

# AUTO VOLUME REPORT



# Auto Volume Report – July 2017



BP WEALTH

Monthly Auto Update

10<sup>th</sup> Aug 2017

- ⇒ Two-wheeler companies posted better than expected volumes on account of strong demand even in spite of GST disruption. Scooters deepened their penetration further with double digit volume growth. Hero and TVS saw market share gains while Bajaj continued to lose market share.
- ⇒ Passenger vehicles posted stellar shown due to promotional offers and most of them have posted double digit volume growth with sevtor leader growing more than 20%.The Japanese OEMs continued to grow this month with Toyotal leading the show by posting 43% growth. While MSIL conitued to gain market share which now stands at 52%.
- ⇒ Tractor sales continued to grow on larger base with market leader growing in high single digits. We expect tractor sales to remain positive in coming months on better monsoon.
- ⇒ CV sales grew positively with major 2 CV player posting low double digit growth on back of lower base last year and GST re-stocking. The LCV sales have also growing in double digits and we expect momentum to continue with increasing development of hub and spoke model for distribution.
- ⇒ Going forward on account of festive season sales for auto companies are expected to remain buoyant on account of early festive season this year and re-stocking post GST implementation.

## Domestic auto sales numbers

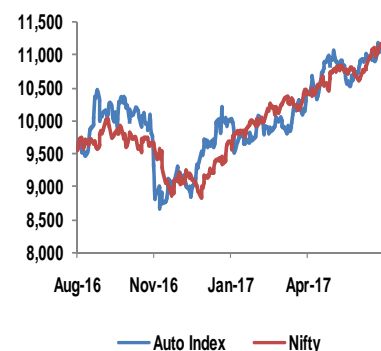
Two Wheeler	Jul-17	Jul-16	YoY %	Jun-17	MoM %
Hero Moto	623,269	532,113	17.1%	624,185	-0.1%
HMSI	544,508	453,884	20.0%	413,625	31.6%
TVS Motor	263,336	240,042	9.7%	268,638	-2.0%
Bajaj Auto	265,182	307,344	-13.7%	204,667	29.6%
Royal Enfield	64,459	53,378	20.8%	63,160	2.1%
Three Wheeler	Jul-17	Jul-16	YoY %	Jun-17	MoM %
Bajaj Auto	42,545	40,311	5.5%	40,211	5.8%
TVS Motor	7,835	7,960	-1.6%	5,153	52.0%
M&M	3,777	4,781	-21.0%	2,560	47.5%
Atul Auto	3,402	3,180	7.0%	3,288	3.5%
Passenger Vehicle	Jul-17	Jul-16	YoY %	Jun-17	MoM %
Maruti	153,298	125,764	21.9%	93,057	64.7%
Hyundai	43,007	41,201	4.4%	37,562	14.5%
M&M	20,962	17,356	20.8%	16,170	29.6%
Honda	17,085	14,033	21.7%	12,804	33.4%
Tata Motors	14,933	13,547	10.2%	11,176	33.6%
Toyota	17,750	12,404	43.1%	1,973	799.6%
Commercial Vehicle	Jul-17	Jul-16	YoY %	Jun-17	MoM %
Tata Motors	27,842	24,242	14.9%	25,730	8.2%
Ashok Leyland	11,981	10,492	14.2%	12,330	-2.8%
Eicher Motors	4,359	4,878	-10.6%	3,921	11.2%
Tractor	Jul-17	Jul-16	YoY %	Jun-17	MoM %
M&M	18,832	17,553	7.3%	32,933	-42.8%
Escorts	5,418	4,035	34.3%	5,776	-6.2%

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

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

Stock Price Performance %	1 m	3 m	1 Yr
Ashok Leyland	6.7	33.2	25.8
Atul Auto	2.1	1.7	2.5
Bajaj Auto	6.2	-0.4	0.4
Eicher Motors	14.8	23.8	44
Escorts	0.3	13.8	156.3
Hero Motocorp	7.1	16.8	14.5
M&M	1.9	6.1	-5.4
Maruti Suzuki	5.8	18.2	59.1
Tata Motors	-1.9	2.1	-17
TVS Motors	5.3	22.7	99.2

