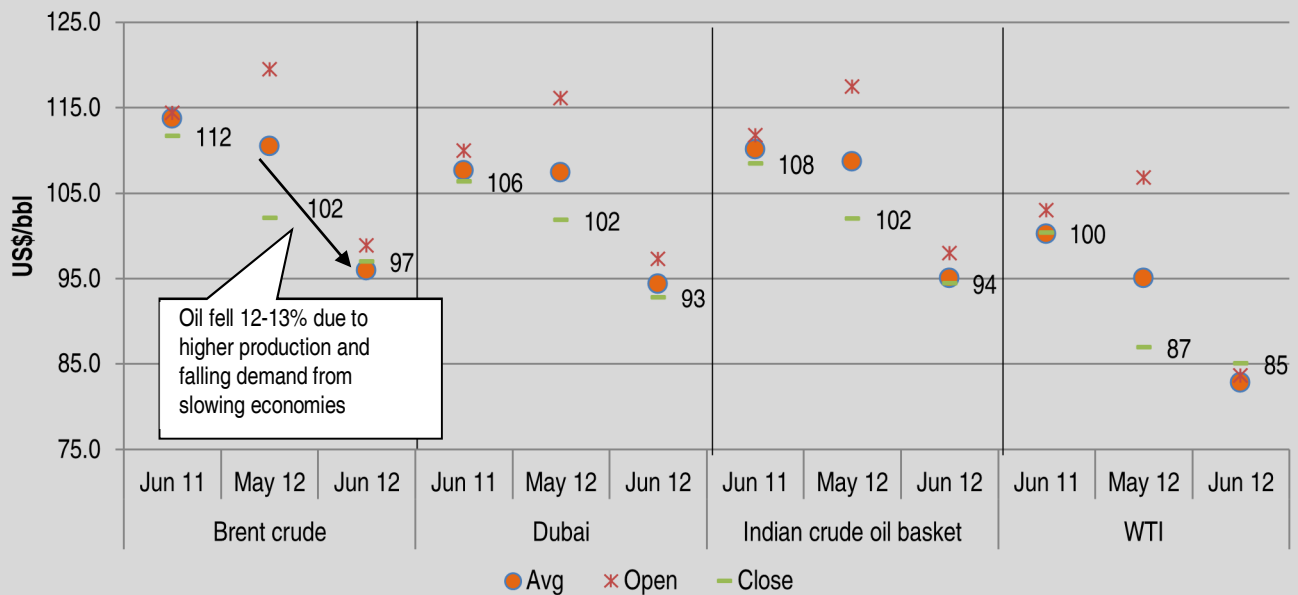


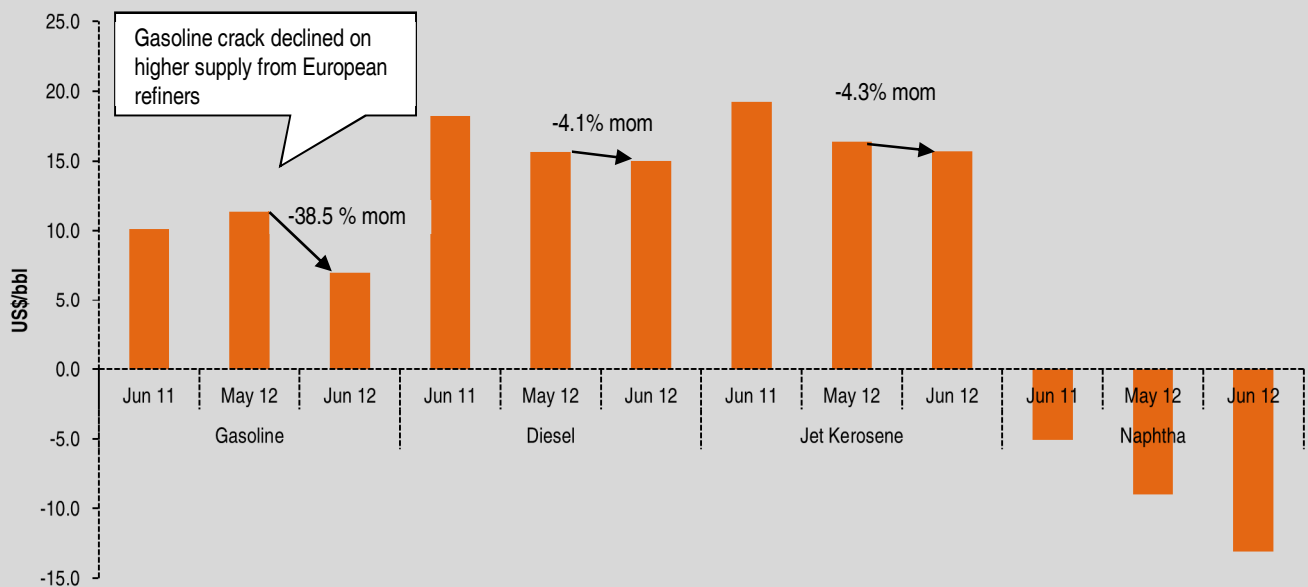
Trend watch - Energy

Crude oil price trend



Source: Bloomberg, BRICS Research

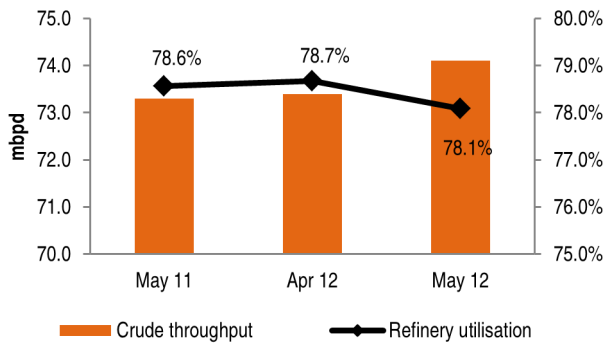
Petroleum products - Dubai crude average crack spread



