

Oil Marketing Co.

Oil Sales up 16%YoY in 9MFY21.

Zaid Aftab

Tel: +92-21-32461468

zaid.aftab@pearlsecurities.com

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Higher FO and Diesel Sales drive the volumes up in 9MFY21

OMCs Sales regaining the lost momentum

OCAC released the sales volumes for OMCs for 9MFY21. During the period, collective sales were recorded at 14.2mn MT up by (+16%/YoY) on the back of increasing transportation activities, pickup in auto sales, and FO demand hatching from power sector. Furnace Oil soared by (44%/YoY) clocking in at 2.3mn MT, while, High Speed Diesel (HSD) and Motor Spirit (MS) sales stood at 5.4mn MT (+18%/YoY) and 6.1mn MT (+10%/YoY), respectively, in 9MFY21. While on a yearly basis, the sales recorded a significant growth of (74%/YoY) to clock in at 1.5mn MT in Mar'21 compared with 1.01mn MT in SPLY, where, MS and HSD contributed the most with 685k MT (+27%/YoY) and 535k MT (+40%/YoY) in Mar'21, respectively. FO sales massively increased by (236%/YoY) to stand at 213k MT during the period amid gas shortage to power plants in summer season which further increased the demand of alternative fuel. Moreover, higher Auto sales on the back of new car variants and improving LSM index collectively contributed to the sales growth. Furthermore, OMC volume went up by (6%/MoM) to stand at 1.49mn MT as against 1.40mn MT in Feb'21.

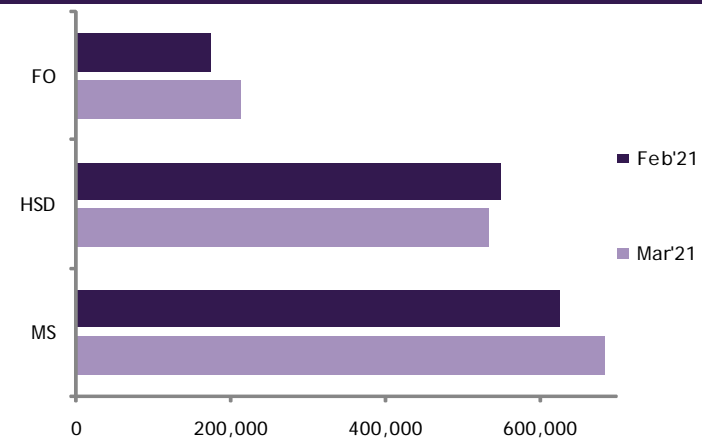
PSO sales up (22%/YoY) in 9MFY21 and (+81%/YoY) in Mar'21

➤Pakistan State Oil (PSO) grabbed the major share of 46% in Mar'21. The overall volumes of the company reached 6.5mn MT (+22%/YoY) in 9MFY21. HSD and MS remained the top contributors for the under-review month with sales volume recorded at 2.54mn MT (+27%/YoY) and 2.53mn MT (+18%/YoY). On a yearly basis, PSO sales increased by (81%/YoY) reaching 693k MT in Mar'21, where FO sales has registered a massive growth of (1.04x/YoY with 118k MT). HSD and MS sales increased by (63%/YoY) and (44%/YoY) reaching 244k MT and 289k MT in Mar'21, respectively. On a MoM basis, PSO sales increased by (8%/MoM) to 693k in Mar'21.

APL volumes up (9%/MoM) and (+13%/YoY) in Mar'21

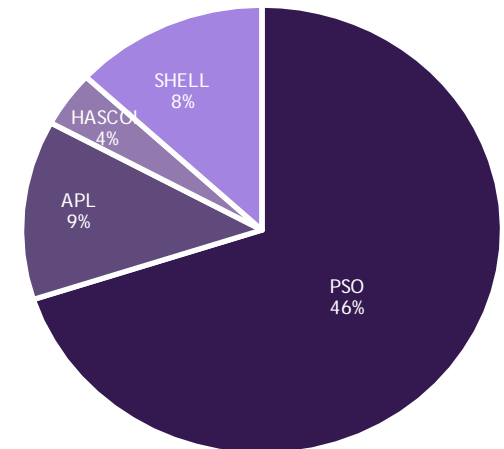
➤Attock Petroleum Limited (APL) volumetric sales remained almost flat in 9MFY21 to stand at 1.2mn MT, whereas, on MoM basis, the volumes uplifted by (+9%/MoM) where MS, HSD and FO clocked in at 51k/40k/33k MT during the month of Mar'21. On a yearly basis, APL witnessed a surge of (13%/YoY) in its sales as compared to 112k MT noted in Mar'20.

Industry Segment Volumes (MT)



Source: OCAC & PSL Research

Market Share for Mar'21



Source: OCAC & PSL Research

FO demand rising sharply amid higher power demand

HASCOL Sales down (-21%/YoY) in 9M & (-7%/MoM) in Mar'21.

