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Oil and Gas

Energy on the boil: Impact on upstream, OMCs and Gas cos

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Brent crude price has jumped to ~USD 81/bbl and LNG price has soared due to shutdown of key oil and gas assets in the Middle East (shutdown of QatarGas' huge ~82mmtpa LNG export plant), and as shipment via the Strait of Hormuz (through which nearly 20% of global oil and LNG flows) continues to be disrupted. Further upside risk to crude price exists (can easily jump to USD 90–100/bbl in the near term) if Iran is able to block the key strait for a prolonged period (though it is a low-probability event based on historical precedents of past wars); US President said if necessary US Navy will begin escorting tankers via Strait and US DFC to provide insurance to ensure financial security of all maritime trade. India's domestic oil demand is ~5.2mmbpd and inventory is sufficient to meet demand for 3-3.5 months if crude imports via Strait are reduced to zero; but, gas inventory is likely to be limited. ONGC and Oil India are likely to be the key beneficiaries if Brent sustains above ~USD 70/bbl (with the earlier ~USD 75/bbl cap on realisation no longer applicable); every USD 1/bbl increase in oil price boosts their EPS by 1.5–2% each. However, every USD 1/bbl rise in oil price above ~USD 70/bbl hits OMCs' auto-fuel GMM by INR 0.55/ltr and consolidated EBITDA by 7–9%. Shutdown of Qatar's LNG exports will impact 35-40% of India's LNG imports (and 50% of PLNG's LNG imports); hence, it is a near-term negative for PLNG, GAIL, Gujarat Gas and other gas companies.

- **Brent jumps to ~USD 81/bbl and LNG price surges due to shutdown of key oil and gas assets in the Middle East, and as shipment via the Strait continues to be disrupted:** The price of Brent crude has jumped further to ~USD 81/bbl as there are no signs of de-escalation in tensions in the Middle East (ME) with the US President saying war can last for 4-5 weeks or longer. Iran is responding with strikes against energy infrastructure in Gulf countries, resulting in a disruption of traffic or production suspension/shutdown of the following key energy assets: **a)** Qatar's huge, critical 82mmtpa LNG liquefaction plant; **b)** Saudi Arabia's 550kbpd Ras Tanura refinery; **c)** UAE's port of Fujairah (UAE's largest oil export hub outside the Strait of Hormuz); **d)** tanker traffic in the Strait due to attacks; and **e)** suspension of crude production at Iraq's largest 1.3-1.5mmbpd Rumaila facility and ~460kbpd West Qurna 2 facility due to lack of transport vessels and storage capacity (**exhibits 4-6** for list of key oil and gas assets in ME). Shipments of crude/LNG via the Strait have nearly come to a halt after Iran said the strait was closed and warned it would fire on any ship trying to pass. The Strait of Hormuz is the primary export route for major oil-producing nations such as Saudi Arabia, Iraq, Iran, the UAE and Kuwait, and major gas exporter Qatar. However, the US President has directed US Development Finance Corp (DFC) to provide insurance to ensure financial security of all maritime trade and said that the US Navy would begin escorting tankers via the strait if necessary. Separately, China is pressing Iran to avoid disrupting shipping through the Strait. Also, Saudi Aramco is trying to load crude oil tankers from the Red Sea port of Yanbu, sending oil to the West through its 5mmbpd East-West pipeline **– exhibit 1-2**.

- **Limited upside risk if Iran's 1.5-2mmbpd of crude export is disrupted given 3.7mmbpd oversupply and Saudi Arabia's 1–2mmbpd spare capacity; but, significant upside risk exists if the Strait is blocked for a prolonged period (low probability):** Iran's current crude output is ~3.5mmbpd, of which it exports 1.5–2mmbpd (almost 90% to China). Though the US is unlikely to damage Iran's oil & gas assets, any disruption to Iran's crude exports of 1.5-2mmbpd can be absorbed in a well-supplied oil market given likely: **i)** oversupply of ~3.7mmbpd in CY26; and **ii)** 1–2mmbpd of spare capacity with Saudi Arabia. Further, there are press reports that Saudi Arabia and the UAE have already raised exports to pre-empt potential disruption. However, significant upside risk to crude price exists (can easily jump to USD 90–100/bbl in the near term) if Iran is able to block the key Strait of Hormuz for a prolonged period (though that is a low-probability event based on historical precedents of past wars). Around 20mmbpd of oil and oil products pass through the strait, accounting for ~20% of global oil shipments and another ~20% of global LNG trade. **For India, over 40% of crude imports (~2mmbpd) and 55% of LNG imports flow through the Strait.** Please refer to **exhibit 3** for major supply outages historically.

- **India's domestic oil demand is ~5.2mmbpd and inventory is sufficient to meet demand for 3-3.5 months if crude imports via the strait are reduced to zero; but, gas inventory is likely to be limited:** India's domestic oil demand is ~5.2mmbpd: **a)** Indian refineries process ~5.5mmbpd of crude oil (4.9mmbpd of imported crude oil and 0.6mmbpd of domestic crude); and **b)** net exports is 0.3mmbpd (1.3mmbpd of oil products exports and 1mmbpd of imports) – **exhibit 7** and Over 40% of India's crude imports (~2mmbpd) and 55% of LNG imports flow through the Strait (**exhibit**

22-23 for India's crude sourcing mix). As per our understanding, India's total crude and oil product inventory (industrial + strategic) is likely equivalent to meeting 35-40 days of domestic demand assuming: **a)** IOCL maintains 45-50 days of crude inventory and another 10-15 days of product inventory (1/3rd of India's refining capacity); **b)** other refiners maintain 15-20 days of crude inventory and another 10-15 days of product inventory; and **c)** strategic crude reserve of ~6 days (~30mmbbl). Hence, if only India's crude imports from Strait are halted, India's total oil inventory would be sufficient for meeting 3-3.5 months of domestic oil demand shortfall (~85% of India's oil consumption is imported and 40% of imports comes via the Strait).

- **ONGC/Oil India key beneficiaries if Brent sustains above USD 70/bbl (USD 75/bbl cap no longer applicable); every USD 1/bbl rise in oil price boosts their EPS by 1.5–2% each:** ONGC and Oil India will be the key beneficiaries if Brent sustains above ~USD 70/bbl (earlier ~USD 75/bbl cap on realisation no longer applicable after Jan'25 amendment of ORD Act) since every USD 1/bbl rise in oil price boosts their earnings by 1.5–2% each (**exhibit 24-29**). At CMP, ONGC and Oil India are discounting ~USD 68-70/bbl net crude realisation assuming 7–7.5x FY28E P/E for the standalone E&P business. We have a BUY each on Oil India (TP unchanged at INR 560) and ONGC (TP unchanged at INR 320) based on our Brent crude price assumption of USD 70/bbl and likely oil and gas output growth over the next two–three years. However, we prefer Oil India as it could be a 14–18% earnings-compounding story over the next three–five years driven by: **i)** strong 20–25% cumulative output growth over FY27–29E aided by commissioning of the Indradhanush gas pipeline; and **ii)** expansion of NRL refinery from 3mmtpa to 9mmtpa (given management guidance of excise duty benefits continuing for expanded capacity as well).

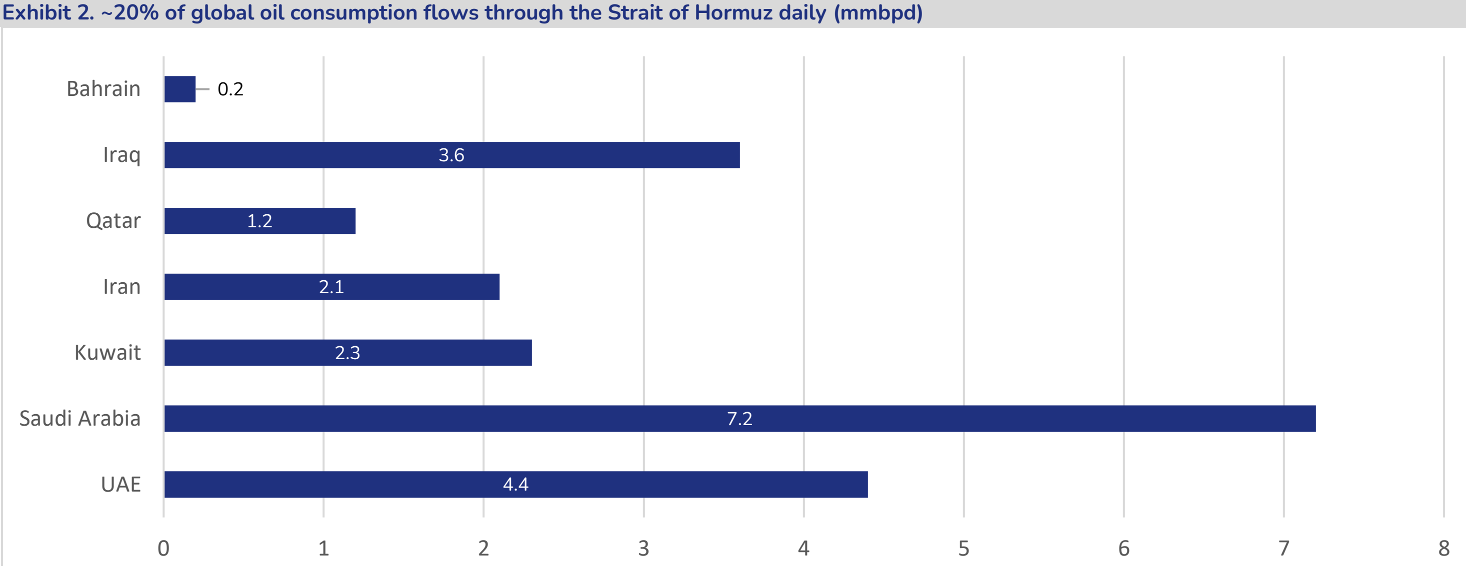
- **OMCs' auto-fuel GMM likely to be hit if Brent sustains above USD 70/bbl; every USD 1/bbl increase in oil price hits their GMM by INR 0.55/ltr and consolidated EBITDA by 7–9%:** OMCs' auto-fuel gross marketing margin (GMM) could be hit if Brent sustains above ~USD 70/bbl as they earn their historical INR 3.5-4/ltr at Brent price of ~USD 70/bbl. For every USD 1/bbl rise in crude price, OMCs' auto-fuel GMM declines by INR 0.55/ltr (assuming no change in retail petrol/diesel price and excise duty on petrol/diesel) and drags down their consolidated EBITDA by 7–9%, with HPCL the worst hit given its highest leverage to the marketing business (**exhibit 30-36**). At spot Brent of ~USD 83bbl Brent and current diesel crack of ~USD42/bbl and petrol crack of ~USD16.5/bbl, OMCs' blended GMM is at negative INR 13.5/ltr (historical GMM of positive INR 3.5/ltr) while integrated gross margin is still positive INR 6.0/ltr (though below the historical average of positive INR 12.4/ltr). At CMP, HPCL is trading at 1.08x FY28 PB (last 3-year average of 1.17x), BPCL is trading at 1.28x FY28 PB (last 3-year average of 1.29x) and IOCL is trading at 0.99x FY28 PB (last 3-year average of 0.94x). For every decline in OMCs' auto-fuel integrated margin by INR1/ltr (historical INR3.5/ltr) their book value decreases by 0.2-0.5% per month. Hence, if their current gross integrated margin is INR 6/ltr below their historical margin, their book value could fall by 1.5-3% per month (**exhibit 42-43**).

- **Spot LNG prices surge after QatarGas shutdown its huge ~82mmtpa LNG export plant; India's 35-40% of LNG imports to be impacted, hence, it is a near-term negative for PLNG, GAIL, Gujarat Gas and other gas companies:** QatarGas has announced that it has stopped LNG output at its main facility after military attacks; this is Qatar's main LNG facility and handles 82mmtpa of LNG or ~25% of global LNG supply. PLNG gets a huge 8.5mmtpa of LNG from Qatar (or ~50% of its volume). Further, adding ~1mmtpa of LNG contract of GSPC, India gets 9.5-10mmtpa of LNG from Qatar and this constitutes over 35-40% of the country's LNG import and ~20% of its natural gas demand. PLNG has issued a press release stating that QatarEnergy issued a notice indicating a potential event of force majeure. Hence, PLNG has issued corresponding force majeure notices to its offtakers (GAIL, IOCL, BPCL). Press reports also suggest India's gas marketing companies have informed industrial customers they would receive 10-50% lower gas supply. Hence, if this shutdown sustains for a long period, it could lead to: **a)** a temporary spike in spot LNG price (has already more than doubled to ~USD 25/mmbtu as reported by Bloomberg quoting traders); Europe gas price has jumped 70-80% to USD 18-19/mmbtu – this could temporarily hurt India's LNG/Gas demand and, therefore, could be a near-term negative for volume & margin for GAIL, PLNG, Gujarat Gas and other gas companies (GSPL, IGL and MGL); and **b)** temporarily disrupt LNG supply to PLNG given it gets 8.5mmtpa of LNG from Qatar (or ~50% of its volume) – a near-term negative for PLNG's volume.

