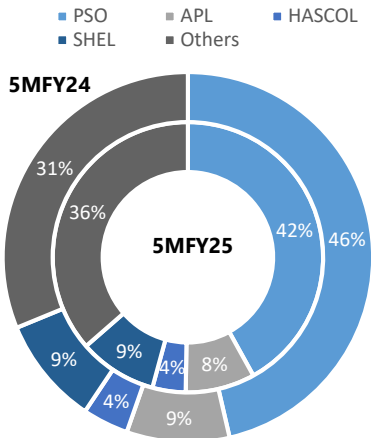


Day Break

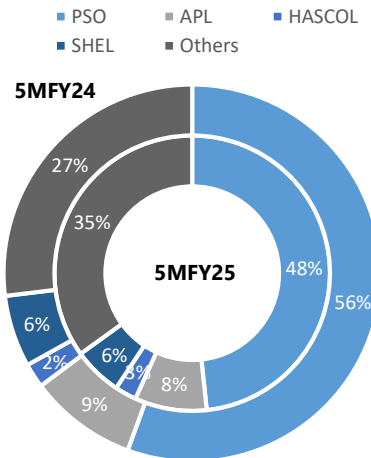
Wednesday, December 4, 2024



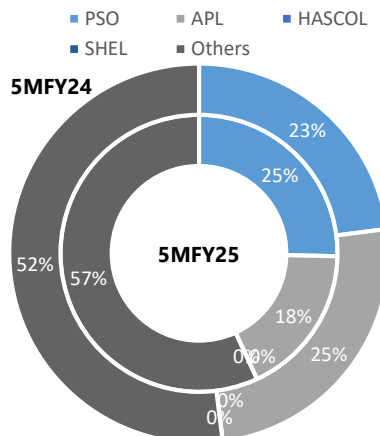
MS Market Share – Company wise



HSD Market Share – Company wise



FO Market Share – Company wise



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Oil & Gas Marketing Companies

Nov-24: Volumes Depict a Growth of +15%/y; Up by +6%/m/m

- Industry volumes for oil marketing companies for the month of Nov-24 increased by +15%/y to 1.58mn ton bringing industry volumes for 5MFY25 to 6.75mn ton up by +5%Y/y. High Speed Diesel (HSD) / Motor Spirit (MS) sales were up by +21%/+17%/y/y during Nov-24 while Furnace Oil (FO) sales were down by 55%/y/y. On a monthly basis, industry volumes are up by +6%/m/m to 1.58mn ton during Nov-24 on the back of +15%/m/m increase in HSD sales despite 36%/m/m decline in FO volumes.
- During the 5MFY25, HSD/MS sales increased by +9%/+6%/y/y while FO sales declined by 37%/y/y. Company wise APL /PSO witnessed 10%/4%/y/y decline in total sales while HASCOL/SHEL reported +15%/+6%/y/y growth during 5MFY25. Market share for PSO and APL dropped by 4.3% and 1.4% to 46% and 9% respectively during 5MFY25 against 50% and 10% in the same period last year, while SHEL and HASCOL reported 0.1% and 0.3% growth in market share during 5MFY25 respectively.
- Decline in domestic prices and decline in grey market sales is likely to provide support to MS and HSD volumes. Moreover, cut in interest rate by SBP is likely to give slight push to passenger car sales. However, rise in HEV sales and potential launch of EV cars are also likely to restrict demand growth of petrol engines. Potential hike in OMC margins are likely to support earnings amid depressed demand. Hike in gas prices is likely to improve cash flow for PSO going forward and may unlock valuations.

Nov-24: POL sales inclined by +15%/y to 1.58mn ton

Industry volumes for oil marketing companies for the month of Nov-24 increased by +15%/y to 1.58mn ton bringing industry volumes for 5MFY25 to 6.75mn ton up by +5%Y/y. High Speed Diesel (HSD) / Motor Spirit (MS) sales were up by +21%/+17%/y/y during Nov-24 while Furnace Oil (FO) sales were down by 55%/y/y. On a monthly basis, industry volumes are up by +6%/m/m to 1.58mn ton during Nov-24 on the back of +15%/m/m increase in HSD sales despite 36%/m/m decline in FO volumes.

