

Energy Sector – Neutral

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News Update

Renew geopolitical tension

- **US crude oil inventories continue to fall**
- **Thermal coal hit 1-year high on tightening market**
- **Indonesia coal supply risk intensifies**
- **US adds pressure on Iran after talks resume**

Crude oil futures were higher Friday as the first round of talks between the US and Iran concluded without any significant progress. Saudi Arabia cut the official selling price of its Arab Light crude to Asia for March to around a five-year low on Thursday, marking the fourth straight month of price cuts.

Weekly US data: US crude oil inventories continue to fall

- **Crude Oil:** Crude oil inventories in the United States decreased by 3.5 million barrels during the week ending January 30. The decrease brings commercial stockpiles to 420.3 million barrels according to government data, which is 4% below the five-year average for this time of year. Analysts had expected a 2-million-barrel drop in inventory.
- **Gasoline:** The EIA reported that inventories had increased by 700,000 barrels after gaining 200,000 barrels in the week prior.
- **Distillates:** Inventories decreased by 5.6 million barrels with production decreasing by 5,000 barrels daily to an average of 4.8 million barrels daily.

Thermal coal hit 1-year high on tightening market

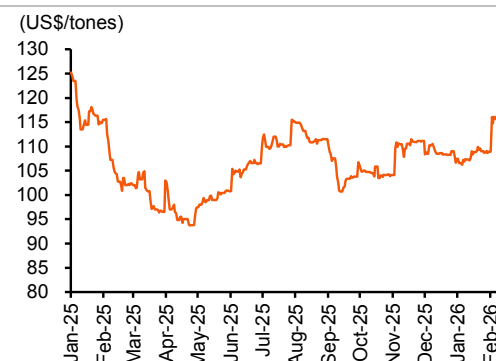
- **Prices at cycle high:** Thermal coal prices rose above US\$117/ton, a one-year high, supported by Indonesia halt export and strong power demand, led by China.
- **Global demand boost:** In China, the world's largest coal consumer, coal reliance remains high, with over 100 coal-fired power units coming online this year and more than 400 units currently under construction, despite ongoing renewable expansion. Structurally, global electricity demand continues to rise, driven by AI data centers and EV charging.
- **Indonesia supply risk intensifies:** Indonesian coal miners have halted spot exports after the government proposed production cuts of nearly 25%. Output quotas for major miners were set 40–70% below 2025 levels, which could reduce national output to ~600mt. Indonesia accounts for ~50% of global seaborne thermal coal exports, making the policy a key upside risk to price. Market expect lower-grade coal makes up most of Indonesia's exports, and its prices could rise 40% to 70% if output is reduced by 20%, while higher-grade coal could rise 10% to 20%.
- **Impact:** Banpu may face potential impacts on its Indonesia operations, though there is no official confirmation from the government. Any disruption could tighten supply and lift coal prices, partly offsetting lower volumes. Meanwhile, its Australia operations are unaffected and benefit from higher prices. We estimate every US\$1/t increase boosting 2026F earnings by c.7%. We maintain BUY on Banpu.

US Weekly data (as of 4 Feb 2026)

(m bbls)	Weekly change	Consensus	Last week
Crude Oil	-3.455	-2.000	-2.295
Gasoline	0.685	na	0.223
Distillates	-5.553	na	0.329

Source: EIA

Ex 1: Thermal Coal Price



Source: Bloomberg

US adds pressure on Iran after talks resume

- **Trump escalates sanctions:** The Trump administration on Friday ramped up pressure on Iran after nuclear talks in Oman yielded little progress. An executive order allows the US to impose additional tariffs—potentially up to 25%—on countries trading with Iran, with enforcement decisions set after February 7. Simultaneously, 15 entities, 2 individuals, and 14 vessels linked to Iran's "shadow fleet" were sanctioned, targeting shipments of crude, petroleum products, and petrochemicals.
- **Limited impact on Chinese refiners for now:** Chinese refiners are unlikely to see immediate disruption. Around 150–190 million barrels of Iranian crude are currently on the water—enough for 3½–4 months of imports. Russian crude offers a competitive alternative, and many refiners are already pivoting toward it, cushioning any short-term impact.
- **Impact:** Sanctions raise short-term geopolitical risk and could trigger near-term price volatility, especially for Middle East grades. However, ample floating supply and alternative Russian barrels should limit a sustained spike unless Iranian exports are cut for several months.

