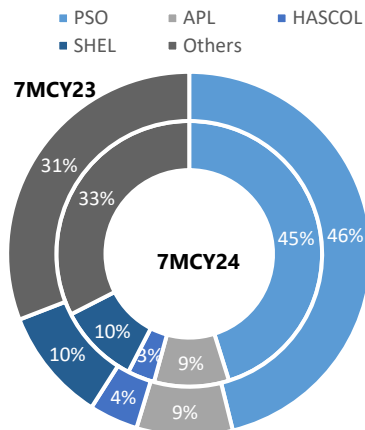


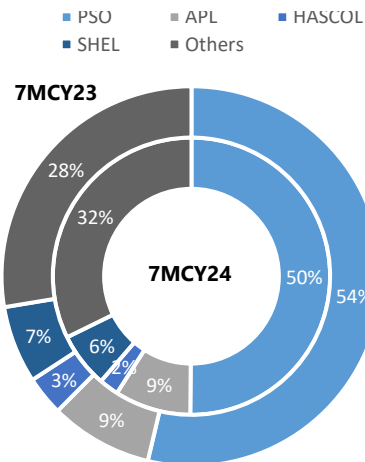
Day Break

Friday, August 2, 2024

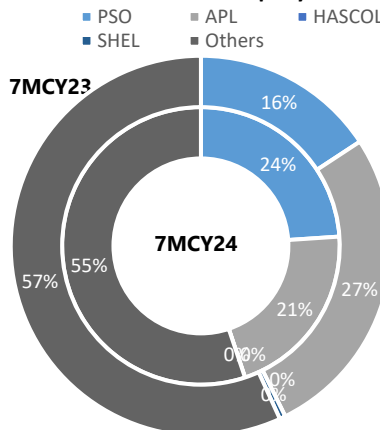
MS Market Share – Company wise



HSD Market Share – Company wise



FO Market Share – Company wise



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Oil & Gas Marketing Companies

Jul-24: Volumes Depict a Decline of 11%y/y; Down by 17%m/m

- Industry volumes for oil marketing companies for the month of Jul-24 declined by 11%y/y to 1.20mn ton bringing industry volumes for 7MAY24 to 8.79mn ton down by 2%Y/y. Furnace Oil (FO)/ Motor Spirit (MS) / High Speed Diesel (HSD) sales were down by 46%/10%/6%y/y during Jul-24. On a monthly basis, industry volumes are down by 17%m/m to 1.20mn ton during Jul-24 on the back of 27%/18%/16%m/m drop in FO/HSD/MS sales.
- During the 7MAY24, FO/MS sales declined by 26%/2%y/y while HSD sales are up by +2%y/y. Company wise HASCOL/APL/SHEL/PSO witnessed 27%/6%/3%/2%y/y decline in total sales. Market share for HASCOL, dropped by 0.9% to 2% during 7MAY24 against 3% in the same period last year, while SHEL reported 0.1% decline in market share during 7MAY24. Market share for PSO and APL dropped by 0.4% each to 48% and 10% respectively.
- Lower automobile sales and relatively higher prices are likely to keep demand growth restricted. Moreover, rise in HEV sales and potential launch of EV cars are also likely to restrict demand growth of petrol engines. However, cut in interest rate by SBP is likely to give slight push to passenger car sales. Higher OMC margins are likely to support earnings amid depressed demand. Increase in power tariff and hike in gas prices would improve cash flow for PSO going forward and may unlock valuations.

Jul-24: POL sales declined by 11%y/y to 1.20mn ton

Industry volumes for oil marketing companies for the month of Jul-24 declined by 11%y/y to 1.20mn ton bringing industry volumes for 7MAY24 to 8.79mn ton down by 2%Y/y. Furnace Oil (FO)/ Motor Spirit (MS) / High Speed Diesel (HSD) sales were down by 46%/10%/6%y/y during Jul-24. On a monthly basis, industry volumes are down by 17%m/m to 1.20mn ton during Jul-24 on the back of 27%/18%/16%m/m drop in FO/HSD/MS sales.

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MS

MS sales dropped by 10%y/y to 0.59mn ton during Jul-24 while on sequential basis volumes are down by 16%m/m. PSO, APL, SHEL and

HASCOL recorded 22%/y/y, 9%/y/y, 8%/y/y and 1%/y/y decline in volumes respectively during Jul-24. For 7MCY24, MS volumes are down by 2%/y/y to 4.16mn ton. During 7MCY24, APL posted +5%/y/y growth in volumes, whereas, HASCOL, SHEL and PSO recorded 25%/y/y, 4%/y/y and 4%/y/y drop in total MS sales. PSO's market share dropped to 45% during 7MCY24 from 46% in the same period last year. SHEL and HASCOL witnessed decline in market share to 9.9% and 3.3% respectively while APL's market share increased by 0.6% to 9.1%.

