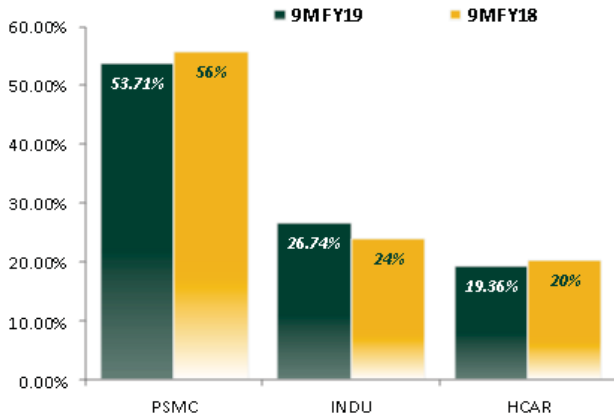


# Auto Sector Update

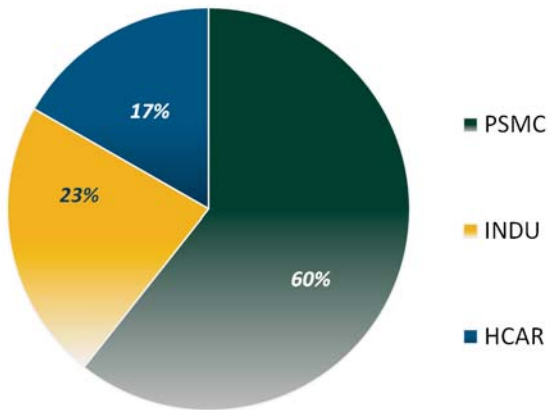
## Car sales inch up to 19,897 units (↑ 4.89% Y/Y) – Mar'19

Market Share - 9MFY19



Source: PAMA

Monthly Market Share - Mar'2019



Source: PAMA

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The official automobiles sales numbers have been released by PAMA for the month of March'19, wherein total car sales grew by 4.89% Y/Y (↑ 16.55% M/M). On the other hand, sales of 4\*4's declined by a whopping 53.40% Y/Y (↓ 20.36% M/M) while of LCvs and Pickups by 12.12% Y/Y (↑ 12.87% M/M). Similarly, sales contraction was recorded in Tractors (↓ 24.9% Y/Y, ↑ 41.6% M/M), Trucks (↓ 54.6% Y/Y, ↓ 19.35% M/M), Buses (↓ 24.72% Y/Y, ↑ 86.11% M/M) and Motorcycles (↓ 11.27% Y/Y, ↓ 0.39% M/M).

The cumulative car sales for 9MFY19 stood at 160,359 units, registering a trivial decline of 0.62% Y/Y, while of Buses at 714 units (↑ 40.28% Y/Y). Conversely, sales of 4\*4's came in at 5,688 units (↓ 41.23% Y/Y), while of LCVs and Pickups at 25,007 units (↓ 20.26%). Truck sales contracted by 30.64% Y/Y to 4,714 units, while Motorcycle sales by a paltry 7.52% Y/Y to 1,306,903 units.

**INDU** The flagship Corolla sales stood at 4,741 units during Mar'19 against 4,622 units in the SPLY (↑ 2.57% Y/Y, ↓ 4.13% M/M). Meanwhile, Hilux and Fortuner registered a steep decline in sales owing to emerging competition in the market. Total Hilux sales were recorded at 250 units in Mar'19 against 708 units in the corresponding period last year (↓ 64.69% Y/Y, ↓ 0.79% M/M), while Fortuner sales stood at 166 units (↓ 63.44% Y/Y, ↓ 50.0% M/M).

**HCAR** recorded an overall contraction in sales during the month under review. The combined sales for City and Civic stood at 3,449 units, registering a retrenchment of 26.08% Y/Y (↑ 16.92% M/M). Similarly, BR-V sales declined by a whopping 46.49% Y/Y (↑ 9.37% M/M) by clocking in at 362 units.

**PSMC** maintained the leadership by clenching 60.39% market share. The highest sales growth was seen in Wagon-R (↑ 62.51% Y/Y, ↑ 23.27% M/M) followed by Bolan (↑ 37.52% Y/Y, ↑ 30.33% M/M) and Ravi (35.91% Y/Y, ↑ 25.85% M/M). The sales of Cultus grew by a decent 16.92% Y/Y (↑ 22.25% M/M) to 2,253 units, while of Mehran by a smaller 1.1% Y/Y (↑ 34.77% M/M) to 3,942 units. However, the Suzuki Swift sales declined by a bulky 16.27% Y/Y (↑ 12.21% M/M) to 386 units.

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	9MFY19	9MFY18	YoY	Mar-19	Mar-18	YoY	Feb-19	MoM
<b>Cars &amp; LCV's</b>								
PSMC	99,569	107,294	-7%	13,815	11,232	23%	10,851	27%
INDU	49,566	46,407	7%	5,157	5,784	-11%	5,529	-7%
HCAR	35,888	39,015	-8%	3,811	5,345	-29%	3,281	16%
Cars	160,359	161,354	-1%	19,897	18,969	5%	17,071	17%
LCV's + 4x4's	25,007	31,362	-20%	2,981	3,392	-12%	2,641	13%
Total	185,366	192,716	-4%	22,878	22,361	2%	19,712	16%
<b>Tractors</b>								
AGTL	13,871	20,888	-34%	2,628	3,202	-18%	1,596	65%
MTL	23,550	31,179	-24%	3,078	4,407	-30%	2,412	28%
Orient	321	172	87%	23	24	-	36	-36%
Total	37,742	52,239	-28%	5,729	7,633	-25%	4,044	42%
<b>Trucks</b>								
GHNL	0	18	-100%	-	0	-	-	-
Hino	1,525	3,009	-49%	67	425	-84%	152	-56%
Master	955	1,079	-11%	113	172	-34%	128	-12%
Total	4,714	6,796	-31%	425	937	-55%	527	-19%
<b>Buses</b>								
Hino	345	219	58%	40	40	0%	13	208%
Master	186	217	-14%	21	39	-46%	19	11%
Isuzu	183	73	151%	6	10	-40%	4	50%
Total	714	509	40%	67	89	-25%	36	86%
<b>Motorcycles</b>								
Atlas Honda	823,918	838,395	-2%	90,000	108,736	-17%	95,015	-5%
Pak Suzuki	17,873	15,972	12%	2,184	1,964	11%	1,951	12%
Dawood Yamaha	2,832	4,632	-39%	134	538	-75%	224	-40%
Yamaha	18,193	15,083	21%	1,300	1,817	-28%	2,271	-43%
Others	444,087	539,088	-18%	44,392	42,493	4%	39,094	14%
Total	1,306,903	1,413,170	-8%	138,010	155,548	-11%	138,555	0%

Source: PAMA

# Auto Sector Update

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### Outlook:

- Following the price increase by HCAR and PSMC in the aftermath of PKR devaluation, the INDU is likely to follow its peers and revise its car prices upwards.
- HCAR has recently launched a facelift for its flagship 'Civic' with a number of improvements. This is expected to transpire into heightened demand, thus higher sales in the coming months.

Rating Definition	Recommendation	BUY	ACCUMULATE	NEUTRAL	REDUCE	SELL
	Expected Return	> 15.0%	> 5.0% to <15.0%	> -5.0% to <5.0%	> -15.0% to <-5.0%	>-15.0%

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