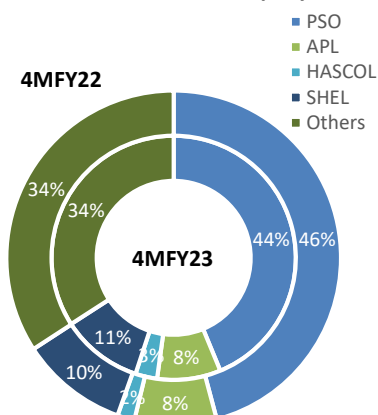
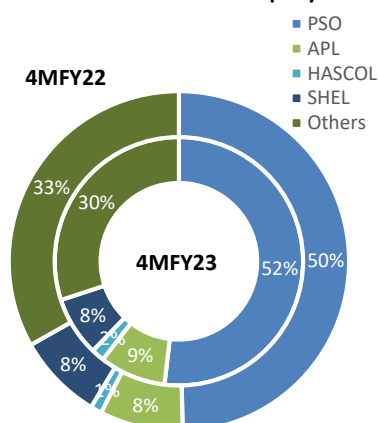


## Sector Update

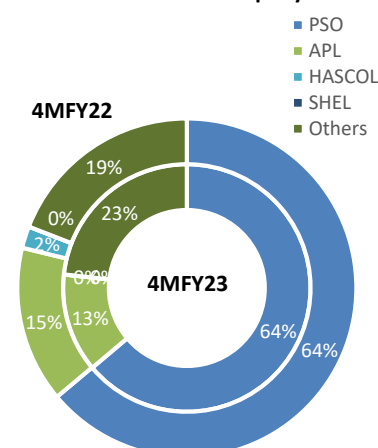
### MS Market Share – Company wise



### HSD Market Share – Company wise



### FO Market Share – Company wise



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## Oil & Gas Marketing Companies

### Oct-22: Higher prices kept volumes depressed; Retail segment up on monthly basis

- Industry volumes for oil marketing companies for the month of Oct-22 declined by 16%/y to 1.66mn ton bringing industry volumes for 4MFY23 to 4.49mn ton down by 22%Y/y. Furnace Oil (FO) / High Speed Diesel (HSD) / Motor Spirit (MS) sales were down by 37%/15%/11%/y during Oct-22.
- During the 4MFY23, HSD/FO/MS sales dropped by 26%/26%/18%/y. Company wise SHEL/APL/PSO/HASCOL witnessed 23%/21%/21%/5%/y decline in total sales. Market share for PSO, HASCOL, APL and SHEL remained unchanged during 4MFY23 against same period last year.
- We expect MS and HSD volumes to remain under pressure owing to 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. Increase in power tariff and hike in gas prices would improve cash position for PSO.

### Oct-22: POL sales remained drop by 16%/y to 1.66mn ton

Industry volumes for oil marketing companies for the month of Oct-22 declined by 16%/y to 1.66mn ton bringing industry volumes for 4MFY23 to 4.49mn ton down by 22%/y. Furnace Oil (FO) / High Speed Diesel (HSD) / Motor Spirit (MS) sales were down by 37%/15%/11%/y during Oct-22. On a monthly basis, industry volumes improved by +9%/m to 1.66mn ton during Oct-22 on the back of 37%/8%/m incline in HSD/MS sales while FO sales plummeted by 33%/m.

During the 4MFY23, HSD/FO/MS sales dropped by 26%/26%/18%/y. Company wise SHEL/APL/PSO/HASCOL witnessed 23%/21%/21%/5%/y decline in total sales. Market share for PSO, HASCOL, APL and SHEL remained unchanged during 4MFY23 against same period last year.

### MS

MS sales dropped by 11%/y to 0.68mn ton during Oct-22, while on sequential basis, volumes are up by +8%/m. HASCOL posted +35%/y growth in volumes, while PSO, APL and SHEL recorded 18%/y, 11%/y and 10%/y drop in volumes respectively during Oct-22. For 4MFY23, MS volumes plummeted by 18%/y to 2.54mn ton. During 4MFY23, PSO, SHEL and APL posted 22%/y, 15%/y and 14%/y decline in volumes respectively, whereas, HASCOL recorded +42%/y growth in total MS sales with market share rising to 3%. PSO's market share, however, slumped by 2% to 44% during 4MFY23. SHEL and APL witnessed slight uptick in market share.

