

**CONTRARIAN CALLS ON NIFTY 50 STOCKS**

# ONGC, Hindalco, M&M and Zee could be Next Leaders

Want to beat the Nifty 50's returns over the next 12 months? Go contrarian. That's what the one-year forward Bloomberg consensus target prices of Nifty 50 companies suggest.

According to the consensus, the Nifty will gain 7.2% in a year – is one of the highest anticipated return among major global markets. The quirky part, however, is the stocks that are expected to gain more than 10% have been underperformers over the past six months. These include ONGC, Hindalco, Mahindra & Mahindra, Larsen & Toubro (L&T), and Zee Entertainment. In addition, the stocks including Reliance Industries, UltraTech, Kotak Mahindra Bank, and Bajaj Finserv, which have largely driven the current rally, seem to have reached full potential.

Barring L&T, the other four stocks, which are likely to offer the highest upsides, failed to generate returns in the past six months while the Nifty rose 11.2% during the same period. ONGC has the highest likely upside of 28% in the next 12 months.

Among the index heavyweights, HDFC Bank, ITC, Hindustan Unilever and ICICI, which together have 24% weight in the Nifty, offer an upside of 10.4-12.6% over the next one year.

The top 10 stocks, which have 20% weight in the Nifty, earned 19.7% return in the past six months pushing the index to record levels. Among them, eight stocks now trade above their consensus target prices. Wipro has the maximum downside of 10% followed by Bajaj Auto (8.6% downside) and Bajaj Finserv (10.1% downside) over the next 12 months.

– Ashutosh R Shyam / ET Intelligence Group



**Nifty's constituents offering highest upside**

Based on consensus target price	Expected upside (%)	12-mth target price	6-month return(%)
Oil & Natural Gas Corp	28.19	200.74	-2.31
Hindalco Industries	25.00	267.88	-8.52
Mahindra & Mahindra	23.07	837.75	-8.79
Larsen & Toubro	21.02	1645.03	11.55
Zee Entertainment Enter	20.71	505.10	-11.83
GAIL India	17.18	417.79	0.67
Indiabulls Housing Fin	16.39	971.36	-12.03
Coal India	15.64	288.88	-9.27
State Bank Of India	14.66	363.59	19.91
Power Grid Corp Of India	14.06	227.04	5.29

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**Expected upside in next 12 months**

Based on simple average of target price of constituents



Source: Bloomberg, compiled by ETIG