



# Assemblers | Sales Volume | Preview | Sept'24



Date: 08<sup>th</sup> Oct'24

REP # 048



## Pakistan Automotive Manufacturers Association

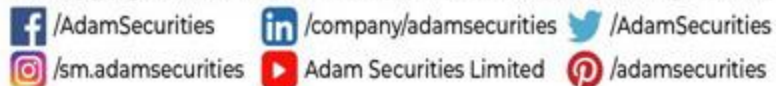
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# Sales Volume: Lending reviving industry sales by c.10%YoY

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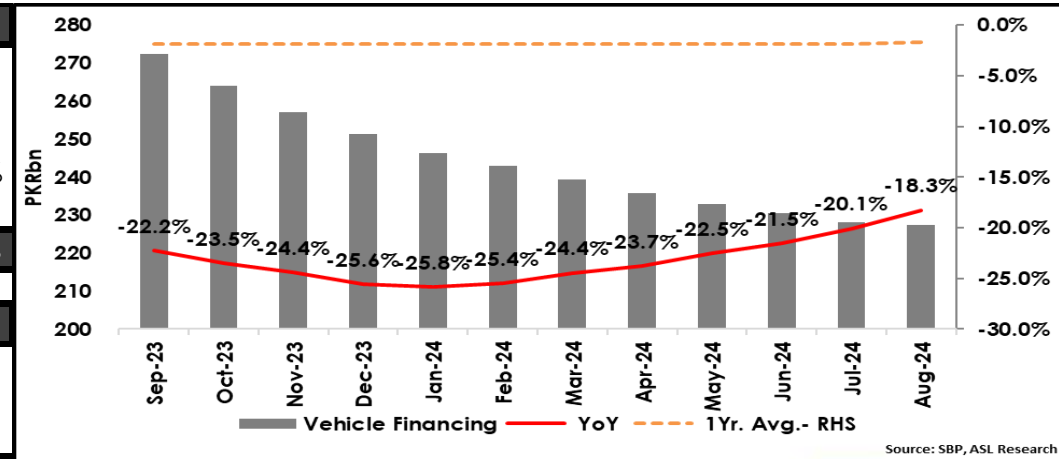
- Pakistan Auto Manufacturers Association (PAMA) to announce sales volume for the month of Sept'24. We believe the industry sales volume to revive mainly on the aggressive lending strategy that has been opted up by the Top-tier banks. We have noticed, since the initiation of monetary easing, the banks have been increasing their advances, particularly, lending on negative spreads between 500bps-1100bps, as per our sources. The aggressive lending strategy may likely stimulate aggregate demand for credit in different sectors of the economy.
- With respect to Automobile industry, we have also witnessed a reviving and recovering trend since last month, where the industry has recorded remarkable rise in industry sales volume to c.116K, robustly rising by c.22%MoM. This recovery in the industry sales volume was mainly the resultant effect of monetary easing, that has notably improved from the worst highest interest rates of 22% in May'24 to 17.5%, a growth oriented easing off 450bps during last 4-months of this CY24. We believe the growth oriented monetary easing scenario may likely improve the GDP numbers to above 3.25% during FY25 along with that, we also believe the automobile consumers to invest more of their investments, while making the most of these promotional activities in the wake of monetary easing to 15% for the year CY24.

Automobile Sales	Sep-23	Aug-24	Sept-24F	MoM	YoY	1QFY24	1QFY25F	YoY
Passenger Cars	6,410	6,417	8,519	32.8%	32.9%	16,021	20,793	29.8%
Jeeps & Pickups	1,359	1,722	2,904	68.6%	113.7%	3,710	6,801	83.3%
Trucks & Buses	185	300	298	-0.7%	61.1%	547	905	65.4%
Tractors	5,445	2,670	3,118	16.8%	-42.7%	12,090	7,248	-40.0%
Motorcycles	107,084	104,234	106,629	2.3%	-0.4%	268,990	295,856	10.0%
<b>TOTAL</b>	<b>120,483</b>	<b>115,343</b>	<b>121,468</b>	<b>5.3%</b>	<b>0.8%</b>	<b>301,358</b>	<b>331,603</b>	<b>10.0%</b>

Source: PAMA, ASL Research

Prices	Sep-23	Aug-24	Sept-24F	MoM	YoY	1QFY24	1QFY25F	YoY
HRC (USD/MT)	704	714	735	2.9%	4.4%	753	718	-4.7%
JPYPKR	1.93	1.91	1.93	1.4%	0.2%	2.01	1.90	-5.8%
USDPKR	288.30	278.82	277.72	-0.4%	-3.7%	293.52	278.51	-5.1%

Source: Mettis Global, SBP, ASL Research



Source: SBP, ASL Research

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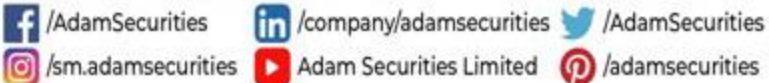
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