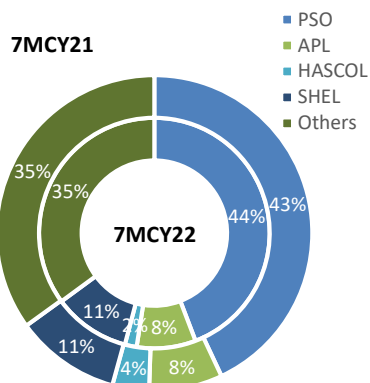
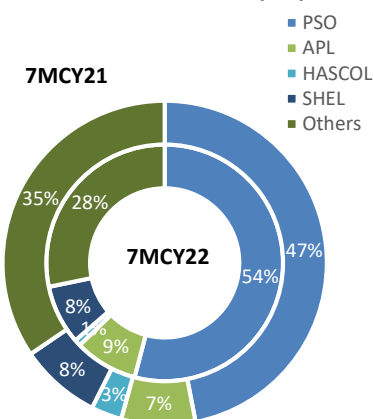


## Sector Update

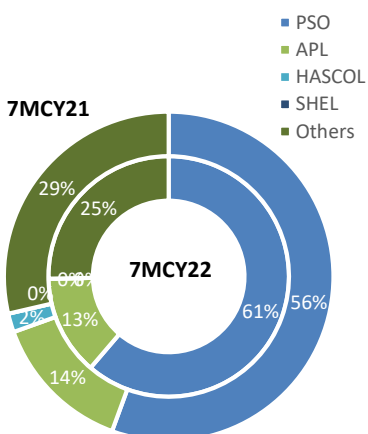
MS Market Share – Company wise



HSD Market Share – Company wise



FO Market Share – Company wise



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## Oil & Gas Marketing Companies

### Jul-22: POL Sales Drop as Higher Prices Erode Retail Segment Demand

- Industry volumes for oil marketing companies for the month of Jul-22 declined by 26%y/y to 1.44mn ton bringing industry volumes for 7MCY22 to 11.48mn ton up by +11%Y/y. High Speed Diesel (HSD) / Motor Spirit (MS) / Furnace Oil (FO) sales were down by 38%/27%/5%y/y during Jul-22
- During the 7MCY22, FO/HSD/MS sales increased by +44%/+6%/+2%y/y. Company wise PSO/APL/SHEL led the charts by posting +24%/+22%/+4%y/y incline in total sales while HASCOL witnessed 65%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 dropped by 1% to 8%.
- We expect MS and HSD volumes to come under pressure owing higher domestic prices, already evident from latest POL sales of OMCs. FO sales are likely to remain strong in coming months owing to higher demand from IPPs.

### Jul-22: POL sales remained drop by 26%y/y to 1.44mn ton

Industry volumes for oil marketing companies for the month of Jul-22 declined by 26%y/y to 1.44mn ton bringing industry volumes for 7MCY22 to 11.48mn ton up by +11%Y/y. High Speed Diesel (HSD) / Motor Spirit (MS) / Furnace Oil (FO) sales were down by 38%/27%/5%y/y during Jul-22. On a monthly basis, industry volumes declined by 26%m/m during Jul-22 on the back of 38%/23%/15%m/m drop in HSD/FO/MS sales.

During the 7MCY22, FO/HSD/MS sales increased by +44%/+6%/+2%y/y. Company wise PSO/APL/SHEL led the charts by posting +24%/+22%/+4%y/y incline in total sales while HASCOL witnessed 65%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 dropped by 1% to 8%.

### MS

MS sales dropped by 27%y/y to 0.59mn ton during Jul-22, while on sequential basis, volumes declined by 15%m/m. HASCOL posted +81%y/y growth in volumes, while PSO, SHEL and APL recorded 33%y/y, 24%y/y and 19%y/y decline in volumes respectively during Jul-22. For 7MCY22, MS volumes are up by +2%y/y to 5.04mn ton. During 7MCY22, APL, PSO and SHEL posted +12%y/y, +5%y/y and +3%y/y growth in volumes respectively with PSO market share rising to 44%, while HASCOL registered 65%y/y decline in sales with market share dropping to 2%.

