Energy Sector – Neutral

News Update

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On-going Middle East tension

- **US crude oil inventories increased**
- **Petrochemical prices rally as Middle East tensions**
- **Dubai crude surges to all time high**
- **GRM easing**

Despite Donald Trump declaring victory, the conflict with Iran remains active, with continued retaliatory attacks targeting Gulf energy infrastructure and shipping routes. This has kept oil markets highly sensitive to further escalation and potential supply disruptions across the region.

Weekly US data: US crude oil inventories increased

- **Crude Oil:** s: U.S. commercial crude stocks rose by ~3.8mn barrels WoW to 443.1mn barrels, marking the third consecutive weekly build. However, inventories remain ~2% below the five-year seasonal average, suggesting the overall supply cushion is still relatively tight.
- **Product:** In contrast, gasoline stocks fell by 3.7mn barrels and distillates declined by 1.3mn barrels, indicating stronger product demand and tightening refined product balances.

Petrochemical prices rally as Middle East tensions

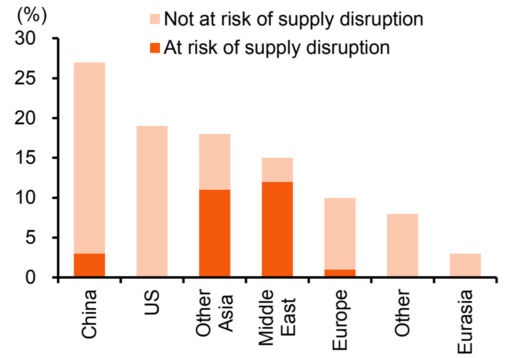
- **Chemical supply disruption due to Hormuz closure:** The escalating Middle East conflict is sending shockwaves through Asia's petrochemical industry, disrupting feedstock supply chains and forcing producers to adjust operations. The Gulf region sits at the heart of the global petrochemical system, with around 37% of global seaborne naphtha exports and about 12% of polyethylene trade passing through the Strait of Hormuz. Shipping disruptions have delayed key feedstock deliveries, prompting several Asian producers to declare force majeure, while Bloomberg estimates ethylene supply disruptions could reach up to 30%, tightening regional chemical balances.
- **Chemical spread rose sharply:** Tightening supply has driven a sharp rally in chemical prices and spreads. HDPE prices have surged to around US$1,400/t, the highest level since 2018, while the HDPE–naphtha spread widened to about US$340/t, compared with US$276/t in February and US$308/t in 4Q25.
- **Impact**: **PTTGC** appears the most resilient in terms of feedstock security. Its feedstock mix comprises about 37% ethane, 40% other gas and only 23% naphtha. Ethane gas feedstock are supplied by PTT's gas separation plants sourcing gas from the Gulf of Thailand. This segment should also benefit from higher petrochemical prices, as gas costs are based on a profit-sharing mechanism with PTT and therefore tend to rise more slowly than product prices. In addition, PTTGC sources most of its naphtha from its own refinery, which has only about 10% crude exposure to the Middle East. **IRPC** also secures naphtha feedstock from its own refinery, but its refinery is more exposed to Middle Eastern crude, which accounts for

US Weekly data (as of 11 Mar 2026)

(m bbls)	Weekly change	Consensus	Last week
Crude Oil	3.824	2.800	3.475
Gasoline	-3.654	-2.600	-1.704
Distillates	-1.349	-0.700	0.429

