

Day Break

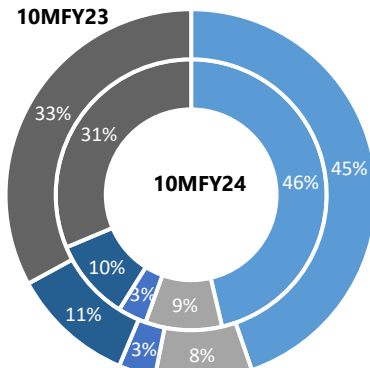
Friday, May 3, 2024

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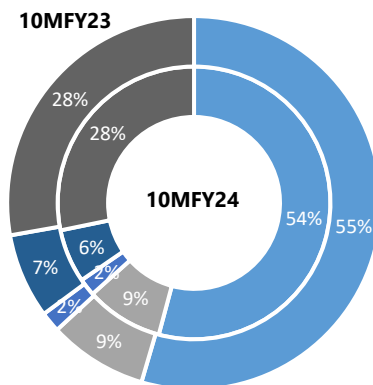
MS Market Share – Company wise

■ PSO ■ APL ■ HASCOL
■ SHEL ■ Others



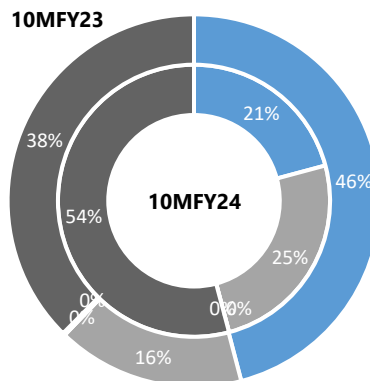
HSD Market Share – Company wise

■ PSO ■ APL ■ HASCOL
■ SHEL ■ Others



FO Market Share – Company wise

■ PSO ■ APL ■ HASCOL
■ SHEL ■ Others



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Oil & Gas Marketing Companies

Apr-24: Volumes Depict a Decline of 6%/y/y to 1.1mn tons

- Industry volumes for oil marketing companies for the month of Apr-24 dropped by 6%/y/y to 1.10mn ton bringing industry volumes for 10MFY24 to 12.44mn ton down by 11%Y/y. Motor Spirit (MS) / Furnace Oil (FO) sales were down by 9%/59%/y/y during Apr-24 whereas High Speed Diesel (HSD) volumes were up by +2%/y/y.
- During the 10MFY24, MS/HSD sales declined by 6%/4%/y/y while FO sales plummeted by 53%/y/y. Company wise SHEL/PSO/APL witnessed 16%/12%/5%/y/y decline in total sales whereas HASCOL reported +5%/y/y growth. Market share for PSO, dropped by 0.4% to 50% during 10MFY24 against 51% in the same period last year, while HASCOL and APL reported 0.4% and 0.6% incline in market share respectively during 10MFY24. Market share for SHEL dropped by 0.4% to 7%.
- We expect local sales to remained depressed with grey market sales also rising. Lower automobile sales and relatively higher prices are likely to keep demand growth restricted. Recent downward revision by few automobile assemblers is likely to give slight push to passenger car sales. Higher OMC margins are likely to support earnings amid depressed demand. Increase in power tariff and hike in gas prices would improve cash flow for PSO going forward and may unlock valuations.

Apr-24: POL sales decline by 6%/y/y to 1.10mn ton

Industry volumes for oil marketing companies for the month of Apr-24 dropped by 6%/y/y to 1.10mn ton bringing industry volumes for 10MFY24 to 12.44mn ton down by 11%Y/y. Motor Spirit (MS) / Furnace Oil (FO) sales were down by 9%/59%/y/y during Apr-24 whereas High Speed Diesel (HSD) volumes were up by +2%/y/y. On a monthly basis, industry volumes declined by 4%/m/m to 1.10mn ton during Apr-24 on the back of 7%/33%/m/m decrease in MS/FO sales.

During the 10MFY24, MS/HSD sales declined by 6%/4%/y/y while FO sales plummeted by 53%/y/y. Company wise SHEL/PSO/APL witnessed 16%/12%/5%/y/y decline in total sales whereas HASCOL reported +5%/y/y growth. Market share for PSO, dropped by 0.4% to 50% during 10MFY24 against 51% in the same period last year, while HASCOL and APL reported 0.4% and 0.6% incline in market share respectively during 10MFY24. Market share for SHEL dropped by 0.4% to 7%.

MS

MS sales declined by 9%/y/y to 0.53mn ton during Apr-24 while on sequential basis volumes dropped by 7%/m/m. HASCOL, SHEL, APL and

PSO recorded 42%/y/y, 12%/y/y, 7%/y/y and 4%/y/y decline in volumes respectively during Apr-24. For 10MFY24, MS volumes are down by 6%/y/y to 5.83mn ton. During 10MFY24, HASCOL and APL posted +2%/y/y growth each in volumes respectively, whereas, SHEL and PSO recorded 14%/y/y and 2%/y/y drop in total MS sales. PSO's market share increased to 46.3% during 10MFY24 from 44.7% in the same period last year. HASCOL and APL witnessed uptick in market share to 3.4% and 9.1% respectively while SHEL's market share declined by 1.0% to 9.7%.