Source: Bloomberg, BRICS Research

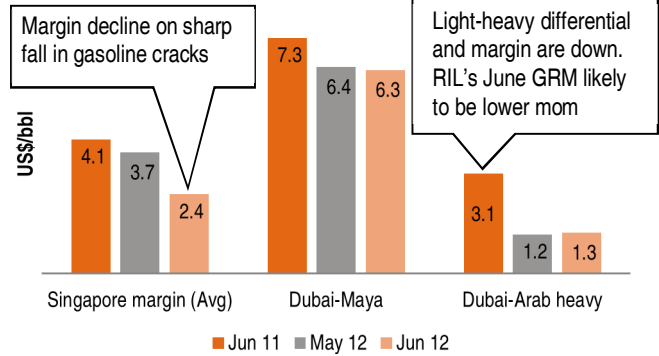
Oil refining

World refinery utilisation rate



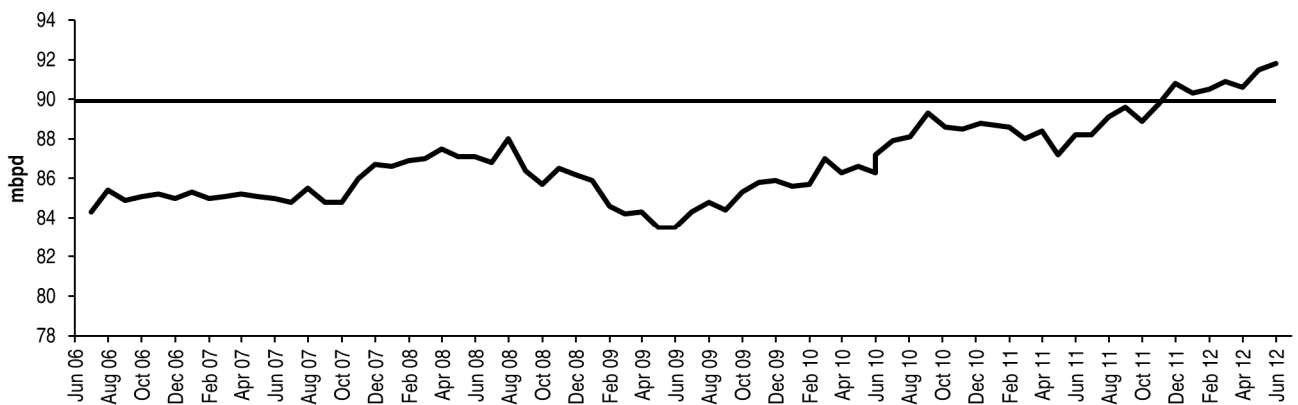
Source: International Energy Agency, BRICS Research

