

Sector Update

OMC Sales Data for Oct-20

MS Volumes (000' tons)

	Oct-20	YoY	4MFY21	YoY
PSO	267.6	4%	1,153.9	10%
APL	52.2	-14%	199.7	-13%
HASCOL	46.8	-23%	183.1	23%
SHEL	73.4	-9%	285.3	-10%
Industry	686.6	1%	2,743.7	6%

HSD Volumes (000' tons)

	Oct-20	YoY	4MFY21	YoY
PSO	303.7	6%	1,108.6	14%
APL	49.7	-14%	169.3	-24%
HASCOL	39.0	-35%	129.8	-10%
SHEL	52.8	1%	172.6	-4%
Industry	669.3	3%	2,322.3	8%

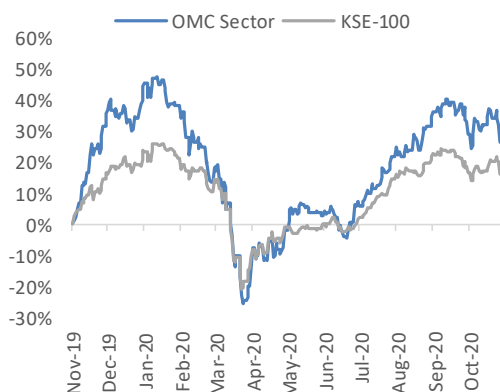
FO Volumes (000' tons)

	Oct-20	YoY	4MFY21	YoY
PSO	158.3	26%	656.6	27%
APL	63.4	100%	242.7	58%
HASCOL	-	0%	4.7	-83%
SHEL	-	n/m	-	0%
Industry	290.7	46%	1,214.1	33%

Others Volumes (000' tons)

	Oct-20	YoY	4MFY21	YoY
PSO	37.7	-41%	107.6	-54%
APL	3.8	10%	19.8	68%
HASCOL	0.3	35%	1.1	-20%
SHEL	4.8	211%	12.3	95%
Industry	52.4	-26%	330.1	-38%

Relative Performance to KSE 100



Source: Bloomberg, PSX & IGI Research

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Oil & Gas Marketing Companies

Oct-20: Sales lift on strong FO demand and healthy retail volumes

- Industry volumes for oil marketing companies for the month of Oct-20 witnessed a growth of +6% YoY to 1.70mn ton bringing industry volumes for 4MFY21 to 6.44mn ton up by +9% YoY.
- Furnace Oil (FO) / High Speed Diesel (HSD) / Motor Spirit (MS) sales were up substantially by +46%/+3%/+1% YoY during Oct-20. On a monthly basis, industry volumes are up by +11% MoM in Oct-20 on the back of +43/+7% MoM incline in HSD/MS sales despite 22% MoM decline in FO volumes.
- During 4MFY21 PSO/APL led the charts by posting only +9%/+2% YoY incline in total sales while SHEL/HASCOL witnessed 7%/1% YoY plunge in total volumes with market share for SHEL dropping by ~2% to 7% whereas PSO, APL and HASCOL retained their market shares at 47%, 10% and 5% respectively.

Volumes depict +6% YoY growth in Oct-20 to 1.70mn ton

Industry volumes for oil marketing companies for the month of Oct-20 witnessed a growth of +6% YoY to 1.70mn ton bringing industry volumes for 4MFY21 to 6.44mn ton up by +9% YoY. Furnace Oil (FO) / High Speed Diesel (HSD) / Motor Spirit (MS) sales were up substantially by +46%/+3%/+1% YoY during Oct-20. On a monthly basis, industry volumes are up by +11% MoM in Oct-20 on the back of +43/+7% MoM incline in HSD/MS sales despite 22% MoM decline in FO volumes. For 4MFY21, volumes increased owing to +33%/+8%/+6% YoY incline in FO/HSD/MS sales. To highlight, during 4MFY21 PSO/APL led the charts by posting only +9%/+2% YoY incline in total sales while SHEL/HASCOL witnessed 7%/1% YoY plunge in total volumes with market share for SHEL dropping by ~2% to 7% whereas PSO, APL and HASCOL retained their market shares at 47%, 10% and 5% respectively.

MS: Volumes up by +1% YoY during Oct-20

MS sales inclined by +1% YoY to 0.69mn ton in Oct-20, while on sequential basis, volumes are up by +7% MoM. PSO posted +4% YoY growth in volumes while HASCOL/APL/SHEL reported 23%/14%/9% YoY decline during Oct-20. For 4MFY21, MS volumes are up by +6% YoY to 2.74mn ton. During 4MFY21, HASCOL/PSO led the chart by posting +23%/+10% YoY rise in volumes with market share rising to 42%/7%, while APL/SHEL registered 13%/10% YoY decline in sales with market share dropping to 7%/10% respectively.

HSD: Sales up by +3% YoY during Oct-20

HSD sales increased by +3% YoY to 0.70mn ton in Oct-20, while on monthly basis volumes are up substantially by +43% MoM. This brings total 4MFY21 sales at 2.32mn ton up by +8% YoY. For 4MFY21, PSO led the charts with +14% YoY growth in sales with market share increasing to 48%. APL/HASCOL/SHEL registered 24%/10%/4% YoY decline in volumes during 4MFY21 with APL/HASCOL/SHEL market share coming down to 7%/6%/7% from 10%/7%/8% in 4MFY20.

