

Energy Sector – Neutral

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News Update

Oil retail margin continue to see pressure

- **Another retail diesel price cut**
- **Oil Fund adjustment not enough to offset**
- **China issues first 2026 fuel export quotas**
- **First batch broadly unchanged YoY**

Crude oil prices posted their strongest weekly gain since October, with both Brent and WTI rising by more than US\$2/bbl. The rally was driven by escalating U.S. pressure on Venezuela’s oil sector.

Another retail diesel price cut

- **Cut retail diesel price by Bt0.5/litre:** The diesel retail price was reduced from Bt30.94/liter to Bt30.44/liter, effective 24 December 2025.
- **Oil Fund adjustment not enough to offset:** To support the move, the FFEC approved a Bt0.20/liter reduction in the Oil Fund contribution for diesel. As the Oil Fund collection cut is smaller than the retail price cut, this effectively compresses oil marketing margins.
- **Impact:** This clearly shows that government intervention continues to dominate sector dynamics. The two pump price cuts in October and December — despite already weaker crude prices — reinforce a populist policy stance ahead of the election and are likely to cap upside for retail fuel prices and margins in the near term. We therefore see near-term headwinds for both OR (BUY) and PTG (HOLD). However, with the Oil Fund balance now close to turning positive (current deficit ~Bt6.6bn), pressure on retail prices may ease once the fund returns to surplus.

China issues first 2026 fuel export quotas

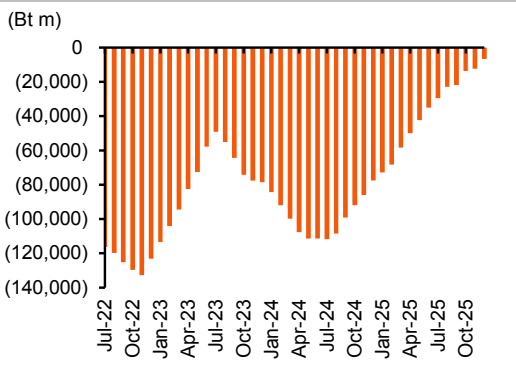
- **First batch broadly unchanged YoY:** China has issued the first batch of refined fuel export quotas totaling 19 million tons, according to Reuters citing unnamed sources — largely unchanged from the first batch issued last year.
- **Fuel exports slightly lower this year.** In the first 11 months of 2025, China exported 52.65 million tons of refined oil products (gasoline, diesel, jet fuel, and bunker fuel), down 3.2% YoY.
- **Impact:** We see this as in line with its policy direction. China continues to prioritize domestic supply over export growth, using quotas to balance domestic demand, emissions goals, and stockpile management — rather than maximize exports. For Thai refiners, the key takeaway is that China is unlikely to flood the market with incremental export barrels. With the first quota batch unchanged YoY and total exports are already trending slightly lower. We maintain our BUY rating on SRPC, TOP and BCP.

US Weekly data (as of 17 Dec 2025)

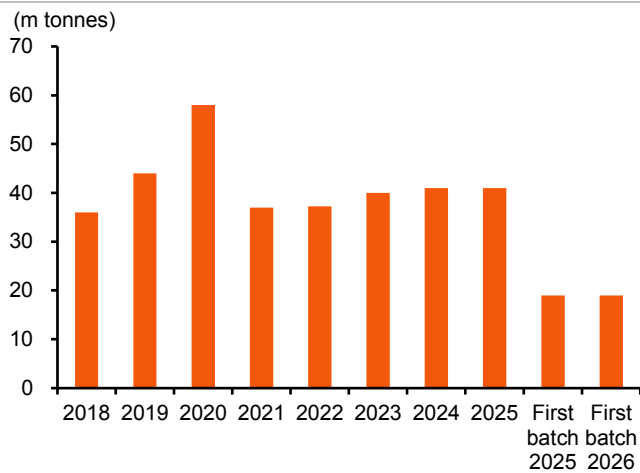
(m bbls)	Weekly change	Consensus	Last week
Crude Oil	-1.274	-2.400	-1.812
Gasoline	4.808	2.100	6.397
Distillates	1.712	1.200	2.502

Source: EIA

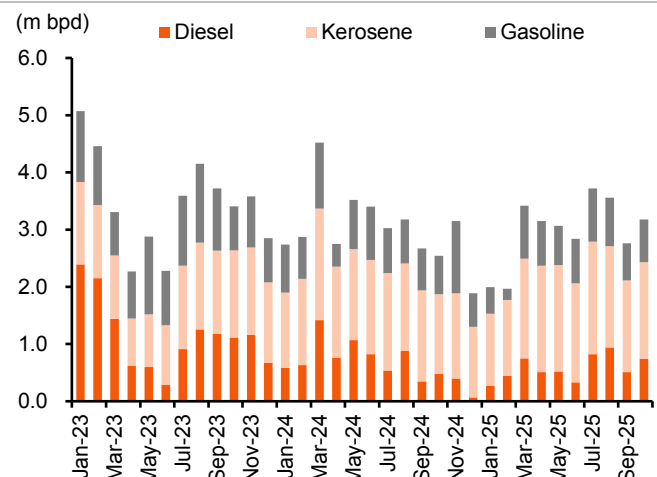
Ex 1: Oil Fund Balance (include LPG)



