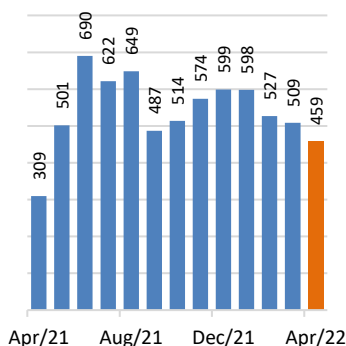
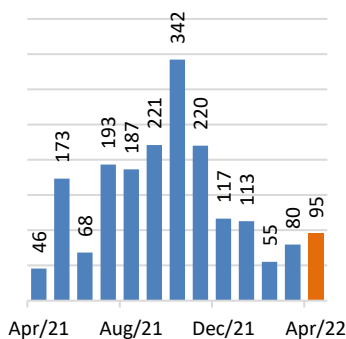


## Sector Update

Pakistan Monthly Urea Offtake



Pakistan Monthly DAP Offtake



### Analyst

Abdullah Farhan  
Abdullah.Farhan@igi.com.pk  
Tel: +92 21 111 234 234 Ext: 912

Huzaifa Yaseen  
Huzaifa.Yaseen@igi.com.pk  
Tel: +92 21 111 234 234 Ext: 816

### Monthly Fertiliser Offtake

## Apr-22: Urea sales up +48%, While DAP sales doubled to 95kt

- As per the latest data published by National Fertiliser Development Centre (NFDC) for the month of Apr-22, industry Urea and DAP sales are up by +48% arriving at 459k.T and +2.08x arriving at 95.2k.T respectively. Whereas, CAN sales are down by 18% to 57.4k.T.
- Company-wise, FATIMA and FFC led the growth chart with sales up by +2.3xy and +44%y respectively. EFERT witnessed an increase of +43%y to 157.2kt, while FFBL experienced a decline in offtake by 10.3%y to 33.5 k.t.
- For DAP sales, FFBL and EFERT sales stood at 35.5kt and 26.3kt, up by +61.8%y and +9.6xy respectively compared to same period last year. However, FFC sales declined by 57.8%y to 2.6kt. Total industry sales increased by +2.1xy to 95.2kt.

### Urea sales increased with Dap sales significantly

As per the latest data published by National Fertiliser Development Centre (NFDC) for the month of Apr-22, industry Urea and DAP sales are up by +48% arriving at 459k.T and +2.08x arriving at 95.2k.T respectively. Whereas, CAN sales are down by 18% to 57.4k.T.

This brings 4m'22 total industry Urea sales to 2,092k.T (up by +23%y), DAP sales to 343k.T (down by 5%y) and CAN sales to 272k.T (down by 14%y).

| Exhibit: Monthly Fertiliser offtake |              |            |            |              |              |            |
|-------------------------------------|--------------|------------|------------|--------------|--------------|------------|
| k.tons                              | Apr-22       | Apr-21     | y/y        | 4m2022       | 4m2021       | y/y        |
| <b>Sales</b>                        |              |            |            |              |              |            |
| Urea                                | 459.0        | 309        | 48%        | 2,092        | 1,707        | 23%        |
| DAP                                 | 95.2         | 46         | 108%       | 343          | 360          | -5%        |
| CAN                                 | 57.4         | 70         | -18%       | 272          | 317          | -14%       |
| NP & NPK                            | 75.6         | 100        | -24%       | 247          | 310          | -20%       |
| <b>Total</b>                        | <b>687.2</b> | <b>525</b> | <b>31%</b> | <b>2,954</b> | <b>2,694</b> | <b>10%</b> |

### Urea sales up by +48%y to 459kt

Company-wise, FATIMA and FFC led the growth chart with sales up by +2.3xy and +44%y respectively. EFERT witnessed an increase of +43%y to 157.2kt, while FFBL experienced a decline in offtake by 10.3%y to 33.5 k.t. In our view, the increase in urea sales is mainly attributable to increasing demand and availability of gas. Total urea production during the month stood at 579kt along with opening inventory of 199kt. This takes monthly urea availability to 778kt and closing inventory to 318kt.

