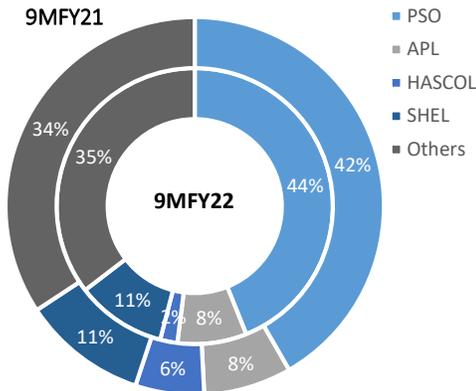
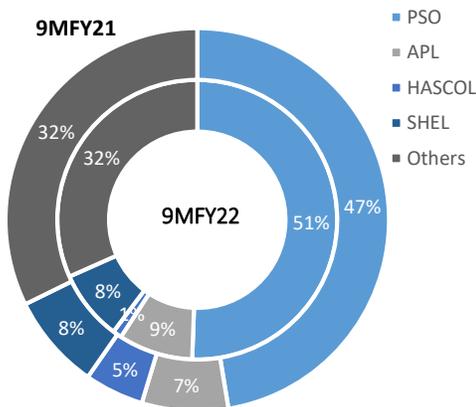


Sector Update

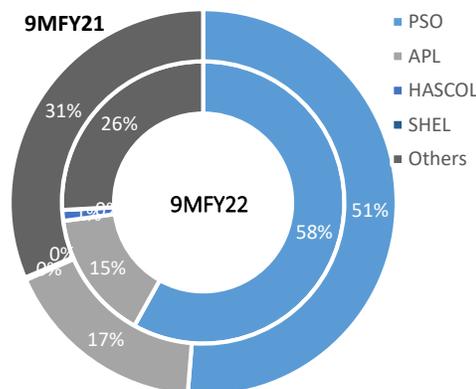
MS Market Share - Company wise



HSD Market Share - Company wise



FO Market Share - Company wise



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Oil & Gas Marketing Companies

Mar-22: Sales rebounded by +10%/y led by growth in FO and retail segment

- Industry volumes for oil marketing companies for the month of Mar-22 witnessed a growth of +23%/y to 1.82mn ton bringing industry volumes for 9MFY22 to 16.27mn ton up by +15%/y.
- During the 9MFY22, HSD/FO/MS sales increased by +19%/+16%/+10%/y. Company wise PSO/APL/SHEL led the charts by posting +24%/+19%/+14%/y incline in total sales while HASCOL witnessed 63%/y plunge in total volumes with market share for HASCOL dropping by 3% to 1%.
- MS sales are likely to remain strong as introduction of new vehicles by new entrants such as KIA & Hyundai is likely to keep demand strong. Increase in domestic prices is unlikely to dent demand however switch to more fuel efficient variant may occur. HSD sales are likely to remain elevated amid pick up in commercial activity however rise in grey market sales amid higher prices may keep volume growth muted in the short term. PM Relief Package may provide some support to volumes for the next 3 months.

Mar-22 POL sales improved by +23%/y to 1.82mn ton

Industry volumes for oil marketing companies for the month of Mar-22 witnessed a growth of +23%/y to 1.82mn ton bringing industry volumes for 9MFY22 to 16.27mn ton up by +15%/y. Furnace Oil (FO) / High Speed Diesel (HSD) / Motor Spirit (MS) sales were up by +33%/+29%/+13%/y during Mar-22. On a monthly basis, industry volumes increased by +19%/m during Mar-22 on the back of +27%/+19%/+17%/m incline in FO/MS/HSD sales while other product sales increased by +9%/m.

During the 9MFY22, HSD/FO/MS sales increased by +19%/+16%/+10%/y. Company wise PSO/APL/SHEL led the charts by posting +24%/+19%/+14%/y incline in total sales while HASCOL witnessed 63%/y plunge in total volumes with market share for HASCOL dropping by 3% to 1%. However PSO's market share increased by +4% to 50%. SHEL and APL retained their market share at 8% and 9% respectively.

MS

MS sales inclined by +13%/y to 0.77mn ton during Mar-22, while on sequential basis, volumes are up by +19%/m. APL, PSO and SHEL posted +18%/y, +17%/y and +8%/y growth in volumes respectively, while HASCOL reported 58%/y decline during Mar-22. For 9MFY22, MS volumes are up by +10%/y to 6.68mn ton. During 9MCY22, APL, PSO and SHEL posted +19%/y, +16%/y and +9%/y growth in volumes respectively with PSO market share rising to 44%, while HASCOL registered 62%/y decline in sales with market share dropping to 2%.

