

# Day Break

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## Sector

Automobile Assemblers

### Automobile Assemblers

## Apr-24: Auto Sales increased by +35%/y; Passenger Car Sales up by +3.2x%/y

- For the month of Apr-24, total automobile sales increased by +35%/y to 121k units, while on monthly basis overall sales inclined by +13%/m.
- In our opinion, stable car prices and a low base from previous year amid plant shutdowns and import restrictions led to the significant jump in total car sales.
- Going forward, auto sales volume are expected to improve further on the back of improved economic activity with a possible reduction in interest rates and a stable currency. However, any increase in inflation may lead to a delay in the onset of monetary easing cycle posing risk to automobile demand.

We review recently automobile assembler's sales data published by Pakistan Automobile Manufactures and Assemblers (PAMA) for the month of Apr-24.

### Monthly automobile sales incline by +35%/y

For the month of Apr-24, total automobile sales increased by +35%/y to 121k units, while on monthly basis overall sales inclined by +13%/m.

Exhibit: Segment-wise Sales Data for Apr-24								
in Units	Apr/24	Mar/24	m/m	Apr/23	y/y	10M/24	10M/23	y/y
Passenger Cars	8,873	7,672	16%	2,844	212%	62,964	88,622	-29%
Trucks	198	273	-27%	136	46%	1,747	2,961	-41%
Buses	31	39	-21%	16	94%	371	573	-35%
Jeeps/SUV/Pickup	1,642	1,707	-4%	1,619	1%	16,634	26,251	-37%
Tractors	3,083	4,608	-33%	3,211	-4%	38,282	24,444	57%
2-Wheeler	105,783	91,426	16%	81,358	30%	922,385	989,913	-7%
3-Wheeler	1,807	2,180	-17%	778	132%	19,021	16,926	12%
<b>Grand Total</b>	<b>121,417</b>	<b>107,905</b>	<b>13%</b>	<b>89,963</b>	<b>35%</b>	<b>1,061,403</b>	<b>1,149,689</b>	<b>-8%</b>

Source: PAMA, IGI Research

Segment-wise, passenger cars sales posted a +3.2xy/y increase (up by +16%/m/m) to 8.8k units, while jeeps/pickups segment recorded an increase of +1%/y (-4%/m/m) in total sales. Under commercial vehicles, trucks & buses increased by +51%/y (down by -27%/m/m) to 0.23k units.

### Analyst

Sakina Makati  
[sakina.makati@igi.com.pk](mailto:sakina.makati@igi.com.pk)

Whereas tractors sales recorded a decline of -4%/y (-33%/m) to 3.1k units.

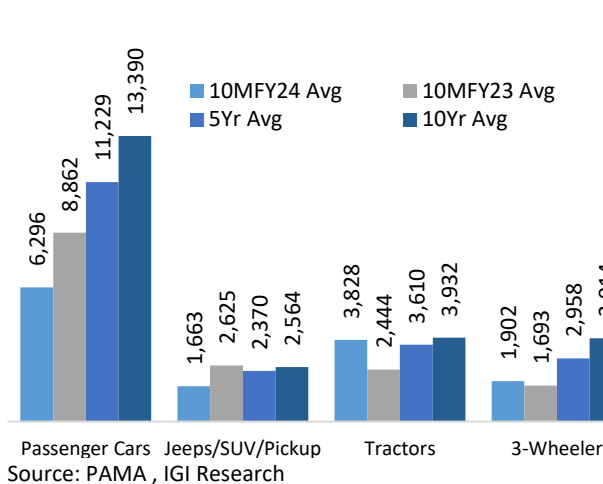
### Stability in passenger car prices lifts overall automobile sales

In our opinion, the said increase in sales is due to multiple factors, including;

- Reduction in few variants of passenger cars has provided gradual push in demand of passenger car sales.
- However on a y/y basis, the significant jump in total sales can be attributed to a low base from last year amid import restrictions and plant shutdowns.

