

## Energy Sector – Neutral

Yupapan Polpornspraser | Email: yupapan.pol@thanachartsec.co.th

### News Update

#### Surging gas price

- **US Crude Inventory build**
- **Winter demand triggered gas price rally**
- **Trump announces a 10% tariff on European nations**
- **Hamm to halt drilling in Bakken shale on lower crude price**

#### Weekly US data: US Crude Inventory build

- **Crude Oil:** U.S. crude inventories increased by 3.4 million barrels, according to the EIA, surprising the market, which had expected a 1.7 million barrel draw.
- **Gasoline:** Gasoline inventories rose sharply by 8.98 million barrels, significantly exceeding market expectations.
- **Distillates:** Distillate inventories were broadly flat week-on-week, in line with expectations.

#### Winter demand trigger gas price rally

- **Weather-driven demand:** Colder-than-expected temperatures in the eastern US and cautious LNG restocking in Europe are creating upward momentum for global gas prices.
- **Tightening EU storage:** EU storage stood at 50% on 17 Jan, below the five-year average of 65% and under 61% a year ago. Forecasts from Maxar Technologies point to below-normal temperatures through March, potentially pushing heating demand to its highest since the start of the Russia-Ukraine war.
- **Global gas price surge:** Gas prices have rallied sharply on both sides of the Atlantic. US Henry Hub rose 12% to US\$3.5/mmbtu, while Europe's TTF benchmark surged more than 33% in five days to a six-month high (though still down year-on-year). LNG prices also strengthened, with the average price for March delivery into Northeast Asia climbing 16% week-on-week to US\$11.2/mmbtu, its highest level since December.
- **Impact:** Banpu (BUY) is well positioned to benefit from higher gas prices given its US shale gas exposure. In contrast, the surge in European gas prices could weigh on IVL (SELL) by increasing energy costs for its European operations.

#### Trump announces a 10% tariff on European nations

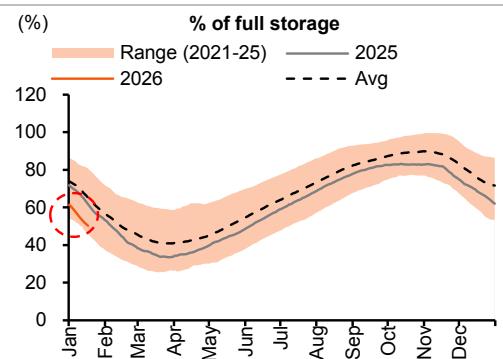
- **Tariff plan:** The U.S. plans to impose a 10% tariff on imports from several European countries from February 1, rising to 25% from June 1, linked to Trump's demand for U.S. control of Greenland. Targeted nations include Denmark, Norway, Sweden, France, Germany, the UK, the Netherlands, and Finland.
- **European response:** EU leaders expressed solidarity with Denmark and warned of risks to transatlantic relations. The EU is reportedly preparing up to US\$110bn in retaliatory tariffs.

#### US Weekly data (as of 14 Jan 2026)

(m bbls)	Weekly change	Consensus	Last week
Crude Oil	3.391	-1.700	-3.832
Gasoline	8.977	4.000	7.702
Distillates	-0.029	-0.200	5.594

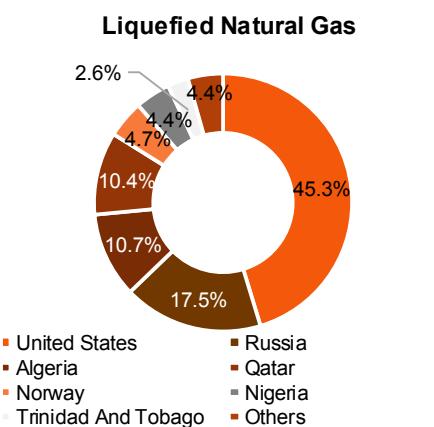
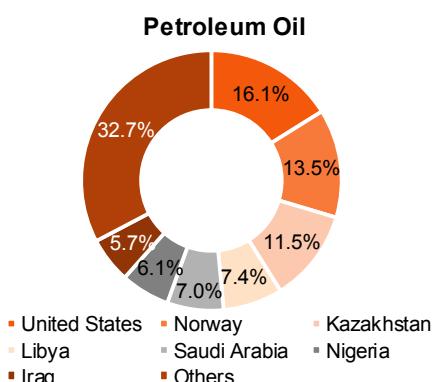
Source: EIA

#### Ex 1: EU Gas Storage



Source: Bloomberg

#### Ex 2: EU Energy Import By Countries



Source: Bloomberg

- Impact:** The move raises concerns over EU energy security, as the U.S. supplied around 45% of EU gas imports and 16% of oil imports in 2024—posing potential risks during the winter season.

### Hamm to halt drilling in Bakken shale on lower crude prices

- Drilling pause:** Harold Hamm, founder of Continental Resources and a pioneer of the US shale boom, will suspend drilling in North Dakota's Bakken for the first time in over 30 years, citing low crude prices and “basically gone” margins.
- High breakeven costs:** The average Bakken well now requires at least US\$58/bbl to break even, up 4% from a year ago, according to BloombergNEF. With WTI rarely staying above US\$60/bbl, operators have limited incentive to drill new wells.
- Industry slowdown:** Even before the recent price drop, shale producers had begun scaling back as the best sites have been tapped. US rig counts have fallen 15% over the past year, including a reduction of 60 rigs in the Permian, signaling slower US oil production growth.
- Impact:** The slowdown in shale supply could tighten the market, limiting near-term downside in oil prices. We maintain our BUY call on PTTEP.

