Energy Sector - Neutral

News Update

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Renewed hope on US-Iran negotiations

- **US product inventory build**
- **UN general assembly offer a new opening on Iran war**
- **Moscow refinery hit as Russia reports largest drone attack**
- **Supertanker shortage threatens long-haul oil flows**

Oil prices slid to their lowest in more than a week on Monday on hopes diplomacy in the Iran war will get a chance this week amid a UN meet and as investors eyed a partial recovery in shipments from Saudi Arabia despite ongoing attacks by Yemen's Houthis.

Weekly US data: US product inventory build

- **Crude Oil:** Commercial crude inventories edged lower, with the small draw supported by another 403,000 barrels released from the Strategic Petroleum Reserve (SPR). SPR withdrawals further, marking a second straight week below 1 million barrels.
- **Product:** Gasoline demand rebounded, with the four-week average rising by 247,000 barrels per day, while inventories increased for a second week. Seasonal demand should begin to soften into the fall, helping curb further stock draws. US distillate inventories rose for a third straight week. Despite the 1.6 million barrels increase, stocks are at their lowest seasonal level since at least 2000.

UN general assembly offer a new opening on Iran war

- **US to allow Iranian leaders to attend UNGA:** The UN General Assembly this week could provide an important platform for diplomacy, with both Trump and Pezeshkian attending. The US has also allowed Pezeshkian and Iranian Foreign Minister Abbas Araqchi to attend despite the ongoing conflict, keeping channels for dialogue open.
- **Impact:** The potential for renewed negotiations has eased the geopolitical risk premium in oil. However, no concrete deal has been reached, and regional supply risks remain elevated.

Moscow refinery hit as Russia reports largest drone attack

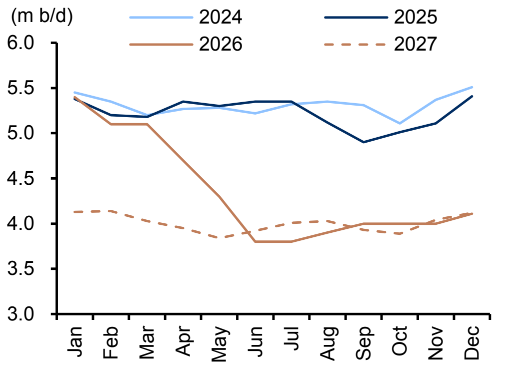
- **Major drone attack:** Ukraine launched one of its largest drone attacks on the Moscow region, killing three people and damaging the Moscow oil refinery. Ukraine and Russia have continued strikes on each other's energy infrastructure despite a US announcement that they had agreed to halt attacks on energy facilities.
- **Refinery impact**: The Moscow refinery has ~230kbpd of crude-processing capacity. The extent and duration of the disruption remain unclear. The Moscow refinery was previously damaged in June during a record drone attack on the capital.

US Weekly data (as of 16 Sep 2026)

(m bbls)	Weekly change	Consensus	Last week
Crude Oil	-0.640	-1.600	-0.391
Gasoline	0.794	-1.000	1.269
Distillates	1.585	0.100	2.087

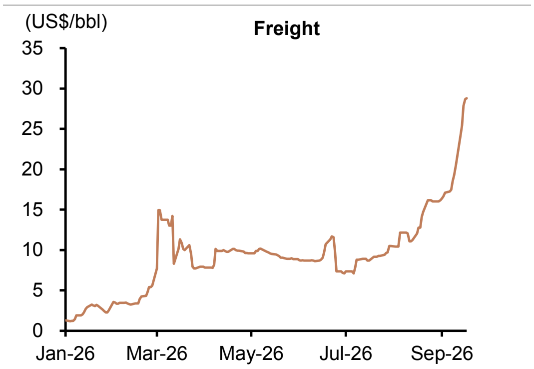
Source: EIA

Ex 1: Russian crude oil throughput



Source: EIA

Ex 2: Freight Cost



Source: Bloomberg

- **Global diesel markets are tightening sharply:** Global seaborne gasoil/diesel exports declined 10% y-y to 4.7mb/d in 8M26, while combined Russian and Middle East exports plunged 75% y-y to 520kb/d in August.
- **Impact**: The latest strike adds to the cumulative loss of Russian refining capacity, increasing the risk of tighter diesel and refined-product supply, particularly if the affected Moscow refinery units remain offline for an extended period. This will continue to support refinery margin. Maintain BUY on refiners (BCP, TOP and SPRC).

Supertanker shortage threatens long-haul oil flows

- **Tanker shortage:** A shortage of supertankers and heightened geopolitical risk have driven crude shipping costs to record highs, making some long-haul trades uneconomical. VLCC freight rates have surged, with the cost of shipping crude from the Middle East to Asia now US$29/bbl vs. ~US$2/bbl a year ago. Higher rates spreading across major crude routes and raising concerns over global oil-flow disruptions.
- **Market impact:** Record VLCC freight rates are unlikely to be sustainable. If persistently high freight costs eventually force refiners to cut runs, this could further reduce product supply and tighten the global refining market, supporting refining margins.