HSD

HSD sales declined by 6%/y/y to 0.46mn ton in Jul-24 and on monthly basis volumes depicted a decline of 18%/m/m. HASCOL, PSO, APL and SHEL reported 25%/y/y, 22%/y/y, 13%/y/y and 11%/y/y decline in sales during Jul-24. This brings total 7MCY24 sales at 3.57mn ton up by +2%/y/y. For 7MCY24, APL posted +4%/y/y incline in sales with market share for APL increasing to 8.9%. Market share for PSO, HASCOL and SHEL dropped by 3.6%, 1.1% and 0.2% respectively.

FO

FO volumes plummeted by 46%/y/y during Jul-24 to 0.08mn ton likely attributable to significant drop in demand from IPPs compared to last year. Volumes are down by 27%/m/m during Jul-24. Total FO volumes are down by 26%/y/y during 7MCY24 to 0.56mn ton. For 7MCY24, PSO reported +13%/y/y incline in sales with PSO's market share increasing to 23.9% compared to 15.8% in 7MCY23, whereas, APL's reported 42%/y/y decline in FO sales with market share dropping to 20.9% from 26.9% in the same period last year.

Outlook

Lower automobile sales and relatively higher prices are likely to keep demand growth restricted. Moreover, rise in HEV sales and potential launch of EV cars are also likely to restrict demand growth of petrol engines. However, cut in interest rate by SBP is likely to give slight push to passenger car sales. Higher OMC margins are likely to support earnings amid depressed demand. Increase in power tariff and hike in gas prices would improve cash flow for PSO going forward and may unlock valuations.

Exhibit: OMC's Monthly Sales Volume (Jul-24)

000'tons	Jul-24	Jun-24	MoM	Jul-23	YoY	7MCY24	7MCY23	YoY
Industry								
MS	590.8	700.2	-16%	655.9	-10%	4,159.7	4,239.4	-2%
HSD	464.9	569.7	-18%	494.3	-6%	3,568.6	3,503.5	2%
FO	77.4	105.7	-27%	144.2	-46%	559.5	753.5	-26%
Others	63.3	71.3	-11%	55.5	14%	501.7	431.3	16%
Total	1,196.5	1,446.8	-17%	1,349.9	-11%	8,789.5	8,927.8	-2%
PSO								
MS	244.3	309.2	-21%	313.5	-22%	1,878.8	1,956.4	-4%
HSD	213.9	265.7	-19%	274.9	-22%	1,789.2	1,881.4	-5%
FO	33.9	14.0	142%	40.9	-17%	133.9	118.7	13%
Others	53.8	60.4	-11%	48.8	10%	436.2	380.4	15%
Total	545.9	649.3	-16%	678.1	-19%	4,238.0	4,337.0	-2%
APL								
MS	50.7	59.5	-15%	55.5	-9%	379.2	361.9	5%
HSD	37.6	49.1	-23%	43.4	-13%	317.8	306.5	4%
FO	9.6	16.4	-41%	30.4	-68%	117.1	202.9	-42%
Others	4.0	4.3	-8%	2.5	62%	25.2	21.1	19%
Total	102.0	129.2	-21%	131.8	-23%	839.3	892.5	-6%
HASCOL								
MS	23.9	26.7	-11%	24.2	-1%	137.4	184.0	-25%
HSD	14.5	10.8	34%	19.4	-25%	81.6	117.6	-31%
FO	-	-	0%	-	0%	-	-	0%
Others	0.1	0.2	-58%	0.1	88%	0.5	0.2	127%
Total	38.5	37.8	2%	43.6	-12%	219.6	301.8	-27%
SHEL								
MS	56.5	65.3	-13%	61.2	-8%	411.3	428.3	-4%
HSD	27.7	39.0	-29%	31.1	-11%	228.8	230.6	-1%
FO	-	-	0%	-	n/m	-	3.7	-100%
Others	2.2	2.4	-8%	1.6	36%	16.3	12.6	29%
Total	86.5	106.7	-19%	93.9	-8%	656.4	675.3	-3%

Source: IGI Research, OCAC

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