	78
BPA -Phenol (US\$/tonne)	380	380	0.0%	317	303	271	307	325	379	294	300	346

Sources: TOP, Bloomberg

Ex 4: Valuation

	Rating	Current price	Target price	Upside/ Downside	Market cap	Norm EPS grw		Norm PE		EV/EBITDA		— P/BV —		— Yield —		— ROE —	
		(Bt)	(Bt)	(%)	(US\$ m)	25F (%)	26F (%)	25F (x)	26F (x)	25F (x)	26F (x)	25F (x)	26F (x)	25F (%)	26F (%)	25F (%)	26F (%)
BANPU	HOLD	4.68	4.00	(14.5)	1,411	na	400.4	83.3	16.7	7.1	6.0	0.4	0.4	0.7	3.6	0.5	2.5
BCP	SELL	37.50	29.00	(22.7)	1,553	(38.8)	26.5	12.7	10.1	4.0	4.1	0.8	0.8	2.0	2.5	6.6	8.0
BSRC	SELL	5.50	4.70	(14.5)	573	40.5	23.6	12.7	10.3	6.2	4.4	0.7	0.7	1.8	2.5	5.9	7.1
IRPC	SELL	0.88	0.70	(20.5)	541	na	na	na	na	13.0	8.7	0.3	0.3	0.0	0.0	na	na
IVL	BUY	19.70	22.00	11.7	3,328	(10.1)	40.9	20.0	14.2	6.5	6.1	0.8	0.8	1.5	2.1	4.9	6.4
OR	SELL	12.80	11.40	(10.9)	4,621	17.2	7.8	17.0	15.7	6.5	6.4	1.4	1.3	3.7	4.0	8.2	8.5
PTG	SELL	6.30	5.80	(7.9)	317	(12.8)	6.9	11.8	11.0	3.4	3.3	1.1	1.1	3.8	4.1	9.6	9.8
PTT	BUY	31.25	35.00	12.0	26,853	(6.8)	(5.5)	10.4	11.0	4.2	3.8	0.8	0.8	6.4	6.4	7.4	6.9
PTTEP	SELL	99.00	93.00	(6.1)	11,824	(29.4)	(8.9)	7.1	7.8	2.0	2.1	0.7	0.7	7.1	6.8	10.0	8.7
PTTGC	HOLD	18.70	16.00	(14.4)	2,537	na	na	na	18.3	8.9	7.2	0.3	0.3	4.0	1.7	na	1.8
SCC	SELL	165.50	110.00	(33.5)	5,975	(41.7)	41.7	42.3	29.8	18.2	15.8	0.6	0.6	3.0	3.6	1.3	1.9
SPRC	HOLD	5.60	4.80	(14.3)	730	6.5	(13.6)	9.7	11.2	5.1	4.8	0.6	0.6	5.3	4.5	6.4	5.5
TOP	SELL	27.25	20.00	(26.6)	1,831	(43.5)	(7.3)	6.2	6.7	8.6	9.3	0.4	0.3	4.8	5.0	5.9	5.9

Sources: Company data, Thanachart estimates

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