Ex 2: Prices And Spreads

Unit		This week	Last week	% chg	Quarterly						Yearly		
					4Q24	1Q25	2Q25	3Q25	4Q25	1Q26	2024	2025	2026
Upstream													
Dubai	(US\$/bbl)	66	67	-1.5%	63	76	66	68	63	64	80	71	67
Brent	(US\$/mmbtu)	68	71	-3.7%	63	75	67	68	63	65	80	71	67
Henry hub	(US\$/mmbtu)	3.4	4.4	-21.4%	4.1	3.9	3.5	3.1	4.1	4.0	2.4	3.7	3.3
JKM Spot	(US\$/mmbtu)	11.1	11.5	-3.6%	10.8	14.0	12.4	11.8	10.8	10.6	11.9	13.2	12.1
Dutch TTF	(EUR/MWh)	36	39	-9.1%	30	47	36	33	30	34	35	41	34
NEX coal price	(US\$/tonne)	116	109	6.2%	108	108	100	109	108	109	136	104	105
Crack spreads over Dubai													
Gasoline	(US\$/bbl)	7.5	8.9	-15.7%	15.7	7.7	11.5	10.3	15.7	11.0	13.0	11.3	11.0
Jet fuel	(US\$/bbl)	20.0	21.1	-5.2%	24.6	13.2	14.2	16.1	24.6	21.4	15.7	17.0	21.4
Diesel	(US\$/bbl)	21.8	22.3	-2.2%	24.5	13.2	15.8	18.7	24.5	20.4	15.8	18.0	20.4
HSFO	(US\$/bbl)	(0.9)	(1.4)	-33%	(7.0)	(2.0)	1.7	(5.5)	(7.0)	(5.9)	(5.2)	(3.2)	(5.9)
SG GRM	(US\$/bbl)	6.4	7.6	-16.1%	8.8	4.6	7.0	5.9	8.8	8.1	6.1	6.6	8.1
Aromatics													
PX-naphtha	(US\$/tonne)	297	318	-6.7%	243	188	207	236	243	323	274	188	207
BZ-naphtha	(US\$/tonne)	177	173	2.2%	123	245	173	158	123	151	335	245	173
Olefin													
HDPE-naphtha	(US\$/tonne)	277	288	-3.9%	331	324	374	348	331	310	338	324	374
LDPE-naphtha	(US\$/tonne)	457	458	-0.3%	496	497	587	568	496	475	503	497	587
PP-naphtha	(US\$/tonne)	267	278	-4.0%	307	338	414	373	307	293	326	338	414
Others													
Integrated PET	(US\$/tonne)	154	160	-3.6%	116	116	134	113	116	147	140	119	147
Phenol-BZ	(US\$/tonne)	53	51	4%	118	41	55	56	118	75	6	76	75
BPA -Phenol	(US\$/tonne)	292	292	0%	291	325	337	337	291	298	300	333	298

Sources: TOP, Bloomberg

Ex 3: Valuation

	Rating	Current price	Target price	Upside/ (Downside)	Market cap	Norm EPS	EPS grw	Norm PE		EV/EBITDA		— P/BV —		— Yield —		— ROE —	
		(Bt)	(Bt)	(%)	(US\$ m)	26F	27F	26F	27F	26F	27F	26F	27F	26F	27F	26F	27F
						(%)	(%)	(x)	(x)	(x)	(x)	(x)	(x)	(%)	(%)	(%)	(%)
BANPU	BUY	5.45	6.00	10.1	1,748	619.0	19.1	13.2	11.1	6.4	6.0	0.5	0.5	5.0	5.5	3.7	4.3
BCP	BUY	33.75	37.00	9.6	1,591	25.6	2.6	6.7	6.5	2.9	2.3	0.7	0.6	4.5	4.6	10.5	10.0
IRPC	SELL	1.22	0.77	(36.9)	798	na	na	na	na	9.2	8.0	0.4	0.4	2.5	2.5	na	na
IVL	SELL	21.70	14.00	(35.5)	3,901	na	16.0	25.8	22.3	7.0	6.6	0.9	0.9	3.2	3.2	4.4	4.9
OR	BUY	14.20	15.50	9.2	5,456	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	8.35	7.90	(5.4)	447	11.7	15.3	13.4	11.7	3.6	3.1	1.4	1.3	4.8	4.8	10.8	11.9
PTT	BUY	35.25	40.00	13.5	32,240	6.6	3.5	11.2	10.8	3.9	3.4	0.8	0.8	6.0	6.0	7.7	7.7
PTTEP	BUY	128.50	125.00	(2.7)	16,335	(8.7)	0.1	8.8	8.7	2.6	2.7	0.8	0.8	6.0	6.0	9.9	9.5
PTTGC	SELL	25.50	18.00	(29.4)	3,682	na	72.3	29.4	17.1	9.4	7.9	0.4	0.4	2.0	2.0	1.5	2.6
SCC	SELL	218.00	128.00	(41.3)	8,377	74.3	87.0	30.2	16.2	18.6	14.8	0.7	0.7	3.2	3.2	2.5	4.5
SPRC	BUY	7.15	7.00	(2.1)	993	(24.8)	37.2	10.5	7.6	5.3	4.1	0.7	0.7	4.9	7.7	7.2	9.5
TOP	BUY	48.25	56.00	16.1	3,451	13.4	(2.9)	9.6	9.9	8.0	7.3	0.5	0.5	4.2	4.0	6.3	6.0

Sources: Company data, Thanachart estimates

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