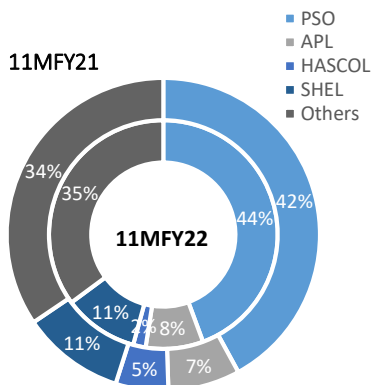
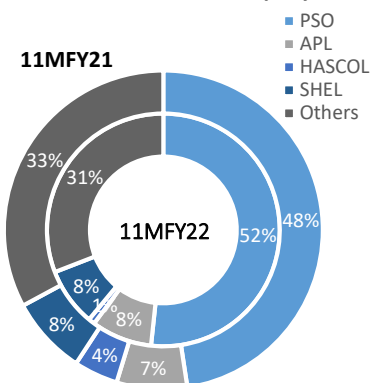


## Sector Update

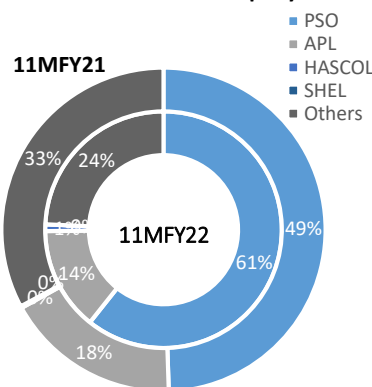
### MS Market Share – Company wise



### HSD Market Share – Company wise



### FO Market Share – Company wise



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## Oil & Gas Marketing Companies

### May-22: Higher demand from power sector lifts monthly POL sales by 28%/y/y

- Industry volumes for oil marketing companies for the month of May-22 witnessed a growth of +28%/y/y to 2.17mn ton bringing industry volumes for 11MFY22 to 20.66mn ton up by +18%Y/y.
- During the 11MFY22, FO/HSD/MS sales increased by +36%/+18%/+11%/y/y. Company wise PSO/APL/SHEL led the charts by posting +31%/+22%/+15%/y/y incline in total sales while HASCOL witnessed 65%/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.
- Going forward, 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. Hike in prices at the end of May-22 and further increase expected during Jun-22, MS and HSD sales are likely to witness slight contraction, however, demand is largely inelastic to prices. FO sales are likely to remain strong in coming months owing to higher demand from IPPs.

### May-22: POL sales augment by +28%/y/y to 2.17mn ton

Industry volumes for oil marketing companies for the month of May-22 witnessed a growth of +28%/y/y to 2.17mn ton bringing industry volumes for 11MFY22 to 20.66mn ton up by +18%Y/y. Furnace Oil (FO) / High Speed Diesel (HSD) / Motor Spirit (MS) sales were up by +2.7x/+12%/+9%/y/y during May-22. On a monthly basis, industry volumes declined by 2%/m/m during May-22 on the back of 7%/m/m drop in HSD sales while FO sales remained flat on a sequential basis.

During the 11MFY22, FO/HSD/MS sales increased by +36%/+18%/+11%/y/y. Company wise PSO/APL/SHEL led the charts by posting +31%/+22%/+15%/y/y incline in total sales while HASCOL witnessed 65%/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 inclined by +9%/y/y to 0.80mn ton during May-22, while on sequential basis, volumes increased by +3%/m/m. APL, PSO and SHEL posted +38%/y/y, +24%/y/y and +21%/y/y growth in volumes respectively, while HASCOL reported 83%/y/y decline during May-22. For 11MFY22, MS volumes are up by +11%/y/y to 8.25mn ton. During 11MFY22, APL, PSO and SHEL posted +21%/y/y, +17%/y/y and +11%/y/y growth in volumes respectively with PSO market share rising to 44%, while HASCOL registered 64%/y/y decline in sales with market share dropping to 2%.

#### HSD

HSD sales increased by +12%/y/y to 0.85mn ton in May-22, while on monthly basis volumes are down by 7%/m/m. This brings total 11MFY22 sales at 8.16mn ton up by +18%Y/y. For 11MFY22, APL, PSO and SHEL led the charts with +39%/y/y, +28%/y/y

and +20%/y/y growth in sales with market share for PSO, SHEL and APL increasing to 52%, 8% and 8% respectively. HASCOL registered 77%Y/y decline in HSD volumes during 11MFY22 with market share coming down to 1% from 4% in 11MFY21.

