Assemblers I Sales Volume I Preview I Sept’24

REP # 048

Date: 07th Oct’24

Pakistan Automotive Manufacturers Association

Hafiz Muhammad Saeed Khalid Siddiqui
Email: saeed.khalid@adamsecurities.com.pk
Tel: +92-21-32440519 EXT: 117
Cell # 0331-132666

/AdamSecurities /company/adamsecurities /AdamSecurities
/sm.adamsecurities Adam Securities Limited /adamsecurities
Room# 806-814, 8th Floor, Main Pakistan Stock Exchange Building, Stock Exchange Road, Karachi.
info@adamsecurities.com.pk adamsecurities145@yahoo.com sm.adamsecurities@gmail.com
+9221 32444315-16, 32420909, 32413580, 32437380
www.jamapunji.pk

Sales Volume: Industry to embellish c.32%YoY in Oct'24

REP # 048

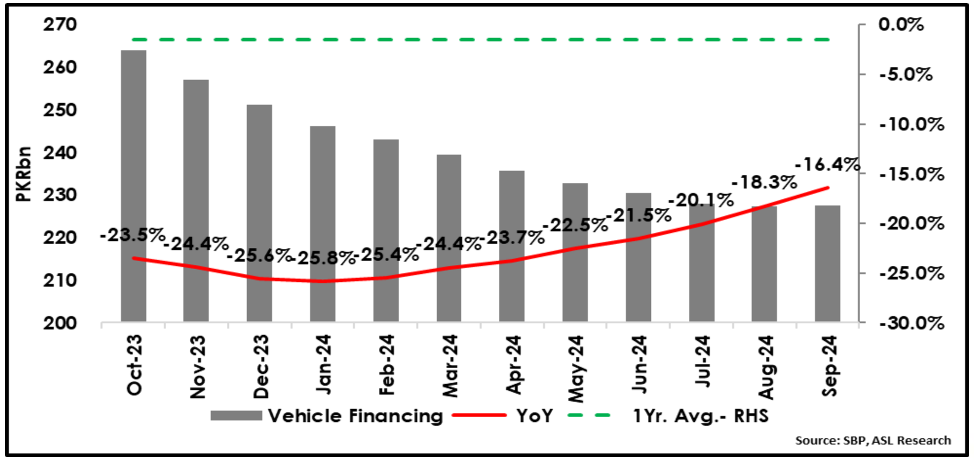
- Blossoming with the reduction in interest in Pakistan, by historical 250bps cut to 15% during Nov'24, we believe Pakistan Auto Manufacturer Association (PAMA) to emblem c.32%YoY rise in sales volume during Oct'24. Addition to this, we also believe the MoM sales units will also revive mainly on the lower spreads by the banking sector in order for the industry to survive on the improving ADR in the remaining of the year. We believe the Automobile industry to mainly notices remarkable rise in sales units during Oct'24, mainly on the recovering demand, in the wake of monetary easing. As per our sources, we believe consumers are more interested in building their assets, in buying vehicles below 800cc and above 1300cc segments which are presumed as valuable and value for money assets in Pakistan.
- It is important to mention here that, there are some other factors that are contributing in improving 4MFY25 sales units, rising by c.21%YoY, mainly in the wake of i) stability in USDPKR, JPYPKR, up by c.5%YoY and c.4%YoY respectively, ii) declining Int'l steel prices to USD717/MT compared to USD782/MT and iii) stability in FX reserves that has revived LC matters during this 4MFY25 compared to 4MFY24 scenario where the country faced intensive LC constraints.
- Going ahead, we believe the industry to mark YoY rise in sales volume mainly on the strong fundamentals during FY25.

Automobile Sales	Oct-24F	MoM	YoY	4MFY25	YoY
Passenger Cars	12,358	58.6%	154.8%	32,426	55.4%
Jeeps & Pickups	2,689	33.0%	149.2%	8,608	79.7%
Trucks & Buses	372	16.6%	103.3%	1,298	77.8%
Tractors	3,750	248.5%	-28.0%	8,956	-48.2%
Motorcycles	130,414	-0.4%	27.9%	450,601	21.5%
TOTAL	149,583	5.2%	32.0%	501,889	21.0%

Source: PAMA, ASL Research

Prices	Oct-24	MoM	YoY	4MFY25	YoY
HRC (USD/MT)	715	-2.7%	-17.9%	717	-8.3%
JPYPKR	1.83	-5.5%	-1.5%	1.88	-4.8%
USDPKR	277.85	0.0%	-1.3%	278.35	-4.2%