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$/bbl)	106	98	8%	66	68	63	78	88	83	80	71	85
Brent	(US$/mmbtu)	102	105	-2%	67	68	63	79	97	90	80	71	93
Henry hub	(US$/mmbtu)	2.9	2.8	2%	3.5	3.1	4.1	3.5	2.9	2.9	2.4	3.7	2.9
JKM Spot	(US$/mmbtu)	27.1	24.9	9%	12.4	11.8	10.8	13.2	17.4	21.8	11.9	13.2	19.6
Dutch TTF	(EUR/MWh)	78	80	-2%	36	33	30	40	46	63	35	41	54
NEX coal price	(US$/tonne)	144	147	-2%	100	109	108	119	137	134	136	104	136
Crack spreads over Dubai													
Gasoline	(US$/bbl)	24.2	21.4	13%	11.5	10.3	15.7	9.6	28.4	28.0	13.0	11.3	28.2
Jet fuel	(US$/bbl)	56.9	51.0	12%	14.2	16.1	24.6	36.3	62.9	59.6	15.7	17.0	61.3
Diesel	(US$/bbl)	68.4	58.2	17%	15.8	18.7	24.5	35.4	63.0	66.0	15.8	18.0	64.5
HSFO	(US$/bbl)	(16.0)	(15.9)	1%	1.7	(5.5)	(7.0)	(2.6)	2.5	(0.6)	(5.2)	(3.2)	1.0
Freight cost	(US$/bbl)	(27.0)	(18.6)	45%	(1.6)	(1.7)	(2.8)	(5.4)	(8.9)	(10.9)	(1.1)	(1.9)	(9.9)
SG GRM	**(US$/bbl)**	**(3.7)**	**2.2**	**nmf**	**7.0**	**5.9**	**8.8**	**8.3**	**22.7**	**19.3**	**6.1**	**6.1**	**21.0**
Aromatics													
PX-naphtha	(US$/tonne)	334	175	90%	207	236	243	262	274	231	274	188	253
BZ-naphtha	(US$/tonne)	329	165	99%	173	158	123	93	162	167	335	245	164
Olefin													
HDPE-naphtha	(US$/tonne)	349	275	27%	374	348	331	322	532	350	338	324	441
LDPE-naphtha	(US$/tonne)	589	515	14%	587	568	496	484	743	583	503	497	663
PP-naphtha	(US$/tonne)	349	275	27%	414	373	307	313	460	324	326	338	392
Others													
Integrated PET	(US$/tonne)	176	189	-7%	134	113	116	177	275	177	140	119	226
Phenol-BZ	(US$/tonne)	53	85	-38%	55	56	118	103	97	121	6	76	109
BPA -Phenol	(US$/tonne)	315	315	0%	337	337	291	323	444	266	300	333	355

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	14.80	17.00	*14.9*	1,801	635.5	20.1	18.1	15.1	6.7	5.1	0.4	0.4	4.9	4.0	2.6	2.8
BCP	BUY	54.00	60.00	*11.1*	2,390	114.1	(49.4)	3.0	5.9	2.8	3.2	0.9	0.8	14.2	5.4	32.4	14.3
IRPC	SELL	2.94	1.45	*(50.7)*	1,805	na	(66.4)	16.8	49.9	5.9	7.0	0.8	0.8	1.0	1.0	5.2	1.7
IVL	SELL	29.25	21.00	*(28.2)*	4,935	na	(22.5)	22.3	28.8	7.6	7.4	1.3	1.1	2.4	2.9	6.7	4.9
OR	BUY	12.60	13.50	*7.1*	4,544	(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	8.65	10.50	*21.4*	434	(27.4)	63.4	19.4	11.9	4.3	3.4	1.4	1.4	4.6	4.6	7.4	11.7
PTT	BUY	42.00	43.00	*2.4*	36,052	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	150.00	111.00	*(26.0)*	17,896	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	48.00	31.00	*(35.4)*	6,504	na	(47.2)	23.8	45.1	8.2	9.0	0.7	0.7	1.0	1.0	3.3	2.4
SCC	SELL	268.00	192.00	*(28.4)*	9,665	157.9	33.3	25.1	18.9	16.1	10.9	0.9	0.9	2.2	2.6	3.7	4.9
SPRC	BUY	14.20	12.50	*(12.0)*	1,850	182.9	(50.2)	4.7	9.5	3.2	5.1	1.3	1.2	9.9	5.3	30.2	13.2
TOP	BUY	69.00	75.00	*8.7*	4,632	236.6	(63.1)	3.9	10.7	3.5	6.2	0.7	0.7	7.6	2.3	19.4	6.7

Sources: Company data, ttb wealth estimates

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