Energy Sector - Neutral

News Update

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Continue US-Iran tension

- **US crude inventories draw**
- **Fuel oil supply tightens as refiners prioritize diesel**
- **Thai refineries seek diesel export relief**
- **Coal prices hit 11-week high**

Oil prices moved higher after U.S. forces struck three Iranian crude carriers following Iranian missile attacks aimed at two U.S. warships.

Weekly US data: US crude inventories draw

- **Crude Oil:** Commercial crude inventories excluding the Strategic Petroleum Reserve (SPR) fell by 4.5 million barrels w-w to 424.5 million barrels in the week ended Aug. 28, remaining around 1% above the five-year average. The larger-than-expected draw points to a tighter crude balance as refinery utilization remained elevated at 98%.
- **Product:** Gasoline inventories decreased by 1.2 million barrels, while distillate inventories increased by 0.8 million barrels w-w. Gasoline stocks were around 6% below the five-year average, while distillate inventories remained 14% below the five-year average, suggesting relatively tighter middle-distillate balances despite the weekly build.

Fuel oil supply tightens as refiners prioritize diesel

- **Fuel oil supply is set to tighten significantly**, with Energy Aspects estimating a 218k bpd deficit in 3Q26, the first shipping-fuel shortage since 2025 and significantly larger than the previous 6k bpd deficit.
- **Refinery disruptions are driving the tighter balance**, with around 20% of Middle East refining capacity (~9.6m bpd) affected by the conflict, while Ukrainian drone attacks have also reduced Russian diesel production. At the same time, refiners are prioritizing higher-value diesel and gasoline amid strong margins and low inventories, leaving less fuel oil available for the shipping industry.
- **Higher fuel oil prices are pushing up shipping costs**, adding pressure on shipowners and power generators already facing war-related disruptions. Freight costs have risen materially, with September MTD freight at US$16.58/bbl, up US$3.37/bbl (+26%) from August.
- **Impact:** Higher freight costs are a near-term cost headwind for refiners, but elevated shipping costs could also constrain product flows and regional arbitrage, keeping product balances tight and supporting refining cracks. We therefore expect stronger refinery margins to partly or fully offset the higher logistics costs, supporting our Buy call on refiners.

Thai refineries seek diesel export relief

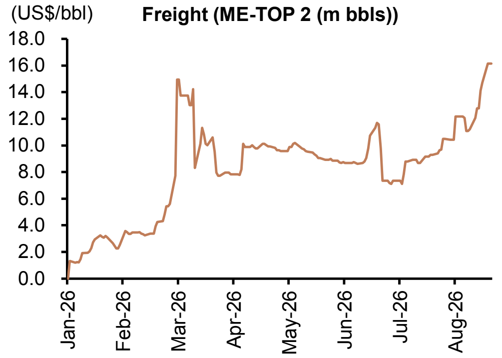
- **Refiners seek relaxation of diesel export ban:** Thai oil refineries and business groups are actively urging the government to ease the ban on diesel exports to resolve a severe domestic diesel surplus that is hurting the industry. The restriction was first imposed by the Thai government in early

US Weekly data (as of 2 Sep Aug 2026)

(m bbls)	Weekly change	Consensus	Last week
Crude Oil	-4.450	-0.400	0.095
Gasoline	-1.173	-1.900	-2.536
Distillates	0.796	-1.300	-2.228

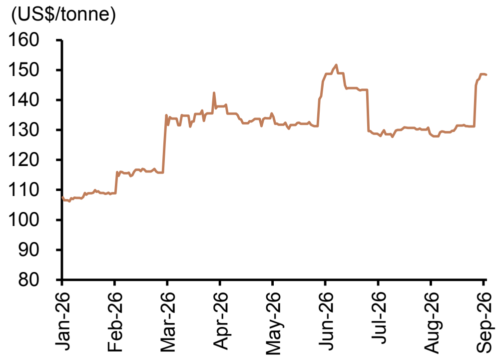
Source: EIA

Ex 1: Freight Rate



Source: TOP

Ex 2: NEX coal price



Source: Bloomberg

March 2026 following an escalation of the conflict in the Middle East involving Iran.

- **Domestic diesel glut:** Thai oil refineries are currently struggling with a massive diesel surplus, with fuel inventories topping 70% to 80% of total storage capacity.
- **Impact:** Easing export restrictions would help drain excess domestic inventories and help increase utilization rate. We see this as a positive catalyst for Thai refiners and supportive of our Buy call.

Coal prices hit 11-week high

- **Coal prices rose to around US$149/ton** in early September, the highest level in 11 weeks, supported by strong global power demand and ongoing supply risks. Despite China's rapid renewable build-out, coal remains the world's largest source of electricity generation, producing nearly 11,000 TWh in 2026. Rising electricity demand is slowing the pace of coal substitution.
- **The Middle East conflict is also supporting coal demand** indirectly by tightening global LNG supply and pushing energy prices higher, making coal more competitive for power generation.
- **Impact:** We see Banpu is the key listed subsidiary to benefit from coal price rally. Maintain BUY.

