

Pick of the week

ONGC (ONGC):

Recommendation:	BUY
Target Price:	₹315
Current Price:	₹267
Time Period:	12 Months
Date:	20th January 2025



- Favorable tidings: Stars seem to be favoring ONGC of late.
- Recent policies, oil prices and INR have been positive for ONGC.
- ONGC classified ~15% APM gas as NWG, & is realizing ~40% higher price.
- Windfall tax scrapping was a positive. Spike in oil prices post is a positive.
- After multi-year decline, we expect O&G production to recover over FY25-27E.
- BP PLC indicated potential ~44% oil production up over 10-year contract period.
- ONGC is our preferred pick.
- We upgrade ONGC to BUY (from ADD) with an FV of Rs315 (Rs285 earlier).