

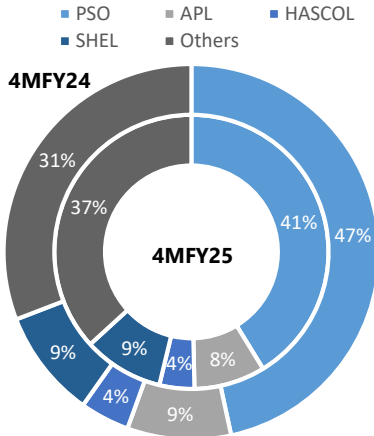
# Day Break

Monday, November 4, 2024

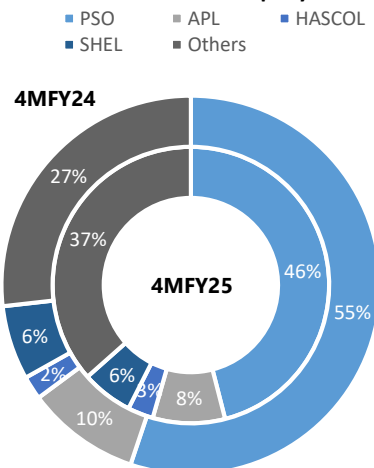


SERVING YOU SINCE 1994

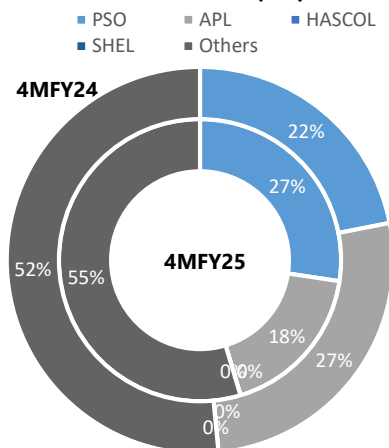
## MS Market Share – Company wise



## HSD Market Share – Company wise



## FO Market Share – Company wise



### Analyst

Abdullah Farhan  
[Abdullah.farhan@igi.com.pk](mailto:Abdullah.farhan@igi.com.pk)

## Oil & Gas Marketing Companies

### Oct-24: Volumes Depict a Growth of +18%y/y; Up by +17%m/m

- Industry volumes for oil marketing companies for the month of Oct-24 increased by +18%y/y to 1.49mn ton bringing industry volumes for 4MFY25 to 5.18mn ton up by +2%Y/y. High Speed Diesel (HSD) / Motor Spirit (MS) / Furnace Oil (FO) sales were up by +22%/+15%/+8%y/y during Oct-24. On a monthly basis, industry volumes are up by +17%m/m to 1.49mn ton during Oct-24 on the back of +39%/+5%m/m increase in HSD/MS sales.
- During the 4MFY25, HSD/MS sales increased by +5%/+4%y/y while FO sales declined by 33%y/y. Company wise APL /PSO witnessed 14%/9%y/y decline in total sales while HASCOL/SHEL reported +17%/+5%y/y growth during 4MFY25. Market share for PSO and APL dropped by 5.3% and 1.7% to 45% and 9% respectively during 4MFY25 against 50% and 10% in the same period last year, while SHEL and HASCOL reported 0.2% and 0.4% growth in market share during 4MFY25 respectively.
- Lower automobile sales and relatively higher prices are likely to keep demand growth restricted. Moreover, rise in HEV sales and potential launch of EV cars are also likely to restrict demand growth of petrol engines. However, cut in interest rate by SBP is likely to give slight push to passenger car sales. Potential hike in 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.

### Oct-24: POL sales inclined by +18%y/y to 1.49mn ton

Industry volumes for oil marketing companies for the month of Oct-24 increased by +18%y/y to 1.49mn ton bringing industry volumes for 4MFY25 to 5.18mn ton up by +2%Y/y. High Speed Diesel (HSD) / Motor Spirit (MS) / Furnace Oil (FO) sales were up by +22%/+15%/+8%y/y during Oct-24. On a monthly basis, industry volumes are up by +17%m/m to 1.49mn ton during Oct-24 on the back of +39%/+5%m/m increase in HSD/MS sales.

