

Energy Sector – Neutral

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News Update

US ultimatum escalates tensions

- **US crude oil inventories increased**
- **Iranian threats to target energy facilities**
- **Saudi Aramco cuts oil supply to Asia**
- **Coal extends rally on Middle East disruptions**

Oil prices look set to rise further on Monday, having closed before the weekend at their highest in nearly four years, after U.S. and Iranian threats to target energy facilities, analysts said on Sunday. Zachary Goelman produced this report.

Weekly US data: US crude oil inventories increased

- **Crude Oil:** +6.2 million barrels WoW to 449.3 million barrels, significantly higher than market expectations for a small draw/flat change. This marks the fourth consecutive weekly build, suggesting crude supply has been increasing recently.
- **Product:** However, the impact was partly offset by large draws in gasoline and distillates, suggesting strong end-product demand. Gasoline inventory drop 5.4 million barrels while distillate inventory drops by 2.5 million barrels w-w.

Iranian threats to target energy facilities

- **US ultimatum escalates tensions:** Oil prices rose again after U.S. President Donald Trump issued a 48-hour ultimatum to Iran on Saturday, demanding that the Strait of Hormuz be fully reopened to shipping or face U.S. strikes on the country's energy infrastructure.
- **Iran's retaliation warning:** Iran responded by warning that it would completely shut the strait and target key energy and water infrastructure across the Middle East if Washington carries out the attack. The escalation has heightened fears of supply disruption, as the Strait of Hormuz is a critical chokepoint handling around 20% of global oil shipments.
- **Impact:** We see **PTTEP** as the key beneficiary of tighter crude supply and higher oil prices amid rising geopolitical risks in the Middle East.

Saudi Aramco cuts oil supply to Asia for second month in April

- **Supply adjustments and pricing changes:** Saudi Arabia has asked Asian buyers to prepare April loading plans from both Yanbu Port on the Red Sea and Ras Tanura Terminal, reflecting uncertainty over whether the Strait of Hormuz will remain open. Cargoes routed via Yanbu will receive only partial volumes and are limited to Arab Light crude. Saudi Arabia has exported 4.355 million barrels per day of crude so far in March, data from analytics firm Kpler showed, down from 7.108 million bpd in February. For April loadings, Saudi Aramco raised the official selling price of Arab Light to US\$2.50/bbl above the Oman-Dubai benchmark, the highest premium since the conflict began.

US Weekly data (as of 18 Mar 2026)

(m bbls)	Weekly change	Consensus	Last week
Crude Oil	6.156	-1.500	3.824
Gasoline	-5.436	-1.600	-3.654
Distillates	-2.527	-1.500	-1.349

Source: EIA

- **Supply disruptions are already affecting Asian refiners.** Sinopec has cut processing by 10%, while Japan is preparing to release strategic reserves as around 70% of its crude imports pass through Hormuz. South Korea and India are also facing higher import costs and supply risks.
- **Reliance on alternative export routes:** Saudi crude shipments to Asia are increasingly relying on the East–West Pipeline to Yanbu, which has a capacity of 7m bpd but is running at ~80% utilization. However, the route is also under threat after missiles targeted Yanbu earlier this month, highlighting rising risks to regional energy infrastructure.
- **Impact: TOP, SPRC, and IRPC** are the most exposed among Thai refiners due to their heavy reliance on Middle Eastern crude supply. In 2025, around 91% of TOP's crude imports, 85% for SPRC, and 70% for IRPC came from the Middle East. We would avoid these refiners if the Iran conflict prolongs, as supply disruptions around the Strait of Hormuz could increase crude sourcing risk and potentially force run cuts if feedstock availability tightens

Coal extends rally on Middle East disruptions

- **Coal demand rises amid energy disruptions:** Coal prices surged above US\$140/t, the highest since October 2024, as disruptions to global oil and gas flows from the Middle East conflict pushed power generators in major economies to rely more on coal. Surging natural gas prices are also driving European countries to increase coal-fired generation despite rising renewable output. European gas futures have climbed to three-year highs after Iran launched attacks on Qatar's largest LNG export facility, following an Israeli strike on Iran's South Pars gas field.
- **Impact:** The Newcastle coal price of US\$140/t is equivalent to roughly US\$6.2/MMBtu, which remains significantly cheaper than LNG at around US\$22/MMBtu. We therefore continue to see **BANPU** as a key beneficiary. Our current coal price assumption of US\$125/t suggests a potential upside risk to our forecast given the recent price rally.

