

Sector performance to be mixed as supply issues emerge

- Crude price volatility and LNG/LPG supply issues from the Middle East likely to weigh on performance. Negative impact on utility companies
- OMCs to benefit from strong GRM offset by marketing margin, while CGD to benefit from CNG and PNG volume growth offset by input cost
- Top picks: MGL (BUY; TP Rs1,383), RIL (BUY; TP of Rs1,690) and IGL (BUY; TP of Rs197)

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Overall performance: Oil & Gas (O&G) sector will likely show mixed performance during Q4FY26E. Oil marketing companies (OMCs) are expected to see better EBITDA performance, driven by refining margin. RIL would see good growth, driven by the consumer businesses of Retail and Telecom. Exploration companies will likely benefit from the crude-price hike on the standalone business. Gas utility segment (GAIL, Petronet and GSPL) will likely see a weak performance, impacted by LNG supply issues and higher gas prices impacting demand. CGD companies (IGL & MGL) will likely see good revenue growth due to CNG & PNG volumes growth.

Macros: Price of crude Brent for Q4FY26E averaged USD76/bbl, up USD1.0/bbl YoY from USD75/bbl in Q4FY25; it was USD62/bbl for Q3FY26. Singapore GRM for Q4FY26 averaged USD13.6/bbl, up USD10.5/bbl YoY from USD3.1 in Q4FY25.

Reliance Industries (RIL): RIL is likely to report revenue growth of 4.2%YoY, driven by Retail (13.8%YoY) and Telecom (10.0%YoY) businesses, offset by Oil-to-Chemicals and other businesses. Retail business revenue growth is likely to come on the back of demand momentum and store additions. Telecom business growth in terms of revenue and EBITDA to be driven by subscriber growth of 6.3%YoY and ARPU increase of 3.8%YoY.

Oil marketing companies (OMCs): Operational performance of HPCL, BPCL and IOC will likely be good on YoY basis, due to higher GRM offset to some extent by lower marketing margin. EBITDA growth is expected at 3.0% for HPCL, 26% for BPCL and 34% for IOC. GRMs of OMC's are likely to be at +USD13.0/bbl vs USD5.0-9.0 in Q4FY25. Product cracks – Petrol, Diesel and ATF have moved up following the onset of Middle East-Iran conflict due to supply disruptions. Domestic volumes growth is estimated to be ~5%YoY for all OMCs.



Gas Utility companies: GAIL will likely see weak revenue (-2.5%YoY) & EBITDA performance (-11.4%YoY), due to lower gas transmission and petchem revenues. Gas transmission volumes will likely decline by 8% QoQ, as the demand impacted by pick up in gas prices owing to Middle East war demand.

LNG supply issue is also likely to Petchem performance of GAIL and Petronet. We expect Petronet's revenue to decline by 11.9%YoY while EBITDA by 27.6%YoY.

Upstream (ONGC & Oil India): ONGC is likely to see a revenue decline of 8.2%YoY, owing to lower performance of subsidiary MRPL (due to export restrictions) and weak petchem performance. Standalone exploration is estimated to perform better given the higher crude price and volumes. Crude prices have increased by 1.2%YoY and 22% QoQ.

For Oil India - Revenue growth is likely to be driven by Standalone business (crude pricing growth). Crude volumes likely to grow by 7.0%YoY and gas volumes to grow by 0.3% YoY.

CGD companies: Revenue growth should be good for IGL at 4.3%YoY and MGL at 14.7%YoY, driven by CNG and PNG volumes growth. Volumes growth will be good for IGL at 4.2%YoY and MGL at 10%YoY, driven by CNG and PNG volumes. PNG growth is expected to benefit from LPG supply issues, which led to a pickup in new connections during March. EBITDA spread to see a QoQ decline on higher gas cost. Guj. Gas will likely witness decrease in revenues, due to the fall in industrial volumes on LNG supply issues from the Middle East.

