

- Oil price continue to fall
- Bearish U.S. Crude Inventory Data
 - Oil bears after Trump-Putin Alaska meeting
 - Bearish IEA’s latest outlook
 - China’s coal production drops in July

Weekly US data: Bearish U.S. Crude Inventory Data

- **Crude Oil:** Inventories rose 3.04 million barrels last week, above the 1.5-million-barrel API estimate, driven by stronger imports.
- **Gasoline:** Stocks fell 792,000 barrels, as expected for the summer season, but remain close to the 5-year average.
- **Distillates:** Inventories increased 714,000 barrels. Despite a total build of 11 million barrels since early July, stocks remain relatively tight, supporting middle distillate prices.

Oil bears after Trump-Putin Alaska meeting

- **Peace deal push:** Oil markets turned bearish after the Trump–Putin Alaska meeting, where both leaders agreed to pursue a full peace deal for Ukraine instead of a ceasefire. The news triggered a muted price reaction as traders weighed the implications for global oil supply.
- **Tariff pause on Russian crude buyers:** Trump also decided to hold off on tariffs and secondary sanctions on countries buying Russian oil, allowing flows to continue undisturbed. The near-term impact on prices is expected to be limited because global oil supply remains ample and markets have already adjusted to previous Russian sanctions.
- **Market impact:** This eased concerns over supply disruption, keeping Russian barrels on the market. Weaker oil sentiment may create near-term pressure on PTTEP’s share price. However, its attractive dividend yield should help cushion downside risks, and we maintain a Buy rating.

Bearish IEA’s latest outlook

- **IEA’s revise supply forecast higher:** The IEA monthly oil market report was largely bearish, with the agency expecting large inventory builds towards the end of this year and through 2026. The IEA forecasts that global oil demand will grow by 680k bpd this year and 700k bpd in 2026. Global oil supply is forecast to grow by 2.5m bpd in 2025 and 1.9m bpd in 2026. Supply expectations were revised higher because of the unwinding of cuts seen from OPEC+.
- **Impact:** We believe this is to be expected given OPEC’s aggressive supply unwind. The combination of weaker demand and increased supply is expected to lead to a more oversupplied oil market towards year-end and in 2026. We forecast Brent crude oil price to drop to US\$65 in 2026F from US\$70/bbl in 2025.

US Weekly data			
(m bbls)	Weekly change	Consensus	Last week
Crude Oil	3.036	-0.900	-3.029
Gasoline	-0.792	-1.000	-1.323
Distillates	0.714	0.350	-0.565

(k bpd)	Weekly change	% Change	Current number
Production	+43	+0.3%	13,327
Refinery Runs	+56	+0.3%	17,180

Source: EIA

China's coal production drops in July

- **China coal production fell to lowest since April 24:** China's coal output fell 3.8% YoY in July to the lowest level since April 2024, marking the first annual decline this year, according to Reuters citing China's statistics bureau. Year-to-date (Jan–July) production, however, was up 3.8% YoY, totaling 2.78 billion tons.
- **Two factors supporting the production dip:** According to Bloomberg, the July dip was driven by 1) government efforts to curb already sizable oversupply and 2) adverse weather, including high temperatures and heavy rains that disrupted mining activity. China's broader campaign against overcapacity has intensified competition across industries. In coal, this effort includes mine inspections to ensure production does not exceed government-issued quotas.
- **Coal demand remain weak:** In July 2025, Asian coal imports fell 7.8% YoY, despite higher purchases by Japan and South Korea, largely due to record domestic coal output in China and India. Over the first seven months of the year, shipments to Asia declined 8.4%, driven primarily by reduced imports from these two countries. Looking ahead, China's coal purchases for 2025 are expected to be 50–100 million tons lower than in 2024, according to the China Coal Transportation and Distribution Association.
- **Market Impact:** NEX spot coal prices have rebounded to US\$111/tonne, up 18% from the bottom, providing near-term support. However, the rally could be short-lived if production resumes once weather conditions improve. For Banpu, this rebound is a positive signal, but we maintain HOLD given continued pressure from high coal costs.

