Energy Sector – Neutral

News Update

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Brent broke US$70/bbl

- **Inventory fell across the broad**
- **Russia bans gasoline, curbs diesel exports**
- **OPEC+ production hike may be overestimated**
- **Iraq to restart Kurdistan oil exports on Sep 27**

Moscow's curb on fuel exports—banning gasoline entirely and limiting diesel—pushed Brent crude oil price above US$70/bbl this week. Sentiment was further boosted by skepticism over OPEC+ supply, as traders see only a fraction of the pledged 2.2m bpd cut unwind reaching the market. On the bearish side, exports of crude from Iraq's Kurdistan region are set to be restarted over the weekend, adding 230,000 bpd to international flows.

Weekly US data: Inventory fell across the broad

- **Crude Oil:** The latest U.S. Energy Information Administration (EIA) data for the week ending September 19, 2025, reveals a modest decline in crude oil inventories, with stocks decreasing by 0.6 million barrels to 414.8 million barrels, approximately 4% below the five-year average for this time of year.
- **Gasoline:** Decreased by 1.1 million barrels, bringing total inventories to approximately 2% below the five-year average for this time of year. This drawdown reflects steady demand and limited supply growth.
- **Distillates:** Fell by 1.7 million barrels, now about 8% below the five-year average. This decline is attributed to reduced production and strong export demand, particularly for diesel and heating oil.

Russia bans gasoline, curbs diesel exports

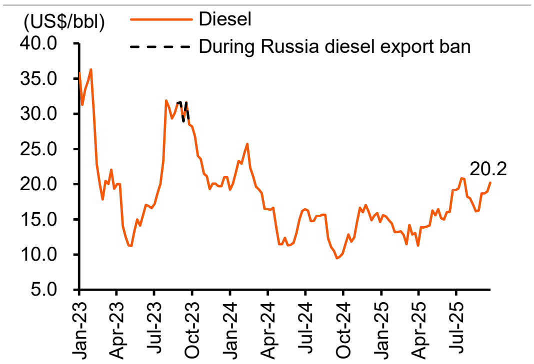
- **Russia bans diesel exports by resellers until end-2025**: The restriction targets traders, not producers. Industry sources note trader volumes are small, with ~75% of diesel exports shipped directly by producers via pipelines to Baltic and Black Sea ports. At present, those targeted account for only about 7%, or 60k bpd, of total Russia gasoil export flows
- **Gasoline export ban extended**: Moscow has prolonged its ban on gasoline exports for both producers and resellers through end-2025 to secure domestic supply amid drone strikes.
- **Ukrainian drone attacks intensify**: Strikes have temporarily cut Russia's refining capacity by up to 20% on some days, reducing product exports from key ports.
- **Diesel crack back to U$20/bbl**: This is comparing to US$15.8/bbl in 2Q25 and the bottom of US$12.7/bbl in Feb 2025.
- **Impact**: The gasoline ban is marginal given Russia's limited export role, but diesel is critical: as the world's No.2 exporter, restrictions could tighten middle distillates, widening diesel spreads. Thai refiners stand to benefit; a similar diesel ban in Sep–Oct 2023 lifted crack spreads to around US$30/bbl. We maintain **BUY on TOP, SPRC, BCP, and BSRC.**

US Weekly data

(m bbls)	Weekly change	Consensus	Last week
Crude Oil	-0.607	0.800	-9.285
Gasoline	-1.081	0.400	-2.347
Distillates	-1.685	-1.500	4.046

Source: EIA

Ex 1: Diesel Crack Spread



Source: Bloomberg

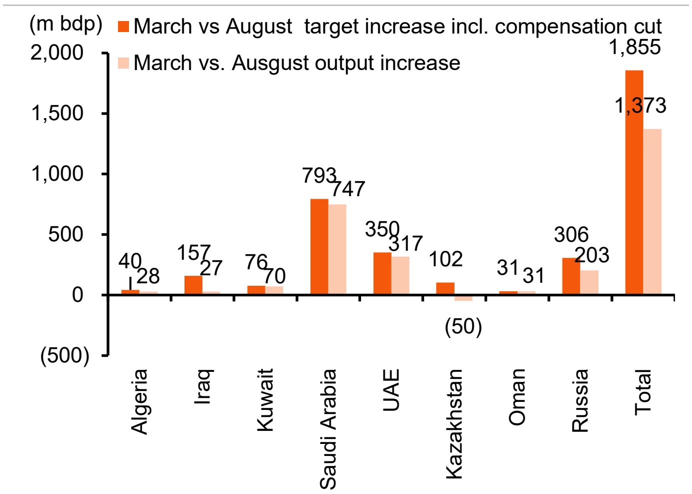
OPEC+ production hike may be overestimated

