



Oil sales -11% YoY in December; 2017 Oil Sales flat

In-line with expectations

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December Oil sales down 11% as FO demand falls

Industry Oil Sales (tons'000)						
	Dec17	YoY	MoM	2017	2016	YoY
FO	431	-45%	6%	8,606	9,794	-12%
HSD	759	9%	-13%	9,056	8,352	8%
MS	602	13%	5%	7,177	6,322	14%
Others	102	-4%	-6%	1,229	990	24%
Total	1,894	-11%	-3%	26,069	25,457	2%

Source: OCAC, Topline Research

- Pakistan oil sales registered a decline of 11% YoY in Dec 2017 as Furnace Oil (FO) sales dropped 45% during the month. Oil sales excluding FO sales were up 10% YoY as demand of white oil sales (HSD+MOGAS) remained strong.
- In 2017, oil sales remained flat as against sales growth of 11% during last year largely on the account of lower FO off take and more reliance on cheaper source of RLNG (Re-gasified Liquid Natural Gas) fuel for power generation.
- MOGAS (Motor Gasoline) saw sales grow by 13% YoY to 602k tons in Dec 2017 where as HSD (High Speed Diesel) sales grew by 9% to 759k tons during the month of December. Rising car sales, improved law & order, rising income levels and improved macros have supported White Oil sales.
- Hascol Petroleum (HASCOL) continued to out-perform the market growing by 12% YoY in Dec 2017 and 44% YoY. Shell Petroleum (SHELL) lost market share as the sales dropped 36% YoY in Dec 2017 and 17% in 2017.
- Going forward, FO sales can remain affected from lower demand however it will be somewhat compensated by increased RLNG imports which are carried out by Pakistan State Oil (PSO). PSO remains our top pick in the sector as the stock trades at a FY18 PE of 5.8x.

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Company-wise Oil Sales (tons'000)

	Dec17	YoY	MoM	2017	2016	YoY
APL						
FO	47	3%	65%	680	580	17%
HSD	61	1%	-12%	871	720	21%
MS	46	2%	3%	590	494	19%
Others	4	-3%	7%	50	86	-42%
Total	158	2%	8%	2,191	1,880	17%
PSO						
FO	452	-18%	56%	6,582	7,108	-7%
HSD	357	15%	-10%	3,908	4,092	-5%
MS	273	28%	21%	2,883	2,573	12%
Others	66	-6%	-12%	815	692	18%
Total	1,148	0%	17%	14,188	14,465	-2%
Shell						
FO	0	NM	NM	25	88	-71%
HSD	46	-49%	-22%	819	1,054	-22%
MS	73	-18%	-2%	984	1,084	-9%
Others	16	-30%	1%	196	225	-13%
Total	135	-36%	-10%	2,024	2,450	-17%
Hascol						
FO	39	-30%	26%	586	557	5%
HSD	101	20%	-8%	1,188	746	59%
MS	73	43%	6%	876	549	60%
Others	1	NM	NM	6	-	NM
Total	214	12%	2%	2,657	1,851	44%

Source: OCAC, Topline Research

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