**Business Line, Delhi, 12/01/2026**
Page No: 3, Size: 12.51cm × 17.57cm

# TODAY'S PICK.

## GAIL (India) (₹164.40): BUY

**Akhil Nallamuthu**
bl. research bureau

The stock of GAIL (India) lost 6.3 per cent last week. It fell off the 21- and 50-day moving averages, both of which lie around ₹167.

Although there was some recovery on Friday, the stock ended the week below the key support at ₹169. While the price can inch up from the current level, probably to ₹168, we expect the stock to eventually decline to ₹153 in the near term.


So long as the barrier at ₹170 holds, the sentiment will be bearish. So, traders can short GAIL (India) now at ₹164.40 and at ₹168. Place stop-loss at ₹172.

When the price slips to ₹160, trail the stop-loss to ₹168. Revise the stop-loss further lower to ₹160 when the stock touches ₹156. Book profits at ₹153.

Note: The recommendations are based on technical analysis. There is a risk of loss in trading

Economic Times, Delhi, 12/01/2026
Page No: 12, Size: 34.34cm × 31.33cm

# Oil Marketers may Gain, Producers may Drain in Q3

**MIXED TRENDS** Higher refining margins a key factor; lower crude oil prices may weigh on upstream cos

**Sachin Kumar**

**ET Intelligence Group:** Oil marketing companies (OMCs) are set to drive earnings growth in the oil and gas sector in the December quarter, supported by robust refining margins, improved fuel price spreads and easing LPG under-recoveries. In contrast, upstream producers are likely to face pressure from lower crude oil prices while city gas distributors (CGD) are expected to report healthy volumes and improving margins.

Refining margins have emerged as the key tailwind. Singapore Gross Refining Margins (GRMs), which serve as a benchmark for Indian OMCs, averaged $7.5 per barrel in the December quarter compared with $3.8 per barrel in the previous quarter as diesel, gasoline and aviation turbine fuel (ATF) prices strengthened, according to Motilal Oswal Financial Services. This is expected to offset the impact of inventory losses due to lower crude oil prices.

Lower propane prices, a key cost component of LPG, along with the receipt of compensation for past losses, are expected to ease the burden from subsidised LPG sales. Kotak Institutional Equities expects LPG compensation of ₹5,000 crore for OMCs.

"OMCs' December quarter performance could be stronger driven by higher GRMs and lower LPG under recovery, along with two months of LPG payout for past losses," noted ICICI Securities in a report, adding that it expects operating profit before depreciation and amortisation (Ebitda) for OMCs to rise 56% year-on-year in the December quarter. For Reliance Industries, the country's largest company by revenue and market cap, Ebitda is expected to rise 9–13% year-on-year in the December quarter.

Upstream producers ONGC and Oil India are set to report weaker earnings amid lower crude oil realisations amid global oversupply and subdued demand. The average Brent crude price fell by nearly 8% sequentially to $63.6 per barrel during the quarter, translating into a 7–8% sequential drop in net realisations for ONGC and Oil India according to analyst estimates. The Ebitda of upstream companies may drop by 7–14% year-on-year.

The CGD segment is expected to report stronger earnings, supported by a combination of better volumes and expanding margins. Ebitda for most CGD companies is expected to grow 20–46% year-on-year, according to brokerages. Indraprastha Gas and Mahanagar Gas are likely to post healthy volume growth driven by strong CNG demand while Gujarat Gas may see a moderation.

A key positive for the segment is the expected improvement in gross margins. However, this is partly offset by headwinds such as rupee depreciation and higher Henry Hub gas prices. "The benefit of lower sourcing costs has been partly offset by two headwinds: 6% year-on-year rupee depreciation in the December quarter and sharp 52% year-on-year rise in Henry Hub prices," said Motilal Oswal Financial Services in a report.

## On Record

**Quarterly Net Profit of Oil & Gas Cos**

| | Sep'25 (₹ cr) | Sep'24 (₹ cr) | YoY Chg (%) |
|---|---|---|---|
| RIL | 22,092 | 19,323 | 14 |
| ONGC | 12,615 | 9,878 | 28 |
| IOCL | 8,191 | -448 | NA |
| HPCL | 3,859 | 143 | 2,599 |
| GAIL | 1,989 | 2,690 | -26 |

Source: Company data, ETIG

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