

Sector Update

OMC Sales Data for Jan-21

MS Volumes (000' tons)

	Jan-21	YoY	7MFY21	YoY
PSO	256.2	11%	1,977.0	13%
APL	51.7	-4%	353.7	-11%
HASCOL	43.5	-24%	312.1	2%
SHEL	70.8	-1%	497.6	-5%
Industry	636.9	4%	4,747.3	7%

HSD Volumes (000' tons)

	Jan-21	YoY	7MFY21	YoY
PSO	248.5	21%	2,044.1	19%
APL	43.4	-2%	309.3	-20%
HASCOL	23.8	-49%	231.6	-19%
SHEL	46.9	43%	335.8	14%
Industry	544.1	14%	4,291.0	13%

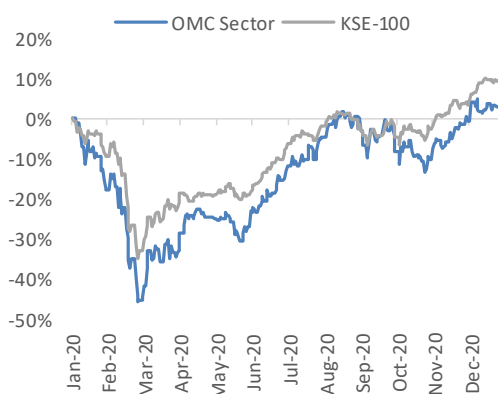
FO Volumes (000' tons)

	Jan-21	YoY	7MFY21	YoY
PSO	156.8	161%	972.7	38%
APL	35.3	-3%	341.3	38%
HASCOL	-	-100%	4.7	-90%
SHEL	-	n/m	-	0%
Industry	290.5	34%	1,914.7	38%

Others Volumes (000' tons)

	Jan-21	YoY	7MFY21	YoY
PSO	31.8	-11%	209.4	-47%
APL	3.4	-6%	30.4	39%
HASCOL	0.8	156%	5.1	126%
SHEL	3.8	148%	26.9	150%
Industry	44.8	2%	438.9	-30%

Relative Performance to KSE 100



Source: Bloomberg, PSX & IGI Research

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Oil & Gas Marketing Companies

Jan-21: Higher FO sales and healthy retail volumes keep overall growth in doubt digit

- Industry volumes for oil marketing companies for the month of Jan-21 witnessed a growth of +12% YoY to 1.52mn ton bringing industry volumes for 7MFY21 to 11.27mn ton up by +12% YoY.
- Furnace Oil (FO) / High Speed Diesel (HSD) / Motor Spirit (MS) sales were up by +34%/+14%/+4% YoY during Jan-21. On a monthly basis, industry volumes are down by 5% MoM in Jan-21 on the back of 13%/5% MoM decline in HSD/MS sales despite +21% MoM increase in FO volumes.
- For 7MFY21, volumes increased owing to +38%/+13%/+7% YoY incline in FO/HSD/MS sales. To highlight, during 7MFY21 PSO/SHEL led the charts by posting +14%/+4% YoY incline in total sales while HASCOL/APL witnessed 13%/2% YoY plunge in total volumes with market share for APL, SHEL and HASCOL dropping by 1% each to 9%, 8% and 5% respectively whereas PSO's market share increased by 1% to 46%.

Volumes depict +12% YoY growth in Jan-21 to 1.52mn ton

Industry volumes for oil marketing companies for the month of Jan-21 witnessed a growth of +12% YoY to 1.52mn ton bringing industry volumes for 7MFY21 to 11.27mn ton up by +12% YoY. Furnace Oil (FO) / High Speed Diesel (HSD) / Motor Spirit (MS) sales were up by +34%/+14%/+4% YoY during Jan-21. On a monthly basis, industry volumes are down by 5% MoM in Jan-21 on the back of 13%/5% MoM decline in HSD/MS sales despite +21% MoM increase in FO volumes. For 7MFY21, volumes increased owing to +38%/+13%/+7% YoY incline in FO/HSD/MS sales. To highlight, during 7MFY21 PSO/SHEL led the charts by posting +14%/+4% YoY incline in total sales while HASCOL/APL witnessed 13%/2% YoY plunge in total volumes with market share for APL, SHEL and HASCOL dropping by 1% each to 9%, 8% and 5% respectively whereas PSO's market share increased by 1% to 46%.

MS: Volumes up by +4% YoY during Jan-21

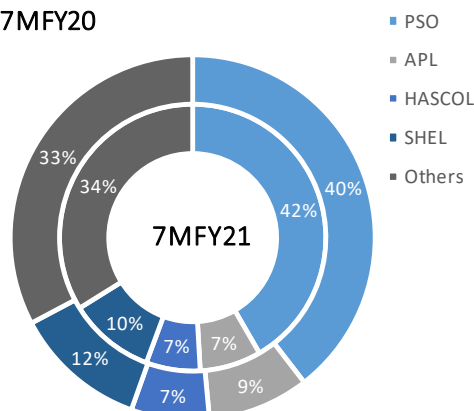
MS sales inclined by +4% YoY to 0.64mn ton in Jan-21, while on sequential basis, volumes are down by 5% MoM. PSO posted +11% YoY growth in volumes while HASCOL, APL and SHEL reported 24% YoY, 4% YoY and 1% YoY decline during Jan-21. For 7MFY21, MS volumes are up by +8% YoY to 4.11mn ton. During 7MFY21, PSO /HASCOL led the chart by posting +13%/+2% YoY rise in volumes with market share rising to 42%/7%, while APL/SHEL registered 11%/5% YoY decline in sales with market share dropping to 7%/10% respectively.

