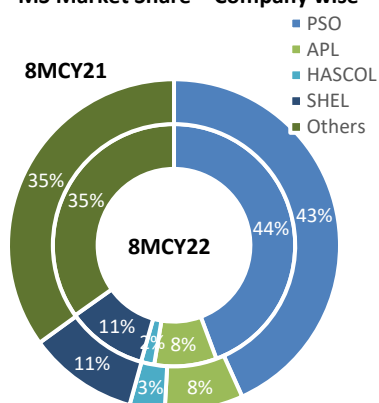
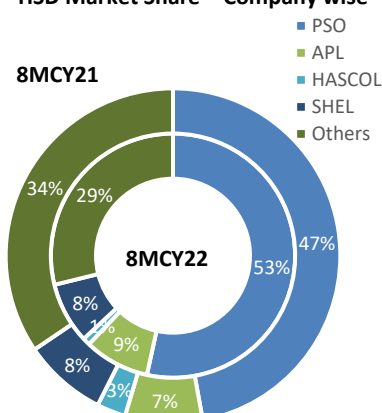


Sector Update

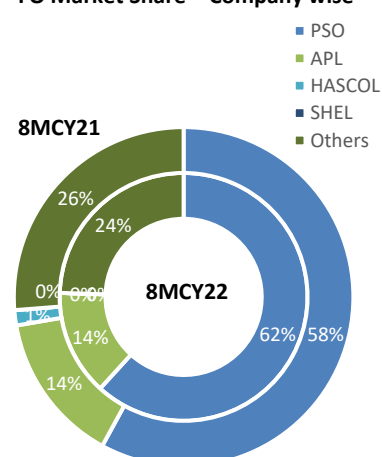
MS Market Share – Company wise



HSD Market Share – Company wise



FO Market Share – Company wise



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Oil & Gas Marketing Companies

Aug-22: POL Sales remain depressed amid higher prices; slight recovery on monthly basis

- Industry volumes for oil marketing companies for the month of Aug-22 declined by 22%y/y to 1.53mn ton bringing industry volumes for 8MCY22 to 14.45mn ton up by +6%Y/y. Furnace Oil (FO) / High Speed Diesel (HSD) / Motor Spirit (MS) sales were down by 35%/26%/13%y/y during Aug-22.
- During the 8MCY22, FO/HSD sales increased by +26%/+2%y/y while MS sales remained flat. Company wise PSO/APL/SHEL led the charts by posting +16%/+15%/+1%y/y incline in total sales while HASCOL witnessed 59%y/y plunge in total volumes with market share for HASCOL dropping by 2% to 1%. However, PSO's market share increased by +5% to 53%.
- We expect MS and HSD volumes to come under pressure owing higher domestic prices, which are likely to stay elevated due to imposition of levy and taxes. FO sales are likely to remain strong in coming months. Potential increase in OMC margins will provide some cushion to earnings amid drop in volumes.

Aug-22: POL sales remained drop by 22%y/y to 1.53mn ton

Industry volumes for oil marketing companies for the month of Aug-22 declined by 22%y/y to 1.53mn ton bringing industry volumes for 8MCY22 to 14.45mn ton up by +6%Y/y. Furnace Oil (FO) / High Speed Diesel (HSD) / Motor Spirit (MS) sales were down by 35%/26%/13%y/y during Aug-22. On a monthly basis, industry volumes inched up by +6%m/m during Aug-22 on the back of +12%/+7%m/m incline in HSD/MS sales.

During the 8MCY22, FO/HSD sales increased by +26%/+2%y/y while MS sales remained flat. Company wise PSO/APL/SHEL led the charts by posting +16%/+15%/+1%y/y incline in total sales while HASCOL witnessed 59%y/y plunge in total volumes with market share for HASCOL dropping by 2% to 1%. However, PSO's market share increased by +5% to 53%. APL market share increased to 9% while SHEL's market share remained flat.

MS

MS sales dropped by 13%y/y to 0.64mn ton during Aug-22, while on sequential basis, volumes are up by +7%m/m. HASCOL posted +97%y/y growth in volumes, while PSO, APL and SHEL recorded 13%y/y, 11%y/y and 10%y/y decline in volumes respectively during Aug-22. For 8MCY22, MS volumes remained flat at 5.67mn ton. During 8MCY22, APL, PSO and SHEL posted +9%y/y, +2%y/y and +1%y/y growth in volumes respectively with PSO market share rising to 44%, while HASCOL registered 48%y/y decline in sales with market share dropping to 2%.

