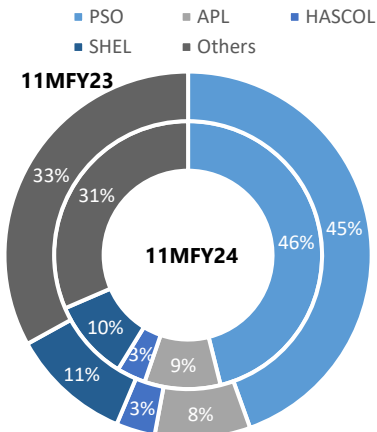


Day Break

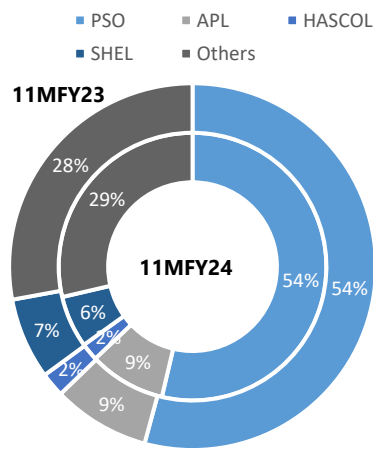
Tuesday, June 4, 2024



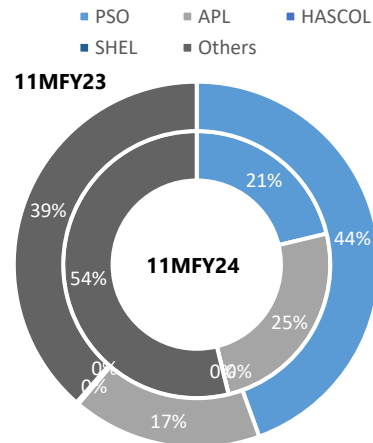
MS Market Share – Company wise



HSD Market Share – Company



FO Market Share – Company wise



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Oil & Gas Marketing Companies

May-24: Volumes Depict a Growth of +7%y/y to 1.39mn tons

- Industry volumes for oil marketing companies for the month of May-24 increased by +7%y/y to 1.39mn ton bringing industry volumes for 11MFY24 to 13.83mn ton down by 9%Y/y. Motor Spirit (MS) / High Speed Diesel (HSD) sales were up by +1%/+18%y/y during May-24 whereas Furnace Oil (FO) volumes were down by 18%y/y.
- During the 11MFY24, MS/HSD sales declined by 5%/2%y/y while FO sales plummeted by 52%y/y. Company wise SHEL/PSO/APL/HASCOL witnessed 13%/10%/4%/3%y/y decline in total sales. Market share for PSO, dropped by 0.3% to 50% during 11MFY24 against 50% in the same period last year, while HASCOL and APL reported 0.2% and 0.6% incline in market share respectively during 11MFY24. Market share for SHEL dropped by 0.3% to 7%.
- Sales recovered during May-24 on the back of reduced . 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.

May-24: POL sales increased by +7%y/y to 1.39mn ton

Industry volumes for oil marketing companies for the month of May-24 increased by +7%y/y to 1.39mn ton bringing industry volumes for 11MFY24 to 13.83mn ton down by 9%Y/y. Motor Spirit (MS) / High Speed Diesel (HSD) sales were up by +1%/+18%y/y during May-24 whereas Furnace Oil (FO) volumes were down by 18%y/y. On a monthly basis, industry volumes are up by +26%m/m to 1.39mn ton during May-24 on the back of +2.3x/+37%/+14%m/m increase in FO/HSD/MS sales.

During the 11MFY24, MS/HSD sales declined by 5%/2%y/y while FO sales plummeted by 52%y/y. Company wise SHEL/PSO/APL/HASCOL witnessed 13%/10%/4%/3%y/y decline in total sales. Market share for PSO, dropped by 0.3% to 50% during 11MFY24 against 50% in the same period last year, while HASCOL and APL reported 0.2% and 0.6% incline in market share respectively during 11MFY24. Market share for SHEL dropped by 0.3% to 7%.

MS

MS sales increased by +1%y/y to 0.61mn ton during May-24 while on sequential basis volumes are up by +14%m/m. APL, SHEL and PSO

recorded +17%/y/y, +5%/y/y and +3%/y/y incline in volumes respectively during May-24. For 11MFY24, MS volumes are down by 5%/y/y to 6.44mn ton. During 11MFY24, APL posted +3%/y/y growth in volumes respectively, whereas, SHEL, HASCOL and PSO recorded 13%/y/y, 3%/y/y and 2%/y/y drop in total MS sales. PSO's market share increased to 46.1% during 11MFY24 from 44.5% in the same period last year. HASCOL and APL witnessed uptick in market share to 3.5% and 9.2% respectively while SHEL's market share declined by 0.9% to 9.8%.

