

Auto Volume Report – May 2019



BP WEALTH

Monthly Auto Update

10th June, 2019

- ⇒ Weak performance across all segments due to a elections, increasing ownership cost and financing issues
- ⇒ The Passenger Vehicle sales saw a dip of -21% in May'19.
- ⇒ OEM's reported a negative growth and increased discount outflow
- ⇒ The commercial vehicle segment has recorded a negative growth largely due to higher interest rate and fuel prices with freight cost and the liquidity crunch being other factors.

Major Events and News in May

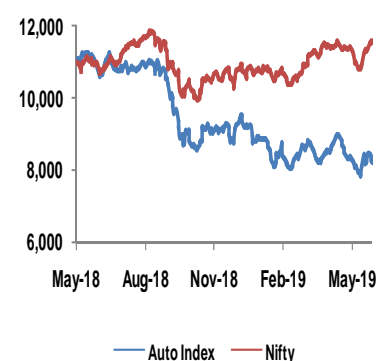
- ⇒ Ashok Leyland bags order for 400 minibuses from Senegal.
- ⇒ MG Motor debuts in India with feature-rich Hector.
- ⇒ BMW Motorrad rolls out 853-cc bike.
- ⇒ Honda launched limited editions of Activa 5G & CB Shine.
- ⇒ Hyundai Motor introduces electric double-decker bus.
- ⇒ Toyota announces first plant in Myanmar .
- ⇒ JLR launches petrol powered Range Rover Sport .

Company	Outlook
Ashok Leyland	Positive
Atul Auto	Neutral
Bajaj Auto	Positive
Eicher Auto	Negative
Escorts	Neutral
Hero Motocop	Positive
M&M	Neutral
Maruti Suzuki	Neutral
Tata Motors	Neutral
TVS Motors	Neutral

Two Wheeler (units)	May 19	May 18	YoY%	Apr 19	MoM%
Hero Motocorp	6,52,028	7,06,365	-7.7	5,74,366	13.5
TVS Motors	94,326	2,98,135	-1.3	3,05,883	-3.8
Bajaj Auto	2,05,721	1,92,543	6.8	2,05,875	-0.1
Royal Enfield	62,371	74,697	-16.5	62,879	-0.8
Three Wheeler (units)	May 19	May 18	YoY%	Apr 19	MoM%
Bajaj Auto	30,103	32,082	-6.2	26,229	14.8
TVS Motor	12,780	11,730	9.0	13,104	-2.5
M&M	4,569	4,355	4.9	4,316	5.9
Atul Auto	3,464	3,983	-13.0	3,346	3.5
Passenger Vehicle (units)	May 19	May 18	YoY%	Apr 19	MoM%
Maruti Suzuki	90,121	1,19,151	-24.4	97,701	-7.8
Hyundai	42,502	45,008	-6.0	42,005	1.1
M&M	20,608	20,715	-0.5	18,848	9.3
Honda	11,442	15,885	-28.0	11,272	1.5
Tata Motors	10,900	17,489	-37.7	12,694	-14.1
Toyota	12,138	13,113	-7.0	10,112	20.0
Commercial Vehicle (units)	May 19	May 18	YoY%	Apr 19	MoM%
Tata Motors	30,892	39,317	-21.4	31,285	-1.3
Ashok Leyland	13,172	13,659	-3.6	13,626	-3.3
Eicher Motors	4,801	5,977	-19.7	3,961	21.2
Tractor	May 19	May 18	YoY%	Apr 19	MoM%
M&M	18,288	14,047	30.2	28,552	-35.9
Escorts	6,827	8,325	-18.0	5,264	29.7

Stock Price Performance %	1M	3M	1 Yr
Ashok Leyland	3	6	-37
Atul Auto	-8	-10	-28
Bajaj Auto	-2	4	3
Eicher Motors	-1	0.5	31
Escorts	-11	-13	-34
Hero Motocop	7	2	-24
M&M	-1	-2	-30
Maruti Suzuki	5	1	-19
Tata Motors	-18	-4	-40
TVS Motors	1	5	-13