Top picks: MGL (BUY; TP Rs1,383), RIL (BUY; TP of Rs1,690) and IGL (BUY: TP of Rs197)

Fig 1 – Reliance Industries (RIL)

Particulars	Q4FY26E	Q4FY25	YoY (%)	Q3FY26	QoQ (%)	Comments
Revenue (Rs mn)	2,722,483	2,613,880	4.2	2,649,050	2.8	
EBITDA (Rs mn)	496,375	438,320	13.2	460,180	7.9	Revenue growth to be 4.2%YoY driven by Retail (13.8%YoY) and Telecom (10.0%YoY) businesses.
EBITDA margin (%)	18.2	16.8	8.7	17.4	5.0	
PAT (Rs mn)	213,607	194,070	10.1	186,450	14.6	
Jio Telecom						
Revenue (Rs mn)	449,305	408,610	10.0	446,530	0.6	Growth in revenue (10%) and EBITDA (12.5% YoY) to be driven by subscriber growth of 6.3%YoY and ARPU increase of 3.8%YoY.
EBITDA (Rs mn)	194,451	172,780	12.5	193,250	0.6	
ARPU (Rs)	214	206	3.8	214	0.1	
Subscribers (mn)	519	488	6.3	515	0.7	
Retail business						
Revenue (Rs mn)	1,008,494	886,370	13.8	979,120	3.0	Revenue growth of 13.8% will likely to be on the back of demand momentum from festive season and store additions.
EBITDA (Rs mn)	71,225	67,210	6.0	69,150	3.0	
No of stores (nos)	20,129	19,340	4.1	19,979	0.8	

Source: Company, BOBCAPS Research

Fig 2 – HPCL

Particulars	Q4FY26E	Q4FY25	YoY (%)	Q3FY26	QoQ (%)	Comments
GRM (USD/bbl)	14.0	5.1	173.3	8.8	58.7	<ul style="list-style-type: none"> Revenue is likely to be higher by 1.7%YoY due to volume growth. EBITDA growth will be driven by increase in refining margin. However, benefit of higher GRM should get offset by lower marketing margin due to Middle East war, as retail fuel prices remain static relative to input crude price. GRM estimated at USD14.0/bbl in Q4FY26E vs USD5.1/bbl in Q4FY25.
Revenue (Rs mn)	1,107,898	1,089,331	1.7	1,145,239	(3.3)	
EBITDA (Rs mn)	59,786	58,038	3.0	70,194	(14.8)	
EBITDA margin (%)	5.4	5.3	1.3	6.1	(12.0)	
PAT (Rs mn)	33,506	33,550	(0.1)	40,725	(17.7)	

Source: Company, BOBCAPS Research

Fig 3 – BPCL

Particulars	Q4FY26E	Q4FY25	YoY (%)	Q3FY26	QoQ (%)	Comments
GRM (USD/bbl)	14.1	9.4	49.2	13.3	5.8	<ul style="list-style-type: none"> Revenue is likely to be higher by 1.3%YoY. EBITDA growth will be driven by increase in refining margin offset to some extent by lower marketing margin. GRM at USD14.1/bbl in Q4FY26E vs USD9.4/bbl in Q4FY25. Expect a domestic sales volume growth of 5.0%YoY.
Revenue (Rs mn)	1,126,238	1,111,790	1.3	1,189,994	(5.4)	
EBITDA (Rs mn)	97,515	77,649	25.6	116,768	(16.5)	
EBITDA margin (%)	8.7	7.0	24.0	9.8	(11.8)	
PAT (Rs mn)	60,987	32,141	89.8	75,453	(19.2)	

Source: Company, BOBCAPS Research

Fig 4 – IOCL

Particulars	Q4FY26E	Q4FY25	YoY (%)	Q3FY26	QoQ (%)	Comments
GRM (USD/bbl)	13.6	8.1	66.9	12.2	11.0	<ul style="list-style-type: none"> Revenue will likely be higher by 3.2%YoY, EBITDA growth will be driven by increase in refining margin offset by weak marketing margin. GRM likely to be at USD13.6/bbl in Q4FY26E vs USD8.1/bbl in Q4FY25.
Revenue (Rs mn)	2,012,496	1,949,670	3.2	2,044,244	(1.6)	
EBITDA (Rs mn)	181,987	135,725	34.1	208,240	(12.6)	
EBITDA margin (%)	9.0	7.0	29.9	10.2	(11.2)	
PAT (Rs mn)	97,671	72,649	34.4	121,259	(19.5)	

Source: Company, BOBCAPS Research

Fig 5 – GAIL

Particulars	Q4FY26E	Q4FY25	YoY (%)	Q3FY26	QoQ (%)	Comments
Gas transmission volumes (mmscmd)	115	121	(5.0)	125	(8.0)	<ul style="list-style-type: none"> Revenue is likely to see a decline of 5.0%YoY, driven by lower gas transmission revenue and lower petchem revenues. Gas transmission volumes expected to fall due to the demand impacted by pick-up in gas prices due to the Middle East war. LNG supply issues to probably weigh on Petchem performance.
Revenue (Rs mn)	347,846	356,852	(2.5)	350,081	(0.6)	
EBITDA (Rs mn)	28,503	32,164	(11.4)	31,906	(10.7)	
EBITDA margin (%)	8.2	9.0	(9.1)	9.1	(10.1)	
PAT (Rs mn)	17,327	20,490	(15.4)	22,172	(21.9)	