### HSD

HSD sales plummeted by 15%/y to 0.71mn ton in Oct-22 and on monthly basis volumes are up by +37%/m. This brings total 4MFY23 sales at 2.17mn ton down by 26%/y. For 4MFY23, SHEL, PSO and APL posted 30%/y, 23%/y and 19%/y

drop in sales with market share for PSO, APL and HASCOL increasing to 52%, 9% and 2% respectively. Market share for SHEL remained relatively unchanged at 8%. HASCOL recorded +18%/y growth in total HSD sales during 4MFY23.

### FO

FO volumes dropped by 37%/y during Oct-22 to 0.20mn ton likely attributable to lower demand from IPPs compared to last year. Volumes are down by 33%/m during Oct-22. Total FO volumes are down by 26%/y during 4MFY23 to 1.19mn ton. For 4MFY23, APL and PSO reported 36%/y and 26%/y decline in sales with APL's market share dropping to 13% compared to 15% in 4MFY22, whereas, PSO's market share remained unchanged at 64%.

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

000'tons	Oct-22	Sep-22	MoM	Oct-21	YoY	10MCY22	10MCY21	YoY	FY23TD	FY22TD	YoY
<b>Industry</b>											
MS	680.0	628.4	8%	765.9	-11%	6,981.4	7,242.3	-4%	2,540.1	3,115.7	-18%
HSD	711.6	520.1	37%	837.3	-15%	6,678.5	6,887.9	-3%	2,171.6	2,936.0	-26%
FO	204.5	304.6	-33%	325.1	-37%	3,328.2	2,961.4	12%	1,186.9	1,598.1	-26%
Others	65.1	71.6	-9%	59.6	9%	649.5	456.2	42%	255.0	201.2	27%
Total	1,661.2	1,524.7	9%	1,987.9	-16%	17,637.5	17,547.7	1%	6,153.6	7,851.1	-22%
<b>PSO</b>											
MS	289.4	275.0	5%	352.4	-18%	3,078.3	3,167.1	-3%	1,111.7	1,428.7	-22%
HSD	394.4	266.7	48%	443.8	-11%	3,571.7	3,311.1	8%	1,126.3	1,457.5	-23%
FO	110.4	208.3	-47%	194.4	-43%	2,059.9	1,728.1	19%	757.8	1,021.1	-26%
Others	57.1	55.7	3%	45.4	26%	538.3	332.9	62%	212.8	150.3	42%
Total	851.2	805.8	6%	1,035.9	-18%	9,248.2	8,539.2	8%	3,208.5	4,057.6	-21%
<b>APL</b>											
MS	53.8	54.4	-1%	60.3	-11%	579.8	556.2	4%	213.7	247.3	-14%
HSD	48.9	48.5	1%	63.4	-23%	568.5	520.2	9%	187.4	232.4	-19%
FO	32.2	27.1	19%	36.6	-12%	447.1	440.2	2%	153.2	238.5	-36%
Others	3.3	11.0	-70%	3.3	1%	39.2	34.2	15%	20.4	13.1	56%
Total	138.1	141.0	-2%	163.5	-16%	1,634.6	1,550.8	5%	574.7	731.3	-21%
<b>HASCOL</b>											
MS	21.4	19.3	11%	15.9	35%	141.2	228.6	-38%	73.2	51.6	42%
HSD	12.7	7.9	61%	6.8	87%	74.0	166.5	-56%	37.2	31.5	18%
FO	-	-	0%	0.7	-	-	33.2	-	-	33.2	-
Others	0.1	0.1	25%	0.1	-5%	1.6	4.3	-64%	0.4	0.9	-53%
Total	34.2	27.3	25%	23.5	46%	216.8	432.6	-50%	110.8	117.2	-5%
<b>SHEL</b>											
MS	73.5	69.3	6%	81.5	-10%	755.0	769.8	-2%	274.7	323.1	-15%
HSD	53.3	42.7	25%	72.9	-27%	536.9	564.5	-5%	168.3	240.4	-30%
FO	-	-	0%	-	n/m	-	-	0%	-	-	0%
Others	1.9	2.1	-9%	6.1	-69%	36.7	47.6	-23%	10.4	23.3	-55%
Total	128.6	114.0	13%	160.4	-20%	1,328.7	1,382.0	-4%	453.5	586.8	-23%

Source: IGI Research, OCAC

### Outlook

We expect MS and HSD volumes to remain under pressure owing to 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. Increase in power tariff and hike in gas prices would improve cash position for PSO.

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