

## Energy Sector - Neutral

Yupapan Polpornprasert | Email: yupapan.pol@ttbwealth.co.th

## News Update

### Oil supply normalizing

- **US crude inventories decline over 40-year low**
- **Oil market to return to surplus by year-end – IEA**
- **Kuwait eyes 2mbpd oil output within a week**
- **Middle East Crude premium flipped into discount**

Brent crude ticked higher on Friday, but stayed set for a weekly fall of around 8%, after Israel and Hezbollah agreed on a ceasefire in Lebanon but Iran set conditions for using the vital Strait of Hormuz.

### Weekly US data: US crude inventories decline over 40-year low

- **Crude Oil:** U.S. crude oil inventories fell for a 10th straight week last week as demand surged, pushing total stockpiles to their lowest level in over 40 years as the Iran war continues to upend global energy markets.
- **Product:** U.S. gasoline stocks, opens new tab fell by 906,000 barrels in the week to 214.2 million barrels, the EIA said, compared with analysts' expectations in a Reuters poll for a 1 million-barrel draw. Distillate stockpiles (USOILD=ECL), opens new tab, which include diesel and heating oil, rose by 1 million barrels in the week to 103.1 million barrels, versus expectations for a 470,000-barrel drop, the EIA data showed

### Oil market to return to surplus by year-end – IEA

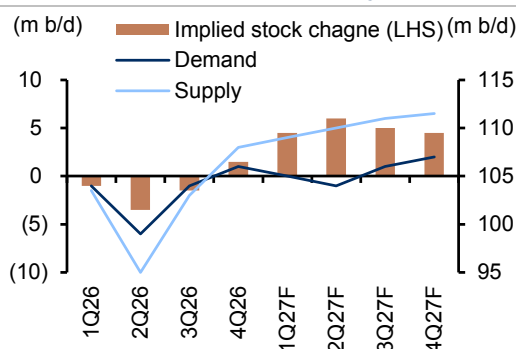
- **Oil demand hit by war-induced demand destruction:** The IEA expects global oil demand to average 103.3mbpd in 2026, down 1.1mbpd YoY, as elevated prices and supply disruptions triggered the first quarterly demand contraction since the pandemic, particularly in Asia and the Middle East.
- **Middle East supply recovery could drive a large surplus:** With the reopening of the Strait of Hormuz and improving geopolitical conditions, global oil supply is projected to surge to 110mbpd by 2027 (+8mbpd), led by returning Gulf production and continued growth from the Americas. Shipments through the Strait of Hormuz fell from around 20 mbpd prewar to lows of 9.6 mbpd in May, but have already rebounded to around 12 mbpd to a rise in ship-to-ship transfers in the Gulf of Oman, the IEA estimates. US oil production hit a record high of 22 mbpd in May, and is set to grow by another 300,000 bpd in 2027.
- **Oil market may swing back into surplus by 4Q26:** The market may have seen the worst of the deficit in the second quarter and potentially into surplus as early as 4Q26, with the IEA forecasting a sizeable ~5mbpd surplus in 2027, allowing inventories and strategic reserves to be replenished.
- **Impact:** The IEA's projection of a potential 5mbpd surplus in 2027 suggests meaningful downside risks to crude prices. Under this scenario, Brent could soften toward US\$60–65/bbl. This compares with our 2027–28F Brent forecast of US\$75/bbl.

### US Weekly data (as of 17 Jun 2026)

(m bbls)	Weekly change	Consensus	Last week
Crude Oil	-8.263	-3.600	-7.227
Gasoline	-0.906	-1.000	0.186
Distillates	0.951	-0.500	-0.200

Source: EIA

### Ex 1: Oil Market Demand/supply



Source: IEA

### Kuwait eyes 2mbpd oil output within a week

- **Kuwait preparing for rapid output recovery:** Kuwait expects crude production to rebound to 2.0mbpd within a week, from just 0.57mbpd in May, following the reopening of the Strait of Hormuz. A full return to pre-war output levels may take up to 12 weeks. Even before the U.S.-Iran deal, Kuwait already began offering its crude to Asian buyers for the first time since the Iran war choked off transit through the critical chokepoint. This estimate was given by Sheikh Nawaf Saud Al-Sabah, deputy chairman and CEO of Kuwait Petroleum Corporation (KPC), to Kuwait News Agency, before the collapse of the talks between the U.S. and Iran on Friday.
- **Hormuz dependence exposed:** Kuwait was among the hardest-hit producers during the disruption because it lacks alternative export routes, unlike Saudi Arabia and the UAE, forcing it to cut production sharply below 600kbd.
- **Impact:** Kuwait's rapid production recovery and renewed crude marketing to Asia should add to regional supply availability and reinforce expectations of a gradual normalization in Middle Eastern exports, potentially weighing on crude prices.