Source: Company, BOBCAPS Research

Fig 6 – Petronet LNG

Particulars	Q4FY26E	Q4FY25	YoY (%)	Q3FY26	QoQ (%)	Comments
Revenue (Rs mn)	108,528	123,158	(11.9)	111,638	(2.8)	Revenue is likely to decline 11.9%YoY on account of fall in blended realisation. Volumes likely to see 10%YoY growth; However, it is expected to decline by 3%QoQ owing to LNG supply constraints from Middle East.
EBITDA (Rs mn)	10,943	15,123	(27.6)	11,983	(8.7)	
EBITDA margin (%)	10.1	12.3	(17.9)	10.7	(6.1)	Dahej and Kochi utilisation will likely have lower QoQ utilisation given the higher LNG pricing and lower gas supply. This will impact EBITDA performance.
PAT (Rs mn)	7,654	10,949	(30.1)	8,696	(12.0)	

Source: Company, BOBCAPS Research

Fig 7 – GSPL

Particulars	Q4FY26E	Q4FY25	YoY (%)	Q3FY26	QoQ (%)	Comments
Revenue (Rs mn)	2,212	2,381	(7.1)	2,722	(18.7)	Revenue is likely to see decline of 7.1%YoY, owing to lower volumes.
EBITDA (Rs mn)	1,316	1,247	5.5	1,656	(20.5)	
EBITDA margin (%)	59.5	52.4	13.6	60.8	(2.2)	Expect volumes to be at 24.7mmscmd, lower by 6.1%YoY, due to gas supply issues and higher pricing. This is likely to affect volumes transmitted. However, EBITDA is likely to be higher by 5.5%YoY, supported by a low base of last year period.
PAT (Rs mn)	878	727	20.7	1,142	(23.2)	

Source: Company, BOBCAPS Research

Fig 8 – ONGC

Particulars	Q4FY26E	Q4FY25	YoY (%)	Q3FY26	QoQ (%)	Comments
Revenue (Rs mn)	1,567,614	1,708,117	(8.2)	1,674,229	(6.4)	Revenue likely to see a degrowth of 8.2%YoY, due to lower performance of MRPL due to export restrictions. and weak Petchem performance
EBITDA (Rs mn)	208,279	220,846	(5.7)	253,353	(17.8)	
EBITDA margin (%)	13.3	12.9		15.1		Standalone estimated to see better performance due to higher crude prices and volumes. Crude prices have gone up 1.2%YoY and 22%QoQ. O&G volumes are expected to be lower on YoY basis.
PAT (Rs mn)	75,095	73,228	2.5	100,158	(25.0)	

Source: Company, BOBCAPS Research

Fig 9 – Oil India

Particulars	Q4FY26E	Q4FY25	YoY (%)	Q3FY26	QoQ (%)	Comments
Revenue (Rs mn)	98,309	88,083	11.6	91,114	7.9	Revenue growth is likely to be driven by Standalone business (crude pricing growth)
EBITDA (Rs mn)	28,816	28,603	0.7	25,102	14.8	
EBITDA margin (%)	29.3	32.5	(9.7)	27.5	6.4	Growth in crude & gas volumes likely to be at 7.0% YoY and 0.3% YoY respectively.
PAT (Rs mn)	14,126	13,101	7.8	11,951	18.2	

Source: Company, BOBCAPS Research

Fig 10 – IGL

Particulars	Q4FY26E	Q4FY25	YoY (%)	Q3FY26	QoQ (%)	Comments
Volumes (mmscm)	861	826	4.2	867	(0.7)	Revenue growth of 4.3% YoY should primarily be led by volume growth of 4%YoY and from realisation growth.
Revenue (Rs mn)	41,189	39,474	4.3	40,672	1.3	CNG volume growth to be 3.0%YoY and PNG at 8.0%YoY. PNG volumes likely to benefit from LPG supply issues during Q4.
EBITDA (Rs mn)	4,562	4,941	(7.7)	4,725	(3.4)	
EBITDA margin (%)	11.5	12.5	(8.2)	11.6	(1.1)	EBITDA spread is expected at Rs5.3/scm vs Rs5.4/scm in Q3FY26.
PAT (Rs mn)	3,619	3,493	3.6	3,586	0.9	