- **The plan**: OPEC+ aims to fully unwind its recent 2.2 million bpd cuts by the end of September and start removing a second layer of 1.65 million bpd in October. The UAE received approval to increase output by 0.3 million bpd between April and September.
- **The shortfall**: Between April and August, OPEC+ achieved only ~75% of its planned increases, producing roughly 500,000 bpd below the targeted 1.92 million bpd — about 0.5% of global demand. Key underperformers include Iraq, Nigeria, and Angola, constrained by operational and maintenance issues.
- **The reasons**: Three factors explain the shortfall:

  1) **Limited spare capacity** – Years of underinvestment mean most members cannot significantly increase output. The IEA estimates 4.1 million bpd of spare capacity as of August, but nearly all is concentrated in Saudi Arabia and the UAE.
  2) **Compensation cuts** – Members including Kazakhstan and Iraq were asked to reduce output further to offset previous overproduction.
  3) **Russia constraints** – Ukrainian drone attacks on Russian infrastructure have limited its ability to boost production, adding to the shortfall.

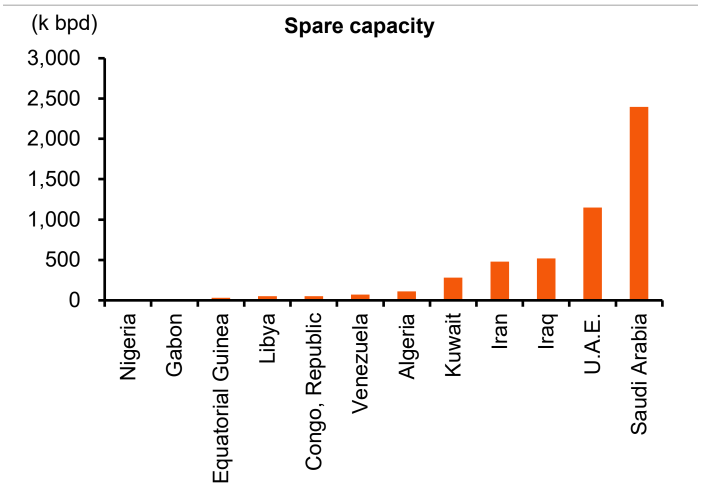
- **Impact**: With less supply than expected, fears of a major surplus are likely overblown. Brent crude has held in the mid-to-high US$60s, supported by tighter-than-anticipated production and ongoing geopolitical risks. We see **PTTEP (BUY)** as the key beneficiary.

Ex 2: OPEC Production



Source: Bloomberg

Ex 3: OPEC Spare Capacity



Source: Bloomberg

Iraq to restart Kurdistan oil exports on Sep 27

- **Background:** Exports through the Kirkuk–Ceyhan pipeline have been halted since March 2023 due to a dispute over export authorization between Iraq's federal government and the Kurdistan Regional Government (KRG).
- **Agreement:** The federal government has reached deals with 8 producers covering 90% of Kurdistan's output, enabling exports to resume.
- **Supply impact:** About 230,000 bpd of Kurdish crude is expected to return to the market from Saturday.

- **Impacts**: The restart could weigh slightly on Brent in the near term, but ongoing OPEC+ underdelivery and Russia's supply constraints are expected to keep the oil market supported.

