

Energy Sector – Neutral

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News Update

Easing supply pressure

- **US inventories decline across the broad**
- **OPEC+ delayed further output hikes in 1Q26**
- **Saudi Arabia may cut December crude prices to Asia**
- **Mozambique LNG: under contract re-negotiation**

Oil prices edged higher in early Asian trading on Monday following OPEC+'s decision to implement a modest production increase in December while postponing additional hikes in 1Q26, reflecting caution amid uncertain demand.

Weekly US data: US inventory decline across the broad

- **Crude Oil:** U.S. commercial crude oil stocks recently dropped by 6.8 million barrels — much more than the 0.9 million-barrel draw expected.
- **Gasoline:** Gasoline stocks in the U.S. showed a draw of about 5.9 million barrels, versus forecasts of a smaller draw.
- **Distillates:** Distillate fuel oil stocks (including diesel/heating oil) drew by around -3.36 million barrels in the most recent report.

OPEC+ delayed further output hikes in 1Q26

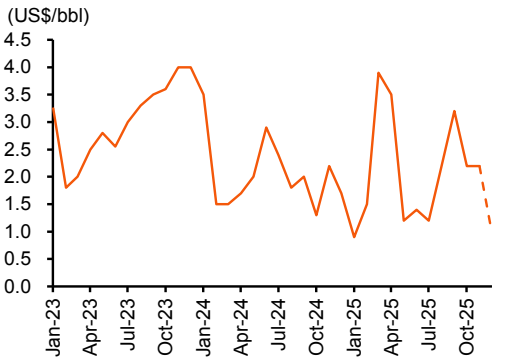
- **Modest output hike in Dec:** In a Sunday online meeting, eight OPEC+ members agreed to raise production by 137,000 barrels per day in December 2025, a figure in line with the increases seen in October and November.
- **Announced output paused in 1Q26:** Crucially, the group then announced a pause on further output hikes in January, February, and March 2026, citing “seasonality” and weaker demand typically seen in the first quarter. They reaffirmed that the 1.65 m bpd voluntary cuts may be gradually reinstated depending on market conditions, while maintaining flexibility to pause or reverse the 2.2 m bpd cuts announced in November 2023. The group will meet monthly to review market conditions, with the next ministerial meeting set for 30 November 2025.
- **Impact:** The modest December increase, combined with the pause in 1Q26, signals that OPEC+ is prioritizing market stability over growth which could support oil prices in the near term. Overall, this provides a floor for prices and prevents sharp declines during the early months of 2026. Maintain BUY on PTTEP.

US Weekly data (as of 29 Oct 2025)

(m bbls)	Weekly change	Consensus	Last week
Crude Oil	-6.858	-0.900	-0.961
Gasoline	-5.941	-1.900	-2.147
Distillates	-3.362	-1.600	-1.478

Source: EIA

Ex 1: OSP for Arab Light Crude



Source: Bloomberg

Saudi Arabia may cut December crude prices to Asia to multi-month lows

- **Price cut:** Saudi Arabia is expected to reduce its December crude price for Asian buyers to multi-month lows due to ample supply. The official selling price (OSP) for Arab Light crude is likely to fall US\$1.20–1.50/bbl, trading at a premium of US\$0.70–\$1.00 over the Oman/Dubai average, down from US\$2.20 in the previous two months, according to a Reuters survey of five Asia-based refiners.
- **Impact:** Thai refiners, which rely heavily on Middle East crude, could see lower feedstock costs. However, the actual price cut may be smaller than expected due to uncertainties around Russian crude supplies to India and China following U.S. sanctions on Rosneft and Lukoil.

Mozambique LNG: under contract re-negotiation

- **Cost increase:** TotalEnergies and its partners' major LNG project in Mozambique have seen its cost estimate rise by US\$4.5 billion, from around US\$15.5 billion.
- **Contract extension:** The company is seeking a 10-year extension of its development and production agreement to compensate for a four-year suspension under force majeure caused by militant attacks in 2021.
- **Government response:** According to Reuter news, Total lifted the force majeure on the project last week, but the final restart depends on approval from the Mozambican government. The Mozambican government has indicated it may challenge the higher costs and contract extension, meaning approvals are not guaranteed.
- **Impact:** PTTEP holds an 8.5% stake in the Mozambique LNG project and would need to invest approximately US\$382 million in proportion to its stake. However, this additional cost represents expenses that have already been incurred during the four-year force majeure period. As a result, these costs are already reflected in PTTEP's current balance sheet and the Mozambique project's book value of US\$2.7 billion. Additionally, about 40% of the additional capital expenditure was financed through project debt.