Price Chart



Source: Companies, BP Equities Research. *Bajaj Auto, Hero Moto and Ashok Leyland sales include exports volumes

Research Team
+91 22 6159 6408

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Ashok Leyland

Segment	Volume (In Numbers)				
	May 19	May 18	YoY%	Apr 19	MoM%
MHCV	8,946	10,421	-14.2	9,346	-4.3
LCV	4,226	3,238	30.5	4,280	-1.3
Total Sales	13,172	13,659	-3.6	13,626	-3.3

Source: Companies, BP Equities Research

Ashok Leyland MHCV segment de-grew by 14 % with a sale of 8,946 units against 10,421 units on yearly basis and a decline of 4.3% on monthly basis, while LCV segment recorded a growth of 30.5% YoY to 4,226 units and a decline of 1.3% on MoM basis .However, Overall sales showed a subdued performance with a decline of 3.6% YoY and a decline of 3.3% from its previous month. Recently the company has bagged orders for 1290 buses from Gujarat state Roadways transport corporation while they have also received orders from Bangladesh for exports. Next year, the company is planning new launches in LCV segment.



Atul Auto

Segment	Volume (In Numbers)				
	May 19	May 18	YoY%	Apr 19	MoM%
Total Sales	3,464	3,983	-13.0	3,346	3.5

Source: Companies, BP Equities Research

Atul Auto recorded a decline of 13 % YoY having sold 3,464 units as against 3,989 units in corresponding month last year. However, the company recorded a growth of 3.5% growth on MoM basis.



Bajaj Auto

Segment	Volume (In Numbers)				
	May 19	May 18	YoY%	Apr 19	MoM%
Motorcycle	2,05,721	1,92,543	6.8	2,05,875	-0.1
Three wheelers	30,103	32,082	-6.2	26,229	14.8
Total two and three wheelers	2,35,824	2,24,625	5.0	2,32,104	2.0
Exports	1,83,411	1,82,419	0.5	1,91,211	-4.1

Source: Companies, BP Equities Research

Bajaj Auto volumes grew 6.8% to 2,05,721 units against 1,92,543 units on yearly basis . Company's 3W segment declined by 6.2% YoY to 30,108 units due to a high base in the domestic market and lower exports in Egypt. Product mix remains adverse with a lower share of 3Ws.However exports increased by 0.5% to 1,83,411 units while it declined by 4% on monthly basis. Further, KTM Industries AG and Bajaj Auto Ltd. have decided to initiate a serial production project for PTW ("Powered two wheeler")electric vehicles in the power range of 3 to 10 kW (48 volt). This platform will enable different product variants - scooters, mopeds, small mopeds, under brands of both partners.



Eicher Motors

Segment	Volume (In Numbers)				
	May 19	May 18	YoY%	Apr 19	MoM%
Royal Enfield	62,371	74,697	-16.5	62,879	-0.8
VECV	4,750	5,874	-19	3961	20

Source: Companies, BP Equities Research

Royal Enfield-maker Eicher Motors Ltd. saw a de growth of sales by 17 % YoY to 62,371 units and 1% on MoM basis due to intense competition from Jawa. There was a sharp improvement in 350cc segment(a higher realization and better margin product) due to demand from the 650 twins. VECV volumes degrew by 19% YoY to 4,750 units due to intense competition and heavy discounting. The company is planning to expand its operations in emerging markets in South East Asia, LatAm.



Escorts

Segment	Volume (In Numbers)				
	May 19	May 18	YoY%	Apr 19	MoM%
Overall volumes	6,827	8,325	-18.0	5,264	29.7

Source: Companies, BP Equities Research

Escorts sold 6,827 units, which fell by 18% YoY and increased by 29.7% on a MoM basis. The Company's domestic volume also fell by 20% to 6,488 units on YoY basis , while exports increased by 42% to 339 units on YoY basis. The construction equipment industry is expected to continue growing in double digit levels due to the strong focus by the government on infrastructure development.