Light-Heavy crude differential



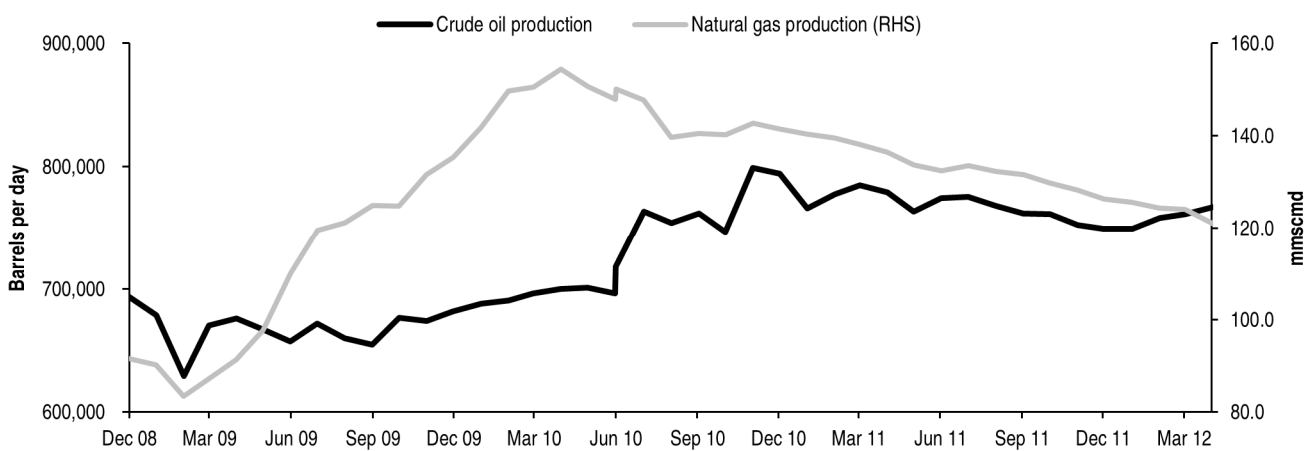
Source: Bloomberg, BRICS Research

World crude oil production



Source: International Energy Agency, BRICS Research

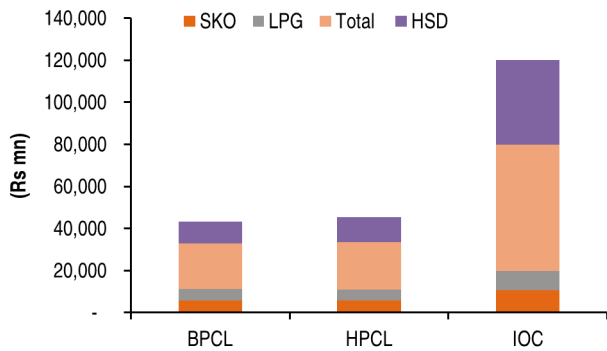
India's crude oil and natural gas production



Source: International Energy Agency, BRICS Research

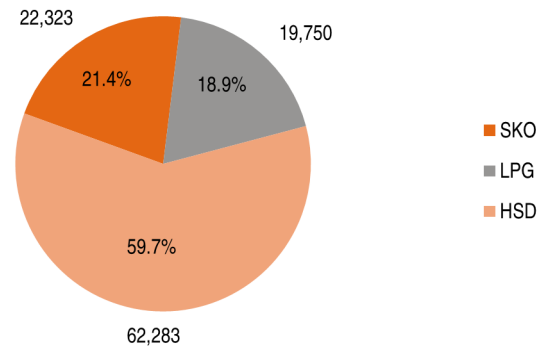
Gross under recoveries of oil marketing companies in June

Company-wise gross under recovery (Rs mn)



Source: BRICS Research

Fuel-wise gross under recovery (Rs mn)



Source: BRICS Research

Cumulative under recovery (FY13E)

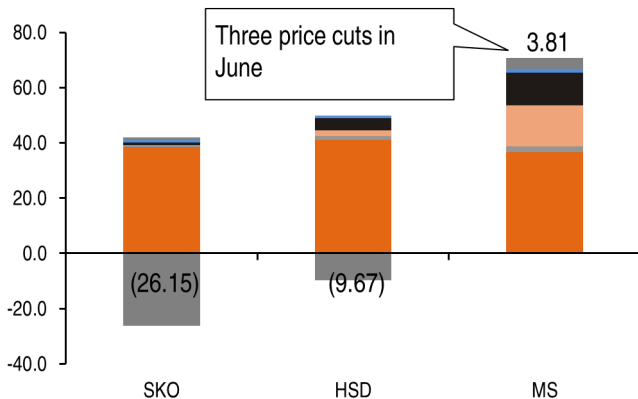
Fuel-wise cumulative gross under recovery for companies (Rs mn)

Fuel	BPCL	HPCL	IOC	Total
SKO	19,416	19,491	36,058	74,965
LPG	23,410	21,176	38,134	82,720
MS	3,384	2,876	7,670	13,929
HSD	40,972	46,932	160,414	248,318
Total	87,182	90,475	242,276	419,933