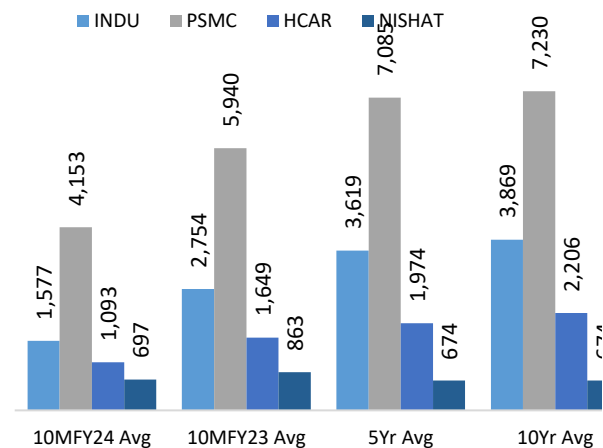
#### Exhibit: Historic Average Monthly Sales (units)

Automobile sector sales especially passenger cars stand below their historic average monthly sales depicting significant slowdown in demand.



#### Exhibit: Company-wise historic average monthly sales

Automobile companies have witnessed a substantial slowdown in volumes with almost 50% decline compared to their historic average.



- **INDU:** Sales volume decreased by +21%/m to 2.0k units (+6%/y). Under the passenger car segment Corolla & Yaris witnessed an increase of +11%/m to 1.7k units, whereas combined units sold under the variant Fortuner & Hilux recorded a +2.2xm/m increase to 343 units and on yearly basis sales are down by -64%/y.
- **PSMC:** Volumes increased by +46%/m to 6.0k units (+4xy/y). Alto sales (up by +64%/m), Wagon R (down by -13%/m), Cultus (up by +6% m/m), Swift (up by 2.3xm/m), whereas Bolan sales remained flat on m/m basis. However, Ravi, under pick-up segment recorded a -92%/m decline.
- **HCAR:** Sales of Civic & City for the month of Apr-24 posted declined by -52%/m to 0.96k units bringing total sales of HCAR to 1.0k units,

down by -54% m/m, BRV experienced a decline of -76% m/m leading to 0.05k units.

**Outlook:**

Going forward, auto sales volume are expected to improve further on the back of improved economic activity with a possible reduction in interest rates and a stable currency. However, any increase in inflation may lead to a delay in the onset of monetary easing cycle posing risk to automobile demand.

<b>Exhibit: Company-wise Sales Data for Apr-24</b>								
units	Apr-24	Mar-24	m/m	Apr-23	y/y	10M/24	10M/23	y/y
Corolla & Yaris	1,722	1,547	11%	1,007	71%	12,450	17,001	-27%
Fortuner & Hilux	343	158	117%	941	-64%	3,316	10,539	-69%
<b>INDU</b>	<b>2,065</b>	<b>1,705</b>	<b>21%</b>	<b>1,948</b>	<b>6%</b>	<b>15,766</b>	<b>27,540</b>	<b>-43%</b>
Civic & City	956	1,994	-52%	159	501%	9,470	12,540	-24%
BRV & HRV	47	194	-76%	48	-2%	1,462	3,945	-63%
<b>HCAR</b>	<b>1,003</b>	<b>2,188</b>	<b>-54%</b>	<b>207</b>	<b>385%</b>	<b>10,932</b>	<b>16,485</b>	<b>-34%</b>
Swift	328	141	133%	145	126%	3,914	8,729	-55%
Cultus	320	302	6%	177	81%	3,123	6,410	-51%
Wagon R	318	367	-13%	99	221%	2,970	5,121	-42%
Bolan	237	237	0%	163	45%	1,971	4,028	-51%
Alto	4,786	2,922	64%	820	484%	27,469	31,564	-13%
Ravi	11	132	-92%	70	-84%	2,086	3,545	-41%
<b>PSMC</b>	<b>6,000</b>	<b>4,101</b>	<b>46%</b>	<b>1,474</b>	<b>307%</b>	<b>41,533</b>	<b>59,397</b>	<b>-30%</b>
Elantra	111	92	21%	119	-7%	889	2,005	-56%
Sonata	95	70	36%	155	-39%	706	1,221	-42%
Tucson	253	250	1%	315	-20%	2,682	4,267	-37%
Porter	227	170	34%	136	67%	1,545	1,134	36%
Santa Fe	140	220	-36%	0	0%	1,148	0	0%
<b>Nishat</b>	<b>826</b>	<b>802</b>	<b>3%</b>	<b>725</b>	<b>14%</b>	<b>6,970</b>	<b>8,627</b>	<b>-19%</b>
<b>AGTL</b>	<b>1,038</b>	<b>1,581</b>	<b>-34%</b>	<b>2,005</b>	<b>-48%</b>	<b>13,144</b>	<b>9,463</b>	<b>39%</b>
<b>MTL</b>	<b>2,045</b>	<b>3,027</b>	<b>-32%</b>	<b>1,206</b>	<b>70%</b>	<b>25,138</b>	<b>14,981</b>	<b>68%</b>
<b>ATLH</b>	<b>95,069</b>	<b>80,139</b>	<b>19%</b>	<b>73,528</b>	<b>29%</b>	<b>819,752</b>	<b>843,219</b>	<b>-3%</b>
<b>PSMC (2w)</b>	<b>1,684</b>	<b>1,610</b>	<b>5%</b>	<b>1,156</b>	<b>46%</b>	<b>13,610</b>	<b>28,091</b>	<b>-52%</b>

