

Sector Update

OMC Sales Data for Mar-21

MS Volumes (000' tons)

	Mar-21	YoY	9MFY21	YoY
PSO	289.3	43%	2,525.8	18%
APL	51.3	5%	455.2	-9%
HASCOL	20.1	-55%	356.0	-10%
SHEL	77.9	32%	645.4	0%
Industry	685.0	26%	6,058.8	10%

HSD Volumes (000' tons)

	Mar-21	YoY	9MFY21	YoY
PSO	244.5	61%	2,547.8	27%
APL	40.2	-2%	391.5	-18%
HASCOL	19.1	-50%	268.6	-23%
SHEL	48.2	54%	432.9	21%
Industry	534.6	39%	5,375.8	18%

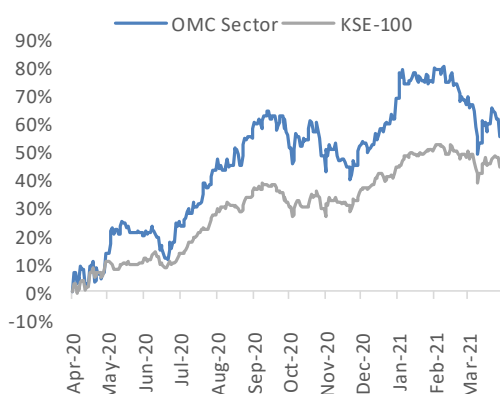
FO Volumes (000' tons)

	Mar-21	YoY	9MFY21	YoY
PSO	118.2	981%	1,181.4	58%
APL	32.6	66%	395.4	32%
HASCOL	-	-100%	4.7	-92%
SHEL	-	n/m	-	-100%
Industry	213.5	235%	2,303.8	44%

Others Volumes (000' tons)

	Mar-21	YoY	9MFY21	YoY
PSO	41.5	98%	282.8	-38%
APL	3.3	3%	37.3	31%
HASCOL	0.5	128%	6.8	148%
SHEL	3.6	308%	34.8	166%
Industry	52.6	97%	143.3	-20%

Relative Performance to KSE 100



Source: Bloomberg, PSX & IGI Research

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Oil & Gas Marketing Companies

Mar-21: Healthy growth in retail segment due to low base as a result of Covid-19 lockdown last year

- Industry volumes for oil marketing companies for the month of Mar-21 witnessed a growth of +45% YoY to 1.49mn ton bringing industry volumes for 9MFY21 to 14.15mn ton up by +16% YoY.
- Furnace Oil (FO) / High Speed Diesel (HSD) / Motor Spirit (MS) sales were up by +3.4x/+39%/+26% YoY during Mar-21. On a monthly basis, industry volumes are up by +6% MoM in Mar-21 on the back of +22%/+9% MoM incline in FO/MS sales despite 3% MoM decline in HSD volumes.
- For 9MFY21, volumes increased owing to +44%/+18%/+10% YoY incline in FO/HSD/MS sales. To highlight, during 9MFY21 PSO/SHEL led the charts by posting +22%/+10% YoY incline in total sales while HASCOL/APL witnessed 21%/2% YoY plunge in total volumes with market share for APL and HASCOL dropping by 2% each to 9% and 4% respectively whereas PSO's market share increased by 2% to 46%.

Volumes depict +26% YoY growth in Mar-21 to 1.49mn ton

Industry volumes for oil marketing companies for the month of Mar-21 witnessed a growth of +45% YoY to 1.49mn ton bringing industry volumes for 9MFY21 to 14.15mn ton up by +16% YoY. Furnace Oil (FO) / High Speed Diesel (HSD) / Motor Spirit (MS) sales were up by +3.4x/+39%/+26% YoY during Mar-21. On a monthly basis, industry volumes are up by +6% MoM in Mar-21 on the back of +22%/+9% MoM incline in FO/MS sales despite 3% MoM decline in HSD volumes. For 9MFY21, volumes increased owing to +44%/+18%/+10% YoY incline in FO/HSD/MS sales. To highlight, during 9MFY21 PSO/SHEL led the charts by posting +22%/+10% YoY incline in total sales while HASCOL/APL witnessed 21%/2% YoY plunge in total volumes with market share for APL and HASCOL dropping by 2% each to 9% and 4% respectively whereas PSO's market share increased by 2% to 46%.

MS: Volumes up by +26% YoY during Mar-21

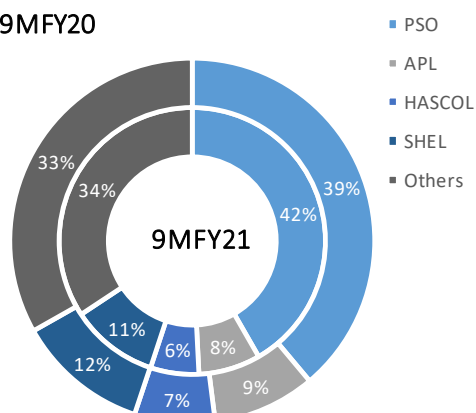
MS sales inclined by +26% YoY to 0.69mn ton in Mar-21, while on sequential basis, volumes are up by +9% MoM. PSO and SHEL posted +43% YoY, +32% YoY and +5% YoY growth in volumes while HASCOL reported 55% YoY decline during Mar-21. For 9MFY21, MS volumes are up by +10% YoY to 6.06mn ton. During 9MFY21, PSO led the chart by posting +18% YoY rise in volumes with market share rising to 42%, while HASCOL/APL registered 10%/9% YoY decline in sales with market share dropping to 6%/8% respectively.