During the 5MFY25, HSD/MS sales increased by +9%/+6%/y/y while FO sales declined by 37%/y/y. Company wise APL /PSO witnessed 10%/4%/y/y decline in total sales while HASCOL/SHEL reported +15%/+6%/y/y growth during 5MFY25. Market share for PSO and APL dropped by 4.3% and 1.4% to 46% and 9% respectively during 5MFY25 against 50% and 10% in the same period last year, while SHEL and HASCOL reported 0.1% and 0.3% growth in market share during 5MFY25 respectively.

MS

MS sales augmented by +17%/y/y to 0.67mn ton during Nov-24 while on sequential basis volumes remained flat. HASCOL, PSO, SHEL and APL recorded +36%/y/y, +15%/y/y, +8%/y/y and +1%/y/y incline in volumes respectively during Nov-24. For 5MFY25, MS volumes increased by +6%/y/y to 3.18mn ton. During 5MFY25, HASCOL and SHEL posted +5%/y/y and +6%/y/y growth in volumes respectively, whereas, PSO and APL recorded 4%/y/y and 2%/y/y drop in total MS sales. PSO, APL and SHEL's market share dropped to 42.0%, 8.3% and 9.3% during 5MFY25 from 46.4%, 9.0% and 9.4% respectively in the same period last year. HASCOL's market share remained flat at 4% during 4MFY25.

HSD

HSD sales jumped up by +21%/y/y to 0.79mn ton in Nov-24 and on monthly basis volumes depicted a growth of +15%/m/m. APL, PSO and SHEL reported +31%/y/y, +16%/y/y and +8%/y/y incline in sales respectively during Nov-24. The increase in sales was mainly driven by decline in grey market sales. This brings total 5MFY25 sales at 2.90mn ton up by +9%/y/y. For 5MFY25, HASCOL and SHEL posted +33%/y/y and +2%/y/y incline in sales with market share for HASCOL increasing to 2.5%. PSO reported 5%/y/y decline in total HSD sales while APL's volumes remained flat during 5MFY25. Market share for PSO, APL and SHEL dropped by 7.2%, 0.8% and 0.4% respectively.

FO

FO volumes plummeted by 55%/y/y during Nov-24 to 0.04mn ton likely attributable to significant lower demand from IPPs compared to last year. Volumes are down by 36%/m/m during Nov-24. Total FO volumes are down by 37%/y/y during 5MFY25 to 0.31mn ton. For 5MFY25, PSO and APL reported 30%/y/y and 55%/y/y decline in sales with PSO's market share increasing to 25.3% compared to 22.9% in 5MFY24, whereas, APL's market share dropped to 17.8% from 25.1% in the same period last year.

Outlook

Decline in domestic prices and decline in grey market sales is likely to provide support to MS and HSD volumes. Moreover, cut in interest rate by SBP is likely to give slight push to passenger car sales. However, rise in HEV sales and potential launch of EV cars are also likely to restrict demand growth of petrol engines. Potential hike in OMC margins are likely to support earnings amid depressed demand. Hike in gas prices is likely to improve cash flow for PSO going forward and may unlock valuations.