## Relative Price Chart



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# Auto Volume Report

## Ashok Leyland

Segment	Volumes (In numbers)				
	Jul-17	Jul-16	YoY %	Jun-17	MoM %
MHCV sales	9,026	8,182	10.3%	9,202	-1.9%
LCV	2,955	2,310	27.9%	3,128	-5.5%
Total sales	11,981	10,492	14.2%	12,330	-2.8%

Source: Company, BP Equities Research

Ashok Leyland posted sales of 11,981 vs 10,492 posting 14% increase driven by 28% improvement in LCV sales and M&HCV segment posting 10% growth on account of acceptance of iEGR technology. We expect recovery in volumes in coming quarters



## Atul Auto

Segment	Volumes (In numbers)				
	Jul-17	Jul-16	YoY %	Jun-17	MoM %
Total sales	3402	3180	7.0%	3288	3.5%

Source: Company, BP Equities Research

Atul Auto posted 7% improvement in sales with volumes increasing from 33180 to 3402



## Bajaj Auto

Segment	Volumes (In numbers)				
	Jul-17	Jul-16	YoY %	Jun-17	MoM %
Motorcycles	265,182	307,344	-13.7%	204,667	29.6%
Three-wheelers	42,545	40,311	5.5%	40,211	5.8%
Total two-and three-wheelers	307,727	347,655	-11.5%	244,878	25.7%
Exports of above	121,230	143,421	-15.5%	117,903	2.8%

Source: Company, BP Equities Research

Bajaj sales fell 11% from 347,655 to 307,727. BAL continued to lose market share in domestic motor-cycle sales with volume falling 5% even when competition growing double digits. The export markets continued to lose traction in last two month after posting positive growth.



## Eicher Motors

Segment	Volumes (In numbers)				
	Jul-17	Jul-16	YoY %	Jun-17	MoM %
MHCV & HCV	4,359	4,878	-10.6%	3,921	11.2%
Royal enfield	64,459	53,378	20.8%	63,160	2.1%

Source: Company, BP Equities Research

Royal enfield volume grew 21% with sales rising from 53378 to 64459 on back of 27% growth in sub 350cc engines. The exports grew only 4% this month, there has been weakness in 350cc+ portfolio with segment posting de-growth.

VECV posted sales of 4,359 vs 4,878 posting de-growth of 10% on account of higher base last year and pressure in HD segment.



## Auto Volume Data

### Escorts



Segment	Volumes (In numbers)				
	Jul-17	Jul-16	YoY %	Jun-17	MoM %
Overall volumes	5418	4035	34.3%	5776	-6.2%

Source: Company, BP Equities Research

Escorts posted sales growth of 34% with volumes increasing from 4035 to 5418 on account of market share gains in core markets of north and central india

### Hero MotoCorp



Segment	Volumes (In numbers)				
	Jul-17	Jul-16	YoY %	Jun-17	MoM %
Two-wheelers	623,269	532,113	17.1%	624,185	-0.1%

Source: Company, BP Equities Research

Hero's volumes grew 17% from 532,113 to 623,269 on account of double digit volume growth in entry level bikes and scooters.

### M&M



Segment	Volumes (In numbers)				
	Jul-17	Jul-16	YoY %	Jun-17	MoM %
Passenger vehicle	20,962	17,356	20.8%	16,170	29.6%
Three-wheeler Alfa	3,777	4,781	-21.0%	2,560	47.5%
LVC<3.5T	13,761	12,230	12.5%	13,538	1.6%
Total Vehicles M&M	38,500	34,367	12.0%	32,268	19.3%
Truck and bus LVC> 3.5 andMHCV	1,262	938	34.5%	1,593	-20.8%
Total auto - domestic	39,762	35,305	12.6%	33,861	17.4%
Exports - M&M	1,985	4,153	-52.2%	1,855	7.0%
Total automotive	41,747	39,458	5.8%	35,716	16.9%
Tractors - domestic	17,682	16,452	7.5%	31,522	-43.9%
Tractors - exports	1,150	1,101	4.5%	1,411	-18.5%
Total tractors	18,832	17,553	7.3%	32,933	-42.8%

