

Auto Volume Report – November 2018



BP WEALTH

Monthly Auto Update

5th Dec 2018

- ⇒ The passenger vehicle segment recorded negative growth in November cardinally due to despondent market sentiments, spike in insurance cost, interest rates and fuel prices, NBFC liquidity crunch and increase in vehicle prices.
- ⇒ The two wheeler segment has shown mixed performance
- ⇒ While Bajaj Auto and TVS Motors recorded remarkable growth, Hero had flattish growth and Royal Enfield recorded poor growth on the other hand
- ⇒ 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.
- ⇒ The tractor segment has posted impressive numbers due to easy finance, increment in MSP, loan wavier and robust demand
- ⇒ Escorts has outperformed its peers by attaining strong growth from its Powertrac Series

Major Events and News in November

- ⇒ Mahindra will be sharing engines for Ford's Ecosport as part of the powertrain sharing agreement to meet next generation emission norms
- ⇒ Atul Auto signed a JV with JBM Industries that would subsequently help in expansion and develop the business of three wheeler electric autos blending each others respective expertise
- ⇒ Hyundai to invest Rs. 7,000 cr and sign an MoU with Tamil Nadu government in January 2019 for expansion work at its Chennai facility
- ⇒ Resignation of Ashok Leyland MD and CEO Vinod K. Dasari effective 31 March, 2019

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

Two Wheeler (units)	Nov 18	Nov 17	YoY%	Oct 18	MoM%
Hero Motocorp	6,10,252	6,05,270	0.8%	7,34,668	-16.9%
HMSI	4,85,000	4,37,000	12%	5,21,159	-6.9%
TVS Motors	3,07,142	2,43,323	26.2%	3,84,307	-20.1%
Bajaj Auto	2,05,259	1,41,948	44.6%	2,81,582	-27.1%
Royal Enfield	65,744	70,126	-6.3%	70,451	-6.7%
Three Wheeler (units)	Nov 18	Nov 17	YoY%	Oct 18	MoM%
Bajaj Auto	29,559	37,887	-21.0%	38,360	-22.9%
TVS Motor	12,823	8,642	48.4%	14,120	-9.2%
M&M	5,703	4,455	28.0%	6,931	-17.7%
Atul Auto	4,003	3,555	12.6%	5,473	-26.9%
Passenger Vehicle (units)	Nov 18	Nov 17	YoY%	Oct 18	MoM%
Maruti	1,53,539	1,54,600	-0.7%	1,46,766	4.6%
Hyundai	43,709	44,008	-0.7%	65,020	-32.7%
M&M	16,188	16,030	1%	24,066	-32.7%
Honda	13,006	11,819	10.0%	14,233	-8.6
Tata Motors	16,982	17,157	-1.0%	18,290	-7.2%
Toyota	10,721	12,734	15.8%	12,606	-15%
Commercial Vehicle (units)	Nov 18	Nov 17	YoY%	Oct 18	MoM%
Tata Motors	33,488	39,433	-15.1%	39,420	-15.1%
Ashok Leyland	13,121	14,460	-9.3%	15,149	-13.4%
Eicher Motor	4,720	4,916	-4%	5,980	-21.1%
Tractor	Nov 18	Nov 17	YoY%	Oct 18	MoM%
M&M	25,949	22,994	12.9%	47,976	-45.9%
Escorts	8,005	5,119	56.4%	13,140	-39.1%

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

Stock Price Performance %	1M	3M	1 Yr
Ashok Leyland	-9	-20	-11
Atul Auto	-11	-17	-24
Bajaj Auto	4	0	-14
Eicher Motors	3	19	20
Escorts	3	-16	1
Hero Motocop	-15	-6	-15
M&M	3	-9	-1
Maruti Suzuki	8	-13	-10
Tata Motors	-8	-34	-56
TVS Motors	0	-1	-23

Relative Price Chart



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Ashok Leyland

Segment	Volume (In Numbers)				
	Nov 18	Nov 17	YoY%	Oct 18	MoM%
MHCV	8,718	10,641	-18.1%	9,797	-11.0%
LCV	4,403	3,819	15.3%	5,352	-17.7%
Total Sales	13,121	14,460	-9.3%	15,149	-13.4%

Source: Companies, BP Equities Research

Ashok Leyland's MHCV segment registered declining sales of 11% MoM and 18.1% YoY, while the LCV segment saw hoist sales of 15.3% YoY in units sold last month. In conjunction, total sales of the company witnessed declining growth of 13% MoM and 9.3% YoY respectively.