### Middle East Crude premium flipped into discount

- **Middle East crude differentials weakened sharply:** Spot cargoes of key Gulf grades such as Murban, Dubai and Oman moved from premiums to discounts against benchmark prices as traders anticipated additional supply returning to the market. Benchmark Dubai's premium to swaps slipped into a discount of 46 cents on Tuesday, the first contango structure since January. Similarly, spot Oman, Murban differentials flipped into discounts of 67 and 49 cents, respectively on Tuesday. Spot premiums for Dubai and Oman hit record highs of more than \$60 per barrel while Murban's peak was more than \$50 in March after the conflict disrupted supplies.
- **Weak crude premium outlook:** With China's refiners still cutting runs and more Iranian oil expected to return, Middle East crude prices weakened, making exports to Europe and the U.S. more attractive.
- **Impact:** Lower Middle East crude premiums should reduce feedstock costs for refiners, partly cushioning the impact of softer product cracks. Nevertheless, we remain positive on refiners (SPRC, TOP, and BCP). While additional supply may gradually normalize margins, the refining environment remains supportive, with margins still above mid-cycle levels and underpinned by tight product inventories and limited capacity additions.

## Ex 2: 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)	75	76	-1%	76	66	68	63	78	90	80	71	84	
Brent (US\$/mmbtu)	81	83	-2%	75	67	68	63	79	99	80	71	89	
Henry hub (US\$/mmbtu)	3.3	3.1	6%	3.9	3.5	3.1	4.1	3.5	2.9	2.4	3.7	3.2	
JKM Spot (US\$/mmbtu)	15.9	18.9	-16%	14.0	12.4	11.8	10.8	13.2	17.6	11.9	13.2	15.4	
Dutch TTF (EUR/MWh)	43	43	1%	47	36	33	30	40	46	35	41	43	
NEX coal price (US\$/tonne)	144	149	-3%	108	100	109	108	119	137	136	104	128	
<b>Crack spreads over Dubai</b>													
Gasoline (US\$/bbl)	32.0	23.4	37%	7.7	11.5	10.3	15.7	9.6	28.4	13.0	11.3	19.0	
Jet fuel (US\$/bbl)	40.3	49.8	-19%	13.2	14.2	16.1	24.6	36.3	63.3	15.7	17.0	49.8	
Diesel (US\$/bbl)	41.3	53.7	-23%	13.2	15.8	18.7	24.5	35.4	54.9	15.8	18.0	45.2	
HSFO (US\$/bbl)	0.9	6.0	-84%	(2.0)	1.7	(5.5)	(7.0)	(2.6)	2.8	(5.2)	(3.2)	0.1	
Freight cost (US\$/bbl)	(9.4)	(8.4)	12%	(1.6)	(1.6)	(1.7)	(2.8)	(5.4)	(8.9)	(1.1)	(1.9)	(7.2)	
<b>SG GRM (US\$/bbl)</b>	<b>14.9</b>	<b>17.9</b>	<b>-17%</b>	<b>7.2</b>	<b>7.0</b>	<b>5.9</b>	<b>8.8</b>	<b>8.3</b>	<b>21.5</b>	<b>6.1</b>	<b>6.1</b>	<b>14.9</b>	
<b>Aromatics</b>													
PX-naphtha (US\$/tonne)	433	438	-1%	188	207	236	243	262	264	274	188	263	
BZ-naphtha (US\$/tonne)	273	278	-2%	245	173	158	123	93	154	335	245	124	
<b>Olefin</b>													
HDPE-naphtha (US\$/tonne)	498	503	-1%	324	374	348	331	322	528	338	324	425	
LDPE-naphtha (US\$/tonne)	733	738	-1%	497	587	568	496	484	747	503	497	616	
PP-naphtha (US\$/tonne)	458	463	-1%	338	414	373	307	313	725	326	338	519	
<b>Others</b>													
Integrated PET (US\$/tonne)	241	241	0%	116	134	113	116	177	276	140	119	226	
Phenol-BZ (US\$/tonne)	106	106	0%	41	55	56	118	103	84	6	76	93	
BPA -Phenol (US\$/tonne)	455	455	0%	325	337	337	291	323	446	300	333	385	

