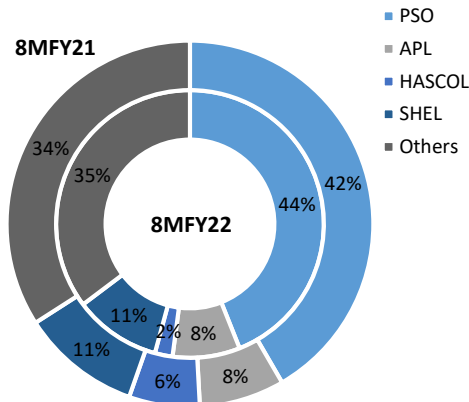
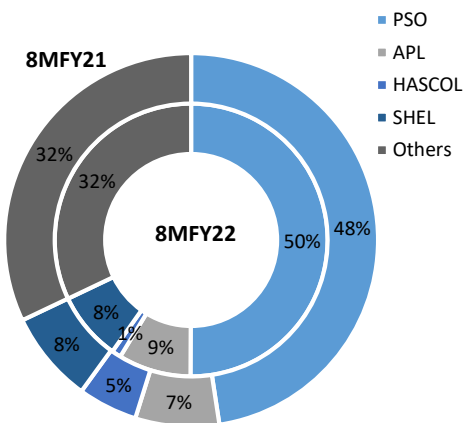


Sector Update

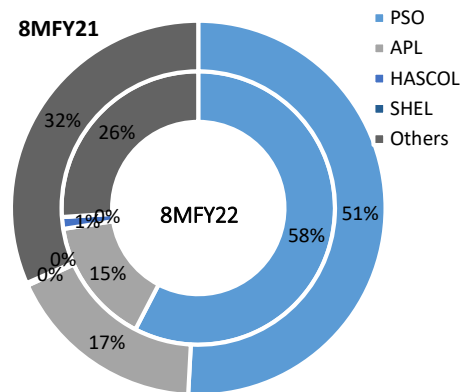
MS Market Share - Company wise



HSD Market Share - Company wise



FO Market Share - Company wise



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Oil & Gas Marketing Companies

Feb-22: Sales rebounded by +10%/y led by growth in FO and retail segment

- Industry volumes for oil marketing companies for the month of Feb-22 witnessed a growth of +10%/y to 1.54mn ton bringing industry volumes for 8MFY22 to 14.45mn ton up by +14%/y.
- During the 8MFY22, HSD/FO/MS sales increased by +18%/+14%/+10%/y. Company wise PSO/APL/SHEL led the charts by posting +23%/+18%/+15%/y incline in total sales while HASCOL witnessed 63%/y plunge with market share for HASCOL dropping by 3% to 2%.
- MS sales are likely to remain strong as automobile sales pick up along with introduction of new vehicles by new entrants such as KIA & Hyundai. Increase in domestic prices is unlikely to dent demand however switch to more fuel efficient variant may occur. HSD sales are likely to remain elevated amid pick up in commercial activity however rise in grey market sales amid higher prices may keep volume growth muted in the short term.

Feb-22 POL sales improved by +10%/y to 1.54mn ton

Industry volumes for oil marketing companies for the month of Feb-22 witnessed a growth of +10%/y to 1.54mn ton bringing industry volumes for 8MFY22 to 14.45mn ton up by +14%/y. Furnace Oil (FO) / High Speed Diesel (HSD) / Motor Spirit (MS) sales were up by +28%/+8%/+4%/y during Feb-22. On a monthly basis, industry volumes dropped by 15%/m during Feb-22 on the back of 20%/13%/12%/m decline in HSD/FO//MS sales while other product sales increased by +15%/m.

During the 8MFY22, HSD/FO/MS sales increased by +18%/+14%/+10%/y. Company wise PSO/APL/SHEL led the charts by posting +23%/+18%/+15%/y incline in total sales while HASCOL witnessed 63%/y plunge in total volumes with market share for HASCOL dropping by 3% to 2%. However PSO's market share increased by +4% to 50%. SHEL and APL retained their market share at 8% and 9% respectively.

MS

MS sales inclined by +4%/y to 0.65mn ton in Feb-22, while on sequential basis, volumes are down by 12%/m. APL, PSO and SHEL posted +13%/y, +7%/y and +1%/y growth in volumes respectively, while HASCOL reported 35%/y decline during Feb-22. For 8MFY22, MS volumes are up by +10%/y to 5.91mn ton. During 8MCY22, APL, PSO and SHEL posted +19%/y, +16%/y and +9%/y growth in volumes respectively with PSO market share rising to 44%, while HASCOL registered 62%/y decline in sales with market share dropping to 2%.

