Energy Sector - Neutral

News Update

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Oil struggles for direction as US-Iran talks stall

- **US inventories weigh on prices**
- **Global oil supply holds up despite Hormuz disruption**
- **European gas storage hit 17-years low**
- **Indonesia's Prabowo eases commodity reform**

Oil prices gave up early gains on Monday as stalled U.S.-Iran talks revived concerns over prolonged Middle East tensions, but the absence of major supply outages limited upside.

Weekly US data: US inventories weigh on prices

- **Crude Oil:** US crude inventories unexpectedly rose 17.4mb w-w to 424.4mb for the week ended Aug 7—the largest weekly build since Jan 2023 and well above the 1.7mb draw expected. Inventories hit their highest level since June 5, driven by lower crude exports.
- **Product:** Gasoline inventories decreased by 1 million barrels to 208.7 million barrels, slightly less than the expected draw of 1.2 million barrels.

Global oil supply holds up despite Hormuz disruption

- **Strait of Hormuz is disrupted, but oil is still flowing:** Middle Eastern producers continue moving large volumes through the Strait of Hormuz despite the Iran war, limiting the supply shock and keeping Brent around US$80–90/bbl. "Dark" shuttle shipments are estimated at >4mbpd, with UAE, Iraqi, Qatari and Kuwaiti crude transferred to larger tankers in the Gulf of Oman. Meanwhile, US Energy Secretary Chris Wright estimates ~9mbpd crossed Hormuz last week, well above tanker trackers' 4–5mbpd estimates, underscoring the difficulty of tracking covert flows.
- **Multiple supply buffers:** Covert shipments, bypass pipelines, strategic stockpile releases and weaker Chinese oil imports are helping keep barrels flowing, significantly reducing the risk of the US$150/bbl spike initially feared when the conflict began.
- **Impact:** Resilient oil flows are cushioning the supply shock and keeping prices below US$90/bbl despite the war. A sustained oil-price spike would likely require a meaningful reduction in covert flows or a broader disruption to Gulf exports. Maintain SELL on PTTEP.

European gas storage hit 17-years low

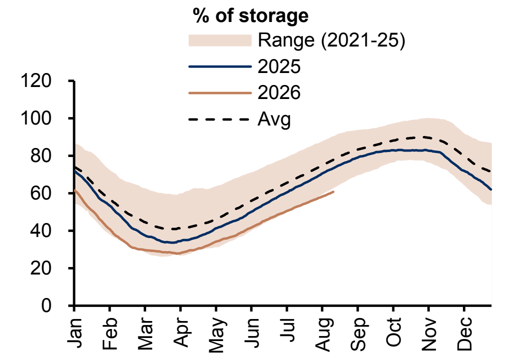
- **Tightening supply:** Europe is heading into winter with gas inventories at a 17-year low, while available supply is tighter than during the 2022 energy crisis. With less than three months before the heating season, Europe needs to accelerate storage refilling to avoid potential shortages.
- **LNG competition intensifies:** Europe faces stronger competition from Asia for LNG cargoes as Middle East supply disruptions persist and the region prepares to phase out Russian LNG imports, further tightening the global LNG market.

US Weekly data (as of 12 Aug 2026)

(m bbls)	Weekly change	Consensus	Last week
Crude Oil	17.423	-1.700	2.479
Gasoline	-0.968	-1.200	-1.643
Distillates	-0.010	-1.300	-3.473

Source: EIA

Ex 1: EU Gas Storage Is 61% Full



Source: Bloomberg

- **Impact:** European gas prices could rise sharply this winter as Europe races to replenish inventories ahead of peak heating demand. We see BANPU (BUY) as a key beneficiary of a tighter global gas market.

Indonesia's Prabowo eases commodity reform amid market pressure

- **Policy step-back:** President Prabowo Subianto has scaled back plans for a state commodities agency, saying it will monitor exports rather than directly trade commodities. The original plan could have made the agency a central buyer/seller of key exports such as nickel, coal and palm oil, raising concerns over government interference in prices, export flows and private trading.
- **New plan:** The agency will instead monitor transactions and improve price transparency, while private companies and global trading houses continue to handle actual commodity trading. Indonesia still plans to launch a commodities exchange by January to gain greater influence over the pricing of its key resources.
- **Impact:** The softer approach should ease concerns over state intervention and market disruption, supporting sentiment toward Indonesian miners and commodity traders, although the government will maintain greater oversight of the sector.