Source: Company, BP Equities Research

M&M total sales increased from 39,458 to 41,747 posting 6% growth. This growth was driven by 20% growth in pV segment on account out promotional sales while LCV business continued traction and grew 12.5% this month. M&M posted 52% fall in export on account of stronger currency, weaker demand in export markets and high base

Tractor division posted 7% growth in sales with volumes growing from 17,553 to 18,832. This growth has been commendable despite fact that last year was a larger base.

## Auto Volume Data

### Maruti



Segment	Volumes (In numbers)				
	Jul-17	Jul-16	YoY %	Jun-17	MoM %
Mini- Alto, Wagon R	42,310	35,051	20.7%	25,524	65.8%
Compact- Swift, Ritz, Celerio, Baleno, Dzire	63,116	50,362	25.3%	40,496	55.9%
Super Compact- Dzire Tour	-	3,059	-100.0%	-	0.0%
Mid Size- Ciaz	6,377	5,162	23.5%	3,950	61.4%
Total passenger cars	111,803	93,634	19.4%	69,970	59.8%
UVs- Vitara Brezza, Gypsy, Ertiga, S cross	25,781	17,382	48.3%	13,879	85.8%
Vans- Omni, Eeco	15,714	14,748	6.6%	9,208	70.7%
Total domestic sales	153,298	125,764	21.9%	93,057	64.7%
LCV	703	-		206	241.3%
Export	11,345	11,338	0.1%	13,131	-13.6%
Total sales	165,346	137,102	20.6%	106,394	55.4%

Source: Company, BP Equities Research

MSIL posted 20% growth in sales with volumes growing from 137,102 to 165,346 on account of promotional offers. The growth was across segments with entry level growing 21%, compacts growing 25% and UVs growing 48%. MSIL exports remained flattish this month



### Tata Motors

Segment	Volumes (In numbers)				
	Jul-17	Jul-16	YoY %	Jun-17	MoM %
MHCV domestic	8,640	10,698	-19.2%	7,689	12.4%
LCV domestic	19,202	13,544	41.8%	18,041	6.4%
Cars domestic	14,933	13,547	10.2%	11,176	33.6%
Domestic	42,775	37,789	13.2%	36,906	15.9%
Exports	3,441	5,371	-35.9%	3,504	-1.8%
Total	46,216	43,160	7.1%	40,410	14.4%
JLR	46,074	44,486	3.6%	51,591	-10.7%

Source: Company, BP Equities Research

Tata motors standalone sales improved 13% to 46,216 from 43,160. This growth was led by strong growth in LCV portfolio which grew 42% while PV portfolio grew 13% on back of new launches. Export continued to suffer on back of appreciating currency.

JLR volumes improved 3% to 46,074 vs 44,486. The jaguar sales fell 2% while land rover sales rose 6% this growth was driven by discovery sport and range rover. Geography wise China posted 34% growth while all other regions posted negative growth.

## Auto Volume Report

### TVS Motors



Segment	Volumes (In numbers)				
	Jul-17	Jul-16	YoY %	Jun-17	MoM %
Motorcycle	109,427	95,062	15.1%	112,146	-2.4%
Mopeds	61,531	76,947	-20.0%	66,044	-6.8%
Scooters	92,378	68,033	35.8%	90,448	2.1%
Total two-wheelers	263,336	240,042	9.7%	268,638	-2.0%
Three-wheelers	7,835	7,960	-1.6%	5,153	52.0%
Overall Sales	271,171	248,002	9.3%	273,791	-1.0%

Source: Company, BP Equities Research

TVS posted 9% growth in sales with volumes growing from 248,002 to 271,171. The growth has been driven by 15% growth in motorcycle sales and scooters growing 35%. Moped segment saw some de-growth on account of high base last year. Export business of TVS has been resilient and has posted 25% growth. 3W sales continued to remain flattish.

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