Exhibit 1. Map depicting strategic importance of Strait of Hormuz in global oil and gas supplies and its vulnerabilities

Source: JM Financial

Exhibit 2. ~20% of global oil consumption flows through the Strait of Hormuz daily (mmbpd)



Source: Keler, Reuters. Note: Includes both exports of crude oil and of oil products passing through the Strait of Hormuz off Iran's southern coast, as of May 2025

Exhibit 3. Historical supply outages in global oil market

Event	Start Date	Duration (weeks)	Price Change (%)	Supply loss (%)
Arab Embargo	Oct-73	4	231.6	-3.3
Hostage-taking at US embassy in Iran	Nov-79	14	17.8	-0.3
Start of Iran/Iraq w ar	Sep-80	2	28.4	-1.5
Iraq invasion of Kuw ait	Aug-90	6	58.4	-0.5
Venezuela oil strike	Nov-02	2	117.5	-5.1
EU enforcement of 10-ppm sulfur diesel	Mar-Jun'08	6	45.2	-1.3
Hurricanes Katrina/Rita	Aug-08	4	11.2	-1.2
Collapse of Libyan production	Jan-11	3	27.7	-0.7
Hurricane Harvey	Sep-17	3	12.7	-0.6
Attacks on Saudi Aramco facilities	Sep-19	4	12.4	-5.7

Source: JM Financial

Exhibit 4. List of major crude production facilities in the Middle East

Country (Field Name)	Production Capacity (mmbpd)	Onshore/Offshore	Current Status
Saudi Arabia			
Ghawar	3.8	Onshore	NA
Safaniya	1.3	Offshore	NA
Khurais	1.5	Onshore	NA
Shaybah	1.0	Onshore	NA
Zuluf	0.8	Offshore	NA
Marjan	0.5	Offshore	NA
Manifa	0.9	Offshore	NA
Berri	0.3	Offshore	NA
Khafji (Neutral Zone shared)	0.3	Offshore	NA
Abu Safah (Shared with Bahrain)	0.3	Offshore	NA
Total	**10.7**		
Iraq			
Rumaila	1.5	Onshore	Halted
West Qurna-1	0.5	Onshore	Production Curtailed
West Qurna-2	0.5	Onshore	Production Curtailed
Majnoon	0.2	Onshore	NA
Halfaya	0.4	Onshore	NA
Zubair	0.5	Onshore	NA
Badra	0.1	Onshore	NA
Qayyarah	0.1	Onshore	NA
Kirkuk	0.3	Onshore	NA
Bai Hassan	0.2	Onshore	NA
Tawke	0.1	Onshore	NA
Total	**4.2**		
UAE			
Upper Zakum	1.0	Offshore	NA
Lower Zakum	0.5	Offshore	NA
Umm Shaif	0.3	Offshore	NA
Bab	0.4	Onshore	NA
Bu Hasa	0.7	Onshore	NA
Nasr	0.1	Offshore	NA
SARB	0.2	Offshore	NA
Asab	0.3	Onshore	NA
Sahil/Shah	0.2	Onshore	NA
Total	**3.5**		
Kuwait			
Burgan	1.7	Onshore	NA
Raudhatain	0.5	Onshore	NA
Sabriya	0.4	Onshore	NA
Total	**2.6**		
Iran			
Ahvaz	0.8	Onshore	NA
Gachsaran	0.8	Onshore	NA
Marun	0.5	Onshore	NA
Aghajari	0.3	Onshore	NA
Bibi Hakimeh	0.2	Onshore	NA
Yadavaran	0.1	Onshore	NA
Abouzar	0.2	Offshore	NA
Doroud	0.2	Offshore	NA
Azadegan	0.3	Onshore	NA
Total	**3.3**		
Oman			
Fahud	0.2	Onshore	NA
Yibal	0.3	Onshore	NA
Lekhwair	0.1	Onshore	NA
Qarn Alam	0.1	Onshore	NA
Marmul	0.1	Onshore	NA
Harweel	0.1	Onshore	NA
Nimr	0.1	Onshore	NA
Mukhaizna	0.1	Onshore	NA
Khazzan / Ghazeer condensate	0.1	Onshore	NA
Total	**1.1**		
Qatar			
Dukhan	0.3	Onshore	NA
Al Shaheen	0.3	Offshore	NA
Idd El Shargi North Dome	0.1	Offshore	NA
Idd El Shargi South Dome	0.1	Offshore	NA
Bul Hanine	0.1	Offshore	NA
Maydan Mahzam	0.1	Offshore	NA
Total	**0.9**		

Source: JM Financial. NA; No update Available

Exhibit 5. List of major refining capacities in the Middle East

Country (Plant Name)	Capacity (mmbpd)	Status
Saudi Arabia		
Ras Tanura Refinery	0.6	Halted
Rabigh/PetroRabigh	0.4	NA
Yanbu JV Refinery	0.4	NA
Jizan Refinery	0.4	NA
Jubail/SASREF	0.3	NA
Yanbu Refinery	0.2	NA
Riyadh Refinery	0.1	NA
Jeddah Refinery	0.1	NA
Total	**2.4**	
Iran		
Abadan Refinery	0.6	NA
Bandar Abbas (Persian Gulf Star)	0.5	NA
Isfahan Refinery	0.4	NA
Bandar Abbas Refinery	0.3	NA
Arak/Shazand Refinery	0.3	NA
Tehran Refinery	0.3	NA
Borzouyeh Refinery	0.1	NA
Tabriz Refinery	0.1	NA
Lavan Island Refinery	0.1	NA
Shiraz Refinery	0.1	NA
South Adish Refinery	0.1	NA
Bouali Sina Refinery	0.0	NA
Aftab Refinery	0.0	NA
Kermanshah Refinery	0.0	NA
Total	**2.9**	
Kuwait		
Al-Zour Refinery	0.6	NA
Mina al-Ahmadi Refinery	0.5	NA
Mina Abdullah Refinery	0.5	NA
Total	**1.5**	
UAE		
Ruwais Refinery	0.8	NA
Jebel Ali Refinery	0.1	NA
Umm al-Nar Refinery	0.1	NA
Hamriyah Sharjah Refinery	0.1	NA
Fujairah Refinery	0.1	NA
Total	**1.2**	
Iraq		
Baiji Refinery	0.3	NA
Basra Refinery	0.3	NA
Daura Refinery	0.2	NA
Bazian Refinery	0.0	NA
Amara Refinery	0.0	NA
Total	**0.8**	
Oman		
Duqm Refinery	0.2	NA
Sohar Refinery	0.1	NA
Mina al-Fahal Refinery	0.1	NA
Total	**0.4**	
Qatar		
Ras Laffan/Laffan Refinery	0.3	NA
Um Said Refinery	0.1	NA
Total	**0.4**	
Syria		
Baniyas Refinery	0.1	NA
Homs Refinery	0.1	NA
Total	**0.2**	
Bahrain		
Sitra/BAPCO Refinery	0.4	NA
Total	**0.4**	
Yemen		
Aden Refinery	0.1	NA
Marib Refinery	0.0	NA
Total	**0.1**	

Source: JM Financial. NA: No update Available

Exhibit 6. List of major LNG liquefaction capacities in the Middle East

Country (Field Name)	Capacity (mmtpa)	Status
Qatar		
QatarEnergy LNG S3	15.6	Halted
QatarEnergy LNG N4 Train 7	7.8	Halted
QatarEnergy LNG N4 Train 7	7.8	Halted
QatarEnergy LNG S2	14.1	Halted
Qatar Energy LNG N1	10.0	Halted
QatarEnergy LNG N2 Train 5	7.8	Halted
QatarEnergy LNG S1	6.6	Halted
QatarEnergy LNG N2 Train 4	7.8	Halted
QatarEnergy LNG N3 Train 6	7.8	Halted
Total	**85.3**	
Oman		
Oman LNG Train 3	3.3	NA
Oman LNG	8.1	NA
Oman LNG	8.1	NA
Total	**19.5**	
United Arab Emirates	**6.0**	
ADNOC Das Island LNG Terminal	6.0	NA

Source: JM Financial. NA: No update Available

Exhibit 7. India's domestic oil consumption is ~5.2mmbpd

		FY25 (mmbpd)
Crude imports		**4.9**
Domestic crude production		0.6
India' total crude throughput (domestic + imported crude)	**(a)**	**5.5**
Petroleum products exports (gross) (LPG/fuel oil/petcoke)		1.3
Petroleum products imports (Diesel and Petrol)		1.0
Petroleum products exports (net)	**(b)**	**0.3**
Total domestic oil consumption	**(a-b)**	**5.2**

Source: PPAC, JM Financial

OPEC+ output cuts: How much of the cuts have been reversed, and still pending?

OPEC+ has implemented three different output cuts since Nov'22:

i) 2mmbpd of official cut by all OPEC+ countries w.e.f. from Nov'22 (using Aug'22 output as baseline) - this cut is still under implementation and is applicable till end-CY26;

ii) 1.65mmbpd of voluntary cuts starting May'23 by eight countries (called V8 countries – Saudi Arabia, Iraq, UAE, Kuwait, Kazakhstan, Algeria, Oman and Russia) – OPEC+ had so far announced a hike of 206kbpd for Apr'26 (after having paused for Jan-Mar'26) and 137kbpd hike each for the month of Oct'25, Nov'25 and Dec'25.

iii) Additional 2.2mmbpd voluntary cuts starting Jan'24 by V8 countries - OPEC+ has already announced full reversal of this cut during Apr'25-Sep'25 at an accelerated pace (versus original announcement to reverse it over 18 months).

OPEC+ has hiked output only by 1.4mmbpd over Apr'25-Jan'26 versus the announced cumulative hike of 2.88mmbpd; the grouping is meeting on 1st Mar'26 to decide on output hike from Apr'26: OPEC+ has increased its output only by ~1.4mmbpd over Apr'25-Jan'26 versus cumulative announced hike of 2.88mmbpd as it was partly offset by output cuts by Kazakhstan, Iraq, and other countries to compensate for their past overproduction. It is meeting on 1st Mar'26 to decide whether to hike output from Apr'26 (after pausing output hike over Jan-Mar'26); Reuters reported that OPEC+ is leaning towards resuming output hike from Apr'26 as it prepares for peak summer demand and price strength driven by US-Iran tensions.

Exhibit 8. OPEC+ crude production trend: Jan'26 output at 43.3mmbpd, up 1.9mmbpd versus CY24; announced cumulative hike of 2.88mmbpd

Countries	CY19	CY20	CY21	CY22	CY23	CY24	CY25	Jan-26
OPEC								
Algeria	1.0	0.9	0.9	1.0	1.0	0.9	0.9	1.0
Congo	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Equatorial Guinea	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Gabon	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Iraq	4.7	4.1	4.0	4.5	4.3	4.3	4.4	4.3
Kuwait	2.7	2.4	2.4	2.7	2.6	2.5	2.6	2.6
Nigeria	1.7	1.5	1.3	1.1	1.2	1.3	1.4	1.4
Saudi Arabia	9.8	9.2	9.1	10.6	9.6	9.0	9.4	10.3
UAE	3.1	2.9	2.7	3.3	3.3	3.2	3.5	3.6
Total OPEC-9[6]	**23.7**	**21.5**	**21.1**	**23.8**	**22.5**	**21.8**	**22.8**	**23.7**
Iran[3]	2.4	2.0	2.4	2.6	3.0	3.3	3.4	3.5
Libya[3]	1.1	0.4	1.2	1.0	1.2	1.1	1.2	1.3
Venezuela[3]	0.9	0.5	0.6	0.7	0.8	0.9	0.9	0.8
Total OPEC	**28.0**	**24.4**	**25.2**	**28.0**	**27.4**	**27.1**	**28.3**	**29.3**
Azerbaijan	0.7	0.6	0.6	0.6	0.5	0.5	0.5	0.5
Kazakhstan	1.6	1.5	1.6	1.5	1.6	1.5	1.8	1.3
Mexico[4]	1.5	1.5	1.6	1.6	1.7	1.6	1.4	1.4
Oman	0.8	0.8	0.8	0.9	0.8	0.8	0.8	0.8
Russia	10.2	9.7	9.6	9.7	9.6	9.3	9.2	9.3
Others[5]	0.9	0.9	0.9	0.9	0.8	0.7	0.8	0.7
Total Non-OPEC	**15.7**	**15.0**	**14.9**	**15.0**	**15.0**	**14.3**	**14.4**	**14.0**
OPEC+-18 in cut deal[3]	**37.8**	**35.0**	**34.4**	**37.2**	**35.8**	**34.6**	**35.8**	**36.3**
Total OPEC+	**43.7**	**39.4**	**40.2**	**43.0**	**42.4**	**41.4**	**42.8**	**43.3**

