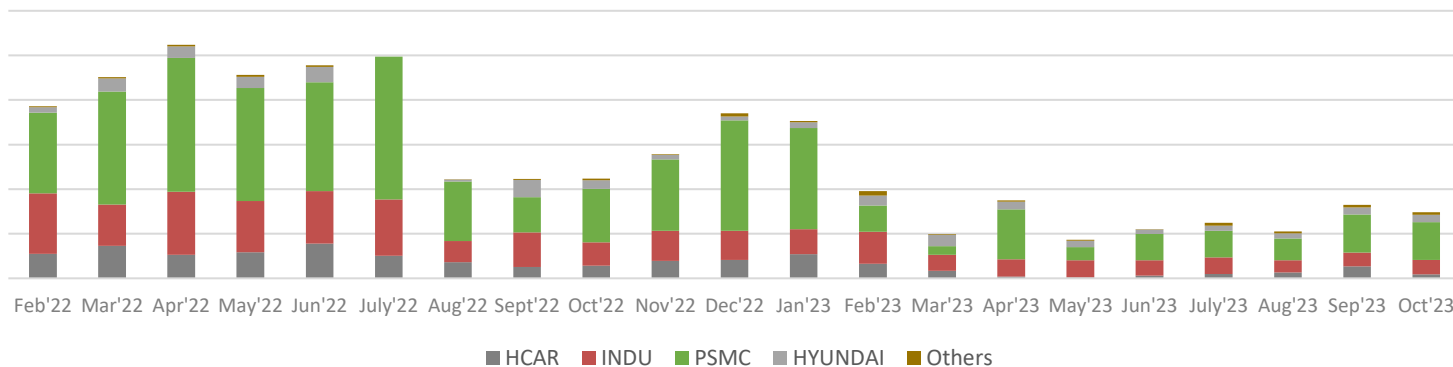


Automobile Sales decreased by 26% MoM for Oct23



Wednesday, 15 November, 2023

Monthly Sales



According to PAMA, automobile sales (including cars, Jeeps, and pickups) have decreased by almost 25% MoM, clocking at 6,180 for Oct23 as compared to 8,312 in Sep23. HCAR sales have decreased by 66% in Oct23 due to a decrease in sales of Civic/City by 67% MoM while sales for Honda BR-V decreased by 56% MoM. Furthermore, INDU sales decreased by 34% in Oct23 due to a decrease in sales of Toyota Fortuner/IMVs by 54% MoM. Moreover, PSMC sales dropped by 10% MoM in Oct23 due to a decrease in sales of WagonR by 45% MoM. Hyundai sales decreased by 54% MoM in Oct 23 due to a decrease in sales of Hyundai Porter and Hyundai Sonata by 15% and 70% respectively. Moreover, an increase in the sales of other companies has also been witnessed in Oct23 as the sales clocked at 487 which is 51.7% higher compared to 321 in Sep23 amid new players entering the market.

Sales of Buses and Trucks increased by 1.1% MoM in Oct23. Furthermore, a decrease of 4.4% MoM is witnessed in the sales of Tractors for Oct23. Also, sales of the 2/3 Wheelers decreased in Oct23 by 4.8% MoM. The sales of Honda decreased by 5.2% while sales of Suzuki increased by 11.3%. The market share of Hyundai, Honda, and INDU, for the period Oct23, has dropped from 9.9% to 6.1%, 16.1% to 7.4%, and 19.2% to 16.9% respectively MoM. On the other hand, PSMC is capturing the market rapidly as their market share for Oct23 increased to 61.7% as compared to 50.9% in Sep23.

We are optimistic about the future of this sector due to the government's relaxation of import restrictions. As IMF's concern is that no further restrictions be imposed on imports, as this is favorable for the Auto Sector. Additionally, the decline of the CPI for Oct is encouraging for the industry. On the demand side, we also anticipate that a decrease in inflation will lead to a reduction in the central bank's policy rate, making auto financing more accessible and potentially boosting sales volumes.

Cars, Jeeps & Pick Ups	Oct'23	Sep'23	MoM	Oct'22	YoY	1QFY24	1QFY23	YoY
HCAR	459	1,342	65.8% ▼	1,425	67.8% ▼	2,510	5,626	55.4% ▼
INDU	1,047	1,595	34.4% ▼	3,374	69.0% ▼	4,511	8,868	49.1% ▼
PSMC	3,810	4,234	10.0% ▼	8,003	52.4% ▼	10,946	16,639	34.2% ▼
HYUNDAI	377	820	54.0% ▼	486	22.4% ▼	2,167	3,097	30.0% ▼
Others	487	321	51.7% ▲	81	501.2% ▲	849	335	153.4% ▲
Total	6,180	8,312	25.6% ▼	13,369	53.8% ▼	20,983	34,565	39.3% ▼
Trucks & Buses								
Total	183	185	1.1% ▼	326	43.9% ▼	547	993	44.9% ▼
Tractors								
Total	5,206	5,445	4.4% ▼	1,890	175.4% ▲	12,090	7,368	64.1% ▲
2/3 WHEELERS								
HONDA	90,121	95,056	5.2% ▼	95,249	5.4% ▼	232,139	250,132	7.2% ▼
SUZUKI	1,220	1,096	11.3% ▲	3,525	65.4% ▼	3,775	10,007	62.3% ▼
SAZGAR	1,004	1,026	2.1% ▼	714	40.6% ▲	2,876	2,193	31.1% ▲
Total	101,976	107,084	4.8% ▼	114,420	10.9% ▼	268,990	298,405	9.9% ▼

Source: PAMA

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TP	Target Price	CAGR	Compound Annual Growth Rate	FCF	Free Cash Flows
FCFE	Free Cash Flows to Equity	FCFF	Free Cash Flows to Firm	DCF	Discounted Cash Flows
PE	Price to Earnings Ratio	PB	Price to Book Ratio	BVPS	Book Value Per Share
EPS	Earnings Per Share	DPS	Dividend Per Share	ROE	Return of Equity
ROA	Return on Assets	SOTP	Sum of the Parts	LDCP	Last Day Closing Price

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