The $100 Oil Reality & The Cabinet's Crucible

- The US-Iran escalation drives Brent crude above $100, fueling stagflation.
- Thailand's energy crisis severely drains the new cabinet's fiscal space.
- We recommend **PTTEP**, **PTT**, **TOP**, **SPRC, BCP** and **BBL**.

The $100+ Oil Reality & US-Iran Escalation

The global macroeconomic landscape has drastically deteriorated as the direct escalation between the US and Iran pushes Brent crude decisively past the $100 per barrel threshold. This structural supply shock at the Strait of Hormuz cements the global stagflation narrative, locking the Federal Reserve into a hawkish stance as US 10-year yields hold sticky above 4.15%. Consequently, the US Dollar (DXY) continues its relentless safe-haven rally, maintaining immense depreciatory pressure on Emerging Market currencies and effectively choking off broad foreign liquidity inflows.

Anutin’s Cabinet Meets the Energy Crisis

Domestically, the political calendar hits a critical milestone as Prime Minister Anutin Charnvirakul’s newly endorsed cabinet is set to deliver its official policy statement to parliament on April 7. While the Bhumjaithai-led super-coalition provides unprecedented parliamentary stability, their immediate growth agenda is already severely compromised. The $100+ crude reality has triggered localized fuel shortages and price spikes, forcing the government to cannibalize its fiscal stimulus budget to fund defensive energy subsidies and manage a rapidly deteriorating current account.

Consolidating at 1430 Amidst Stagflation

For the SET Index, currently consolidating in the 1410–1440 range, the macro environment dictates a strictly defensive posture. The index has fully digested the "political stability premium" of the new government but lacks the foreign liquidity to break through overhead resistance. The Thai market’s heavy weighting in old-economy energy stocks is once again acting as a structural parachute preventing a severe breakdown, but the intense margin pressures facing the broader domestic economy act as a hard cap on any cyclical upside.

The Barbell Strategy in a High-Yield Environment

Sector divergence is intensifying as the Q1 earnings reality sets in. The $100+ oil environment is absolutely toxic for transport, aviation, and imported-raw-material consumers. Conversely, Upstream Energy and Complex Refiners remain the sole structural beneficiaries of the geopolitical crisis, capturing massive unhedged margins and immediate inventory stock-gains. Furthermore, the sustained high-yield environment—driven by the BoT's inability to cut domestic rates while defending the Baht from imported inflation—provides a highly protective floor for large-cap Commercial Banks' Net Interest Margins (NIM).

The $100+ Energy & Yield Fortress

We strongly maintain our "Stagflation Fortress" allocation to navigate the Q2 transition. Retain maximum overweight positions in the Energy Complex (**PTTEP, PTT, TOP, SPRC, BCP**) to continuously monetize the $90+ Brent crude reality and capture Q1 inventory windfalls. Hold large-cap Banking (**BBL**) as high-yield, defensive anchor. We reiterate a strict avoid on Aviation (AAV) and raw-material heavy Exporters facing inescapable margin destruction.

Analyst

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

Assistant Analyst

Peerayu Sirivorawong

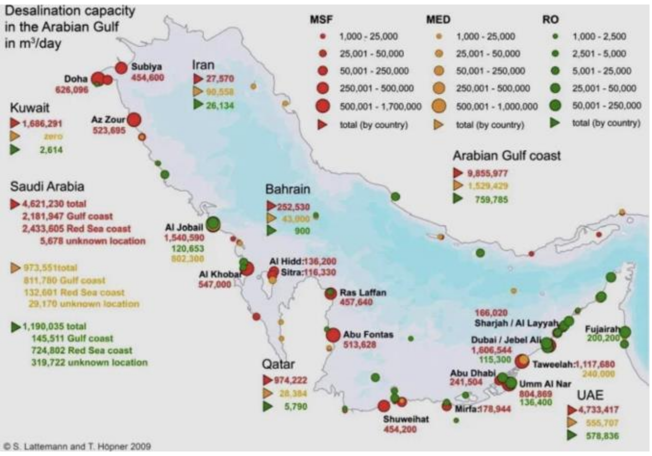
Exhibit 1: Diesel Prices and Wage Comparison

Sources: amarintv.com

Exhibit 2: Summary of the 23 Core Policies of the Anutin Charnvirakul Administration (2026)

Sources: moneyandbanking.th

Exhibit 3: Map of Desalination Capacity and Technologies (MSF, MED, RO) in the Arabian Gulf



Sources: Sabine Lattemann and Thomas Höpner

Globlex
Securities Co., Ltd.

GENERAL DISCLAIMER
Analyst Certification

Suwat Sinsadok, Register No. 020799, 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.