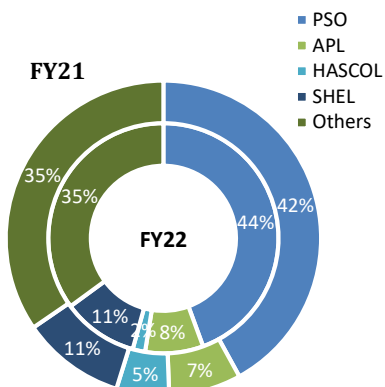
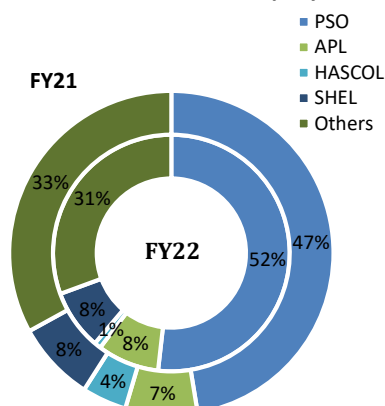


Sector Update

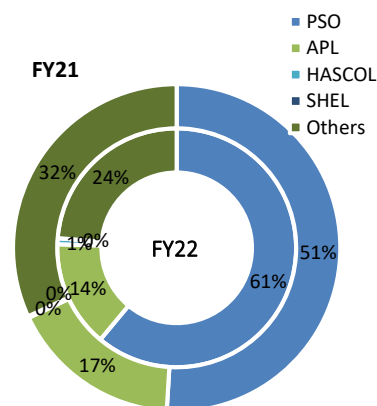
MS Market Share – Company wise



HSD Market Share – Company wise



FO Market Share – Company wise



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Oil & Gas Marketing Companies

Jun-22: POL Sales Remain Flat as Higher Prices Dent Retail Volumes

- Industry volumes for oil marketing companies for the month of Jun-22 remained flat at 1.94mn ton bringing industry volumes for FY22 to 22.60mn ton up by +16%Y/y. Motor Spirit (MS) / High Speed Diesel (HSD) sales were down by 10%/8%y/y during Jun-22 while Furnace Oil (FO) volumes reported an increase of +33%y/y
- During the FY22, FO/HSD/MS sales increased by +35%/+15%/+9%y/y. Company wise PSO/APL/SHEL led the charts by posting +29%/+22%/+14%y/y incline in total sales while HASCOL witnessed 66%y/y plunge in total volumes with market share for HASCOL dropping by 3% to 1%. However, PSO's market share increased by +5% to 51%. SHEL and APL retained their market share at 8% and 9% respectively.
- We expect MS and HSD volumes to come under pressure owing to recent and foreseeable price hike in coming months, already evident from latest POL sales of OMCs. FO sales are likely to remain strong in coming months owing to higher demand from IPPs.

Jun-22: POL sales remained flat at 1.94mn ton

Industry volumes for oil marketing companies for the month of Jun-22 remained flat at 1.94mn ton bringing industry volumes for FY22 to 22.60mn ton up by +16%Y/y. Motor Spirit (MS) / High Speed Diesel (HSD) sales were down by 10%/8%y/y during Jun-22 while Furnace Oil (FO) volumes reported an increase of +33%y/y. On a monthly basis, industry volumes declined by 11%/m/m during Jun-22 on the back of 16%/12%/2% drop in HSD/MS/FO sales.

During the FY22, FO/HSD/MS sales increased by +35%/+15%/+9%y/y. Company wise PSO/APL/SHEL led the charts by posting +29%/+22%/+14%y/y incline in total sales while HASCOL witnessed 66%y/y plunge in total volumes with market share for HASCOL dropping by 3% to 1%. However, PSO's market share increased by +5% to 51%. SHEL and APL retained their market share at 8% and 9% respectively.

MS

MS sales dropped by 10%y/y to 0.70mn ton during Jun-22, while on sequential basis, volumes declined by 12%/m/m. APL posted +6%y/y growth in volumes, while HASCOL, SHEL and PSO recorded 72%y/y, 6%y/y and 2%y/y decline in volumes respectively during Jun-22. For FY22, MS volumes are up by +9%y/y to 8.95mn ton. During FY22, APL, PSO and SHEL posted +20%y/y, +15%y/y and +9%y/y growth in volumes respectively with PSO market share rising to 44%, while HASCOL registered 65%y/y decline in sales with market share dropping to 2%.