During the 4MFY25, HSD/MS sales increased by +5%/+4%y/y while FO sales declined by 33%y/y. Company wise APL /PSO witnessed 14%/9%y/y decline in total sales while HASCOL/SHEL reported +17%/+5%y/y growth during 4MFY25. Market share for PSO and APL dropped by 5.3% and 1.7% to 45% and 9% respectively during 4MFY25 against 50% and 10% in the same period last year, while SHEL and HASCOL reported 0.2% and 0.4% growth in market share during 4MFY25 respectively.

## MS

MS sales augmented by +15%/y/y to 0.67mn ton during Oct-24 while on sequential basis volumes are up by +5%/m/m. PSO, SHEL and APL recorded +16%/y/y, +14%/y/y and +3%/y/y incline in volumes respectively during Oct-24 while HASCOL reported 20%/y/y decline in total volumes. For 4MFY25, MS volumes increased by +4%/y/y to 2.52mn ton. During 4MFY25, SHEL posted +5%/y/y growth in volumes, whereas, PSO and APL recorded 8%/y/y and 2%/y/y drop in total MS sales. PSO, APL and HASCOL's market share dropped to 41.2%, 8.4% and 4.1% during 4MFY25 from 46.6%, 8.9% and 4.3% respectively in the same period last year. SHEL witnessed increase in market share to 9.5% from 9.3% in the same period last year.

## HSD

HSD sales jumped up by +22%/y/y to 0.69mn ton in Oct-24 and on monthly basis volumes depicted a growth of +39%/m/m. HASCOL, SHEL, PSO and APL reported +139%/y/y, +17%/y/y, +6%/y/y and +1%/y/y incline in sales respectively during Oct-24. The increase in sales was mainly driven by decline in grey market sales. This brings total 4MFY25 sales at 2.10mn ton up by +5%/y/y. For 4MFY25, HASCOL posted +57%/y/y incline in sales with market share for HASCOL increasing to 3.0%. Market share for PSO, APL and SHEL dropped by 9.1%, 1.3% and 0.3% respectively.

## FO

FO volumes increased by +8%/y/y during Oct-24 to 0.06mn ton likely attributable to significant slightly higher demand from IPPs compared to last year. Volumes are down by 17%/m/m during Oct-24. Total FO volumes are down by 33%/y/y during 4MFY25 to 0.27mn ton. For 4MFY25, PSO and APL reported 16%/y/y and 55%/y/y decline in sales with PSO's market share increasing to 27.4% compared to 21.9% in 4MFY24, whereas, APL's market share dropped to 18.0% from 26.6% in the same period last year.

## Outlook

Lower automobile sales and relatively higher prices are likely to keep demand growth restricted. Moreover, rise in HEV sales and potential launch of EV cars are also likely to restrict demand growth of petrol engines. However, cut in interest rate by SBP is likely to give slight push to passenger car sales. Potential hike in 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 (Oct-24)**