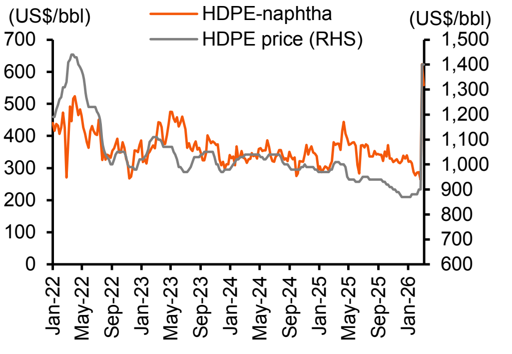
Source: EIA

Ex 1: % Of Global Ethylene Supply At Risk



Source: Bloomberg

Ex 2: HDPE Price Vs. Naphtha-HDPE



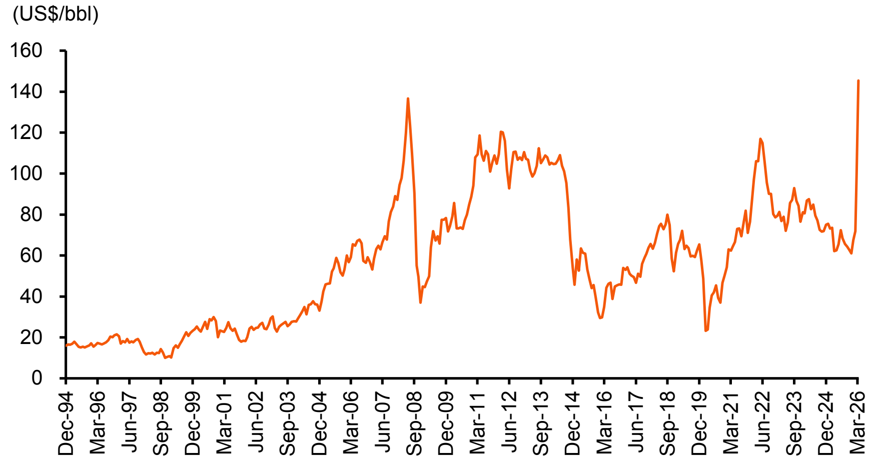
Source: Bloomberg

roughly 70% of supply. **SCC** faces the highest risk, as around 50% of its naphtha feedstock is imported from the Middle East. The company has already declared force majeure at one of its three crackers, while the remaining two units currently have feedstock inventory only until around mid-April.

Dubai crude surge to all time high

- **Dubai crude surge**: Dubai crude has surged to US$145.5/bbl, surpassing the US$124/bbl peak during the 2022 Russia-Ukraine war, and now trades at a US$38/bbl premium to Brent, the widest since 2022. The spike signals severe stress in Asian supply chains, with physical cargo prices diverging sharply from paper benchmarks. Unlike 2022—when Russian barrels were largely redirected to China and India—the current Iran conflict is causing genuine supply disruptions. Several Asian refineries have begun cutting run rates, while China has reportedly restricted fuel exports to secure domestic supply.
- **Crude disruption reached 10m bpd**: The IEA estimates that Gulf producers—including Saudi Arabia, Iraq, Qatar, Kuwait and the UAE—have collectively cut supply by at least 10m bpd, warning the disruption could deepen if regional shipping flows do not resume soon.
- **GRM easing**: Singapore complex GRMs have started to retreat following the sharp crude rally, though margins remain elevated. We estimate that SG GRM fell from US$18.4/bbl (2–6 Mar) to US$8.8/bbl (9–13 Mar). This will also offset with surging crude premiums, with Murban now trading at around US$20.3/bbl over Dubai, versus US$2.1/bbl previously.
- **Implications:** We see PTTEP as the key beneficiary of tighter crude supply and higher oil prices. While stronger petrochemical spreads could support refineries, gains may be offset by higher freight costs, elevated crude premiums, and potential refinery run cuts.