Atul Auto

Segment	Volume (In Numbers)				
	Nov 18	Nov 17	YoY%	Oct 18	MoM%
Total Sales	4,003	3,555	12.6%	5,473	-26.9%

Source: Companies, BP Equities Research

Atul Auto recorded 12.6% YoY volume growth with 4,003 units sold last month against 3,555 units in the corresponding month last year, while MoM sales saw a decline of 26.9%.



Bajaj Auto

Segment	Volume (In Numbers)				
	Nov 18	Nov 17	YoY%	Oct 18	MoM%
Motorcycle	2,05,259	1,41,948	44.6%	2,81,582	-27.1%
Three wheelers	29,559	37,887	-22%	38,360	-22.9%
Total two and three wheelers	2,34,818	1,79,835	30.6%	319,942	-26.6%
Exports of above	1,72,112	1,46,623	17.4%	1,86,757	-7.8%

Source: Companies, BP Equities Research

Despite a lackluster festive season, Bajaj Auto reported a double digit 44.6% YoY increase in motorcycle sales at 2,05,259 units last month against 1,41,948 units last November which is the highest in comparison to all its peers. However, MoM growth declined by 27.1%. The exports had a decent YoY growth of 17.4% while MoM growth declined by 7.8%. The company's newly launched models, appealing schemes and discounts helped in gaining market share.



Eicher Motor

Segment	Volume (In Numbers)				
	Nov 18	Nov 17	YoY%	Oct 18	MoM%
MHCV & HCV	4,720	4,916	-4%	5,980	-21.1%
Royal Enfield	65,744	70,126	-6.3%	70,451	-6.7%

Source: Companies, BP Equities Research

The 2 wheeler segment saw a dip in sales of 6.3% YoY and 6.7% MoM, while the CV segment contracted by 4% YoY and 21% MoM respectively. The primary reasons for reduction in sales were due to the 50 day strike in its Chennai plant, resulting in a production loss of ~28,000 units and increased competition.



Escort

Segment	Volume (In Numbers)				
	Nov 18	Nov 17	YoY%	Oct 18	MoM%
Overall volumes	8,005	5,119	56.4%	13,140	-39.1%

Source: Companies, BP Equities Research

Escort recorded a stellar 56.4% YoY increase, while MoM growth fell by 39% in terms of volume. The company also recorded a two fold increase in exports by 104% YoY. The company reported better numbers than its peers due to strong growth from its Powertrac series aiding in improved market penetration resulting in market share gains.



Hero MotoCorp

Segment	Volume (In Numbers)				
	Nov 18	Nov 17	YoY%	Oct 18	MoM%
Two wheelers	6,10,252	6,05,270	0.8%	7,34,668	-16.9%

Source: Companies, BP Equities Research

Unobtrusive market sentiments and augmented insurance cost were key reasons for a marginal increase in YoY growth, while MoM sales declined by 16.9% to 6,10,252 units in November this year against 7,34,668 units from the corresponding month last year.



Mahindra and Mahindra

Segment	Volume (In Numbers)				
	Nov 18	Nov 17	YoY%	Oct 18	MoM%
Passenger vehicle	16,188	16,030	1%	24,066	-32.7%
Three wheelers Alfa	5,703	4,455	28.0%	6,931	-17.7%
LVC<3.5T	18,530	14,262	29.9%	23,157	-20%
Total Vehicles M&M	40,421	34,747	16.3%	54,154	-25.4%
Truck and bus LVC> 3.5 and MHCV	1,143	1,292	-11.5%	1,196	-4.4%
Total auto - domestic	41,564	36,039	15.3%	55,350	-24.9%
Exports - M&M	3,537	2,531	39.8%	3,066	15.4%
Total automotive	45,101	38,570	16.9%	58,416	-22.8%
Tractors - domestic	25,159	21,271	18.3%	46,312	-45.7%
Tractors - exports	790	1,723	-54.2%	1,064	-25.8%
Total tractors	25,949	22,994	12.9%	47,976	-45.9%

Source: Companies, BP Equities Research

Amidst poor monthly November sales Mahindra and Mahindra was one of the few major auto companies to record positive growth. Although MoM sales for the PV segment was impaired by 32.7%, the YoY growth saw a marginal hike of 1%, despite despondent market sentiments. The three wheeler segment improved by 28% YoY, LCV 30% while these segments saw a de-growth of 17.7% and 20% MoM respectively. The truck and bus LCV> 3.5 and MHCV segment saw a de-growth of about 11.5% YoY and 4.4% MoM. The exports have shown a significant increase of 39.8% YoY and 15.4% MoM. The domestic tractor sales shot by 18.3% YoY while saw a de-growth of 45.7% MoM while exports depleted by 54.2% YoY and 25.8% MoM.



