



2MFY19 Auto Sales fall 6% YoY

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Since FY15, Auto sales decline for first time in initial 2M of a fiscal year

Pakistan Car Sales Numbers							
Units	Aug'18	Aug'17	YoY	MoM	2MFY19	2MFY18	YoY
PSMC	8,683	11,888	-27%	-20%	19,578	22,336	-12%
INDU	5,018	5,541	-9%	-8%	10,486	10,159	3%
HCAR	3,961	4,665	-15%	-20%	8,942	9,176	-3%
Total	17,662	22,094	-20%	-17%	39,006	41,671	-6%

Source: PAMA, Topline Securities

- Pakistan Auto sales fell by 20% YoY in Aug 2018, showing signs of much anticipated demand contraction in the Auto sector. This is the first time that auto sales have declined in first 2M of a fiscal year since FY15 (excluding Taxi scheme). Reasons for sales slowdown in Aug 2018 includes, 1) lower number of working days due to Eid-ul-Adha, 2) deteriorating macroeconomic environment, 3) 3-4 price hikes in ongoing calendar year and 4) impact of law requiring car purchasers to be filers, in our view. We expect this slowdown to continue in coming months as rising interest rates and PKR depreciation take their toll on auto sector, with former due to likely decline in consumer financing and latter due to further price hikes.
- Indus Motors (INDU) performed the best amongst its peers, but still the company recorded 9% YoY decline in units sold (compared to sector wide fall in sales of 20%). Moreover, in 2MFY19, the company has sold 10,486 units, up by 3% YoY. Sales are being led by Hilux, which continued its robust growth trajectory, going up by 23% YoY. On the other hand, Corolla and Fortuner sales dipped by 12% and 23% YoY, respectively.
- Honda (HCAR) witnessed considerable decline with unit sales down by 15% YoY to 3,961 units. In the 2MFY19, sales have declined by 3%YoY. Variant wise, Civic and City fell by 12% YoY while BR-V sales continued its dismal performance from last month, falling by 32% YoY.
- Pak Suzuki Motor Company (PSMC) experienced significant decline in sales, with volumes down by 27% YoY to 8,683 units, where the major decline was witnessed in Ravi and Mehran with 50% and 42% YoY respectively, while Wagon-R was still able to maintain growth (11% YoY), albeit at a slower pace. Overall, PSMC sales declined by 12% YoY in 2MFY19, the most amongst its peers.

Company wise auto sales

Motorbikes and Three wheelers sales down by 17% YoY

Units	Aug'18	Aug'17	YoY	MoM	2MFY19	2MFY18	YoY
ATLH	80,012	95,650	-16%	-11%	170,021	187,249	-9%
PSMC	1,837	1,733	6%	-3%	3,738	3,278	14%
SAZEW (3 wheeler)	1,342	1,754	-23%	-9%	2,810	3,429	-18%
Others	57,048	69,372	-18%	0%	114,318	128,139	-11%
Total sales	140,239	168,509	-17%	-7%	290,887	322,095	-10%

Source: PAMA, Topline Securities

Pakistan Tractors Sales down by 21% YoY

Units	Aug'18	Aug'17	YoY	MoM	2MFY19	2MFY18	YoY
Millat	2,980	3,225	-8%	-1%	5,986	6,326	-5%
AGTL	1,051	1,902	-45%	29%	1,865	3,407	-45%
Orient	10	11	-9%	-81%	62	24	158%
Total Tractors	4,041	5,138	-21%	4%	7,913	9,757	-19%

Source: PAMA, Topline Securities

Pakistan Trucks & Buses Sales down by 16% YoY

Units	Aug'18	Aug'17	YoY	MoM	2MFY19	2MFY18	YoY
Hino	291	400	-27%	12%	551	702	-22%
Nissan	-	-	NM	NM	-	18	NM
Master	130	161	-19%	-3%	264	327	-19%
Isuzu	301	300	0%	0%	601	606	-1%
Total	722	861	-16%	4%	1,416	1,653	-14%

Source: PAMA, Topline Securities

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