Energy Sector - Neutral

News Update

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

Supply tightness continues

- **Large US crude draw**
- **Satellite confirms Abqaiq core hit**
- **Exxon, Chevron warn of prolonged fuel market tightness**
- **Oil volatility stalls polymer buying despite firm offers**

Oil prices closed more than US$1 per barrel higher on Friday, ending July with their biggest monthly gains since March, as concerns over global crude flows mounted on Iranian reports that some tankers were forced to turn back in the Strait of Hormuz.

Weekly US data: Large US crude draw

- **Crude Oil:** U.S. commercial crude inventories fell 7.2mb, well above market expectations, driven by stronger exports, lower imports, and refinery runs rising to 97.2%, indicating a tight crude balance.
- **Product:** Distillate inventories increased 1.1mb but remain well below the five-year average, while gasoline stocks were essentially flat. Refiners are already operating near full capacity, leaving limited room to boost diesel production further

Satellite confirms Abqaiq core hit

- **Core processing units hit**: Satellite imagery indicates strikes hit Abqaiq's central crude-processing area rather than only storage facilities, suggesting key processing infrastructure may have been affected.
- **Saudi supply resilience weakened:** Abqaiq processes around 5–7 mbpd of crude (roughly 5–7% of global oil supply). Together with earlier disruptions to the East-West Pipeline and Jizan refinery, the attacks reduce Saudi Arabia's operational flexibility.
- **Impact**: Saudi Arabia can likely sustain near-term exports using inventories. However, if critical processing equipment requires replacement, repairs could take weeks to months, increasing upside risk to oil prices if inventories begin to decline.

Exxon, Chevron warns of prolonged fuel market tightness

- **Oil majors expect diesel market to stay tight**: ExxonMobil and Chevron warned that global diesel and refined product markets are likely to remain tight through 2H26 as the Iran conflict continues to disrupt energy supply chains. Chevron CEO Mike Wirth expects upward pressure on fuel prices to persist into 3Q26 and potentially beyond, supported by resilient demand for distillates such as diesel and heating oil.
- **Refineries operating near capacity**: Exxon reported record 2Q26 diesel production, while Chevron achieved record refinery throughput of more than 1mbd in the U.S. However, both companies cautioned that current utilization rates are unsustainably high, suggesting limited spare refining capacity to offset supply disruptions.

US Weekly data (as of 24 July 2026)

(m bbls)	Weekly change	Consensus	Last week
Crude Oil	-7.167	0.700	2.010
Gasoline	0.007	0.700	0.765
Distillates	1.062	0.200	1.395

Source: EIA

Ex 1: Saudi Energy Infrastructure Map

Saudi Arabia's East-West Pipeline built for supply redundancy

Source: ENR logo

- **Impact:** The comments reinforce our constructive view on the refining sector. With global refining capacity stretched and Middle East disruptions persisting, diesel cracks and refining margins are likely to remain supported, benefiting Asian refiners such as SPRC TOP and BCP.

Oil volatility stalls polymer buying despite firm offers

- **Oil volatility dampens buying, not pricing:** Volatile crude prices have hurt buyer confidence across Southeast Asia's PP and PE markets, leading to hand-to-mouth purchases and slower trading. Sellers largely maintained firm offers, supported by higher feedstock costs, while buyers remained cautious amid weak downstream demand and comfortable inventories.
- **Cost support, not supply disruption:** Unlike the March–April rally, which was driven by actual supply disruptions to Middle East petrochemical production, the current strength reflects mainly geopolitical risk premiums in crude. With regional production and exports largely unaffected, buyers see little fundamental justification for a sustained polymer price rally.
- **HDPE–naphtha spread remains weak:** The HDPE–Naphtha spread dropped sharply to US$187/t in latest week from peak of US$557 in April. This suggests recent polymer price gains have largely been offset by higher feedstock costs rather than stronger market fundamentals.
- **Impact:** Maintain SELL on the petrochemical sector. Higher oil prices may support polymer prices temporarily, but weak demand and oversupply should continue to cap margins.

