Energy Sector - Neutral

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News Update

Oil price back to pre-way level

- **U.S. crude inventories post another major draw**
- **Oil markets start to signal near-term oversupply**
- **The oil contango signal**
- **China to raise refined fuel export allowance in July**

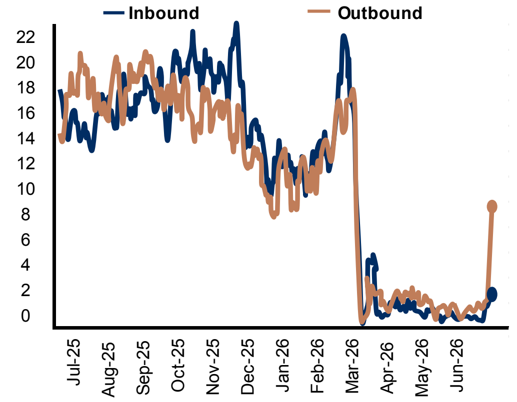
US Weekly data (as of 24 Jun 2026)

(m bbls)	Weekly change	Consensus	Last week
Crude Oil	-6.088	-3.900	-8.263
Gasoline	2.064	-0.600	-0.906
Distillates	3.064	-0.500	0.951

Source: EIA

Ex 1: Oil-tanker transits through Hormuz

7-day average of tankers above 10,000 deadweight tonnage



Source: LSEG

Following a 60-day interim deal between the U.S. and Iran, Brent crude prices have plummeted back to pre-war levels of around US$73 a barrel. This ends a 100-day paralysis of the Strait of Hormuz, which traditionally handles roughly 20% of global oil and gas supply.

Weekly US data: U.S. crude inventories post another major draw

- **Crude Oil:** Crude oil inventories in the United States decreased by 6.1 million barrels during the week ending June 19, according to new data from the U.S. Energy Information Administration (EIA) released on Wednesday. The decrease brings commercial stockpiles to 412.1 million barrels, according to government data, which is now 7% below the five-year average for this time of year.
- **Product:** For total motor gasoline, the EIA reported that inventories had increased by 2.1 million barrels, compared to the week prior's 900,000 barrel dip. The most recent figures showed that average daily gasoline production decreased to 9.5 million barrels. For middle distillates, inventories increased by 3.1 million barrels with production increasing to an average of 5.2 million barrels daily. Distillate inventories are now 10% below the five-year average.

Oil markets start to signal near-term oversupply

- **From supply shock to "Mini Glut"**: The market is shifting from a historic shortage to a sudden oversupply. Dozens of tankers trapped inside the Gulf are rushing out at once, briefly pushing flows past pre-war levels of 20 million barrels per day (bpd). This surge is running headlong into weak near-term demand, as Asian and European refineries have already secured their July and August supplies. With nowhere to go, these extra barrels are forcing many tankers to sit at sea as "floating storage."
- **Production rebounds & sanctions relief**: According to consultancy Rystad Energy, shut-in production across the Gulf fell sharply to 9.6 million bpd by mid-June (down from 11.7 million bpd just three weeks prior), putting the region on track to hit pre-war output by December. Iran's crude oil output is seen rising substantially as well, from 2.4 million barrels daily right now to 3.1 million barrels daily by August and 3.3 million barrels daily by the end of the year if the United States extends the sanction waiver currently in force until August.
- **The contango signal**: For the first time since the war began on February 28, the oil market has flipped into contango (a structure where near-term oil trades cheaper than future oil). This is a definitive financial signal that traders are actively pricing in a short-term oversupply.

- **Impact:** While inventory replenishment could trigger a brief oil price rebound, any upside is capped. A sustained rally is unlikely as the broader market remains structurally on track to enter a heavy supply surplus by 4Q26.

China to raise refined fuel export allowance in July

- **Lifting caps on diesel and jet fuel:** Beijing has raised its July refined fuel export allowance to 800,000 metric tons, up from roughly 600,000 tons in June. Crucially, the government has also completely lifted destination restrictions. Most of this new volume is allocated for diesel and jet fuel to capitalize on healthy export margins (averaging around 900–1,000 yuan per ton). These emergency curbs operate on top of China's standard annual export quota, which was held flat at 18 million tons.
- **Still low level**: Even with the increase, the planned volume for July would be less than 40% of last year's monthly average for exports outside of Hong Kong. The decision comes after crude shipments to the world's top importer plummeted in May as Chinese refiners, mired in losses from weak domestic sales, drew on crude reserves and cut output.
- **Impact:** By unlocking these supplies and lifting regional destination bans, China is accelerating the cooling-off of Asian product cracks, though because these export volumes remain below historical averages, regional balances will remain relatively tight, preventing a total collapse in fuel margins. Consequently, we maintain our **Positive** outlook on Thai refiners (**SPRC, TOP, and BCP**).