Ex 1: Prices And Spreads

Unit	This week	Last week	% chg	Quarterly						Yearly			
				4Q24	1Q25	2Q25	3Q25	4Q25	1Q26	2024	2025	2026	
Upstream													
Dubai (US\$/bbl)	159	146	9.2%	63	76	66	68	63	76	80	71	67	
Brent (US\$/mmbtu)	113	105	7.8%	63	75	67	68	63	76	80	71	67	
Henry hub (US\$/mmbtu)	3.1	3.1	-0.5%	4.1	3.9	3.5	3.1	4.1	3.5	2.4	3.7	3.3	
JKM Spot (US\$/mmbtu)	21.8	18.2	19.7%	10.8	14.0	12.4	11.8	10.8	12.5	11.9	13.2	12.1	
Dutch TTF (EUR/MWh)	59	50	18.2%	30	47	36	33	30	39	35	41	34	
NEX coal price (US\$/tonne)	135	135	0.4%	108	108	100	109	108	118	136	104	105	
Crack spreads over Dubai													
Gasoline (US\$/bbl)	5.1	(0.8)	-712.0%	15.7	7.7	11.5	10.3	15.7	9.7	13.0	11.3	9.7	
Jet fuel (US\$/bbl)	63.7	52.3	21.7%	24.6	13.2	14.2	16.1	24.6	34.3	15.7	17.0	34.3	
Diesel (US\$/bbl)	64.2	47.7	34.6%	24.5	13.2	15.8	18.7	24.5	30.7	15.8	18.0	30.7	
HSFO (US\$/bbl)	(42.2)	(38.8)	9%	(7.0)	(2.0)	1.7	(5.5)	(7.0)	(7.2)	(5.2)	(3.2)	(7.2)	
Freight cost (US\$/bbl)	(10.1)	(9.9)	2%	(2.2)	(1.1)	(1.2)	(1.2)	(2.2)	(5.6)	(1.1)	(1.4)	(5.6)	
SG GRM (US\$/bbl)	(1.2)	(6.9)	-83.1%	8.8	4.6	7.0	5.9	8.8	5.7	6.1	6.6	5.7	
Aromatics													
PX-naphtha (US\$/tonne)	66	200	-67.0%	243	188	207	236	243	279	274	188	207	
BZ-naphtha (US\$/tonne)	(56)	(90)	-37.8%	123	245	173	158	123	106	335	245	173	
Olefin													
HDPE-naphtha (US\$/tonne)	359	340	5.6%	331	324	374	348	331	315	338	324	374	
LDPE-naphtha (US\$/tonne)	484	490	-1.2%	496	497	587	568	496	479	503	497	587	
PP-naphtha (US\$/tonne)	333	371	-10.2%	307	338	414	373	307	309	326	338	414	
Others													
Integrated PET (US\$/tonne)	314	211	49.1%	116	116	134	113	116	176	140	119	176	
Phenol-BZ (US\$/tonne)	220	153	44%	118	41	55	56	118	103	6	76	103	
BPA-Phenol (US\$/tonne)	385	410	-6%	291	325	337	337	291	323	300	333	323	

Sources: TOP, Bloomberg

Ex 2: Valuation

	Rating	Current	Target	Upside/	Market cap	Norm EPS grw		Norm PE		EV/EBITDA		— P/BV —		— Yield —		— ROE —	
		price	price	(Downside)		26F	27F	26F	27F	26F	27F	26F	27F	26F	27F	26F	27F
		(Bt)	(Bt)	(%) (US\$ m)		(%)	(%)	(x)	(x)	(x)	(x)	(x)	(x)	(%)	(%)	(%)	(%)
BANPU	BUY	6.30	7.20	14.3	1,913	na	22.1	12.5	10.2	5.6	5.1	0.6	0.5	5.2	5.9	4.5	5.4
BCP	BUY	37.75	37.00	(2.0)	1,684	(40.3)	2.6	7.5	7.3	3.0	2.4	0.8	0.7	4.0	4.1	10.3	10.0
IRPC	SELL	1.71	0.77	(55.0)	1,059	na	na	na	na	10.3	9.1	0.6	0.6	1.8	1.8	na	na
IVL	SELL	24.40	14.00	(42.6)	4,151	na	16.0	29.0	25.0	7.3	7.0	1.1	1.1	2.9	2.9	4.6	4.9
OR	BUY	11.10	15.50	39.6	4,036	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	7.60	7.90	3.9	385	1.4	15.3	12.2	10.6	3.4	2.9	1.3	1.2	5.3	5.3	10.5	11.9
PTT	BUY	33.50	40.00	19.4	28,993	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	155.00	159.00	2.6	18,645	3.4	9.0	10.7	9.8	3.3	3.1	1.0	1.0	5.6	5.7	10.4	10.4
PTTGC	SELL	33.50	18.00	(46.3)	4,577	na	72.3	38.7	22.4	10.5	8.9	0.6	0.6	1.5	1.5	1.4	2.6
SCC	SELL	182.00	128.00	(29.7)	6,618	74.3	87.0	25.2	13.5	17.2	13.7	0.6	0.6	3.8	3.8	2.5	4.5
SPRC	BUY	7.05	7.00	(0.7)	926	(35.6)	37.2	10.3	7.5	5.2	4.1	0.7	0.7	5.0	7.8	7.4	9.5
TOP	BUY	44.50	56.00	25.8	3,012	(3.3)	(2.9)	8.9	9.1	7.7	7.0	0.5	0.5	4.5	4.4	6.7	6.0

Sources: Company data, Thanachart estimates

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