Maruti Suzuki

Segment	Volume (In Numbers)				
	Nov 18	Nov 17	YoY%	Oct 18	MoM%
Mini- Alto	29,954	38,204	-21.6%	32,835	-8.8%
Compact- Swift, Ritz, Celerio, Baleno, Dzire	72,533	65,447	10.8%	64,789	12%
Mid Size- Ciaz	3,838	4,009	-4.3%	3,892	-1.4%
Total passenger cars	1,06,325	1,07,660	-1.2%	1,01,516	4.7%
UVs-Vitara Brezza, Gypsy, Ertiga, S Cross	23,512	23,072	1.9%	20,764	13.2%
Vans- Omni, Eco	14,053	13,565	3.6%	13,668	2.8%
Total domestic sales	1,43,890	1,44,297	-0.3%	1,35,948	5.8%
Export	7,521	9,300	-19.1%	8,666	-13.2%
Total sales	1,53,539	1,54,600	-0.7%	1,46,766	4.6%

Source: Companies, BP Equities Research

MSIL, country's largest carmaker has witnessed a marginal drop in total sales for the month. While the mini segment saw a de-growth in its YoY sales by 21.6%, sedan segment by 4.3%, while the UV segment improved by 1.9%YoY and compact segment by 10.8% YoY and ~12% MoM. The PV leader has witnessed poor performance over last five months mainly due to the Kerala floods and recessed market sentiments.



Tata Motors

Segment	Volume (In Numbers)				
	Nov 18	Nov 17	YoY%	Oct 18	MoM%
MHCV domestic	9,793	12,851	-23.8%	13,185	-25.7%
LCV domestic	23,695	26,582	-10.9%	26,235	-9.7%
Cars domestic	16,982	17,157	-1.0%	18,290	-7.2%
Domestic	50,470	59,441	-15.1%	57,710	-12.6%
Exports	4,604	4,927	-6.6%	4,554	1.1%
Total	55,074	64,341	-14.4%	62,264	-11.6%

Source: Companies, BP Equities Research

The M&HCV truck segment sales diminished by 25.7% MoM and 23.8% YoY in units sold last month mainly due to drop in cargo sales that compelled the operators to defer their purchases, low consumer sentiment and addition of capacity in the parc with existing vehicles being registered for higher payload. The LCV segment saw a sales drop of 9.7% MoM and 10.9% YoY due to reduced freights on account of benefits handed by large operators from GST related credits that also jolted small operator profitability. The PV segment fell by 7.2% MoM, while 1% YoY on poor sentiments attributing to liquidity crunch, higher interest rates and surging fuel cost. The exports were volatile while it dipped by 6.6% YoY while improved marginally on MoM basis.