Hero MotoCorp

Segment	Volume (In Numbers)				
	May 19	May 18	YoY%	Apr 19	MoM%
Two wheelers	6,52,028	7,06,365	-7.7	5,74,366	13.5

Source: Companies, BP Equities Research

Hero Motocorp volumes decreased by 8% YoY to 6,52,028 units against 7,06,365 units, while it rose to 13.5% on monthly basis. Retail volumes were positive, driven by growth in North/East regions in the wake of marriage season demand. In May, Hero MotoCorp launched three premium motorcycles - XPulse 200, the XPulse 200T and the Xtreme 200S, along with two new scooters – India's first scooter with Fuel Injection (Fi) Technology – the Maestro Edge 125 and the advanced and stylish - Pleasure+ 110. Further, 1HFY20 will continue to remain challenging whereas recovery in rural demand from 2HFY20 on the back of good monsoon expectation will drive growth ahead.



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Mahindra and Mahindra

Segment	Volume (In Numbers)				
	May 19	May 18	YoY%	Apr 19	MoM%
Passenger vehicle	20,608	20,715	-0.5	18,848	9.3
Three wheelers Alfa	4,569	4,355	4.9	4,316	5.9
LVC<3.5T	16,321	16,763	-2.6	16,284	0.2
Truck and bus LVC> 3.5 and MHCV	1,558	1,985	-21.5	1,037	50.2
Total auto - domestic	38,772	35,317	9.8	40,485	-4.2
Exports - M&M	2,365	3,030	-21.9	2,118	11.7
Total automotive	40,993	37,370	9.7	42,603	-3.8
Tractors - domestic	23,539	28,199	-16.5	27,495	-14.4
Tractors - exports	1,165	1,131	3.0	1,057	10.2
Total tractors	18,288	14,047	30.2	28,552	-35.9

Source: Companies, BP Equities Research

Mahindra and Mahindra volumes increased 9.7% YoY to 40,993 units against 37,370 units. The three wheeler segment grew by 5% to 4,569 units ,while PV volumes fell 0.5% to 20,608 units .The tractor segment volumes dropped 16% YoY to 23,539 units ,while the exports rose at 3% YoY to 1,165 units. Meanwhile , the company's focus is on correcting channel inventory and expects to see an improvement backed by stable government and normal monsoon season.

Mahindra
Rise.

Maruti Suzuki

Segment	Volume (In Numbers)				
	May 19	May 18	YoY%	Apr 19	MoM%
Mini- Alto	16,394	37,864	-56.7	22,766	-28.0
Compact- Swift, Ritz, Celerio, Baleno, Dzire	70,135	77,263	-9.2	72,146	-2.8
Mid Size- Ciaz	3,592	4,024	-10.7	2,789	28.8
Total passenger cars	90,121	119,151	-24.4	97,701	-7.8
UVs-Vitara Brezza, Gypsy, Ertiga, S Cross	19,152	25,629	-25.3	22,035	-13.1
Vans- Omni, Eco	11,745	16,717	-29.7	11,649	0.8
Total domestic sales	121,018	161,497	-25.1	131,385	-7.9
LCV	2,232	1,703	31.1	2,319	-3.8
Exports	9,089	9,312	-2.4	9,177	-1.0
Total sales	1,34,641	1,72,512	-22.0	1,42,881	-5.8

Source: Companies, BP Equities Research

Maruti Suzuki reported a decline in overall sales of 22% YoY to 1,34,641 units against 1,72,512 units. Domestic PV sales declined by 25% YoY to 1,21,018 units .In FY18-19, Within PV segments, Mini- Atlo declined by 56.7% ,Compact segment declined by 9.2% also the Ciaz variant saw a decline by 10.7% respectively .Total domestic sales saw a declining growth of 25.1% on Yearly basis .LCV segment remained strong with a growth of 31%YoY to 2,232 units. Exports fell by 2% to 9,089 units. Maruti Suzuki introduced the Next Generation Smart Hybrid technology with the New DUALJET, DUAL VVT engine in the Baleno also new generation Alto is scheduled to launch in August. However, the Company is expecting a revival in growth after Q1FY20.

