

Energy Sector – Underweight

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News Update

Geopolitical risk intensifies

- **Big decline in US inventory**
- **Iran parliament backs Hormuz closure**
- **Diesel prices surge on Middle East supply fears**
- **Cambodia to stop importing oil from Thailand**

Weekly US data: Big decline in US inventory

- Crude inventories plunged by 11.5 million barrels, dropping to 420.9 million barrels—a one-year low and approximately 10% below the five-year seasonal average
- Gasoline stocks rose by 209,000 barrels in the week to 230 million barrels, the EIA said, compared with forecasts for a 627,000-barrel build. Distillate stockpiles which include diesel and heating oil rose by 514,000 barrels in the week to 109.4 million barrels, versus expectations for a 440,000-barrel build, the data showed.

Iran parliament backs Hormuz closure

- **Rising threat on Hormuz closure:** The U.S. has launched strikes on three Iranian nuclear facilities in what President Trump called a “spectacular military success,” sharply escalating tensions in the region. In response, Iran’s parliament has voted to close the Strait of Hormuz. It will come into effect pending a final decision by Iran’s Supreme Council.
- **Impact:** It’s still early, but we believe Iran is unlikely to escalate into a full-scale conflict it cannot win. While the Iranian parliament has voted to close the Strait of Hormuz, the move is not yet final—the decision rests with the Supreme National Security Council and the Supreme Leader. Still, the vote is politically significant, reflecting rising internal pressure to respond to recent U.S. strikes. Though largely symbolic for now, it highlights growing regional tensions. In this backdrop, PTTEP (BUY, Bt110) stands to benefit from elevated oil prices, with our target price of Bt125 factoring in a Bt14/share upside for every US\$5 increase in Brent crude.

Diesel prices surge on Middle East supply fears

- **Diesel crack surge to US\$21/bbl:** Diesel prices are rising sharply as the Israel-Iran conflict raises worries about disruptions to Middle Eastern exports. The diesel crack spread has surged above US\$21 per barrel—up from US\$14 in 1Q25 and at its highest level in over a year—signaling strong concern among traders.
- **Global diesel market already tight before conflict:** The conflict began amid an already tight diesel market. U.S. stockpiles are at 20-year lows. In Europe, widespread outages at oil processing plants in Spain — and at BP Plc’s biggest refinery in the region — have pressured supply, while a new environmental rule for Mediterranean shipping that was expected to boost demand for diesel-type fuel recently came into force.

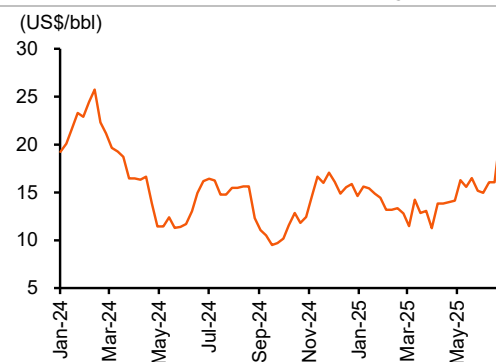
US Weekly data

(m bbls)	Weekly change	Consensus	Last week
Crude Oil	-11.473	-2.300	-3.644
Gasoline	0.209		1.504
Distillates	0.514		1.246

(k bpd)	Weekly change	% Change	Current number
Production	+3	0.0%	13,431
Refinery Runs	-364	-2%	16,862

Source: EIA

Ex 1: Diesel Crack Soar On Supply Fear



Source: TOP

- **Impact:** If maritime commerce through the Strait of Hormuz were to actually stop, the diesel market would be thrown into chaos. Last year, about 850,000 barrels a day of the fuel were shipped through the narrow stretch of water, according to Vortexa data compiled by Bloomberg News. That's about 3% of global demand.

Cambodia to stop importing oil from Thailand

- **Cambodia to stop oil, gas imports from Thailand:** Cambodian Prime Minister Hun Manet posted on Facebook that, starting from midnight of June 23, 2025, Cambodia will suspend all imports of fuel and gas from Thailand. He stated that Cambodian oil supply companies can adequately import fuel and gas from other sources to meet domestic demand.
- **Impact:** We identify that this would negatively impact PTTOR (SELL, Bt10.5), which operates 186 petrol stations and 254 Café Amazon branches in Cambodia as of 1Q25. Cambodia accounted for around 4% of total EBITDA in 1Q25 and 7% in 2024. The company sources oil from Thailand via TOP (SELL, Bt26.75) and SPRC (HOLD, Bt5.20), but says it can shift supply to Singapore if needed. Cambodia accounts for around 5–8% of TOP's total sale volume and just 0.2% of SPRC's.