Source: PAMA, IGI Research

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IGI Finex Securities Limited

Research Analyst(s)

Research Identity Number: BRP009

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# Contact Details

## Equity Sales

Zaeem Haider Khan	Head of Equities	Tel: (+92-42) 35301405	zaeem.haider@igi.com.pk
Muhammad Naveed	Regional Manager (Islamabad & Upper North)	Tel: (+92-51) 2604861-62	muhammad.naveed@igi.com.pk
Syeda Mahrukh Hameed	Branch Manager (Lahore)	Tel: (+92-42) 38303564	mahrukh.hameed@igi.com.pk
Shakeel Ahmad	Branch Manager (Faisalabad)	Tel: (+92-41) 2540843-45	shakeel.ahmad1@igi.com.pk
Asif Saleem	Equity Sales (RY Khan)	Tel: (+92-68) 5871652-56	asif.saleem@igi.com.pk
Mehtab Ali	Equity Sales (Multan)	Tel: (+92-61) 4512003	mahtab.ali@igi.com.pk

## Research Team

Abdullah Farhan	Head of Research	Tel: (+92-21) 111-234-234 Ext: 912	abdullah.farhan@igi.com.pk
Sakina Makati	Research Analyst	Tel: (+92-21) 111-234-234 Ext: 810	sakina.makati@igi.com.pk
Laraib Nisar	Research Analyst	Tel: (+92-21) 111-234-234 Ext: 974	laraib.nisar@igi.com.pk

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Website: [www.igisecurities.com.pk](http://www.igisecurities.com.pk)

### Head Office

Suite No 701-713, 7th Floor, The Forum, G-20,  
 Khayaban-e-Jami Block-09, Clifton, Karachi-75600  
 UAN: (+92-21) 111-444-001 | (+92-21) 111-234-234  
 Fax: (+92-21) 35309169, 35301780

### Lahore Office

Shop # G-009, Ground Floor,  
 Packages Mall  
 Tel: (+92-42) 38303560-69  
 Fax: (+92-42) 38303559

### Islamabad Office

Mezzanine Floor, Office 5, 6 & 7, Kashmir Plaza,  
 Block- B, Jinnah Avenue, Blue Area  
 Tel: (+92-51) 2604861-2, 2604864, 2273439  
 Fax: (+92-51) 2273861

### Faisalabad Office

Office No. 2, 5 & 8, Ground Floor, The  
 Regency International 949, The Mall  
 Faisalabad  
 Tel: (+92-41) 2540843-45

### Rahim Yar Khan Office

Plot # 12, Basement of Khalid Market,  
 Model Town, Town Hall Road  
 Tel: (+92-68) 5871652-3  
 Fax: (+92-68) 5871651

### Multan Office

Mezzanine Floor, Abdali Tower,  
 Abdali Road  
 Tel: (92-61) 4512003, 4571183

IGI Finex Securities Limited

Research Analyst(s)

Research Identity Number: BRP009

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