

Automobiles

Monthly wholesale volume analysis

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INDIA



Automobiles (wholesale)

Domestic dispatches remain sluggish due to lockdowns

Two-wheeler (2W): Exports provide cushion to sales

- ▶ **Hero MotoCorp (Hero)** has reported sales of ~183k units, down 51% MoM. Motorcycle segment dropped 47% MoM while the scooter segment declined ~87% MoM.
- ▶ **TVS Motors (TVSM)** has reported a 30% MoM drop to ~167k units. Domestic sales declined 60% MoM to ~52k units while exports grew 7% MoM at ~115k units. On segmental level, 2W sales dipped 32% MoM to ~155k units and 3W sales were down just 2% to ~12.5k units (led by exports). On a sub-segment basis, motorcycles and scooters declined 6% / 70% MoM to ~125k / 19.6k units respectively, while mopeds slumped 65% to ~9.6k units.
- ▶ **Bajaj Auto (BAL)** has reported a 30% MoM drop to ~272k units. Domestic sales fell 55% MoM to ~60.8k units, while exports too declined 17% MoM to ~211k units. On a segment level, motorcycle sales shrunk 31% MoM (domestic: -52%, exports: -19%) to ~241k units while 3Ws fell 21% MoM at ~31.3k units.
- ▶ **Royal Enfield** has reported 43% YoY / -49% MoM growth to ~28.5k units with new product launches (e.g. *Meteor*) aiding volume growth. Motorcycle sales in 350cc segment grew 30% YoY to ~23k units while the >350cc segment rose 190% to ~4.6k units. Exports reported 60% MoM growth to 7.2k units.
- ▶ **HMSI** reported 1% YoY / -79% MoM growth with domestic sales down 28% YoY / 84% MoM to ~39k units while exports dipped 55% MoM at 19k units.

Passenger vehicles (PVs): Plant shutdown, regional lockdown exacerbate drop

- ▶ **Maruti Suzuki (Maruti)** dispatches were down 71% MoM to ~46.5k units due to lower domestic dispatches (down 75% MoM to ~35.3k units). Mini-vehicle segment shrunk 81% MoM at ~4.7k units while the compact segment fell 72% MoM to ~20.3k units. UV segment dispatches declined 75% MoM at ~6.4k units. Dispatches to Toyota also saw a drop (71% MoM) at 1.5k units. Domestic sales (ex-commercial & Toyota dispatches) nosedived 76% MoM at ~32.9k units. LCV dispatches dipped only 32% MoM to 868 units.
- ▶ **Mahindra & Mahindra's (M&M)** PV volumes reported 56% MoM drop to ~8k units with the UV segment declining 57% MoM to ~7.7k units. UV segment growth remains below potential due to chip shortages. Key models (e.g. *Thar*) continue to remain on long waiting periods.
- ▶ **Tata Motors'** volumes saw a lower decline (vis-à-vis peers) of 40% MoM at ~15.2k units, after having aligned sales to retails in Apr'21 (which slipped due to lockdowns). Upcoming launch of compact SUV *HBX* is likely to further boost volumes.
- ▶ **Hyundai** posted 49% MoM dip in domestic volumes at ~25k units while exports too slipped ~44% MoM to ~5.7k units.

Our view: OEMs are facing increased channel inventory across categories (I-Sec: >4 weeks) due to weak offtake of retail demand due to covid-induced lockdowns. Jun'21 is likely to be challenging from a production planning perspective as consumer sentiment remains soft owing to both covid and increased vehicle prices (up ~3-8% across segments since Jan'21). Restart of various plants have been on a single shift basis as OEMs remain wary of increased stress to channel partners due to soft retails. Faster vaccination could help accelerate consumer sentiment revival in the urban markets.

- **Kia Motors** has reported 31% MoM drop in domestic sales to ~11k units. The recently launched compact SUV *Sonet* continues to drive sales momentum; however, new competition in the SUV space continues to limit sales increase.
- **MG Motors'** domestic sales declined 60% MoM to ~1k units.
- **Toyota's** domestic volumes were down 93% MoM to 707 units. The plants were shut down for an extended period of time due to labour issues.
- **Honda Cars** reported a 78% MoM growth in domestic sales at ~2k units.