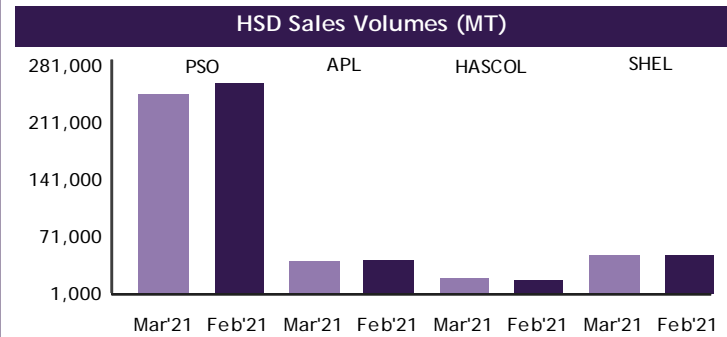
➤ Hascal Petroleum Limited (HASCOL) sales volumes deteriorated by (21%/YoY) to clock in at 634k MT in 9MFY21 on contrary to 801k MT in SPLY. MS supported the shrinking volumes by adding 356k supported by HSD which added 269k. However, on a monthly basis, HASCOL's volumes were on a downward trajectory by (7%/MoM) to stand at 40k MT compared with 43k MT in Feb'21. The overall volumes experienced a downfall of (53%/YoY) from 85k MT in Mar'20 on the back of FO supply shortage.

Shell Sales up (36%/YoY) in Mar'21

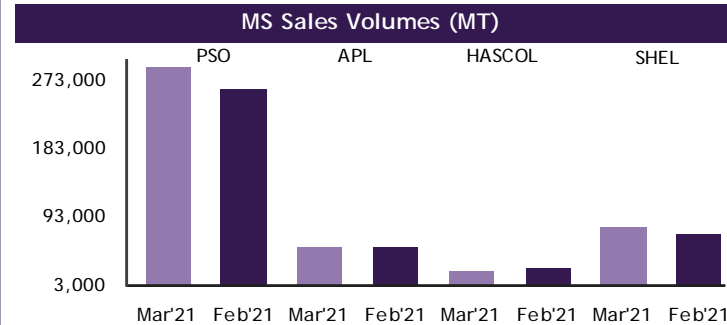
➤ Shell Pakistan Limited (SHEL) continued the gradual recovery with volumes increased by (10%/YoY) 9MFY21 standing at 1.1mn MT. During the discussed period, MS and HSD contributed 645k and 433k MT in total sales, respectively. Alternatively, on a yearly basis, Shell witnessed an increase of 36% to clock in at 130k MT as compared to 95k MT in Mar'21 supported by the sales of MS with 78k MT. Also, on a monthly basis, sales increased by (5%/MoM).

Outlook:

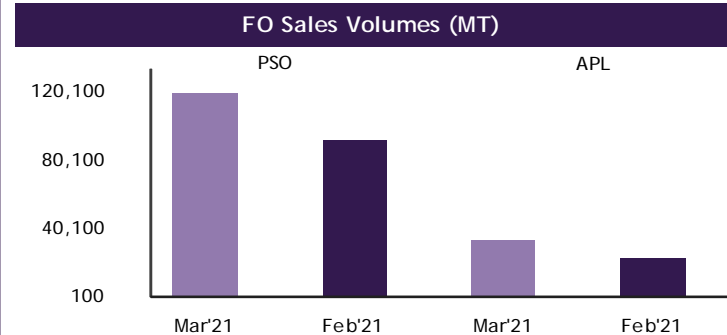
Going forward, we expect the OMC sector to witnessed robust sales growth. Also, the Government has decreased the POL prices for the month of Mar'21 and announced that the businesses will not shut down amid COVID third wave. Furthermore, the fuel demand from the power sector is likely to elevate the overall volumetric sales of the OMC sector in the upcoming period. However, limited transportation activities amid COVID may dent POL sales in coming months.



Source: OCAC & PSL Research



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9MFY21: OMC Volumes Snapshot

OMC Volumes (Tons)	9MFY21	9MFY20	YoY	Mar'21	Feb'21	MoM	Mar'20	YoY
Industry	14,152,901	12,183,184	16%	1,485,703	1,398,258	6%	1,011,156	47%
FO	2,303,818	1,597,253	44%	213,485	175,602	22%	63,477	236%
MS	6,058,849	5,511,226	10%	685,020	626,543	9%	539,090	27%
HSD	5,375,784	4,555,646	18%	534,609	550,190	-3%	382,268	40%
Others	414,451	519,059	-20%	52,589	45,923	15%	26,321	100%
PSO	6,537,830	5,352,895	22%	693,398	641,271	8%	382,259	81%
FO	1,181,376	747,667	58%	118,177	90,506	31%	10,708	1004%
MS	2,525,841	2,143,745	18%	289,278	259,611	11%	200,964	44%
HSD	2,547,838	2,005,715	27%	244,461	259,306	-6%	149,854	63%
Others	282,774	455,768	-38%	41,481	31,848	30%	20,733	100%
APL	1,278,664	1,308,723	-2%	127,499	117,138	9%	112,415	13%
FO	395,407	300,301	32%	32,636	21,439	52%	19,642	66%
MS	455,181	501,611	-9%	51,328	50,151	2%	48,376	6%
HSD	391,532	478,475	-18%	40,194	41,997	-4%	41,182	-2%
Others	36,544	28,336	29%	3,341	3,553	-6%	3,215	4%
HASCOL	633,517	801,106	-21%	39,755	42,733	-7%	84,886	-53%
FO	2,166	55,223	-96%	-	-	NM	2,631	-100%
MS	356,024	393,370	-9%	20,149	23,788	-15%	43,720	-54%
HSD	268,554	349,794	-23%	19,060	17,861	7%	38,306	-50%
Others	6,773	2,719	149%	546	1,085	-50%	229	138%
SHEL	1,113,169	1,014,577	10%	129,647	123,181	5%	95,120	36%
MS	645,424	643,391	0%	77,907	69,908	11%	61,356	27%
HSD	432,948	358,022	21%	48,186	48,971	-2%	33,022	46%
Others	34,797	12,972	168%	3,555	4,301	-17%	742	379%

Source: OCAC, Pearl Research

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