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## AUTOMOBILES

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# Festive Auto Sales: 4Ws do well, 2Ws steady; tractors strong

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**Auto sales continued their upward trajectory in November with healthy YoY growth propelled by festive demand. Domestic PV industry sales increased 9% YoY and HMCL's 2W volumes surged 14%. MHCV sales continued to improve from previous months though volumes still slipped 14% YoY for AL while its LCVs were up 32%. Tractor sales grew 56%/33% YoY for MM/ESC. Our channel checks suggest that 4W festive demand was better than expected while 2W sales languished. Inventories continue to be high for 2Ws.**

**PV sales rise:** Maruti's (MSIL) dispatches increased 2% YoY to 153.2k units in Nov'20 with exports rising sharply by 30%. Growth was led by the midsize segment (+29% albeit off a low base), vans (+10%) and UVs (+2%). Our dealer checks suggest that 'WagonR' and 'Ertiga' formed ~50% of sales during the festive season and the supply from MSIL to dealers fell short of demand. PV sales for M&M (MM) were up 24% YoY while Hyundai Motors saw a 9% rise. New entrant KIA continued to outperform, growing 50% YoY. Tata Motors also posted strong 104% growth.

**2W sales steady; 3Ws struggle:** Hero's (HMCL) wholesale volumes surged 14% YoY to 591.1k in Nov'20, with scooter sales clocking 32% growth and motorcycles increasing 13% YoY. 2W sales for Bajaj Auto (BJAUT) rose 12% YoY to 384.9k, while TVS Motor (TVSL) saw a 25% increase to 311.5k units. 3W sales for TVSL and BJAUT continued to languish, falling 35% and 38% YoY respectively. Royal Enfield reported total 2W sales of 63.8k units (+6% YoY).

**MHCV sales improving on monthly basis:** Ashok Leyland's (AL) CV sales increased 5% YoY to 10.7k units. MHCVs continued to improve MoM but were down 14% YoY, whereas LCVs were up 32% YoY. In FY21 YTD, AL's sale volumes have plunged 50% YoY, led by a steep 66% drop in MHCVs and a 26% decline in LCVs.

**Tractors dispatches strong on low inventory levels:** MM sold 32.7k tractors (+56% YoY) in Nov'20 and competitor Escorts (ESC) sold 10.2k units (+33% YoY). Tractor demand outlook remains healthy. According to MM, demand continues to be robust, fuelled by an excellent festive season with strong retail sales during Dhanteras and Diwali and lower inventories at the dealer level.

## Four-wheelers

### FIG 1 – ASHOK LEYLAND

| Segment | Nov-20 | Nov-19 | YoY (%) | Oct-20 | MoM (%) | YTD FY21 | YTD FY20 | YoY (%) |
|---|---|---|---|---|---|---|---|---|
| M&HCV | 5,114 | 5,966 | (14.3) | 4,588 | 11.5 | 18,659 | 54,631 | (65.8) |
| LCV | 5,545 | 4,209 | 31.7 | 5,401 | 2.7 | 25,247 | 33,952 | (25.6) |
| **Total domestic sales** | **10,659** | **10,175** | **4.8** | **9,989** | **6.7** | **43,906** | **88,583** | **(50.4)** |

Source: Company, BOBCAPS Research

### FIG 2 – MARUTI SUZUKI

| Segment | Nov-20 | Nov-19 | YoY (%) | Oct-20 | MoM (%) | YTD FY21 | YTD FY20 | YoY (%) |
|---|---|---|---|---|---|---|---|---|
| Domestic sales | 144,219 | 143,686 | 0.4 | 172,862 | (16.6) | 754,727 | 974,963 | (22.6) |
| Exports | 9,004 | 6,944 | 29.7 | 9,586 | (6.1) | 50,673 | 70,013 | (27.6) |
| **Total sales** | **153,223** | **150,630** | **1.7** | **182,448** | **(16.0)** | **805,400** | **1,044,976** | **(22.9)** |