Exhibit: MS Market Share - Company wise

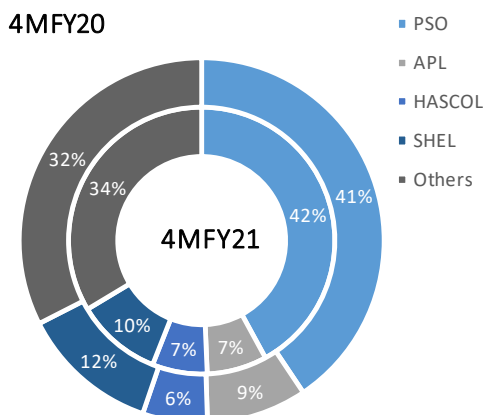


Exhibit: HSD Market Share - Company wise

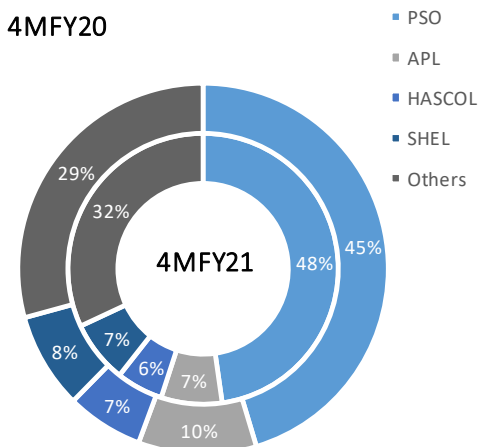
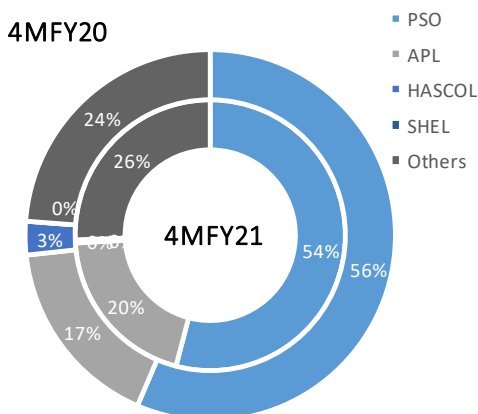


Exhibit: FO Market Share - Company wise



Source: Company Financials, IGI Research

FO: Higher demand lifts volumes up by +46%YoY

FO volumes increased by +46% YoY during Oct-20 to 0.29mn ton likely attributable to higher demand from IPPs during summer season, however, volumes are down by 22% MoM in Oct-20. As a result, total FO volumes are up by +33% YoY in 4MFY21 to 1.21mn ton. For 4MFY21, APL and PSO reported +58% YoY and +27% YoY incline in sales respectively with market share for PSO dropping to 54%, while APL's market share increased to 20%.

Exhibit: OMC's Monthly Sales Volume (Oct-20)

000'tons	Oct-20	Sep-20	MoM	Oct-19	YoY	4MFY21	4MFY20	YoY
Industry								
MS	686.6	641.8	7%	680.9	1%	2,743.7	2,592.2	6%
HSD	669.3	469.5	43%	649.9	3%	2,322.3	2,150.0	8%
FO	290.7	373.7	-22%	199.6	46%	1,214.1	913.8	33%
Others	52.4	39.6	32%	71.0	-26%	162.4	262.8	-38%
Total	1,699.0	1,524.6	11%	1,601.5	6%	6,442.4	5,918.9	9%
PSO								
MS	267.6	259.2	3%	258.1	4%	1,153.9	1,052.3	10%
HSD	303.7	216.2	40%	285.2	6%	1,108.6	975.0	14%
FO	158.3	198.6	-20%	125.1	26%	656.6	515.7	27%
Others	37.7	24.4	54%	63.9	-41%	107.6	234.6	-54%
Total	767.3	698.4	10%	732.4	5%	3,026.7	2,777.7	9%
APL								
MS	52.2	47.8	9%	60.5	-14%	199.7	230.6	-13%
HSD	49.7	37.9	31%	57.7	-14%	169.3	221.8	-24%
FO	63.4	76.2	-17%	31.7	100%	242.7	154.0	58%
Others	3.8	6.0	-37%	3.4	10%	19.8	11.8	68%
Total	169.1	167.9	1%	153.4	10%	631.6	618.1	2%
HASCOL								
MS	46.8	39.2	19%	61.1	-23%	183.1	149.0	23%
HSD	39.0	25.7	52%	59.8	-35%	129.8	144.4	-10%
FO	-	-	0%	-	0%	4.7	26.7	-83%
Others	0.3	0.3	3%	0.2	35%	1.1	1.4	-20%
Total	86.1	65.2	32%	121.1	-29%	318.7	321.6	-1%
SHEL								
MS	73.4	70.2	4%	80.3	-9%	285.3	317.9	-10%
HSD	52.8	34.0	55%	52.3	1%	172.6	180.1	-4%
FO	-	-	0%	-	n/m	-	-	0%
Others	4.8	3.4	43%	1.5	211%	12.3	6.3	95%
Total	131.0	107.5	22%	134.2	-2%	470.3	504.4	-7%

Source: IGI Research, OCAC

Outlook

MS sales are likely to remain strong during winter season as gas will be diverted to domestic consumers while expensive LNG will be supplied to CNG stations. HSD sales are likely to remain elevated amid pick up in commercial activity however rise in grey market sales may likely hurt volumetric growth. FO sales are likely to remain upbeat in the coming month due to higher demand from IPPs as Hydel generation slows down during winter season.

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