

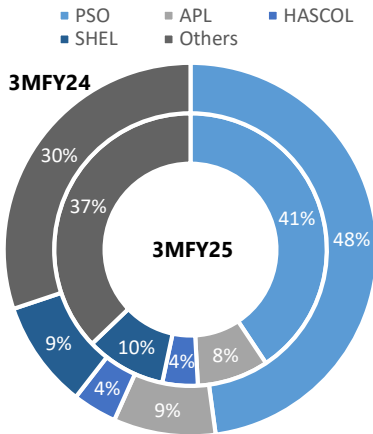
Day Break

Wednesday, October 2, 2024

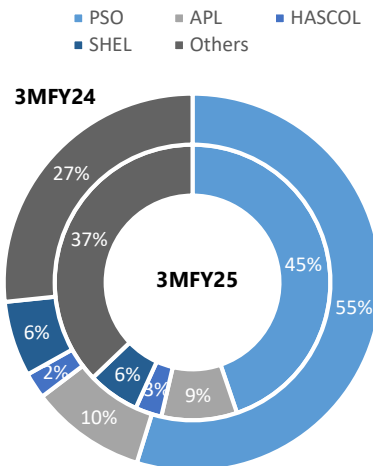


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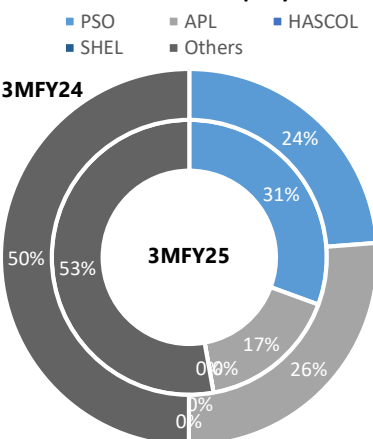
MS Market Share – Company wise



HSD Market Share – Company wise



FO Market Share – Company wise



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Oil & Gas Marketing Companies

Sep-24: Volumes Depict a Growth of +20%/y; Up by +5%/m/m

- Industry volumes for oil marketing companies for the month of Sep-24 increased by +20%/y/y to 1.27mn ton bringing industry volumes for 3MFY24 to 3.68mn ton down by 3%/y/y. Motor Spirit (MS) / High Speed Diesel (HSD) sales were up by 22%/25%/y/y during Sep-24 while Furnace Oil (FO) sales were down by 18%/y/y. On a monthly basis, industry volumes are up by +5%/m/m to 1.27mn ton during Sep-24 on the back of 8%/7%/2%/m/m increase in HSD/FO/MS sales.
- During the 3MFY24, FO/HSD sales declined by 39%/1%/y/y while MS sales remained flat. Company wise APL /PSO witnessed 19%/15%/y/y decline in total sales while HASCOL reported +19%/y/y growth during 3MFY24. Market share for PSO and APL dropped by 6.1% and 1.7% to 44% and 9% respectively during 3MFY24 against 50% and 11% in the same period last year, while SHEL and HASCOL reported 0.3% and 0.6% growth in market share during 3MFY24 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.

Sep-24: POL sales inclined by +20%/y/y to 1.27mn ton

Industry volumes for oil marketing companies for the month of Sep-24 increased by +20%/y/y to 1.27mn ton bringing industry volumes for 3MFY24 to 3.68mn ton down by 3%/y/y. Motor Spirit (MS) / High Speed Diesel (HSD) sales were up by 22%/25%/y/y during Sep-24 while Furnace Oil (FO) sales were down by 18%/y/y. On a monthly basis, industry volumes are up by +5%/m/m to 1.27mn ton during Sep-24 on the back of 8%/7%/2%/m/m increase in HSD/FO/MS sales.

During the 3MFY24, FO/HSD sales declined by 39%/1%/y/y while MS sales remained flat. Company wise APL /PSO witnessed 19%/15%/y/y decline in total sales while HASCOL reported +19%/y/y growth during 3MFY24. Market share for PSO and APL dropped by 6.1% and 1.7% to 44% and 9% respectively during 3MFY24 against 50% and 11% in the same period last year, while SHEL and HASCOL reported 0.3% and 0.6% growth in market share during 3MFY24 respectively.

MS

MS sales augmented by +22%/y/y to 0.63mn ton during Sep-24 while on sequential basis volumes are up by +2%/m/m. HASCOL, SHEL, PSO and APL recorded +47%/y/y, +17%/y/y, +8%/y/y and +7%/y/y incline in volumes respectively during Sep-24. For 3MFY24, MS volumes are remained flat at 1.85mn ton. During 3MFY24, HASCOL and SHEL posted +10%/y/y and +2%/y/y growth respectively in volumes, whereas, PSO and APL recorded 15%/y/y and 4%/y/y drop in total MS sales. PSO and APL's market share dropped to 41% and 8.5% during 3MFY24 from 48% and 9% respectively in the same period last year. SHEL and HASCOL witnessed increase in market share to 9.5% and 4.2% respectively.