Source: IEA, JM Financial

Exhibit 9. OPEC+ crude production trend: Jan'26 output at 43.3mmbpd, up 1.4mmbpd over Apr'25-Jan'26; announced cumulative hike of 2.88mmbpd

Countries	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26
OPEC													
Algeria	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	1.0	1.0	1.0	0.9	1.0
Congo	0.2	0.2	0.2	0.2	0.2	0.3	0.3	0.2	0.3	0.3	0.3	0.3	0.3
Equatorial Guinea	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.1	0.1
Gabon	0.3	0.2	0.2	0.2	0.3	0.3	0.2	0.2	0.3	0.2	0.2	0.2	0.2
Iraq	4.3	4.3	4.2	4.2	4.2	4.3	4.5	4.6	4.6	4.6	4.5	4.3	4.3
Kuwait	2.5	2.5	2.6	2.7	2.7	2.7	2.7	2.7	2.7	2.6	2.6	2.5	2.6
Nigeria	1.5	1.4	1.4	1.5	1.5	1.5	1.5	1.4	1.4	1.4	1.3	1.4	1.4
Saudi Arabia	9.1	9.0	9.1	8.9	9.1	9.8	9.5	9.4	10.0	9.9	9.9	9.7	10.3
UAE	3.2	3.3	3.3	3.3	3.4	3.5	3.5	3.6	3.7	3.6	3.6	3.6	3.6
Total OPEC-9[6]	**22.0**	**21.9**	**22.0**	**22.0**	**22.3**	**23.2**	**23.1**	**23.1**	**24.0**	**23.6**	**23.4**	**23.1**	**23.7**
Iran[3]	3.3	3.4	3.4	3.5	3.5	3.1	3.3	3.2	3.5	3.5	3.5	3.5	3.5
Libya[3]	1.2	1.2	1.2	1.2	1.3	1.2	1.3	1.3	1.3	1.2	1.2	1.3	1.3
Venezuela[3]	0.9	1.0	1.0	0.8	0.9	0.9	0.9	1.0	1.0	1.0	0.9	1.0	0.8
Total OPEC	**27.4**	**27.5**	**27.5**	**27.5**	**27.8**	**28.4**	**28.5**	**28.6**	**29.7**	**29.2**	**29.0**	**28.9**	**29.3**
Azerbaijan	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Kazakhstan	1.6	1.8	1.8	1.9	1.8	1.8	1.8	1.9	1.9	1.7	1.8	1.5	1.3
Mexico[4]	1.4	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.4	1.4	1.4	1.4	1.4
Oman	0.7	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8
Russia	9.2	9.1	9.2	9.3	9.2	9.2	9.3	9.0	9.3	9.2	9.0	9.6	9.3
Others[5]	0.8	0.7	0.7	0.7	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.7	0.7
Total Non-OPEC	**14.2**	**14.3**	**14.4**	**14.5**	**14.4**	**14.6**	**14.7**	**14.4**	**14.6**	**14.4**	**14.3**	**14.6**	**14.0**
OPEC+-18 in cut deal[3]	**34.7**	**34.7**	**35.0**	**35.1**	**35.2**	**36.3**	**36.3**	**36.1**	**37.2**	**36.5**	**36.2**	**36.3**	**36.3**
Total OPEC+	**41.6**	**41.8**	**41.9**	**42.1**	**42.3**	**43.0**	**43.2**	**43.0**	**44.3**	**43.6**	**43.3**	**43.5**	**43.3**

Source: IEA, JM Financial

Exhibit 10. OPEC+ Jan'26 output: Down 160kbpd MoM due to decline in output in Russia, Kazakhstan and Venezuela, but partly offset by jump in output in Saudi Arabia; Saudi Arabia still has spare capacity of ~1.8mmbpd

Countries	Dec 2025 Supply	Jan 2026 Supply	Jan 2026 Target including voluntary cuts	Jan 2026 production vs target	Sustainable Capacity[1]	Spare Capacity in Jan'25
OPEC						
Algeria	0.9	1.0	1.0	0.0	1.0	0.0
Congo	0.3	0.3	0.3	0.0	0.3	0.0
Equatorial Guinea	0.1	0.1	0.1	0.0	0.1	0.0
Gabon	0.2	0.2	0.2	0.1	0.2	0.0
Iraq	4.3	4.3	4.2	0.2	4.9	0.5
Kuwait	2.5	2.6	2.6	0.0	2.9	0.3
Nigeria	1.4	1.4	1.5	-0.1	1.4	0.0
Saudi Arabia	9.7	10.3	10.1	0.2	12.1	1.8
UAE	3.6	3.6	3.4	0.2	4.3	0.7
Total OPEC-9[6]	**23.1**	**23.7**	**23.2**	**0.5**	**27.1**	**3.4**
Iran[3]	3.5	3.5			3.8	
Libya[3]	1.3	1.3			1.3	0.0
Venezuela[3]	1.0	0.8			1.0	0.2
Total OPEC	**28.9**	**29.3**			**33.2**	**3.6**
Azerbaijan	0.5	0.5	0.6	-0.1	0.5	0.0
Kazakhstan	1.5	1.3	1.3	0.0	1.8	0.5
Mexico[4]	1.4	1.4			1.5	0.1
Oman	0.8	0.8	0.8	0.0	0.8	0.0
Russia	9.6	9.3	9.6	-0.3	9.4	0.0
Others[5]	0.7	0.7	0.9	-0.1	0.9	0.1
Total Non-OPEC	**14.6**	**14.0**	**13.1**	**-0.5**	**14.8**	**0.7**
OPEC+-18 in cut deal[3]	**36.3**	**36.3**	**36.3**	**0.0**	**40.4**	**4.0**
Total OPEC+	**43.5**	**43.3**			**48.0**	**4.4**

Source: IEA, Note: Production excludes condensates; 1. Capacity levels can be reached within 90 days and sustained for extended period; 2. Excludes shut in Iranian, Russian crude; 3. Iran, Libya, Venezuela exempt from cuts; 4. Mexico excluded from OPEC+ compliance; only cut in May, June 2020; 5. Bahrain, Brunei, Malaysia, Sudan and South Sudan; 6. Angola left OPEC effective 1 Jan 2024.

Exhibit 11. OPEC and non-OPEC monthly crude production trend (mmbpd)

Countries	CY19	CY20	CY21	CY22	CY23	CY24	CY25	Nov-25	Dec-25	Jan-26
OPEC										
Saudi Arabia	9.8	9.2	9.1	10.6	9.6	9.0	9.4	9.9	9.7	10.3
Iran	2.4	2.0	2.4	2.6	3.0	3.3	3.4	3.5	3.5	3.5
Venezuela	0.9	0.5	0.6	0.7	0.8	0.9	0.9	0.9	1.0	0.8
Nigeria	1.7	1.5	1.3	1.2	1.2	1.3	1.4	1.3	1.4	1.4
Libya	1.1	0.4	1.1	1.0	1.2	1.1	1.2	1.2	1.3	1.3
Iraq	4.7	4.1	4.0	4.4	4.3	4.3	4.4	4.5	4.3	4.3
UAE	3.1	2.9	2.7	3.2	3.3	3.2	3.5	3.6	3.6	3.6
Kuwait	2.7	2.4	2.4	2.7	2.6	2.5	2.6	2.6	2.5	2.6
Angola	1.4	1.3	1.1	1.1	0.9	0.0	0.0	0.0	0.0	0.0
Other OPEC	2.2	1.6	1.5	1.6	1.5	1.4	1.5	1.5	1.5	1.5
Total OPEC crude	**30.0**	**25.8**	**26.3**	**29.0**	**28.3**	**27.1**	**28.3**	**29.0**	**28.9**	**29.3**
Non-OPEC										
Russia	**11.6**	**9.7**	**9.6**	**9.7**	**9.6**	**9.3**	**9.2**	**9.0**	**9.6**	**9.3**
Kazakhstan		1.8	1.9	1.8	1.9	1.9	1.9	1.8	1.5	1.3
US crude (excluding NGL's)	12.3	11.3	11.3	12.0	12.9	13.2	13.6	13.8	13.8	13.5
US NGL (Natural Gas Liquid)	4.8	5.2	5.4	5.9	6.5	7.0	7.5	7.8	7.5	6.9

Source: IEA, EIA, OPEC OMR, Reuters, JM Financial.

Exhibit 12. OPEC+ has announced output hike of 206kbpd from Apr'26 versus previous estimate of 137kbpd, but this is also subject to likely output cuts by Kazakhstan, Iraq, etc to offset past over-production

OPEC+ production target over Apr'25 to Apr'26 (mmbpd)

Countries	1QCY25	Apr'25	May'25	Jun'25	Jul'25	Aug'25	Sep'25	Oct'25	Nov'25	Dec'25	Jan'26	Feb'26	Mar'26	Apr'26
Saudi Arabia	8.98	9.03	9.20	9.37	9.53	9.76	9.98	10.02	10.06	10.10	10.10	10.10	10.10	10.17
Russia	8.98	9.00	9.08	9.16	9.24	9.34	9.45	9.49	9.53	9.57	9.57	9.57	9.57	9.64
Iraq	4.00	4.01	4.05	4.09	4.12	4.17	4.22	4.24	4.26	4.27	4.27	4.27	4.27	4.30
UAE*	2.91	2.94	3.02	3.09	3.17	3.27	3.38	3.39	3.40	3.41	3.41	3.41	3.41	3.43
Kuwait	2.41	2.42	2.44	2.47	2.49	2.52	2.55	2.56	2.57	2.58	2.58	2.58	2.58	2.60
Kazakhstan	1.47	1.47	1.49	1.50	1.51	1.53	1.55	1.56	1.56	1.57	1.57	1.57	1.57	1.58
Algeria	0.91	0.91	0.92	0.93	0.94	0.95	0.96	0.96	0.97	0.97	0.97	0.97	0.97	0.98
Oman	0.76	0.76	0.77	0.78	0.78	0.79	0.80	0.80	0.81	0.81	0.81	0.81	0.81	0.82
Total	**30.42**	**30.55**	**30.96**	**31.38**	**31.79**	**32.33**	**32.88**	**33.02**	**33.15**	**33.29**	**33.29**	**33.29**	**33.29**	**33.50**
Implied output hike (mmbpd)		**0.14**	**0.41**	**0.41**	**0.41**	**0.55**	**0.55**	**0.14**	**0.14**	**0.14**	**0.00**	**0.00**	**0.00**	**0.21**

*OPEC+ announced reversal of second set of voluntary output cut of 1.65mmpd partly or fully in a gradual manner subject to market conditions ** First set of voluntary output cut of 2.16mmbpd reversed and UAE's 300kbpd rise in required output implemented during Apr'25 to Sep'25.

Output cut to be done by few OPEC+ countries to compensate for past over-production

Countries	Apr'25	May'25	Jun'25	Jul'25	Aug'25	Sep'25	Oct'25	Nov'25	Dec'25	Jan'26	Feb'26	Mar'26	Apr'26
Saudi Arabia	0.02												
Russia	0.01	0.09	0.11	0.14	0.09	0.03	0.10						
Iraq	0.12	0.14	0.14	0.14	0.13	0.13	0.13	0.13	0.12	0.12	0.12	0.12	0.12
UAE	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.02	0.02	0.05
Kuwait	0.01	0.02	0.02	0.03	0.03	0.03							
Kazakhstan	0.06	0.12	0.13	0.13		0.02	0.03	0.09	0.13	0.28	0.57	0.57	0.50
Algeria													
Oman	0.01	0.01	0.02	0.02	0.01	0.01	0.01	0.00	0.01	0.01	0.00	0.01	0.01
Total	**0.22**	**0.38**	**0.43**	**0.46**	**0.26**	**0.23**	**0.28**	**0.24**	**0.27**	**0.42**	**0.71**	**0.71**	**0.68**

OPEC+ effective production target after adjusting for above planned output cuts over Apr'25 to Apr'26 (mmbpd) to compensate for past over-production

Countries	Apr'25	May'25	Jun'25	Jul'25	Aug'25	Sep'25	Oct'25	Nov'25	Dec'25	Jan'26	Feb'26	Mar'26	Apr'26
Saudi Arabia	9.02	9.20	9.37	9.53	9.76	9.98	10.02	10.06	10.10	10.10	10.10	10.10	10.17
Russia	9.00	9.00	9.05	9.10	9.26	9.42	9.39	9.53	9.57	9.57	9.57	9.57	9.64
Iraq	3.89	3.91	3.95	3.99	4.04	4.09	4.11	4.13	4.15	4.15	4.16	4.16	4.18
UAE*	2.93	3.01	3.08	3.16	3.26	3.37	3.38	3.39	3.40	3.40	3.39	3.39	3.38
Kuwait	2.41	2.43	2.44	2.46	2.49	2.52	2.56	2.57	2.58	2.58	2.58	2.58	2.60
Kazakhstan	1.41	1.37	1.37	1.39	1.53	1.53	1.53	1.47	1.44	1.29	1.00	1.00	1.08
Algeria	0.91	0.92	0.93	0.94	0.95	0.96	0.96	0.97	0.97	0.97	0.97	0.97	0.98
Oman	0.76	0.76	0.76	0.77	0.79	0.79	0.80	0.81	0.81	0.81	0.81	0.81	0.81
Total	**30.33**	**30.59**	**30.94**	**31.33**	**32.07**	**32.65**	**32.74**	**32.92**	**33.03**	**32.88**	**32.58**	**32.58**	**32.82**
Implied effective output hike/(cut) (mmbpd)	**-0.08**	**0.25**	**0.36**	**0.39**	**0.74**	**0.58**	**0.09**	**0.18**	**0.11**	**-0.15**	**-0.29**	**0.00**	**0.23**