000'tons	Oct-24	Sep-24	MoM	Oct-23	YoY	10MCY24	10MCY23	YoY	4MFY25	4MFY24	YoY
<b>Industry</b>											
MS	667.9	634.8	5%	580.6	15%	6,087.3	6,010.4	1%	2,518.5	2,426.8	4%
HSD	685.8	494.5	39%	560.2	22%	5,204.9	5,006.4	4%	2,101.2	1,997.2	5%
FO	57.6	69.0	-17%	53.5	8%	750.6	1,009.3	-26%	268.5	400.0	-33%
Others	82.3	73.4	12%	69.0	19%	727.6	629.1	16%	289.2	253.3	14%
Total	1,493.5	1,271.7	17%	1,263.4	18%	12,770.4	12,655.3	1%	5,177.4	5,077.4	2%
<b>PSO</b>											
MS	286.3	256.2	12%	247.6	16%	2,673.3	2,773.9	-4%	1,038.8	1,131.0	-8%
HSD	333.0	219.0	52%	314.6	6%	2,542.2	2,708.2	-6%	966.9	1,101.7	-12%
FO	9.0	13.7	-34%	5.3	71%	173.5	165.5	5%	73.5	87.7	-16%
Others	67.1	59.6	13%	60.8	11%	621.3	552.8	12%	239.0	221.2	8%
Total	695.5	548.5	27%	628.3	11%	6,010.3	6,200.4	-3%	2,318.2	2,541.5	-9%
<b>APL</b>											
MS	54.8	53.0	3%	53.5	3%	540.0	523.2	3%	211.6	216.8	-2%
HSD	51.9	44.1	18%	51.6	1%	457.5	456.9	0%	177.4	193.8	-8%
FO	13.3	12.3	8%	15.3	-13%	155.8	278.8	-44%	48.3	106.3	-55%
Others	4.0	4.5	-11%	3.7	8%	37.8	31.1	21%	16.5	12.4	33%
Total	124.0	113.9	9%	124.1	0%	1,191.1	1,289.9	-8%	453.8	529.3	-14%
<b>HASCOL</b>											
MS	26.1	27.2	-4%	32.7	-20%	217.3	263.3	-17%	103.8	103.5	0%
HSD	18.9	14.7	29%	7.9	139%	130.1	138.2	-6%	63.0	40.1	57%
FO	-	-	0%	-	0%	-	-	0%	-	-	0%
Others	0.6	0.4	50%	0.1	466%	1.9	0.4	450%	1.5	0.2	809%
Total	45.6	42.3	8%	40.8	12%	349.4	401.9	-13%	168.3	143.7	17%
<b>SHEL</b>											
MS	61.9	59.9	3%	54.4	14%	592.9	593.9	0%	238.1	226.8	5%
HSD	39.9	29.4	35%	34.0	17%	327.2	326.3	0%	126.1	126.7	0%
FO	-	-	0%	-	n/m	-	3.7	-100%	-	-	0%
Others	4.9	4.0	22%	1.5	220%	28.6	19.2	49%	14.6	8.2	77%
Total	106.7	93.4	14%	89.9	19%	948.7	943.1	1%	378.8	361.7	5%

Source: IGI Research, OCAC

# Important Disclaimer and Disclosures

**Research Analyst(s) Certification:** The Research Analyst(s) hereby certify that the views about the company/companies and the security/ securities discussed in this report accurately reflect his or her or their personal views and that he/she has not received and will not receive direct or indirect compensation in exchange for expressing specific recommendations or views in this report. The analyst(s) is principally responsible for the preparation of this research report and that he/she or his/her close family/relative does not own 1% or more of a class of common equity securities of the following company/companies covered in this report.

**Disclaimer:** The information and opinions contained herein are prepared by IGI Finex Securities Limited and is for information purposes only. Whilst every effort has been made to ensure that all the information (including any recommendations or opinions expressed) contained in this document (the information) is not misleading or unreliable, IGI Finex Securities Limited makes no representation as to the accuracy or completeness of the information. Neither, IGI Finex Securities Limited nor any director, officer or employee of IGI Finex Securities Limited shall in any manner be liable or responsible for any loss that may be occasioned as consequence of a party relying on the information. This document takes no account of the investment objectives, financial situation and particular needs of investors, who shall seek further professional advice before making any investment decision. The subject Company (ies) is a client of the IGI Finex Securities Limited and IGI Finex Securities offers brokerage services to Subject Company (ies) on a regular basis, in line with industry practice. This document and the information may not be reproduced, distributed or published by any recipient for any purpose. This report is not directed or intended for distribution to, or use by any person or entity not a client of IGI Finex Securities Limited, else directed for distribution.

**Rating system:** IGI Finex Securities employs three tier ratings system, depending upon expected total return (return is defined as capital gain exclusive of tax) of the security in stated time period, as follows:

## Recommendation Rating System

Buy if target price on aforementioned security (ies) is more than 10%, from its last closing price(s)

Hold if target price on aforementioned security (ies) is in between -10% and 10%, from its last closing price(s)

Sell if target price on aforementioned security (ies) is less than -10%, from its last closing price(s)

**Valuation Methodology:** To arrive at Target Prices, IGI Finex Securities uses different valuation methodologies including

- Discounted Cash Flow (DCF)
- Reserve Based DCF
- Dividend Discount Model (DDM)
- Justified Price to Book
- Residual Income (RI)
- Relative Valuation (Price to Earning, Price to Sales, Price to Book)

**Risk:** Investment in securities are subject to economic risk, market risk, interest rate risks, currency risks, and credit risks, political and geopolitical risks. The performance of company (ies) covered herein might unfavorably be affected by multiple factors including, business, economic, and political conditions. Hence, there is no assurance or guarantee that estimates, recommendation, opinion, etc. given about the security (ies)/company (ies) in the report will be achieved.