HSD

HSD sales jumped up by +25%/y/y to 0.49mn ton in Sep-24 and on monthly basis volumes depicted a growth of +8%/m/m. HASCOL, SHEL and PSO reported +166%/y/y, +11%/y/y and +6%/y/y incline in sales during Sep-24 while APL recorded 3%/y/y decline in volumes. This brings total 3MFY24 sales at 1.42mn ton down by 1%/y/y. For 3MFY24, HASCOL posted +37%/y/y incline in sales with market share for HASCOL increasing to 3.1%. Market share for PSO, APL and SHEL dropped by 10.0%, 1.0% and 0.4% respectively.

FO

FO volumes plummeted by 18%/y/y during Sep-24 to 0.07mn ton likely attributable to significant drop in demand from IPPs compared to last year. Volumes are up by +7%/m/m during Sep-24. Total FO volumes are down by 39%/y/y during 3MFY24 to 0.21mn ton. For 3MFY24, PSO and APL reported 22%/y/y and 62%/y/y decline in sales with PSO's market share increasing to 30.6% compared to 23.8% in 3MFY23, whereas, APL's market share dropped to 16.6% from 26.3% 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 (Sep-24)

000'tons	Sep-24	Aug-24	MoM	Sep-23	YoY	9MCY24	9MCY23	YoY	3MFY25	3MFY24	YoY
Industry											
MS	634.8	624.9	2%	518.2	22%	5,419.4	5,429.8	0%	1,850.6	1,846.3	0%
HSD	494.5	456.0	8%	394.2	25%	4,519.2	4,446.2	2%	1,415.4	1,437.0	-1%
FO	69.0	64.5	7%	84.5	-18%	693.0	955.8	-27%	211.0	346.5	-39%
Others	73.4	70.3	4%	61.5	19%	645.3	560.1	15%	206.9	184.3	12%
Total	1,271.7	1,215.7	5%	1,058.3	20%	11,276.9	11,391.9	-1%	3,683.9	3,814.1	-3%
PSO											
MS	256.2	252.1	2%	238.1	8%	2,387.1	2,526.3	-6%	752.6	883.4	-15%
HSD	219.0	201.0	9%	206.4	6%	2,209.2	2,393.6	-8%	633.8	787.1	-19%
FO	13.7	16.9	-19%	11.7	17%	164.5	160.2	3%	64.5	82.4	-22%
Others	59.6	58.4	2%	53.4	12%	554.2	492.0	13%	171.8	160.4	7%
Total	548.5	528.4	4%	509.7	8%	5,314.8	5,572.1	-5%	1,622.8	1,913.3	-15%
APL											
MS	53.0	53.0	0%	49.7	7%	485.2	469.7	3%	156.7	163.3	-4%
HSD	44.1	43.8	1%	45.7	-3%	405.7	405.3	0%	125.5	142.2	-12%
FO	12.3	13.1	-7%	24.8	-51%	142.5	263.5	-46%	35.0	91.0	-62%
Others	4.5	4.0	13%	3.2	42%	33.7	27.4	23%	12.5	8.7	43%
Total	113.9	113.9	0%	123.3	-8%	1,067.1	1,165.9	-8%	329.8	405.2	-19%
HASCOL											
MS	27.2	26.6	2%	18.5	47%	191.3	230.6	-17%	77.8	70.8	10%
HSD	14.7	14.9	-2%	5.5	166%	111.2	130.3	-15%	44.1	32.2	37%
FO	-	-	0%	-	0%	-	-	0%	-	-	0%
Others	0.4	0.3	21%	-	0%	1.3	0.2	442%	0.9	0.1	1524%
Total	42.3	41.9	1%	24.0	76%	303.8	361.1	-16%	122.7	103.0	19%
SHEL											
MS	59.9	59.7	0%	51.3	17%	530.9	539.5	-2%	176.1	172.4	2%
HSD	29.4	29.1	1%	26.4	11%	287.4	292.3	-2%	86.3	92.7	-7%
FO	-	-	0%	-	n/m	-	3.7	-100%	-	-	0%
Others	4.0	3.4	16%	2.2	79%	23.7	17.6	35%	9.7	6.7	45%
Total	93.4	92.3	1%	80.0	17%	842.0	853.1	-1%	272.1	271.8	0%

Source: IGI Research, OCAC

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