 **MARUTI SUZUKI**
Count on us

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Tata Motors

Segment	Volume (In Numbers)				
	May 19	May 18	YoY%	Apr 19	MoM%
MHCV domestic	7,683	12,424	-38.2	9,403	-38.0
LCV domestic	16,738	19,664	-17.4	17,497	-4.5
PV domestic	10,900	17,489	-37.7	12,694	-14.1
Domestic	35,321	49,577	-40.3	43,979	-24.5
Exports	1,563	3,699	-58.0	1,402	11.5
Total	72,205	1,02,853	-42.2	87,958	-21.5

Source: Companies, BP Equities Research

Tata Motors reported a decline in domestic sales of 40.3% YoY and 24.5% MoM .The company's LCV segment volume declined by 17.4% YoY and 4.5% MoM to 16,738 units, while its PV segment sales de-grew by 37.7% YoY and 14.1% MoM to 12,694 units. Exports too showed a disappointing performance with decline of 58% YoY but were up 11.5% MoM to 1,563 units. The new products introduced in the fast growing 15-16 Ton segment and CNG products have been well accepted by the customers. Several factors like high stocks in Bangladesh because of the contraction in retail sales due of elections, security concerns in Sri Lanka and slump in Middle East have affected the overall industry volumes in these markets.



TVS Motors

Segment	Volume (In Numbers)				
	May 19	May 18	YoY%	Apr 19	MoM%
Motorcycles	1,42,787	1,26,711	12.7	1,43,063	-0.2
Mopeds	53,337	75,545	-29.4	65,497	-18.6
Scooters	98,202	95,879	2.4	97,323	0.9
Total Two-wheelers	2,94,326	2,98,135	-1.3	3,05,883	-3.8
Three-wheelers	12,780	11,730	9.0	13,104	-2.5
Overall Sales	3,07,106	3,09,865	-0.9	3,18,987	-3.7
Exports	69,319	62,218	11.4	69,565	-0.4

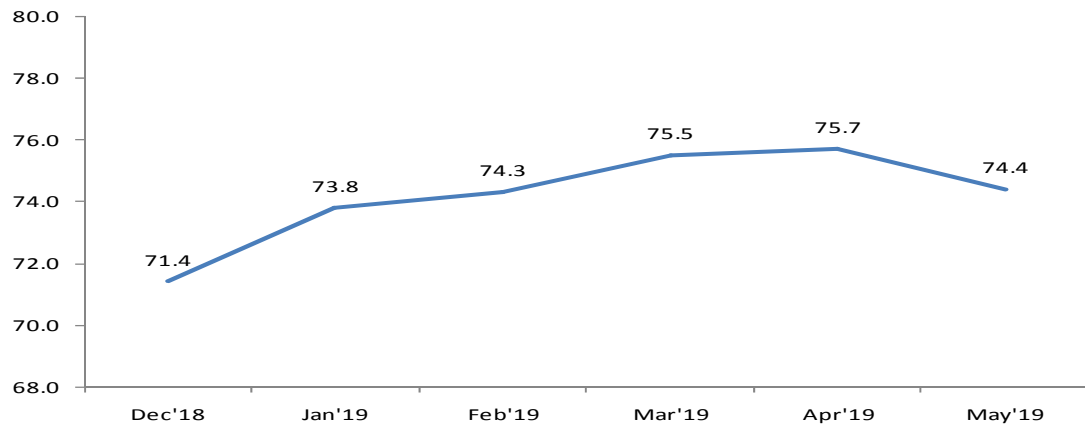
Source: Companies, BP Equities Research

TVS Motor's volumes fell 1% YoY at 3,07,106 units against 3,09,865 units. Two wheeler segment declined 1.3% to 2,94,326 units against 2,98,135 in previous quarter. Company's 2Ws comprising of motorcycles and scooters grew ~13% and 2.4% to 1,42,787 units and 98,202 units, respectively, while mopeds slumped 29% to 53,337 units on Yearly basis . The three wheeler sales reported exemplary growth of 9% YoY ,while it declined by 2.5% MoM. The exports declined by 0.4 % MoM at 69,319 units. Recently, TVS motors launched TVS Apache RR 310.