Source: OPEC

Exhibit 13. Non-OPEC+ countries to add ~1.2mmbpd to oil supply in CY26 versus ~1.8mmbpd in CY25 (mmbpd) and ~1.6mmbpd in CY24 (mmbpd)

	YOY Growth (mmbpd)										Avg p.a. growth	Avg p.a. growth	Avg p.a. growth
	CY17	CY18	CY19	CY20	CY21	CY22	CY23	CY24	CY25	CY26E	CY11-CY26E	CY16-CY26E	CY20-CY26E
Non-OPEC+ *													
OECD													
Americas	**1.0**	**2.9**	**1.8**	**-0.8**	**0.4**	**1.3**	**1.7**	**1.1**	**0.9**	**0.4**	**1.0**	**0.9**	**0.7**
United States	0.7	2.4	1.6	-0.6	0.1	1.2	1.6	0.9	0.7	0.3	**0.9**	**0.8**	**0.6**
Canada	0.4	0.6	0.1	-0.2	0.3	0.1	0.0	0.3	0.2	0.0	0.2	0.2	0.1
Chile	-	-	-	-	-	-0.0	0.0	-	-	-	0.0	-	-
Europe	**-0.0**	**-0.0**	**-0.1**	**0.2**	**-0.2**	**-0.2**	**0.0**	**-0.1**	**0.1**	**0.1**	**-0.0**	**-0.0**	**0.0**
Asia Oceania	**-0.0**	**0.0**	**0.1**	**0.0**	**-0.0**	**-0.0**	**-0.0**	**-0.0**	**-0.0**	**0.0**	**-0.0**	**-**	**-0.0**
Total OECD (D)	**0.9**	**2.9**	**1.7**	**-0.5**	**0.3**	**1.1**	**1.6**	**1.1**	**1.0**	**0.5**	**1.0**	**0.9**	**0.7**
Non-OECD											-	-	-
Asia	**-0.2**	**-0.2**	**-0.1**	**-0.1**	**-0.1**	**-0.0**	**0.0**	**-0.0**	**0.1**	**-0.0**	**-0.1**	**-0.0**	**-0.0**
Europe	**-0.0**	**-0.0**	**-**	**-**	**-0.0**	**-0.0**	**-**	**-0.0**	**-**	**-0.0**	**-0.0**	**-0.0**	**-0.0**
Americas	**0.1**	**-0.0**	**0.2**	**0.6**	**-0.0**	**0.3**	**0.6**	**0.3**	**0.5**	**0.5**	**0.2**	**0.3**	**0.4**
Brazil	0.1	-0.0	0.2	0.1	-0.0	0.1	0.4	-0.1	0.4	0.2	0.1	0.1	0.2
Guyana	-	-	-	-	-	-	0.4	0.2	0.1	0.2	0.1	0.1	0.1
Middle East	**0.0**	**2.0**	**-0.0**	**-0.2**	**0.1**	**-0.0**	**-0.0**	**0.0**	**0.1**	**0.0**	**0.1**	**0.2**	**-0.0**
Africa	**0.1**	**-0.3**	**0.0**	**-0.1**	**-0.1**	**-0.0**	**1.2**	**-0.0**	**-0.0**	**0.1**	**0.0**	**0.0**	**0.2**
Total Non-OECD (E)	**-0.1**	**1.6**	**0.2**	**0.2**	**-0.1**	**0.2**	**1.8**	**0.2**	**0.7**	**0.5**	**0.2**	**0.4**	**0.5**
Processing Gains (F) *	0.0	0.0	0.0	-0.2	0.1	0.0	0.1	0.0	0.0	0.1	0.0	0.0	0.0
Global Biofuels (G)	0.1	0.2	0.2	-0.2	0.1	0.2	0.2	0.3	0.1	0.2	0.1	0.1	0.1
Total Non-OPEC (H) = (D) + (E) + (F) + (G)	**0.9**	**4.8**	**2.1**	**-0.8**	**0.4**	**1.6**	**3.7**	**1.6**	**1.8**	**1.2**	**1.4**	**1.5**	**1.4**

Source: IEA OMR *Comprises crude oil, condensates, NGLs and oil from non-conventional sources **Net volumetric gains and losses in refining and marine transportation losses.

Exhibit 14. OPEC and non-OPEC production trend (mmbpd)

Countries	CY11	CY12	CY13	CY14	CY15	CY16	CY17	CY18	CY19	CY20	CY21	CY22	CY23	CY24	CY25	CY26E
OPEC																
Saudi Arabia	9.0	9.5	9.4	9.5	10.1	10.4	10.0	10.3	9.8	9.2	9.1	10.5	9.6	9.1		
Iran	3.6	3.0	2.7	2.8	2.9	3.6	3.8	3.6	2.4	2.0	2.4	2.5	3.0	3.3		
Iraq	2.7	3.0	3.1	3.3	4.0	4.4	4.5	4.6	4.7	4.1	4.0	4.4	4.3	4.3		
UAE	2.5	2.7	2.8	2.8	2.9	3.1	2.9	3.0	3.1	2.9	2.7	3.3	3.3	3.2		
Kuwait	2.2	2.5	2.6	2.6	2.7	2.9	2.7	2.8	2.7	2.4	2.4	2.7	2.7	2.6		
Total Crude Oil (A)	**29.9**	**31.3**	**30.5**	**31.0**	**32.1**	**32.8**	**32.4**	**31.9**	**30.0**	**25.7**	**26.4**	**29.1**	**27.4**	**27.2**		
Total NGL (B)	5.8	6.3	6.4	6.5	6.7	6.8	6.9	5.5	5.5	5.1	5.2	5.3	5.5	5.5	5.7	5.9
Total OPEC (C) = (A)+(B)	**35.7**	**37.6**	**36.9**	**37.5**	**38.7**	**39.6**	**39.2**	**37.4**	**35.4**	**30.8**	**31.6**	**34.4**	**32.9**	**32.8**		
Non-OPEC																
OECD																
Americas	**14.5**	**15.9**	**17.2**	**19.1**	**19.9**	**19.5**	**20.3**	**23.0**	**24.6**	**23.9**	**24.3**	**25.6**	**27.5**	**28.5**	**29.2**	**29.5**
United States	8.1	9.2	10.3	12.0	12.9	12.5	13.2	15.5	17.2	16.6	16.7	17.9	19.5	20.4	21.1	21.4
Mexico	2.9	2.9	2.9	2.8	2.6	2.5	2.2	2.1	1.9	1.9	2.0	2.0	2.1	2.0	1.8	1.7
Canada	3.5	3.8	4.0	4.3	4.4	4.5	4.8	5.4	5.5	5.4	5.7	5.8	5.8	6.1	6.3	6.3
Chile		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	0.0	0.0	0.0	0.0
Europe	**3.8**	**3.5**	**3.3**	**3.3**	**3.5**	**3.5**	**3.5**	**3.5**	**3.3**	**3.6**	**3.4**	**3.2**	**3.2**	**3.2**	**3.3**	**3.4**
Asia Oceania	**0.5**	**0.6**	**0.5**	**0.5**	**0.5**	**0.4**	**0.4**	**0.4**	**0.5**	**0.5**	**0.5**	**0.5**	**0.5**	**0.5**	**0.4**	**0.5**
Total OECD (D)	**18.9**	**19.9**	**21.0**	**22.9**	**23.9**	**23.4**	**24.1**	**26.9**	**28.5**	**27.9**	**28.2**	**29.3**	**31.1**	**32.1**	**32.9**	**33.3**
Non-OECD																
Former USSR	**13.6**	**13.6**	13.9	**13.9**	**14.0**	**14.2**	**14.4**	**14.6**	**14.6**	**13.5**	**13.8**	**13.9**	**13.8**	**13.5**	**13.6**	**13.7**
Russia	10.6	10.7	10.9	10.9	11.1	11.3	11.4	11.5	11.6	10.6	10.9	11.1	11.0	10.7	10.6	10.7
Azerbaijan									0.8	0.7	0.7	0.7	0.6	0.6	0.6	0.6
Kazakhstan									1.9	1.8	1.9	1.8	1.9	1.9	2.2	2.2
Others	3.0	2.9	3.0	3.0	2.9	2.9	3.0	3.1	3.1	0.4	0.4	0.3	0.3	0.3	0.3	0.3
Asia	**7.7**	**7.8**	**7.7**	**6.9**	**7.1**	**7.6**	**7.3**	**7.2**	**7.1**	**7.0**	**6.9**	**6.9**	**6.9**	**6.9**	**7.0**	**7.0**
Europe	**0.1**	**0.1**	**0.1**	**0.1**	**0.1**	**0.1**	**0.1**	**0.1**	**0.1**	**0.1**	**0.1**	**0.1**	**0.1**	**0.1**	**0.1**	**0.1**
Americas	**4.2**	**4.2**	**4.2**	**4.4**	**4.6**	**4.5**	**4.5**	**4.5**	**4.7**	**5.3**	**5.3**	**5.6**	**6.2**	**6.4**	**7.0**	**7.4**
Brazil	2.2	2.2	2.1	2.4	2.5	2.6	2.7	2.7	2.9	3.0	3.0	3.1	3.5	3.4	3.8	4.1
Guyana													0.4	0.6	0.7	0.9
Middle East	**1.7**	**1.5**	**1.4**	**1.3**	**1.3**	**1.3**	**1.3**	**3.3**	**3.2**	**3.0**	**3.1**	**3.2**	**3.1**	**3.1**	**3.1**	**3.2**
Africa	**2.6**	**2.3**	**2.3**	**2.3**	**2.3**	**1.7**	**1.7**	**1.5**	**1.5**	**1.4**	**1.3**	**1.3**	**2.5**	**2.5**	**2.5**	**2.6**
Total Non-OECD (E)	**29.8**	**29.5**	**29.6**	**28.9**	**29.3**	**29.3**	**29.3**	**31.1**	**31.3**	**30.3**	**30.5**	**31.0**	**32.7**	**32.5**	**33.3**	**33.9**
Processing Gains (F)	2.2	2.1	2.2	2.2	2.2	2.3	2.3	2.3	2.4	2.1	2.3	2.3	2.4	2.4	2.4	2.5
Global Biofuels (G)	1.8	1.9	2.0	2.2	2.3	2.3	2.4	2.6	2.8	2.6	2.7	2.9	3.1	3.4	3.5	3.7
Total Non-OPEC (H) = (D) + (E) + (F) + (G)	**52.7**	**53.4**	**54.7**	**56.3**	**57.7**	**57.4**	**58.1**	**62.9**	**64.9**	**63.0**	**63.7**	**65.5**	**69.3**	**70.4**	**72.1**	**73.3**
Total Supply (C) + (H)	**88.4**	**91.0**	**91.6**	**93.7**	**96.4**	**97.0**	**97.4**	**100.3**	**100.3**	**93.8**	**95.3**	**99.9**	**102.3**	**103.1**		

Source: IEA, JM Financial

Exhibit 15. IEA expects global oil demand to grow 0.85mmbpd in CY26 (versus 0.77mmbpd growth in CY25)

mmbpd	CY16	CY17	CY18	CY19	CY20	CY21	CY22	CY23	CY24	CY25	CY26E	CY27E
IEA												
Global demand (mmbpd)	96.5	98.2	0.0	99.7	90.8	97.5	99.9	102.0	103.3	104.0	104.9	NA
Demand growth (mmbpd, YoY)	1.1	1.7	-98.2	99.7	-8.9	6.7	2.4	2.1	1.3	0.7	0.9	NA
EIA												
Global demand (mmbpd)	97.5	99.4	100.1	100.9	91.6	97.5	99.6	101.2	102.5	103.6	104.8	106.1
Demand growth (mmbpd, YoY)	1.6	1.9	0.7	0.8	-9.3	6.0	2.0	1.7	1.3	1.1	1.2	1.3

