

## Energy Sector - Neutral

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## News Update

### Raising US-Iran tension

- **Continuing decrease in crude inventory**
- **OPEC+ approve another output hike for July**
- **Thailand eases jet fuel export restrictions**
- **Saudi OSP cut exceeds expectations**

Brent oil prices jumped more than US\$3 a barrel on Monday, initially spooked by Israel's launch of renewed strikes on Lebanon a day earlier, but also gaining further steam after sounds of explosions were heard in Iran.

### Weekly US data: Continue decrease in crude inventory

- **Crude Oil:** Crude inventories fell sharply by 8.0m bbl to 433.7mb, marking the seventh consecutive weekly draw and coming in well above market expectations. The draw was driven by strong exports and high refinery utilization rates.
- **Product:** Gasoline inventories increased by 3.4mb and distillate inventories rose by 1.5mb, reflecting softer end-user demand and higher refinery output.

### OPEC+ approves another modest output hike for July

- The seven core members agreed to raise their collective production target by 188,000 b/d, matching June's increase but slightly below prior months following the UAE's exit from OPEC+.
- **Impact:** The increase is largely symbolic as ongoing disruptions to shipping through the Strait of Hormuz continue to constrain actual production. Three Gulf producers remain significantly below target, with regional output estimated at 8.5mn b/d under quota in May. As a result, overall OPEC+ production remains well below pre-conflict levels, and meaningful supply growth is unlikely until the Strait of Hormuz reopens.

### US Weekly data (as of 3 Jun 2026)

(m bbls)	Weekly change	Consensus	Last week
Crude Oil	-7.974	-2.900	-3.327
Gasoline	3.364	-0.500	-2.572
Distillates	1.502	-0.300	-2.107

Source: EIA

### Ex 1: OPEC+ Crude Production (m b/d)

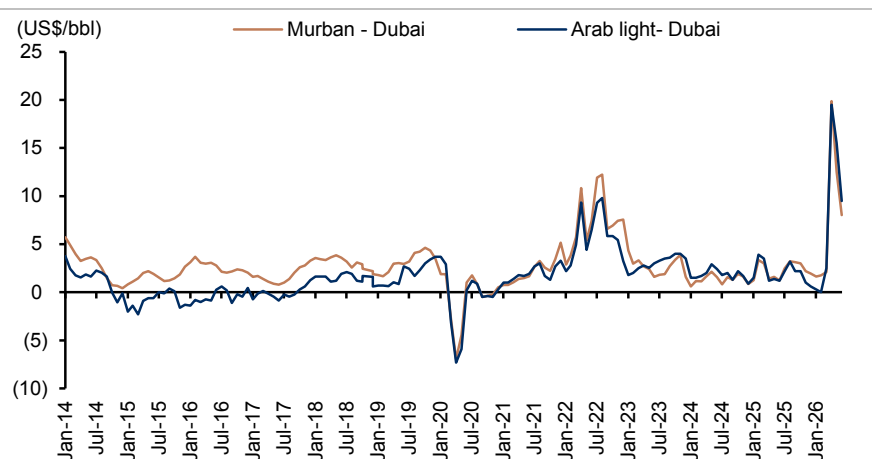
	May	Apr*	Target†	± target
Opec 8	11.7	11.4	20.2	(8.4)
Non-Opec 9	12.7	12.8	13.5	(0.8)
Opec+ 17	24.5	24.1	33.7	(9.2)
<b>Total Opec+</b>	<b>29.5</b>	<b>29.5</b>	<b>na</b>	<b>na</b>

Sources: \*revised †includes extra cuts agreed in Apr 23

### Saudi OSP cut exceeds expectations

- Saudi Aramco, the state-owned oil producer of Saudi Arabia, will reduce the official selling price (OSP) of its Arab Light crude for Asian buyers by US\$6/bbl for July deliveries. As a result, the crude will be priced at a premium of US\$9.50/bbl over the regional benchmark. The price cut is larger than market expectations, as refiners and traders had previously anticipated a reduction of around US\$5/bbl.
- **Impact:** The Saudi OSP cut has limited direct impact on Thai refiners, as many have already reduced Middle East crude intake amid the Strait of Hormuz disruption. However, the move may help cap regional crude differentials and signals Saudi Arabia's effort to maintain market share. For Thai refiners, the more important factor remains tighter regional product supply, which continues to support diesel and jet fuel cracks and, in turn, refining margins.