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HSD

HSD sales increased by +29%/y/y to 0.69mn ton in Mar-22, while on monthly basis volumes are up by +17%/m/m. This brings total 9MFY22 sales at 6.39mn ton up by +19%/y/y. For 9MFY22, APL, PSO and SHEL led the charts with +40%/y/y, +27%/y/y and +20%/y/y growth in sales with market share for PSO, SHEL and APL increasing to 51%, 8% and 9% respectively. HASCOL registered 75%/y/y decline in HSD volumes during 9MFY22 with market share coming down to 1% from 5% in 9MFY21.

FO

FO volumes increased by +33%/y/y during Mar-22 to 0.28mn ton likely attributable to higher demand from IPPs compared to last year. Volumes are up by +27%/m/m in Mar-22. As a result, total FO volumes are up by +16%/y/y in 9MFY22 to 2.67mn ton. For 9MFY22, PSO reported +31%/y/y incline in sales with PSO's market share increasing to 58% compared to 51% in 9MFY21.

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

000'tons	Mar-22	Feb-22	MoM	Mar-21	YoY	3M CY22	3M CY21	YoY	9MFY22	9MFY21	YoY
Industry											
MS	773.6	652.6	19%	685.0	13%	2,170.9	1,948.5	11%	6,683.6	6,058.8	10%
HSD	690.7	591.9	17%	534.6	29%	2,022.9	1,628.9	24%	6,388.3	5,375.8	19%
FO	284.6	224.2	27%	213.5	33%	767.0	679.6	13%	2,668.5	2,303.8	16%
Others	73.7	67.8	9%	52.6	40%	200.6	143.3	40%	531.8	414.5	28%
Total	1,822.5	1,536.5	19%	1,485.7	23%	5,161.5	4,400.3	17%	16,272.2	14,152.9	15%
PSO											
MS	337.7	277.4	22%	289.3	17%	927.0	805.1	15%	2,935.4	2,525.8	16%
HSD	378.0	295.6	28%	244.5	55%	1,081.3	752.3	44%	3,231.4	2,547.8	27%
FO	176.9	115.8	53%	118.2	50%	384.4	365.5	5%	1,550.2	1,181.4	31%
Others	60.9	53.5	14%	41.5	47%	163.0	105.1	55%	414.4	282.8	47%
Total	953.5	742.3	28%	693.4	38%	2,555.6	2,027.9	26%	8,131.4	6,537.8	24%
APL											
MS	60.7	56.5	7%	51.3	18%	176.9	153.2	15%	541.5	455.2	19%
HSD	58.6	52.4	12%	40.2	46%	179.2	125.6	43%	549.8	391.5	40%
FO	39.0	37.0	5%	32.6	20%	105.7	89.4	18%	395.4	395.4	0%
Others	4.0	3.2	24%	3.3	19%	9.9	10.3	-4%	30.1	37.3	-19%
Total	162.3	149.1	9%	127.5	27%	471.6	378.5	25%	1,516.7	1,279.4	19%
HASCOL											
MS	8.4	15.4	-45%	20.1	-58%	45.9	87.4	-48%	134.6	356.0	-62%
HSD	4.1	10.1	-59%	19.1	-78%	21.2	60.8	-65%	66.4	268.6	-75%
FO	-	-	0%	-	0%	-	-	0%	33.2	4.7	612%
Others	0.2	0.3	-9%	0.5	-56%	0.6	2.5	-74%	1.9	6.8	-72%
Total	12.8	25.7	-50%	39.8	-68%	67.7	150.6	-55%	236.1	636.0	-63%
SHEL											
MS	84.2	70.4	20%	77.9	8%	232.8	218.6	6%	705.4	645.4	9%
HSD	54.6	51.1	7%	48.2	13%	158.9	144.1	10%	518.0	432.9	20%
FO	-	-	0%	-	n/m	-	-	0%	-	-	0%
Others	4.6	6.1	-25%	3.6	29%	14.9	11.7	27%	50.3	34.8	45%
Total	143.4	127.7	12%	129.6	11%	406.6	374.4	9%	1,273.6	1,113.2	14%

Source: IGI Research, OCAC

Outlook

MS sales are likely to remain strong as introduction of new vehicles by new entrants such as KIA & Hyundai is likely to keep demand strong. Increase in domestic prices is unlikely to dent demand however switch to more fuel efficient variant may occur. HSD sales are likely to remain elevated amid pick up in commercial activity however rise in grey market sales amid higher prices may keep volume growth muted in the short term. PM Relief Package may provide some support to volumes for the next 3 months. FO sales are likely to remain strong in coming months as LNG prices have skyrocketed making FO based generation relatively cheaper.

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Day Break

Tuesday, April 5, 2022



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