HSD: Sales up by +39% YoY during Mar-21

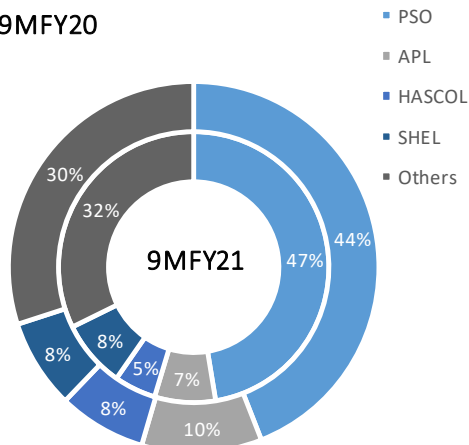
HSD sales increased by +39% YoY to 0.53mn ton in Mar-21, while on monthly basis volumes are down by 3% MoM. This brings total 9MFY21 sales at 5.38mn ton up by +18% YoY. For 9MFY21, PSO and SHEL led the charts with +27% YoY and +21% YoY growth in sales with market share increasing to 47% and 8% respectively.

Exhibit: MS Market Share - Company wise

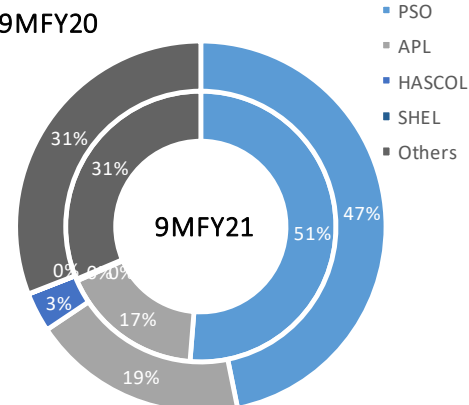
9MFY20

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

9MFY20

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

9MFY20



Source: Company Financials, IGI Research

HASCOL/APL registered 23%/18% YoY decline in volumes during 9MFY21 with HASCOL/APL market share coming down to 5% and 7% from 8% and 10% in 9MFY20.

FO: Higher demand lifts volumes up by +3.4xYoY

FO volumes increased by +3.4xYoY during Mar-21 to 0.21mn ton likely attributable to higher demand from IPPs. Volumes are up by +22%MoM in Mar-21. As a result, total FO volumes are up by +44% YoY in 9MFY21 to 2.30mn ton. For 9MFY21, PSO and APL reported +58% YoY and +32% YoY incline in sales with PSO and APL's market share standing at 51% and 17% respectively.

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

	000'tons	Mar-21	Feb-21	MoM	Mar-20	YoY	1QCY21	YoY	9MFY21	YoY
Industry										
MS	685.0	626.5	9%	545.0	26%	1,948.5	14%	6,058.8	10%	
HSD	534.6	550.2	-3%	385.7	39%	1,628.9	32%	5,375.8	18%	
FO	213.5	175.6	22%	63.8	235%	679.6	60%	2,303.8	44%	
Others	52.6	45.9	15%	26.8	97%	143.3	26%	414.5	-20%	
Total	1,485.7	1,398.3	6%	1,021.3	45%	4,400.3	26%	14,152.9	16%	
PSO										
MS	289.3	259.6	11%	202.3	43%	805.1	28%	2,525.8	18%	
HSD	244.5	259.3	-6%	152.1	61%	752.3	50%	2,547.8	27%	
FO	118.2	90.5	31%	10.9	981%	365.5	260%	1,181.4	58%	
Others	41.5	31.8	30%	21.0	98%	105.1	13%	282.8	-38%	
Total	693.4	641.3	8%	386.3	79%	2,027.9	53%	6,537.8	22%	
APL										
MS	51.3	50.2	2%	49.0	5%	153.2	-3%	455.2	-9%	
HSD	40.2	42.0	-4%	41.2	-2%	125.6	-7%	391.5	-18%	
FO	32.6	21.4	52%	19.7	66%	89.4	1%	395.4	32%	
Others	3.3	3.6	-6%	3.3	3%	10.3	2%	37.3	31%	
Total	127.5	117.1	9%	113.1	13%	378.5	-3%	1,279.4	-2%	
HASCOL										
MS	20.1	23.8	-15%	44.6	-55%	87.4	-40%	356.0	-10%	
HSD	19.1	17.9	7%	38.2	-50%	60.8	-46%	268.6	-23%	
FO	-	-	0%	2.6	-100%	-	-100%	4.7	-92%	
Others	0.5	1.1	-50%	0.2	128%	2.5	218%	6.8	148%	
Total	39.8	42.7	-7%	85.7	-54%	150.6	-46%	636.0	-21%	
SHEL										
MS	77.9	69.9	11%	59.0	32%	218.6	12%	645.4	0%	
HSD	48.2	49.0	-2%	31.4	54%	144.1	51%	432.9	21%	
FO	-	-	0%	-	n/m	-	-100%	-	-100%	
Others	3.6	4.3	-17%	0.9	308%	11.7	204%	34.8	166%	
Total	129.6	123.2	5%	91.2	42%	374.4	27%	1,113.2	10%	

Source: IGI Research, OCAC

Outlook

MS sales are likely to remain strong during 2HFY21 as automobile sales pick up along with introduction of new vehicles by new entrants such as KIA & Hyundai. 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 slow down in coming months however expected to pick up during peak summer demand.

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