### Ex 2: Middle East Crude Premium

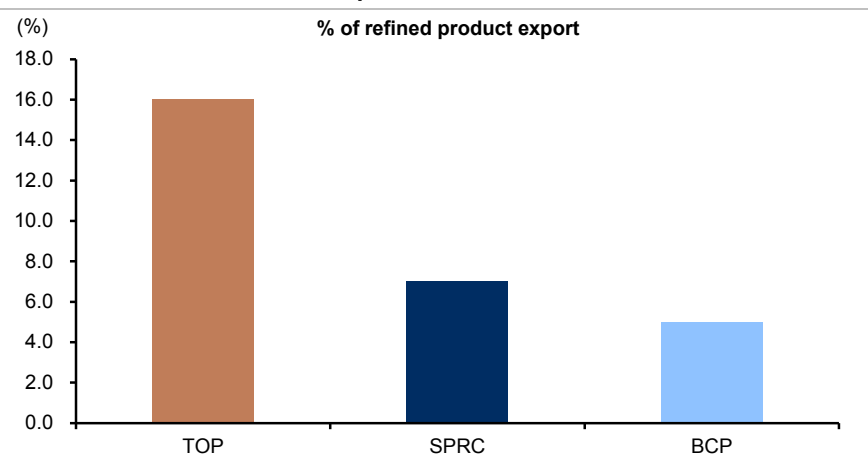


Source: Company data

### Thailand eases jet fuel export restrictions

- The Thai government has eased restrictions on jet fuel exports to key regional markets, including Singapore, Vietnam, and the Philippines. The move is positive for domestic refiners as it should help alleviate near-term storage constraints and reduce the risk of production run cuts.
- The inclusion of Singapore as an export destination, beyond the earlier focus on Vietnam and the Philippines, provides refiners with greater flexibility in managing inventories. That said, a broader relaxation of export restrictions—particularly for diesel—would be required to fully mitigate run-rate risks. Diesel remains a much larger component of refinery output. TOP export around 16% of total product (mainly Jet and diesel), SPRC around 7% while BCP export only 5%.
- **Impact:** We view the development as positive for the refining sector, particularly. Maintain BUY for SPRC, TOP and BCP.