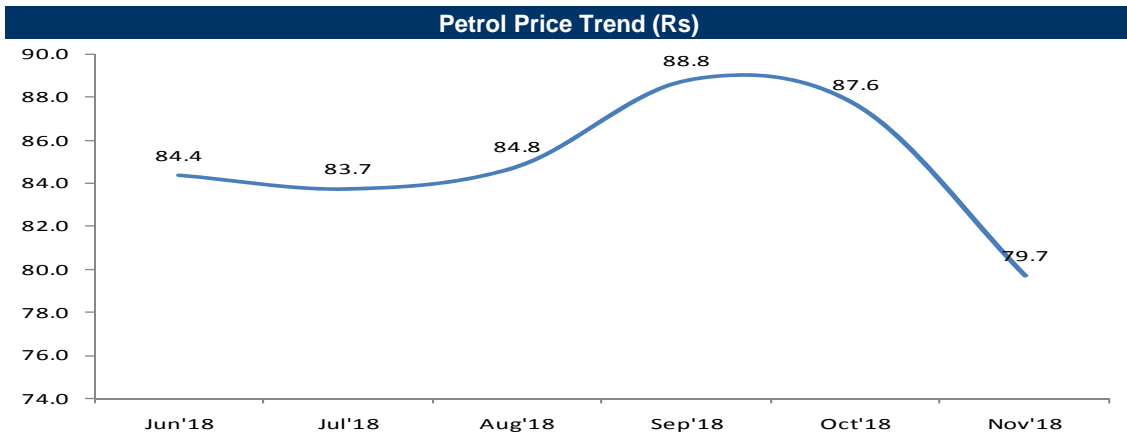
TVS Motors

Segment	Volume (In Numbers)				
	Nov 18	Nov 17	YoY%	Oct 18	MoM%
Motorcycles	1,19,883	93,202	28.6%	1,50,429	-20.3%
Mopeds	75,496	71,724	5.3%	82,838	-8.9%
Scooters	1,11,763	78,397	42.6%	1,51,040	-26%
Total Two-wheelers	3,07,142	2,43,323	26.2%	3,84,307	-20.1%
Three-wheelers	12,823	8,642	48.4%	14,120	-9.2%
Overall Sales	3,19,965	2,51,965	27%	3,98,427	-19.7%

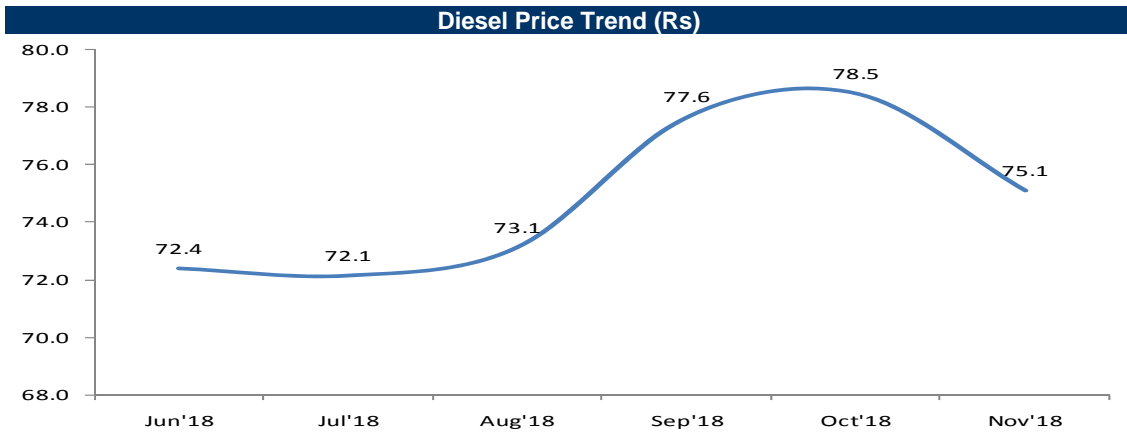


Source: Companies, BP Equities Research

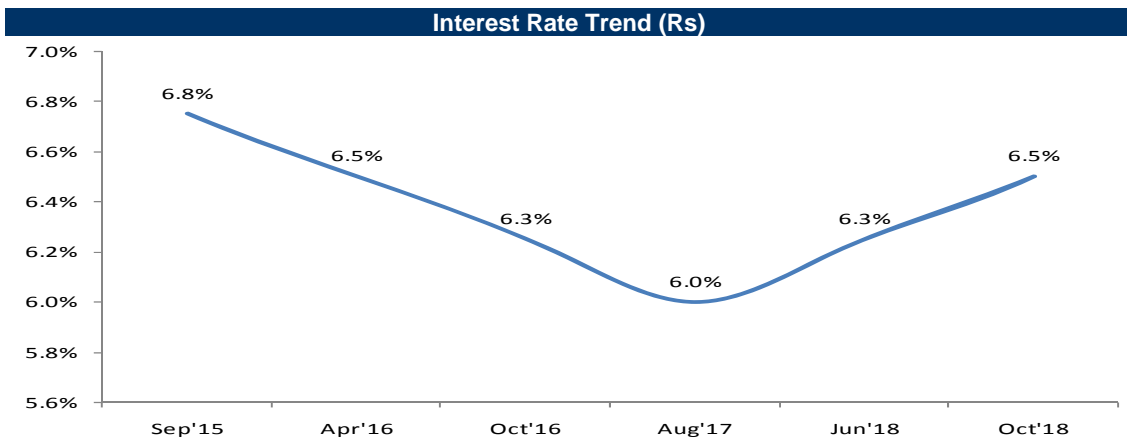
The three wheeler segment saw a stellar jump in sales of 48.4% YoY followed by scooters, motorcycles and mopeds registering a growth of 42.6%, 28.6% and 5.3% YoY respectively. The overall sales grew by 27% YoY, however the monthly sales fell by 19.7%.



Source: IOCL *The trend shows monthly average price



Source: IOCL *The trend shows monthly average price



Source: RBI