

- According to recently released data by PAMA, auto sales (including cars, tractors, trucks, buses and motorcycles) have declined by 18% YoY in September 2018 and 10% in 1QFY19
- We believe that this decline in auto sales during the month of September 2018 is attributable to the following reasons:
  - Auto assemblers have increased the prices of vehicles during the year due to PKR devaluation and rising steel prices
  - Auto finance loans have become expensive due to the rising interest rates
  - Government has restricted the non-filers to buy a new vehicles in Finance Act 2018
- HCAR sales have increased by 32% YoY due to increase in sales of Civic/City by 47% YoY. However, the sales of BRV plunged by 35% YoY
- INDU sales almost remained stable with the increase of 5% YoY in Corolla sales and decline of 29% YoY and 42% YoY in Fortuner and Hilux sales respectively.
- PSMC sales have declined by 5% YoY due to the decline in sales of Mehran by 37% YoY, Bolan by 23% YoY and Ravi by 14% YoY. However, the sales of Cultus, Wagon R and Swift have increased by 18% YoY, 61% YoY and 41% YoY respectively
- Tractors sales have declined by 3% YoY which is caused by decline in sales of AGTL by 23% YoY. However, sales of MTL has increased by 10% YoY. Furthermore, sales of trucks and buses have also declined by 23% YoY due to the decline in sales of HINO by 43% YoY. However, the sales of GHNI increased by 4% YoY. Lastly, the sales of Honda motorcycles have increased by 18% YoY

Unit Sales	Sep-18	Aug-18	MoM	Sep-17	YoY	1QFY19	1QFY18	YoY
<b>Cars</b>								
Civic/City	4,083	3,469	18%	2,769	47%	12,161	10,536	15%
BRV	429	492	-13%	660	-35%	1,293	2,070	-38%
<b>HCAR</b>	<b>4,512</b>	<b>3,961</b>	<b>14%</b>	<b>3,429</b>	<b>32%</b>	<b>13,454</b>	<b>12,606</b>	<b>7%</b>
Corolla	4,426	4,204	5%	4,108	8%	13,196	12,765	3%
Fortuner	182	204	-11%	257	-29%	606	792	-23%
Hilux	325	610	-47%	563	-42%	1,617	1,530	6%
<b>INDU</b>	<b>4,933</b>	<b>5,018</b>	<b>-2%</b>	<b>4,928</b>	<b>0%</b>	<b>15,419</b>	<b>15,087</b>	<b>2%</b>
Mehran	2,320	2,318	0%	3,690	-37%	8,075	10,516	-23%
Bolan	1,219	1,213	0%	1,587	-23%	3,778	4,811	-21%
Cultus	1,788	1,380	30%	1,511	18%	4,829	5,181	-7%
Ravi	1,452	967	50%	1,679	-14%	3,614	5,436	-34%
Wagon R	2,667	2,450	9%	1,652	61%	7,889	5,789	36%
Swift	454	355	28%	322	41%	1,293	1,044	24%
<b>PSMC</b>	<b>9,900</b>	<b>8,683</b>	<b>14%</b>	<b>10,441</b>	<b>-5%</b>	<b>29,478</b>	<b>32,777</b>	<b>-10%</b>
<b>Tractors</b>								
MTL	4,028	2,980	35%	3,674	10%	10,014	10,000	0%
AGTL	1,737	1,051	65%	2,265	-23%	3,602	5,672	-36%
<b>Trucks &amp; Buses</b>								
HINO	204	291	-30%	360	-43%	755	1,062	-29%
GHNI	290	301	-4%	280	4%	891	886	1%
<b>Motorcycles</b>								
Honda	96,008	80,012	20%	81,060	18%	266,029	268,309	-1%
<b>Total Sales Volume</b>	<b>162,668</b>	<b>176,574</b>	<b>-8%</b>	<b>198,152</b>	<b>-18%</b>	<b>339,242</b>	<b>378,083</b>	<b>-10%</b>

Source: PAMA, AS Research

**Disclaimer**

Disclaimer: This document is prepared for information purposes only. The information and data on which this report is based are obtained from sources which we believe to be reliable but we do not guarantee that it is accurate or complete. This document does not take account of the investment and trading objectives, financial situation and particular needs of clients, who should seek further professional advice or rely upon their own judgment and acumen before making any investment / trading decision.

**Analyst Certification**

The author (s) of this report hereby certifies(y) that this report accurately reflects his/their own independent opinions and views as of the time this report went into publication and that no part of his/their compensation was, is or will be affected by the recommendation(s) in this report. The research analyst or any of his/their close relatives do not have a financial interest in the securities of the subject company aggregating more than 1% of the value of the company and the research analyst or their close relatives have neither served as a director/officer in the past 3 years nor received any compensation from the subject company in the past 12 months. The Research analyst or his/their close relatives have not traded in the subject security in the past 7 days and will not trade for 5 days post publication of the report.

**Valuation Methodology**

To arrive at period end target price, Abbasi Securities uses different valuation methodologies:

- Comparable Method ( P/E, P/B, Justified P/B & P/E etc.)
- Discounted Cash flow Method
- Equity and Asset based valuation

**Rating**

BUY	Total return more than 20% from last closing of market price
HOLD	Total return is in between 10% and 20% from last closing of market price
REDUCE	Total return is less than 10% from last closing market price