

Energy Sector – Neutral

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News Update

US gasoline demand picking up

- **Continue gasoline inventory draw**
- **US gasoline demand is making a spring comeback**
- **Gasoline margin picking up**
- **Asian paraxylene reaches new year-to-date high**

Weekly US data: Continue gasoline inventory draw

- The Energy Information Administration reported an estimated inventory draw of 1.95 million barrels for the week. Commercial crude inventories recorded a 1.5 million barrel decrease last week.
- US gasoline stocks fell 3.3 million barrels on the week to a more than three-month low of 234,083 million barrels in the week ended March 8, the latest data from the US Energy Information Administration showed. Meanwhile, distillate demand shows marginal build of 0.6 million barrels.

US gasoline demand is making a spring comeback

- US gasoline demand looks to be making a comeback as the peak summer travel months approach. Implied demand, based on the four-week average of product supplied, finally rose above 2022 and 2023 seasonal levels, based on data from the US Energy Information Administration. The surge in demand is adding pressure to stockpiles for the fuel, which have fallen for a seventh consecutive week. If the trend continues, demand may inch back above pre-pandemic levels in the coming weeks.
- **Gasoline margin picking up** to US\$19/bbl last Friday, after dropping to US\$16/bbl in Mar 24. This also caused Singapore complex GRM to increase to US\$8.3/bbl.

Asian paraxylene reaches new year-to-date high

- **Asian paraxylene prices reached a fresh year-to-date high** March 18, with market participants gearing up for further gains on optimism over US gasoline blending demand, coupled with tighter Asian supplies. Asian Px price rose to US\$1043/tonne, up by 3% QTD. However, Px-naphtha spread remains steady YTD at US\$329/tonne which is still below 2018 high of US\$461. Several PX cargoes were heard moving to the West ahead of the US summer driving season and the expected draw in Asian aromatics for blending into gasoline.
- **Turnarounds ahead.** PX prices were also supported by expectations of tighter supplies as refinery maintenance season. China's Hengli will shut its three reformers starting April to carry out maintenance work, which will impact production at the plant's two PX lines.
- **Impact.** We see TOP and PTTGC as the key beneficiary. However, we prefer TOP given it will also benefit from strong GRM.

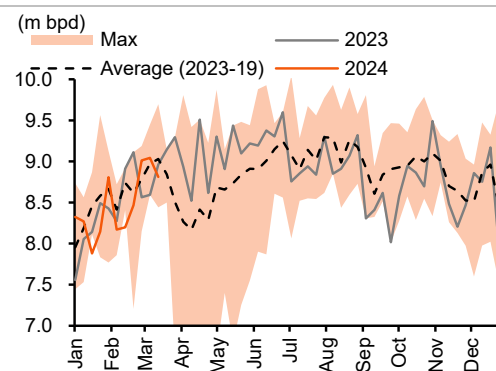
Ex 1: US Weekly data

(m bbls)	Weekly change	Consensus	Last week
Crude Oil	-1.952	-0.900	-1.536
Gasoline	-3.310	-1.350	-5.662
Distillates	0.642	-0.087	0.888

(k bpd)	Weekly change	% Change	Current number
Production	-100.0	-0.8%	13,100
Refinery Runs	+390	+2.6%	15,658

