

Energy Sector – Underweight

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News Update

Geopolitical risk back in focus

- **US inventory decline**
- **Israel launches major strike on Iran**
- **Iran’s limited retaliation options**
- **Strait of Hormuz closure unlikely—but critical**

Brent crude futures surged more than 10% on June 13, spiking above US\$78/b in the largest single-day jump since 2022, after wide-ranging Israeli strikes targeting Iran's nuclear program sparked fresh uncertainty over supply disruptions from potential regional escalation.

Weekly US data: US inventory decline

- Crude stockpiles fell by 3.6 million barrels to 432.4 million barrels, beating analyst forecasts of a 2.4 million-barrel drop and marking the third straight weekly decline. Stocks are now about 8% below the five-year average for this time of year
- Gasoline inventories increased by 1.5 million barrels and distillates rose by 1.2 million barrels, although distillate volumes remain about 17% below average.

Israel launches major strike on Iran

- **Direct strike escalates tensions:** Israel launched a preemptive airstrike on Iranian nuclear facilities to disrupt its uranium enrichment program. Unlike previous covert or proxy actions, this strike was publicly confirmed and occurred just days before planned U.S.–Iran talks, marking a major escalation with wider regional implications.
- **Iran’s limited retaliation options:** Iran's options for retaliation are limited because its military capabilities have been weakened by years of sanctions and targeted strikes, its regional allies and proxies have been neutralized or diminished, and its leadership is cautious about provoking a full-scale war that could threaten regime survival. Additionally, Israel's superior intelligence and military strength, backed by U.S. support, further restrict Iran's ability to respond effectively without facing heavy losses.
- **Strait of Hormuz closure unlikely—but critical:** Iran produces about 3.3 million barrels per day (bpd) and exports around 1.7 million bpd. In case of disruption, OPEC’s spare capacity of roughly 5 million bpd can help offset supply gaps. Closure of the Strait of Hormuz is unlikely, as U.S. and allied navies would protect shipping, and Iran’s leaders prefer to avoid full-scale conflict.
- **Market impact:** Initial fears pushed oil prices higher, but without confirmed supply disruptions, gains are easing. However, markets will likely keep a higher risk premium near term, supporting Brent crude in the US\$70–75 range. PTTEP is positioned to benefit, with our target price of Bt93 factoring in a Bt14/share increase for every US\$5 rise in Brent crude prices.

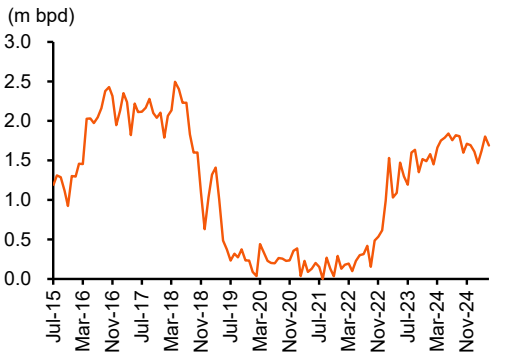
US Weekly data

| (m bbls)    | Weekly change | Consensus | Last week |
|-------------|---------------|-----------|-----------|
| Crude Oil   | -3.644        | -2.400    | -4.304    |
| Gasoline    | 1.504         | 1.100     | 5.219     |
| Distillates | 1.246         | 0.600     | 4.230     |

| (k bpd)       | Weekly change | % Change | Current number |
|---------------|---------------|----------|----------------|
| Production    | +20           | 0.1%     | 13,428         |
| Refinery Runs | +228          | +1.3%    | 17,226         |