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

| 000'tons | Nov-24 | Oct-24 | MoM | Nov-23 | YoY | 11MCY24 | 11MCY23 | YoY | 5MFY25 | 5MFY24 | YoY |
|-----------------|---------|---------|------|---------|------|----------|----------|-------|---------|---------|------|
| Industry | | | | | | | | | | | |
| MS | 666.1 | 667.9 | 0% | 569.3 | 17% | 6,753.4 | 6,579.7 | 3% | 3,184.6 | 2,996.1 | 6% |
| HSD | 788.2 | 685.8 | 15% | 649.3 | 21% | 5,993.1 | 5,655.7 | 6% | 2,889.4 | 2,646.5 | 9% |
| FO | 37.1 | 57.6 | -36% | 82.3 | -55% | 787.7 | 1,091.6 | -28% | 305.6 | 482.4 | -37% |
| Others | 84.9 | 82.3 | 3% | 71.1 | 19% | 812.5 | 700.3 | 16% | 374.1 | 324.5 | 15% |
| Total | 1,576.2 | 1,493.5 | 6% | 1,372.0 | 15% | 14,346.6 | 14,027.3 | 2% | 6,753.6 | 6,449.4 | 5% |
| PSO | | | | | | | | | | | |
| MS | 297.3 | 286.3 | 4% | 258.6 | 15% | 2,970.6 | 3,032.5 | -2% | 1,336.1 | 1,389.6 | -4% |
| HSD | 429.1 | 333.0 | 29% | 368.7 | 16% | 2,971.3 | 3,077.0 | -3% | 1,395.9 | 1,470.4 | -5% |
| FO | 3.9 | 9.0 | -57% | 23.0 | -83% | 177.4 | 188.5 | -6% | 77.4 | 110.7 | -30% |
| Others | 69.0 | 67.1 | 3% | 64.4 | 7% | 690.3 | 617.2 | 12% | 308.0 | 285.6 | 8% |
| Total | 799.2 | 695.5 | 15% | 714.8 | 12% | 6,809.5 | 6,915.2 | -2% | 3,117.4 | 3,256.3 | -4% |
| APL | | | | | | | | | | | |
| MS | 53.0 | 54.8 | -3% | 52.3 | 1% | 593.0 | 575.4 | 3% | 264.5 | 269.1 | -2% |
| HSD | 67.1 | 51.9 | 29% | 51.2 | 31% | 524.7 | 508.1 | 3% | 244.5 | 245.0 | 0% |
| FO | 6.1 | 13.3 | -54% | 14.6 | -58% | 161.9 | 293.4 | -45% | 54.4 | 120.9 | -55% |
| Others | 4.6 | 4.0 | 14% | 3.2 | 42% | 42.3 | 34.3 | 23% | 21.1 | 15.7 | 35% |
| Total | 130.8 | 124.0 | 5% | 121.4 | 8% | 1,321.9 | 1,411.3 | -6% | 584.6 | 650.6 | -10% |
| HASCOL | | | | | | | | | | | |
| MS | 22.8 | 26.1 | -13% | 16.8 | 36% | 240.1 | 280.1 | -14% | 126.6 | 120.3 | 5% |
| HSD | 10.4 | 18.9 | -45% | 15.3 | -32% | 140.5 | 153.6 | -8% | 73.4 | 55.4 | 33% |
| FO | - | - | 0% | - | 0% | - | - | 0% | - | - | 0% |
| Others | 1.0 | 0.6 | 65% | 0.1 | 725% | 3.0 | 0.5 | 522% | 2.5 | 0.3 | 773% |
| Total | 34.3 | 45.6 | -25% | 32.3 | 6% | 383.6 | 434.2 | -12% | 202.6 | 176.0 | 15% |
| SHEL | | | | | | | | | | | |
| MS | 59.6 | 61.9 | -4% | 55.1 | 8% | 652.4 | 649.0 | 1% | 297.7 | 281.9 | 6% |
| HSD | 39.4 | 39.9 | -1% | 36.4 | 8% | 366.7 | 362.6 | 1% | 165.6 | 163.1 | 2% |
| FO | - | - | 0% | - | n/m | - | 3.7 | -100% | - | - | 0% |
| Others | 4.4 | 4.9 | -9% | 1.1 | 296% | 33.0 | 20.3 | 63% | 19.0 | 9.3 | 104% |
| Total | 103.4 | 106.7 | -3% | 92.6 | 12% | 1,052.1 | 1,035.6 | 2% | 482.2 | 454.3 | 6% |

Source: IGI Research, OCAC

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