Source: Offo

**Ex 2: Unchanged China Refined Oil Export Quota In 2026**

Source: Reuter

**Ex 3: Limited Growth In China Refined Oil Export**

Source: Bloomberg

**Ex 4: Prices And Spreads**

Unit		This week	Last week	% chg	Quarterly						Yearly		
					3Q24	4Q24	1Q25	2Q25	3Q25	4Q25	2023	2024	2025
Upstream													
Dubai	(US\$/bbl)	62	60	2.9%	79	74	76	66	68	63	81	80	71
Brent	(US\$/mmbtu)	61	60	0.3%	79	74	75	67	68	63	82	80	71
Henry hub	(US\$/mmbtu)	4.4	4.0	9.6%	2.2	3.0	3.9	3.5	3.1	4.1	2.6	2.4	3.7
JKM Spot	(US\$/mmbtu)	9.7	9.7	0.5%	13.0	14.0	14.0	12.4	11.8	10.9	13.9	11.9	13.2
Dutch TTF	(EUR/MWh)	28	28	-0.2%	36	43	47	36	33	30	41	35	41
NEX coal price	(US\$/tonne)	109	108	0.6%	140	139	108	100	109	108	188	136	104
Crack spreads over Dubai													
Gasoline	(US\$/bbl)	12.3	12.6	-2.0%	11.1	11.4	7.7	11.5	10.3	16.4	16.7	13.0	10.3
Jet fuel	(US\$/bbl)	20.3	20.3	0.2%	13.1	14.8	13.2	14.2	16.1	25.1	22.5	15.7	15.3
Diesel	(US\$/bbl)	18.3	18.2	0.6%	12.7	14.7	13.2	15.8	18.7	25.0	21.9	15.8	16.7
HSFO	(US\$/bbl)	(7.9)	(7.7)	2%	(5.3)	(2.3)	(2.0)	1.7	(5.5)	(7.4)	(10.3)	(5.2)	(2.2)
SG GRM	(US\$/bbl)	6.4	6.1	5.3%	4.8	6.4	4.6	7.0	5.9	8.8	7.9	6.1	6.2
Aromatics													
PX-naphtha	(US\$/tonne)	309	284	8.9%	262	174	188	207	236	243	378	274	188
BZ-naphtha	(US\$/tonne)	129	139	-6.9%	352	271	245	173	158	123	267	335	245
Olefin													
HDPE-naphtha	(US\$/tonne)	329	339	-2.8%	336	333	324	374	348	331	390	338	324
LDPE-naphtha	(US\$/tonne)	489	499	-1.9%	550	489	497	587	568	496	427	503	497
PP-naphtha	(US\$/tonne)	309	319	-3.0%	331	339	338	414	373	307	359	326	338
Others													
Integrated PET	(US\$/tonne)	94	104	-9.4%	145	145	116	134	113	118	161	140	123
Phenol-BZ	(US\$/tonne)	101	108	(0.1)	68	47	41	55	56	122	80	6	75
BPA -Phenol	(US\$/tonne)	305	305	0.0%	271	307	325	337	337	297	294	300	337

Sources: TOP, Bloomberg

## Ex 5: Valuation

	Rating	Current price	Target price	Upside/ (Downside)	Market cap	Norm EPS grw		Norm PE		EV/EBITDA		— P/BV —		— Yield —		— ROE —	
		(Bt)	(Bt)	(%)	(US\$ m)	25F (%)	26F (%)	25F (x)	26F (x)	25F (x)	26F (x)	25F (x)	26F (x)	25F (%)	26F (%)	25F (%)	26F (%)
BANPU	BUY	4.96	6.00	21.0	1,580	na	619.0	86.3	12.0	7.7	6.2	0.4	0.4	4.8	5.4	0.5	3.7
BCP	BUY	26.00	37.00	42.3	1,217	(16.5)	25.6	6.5	5.1	2.4	2.7	0.6	0.5	4.3	5.8	9.0	10.5
IRPC	SELL	0.98	0.77	(21.4)	637	na	na	na	na	11.7	8.6	0.3	0.3	3.1	3.1	na	na
IVL	SELL	16.20	14.00	(13.6)	2,892	na	na	na	19.3	7.4	6.3	0.7	0.7	4.3	4.3	0.0	4.4
OR	BUY	13.00	15.50	19.2	4,960	37.1	7.4	14.7	13.7	5.7	5.3	1.4	1.3	4.1	4.0	9.5	9.7
PTG	HOLD	6.90	7.90	14.5	366	(9.1)	11.7	12.4	11.1	3.7	3.3	1.2	1.2	5.1	5.8	10.1	10.8
PTT	BUY	31.50	40.00	27.0	28,606	(7.9)	6.6	10.7	10.0	4.1	3.6	0.8	0.8	6.7	6.7	7.3	7.7
PTTEP	BUY	111.50	125.00	12.1	14,073	(18.5)	(8.7)	6.9	7.6	2.1	2.2	0.8	0.7	7.2	7.0	11.5	9.9
PTTGC	SELL	20.80	18.00	(13.5)	2,982	na	na	na	24.0	13.4	8.7	0.4	0.4	2.4	2.4	na	1.5
SCC	SELL	189.50	128.00	(32.5)	7,230	(9.7)	18.9	31.3	26.3	19.4	17.5	0.6	0.6	3.2	3.7	2.1	2.4
SPRC	BUY	5.80	7.00	20.7	800	66.8	(24.8)	6.4	8.5	3.9	4.4	0.6	0.6	5.2	6.0	9.9	7.2
TOP	BUY	35.25	41.00	16.3	2,504	(27.5)	(21.2)	6.3	8.0	5.8	7.1	0.4	0.4	6.2	4.2	6.8	5.7

Sources: Company data, Thanachart estimates

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