Energy Sector - Neutral

News Update

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

The Supply Threat Spread Beyond Hormuz

- **US crude inventories draw**
- **Saudi Arabia shuts East-West pipeline**
- **Iran and Gulf states to meet in push for Hormuz deal**
- **Diesel ex-refinery price cut extended to 31 Oct**

Brent crude oil price surged above US$100 as escalating Middle East conflict tightened physical oil supplies and threatened shipping through both Hormuz and the Red Sea.

Weekly US data: US product inventory build

- **Crude Oil:** Commercial crude inventories excluding the SPR fell by 0.4 million barrels w-w to 424.1 million barrels, in line with the five-year average. Refinery utilization remained high at 97.8%, with crude runs rising to 17.6m bpd, suggesting continued strong refinery demand despite the modest inventory draw.
- **Product:** Gasoline inventories increased by 1.3 million barrels, while distillate inventories rose by 2.1 million barrels w-w. Gasoline stocks remained 5% below the five-year average, while distillates were 13% below, indicating that middle-distillate balances remain relatively tight despite the weekly build.

Saudi Arabia shuts East-West pipeline bypassing Hormuz after drone attack

- **Precautionary shutdown.** Saudi Arabia temporarily shut its 1,200km East-West oil pipeline after a drone attack on Friday. The pipeline had been transporting 4–5m bpd, equivalent to ~4–5% of global oil supply and was being used to bypass the Strait of Hormuz. The shutdown comes as Houthi attacks on Saudi tankers have constrained exports from Yanbu, with volumes falling to only ~2.5m bpd in August. Saudi Arabia didn't disclose the damage. However, after a pumping station on the same pipeline was struck in April, causing output to fall to 700,000bpd, Saudi Arabia announced it had been repaired and restored to full capacity just three days later.
- **Saudi output falls to 2013 low**. Saudi Arabia reported August production of 6.2m bpd, down 23% m-m and the lowest level this year and from 10.6m bpd in Feb before war start, as limited storage capacity forced production cuts. Crude exports fell to ~3.1m bpd from 5.1m bpd in July, according to Kpler, the lowest level since at least 2013.
- **Hormuz flows recovering but remain well below pre-war levels**. Oil exports from Iraq, Kuwait, Saudi Arabia, Qatar, the UAE and Oman have risen to >10m bpd, according to TankerTrackers, but remain far below the ~20m bpd of oil and products that transited the strait before the war. Iranian exports remain at zero.
- **Impact:** Positive for oil prices and refinery margins in the near term, as the pipeline shutdown further constrains available supply and limits Saudi Arabia's ability to bypass Hormuz. We see upside risk to oil price and GRMs, particularly if the shutdown persists, and maintain our BUY view on refiners.

US Weekly data (as of 10 Sep 2026)

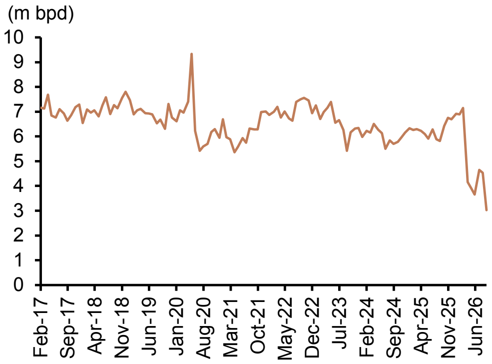
(m bbls)	Weekly change	Consensus	Last week
Crude Oil	-0.391	-1.400	-4.450
Gasoline	1.269	-1.400	-1.173
Distillates	2.087	-0.700	0.796

Source: EIA

Ex 1: Middle East Shipping Route Map

Source: EIA

Ex 2: Saudi Crude Oil Export



Source: Bloomberg

Ex 3: 1/3 Of Crude Supply Missing

	Sep 25-Feb 26 (m bpd)	Aug-26 (m bpd)	Shortfall (%)	Shortfall (m bpd)
Crude/condensate	18.4	11.8	-36%	-6.6
Products	6.9	3.1	-55%	-3.8
Total oil	**25.3**	**14.9**	**-41%**	**-10.4**

Source: Vortexa

Iran and Gulf states to meet in push for Hormuz deal

- **Meeting:** Iran is expected to meet Gulf foreign ministers in Salalah, Oman on Monday (14 Sep), with Oman facilitating the talks. The aim is to discuss a temporary arrangement to allow safer commercial shipping through Hormuz. Tehran wants an arrangement that recognizes its role/control over the waterway and reportedly seeks the ability to charge fees on vessels, which Oman rejects.
- **Impact:** This is mildly bearish for oil, as it raises the possibility of easing the Hormuz supply disruption. However, we would not treat it as a near-term reopening catalyst yet given the unresolved Iran-US issues and the lack of an expected agreement at Monday's meeting.

Diesel ex-refinery price cut extended to 31 Oct

- **Bt2.4/litre diesel discount extended:** The Energy Policy Committee (EPAC) approved a Bt2.40/litre reduction in the refinery-gate price of diesel, effective 16 September–31 October 2026, to mitigate domestic fuel price volatility amid ongoing US-Israel-Iran tensions and disruptions to global crude and refined-product supplies.
- **Diesel margin remains elevated:** The Bt2.40/litre cut is equivalent to around US$11/bbl. Following the reduction, the diesel spread would fall to ~US$52/bbl from US$62/bbl., but remain well above its 10-year average of ~US$15/bbl.
- **Impact:** We view the extension as broadly expected given the prolonged conflict and elevated oil prices. The measure should also help contain the government's subsidy burden. We maintain our BUY ratings on refiners.

