

# Day Break

Friday, October 11, 2024

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## Automobile Assemblers

### Sep-24: Auto Sales up by 23%*m/m*; Passenger Car Sales up by 21%*m/m*

- For the month of Sep-24, total automobile sales augmented by +23%*m/m* to 142.6k units, while on yearly basis overall sales inclined by +18%*y/y*.
- In our opinion, the *m/m* increase in automobile sales can be attributed to improvement in consumer purchasing power on the back of lower rates for auto financing coupled with stable prices and availability of attractive installment plans from automobile companies.
- Going forward, auto sales volume are expected to improve given the potential decline in interest rates on the back of falling inflation which can lead to increase in demand.

We review recent automobile assembler's sales data published by Pakistan Automobile Manufactures and Assemblers (PAMA) for the month of Sep-24.

#### Monthly automobile sales incline by 23%*m/m*

For the month of Sep-24, total automobile sales augmented by +23%*m/m* to 142.6k units, while on yearly basis overall sales inclined by +18%*y/y*.

Exhibit: Segment-wise Sales Data for Sep-24								
in Units	Sep/24	Aug/24	m/m	Sep/23	y/y	3M/25	3M/24	y/y
Passenger Cars	7,794	6,417	21%	6,410	22%	20,069	16,021	25%
Trucks	272	249	9%	153	78%	772	451	71%
Buses	47	51	-8%	32	47%	154	96	60%
Jeeps/SUV/Pickup	2,489	2,235	11%	1,902	31%	7,457	4,962	50%
Tractors	1,076	2,670	-60%	5,445	-80%	5,206	12,090	-57%
2-Wheeler	127,694	101,633	26%	105,479	21%	311,924	264,404	18%
3-Wheeler	3,266	2,601	26%	1,605	103%	8,263	4,586	80%
<b>Grand Total</b>	<b>142,638</b>	<b>115,856</b>	<b>23%</b>	<b>121,026</b>	<b>18%</b>	<b>353,844</b>	<b>302,610</b>	<b>17%</b>

Source: PAMA, IGI Research

Segment-wise, passenger cars sales posted a +21%*m/m* increase (up by 22%*y/y*) to 7.8k units, while jeeps/pickups segment recorded a growth of 11%*m/m* (while increasing by 31%*y/y*) in total sales. Under commercial vehicles, sales of trucks & buses increased by 6%*m/m* (up by +72%*y/y*) to 0.32k units. Whereas tractors sales plummeted by -60%*m/m* (-80%*y/y*) to 1.1k units.

#### Analyst

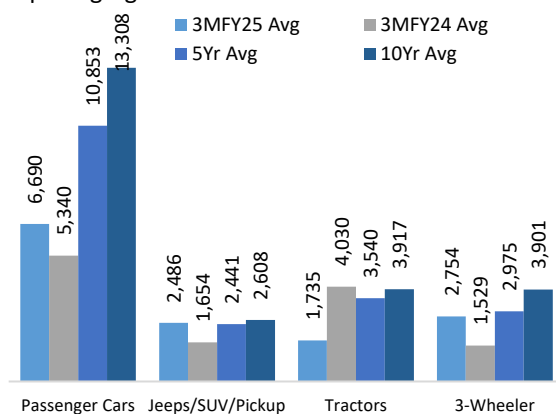
Sakina Makati  
[sakina.makati@igi.com.pk](mailto:sakina.makati@igi.com.pk)

In our opinion, the said increase in sales is due to multiple factors, including;

- The m/m increase in automobile sales can be attributed to improvement in consumer purchasing power on the back of lower rates for auto financing coupled with stable prices and availability of attractive installment plans from automobile companies.
- The m/m increase in passenger car sales is mainly due to the rebound in PSMC sales which had reduced in August due to plant shutdowns.

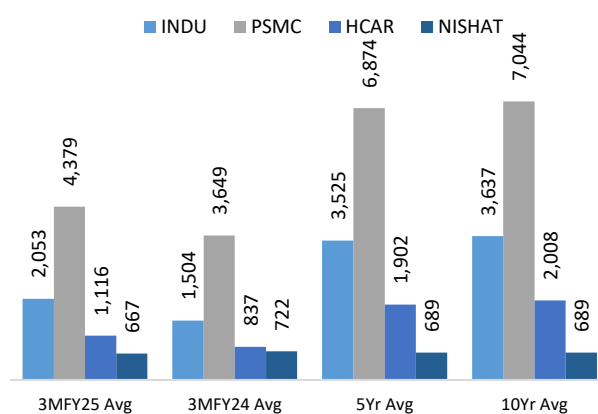
#### Exhibit: Historic Average Monthly Sales (units)

Automobile sector sales especially passenger cars stand below their historic average monthly sales depicting significant slowdown in demand.