Ex 1: Prices And Spreads

Unit		This	Last	%	Quarterly						Yearly		
		week	week	chg	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	2023	2024	2025
Upstream													
Dubai	(US\$/bbl)	67	67	0.0%	85	79	74	76	66	69	81	80	71
Brent	(US\$/mmbtu)	66	67	-1.1%	85	79	74	75	67	69	82	80	71
Henry hub	(US\$/mmbtu)	2.9	3.0	-2.5%	2.3	2.2	3.0	3.9	3.5	3.2	2.6	2.4	3.7
JKM Spot	(US\$/mmbtu)	11.9	11.9	-0.1%	11.2	13.0	14.0	14.0	12.4	12.3	13.9	11.9	13.2
Dutch TTF	(EUR/MWh)	31	32	-4.4%	32	36	43	47	36	34	41	35	41
NEX coal price	(US\$/tonne)	111	113	-2.1%	136	140	139	108	100	112	188	136	104
Crack spreads over Dubai													
Gasoline	(US\$/bbl)	12.1	8.8	38.1%	11.6	11.1	11.4	7.7	11.5	8.7	16.7	13.0	9.4
Jet fuel	(US\$/bbl)	15.1	15.7	-3.8%	13.6	13.1	14.8	13.2	14.2	15.9	22.5	15.7	14.3
Diesel	(US\$/bbl)	17.1	18.0	-4.8%	14.0	12.7	14.7	13.2	15.8	19.1	21.9	15.8	15.8
HSFO	(US\$/bbl)	(4.6)	(4.5)	2%	(3.4)	(5.3)	(2.3)	(2.0)	1.7	(5.0)	(10.3)	(5.2)	(1.4)
SG GRM	(US\$/bbl)	6.2	5.6	10.5%	4.8	4.8	6.4	4.6	7.0	6.0	7.9	6.1	5.8
Aromatics													
PX-naphtha	(US\$/tonne)	256	256	0.0%	336	262	174	188	207	249	378	274	188
BZ-naphtha	(US\$/tonne)	166	166	0.0%	391	352	271	245	173	167	267	335	245
Olefin													
HDPE-naphtha	(US\$/tonne)	336	336	0.0%	350	336	333	324	374	357	390	338	324
LDPE-naphtha	(US\$/tonne)	566	566	0.0%	519	550	489	497	587	584	427	503	497
PP-naphtha	(US\$/tonne)	376	376	0.0%	331	331	339	338	414	392	359	326	338
Others													
Integrated PET	(US\$/tonne)	112	111	0.9%	130	145	145	123	134	119	161	140	126
Phenol-BZ	(US\$/tonne)	55	55	-	(38)	68	47	41	77	25	80	6	56
BPA -Phenol	(US\$/tonne)	345	345	0.0%	303	271	307	325	378	370	294	300	356

Sources: TOP, Bloomberg

Ex 2: 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	4.78	4.00	(16.3)	1,477	na	400.4	85.1	17.0	7.1	6.0	0.4	0.4	0.7	3.5	0.5	2.5
BCP	BUY	32.75	37.00	13.0	1,391	(16.5)	25.6	8.1	6.5	2.6	2.9	0.7	0.7	3.4	4.6	9.0	10.5
BSRC	BUY	4.68	5.20	11.1	499	51.8	43.4	10.0	7.0	5.5	3.4	0.6	0.6	2.4	4.1	6.3	8.8
IRPC	SELL	0.95	0.77	(18.9)	599	na	na	na	na	11.7	8.5	0.3	0.3	3.2	3.2	na	na
IVL	SELL	21.60	18.00	(16.7)	3,740	(32.9)	53.7	29.3	19.1	6.8	6.3	0.9	0.9	2.0	2.6	3.8	5.5
OR	SELL	13.10	12.00	(8.4)	4,848	26.1	7.3	16.2	15.1	6.1	5.8	1.4	1.3	3.6	3.7	8.7	9.0
PTG	BUY	7.00	6.90	(1.4)	361	2.3	4.3	11.2	10.7	3.6	3.1	1.2	1.2	5.0	5.7	11.3	11.2
PTT	BUY	32.25	37.00	14.7	28,407	(8.4)	2.8	11.0	10.7	4.1	3.7	0.8	0.8	6.5	6.5	7.3	7.4
PTTEP	BUY	116.00	125.00	7.8	14,202	(18.5)	(8.7)	7.2	7.9	2.2	2.3	0.8	0.8	6.9	6.7	11.5	9.9
PTTGC	SELL	22.70	18.00	(20.7)	3,156	na	na	na	26.2	13.8	9.0	0.4	0.4	2.2	2.2	na	1.5
SCC	SELL	201.00	128.00	(36.3)	7,438	(9.7)	18.9	33.2	27.9	19.9	17.9	0.7	0.7	3.0	3.5	2.1	2.4
SPRC	BUY	4.68	6.20	32.5	626	27.6	(19.0)	6.7	8.3	3.6	3.8	0.5	0.5	7.5	7.5	7.6	6.1
TOP	BUY	32.75	34.00	3.8	2,256	(40.4)	3.2	7.1	6.9	6.9	7.7	0.4	0.4	5.7	5.0	5.6	6.1

Sources: Company data, Thanachart estimates

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