THAILAND REFINERY

Globlex Securities Co., Ltd.

9 March 2026

Refiners in the Eye of the Storm

- US–Iran tensions lift refining margins, pushing diesel and jet cracks higher.
- We see the refinery pullback as a buying opportunity, with strong GRMs.
- SPRC and TOP are top picks in Thai refinery sector

Hormuz Risk Drives Oil Market Anxiety

Rising tensions between the US and Iran have injected a geopolitical risk premium into global oil markets, as investors price in potential supply disruptions from the Middle East. The key concern centers on the Strait of Hormuz, through which roughly a quarter of global oil trade flows, meaning any disruption could materially tighten global supply. As the conflict intensified, crude prices briefly surged above USD100/bbl amid fears of export disruptions and infrastructure damage across the Gulf region. However, we believe the impact will largely depend on the duration of the conflict; while oil prices tend to react sharply in the near term, they could gradually normalize if tensions ease and supply flows remain intact.

Enjoy high GRMs on high distillate margins

The US–Iran conflict has driven a sharp tightening in oil markets, benefiting refiners through stronger product cracks. Concerns over potential disruptions in the Strait of Hormuz, have pushed Singapore GRM to around USD25–30/bbl, the highest in several years. Diesel cracks have also surged to above USD45-50/bbl, reflecting tighter middle-distillate supply. While this supports near-term refinery profitability, prolonged tensions could raise crude procurement costs, freight, and crude premiums, potentially increasing margin volatility.

Crude Security Underpins Refinery Stability

We believe Thai refiners remain well positioned to manage rising geopolitical risks. TOP has already secured to around 90% of its April crude supply, while maintaining an additional strategic reserve equivalent to roughly one month of refinery runs, providing a comfortable buffer against potential supply disruptions. SPRC also maintains a relatively strong inventory position, with crude stock covering approximately 1.5–2 months of operations, helping mitigate short-term volatility in crude procurement. Meanwhile, BCP has limited direct exposure to Middle Eastern crude at around 15% of its supply mix, reducing the risk of disruption from tensions around the Strait of Hormuz and providing greater feedstock flexibility.

Refinery Pullback Creates Entry Opportunity

We view the recent sharp share price selloff as a buying opportunity. The near-term backdrop for refiners remains constructive, supported by strong diesel and jet crack spreads, which translate directly into higher GRMs and potential inventory gains amid rising crude prices. While the crude spike on geopolitical tensions may prove transitory as inflation concerns in the U.S. resurface, the strength in product spreads appears more durable. This is particularly supportive for refiners with high distillate yields; diesel: TOP 44%, SPRC 37%, BCP Group 44%; jet: TOP 11%, SPRC 10%, BCP Group 9% (as of 2025), positioning them well to capture the current margin upswing.

Overweight Refiners; Prefer TOP, SPRC, BCP

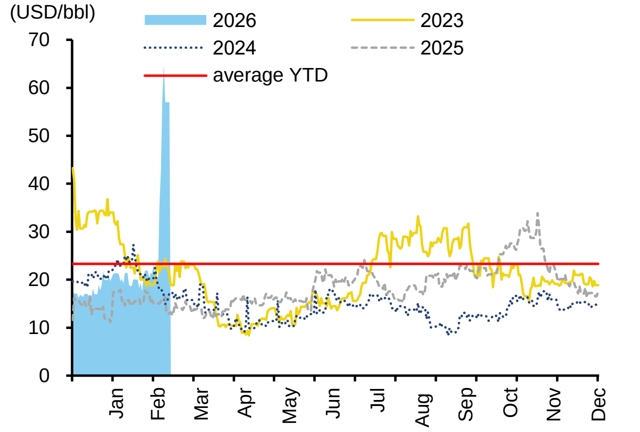
We reiterate our Overweight stance on the refinery sector, for TOP's USD0.5/bbl SBM-2 ship-to-ship cost should fade from 2H26, removing a key earnings overhang. SPRC recently completed CDU maintenance in Feb-26, positioning it to capture the current margin upswing. Meanwhile, BCP's limited Middle East crude exposure should help mitigate potential supply disruption risks.