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	75	0.0%	82	85	79	74	76	66	81	80	71
Brent	(US\$/mmbtu)	77	74	3.7%	82	85	79	74	75	66	82	80	71
Henry hub	(US\$/mmbtu)	3.8	3.6	7.4%	2.1	2.3	2.2	3.0	3.9	3.5	2.6	2.4	3.7
JKM Spot	(US\$/mmbtu)	14.3	12.5	14.0%	9.7	11.2	13.0	14.0	14.0	12.2	13.9	11.9	13.1
Dutch TTF	(EUR/MWh)	41	38	8.0%	28	32	36	43	47	36	41	35	41
NEX coal price	(US\$/tonne)	107	105	1.3%	127	136	140	139	108	100	188	136	104
Crack spreads over Dubai													
Gasoline	(US\$/bbl)	13.1	13.3	-1.0%	17.9	11.6	11.1	11.4	7.7	11.7	16.7	13.0	9.7
Jet fuel	(US\$/bbl)	13.9	14.3	-2.9%	21.1	13.6	13.1	14.8	13.2	13.8	22.5	15.7	13.5
Diesel	(US\$/bbl)	16.1	16.1	-0.1%	21.7	14.0	12.7	14.7	13.2	15.3	21.9	15.8	14.5
HSFO	(US\$/bbl)	2.5	3.1	-19.1%	(9.7)	(3.4)	(5.3)	(2.3)	(2.0)	2.2	(10.3)	(5.2)	0.1
SG GRM	(US\$/bbl)	7.6	8.4	-9.3%	8.1	4.8	4.8	6.4	4.6	6.9	7.9	6.1	5.8
Aromatics													
PX-naphtha	(US\$/tonne)	193	180	7.4%	323	336	262	174	188	200	378	274	188
BZ-naphtha	(US\$/tonne)	143	105	36.7%	326	391	352	271	245	173	267	335	245
Olefin													
HDPE-naphtha	(US\$/tonne)	283	310	-8.6%	333	350	336	333	324	374	390	338	324
LDPE-naphtha	(US\$/tonne)	493	520	-5.1%	454	519	550	489	497	585	427	503	497
PP-naphtha	(US\$/tonne)	323	350	-7.6%	302	331	331	339	338	414	359	326	338
Others													
Integrated PET	(US\$/tonne)	114	133	-14.6%	138	130	145	145	123	136	161	140	130
Phenol-BZ	(US\$/tonne)	14	79	(0.8)	(52)	(38)	68	47	41	80	80	6	67
BPA -Phenol	(US\$/tonne)	370	370	0.0%	317	303	271	307	325	380	294	300	353

Sources: TOP, Bloomberg

Ex 3: 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	4.20	4.00	(4.8)	1,285	na	400.4	74.8	14.9	7.0	5.9	0.4	0.4	0.8	4.0	0.5	2.5
BCP	SELL	30.75	29.00	(5.7)	1,293	(38.8)	26.5	10.4	8.2	3.7	3.9	0.7	0.6	2.4	3.0	6.6	8.0
BSRC	SELL	4.42	4.70	6.3	467	40.5	23.6	10.2	8.3	5.5	3.7	0.6	0.6	2.2	3.1	5.9	7.1
IRPC	SELL	0.73	0.70	(4.1)	455	na	na	na	na	12.5	8.3	0.2	0.2	0.0	0.0	na	na
IVL	BUY	19.40	22.00	13.4	3,326	(10.1)	40.9	19.7	14.0	6.5	6.1	0.8	0.8	1.5	2.1	4.9	6.4
OR	SELL	10.50	11.40	8.6	3,847	17.2	7.8	13.9	12.9	5.1	5.0	1.1	1.1	4.5	4.9	8.2	8.5
PTG	BUY	5.75	6.90	20.0	293	2.3	4.3	9.2	8.8	3.3	2.8	1.0	1.0	6.1	7.0	11.3	11.2
PTT	BUY	30.00	35.00	16.7	26,163	(6.8)	(5.5)	10.0	10.6	4.1	3.7	0.7	0.7	6.7	6.7	7.4	6.9
PTTEP	BUY	110.00	125.00	13.6	13,333	(18.5)	(8.7)	6.8	7.5	2.1	2.2	0.8	0.7	7.3	7.0	11.5	9.9
PTTGC	HOLD	19.10	16.00	(16.2)	2,629	na	na	na	18.7	8.9	7.2	0.3	0.3	3.9	1.7	na	1.8
SCC	SELL	156.00	110.00	(29.5)	5,716	(41.7)	41.7	39.9	28.1	17.8	15.5	0.5	0.5	3.2	3.8	1.3	1.9
SPRC	HOLD	5.20	4.80	(7.7)	688	6.5	(13.6)	9.0	10.4	4.7	4.5	0.6	0.6	5.7	4.9	6.4	5.5
TOP	SELL	26.75	20.00	(25.2)	1,824	(43.5)	(7.3)	6.1	6.6	8.6	9.2	0.4	0.3	4.9	5.0	5.9	5.9

Sources: Company data, Thanachart estimates

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