Ex 3: Prices And Spreads

	Unit	This	Last	%	Quarterly						Yearly		
		week	week	chg	2Q25	3Q25	4Q25	1Q26	2Q26	3Q26	2024	2025	2026
Upstream													
Dubai	(US$/bbl)	89	81	9%	66	68	63	78	88	79	80	71	84
Brent	(US$/mmbtu)	97	90	7%	67	68	63	79	97	87	80	71	92
Henry hub	(US$/mmbtu)	2.9	2.9	2%	3.5	3.1	4.1	3.5	2.9	2.9	2.4	3.7	2.9
JKM Spot	(US$/mmbtu)	26.2	24.2	9%	12.4	11.8	10.8	13.2	17.4	20.9	11.9	13.2	19.2
Dutch TTF	(EUR/MWh)	74	69	7%	36	33	30	40	46	59	35	41	53
NEX coal price	(US$/tonne)	149	131	13%	100	109	108	119	137	132	136	104	134
Crack spreads over Dubai											15%		
Gasoline	(US$/bbl)	25.2	23.6	7%	11.5	10.3	15.7	9.6	28.4	28.0	13.0	11.3	28.2
Jet fuel	(US$/bbl)	56.3	53.7	5%	14.2	16.1	24.6	36.3	62.9	59.6	15.7	17.0	61.3
Diesel	(US$/bbl)	64.5	62.1	4%	15.8	18.7	24.5	35.4	63.0	66.0	15.8	18.0	64.5
HSFO	(US$/bbl)	(6.3)	0.7	nmf	1.7	(5.5)	(7.0)	(2.6)	2.5	(0.6)	(5.2)	(3.2)	1.0
Freight cost	(US$/bbl)	(16.5)	(16.1)	2%	(1.6)	(1.7)	(2.8)	(5.4)	(8.9)	(10.9)	(1.1)	(1.9)	(9.9)
SG GRM	**(US$/bbl)**	**10.1**	**11.1**	**-9%**	**7.0**	**5.9**	**8.8**	**8.3**	**22.7**	**19.3**	**6.1**	**6.1**	**21.0**
Aromatics													
PX-naphtha	(US$/tonne)	207	265	-22%	207	236	243	262	274	226	274	188	250
BZ-naphtha	(US$/tonne)	172	215	-20%	173	158	123	93	162	150	335	245	156
Olefin													
HDPE-naphtha	(US$/tonne)	367	405	-9%	374	348	331	322	532	358	338	324	445
LDPE-naphtha	(US$/tonne)	587	625	-6%	587	568	496	484	743	589	503	497	666
PP-naphtha	(US$/tonne)	367	395	-7%	414	373	307	313	460	326	326	338	393
Others													
Integrated PET	(US$/tonne)	176	179	-2%	134	113	116	177	275	175	140	119	225
Phenol-BZ	(US$/tonne)	49	69	-29%	55	56	118	103	97	119	6	76	108
BPA -Phenol	(US$/tonne)	307	307	0%	337	337	291	323	444	264	300	333	354

Sources: TOP, Bloomberg

Ex 4: 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	15.30	19.00	*24.2*	1,886	na	24.4	12.2	9.8	4.9	4.4	0.4	0.4	5.3	6.1	4.0	4.4
BCP	BUY	59.75	60.00	*0.4*	2,678	114.1	(49.4)	3.3	6.5	2.9	3.4	0.9	0.9	12.8	4.9	32.4	14.3
IRPC	SELL	3.00	1.45	*(51.7)*	1,866	na	(66.4)	17.1	50.9	6.0	7.1	0.9	0.8	1.0	1.0	5.2	1.7
IVL	SELL	25.25	21.00	*(16.8)*	4,314	na	(22.5)	19.3	24.9	7.2	6.9	1.1	1.0	2.8	3.3	6.7	4.9
OR	BUY	12.60	13.50	*7.1*	4,601	(14.6)	31.4	17.7	13.4	6.3	5.2	1.3	1.2	3.1	4.1	7.4	9.4
PTG	BUY	7.90	10.50	*32.9*	401	(27.4)	63.4	17.8	10.9	4.1	3.2	1.3	1.2	5.1	5.1	7.4	11.7
PTT	BUY	41.50	43.00	*3.6*	36,073	49.6	(9.7)	11.6	12.8	4.2	4.1	1.0	1.0	6.0	5.5	8.8	7.7
PTTEP	SELL	150.00	111.00	*(26.0)*	18,122	13.2	(9.9)	9.4	10.4	3.1	3.1	1.0	1.0	6.0	5.3	11.3	9.4
PTTGC	SELL	45.75	31.00	*(32.2)*	6,278	na	(47.2)	22.7	42.9	7.9	8.7	0.7	0.7	1.1	1.1	3.3	2.4
SCC	SELL	261.00	192.00	*(26.4)*	9,531	157.9	33.3	24.5	18.4	15.8	10.7	0.9	0.9	2.3	2.7	3.7	4.9
SPRC	BUY	13.10	12.50	*(4.6)*	1,729	182.9	(50.2)	4.4	8.8	2.9	4.6	1.2	1.1	10.7	5.7	30.2	13.2
TOP	BUY	64.00	75.00	*17.2*	4,351	236.6	(63.1)	3.7	9.9	3.3	5.9	0.6	0.6	8.2	2.5	19.4	6.7

Sources: Company data, ttb wealth estimates

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