Analyst

Siriluck Pinthusoonthorn
Siriluck@globlex.co.th,
+662 672 5806

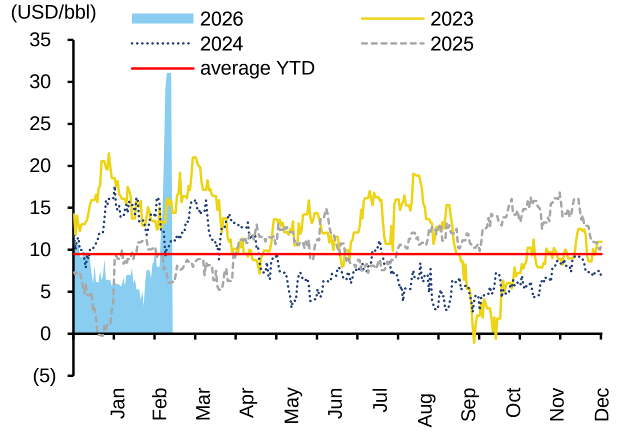
Suwat Sinsadok, CFA, FRM, ERP
suwat.s@globlex.co.th,
+662 687 7026

Exhibit 1: Gasoil 0.5% Sulfur fob SG Spot Price - Dubai crude oil price



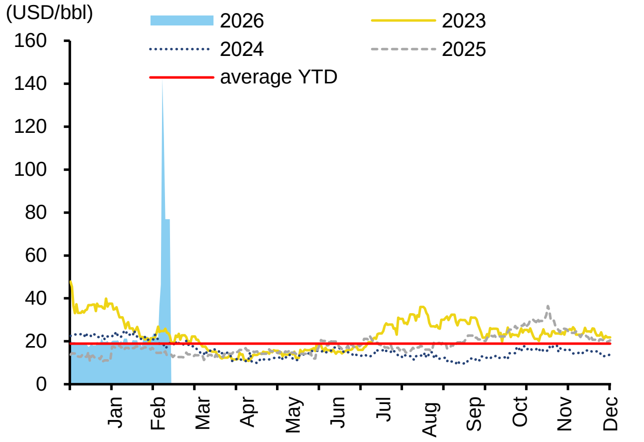
Sources: Bloomberg, Globlex Research

Exhibit 2: 92 Octane Gasoline fob Spot Price - Dubai crude oil price



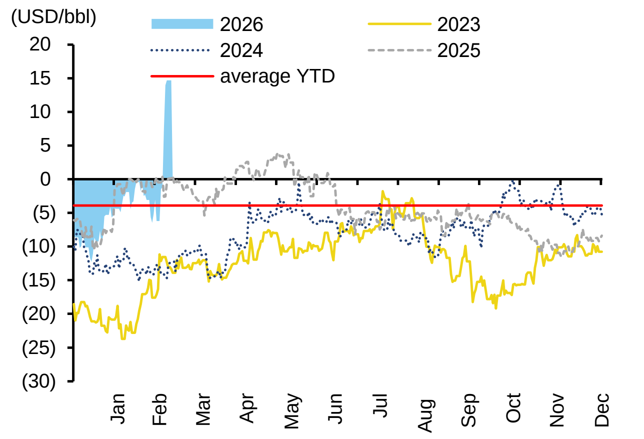
Sources: Bloomberg, Globlex Research

Exhibit 3: Jet Kerosene fob Spot Price - Dubai crude oil price



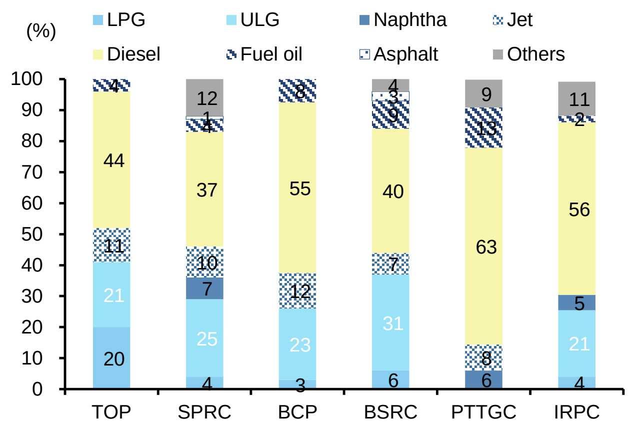
Sources: Bloomberg, Globlex Research

Exhibit 4: High Sulfur fuel Oil Spot fob Singapore - Dubai crude oil price



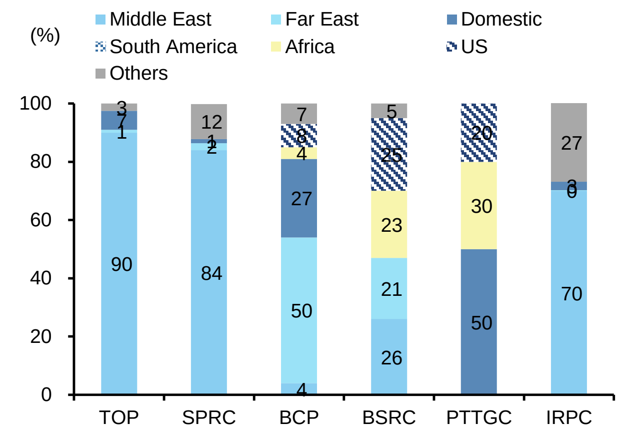
Sources: Bloomberg, Globlex Research

Exhibit 5: Thai refineries - Product yield



Sources: Companies; Globlex Research

Exhibit 6: Thai refineries – Crude mix



Sources: Companies; Globlex Research

GENERAL DISCLAIMER
Analyst Certification

Siriluck Pinthusoonthorn, Register No. 119539, Globlex Securities Public Company Limited

The opinions and information presented in this report are those of the Globlex Securities Co. Ltd. Research Department. No representation or warranty in any form regarding the accuracy, completeness, correctness or fairness of opinions and information of this report is offered by Globlex Securities Co. Ltd. Globlex Securities Co. Ltd. Accepts no liability whatsoever for any loss arising from the use of this report or its contents. This report (in whole or in part) may not be reproduced or published without the express permission of Globlex Securities Co. Ltd.

RECOMMENDATION STRUCTURE
Stock Recommendations

Stock ratings are based on absolute upside or downside, which we define as (target price* - current price) / current price.

BUY: Expected return of 10% or more over the next 12 months.
HOLD: Expected return between -10% and 10% over the next 12 months.
REDUCE: Expected return of -10% or worse over the next 12 months.

Unless otherwise specified, these recommendations are set with a 12-month horizon. Thus, it is possible that future price volatility may cause temporary mismatch between upside/downside for a stock based on market price and the formal recommendation.
* In most cases, the target price will equal the analyst's assessment of the current fair value of the stock. However, if the analyst doesn't think the market will reassess the stock over the specified time horizon due to a lack of events or catalysts, then the target price may differ from fair value. In most cases, therefore, our recommendation is an assessment of the mismatch between current market price and our assessment of current fair value.

Sector Recommendations

Overweight: The industry is expected to outperform the relevant primary market index over the next 12 months.
Neutral: The industry is expected to perform in line with the relevant primary market index over the next 12 months.
Underweight: The industry is expected to underperform the relevant primary market index over the next 12 months.

Country (Strategy) Recommendations

Overweight: Over the next 12 months, the analyst expects the market to score positively on two or more of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Neutral: Over the next 12 months, the analyst expects the market to score positively on one of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Underweight: Over the next 12 months, the analyst does not expect the market to score positively on any of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.