

# Day Break

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## Sector

Automobile Assemblers

### Automobile Assemblers

## Mar-24: Auto Sales increase by +11%y/y; Passenger Car Sales up by +7%y/y

- For the month of Mar-24, total automobile sales increased by +11%y/y to 107k units, while on monthly basis overall sales remained flat.
- In our opinion, the said increase in sales is down to multiple factors, including; stable car prices and higher tractors sales led to overall growth in automobile sales.
- Going forward, auto sales volume are expected to start improving on the back of easing inflationary pressure and a possible reduction in interest rates. However, an increase in inflation amid rising fuel prices may lead to a delay in the onset of monetary easing cycle posing a threat to automobile demand.

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

### Monthly automobile sales incline by +11%y/y

For the month of Mar-24, total automobile sales increased by +11%y/y to 107k units, while on monthly basis overall sales remained flat.

**Exhibit: Segment-wise Sales Data for Mar-24**

in Units	Mar/24	Feb/24	m/m	Mar/23	y/y	9M/24	9M/23	y/y
Passenger Cars	7,672	7,953	-4%	7,201	7%	54,091	85,777	-37%
Trucks	272	290	-6%	279	-3%	1,548	2,825	-45%
Buses	39	63	-38%	29	34%	340	557	-39%
Jeeps/SUV/Pickup	1,707	1,756	-3%	2,150	-21%	14,991	24,631	-39%
Tractors	4,608	3,366	37%	2,984	54%	35,199	21,233	66%
2-Wheeler	91,426	91,245	0%	83,149	10%	816,602	908,555	-10%
3-Wheeler	1,590	2,525	-37%	1,158	37%	16,624	16,148	3%
<b>Grand Total</b>	<b>107,314</b>	<b>107,198</b>	<b>0%</b>	<b>96,951</b>	<b>11%</b>	<b>939,395</b>	<b>1,059,727</b>	<b>-11%</b>

Source: PAMA, IGI Research

Segment-wise, passenger cars sales posted a +7%y/y increase (down by 4%m/m) to 7.7k units, while jeeps/pickups segment recorded a -21%y/y (-3%m/m) decrease in total sales. Under commercial vehicles, trucks & buses recorded a meagre increase of +1%y/y (down by -12%m/m) to 0.31k units. Whereas tractors sales recorded a whopping +54%y/y (+37%m/m) increase to 4.6k units.

## Analyst

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### Stability in passenger car prices and healthy tractor demand lifts overall automobile sales

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

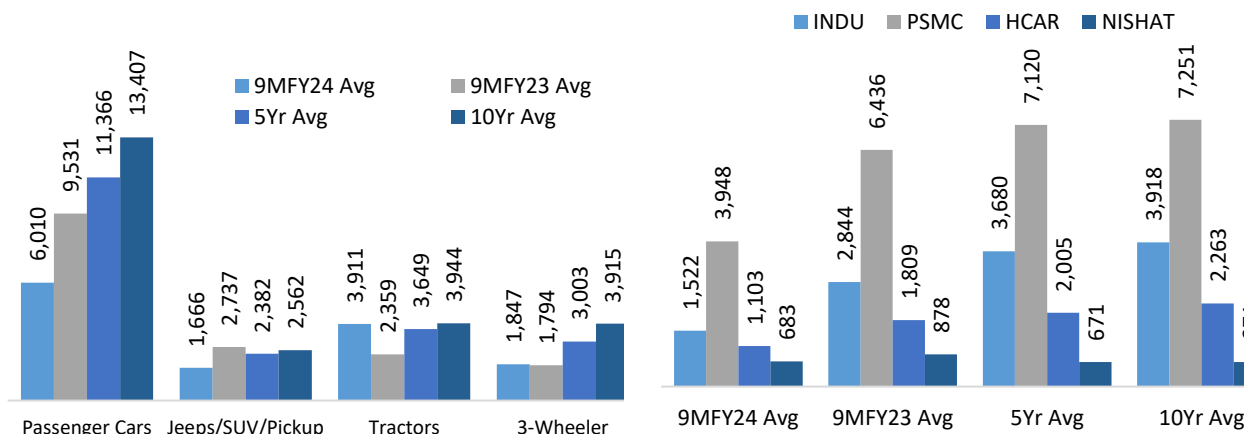
- Reduction in few variants of passenger cars has provided gradual push in demand of passenger car sales.
- Moreover, healthy demand from agriculture sector has led to higher tractor sales leading to overall increase in automobile sales.