CVs: M&HCVs witness sequential decline while LCVs perform better; rural demand continues to support tractors

- **Ashok Leyland's** volumes fell 62% MoM to ~3.2k units. Domestic CV volumes were down 66% MoM to ~2.7k units as M&HCV shrunk 62% MoM to ~1.5k units and domestic LCVs dipped 69% MoM to ~1.2k units. Exports grew 22% MoM to 461 units. In light of the covid lockdowns, the company has extended its shutdown for another 2-3 weeks for Jun'21.
- **Eicher Motors'** CV segment volumes declined 43% MoM to 1.2k units.
- **Escorts'** tractor volumes were lower by just ~3% MoM at ~6.4k units. Domestic volumes declined 4% MoM to ~6.2k units while exports stood at 265 units (down 55%).

Mahindra & Mahindra's (M&M) CV segment volumes fell 49% MoM to ~7.2k units as LCVs >3.5T declined 82% MoM. Volumes in 3W segment declined 87% MoM to 272 units.

Tractor dispatches fell 35% MoM to ~24.2k units as domestic sales were down 13% MoM to ~22.8k units. With all-time high *rabi* acreage, investments in rural development schemes, monsoon trends and demand offtake post *rabi*, procurement will be the key monitorables.

- **Tata Motors'** domestic CV segment volumes fared better than peers as it dropped 35% MoM to ~9.4k units. M&HCV and LCV sales declined by 49% MoM to ~3.5k while LCVs declined just 22% at 5.8k units respectively. Overall export volumes were down just 8% MoM to ~2k units.