Source: Company, BOBCAPS Research

### FIG 3 – MAHINDRA & MAHINDRA

| Segment | Nov-20 | Nov-19 | YoY (%) | Oct-20 | MoM (%) | YTD FY21 | YTD FY20 | YoY (%) |
|---|---|---|---|---|---|---|---|---|
| Passenger vehicles | 18,212 | 14,637 | 24.4 | 18,622 | (2.2) | 88,309 | 137,168 | (35.6) |
| - Utility vehicles | 17,971 | 14,161 | 26.9 | 18,317 | (1.9) | 86,959 | 130,939 | (33.6) |
| - Cars + Vans | 241 | 476 | (49.4) | 305 | (21.0) | 1,350 | 6,229 | (78.3) |
| Commercial vehicles | 19,029 | 17,384 | 9.5 | 20,598 | (7.6) | 102,523 | 142,085 | (27.8) |
| 3-wheelers | 3,854 | 6,593 | (41.5) | 3,118 | 23.6 | 8,001 | 44,414 | (82.0) |
| **Total domestic sales** | **41,095** | **38,614** | **6.4** | **42,338** | **(2.9)** | **198,833** | **323,667** | **(38.6)** |
| Exports | 1,636 | 2,621 | (37.6) | 2,021 | (19.0) | 9,932 | 20,723 | (52.1) |
| **Total auto sales** | **42,731** | **41,235** | **3.6** | **44,359** | **(3.7)** | **208,765** | **344,390** | **(39.4)** |
| Tractor domestic | 31,619 | 20,414 | 54.9 | 45,588 | (30.6) | 232,111 | 217,064 | 6.9 |
| Tractor exports | 1,107 | 618 | 79.1 | 970 | 14.1 | 6,076 | 7,571 | (19.7) |
| **Total tractor sales** | **32,726** | **21,032** | **55.6** | **46,558** | **(29.7)** | **238,187** | **224,635** | **6.0** |

Source: Company, BOBCAPS Research

### FIG 4 – ESCORTS

| Segment | Nov-20 | Nov-19 | YoY (%) | Oct-20 | MoM (%) | YTD FY21 | YTD FY20 | YoY (%) |
|---|---|---|---|---|---|---|---|---|
| Tractors | 10,165 | 7,642 | 33.0 | 13,664 | (25.6) | 66,420 | 61,796 | 7.5 |
| **Total sales** | **10,165** | **7,642** | **33.0** | **13,664** | **(25.6)** | **66,420** | **61,796** | **7.5** |

Source: Company, BOBCAPS Research

## Two-wheelers

### FIG 5 – HERO MOTOCORP

| Segment | Nov-20 | Nov-19 | YoY (%) | Oct-20 | MoM (%) | YTD FY21 | YTD FY20 | YoY (%) |
|---|---|---|---|---|---|---|---|---|
| 2-wheelers | 591,091 | 516,775 | 14.4 | 806,848 | (26.7) | 3,776,048 | 4,650,363 | (18.8) |
| **Total sales** | **591,091** | **516,775** | **14.4** | **806,848** | **(26.7)** | **3,776,048** | **4,650,363** | **(18.8)** |

Source: Company, BOBCAPS Research

### FIG 6 – ROYAL ENFIELD

| Segment | Nov-20 | Nov-19 | YoY (%) | Oct-20 | MoM (%) | YTD FY21 | YTD FY20 | YoY (%) |
|---|---|---|---|---|---|---|---|---|
| Up to 350cc | 57,418 | 56,204 | 2.2 | 60,467 | (5.0) | 307,203 | 425,246 | (27.8) |
| Exceeding 350cc | 6,364 | 4,207 | 51.3 | 6,424 | (0.9) | 31,167 | 57,307 | (45.6) |
| Exports | 4,698 | 2,119 | 121.7 | 4,033 | 16.5 | 20,174 | 29,501 | (31.6) |
| **Total sales** | **63,782** | **60,411** | **5.6** | **66,891** | **(4.6)** | **338,370** | **482,553** | **(29.9)** |

Source: Company, BOBCAPS Research

### FIG 7 – TVS MOTOR

| Segment | Nov-20 | Nov-19 | YoY (%) | Oct-20 | MoM (%) | YTD FY21 | YTD FY20 | YoY (%) |
|---|---|---|---|---|---|---|---|---|
| Total 2-wheeler sales | 311,519 | 249,350 | 24.9 | 382,121 | (18.5) | 1,784,044 | 2,283,620 | (21.9) |
| Total 3-wheeler sales | 11,190 | 17,232 | (35.1) | 12,603 | (11.2) | 68,786 | 115,357 | (40.4) |
| **Total sales** | **322,709** | **266,582** | **21.1** | **394,724** | **(18.2)** | **1,852,830** | **2,398,977** | **(22.8)** |

Source: Company, BOBCAPS Research

### FIG 8 – BAJAJ AUTO

| Segment | Nov-20 | Nov-19 | YoY (%) | Oct-20 | MoM (%) | YTD FY21 | YTD FY20 | YoY (%) |
|---|---|---|---|---|---|---|---|---|
| Motorcycles | 384,993 | 343,446 | 12.1 | 470,290 | (18.1) | 2,219,677 | 2,809,226 | (21.0) |
| 3-wheelers | 37,247 | 59,777 | (37.7) | 41,748 | (10.8) | 211,041 | 477,970 | (55.8) |
| **Total sales** | **422,240** | **403,223** | **4.7** | **512,038** | **(17.5)** | **2,430,718** | **3,287,196** | **(26.1)** |
| Exports of above | 223,307 | 195,448 | 14.3 | 230,878 | (3.3) | 1,185,776 | 1,474,412 | (19.6) |

Source: Company, BOBCAPS Research

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