Pick of the Week

BUY – ONGC (ONGC)

CMP: ₹**242** as on 5 January 2026

Fair Value (FV): **₹295** | Time Period: **12 months**

Why Invest?

- The improving domestic production outlook, rising domestic gas price realizations, and reduced policy risks are positives.
- OVL's oil sales recovered sequentially (up 8.5% qoq, up 2.8% yoy) in Q2FY26.
- ONGC's oil/gas production and sales volumes are getting better in Q2FY26.
- As gas production ramps up in KG-98/2 and production increases in Western offshore (Mumbai High with BP as TSP, Daman offshore), the production outlook remains sanguine.
- With the NWG (new well gas) share rising, gas realizations continue to rise and were US$7.05/mmbtu (up 6.8% yoy, flat qoq).
- The withdrawal of Force Majeure improves the outlook for Area-1, Mozambique (OVL (ONGC Videsh Limited) has a 16% stake).

Maintain BUY with FV Rs-295

Rating Scale (Private Client Group)

Definitions of ratings

BUY	–	We expect the stock to deliver more than 15% returns over the next 12 months
ADD	–	We expect the stock to deliver 5% - 15% returns over the next 12 months
REDUCE	–	We expect the stock to deliver -5% - +5% returns over the next 12 months
SELL	–	We expect the stock to deliver < -5% returns over the next 12 months
NR	–	**Not Rated.** Kotak Securities is not assigning any rating or price target to the stock. The report has been prepared for information purposes only.
SUBSCRIBE	–	We advise investor to subscribe to the IPO.
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NA	–	**Not Available or Not Applicable.** The information is not available for display or is not applicable
NM	–	**Not Meaningful.** The information is not meaningful and is therefore excluded.
NOTE	–	Our target prices are with a 12-month perspective. Returns stated in the rating scale are our internal benchmark.

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