Source: EIA

Ex 1: Iran Crude Export



Source: Bloomberg

## Ex 2: Prices And Spreads

| Unit                     |              | This week | Last week | % chg  | Quarterly |       |       |       |       |      | Yearly |       |      |
|--------------------------|--------------|-----------|-----------|--------|-----------|-------|-------|-------|-------|------|--------|-------|------|
|                          |              |           |           |        | 1Q24      | 2Q24  | 3Q24  | 4Q24  | 1Q25  | 2Q25 | 2023   | 2024  | 2025 |
| Upstream                 |              |           |           |        |           |       |       |       |       |      |        |       |      |
| Dubai                    | (US\$/bbl)   | 75        | 65        | 14.8%  | 82        | 85    | 79    | 74    | 76    | 65   | 81     | 80    | 70   |
| Brent                    | (US\$/mmbtu) | 74        | 66        | 11.7%  | 82        | 85    | 79    | 74    | 75    | 66   | 82     | 80    | 70   |
| Henry hub                | (US\$/mmbtu) | 3.6       | 3.8       | -5.4%  | 2.1       | 2.3   | 2.2   | 3.0   | 3.9   | 3.5  | 2.6    | 2.4   | 3.7  |
| JKM Spot                 | (US\$/mmbtu) | 12.5      | 12.5      | 0.4%   | 9.7       | 11.2  | 13.0  | 14.0  | 14.0  | 12.1 | 13.9   | 11.9  | 13.1 |
| Dutch TTF                | (EUR/MWh)    | 38        | 36        | 4.5%   | 28        | 32    | 36    | 43    | 47    | 35   | 41     | 35    | 41   |
| NEX coal price           | (US\$/tonne) | 105       | 105       | 0.4%   | 127       | 136   | 140   | 139   | 108   | 99   | 188    | 136   | 103  |
| Crack spreads over Dubai |              |           |           |        |           |       |       |       |       |      |        |       |      |
| Gasoline                 | (US\$/bbl)   | 13.3      | 12.7      | 4.7%   | 17.9      | 11.6  | 11.1  | 11.4  | 7.7   | 11.7 | 16.7   | 13.0  | 9.7  |
| Jet fuel                 | (US\$/bbl)   | 14.3      | 14.0      | 2.6%   | 21.1      | 13.6  | 13.1  | 14.8  | 13.2  | 13.9 | 22.5   | 15.7  | 13.5 |
| Diesel                   | (US\$/bbl)   | 16.1      | 15.0      | 7.3%   | 21.7      | 14.0  | 12.7  | 14.7  | 13.2  | 15.3 | 21.9   | 15.8  | 14.5 |
| HSFO                     | (US\$/bbl)   | 3.1       | 3.4       | -9.1%  | (9.7)     | (3.4) | (5.3) | (2.3) | (2.0) | 2.3  | (10.3) | (5.2) | 0.1  |
| SG GRM                   | (US\$/bbl)   | 8.4       | 8.3       | 1.4%   | 8.1       | 4.8   | 4.8   | 6.4   | 4.6   | 6.8  | 7.9    | 6.1   | 5.8  |
| Aromatics                |              |           |           |        |           |       |       |       |       |      |        |       |      |
| PX-naphtha               | (US\$/tonne) | 180       | 240       | -25.0% | 323       | 336   | 262   | 174   | 188   | 201  | 378    | 274   | 188  |
| BZ-naphtha               | (US\$/tonne) | 105       | 165       | -36.4% | 326       | 391   | 352   | 271   | 245   | 175  | 267    | 335   | 245  |
| Olefin                   |              |           |           |        |           |       |       |       |       |      |        |       |      |
| HDPE-naphtha             | (US\$/tonne) | 310       | 370       | -16.2% | 333       | 350   | 336   | 333   | 324   | 382  | 390    | 338   | 324  |
| LDPE-naphtha             | (US\$/tonne) | 520       | 580       | -10.3% | 454       | 519   | 550   | 489   | 497   | 594  | 427    | 503   | 497  |
| PP-naphtha               | (US\$/tonne) | 350       | 410       | -14.6% | 302       | 331   | 331   | 339   | 338   | 422  | 359    | 326   | 338  |
| Others                   |              |           |           |        |           |       |       |       |       |      |        |       |      |
| Integrated PET           | (US\$/tonne) | 133       | 128       | 3.6%   | 138       | 130   | 145   | 145   | 123   | 135  | 161    | 140   | 129  |
| Phenol-BZ                | (US\$/tonne) | 79        | 76        | 0.0    | (52)      | (38)  | 68    | 47    | 41    | 94   | 80     | 6     | 74   |
| BPA -Phenol              | (US\$/tonne) | 370       | 370       | 0.0%   | 317       | 303   | 271   | 307   | 325   | 371  | 294    | 300   | 348  |