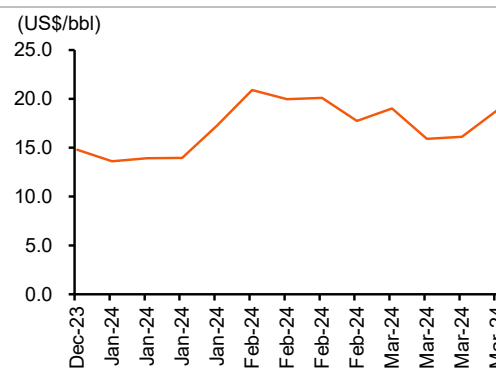
Source: EIA

Ex 2: Rising US Gasoline Demand Ahead



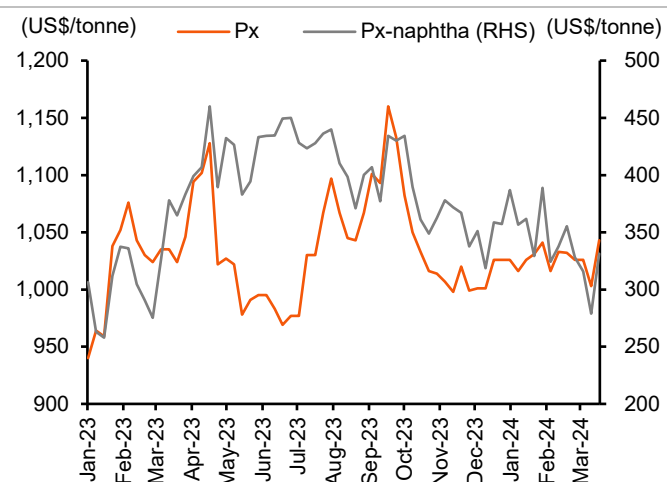
Source: EIA

Ex 3: Gasoline-Dubai



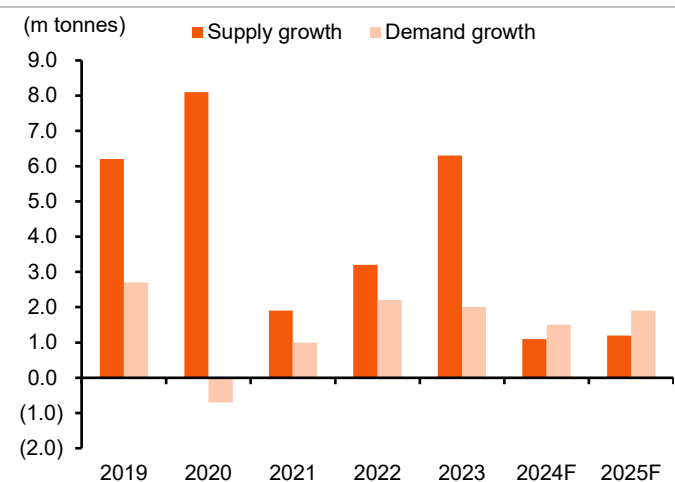
Sources: TOP

Ex 4: Px Price Vs. Spread Over Naphtha



Source: Bloomberg

Ex 5: Global Px Supply Vs. Demand



Source: Company data

Ex 6: Prices And Spreads

	Unit	This week	Last week	% chg	Quarterly						Yearly		
					4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2022	2023	2024
Upstream													
Dubai	(US\$/bbl)	85	85	0.1%	84	80	78	87	84	81	97	81	81
Brent	(US\$/mmbtu)	85	85	0.1%	89	82	78	86	83	81	99	82	81
Henry hub	(US\$/mmbtu)	1.7	1.7	0.2%	6.1	2.8	2.3	2.7	2.9	2.1	6.5	2.6	2.1
JKM Spot	(US\$/mmbtu)	9.5	8.7	9.6%	31.2	18.4	11.1	12.3	15.6	9.7	34.0	13.9	9.7
Dutch TTF	(EUR/MWh)	28	27	2.8%	123	53	35	34	43	28	132	41	28
NEX coal price	(US\$/tonne)	128	131	-2.5%	380	255	161	147	136	126	357	188	126
Crack spreads over Dubai													
Gasoline	(US\$/bbl)	18.8	16.1	16.7%	9.4	18.7	16.6	18.9	12.6	17.3	18.8	16.7	17.3
Jet fuel	(US\$/bbl)	17.8	19.1	-6.8%	33.5	26.5	14.0	26.1	23.6	21.3	30.3	22.5	21.3
Diesel	(US\$/bbl)	18.5	19.3	-4.2%	39.3	25.2	14.6	26.9	21.1	21.5	34.3	21.9	21.5
HSFO	(US\$/bbl)	(9.0)	(9.2)	-1.4%	(22.5)	(16.3)	(8.7)	(5.4)	(11.0)	(9.7)	(14.1)	(10.3)	(9.7)
SG GRM	(US\$/bbl)	7.6	7.0	7.4%	7.0	8.9	5.4	10.9	6.3	8.2	11.5	7.9	8.2
Aromatics													
PX-naphtha	(US\$/tonne)	313	261	20.0%	289	318	407	407	349	325	299	378	325
BZ-naphtha	(US\$/tonne)	358	321	11.6%	184	252	275	273	269	325	267	267	325
Olefin													
HDPE-naphtha	(US\$/tonne)	328	316	3.8%	336	373	436	361	350	334	392	390	334
LDPE-naphtha	(US\$/tonne)	448	436	2.8%	523	476	443	363	372	455	683	427	455
PP-naphtha	(US\$/tonne)	288	286	0.7%	301	369	403	305	303	302	386	359	302
Others													
Integrated PET	(US\$/tonne)	119	152	-22.1%	212	201	194	114	135	135	278	161	135
Phenol-BZ	(US\$/tonne)	(76)	(54)	40.7%	269	87	79	89	86	(35)	279	85	(35)
BPA -Phenol	(US\$/tonne)	298	298	0.0%	368	282	299	270	306	321	551	289	321