HSD

HSD sales plummeted by 8%y/y to 0.71mn ton in Jun-22, while on monthly basis volumes are down by 16%/m/m. This brings total FY22 sales at 8.87mn ton up by +15%Y/y. For FY22, APL, PSO and SHEL led the charts with +36%y/y, +26%y/y

and +19%/y/y growth in sales with market share for PSO, SHEL and APL increasing to 52%, 8% and 8% respectively. HASCOL registered 76%Y/y decline in HSD volumes during FY22 with market share coming down to 1% from 4% in FY21.

FO

FO volumes increased by +33%/y/y during Jun-22 to 0.45mn ton likely attributable to higher demand from IPPs compared to last year. Volumes dropped by 2%/m during Jun-22. As a result, total FO volumes are up by +35%/y/y in FY22 to 4.04mn ton. For FY22, PSO reported +62%/y/y incline in sales with PSO's market share increasing to 61% compared to 51% in FY21.

Exhibit: OMC's Monthly Sales Volume (Jun-22)											
000'tons	Jun-22	May-22	m/m	Jun-21	y/y	1HCY22	1HCY21	y/y	FY22	FY21	y/y
Industry											
MS	702.3	796.8	-12%	776.1	-10%	4,441.3	4,126.5	8%	8,954.0	8,236.9	9%
HSD	713.0	852.4	-16%	775.9	-8%	4,506.8	3,952.0	14%	8,872.3	7,698.8	15%
FO	452.6	460.9	-2%	339.1	33%	2,141.3	1,363.3	57%	4,042.7	2,987.5	35%
Others	68.5	64.2	7%	41.0	67%	394.5	254.9	55%	725.7	526.1	38%
Total	1,936.4	2,174.2	-11%	1,932.0	0%	11,483.9	9,696.7	18%	22,594.6	19,449.3	16%
PSO											
MS	314.9	385.7	-18%	321.8	-2%	1,966.6	1,738.4	13%	3,975.0	3,459.2	15%
HSD	377.6	464.5	-19%	354.9	6%	2,445.4	1,853.6	32%	4,595.5	3,649.2	26%
FO	289.4	313.9	-8%	212.4	36%	1,302.1	706.9	84%	2,467.9	1,522.8	62%
Others	54.0	55.3	-2%	28.4	90%	325.5	182.7	78%	577.0	360.4	60%
Total	1,035.9	1,219.3	-15%	917.5	13%	6,039.6	4,481.6	35%	11,615.4	8,991.5	29%
APL											
MS	59.6	67.9	-12%	56.5	6%	366.1	308.9	19%	730.7	610.9	20%
HSD	62.1	70.7	-12%	58.4	6%	381.1	287.8	32%	751.7	553.7	36%
FO	76.4	72.5	5%	44.1	73%	293.8	201.7	46%	583.5	507.7	15%
Others	3.4	3.0	13%	3.9	-15%	18.8	21.1	-11%	39.1	48.1	-19%
Total	201.5	214.1	-6%	162.9	24%	1,059.9	819.5	29%	2,105.0	1,720.4	22%
HASCOL											
MS	11.0	5.5	100%	39.3	-72%	68.0	177.0	-62%	156.8	445.6	-65%
HSD	9.5	2.7	247%	32.8	-71%	36.8	135.0	-73%	82.0	342.8	-76%
FO	-	-	0%	-	0%	-	-	0%	33.2	4.7	612%
Others	0.2	0.2	8%	0.4	-55%	1.1	3.4	-67%	2.4	7.7	-69%
Total	20.6	8.4	146%	72.5	-72%	106.0	315.4	-66%	274.4	800.8	-66%
SHEL											
MS	76.6	89.5	-14%	81.6	-6%	480.3	446.7	8%	952.9	873.5	9%
HSD	69.2	67.9	2%	65.2	6%	368.6	324.2	14%	727.7	613.0	19%
FO	-	-	0%	-	n/m	-	-	0%	-	-	0%
Others	6.4	3.0	115%	5.2	22%	26.3	24.3	8%	61.8	47.4	30%
Total	152.2	160.4	-5%	152.0	0%	875.2	795.2	10%	1,742.3	1,533.9	14%

Source: IGI Research, OCAC

Outlook

We expect MS and HSD volumes to come under pressure owing to recent and foreseeable price hike in coming months, already evident from latest POL sales of OMCs. FO sales are likely to remain strong in coming months owing to higher demand from IPPs.

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