

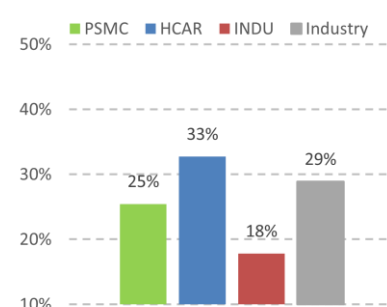
Autos: Ongoing chip shortage leads to 12% MoM fall in Nov-21 car sales

- Shortage of semi-conductors in international markets and suspension of booking of various car models have negatively affected car sales during Nov-21, with sales down 12% MoM, However, YoY sales were up 29%. Cumulatively, during 5MFY22 car sales grew 62% to reach 90,303 units.
- In the Passenger cars segment, PSMC witnessed 18% MoM (up 25% YoY) volumetric decline during Nov-21 driven by 50% decline in 'Alto' sales.
- LCVs & Pickups volumes also declined 7% MoM during Nov-21, however, on yearly basis, sales were up 28% YoY. Cumulatively, in 5MFY22, industry sales were up by 79% YoY led by GHNI with a significant increase of 140% YoY.
- Trucks & Buses on the other hand, saw volumetric growth of 10% MoM as both GHNL and GHNI saw higher volumes. During 5MFY22, industry sales increased by 70% YoY.
- The start of Rabi sowing season has supported tractor sales, with sales up 43% YoY, however MoM the number remained depressed, down 14% MoM. On 5M basis, industry sales rose 19% YoY.
- The increase in prices from all major players along with the ongoing chip shortage and the tightening of regulations for auto financing is likely to lead to a further reduction in car sales in coming months.

Auto Sale Volumes (Nov-21)								
Period	Nov-20	Oct-21	Nov-21	MoM	YoY	5MFY21	5MFY22	YoY
Cars								
INDU	4,042	5,378	4,761	-11%	18%	18,037	23,975	33%
PSMC	5,784	8,817	7,255	-18%	25%	27,313	50,762	86%
HCAR	2,088	2,651	2,771	5%	33%	10,429	13,215	27%
Hyundai	-	567	564	-1%	NA	-	2,351	NA
Industry	11,914	17,413	15,351	-12%	29%	55,779	90,303	62%
LCV & Pickups								
INDU	900	1,519	1,554	2%	73%	4,101	7,883	92%
PSMC	1,019	1,430	1,267	-11%	24%	3,029	6,438	113%
HCAR	149	7	239	3314%	60%	1,473	1,625	10%
Hyundai	472	497	89	-82%	-81%	1,253	1,669	33%
GHNI	3	24	135	463%	4400%	121	290	140%
GHNL	76	112	75	-33%	-1%	242	393	62%
Industry	2,619	3,611	3,363	-7%	28%	10,219	18,332	79%
Trucks & Buses								
HINO	90	85	72	-15%	-20%	343	428	25%
GHNI	138	225	255	13%	85%	733	1,225	67%
GHNL	12	13	16	23%	33%	72	91	26%
Industry	315	484	532	10%	69%	1,605	2,727	70%
Tractors								
MTL	2,331	3,503	3,254	-7%	40%	12,563	13,954	11%
AGTL	903	1,858	1,363	-27%	51%	5,853	8,049	38%
Industry	3,234	5,361	4,617	-14%	43%	18,445	22,003	19%
Three-Wheelers								
SAZEW	806	970	865	-11%	7%	6,030	5,078	-16%
Industry	3,388	3,319	3,182	-4%	-6%	22,365	16,438	-27%
Motorcycles								
ATLH	108,005	125,031	128,503	3%	19%	512,010	563,575	10%
Industry	165,549	174,980	163,448	-7%	-1%	771,390	779,384	1%

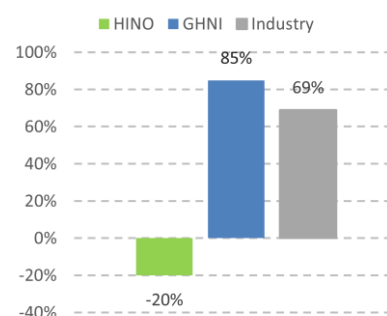
Source: PAMA, Akseer Research

YoY % change in car sales (Nov-21)



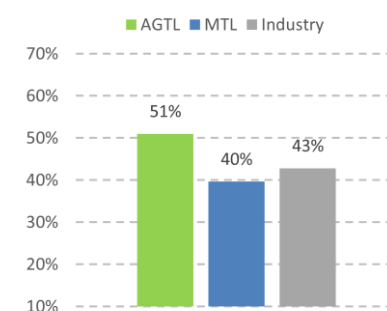
Source: PAMA, Akseer Research

YoY % change in truck & buses sales (Nov-21)



Source: PAMA, Akseer Research

YoY % change in tractor sales (Nov-21)



Source: PAMA, Akseer Research

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Car Segment: Industry sales fell 12% MoM due to chip shortage and rising competition from new entrants

During Nov-21, passenger cars companies sold 15,351 units, down 12% MoM as the parts shortage led to suspension of the production of many car models. New entrants KIA, MG Motors and Changan's sales surge also led to the decline, given they are still not included in the auto sales released by PAMA. However, on YoY basis sales grew 29% primarily due to low base effect. PSMC sales were down 18% MoM (+25% YoY) due to 50% MoM decrease in 'Alto' sales (-11% YoY). Cultus sales clocked in at 1651 units (+23%MoM/ +9%YoY). INDU's volumes fell 18% MoM (+25% YoY) on the back of 3% MoM decline in Yaris's sales (-16% YoY) as the brand is facing tough competition from the new entrants. Flagship 'Corolla' sales were down 17% MoM (+63% YoY). HCAR was the only OEM whose sales grew 5% MoM (+33% YoY). Hyundai's volumes remained flat as company delivered fewer cars due to part shortage. Cumulatively, industry sales were up 62% YoY during 5MFY22.

LCVs & Pickups segment: HCAR led with high BRV volumes

LCVs & Pickups sales were down 7% MoM during Nov-21 due to slowdown in PSMC and Hyundai sales. HCAR saw a massive 331x MoM increase in BRV sales due to low base effect as HCAR plant was shut down in Oct-21 because of maintenance and shortage of semiconductors. During 5MFY22, LCVs & Pickups sales were up 79% YoY, GHNI led with 140% YoY volumetric growth where 'D-Max' sales grew 4x.

Trucks & Buses segment: Buoyant volumes amidst normalcy in economic activity

Trucks & Buses segment sales increased 10% MoM/ 69% YoY in Nov-21 due to resumption of full economic activity in the country with GHNI and GHNL volumes surging 85% YoY and 33% YoY, respectively. Cumulatively, during 5MFY22, the trucks & buses volumes grew 70% YoY.

Tractor segment: Volumes down due to high base effect

During Nov-21, tractor sales volumes decreased 14% MoM (+43% YoY) due to high base effect as the pre buying ahead of the Rabi Sowing Season kept volumes inflated in OCT-21. AGTL and MTL led with a decrease of 27% MoM (+51% YoY) and 7% MoM (+40% YoY) respectively. However, during 5MFY22, industry tractor volumes saw an increase of 19% YoY.

Industry Outlook: Volumes to witness further decline

Going forward, auto sales are likely to witness further decline on the back i) continuous hike in prices by all listed auto players ii) tightening of regulations for auto financing and iii) interest rate hikes.

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