Table 1: Volume summary for May'21

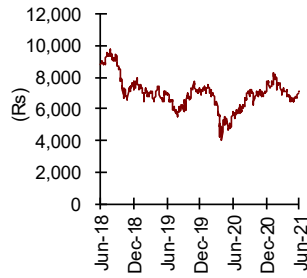
	May-20	Apr-21	May-21	YoY	MoM	YTD FY22	YTD FY21	YoY
HERO MOTOCORP								
Motorcycles	1,06,038	3,39,329	1,78,706	69	-47	5,18,035	1,06,038	389
Scooters	6,644	32,956	4,338	-35	-87	37,294	6,644	461
Total	1,12,682	3,72,285	1,83,044	62	(51)	5,55,329	1,12,682	393
BAJAJ AUTO								
Domestic	39,286	1,26,570	60,342	54	(52)	1,86,912	39,286	376
Exports	73,512	2,21,603	1,80,212	145	(19)	4,01,815	1,05,521	281
Motorcycles	1,12,798	3,48,173	2,40,554	113	(31)	5,88,727	1,44,807	307
Domestic	788	7,901	488	(38)	(94)	8,389	788	965
Exports	13,542	31,942	30,820	128	(4)	62,762	19,411	223
3 Wheelers	14,330	39,843	31,308	118	(21)	71,151	20,199	252
Total Bajaj Auto	1,27,128	3,88,016	2,71,862	114	(30)	6,59,878	1,65,006	300
Domestic	40,074	1,34,471	60,830	52	(55)	1,95,301	40,074	387
Exports	87,054	2,53,545	2,11,032	142	(17)	4,64,577	1,24,932	272
TVS MOTORS								
Motorcycles	26,772	1,33,227	1,25,188	368	(6)	2,58,415	26,772	865
Scooters	16,100	65,213	19,627	22	(70)	84,840	16,100	427
Mopeds	13,326	27,753	9,601	(28)	(65)	37,354	13,326	180
2-Wheelers	56,198	2,26,193	1,54,416	175	(32)	3,80,609	64,332	492
Domestic	41,067	1,31,386	52,084	27	(60)	1,83,470	41,067	347
Exports	15,131	94,807	1,02,332	576	8	1,97,139	23,265	747
3-Wheelers	2,688	12,790	12,473	364	(2)	25,263	4,194	502
Domestic	132	412	131	(1)	(68)	543	132	311
Exports	2,556	12,378	12,342	383	(0)	24,720	4,062	509
Total TVS Motors	58,886	2,38,933	1,66,889	183	(30)	4,05,872	68,526	492
Domestic	41,199	1,31,798	52,215	27	(60)	1,84,013	41,199	347
Exports	17,687	1,07,185	1,14,674	548	7	2,21,859	27,327	712
EICHER MOTORS								
LCV/MCV Trucks	-	1,184	649	-	(45)	1,833	-	-
LCV/MCV Bus	-	191	132	-	(31)	323	-	-
HCVs	-	721	394	-	(45)	1,115	-	-
Total Eicher	-	2,096	1,175	-	(44)	3,271	-	-
Volvo Trucks	-	49	48	-	(2)	97	-	-
Total HCVs (VECV)	-	770	442	-	(43)	1,212	-	-
Total CVs (VECV)	686	2,145	1,223	78	(43)	3,368	771	337
Royal Enfield (RE)	19,113	53,298	27,294	43	(49)	80,592	19,204	320
of which, RE exports	684	4,509	7,221	956	60	11,730	684	1,615
Total RE + VECV	19,799	55,443	28,517	44	(49)	83,960	19,975	320
MARUTI SUZUKI								
Mini	1,995	25,041	4,760	139	(81)	29,801	1,995	1,394
Compact	6,262	72,318	20,343	225	(72)	92,661	6,262	1,380
Super Compact	-	-	-	-	-	-	-	-
Mid-Size	192	1,567	349	82	(78)	1,916	192	898
Passenger Cars	8,449	98,926	25,452	201	(74)	1,24,378	8,449	1,372
Utility Vehicles	3,636	25,484	6,355	75	(75)	31,839	3,636	776
Vans	1,617	11,469	1,096	(32)	(90)	12,565	1,617	677
Utility Vehicles + Vans	5,253	36,953	7,451	42	(80)	44,404	5,253	745
Domestic PV Sales	13,702	1,35,879	32,903	140	(76)	1,68,782	13,702	1,132
Light Commercial Vehicles	163	1,272	868	433	(32)	2,140	163	1,213
Sales to OEM	23	5,303	1,522	6,517	(71)	6,825	23	29,574
Total Domestic Sales	13,888	1,42,454	35,293	154	(75)	1,77,747	13,888	1,180
Exports	4,651	17,237	11,262	142	(35)	28,499	5,283	439
Total Maruti Suzuki	18,539	1,59,691	46,555	151	(71)	2,06,246	19,171	976
MAHINDRA & MAHINDRA								
Utility Vehicles	3,745	18,186	7,748	107	(57)	25,934	3,745	592
Cars & Vans	122	99	256	110	159	355	122	191
Passenger Vehicles	3,867	18,285	8,004	107	(56)	26,289	3,867	580
LCV < 3.5 T	5,121	13,771	7,048	38	(49)	20,819	5,121	307
LCV > 3.5T	10	171	31	209	(82)	202	10	1,918
M&HCV	39	162	157	303	(3)	319	39	719
Commercial Vehicles	5,170	14,104	7,236	40	(49)	21,340	5,170	313
Three-Wheelers	39	2,043	272	597	(87)	2,315	39	5,836
Total Domestic Sales	9,076	34,432	15,512	71	(55)	49,944	9,076	450
Exports	484	2,005	1,935	300	(3)	3,940	1,217	224
Total Auto Sales	9,560	36,437	17,447	83	(52)	53,884	10,293	424
Tractors Domestic	24,017	26,130	22,843	(5)	(13)	48,973	28,733	70
Tractors - Exports	324	1,393	1,341	314	(4)	2,734	380	619
Total Tractor Sales	24,341	27,523	24,184	(1)	(12)	51,707	29,113	78
Total Auto + Tractors	33,901	63,960	41,631	23	(35)	1,05,591	39,406	168