Ex 4 Prices And Spreads

	Unit	This week	Last week	% chg	Quarterly 2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	Yearly 2023	2024	2025
Upstream													
Dubai	(US$/bbl)	69	67	2.5%	85	79	74	76	66	68	81	80	71
Brent	(US$/mmbtu)	70	67	5.2%	85	79	74	75	67	68	82	80	71
Henry hub	(US$/mmbtu)	2.8	2.9	-1.8%	2.3	2.2	3.0	3.9	3.5	3.1	2.6	2.4	3.7
JKM Spot	(US$/mmbtu)	11.3	11.4	-0.6%	11.2	13.0	14.0	14.0	12.4	11.9	13.9	11.9	13.2
Dutch TTF	(EUR/MWh)	33	32	1.2%	32	36	43	47	36	33	41	35	41
NEX coal price	(US$/tonne)	104	103	0.4%	136	140	139	108	100	110	188	136	104
Crack spreads over Dubai													
Gasoline	(US$/bbl)	10.5	12.3	-14.6%	11.6	11.1	11.4	7.7	11.5	10.4	16.7	13.0	9.9
Jet fuel	(US$/bbl)	19.1	17.0	12.4%	13.6	13.1	14.8	13.2	14.2	15.7	22.5	15.7	14.4
Diesel	(US$/bbl)	20.2	18.1	11.9%	14.0	12.7	14.7	13.2	15.8	18.5	21.9	15.8	15.8
HSFO	(US$/bbl)	(5.3)	(6.8)	-22%	(3.4)	(5.3)	(2.3)	(2.0)	1.7	(5.8)	(10.3)	(5.2)	(2.0)
SG GRM	**(US$/bbl)**	**6.1**	**5.6**	**9.3%**	**4.8**	**4.8**	**6.4**	**4.6**	**7.0**	**5.9**	**7.9**	**6.1**	**5.8**
Aromatics													
PX-naphtha	(US$/tonne)	192	217	-11.3%	336	262	174	188	207	236	378	274	188
BZ-naphtha	(US$/tonne)	132	142	-6.7%	391	352	271	245	173	158	267	335	245
Olefin													
HDPE-naphtha	(US$/tonne)	322	342	-5.7%	350	336	333	324	374	348	390	338	324
LDPE-naphtha	(US$/tonne)	522	542	-3.6%	519	550	489	497	587	568	427	503	497
PP-naphtha	(US$/tonne)	322	352	-8.4%	331	331	339	338	414	373	359	326	338
Others													
Integrated PET	(US$/tonne)	119	111	7.2%	130	145	145	123	134	112	161	140	123
Phenol-BZ	(US$/tonne)	90	84	0.1	(38)	68	47	41	77	55	80	6	62
BPA -Phenol	(US$/tonne)	307	307	0.0%	303	271	307	325	378	337	294	300	346

Sources: TOP, Bloomberg

Ex 5: Valuation

	Rating	Current price (Bt)	Target price (Bt)	*Upside/ (Downside) (%)*	Market cap (US$ m)	Norm EPS grw 25F (%)	26F (%)	Norm PE 25F (x)	26F (x)	EV/EBITDA 25F (x)	26F (x)	P/BV 25F (x)	26F (x)	Yield 25F (%)	26F (%)	ROE 25F (%)	26F (%)
BANPU	HOLD	4.60	4.00	*(13.0)*	1,429	na	400.4	81.9	16.4	7.1	6.0	0.4	0.4	0.7	3.7	0.5	2.5
BCP	BUY	31.00	37.00	*19.4*	1,324	(16.5)	25.6	7.7	6.1	2.6	2.8	0.7	0.6	3.6	4.9	9.0	10.5
BSRC	BUY	4.54	5.20	*14.5*	487	51.8	43.4	9.7	6.8	5.4	3.4	0.6	0.6	2.4	4.2	6.3	8.8
IRPC	SELL	1.21	0.77	*(36.4)*	767	na	na	na	na	12.4	9.1	0.4	0.4	2.5	2.5	na	na
IVL	SELL	22.40	18.00	*(19.6)*	3,901	(32.9)	53.7	30.4	19.8	6.9	6.4	1.0	0.9	2.0	2.5	3.8	5.5
OR	SELL	14.50	12.00	*(17.2)*	5,397	26.1	7.3	17.9	16.7	6.9	6.6	1.5	1.5	3.3	3.3	8.7	9.0
PTG	BUY	9.10	8.50	*(6.6)*	471	10.7	12.3	13.4	12.0	4.2	3.6	1.6	1.5	3.8	4.4	12.1	12.8
PTT	BUY	33.25	40.00	*20.3*	29,455	(7.9)	6.6	11.2	10.5	4.2	3.7	0.8	0.8	6.3	6.3	7.3	7.7
PTTEP	BUY	118.00	125.00	*5.9*	14,529	(18.5)	(8.7)	7.3	8.0	2.2	2.4	0.8	0.8	6.8	6.6	11.5	9.9
PTTGC	SELL	26.25	18.00	*(31.4)*	3,671	na	na	na	30.3	14.6	9.5	0.5	0.5	1.9	1.9	na	1.5
SCC	SELL	226.00	128.00	*(43.4)*	8,411	(9.7)	18.9	37.3	31.4	21.0	18.9	0.8	0.8	2.7	3.1	2.1	2.4
SPRC	BUY	4.88	5.70	*16.8*	656	(18.3)	(52.9)	11.0	23.3	5.0	5.8	0.5	0.6	5.1	5.1	4.9	2.4
TOP	BUY	36.75	34.00	*(7.5)*	2,546	(40.4)	3.2	8.0	7.7	7.3	8.0	0.4	0.4	5.1	4.4	5.6	6.1

Sources: Company data, Thanachart estimates

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