

Urea Offtake Increased by 7% YoY in Nov-24

Tuesday, 17 December, 2024



UREA Price Per Bag (Rs.)

Nov/24	Oct/24	Change	% Change
4,573	4,582	▼ -9	▼ -0.2%

DAP Price Per Bag (Rs.)

Nov/24	Oct/24	Change	% Change
12,033	11,940	▲ 93	▲ 1%

NP Price Per Bag (Rs.)

Nov/24	Oct/24	Change	% Change
7,668	7,648	▲ 20	▲ 0.3%

CAN Price Per Bag (Rs.)

Nov/24	Oct/24	Change	% Change
4,215	4,247	▼ -32	▼ -1%

Urea offtake experienced an increase of 7% YoY in Nov-24 and clocked at 654K tons compared to 611K tons in SPLY. Cumulatively Urea offtake recorded a decrease of 12.5% YoY. Furthermore, DAP offtake in Nov 2024 saw a decline of 10.1% YoY, reaching 250k tons. Meanwhile, cumulative DAP offtake has increase of 2% in 5MFY25.

Company-wise, EFERT and FATIMA witnessed a decline of 11.2% & 29.6% respectively in Urea offtake in Nov-24 as compared to SPLY, whereas FFBL & FFC observed a surge of 38.3% & 11.6% YoY respectively. Cumulatively, FFBL showed a significant growth of 81% while FFC, EFERT & FATIMA witnessed a decline of 7.4%, 29.8% and 9%, respectively, in Urea offtake in 5MFY25. Furthermore, cumulative DAP offtake for FFC and EFERT saw an increase of 61.8% and 0.7% respectively, while FFBL saw a decline of 13.8%, in 5MFY25.

We expect urea off-take to recover with the commencement of the Rabi season 2024-2025, while DAP demand remains uncertain due to gas supply disruptions to captive power plants, increasing reliance on imports. Additionally, the Kissan Card program in Punjab has improved farmers' cash flows, boosting wheat cultivation and overall agricultural activity.

Industry (000' Tons)	Nov/24	Nov/23	YoY	Oct/24	MoM	5MFY25	5MFY24	YoY
Urea	654	611	7.0% ▲	358	82.4% ▲	2,548	2,913	12.5% ▼
DAP	250	278	10.1% ▼	301	16.9% ▼	937	918	2.0% ▲
NP	118	130	9.1% ▼	84	40.1% ▲	384	564	32.0% ▼
CAN	70	71	1.4% ▼	33	112.6% ▲	213	339	37.3% ▼
Urea (000' Tons)								
FFC	225	201	11.6% ▲	144	55.7% ▲	953	1,028	7.4% ▼
FFBL	59	42	38.3% ▲	35	67.8% ▲	238	132	81.0% ▲
EFERT	193	218	11.2% ▼	100	93.8% ▲	759	1,082	29.8% ▼
FATIMA Group	35	49	29.6% ▼	27	29.4% ▲	232	254	9.0% ▼
DAP (000' Tons)								
FFC	36.1	5	614.0% ▲	42.58	15.3% ▼	90	56	61.8% ▲
FFBL	98	83	18.2% ▲	113	13.0% ▼	428	497	13.8% ▼
EFERT	48	59	18.4% ▼	50	2.8% ▼	168	167	0.7% ▲

Source: NFDC

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DEFINITION OF TERMS

TP	Target Price	DDM	Dividend Discount Model	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	JPB	Justified Price to Book

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VALUATION METHODOLOGY

To arrive at our Target Price, Abbasi & Company (Private) Limited uses different valuation methods which include:

- I. Discounted Cash Flow Model
- II. Dividend Discount Model
- III. Relative Valuation Model
- IV. Sum of Parts Valuation

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Stock Rating	Expected Total Return
BUY	Greater than 15%
HOLD	Between -5% to 15%
SELL	Less than and equal to -5%

Sector Rating	Sector Outlook
Overweight	Positive
Market Weight	Neutral
Underweight	Negative

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