

Monthly Auto Sales (April-19)

3 May 2019

Exhibit: 1

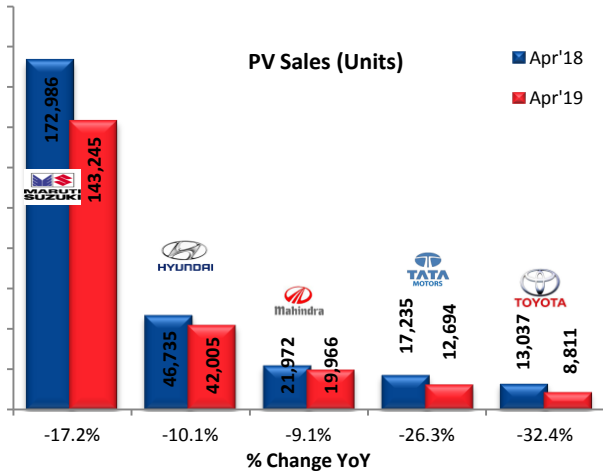


Exhibit: 2

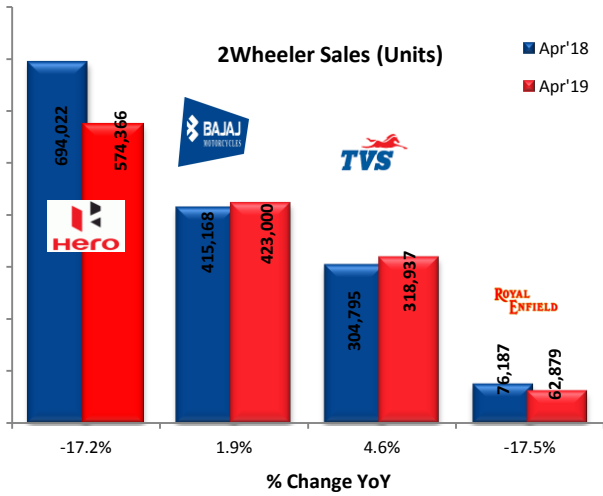
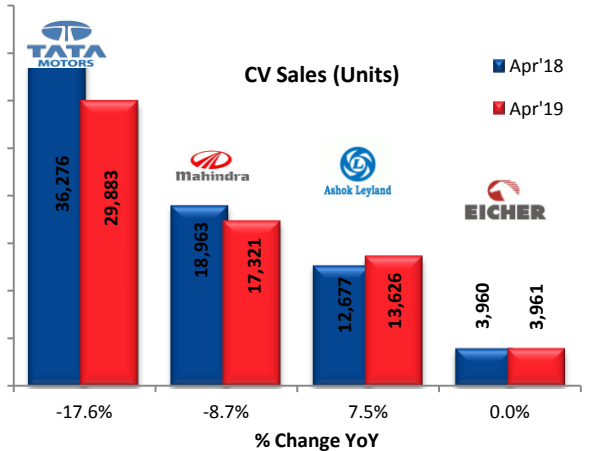


Exhibit: 3



Disappointing start to FY19

In the month of April 2019, the passenger vehicles sales witnessed a sharp decline on account of uncertainties surrounding elections, increase in cost of ownership and liquidity issues. Historically, passenger car sales tend to slow down during elections (dropped by 10% YoY in April 2014). Commercial vehicle sales declined by ~10% YoY. In the Two wheeler segment, Hero and Eicher motors posted a sharp decline owing to muted customer sentiments in urban markets and spike in insurance costs. MHCV sales continue to decline impacted by new axle load norms and LCV sales growth has also begun to show signs of softness.

Market leader posts sharp decline

- Maruti Suzuki sold 143,245 units in April 2019, registering de-growth of 17.2% YoY. The domestic PV sales witnessed a muted de-grew by 19.6% YoY to 131,385 units. The compact and mini segment (WagonR, Alto, Swift, Ignis, Dzire, Baleno) declined by 22% YoY on account of stiff competition in the low cost segment, change in trend towards UVs, and increasing use of cabs. The mid- Size segment (Ciaz) declined by 45% YoY dragging overall growth.
- Hyundai Motor India's domestic sales declined by 10.1% YoY in the month of April 2019; the company sold a total of 42,005 units as compared to 46,735 units in April 2018. The company would be launching its sub compact SUV Hyundai Venue in the month of May 2019.
- M&M reported a decline of 9.1% YoY in the month of April 2019. The company sold 19,966 units (comprising UVs, Cars, and Vans) in April 2019 as compared to 21,972 units in April 2018.
- Tata Motors sales declined by 26.3% to 12,694 units compared to 17,235 units in April 2018 on account of weak consumer sentiments.
- Toyota Kirloskar Motor's domestic sales de-grew by 32.4% YoY to 8,811 units as against 13,037 units in same month last year.

Two wheeler sales, a mixed bag.