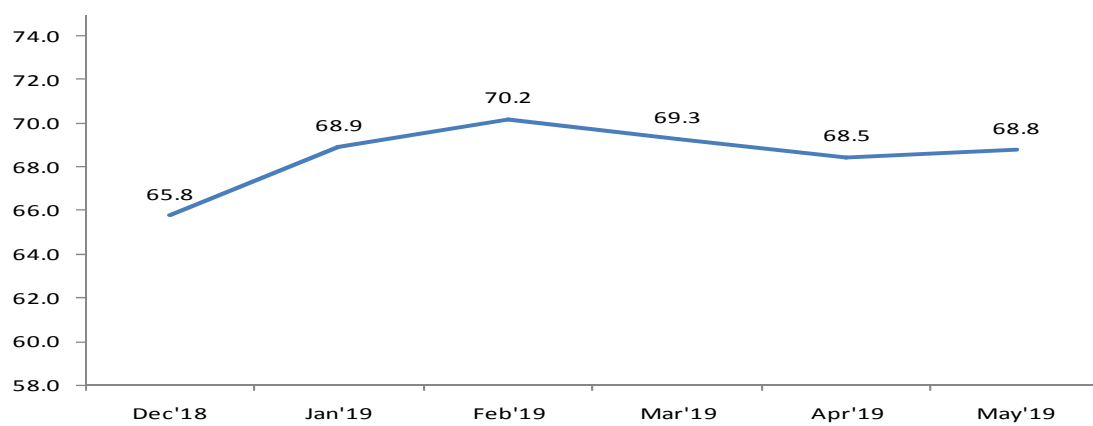
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Petrol Price Trend (INR)



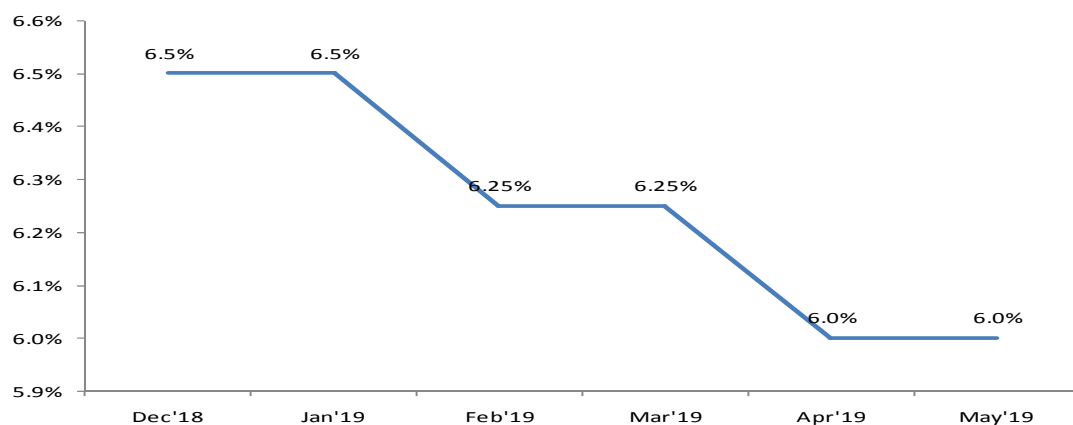
Source: IOCL *The trend shows monthly average price

Diesel Price Trend (INR)



Source: IOCL *The trend shows monthly average price

Interest Rate Trend



Source: RBI



Disclaimer Appendix

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Corporate Office:

4th floor,
Rustom Bldg,
29, Veer Nariman Road, Fort,
Mumbai-400001
Phone- +91 22 6159 6464
Fax-+91 22 6159 6160
Website- www.bpwealth.com

Registered Office:

24/26, 1st Floor, Cama Building,
Dalal street, Fort,
Mumbai-400001

BP Equities Pvt. Ltd.
CIN No: U67120MH1997PTC107392