#### Exhibit: Company-wise historic average monthly sales

Automobile companies have witnessed a substantial slowdown in volumes from its long term average.



Source: PAMA , IGI Research

- **INDU:** Sales volume increased by 11%/m/m to 2.4k units (+48%/y/y). Under the passenger car segment Corolla & Yaris surged by +20%/m/m to 1.8k units while combined units sold under the variant Fortuner & Hilux declined by -14%/m/m (-11%/y/y) to 484 units.
- **PSMC:** Volumes increased by +37%/m/m to 5.0k units (+18%/y/y). Alto sales (up by +56%/m/m), Wagon R (down by -4%/m/m), Cultus (down by -55% m/m), Swift (up by +9%/m/m), and Bolan sales down by -17%/m/m. However, Ravi sales, increased to 403 units as compared to only 7 units sold in the last month.
- **HCAR:** Sales of Civic & City for the month of Sep-24 grew by +7%/m/m to 1.1k units bringing total sales of HCAR to 1.3k units, up by +11%/m/m, BRV sales posted an increase of +68%/m/m leading to 126 units sold.

### Outlook:

Going forward, auto sales volume are expected to improve given the potential decline in interest rates on the back of falling inflation which can lead to increase in demand.

Exhibit: Company-wise Sales Data for Sep-24								
in Units	Sep-24	Aug-24	m/m	Sep-23	y/y	3M/25	3M/24	y/y
Corolla & Yaris	1,883	1,565	20%	1,050	79%	4,554	3,236	41%
Fortuner & Hilux	484	564	-14%	545	-11%	1,606	1,275	26%
<b>INDU</b>	<b>2,367</b>	<b>2,129</b>	<b>11%</b>	<b>1,595</b>	<b>48%</b>	<b>6,160</b>	<b>4,511</b>	<b>37%</b>
Civic & City	1,143	1,073	7%	1,160	-1%	3,006	1,860	62%
BRV & HRV	126	75	68%	182	-31%	342	650	-47%
<b>HCAR</b>	<b>1,269</b>	<b>1,148</b>	<b>11%</b>	<b>1,342</b>	<b>-5%</b>	<b>3,348</b>	<b>2,510</b>	<b>33%</b>
Swift	608	559	9%	506	20%	1,669	1,261	32%
Cultus	59	131	-55%	332	-82%	286	814	-65%
Wagon R	182	190	-4%	359	-49%	511	963	-47%
Bolan	615	743	-17%	229	169%	1,646	541	204%
Alto	3,146	2,023	56%	2,551	23%	8,038	6,760	19%
Ravi	403	7	5657%	257	57%	986	607	62%
<b>PSMC</b>	<b>5,013</b>	<b>3,653</b>	<b>37%</b>	<b>4,234</b>	<b>18%</b>	<b>13,136</b>	<b>10,946</b>	<b>20%</b>
Elantra	100	70	43%	97	3%	203	269	-25%
Sonata	58	63	-8%	126	-54%	155	317	-51%
Tucson	261	276	-5%	420	-38%	650	1,213	-46%
Porter	258	182	42%	177	46%	789	368	114%
Santa Fe	77	70	10%	0	0%	205	0	0%
<b>Nishat</b>	<b>754</b>	<b>661</b>	<b>14%</b>	<b>820</b>	<b>-8%</b>	<b>2,002</b>	<b>2,167</b>	<b>-8%</b>
<b>AGTL</b>	<b>333</b>	<b>1,452</b>	<b>-77%</b>	<b>2,326</b>	<b>-86%</b>	<b>2,640</b>	<b>4,903</b>	<b>-46%</b>
<b>MTL</b>	<b>743</b>	<b>1,218</b>	<b>-39%</b>	<b>3,119</b>	<b>-76%</b>	<b>2,566</b>	<b>7,187</b>	<b>-64%</b>
<b>ATLH</b>	<b>110,139</b>	<b>90,483</b>	<b>22%</b>	<b>95,056</b>	<b>16%</b>	<b>270,877</b>	<b>232,139</b>	<b>17%</b>
<b>PSMC (2w)</b>	<b>2,049</b>	<b>1,906</b>	<b>8%</b>	<b>1,096</b>	<b>87%</b>	<b>5,598</b>	<b>3,775</b>	<b>48%</b>

Source: PAMA, IGI Research

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IGI Finex Securities Limited

Research Analyst(s)

Research Identity Number: BRP009

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# 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

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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

Mezzanine Floor, Office 5, 6 & 7, Kashmir Plaza,  
 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

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