Sources: TOP, Bloomberg

## Ex 3: 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	5.35	7.20	34.6	1,628	na	22.1	10.6	8.7	5.4	4.9	0.5	0.5	6.1	6.9	4.5	5.4
BCP	BUY	32.75	41.00	25.2	1,465	(11.9)	(24.0)	4.4	5.8	2.9	3.1	0.6	0.5	8.2	4.3	14.1	9.6
IRPC	SELL	1.70	1.45	(14.7)	1,055	na	(66.4)	9.7	28.9	4.2	4.8	0.5	0.5	1.8	1.8	5.2	1.7
IVL	SELL	22.00	21.00	(4.5)	3,752	na	(22.5)	16.8	21.7	6.8	6.5	1.0	0.9	3.2	3.8	6.7	4.9
OR	BUY	12.20	13.50	10.7	4,447	(14.6)	31.4	17.1	13.0	6.1	4.9	1.3	1.2	3.2	4.2	7.4	9.4
PTG	BUY	7.30	10.50	43.8	370	(27.4)	63.4	16.4	10.0	3.9	3.1	1.2	1.1	5.5	5.5	7.4	11.7
PTT	BUY	35.75	43.00	20.3	31,017	49.6	(9.7)	10.0	11.1	3.8	3.7	0.9	0.8	7.0	6.4	8.8	7.7
PTTEP	HOLD	133.50	159.00	19.1	16,098	8.1	5.3	8.8	8.3	2.8	2.7	0.9	0.9	6.7	6.6	10.8	10.4
PTTGC	SELL	33.00	31.00	(6.1)	4,520	na	(47.2)	16.4	31.0	6.4	7.0	0.5	0.5	1.5	1.5	3.3	2.4
SCC	SELL	248.00	192.00	(22.6)	9,040	157.9	33.3	23.3	17.5	15.4	10.4	0.9	0.8	2.4	2.8	3.7	4.9
SPRC	BUY	7.05	8.50	20.6	929	37.4	(30.4)	4.8	7.0	2.9	3.4	0.7	0.7	12.8	7.8	15.7	10.2
TOP	BUY	45.00	60.00	33.3	3,053	26.3	(18.2)	6.9	8.4	5.2	5.9	0.5	0.5	6.2	4.8	7.8	6.3

Sources: Company data, ttb wealth estimates

**General Disclaimers And Disclosures:**

This report is prepared and issued by ttb wealth securities public company limited (ttb wealth) which is owned 99.97% by TMBThanachart Bank Public Company Limited (TTB) as a resource only for clients of ttb wealth, TMBThanachart Bank Public Company Limited (TTB) and its group companies. Copyright © ttb wealth securities public company limited. All rights reserved. The report may not be reproduced in whole or in part or delivered to other persons without our written consent.

This report is prepared by analysts who are employed by the research department of ttb wealth. While the information is from sources believed to be reliable, neither the information nor the forecasts shall be taken as a representation or warranty for which ttb wealth or TTB or its group companies or any of their employees incur any responsibility. This report is provided to you for informational purposes only and it is not, and is not to be construed as, an offer or an invitation to make an offer to sell or buy any securities. Neither ttb wealth, TTB nor its group companies accept any liability whatsoever for any direct or consequential loss arising from any use of this report or its contents.

The information and opinions contained herein have been compiled or arrived at from sources believed reliable. However, ttb wealth, TTB and its group companies make no representation or warranty, express or implied, as to their accuracy or completeness. Expressions of opinion herein are subject to change without notice. The use of any information, forecasts and opinions contained in this report shall be at the sole discretion and risk of the user.

ttbwealth, TTB and its group companies perform and seek to perform business with companies covered in this report. ttb wealth, TTB, its group companies, their employees and directors may have positions and financial interest in securities mentioned in this report. ttb wealth, TTB or its group companies may from time to time perform investment banking or other services for, or solicit investment banking or other business from, any entity mentioned in this report. Therefore, investors should be aware of conflict of interest that may affect the objectivity of this report.

Note: ttb wealth securities public company limited (ttb wealth) acts as an underwriter of “Debentures of MUANGTHAI CAPITAL PUBLIC COMPANY LIMITED No. 3/2026 (B.E. 2569), therefore investors need to be aware that there could be conflicts of interest in this research.

Note: ttb wealth securities public company limited (ttb wealth) acts as an underwriter of “Debentures of IRPC PUBLIC COMPANY LIMITED No. 1/2026 (B.E. 2569), therefore investors need to be aware that there could be conflicts of interest in this research.

**Disclosure of Interest of ttb wealth securities public company limited**

**Investment Banking Relationship**

Within the preceding 12 months, ttbwealth has lead-managed public offerings and/or secondary offerings (excluding straight bonds) of the securities of the following companies: -