Sources: TOP, Bloomberg

## Ex 3: Valuation

|       | Rating | Current | Target | Upside/    | Market   | Norm EPS grw |        | Norm PE |      | EV/EBITDA |      | — P/BV — |     | — Yield — |     | — ROE — |      |
|-------|--------|---------|--------|------------|----------|--------------|--------|---------|------|-----------|------|----------|-----|-----------|-----|---------|------|
|       |        | price   | price  | (Downside) | cap      | 25F          | 26F    | 25F     | 26F  | 25F       | 26F  | 25F      | 26F | 25F       | 26F | 25F     | 26F  |
|       |        | (Bt)    | (Bt)   | (%)        | (US\$ m) | (%)          | (%)    | (x)     | (x)  | (x)       | (x)  | (x)      | (x) | (%)       | (%) | (%)     | (%)  |
| BANPU | HOLD   | 4.40    | 4.00   | (9.1)      | 1,359    | na           | 400.4  | 78.3    | 15.7 | 7.0       | 5.9  | 0.4      | 0.4 | 0.8       | 3.8 | 0.5     | 2.5  |
| BCP   | SELL   | 37.25   | 29.00  | (22.1)     | 1,581    | (38.8)       | 26.5   | 12.6    | 10.0 | 4.0       | 4.1  | 0.8      | 0.8 | 2.0       | 2.5 | 6.6     | 8.0  |
| BSRC  | SELL   | 5.15    | 4.70   | (8.7)      | 550      | 40.5         | 23.6   | 11.9    | 9.6  | 6.0       | 4.2  | 0.7      | 0.7 | 1.9       | 2.7 | 5.9     | 7.1  |
| IRPC  | SELL   | 0.80    | 0.70   | (12.5)     | 504      | na           | na     | na      | na   | 12.7      | 8.5  | 0.2      | 0.3 | 0.0       | 0.0 | na      | na   |
| IVL   | BUY    | 20.30   | 22.00  | 8.4        | 3,514    | (10.1)       | 40.9   | 20.6    | 14.6 | 6.6       | 6.2  | 0.9      | 0.8 | 1.5       | 2.1 | 4.9     | 6.4  |
| OR    | SELL   | 11.50   | 11.40  | (0.9)      | 4,255    | 17.2         | 7.8    | 15.3    | 14.1 | 5.7       | 5.6  | 1.2      | 1.2 | 4.1       | 4.4 | 8.2     | 8.5  |
| PTG   | BUY    | 6.25    | 6.90   | 10.4       | 322      | 2.3          | 4.3    | 10.0    | 9.6  | 3.4       | 2.9  | 1.1      | 1.0 | 5.6       | 6.4 | 11.3    | 11.2 |
| PTT   | BUY    | 30.75   | 35.00  | 13.8       | 27,079   | (6.8)        | (5.5)  | 10.3    | 10.9 | 4.1       | 3.8  | 0.8      | 0.7 | 6.5       | 6.5 | 7.4     | 6.9  |
| PTTEP | SELL   | 113.00  | 93.00  | (17.7)     | 13,831   | (29.4)       | (8.9)  | 8.1     | 8.9  | 2.3       | 2.4  | 0.8      | 0.8 | 6.2       | 6.0 | 10.0    | 8.7  |
| PTTGC | HOLD   | 20.70   | 16.00  | (22.7)     | 2,878    | na           | na     | na      | 20.3 | 9.2       | 7.4  | 0.4      | 0.4 | 3.6       | 1.5 | na      | 1.8  |
| SCC   | SELL   | 169.50  | 110.00 | (35.1)     | 6,271    | (41.7)       | 41.7   | 43.3    | 30.6 | 18.4      | 16.0 | 0.6      | 0.6 | 2.9       | 3.5 | 1.3     | 1.9  |
| SPRC  | HOLD   | 5.70    | 4.80   | (15.8)     | 762      | 6.5          | (13.6) | 9.8     | 11.4 | 5.2       | 4.9  | 0.6      | 0.6 | 5.2       | 4.5 | 6.4     | 5.5  |
| TOP   | SELL   | 29.50   | 20.00  | (32.2)     | 2,032    | (43.5)       | (7.3)  | 6.8     | 7.3  | 8.9       | 9.5  | 0.4      | 0.3 | 4.4       | 4.6 | 5.9     | 5.9  |

Sources: Company data, Thanachart estimates

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