Source: Mettis Global, SBP, ASL Research



/AdamSecurities /company/adamsecurities /AdamSecurities
/sm.adamsecurities Adam Securities Limited /adamsecurities
Room# 806-814, 8th Floor, Main Pakistan Stock Exchange Building, Stock Exchange Road, Karachi.
info@adamsecurities.com.pk
adamsecurities145@yahoo.com
sm.adamsecurities@gmail.com
+9221 32444315-16, 32420909, 32413580, 32437380

Analyst Certification & Disclosures

ADAM SECURITIES LIMITED

The research analyst(s) primarily involved in the preparation of this report, certifies that (1) the views expressed in this report accurately reflect his/her personal views about all of the subject companies/securities and (2) no part of his/her compensation was, is or will be directly or indirectly related to the specific recommendations or views expressed in this report. Furthermore, it is stated that the research analyst or any of its 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. Additionally, the research analyst or its close relative 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.

Price Methodology:
To arrive at our period end Target Price, Adam Securities Limited uses different valuation methods which include:
1) Discounted Cash flow method 2) SOTP method 3) Justified Price to Book Value method and 4) FCFE or FCFF method.

Company Specific Disclosures:
Adam Securities Limited may, to the extent permissible by applicable law or regulation, use the above material, conclusions, research or analysis in which they are based before the material is disseminated to their customers. Adam Securities Limited, their respective directors, officers, representatives, employees and/or related persons may have a long or short position in any of the securities or other financial instruments mentioned or issuers described herein at any time and may make a purchase and/or sale or offer to make a purchase and/or sale of any such securities or other financial instruments from time to time in the open market or otherwise. Adam Securities Limited may make markets in securities or other financial instruments described in this publication, in securities of issuers described herein or in securities underlying or related to such securities.

Research Dissemination Policy:
Adam Securities Limited endeavors to make all reasonable efforts to disseminate research to all eligible clients in a timely manner through either physical or electronic distribution such as mail, fax and/or email. Nevertheless, not all clients may receive the material at the same time.

Disclaimer:
Adam Securities Limited has produced this report for private circulation only. The information and statistical data herein have been obtained from reliable sources to our knowledge where such information has not been independently verified and we make no representation or warranty as to its accuracy, completeness or correction. This report makes use of forward-looking statements that are based on assumptions made and information currently available to us and those are subject to certain risks and uncertainties that could cause the actual results to differ. This report is not a solicitation or any offer to buy or sell any of the securities mentioned herein. It is meant for information purposes only and does not take into account the particular investment objectives, financial situation or needs of individual recipients. Neither Adam Securities Limited nor any of its affiliates or any other person connected with the company accepts any liability whatsoever for any direct or consequential loss arising from any use of this report or the information contained herein.

Rating System:
Adam Securities Limited employs a 3-tier rating mechanism i.e. Buy, Hold and Sell, which is based upon the level of expected return for a specific stock. Time horizon is usually the annual financial reporting period of the company. If total expected return exceeds or equals to 15.0%, a Buy rating is issued. If total expected return falls or equals to 10.0%, a sell rating is issued. If return is in between the two ranges, hold rating is assigned. Aforementioned ratings are subject to change on the basis of change in stock price, change in analyst's estimates, change in assessment of company's business risk or a combination of these factors.

Stance Criterion	
Buy	≥15.0%
Sell	≤10.0%
Hold	Between - 10.0% to 15.0%

/AdamSecurities /company/adamsecurities /AdamSecurities
/sm.adamsecurities Adam Securities Limited /adamsecurities
Room# 806-814, 8th Floor, Main Pakistan Stock Exchange Building, Stock Exchange Road, Karachi.
info@adamsecurities.com.pk adamsecurities145@yahoo.com sm.adamsecurities@gmail.com
+9221 32444315-16, 32420909, 32413580, 32437380

ADAM SECURITIES LIMITED

Corporate Member of Pakistan Mercantile Exchange (PMEX) – Reg No. BRC – 017
TREC Holder Pakistan Stock Exchange Limited – TRE Certificate No. 145
SECP Broker License No. 145
Management Rating by VIS – BMR2+

Trust, Care & Dedication
20
2002-2023

DOWNLOAD AT
WWW.ADAMSECURITIES.COM.PK/DOWNLOADS

/AdamSecurities /company/adamsecurities /AdamSecurities
/sm.adamsecurities Adam Securities Limited /adamsecurities

Room# 806-814, 8th Floor,
Main Pakistan Stock Exchange Building,
Stock Exchange Road, Karachi.

info@adamsecurities.com.pk
adamsecurities145@yahoo.com
sm.adamsecurities@gmail.com

+9221 32444315-16, 32420909,
32413580, 32437380

Jama Punji
سرمایہ کاری سمجھداری کے ساتھ
www.jamapunji.pk