

# Ratings Monitor

One Report – to monitor stocks and identify triggers to re-evaluate ratings

## ONGC

Current Market Price	Potential Returns	Fair Value (FV)
Rs.151	25.8%	Rs.190

**Date:** 1<sup>st</sup> June, 2022

**Previous Rating:** **SELL**

**Current Rating:** **BUY**

**Change:** Upgrade

### Ratings Rationale

- We sharply raise our FY23-24E consolidated EBITDA by 27-35%.
- Raising - 1) crude price estimates to \$105/90/bbl (barrel) for FY23/24E from \$90/70/bbl earlier & 2) domestic gas price estimates to \$8.9/7.5/mn BTU from \$7.3/6/mn BTU earlier.
- Domestic gas price expected to rise sharply in H2FY23E to \$11.2/mn BTU from \$6.8/mn BTU in H1FY23.
- Upgrade ONGC to BUY given elevated oil prices.

### Valuation

BUY ONGC with a fair value of Rs190, based on 5x Jun'24E + value of investments.

### Read Full Report

**Note:** The performance horizon is 12 months unless specified.

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