Ex 2: Prices And Spreads

Unit		This week	Last week	% chg	Quarterly						Yearly		
					3Q24	4Q24	1Q25	2Q25	3Q25	4Q25	2023	2024	2025
Upstream													
Dubai	(US\$/bbl)	64	66	-2.5%	79	74	76	66	68	64	81	80	71
Brent	(US\$/mmbtu)	65	66	-1.3%	79	74	75	67	68	64	82	80	71
Henry hub	(US\$/mmbtu)	4.1	3.3	24.8%	2.2	3.0	3.9	3.5	3.1	3.3	2.6	2.4	3.7
JKM Spot	(US\$/mmbtu)	11.0	11.2	-2.0%	13.0	14.0	14.0	12.4	11.8	11.1	13.9	11.9	13.2
Dutch TTF	(EUR/MWh)	31	32	-2.8%	36	43	47	36	33	32	41	35	41
NEX coal price	(US\$/tonne)	104	104	0.0%	140	139	108	100	109	105	188	136	104
Crack spreads over Dubai													
Gasoline	(US\$/bbl)	14.1	16.1	-12.1%	11.1	11.4	7.7	11.5	10.3	14.8	16.7	13.0	10.3
Jet fuel	(US\$/bbl)	23.9	25.0	-4.6%	13.1	14.8	13.2	14.2	16.1	22.4	22.5	15.7	15.3
Diesel	(US\$/bbl)	26.4	27.1	-2.3%	12.7	14.7	13.2	15.8	18.7	23.9	21.9	15.8	16.7
HSFO	(US\$/bbl)	(8.1)	(6.1)	32%	(5.3)	(2.3)	(2.0)	1.7	(5.5)	(4.7)	(10.3)	(5.2)	(2.2)
SG GRM	(US\$/bbl)	8.2	10.1	-19.3%	4.8	6.4	4.6	7.0	5.9	8.9	7.9	6.1	6.1
Aromatics													
PX-naphtha	(US\$/tonne)	220	219	0.1%	262	174	188	207	236	218	378	274	188
BZ-naphtha	(US\$/tonne)	120	119	0.2%	352	271	245	173	158	136	267	335	245
Olefin													
HDPE-naphtha	(US\$/tonne)	330	329	0.1%	336	333	324	374	348	344	390	338	324
LDPE-naphtha	(US\$/tonne)	500	499	0.1%	550	489	497	587	568	518	427	503	497
PP-naphtha	(US\$/tonne)	310	309	0.1%	331	339	338	414	373	330	359	326	338
Others													
Integrated PET	(US\$/tonne)	116	116	-0.5%	145	145	116	134	113	123	161	140	123
Phenol-BZ	(US\$/tonne)	138	137	0.0	68	47	41	55	56	121	80	6	68
BPA -Phenol	(US\$/tonne)	312	312	0.0%	271	307	325	337	337	305	294	300	342

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	5.05	4.00	(20.8)	1,559	na	400.4	89.9	18.0	7.2	6.1	0.5	0.4	0.7	3.3	0.5	2.5
BCP	BUY	29.50	37.00	25.4	1,251	(16.5)	25.6	7.3	5.8	2.5	2.8	0.6	0.6	3.8	5.1	9.0	10.5
BSRC	BUY	4.42	5.20	17.6	471	51.8	43.4	9.5	6.6	5.3	3.3	0.6	0.6	2.5	4.3	6.3	8.8
IRPC	SELL	1.10	0.77	(30.0)	692	na	na	na	na	12.1	8.9	0.3	0.4	2.7	2.7	na	na
IVL	SELL	18.50	18.00	(2.7)	3,200	(32.9)	53.7	25.1	16.3	6.5	6.0	0.8	0.8	2.4	3.1	3.8	5.5
OR	BUY	14.50	15.50	6.9	5,360	37.1	7.4	16.4	15.3	6.5	6.1	1.5	1.5	3.6	3.6	9.5	9.7
PTG	HOLD	7.60	7.90	3.9	391	(9.1)	11.7	13.7	12.2	3.9	3.4	1.4	1.3	4.6	5.3	10.1	10.8
PTT	BUY	30.75	40.00	30.1	27,056	(7.9)	6.6	10.4	9.8	4.0	3.6	0.8	0.7	6.8	6.8	7.3	7.7
PTTEP	BUY	107.50	125.00	16.3	13,146	(18.5)	(8.7)	6.7	7.3	2.0	2.2	0.7	0.7	7.4	7.2	11.5	9.9
PTTGC	SELL	24.10	18.00	(25.3)	3,347	na	na	na	27.8	14.1	9.2	0.4	0.4	2.1	2.1	na	1.5
SCC	SELL	199.50	128.00	(35.8)	7,375	(9.7)	18.9	32.9	27.7	19.8	17.8	0.7	0.7	3.0	3.5	2.1	2.4
SPRC	BUY	4.94	5.70	15.4	660	(18.3)	(52.9)	11.1	23.6	5.0	5.9	0.5	0.6	5.1	5.1	4.9	2.4
TOP	BUY	36.00	41.00	13.9	2,477	(27.5)	(21.2)	6.4	8.2	5.8	7.2	0.4	0.4	6.1	4.2	6.8	5.7

Sources: Company data, Thanachart estimates

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