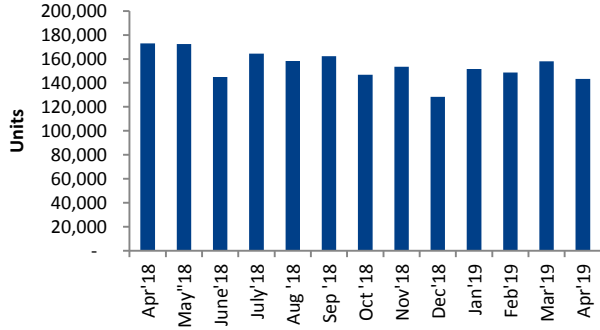
- The market leader, Hero Motocorp reported sales of 574,366 units in April 2019, a decline of 17.2% YoY as compared to 694,022 units in same month last year
- Bajaj Auto witnessed an overall sales growth of 1.9% YoY to 423,000 units in April 2019 as compared to 415,168 units sold in April 2018.
- TVS Motor's two-wheeler domestic sales increased by 4.6% YoY to 318,937 units in April 2019 as against 304,795 units in April 2018.
- Royal Enfield sales stood at 62,879 units in 2019, a decline of 17.5% YoY as compared to 76,187 units sold in April 2018.

MHCV sales continue to decline.

- Tata Motor's CV sales declined by 17.6% YoY to 29,883 units in April 2019 as against 39,276 units in same month last year. MHCV sales declined 33% YoY while LCVs witnessed a growth of 10% YoY.
- M&M's total CV sales declined by 8.7% YoY to 17,321 units in April 2019 as against 18,963 units in same month last year.
- Ashok Leyland's total sales grew by 7.5% YoY to 13,626 units in April 2019 as against 12,677 units in same month last year. Domestic MHCV sales grew by 8% YoY to 8,918 units while LCV's grew by 14% YoY.
- Eicher Motor's sales remained flat YoY at 3,961 units in April 2019 as against 3,960 units in same month last year.

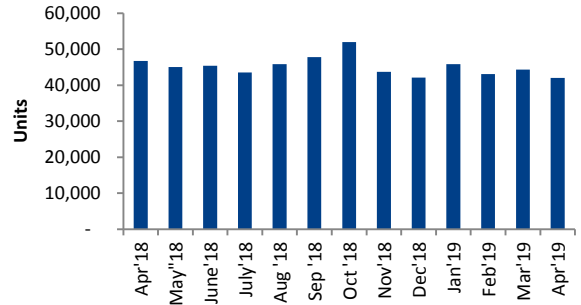
Outlook: We expect PV sales to remain under pressure in the month of May on account of uncertainties surrounding elections. However, post elections we expect demand to pick up in 2Q/3Q coupled with festival season and a low base. Commercial vehicle sales would continue to face challenges on account of the temporary pause in the economy and deferral of purchases on account of elections, 20% carrying capacity increase on account of revised axle load norms and a high base. However, we expect commercial vehicle sales growth in 2H FY20E to be better on account of pre buying ahead of BS-VI implementation in April 2020.