#### 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 with almost 50% decline compared to their historic average.



Source: PAMA , IGI Research

- **INDU:** Sales volume decreased by -16%m/m to 1.7k units (-11%/y/y). Under the passenger car segment Corolla & Yaris witnessed a decline of -12%m/m to 1.5k units, whereas combine units sold under the variant Fortuner & Hilux recorded a -43%m/m decrease to 158 units and on yearly basis sales are down by -80%/y/y.
- **PSMC:** Volumes dropped by -16%m/m to 4.1k units (-27%/y/y). Alto sales (down by -13%m/m), Wagon R (up by +2.7xm/m), Cultus (down by -6% m/m), Swift (down by -79%m/m), Bolan (up by +30%m/m) and, Ravi under pick-up segment recorded a -37%m/m decline.
- **HCAR:** Sales of Civic & City for the month of Mar-24 posted an increase of +45%m/m to 2.0k units bringing total sales of HCAR to 2.2k units, up by +44%m/m, BRV experienced a rise of +37% m/m leading to 0.2k units.

#### Outlook:

Going forward, auto sales volume are expected to start improving on the back of easing inflationary pressure and a possible reduction in interest rates. However, an increase in inflation amid rising fuel prices may lead to a delay in the onset of monetary easing cycle posing risk to automobile demand.

Exhibit: Company-wise Sales Data for Mar-24								
Units	Mar-24	Feb-24	m/m	Mar-23	y/y	9M/24	9M/23	y/y
Corolla & Yaris	1,547	1,759	-12%	1,119	38%	10,728	15,994	-33%
Fortuner & Hilux	158	277	-43%	793	-80%	2,973	9,598	-69%
<b>INDU</b>	<b>1,705</b>	<b>2,036</b>	<b>-16%</b>	<b>1,912</b>	<b>-11%</b>	<b>13,701</b>	<b>25,592</b>	<b>-46%</b>
Civic & City	1,994	1,375	45%	611	226%	8,514	12,381	-31%
BRV & HRV	194	142	37%	224	-13%	1,415	3,897	-64%
<b>HCAR</b>	<b>2,188</b>	<b>1,517</b>	<b>44%</b>	<b>835</b>	<b>162%</b>	<b>9,929</b>	<b>16,278</b>	<b>-39%</b>
Swift	141	663	-79%	877	-84%	3,586	8,584	-58%
Cultus	302	320	-6%	475	-36%	2,803	6,233	-55%
Wagon R	367	136	170%	489	-25%	2,652	5,022	-47%
Bolan	237	183	30%	782	-70%	1,734	3,865	-55%
Alto	2,922	3,373	-13%	2,542	15%	22,683	30,744	-26%
Ravi	132	210	-37%	463	-71%	2,075	3,475	-40%
<b>PSMC</b>	<b>4,101</b>	<b>4,885</b>	<b>-16%</b>	<b>5,628</b>	<b>-27%</b>	<b>35,533</b>	<b>57,923</b>	<b>-39%</b>
Elantra	92	89	3%	188	-51%	778	1,886	-59%
Sonata	70	55	27%	118	-41%	611	1,066	-43%
Tucson	250	222	13%	380	-34%	2,429	3,952	-39%
Porter	170	201	-15%	150	13%	1,318	998	32%
Santa Fe	220	213	3%	0	0%	1,008	0	0%
<b>Nishat</b>	<b>802</b>	<b>780</b>	<b>3%</b>	<b>836</b>	<b>-4%</b>	<b>6,144</b>	<b>7,902</b>	<b>-22%</b>
<b>AGTL</b>	<b>1,581</b>	<b>1,208</b>	<b>31%</b>	<b>315</b>	<b>402%</b>	<b>12,106</b>	<b>7,458</b>	<b>62%</b>
<b>MTL</b>	<b>3,027</b>	<b>2,158</b>	<b>40%</b>	<b>2,669</b>	<b>13%</b>	<b>23,093</b>	<b>13,775</b>	<b>68%</b>
<b>ATLH</b>	<b>80,139</b>	<b>82,104</b>	<b>-2%</b>	<b>71,827</b>	<b>12%</b>	<b>724,683</b>	<b>769,691</b>	<b>-6%</b>
<b>PSMC (2w)</b>	<b>1,610</b>	<b>1,446</b>	<b>11%</b>	<b>1,954</b>	<b>-18%</b>	<b>11,926</b>	<b>26,935</b>	<b>-56%</b>

Source: PAMA, IGI Research

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