**Basic Definitions and Terminologies used:** **Target Price:** A price target is the projected price level of a financial security stated by an investment analyst or advisor. It represents a security's price that, if achieved, results in a trader recognizing the best possible outcome for his investment, **Last Closing:** Latest closing price, **Market Cap.:** Market capitalization is calculated by multiplying a company's shares outstanding by current trading price. **EPS:** Earnings per Share. **DPS:** Dividend per Share. **ROE:** Return on equity is the amount of net income returned as a percentage of shareholders' equity. **P/E:** Price to Earnings ratio of a company's share price to its per-share earnings. **P/B:** Price to Book ratio used to compare a stock's market value to its book value. **DY:** The dividend yield is dividend per share, divided by the price per share.

IGI Finex Securities Limited

Research Analyst(s)

Research Identity Number: BRP009

© Copyright 2024 IGI Finex Securities Limited

# Contact Details

## Equity Sales

Zaeem Haider Khan	Head of Equities	Tel: (+92-42) 35301405	zaeem.haider@igi.com.pk
Muhammad Naveed	Regional Manager (Islamabad & Upper North)	Tel: (+92-51) 2604861-62	muhammad.naveed@igi.com.pk
Syeda Mahrukh Hameed	Branch Manager (Lahore)	Tel: (+92-42) 38303564	mahrukh.hameed@igi.com.pk
Shakeel Ahmad	Branch Manager (Faisalabad)	Tel: (+92-41) 2540843-45	shakeel.ahmad1@igi.com.pk
Asif Saleem	Equity Sales (RY Khan)	Tel: (+92-68) 5871652-56	asif.saleem@igi.com.pk
Mehtab Ali	Equity Sales (Multan)	Tel: (+92-61) 4512003	mahtab.ali@igi.com.pk

## Research Team

Abdullah Farhan	Head of Research	Tel: (+92-21) 111-234-234 Ext: 912	abdullah.farhan@igi.com.pk
Sakina Makati	Research Analyst	Tel: (+92-21) 111-234-234 Ext: 810	sakina.makati@igi.com.pk
Laraib Nisar	Research Analyst	Tel: (+92-21) 111-234-234 Ext: 974	laraib.nisar@igi.com.pk

## IGI Finex Securities Limited

Trading Rights Entitlement Certificate (TREC) Holder of Pakistan Stock Exchange Limited |

Corporate member of Pakistan Mercantile Exchange Limited

Website: [www.igisecurities.com.pk](http://www.igisecurities.com.pk)

### Head Office

Suite No 701-713, 7th Floor, The Forum, G-20,  
 Khayaban-e-Jami Block-09, Clifton, Karachi-75600  
 UAN: (+92-21) 111-444-001 | (+92-21) 111-234-234  
 Fax: (+92-21) 35309169, 35301780

### Lahore Office

Shop # G-009, Ground Floor,  
 Packages Mall  
 Tel: (+92-42) 38303560-69  
 Fax: (+92-42) 38303559

### Islamabad Office

3<sup>rd</sup> Floor, Kamran Centre,  
 Block- B, Jinnah Avenue, Blue Area  
 Tel: (+92-51) 2604861-2, 2604864, 2273439  
 Fax: (+92-51) 2273861

### Faisalabad Office

Office No. 2, 5 & 8, Ground Floor, The  
 Regency International 949, The Mall  
 Faisalabad  
 Tel: (+92-41) 2540843-45

### Rahim Yar Khan Office

Plot # 12, Basement of Khalid Market,  
 Model Town, Town Hall Road  
 Tel: (+92-68) 5871652-3  
 Fax: (+92-68) 5871651

### Multan Office

Mezzanine Floor, Abdali Tower,  
 Abdali Road  
 Tel: (92-61) 4512003, 4571183

IGI Finex Securities Limited

Research Analyst(s)

Research Identity Number: BRP009

© Copyright 2024 IGI Finex Securities Limited