Ex 4: Prices And Spreads

	Unit	This week	Last week	% chg	2Q25	3Q25	4Q25	1Q26	2Q26	3Q26	2024	2025	2026
					Quarterly						Yearly		
Upstream													
Dubai	(US$/bbl)	98	89	10%	66	68	63	78	88	81	80	71	85
Brent	(US$/mmbtu)	105	97	8%	67	68	63	79	97	89	80	71	93
Henry hub	(US$/mmbtu)	2.8	2.9	-3%	3.5	3.1	4.1	3.5	2.9	2.9	2.4	3.7	2.9
JKM Spot	(US$/mmbtu)	24.9	26.2	-5%	12.4	11.8	10.8	13.2	17.4	21.3	11.9	13.2	19.4
Dutch TTF	(EUR/MWh)	80	74	8%	36	33	30	40	46	61	35	41	53
NEX coal price	(US$/tonne)	147	149	-1%	100	109	108	119	137	133	136	104	135
Crack spreads over Dubai													
Gasoline	(US$/bbl)	26.2	25.2	4%	11.5	10.3	15.7	9.6	28.4	28.0	13.0	11.3	28.2
Jet fuel	(US$/bbl)	54.7	56.3	-3%	14.2	16.1	24.6	36.3	62.9	59.6	15.7	17.0	61.3
Diesel	(US$/bbl)	62.4	64.5	-3%	15.8	18.7	24.5	35.4	63.0	66.0	15.8	18.0	64.5
HSFO	(US$/bbl)	(11.8)	(6.3)	87%	1.7	(5.5)	(7.0)	(2.6)	2.5	(0.6)	(5.2)	(3.2)	1.0
Freight cost	(US$/bbl)	(16.5)	(16.5)	0%	(1.6)	(1.7)	(2.8)	(5.4)	(8.9)	(10.9)	(1.1)	(1.9)	(9.9)
SG GRM	**(US$/bbl)**	**8.6**	**10.1**	**-14%**	**7.0**	**5.9**	**8.8**	**8.3**	**22.7**	**19.3**	**6.1**	**6.1**	**21.0**
Aromatics													
PX-naphtha	(US$/tonne)	175	207	-15%	207	236	243	262	274	222	274	188	248
BZ-naphtha	(US$/tonne)	165	172	-4%	173	158	123	93	162	152	335	245	157
Olefin													
HDPE-naphtha	(US$/tonne)	275	367	-25%	374	348	331	322	532	350	338	324	441
LDPE-naphtha	(US$/tonne)	515	587	-12%	587	568	496	484	743	582	503	497	663
PP-naphtha	(US$/tonne)	275	367	-25%	414	373	307	313	460	321	326	338	391
Others													
Integrated PET	(US$/tonne)	176	176	0%	134	113	116	177	275	175	140	119	225
Phenol-BZ	(US$/tonne)	49	49	0%	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 5: 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	14.80	19.00	*28.4*	1,813	na	24.4	11.8	9.5	4.8	4.3	0.4	0.4	5.5	6.3	4.0	4.4
BCP	BUY	56.00	60.00	*7.1*	2,495	114.1	(49.4)	3.1	6.1	2.8	3.3	0.9	0.9	13.7	5.2	32.4	14.3
IRPC	SELL	2.90	1.45	*(50.0)*	1,793	na	(66.4)	16.5	49.2	5.8	6.9	0.8	0.8	1.0	1.0	5.2	1.7
IVL	SELL	28.50	21.00	*(26.3)*	4,841	na	(22.5)	21.7	28.1	7.5	7.3	1.3	1.1	2.5	3.0	6.7	4.9
OR	BUY	12.30	13.50	*9.8*	4,466	(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	8.20	10.50	*28.0*	414	(27.4)	63.4	18.4	11.3	4.2	3.3	1.4	1.3	4.9	4.9	7.4	11.7
PTT	BUY	42.00	43.00	*2.4*	36,297	49.6	(9.7)	11.7	13.0	4.2	4.2	1.0	1.0	6.0	5.5	8.8	7.7
PTTEP	SELL	153.50	111.00	*(27.7)*	18,438	13.2	(9.9)	9.6	10.7	3.1	3.2	1.0	1.0	5.9	5.2	11.3	9.4
PTTGC	SELL	49.00	31.00	*(36.7)*	6,685	na	(47.2)	24.3	46.0	8.3	9.1	0.7	0.7	1.0	1.0	3.3	2.4
SCC	SELL	265.00	192.00	*(27.5)*	9,621	157.9	33.3	24.9	18.6	16.0	10.8	0.9	0.9	2.3	2.6	3.7	4.9
SPRC	BUY	13.40	12.50	*(6.7)*	1,758	182.9	(50.2)	4.5	9.0	3.0	4.8	1.2	1.2	10.4	5.6	30.2	13.2
TOP	BUY	67.00	75.00	*11.9*	4,528	236.6	(63.1)	3.8	10.4	3.4	6.1	0.6	0.6	7.9	2.4	19.4	6.7

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: -