Auto numbers: Auto sales zoom a record 42%

According to monthly data released by the Pakistan Automotive Manufacturers Association (PAMA), car sales in the domestic market stood at 75k units in 8MFY10 period against 55k units in the same period last year, primarily due to phase out of the previous Corolla model in corresponding period. While overall automobile industry recorded a 42% growth in sales during the aforementioned period. Total automobile sales recorded at 604k units in 8MFY10 against 424k units in corresponding period of the last year.

Car sales skid in February: On M-o-M basis, car sales dropped by 7% in the month of February 2010 owing to higher sales in Jan because of the New Year factor. January sales were on higher side as individual buyers wait for change of year of registration and models. Car sales in the domestic market decreased to 10k units in February compared to 11k units during preceding month.

The table below gives a brief overview of the auto sales figures during the period under review:

Segment wise sales

	8MFY10	8MFY09	%Δ	Feb-10	Feb -09	% Δ
Cars	75,275	54,660	38%	10,310.00	5,774	79%
LCVs	10,741	12,160	-12%	1,487.00	419	255%
Tractors	45,523	34,841	31%	5,912.00	3,844	54%
Bus	407	383	6%	64.00	35	83%
Truck	2,312	1,928	20%	398.00	265	50%
Motorcycles	469,856	320,230	47%	57,463.00	35,129	64%
Total (Excl. M. Cycles)	**134,258**	**103,972**	**29%**	**18,171**	**10,337**	**76%**
Total (Incl. M. Cycles)	**604,114**	**424,202**	**42%**	**75,634**	**45,466**	**66%**

Source: PAMA

8MFY10 – Low base effect: During 8MFY10, sales (excluding motorcycles) increased by 30,286 units to 134k units similarly sales (including motorcycles) surged by 179,912 units to 604k units. The jump in the auto sales figure is distributed across the board particularly passenger car sales, tractors and motorcycles during the period under review. It is pertinent to note that is the primary driver for this growth is poor sales and phase out of old model (Toyota Corolla & Honda City) last year.

Company wise analysis

On the production side, overall auto sector registered 22% increase in the production figure to 85k units during 8MFY10, the increase in production can be attributed to gradual improvement in auto demand on back of the recovery in domestic economy. PSMC total production jumped by 15% during 8MFY10 while sales figures stood at 46k units compared to 38k units during corresponding period of the last year. Increase in sales was supported by higher Alto (up 43%) and Mehran sales (up 51%). On the other hand, Indus Motors' sales surged by 52% to 30k units where Corolla sales witnessed 76% increases during 8MFY10 owing to success of new model and low base effect from last year due to phase out of the previous model. Further, 972 units of Hilux were sold

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during 8MFY09 against 694 units during comparable period last year.

Similarly, Honda Atlas Cars sales also witnessed a jump of 24% (8,659 units) in its total sales. During the period under review, the volumetric sales of the four players jumped by 29% to 85k units against 66k during corresponding period of last year. Indus's market share improved to 35% from 30% in 8MFY09 whereas PSMC's market share declined from 57% to 53% during 8MFY10.

AHCML RESEARCH — MARKET LENS

Pakistan Capital Market

REPO RATES (AVG. YIELD %)	
TENOR	AVERAGE
Overnight	12.15
3-Months	12.00
6-Months	12.06
1-Year	12.09

KIBOR RATES (%)		
TENOR	BID	OFFER
1 Month	11.98	12.48
3 Months	12.10	12.35
6 Months	12.15	12.40
12 Months	12.25	12.75

OIL PRICES (US$/BARREL)	
London Brent	79.43
US Crude	82.09

GDR (US$)	
MCBS @ 2 Ord. Sh	2.60
OGDC @ 10 Ord. Sh	14.10
UBLA @ 4 Ord. Sh	2.39
LKCA @ 4 Ord. Sh	3.10

PIB YIELD (%)		
TENOR	YIELD RANGE	
2.6-3.0 Years	12.40	12.45
4.6-5.0 Years	12.50	12.55
9.6-10.0 Years	12.65	12.68
15 Years	13.00	13.10
20 Years	13.10	13.20
30 Years	13.15	13.25

EXCHANGE RATES (PKR)		
CURRENCY	BID	OFFER
US Dollar	84.60	84.75
Euro	114.00	114.50
UK Pound	125.45	125.95
Japan Yen	0.92	0.93
UAE Dirham	22.90	23.00
Saudi Riyal	22.30	22.40

OTHERS	
SCRA (US$mn)*	11.02
Bank Al Jazira (SR)	17.90

*March 09'10

ECONOMIC EVENTS	
DATE	EVENTS
Mar 27, 2010	Monetary Policy Statement
May 15, 2010	Federal Budget 2010

T-BILL YIELD (%)		
TENOR	YIELD RANGE	
16-30 Days	12.10	12.15
61.90 Days	12.12	12.16
121-180 Days	12.15	12.20
271-365 Days	12.30	12.34

LIBOR USD (%)	
1 Month	0.23
3 Months	0.25
6 Months	0.39
12 Months	0.85

COMPANY	PERIOD	DPS %	BONUS %	RIGHT %	EPS
PICIC Ins.Ltd.	31-Dec-09	-	-	-	0.48
East West Life Ass.	31-Dec-09	-	-	-	(6.65)

DATE	COMPANY
12-Mar-10	Pakistan Tobacco Co. Ltd.
14-Mar-10	Bank Alfalah Ltd.
15-Mar-10	Pakistan Gum & Chemicals Ltd.
15-Mar-10	Abbott (Lab) Pakistan Ltd.
16-Mar-10	Pakistan Int. Airlines Corp.
17-Mar-10	Nishat Mills Ltd.
17-Mar-10	Silver Star Insurance Co. Ltd.
27-Mar-10	United Growth & Income Fund
15-Apr-10	Shabbir Tiles & Ceramics Ltd.