Source: BRICS Research

Price build-up for controlled products in June

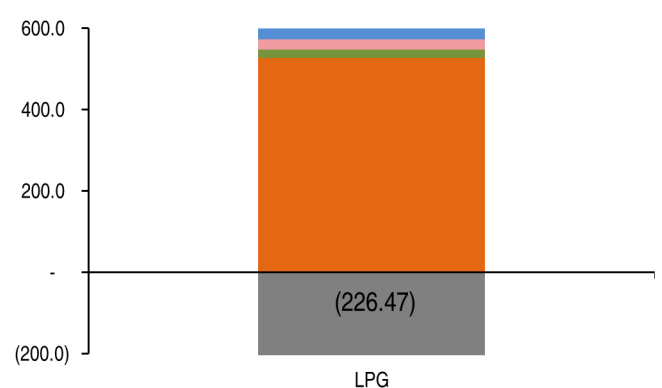
SKO, HSD, MS (Rs/litre)



Source: Infraline, BRICS Research

Trade parity price, Dealer commission, Marketing margin, Subsidy from government

LPG (Rs/cylinder)

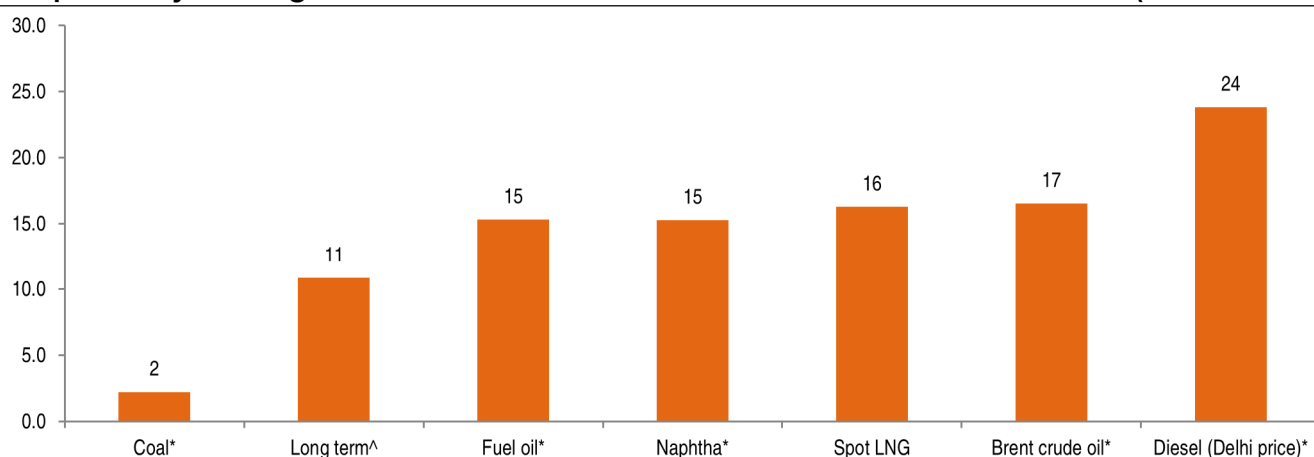


Source: Infraline, BRICS Research

Excise duty, Under recovery, Sales tax

Note: SKO - superior kerosene; HSD - high speed diesel; MS - motor spirit; LPG - liquefied petroleum gas; Figures in brackets are under recoveries, Price Ex-Delhi

Fuel prices by heating value (US\$/mmBtu)



Source: Companies, Bloomberg, BRICS Research

*Average price for June; ^Petronet LNG Long term contract price

Valuation summary

(Rs mn)

Company	CMP (Rs)	Net Sales FY13E	EBITDA FY13E	Net Profit FY13E	EPS (Rs) FY13E	ROE (%) FY13E	P/E (x) FY13E	Rating
Reliance Industries	737	2,527,806	398,082	208,205	63.6	14.5	11.6	ADD
Oil & Natural Gas Corp	286	1,276,591	441,935	173,970	20.3	15.5	14.1	BUY
Cairn India	314	172,224	90,357	72,992	38.4	16.5	8.2	REDUCE
Oil India	500	105,403	40,307	30,943	51.5	17.5	9.7	REDUCE
Petronet LNG	144	333,238	20,766	10,757	14.3	18.5	10.0	BUY
Gujarat State Petronet	70	10,338	9,436	4,527	8.0	19.5	8.7	BUY
Indraprastha Gas	241	24,487	7,514	3,693	26.4	20.5	9.2	BUY
Gujarat Gas	311	26,640	4,655	3,044	23.7	21.5	13.1	BUY
GAIL India	355	413,224	64,008	37,193	29.3	22.5	12.1	BUY

Source: BRICS Research

BRICS RECOMMENDATION SCALE

BUY:	More than 15% upside
ADD:	Upside up to 15% (between 0% and 15%)
REDUCE:	Downside up to 15% (between 0% and -15%)
SELL:	More than 15% downside

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