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$/bbl)	79	75	5%	66	68	63	78	88	77	80	71	83
Brent	(US$/mmbtu)	88	85	4%	67	68	63	79	97	85	80	71	91
Henry hub	(US$/mmbtu)	2.7	2.8	-3%	3.5	3.1	4.1	3.5	2.9	2.9	2.4	3.7	2.9
JKM Spot	(US$/mmbtu)	21.5	21.2	1%	12.4	11.8	10.8	13.2	17.4	19.8	11.9	13.2	18.6
Dutch TTF	(EUR/MWh)	62	59	6%	36	33	30	40	46	55	35	41	51
NEX coal price	(US$/tonne)	129	128	1%	100	109	108	119	137	129	136	104	133
Crack spreads over Dubai											15%		
Gasoline	(US$/bbl)	26.7	29.1	-8%	11.5	10.3	15.7	9.6	28.4	31.1	13.0	11.3	29.8
Jet fuel	(US$/bbl)	63.6	66.8	-5%	14.2	16.1	24.6	36.3	62.9	61.9	15.7	17.0	62.4
Diesel	(US$/bbl)	72.8	68.6	6%	15.8	18.7	24.5	35.4	63.0	67.1	15.8	18.0	65.1
HSFO	(US$/bbl)	3.0	4.9	-39%	1.7	(5.5)	(7.0)	(2.6)	2.5	3.9	(5.2)	(3.2)	3.2
Freight cost	(US$/bbl)	(11.1)	(11.1)	0%	(1.6)	(1.7)	(2.8)	(5.4)	(8.9)	(10.0)	(1.1)	(1.9)	(9.4)
SG GRM	**(US$/bbl)**	**22.2**	**22.7**	**-2%**	**7.0**	**5.9**	**8.8**	**8.3**	**22.7**	**23.3**	**6.1**	**6.1**	**23.0**
Aromatics													
PX-naphtha	(US$/tonne)	289	308	-6%	207	236	243	262	274	218	274	188	246
BZ-naphtha	(US$/tonne)	154	203	-24%	173	158	123	93	162	129	335	245	146
Olefin													
HDPE-naphtha	(US$/tonne)	419	413	2%	374	348	331	322	532	343	338	324	438
LDPE-naphtha	(US$/tonne)	669	643	4%	587	568	496	484	743	579	503	497	661
PP-naphtha	(US$/tonne)	439	383	15%	414	373	307	313	460	301	326	338	380
Others													
Integrated PET	(US$/tonne)	152	155	-2%	134	113	116	177	275	170	140	119	222
Phenol-BZ	(US$/tonne)	175	227	-23%	55	56	118	103	97	185	6	76	141
BPA -Phenol	(US$/tonne)	200	192	4%	337	337	291	323	444	233	300	333	338

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	14.60	19.00	*30.1*	1,792	na	24.4	11.7	9.4	4.8	4.3	0.4	0.4	5.6	6.4	4.0	4.4
BCP	BUY	47.75	41.00	*(14.1)*	2,131	(11.9)	(24.0)	6.4	8.4	3.5	3.6	0.8	0.8	5.6	3.0	14.1	9.6
IRPC	SELL	2.44	1.45	*(40.6)*	1,511	na	(66.4)	13.9	41.4	5.2	6.1	0.7	0.7	1.2	1.2	5.2	1.7
IVL	SELL	21.70	21.00	*(3.2)*	3,692	na	(22.5)	16.5	21.4	6.8	6.5	1.0	0.8	3.2	3.9	6.7	4.9
OR	BUY	12.40	13.50	*8.9*	4,509	(14.6)	31.4	17.4	13.2	6.2	5.0	1.3	1.2	3.2	4.2	7.4	9.4
PTG	BUY	7.50	10.50	*40.0*	380	(27.4)	63.4	16.9	10.3	4.0	3.1	1.2	1.2	5.3	5.3	7.4	11.7
PTT	BUY	39.50	43.00	*8.9*	34,187	49.6	(9.7)	11.0	12.2	4.1	4.0	0.9	0.9	6.3	5.8	8.8	7.7
PTTEP	SELL	147.00	111.00	*(24.5)*	17,683	13.2	(9.9)	9.2	10.2	3.0	3.1	1.0	0.9	6.1	5.4	11.3	9.4
PTTGC	SELL	38.50	31.00	*(19.5)*	5,260	na	(47.2)	19.1	36.1	7.1	7.8	0.6	0.6	1.3	1.3	3.3	2.4
SCC	SELL	254.00	192.00	*(24.4)*	9,236	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	11.00	12.50	*13.6*	1,445	182.9	(50.2)	3.7	7.4	2.4	3.7	1.0	1.0	12.7	6.8	30.2	13.2
TOP	BUY	63.00	60.00	*(4.8)*	4,264	26.3	(18.2)	9.6	11.7	6.6	7.4	0.7	0.7	4.4	3.4	7.8	6.3

Sources: Company data, ttb wealth estimates

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