### FO

FO volumes increased by +2.7xy/y during May-22 to 0.46mn ton likely attributable to higher demand from IPPs compared to last year. Volumes remained flat on sequential basis during May-22. As a result, total FO volumes are up by +36%/y/y in 11MFY22 to 3.59mn ton. For 11MFY22, PSO reported +66%/y/y incline in sales with PSO's market share increasing to 61% compared to 49% in 11MFY21.

Exhibit: OMC's Monthly Sales Volume (May-22)											
000'tons	May-22	Apr-22	m/m	May-21	y/y	5MCY22	5MCY21	y/y	11MFY22	11MFY21	y/y
<b>Industry</b>											
MS	796.8	771.3	3%	730.7	9%	3,739.0	3,350.5	12%	8,251.7	7,460.8	11%
HSD	852.4	918.6	-7%	761.4	12%	3,793.9	3,176.1	19%	8,159.3	6,923.0	18%
FO	460.9	460.7	0%	168.1	174%	1,688.6	1,024.2	65%	3,590.1	2,648.4	36%
Others	64.2	61.3	5%	32.0	101%	326.0	213.9	52%	657.2	485.1	35%
Total	2,174.2	2,211.9	-2%	1,692.2	28%	9,547.6	7,764.6	23%	20,658.3	17,517.3	18%
<b>PSO</b>											
MS	385.7	339.0	14%	311.3	24%	1,651.7	1,416.5	17%	3,660.1	3,137.3	17%
HSD	464.5	522.1	-11%	373.1	24%	2,067.8	1,498.7	38%	4,217.9	3,294.3	28%
FO	313.9	314.5	0%	53.0	492%	1,012.7	494.5	105%	2,178.5	1,310.4	66%
Others	55.3	53.2	4%	20.8	165%	271.5	154.3	76%	522.9	332.0	58%
Total	1,219.3	1,228.8	-1%	758.3	61%	5,003.7	3,564.1	40%	10,579.5	8,074.0	31%
<b>APL</b>											
MS	67.9	61.7	10%	49.3	38%	306.5	252.4	21%	671.0	554.4	21%
HSD	70.7	69.2	2%	54.0	31%	319.1	229.4	39%	689.7	495.3	39%
FO	72.5	39.2	85%	36.2	100%	217.4	157.6	38%	507.1	463.6	9%
Others	3.0	2.7	11%	3.7	-19%	15.5	17.2	-10%	35.7	44.2	-19%
Total	214.1	172.7	24%	143.2	49%	858.4	656.6	31%	1,903.6	1,557.5	22%
<b>HASCOL</b>											
MS	5.5	5.7	-4%	32.1	-83%	57.1	137.7	-59%	145.8	406.3	-64%
HSD	2.7	3.4	-21%	26.3	-90%	27.4	102.2	-73%	72.5	310.0	-77%
FO	-	-	0%	-	0%	-	-	0%	33.2	4.7	612%
Others	0.2	0.2	-15%	0.3	-42%	1.0	3.1	-69%	2.2	7.4	-70%
Total	8.4	9.3	-10%	58.7	-86%	85.4	242.9	-65%	253.8	728.3	-65%
<b>SHEL</b>											
MS	89.5	81.4	10%	74.0	21%	403.7	365.0	11%	876.3	791.9	11%
HSD	67.9	72.6	-6%	56.6	20%	299.4	259.0	16%	658.5	547.8	20%
FO	-	-	0%	-	n/m	-	-	0%	-	-	0%
Others	3.0	2.1	43%	3.9	-24%	19.9	19.1	5%	55.4	42.2	31%
Total	160.4	156.1	3%	134.6	19%	723.1	643.1	12%	1,590.1	1,381.9	15%

Source: IGI Research, OCAC

### Outlook

MS sales are likely to remain strong as introduction of new vehicles by new entrants such as KIA & Hyundai is likely to keep demand strong. 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. Hike in prices at the end of May-22 and further increase expected during Jun-22, MS and HSD sales are likely to witness slight contraction, however, demand is largely inelastic to prices. FO sales are likely to remain strong in coming months owing to higher demand from IPPs.

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