	May-20	Apr-21	May-21	YoY	MoM	YTDFY22	YTDFY21	YoY
ESCORTS AGRI MACHINERY								
Domestic	6,454	6,386	6,158	(5)	(4)	12,544	7,067	78
Exports	140	593	265	89	(55)	858	232	270
Total	6,594	6,979	6,423	(3)	(8)	13,402	7,299	84
ASHOK LEYLAND								
M&HCV	266	4,333	1,953	634	(55)	6,286	266	2,263
LCV (Dost)	1,154	4,007	1,246	8	(69)	5,253	1,154	355
Total	1,420	8,340	3,199	125	(62)	11,539	1,420	713
TATA MOTORS								
M&HCV	442	6,955	3,547	702	(49)	10,502	442	2,276
LCV	824	7,480	5,824	607	(22)	13,304	824	1,515
Utility	2,080	16,559	7,082	240	(57)	23,641	2,080	1,037
Cars	1,072	8,536	8,099	655	(5)	16,635	1,072	1,452
Total Domestic Sales	4,418	39,530	24,552	456	(38)	64,082	4,418	1,350
Exports	222	2,328	2,109	850	(9)	4,437	222	1,899
Total Tata Motors	4,640	41,858	26,661	475	(36)	68,519	4,640	1,377
HONDA CARS INDIA								
Domestic	375	9,072	2,032	442	(78)	11,104	375	2,861
Exports	1,525	970	NA	(100)	(100)	970	1,525	(36)
Total	1,900	10,042	2,032	7	(80)	12,074	1,900	535
TOYOTA KIRLOSKAR								
Domestic	1,639	9,622	707	(57)	(93)	10,329	1,639	530
KIA MOTORS								
Total	4,563	19,820	11,050	142	(44)	30,870	4,563	577
MG MOTORS								
Total	710	2,565	1,016	43	(60)	3,581	710	404
HYUNDAI MOTOR INDIA								
Domestic	6,883	49,002	25,001	263	(49)	74,003	6,883	975
Exports	5,700	10,201	5,702	0	(44)	15,903	7,041	126
Total Hyundai Motor India	12,583	59,203	30,703	144	(48)	89,906	13,924	546
HMSI								
Domestic	54,000	2,40,122	38,763	-28	-84	2,78,885	54,000	416
Exports	3,450	42,945	19,405	462	-55	62,350	3,450	1,707
Total HMSI	57,450	2,83,067	58,168	1	(79)	3,41,235	57,450	494

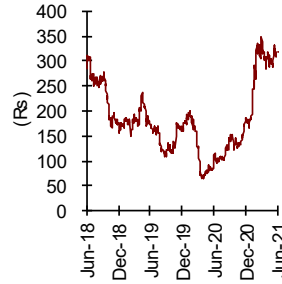
Source: Company data, I-Sec research; NA-Not Available at time of release

Price charts

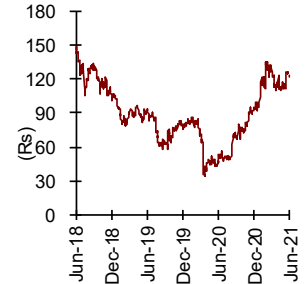
Maruti Suzuki



Tata Motors



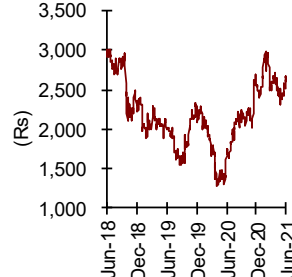
Ashok Leyland



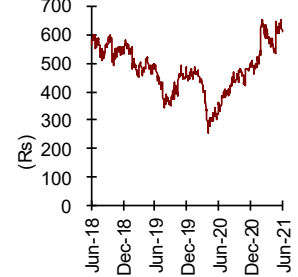
Hero MotoCorp



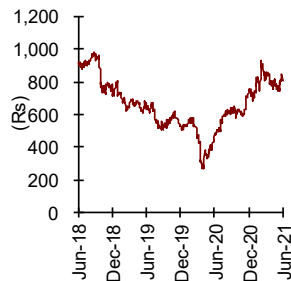
Eicher Motors



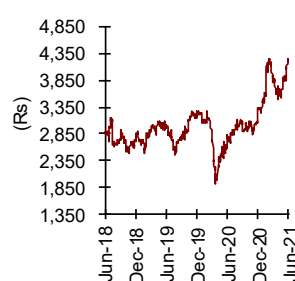
TVS Motors



M&M



Bajaj Auto



Source: Bloomberg

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