### DAP sales increased by 2xy to 95.2kt

For DAP sales, FFBL and EFERT sales stood at 35.5kt and 26.3kt, up by +61.8%y and +9.6xy respectively compared to same period last year. However, FFC sales declined

by 57.8%y to 2.6kt. Total industry sales increased by +2.1xy to 95.2kt. We attribute this increase in sales owing to low base effect. Overall industry production for DAP during the month stood at 74.8kt, while total availability during the month stood at 411kt, including imported and opening inventory. This brings DAP closing inventory at 336kt.

### **Outlook**

Going forward, we expect DAP sales could come further under pressure due to higher commodity prices. As of latest, domestic DAP prices as per Pakistan Bureau of Statistics have reached PKR 9,924/bag compared to PKR 5,535/bag last year.

Recently, urea manufacturers and the Government have agreed upon reduction in urea price to PKR 1,850/bag which would benefit in terms of sales.

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IGI Finex Securities Limited

Research Analyst(s)

Research Identity Number: BRP009

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## Contact Details

### Equity Sales

|                      |  |                           |                            |
|----------------------|--|---------------------------|----------------------------|
| Faisal Jawed Khan    | Head of Equities                           | Tel: (+92-21) 35301779    | faisal.jawed@igi.com.pk    |
| Zaeem Haider Khan    | Regional Head (North)                      | Tel: (+92-42) 38303559-68 | 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  |
| Zaid Farook          | Branch Manager (Stock Exchange) Karachi    | Tel: (+92-21) 32462651-52 | zaid.farook@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

|                 |                  |                                    |                            |
|-----------------|------------------|------------------------------------|----------------------------|
| Saad Khan       | Head of Research | Tel: (+92-21) 111-234-234 Ext: 810 | saad.khan@igi.com.pk       |
| Abdullah Farhan | Senior Analyst   | Tel: (+92-21) 111-234-234 Ext: 912 | abdullah.farhan@igi.com.pk |
| Aariz Raza      | Analyst          | Tel: (+92-21) 111-234-234 Ext: 810 | Aariz.raza@igi.com.pk      |
| Ajay Kumar      | Analyst          | Tel: (+92-21) 111-234-234 Ext: 912 | ajay.kumar@igi.com.pk      |
| Huzaifa Yaseen  | Analyst          | Tel: (+92-21) 111-234-234 Ext: 912 | huzaifa.yaseen@igi.com.pk  |

### IGI Finex Securities Limited

Trading Rights Entitlement Certificate (TREC) Holder of Pakistan Stock Exchange Limited |

Corporate member of Pakistan Mercantile Exchange Limited

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

#### Stock Exchange Office

Room # 134, 3rd Floor, Stock Exchange Building,  
 Stock Exchange Road, Karachi.  
 Tel: (+92-21) 32429613-4, 32462651-2  
 Fax: (+92-21) 32429607

|   |  |
|---|--|
| <b>Lahore Office</b><br>Shop # G-009, Ground Floor,<br>Packages Mall<br>Tel: (+92-42) 38303560-69<br>Fax: (+92-42) 38303559                         | <b>Islamabad Office</b><br>Mezzanine Floor, Office 5, 6 & 7, Kashmir<br>Plaza,<br>Block- B, Jinnah Avenue, Blue Area<br>Tel: (+92-51) 2604861-2, 2604864, 2273439<br>Fax: (+92-51) 2273861 |
| <b>Faisalabad Office</b><br>Office No. 2, 5 & 8, Ground Floor, The<br>Regency International 949, The Mall<br>Faisalabad<br>Tel: (+92-41) 2540843-45 | <b>Rahim Yar Khan Office</b><br>Plot # 12, Basement of Khalid Market,<br>Model Town, Town Hall Road<br>Tel: (+92-68) 5871652-3<br>Fax: (+92-68) 5871651                                    |
| <b>Multan Office</b><br>Mezzanine Floor, Abdali Tower,<br>Abdali Road<br>Tel: (92-61) 4512003, 4571183  |  |

IGI Finex Securities Limited

Research Analyst(s)

Research Identity Number: BRP009

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