

Oil sales: FY11 starts with a bang

- Provisionally July sales volumes are up 10%YoY and 4%MoM to 1.9mn tons.
- On a YoY basis, growth was driven by rising demand for Furnace Oil (FO) sales (up 7%) from the power generation sector while reduced price differential with CNG helped Petrol sales rise by 27%. Moreover, HSD sales also witnessed a rebound and stood at 661k tons (up 9%).
- On a MoM basis, FO sales declined by 4%; however HSD and JP sales witnessed an encouraging rise of 9% and 41%, respectively.
- PSO recorded growth of 5%MoM and 8%YoY on the back of a pick up in HSD sales. The company managed to improve market share in the product to 59% from 50% last month.
- APL and SHELL also recorded impressive growth of 38%YoY and 26%YoY, respectively.
- We currently have a 'Buy' stance on PSO and APL while we recommend 'Hold' on SHELL.

July sales volumes

(000 tons)	Industry	PSO	APL	Shell
Mogas	184	81	9	43
HOBC	1	0	-	0
SKO	15	11	2	1
JP	128	66	7	44
HSD	661	387	37	120
LDO	7	2	5	-
FO	871	729	50	49
Total	1,867	1,275	111	256

Source: JS Research

July sales volumes (MoM growth)

Industry	PSO	APL	Shell	
Mogas	2%	0%	-3%	7%
HOBC	-17%	-23%	NM	-12%
SKO	2%	10%	55%	-40%
JP	41%	87%	-2%	33%
HSD	9%	28%	-32%	16%
LDO	14%	53%	22%	NM
FO	-4%	-7%	19%	18%
Total	4%	5%	-7%	17%

Source: JS Research

July sales volumes (YoY growth)

Industry	PSO	APL	Shell	
Mogas	27%	26%	5%	17%
HOBC	42%	74%	NM	-1%
SKO	105%	144%	65%	0%
JP	7%	17%	12%	6%
HSD	9%	9%	7%	0%
LDO	73%	24%	96%	NM
FO	7%	3%	88%	1020%
Total	10%	8%	38%	26%

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