Ex 3: Dubai Price



Source: Bloomberg

Ex 4: Prices And Spreads

	Unit	This week	Last week	% chg	Quarterly 4Q24	1Q25	2Q25	3Q25	4Q25	1Q26	Yearly 2024	2025	2026
Upstream													
Dubai	(US$/bbl)	146	82	76.4%	63	76	66	68	63	71	80	71	67
Brent	(US$/mmbtu)	105	110	-4.4%	63	75	67	68	63	72	80	71	67
Henry hub	(US$/mmbtu)	3.1	3.4	-9.5%	4.1	3.9	3.5	3.1	4.1	3.5	2.4	3.7	3.3
JKM Spot	(US$/mmbtu)	18.2	15.7	15.8%	10.8	14.0	12.4	11.8	10.8	11.7	11.9	13.2	12.1
Dutch TTF	(EUR/MWh)	50	53	-6.1%	30	47	36	33	30	37	35	41	34
NEX coal price	(US$/tonne)	135	134	0.7%	108	108	100	109	108	116	136	104	105
Crack spreads over Dubai													
Gasoline	(US$/bbl)	11.5	16.6	-30.7%	15.7	7.7	11.5	10.3	15.7	11.3	13.0	11.3	11.3
Jet fuel	(US$/bbl)	51.6	79.0	-34.7%	24.6	13.2	14.2	16.1	24.6	35.8	15.7	17.0	35.8
Diesel	(US$/bbl)	51.7	50.1	3.4%	24.5	13.2	15.8	18.7	24.5	31.0	15.8	18.0	31.0
HSFO	(US$/bbl)	(9.5)	0.5	-1859%	(7.0)	(2.0)	1.7	(5.5)	(7.0)	(3.4)	(5.2)	(3.2)	(3.4)
Freight cost	(US$/bbl)	(6.3)	(8.9)	-29%	(2.2)	(1.1)	(1.2)	(1.2)	(2.2)	(2.1)	(1.1)	(1.4)	(2.1)
SG GRM	**(US$/bbl)**	**8.8**	**18.4**	**-52.1%**	**8.8**	**4.6**	**7.0**	**5.9**	**8.8**	**8.2**	**6.1**	**6.6**	**8.2**
Aromatics													
PX-naphtha	(US$/tonne)	214	418	-48.8%	243	188	207	236	243	298	274	188	207
BZ-naphtha	(US$/tonne)	(90)	128	-170.3%	123	245	173	158	123	119	335	245	173
Olefin													
HDPE-naphtha	(US$/tonne)	340	558	-39.1%	331	324	374	348	331	312	338	324	374
LDPE-naphtha	(US$/tonne)	490	708	-30.8%	496	497	587	568	496	479	503	497	587
PP-naphtha	(US$/tonne)	371	589	-37.0%	307	338	414	373	307	308	326	338	414
Others													
Integrated PET	(US$/tonne)	211	219	-3.7%	116	116	134	113	116	165	140	119	165
Phenol-BZ	(US$/tonne)	153	149	3%	118	41	55	56	118	98	6	76	98
BPA -Phenol	(US$/tonne)	410	410	0%	291	325	337	337	291	319	300	333	319

Sources: TOP, Bloomberg

Ex 5: Valuation

	Rating	Current price (Bt)	Target price (Bt)	*Upside/ (Downside) (%)*	Market cap (US$ m)	Norm EPS grw 26F (%)	27F (%)	Norm PE 26F (x)	27F (x)	EV/EBITDA 26F (x)	27F (x)	P/BV 26F (x)	27F (x)	Yield 26F (%)	27F (%)	ROE 26F (%)	27F (%)
BANPU	BUY	5.85	7.20	*23.1*	1,803	na	22.1	11.6	9.5	5.5	5.0	0.5	0.5	5.6	6.3	4.5	5.4
BCP	BUY	36.25	37.00	*2.1*	1,642	(40.3)	2.6	7.2	7.0	3.0	2.4	0.7	0.7	4.2	4.3	10.3	10.0
IRPC	SELL	1.27	0.77	*(39.4)*	798	na	na	na	na	9.3	8.1	0.4	0.4	2.4	2.4	na	na
IVL	SELL	20.10	14.00	*(30.3)*	3,471	na	16.0	23.9	20.6	6.8	6.5	0.9	0.9	3.5	3.5	4.6	4.9
OR	BUY	11.10	15.50	*39.6*	4,097	13.5	6.6	11.7	11.0	4.2	3.8	1.1	1.1	4.7	5.0	9.7	9.9
PTG	HOLD	7.90	7.90	*0.0*	406	1.4	15.3	12.7	11.0	3.5	3.0	1.3	1.3	5.1	5.1	10.5	11.9
PTT	BUY	33.50	40.00	*19.4*	29,433	31.8	3.5	10.6	10.3	3.8	3.3	0.8	0.8	6.3	6.3	7.8	7.7
PTTEP	BUY	145.50	159.00	*9.3*	17,768	3.4	9.0	10.0	9.2	3.2	2.9	1.0	0.9	6.0	6.0	10.4	10.4
PTTGC	SELL	28.75	18.00	*(37.4)*	3,987	na	72.3	33.2	19.3	9.8	8.3	0.5	0.5	1.7	1.7	1.4	2.6
SCC	SELL	175.00	128.00	*(26.9)*	6,460	74.3	87.0	24.3	13.0	16.9	13.4	0.6	0.6	4.0	4.0	2.5	4.5
SPRC	BUY	6.95	7.00	*0.7*	927	(35.6)	37.2	10.2	7.4	5.1	4.0	0.7	0.7	5.0	7.9	7.4	9.5
TOP	BUY	46.25	56.00	*21.1*	3,178	(3.3)	(2.9)	9.2	9.5	7.9	7.2	0.5	0.5	4.3	4.2	6.7	6.0

Sources: Company data, Thanachart estimates

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