Ex 2: Prices And Spreads

	Unit	This	Last	%	Quarterly						Yearly		
		week	week	chg	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26	2024	2025	2026
Upstream													
Dubai	(US$/bbl)	68	75	-9%	76	66	68	63	78	89	80	71	83
Brent	(US$/mmbtu)	73	81	-11%	75	67	68	63	79	97	80	71	88
Henry hub	(US$/mmbtu)	3.3	3.3	1%	3.9	3.5	3.1	4.1	3.5	2.9	2.4	3.7	3.2
JKM Spot	(US$/mmbtu)	15.7	15.9	-2%	14.0	12.4	11.8	10.8	13.2	17.4	11.9	13.2	15.3
Dutch TTF	(EUR/MWh)	42	43	-4%	47	36	33	30	40	46	35	41	43
NEX coal price	(US$/tonne)	143	144	0%	108	100	109	108	119	137	136	104	128
Crack spreads over Dubai													
Gasoline	(US$/bbl)	33.9	32.0	6%	7.7	11.5	10.3	15.7	9.6	28.4	13.0	11.3	19.0
Jet fuel	(US$/bbl)	43.3	40.3	7%	13.2	14.2	16.1	24.6	36.3	63.3	15.7	17.0	49.8
Diesel	(US$/bbl)	44.4	41.3	7%	13.2	15.8	18.7	24.5	35.4	54.9	15.8	18.0	45.2
HSFO	(US$/bbl)	1.6	0.9	73%	(2.0)	1.7	(5.5)	(7.0)	(2.6)	2.8	(5.2)	(3.2)	0.1
Freight cost	(US$/bbl)	(9.4)	(9.4)	0%	(1.6)	(1.6)	(1.7)	(2.8)	(5.4)	(8.9)	(1.1)	(1.9)	(7.2)
SG GRM	**(US$/bbl)**	**16.8**	**14.9**	**13%**	**7.2**	**7.0**	**5.9**	**8.8**	**8.3**	**21.6**	**6.1**	**6.1**	**14.9**
Aromatics													
PX-naphtha	(US$/tonne)	396	433	-9%	188	207	236	243	262	274	274	188	268
BZ-naphtha	(US$/tonne)	251	273	-8%	245	173	158	123	93	162	335	245	127
Olefin													
HDPE-naphtha	(US$/tonne)	471	498	-5%	324	374	348	331	322	528	338	324	425
LDPE-naphtha	(US$/tonne)	656	733	-11%	497	587	568	496	484	747	503	497	616
PP-naphtha	(US$/tonne)	480	458	5%	338	414	373	307	313	725	326	338	519
Others													
Integrated PET	(US$/tonne)	253	241	5%	116	134	113	116	177	277	140	119	227
Phenol-BZ	(US$/tonne)	185	106	75%	41	55	56	118	103	94	6	76	99
BPA -Phenol	(US$/tonne)	415	455	-9%	325	337	337	291	323	444	300	333	384

Sources: TOP, Bloomberg

Ex 3: 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	5.40	7.20	*33.3*	1,625	na	22.1	10.7	8.8	5.4	4.9	0.5	0.5	6.1	6.8	4.5	5.4
BCP	BUY	33.00	41.00	*24.2*	1,460	(11.9)	(24.0)	4.4	5.8	3.0	3.1	0.6	0.5	8.1	4.3	14.1	9.6
IRPC	SELL	1.85	1.45	*(21.6)*	1,136	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	21.80	21.00	*(3.7)*	3,677	na	(22.5)	16.6	21.5	6.8	6.5	1.0	0.8	3.2	3.9	6.7	4.9
OR	BUY	12.30	13.50	*9.8*	4,435	(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	7.35	10.50	*42.9*	369	(27.4)	63.4	16.5	10.1	4.0	3.1	1.2	1.1	5.4	5.4	7.4	11.7
PTT	BUY	35.25	43.00	*22.0*	30,250	49.6	(9.7)	9.8	10.9	3.8	3.7	0.8	0.8	7.1	6.5	8.8	7.7
PTTEP	HOLD	132.00	159.00	*20.5*	15,744	8.1	5.3	8.7	8.2	2.8	2.7	0.9	0.8	6.8	6.7	10.8	10.4
PTTGC	SELL	33.75	31.00	*(8.1)*	4,572	na	(47.2)	16.7	31.7	6.5	7.1	0.5	0.5	1.5	1.5	3.3	2.4
SCC	SELL	246.00	192.00	*(22.0)*	8,869	157.9	33.3	23.1	17.3	15.4	10.4	0.9	0.8	2.4	2.8	3.7	4.9
SPRC	BUY	7.60	8.50	*11.8*	990	37.6	(30.2)	5.2	7.5	3.1	3.6	0.8	0.7	9.9	7.2	15.6	10.1
TOP	BUY	48.00	60.00	*25.0*	3,221	26.3	(18.2)	7.3	8.9	5.4	6.1	0.5	0.5	5.8	4.5	7.8	6.3

Sources: Company data, ttb wealth estimates

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