HSD

HSD sales plummeted by 26%y/y to 0.50mn ton in Aug-22 and on monthly basis volumes are up by +12%m/m. This brings total 8MCY22 sales at 5.45mn ton up by +2%Y/y. For 8MCY22, APL, PSO and SHEL led the charts with +18%y/y, +16%y/y

and +2%y/y growth in sales with market share for PSO, SHEL and APL increasing to 53%, 8% and 9% respectively. HASCOL registered 64%Y/y decline in HSD volumes during 8MCY22 with market share coming down to 1% from 3% in 8MCY21.

FO

FO volumes dropped by 35%y/y during Aug-22 to 0.33mn ton likely attributable to lower demand from IPPs compared to last year. Volumes are down by 7%m/m during Aug-22. However, total FO volumes are up by +26%y/y in 8MCY22 to 2.82mn ton. For 8MCY22, PSO reported +34%y/y incline in sales with PSO's market share increasing to 62% compared to 58% in 8MCY21.

Exhibit: OMC's Monthly Sales Volume (Aug-22)

000'tons	Aug-22	Jul-22	m/m	Aug-21	y/y	8MCY22	8MCY21	y/y	FY23TD	FY22TD	y/y
Industry											
MS	637.7	594.0	7%	736.8	-13%	5,673.0	5,671.7	0%	1,231.7	1,545.1	-20%
HSD	495.6	444.4	12%	670.3	-26%	5,446.8	5,343.2	2%	939.9	1,391.2	-32%
FO	327.4	350.4	-7%	506.2	-35%	2,819.1	2,236.7	26%	677.8	873.4	-22%
Others	65.0	53.3	22%	49.4	32%	512.8	345.9	48%	118.3	91.0	30%
Total	1,525.7	1,442.0	6%	1,962.6	-22%	14,451.6	13,597.4	6%	2,967.7	3,900.7	-24%
PSO											
MS	288.7	258.6	12%	331.2	-13%	2,513.9	2,453.8	2%	547.3	715.4	-23%
HSD	232.1	233.1	0%	325.7	-29%	2,910.6	2,519.3	16%	465.2	665.8	-30%
FO	214.7	224.4	-4%	334.3	-36%	1,741.2	1,296.3	34%	439.1	589.3	-26%
Others	55.8	44.1	26%	36.0	55%	425.5	247.7	72%	100.0	65.0	54%
Total	791.3	760.2	4%	1,027.2	-23%	7,591.2	6,517.1	16%	1,551.5	2,035.5	-24%
APL											
MS	55.0	50.5	9%	61.8	-11%	471.6	433.0	9%	105.5	124.2	-15%
HSD	42.2	47.9	-12%	54.8	-23%	471.2	400.0	18%	90.0	112.2	-20%
FO	52.9	41.1	29%	79.7	-34%	387.8	320.9	21%	94.0	119.2	-21%
Others	3.5	2.6	32%	3.6	-3%	24.9	27.9	-11%	6.1	6.8	-10%
Total	153.5	142.1	8%	199.8	-23%	1,355.5	1,181.9	15%	295.6	362.3	-18%
HASCOL											
MS	17.1	15.3	12%	8.7	97%	100.4	194.1	-48%	32.4	17.2	89%
HSD	10.5	6.1	74%	5.8	81%	53.4	149.2	-64%	16.6	14.2	17%
FO	-	-	0%	0.7	-	-	32.5	-	-	32.5	-
Others	0.1	0.1	19%	0.4	-73%	1.3	3.9	-66%	0.2	0.5	-61%
Total	27.8	21.4	30%	15.6	78%	155.2	379.8	-59%	49.2	64.4	-24%
SHEL											
MS	68.6	63.4	8%	76.1	-10%	612.3	606.4	1%	132.0	159.7	-17%
HSD	38.9	33.5	16%	53.8	-28%	441.0	432.2	2%	72.4	108.0	-33%
FO	-	-	0%	-	n/m	-	-	0%	-	-	0%
Others	2.9	3.6	-19%	6.4	-55%	32.8	36.9	-11%	6.4	12.6	-49%
Total	110.4	100.4	10%	136.4	-19%	1,086.1	1,075.4	1%	210.8	280.3	-25%

Source: IGI Research, OCAC

Outlook

We expect MS and HSD volumes to come under pressure owing higher domestic prices, which are likely to stay elevated due to imposition of levy and taxes. FO sales are likely to remain strong in coming months owing to higher demand from IPPs. Potential increase in OMC margins will provide some cushion to earnings amid drop in volumes.

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