HSD

HSD sales increased by +2%/y/y to 0.47mn ton in Apr-24 and on monthly basis volumes depicted a growth of +1%/m/m. PSO and SHEL reported 4%/y/y and 3%/y/y decline in sales whereas, HASCOL registered +50%/y/y growth in HSD volumes during Apr-24. This brings total 10MFY24 sales at 5.05mn ton down by 4%/y/y. For 10MFY24, HASCOL and APL posted +12%/y/y and +3%/y/y incline in sales with market share for APL and HASCOL increasing to 9.2% and 2.1% respectively. Market share for SHEL dropped by 1.0% to 6.3%.

FO

FO volumes plummeted by 59%/y/y during Apr-24 to 0.03mn ton likely attributable to lower demand from IPPs compared to last year. Volumes are down by 33%/m/m during Apr-24. Total FO volumes are down by 53%/y/y during 10MFY24 to 0.87mn ton. For 10MFY24, PSO and APL reported 79%/y/y and 28%/y/y decline in sales with PSO's market share dropping to 20.8% compared to 45.9% in 10MFY23, whereas, APL's market share improved to 25.0% from 16.3% in the same period last year.

Outlook

We expect local sales to remain depressed with grey market sales also rising. Lower automobile sales and relatively higher prices are likely to keep demand growth restricted. Recent downward revision by few automobile assemblers is likely to give slight push to passenger car sales. Higher OMC margins are likely to support earnings amid depressed demand. Increase in power tariff and hike in gas prices would improve cash flow for PSO going forward and may unlock valuations.

Exhibit: OMC's Monthly Sales Volume (Apr-24)

000'tons	Apr-24	Mar-24	MoM	Apr-23	YoY	4MCY24	4MCY23	YoY	10MFY24	10MFY23	YoY
Industry											
MS	530.4	572.7	-7%	580.5	-9%	2,262.0	2,338.7	-3%	5,829.9	6,173.2	-6%
HSD	469.3	462.7	1%	460.6	2%	1,891.2	1,919.9	-1%	5,049.9	5,283.1	-4%
FO	29.8	44.3	-33%	72.0	-59%	307.6	419.0	-27%	869.2	1,865.6	-53%
Others	75.0	74.5	1%	58.0	29%	296.1	259.6	14%	693.0	648.6	7%
Total	1,104.5	1,154.3	-4%	1,171.0	-6%	4,756.9	4,937.1	-4%	12,441.8	13,970.5	-11%
PSO											
MS	247.7	284.4	-13%	267.2	-7%	1,059.7	1,095.9	-3%	2,701.4	2,759.1	-2%
HSD	242.0	239.4	1%	251.7	-4%	989.0	1,032.6	-4%	2,735.3	2,881.6	-5%
FO	4.2	5.5	-23%	5.5	-22%	67.4	55.4	22%	181.0	856.6	-79%
Others	65.0	65.2	0%	51.6	26%	261.6	229.7	14%	612.0	560.5	9%
Total	558.9	594.5	-6%	575.9	-3%	2,377.8	2,413.5	-1%	6,229.7	7,057.8	-12%
APL											
MS	49.7	50.1	-1%	51.9	-4%	211.9	201.6	5%	532.8	521.4	2%
HSD	38.9	39.5	-2%	39.0	0%	168.2	167.0	1%	464.4	452.5	3%
FO	5.7	11.1	-49%	26.2	-78%	75.1	106.8	-30%	217.5	303.9	-28%
Others	4.5	2.7	66%	2.8	61%	12.9	12.0	7%	32.1	38.5	-17%
Total	98.7	103.4	-4%	119.8	-18%	468.1	487.5	-4%	1,246.8	1,316.3	-5%
HASCOL											
MS	16.1	14.5	11%	28.0	-42%	62.7	88.5	-29%	201.0	197.7	2%
HSD	10.9	11.0	0%	7.3	50%	39.5	42.6	-7%	104.1	93.2	12%
FO	-	-	0%	-	0%	-	-	0%	-	-	0%
Others	-	0.0	-100%	-	0%	0.1	0.1	-18%	0.4	0.7	-41%
Total	27.0	25.5	6%	35.3	-23%	102.4	131.2	-22%	305.5	291.6	5%
SHEL											
MS	51.0	59.8	-15%	57.8	-12%	229.3	248.4	-8%	567.6	661.4	-14%
HSD	27.7	31.7	-13%	28.5	-3%	124.7	137.0	-9%	320.5	388.1	-17%
FO	-	-	0%	-	n/m	-	3.7	-100%	-	3.7	-100%
Others	2.6	2.7	-2%	1.5	74%	8.8	8.0	11%	19.5	21.9	-11%
Total	81.3	94.2	-14%	87.8	-7%	362.9	397.1	-9%	907.6	1,075.1	-16%

Source: IGI Research, OCAC

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