### Ex 3: Prices And Spreads

Unit	This week	Last week	% chg	Quarterly					Yearly				
				4Q24	1Q25	2Q25	3Q25	4Q25	1Q26	2024	2025	2026	
<b>Upstream</b>													
Dubai	(US\$/bbl)	65	62	3.5%	63	76	66	68	63	61	80	71	67
Brent	(US\$/mmbtu)	64	63	1.2%	63	75	67	68	63	61	80	71	67
Henry hub	(US\$/mmbtu)	3.5	3.2	10.4%	4.1	3.9	3.5	3.1	4.1	3.5	2.4	3.7	3.3
JKM Spot	(US\$/mmbtu)	11.2	9.6	16.6%	10.8	14.0	12.4	11.8	10.8	9.6	11.9	13.2	12.1
Dutch TTF	(EUR/MWh)	37	28	30.0%	30	47	36	33	30	28	35	41	34
NEX coal price	(US\$/tonne)	109	107	1.4%	108	108	100	109	108	107	136	104	105
<b>Crack spreads over Dubai</b>													
Gasoline	(US\$/bbl)	9.5	10.7	-11.7%	15.7	7.7	11.5	10.3	15.7	11.8	13.0	11.3	11.8
Jet fuel	(US\$/bbl)	20.6	20.8	-1.2%	24.6	13.2	14.2	16.1	24.6	21.3	15.7	17.0	21.3
Diesel	(US\$/bbl)	19.4	19.4	0.3%	24.5	13.2	15.8	18.7	24.5	19.3	15.8	18.0	19.3
HSFO	(US\$/bbl)	(5.3)	(6.3)	-15%	(7.0)	(2.0)	1.7	(5.5)	(7.0)	(5.9)	(5.2)	(3.2)	(5.9)
<b>SG GRM</b>	<b>(US\$/bbl)</b>	<b>6.3</b>	<b>7.1</b>	<b>-11.7%</b>	<b>8.8</b>	<b>4.6</b>	<b>7.0</b>	<b>5.9</b>	<b>8.8</b>	<b>8.0</b>	<b>6.1</b>	<b>6.6</b>	<b>8.0</b>
<b>Aromatics</b>													
PX-naphtha	(US\$/tonne)	327	325	0.6%	243	188	207	236	243	342	274	188	207
BZ-naphtha	(US\$/tonne)	132	130	1.5%	123	245	173	158	123	137	335	245	173
<b>Olefin</b>													
HDPE-naphtha	(US\$/tonne)	322	320	0.6%	331	324	374	348	331	327	338	324	374
LDPE-naphtha	(US\$/tonne)	482	480	0.4%	496	497	587	568	496	487	503	497	587
PP-naphtha	(US\$/tonne)	302	300	0.7%	307	338	414	373	307	307	326	338	414
<b>Others</b>													
Integrated PET	(US\$/tonne)	145	135	7.6%	116	116	134	113	116	135	140	119	135
Phenol-BZ	(US\$/tonne)	83	90	-8%	118	41	55	56	118	83	6	76	83
BPA -Phenol	(US\$/tonne)	287	287	0.0%	291	325	337	337	291	287	300	333	287

Sources: TOP, Bloomberg

## Ex 4: Valuation

	Rating	Current	Target	Upside/	Market	Norm	EPS	grw	Norm PE		EV/EBITDA		— P/BV —		— Yield —		— ROE —	
		price	price	(Downside)	cap	26F	27F	26F	27F	26F	27F	26F	27F	26F	27F	26F	27F	
		(Bt)	(Bt)	(%)	(US\$ m)	(%)	(%)	(x)	(x)	(x)	(x)	(x)	(x)	(%)	(%)	(%)	(%)	
BANPU	BUY	5.30	6.00	13.2	1,699	619.0	19.1	12.8	10.8	6.3	6.0	0.5	0.5	5.1	5.7	3.7	4.3	
BCP	BUY	29.25	37.00	26.5	1,378	25.6	2.6	5.8	5.6	2.8	2.2	0.6	0.5	5.2	5.3	10.5	10.0	
IRPC	SELL	1.19	0.77	(35.3)	778	na	na	na	na	9.1	7.9	0.4	0.4	2.5	2.5	na	na	
IVL	SELL	19.20	14.00	(27.1)	3,449	na	16.0	22.8	19.7	6.7	6.3	0.8	0.8	3.6	3.7	4.4	4.9	
OR	BUY	14.20	15.50	9.2	5,452	7.4	6.6	15.0	14.1	5.9	5.5	1.4	1.4	3.7	3.9	9.7	9.9	
PTG	HOLD	7.45	7.90	6.0	398	11.7	15.3	12.0	10.4	3.4	2.9	1.3	1.2	5.4	5.4	10.8	11.9	
PTT	BUY	33.25	40.00	20.3	30,386	6.6	3.5	10.5	10.2	3.7	3.3	0.8	0.8	6.3	6.3	7.7	7.7	
PTTEP	BUY	116.50	125.00	7.3	14,798	(8.7)	0.1	7.9	7.9	2.3	2.5	0.8	0.7	6.7	6.7	9.9	9.5	
PTTGC	SELL	23.90	18.00	(24.7)	3,448	na	72.3	27.6	16.0	9.1	7.7	0.4	0.4	2.1	2.1	1.5	2.6	
SCC	SELL	209.00	128.00	(38.8)	8,024	18.9	87.0	29.0	15.5	18.2	14.5	0.7	0.7	3.3	3.3	2.4	4.5	
SPRC	BUY	6.75	7.00	3.7	936	(24.8)	37.2	9.9	7.2	5.0	3.9	0.7	0.7	5.2	8.1	7.2	9.5	
TOP	BUY	39.75	41.00	3.1	2,841	(21.2)	(28.1)	9.0	12.5	7.5	8.4	0.4	0.4	3.8	3.2	5.7	4.2	

Sources: Company data, Thanachart estimates

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