Source: Company, BOBCAPS Research

Fig 11 – MGL

Particulars	Q4FY26E	Q4FY25	YoY (%)	Q3FY26	QoQ (%)	Comments
Volumes (mmscm)	426	377	12.9	425	0.2	Revenue growth is likely to be strong at 15%YoY, driven by volume growth of 13.0% YoY. CNG & PNG volume growth will likely be 12.0%YoY and 15%YoY respectively.
Revenue (Rs mn)	21,395	18,649	14.7	20,583	3.9	
EBITDA (Rs mn)	3,452	3,784	(8.8)	3,521	(2.0)	PNG growth is expected to benefit from LPG supply issues, which led to a pick-up in new connections during March.
EBITDA margin (%)	16.1	20.3	(20.5)	17.1	(5.7)	EBITDA spread expected at Rs8.1/scm vs Rs8.3/scm in Q3FY26.
PAT (Rs mn)	1,918	2,522	(23.9)	2,020	(5.0)	

Source: Company, BOBCAPS Research

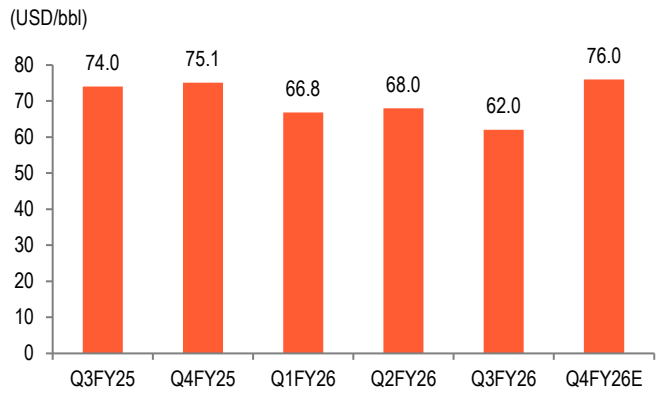
Fig 12 – Gujarat Gas

Particulars	Q4FY26E	Q4FY25	YoY (%)	Q3FY26	QoQ (%)	Comments
Volumes (mmscm)	706	837	(15.6)	771	(8.4)	Revenue is likely to decline 15.7% YoY, primarily on account of industrial volumes. Industrial & comm volumes are estimated to fall by 29% YoY and 20% QoQ, due to LNG supply issues from the Middle East.
Revenue (Rs mn)	34,997	41,529	(15.7)	37,804	(7.4)	
EBITDA (Rs mn)	3,707	3,804	(2.6)	4,473	(17.1)	CNG & PNG volume growth to be 10%YoY and 15%YoY respectively. PNG to benefit from the shift of LPG customers to PNG.
EBITDA margin (%)	10.6	9.2	15.6	11.8	(10.5)	
PAT (Rs mn)	2,208	3,069	(28.1)	2,810	(21.4)	EBITDA spread likely to be at Rs5.3/scm.

Source: Company, BOBCAPS Research

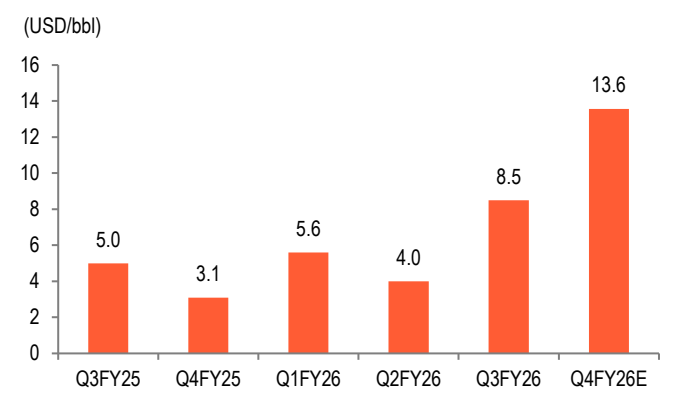
Macros: Price of crude brent for Q4FY26E averaged USD76/bbl; up USD1.0/bbl YoY from USD75/bbl in Q4FY25; it was USD62/bbl for Q3FY26. Singapore GRM for Q4FY26 averaged USD13.6/bbl, up USD10.5/bbl YoY from USD3.1 in Q4FY25. Product spreads/cracks improved QoQ and YoY due to the Middle East conflict impact: Petrol crack improved to USD18.0/bbl vs USD9.4/bbl in Q4FY25, while diesel crack improved to USD27.8/bbl vs USD14.6/bbl in Q4FY25. Spot LNG price averaged USD14.1/mmbtu vs USD13.5/mmbtu in Q4FY25 and USD10.8 in Q3FY26.