Ex 2: Prices And Spreads

	Unit	This week	Last week	% chg	Quarterly 2Q25	3Q25	4Q25	1Q26	2Q26	3Q26	Yearly 2024	2025	2026
Upstream													
Dubai	(US$/bbl)	79	85	-7%	66	68	63	78	88	77	80	71	83
Brent	(US$/mmbtu)	90	100	-10%	67	68	63	79	97	85	80	71	91
Henry hub	(US$/mmbtu)	2.7	2.9	-5%	3.5	3.1	4.1	3.5	2.9	2.9	2.4	3.7	2.9
JKM Spot	(US$/mmbtu)	21.5	22.1	-3%	12.4	11.8	10.8	13.2	17.4	19.2	11.9	13.2	18.3
Dutch TTF	(EUR/MWh)	59	62	-4%	36	33	30	40	46	54	35	41	50
NEX coal price	(US$/tonne)	130	131	0%	100	109	108	119	137	130	136	104	134
Crack spreads over Dubai													
Gasoline	(US$/bbl)	34.0	31.1	9%	11.5	10.3	15.7	9.6	28.4	31.8	13.0	11.3	30.1
Jet fuel	(US$/bbl)	67.4	63.6	6%	14.2	16.1	24.6	36.3	62.9	60.3	15.7	17.0	61.6
Diesel	(US$/bbl)	72.2	70.4	2%	15.8	18.7	24.5	35.4	63.0	62.3	15.8	18.0	62.7
HSFO	(US$/bbl)	3.1	(2.8)	-210%	1.7	(5.5)	(7.0)	(2.6)	2.5	2.5	(5.2)	(3.2)	2.5
Freight cost	(US$/bbl)	(9.2)	(9.3)	-1%	(1.6)	(1.7)	(2.8)	(5.4)	(8.9)	(8.4)	(1.1)	(1.9)	(8.7)
SG GRM	**(US$/bbl)**	**26.5**	**24.0**	**10%**	**7.0**	**5.9**	**8.8**	**8.3**	**22.7**	**23.7**	**6.1**	**6.1**	**23.2**
Aromatics													
PX-naphtha	(US$/tonne)	137	56	146%	207	236	243	262	274	186	274	188	230
BZ-naphtha	(US$/tonne)	72	(4)	-1794%	173	158	123	93	162	109	335	245	136
Olefin													
HDPE-naphtha	(US$/tonne)	187	166	13%	374	348	331	322	532	314	338	324	423
LDPE-naphtha	(US$/tonne)	417	386	8%	587	568	496	484	743	548	503	497	646
PP-naphtha	(US$/tonne)	167	116	44%	414	373	307	313	460	256	326	338	358
Others													
Integrated PET	(US$/tonne)	170	191	-11%	134	113	116	177	275	189	140	119	232
Phenol-BZ	(US$/tonne)	119	98	21%	55	56	118	103	97	113	6	76	105
BPA -Phenol	(US$/tonne)	235	257	-9%	337	337	291	323	444	289	300	333	367

Sources: TOP, Bloomberg

Ex 3: Valuation

	Rating	Current price (Bt)	Target price (Bt)	*Upside/ (Downside) (%)*	Market cap (US$ m)	Norm EPS grw 26F (%)	Norm EPS grw 27F (%)	Norm PE 26F (x)	Norm PE 27F (x)	EV/EBITDA 26F (x)	EV/EBITDA 27F (x)	— P/BV — 26F (x)	— P/BV — 27F (x)	— Yield — 26F (%)	— Yield — 27F (%)	— ROE — 26F (%)	— ROE — 27F (%)
BANPU	BUY	5.80	7.20	*24.1*	1,740	na	22.1	11.5	9.4	5.5	5.0	0.5	0.5	5.6	6.4	4.5	5.4
BCP	BUY	44.75	41.00	*(8.4)*	1,973	(11.9)	(24.0)	6.0	7.9	3.4	3.5	0.8	0.7	6.0	3.2	14.1	9.6
IRPC	SELL	2.20	1.45	*(34.1)*	1,346	na	(66.4)	12.5	37.4	4.9	5.7	0.6	0.6	1.4	1.4	5.2	1.7
IVL	SELL	22.10	21.00	*(5.0)*	3,715	na	(22.5)	16.9	21.8	6.8	6.5	1.0	0.9	3.2	3.8	6.7	4.9
OR	BUY	12.80	13.50	*5.5*	4,599	(14.6)	31.4	17.9	13.7	6.5	5.3	1.3	1.3	3.1	4.0	7.4	9.4
PTG	BUY	7.55	10.50	*39.1*	378	(27.4)	63.4	17.0	10.4	4.0	3.1	1.2	1.2	5.3	5.3	7.4	11.7
PTT	BUY	38.50	43.00	*11.7*	32,928	49.6	(9.7)	10.8	11.9	4.0	3.9	0.9	0.9	6.5	6.0	8.8	7.7
PTTEP	SELL	149.00	111.00	*(25.5)*	17,713	13.2	(9.9)	9.4	10.4	3.1	3.1	1.0	1.0	6.0	5.4	11.3	9.4
PTTGC	SELL	36.75	31.00	*(15.6)*	4,962	na	(47.2)	18.2	34.5	6.9	7.5	0.5	0.5	1.4	1.4	3.3	2.4
SCC	SELL	254.00	192.00	*(24.4)*	9,127	157.9	33.3	23.8	17.9	15.6	10.6	0.9	0.9	2.4	2.8	3.7	4.9
SPRC	BUY	11.10	12.50	*12.6*	1,441	182.9	(50.2)	3.7	7.4	2.4	3.8	1.0	1.0	12.6	6.8	30.2	13.2
TOP	BUY	65.50	60.00	*(8.4)*	4,381	26.3	(18.2)	10.0	12.2	6.8	7.6	0.7	0.7	4.3	3.3	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.

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: -