### HSD

HSD sales plummeted by 38%y/y to 0.44mn ton in Jul-22 and on monthly basis volumes are down by 38%m/m. This brings total 7MCY22 sales at 4.95mn ton up by +6%Y/y. For F=7MCY22, APL, PSO and SHEL led the charts with +24%y/y, +22%y/y

and +6%/y growth in sales with market share for PSO, SHEL and APL increasing to 54%, 8% and 9% respectively. HASCOL registered 70%Y/y decline in HSD volumes during 7MCY22 with market share coming down to 1% from 3% in 7MCY21.

## FO

FO volumes dropped by 5%/y during Jul-22 to 0.35mn ton likely attributable to lower demand from IPPs compared to last year. Volumes dropped by 23%/m during Jul-22. However, total FO volumes are up by +44%/y in 7MCY22 to 2.49mn ton. For 7MCY22, PSO reported +59%/y incline in sales with PSO's market share increasing to 61% compared to 56% in 7MCY21.

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

000'tons	Jul-22	Jun-22	MoM	Jul-21	YoY	7MCY22	7MCY21	YoY
<b>Industry</b>								
MS	594.0	702.3	-15%	808.3	-27%	5,035.3	4,934.8	2%
HSD	444.4	713.0	-38%	720.9	-38%	4,951.2	4,672.9	6%
FO	350.4	452.6	-23%	367.3	-5%	2,491.7	1,730.5	44%
Others	53.3	68.5	-22%	41.6	28%	447.8	296.5	51%
Total	1,442.0	1,936.4	-26%	1,938.1	-26%	12,925.9	11,634.8	11%
<b>PSO</b>								
MS	258.6	314.9	-18%	384.2	-33%	2,225.1	2,122.6	5%
HSD	233.1	377.6	-38%	340.1	-31%	2,678.5	2,193.6	22%
FO	224.4	289.4	-22%	255.1	-12%	1,526.5	962.0	59%
Others	44.1	54.0	-18%	29.0	52%	369.7	211.7	75%
Total	760.2	1,035.9	-27%	1,008.4	-25%	6,799.8	5,489.9	24%
<b>APL</b>								
MS	50.5	59.6	-15%	62.4	-19%	416.6	371.3	12%
HSD	47.9	62.1	-23%	57.4	-17%	429.0	345.2	24%
FO	41.1	76.4	-46%	39.5	4%	334.9	241.2	39%
Others	2.6	3.4	-21%	3.2	-19%	21.5	24.4	-12%
Total	142.1	201.5	-29%	162.5	-13%	1,202.0	982.0	22%
<b>HASCOL</b>								
MS	15.3	11.0	39%	8.4	81%	83.3	185.4	-55%
HSD	6.1	9.5	-36%	8.4	-28%	42.9	143.4	-70%
FO	-	-	0%	31.9	-100%	-	31.9	-100%
Others	0.1	0.2	-46%	0.1	-18%	1.2	3.5	-66%
Total	21.4	20.6	4%	48.9	-56%	127.4	364.2	-65%
<b>SHEL</b>								
MS	63.4	76.6	-17%	83.6	-24%	543.7	530.3	3%
HSD	33.5	69.2	-52%	54.2	-38%	402.1	378.4	6%
FO	-	-	0%	-	n/m	-	-	0%
Others	3.6	6.4	-44%	6.1	-42%	29.9	30.4	-2%
Total	100.4	152.2	-34%	143.9	-30%	975.7	939.1	4%

Source: IGI Research, OCAC

## Outlook

We expect MS and HSD volumes to come under pressure owing higher domestic prices, already evident from latest POL sales of OMCs. FO sales are likely to remain strong in coming months owing to higher demand from IPPs.

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