HSD: Sales up by +14% YoY during Jan-21

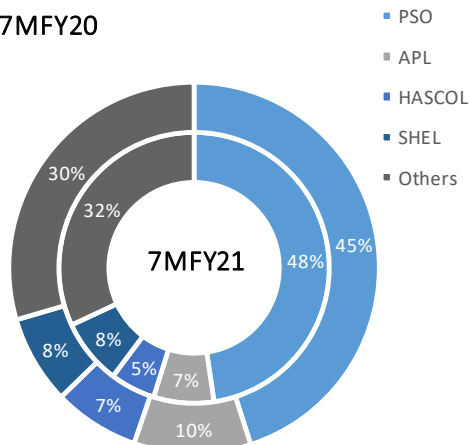
HSD sales increased by +14% YoY to 0.54mn ton in Jan-21, while on monthly basis volumes are down by 13% MoM. This brings total 7MFY21 sales at 4.29mn ton up by +13% YoY. For 7MFY21, PSO and SHEL led the charts with +19% YoY and +14% YoY growth in sales with market share increasing to 48%. and 8% respectively

Exhibit: MS Market Share - Company wise

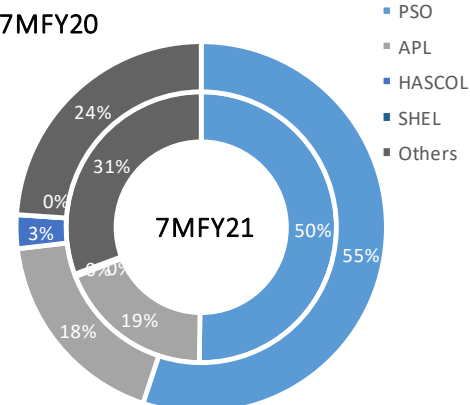
7MFY20

**Exhibit: HSD Market Share - Company wise**

7MFY20

**Exhibit: FO Market Share - Company wise**

7MFY20



Source: Company Financials, IGI Research

APL/HASCOL registered 20%/19% YoY decline in volumes during 7MFY21 with APL/HASCOL market share coming down to 7% and 5% each from 10%/7% in 7MFY20.

FO: Higher demand lifts volumes up by +34%YoY

FO volumes increased by +34% YoY during Jan-21 to 0.29mn ton likely attributable to higher demand from IPPs during winter season as hydel generation slows down. Volumes are up by +21% MoM in Jan-21. As a result, total FO volumes are up by +38% YoY in 7MFY21 to 1.91mn ton. For 7MFY21, APL and PSO reported +38% YoY each incline in sales with PSO and APL maintaining market share at 51% and 18% respectively.

Exhibit: OMC's Monthly Sales Volume (Jan-21)

000'tons	Jan-21	Jan-21	MoM	Jan-20	YoY	7MFY21	7MFY20	YoY
Industry								
MS	636.9	673.5	-5%	610.8	4%	4,747.3	4,424.9	7%
HSD	544.1	622.1	-13%	477.6	14%	4,291.0	3,799.3	13%
FO	290.5	239.8	21%	216.4	34%	1,914.7	1,389.7	38%
Others	44.8	59.3	-24%	43.9	2%	315.9	449.7	-30%
Total	1,516.3	1,594.7	-5%	1,348.8	12%	11,268.9	10,063.5	12%
PSO								
MS	256.2	284.2	-10%	230.7	11%	1,977.0	1,749.1	13%
HSD	248.5	296.9	-16%	204.8	21%	2,044.1	1,711.6	19%
FO	156.8	105.0	49%	60.0	161%	972.7	706.4	38%
Others	31.8	35.0	-9%	35.6	-11%	209.4	398.5	-47%
Total	693.3	721.0	-4%	531.1	31%	5,203.2	4,565.5	14%
APL								
MS	51.7	51.8	0%	53.8	-4%	353.7	398.2	-11%
HSD	43.4	45.8	-5%	44.3	-2%	309.3	388.0	-20%
FO	35.3	25.6	38%	36.4	-3%	341.3	248.1	38%
Others	3.4	4.0	-14%	3.6	-6%	30.4	21.9	39%
Total	133.9	127.1	5%	138.1	-3%	1,034.8	1,056.2	-2%
HASCOL								
MS	43.5	42.5	2%	57.5	-24%	312.1	306.9	2%
HSD	23.8	27.7	-14%	46.6	-49%	231.6	284.5	-19%
FO	-	-	0%	10.6	-100%	4.7	45.1	-90%
Others	0.8	2.8	-70%	0.3	156%	5.1	2.3	126%
Total	68.2	73.0	-7%	115.0	-41%	553.5	638.7	-13%
SHEL								
MS	70.8	71.4	-1%	71.5	-1%	497.6	522.0	-5%
HSD	46.9	53.8	-13%	32.8	43%	335.8	293.9	14%
FO	-	-	0%	-	n/m	-	-	0%
Others	3.8	6.0	-36%	1.5	148%	26.9	10.8	150%
Total	121.6	131.2	-7%	105.8	15%	860.3	826.7	4%

Source: IGI Research, OCAC

Outlook

MS sales are likely to remain strong during 2HFY21 as automobile sales picks up whereas. HSD sales are likely to remain elevated amid pick up in commercial activity however rise in grey market sales may likely hurt volumetric growth. FO sales are likely to remain upbeat in the coming month due to higher demand from IPPs as Hydel generation slows down during winter season.

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