Exhibit 1: MSIL's PV sales trend



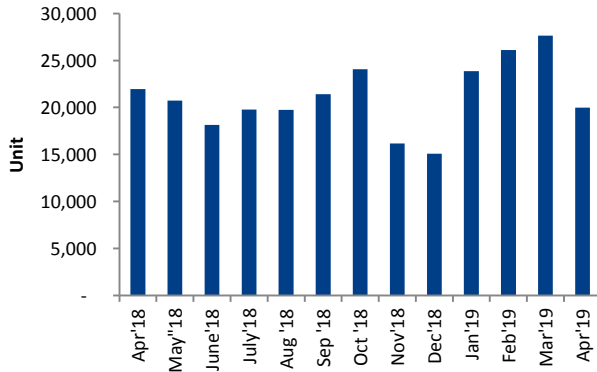
Source: company, CSEC Research

Exhibit 2: Hyundai's PV sales trend



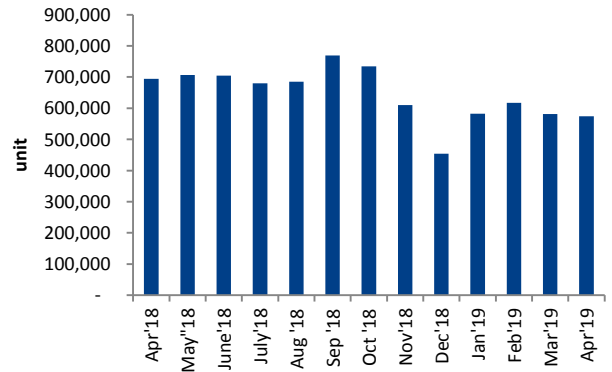
Source: company, CSEC Research

Exhibit 3: M&M's PV sales trend



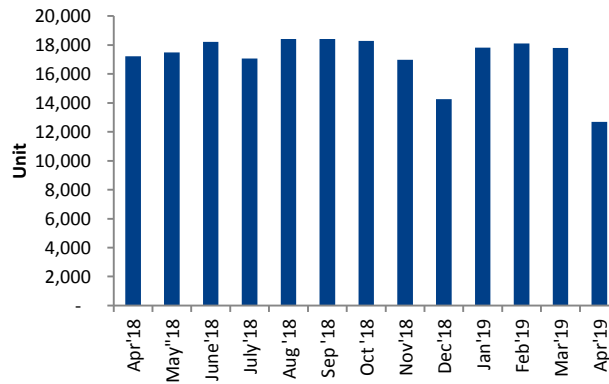
Source:Company, CSEC Research

Exhibit 4: Hero Motor's 2Ws sales trend



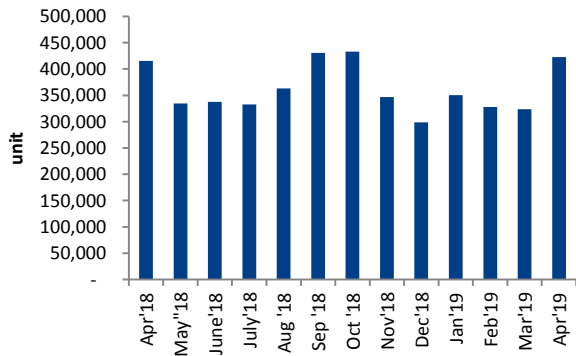
Source:Company, CSEC Research

Exhibit 5: TML's PV sales trend



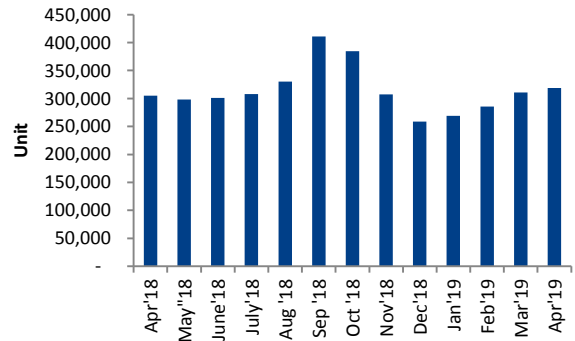
Source:Company, CSEC Research

Exhibit 6: Bajaj Auto 2Ws sales trend



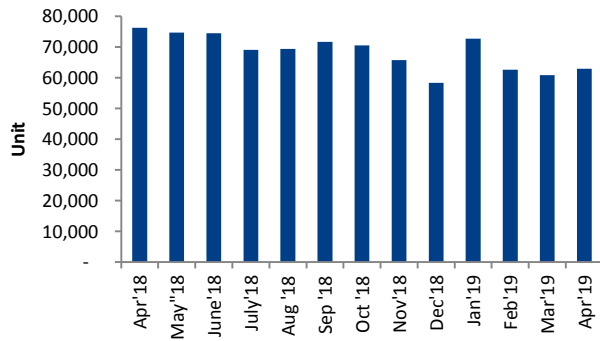
Source:Company, CSEC Research

Exhibit 7: TVS Motor's 2Ws sales trend



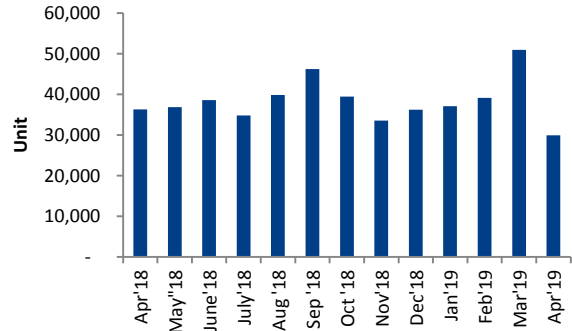
Source:Company, CSEC Research

Exhibit 8: RE sales trend



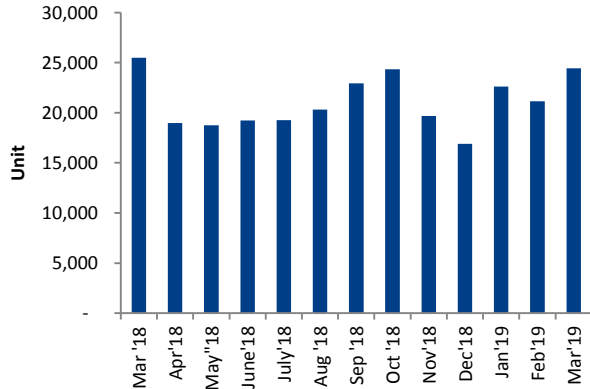
Source:Company, CSEC Research

Exhibit 9: Tata Motor's CV sales trend



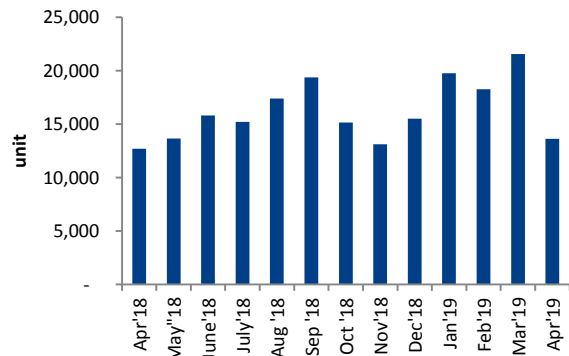
Source:Company, CSEC Research

Exhibit 10: M&M's CV sales trend



Source:Company, CSEC Research

Exhibit 11: Ashok Leyland's CV sales trend



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