## Ex 3: % Of Refined Product Export



Sources: Company data, Thanachart estimates

## Ex 4: Prices And Spreads

	Unit	This week	Last week	% chg	Quarterly						Yearly		
					1Q25	2Q25	3Q25	4Q25	1Q26	2Q26	2024	2025	2026
<b>Upstream</b>													
Dubai	(US\$/bbl)	88	83	6%	76	66	68	63	78	93	80	71	85
Brent	(US\$/mmbtu)	95	95	0%	75	67	68	63	79	102	80	71	90
Henry hub	(US\$/mmbtu)	3.2	3.2	0%	3.9	3.5	3.1	4.1	3.5	2.9	2.4	3.7	3.2
JKM Spot	(US\$/mmbtu)	18.7	18.7	0%	14.0	12.4	11.8	10.8	13.2	17.7	11.9	13.2	15.4
Dutch TTF	(EUR/MWh)	50	49	1%	47	36	33	30	40	46	35	41	43
NEX coal price	(US\$/tonne)	149	140	6%	108	100	109	108	119	135	136	104	127
<b>Crack spreads over Dubai</b>													
Gasoline	(US\$/bbl)	23.4	21.0	12%	7.7	11.5	10.3	15.7	9.6	26.6	13.0	11.3	18.1
Jet fuel	(US\$/bbl)	49.8	33.6	48%	13.2	14.2	16.1	24.6	36.3	64.4	15.7	17.0	50.3
Diesel	(US\$/bbl)	53.7	41.8	29%	13.2	15.8	18.7	24.5	35.4	65.4	15.8	18.0	50.4
HSFO	(US\$/bbl)	6.0	(0.1)	-4700%	(2.0)	1.7	(5.5)	(7.0)	(2.6)	3.5	(5.2)	(3.2)	0.5
Freight cost	(US\$/bbl)	(8.4)	(8.7)	-3%	(1.6)	(1.6)	(1.7)	(2.8)	(5.4)	(8.7)	(1.1)	(1.9)	(7.1)
<b>SG GRM</b>	<b>(US\$/bbl)</b>	<b>17.5</b>	<b>10.5</b>	<b>66%</b>	<b>7.2</b>	<b>7.0</b>	<b>5.9</b>	<b>8.8</b>	<b>8.3</b>	<b>23.2</b>	<b>6.1</b>	<b>6.1</b>	<b>15.7</b>
<b>Aromatics</b>													
PX-naphtha	(US\$/tonne)	336	336	0%	188	207	236	243	262	230	274	188	246
BZ-naphtha	(US\$/tonne)	256	256	0%	245	173	158	123	93	130	335	245	112
<b>Olefin</b>													
HDPE-naphtha	(US\$/tonne)	696	696	0%	324	374	348	331	322	544	338	324	433
LDPE-naphtha	(US\$/tonne)	876	876	0%	497	587	568	496	484	753	503	497	618
PP-naphtha	(US\$/tonne)	586	586	0%	338	414	373	307	313	458	326	338	386
<b>Others</b>													
Integrated PET	(US\$/tonne)	273	322	-15%	116	134	113	116	177	287	140	119	232
Phenol-BZ	(US\$/tonne)	57	81	-30%	41	55	56	118	103	80	6	76	91
BPA -Phenol	(US\$/tonne)	420	410	2%	325	337	337	291	323	445	300	333	384

Sources: TOP, Bloomberg

## Ex 5: 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	5.45	7.20	32.1	1,663	na	22.1	10.8	8.9	5.4	4.9	0.5	0.5	6.0	6.8	4.5	5.4
BCP	BUY	34.50	41.00	18.8	1,547	(11.9)	(24.0)	4.6	6.1	3.0	3.2	0.6	0.6	7.8	4.1	14.1	9.6
IRPC	SELL	1.85	1.45	(21.6)	1,151	na	(66.4)	10.5	31.4	4.4	5.1	0.5	0.5	1.6	1.6	5.2	1.7
IVL	SELL	22.90	21.00	(8.3)	3,915	na	(22.5)	17.5	22.5	6.9	6.6	1.0	0.9	3.1	3.7	6.7	4.9
OR	BUY	12.30	13.50	9.8	4,494	(14.6)	31.4	17.2	13.1	6.2	5.0	1.3	1.2	3.2	4.2	7.4	9.4
PTG	BUY	7.15	10.50	46.9	364	(27.4)	63.4	16.1	9.8	3.9	3.0	1.2	1.1	5.6	5.6	7.4	11.7
PTT	BUY	36.50	43.00	17.8	31,744	49.6	(9.7)	10.2	11.3	3.9	3.8	0.9	0.9	6.8	6.3	8.8	7.7
PTTEP	HOLD	147.00	159.00	8.2	17,770	8.1	5.3	9.7	9.2	3.0	2.9	1.0	0.9	6.1	6.0	10.8	10.4
PTTGC	SELL	34.25	31.00	(9.5)	4,702	na	(47.2)	17.0	32.2	6.6	7.2	0.5	0.5	1.5	1.5	3.3	2.4
SCC	SELL	234.00	192.00	(17.9)	8,550	157.9	33.3	21.9	16.5	15.0	10.1	0.8	0.8	2.6	3.0	3.7	4.9
SPRC	BUY	7.40	8.50	14.9	977	37.4	(30.4)	5.1	7.3	3.1	3.6	0.8	0.7	12.2	7.4	15.7	10.2
TOP	BUY	46.00	60.00	30.4	3,129	26.3	(18.2)	7.0	8.6	5.2	5.9	0.5	0.5	6.1	4.7	7.8	6.3

Sources: Company data, ttb wealth estimates

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