

# Pick of *the week*

## ONGC (ONGC):

Recommendation: **BUY**

Target Price: **₹315**

Current Price: **₹267**

Time Period: **12 Months**

Date: **20<sup>th</sup> 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).

Note: The above is a brief note on the company, based on the inputs of KIE research report dated 20th Jan'25, which is available on our website at: <https://www.kotaksecurities.com/ksweb/ResearchCall/Fundamental>.

Disclaimer: <http://bit.ly/2n5AxIE>

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