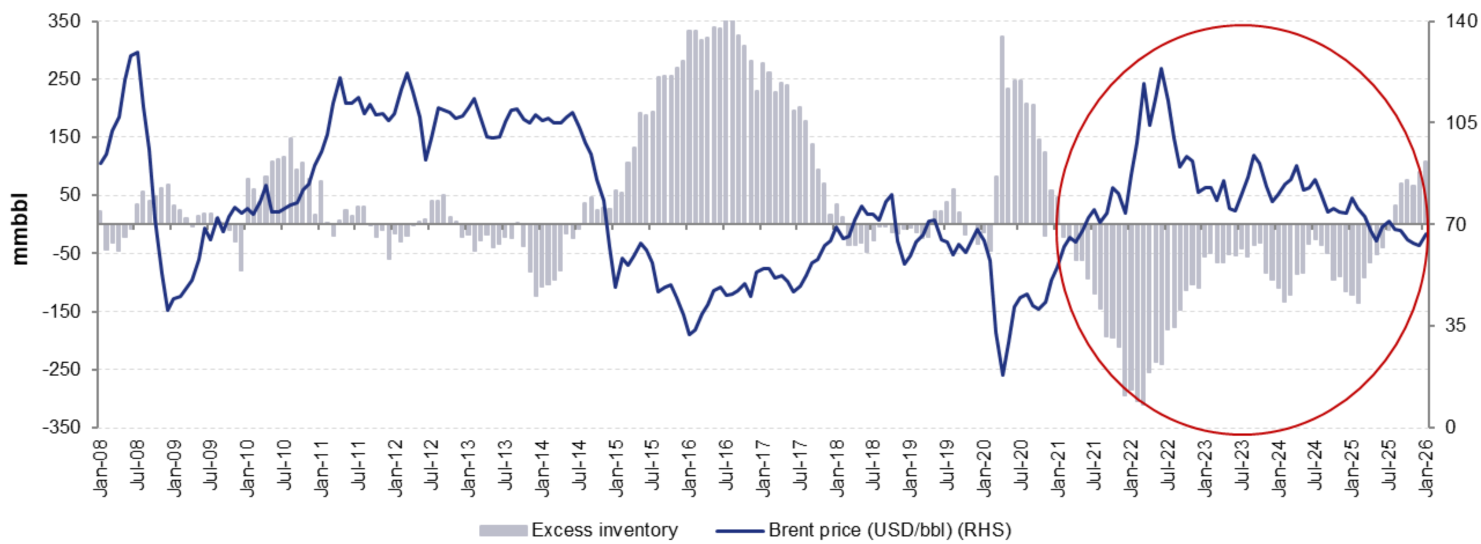
Source: IEA, EIA, JM Financial

Exhibit 16. EIA's estimate of annual global and regional demand and supply trend – significant surplus likely due to OPEC+ output hike and non-OPEC+ output growth

	CY21	CY22	CY23	CY24	CY25	CY26E	CY27E
Supply (mmbpd)							
Total world supply	**95.6**	**100.6**	**102.6**	**103.3**	**106.3**	**107.8**	**108.8**
Crude Oil	72.2	76.0	76.8	76.6	78.9	79.9	80.3
Other Liquids	23.4	24.6	25.9	26.7	27.3	27.9	28.5
OPEC+	**44.1**	**47.2**	**46.7**	**46.3**	**47.4**	**48.0**	**48.3**
(A) OPEC	30.4	33.3	32.9	32.9	33.8	34.3	34.6
Crude Oil Portion	25.2	27.7	27.2	27.1	28.0	28.3	28.5
Other Liquids	5.2	5.6	5.7	5.8	5.8	6.0	6.2
(B) Former Soviet Union	13.7	13.8	13.9	13.4	13.6	13.7	13.7
Non OPEC+	**51.5**	**53.4**	**55.9**	**57.0**	**58.9**	**59.9**	**60.4**
U.S. (50 States)	19.0	20.4	22.0	22.8	23.6	23.7	23.7
Crude Oil	11.3	12.0	12.9	13.2	13.6	13.6	13.3
NGL (Natural Gas Liquid)	5.4	5.9	6.5	7.0	7.5	7.5	7.7
Other hydrocarbon liquids	2.3	2.5	2.5	2.6	2.6	2.6	2.7
Canada	5.5	5.7	5.8	6.0	6.3	6.3	6.5
Mexico	2.0	2.0	2.1	2.0	1.9	1.8	1.7
China	5.0	5.1	5.3	5.3	5.4	5.5	5.5
Others	1.0	-0.2	-1.2	-2.0	-1.9	-1.2	-0.7
Non-OPEC Supply	**65.2**	**67.3**	**69.8**	**70.4**	**72.5**	**73.6**	**74.1**
Consumption (mmbpd)							
Total World Consumption	**96.9**	**99.6**	**101.2**	**102.5**	**103.6**	**104.8**	**106.1**
OECD	**44.8**	**45.7**	**45.7**	**45.9**	**45.8**	**45.9**	**45.9**
U.S. (50 States)	19.9	20.0	20.3	20.5	20.6	20.6	20.7
U.S. Territories	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Canada	2.3	2.4	2.4	2.4	2.4	2.4	2.4
Europe	13.1	13.6	13.4	13.5	13.5	13.5	13.5
Japan	3.4	3.3	3.3	3.1	3.1	3.0	3.0
Other OECD	6.0	6.2	6.2	6.3	6.2	6.3	6.3
Non-OECD	**52.1**	**53.9**	**55.5**	**56.7**	**57.8**	**58.9**	**60.1**
Eurasia	4.8	4.9	5.0	5.1	5.1	5.1	5.1
Europe	0.7	0.8	0.8	0.8	0.8	0.8	0.8
China	15.1	15.2	16.0	16.4	16.6	16.8	17.0
Other Asia	12.9	13.5	14.0	14.4	14.8	15.3	15.9
Other Non-OECD	18.5	19.5	19.8	20.0	20.5	20.9	21.3
Surplus/(Deficit) (mmbpd)	**-1.3**	**1.0**	**1.4**	**0.8**	**2.7**	**3.0**	**2.7**

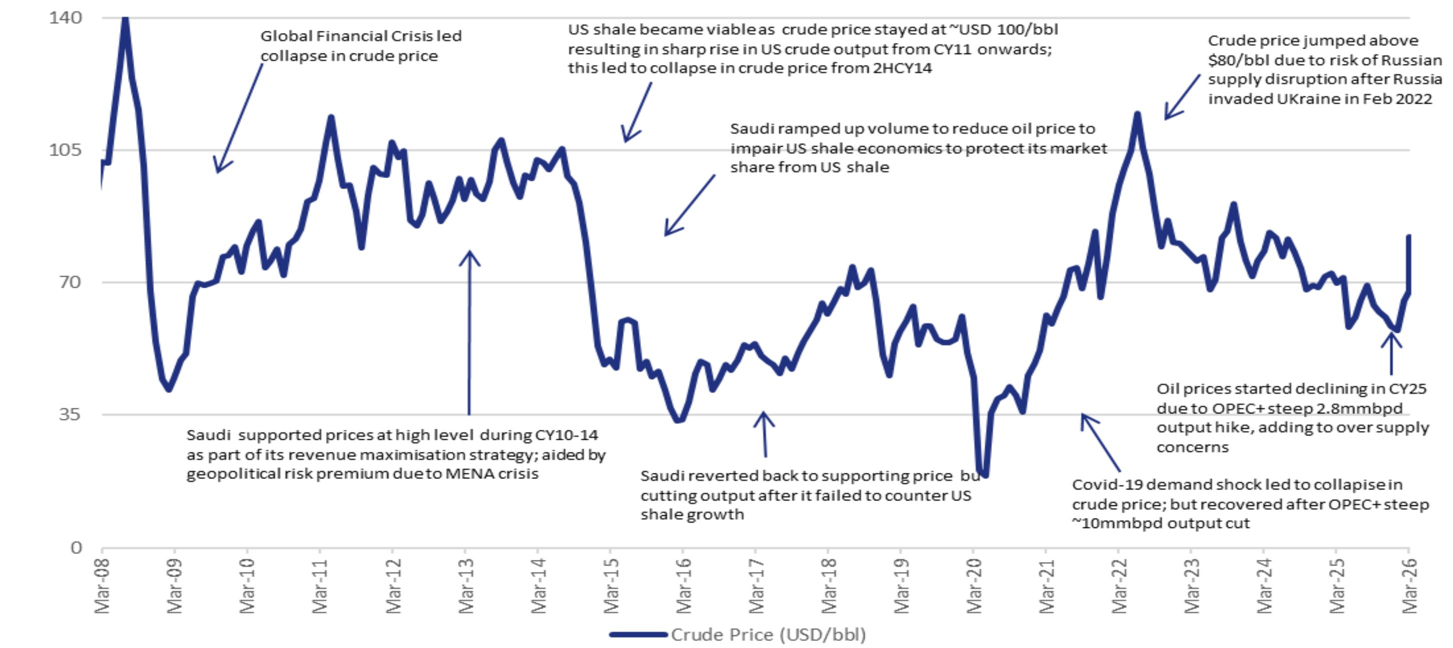
Source: EIA, JM Financial

Exhibit 17. OECD total commercial oil inventory (mmbbl) has increased and is ~108mmbbl above 5-year average



Source: IEA, Bloomberg, JM Financial

Exhibit 18. Historical crude oil prices and shifts in Saudi Arabia's revenue maximisation and market share strategy



Source: Bloomberg, JM Financial

Exhibit 19. Oil production market share trend for key OPEC+ countries and the US (%)

Countries	CY11	CY12	CY13	CY14	CY15	CY16	CY17	CY18	CY19	CY20	CY21	CY22	CY23	CY24
Saudi Arabia	10.2%	10.5%	10.3%	10.2%	10.5%	10.7%	10.2%	10.3%	9.8%	9.8%	9.6%	10.5%	9.4%	8.8%
Iran	4.1%	3.3%	2.9%	3.0%	3.0%	3.7%	3.9%	3.6%	2.4%	2.1%	2.5%	2.5%	2.9%	3.2%
Iraq	3.0%	3.2%	3.4%	3.6%	4.1%	4.6%	4.6%	4.6%	4.7%	4.3%	4.2%	4.4%	4.2%	4.2%
UAE	2.8%	2.9%	3.0%	2.9%	3.0%	3.1%	3.0%	3.0%	3.1%	3.0%	2.9%	3.3%	3.2%	3.1%
Kuwait	2.5%	2.7%	2.8%	2.8%	2.8%	3.0%	2.8%	2.7%	2.7%	2.6%	2.5%	2.7%	2.6%	2.5%
Other OPEC countries	10.2%	11.0%	10.1%	9.8%	9.1%	8.1%	8.1%	7.6%	7.3%	5.5%	5.9%	5.7%	5.7%	5.7%
Total OPEC (excluding NGL)	**32.9%**	**33.6%**	**32.5%**	**32.3%**	**32.6%**	**33.2%**	**32.6%**	**31.8%**	**29.8%**	**27.4%**	**27.7%**	**29.1%**	**27.9%**	**27.5%**
Total OPEC NGL*	6.5%	6.9%	7.0%	6.9%	6.9%	7.0%	7.1%	5.5%	5.5%	5.4%	5.4%	5.3%	5.4%	5.4%
Total OPEC (including NGL)	**39.4%**	**40.5%**	**39.5%**	**39.2%**	**39.5%**	**40.2%**	**39.7%**	**37.3%**	**35.3%**	**32.8%**	**33.1%**	**34.4%**	**33.3%**	**32.9%**
Russia	12.0%	11.8%	11.9%	11.6%	11.5%	11.7%	11.7%	11.5%	11.5%	11.3%	11.4%	11.1%	10.7%	10.4%
United States	9.2%	10.1%	11.3%	12.8%	13.4%	12.9%	13.5%	15.5%	17.1%	17.7%	17.5%	17.9%	19.1%	19.8%
Canada	3.9%	4.1%	4.4%	4.6%	4.5%	4.6%	5.0%	5.4%	5.5%	5.7%	5.9%	5.8%	5.7%	5.9%

Source: IEA, JM Financial * Includes condensates reported by OPEC countries, oil from non-conventional sources, e.g. GTL in Nigeria and non-oil inputs to Saudi Arabian MTBE.