Sources: TOP, Bloomberg

Ex 7: Valuation

	Rating	Current price	Target price	Upside/ (Downside)	Market cap	Norm EPS grw		Norm PE		EV/EBITDA		— P/BV —		— Yield —		— ROE —	
		(Bt)	(Bt)	(%)	(US\$ m)	24F (%)	25F (%)	24F (x)	25F (x)	24F (x)	25F (x)	24F (x)	25F (x)	24F (%)	25F (%)	24F (%)	25F (%)
BANPU	SELL	5.55	7.00	26.1	1,529	(2.0)	(30.4)	6.9	9.9	5.2	5.0	0.4	0.4	3.6	2.5	6.0	4.0
BCP	BUY	45.00	53.00	17.8	1,703	(2.8)	11.7	6.6	5.9	4.5	4.2	0.8	0.7	3.6	4.1	12.5	12.8
BSRC	BUY	9.75	12.00	23.1	928	93.5	14.4	6.9	6.0	5.3	4.4	1.1	1.0	5.5	6.3	16.5	17.0
IRPC	SELL	1.91	1.50	(21.5)	1,073	na	104.6	63.8	31.2	12.2	10.8	0.5	0.5	0.0	0.6	0.8	1.6
IVL	SELL	24.40	23.00	(5.7)	3,766	111.2	100.4	27.4	13.7	7.2	6.2	0.8	0.8	1.1	2.2	3.0	5.7
OR	SELL	18.00	16.00	(11.1)	5,938	(14.6)	13.5	22.8	20.1	11.8	10.7	1.9	1.8	2.5	2.8	8.5	9.3
PTG	SELL	8.80	8.00	(9.1)	404	(1.9)	5.3	15.8	15.0	4.4	3.9	1.6	1.5	2.9	3.0	10.4	10.3
PTT	SELL	34.00	30.00	(11.8)	26,698	(2.2)	(1.7)	10.0	10.1	3.8	3.3	0.9	0.8	5.9	5.9	8.6	8.3
PTTEP	BUY	152.00	187.00	23.0	16,589	(6.1)	(7.4)	8.2	8.8	2.4	2.6	1.1	1.0	5.6	5.3	14.1	12.1
PTTGC	HOLD	39.00	33.00	(15.4)	4,834	na	77.5	31.4	17.7	10.6	9.1	0.6	0.6	1.9	2.1	1.9	3.4
SCC	BUY	252.00	325.00	29.0	8,313	34.0	31.6	15.1	11.5	18.4	9.5	0.8	0.8	3.3	4.4	5.4	6.9
SPRC	BUY	8.70	9.80	12.6	1,037	na	(3.3)	11.0	11.4	6.4	5.9	1.0	0.9	2.3	2.4	9.1	8.3
TOP	BUY	59.25	61.00	3.0	3,639	(49.0)	50.8	9.5	6.3	9.4	7.6	0.8	0.7	3.6	5.4	8.3	11.7

Sources: Company data, Thanachart estimates

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