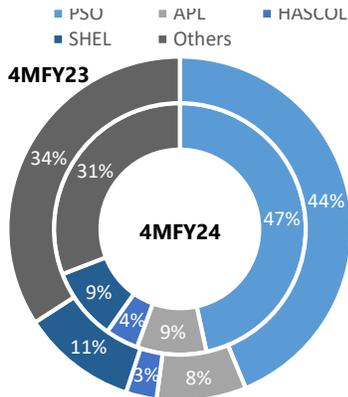


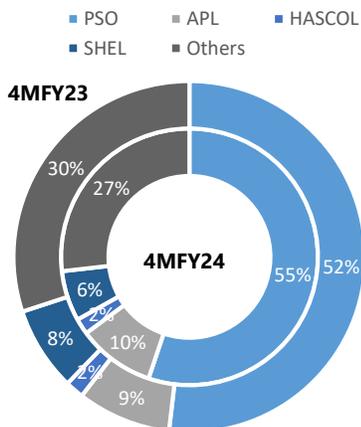
# Day Break

Thursday, November 2, 2023

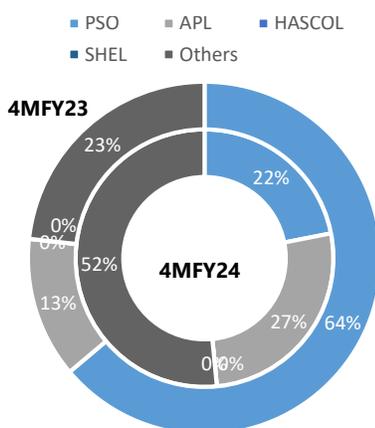
## MS Market Share – Company wise



## HSD Market Share – Company wise



## FO Market Share – Company wise



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## Oil & Gas Marketing Companies

### Oct-23: POL Sales Down by 24%/y/y; Lower Domestic Prices Lifts Volumes on Monthly Basis

- Industry volumes for oil marketing companies for the month of Sep-23 declined by 31%/y/y to 1.06mn ton bringing industry volumes for 1QFY24 to 3.81mn ton down by 15%/y/y. Furnace Oil (FO) / High Speed Diesel (HSD) / Motor Spirit (MS) sales were down by 74%/20%/19%/y/y during Sep-23.
- During the 1QFY24, HSD/MS sales declined by 2%/1%/y/y while FO sales plummeted by 65%/y/y. Company wise PSO/SHEL/APL witnessed 19%/16%/7%/y/y decline in total sales whereas HASCOL reported +35%/y/y growth. Market share for PSO, dropped by 2.3% to 50% during 1QFY24 against same period last year, while HASCOL and APL reported 1.0% and 0.9% incline in market share respectively during 1QFY24.
- Volumes picked up on monthly basis due to substantial drop in domestic prices in Oct-23. However, we expect prices to increase going forward owing to PKR depreciation and volatility in international oil prices due to middle east conflict. Volumes are expected to take a hit due to decline in automobile sales amid sluggish demand. Hike in OMC margins for FY24 would provide some cushion against decline in sales.

### Oct-23: POL sales drop by 24%/y/y to 1.26mn ton

Industry volumes for oil marketing companies for the month of Oct-23 declined by 24%/y/y to 1.26mn ton bringing industry volumes for 4MFY24 to 5.08mn ton down by 17%/Y/y. Furnace Oil (FO) / High Speed Diesel (HSD) / Motor Spirit (MS) sales were down by 74%/21%/15%/y/y during Oct-23. On a monthly basis, industry volumes picked up by +19%/m/m to 1.26mn ton during Oct-23 on the back of 42%/12%/m/m incline in HSD/MS sales.

During the 4MFY24, HSD/MS sales declined by 8%/4%/y/y while FO sales plummeted by 66%/y/y. Company wise PSO/SHEL/APL witnessed 21%/20%/8%/y/y decline in total sales whereas HASCOL reported +30%/y/y growth. Market share for PSO, dropped by 2.1% to 50% during 4MFY24 against same period last year, while HASCOL and APL reported 1.0% and 1.1% incline in market share respectively during 4MFY24. Market share for SHEL remained relatively unchanged.

## MS

MS sales decreased by 15%/y/y to 0.58mn ton during Oct-23 while on sequential basis volumes are up by +12%/m/m. HASCOL posted +53%/y/y incline in volumes, while SHEL, PSO and APL recorded 26%/y/y, 14%/y/y and 1%/y/y drop in volumes respectively during Oct-23. For 4MFY24, MS volumes are down by 4%/y/y to 2.43mn ton. During 4MFY24, HASCOL, PSO and APL posted +41%/y/y, +2%/y/y and +1%/y/y rise in volumes respectively, whereas, SHEL recorded 17%/y/y drop in total MS sales with market share declining to 9.3%. PSO's market share increased to 46.6% during 4MFY24 from 43.8% in the same period last year. HASCOL witnessed uptick in market share to 4.3% while APL's market share inched up by 0.5% to 8.9%.