Fig 13 – Average Brent crude price



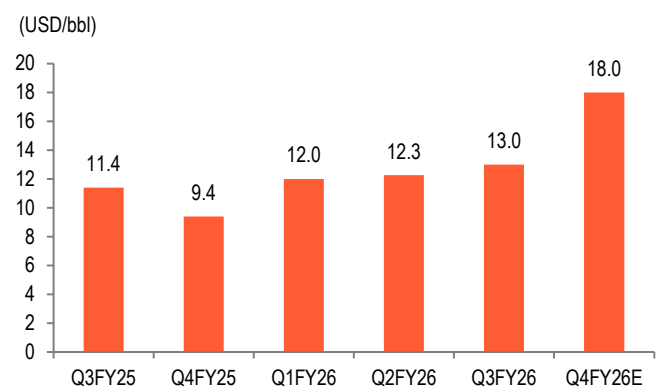
Source: Bloomberg

Fig 14 – Singapore GRM



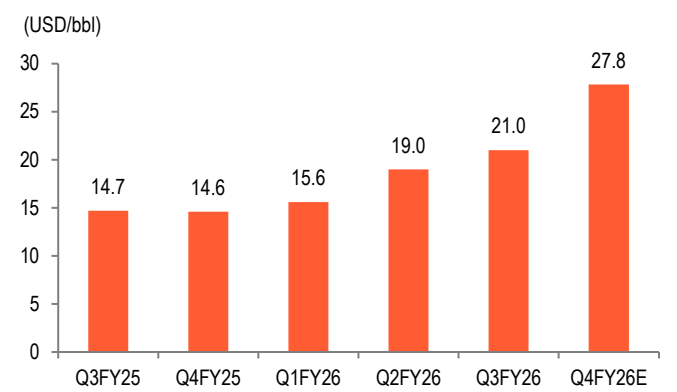
Source: Bloomberg

Fig 15 – Petrol crack



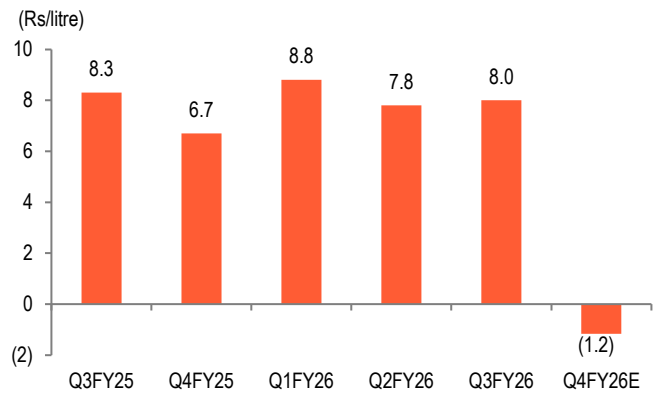
Source: Bloomberg

Fig 16 – Diesel crack



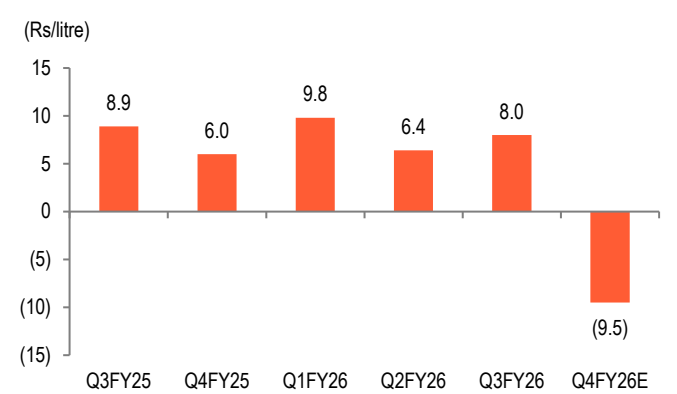
Source: Bloomberg

Fig 17 – Petrol gross margin



Source: Bloomberg

Fig 18 – Diesel gross margin



Source: Bloomberg

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