Exhibit 20. OPEC+ oil production and member countries' market share (%)

Countries	CY11	CY12	CY13	CY14	CY15	CY16	CY17	CY18	CY19	CY20	CY21	CY22	CY23	CY24
Russia	23.9%	23.5%	24.1%	24.3%	24.0%	23.8%	24.1%	24.2%	24.0%	26.0%	25.9%	24.7%	24.7%	23.7%
Saudi Arabia	**20.4%**	**20.8%**	**20.8%**	**21.2%**	**22.0%**	**21.9%**	**21.1%**	**21.8%**	**20.3%**	**22.6%**	**21.7%**	**23.3%**	**21.5%**	**20.1%**
Iraq	6.0%	6.4%	6.8%	7.4%	8.7%	9.3%	9.5%	9.6%	9.8%	9.9%	9.6%	9.8%	9.6%	9.5%
Iran	8.1%	6.6%	5.9%	6.2%	6.2%	7.5%	8.1%	7.5%	4.9%	4.9%	5.8%	5.6%	6.7%	7.4%
UAE	5.6%	5.8%	6.1%	6.1%	6.3%	6.4%	6.2%	6.3%	6.4%	7.0%	6.5%	7.3%	7.3%	7.2%
Kuwait	5.1%	5.4%	5.6%	5.8%	6.0%	6.0%	5.7%	5.8%	5.6%	5.9%	5.8%	6.0%	6.0%	5.6%
Mexico	6.6%	6.4%	6.4%	6.2%	5.7%	5.2%	4.7%	4.4%	4.0%	4.7%	4.6%	4.4%	4.7%	4.4%
Kazakhstan	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	4.0%	4.5%	4.4%	4.0%	4.3%	4.2%
Nigeria	4.9%	4.6%	4.3%	4.2%	3.9%	3.1%	3.2%	3.4%	3.6%	3.7%	3.1%	2.4%	2.8%	3.0%
Libya	1.0%	3.0%	2.0%	1.0%	0.9%	0.8%	1.8%	2.0%	2.3%	0.9%	2.7%	2.2%	2.6%	2.4%
Oman	2.0%	2.0%	2.1%	2.1%	2.2%	2.1%	2.1%	2.1%	2.0%	2.4%	2.3%	2.4%	2.4%	2.2%
Venezuela	5.6%	5.5%	5.5%	5.5%	5.2%	4.7%	4.2%	2.9%	1.8%	1.3%	1.5%	1.6%	1.7%	1.9%
Azerbaijan	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.6%	1.7%	1.7%	1.6%	1.4%	1.3%
Others	10.8%	10.1%	10.3%	9.9%	9.0%	9.2%	9.3%	10.0%	9.8%	4.6%	4.3%	4.7%	4.2%	7.1%
Total	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**
OPEC+ oil production (mmbpd)	**44.4**	**45.7**	**45.2**	**45.0**	**46.0**	**47.6**	**47.1**	**47.5**	**48.3**	**40.8**	**41.9**	**45.0**	**44.4**	**45.2**

Source: IEA, JM Financial

Exhibit 21. Saudi Arabia's short-term fiscal breakeven crude price is USD 87–92/bbl while long-term breakeven crude price is ~USD 83/bbl

USD/bbl	Avg 2000-20	2021	2022	2023	2024	2025E	2026E	2030E
Algeria	101	111	113	104	156	157	142	120
Azerbaijan	53	58	67	55	68	87	86	91
Bahrain	85	132	132	138	161	137	139	167
Iran	92	119	123	123	138	163	165	133
Iraq	71	54	69	804	84	79	79	80
Kazakhstan	…	184	95	109	114	121	128	101
Kuw ait	60	88	82	80	88	80	77	82
Libya	75	52	64	66	74	67	63	61
Oman	70	77	55	54	54	57	54	42
Qatar	45	48	49	50	47	45	43	38
Saudi Arabia	80	83	89	95	96	92	87	83
Turkmenistan	38	29	32	38	43	45	47	56
United Arab Emirates	50	53	47	46	50	50	45	38

Source: IMF, JM Financial

Exhibit 22. As per CMIE data, Russia's share in India's crude imports fell sharply to ~21% in Jan'26 (~25% in Dec'25 and ~35% in Nov'25) following US sanctions on Russian oil; discount on Russian crude rose MoM to USD 4.2/bbl in Jan'26 (USD 2.2/bbl in Dec'25)

	India's total crude imports			India's crude imports from Russia			Russia crude proportion and discount		
Year/Month	Value (USD bn)	Qty (mmbpd)	Average Cost (USD/bbl)	Value (USD bn)	Qty (mmbpd)	Average Cost (USD/bbl)	Russia's share in India's crude imports	Russia crude premium/ (discount) (%)	Russia crude premium/ (discount) ($/bbl)
Annual details									
FY14	143.7	3.81	103.4	0.1	0.00	95.1	0.1%	NM	NM
FY15	116.0	3.78	84.0	0.2	0.00	113.0	0.1%	NM	NM
FY16	65.6	4.06	44.1	0.1	0.00	65.7	0.1%	NM	NM
FY17	70.7	4.33	44.8	0.3	0.01	78.6	0.2%	NM	NM
FY18	87.4	4.39	54.5	1.2	0.06	53.7	1.4%	-2%	-0.8
FY19	114.2	4.56	68.6	1.2	0.04	72.5	1.0%	6%	3.9
FY20	102.7	4.44	63.3	1.7	0.07	66.6	1.6%	5%	3.3
FY21	59.3	3.79	42.8	0.9	0.06	46.5	1.5%	9%	3.7
FY22	122.6	4.43	75.8	2.5	0.09	77.9	2.0%	3%	2.0
FY23	162.1	4.77	93.2	31.3	1.02	83.6	21.5%	-10%	-9.5
FY24	139.3	4.65	81.9	46.5	1.67	76.2	35.9%	-7%	-5.7
FY25	**143.0**	**4.91**	**79.7**	**50.2**	**1.76**	**78.2**	**35.8%**	**-2%**	**-1.5**
Monthly details									
Apr-25	17.0	7.26	77.9	4.7	2.10	75.2	28.9%	-3%	-2.7
May-25	11.4	5.31	69.2	4.4	2.14	66.7	40.2%	-4%	-2.5
Jun-25	10.5	5.13	68.3	3.4	1.71	66.2	33.3%	-3%	-2.1
Jul-25	12.1	5.41	72.4	3.6	1.69	69.2	31.2%	-4%	-3.2
Aug-25	9.8	4.39	72.3	3.6	1.64	70.7	37.4%	-2%	-1.6
Sep-25	10.7	4.93	72.4	3.3	1.59	69.5	32.3%	-4%	-2.9
Oct-25	11.3	5.17	70.4	3.6	1.70	67.8	32.8%	-4%	-2.6
Nov-25	10.9	5.38	67.9	3.7	1.89	65.7	35.1%	-3%	-2.2
Dec-25	11.3	5.51	66.0	2.7	1.37	63.9	24.9%	-3%	-2.2
Jan-26	10.3	5.22	63.5	2.0	1.08	59.3	20.6%	-7%	-4.2

Source: CMIE, JM Financial.

Exhibit 23. India's crude imports sourcing mix (%)

Period	Russia	Iraq	USA	Saudi Arabia	UAE	Nigeria	Kuwait	Egypt	Rest of World	Total
CY21	2%	24%	10%	16%	11%	7%	6%	1%	22%	100%
CY22	14%	23%	8%	18%	10%	4%	5%	1%	17%	100%
CY23	35%	21%	5%	15%	6%	2%	3%	1%	13%	100%
CY24	36%	21%	3%	13%	9%	2%	3%	0%	13%	100%
CY25	32%	19%	7%	14%	10%	3%	3%	1%	11%	100%
Jan-26	21%	17%	6%	17%	6%	3%	7%	0%	22%	100%

Source: CMIE, JM Financial.

ONGC/Oil India key beneficiaries if Brent sustains above ~USD 70/bbl

ONGC and Oil India will be the key beneficiaries if Brent sustains above ~USD 70/bbl (earlier ~USD 75/bbl cap on realisation no longer applicable after Jan'25 amendment of Oilfields Regulation and Development Act) since **every USD 1/bbl rise in oil price boosts their earnings by 1.5–2% each.** At CMP, Oil India trades at 7.5x FY28E consolidated EPS and 1.1x FY28E BV and ONGC trades at 6.7x FY28E consolidated EPS and 0.8x FY28E BV.

We **reiterate BUY on Oil India (unchanged TP of INR 560) and ONGC (unchanged TP of INR 320) from a medium-term perspective based on our Brent crude price assumption of USD 70/bbl** (while CMP is discounting ~USD 65/bbl of net crude realisation) and due to likely oil and gas output growth in the next 2-3 years. However, we prefer Oil India as it could be a ~14-18% earnings-compounding story over the next 3-5 years driven by: i) strong 20-25% cumulative output growth over FY27-29 aided by commissioning of the Indradhanush gas pipeline; and ii) expansion of NRL refinery from 3mmtpa to 9mmtpa (given the management guidance of excise duty benefits continuing for the expanded capacity as well).

Exhibit 24. Oil India: Consolidated FY28E EPS sensitivity to net crude realisation and gas price (INR/share)

Net crude realisation (USD/bbl)	Gas Price (USD/mmbtu) 5.9	6.7	7.5	8.4	9.2	10.0	10.9
55	39.6	42.6	45.5	48.4	51.4	54.3	57.2
60	45.8	48.7	51.6	54.6	57.5	60.4	63.4
65	51.9	54.8	57.8	60.7	63.6	66.6	69.5
70	58.0	61.0	63.9	**66.8**	69.8	72.7	75.7
75	64.2	67.1	70.0	73.0	75.9	78.9	81.8
80	70.3	73.2	76.2	79.1	82.1	85.0	87.9
85	76.4	79.4	82.3	85.3	88.2	91.1	94.1

Source: Company, JM Financial

Exhibit 25. Oil India: Valuation sensitivity to net crude realisation and gas price (INR/share)

Net crude realisation (USD/bbl)	Gas Price (USD/mmbtu) 5.9	6.7	7.5	8.4	9.2	10.0	10.9
55	353	376	398	420	443	465	487
60	400	422	445	467	489	512	534
65	446	469	491	514	536	558	581
70	493	515	538	**560**	582	605	627
75	540	562	584	607	629	651	674
80	586	609	631	653	676	698	720
85	633	655	678	700	722	745	767

Source: Company, JM Financial

Exhibit 26. ONGC: Consolidated FY28E EPS sensitivity to net crude realisation and gas price (INR/share)

INR/share — Net crude realisation (USD/bbl)	Gas Price (USD/mmbtu) 5.4	6.2	6.9	7.7	8.5	9.3	10.0
54	16.0	18.1	20.2	22.3	24.4	26.5	28.7
59	19.7	21.9	24.1	26.2	28.4	30.6	32.7
64	23.5	25.7	28.0	30.2	32.4	34.6	36.8
69	27.3	29.6	31.8	**34.1**	36.4	38.7	40.9
74	31.1	33.4	35.7	38.0	40.4	42.7	45.0
79	34.8	37.2	39.6	42.0	44.4	46.7	49.1
84	38.6	41.0	43.5	45.9	48.3	50.8	53.2

Source: Company, JM Financial

Exhibit 27. ONGC: Valuation sensitivity to net crude realisation and gas price (INR/share)

Net crude realisation (USD/bbl)	Gas Price (USD/mmbtu) 5.4	6.2	6.9	7.7	8.5	9.3	10.0
54	190	204	219	234	249	264	278
59	217	232	247	263	278	293	308
64	244	260	276	291	307	322	338
69	272	288	304	**320**	336	351	367
74	299	316	332	348	364	381	397
79	327	343	360	377	393	410	427
84	354	371	388	405	422	439	456

Source: Company, JM Financial

Exhibit 28. Oil India: SOTP valuation

	INR/share	Comment
Standalone business		
FY28 standalone core EPS (INR)	40.7	
P/E multiple used (x)	7.5	
Equity value of standalone business (INR/share)	306	
NRL		
FY29E EPS from NRL adjusted for Oil India's 69.6% stake	26.6	Assumed 9mmtpa throughput in FY29 and USD 25.6/bbl GRM
P/E multiple used (x)	8.0	
Oil India's Equity Value in NRL (INR/share)	190	After discounting by 1 year to FY28
Other investments		
Value on IOCL's stake (5.0% stake)	65	At 20% discount to CMP
Total equity value (INR/share)	**560**	

Source: JM Financial

Exhibit 29. ONGC: SOTP valuation

SOTP Valuation	INR/share	Comment
Standalone business		
FY28E standalone core EPS	32.9	
P/E multiple used (x)	7.0	
Value of standalone business	230	
OVL business		
FY28E OVL EPS	0.2	
P/E multiple used (x)	6.0	
Value of OVL	1	
Other investments		
IOCL (14.2% stake)	23	At 20% discount to CMP
PLNG (12.5% stake)	4	At 20% discount to CMP
GAIL (5.01% stake)	3	At 20% discount to CMP
HPCL (54.9% stake)	34	At 20% discount to CMP
MRPL (71.63% stake)	15	At 20% discount to CMP
Other unlisted investment (OPAL etc)	13	
Total value of investments	**92**	
Total equity value (Rs/share)	**320**	

Source: JM Financial

OMCs' auto-fuel marketing margin likely to be hit if Brent sustains above ~USD 70/bbl

OMCs' marketing margin has declined due to the recent spike in oil price as well as refining cracks: At spot Brent of USD 82.4/bbl Brent and current diesel crack of ~USD42/bbl and petrol crack of ~USD16.5/bbl, their gross marketing margin (GMM) is negative INR 17.9/ltr on diesel and negative INR 4.7/ltr on petrol, resulting in blended auto-fuel GMM being at negative INR 13.5/ltr (historical GMM of positive INR 3.5/ltr). However, considering spot diesel and petrol refining product crack assuming 1:1 marketing versus refining volume, OMCs' weighted average auto-fuel integrated gross margin is still positive INR 6.0/ltr (though below historical average of positive INR 12.4/ltr).