## HSD

HSD sales dropped by 21%/y/y to 0.56mn ton in Oct-23 and on monthly basis volumes depicted a growth of +42%/m/m. This brings total 1QFY24 sales at 2.0mn ton down by 8%/y/y. For 4MFY24, HASCOL and APL posted +8%/y/y and +3%/y/y incline in sales with market share for PSO, APL and HASCOL increasing to 55.2%, 9.7% and 2.0% respectively. Market share for SHEL dropped by 1.4% to 6.3%.

## FO

FO volumes dropped by 74%/y/y during Oct-23 to 0.05mn ton likely attributable to lower demand from IPPs compared to last year. Volumes are down by 37%/m/m during Oct-23. Total FO volumes are down by 66%/y/y during 4MFY24 to 0.40mn ton. For 4MFY24, PSO and APL reported 88%/y/y and 31%/y/y decline in sales with PSO's market share dropping to 21.9% compared to 63.8% in 4MFY23, whereas, APL's market share improved to 26.6% from 12.9% in the same period last year.

## Outlook

Volumes picked up on monthly basis due to substantial drop in domestic prices in Oct-23. However, we expect prices to increase going forward owing to PKR depreciation and volatility in international oil prices due to middle east conflict. Volumes are expected to take a hit due to decline in automobile sales amid sluggish demand. Hike in OMC margins for FY24 would provide some cushion against decline in sales. 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-23)**

000'tons	Oct-23	Sep-23	MoM	Oct-22	YoY	CY23TD	CY22TD	YoY	FY24TD	FY23TD	YoY
<b>Industry</b>											
MS	580.6	518.2	12%	680.0	-15%	6,010.4	6,981.4	-14%	2,426.8	2,540.1	-4%
HSD	560.2	394.2	42%	711.6	-21%	5,006.4	6,678.5	-25%	1,997.2	2,171.6	-8%
FO	53.5	84.5	-37%	204.5	-74%	1,009.3	3,328.2	-70%	400.0	1,186.9	-66%
Others	69.0	61.5	12%	65.1	6%	629.1	649.5	-3%	253.3	255.0	-1%
Total	1,263.4	1,058.3	19%	1,661.2	-24%	12,655.3	17,637.5	-28%	5,077.4	6,153.6	-17%
<b>PSO</b>											
MS	247.6	238.1	4%	289.4	-14%	2,773.9	3,078.3	-10%	1,131.0	1,111.7	2%
HSD	314.6	206.4	52%	394.4	-20%	2,708.2	3,571.7	-24%	1,101.7	1,126.3	-2%
FO	5.3	11.7	-55%	110.4	-95%	165.5	2,059.9	-92%	87.7	757.8	-88%
Others	60.8	53.4	14%	57.1	6%	552.8	538.3	3%	221.2	212.8	4%
Total	628.3	509.7	23%	851.2	-26%	6,200.4	9,248.2	-33%	2,541.5	3,208.5	-21%
<b>APL</b>											
MS	53.5	49.7	8%	53.8	-1%	523.2	579.8	-10%	216.8	213.7	1%
HSD	51.6	45.7	13%	48.9	6%	456.9	568.5	-20%	193.8	187.4	3%
FO	15.3	24.8	-39%	32.2	-53%	278.8	447.1	-38%	106.3	153.2	-31%
Others	3.7	3.2	17%	3.3	14%	31.1	39.2	-21%	12.4	20.4	-39%
Total	124.1	123.3	1%	138.1	-10%	1,289.9	1,634.6	-21%	529.3	574.7	-8%
<b>HASCOL</b>											
MS	32.7	18.5	77%	21.4	53%	263.3	141.2	86%	103.5	73.2	41%
HSD	7.9	5.5	43%	12.7	-38%	138.2	74.0	87%	40.1	37.2	8%
FO	-	-	0%	-	0%	-	-	0%	-	-	0%
Others	0.1	-	0%	0.1	-14%	0.4	1.6	-77%	0.2	0.4	-62%
Total	40.8	24.0	70%	34.2	19%	401.9	216.8	85%	143.7	110.8	30%
<b>SHEL</b>											
MS	54.4	51.3	6%	73.5	-26%	593.9	755.0	-21%	226.8	274.7	-17%
HSD	34.0	26.4	28%	53.3	-36%	326.3	536.9	-39%	126.7	168.3	-25%
FO	-	-	0%	-	n/m	3.7	-	0%	-	-	0%
Others	1.5	2.2	-32%	1.9	-19%	19.2	36.7	-48%	8.2	10.4	-21%
Total	89.9	80.0	12%	128.6	-30%	943.1	1,328.7	-29%	361.7	453.5	-20%

Source: IGI Research, OCAC

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