HSD

HSD sales increased by +18%/y/y to 0.64mn ton in May-24 and on monthly basis volumes depicted a growth of +37%/m/m. APL, SHEL and PSO reported +34%/y/y, +23%/y/y and +15%/y/y incline in sales whereas, HASCOL registered 47%/y/y decline in HSD volumes during May-24. This brings total 11MFY24 sales at 5.69mn ton down by 2%/y/y. For 11MFY24, APL posted +6%/y/y incline in sales with market share for APL increasing to 9.3%. Market share for SHEL and PSO dropped by 0.9% and 0.5% respectively.

FO

FO volumes plummeted by 24%/y/y during May-24 to 0.07mn ton likely attributable to lower demand from IPPs compared to last year. Volumes are up substantially by +2.3xm/m during May-24. Total FO volumes are down by 52%/y/y during 11MFY24 to 0.94mn ton. For 11MFY24, PSO and APL reported 77%/y/y and 29%/y/y decline in sales with PSO's market share dropping to 21.3% compared to 44.5% in 11MFY23, whereas, APL's market share improved to 24.9% from 16.8% in the same period last year.

Outlook

Sales recovered during May-24 on the back of reduced . 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 (May-24)

000'tons	May-24	Apr-24	MoM	May-23	YoY	CY24TD	CY23TD	YoY	FY24TD	FY23TD	YoY
Industry											
MS	606.6	530.4	14%	602.5	1%	2,868.7	2,941.2	-2%	6,436.5	6,775.7	-5%
HSD	642.8	469.3	37%	544.9	18%	2,534.1	2,464.8	3%	5,692.7	5,828.1	-2%
FO	68.8	29.8	131%	90.7	-24%	376.3	509.7	-26%	937.9	1,956.3	-52%
Others	71.0	75.0	-5%	57.6	23%	367.1	317.2	16%	764.0	706.2	8%
Total	1,389.3	1,104.5	26%	1,295.8	7%	6,146.1	6,232.9	-1%	13,831.1	15,266.2	-9%
PSO											
MS	265.6	247.7	7%	256.9	3%	1,325.3	1,352.8	-2%	2,967.0	3,016.1	-2%
HSD	320.6	242.0	33%	278.3	15%	1,309.7	1,310.9	0%	3,056.0	3,159.9	-3%
FO	18.5	4.2	335%	13.0	42%	85.9	68.4	26%	199.5	869.6	-77%
Others	60.3	65.0	-7%	51.0	18%	321.9	280.7	15%	672.3	611.4	10%
Total	665.1	558.9	19%	599.3	11%	3,042.8	3,012.8	1%	6,894.7	7,657.0	-10%
APL											
MS	57.1	49.7	15%	49.0	17%	269.0	250.6	7%	589.9	570.3	3%
HSD	62.8	38.9	62%	46.8	34%	231.0	213.8	8%	527.2	499.3	6%
FO	16.1	5.7	183%	24.1	-33%	91.1	130.9	-30%	233.6	328.0	-29%
Others	4.0	4.5	-10%	3.3	23%	16.9	15.3	10%	36.1	41.8	-14%
Total	140.0	98.7	42%	123.2	14%	608.0	610.7	0%	1,386.8	1,439.5	-4%
HASCOL											
MS	24.0	16.1	49%	34.8	-31%	86.8	123.3	-30%	225.0	232.5	-3%
HSD	16.8	10.9	54%	31.9	-47%	56.3	74.5	-24%	120.9	125.1	-3%
FO	-	-	0%	-	0%	-	-	0%	-	-	0%
Others	0.1	-	0%	0.1	113%	0.2	0.2	20%	0.5	0.7	-30%
Total	40.9	27.0	51%	66.8	-39%	143.3	198.0	-28%	346.4	358.4	-3%
SHEL											
MS	60.2	51.0	18%	57.3	5%	289.5	305.7	-5%	627.8	718.7	-13%
HSD	37.3	27.7	35%	30.3	23%	162.1	167.3	-3%	357.9	418.4	-14%
FO	-	-	0%	-	n/m	-	3.7	-100%	-	3.7	-100%
Others	2.8	2.6	5%	1.3	108%	11.6	9.3	25%	22.2	23.2	-4%
Total	100.3	81.3	23%	89.0	13%	463.2	486.0	-5%	1,007.9	1,164.1	-13%

Source: IGI Research, OCAC

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