Exhibit 30. At spot crude price of ~USD 82.4/bbl, OMCs' auto-fuel GMM at negative INR 13.5/ltr (historical margin of +INR 3.5/ltr); gross auto-fuel integrated margin is still positive at INR 6.0/ltr (historical margin of INR 12.3/ltr)

	1QFY26	2QFY26	3QFY26	4QFY26TD	On spot crude price and spot product crack*
OMCs gross marketing margin (GMM, INR/ltr)					
Diesel GMM (INR/ltr)	9.4	4.5	3.8	4.1	-17.9
Petrol GMM (INR/ltr)	10.4	7.6	7.4	8.7	-4.7
Wt Avg GMM for Diesel & Petrol (INR/ltr)	**9.8**	**5.6**	**5.0**	**5.6**	**-13.5**
Historical average GMM (INR/ltr)	3.5	3.5	3.5	3.5	3.5
OMCs diesel/petrol refining product crack & Russian crude discount trend (USD/bbl)					
Diesel refining product crack (USD/bbl)	15.6	19.3	23.1	20.0	41.7
Petrol refining product crack (USD/bbl)	12.0	12.2	16.0	9.2	16.5
Russian discount benefit to GRM (USD/bbl)	0.9	0.6	0.5	0.5	0.5
Historical average diesel/petrol product crack (USD/bbl)	15.0	15.0	15.0	15.0	15.0
OMCs integrated auto-fuel gross refining and marketing margin (INR/ltr of marketing volume) — assuming 1:1 marketing vs refining volume					
Diesel integrated gross margin (INR/ltr)	18.3	15.5	17.0	15.8	6.5
Petrol integrated gross margin (INR/ltr)	17.3	14.7	16.6	14.2	5.1
Wt Avg integrated auto-fuel gross margin for Diesel & Petrol (INR/ltr)*	**18.0**	**15.2**	**16.9**	**15.3**	**6.0**
Historical average integrated auto-fuel gross margin for Diesel & Petrol (INR/ltr)	12.0	12.1	12.2	12.3	12.4
India retail auto-fuel price and Brent crude price in USD/bbl and INR/ltr					
Delhi retail diesel price (INR/ltr)	87.7	87.7	87.7	87.7	87.7
Delhi retail petrol price (INR/ltr)	94.8	94.8	94.8	94.8	94.8
Brent crude price (USD/bbl)	67.7	69.1	63.7	68.8	82.4
Brent crude price (INR/ltr)	36.5	37.9	35.7	39.3	47.7
INR/USD exchange rate	85.6	87.3	89.1	90.8	92.0
Diesel Excise duty (INR/ltr)	17.8	17.8	17.8	17.8	17.8
Petrol Excise duty (INR/ltr)	22.0	22.0	22.0	22.0	22.0

Source: Company, JM Financial Note: *Margin is based on spot Brent price of USD82.4/bbl and current diesel crack of ~USD41.7/bbl and petrol crack of ~USD16.5/bbl

For every **USD 1/bbl rise in crude price, OMCs' auto-fuel marketing margin declines by INR 0.55/ltr** (assuming no change in retail petrol/diesel price and excise duty on petrol/diesel) and **drags down their consolidated EBITDA by 7–9%,** with HPCL the worst hit given its highest leverage to the marketing business.

Exhibit 31. IOCL: Valuation (INR/share) sensitivity to marketing business parameters

Auto fuel GMM (INR/ltr) \ Auto fuel marketing sales volume (mmtpa)	48	51	54	57	60	62	65
7.5	223	231	239	248	256	264	272
6.5	200	207	213	220	227	234	241
5.5	176	182	187	193	198	204	209
4.5	153	157	161	**165**	170	174	178
3.5	130	133	135	138	141	144	146
2.5	107	108	109	111	112	113	115
1.5	83	83	83	83	83	83	83

Source: Company, JM Financial

Exhibit 32. IOCL: EBITDA (INR bn) sensitivity to marketing business parameters

INR Bn — Auto fuel GMM (INR/ltr) \ Auto fuel marketing sales volume (mmtpa)	48	51	54	57	60	62	65
7.5	720	741	762	783	804	825	846
6.5	660	677	695	712	730	748	765
5.5	600	614	628	642	656	670	684
4.5	540	551	561	**572**	582	593	603
3.5	480	487	494	501	508	516	523
2.5	421	424	428	431	435	438	442
1.5	361	361	361	361	361	361	361

Source: Company, JM Financial

Exhibit 33. BPCL: Valuation (INR/share) sensitivity to marketing business parameters

Auto fuel GMM (INR/ltr) \ Auto fuel marketing sales volume (mmtpa)	31.0	32.8	34.6	36.4	38.3	40.1	41.9
7.5	473	491	508	526	543	561	578
6.5	423	438	453	467	482	497	511
5.5	374	385	397	409	421	432	444
4.5	324	333	342	**350**	359	368	377
3.5	274	280	286	292	298	304	309
2.5	225	228	230	233	236	239	242
1.5	175	175	175	175	175	175	175

Source: Company, JM Financial

Exhibit 34. BPCL: EBITDA (INR bn) sensitivity to marketing business parameters

INR Bn — Auto fuel GMM (INR/ltr) \ Auto fuel marketing sales volume (mmtpa)	31.0	32.8	34.6	36.4	38.3	40.1	41.9
7.5	408	422	435	449	463	476	490
6.5	370	381	392	404	415	426	438
5.5	331	340	349	358	367	376	386
4.5	293	299	306	**313**	320	327	333
3.5	254	259	263	268	272	277	281
2.5	216	218	220	222	225	227	229
1.5	177	177	177	177	177	177	177

Source: Company, JM Financial

Exhibit 35. HPCL: Valuation (INR/share) sensitivity to marketing business parameters

Auto fuel GMM (INR/ltr) \ Auto fuel marketing sales volume	27.9	29.5	31.2	32.8	34.4	36.1	37.7
7.5	626	660	693	726	760	793	826
6.5	537	565	593	621	649	677	705
5.5	447	470	493	515	538	561	584
4.5	357	375	392	**410**	427	445	462
3.5	268	280	292	304	317	329	341
2.5	178	185	192	199	206	213	220
1.5	89	90	92	94	95	97	99

Source: Company, JM Financial

Exhibit 36. HPCL: EBITDA (INR bn) sensitivity to marketing business parameters

INR Bn — Auto fuel GMM (INR/ltr) \ Auto fuel marketing sales volume	27.9	29.5	31.2	32.8	34.4	36.1	37.7
7.5	330	343	356	369	382	394	407
6.5	295	306	317	328	339	350	360
5.5	261	269	278	287	296	305	313
4.5	226	233	239	**246**	253	260	267
3.5	191	196	201	205	210	215	220
2.5	157	159	162	165	167	170	173
1.5	122	122	123	124	124	125	126

Source: Company, JM Financial

OMCs' valuation sensitivity to refining margin

Exhibit 37. S'pore GRM at ~USD 5.8/bbl in 4QFY26TD while key diesel cracks (from Indian refiners' perspective) weaker QoQ at USD 20/bbl

	March-26TD	Feb-26	Jan-26	4QFY26TD	3QFY26	2QFY26	1QFY26	4QFY25	3QFY25	FY25	FY24	FY23	FY22	FY21	FY20	FY19	FY18	FY17	FY16
S'pore GRM (USD/bbl)	11.1	6.2	5.5	5.8	6.4	4.1	5.6	3.1	5.0	3.8	6.6	10.8	5.0	0.5	3.2	4.9	7.2	5.8	7.5
Product cracks (USD/bbl)																			
Diesel	38.5	21.9	18.2	20.0	23.1	19.4	15.6	14.6	14.6	14.0	20.5	35.7	10.5	4.7	13.6	14.4	13.2	11.3	12.0
Petrol	15.7	9.3	9.1	9.2	16.0	12.2	12.0	9.3	11.4	11.2	16.2	19.1	13.7	4.6	10.0	8.4	14.6	13.9	19.2
Naptha	1.4	-1.8	-3.6	-2.7	-2.1	-4.6	-3.5	-3.9	-2.8	-5.6	-11.8	-12.1	1.6	-0.8	-5.4	-3.9	0.2	0.1	2.9
LPG	-8.3	-17.5	-14.5	-16.0	-18.8	-22.8	-21.0	-22.9	-19.6	-24.4	-29.7	-36.3	-15.1	-6.9	-22.2	-22.3	-13.2	-11.4	-12.6
Jet Kero	44.6	22.6	19.8	21.2	24.7	17.9	15.1	14.4	14.8	14.0	21.2	33.1	9.3	1.4	13.0	14.9	13.3	11.5	12.5
Fuel Oil/others	0.5	-1.4	-6.8	-4.1	-7.0	-4.2	1.9	-1.4	-2.8	-3.9	-9.4	-18.4	-6.5	-2.2	-6.9	-1.5	-3.2	-5.4	-6.7
Brent (USD/bbl)	81.8	71.0	66.0	69.5	63.7	69.1	67.9	75.7	74.6	78.9	83.0	94.7	80.0	44.7	60.9	70.2	57.6	49.0	47.5
Exchange rate (INR/USD)	91.8	90.8	90.9	90.9	89.1	87.3	85.6	86.6	84.5	84.6	82.8	80.4	74.5	71.9	70.9	69.9	64.5	65.5	65.5

Source: Reuters, Bloomberg

Source: Bloomberg, JM Financial

Exhibit 38. IOCL's valuation (INR/share) sensitivity to refining business parameters

		Crude Throughput (mmtpa)						
		94.8	95.3	95.8	96.3	96.8	97.3	97.8
Core GRM (USD/bbl)	5.7	131	131	131	131	132	132	132
	6.2	142	142	142	143	143	143	144
	6.7	153	153	154	154	154	155	155
	7.2	164	165	165	165	166	166	167
	7.7	175	176	176	177	177	178	178
	8.2	187	187	188	188	189	189	190
	8.7	198	198	199	200	200	201	201

Source: Company, JM Financial

Exhibit 39. IOCL's EBITDA (INR bn) sensitivity to refining business parameters

INR Bn		Crude Throughput (mmtpa)						
		94.8	95.3	95.8	96.3	96.8	97.3	97.8
Core GRM (USD/bbl)	5.7	483	483	484	484	485	485	486
	6.2	511	512	513	514	514	515	516
	6.7	540	541	542	543	544	544	545
	7.2	569	570	571	572	573	574	575
	7.7	597	598	600	601	602	603	605
	8.2	626	627	629	630	631	633	634
	8.7	655	656	658	659	661	662	664

Source: Company, JM Financial

Exhibit 40. BPCL's valuation (INR/share) sensitivity to refining business parameters

		Crude Throughput (mmtpa)						
		33.3	33.8	34.3	34.8	35.3	35.8	36.3
Core GRM (USD/bbl)	6.5	289	291	292	294	295	297	298
	7.0	307	309	311	313	314	316	318
	7.5	326	328	330	331	333	335	337
	8.0	344	346	348	350	353	355	357
	8.5	362	364	367	369	372	374	376
	9.0	380	383	385	388	391	393	396
	9.5	398	401	404	407	410	413	415

Source: Company, JM Financial

Exhibit 41. BPCL's EBITDA (INR bn) sensitivity to refining business parameters

INR Bn		Crude Throughput (mmtpa)						
		33.3	33.8	34.3	34.8	35.3	35.8	36.3
Core GRM (USD/bbl)	6.5	266	267	268	269	270	272	273
	7.0	280	281	283	284	285	287	288
	7.5	294	295	297	298	300	302	303
	8.0	308	310	311	313	315	316	318
	8.5	322	324	326	328	330	331	333
	9.0	336	338	340	342	344	346	348
	9.5	350	352	355	357	359	361	363

Source: Company, JM Financial

Exhibit 42. HPCL's valuation (INR/share) sensitivity to refining business parameters

		Crude Throughput (mmtpa)						
		39.6	40.1	40.6	41.1	41.6	42.1	42.6
Core GRM (USD/bbl)	5.9	331	332	334	336	338	339	341
	6.4	354	356	358	361	363	365	367
	6.9	377	380	383	385	388	391	393
	7.4	401	404	407	410	413	416	419
	7.9	424	428	431	435	438	442	445
	8.4	447	451	455	459	463	467	471
	8.9	471	475	479	484	488	493	497

Source: Company, JM Financial

Exhibit 43. HPCL's EBITDA (INR bn) sensitivity to refining business parameters

INR Bn		Crude Throughput (mmtpa)						
		39.6	40.1	40.6	41.1	41.6	42.1	42.6
Core GRM (USD/bbl)	5.9	216	216	217	218	218	219	220
	6.4	225	225	226	227	228	229	230
	6.9	234	235	236	237	238	239	240
	7.4	243	244	245	246	247	249	250
	7.9	252	253	254	256	257	258	260
	8.4	261	262	264	265	267	268	270
	8.9	270	271	273	275	277	278	280

Source: Company, JM Financial

OMCs' valuations

At CMP, HPCL is trading at 1.07x FY28 PB (last 3-year average of 1.17x), BPCL is trading at 1.26x FY28 PB (last 3-year average of 1.29x) and IOCL is trading at 0.98x FY28 PB (last 3-year average of 0.94x).