Wednesday, March 2, 2022

HSD

HSD sales increased by +8%/y/y to 0.59mn ton in Feb-22, while on monthly basis volumes are down by +20%/m/m. This brings total 8MFY22 sales at 5.7mn ton up by +18%Y/y. For 8MFY22, APL, PSO and SHEL led the charts with +40%/y/y, +24%/y/y and +20%/y/y growth in sales with market share for PSO, SHEL and APL increasing to 50%, 8% and 9% respectively. HASCOL registered 75%Y/y decline in volumes during 8MFY22 with market share coming down to 1% from 5% in 8MFY21.

FO

FO volumes increased by +28%/y/y during Feb-22 to 0.22mn ton likely attributable to higher demand from IPPs compared to last year. Volumes are down by 13%/m/m in Feb-22. As a result, total FO volumes are up by +14%/y/y in 8MFY22 to 2.38mn ton. For 8MFY22, HASCOL and PSO reported +7xy/y and +29%/y/y incline in sales with PSO's market share increasing to 58% compared to 51% in 8MFY21.

Exhibit: OMC's Monthly Sales Volume (Feb-22)

000'tons	Feb-22	Jan-22	m/m	Feb-21	y/y	2M CY22	2M CY21	y/y	8MFY22	8MFY21	y/y
Industry											
MS	652.6	744.8	-12%	626.5	4%	1,397.3	1,263.5	11%	5,910.0	5,373.8	10%
HSD	591.9	740.3	-20%	550.2	8%	1,332.2	1,094.3	22%	5,697.6	4,841.2	18%
FO	224.2	258.2	-13%	175.6	28%	482.5	466.1	4%	2,383.9	2,090.3	14%
Others	67.8	59.1	15%	45.9	48%	126.9	90.7	40%	458.1	361.9	27%
Total	1,536.5	1,802.4	-15%	1,398.3	10%	3,338.9	2,914.6	15%	14,449.7	12,667.2	14%
PSO											
MS	277.4	311.9	-11%	259.6	7%	589.3	515.8	14%	2,597.7	2,236.6	16%
HSD	295.6	407.7	-28%	259.3	14%	703.3	507.8	38%	2,853.4	2,303.4	24%
FO	115.8	91.7	26%	90.5	28%	207.5	247.3	-16%	1,373.3	1,063.2	29%
Others	53.5	48.6	10%	31.8	68%	102.1	63.6	60%	353.5	241.3	47%
Total	742.3	859.9	-14%	641.3	16%	1,602.2	1,334.5	20%	7,177.9	5,844.4	23%
APL											
MS	56.5	59.7	-5%	50.2	13%	116.2	101.8	14%	480.8	403.9	19%
HSD	52.4	68.2	-23%	42.0	25%	120.6	85.4	41%	491.1	351.3	40%
FO	37.0	29.7	25%	21.4	73%	66.7	56.8	17%	356.4	362.8	-2%
Others	3.2	2.7	21%	3.6	-10%	5.9	6.9	-15%	26.1	34.0	-23%
Total	149.1	160.2	-7%	117.1	27%	309.3	251.0	23%	1,354.4	1,151.9	18%
HASCOL											
MS	15.4	22.0	-30%	23.8	-35%	37.4	67.3	-44%	126.2	335.9	-62%
HSD	10.1	7.0	43%	17.9	-44%	17.1	41.7	-59%	62.3	249.5	-75%
FO	-	-	0%	-	0%	-	-	0%	33.2	4.7	612%
Others	0.3	0.1	106%	1.1	-76%	0.4	1.9	-80%	1.6	6.2	-74%
Total	25.7	29.2	-12%	42.7	-40%	54.9	110.9	-50%	223.3	596.3	-63%
SHEL											
MS	70.4	78.2	-10%	69.9	1%	148.6	140.7	6%	621.2	567.5	9%
HSD	51.1	53.2	-4%	49.0	4%	104.3	95.9	9%	463.3	384.8	20%
FO	-	-	0%	-	n/m	-	-	0%	-	-	0%
Others	6.1	4.2	45%	4.3	42%	10.3	8.1	27%	45.7	31.2	46%
Total	127.7	135.5	-6%	123.2	4%	263.2	244.8	8%	1,130.2	983.5	15%

Source: IGI Research, OCAC

Outlook

MS sales are likely to remain strong as automobile sales pick up along with introduction of new vehicles by new entrants such as KIA & Hyundai. Increase in domestic prices is unlikely to dent demand however switch to more fuel efficient variant may occur. HSD sales are likely to remain elevated amid pick up in commercial activity however rise in grey market sales amid higher prices may keep volume growth muted in the short term. FO sales are likely to remain strong in coming months as LNG prices have skyrocketed making FO based generation relatively cheaper.

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Day Break

Wednesday, March 2, 2022



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