For every decline in OMCs' auto-fuel integrated margin by INR1/ltr (historical INR3.5/ltr) their book value decreases by 0.2-0.5% per month. Hence, if their current gross integrated margin is INR 17/ltr below their historical margin, then their book value could fall by 4-8% per month (lowest decline for IOCL and highest decline for HPCL).

Exhibit 42. OMCs' current P/B valuation at CMP versus historical P/B valuation

CMP (INR)		Consolidated Book Value (INR)				Implied P/B at CMP				OMCs 1 yr fwd historical average P/B			OMCs 1 yr fwd historical trough P/B		
		FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E	3 year	5 year	Since May'14	3 year	5 year	Since May'14
IOCL	170	132	147	160	173	1.29	1.15	1.06	**0.98**	**0.94**	0.86	1.05	0.59	0.57	0.55
BPCL	355	190	227	257	282	1.86	1.56	1.38	**1.26**	**1.29**	1.38	1.72	0.91	0.91	0.91
HPCL	402	240	291	338	376	1.67	1.38	1.19	**1.07**	**1.17**	1.10	1.28	0.66	0.66	0.60

Source: JM Financial

Exhibit 43. Every rise/decline in auto-fuel GMM by INR1/ltr results in increase/decrease in OMCs' BV by 0.2–0.5% per month

	Annual diesel/petrol sales volume (Bn Ltr)	Monthly EBITDA hit for every INR1/ltr lower auto-fuel GMM (INR Bn)	Monthly PAT hit for every INR1/ltr lower auto-fuel GMM (INR Bn)	Consolidated FY25 Equity or BV (INR Bn)	Monthly decline in Equity or BV for every INR 1/ltr lower auto-fuel Integrated Margin	Consolidated BV (INR/share)				Implied P/B at CMP			
						FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E
IOCL	68	5.6	4.2	1,865	**0.23%**	132	147	160	173	1.29	1.15	1.06	0.98
BPCL	44	3.7	2.8	814	**0.34%**	190	227	257	282	1.86	1.56	1.38	1.26
HPCL	38	3.2	2.4	511	**0.47%**	240	291	338	376	1.67	1.38	1.19	1.07
	150	**12.5**	**9.4**	**3,190**	**0.29%**								

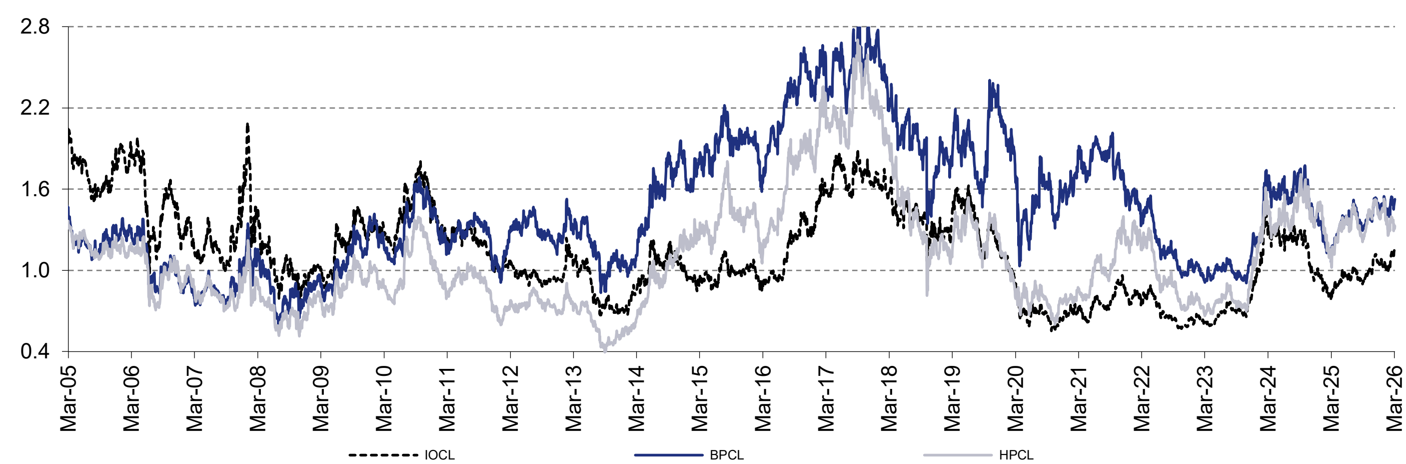
Source: JM Financial

Exhibit 44. OMCs' valuation table

Company	Rating	TP (INR)	Upside/ (downside)	P/E (x)				P/B (x)				EV/EBITDA (x)				RoE (%)			
				FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E
IOCL	REDUCE	165	-3%	19.6	7.5	8.8	9.4	1.3	1.2	1.1	1.0	10.5	5.7	6.0	6.4	7.6	16.2	12.5	10.9
BPCL	REDUCE	350	-1%	11.2	6.2	7.8	9.1	1.9	1.6	1.4	1.3	7.6	4.6	5.5	6.3	17.5	27.2	18.7	14.5
HPCL	REDUCE	410	2%	12.7	5.1	6.9	6.8	1.7	1.4	1.2	1.1	9.2	5.1	5.1	5.7	13.7	29.8	18.6	16.6

Source: JM Financial

Exhibit 45. OMCs' combined 1Y forward consolidated P/B chart



Source: JM Financial

Exhibit 46. BPCL: SOTP valuation

SOTP Valuation			Value (INR Bn)	Value (INR/share)	Comment
Core business	**FY28 EBITDA (INR Bn)**	**EV/EBITDA multiple (x)**			
Refining segment	146	5.5	802	188	Refining EBITDA based on GRM of USD 7.9/bbl
Marketing segment	167	5.5	920	216	Marketing EBITDA based on historical auto-fuel GMM of INR 4.5/ltr
Core business			1,722	404	
Less: Net debt			340	80	
Core business equity value (a)			**1,381**	**324**	
Other investments	**No of shares (Mn)**	**CMP less 20% discount (INR/sh)**			
PLNG (12.5% stake)	188	240	45	11	At 20% discount to CMP
IGL (22.5% stake)	158	136	21	5	At 20% discount to CMP
Oil India (2.47% stake)	40	359	14	3	At 20% discount to CMP
MNGL (22.5% stake)			22	5	Valued at 15x FY25 PAT
Sabarmati Gas (49.94% stake)			21	5	Valued at 15x FY25 PAT
CUGL (25% stake)			3	1	Valued at 15x FY25 PAT
Total other investments (e)			**126**	**27**	
Equity value (d+e)				**350**	

Source: JM Financial

Exhibit 47. IOCL: SOTP valuation

Valuation			Value (INR Bn)	Value (INR/share)	Comment
Core business	**FY28 EBITDA (INR Bn)**	**EV/EBITDA multiple (x)**			
Standalone core business					
Refining segment	181	5.5	994	70	Refining EBITDA based on GRM of USD 7.2/bbl
Marketing segment	255	5.5	1,401	99	Marketing EBITDA based on auto-fuel GMM of INR 4.5/ltr
Petchem segment	33	5.5	182	13	
Pipeline segment	94	5.5	518	37	
Standalone core business			**3,094**	**219**	
Less: Net debt			1,189	84	
Standalone core business equity value			**1,905**	**135**	
CPCL (51.9% stake)			57	4	At 20% discount to CMP
Total core business (a)			**1,962**	**139**	
Other investments	**No of shares (Mn)**	**CMP less 20% discount (INR/sh)**			
ONGC (7.84% stake)	987	212	209	15	At 20% discount to CMP
PLNG (12.5% stake)	188	240	45	3	At 20% discount to CMP
Oil India (4.93% stake)	80	359	29	2	At 20% discount to CMP
GAIL (2.5% stake)	82	133	11	1	At 20% discount to CMP
Treasury shares (2.5% stake)	350	142	50	4	At 20% discount to CMP
Total other investments (b)			**343**	**26**	
Equity value (a+b)				**165**	

Source: JM Financial

Exhibit 48. HPCL: SOTP valuation

			Value (INR Bn)	Value (INR/share)	Comment
Core business	**FY28 EBITDA (INR Bn)**	**EV/EBITDA multiple (x)**			
Standalone core business					
Refining segment	85	5.5	465	219	Refining EBITDA based on standalone GRM of USD 7.4/bbl
Marketing segment	159	5.5	877	412	Marketing EBITDA based on auto-fuel GMM of INR 4.5/ltr
Standalone core business			**1,342**	**631**	
Less: Net debt			544	264	
Standalone core business equity value (a)			**798**	**367**	
Bhatinda refinery JV (49% stake)					
EV	35	5.5	190	89	Bhatinda EBITDA based on GRM of USD 12/bbl
Less: Net debt			161	76	
Bhatinda refinery equity value (b)			**30**	**14**	
Total core business (c= a+b)			**827**	**381**	
Other investments	**No of shares (Mn)**	**CMP less 20% discount (INR/sh)**			
MRPL (16.96% stake)	297	156	46	22	At 20% discount to CMP
Oil India (2.47% stake)	40	388	16	7	At 20% discount to CMP
Sub-total (d)			**62**	**29**	
Equity value				**410**	

Source: JM Financial

QatarGas' LNG production shutdown elevates spot LNG prices sharply: a near-term negative for all gas companies

Spot LNG prices jumped sharply after QatarGas announced LNG production shutdown; India's 35-40% of LNG imports to be impacted, hence, it is a near-term negative for all gas companies

QatarGas has announced that it has stopped LNG output at its main facility after military attacks; this is Qatar's main LNG facility and handles 82mmtpa of LNG or ~25% of global LNG supply. PLNG gets a huge 8.5mmtpa of LNG from Qatar (or ~50% of its volume). Further, adding ~1mmtpa of LNG contract of GSPC/others from Qatar, India gets 9.5-10mmtpa of LNG from Qatar and this constitutes over 35-40% of India's LNG import and ~20% of India's natural gas demand.

PLNG has issued a press release stating that it has issued a force majeure notice to QatarEnergy in respect of its LNG tankers (namely Disha, Raahi, and Aseem) as presently it is unable to safely transit through the Strait of Hormuz. Further, QatarEnergy also issued a notice indicating a potential event of force majeure due to the hostilities prevailing in the region. Hence PLNG has issued corresponding force majeure notices to its offtakers (GAIL, IOCL, BPCL). Further, PLNG highlighted that acts of war are excluded under business interruption insurance cover taken by PLNG; the company is trying to assess the likely impact of force majeure, which is difficult to estimate at this point. Press reports also suggest India's gas marketing companies have informed industrial customers they would receive 10-50% lower gas supply.

Hence, if this shutdown sustains for a prolonged period (for weeks) it could lead to:

a) a temporary spike in spot LNG price (has already more than doubled to ~USD 25/mmbtu as reported by Bloomberg quoting traders); Europe gas price has already jumped 70-80% to USD 18-19/mmbtu – this could temporarily hurt India's LNG/Gas demand and, hence, it could be a near-term negative for volume and margin for GAIL, PLNG, Gujarat Gas and other gas companies; and

b) a temporarily disruption in LNG supply to PLNG given it gets 8.5mmtpa of LNG from Qatar (or ~50% of its volume) – a near-term negative for PLNG volume. However, it is to be noted that gas price tends to be highly volatile due to concentrated supply and less storage, unlike crude, which has diversified supply and lot of inventory – hence, gas price can correct also sharply once the concern eases.

Exhibit 49. European gas prices (USD/mmbtu) jumped 70-80% since last Friday after QatarEnergy said it had stopped LNG production in its main LNG facility in Ras Laffan Industrial City after military attacks

Date	Dutch TTF	UK NBP
20-02-2026	10.9	10.5
23-02-2026	10.9	10.4
24-02-2026	10.6	10.0
25-02-2026	10.7	10.2
26-02-2026	11.0	10.5
27-02-2026	**10.9**	**10.5**
02-03-2026	**15.1**	**15.3**
03-03-2026	**18.4**	**18.8**

Source: Bloomberg

APPENDIX I

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

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Rating System: Definition of ratings	
Rating	**Meaning**
BUY	Expected return >= 15% over the next twelve months.
ADD	Expected return >= 5% and < 15% over the next twelve months.
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SELL	Expected return < -10% over the next twelve months.

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